

Murru waaruu

(On Track)

Economic Development Seminar Series





Seminar 4

The imperative for *dhalang-girr* (a new way) Part 2: Self-determination or the highway?

Background Paper

All artworks and creative designs in this *Murru waaruu* Seminar Background Paper have been created by **Rohit Rao**. Rohit is a young artist and graduate student at the Australian National University Fenner School of Environment and Society.

Rohit is interested in using art and stories to challenge and communicate complex social and ecological issues and working with communities to imagine and implement alternatives to meet them.

The purpose of this paper is to provide background information and to promote dialogue and debate at an upcoming seminar that will focus on the subject matter. It therefore does not contain a comprehensive or conclusive discussion on the subject matter.

Author:

Russell Barnett

Honorary Associate Professor, First Nations Portfolio Australian National University

Cultural Content Author: Paul Girrawah House

Ngambri (Kamberri), Wallabalooa (Ngunnawal) and Wiradyuri Custodian Senior Community Engagement Officer, First Nations Portfolio, Australian National University

Research Support:

Phoebe McClements, Associate, Australian Venture Consultants Julian Thomas, Associate, Australian Venture Consultants

Sponsorship

The Australian National University First Nations Portfolio acknowledges and values its partnership with the National Indigenous Australians Agency and extends its sincere gratitude for their generous support and assistance to deliver the *Murru waaruu* Economic Development Seminar Series in 2023.





Marramarra murru is a local Ngambri, Ngunnawal and Wiradyuri term that describes the creation of pathways. The pathways were created by Biyaami, the creator and protector who gifted and shared them with the ancestors. Passed on from generation to generation, these pathways serve to ensure survival and wellbeing through the maintenance and transfer of knowledge, lore, custom and cultural authority, as well as facilitating trade.

Like these ancient pathways, the *Marramarra murru* First Nations Economic Development Symposium identified contemporary pathways to economic self-determination for Australia's First Nations peoples.

We speak to each other in many different ways such widyung (which way?), widyundhu (which way you?) or widyunggandhu (how you?). First Nation languages can be described as free word order languages which have a different foundational principle from that of English, a fixed word language. In fixed word order European languages such as English, everything is based on one framework or another of continuum (linear) logic. In the free word order of Australian Indigenous languages, it appears that the foundational frame is one of an unchanging (although manipulative) network of relationships. Behind these two different systems of logic is a different basic assumption about the nature of the cosmos.

Australian Indigenous people place a very high value on relationships and identity and constantly think about relationships with other people, with the spiritual world, with place, and with the things in the living and spiritual world. The identity of all things (and people) is defined by their relationships with, or to, all 'identities' in the social, the spiritual and the physical environment.

Our identity, relationship, actions, focus and transformation help keep our people 'on track'. A Ngambri, Ngunnawal and Wiradyuri term for this is **murru waaruu**.

Foreshadowed by the *Marramarra murru* Symposium, the *Murru waaruu* First Nations Economic Development Seminar Series, the subject of this document, will comprise a series of topic-specific seminars that are designed to bring together leading scholars and practitioners to develop solutions for specific relevant issues, ensuring we remain on track to

deliver a compelling, evidence-based case to transition the existing First Nations economic development policy paradigm in Australia to one the supports economic self-determination.

Paul Girrawah House Ngambri (Kamberri), Wallabalooa (Ngunnawal) and Wiradyuri Custodian Senior Community Engagement Officer, First Nations Portfolio, Australian National University

Contents

Introduction	5
Economic self-determination as a human right	5
The framework of international law	5
Human rights at international law	6
Human rights at Australian law	9
The First Nations enterprise sector	10
Australian Bureau of Statistics Census Data	10
Indigenous Business and Corporation Snapshot Study	11
The socio-economic impact of First Nations enterprise	12
Estimates of multiplier effects	13
Drivers of the multiplier effect	14
High rates of First Nations employment and First Nations employee development	14
Connection to Country and culture	14
Intergenerational wealth transfer	15
Procurement from other First Nations enterprise and reinvestment in community	15
Enhanced community service delivery	15
Other benefits	16
A pathway to the possible?	16



Introduction

Seminar 3 of the *Murru waaruu* Seminar Series – What has the policy of the past 235 years cost? – served to demonstrate that a long history of policy implemented by Australian governments since colonisation has largely served as a barrier to economic participation for Australian First Nations people and has failed to deliver economic equality, let alone economic justice or prosperity. Indeed, the gross inadequacy of the efforts of Australian Governments as far as they pertain to several aspects of First Nations self-determination has very recently been formally reiterated as a persistent issue.

This seminar, the fourth in the *Murru waaruu* series is entitled The imperative for *dhalang-girr* (a new way) Part 2: Self-determination or the highway? And focuses on furthering the case for a shift in policy that better supports First Nations economic participation based on self-determination frameworks through two key lenses.

The first lens is the notion that economic self-determination is not merely an alternative framework for First Nations economic development. It is a fundamental human right recognised by international conventions to which Australia has been a signatory for decades. The second lens is the evidenced notion that First Nations owned and operated enterprises, a central pillar of economic self-determination, not only deliver financial outcomes from a personal, family and community perspective, but deliver very significant and broader economic, social, cultural and environmental multipliers.

It is irrefutable fact that Australian First Nations people have endured enormous human suffering as a result of policies that have, among other things, excluded them from economic participation. Further, in a liberal democracy such as Australia, as a matter of basic moral and ethical imperative all citizens must be able to exercise their basic human rights, including the right to economic self-determination. However, from a very practical policy and fiscal perspective, it is this second lens that is particularly important to the case for policy change.

It is also important to note at the outset of this discussion that while a First Nations economic self-determination policy framework is very different to the more ubiquitous training/employment/procurement 'mainstream economy approach', the discussion herein is not intended to suggest that such an approach does not have a role to play. Demonstrably, such approaches create and foster capacity, and for many First Nations people, particularly many urbanised First Nations people, it is a preferred pathway. Rather, the case being made for self-determination as an economic development

model is that it is not only complementary to 'mainstream' models, it also represents a fundamental human right, delivers superior socio-economic-cultural multipliers, and in rural, regional and remote areas is often the only pathway to economic participation.

Economic self-determination as a human right

As we identified in *Murru waaruu* Seminar 2–Using the Acquired Assets, any discussion pertaining to economic self-determination for First Nations Australians is necessarily a discussion that revolves around the legal concept of rights, including:

- Rights in property (land, water, Sea Country, intellectual property and financial assets) as a fundamental enabler of economic development;
- Economic self-determination being embedded in the notion of First Nations people using their rights in property as the basis for economic development;
- All 'peoples' (including Indigenous peoples) having a human right under international conventions to exercise economic self-determination; and
- In the case of Australia, the policy and legislative environment that pertains to this rights framework for its First Nations people being grossly deficient.

The framework of international law

International law refers to the framework rules and principles that define the responsibilities of Nation-states in their conduct with each other, sets out certain ways in which they have agreed to act or not act, the treatment of people within their boundaries, and in limited circumstances (such as international criminal prosecutions) reciprocal regimes governing how citizens of one State may be treated (compulsorily or voluntarily) by another State. Principles of international law are found in a multitude of sources, including various conventions, treaties, standards and declarations to which Nation-states are party, as well as customary international law, historical precedent and other systems of practice.

Since the end of the Second World War, the primary vehicle by which most international law has been set or evolved has been in the form of treaties, which are codified international agreements between two or more States that are legally binding on the signatories, typically arising out of, or at least deposited with, the United Nations. Whether termed a treaty, convention, declaration or agreement, there are three critical aspects of these treaties which are most relevant for present purposes.

- Written and codified: Although sometimes imprecise in language, treaty law is formalised in writing, contained in a small number of defined documents, easily accessed and hence relatively certain. The obligations it imposes on signatories are (relatively) unambiguous and may be referenced by Nation-states and private individuals alike.
- Binding and enforceable: Treaties clearly and unambiguously bind their signatories to carry out their obligations and act in accordance with their terms. Many major treaties contain provisions relating to their enforcement and oversight, which can include permanent bodies such as the International Atomic Energy Agency or the World Trade Organisation, while in other cases (such as the Slavery Convention of 1926 and successor entities) adherence to treaty terms is expected of States as an inherent global citizen norm, with non-compliant 'pariah' status resulting in varying unofficial penalties and costs such as loss of market access.
- Can provide for a minimum acceptable standard: Particularly in the case of larger multilateral instruments, written treaties are negotiated over some time across multiple different forums by many partner entities. This can lead to frustration on the part of more activist and/or progressive States, as treaty instruments move slowly and can be held back by more conservative and/or reactionary States. However, it does mean that rights and obligations contained within a Treaty instrument will be (generally speaking) a safe 'bare minimum' standard to point to.

This necessarily simplistic and brief analysis herein cannot possibly capture the full gamut of international law agreements and other instruments negotiated between Nation-states that present generally accepted standards which are less formal than a treaty and whose character is more akin to a moral or ethical pledge than a legally binding agreement. These can be an important source of obligation and precedent. However, for present purposes and for the reasons above, this Background Paper has focused on 'big ticket' sources of international law.

Lastly, comment should be made as to the notion of jurisdiction. In very brief terms, a body or entity is said to have jurisdiction over a subject matter, thing and/or entity if they have the power to exercise control over it. Jurisdiction may overlap or be shared, and may be bounded by geography, subject matter, personal characteristics, or other criteria. Thus, the government of a State or Territory of Australia has jurisdiction over all persons within State/Territory boundaries, the Commonwealth

has jurisdiction over all persons within Australia in relation to defined matters of Commonwealth law, while professional standards bodies (such as those regulating doctors or lawyers) have jurisdiction over all members of that profession but not the general public.

In the field of international law, in general, treaties are made between Nation-states and regulate the conduct of Nation-states and relations between them. To illustrate, for Australia to become a signatory to an agreement with Canada or the United States creates an obligation between those States. It does not create any direct agreement or obligation between an individual Australian citizen and a Canadian or American citizen. With limited exceptions as to extra-territoriality or universal jurisdiction (as under the Geneva Conventions), international law is for the most part predicated on the notion of state sovereignty and non-interference with internal affairs.

Therefore, for an Australian citizen to be bound by the terms of an international agreement, or for an Australian citizen to demand the Commonwealth or a State or Territory Government act in adherence with the terms of a treaty, that treaty needs to be enacted into Australian domestic law. Despite the fact that Australia may have signed and ratified an agreement, the mere act of doing so does not automatically import the terms of that treaty into Australian law – a separate act of the Commonwealth (or a State/Territory Parliament), which hold jurisdiction over the Australian continent (or part thereof) and all citizens within it, is required to enliven the terms of that treaty within Australian borders.

Human rights at international law

The notion of 'human rights' has occupied scholars since ancient times. A hotly debated notion, human rights are generally said to be rights inherent to all human beings, regardless of race, gender, nationality, ethnicity, language, religion or any other status. As recognised in modern times in most nations, they include a wide range of aspects such as the right to life, liberty, freedom from slavery and torture, freedom of opinion and expression, the right to education and work and, and the right to economic self-determination. In liberal democratic tradition and as espoused in the post-war global compact, human rights are said to demonstrate four key characteristics:

- Universal and inalienable: every human on Earth is entitled to human rights, and those rights cannot be curtailed except as lawfully provided for via a Nationstate's judicial system, in specific circumstances and in accordance with due process.
- Indivisible and interdependent: one set of human rights cannot be fully enjoyed without another.

- Equal and non-discriminatory: all humans are born free and equal in dignity and rights, regardless of biological or personal characteristics, origin, nationality, creed, or other distinguishing factor.
- Both rights and obligations: international human rights law both codifies certain rights and places obligations on nation states to respect, protect and fulfill those rights for its citizens.

Established by the United Nations in the aftermath of World War Two, there now exists a continually evolving body of international human rights law. In 1948 the General Assembly of the United Nations adopted the Universal Declaration of Human Rights (UDHR), to which Australia was an original signatory. With its 30 articles forming the foundation of all

international human rights law, the UDHR incorporates two covenants, the International Covenant for Civil and Political Rights and the International Covenant for Economic, Social and Cultural Rights. Both Covenants contain the same Article 1.1.

A more recent international instrument that Australia is also party to, and which has been a significant focus of the *Murru waaruu* Seminar Series, is the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Like some other former British Colonies, Australia was not among the first nations to sign UNDRIP, eventually acceding in 2009, two years after it was adopted by the United Nations General Assembly. As discussed in previous *Murru waaruu* Seminars and summarised in the following Table 1, a full quarter of the Articles of UNDRIP pertain to aspects of the right to economic self-determination.



Table 1 – Articles of the United Nations Declaration on the Rights of Indigenous Peoples relevant to economic self-determination

UNDRIP Article	Relevant Text
Article 3	the right to self-determination [to] freely determine their political status and freely pursue their economic, social and cultural development.
Article 4	in exercising their right to self-determinationthe right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.
Article 5	right to maintain and strengthen their distinct political, legal, economic , social and cultural institutions , while retaining the right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.
Article 8(2)	States shall provide effective mechanisms for prevention of, and <u>redress for</u> any action which has the aim or effect of <u>dispossessing them of their lands, territories or resources</u>
Article 10	No relocation shall take place[without] agreement on just and fair compensation
Article 11(2)	States shall provide redresswith respect to cultural, intellectual, religious and spiritual property taken without their free, prior and informed consent
Article 17(3)	Indigenous individuals have the right not to be subjected to any discriminatory conditions of labour, and inter alia, employment or salary
Article 20(2)	Indigenous peoples deprived of their means of subsistence and development are entitled to just and fair redress.
Article 23	have the <u>right to determine and develop priorities and strategies for exercising their right to development</u> . In particular <u>the right to be actively involved in developing and determiningeconomic andprograms affecting them, and as far as possible, to administer such programs through their own institutions.</u>
Article 26(2)	the right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership
Article 28(1)	the right to redress, by means that can include restitution or, when this is not possible, just, fair and equitable compensation, for the lands, territories and resources which they have traditionally owned or otherwise occupied or used and which have been confiscated, taken, occupied, used or damaged without their free, prior and informed consent.

8

Importantly, Article 46 of the UNDRIP –a provision inserted after much concern raised that the language used in the rest of the agreement might give rise to Indigenous secessionist movements states that:

Nothing in this Declaration may be interpreted as implying for any State, people, group or person any right to engage in any activity or to perform any act contrary to the Charter of the United Nations or construed as authorizing or encouraging any action which would dismember or impair totally or in part, the territorial integrity or political unity of sovereign and independent States.

77

Despite the growing Treaty movement in Australia and other former European colonies, the ratification of UNDRIP does not therefore place any obligation on the Commonwealth or State/Territory Governments to divest political power or other self-determination mechanisms.

Human rights at Australian law

As noted above, in order for international law obligations to be enlivened for Australian citizens, they must be enacted into domestic law. Unless, and until this occurs, these statements of principle and codified obligations have only ethical/normative or persuasive weight, able to be used to demonstrate to decision-makers how particular powers should be exercised or submitted to a Court to support an argument on a point of law but not creating a right of action in and of themselves.

Section 3 of the Australian Human Rights Commission Act 1986 (Cth) defines 'human rights' as the rights and freedoms recognised in the Covenant on Civil and Political Rights, declared by the Declaration of the Rights of the Child, Declaration on the Rights of Mentally Retarded Persons, Declaration on the Rights of Disabled Persons or recognised or declared by any relevant international instrument.

The Act establishes an entity known as the Australian Human Rights Commission, whose prescribed functions include, *inter alia*, investigations of rights breaches, education, providing advice and submission to parliaments and courts, and undertaking research and advocacy on rights issues. Part IIA of the Act establishes a specific function being the Aboriginal and Torres Strait Islander Social Justice Commissioner. For the purpose of this Part of the Act, the definition of 'human rights' is extended to also include the rights and freedoms recognised by the International Convention on the Elimination of All Forms of Racial Discrimination. The functions of the Aboriginal and Torres Strait Islander Social Justice Commissioner are to:

- Promote discussion and awareness of human rights in relation to Australian First Nations;
- Undertake research, educational and other programs for the purpose of promoting respect for the human rights of Australian First Nations people and promoting the exercise and enjoyment of human rights by Australian First Nations people;
- Examine enactments and proposed enactments for the purpose of ascertaining whether they recognise and protect the human rights of Australian First Nations people and report to the responsible minster hereon.

While UNDRIP is not legally binding on the Commonwealth Government or any State or Territory, in accordance with Sections 46(C)(3)(d) of the Act, the Aboriginal and Torres Strait Islander Social Justice Commissioner may have regard to any instruments relating to human rights when performing their functions.

Further, the States of Queensland and Victoria have also enacted Human Rights Acts which refer to self-determination.¹ Victoria's *Charter of Human Rights and Responsibilities Act 2006* specifically refers to self-determination as a matter to consider in the application of the Act, with the State specifically enacting the Victorian First People's Assembly to advance this process. The *Human Rights Act 2019* (Qld) is less fulsome, with no specific First Nations provisions, but does mention self-determination in its preamble.

The status of domestic legislative enactment of the right to economic self-determination in Australia is in stark comparison to some other former British colonies such as Canada whereby the *United Nations Declaration on the Rights of Indigenous Peoples Act 2021* requires that all Canadian law is consistent with UNDRIP and establishes a process to achieve this.

The First Nations enterprise sector

Generally speaking, when reference is made to the First Nations 'enterprise (or business) sector' in a policy context, the term incorporates all business structures whereby First Nations interests can exercise control over that enterprise, irrespective of:

- Structure, including employing and non-employing sole traders and incorporated entities whether they are incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth), Corporations Act 2001 (Cth) or State incorporated associations legislation.
- Sector(s) of operation including the specific sector of the economy and enterprises operating more broadly in the mainstream economy or using First Nations rights and assets as the basis for the enterprise.
- Financial motivations, including returning financial profit to arms-length shareholders, a First Nations organisations such as a Prescribed Body Corporate, Land Council, Traditional Owner Corporation or other First Nations community organisation, or operating on not-forprofit basis.

Australian Bureau of Statistics Census Data

According to the Australian Bureau of Statistics Census of Population and Housing,², the number of First Nations owner-manager business has increased at a Compound Annual Growth Rate (CAGR) of 5.6 percent over the period 2006 to 2021. As illustrated in the following Figure 1, a full two-thirds of these businesses are located in New South Wales and Queensland.

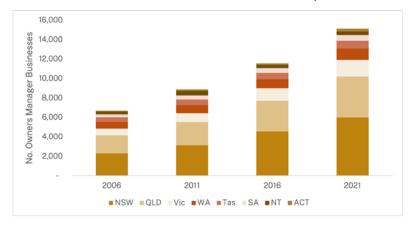


Figure 1–Number of First Nations owner-manager businesses by State and Territory (2006 to 2021)

According to the Census data, almost two-thirds of these businesses are located in rural, regional and remote areas of Australia, a distribution that has been broadly consistent since 2006. This is illustrated in the following Figure 2.

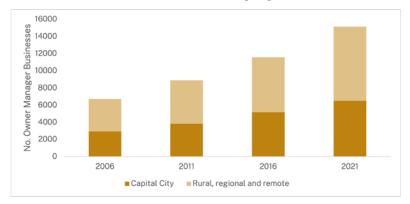


Figure 2 – Number of First Nations owner-manager business located in capital cities compared to rural, regional and remote areas of Australia

¹ The Australian Capital Territory has also enacted the *Human Rights Act 2004*, however this does not refer to self-determination or other UNDRIP features.

² Australian Bureau of Statistics (2006, 2011, 2016 & 2021), Census of Population and Housing, Australian Government, Canberra

The Census data also suggests that across Australia, around 40 percent of First Nations owner-manager businesses in 2021 had employees. It further demonstrates that the rate of business ownership amongst the Australian First Nations population remains disproportionately low compared to the rest of the Australian First Nations population. While there are 0.02 First Nations owner-manager businesses per First Nations person, there are 0.06 non-First Nations owner-manager businesses per non-First Nations person in Australia. In other words, a non-First Nations person is three times more likely to be an owner-manager of a business. Australia's rate of First Nations owner-manager businesses has also been identified as comparing poorly to both New Zealand and Canada.³

Use of Australian Bureau of Statistics Census data in statistical analysis relating to First Nations persons is subject to some inherent limitations in the nature of the data provided. To ensure that the privacy of individuals responding to the Census is protected, data for small geographic areas or relating to small cohorts of the overall population (microdata) is subject to small randomisations so that it may not be easily matched up with known individuals. While applying to both First Nations persons and the wider Australia population, the effects of this small-cell randomisation are typically more pronounced in the First Nations sphere, where combinations of personal, income and other household characteristics reported in a Census response, together with reported Aboriginal or Torres Strait Islander ancestry, is at more risk of being highly descriptive of individuals within the community. As a result, individual values may not sum to reported totals, and given values may not match with those reported by other data sources.

Indigenous Business and Corporation Snapshot Study

In addition to the inherent limitations of the Australian Bureau of Statistics Census data, the data presented in the previous subsection pertains only to owner-manager businesses and therefore excludes many incorporated First Nations businesses.

As mentioned earlier in this paper, limitations with respect to

data availability renders attaining an accurate understanding of the size and nature of the First Nations enterprise sector challenging. The most numerically robust attempt to achieve this is the Indigenous Business and Corporation Snapshot Studies undertaken by a collaboration between the Dilin Duwa Centre for Indigenous Business Leadership at the University of Melbourne and the Australian Bureau of Statistics.⁴

These Studies utilise the Australian Bureau of Statistics Business Longitudinal Analysis Data Environment (BLADE), a recent data product that represents a significant collection of anonymised data from a range of government administrative and survey sources including the Australian Bureau of Statistics, Australian Taxation Office, Department of Industry, Science and Resources and IP Australia. The Study, illuminates First Nations businesses and corporations within the BLADE database by integrating information from the following registries of First Nations businesses:

- Melbourne Business School MURRA Indigenous Business Master Class Alumni List (MBS): a list of participants in a short course program targeting First Nations business people with at least two-years' experience owning and running a business or in leadership roles with First Nations businesses.
- Industry Capability Network Limited Gateway (ICNL): an online business networking platform established in 2003 that contains a searchable database of around 80,000 suppliers that is designed to streamline industry procurement requirements and which identifies First Nations businesses within the database.
- Department of Jobs, Precincts and Regions Victorian Aboriginal Business Directory⁵ (DJPR): a Victorian Government directory of First Nations businesses.
- Waalitj Foundation Aboriginal Business List (WFABL): a registry of Western Australian First Nations businesses that have sought services from the Waaliti Hub.
- Office of the Registrar of Indigenous Corporations registry (ORIC): a registry of all businesses incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth).

³ Barnett, R. (2022), Marramarra murru First Nations Economic Development Symposium Background Paper, First Nations Portfolio, Australian National University, Canberra

⁴ Polidano, C., Evans, M., Moschion, J. and Martin, G. (2022), *Indigenous Business and Corporation Snapshot Study 2.0*, The University of Melbourne 5 The Department of Jobs, Precincts and Regions was renamed the Department of Jobs, Skills, Industry and Regions effective from 01 January 2023

By integrating these data sources and removing duplications across registries (which are mainly ORIC registered organisation that are also identified on one or more of the other registries), the Study has developed a longitudinal database from 2006 to 2021. Only approximately 10 percent of these businesses are sole-traders, with the majority (approximately 80 percent being business that incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth), *Corporations Act 2001* (Cth) or State incorporated associations legislation, and the balance operating under some other structure. The registries also include for profit and not-for-profit enterprises, with around 40 percent of the businesses on the database in 2021 being not-for-profit organisations.⁶

As illustrated in the following Figure 3, the Indigenous Business and Corporation Snapshot Studies database shows sector growth over the period 2006 to 2021 of 4.0 percent per annum.

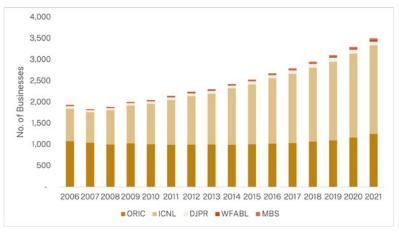


Figure 3 – Number of First Nations Businesses used in the Indigenous Business and Corporation Snapshot Studies (2006 to 2021) by First Nations Business Register

The Study's analysis of the database makes the following observations:

- Analysis across key financial ratios indicates that the First Nations businesses that comprise the dataset are well-established and financially secure – when compared to peers in the same industry, on average these businesses are around average (approximately the 50th percentile).
- Overtime businesses on the database have proven to be resilient, surviving major disruptions such as

- the global financial crisis and major commodity downturns at a rate equivalent to peers in the same industry.
- Businesses on the data base report a higher rate (as opposed to quantum) of capital expenditure than their peers in the same industry.
- In communities characterised by a strong presence of ORIC Corporations, the rate of First Nations owned businesses within the local business sector is higher.

⁶ Polidano, C., Evans, M., Moschion, J. and Martin, G. (2022), Indigenous Business and Corporation Snapshot Study 2.0, The University of Melbourne



The socio-economic impact of First Nations enterprise

There is growing recognition among governments, industry and social impact investors of the important role that enterprise performs in growing Indigenous economies, both in Australia and globally. ^{7,8,9} Indeed, it has been long recognised that First Nations owned and operated enterprises generate significant socio-economic multipliers. This is likely a derivative of both the strategic rationale of First Nations enterprise and the business models many deploy.

As summarised in the following Table 2, research, 10 indicates that community and social factors perform a more significant role in the motivation of First Nations enterprise owners than they do for non-First Nations enterprise owners.

Table 2 - Top 5 Reasons for starting a business: First Nations and Non-First Nations Business Owners

First Nations Business Owners	Non-First Nations Business Owners
To contribute to the community by providing a needed service To contribute to the community by increasing employment To create employment for themselves and their family To improve lifestyle To improve income	To improve income To become your own boss To improve lifestyle To become wealthy To create employment for themselves or family

Further, as illustrated in the following Figure 4,11, while First Nations enterprises operate in all sectors of the mainstream economy under mainstream business models, many also deploy unique business models that integrate First Nations rights to land, water and Sea Country, as well as cultural and intellectual property with mainstream business practices to service a range of markets under a for-profit or not-for-profit framework.

⁷ Jacobs, C. (2017), Risky Business: The Problems of Indigenous Business Policy, The Centre for Independent Studies

⁸ Mentha, P. (2006), 'Development of Entrepreneurship in Tripura', in: Entrepreneurship and Small Business Development, Mittal Publications, New Delhi

⁹ Standing Committee on Aboriginal and Torres Strait Islander Affairs (2008), *Open for Business: Developing Indigenous Enterprises in Australia*, House of Representatives; Forest, A. (2014), The Forest Review: Creating Parity, Department of Prime Minister and Cabinet, Australian Government, Canberra

¹⁰ Rola-Rubzen, M. (2011). 'The anatomy of the Australian entrepreneur: understanding micro, small and medium business in Australia', *Ninti One* 11 Barnett, R. (2022), *Marramarra murru First Nations Economic Development Symposium Background Paper*, First Nations Portfolio, Australian National University, Canberra

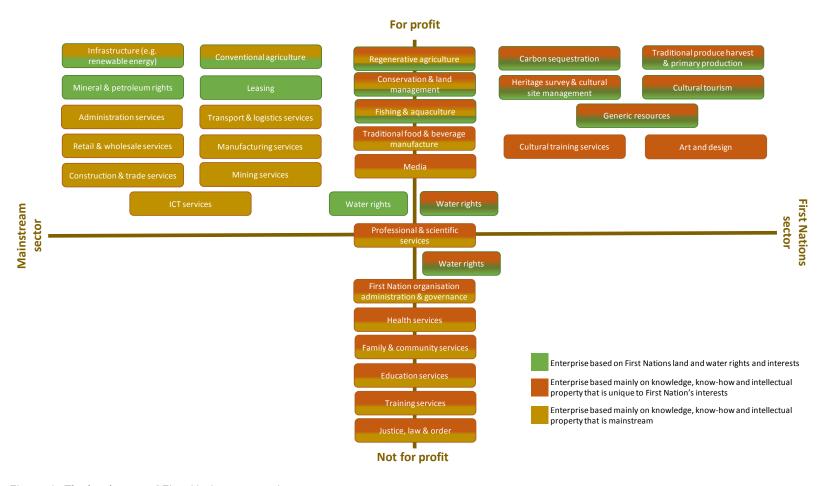


Figure 4 – The landscape of First Nations enterprise

Estimates of multiplier effects

In the discipline of economics a multiplier refers to the ratio by which changes in one economic variable causes changes to other economic variables. The term is typically used in a financial or fiscal context. However, increasingly it is also used to measure the impact of changes to an economic variable on social metrics as well.

Whilst their importance as a vector for economic self-

determination is widely understood in both Australia and other former colonies, 12, there remains a paucity of empirical data that truly represents the very significant socio-economic-cultural-environmental multiplier effect that they have. 13

One study by Supply Nation indicates that a socio-economic multiplier as high as 4.41 to 1 on revenue could apply.¹⁴ Another study examining First Nations economic self-determination opportunities in two remote communities in

12 Eva, C., Bodle, K., Foley, D., Harris, J. and Hunter, B. (2023), 'The importance of understanding Indigenous employment in the Indigenous business sector', Australian Journal of Social Issues, 00, 1-29

13 Evans, M. and Polidano, C. (2022), 'First Nations Business: Progress, Challenges and Opportunities', Reserve Bank Bulletin, June Issue, Reserve Bank of Australia

14 Tomkinson, E. and Burton, R. (2015), The Sleeping Giant: A Social Return on Investment Report on Supply Nation Certified Suppliers, Supply Nation

the Northern Territory indicates that the total saving from the welfare relief and improved socio-economic outcomes from the local employment created by, in this case local land-based businesses, would deliver a fiscal saving of \$8.8 million per annum in one instance and \$40.5 million per annum in the other. Regardless of the limited data that is available, when the nature of First Nations owned and operated enterprise is dissected, it clearly stands to reason that the socio-economic-cultural-environmental impact is significant.

Drivers of the multiplier effect

Despite the challenges of quantifying the broad socioeconomic-cultural-environmental multiplier of First Nations businesses, academic and practice researchers have gained a strong understanding of the factors associated with First Nations owned and operated businesses that contribute to these strong multipliers. These factors are discussed in the following subsections.

High rates of First Nations employment and First Nations employee development

First Nations owned and operated enterprises tend to employ a higher portion of First Nations people than other business. This is significantly so-up to 100 times more likely in the observation of some researchers, ¹⁶, while an analysis of the Supply Nation register indicates that First Nations businesses employ First Nations people at a rate of around 10 times that of their proportion within the wider Australian population. ¹⁷

Several factors have been citied as possible reasons. For example, First Nations enterprises are more likely to:

- Offer work environments that are more attractive and culturally safe for First Nations people;
- Understand the obstacles First Nations people face

- with respect to employment and assist them in navigating those obstacles;
- Offer work that is better aligned with aspirations of First Nations people and their communities; and
- Attract support for employing First Nations people from government programs, particularly in the case of notfor-profit enterprises.¹⁸

While recent research indicates that as First Nations businesses grow the portion of their total workforce that is comprised of First Nations persons declines, this is most likely a function of limited supply in the labour market than other factors.¹⁹

Connection to Country and culture

As discussed in *Murru waaruu* Seminar 2-Using the Acquired Assets, for many First Nations people their beneficial interest in First Nations tenure is often the only asset they have and while there remains, in most cases, significant barriers to the economic activation of those interests, where this can be achieved culturally appropriate businesses that provide a vector for reconnecting people with land and water provide an enormous wellbeing dividend.²⁰

While the natural resources associated with land, water and Sea Country can deliver economic dividends, reactivating people's cultural and spiritual connection land, water and Sea Country and providing an avenue to create value from traditional knowledge and skills can have a dramatic impact on an individuals, families and community's sense of purpose and pride. It is therefore not surprising that sectors of the First Nations economy that can provide this connection are prominent.

For example, there are currently 129 Indigenous Ranger Groups undertaking a wide range of conservation, land, water and sea care, management and stewardship projects

15 Sangha, K., Duvert, A., Archer, R. and Russell-Smith, J. (2020), 'Unrealised economic opportunities in remote Indigenous communities: case studies from northern Australia', Social Sciences and Humanities Open, Vol.2, Iss.1

16 Hunter, B. (2015), 'Whose business is it to employ Indigenous workers?', *The Economic and Labour Relations Review*, 26(4), 631-651 17 Eva, C., Bodle, K., Foley, D., Harris, J. and Hunter, B. (2023), 'The importance of understanding Indigenous employment in the Indigenous business sector', *Australian Journal of Social Issues*, 00, 1-29

18 Eva, C., Bodle, K., Foley, D., Harris, J. and Hunter, B. (2023), 'The importance of understanding Indigenous employment in the Indigenous business sector', *Australian Journal of Social Issues*, 00, 1-29

19 Eva, C., Bodle, K., Foley, D., Harris, J. and Hunter, B. (2023), 'The importance of understanding Indigenous employment in the Indigenous business sector'. *Australian Journal of Social Issues*, 00, 1-29

20 Sangha, K., Duvert, A., Archer, R. and Russell-Smith, J. (2020), 'Unrealised economic opportunities in remote Indigenous communities: case studies from northern Australia', *Social Sciences and Humanities* Open, Vol.2, Iss.1

across Australia. Since commencement of the Commonwealth Government's Ranger Program in 2007 around 2,100 full-time, part-time and casual jobs have been created with Indigenous Rangers currently employing almost 900 full time equivalent positions. An important sector in itself, this program has played a significant role in developing a broader First Nations conservation, land management and restoration and carbon industry. For example, the engagement of Ranger organisations and other First Nations land management organisations by the mining industry to undertake rehabilitation activities is an emerging trend, 22, and in 2018 that the savannah burning sector generated revenues of \$20 to \$30 million per annum and supported 27 First Nations owned and managed land-based businesses. 33

Other sectors that are prominent in providing this connection to Country and culture include:

- Primary industries there are at least 100 First
 Nations businesses across Australia operating in the
 agriculture, fishing and aquaculture sectors, integrating
 Traditional Ecological Knowledge with other production
 systems.
- Tourism particularly in the eco and cultural tourism sector whereby according to Tourism Research Australia, 2.5 million visitors to Australia participated in a First Nations tourism experience in 2019.²⁴
- Visual arts and craft where in 2019-20, the market for Australian First Nations visual arts and craft was estimated at \$250 million per annum.²⁵

Intergenerational wealth transfer

As a result of historical and ongoing economic exclusion, it is relatively rare that an Australian First Nations family has established adequate personal wealth that it is able to transfer that wealth to subsequent generations. Research indicates that owner-manager First Nations enterprises have a high propensity to invest in training and education for their

dependents and to create employment pathways for those dependents through the business, ^{26,27}. This not only creates additional First Nations employment and capacity, but also give effect intergenerational wealth transfer.

Procurement from other First Nations enterprise and reinvestment in community

Anecdotally, First Nations owned and operated enterprises invest in training for their typically proportionately larger Indigenous workforce and have a higher propensity to invest in factor sources, production capacity and social infrastructure located in their relevant First Nations communities.

Enhanced community service delivery

First Nations owned not-for-profit enterprises that deliver services such as healthcare (including mental healthcare), childcare, education and training, employment support, substance abuse support, land care, conservation management and cultural rebuilding deliver the same benefits discussed above. They also provide First Nations communities with control over how important human and community services are delivered within their communities and create local jobs and career pathways for local First Nations people in highly skilled areas relevant to their lives, substantially increasing the likelihood of sustained employment within the community.

Most importantly, in many instances human service delivery organisations that are owned and operated by local First Nations community organisations deliver those services more effectively and efficiently than government instrumentalities. Furthermore, in areas such as land care and conservation management, in many remote locations across Northern Australia, deploying the unique capability of First Nations land and sea ranger groups is the only economically feasible solution.

21 National Indigenous Australians Agency (2023), *Indigenous Ranger Programs*, (https://www.niaa.gov.au/indigenous-affairs/environment/indigenous-ranger-programs)

22 Barnes, R., Holcombe, S. and Parmenter, J. (2020), Indigenous groups, land rehabilitation and mine closure: exploring the Australian terrain, Centre for Social Responsibility in Mining, University of Queensland

23 Russell-Smith, J. and Sangha, K. (2018), 'Emerging opportunities for developing a diversified land sector economy in Australia's northern savannas', *The Rangeland Journal*, 40, 315-330

24 Tourism Research Australia (2019) IN: Austrade (2022), Training gives Indigenous people a pathway into Tourism, 25 July

25 Productivity Commission (2022), Aboriginal and Torres Strait Islander Visual Arts and Crafts, Australian Government, Canberra

26 PwC's Indigenous Consulting (2018), The Contribution of the Indigenous Business Sector to Australia's Economy, PriceWaterhouseCoopers, Sydney

27 Foley, D. (2006), Indigenous Australian Entrepreneurs: Not all Community Organisations, Not all in the Outback, Centre for Aboriginal Policy Research, Australian National University, Canberra

Other benefits

In many instances First Nations owned and operated businesses strengthen First Nations employee connections to culture and provide a sense of self and belonging that underpins mental health, provides a 'safe place' for employees that face challenging family or community circumstances outside of the workplace and instil a sense of pride among First Nations employees and the First Nations community that hosts the enterprise^{28,29}.

A pathway to the possible?

Throughout the *Murru waaruu* First Nations Economic Development Seminar Series and the *Marramarra murru* Economic Development Wealth Forum and Symposium that preceded it, we have looked to First Nations economic development circumstance and outcomes in Aotearoa/New Zealand and North America. The fact that, as a result of both the historical and contemporary relationship between the government and Indigenous peoples in these other former British colonies, these jurisdictions have achieved economic self-determination outcomes that are well ahead of those in Australia has been discussed in detail throughout this series.

However, once again, we can look to these more advanced jurisdictions to envisage what is possible. Examining Aotearoa/ New Zealand and Canada, we can identify numerous Māori, First Nations, Inuit and Metis communities that have developed very significant self-determination oriented local economies, delivering significant socio-economic multipliers to the local economy, as well as material financial returns to the governing body that it uses to support a range of programs that benefit its constituents. Examples include:

Te Rūnanga o Ngāi Tahu (Aotearoa/New Zealand)
Te Rūnanga o Ngāi Tahu is the largest iwi in Aotearoa/
New Zealand receiving a settlement from the New Zealand
Government in 1997 comprised of lands, cash of NZD
\$170 million and fisheries and aquaculture assets with a
valuation of approximately NZD \$71 million. Today the iwi
manages a total asset base of NZD \$1.89 billion across

commercial, agricultural and residential property; tourism ventures; agricultural, fisheries and aquaculture enterprise; forestry operations and managed funds.³⁰

Te Whakakitenga o Waikato-Tanui (Aotearoa/New Zealand)

Te Whakakitenga o Waikato-Tanui, a smaller iwi in geographical area, was initially vested with approximately NZD \$170 million in land, cash and tenure rights, with ongoing payments under various mechanisms. It has grown its asset base to around NZD \$1.9 billion which includes hospitality assets, retail and commercial property, agricultural and forestry enterprises.³¹

Six Nations of the Grand River (Canada)

Six Nations of the Grand River is the second largest Canadian First Nation by population. Its Six Nations of the Grand River Development Corporation was established in 2015 with a remit to achieve economic self-sufficiency for all Haudenosaunee peoples without compromising their foundational values. Over the first seven years of its operations the Development Corporation has invested in ventures that now deliver an annual income to the Corporation of CAD \$43 million. This includes a number of 'on-reserve' developments.³²

Meadow Lake Tribal Council (Canada)

Meadow Lake Tribal Council has operated since 1986 as a second-level First Nations government entity with extensive delegated powers. It operates a range of wholly-owned and joint venture businesses across forestry, renewable energy, petroleum distribution and other logistics and hospitality collectively generating over CAD \$100 million of operating surplus each year.³³

In each of the above cases, this self-determination capacity has delivered significant socio-economic multipliers to local communities and supported self-determined investment in a range of cultural, social and environmental programs.

While the scale of these self-determination models is substantially greater than anything currently in Australia or even what might be achievable in many cases in Australia, the principles are the same – self-determination economic development frameworks can deliver very significant incomes together with a range of cultural and social multipliers.

28 Burton, R. and Tomkinson, E. (2017), The Sleeping Giant – A Social Return on Investment Report on Supply Nation Certified Suppliers, Supply Nation

29 PwC's Indigenous Consulting (2018), The Contribution of the Indigenous Business Sector to Australia's Economy, PriceWaterhouseCoopers, Sydney

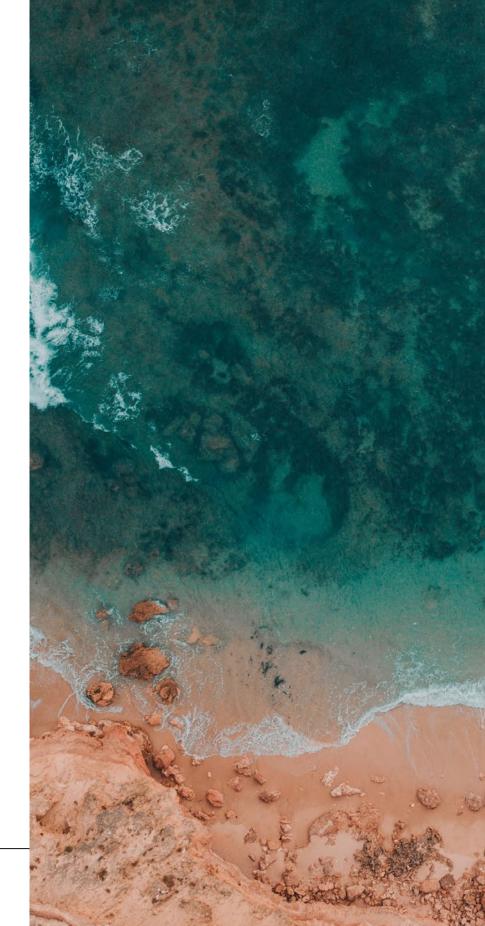
30 Derived from Te Rūnanga o Ngāi Tahu Annual Reports

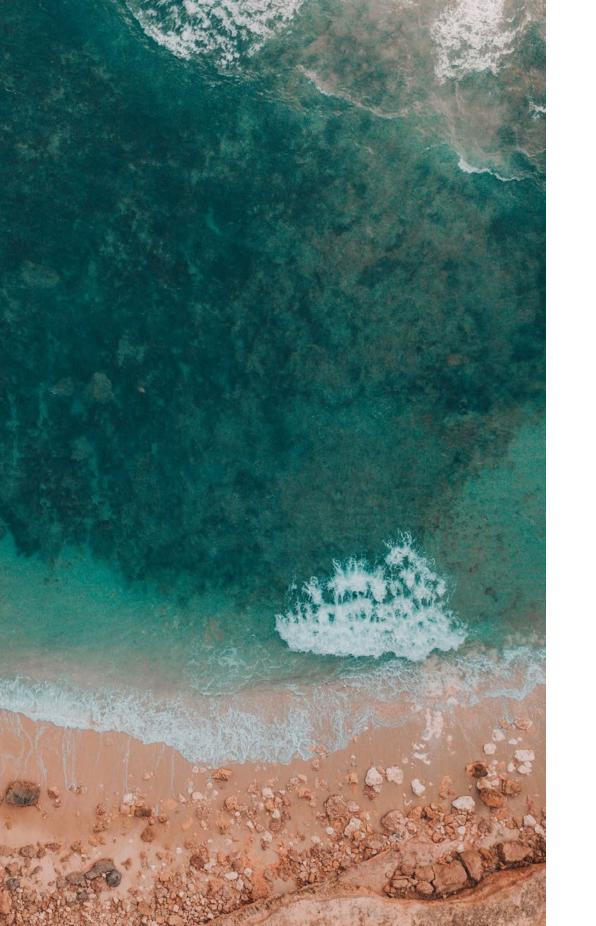
31 Derived from Te Whakakitenga o Waikato Annual Reports

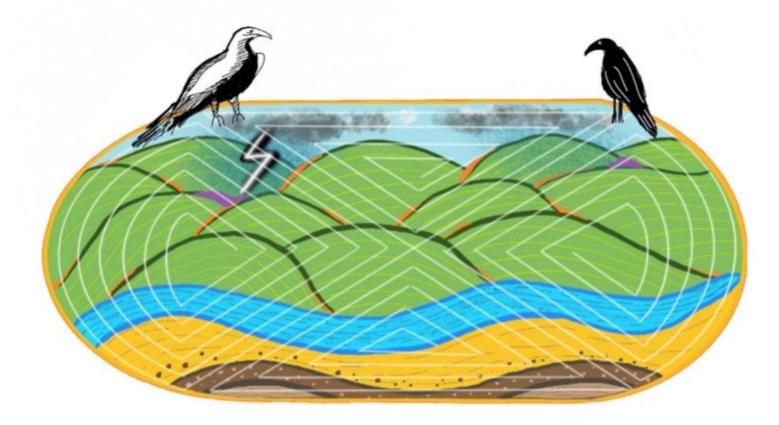
32 Derived from Six Nations Annual Reports

33 Derived from Meadow Lakes Tribal Council Industrial Investments Annual Reports

The development and implementation of a First Nations economic development policy framework in Australia that facilitates Australian First Nations achieving greater scale of economic self-determination and resultant socio-economic wellbeing is the purpose of the *Murru waaruu* First Nations Economic Development Seminar Series.







Yukeembruk Yibaay-maliyan mayiny (The Crow and Eagle-hawk People)

Crow and Eagle-hawk men lived at opposite ends of the Brindabella (Goondawarra) mountain range. Between the two camps lived two sisters, who were under the protection of Yibaay-Maliyan because they were related to him. Yukeembruk wished to marry the sisters, but they were forbidden to him by kinship laws. Upset by Yibaay-maliyan's refusal to approve marriage, Yukeembruk decided to kill his enemy's son. While Yibaay-maliyan was out hunting he tricked the boy to eat and drink until his belly was full, then he speared him. Yibaay-maliyan returned from hunting early as he knew something was wrong. While hunting he missed two wallabies, which had never happened before. Yukeembruk tried to make Yibaay-maliyan believe that many men came to camp, killed the boy and wounded Yukeembruk himself in the leg. The two men dug a burial site, but Yibaay-maliyan who had not been deceived by the story, tricked Yukeembruk into testing the size of the grave, placed his boy's body on top of him and buried the murderer alive. Yukeembruk dug his way out like a wombat but was transformed into a Crow. Yibaay-maliyan's camp was struck by lightning and he was transformed into an Eagle.

Paul Girrawah House

Ngambri (Kamberri), Wallabalooa (Ngunnawal) and Wiradyuri Custodian Senior Community Engagement Officer, First Nations Portfolio, Australian National University



First Nations Portfolio

First Nations Portfolio

+61 2 6125 0722

anufirstnations.com.au

The Australian National University

Canberra ACT 2600 Australia

CRICOS Provider No. 00120C



First Nations Portfolio