

Native Title Conference 2008

koorah, yira, boordah
past, present, future

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Breakout Session

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Native Title Corporations and business

**Creating Indigenous wealth and economic development through
industry partnerships**

By

Bob Blair

A/g Chairman IBA &

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Good morning distinguished guests, ladies and gentlemen, it is a great honour to be here on the ancestral lands of the Noongar Boodja people.

I have been a Board member of Indigenous Business Australia for almost ten years and I also run a business in Rockhampton - the Dreamtime Cultural Centre.

Since March this year I have been Acting Chairman, following the departure of Joseph Elu to take up his new role as mayor of the new Northern Peninsula Area Regional Council in North Queensland.

After his national role, Joseph will now be able to focus again on improving the economic position of his local people.

For twelve years, Joseph was a champion for the cause of economic independence for Indigenous Australians. He argued that Indigenous people shouldn't be wrapped in cotton wool but instead should be allowed and encouraged to be active contributors in the economic life of the nation.

Like Joseph, I want to get to a point where we can look an Indigenous child in the eye and confidently say – 'if you put in the effort, you can expect opportunity and choices in life – the same as other Australians'.

In Joseph's last three years as Chairman, IBA grew significantly, increasing its capacity to assist Indigenous Australians achieve the economic independence for which he was such a strong advocate.

As well as the original IBA investments, we now run the Indigenous home ownership and business development programs.

The home ownership portfolio alone is worth over \$500 million and we have trouble meeting demand.

But, today I do not want to dwell on the programs. Rather, I want to talk about the commercial imperative for Indigenous affairs and the role that IBA might play in helping to build commercial capacity.

At IBA we are responding actively to the Government's new 'call to arms' to bridge the gap.

As a commercial organisation we have to ensure that we get good returns from our investments. But we are asking ourselves at the same time about the sort of other social and economic dividends that might flow to Indigenous people from our activities.

For a start we have taken up the Government's challenge and set employment and training outcomes as a key objective for IBA. We have also set up a scholarship fund as our investment in education.

We believe that another important dividend could be achieved through IBA using its commercial expertise to expand the development of commercial capability with Indigenous organisations and individuals.

To underscore the importance of this, I believe that without Indigenous Australians participating equally in the commercial life of the country, the goal of closing the life expectancy gap will not be realised. Social issues will not be solved by social programs alone – developing economic and commercial opportunities and jobs are essential.

IBA's vision is a nation in which Indigenous Australians share equitably in economic opportunities - in business, home ownership, asset accumulation and employment - afforded to the rest of the nation.

In working towards this vision we must, as you must, adjust to the dynamic and changing landscape in which IBA, Indigenous groups and industry operate.

The federal Minister for Indigenous Affairs, Jenny Macklin, is on the public record as being committed to the issue of Indigenous economic development and I welcome her recent remarks that native title is critical to economic development, which will in turn help to close the gap.

In her recent Mabo lecture, Minister Macklin, talked about the need for a new landscape – where ‘property rights to land are a key component in expanding commercial and economic opportunities’.

For those of you involved in the trials and tribulations of native title, a streamlining of native title structures and institutions must be welcome news to some, and of concern to others.

Coupled with this federal government announcement, I would note other important elements of the new landscape:

- 1 Industry is increasingly willing to foster Indigenous business and employment outcomes
- 2 Indigenous organisations, having struggled to have their rights and interests in land recognised, are now increasingly finding they are in the space where they can leverage native title to create economic opportunity right now and for the future
- 3 There is a growing realisation that native title rights can be used both to create opportunities and give control over their economic futures to the Indigenous land owners

We have all read the media reports and many of you are actively involved in the negotiations and agreements around land access and native title that is projected to result in very large income flows to some groups of Indigenous land owners.

That is not to say that all regions of Australia are equally endowed or that all Indigenous Australians can jump the native title hurdles– but it certainly points to opportunities that must be grasped with both hands and made the most of where this is the case.

The same principles apply in areas less well-endowed in natural resources or less able to leverage off native title, but where nevertheless there may be economic opportunities such as in my case with the development of my business.

I also want to stress, what I have heard others involved in the resources boom say, that in situations where culture or responsibilities to land exist

and there is a commercial interest then cultural issues must be the prevailing consideration.

The inflow of funds could have negative consequences – a point made by the Minister. It will take the fundamental importance of governance and capability to new heights.

Naturally most of the focus in native title to date has been on the upfront negotiations. That is understandable given the way native title is administered – but what happens after settlement is being done more effectively by some than others. Not only is there a risk of new found wealth being squandered but predators can play an even more damaging role.

There are positive examples emerging around the country where native title bodies are setting up separate arms length commercial structures or companies to manage their financial interests.

- 1 They operate on strictly commercial lines with the objective of building assets and providing job opportunities and other benefits for the community.
- 2 They need to operate in a commercial and transparent way. They need to have a dividend strategy that is understood and accepted by the owners.
- 3 There are some notable examples. They are here in Western Australia and other parts of the country.
- 4 The Larrakia Development Corporation in Darwin is operating very successfully, notably in property development.
- 5 Parry Agius and his colleagues in the Aboriginal Legal Rights Movement in South Australia have set up a Congress of traditional owners and a separate proprietary limited company to manage their commercial affairs on strictly commercial lines.

We have been asking ourselves, how does IBA best contribute to the growth and sustainability of emerging Indigenous commercial corporations and opportunities?

What can we bring to the table? - we are independent from government, yet we still have statutory responsibilities to fulfil and we have commercial expertise and are actively involved in business.

IBA understands the commercial environment and shares many of the issues and concerns of Aboriginal corporations and will stand beside them to act for the benefit of Indigenous Australians if they wish.

With our independence and expertise we are well positioned to play the role of honest broker. We can foster links between Indigenous commercial organisations, government and industry. We can also help build governance and administrative capacity

We are currently going through a deliberate process of finding the best fit for IBA to meet the current needs of emerging Indigenous commercial organisations.

IBA is trialing a new concept that will promote discussion between Aboriginal commercial organisations, industry and government, to identify common issues and the potential for collaboration.

We are calling this initiative 'Indigenous Business Conversations'. We are kicking off the first of these Conversations in Perth. We are getting a small group of Indigenous commercial entities together for a workshop to discuss governance, commercial capability, joint venture opportunities and other issues. They will meet with industry leaders and government and IBA will be able to get a clearer picture of its future role.

Based on the outcomes from this trial, we will look at expanding Indigenous Business Conversations to other parts of the country as we begin to clarify a new and productive relationship between IBA and Indigenous commercial entities.

In conclusion, I believe that the growing opportunities to share in this country's wealth give us a lot to look forward to. If we keep focused on the cornerstones of education, employment and enterprise we will improve the

quality of life of Indigenous Australian and meet the challenges of closing the gap.

Leah, my fellow IBA Board member, is now going to talk in more detail about the kind of role IBA has played and could play more of in the future.

Thank you