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Dear Committee

## Business Foundations response to the Senate Select Committee on the effectiveness of the Australian Government's Northern Australia agenda

We welcome the opportunity to contribute to the Committee's inquiry into the Australian Government's efforts to accelerate development of Australia's north.

Business Foundations Inc is a national not-for-profit business advisory and training organisation based in Western Australia. We believe everybody can be enterprising and thriving communities are underpinned by local economies that have opportunities for everyone. We believe in taking the barriers away for people and ensuring they can access the right business support for their needs.

We have nearly three decades' experience of working with local governments and community organisations in urban, rural and remote regions around Western Australia. Business Foundations specialises in working in partnership with local government to develop and delivering economic development programs and opportunities that contribute to a sustainable sense of place.

Current and recent partners include:

- The Cities of Fremantle, Stirling, Cockburn, Rockingham, Canning, Armadale, Swan, Joondalup and Perth in metropolitan Western Australia;
- The Shire of Ashburton;
- The City of Peel;
- The Bunbury Geographe Chamber of Commerce and Industry;

- The Kalgoorlie-Boulder Chamber of Commerce; and
- The Onslow Chamber of Commerce and Industry.

In relation to this Committee's inquiry, we offer our perspective as consultants to the Djarindjin Aboriginal Corporation (DAC) as they develop their business plan for the proposed redevelopment of its Airport to become the primary heliport for the Browse Basin gas fields, off the North West coast of Western Australia. This project would underpin the economic development of the entire Dampier Peninsula for the coming decades. Business Foundations produced the initial feasibility study for the project in 2018 and continues to support DAC on this project. Business Foundations' support includes:

- Refining the technical and financial feasibility of the project;
- Navigating and working with government departments and ministerial offices to secure the required approvals and political understanding of the project;
- Co-ordinating a range of consultants and partners to produce the technical information, market intelligence and assessment reports required; and
- Supporting the development of a tailored adult literacy and numeracy program that will be fit-for-purpose for the specific job opportunities made available by the project.

It is from our perspective as consultants who are involved in the day-to-day process of trying to bring an infrastructure project to life in the remote north west of Western Australia, that we address the Committee's Terms of Reference below.

### **Funding the development of infrastructure and capturing the full value of existing and emerging industries**

The Northern Australia Infrastructure Facility (NAIF) is a useful and timely vehicle for projects to access affordable debt in order to fund major infrastructure development. The NAIF team's ability to take a more long-term, and nation building approach to matters of risk that allows projects such as Djarindjin's airport to be conceivable.

However, the administration of the Australian Government loan through a State Government department increases the level of complexity, creates another layer of required departmental and political support and allows for competing ideas about the validity of a project.



Our observation of the projects funded by NAIF in Western Australia so far though is they are predominantly projects championed by experienced businesspeople, mostly living in the south. These are people who appear to have experience in raising capital funding, possess strong business knowledge and are more likely to be able to navigate NAIF's complex funding process more easily.

It is expensive to get all of the research and documents required to get funding, and for an Aboriginal Corporation which uses the revenue it raises to support an entire community, it is a significant barrier to entry.

Providing plain English support and on-ground advisers to work with the Board and Executive for projects that will be directly owned by Aboriginal Corporations would provide extra capacity to explore these opportunities. It would also allow for more equitable access to potential funding options.

A further opportunity to make access to funding more equitable would be to bundle grant options with NAIF debt funding, especially when the proponents are unlikely to have access to equity capital easily, but their project has nation building potential.

Many Aboriginal communities do not have easy access to liquid equity capital which hampers self-driven economic development. In our experience, there is limited appetite to give away any ownership stake in, what is often, their only significant asset, land tenure and land access.

### **Economic and social benefit arising from that investment for Northern Australians, in particular First Nations people.**

Underpinning any opportunity for economic development of indigenous business in Northern Australia is the need for not only cross-department and agency cooperation but a more meaningful and sustainable cooperation between the State and the private sector, particularly with businesses which are part of the mining, oil and gas, defence and retail supply chains.

Businesses in the supply chain of larger corporations, particularly in remote and regional Western Australia, often provide greater opportunity for local jobs than their larger customers. It is also these businesses, however, that lack the internal resources and capacity to have dedicated programs to increase their engagement with local Aboriginal communities. These companies would benefit from services with a practical, tactical execution focus that supported their recruitment and training of local people.

Creating connections between local businesses and Aboriginal communities also needs to be co-ordinated with long-term educational and career planning activities in schools and

job readiness programs that develop clearer and sustainable employment development pathways. These could start with targeting education programs designed to embed specific skills required in the local region, talent identification, job readiness and flexible working for the employees and targeted cultural awareness training for employers.

Similarly, Aboriginal-owned and run businesses require practical business development support to help find pathways to grow, secure markets and plan for a self-sustaining future. This support would include developing skills throughout an organisation that improved knowledge and understanding of conducting business in the mainstream economy. These would include topics such as; practical financial understanding, negotiating skills, understanding contracts, understanding employment legislation, sales and marketing techniques and legal issues. This may even include practical business literacy and numeracy, particularly in technical industries.

Support to assist with developing financially sustainable business models that allowed Aboriginal people to enjoy the benefits of work but also continue to participate in cultural and recreational activities is important. It is a matter of understanding peoples' cultural obligations and their capacity to work; and creating a workplace that is flexible in employment practices and operating procedures.

Again, a systems-based approach would need to encompass: longer-term educational trade-based pathways, as well as the university pathway, to provide the right skill mix; and support services such as appropriate childcare, health care and financial services to support families to be at work, to be well and to build their asset base.

Policies and programs providing access to affordable, long-term financial options to build businesses is also crucial, as is the continuing work on land tenure and housing security issues.

### **Measures taken to develop an appropriately skilled workforce**

Our experience is that there is a deficit in functional literacy and numeracy that needs to be addressed, particularly in the post-school age adult cohort who may have slipped through the educational cracks. Innovative approaches are required and a focus on task-based job skills and VET learning is perhaps more important than a university focus to meet the jobs that are currently available in northern Australia. This is not to say that university education is not a requirement as well, however, there are more immediate pathways to meaningful, sustainable, skilled employment for Aboriginal people through the trades.



**Any related matters**

The success of infrastructure projects in Northern Australia requires an understanding of how that particular piece of infrastructure will interconnect with existing and proposed future infrastructure in the region. There may be a need to connect infrastructure projects together to ensure there is region wide benefit, not just a benefit to the proponents. It also requires an understanding of what additional infrastructure, physical and social, is required to ultimately ensure success.

Yours sincerely

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