



An Australian Government Initiative



Jobs Careers Future

# Achieving Indigenous Economic Independence

## INDIGENOUS ECONOMIC DEVELOPMENT STRATEGY

Targeting jobs, business and assets





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## Minister Andrews



The Australian Government is committed to improving the circumstances of Indigenous Australians through the development of an Indigenous Economic Development Strategy, which has the aim of supporting Indigenous Australians to achieve economic independence. With economic independence, individuals and communities will be able to make informed choices about their lives, realise their full potential and have responsibility for managing their own affairs.

Indigenous Australians account for around 2.4 per cent of the total population and as a group is much younger than other Australians. There continues to be significant disparities between Indigenous and non-Indigenous populations in the areas of unemployment, self-employment and home ownership.

The existence of these disparities limits the opportunity for Indigenous people to achieve greater levels of economic independence. Because other factors, such as health and education, also impact upon the achievement of economic independence this strategy encompasses a whole-of-government approach.

The responsibility for addressing economic development barriers rest with all levels of government in partnership with Indigenous leaders, individuals, families, communities and the private sector. The development of partnerships is an integral part of firming up foundations and pathways for a sustainable future.

Indigenous economic development is a key focus of the Australian Government and will be closely monitored to measure the progress and achievement of improved employment, self-employment and home ownership outcomes.

A handwritten signature in black ink, appearing to read 'Kevin Andrews', written over a horizontal line.

*The Hon Kevin Andrews MP  
Minister for Employment and  
Workplace Relations*

## Minister Vanstone

The Government wants all Australians to have the opportunity to benefit from our strong and growing economy. We want Indigenous Australians to share in that opportunity.

We have been making progress. Over recent years more Indigenous Australians have found jobs and the proportion of Indigenous families that own their own home has been increasing.

But still, too many Indigenous Australians remain dependent on welfare. They are not getting their fair share of what this country has to offer. There are many reasons for this including remoteness, lack of employment opportunities, low education levels and other barriers that Indigenous Australians have to face in their day to day lives.

Working out ways to lift the economic status of Indigenous Australians is a challenge this Government does not take lightly. It is a complex problem that needs a whole of government approach and innovation.

Our strategy “Achieving Economic Independence” aims to create a new environment for economic development backed by a strong private sector philosophy.

It is focused on the key ingredients for economic independence— employment, home ownership and business development.

This strategy will become a very important part of the Government’s new way of working in Indigenous affairs.



**Senator the Hon Amanda Vanstone**

*Minister for Immigration and Multicultural and Indigenous Affairs*



# WHY ECONOMIC INDEPENDENCE?

## What we are trying to achieve.

A key finding of the *Overcoming Indigenous Disadvantage Key Indicators 2003 Report* (2003 OID report) is that economic development is central to improving the well-being of Indigenous Australians.<sup>1</sup>

A strategic goal of the Australian Government's Indigenous policy is to increase Indigenous economic independence, through reducing dependency on passive welfare and stimulating employment and economic development opportunities for Indigenous individuals, families and communities.

## What is economic independence?

Economic independence is where individuals have access to the full range of economic opportunities and resources, including employment, services and sufficient disposable income in order that they can shape their lives and meet their own needs and those of their dependants. Gaining a job, owning assets such as a property and building wealth for the next generation are key elements of Indigenous economic independence. They complement the importance of interdependence within families, communities and society.

## Context—key facts about current Indigenous Economic wellbeing.

Welfare dependency underpins a disproportionately high number of Indigenous individuals, families and communities. Over-reliance on welfare means that Indigenous people cannot benefit from the growth of wealth that engagement in the private sector can provide. The 2003 OID report identified that:

- > the unemployment rate for Indigenous Australians is **20 per cent** compared to 7.2 per cent for non-Indigenous Australians
- > Indigenous Australians have lower rates of participation in the labour force (**54 per cent** compared to 73 per cent for non-Indigenous), and if working, are more likely to be in part-time and lower skill occupations
- > non-Indigenous teenagers aged 15–19 are three times more likely to be in full-time work or education than Indigenous teenagers
- > Indigenous people are three times less likely than other people to be self employed
- > home purchase or ownership rates are also much lower for Indigenous Australians—**32 per cent** compared to 69 per cent.

Key outcomes will be monitored.

The Australian Government is focused on supporting the achievement of Indigenous economic independence through increasing employment, self employment, and asset and wealth management.

Progress will be monitored through the *Overcoming Indigenous Disadvantage* reports, which measures key indicators in Indigenous social and economic well-being from a whole-of-government perspective. In particular, the increased participation of Indigenous Australians in employment and increased wealth of Indigenous Australians—collective and individual—will be monitored. In addition, improvements will be continually monitored through agencies measuring their contributions against each initiative in the strategy.

The importance of foundation issues.

The building of community infrastructure and foundations such as health, housing and roads and transport are **crucial** to increasing economic independence. Whole-of-government work in improving outcomes in health, housing, education, training and employment will continue through comprehensive Shared Responsibility Agreements<sup>2</sup>, harnessing mainstream programmes and increasing programme and service flexibility across the board.

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- 1 The report is produced by the SCRGSP (Steering Committee for the Review of Government Service Provision) and was commissioned by the Council of Australian Governments (COAG). Data from this report related to 2001 Census data.
  - 2 Shared Responsibility Agreements are agreements that spell out what all partners—communities, governments and others—will contribute to bring about long-term changes which will achieve better outcomes for Indigenous communities.

# THE INDIGENOUS ECONOMIC DEVELOPMENT STRATEGY

The Indigenous Economic Development Strategy presents a whole-of-government approach to removing barriers to Indigenous Australians achieving true economic independence.

This strategy aims to increase levels of Indigenous employment, self-employment and business development and help Indigenous Australians gain and manage assets and participate in the broader economy.

The strategy aims to ensure a coordinated approach by all levels of government that will help Indigenous Australians to achieve improved situations for themselves, their families and their communities. It draws together the range of mainstream and Indigenous-specific programmes and services and links into support offered through the corporate, community and philanthropic sectors.

## What will the Strategy do?

The Indigenous Economic Development Strategy will focus efforts on two main areas:

### Work

- > Expand job opportunities for Indigenous Australians (particularly in the private sector) through direct employment and/or through support for Indigenous business development.

### Asset and Wealth Management

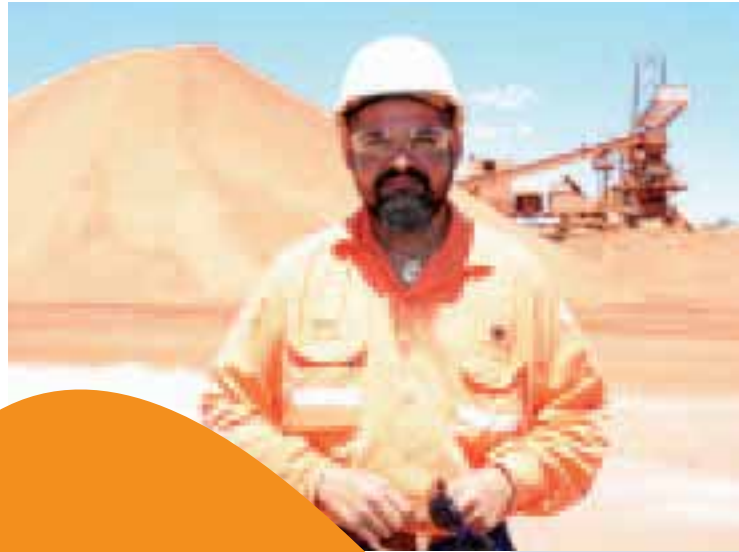
- > Provide access to economic development opportunities, through expanded home ownership opportunities, improved land utilisation arrangements and more effective asset and wealth management arrangements.

The twelve initiatives that will be implemented are explained in the following pages.

# WORK INITIATIVES

## Local jobs for local people

Kevin Nixon, Comalco Trainee, Weipa



The Local Jobs for Local People initiative aims to ensure Indigenous Australians, particularly in remote and rural communities, have the chance to compete for and win local jobs, which are often filled by people from outside the region or non-Indigenous Australians.

Local Jobs for Local People will bring together members of the Indigenous community, employers, service providers and institutions to work together. They will identify employment and business opportunities, plan training for individuals for these positions and ultimately match trained people to fill these job vacancies and business opportunities.

### CASE STUDY

The Cape York Indigenous Employment Strategy proposes integrated case and place management to develop employment opportunities for Indigenous people in government, industry, natural resource management and micro-enterprises. Over 1400 jobs are estimated to be created in Cape York in the medium term mainly in mining, tourism, cattle and forestry and timber.

# WORK INITIATIVES

## Targeted industry strategies

Targeted industry strategies aim to link Indigenous communities that have high levels of unemployment with industries which operate within their region.

Employment and other service providers will be helped to take on a more proactive role to prepare and connect Indigenous job seekers to fill emerging job vacancies.

Accor Hotel Group



### CASE STUDY

Accor, a world leader in hospitality tourism, has established the Accor Indigenous Employment Program, which is an initiative that provides Indigenous Australians with employment and training opportunities at Accor Hotels and Resorts across Australia. The program aims to set new benchmarks in the industry, ensuring representation for Indigenous people in a wide variety of positions from wait staff to management.

### CASE STUDY

In June 2005, the Australian Government made an agreement with the **Minerals Council of Australia (MCA)** that will build employment, business and social opportunities with Indigenous people and their communities. The agreement creates a partnership that provides a basis for Government and Industry to work with Indigenous Australians to build sustainable, prosperous communities in mining regions in which MCA member companies operate, which include some of the more remote areas of Australia.

## CASE STUDY

With reforms placing an increased focus on moving CDEP participants into off-CDEP jobs, the current Structured Training and Employment Project (STEP) with Argyle Diamond Mine in the East Kimberley region of Western Australia has provided valuable employment opportunities for CDEP participants to secure ongoing employment in their local region. The STEP project is underpinned by an Indigenous Employment Strategy which has led to the development of a strong strategic partnership between Argyle Diamond Mine, Wunan Foundation and Kimberley Group Training. This partnership will continue to facilitate the employment of CDEP participants into paid employment through apprenticeships, traineeships and direct employment.

Trevor Chevathun, Trainee Manager,  
Napranum saw mill



## CASE STUDY

The Australian Government is supporting the Cape York Institute's reform agenda through the implementation of welfare changes, improvements to the CDEP program, building leadership capacity, piloting commercial opportunities from municipal services provided in four communities and providing young Indigenous people assistance to gain employment experience outside their community.

# WORK INITIATIVES

## CDEP reform

Earlier this year, the Australian Government released the *Building on Success: CDEP Future Directions* paper which outlines the future for the Community Development Employment Projects (CDEP) Programme.

The future of CDEP is to build on the past success of the CDEP programme and ensure that CDEP can continue to meet the needs of Indigenous Australians.

Changes to CDEP should result in expanded job opportunities for Indigenous Australians, provide support for Indigenous business development and ensure CDEP is a stepping stone to economic independence.

All levels of government will work together to identify CDEP activities that support government services and to ensure services are funded and delivered effectively. Through this process, potential business and contracting opportunities are being identified for CDEP organisations and participants.

# WORK INITIATIVES

## Employment service performance

This initiative aims to improve the ability of employment service providers to achieve employment outcomes for Indigenous Australians, through Job Network services, Indigenous Specialist Job Network members and specially tailored services, such as Indigenous Employment Centres.

An important part of this initiative will be to ensure that all Indigenous Australians with the capacity to work are engaged in activities that will improve their ability to gain employment.

As a first step, Australian Government departments are working together to lift remote area exemptions from activity testing for individuals in remote communities, while making employment and other assistance available in their area, if it was not previously available.

### CASE STUDY

Tangglun Piltengi Yunti Aboriginal Corporation located in Murray Bridge, South Australia recently came on board as an Indigenous Employment Centre.

Indigenous Employment Centres provide assistance to CDEP participants to help them move into non-CDEP employment. Indigenous Employment Centres provide services that are tailored to the needs of individual participants and the labour market. These services include preparation and assistance with job applications, job search support, skills assessment, workplace training, and post-placement support.

# WORK INITIATIVES

## VET linkages

Sabrina Brennan, Trainee, Pomeruk Cultural Centre



The Vocational Education and Training (VET) linkages initiative aims to make better use of education and training providers to improve the skills of Indigenous Australians to match employer needs.

This will involve improving Indigenous participation in school-based New Apprenticeships, the CDEP Pathways to Employment Project, the Indigenous Youth Mobility Programme and ensuring CDEP participants aged 15–17 years have the opportunity to participate in education and vocational training as part of their CDEP participation requirements.

## CASE STUDY

The Pathways to Employment Project (PEP) will develop best practice models for achieving off-CDEP employment outcomes which can be applied nationally. It will work with a cross section of CDEP organisations throughout Australia to develop sustainable approaches for identifying and negotiating arrangements to meet the vocational education and training needs of participants and connecting them with suitable employment and business opportunities, including through links with employment services and other providers.

The project is seen as an important advance in developing sustainable links between CDEP, the VET system and mainstream employment. As the project progresses, key learnings will feed into the CDEP reform process as outlined in *Building on Success: CDEP Future Directions*.

# WORK INITIATIVES

## Developing enterprise opportunities

This initiative aims to develop Indigenous businesses, especially for the provision of services such as community stores.

Efforts will focus on areas of importance to individual communities. Business development will be encouraged in areas such as stand-alone businesses, use of franchise arrangements and setting up central businesses with satellite outlets, particularly in very remote areas.

The introduction of Indigenous Economic Development Officers (EDOs) will support this initiative. EDOs will identify local Indigenous entrepreneurs and business opportunities at a regional level. The EDOs will also help Indigenous people to access capital assistance and mentoring support through a range of business support programmes.

### CASE STUDY

Larrakia Nation is working closely with the Australian and Northern Territory Governments to identify and foster local Indigenous entrepreneurs and business opportunities and act as a facilitator in linking emerging entrepreneurs with business planners, marketers, accountants and mentors.



Pallas Masina, Radio Station Manager, Goolarri Radio

# WORK INITIATIVES

## Business leader initiatives

This initiative will help Indigenous entrepreneurs with training and assistance and aims to build aspirations among Indigenous communities by showcasing and promoting successful Indigenous businesses and business people.

Support will be provided through financial literacy training, which has been identified as a major barrier to Indigenous Australians engaging with the mainstream economy.

This initiative will also work to ensure emerging entrepreneurs are linked with appropriate mentoring, business and financial support and industry experts to help them with the development and implementation of their business ideas.

In addition, business hubs will be set up in several locations to help with the start-up of new or expanding Indigenous businesses.

### CASE STUDY

A series of workshops entitled **Turning Dreams Into Sustainable Businesses** have been held across the country, linking emerging Indigenous entrepreneurs with key players in economic development with an aim of fostering relationships and creating business partnerships.

# WORK INITIATIVES

## General business support

There is a range of business support services, both Indigenous and mainstream to assist the development of enterprise, they provide a toolkit of flexible resources to address individual business needs.

Access to business development programmes will be made easier and allow seamless service delivery utilising the range of 'business tools' in the toolbox.

This will help Indigenous people to act on business opportunities and start up businesses.

### CASE STUDY

The range of business development programmes includes a series of introductory business development workshops, business finance training, business planning and mentoring. These services are being reviewed to make sure they best serve the needs of Indigenous Australians.

# ASSET AND WEALTH MANAGEMENT INITIATIVES

## Private sector involvement in home ownership and business development

This initiative seeks to increase the involvement of the private sector in facilitating support for increasing Indigenous home ownership and small business formation. The strategy will also look at ways to increase home ownership on Indigenous land.

The initiative will build on government and private sector efforts to increase personal and commercial financial management skills amongst Indigenous Australians. This will provide a pathway to build family wealth in the long-term.

### CASE STUDY

Over 12 000 Indigenous families have been assisted by the **Home Ownership Programme**. It is estimated that, of all Indigenous people owning a home today, around 30 per cent have been assisted by the Home Ownership Programme.

Currently over 500 new Indigenous families are assisted into home ownership each year.

# ASSET AND WEALTH MANAGEMENT INITIATIVES

## Coordinated economic development on land



Indigenous people own approximately 20 per cent of Australia's land under various forms of title. There may be opportunities to better realise the full potential of this asset base.

This initiative aims to improve government coordination, to provide better access to economic development opportunities to Indigenous Australians.

### CASE STUDY

The Australian Government recently announced measures to support home ownership and economic development on Indigenous owned land. The package of measures includes proposed amendments to the *Aboriginal Land Rights (Northern Territory) Act 1976*, as well as programmes to financially support home ownership on Indigenous land.

# ASSET AND WEALTH MANAGEMENT INITIATIVES

Investment rules to improve returns from trusts and encourage investment of income from land

There is a range of organisations that own land and other assets and invest on behalf of Indigenous people across Australia. Such bodies include the Indigenous Land Fund, the Indigenous Land Corporation, the Aboriginal Benefits Account, Indigenous Business Australia and the NSW Aboriginal Land Council.

Looking at ways to improve yields or to improve outcomes for Indigenous people by using their funds together could contribute significantly to Indigenous economic development.

This initiative will help Indigenous Australians to obtain equity in larger local commercial opportunities and will lead to more effective use of land rights and native title.



## CASE STUDY

The investment in the refurbishment of **Scarborough House** in Woden, ACT, demonstrates how Indigenous groups can invest strategically to improve their returns. This Joint Venture allowed Indigenous groups who had limited local opportunities for investment to work with Indigenous Business Australia to secure a strong and secure income stream.

The Scarborough House Trust has attracted the support of four Indigenous partners: the Wunan Foundation Inc, the Gundjeihmi Aboriginal Corporation, Yarnteen Aboriginal and Torres Strait Islander Corporation and the Groote Eylandt and Bickerton Island Enterprises Aboriginal Corporation. The new building is fully leased by the Department of Health and Ageing, which has signed a 10-year lease with a further five-year option.

# ASSET AND WEALTH MANAGEMENT INITIATIVES

## Skills to realise economic outcomes

The current focus of land rights and native title processes has been on recognising the rights of Indigenous people to their traditional lands.

As these processes continue, improvements can be made to economic development outcomes by improving the skill base of Native Title Representative Bodies, Land Councils and Prescribed Bodies Corporate to ensure that they have the skills needed in economic and business development.

### CASE STUDY

Recent press reports have highlighted that the Wiradjuri people in the Mudgee area of New South Wales have lodged a native title application over Ulan in New South Wales, with the objective of the claim not being to stop the development but rather to ensure negotiation rights for the local people.

### CASE STUDY

The Miriuwung Gajerrong people and the Western Australia State Government recently signed the Ord Final Agreement, which deals with native title future act issues, compensation for the extinguishment of native title and negotiations to finalise a consent determination native title claim. The \$57 million compensation will be used to develop the capacity of the Miriuwung Gajerrong people to engage in the local economy and benefit from the future development.

# HOW THE STRATEGY FITS INTO GOVERNMENT PRIORITIES

All levels of government—recognising that achieving economic independence is critical.

The Council of Australian Government (COAG), made up of the Australian and all State and Territory Governments has made a commitment to improve the social and economic well-being of Indigenous people.

A priority is to forge greater links between business sector organisations and Indigenous communities to promote economic independence. This should lead to improved wealth creation and economic sustainability for Aboriginal and Torres Strait Islander individuals, families and communities.

The importance of investing in people, achieving greater employment, encouraging businesses and making better use of assets has been recognised as crucial in building Indigenous economic independence.

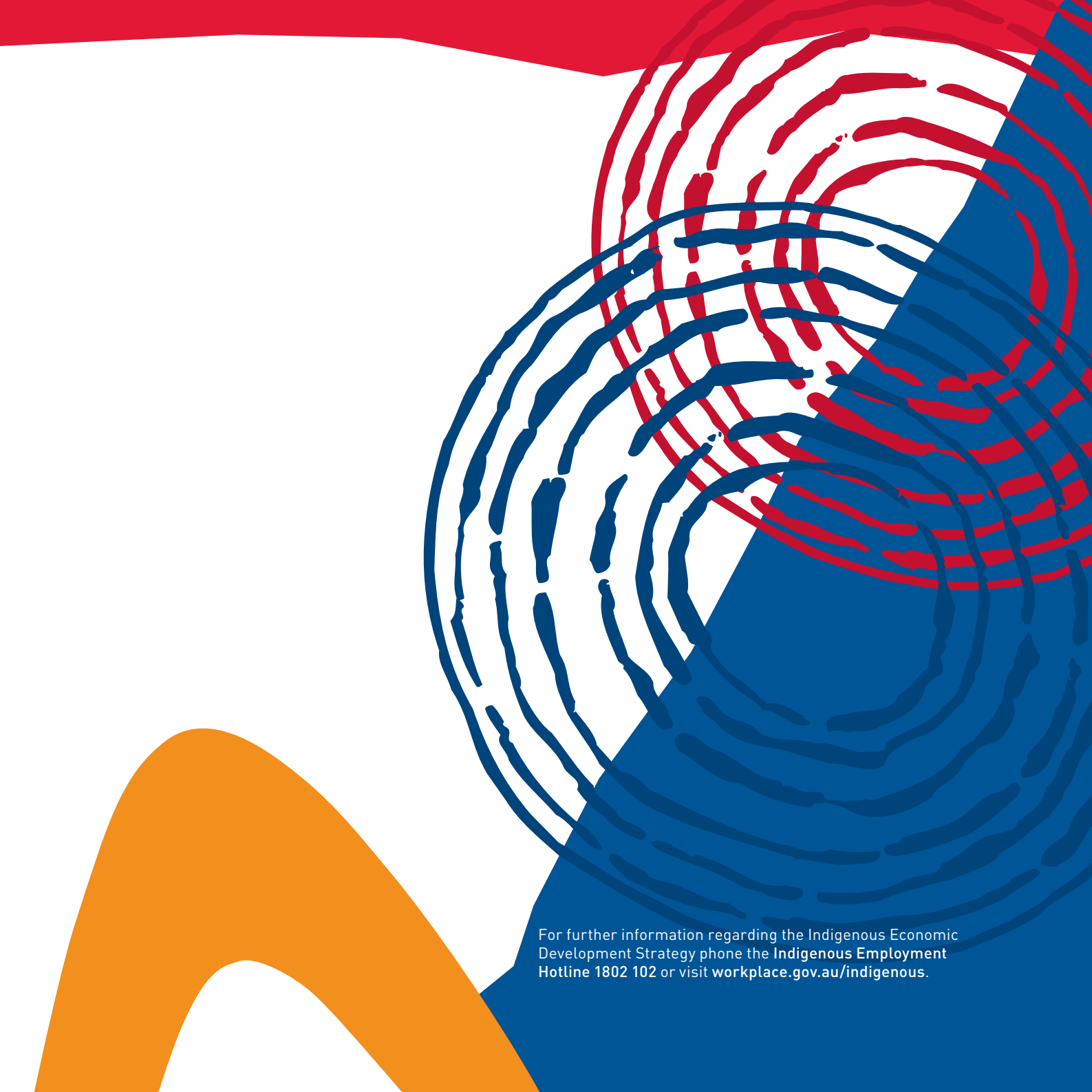
All levels of government recognise that this is a major challenge and are committed to working together to see that real improvements are made. This strategy will provide a basis for collaboration between all levels of government.

A renewed focus has been placed on active partnerships with Indigenous people and the creation of flexible approaches allowing local solutions tailored to each community's needs.

This strategy recognises that achieving sustainable improvements for Indigenous people will take time and will require a cooperative effort by Indigenous Australians, governments, business and industry and the wider community.

The Indigenous Economic Development Strategy sets the direction for Australian Government policies that will further Indigenous economic independence. It recognises that no single policy can achieve this aim and that a coordinated approach is required. Each initiative relates to and combines with other initiatives to allow the flexibility to tailor solutions that meet the needs of each community and individual, while maintaining a focus on the national agenda. It seeks a whole-of-government solution to supporting Indigenous Australians to achieving economic independence.





For further information regarding the Indigenous Economic Development Strategy phone the Indigenous Employment Hotline 1802 102 or visit [workplace.gov.au/indigenous](http://workplace.gov.au/indigenous).

