

Deloitte Access Economics

Economic
development
strategy research
Summary Report

NSW Aboriginal Land
Council

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Acronyms

ABS	Australian Bureau of Statistics
ACAA	<i>Aboriginal Councils and Associations Act 1976</i>
ALRA	<i>Aboriginal Land Rights Act 1983</i>
ATSIC	Aboriginal and Torres Strait Islander Commission
CDEP	Community Development Employment Program
CFI	Carbon Farming Initiative
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAE	Deloitte Access Economics
DEEWR	Department of Education, Employment and Workplace Relations
DHA	Department of Health and Ageing
DIICCSRTE	Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education
DRET	Department of Resources, Energy and Tourism
DSEWPaC	Department of Sustainability, Environment, Water, Population and Communities
EQHS	Establishing Quality Health Standards
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
GDP	Gross Domestic Product
HDI	Human Development Index
IBA	Indigenous Business Australia
ICT	Information and Communications Technology
IEDS	Indigenous Economic Development Strategy
ILC	Indigenous Land Corporation
JSA	Job Services Australia
LALC	Local Aboriginal Land Council
NAB	National Australia Bank
NAILSMA	North Australian Land and Sea Management Alliance
NSWALC	New South Wales Aboriginal Land Council
NSWDEC	New South Wales Department of Education and Communities
NSWOSR	New South Wales Office of State Revenue
RARE	Remote and Rural Enterprise
RDA	Regional Development Australia
RIIF	Regional Industries Investment Fund
RJCP	Remote Jobs and Communities Program
RPA	Regional Partnership Agreement
SACRED	Sydney Newcastle Alliance for Culture, Rights and Economic Development
SIOP	Statement of Investment Objectives Policy
STS	State Training Services
TAFE	Technical and Further Education
UOW	University of Wollongong

1 Introduction

Deloitte Access Economics was engaged by NSW Aboriginal Land Council (NSWALC) to undertake research to develop an evidence base to inform the development of an economic development strategy by NSWALC. This report presents a summary of that research. The full range of research undertaken for this project is presented in the associated research report.

The research has been undertaken exploring broad themes relevant to economic development, with a particular focus on those issues relevant to Aboriginal people in NSW. Consideration has also been given to identifying those issues which NSWALC and Local Aboriginal Land Councils (LALCs) can influence independently or together as the Land Rights Network.

Based on the research presented here, we have identified a number of key conclusions. These are:

- The significant regional variation across NSW means that a ‘one-size-fits-all’ approach is inappropriate – the economic development strategy should be developed in a way which allows for flexible application which reflects local circumstances.
- The greatest economic strength of the Land Rights Network is its significant land holdings:
 - Some of this land has already been utilised for a range of economic activities, for example, mining and residential development
 - Further opportunities may be found in the emerging sectors of the green economy, for example, this includes activities supported by the Carbon Farming Initiative (CFI) such as reduced methane emissions from livestock, prescribed burning of savannas and protecting native forests or vegetation
 - Some land use opportunities have been restrained by zoning restrictions, a lack of understanding of available opportunities and areas of limited organisational capacity among the Land Rights Network.
- The Land Rights Network provides a unique set of institutions which are well positioned to support the process of economic development. Given its capacities, the Land Rights Network is well positioned to support economic development by focusing on:
 - Strengthening partnerships with government, non-government organisations and the private sector to deliver investment in local job creation and training
 - Developing the capacity of LALCs to focus on identifying and implementing activities to support economic development (e.g. local partnerships, training programs and enterprise development)
 - Focusing on developing appropriate land use strategies in areas of emerging potential and drawing on existing skills (such as natural resource management and green economy industries).
 - A number of these avenues could be supported by improved information on the land holdings of the LALCs, including its likely value, sales value, zoning restrictions and the zoning restrictions or changes of nearby land.

2 What is economic development?

In its broadest sense, economic development can be thought of as progress towards a society's goals and aspirations. Growth in material wealth is central to this process but economic development also encompasses a wide variety of other factors which contribute to improvements in living standards. However, this breadth has not always been well captured by traditional measurements.

In some traditional depictions of economic development it has been almost solely equated with economic growth. In this context, economic development could be assessed purely in terms of simple measures such as Gross Domestic Product (GDP) or GDP per capita. However, despite strong economic growth, some societies have failed to achieve the full range of anticipated benefits while challenges, such as inequality and other social problems, have persisted. This reality has motivated efforts to find measures of development which are more closely aligned to human experiences.

Perhaps the most important advance in the understanding of economic development is Nobel Laureate Amartya Sen's concept of economic development as freedom. In this framework, economic development is important to the extent it allows greater freedom or enhanced capability for people to make choices about their lives. A very poor person who, for instance, lacks access to education is likely to be limited by their economic circumstances to a narrow set of life options, such as farming or working as a labourer. Economic development then, is necessary to enhance people's capability for choosing and pursuing a meaningful life. This may encompass economic growth and greater material wealth but also relates to broader issues such as access to health and education.

2.1.1 Community economic development and self-determination

In recent times there have been a range of different approaches to the concept of economic development among Aboriginal Australians. From these approaches, it is possible to identify two broad themes, namely economic development focused on the community and economic development focused on the individual.

Compared with non-Aboriginal Australians, concepts of economic development among Aboriginal Australians have often entailed a particularly strong focus on the community. Historically, this has been associated with the aspiration for greater control for Aboriginal people over their own communities, the concept of 'self-determination'. In this setting, economic development is necessary to give meaning to self-determination: creating a context in which Aboriginal people would have control over the resources necessary to provide for communities needs and chart a path for their future.

A policy supporting self-determination among Aboriginal Australians was formally adopted by the Australian Government in 1972 as a result of requests to this effect by members of several communities.¹ In this context, reforms were made to encourage Aboriginal community-level organisations to act 'as the primary instruments of Aboriginal authority at

¹ Sanders (2002)

the local and community level'.² This was associated with the creation of a range of institutions designed to generate greater economic and political autonomy for Aboriginal people – such as the Community Development Employment Program (CDEP), which has recently ceased in most parts of Australia, including all of NSW, and the now the defunct Aboriginal and Torres Strait Islander Commission (ATSIC). In addition, the Commonwealth Parliament enacted the *Aboriginal Councils and Associations Act 1976*. The ACAA provided the means by which those communities could obtain a corporate identity. The incorporation of Aboriginal communities enabled them to enter into agreements to receive funding.

More successfully, the self-determination agenda has been closely connected with the land rights movement and recognition of native title. In addition to recognising a fundamental right of Aboriginal people, recognition of land rights and native title has been seen as central to providing the resources necessary for Aboriginal political and economic self-determination.

2.1.2 The individual and capabilities development

More recent concepts of economic development have focused on the need to build capabilities of individuals to respond to the opportunities available in the mainstream Australian economy. For instance, Noel Pearson's Cape York Agenda is explicitly based on Sen's capabilities framework identified above. Noel Pearson writes:

*Our ultimate goal is to ensure that Cape York people have the capabilities to choose a life they have reason to value. Economic and social development is about expanding the choices available to people. This range of choices is enriched not only by income, but also other capabilities, such as education, health and community. Development will require access to the opportunities of the real economy.*³

The Cape York Agenda recognises that in many instances the life experiences of Aboriginal Australians are constrained by poverty, lack access to health and education opportunities, and instances of social dysfunction.

While there is a difference in focus between the concept of economic development described here and community oriented approach described above, in many respects these approaches are complimentary. For instance, Pearson identifies the importance of economic development for self-determination, stating that:

*With economic development comes empowerment. Until the indigenous people of Cape York can largely generate their own incomes they will be dependent on income transfers, where someone else takes all of the rights and responsibilities to make decisions and take actions on behalf of a relatively powerless people. Economic development is therefore closely linked to self-determination.*⁴

As such, Pearson explicitly identifies the value of self-determination for Aboriginal people. However, he builds on past concepts by focusing on the self-determination process as a

² Whitlam (1972:697) in Tsey et al (2012)

³ Pearson (2005)

⁴ Pearson (2005)

result of the choices made by individuals: ‘this is what self-determination is: exercising the right to take responsibility.’⁵

Current government policy frameworks for supporting Aboriginal economic development reflect some of these concepts of Aboriginal economic development. For instance, the Indigenous Economic Development Strategy is largely focused on supporting individual capabilities.⁶ This includes a particular focus on generating opportunities for private sector employment and enterprise, as well as recognition of the importance of education and training to achieve success in the modern economy.⁷

2.1.3 Aboriginal economic development today

We are left then with two broad concepts of economic development for Aboriginal Australians, focused on the community and the individual respectively. Importantly, these different concepts do not need to be seen as conflicting models but can be understood as complementary approaches which reflect a range of different considerations. Indeed, current attitudes among Aboriginal Australians appear to reflect a mix of these different attitudes, with an ongoing strong focus on community development and self-determination, along with a growing pursuit of economic opportunities for private gain.

These issues provide a context for understanding the research presented in the rest of this paper.

⁵ Pearson (2005)

⁶ Australian Government (2010)

⁷ Hunt (2011)

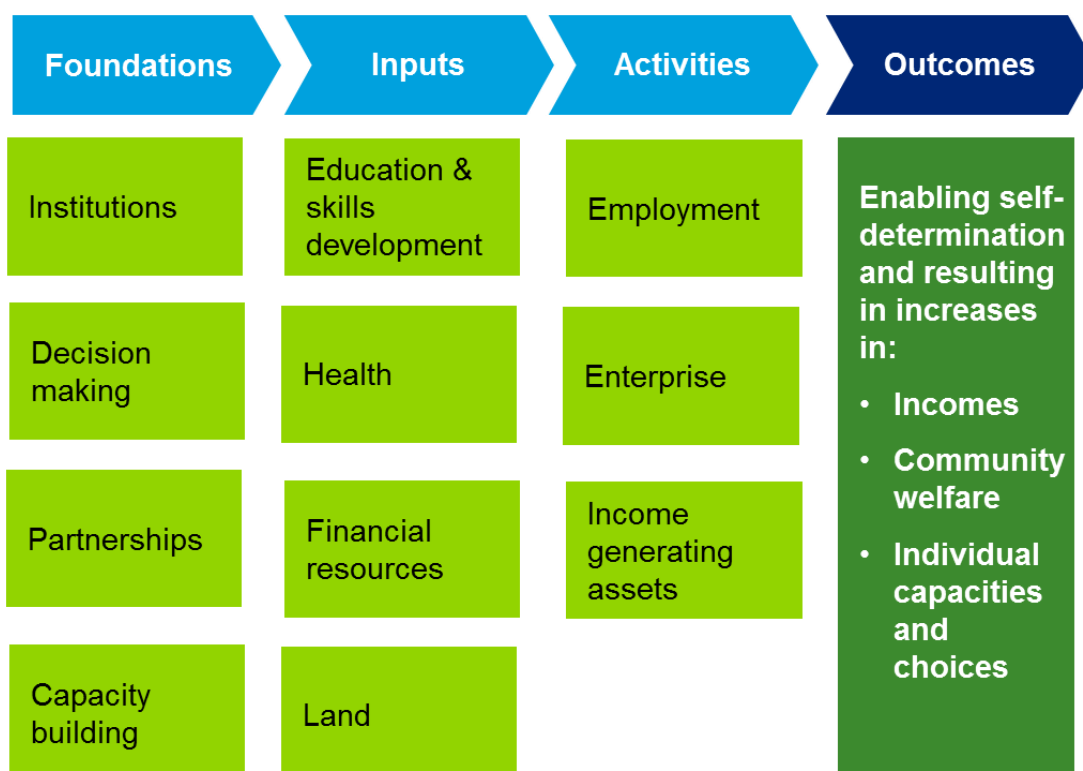
3 Context for economic development

As a model for understanding the process of economic development for Aboriginal people in NSW, we have adopted a simple framework which highlights the role of several factors relevant to this process. These frameworks consist of four layers which cover:

- the role of institutions, decision making, partnerships and capacity building – *the foundations for economic development*;
- factors which contribute directly to economic development, such as education, skills, health, land and financial resources – *the inputs to economic development*;
- methods to achieve enhanced employment, enterprise and ownership of income generating assets – *the elements of economic development*; and
- examples of the benefits of economic development – *the outcomes of economic development*.

The different layers of this framework are presented in Figure 3.1. Each of the factors identified in the light green boxes represents a component of the process to achieve economic development. The report uses this framework to cover the range of topics relevant to economic development for Aboriginal people in NSW. In discussing these issues, emphasis has been placed on those issues of particular relevance to the Land Rights Network.

Figure 3.1: Economic development framework



At the outset, it must be acknowledged that this framework represents a simplified summary of the complicated and interrelated processes associated with economic development. While it is useful to think of the different layers as components which build sequentially, in reality the relationship between these elements is rarely that simple. For instance, while education and health are both important contributors to economic development, they are also important outcomes achieved as a result of economic development, as identified in frameworks such as the UN's HDI.

Further, it must be acknowledged that the process of economic development is complicated, with much debate on how it is best achieved and how it can be applied in different settings. The framework proposed in this section does not seek to resolve these different views but to identify commonly recognised components and identify some areas of controversy.

Before proceeding, it is important to recognise that economic development in Aboriginal communities is inextricably connected to social and cultural stability. Experience and research indicates that a holistic approach to development is generally required. This involves an awareness of how Aboriginal history, traditions and customs can be incorporated into policies and programs relating to economic development. While it is not possible to canvass all these issues in the present brief review, they form an integral context which should be considered in any economic development strategy.

3.1 Foundations

The importance of getting a range of key settings right for economic development is widely recognised. This section explores a number of the elements important to getting these foundations right, focusing on the role of institutions, decision making process, developing partnerships and capacity building. These factors are of particular importance in the context of Aboriginal Australia because of a range of historical factors which have undermined these foundational elements for many Aboriginal communities. In the context of NSW, the *Aboriginal Land Rights Act 1983 (ALRA)* has significant implications for these foundational issues.

3.1.1 Institutions

The development of institutions to help achieve community aspirations has been one of the key historical struggles faced by many Aboriginal communities. Today there are a wide range of Aboriginal community organisations which play an important role in areas such as service delivery, cultural preservation, enterprise development and providing Aboriginal people with a voice.

The Land Rights Network is an important example of these institutions, having been formed in response to the desire by Aboriginal people to further their interests in relation to lands rights. The evolution of these organisations has seen them adopt a role providing a voice for Aboriginal people on a range of issues important to their community including political advocacy, cultural preservation and economic development.

Today, the Land Rights Network is perhaps the most important Aboriginal institution in NSW and the only one that is independent from government and democratically elected. By

providing a forum for community engagement, decision making and developing partnerships with other organisations, these organisations can and do play an important strategic role in supporting economic development across NSW for Aboriginal people.

Indeed, appropriate institutions are necessary to facilitate decision making and partnerships by Aboriginal communities. As explored below, getting this right can be thought of as the basis for economic development, providing a foundation on which other elements of economic development can be built.

3.1.2 Decision making

Providing Aboriginal people with the opportunity for involvement in making decisions which affect their community underpins much that is necessary for economic development. This involvement entails input on decisions by government as well as enabling the operation of Aboriginal community organisations. In the context of NSW, the electoral and decision making processes established under the ALRA shapes the decision making process for NSWALC and the LALCs, providing an opportunity for members to participate in regular elections and in the governance of the relevant LALC.

Ensuring meaningful involvement of Aboriginal people in making decisions is an important end in itself and a prerequisite for community economic development. This goal is closely linked with the rights of Aboriginal people to self-determination: creating a context in which people are empowered to chart a path for economic development which reflects the community's aspirations.

A number of success factors are identifiable across effective Aboriginal organisations. For instance, the governance of successful economic development organisations often reflects several large families or multi-clan-based arrangements. Such units reflect the continuing social structures of Aboriginal society and have real legitimacy with the constituency they are intended to serve⁸.

The importance of effective engagement of Indigenous people in the process of economic development has also been demonstrated internationally. For instance, in the USA and Canada researchers have identified the importance of a 'nation-building' approach with Indigenous tribal groups rather than a basic focus on providing employment opportunities⁹

Finally, one of the key merits of appropriate decision making processes is their importance for underpinning legitimate partnerships between Aboriginal people in NSW and other decision making organisations.

3.1.3 Partnerships

Collaborative partnerships between Aboriginal people and other organisations are a key element of the foundation required for economic development. Foremost among these partnerships is the relationship between Aboriginal people and various governments and agencies. The importance of these relationships is seldom doubted but the outcomes associated with these partnerships have been mixed. In part reflecting areas of government

⁸ Hunt & Smith (2006a), Hunt & Smith (2007)

⁹ Cornell & Kalt (2006), Taylor (2008)

failure, partnerships with the private sector organisations and not-for-profits have been of increasing importance in recent years.

Partnerships with government, the private sector and not-for-profits are important for:

- effective delivery of the services and investments necessary to develop the ‘inputs’ to economic development (such as health, education and community infrastructure); and
- developing the opportunity for Aboriginal people to gain access to the employment and enterprise development opportunities.

In the absence of these partnerships, service delivery by government can be subject to a raft of difficulties and legitimacy problems. In particular, it is important for service delivery to be targeted at responding to needs and aspirations identified by specific Aboriginal communities rather than simply reflecting the edicts of distant governments. Meaningful partnerships are typified by a process of identifying the needs and aspirations of the community and finding ways for collaboration based on mutual responsibility and respect. For instance, since 2008, NSWALC and the NSW Government have made joint investments into the water and sewerage services provided to Aboriginal communities in regional and remote areas.

In the context of NSW, partnerships with government, the private sector and non-government organisations are all important for economic development in Aboriginal communities. In the case of government, agencies such as the Department of Education, Employment and Workplace Relations (DEEWR) and Families, Community Services, Housing and Indigenous Affairs (FaHCSIA) play an important role delivering services to assist with skills development and finding employment. Indigenous Business Australia (IBA) also focuses on economic development activities, facilitating private business development among Aboriginal people, as well as supporting increased home ownership.

Partnerships with the private sector focused on enhancing employment opportunities are also important. For instance, the wide reach of Wesfarmers and its commitment to Aboriginal employment, makes it an ideal partner for the NSWALC and LALCs interested in boosting local employment opportunities for Aboriginal people. Likewise, the significant growth in economic activity associated with mining makes participants in these sector valuable partners in certain areas.

3.1.4 Capacity building and governance

Given the importance of institutions, decision making and partnerships, ensuring that Aboriginal people are able to effectively participate in these organisations and activities is important. To this end, ‘capacity building’ is essential.

In this context, capacity building relates to strengthening the ability of Aboriginal people to contribute to an organisation’s effectiveness. The concept also extends to strengthening governance and providing scope for stronger Aboriginal decision-making and control over their organisations. As such the term can be applied broadly to cover any aspect of an organisation’s work— improved governance, leadership, goals, strategy, administration, program or service development and implementation, income generation, partnerships and collaboration, evaluation, advocacy and planning.¹⁰

¹⁰ Tsey et al (2012)

Evidence also indicates that capacity building is enhanced when collaboration and partnership between Aboriginal people and government is strong and maintained, with a genuine two way dialogue and associated with outcomes. Such partnerships are important to building the trust and respect between government agencies and Aboriginal communities which are central to the capacity building process.

One challenge in this area is that capacity building is often complicated by differences in understandings and attitudes on a range of important factors. For instance, each community needs to make decisions about:

- group membership and identity (who is the ‘self’ in their governance);
- who has authority within the group, and over what;
- agreed rules to ensure authority is exercised properly and decision makers are held accountable;
- how decisions are enforced;
- how rights and interests with others are negotiated; and
- what arrangements will best enable the achievement of goals¹¹

The ALRA sets out LALC functions and governance arrangements. Some decisions are reserved for the members of LALCs and cannot be delegated: membership (and expulsion), rules of the LALC, community plans and land dealings. These core non-delegable decisions reflect the importance of authority, identity and relationship to land within the Aboriginal community of NSW.

NSWALC has maintained a strong focus on developing the capacity of LALCs over the last four to six years to function according to the provisions of the ALRA. Indeed, for LALCs to contribute to the process of economic development they must first be able to meet their core decision making functions and basic administrative responsibilities under the ALRA. LALCs will then be well placed to contribute to community and business development opportunities available in their regions.

3.2 Inputs

Economic development requires a variety of inputs. In the context of the Aboriginal community in NSW, important examples of these inputs include:

- individual capacity – shaped by factors such as education, skills and health; and
- assets – such as land, financial resources and infrastructure.

Developing individual capacity is necessary to achieve economic development and an important benefit associated with successful development. The role of individual capacity is captured in standard economic frameworks by the concept of ‘human capital’ – the stock of intangible knowledge and skills which improve an individual’s ability to contribute to society. Education is critically important to the development of human capital, as is health.

Assets such as land, financial resources and community infrastructure are also vital for achieving economic development objectives. Access to physical and financial capital

¹¹ Hunt et al (2008), Hunt & Smith (2006a), Hunt & Smith (2006b)

enhances the capability of a community to generate economic opportunities. Once access is obtained, it is just as important to ensure that these resources are utilised in a manner which is relevant to the community's specific circumstances, particularly their strengths and weaknesses.

This section explores the importance of these factors for economic development. In doing so, the section reviews different approaches to their development and utilisation in the context of Aboriginal Australia and NSW in particular.

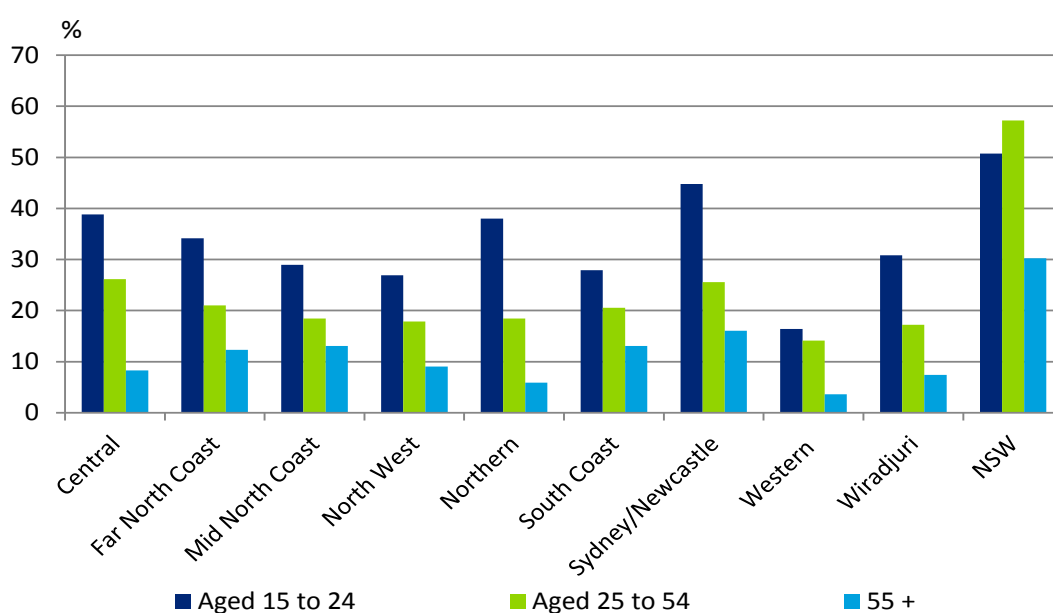
3.2.1 Education and skills development

Developing an educated and skilled population is one of the most important direct inputs to the process of economic development. Indeed, education underpins an individual's engagement with the labour market, with more educated people more likely to find and hold employment and to attract higher wages. Similar skills also contribute to an individual's ability to successfully engage in enterprise and provide a basis for developing the 'capacity' necessary to contribute to decision making and other processes described above.

Further to its role as an input to economic development, improved education outcomes can be considered an important outcome in itself. Indeed, education plays a fundamental role in expanding the range of life options available to people which are so important to Sen's framework of economic development.

Education is particularly salient for economic development among Aboriginal people in NSW given the gap which exists between the educational experiences of Aboriginal people and other Australians. As presented in Chart 3.2, educational attainment is one of the key challenges to economic development faced by Aboriginal people in NSW.

Chart 3.1: Year 12 completion rates for Aboriginal and non-Aboriginal people in NSW



Source: Biddle 2013

Note: NSW in this chart refers to total Aboriginal and Non-Aboriginal NSW population

The proportion of Aboriginal peoples completing year 12 is lower than for the rest of the New South Wales population. However, compared with the 2006 Census, the proportion of Aboriginal people aged 25-54 currently undertaking some form of education is higher in 7 of the 9 NSWALC regions.

Education is a direct input into determining future economic development. A younger demographic, such as exists for the Aboriginal community of NSW, which is encouraged to undertake appropriate education and training could potentially have a significant impact on the long term economic development of the Aboriginal community. There are signs that this is already occurring, and there is significant potential to build on this.

3.2.2 Health

The health outcomes of Aboriginal people in NSW are worse than for non-Aboriginal people. This is important as there are links between health outcomes with employment and education outcomes. Health concerns that affect a large share of communities have the potential to impact economic development (for example, see Ross 2006; Stephens 2010; Al-Yaman & Higgins 2011).

3.2.3 Land

One of the great strengths of Aboriginal people in NSW is their recognised ownership of land, with potentially much greater land holdings to come. Despite control over this significant asset, Aboriginal people in NSW (and other parts of Australia) face difficulty generating economic development through the use of their land. This difficulty reflects deficits in a range of areas and may be compounded by the restrictions often associated with the use of this land.

In general, the opportunities available from land ownership are determined by three factors:

- land location, incorporating the distance from markets and population centres, which influences the costs of delivering goods and services;
- the nature of the land, as the ability to farm, mine or attract tourists depends on the endowment of fertile soil, minerals and appealing features respectively; and
- the extent of ownership and control over the land, in terms of title, decision making processes and zoning restrictions¹²

In the context of NSW, the main difficulty facing land use strategies is the impact of local government and state government zoning restrictions. These restrictions can limit development opportunities because of a range of issues related to environmental or community considerations. Utilisation of land held by LALCs is further limited by the requirement to receive approval from their members for any activity which creates or transfers an interest in land (e.g. a land sale). Though it imposes some limitations, it should be noted that requirement to have members' approval of land dealing reflects the importance of land in traditional Aboriginal culture and that the ALRA was established, in part, to redress the dispossession of Aboriginal people.

¹² Commonwealth of Australia (2008)

The total number of Aboriginal Land Claims and ALC owned properties for each of the regions, plus NSWALC, is provided in Table 3.1.

Table 3.1: NSWALC land assets

Region	Lodged	Granted	Refused	Finalised	Incomplete	Improved Land Values (Land+ Building)
SYDNEY NEWCASTLE	8415	673	2373	210	5159	\$355,311,132
MID NORTH COAST	3244	276	604	261	2103	\$98,530,669
NORTH COAST	2880	233	641	174	1832	\$56,862,475
NORTHERN	4927	201	748	96	3882	\$30,749,153
SOUTH COAST	4128	346	475	61	3246	\$108,063,881
WIRADJURI	6147	306	956	187	4698	\$46,659,446
CENTRAL	1792	62	130	52	1548	\$23,641,808
NORTH WEST	3480	166	295	122	2897	\$34,370,146
WESTERN	422	35	103	4	280	\$22,008,141
NSWALC	726	205	365	30	126	\$44,490,000
TOTAL FOR NSW	36161	2503	6690	1197	25771	\$820,686,851

Note: claims figures are as at 6 May 2013; improved land values are as at 30 June 2011

Source: NSWALC

3.2.4 Financial resources

Economic development and wealth creation is also underpinned by access to financial resources (i.e. financial capital). One of the barriers to economic development among Aboriginal people is the lack of inter-generational wealth accumulation, compared with other groups in Australia. Achieving access to financial capital, in order to invest in economic development opportunities, is one of the key challenges faced by Aboriginal people across Australia.

For most Australians, their home is their most significant asset and a common source of collateral used to raise capital. Low homeownership rates among Aboriginal people, are a significant barrier to raising the financial resources need for the economic development process.

One opportunity which is available to Aboriginal people involved in the Land Rights Network is the financial resources available through the NSWALC Statutory Investment Account. Monies in this account must be applied in a manner consistent with the provisions of the ALRA and other regulations. In addition, the value of the statutory account cannot fall below \$485 million. If the account does drop below this level, the account would face immediate dissolution.

The Network's land holding is also a potential source of mortgage finance. While the ALRA allows for land to be mortgaged, there remains some trepidation on the part of both Aboriginal people and lending institutions to use land as collateral. This in part reflects the difficulty associated with utilising land resources without a better understanding of the nature, extent and value of the Network's land holdings.

3.3 Activities

The foundations and inputs identified above contribute to the ability of Aboriginal people to undertake activities directly associated with economic development. This covers participation in employment, enterprise development and ownership of income generating assets. This section covers the relevance of these different activities to economic development in the context of the Land Rights Network and considers specific measures which can be used to enhance outcomes in these categories.

3.3.1 Employment

Employment is the most common form of economic activity for Aboriginal people in Australia, as it is for Non-Aboriginal Australians. Employment in the mainstream economy represents the most accessible economic opportunity available to Aboriginal people and offers the chance to earn an income, save and own assets. Indeed, for many communities reducing unemployment is the major motivator for pursuing economic development.

Across NSW the unemployment rate among Aboriginal people is more than 10 percentage points higher than for Non-Aboriginal people (Table 3.2 below).

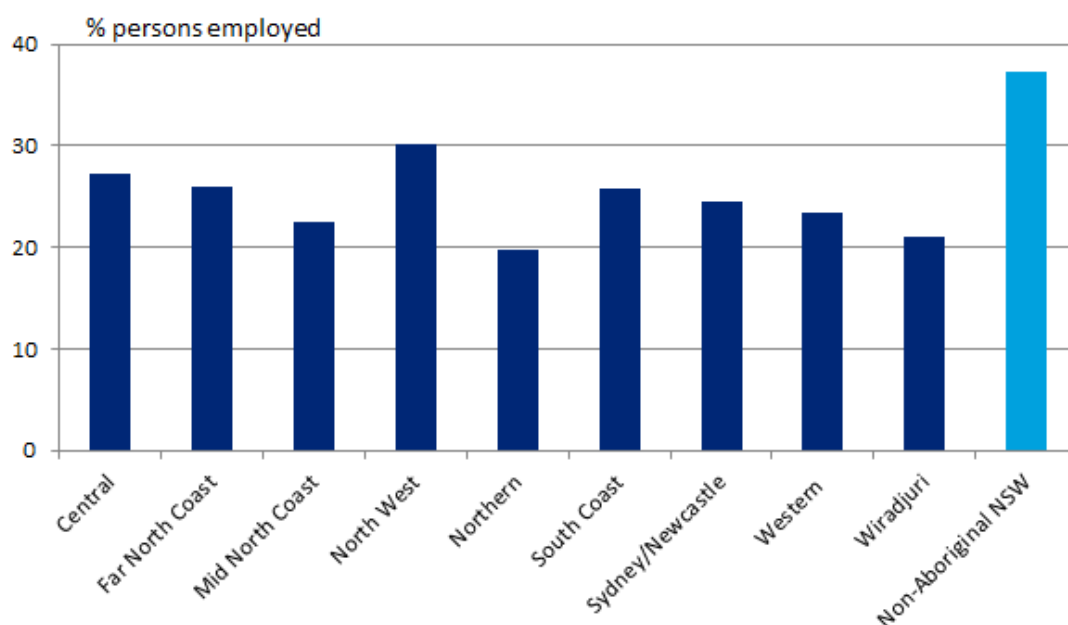
Table 3.2: Labour force status

	Aboriginal		Non-Aboriginal	
	Unemployment rate	Participation rate	Unemployment rate	Participation rate
NSW	17.0%	53.4%	5.7%	63.7%
Australia	17.3%	53.0%	5.4%	65.5%

Source: Biddle 2013

As well as being less likely to be employed, Aboriginal people are less likely to be employed in skilled professions, which attract higher wages (Chart 3.2).

Chart 3.2: Skilled labour



Source: Biddle 2013

3.3.2 Enterprise

Enterprise development is an important component of economic development for any community. By establishing and running businesses, Aboriginal people are able to benefit from business' potential for wealth creation and can expand the number and type of jobs available in their communities.

In the context of Aboriginal Australia, enterprise development can be conducted either on a communal basis through community organisations (such as LALCs) or as a mainstream private business. These models have different strengths and weaknesses. For instance, a community organisation may have easier access to finance, government support and be able to draw on a wider range of skills and talent from across its membership. However, such organisations also run the risk of becoming entangled in political disputes or face challenges managing tensions between the social and commercial goals of the enterprise. Private businesses are also more likely from the dedicated commitment of owner / operator who has direct financial interest in the business' success. However in practice, Aboriginal people are far less likely to be self-employed than Non-Aboriginal people.

There are a broad range of factors associated with the Aboriginal experience which both facilitate or constrain Aboriginal entrepreneurship. These are summarised in Table 3.3 below. An awareness of how these factors influence the commercial success of Aboriginal people and community groups is critical for Aboriginal economic development in NSW.

Table 3.3: Factors influencing the success of Indigenous entrepreneurship

Constraints	Facilitators
<ul style="list-style-type: none"> • Poor education levels • Lack of business acumen • Restricted access to land because of community title • Diminished access to finance • Reliance on government support • Geographical remoteness • Language barriers • Poorly developed business networks • Cultural issues, differing world views and kin relationships • Discrimination 	<ul style="list-style-type: none"> • Desire to provide for family • Ethical and respectful business practices • Empowerment – development of social capital and capacity building • Provision of mentoring • Joint venture partnerships and hybrid organisation • Lack of competition in remote areas • Effective government support including taxation measures and procurement policies

Source: Shoebridge, Buultjens & Peterson (2012)

3.3.3 Income generating assets

In addition to owning and operating enterprises, Aboriginal community organisations or groups can also benefit from the ownership of income generating assets. This covers examples such as passive investments in property or leasing out land for use by other parties for a fee. The key benefits of this model are that they generate income for the Aboriginal community to apply to projects or programs of its own choosing without taking on the financial risk that business activity entail. However, low risk passive investments also tend to offer lower returns and may limit the opportunities for learning and developing capacity in the community.

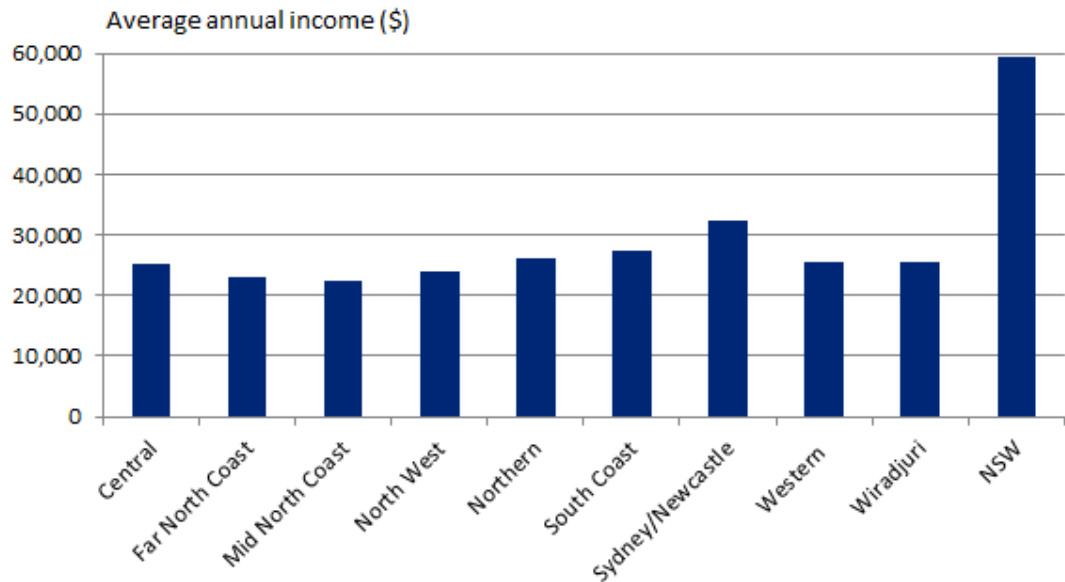
3.4 Outcomes of economic development

Economic development is associated with a broad array of benefits which can contribute to the wellbeing of a society's members. As reviewed in the introduction, these benefits can be conceived as the expansion in the choices available to individuals in a society, with greater community welfare. However, this broad range of outcomes can be difficult to measure. Accordingly, there is value in summarising the benefits of economic development in terms of some easily quantifiable measures, such as income and home ownership.

3.4.1 Income

The most direct and tangible outcome of economic development is increased income. Income growth can play an important role in reducing poverty and expands the range of choices available to members of a society. One benefit of increased income is a greater ability to plan for the future, save and accumulate personal assets.

Income characteristics of Aboriginal people in New South Wales are directly linked to their employment, skills and business enterprise outcomes.

Chart 3.3: Annual personal income

Source: Biddle 2013

Note: NSW in this chart refers to total Aboriginal and Non-Aboriginal NSW population

3.4.2 Home ownership

Low rates of home ownership among Aboriginal people are symptomatic of low incomes and limited personal savings. As identified above, low rates of home ownership effectively limit the access of Aboriginal people to financial resources. Moreover, by missing out on the rising value of real-estate, low rates of homeownership also limit the extent to which Aboriginal people are able to accumulate wealth. With the increased income and savings associated with economic development comes the opportunity for home ownership.

4 Achieving economic development

This section reviews the state of each of the different elements of the economic development framework, applying them to the circumstances of the Land Rights Network.

4.1 Foundations

The different elements of the foundations for economic development have received considerable focus by the NSWALC and the different LALCs in recent years. However, progress in a number of areas, particularly partnership development and capacity building, is still required.

Institutions

NSWALC and the LALCs are important institutions which play a significant role in engaging Aboriginal people and providing for community needs. These organisations have significant potential to catalyse economic development. Examples of these developments are explored throughout the report. However, this potential remains largely untapped, particularly in relation to the potential role of many LALCs.

Decision making

The LALCs provide strong opportunities for local people to have a say over the direction of their communities and engage in the process of economic development.

Partnerships

Across most regions, there are a number of strong partnerships but others are only in their early stages of development. The development of further partnerships should be supported by an overarching strategy. This strategy could be formed at a strategic level by NSWALC with a range of key organisations across government, the private and non-government sector. These partnerships must provide scope to be flexibly applied at the regional and LALC level. These partnerships can relate to ensuring the necessary delivery of services to underpin:

- the development of education, skills and community health (inputs);
- improving access of Aboriginal people to existing employment by working with government as a service provider (e.g. JSAs, RCJP), government as an employer and the private sector as an employer; and
- increasing employment opportunities by working with governments and the private sector to invest in the region and enter into joint ventures for enterprise development.

Capacity building

The recent focus on capacity building among LALCs has led to improvements, in most instances providing the basic foundation of functioning and funded LALCs which could play a powerful role in catalysing growth. However, the LALC network has not yet turned to a

focus on economic development, partly because of a lack of capacity in commercial matters.

4.2 Inputs

The Land Rights Network can also play a direct role contributing to the inputs associated with economic development.

4.2.1 Education and skills

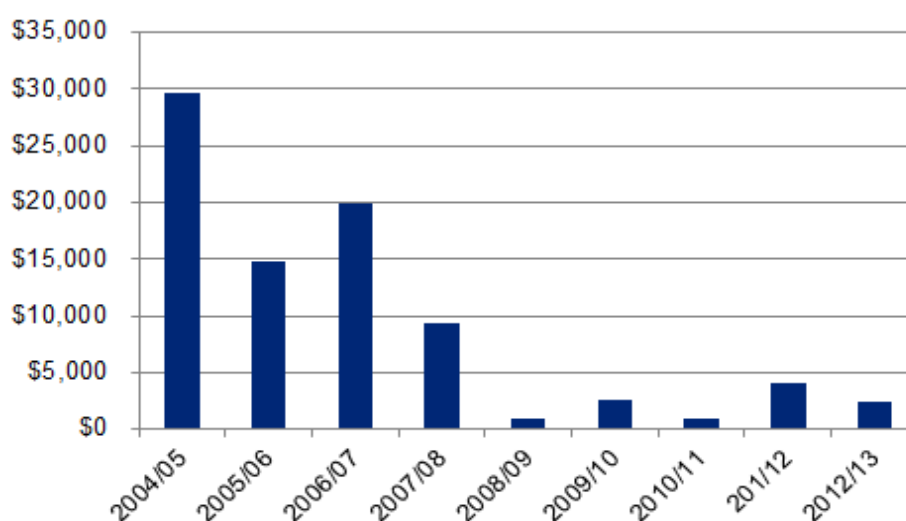
Education and skills are a challenge in all regions. Compared with other inputs, there is relatively little scope for the involvement and input of the Land Rights Network in driving enhancements in relation to education and skills. The focus here should be on developing partnerships with government and others to ensure that the appropriate investment is made for development in this area.

4.2.2 Land use

The land owned by the LALC network is a key strength of Aboriginal people in NSW. Existing examples of successful land use activities in areas such as commercial development, agriculture, land leasing, mining, housing and natural resource management, show the potential value of this resource. This has been achieved either through provisions which allow for the ongoing control of native title land by Aboriginal people or through outright land sale.

Over the period 2004-13 land sold by the Land Rights Network had a combined nominal value of \$86.7 million, equivalent to \$99.3 million when adjusted for inflation. As depicted in Chart 4.1 below, these land sales were predominately made over the years 2004-08. The significant value of these sales demonstrates the substantial economic opportunities offered by the land holdings of Land Rights Network.

Chart 4.1: Value of land sales by year, 2004-12 (valued at today's dollars, '000s)



Source: NSWALC

The opportunities available from land ownership are determined by three main factors:

- land location, incorporating the distance from markets and population centres, which influences the costs of delivering goods and services;
- the nature of the land, as the ability to farm, mine or attract tourists depends on the endowment of fertile soil, minerals and appealing features respectively; and
- the extent of ownership and control over the land, in terms of title and zoning restrictions¹³. Zoning restrictions are particularly relevant in the context of many LALCs across NSW.

The value of land for economic development also depends on the suitability of the basic infrastructure available. Accordingly, NSWALC's water and sewerage program is significant. In 2008 NSWALC and the State Government committed approximately \$100 million each over 25 years to ensure that Aboriginal communities have drinking water that is the same standard enjoyed across the rest of society and that sewerage is removed from communities on reliable basis. This agreement was necessitated by a lack of basic services provided on LALC land. This project provides an important input to the process of economic development by ensuring that land held by LALCs receives the same basic services as in other areas.

For further land opportunities to be developed, it will be necessary to:

- develop a better understanding of the potential use of land holdings given the impact of different zoning restrictions;
- identify appropriate opportunities relevant to the specific circumstances of different regions and LALCs (some of these are suggested in our regional section); and
- develop the capacity of LALCs to effectively plan and implement land use strategies.

4.2.3 Financial resources

The financial resources available to Aboriginal people are limited due to low intergenerational wealth accumulation. However, since the NSWALC Statutory Investment Account was established in 1983, it had accumulated \$544 million as at June 30 2012. This represents a significant financial resource controlled by Aboriginal people in NSW. However, its use has been constrained by demands in relation to:

- Providing recurrent grant funding to LALCs
- Funding the operating expenses of NSWALC (including the costs of the Council)
- Purchase of land
- Fulfilment of regulatory functions (payments for investigators and administrators)
- Payments of rates on behalf of LALCs

The proportion of monies applied to specific categories is outlined in Table 4.1 below. Almost 70% of expenditure from the fund is directed towards funding the Network (including \$130,000 for each LALC) and NSWALC operational expenses (such as staff costs). This range of demands means the level of funding available for discretionary areas, such as community development, is tightly constrained.

¹³ Commonwealth of Australia (2008)

Table 4.1: Expenditure by NSWALC by expense category

Expense category	Yr. 2011-12		Yr. 2012-13	
	Budget, \$	% of total	Budget, \$	% of total
Payment as per the Requirement of ALRA	1,648,228	3.9	529,570	1.2
Total Contractual Commitment by NSWALC for Community Development	2,290,328	5.4	2,050,000	4.7
Total Allocated to Network and Community	15,745,000	37.3	15,785,000	36.5
Total Fixed & Variable Expenses for Councillors	2,427,543	5.7	2,496,659	5.8
Total Committed Operational Expenses	13,737,525	29.4	13,134,268	30.3
Total Essential Expenses	1,386,250	3.3	1,484,213	3.4
*Total Other Operating Expenses	2,415,906	5.7	3,330,188	7.7
Total	39,650,780	100	38,809,897	100

Source: Shoebridge, Buultjens & Peterson (2012)

The balance of the fund is invested consistent with the Statement of Investment Objectives Policy (SIOP). The Council is required to invest monies consistent with the provisions of the Trustee Act, which requires the application of 'the prudent person test' to investment decisions. The Account is managed with the overarching objective of operating in perpetuity to provide an asset base for current and future generations of Aboriginal people in NSW. Accordingly, all investments are assessed against standard measures of return and risk.

Funds from the Account can be invested in community projects or local Aboriginal businesses provided they meet the standard risk and return benchmarks. To date, while a number of community projects have been considered, none have been identified as appropriate areas of investment for the Account.

Financial resources available to Aboriginal people are also enhanced by growing access to a range of more flexible and targeted financial institutions. For instance, Many Rivers is a not-for-profit small business enterprise organisation which focuses on working with Aboriginal people and operates across NSW. Likewise, Social Enterprise Finance Australia (SEFA) works to support enterprise development in the social sector. SEFA administers a loan fund of \$20 million, \$8 million of which is earmarked for Aboriginal enterprises. The fund is available to

Aboriginal organisations to borrow money to establish enterprises with positive social and community outcomes.

NSWALC has invested in SEFA and is represented on its Board. Because of this investment, NSWALC (and the Network) have a stake in the success of this new form of economic development through social enterprise. Unlike some other share investments, the return will not be immediate and it may not be in the form of dividends to NSWALC. Rather, the investment is in the people on whose behalf NSWALC manages the Statutory Fund and the returns can be measured in better living standards for Aboriginal people.

4.3 Activities

The outcomes in relation to different areas of activity will be enhanced as a direct result of improvements in the foundations and inputs identified above. These activities are further advanced by specific strategies which the Land Rights Network has undertaken and could be built on in the future.

The extent to which an economic development strategy focuses on directly on promoting employment or on broader economic development activity such as enterprise development should reflect local circumstances.

For many communities reducing unemployment and increasing family income is their primary motivation for economic development. In this context, a focus on getting local people into available employment through up skilling and improved employment pathways may be the most appropriate focus. Indeed, achieving employment is generally more attainable than initiating and running a business. However, in some contexts business generation may be appropriate or necessary. For instance, where there are few employment opportunities, enterprise development can be useful in increasing the number of jobs available.

4.3.1 Employment

Employment opportunities vary by region. A range of employment opportunities are being developed by LALCs across NSW, as explored further in Section 5. In addition, NSWALC itself has conducted a number of programs which contribute to employment opportunities. For instance, NSWALC's water and sewerage program has allowed two local Aboriginal people to complete their plumbing apprenticeships and eight new trainees in water operations have been employed for the two year training period by the local shires. There is an expectation that at least 32 will be trained and employed over time.

More broadly, strong labour markets in urban and coastal areas provide good employment opportunities compared to the more limited employment prospects of some regional and remote areas.

In those regions where employment opportunities do exist, the challenge is making sure Aboriginal people have the right skills and pathways to employment. LALCs and NSWALC can assist in this process by:

- developing partnerships with government to make sure appropriate investments are made in developing individual capacities; and

- developing partnerships with government and private sector employers to ensure they are focused on providing employment opportunities for Aboriginal people – using strategies that have been proven to work (e.g. targeted recruitment methods, mentoring and on the job training).

Where employment opportunities are more limited, the above considerations must be complemented with activities supporting broader community development. This can include a focus on enterprise development, either by Aboriginal community organisations (like LALCs) or Aboriginal owned private enterprises. Partnerships with government and the private sector can also be used to encourage a focus on investment in regional communities to stimulate job creation.

4.3.2 Enterprise development

Enterprise development can be an important means of providing employment opportunities and developing an asset base for Aboriginal people.

A number of LALCs have a history of enterprise development through commercial land development, agriculture, land leasing, mining, housing and natural resource management. Some of these activities have been very successful, demonstrating the potential of these enterprises, while others have not. Some examples are listed in the box below. The outstanding difficulties emphasise the need to develop strong capacity, governance and skills in order to effectively operate these organisations.

Community enterprise development examples

Northern Zone: As part of the Many Rivers RPA, an organisation was established to tender for commercial NRM contracts, particularly those related to major infrastructure upgrades, for example the Pacific Highway. Some contracts were secured however the local green teams established to undertake the work lacked the capacity to satisfy the requirements of the contracts resulting in the tender not being taken up.

Eastern Zone: Central Coast LALC has raised significant funds from the sale of land, while the LALC in Nelson's Bay is involved profitable sand mining activities.

Southern Zone: Orange LALC secured \$2 million over five years from the national Biodiversity Fund to establish long term employment and enterprise opportunities for Aboriginal people.

Western Zone: LALCs are involved in a small amount of natural resource management activities for the Catchment Management Authority, however these are not ongoing.

Far West Zone: Balranald LALC has had success leasing a rural property under a contract, and trading water licences. The LALC in Broken Hill is proposing to establish itself as a provider of financial administration services for other LALCs.

Private Aboriginal enterprise could also provide opportunities for Aboriginal people. By providing simpler operating models (e.g. owner/operator model) these organisations can be more flexible and responsive than community enterprises. These businesses may also benefit from the direct link the owner will experience in terms of reward for effort, which is largely lacking in the community model. The Land Rights Network may be able to help private enterprise development by providing support and guidance to people interested in generating employment. Further, they may be able to facilitate supportive partnerships with organisations like IBA and DEEWR, as well the private sector. For example, there is a potential to develop opportunities for Aboriginal businesses to supply larger operators in mining or service providers.

Enterprise development should focus on the strengths of Aboriginal communities in NSW, particularly in relation to culture and land.¹⁴ For instance, showcasing Aboriginal culture may provide opportunities for tourism which leverages of this offering. Of even greater potential, the significant land holdings of the Land Rights Network provide opportunities for a range of land use projects such as mining and 'green economy' industries. While a number of LALCs have successfully pursued natural resource management and mining opportunities, green economy industries, such as carbon farming, have been less developed. However, ongoing developments in this area may present opportunities in this area.

¹⁴ Commonwealth of Australia (2008)

For instance, the Carbon Farming Initiative (CFI) has recently been implemented by the Australian Government to encourage carbon farming and has received bipartisan political support. The CFI provides the guidelines through which farmers and other land managers can earn carbon credits by storing carbon or reducing greenhouse gas emissions on the land. The CFI covers initiatives including the following:

- Reforestation and regrowth;
- Avoided deforestation;
- Reduced methane emissions from livestock;
- Manure management;
- Prescribed burning of savannas;
- Field burning of agricultural residues;
- Re Enhanced forest management for forests established before 1990;
- Protecting native forests or vegetation that is at imminent risk of clearing;
- Revegetation and vegetation management (establishment and management of woody biomass that does not meet forest criteria);
- Cropland and grazing land management (reduction of GHG emissions from soil, cropping and vegetation); and
- Increasing soil carbon (converting cropping land to productive pastures, increasing practices to retain stubble, green manuring, and application of soil ameliorants and alterations to soil texture).

As an example of these activities, the first savanna burning project to be implemented under the CFI was the 'Fish River Fire Project' run by Indigenous Land Corporation (ILC) was approved in November 2012. It will provide the ILC 20,000 carbon credits a year for strategic fire management on Fish River, a 1,800 km² property 200km south of Darwin. The ILC noted that the project was 'developed carefully with traditional owners' and 'marries traditional burning practices with the latest satellite tracking and mapping technologies and provides employment for Indigenous Australians on their traditional countries'.¹⁵ The current government wishes to increase the prevalence of projects such as this and establish a well-functioning carbon offset market.

¹⁵ Australian Government (2012)

5 Achieving economic development – a regional approach

This section provides brief summaries of some the key issues relevant to the economic development as they relate to each of the zones. There is no one size fits all approach to economic development. Rather, successful approaches will directly reflect local circumstances. This is of utmost importance for the Aboriginal communities in NSW, given the significant variation in opportunities across the state. Important differences between regions which would shape the design of local economic development strategies include:

- Capacity among LALCs
- Opportunities for partnerships
- Education and skills levels among the population
- Value and amount of LALC land holdings
- Strength of the local labour market
- Commercial opportunities available.

In addition to the details outlined below, further details for each of the seven NSWALC regions, including industry profiles, are included in section 4 of the associated Research Report.

5.1 Northern Zone

5.1.1 Foundations

Significant investments have been directed towards improving the core administrative capacity of the LALCs, to set the foundations for economic development initiatives. However, issues remain in relation to understanding the LALC asset base, in terms of land zoning, and how it could be used to support development, especially given limited cash flows.

The importance of strategic partnerships at a regional level has been identified as a priority to further develop individual LALC capacity. Current partnerships include the Many Rivers RPA across the North and Mid North Coast, and the Northern Region RPA further inland. These are focused on establishing employment opportunities, through agreements with government and major employers in the private sector.

5.1.2 Activities

Employment

Unemployment rates across the Northern Zone remain above the average for NSW. This reinforces the importance of employment generation as part of the NSWALC economic

development strategy. Key opportunities and factors for consideration include the following:

- Current major sectors of employment for Aboriginal men include construction, public administration, health care and manufacturing, while Aboriginal women are predominantly employed in arts and recreation services, accommodation and food services and the transport sector;
- Aboriginal men are underrepresented in the mining sector compared with non-Aboriginal men and Aboriginal women, Given this and the high numbers of Aboriginal men employed in mining in other parts of the country, there may be potential improve the representation of Aboriginal men employed in the mining sector, particularly in the Northern Region;
- The proportion of Aboriginal males employed in agriculture (despite increasing mechanisation) could also be increased by targeting the development of skills in emerging fields such as organic produce and intensive horticulture;
- Aboriginal women are underrepresented in the health and social assistance industry, the largest and fastest growing employer of women more generally;
- Education and skill development relating to health services is required to close this gap – greater involvement in aged care is a specific opportunity;
- Aboriginal women are also significantly underrepresented in the retail trade industry – areas of interest should be established for customer service training purposes;
- There is a potential to capitalise on the attractiveness of the region to tourists by offering cultural or environmental tours or experiences; and
- The emerging green economy is a further opportunity for sustainable employment, with growth taking place in alternative energy production. This may also present opportunities for utilising land owned by the LALCs.

Enterprise development

The competitive economy within the Northern Zone makes it difficult to establish sustainable enterprises. This environment may be particularly difficult for community organisation model of the LALCs. Accordingly, attention could be focused on providing support, both financial and advisory, to Aboriginal entrepreneurs to establish private enterprise within the Zone.

Nevertheless, there is an opportunity for Aboriginal enterprises to establish joint ventures with other organisations which utilise the land assets and cultural knowledge of Aboriginal communities.

Specific areas of Indigenous competitive advantage within the Northern Zone for enterprise development include:

- creative industries, capitalising on the uniqueness of Aboriginal art and culture;
- small scale, cultural and environmental tourism experiences;
- participation in the emerging green economy through wind farms, carbon offsets and bio banking, potentially supported through engagement with the CFI; and
- Aboriginal businesses related to the mining sector, particularly within the inland Northern region.

5.2 Eastern Zone

5.2.1 Foundations

Aboriginal people in the Eastern Zone face a range of opportunities connected to the region's relatively strong economy. Recent years have seen significant gains in the capacity of many LALCs and this progress should provide a strong foundation for the developing focus on economic development.

A number of important partnerships will be central to opportunities for further economic development opportunities. At present these partnerships include SACRED and the Many Rivers RPA. The partnerships are important for collaboration between LALCs, government, the private sector and non-government organisations.

5.2.2 Activities

Employment

With relatively low unemployment, this region offers significant employment opportunities for Aboriginal people. Key opportunities and factors for consideration include the following:

- Aboriginal men are already well represented in construction, manufacturing, transport and public administration, while Aboriginal women are employed in large numbers in arts and recreation, accommodation and food services (encompassing tourism);
- However, Aboriginal people tend to be underrepresented in other major sectors, such as professional services and retail;
- To achieve gains in skilled professions, such as the fast growing professional services sector, a focus on enhanced education and skills is vital;
- In contrast, employment gains in retail are more likely to be driven by increasing the presence of Aboriginal enterprises;
- There may also be room to build on employment outcomes in which Aboriginal people are already faring relatively well (such as construction and manufacturing for men and arts and recreation, accommodation and food services for women);
- The region's large tourist market provides opportunities in a number of these sectors (e.g. arts and recreation, accommodation and food services) in which interest in Aboriginal culture is an important advantage; and
- In regional areas the growth of mining presents opportunities for skilled and unskilled labour.

Enterprise development

Opportunities for economic development in the Eastern Zone are also enhanced by the significant land holdings of LALCs. As much of this land is located in coastal regions, it has a significant market value. A number of LALCs have already benefited from this opportunity, with land sales and leasing for a range development purposes generating significant income. Some LALCs have also been able to generate income from partnerships with miners using their land.

The ability of local Aboriginal people to thoroughly capitalise on their land holdings are currently constrained by factors including:

- lack of capacity to identify, plan and implement land use strategies by LALCs;
- restrictions on land use associated with the Act, communal title and zoning laws;
- lack of information on available development opportunities; and
- lack of capacity to manage the capital generated by land sales and to ensure that it is not dissipated.

Looking forward, industries in which Aboriginal enterprise could be particularly successful include:

- tourism and hospitality, given the popularity of the Zone with domestic and international guests;
- creative arts, capitalising on the uniqueness of Aboriginal art and culture;
- mining, particularly in the Hunter regions;
- natural resource management services; and
- aged care services, given the growth of the health sector.

5.3 Southern Zone

5.3.1 Foundations

Within the Southern Zone, the capacity of LALCs to implement economic development initiatives is limited. This is primarily due to restricted access to finance, an overriding compliance focus, limited business experience and a minimal understanding of land zoning restrictions. As a result, a minority of LALCs have begun to consider economic development, and all current plans remain in an infancy stage. Nevertheless, there is a high stock of social capital throughout the Zone.

In the past, partnerships at the regional level have tended to involve government, and have tended to be prescriptive rather than collaborative. There is a potential for the Zone Office, in conjunction with the NSWALC Executive, to establish strategic partnerships which LALCs can then approach and work with for specific, locally-relevant initiatives. These would involve broadening the focus to also involve academia and the corporate sector.

5.3.2 Activities

Employment

Underutilisation of labour is common to the Southern Zone as a whole. There is a potential to leverage the strong land asset base to generate local employment opportunities for LALC members. Factors which are relevant to this process include the following:

- Across the Southern Zone, Aboriginal men are predominantly employed in the construction, manufacturing and public administration industries;
- Agriculture is also a key sector for employment further inland in the Wiradjuri region, in which Aboriginal males remain underrepresented – however employment growth

prospects within the sector are limited and are highly susceptible to external forces such as drought and the high Australian dollar;

- Aboriginal men are significantly less likely to be employed in the growing sectors of professional and financial services. Investment in education and training is particularly important to reduce this gap;
- Aboriginal women tend to be employed in the arts and recreation, accommodation and food, health care and transport industries. They remain underrepresented in the health care, retail, education and manufacturing sectors;
- Health care and education are undergoing employment growth across the Zone more broadly, presenting areas of opportunity for employment; and
- The educational facilities available throughout the coast, particularly technical colleges, could be utilised to increase the proportion of Aboriginal females employed in these two industries.

Enterprise development

While the business capabilities of the LALCs in the Southern Zone remain limited, there is an opportunity for enterprise development if supported by strategic partnerships. LALC land holdings combined with the cultural knowledge within Aboriginal communities can be leveraged to establish enterprise opportunities. Recently, the Orange LALC secured \$2 million over five years from the national Biodiversity Fund to establish long term employment and enterprise opportunities for Aboriginal people.

There remains a potential for other LALCs to work with, and develop further land and/or culture based enterprises within the:

- emerging green economy, for example through reforestation or alternative energy production through wind farms;
- tourism industry, providing tours and experiences related to Aboriginal culture and heritage sites; and
- mining sector, concentrated in the central west areas of the Wiradjuri Region (noting the need for a paradigm shift in relation to the environment impact of mining).

Given the Zone's competitive advantage in culture and land based activities, some potential areas for the establishment of Aboriginal enterprise, include the:

- mining industry, given its substantial growth;
- agriculture sector, in growing areas such as organic food production, given the increasing capital-intensity of the industry overall;
- natural resource management and environmental sectors such as carbon farming and solar power; and
- tourism, facilitating personalised, small scale cultural and environmental experiences for visitors to the Zone.

Further in depth research would be required to develop appropriate opportunities.

5.4 Western Zone

5.4.1 Foundations

The LALCs in the Western Zone have strong capabilities in compliance and other internal administrative operations. Although there remains a limited business capacity, the majority of LALCs have the necessary resources and interest to pursue economic development initiatives.

It is recognised that a regional approach is necessary to empower the LALCs to achieve their economic development objectives. At present, the establishment of a North West Land Corporation is underway. The Trust is to be the beneficiary of a property transfer from NSWALC. It is envisaged that this Trust will fit within a Regional Development Framework, which will be involved in establishing partnerships relevant to the community. An emphasis has been placed on the need for research to identify areas of opportunity. In the past, support has been provided by DEEWR and the University of Sydney's Rural and Remote Enterprise program.

5.4.2 Activities

Employment

The level of unemployment in the Western Zone is higher than the average for NSW. Individuals with strong skills and education tend to leave the region. This highlights the importance of improving access to local employment opportunities for Aboriginal people and generating a wider range of employment options. Important characteristics of the Aboriginal labour market, to be aware of, include the following:

- The largest sources of employment for Aboriginal males include agriculture, public administration, health care, construction and manufacturing;
- The main employers of Aboriginal women are the arts, mining, health care and accommodation and food services industries;
- Aboriginal people are substantially less likely to work in the agricultural sector than non-Aboriginals – areas of growth within the sector which could provide sustainable future employment include organic food production and viticulture;
- Aboriginal men are also underrepresented in the growing mining and construction sectors – this is another industry which could be targeted through partnerships and vocational training initiatives;
- Aboriginal women are significantly underrepresented in the health, retail and education industries, with the extent of disparity greater in the North Western region;
- The health and education sectors in particular account for a growing number of jobs; and
- Enhanced education and skills will be essential for leveraging these opportunities for Aboriginal women.

Enterprise development

Business development and business management have been identified as common themes for improvement of LALC capacity within the Western Zone. Existing commercial activities include the lease of land and the ad-hoc natural resource management activities. There have been issues with the community land and business plans developed by the LALCs not meeting the requirements of lenders. This has inhibited capacity for sustainable enterprise development. Another barrier is the remoteness of the region from major markets and government. It is hoped that future partnerships and regional trusts will enable the development of local enterprise.

Although the need for in depth research into local opportunities is recognised, some potential areas for the establishment of Aboriginal enterprise, given the competitive advantage in culture and land based activities, include the:

- mining industry, given its substantial growth;
- agriculture sector in growing areas, such as organic food production, given the increasing capital-intensity of the industry overall;
- natural resource management and environmental sectors such as carbon farming and solar power; and
- tourism, particularly facilitating personalised, small scale cultural and environmental experiences for visitors to the Zone.

5.5 Far West Zone

5.5.1 Foundations

Within the Far West Zone, 8 of the 11 LALCs are operational and receive funding from NSWALC. The LALCs are primarily focused on compliance obligations, leaving minimal capacity for achieving economic development.

To date, partnerships with LALCs have been generally restricted to government departments, although it is anticipated that the Murdi Paaki Regional Enterprise Corporation will work in conjunction with the LALCs to deliver employment outcomes as part of the Remote Jobs and Communities Program (RJCP).

5.5.2 Activities

Employment

The Far West Zone has the highest level of unemployment in NSW. The following insights may provide a useful direction for employment initiatives for Aboriginal communities:

- The main sources of employment for Aboriginal males include mining, public administration, health and social assistance and construction;
- The main sources of employment for Aboriginal women are arts and recreational services, accommodation and food services, health, transportation and mining;
- Aboriginals are underrepresented in the agriculture industry, which is a major employer within the region more generally;

- A key future growth opportunity within agriculture is organic food production;
- Although Aboriginal men and women are well represented in the mining sector, there is a potential to increase employment beyond site land management roles;
- As in the Western Zone, Aboriginal women are substantially underrepresented in the growing sectors of health, retail and education;
- The health and education sectors in particular are accounting for a growing number of jobs;
- Enhanced education and skills will be essential for leveraging these opportunities for Aboriginal women;
- Aboriginal representation within the retail industry might be improved by community enterprises, driven by market demand; and
- Other significant opportunities lie within tourism, alternative energy production and the protection of heritage sites.

Enterprise development

The mainstream economy of the Far West Zone is relatively weak. This suggests that building local enterprise should be a primary focus, achieved through partnerships with external organisations that can help strengthen expertise and capacity. Across the network, a number of LALCs have utilised their assets for land sales, leases and water licence trading, agriculture, food security and social housing. Other prospective activities include arts and craft centres and provision of financial administration services, cultural tours and visitor accommodation.

Overall, the areas of Aboriginal competitive advantage for enterprise development encompass:

- mining related business;
- agricultural activities, relating to food security, crops and livestock;
- alternative energy production;
- tourism, conducting tours of Aboriginal heritage sites and providing accommodation to visitors involved in the mining industry; and
- creative industries, through specific Aboriginal art and culture enterprises.

6 Conclusion

Based on the research presented here, we have identified a number of key conclusions. These are:

- The significant regional variation across NSW means that a ‘one-size-fits-all’ approach is inappropriate – the economic development strategy should be developed in a way which allows for flexible applicable which reflects local circumstances.
- The greatest economic strength of the Land Rights Network is its significant land holdings.
 - Some of this land has already been utilised for a range of economic activities, for example, mining and residential development
 - Further opportunities may be found in the emerging sectors of the green economy, for example, this includes activities supported by the Australian Government Carbon Farming Initiative (CFI) such as reduced methane emissions from livestock, prescribed burning of savannas and protecting native forests or vegetation
 - Some land use opportunities have been restrained by zoning restrictions, a lack of understanding of available opportunities and areas of limited organisational capacity among the Land Rights Network.
- The Land Rights Network provides a unique set of institutions which are well positioned to support the process of economic development. Given its strengths and weakness, the Land Rights Network is likely to be particularly well positioned to support economic development through focusing on:
 - Strengthening partnerships with government, non-government organisations and the private sector to deliver investment in local job creation and training
 - Developing the capacity of LALCs to focus on identifying and implementing activities to support economic development (e.g. local partnerships, training programs and enterprise development)
 - Focusing on developing appropriate land use strategies in areas of emerging potential and drawing on existing skills (such as natural resource management and green economy industries).
 - A number of these avenues could be supported by improved information on the land holdings of the LALCs, including its likely value, sales value, zoning restrictions and the zoning restrictions of nearby land.

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- Central Coast
- Central West
- Far West
- Hunter
- Illawarra
- Mid North Coast
- Murray
- Northern Inland
- Northern Rivers
- Orana
- Riverina

- South Coast
- Southern Inland
- Sydney

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- Central Coast
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- Mid North Coast
- Murray-Lower Darling
- New England/North West
- Northern Rivers
- Orana
- Riverina
- South East NSW
- Southern Highlands/Tablelands

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- Murray
- Northern Inland

- Northern Rivers
- Orana
- Riverina
- Southern Inland
- Western Sydney

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Programs

Education and skills development

NSWDEC Apprenticeship and Traineeship Training Program

DIICCSRTE Indigenous Support Program

DEEWR Indigenous Youth Leadership Program

DEEWR Indigenous Youth Careers Pathways

DEEWR Indigenous Ranger Cadetships

NSWDEC The Way Ahead for Aboriginal People

Health:

NSW Health Healthy Children and Healthy Workers initiative

DHA Indigenous Chronic Disease Package

FaHCSIA Breaking the Cycle initiative

DHA Establishing Quality Health Standards Continuation

FaHCSIA Indigenous Family Safety Program

Financial resources:

Department of Human Services Commonwealth Rent Assistance

NSW Trade and Investment Regional Industries Investment Fund

DEEWR and Westpac Indigenous Capital Assistance Scheme

IBA Business Development and Assistance Program

IBA and NAB Indigenous Entrepreneur Microenterprise Program

IBA Scholarship Fund

Securing and managing land:

COAG National Affordable Housing Agreement

IBA & FaHCSIA Indigenous Home Ownership Program

DSEWPaC Indigenous Protected Area Program

ILC Indigenous Land Acquisition Program

ILC Indigenous Land Management Program

ILC Indigenous Land Fund

NSW Office of Environment and Heritage NSW Heritage Grants

NSW Office of Environment and Heritage Land Alive (no longer operating)

Employment:

DEEWR Job Services Australia

DEEWR Disability Employment Services

DEEWR Indigenous Employment Program

DEEWR Indigenous Wage Subsidy

NSWOSR Rebate Scheme (Jobs Action Plan)

DEEWR and FaHCSIA Remote Jobs and Communities Program

DSEWPaC Working on Country

Enterprise:

NSW Small Business Commissioner Small Biz Connect

Destination NSW Regional Visitor Economy Fund

NSW Department of Trade and Investment Aboriginal Business Directory

DSEWPaC Indigenous Carbon Farming Fund

IBA Business Development and Assistance Program

Income generating assets:

IBA Equity Investments Program

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