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Country-based enterprises support growth and diversification of local Indigenous economies in the Northern Territory

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RESEARCH AIM

Indigenous people's assets in the form of land, water, and sea, along with related local knowledges, skills and culture, offer considerable potential for Country-based economic development. Indigenous residents of the Northern Territory (NT) have already pioneered the now significant industries of Indigenous land and sea management (Indigenous rangers), art, and the carbon market. It is projected that these three industries will continue to expand, both in terms of geographic scope and economic value. However, they remain insufficient in terms of provisioning livelihoods for the majority of Traditional Owners in the NT. There remains considerable latent potential for diversified economic development from Country-based assets.

In this brief we provide an overview of some Country-based enterprise opportunities in the sectors of nature-culture based tourism, commercial wildlife harvesting, biodiversity and threatened species management, and the newly emerging sector of 'impact investing'. Indigenous people in the NT can leverage their competitive advantage through Country-based enterprises to produce diversified local economies and locally relevant jobs as well as enhancing the resilience of local social-cultural-ecological systems.

KEY FINDINGS

- Indigenous residents of the Northern Territory enjoy comparative advantages in several market sectors.
- Indigenous entrepreneurship needs specifically targeted policy and institutional support.



Country-based Enterprises

Over the years, many Indigenous leaders have called for growth in private sector investment in Indigenous livelihoods on Country (e.g. Yunupingu, 2008; Morrison, 2015; and many more). While such investment would be consistent with a renewed push for Australia to relocate much of its agricultural and pastoral development to the north, conventional agriculture, even at a small scale, has generally failed to involve Indigenous people. Further, there is very low participation even for the jobs available (Whitehead, 2012). This situation could certainly be improved through better engagement and planning, but alternative modes of development also offer significant potential for enhanced resilience of Indigenous livelihoods in the NT.

Here we use the term ‘Country-based enterprises’ to refer to market-based economic activities that capitalise on Indigenous people’s assets in the form of land, water, sea, local knowledges, skills and culture, in appropriate ways and contribute to growth in local economies. We suggest these often small-scale enterprises have the potential to diversify local economic bases of Indigenous residents of the NT and further leverage assets to improve Indigenous livelihoods.

Comparative advantages

Alternative industries to mining and large-scale agriculture have emerged in the NT pioneered by Indigenous people and their partners. In some sectors, much success has already been achieved:

- *Indigenous land & sea management*

There are now over 700 Indigenous rangers employed in Indigenous land & sea management across Australia. It is now estimated the total investment in the sector is in the vicinity of AU\$116m and growing (Hill et al., 2013). In the NT, the Northern Land Council alone has grown a workforce of over 130 rangers (NLC, 2016). Most investors in this sector seek environmental outcomes such as biodiversity conservation, intact ecosystems, climate balance, and growth in protected area size (Austin et al., *in review*) but all agree that non-environmental benefits are also produced. These include Indigenous employment, maintenance of traditional knowledge, protection/enhancement of cultural values and/or practices, Indigenous education & training (Austin et al., *in review*).

- *The Carbon Market*

Indigenous people have engaged with opportunities to realise income from managing fire to reduce greenhouse gas emissions (Robinson et al., 2016). The most famous case is the West Arnhem Land Fire Abatement project that was the first of its kind and continues to receive \$1.1 million per annum through a voluntary agreement with an industry partner (Russell-Smith et al., 2017). Similar carbon projects have proliferated across the Top End, generally north of the 1,000 mm rainfall isohyet, and are likely to increase significantly in value with the emergence of carbon sequestration methodologies (Hill et al., 2013) and ways of managing drier country for carbon benefits. Most of the land that is economically feasible for this Country-based enterprise is in the northern Indigenous estate (Heckbert et al., 2012).

- *Art and Crafts*

Indigenous peoples’ art is featured prominently in contemporary Australian society, with galleries, museums, offices, football jerseys and peoples’ homes adorned with works from across the Country. Indigenous people continue to use their creative talents both for private purposes and for creating livelihoods. There are a total of 42 Indigenous art centres in the NT. If, as is estimated, art centre sales represent about a quarter of the sales arising from all forms of creative arts (Commonwealth of Australia, 2007), then the total earnings of Indigenous artists in the NT is about \$20 million a year (Garnett et al., 2016). In 2011, 213 Indigenous people in the NT identified the creative industries as their major form of



employment (ABS, 2012). However, an unknown though undoubtedly significant number of people make money from the creative arts through occasional or casual sales without declaring it as their principal source of income (Garnett et al., 2016).

The growing intellectual, social and physical capital of these Country-based enterprises is supporting the development of other livelihood opportunities. There are numerous such economic activities that harbour significant latent potential:

- *Tourism*

Indigenous people have begun to create an Indigenous tourism industry, where Indigenous people run their own businesses, or at least gain employment in the tourist industry. In 2011 just under half of the 5.8 million international tourists to Australia attended at least one cultural attraction while in Australia. Nationally, Indigenous tourism visitors were estimated to have spent \$7.2 billion in 2009, representing 12 per cent of total visitor expenditure in Australia (Tourism Research Australia, 2010). Current returns to Indigenous people and levels of employment in the industry are both very difficult to estimate. Existing estimates suggest returns are currently low (Garnett et al. 2016) but with substantial opportunities to expand in niche markets.

- *Biodiversity and threatened species management*

Three quarters of Australia's 272 terrestrial or freshwater vertebrate species listed as threatened under national legislation have projected ranges that overlap Indigenous lands, the average overlap being nearly 50% of the range of each threatened species. Hotspots for multiple threatened species ranges are mostly in coastal Northern Australia meaning that management of threatened species for the wider Australian community is a potential source of funding for Indigenous people (Renwick et al. 2017). Threatened species management is already proving a lucrative source of income and employment for Indigenous rangers with over a quarter of all animal species listed as threatened under Australian environmental legislation already the subject of some conservation action by Indigenous people, mostly ranger groups (Zander et al., in prep).

- *Wildlife-based Enterprises*

Use of native plants and animals for commercial purposes represents an alternative land use to mainstream agricultural production that does not require substantial land modification or investments in infrastructure or chemicals. Utilisation of feral animals in particular can be seen as restoring natural environments. Indigenous people are well positioned to take advantage of the opportunities offered by wildlife-based enterprise. While numerous wildlife species have been identified as having significant commercial potential (see: Gorman et al., 2006; 2008) we are aware of only five instances in the NT where Indigenous people are currently harvesting wildlife or feral animals on a consistently significant commercial basis: crocodile eggs, feral buffalo, bush tomatoes, acacia seed and Kakadu plum.

- *Impact investing*

Impact investments are becoming an increasingly popular mechanism from a range of private and public sector agencies to seek social and environmental returns alongside financial returns on investment. A total of 40% of investors in Australia are highly interested in impact investing, representing around \$200 billion (Dembek et al. 2016). Though this sector is currently nascent, Indigenous people in the NT are positioned well to attract impact investments if measures of returns on investment can be developed. If even 1% of funds can be attracted to support Country-based enterprises, this would represent a total of almost \$2 billion.



Supporting Indigenous Country-based Enterprises

A critical feature of Country-based enterprises is the enthusiasm with which Indigenous people engage in them, especially when compared to other opportunities (Armstrong et al., 2012; Whitehead, 2012; Zander et al., 2014). However, Indigenous entrepreneurship is driven by diverse factors and thus needs appropriately nuanced policy and institutional support. Austin and Garnett (*in press*) found Indigenous entrepreneurs operating Country-based enterprises measured their own success based on 5 metrics:

1. Financial performance;
2. Social capital;
3. Cultural capital (including intergenerational transfer of knowledge);
4. Looking after Country (and environmental assets); and
5. Longevity of enterprise operations.

These results align with experience around the globe suggesting that as economies expand and markets emerge, local people firmly embed enterprise into local culture because financial decisions and transactions are but a small facet of social and economic life (Granovetter, 2005; Dana, 2015).

Programs to encourage and support Indigenous entrepreneurs in remote parts of Australia must work within local social-cultural-ecological systems, and with local enterprise leaders, to identify appropriate opportunities and empower people to participate in the market economy on their own terms. Indigenous people and Indigenous knowledges can bring innovation and creativity to the table. In this regard much can be learned from the emergence and consolidation of the Indigenous land and sea management sector in Australia over the past 20 years (Hill et al., 2013). Accommodation of local perspective has ensured relevance and efficacy in achieving locally, nationally and internationally important outcomes and has enhanced the resilience of both the communities involved and the land and sea management activities themselves.

Summary & Conclusions

Indigenous enterprise development needs to complement rather than conflict with local socio-cultural-environmental contexts. Indigenous entrepreneurs are finding synergies between traditional and market-based economic systems through small-scale enterprise development. More than half of the land and over 85% of the coastline of the NT is owned or managed by Indigenous people who make up about 30% of the population. This positions Indigenous people not only as key stakeholders in the NT but also as key decision makers about its economic future. Country-based enterprises have the potential to strengthen local economic bases of Indigenous residents of the NT and thus support the further leveraging of land, water, sea, local knowledges, skills and cultural assets for diversified livelihood development. Further, these enterprises can make a valuable contribution to increasing the resilience of the NT's unique social-cultural-ecological systems and make a material contribution in recognition of Indigenous people's long-term investment in this place. Country-based enterprises should be seen as part of a suite of diverse livelihoods opportunities available to Indigenous land owners in the NT that can make an important contribution to the development of resilient social-ecological-environmental systems across the north.



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