

Indigenous community economic development: can economics cope with culture?

Presentation by Jody Broun, Director General, NSW Department of Aboriginal Affairs, at the NCROSS/Institute for Sustainable Futures "Window on Economics" seminar series, 2 August 2005.

- Good Evening
- I would firstly like to acknowledge the traditional owners of the land we meet on today, the Gadigal people of the Eora Nation.
- The topic of **can economics cope with culture** is a challenging one because it goes to the heart of the traditions and cultural mores of Aboriginal people and the modern economy in which Aboriginal people must operate in. Although Aboriginal people are involved in economic development, and I will highlight some examples I don't think we are yet seeing widespread planning by Aboriginal communities to involve themselves in economic development enterprises. We can certainly point to several communities, and say here is an example of economic development melding well with culture. But overall among Aboriginal communities, especially here in NSW, it has not quite gained the ground it needs to.
- We can see the need for Aboriginal people to be more involved in the economy when we look at the statistics of Aboriginal people's participation in the economy.
- The recently released Productivity Commission's Overcoming Indigenous Disadvantage Report or OID, which highlighted that participation of Indigenous people in the economy closely aligned with living standards and overall wellbeing. While this may seem obvious I believe the link between economic development and improvements in areas such as health, justice and education, cannot be overstated.
- But sadly OID highlights under participation in the workforce and business sector. For instance, employment participation and economic development is an area requiring urgent action. Indigenous labour force participation is just 50% compared with 63% for other Australians, and Indigenous unemployment is three times that of the non-Indigenous population. Indigenous unemployment would be much higher

again without the Community Development Employment Program (CDEP) which accounts for about one third of Indigenous employment. Indigenous income levels are less than two thirds of those of other Australians.

- The rapid growth in the Indigenous population, 50% are under 20 compared with 27% for other Australians adds a further urgency to this challenge.
- So what does Economic Development mean for Aboriginal people?
- Indigenous Economic Development should accommodate the diversity of Aboriginal peoples' aspirations and situations. This includes both the right to maintain culture and values and to participate fully in their social and economic life. To take account of this, economic development as it relates to Aboriginal people, could be more broadly defined as a process of enhancing opportunities to maximise the potential of Indigenous people to increase their wealth and wellbeing.
- This definition includes participation in the employed workforce, in productive customary activities that generate non-cash or subsistence income, and in the operation and management of business. It also includes the generation of wealth by communities through both active and passive investments and through the use of the Indigenous land asset base.
- In practice, Indigenous Economic Development will require efforts to achieve results across all these areas. By doing so, there is potential for economic benefits to compound – for example, improved job outcomes can lead to greater involvement in business; better asset use land can lead to improved job and business opportunities; jobs and business can lead to the accumulation and use of more assets.
- A 2003 paper by Mick Dodson and Diane Smith titled, "*Governance for sustainable development: Strategic issues and principles for Indigenous Australian communities*" discusses the concept of Indigenous economic development and what some of the barriers are.

- The paper talks about how the cultural values of Indigenous people and Indigenous conceptions of development fit and what are current barriers to Indigenous people sustaining development.
- Questions Indigenous people may ask when considering sustainable development include:
 - What kinds of activities and changes might be acceptable now and acceptable to people over the generations;
 - Will the economic or other benefits of current development initiatives still be available for future generations;
 - Might future negative impacts outweigh any benefits;
 - If people know now that some benefits are only short term, will those benefits nevertheless act as a building block for the capacity of future generations to meet their own needs, or will they compromise future choices.
 - Dodson and Smith say that clearly one of the greatest challenges for Indigenous people, therefore will be to integrate economic activity with their social concerns, cultural priorities and legal rights.
- This goes to the heart of **Can economics cope with culture.**
- Dodson and Smith also pointed out that there are barriers to sustaining community development for Indigenous people, these include:
 - Indigenous people have highly variable or no property rights and resource rights.
 - Indigenous land restricts development, and land returned to Indigenous ownership has been badly degraded by previous non-Indigenous land owners and requires substantial financial inputs and rehabilitation.
 - Many communities are remote from markets and have high transportation costs small populations and low economies of scale.
 - Indigenous organisations and individuals lack financial management and business skills, and overall poor levels of financial literacy.

- It is hard for small Indigenous organisations and communities and remote communities to secure the services of experienced professional staff and to keep them. We also find this a problem in government, getting qualified people appointed to positions in regional areas.
- Now although I do believe that economics can cope with culture some reports argue that culture itself is a barrier to development. It is argued that Aboriginal cultural values, traditional collective structures and consensus decision making hold back economic development. They are said to be at odds with western ideas of capitalism and the marketplace, and to undermine individual and family enterprise initiatives that require savings and profit making. I will come back to this point later.... (refer to section on land).

Two Ways Together

- So what is the NSW Government's role in Aboriginal economic development. As I highlighted earlier, given the strong links between economic development and wellbeing, both Government and Aboriginal communities see this as a priority issue. Economic development is consistently highlighted in local and regional community plans as a priority. However, it could be said that governments have a difficult time in working in economic development, particularly as it is recognised that in the past government efforts to address Indigenous issues are spread across many departments and agencies, often resulting in fragmented and uncoordinated program activity and reduced program effectiveness. Also some believe the topic is completely outside government's domain and that government needs to let market forces and the business sector more generally lead the way.
- I do not share this view and nor do other areas of government. In fact, in November 2000, the Council of Australian Governments, known as COAG, agreed that all governments would work together to improve the social and economic well being of Indigenous people and communities.
- An example in NSW is the Department of State and Regional Development's which maintains a database of Aboriginal business. They are able to match these businesses with private sector or government contracting agencies across the whole

of NSW. Therefore if RTA are building a road and need workers to contract for roadside vegetation they can contact SARD who will link RTA to local available Aboriginal businesses who have these skills. This is a great example of the value that government can add.

- In NSW, through the State Government's 10 year Aboriginal Affairs Plan *Two Ways Together*, economic development stands alongside health and education as a key indicator. The goal is to increase economic opportunities for Aboriginal people and communities through better education and training options, improved access to employment and business mentoring. My Department the Department of Aboriginal Affairs is leading whole of government action on Two Ways Together.
- Under *Two Ways Together* government agencies with a role to play in economic development are compelled to work together, and in partnership with Aboriginal people, to bring about improvements. Statewide, regional and local action plans are being developed under Two Ways together, all to date highlight economic development as a priority.
- Through *Two Ways Together*, the cluster of government agencies working together on economic development are focussing on the following areas to improve opportunities and capacities for Aboriginal people to participate in the economy: employment; Aboriginal enterprise; land utilisation; and training and skills development. In deciding what particular actions would be taken we needed to take account that:
 - In 2001 the rate of Indigenous unemployment in NSW was more than four times higher than that of the total population (23.1% compared with 7.2%) and in all ATSI regions the unemployment rate was higher than for the non-Indigenous population, with the highest rate in the Kamilaroi region.
 - According to the 2001 Census, Aboriginal and Torres Strait Islander people are over-represented as intermediate production and transport workers, intermediate clerical sales and services workers, and in labourer occupations and are under-represented in the manager, administration and professional occupations (approximately four per cent compared with ten per cent of the total population).

- The majority of Indigenous males, across all ages, earn between \$120 and \$190 per week. The majority of Indigenous females across all ages, earn between \$200 and \$399 per week.
 - In 2001 Indigenous households were most highly represented in the \$300-\$399 per week bracket, compared with non-Indigenous households who were most highly represented in the \$1,500-\$1,999 per week bracket.
 - Total lands either owned or controlled by Indigenous communities as of December 2003 is 713,320 hectares, or 0.45 per cent of NSW.
 - The total number of Indigenous business operators in NSW is 2,145, this is 0.5% of the total number of the non-Indigenous business operators (461,453). Of the Indigenous population of NSW, 1.8 per cent are small business operators, this compares to 7.5% of the non-Indigenous population of NSW.
- Current TWT economic development actions that have been elevated to include
 - **Regional Aboriginal Employment Program where** DAA and NSW agencies collaborate with the Commonwealth departments (Employment and Workplace Relations and Office of Indigenous Policy Coordination) to develop cross-agency initiatives that expand the implementation of regional Aboriginal employment strategies.
 - **Aboriginal Business Product Development where** Tourism NSW is coordinating an Aboriginal Business Product Development model using a group of 30 potential tour operators
 - **Promoting the use of the Aboriginal Participation in Construction - Implementation Guidelines** to increasing the number of Aboriginal firms and individuals awarded contracts in government-funded construction projects.
 - **Scoping new opportunities for natural resources Investment** and use, through CMA Catchment Action Plans and the Aboriginal Water Trust. Effectively this involves DAA and DIPNR are assisting Aboriginal communities to develop ways to use their water assets as a means of driving social and economic development.

National Agenda

- TWT feeds into the national agenda on economic development.
- At a national level, states and territories are working together to build better relationships with industry groups in sectors that involve Aboriginal people. It is through these partnerships that we are aiming for both government agencies and industry groups to develop a greater understanding of culture and explore ways in which Aboriginal culture can be accommodated and enriched.
- Economic development is becoming a priority for the Commonwealth Government, the National Indigenous Council would like to see more Aboriginal communities participate in economic enterprises. We are of course seeing this happen, we are seeing the economy and culture work and it is happening on different levels and in different ways. I would like to outline several key examples of how economics can inform.

Tourism

- So, how is government playing a role in promoting economic development and assisting Aboriginal people develop economic development opportunities.
- The tourism industry is of course the most obvious example of Aboriginal people undertaking economic enterprises with a link to culture.
- Earlier in the year the Department provided sponsorship to the inaugural Indigenous Tourism Expo held at the Opera House. The expo, the first of its kind held in Australia, showcased Indigenous tourism operators across Australia, from the Kimberley and NT to businesses here in Sydney. The businesses ranged from cultural centres, bushwalking tours and art tour to traditional lands.
- Included in the expo where the three premium NSW Aboriginal owned tourism operators, Murru Mittigar a cultural centre in Penrith which has cracked the Asian tourism market of Japanese, Korean and Chinese tourists with their boomerang throwing, art gallery and nursery which grows bush foods. There is Harry Nanya Tours which operates tour of the Lake Mungo National Park in South-Western NSW

near Mildura, and the third is Mungo Lodge which is located in the Mungo national Park. Harry Nanya Tours and the lodge are both operated by the traditional owners and owned by Indigenous Business Australia.

- There are another 70 Aboriginal tourism operators in NSW and there is a lot of interest from Aboriginal communities across the state to use tourism as an economic driver.
- These businesses are using their culture, their traditions, their storytelling for economic benefit. The expo showed the great diversity of Indigenous culture in Australia. It is clearly evident there is a curiosity, strong interest and demand for a cultural experience by tourists, both Australian and international, making it possible for Aboriginal tourism operators to get not only a foothold in to the mainstream economy, but to be a leader in the tourism market.
- I think Indigenous cultural tourism is an area which is still yet to reach its full potential. We should remember that such cultural experiences can not only be had in the NT or Western Australia but in places like the Daintree in Queensland or here in Sydney and NSW.
- There is clearly a lot of interest from Aboriginal communities in NSW to use their culture to engage with the economy. And through the economic development work under TWT government is developing strategies to support capacity building and participation of Aboriginal people in these opportunities.

Euraba Paper Company

- We can also point to culture being behind an enterprise in the town of Boggabilla in the north of the state where the Aboriginal community, primarily from the Toomelah mission, has developed their own paper business. Known as the Euraba Paper Company the company was formed by a group of women who make paper which is used as stationary, art cards, invitations or certificates.
- The paper making process uses natural fibres, a continuation of the tradition linking the women to the ancient culture. Their female ancestors wove local fibres into baskets as part of their role in traditional life as gatherers. Today, women of all ages

from the community work together to turn 100% cotton fibre into paper. To support this the men cultivate and harvest the fibre to make this paper.

- The role Government played was to develop a specific TAFE course to support this work. To do this Government looked at their cultural needs and matched it with the economic needs of the Euraba paper company. It is worth noting that the Euraba Paper Company have won awards for their business.

Land

- Despite these examples we have to remember that for Aboriginal people economic development is much broader than just tourism and the arts. Aboriginal people have fought for rights, for recognition, fought to have our culture acknowledged and recognised, our custodianship of the land accepted.
- In NSW we have Aboriginal Land Rights Legislation with 120 Local Aboriginal Land Councils owning 616,000 hectares of land at a value of \$952 million, of which 81,000 hectares was granted through a land claim at a value of \$772 million.
- So by owning land, we have base, a foundation for Aboriginal communities to be involved in economic development. But this is by no means a simple issue.
- I will now revisit the issue I raised earlier about whether culture is a barrier to economic development. You may be aware of the current debate about the tension between individual and collective land and home ownership. Traditionally the emphasis is on collective custodianship, which is different from ownership because it is about responsibility as well as collective benefits.
- So in 2005, when Aboriginal people own 81,000 hectares of land through the land council system alone, as well having custodian responsibility for a number of national parks and a role in catchment and land management, can economic development and benefit be achieved? It is a complex question that does not have a simple answer, but what I can say is that custodianship and economic development are not mutually exclusive.

- We can look at two examples here in NSW where being the custodians of the land have benefited Aboriginal people economically.
- The Mutawintji National Park, a couple of hours west of Broken Hill was last year returned to the traditional owners to manage for cultural heritage protection. Mutawintji has some significant rock art sites and has camping facilities. There are economic benefits through the development of eco-tourism ventures which have been operating for some time, but now it is the traditional owners, the custodians who will be able to determine what economic enterprises take place.
- The Gandangara Local Aboriginal Land Council in South Western Sydney have recently begun developing land they acquired by a land claim in Menai. The land has been developed for residential housing with 40 housing lots being developed. The total value of the development will be between \$12-14 million. What has been important for Gandangara is that they didn't develop all the land they had to ensure the middens and cultural artefacts are protected. The land that is being developed has been done in an environmentally sensitive way; they wanted to ensure the land wasn't overdeveloped.
- So what is important about these two examples is that it is the Aboriginal community which is deciding how development will take place and what economic enterprise's should be established. They show that Aboriginal people will always have to balance out the need for economic development and the need to protect their cultural foundations.

ACDP

- Another less obvious example of culture and economics working is through a major program administered by DAA is the Aboriginal Communities Development Program or ACDP. The ACDP is a \$240 million program which works to build homes and infrastructure in 22 priority communities across the state.
- As part of the program we work with Community Working Party's, a group of community selected representatives, to plan and implement the work that is to take place.

- The ACDP employs local people, trains local people to do the work in their communities. This is important as it leaves capacity in the community, leaves a set of skills. It also provides a boost for the local economy as the money is spent locally.
- So the ACDP is about economics and giving opportunities to Aboriginal people to be involved in the economy through meaningful employment.
- But it is also about culture because the decision making process that operates through the ACDP is a collective one. Decision making in Aboriginal communities is holistic, it considers what the community as a whole needs.
- Through the ACDP we do not simply go in build a house and leave, we work with the community, we allow them to tell us what they need.
- Aboriginal people have different cultural needs, a different way of operating than non-Aboriginal people, we have to ensure we consider this when developing policies and programs even those which are concerned primarily with economic wellbeing than social or cultural.

The Challenge for the private Sector

- It is not only up to Indigenous people to ask if economics can cope with culture but also for private enterprise. And through TWT and the work at the national level government is working to promote these links.
- Mining companies are now working with Indigenous communities, signing agreements and developing policies to ensure they are able to access land for mining which Indigenous people may have title over.
- The days of mining companies mining where they want with Government approval are gone. There are cultural considerations they have to make, such as sacred sites. Mining companies are signing agreements with traditional owners to ensure they can still continue to operate but do in a culturally appropriate way. They are changing the way they do business to better engage with Indigenous people.

- An example of this is a recent Indigenous Land Use Agreement signed by the Argyle Diamond Mine and the traditional owners of the East Kimberley in Western Australia. Under the agreement the Argyle will increase their employment of Aboriginal people on the mine and will ensure the protection of two significant cultural sites while the traditional land owners have given consent for the proposed underground mine.
- This agreement clearly demonstrates that economics and culture are not competing forces that when both Aboriginal communities and the private sector work together and negotiate, beneficial outcomes can be reached which satisfy the commercial needs of industry and the cultural rights of Aboriginal people.
- Also, the Mining company Rio Tinto understands this need to engage with local communities, especially Aboriginal communities. They see local community support as vital to future growth.
- To ensure Aboriginal employment in the company they developed an Aboriginal Training and Liaison Program in 1992.
- The program addresses employment and training requirements of Indigenous people in the Pilbara region of Western Australia. The program was developed in response to the dispute over the Marandoo mine development in 1990. There was a legal fight in the media against the project. They realised they would have to work harder and differently to involve Indigenous people in their work to ensure future projects gained approval without legal action taking place.
- The Aboriginal Training and Liaison Program which was developed in consultation with Aboriginal people focuses on:
 - Job skills training
 - Small business development
 - Education programs
 - Cross-cultural development
 - Preservation of Aboriginal culture and heritage
- So clearly Rio Tinto has changed the way it has done business with Aboriginal people to ensure its future growth and its future development.

Conclusion

- So quite clearly economics can cope with culture or maybe we should be reversing the question, can culture cope with economics, and again the answer is yes, but I think it is important that economic development in Aboriginal communities is driven by Aboriginal people and meets the needs of individual Aboriginal communities. We must also ensure there is the capacity for Aboriginal communities to manage their involvement in economic enterprises.
- Aboriginal people should not have to give up culture to engage in economic development. And the truth is that economics has always been a part of Aboriginal culture, which traditionally involved extensive trade systems. So what I am saying is that it is economics that must cope with culture, and governments of all levels, the private sector and Aboriginal communities must work together to ensure that it happens. This is the only way we can ensure the statistics on Aboriginal wellbeing improves.