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UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES

Submission by Indigenous Business Australia to the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry into the application of the United Nations Declaration on the Rights of Indigenous Peoples in Australia

26 October 2022

INDIGENOUS BUSINESS AUSTRALIA

The design of our brand was inspired by artwork from Indigenous artist Penny Evans.

Acknowledgement of country

Indigenous Business Australia (IBA) pays respect to elders, past, present and emerging. We honour the resilience and continuing connection to country, culture and community of all Aboriginal and Torres Strait Islander peoples across Australia. We recognise the decisions we make today will impact the lives of generations to come.

A note on terminology

Australia's Indigenous people are two distinct cultural groups made up of Aboriginal and Torres Strait Islander people. But there is great diversity within these two broadly described groups exemplified by the over 250 different language groups.

IBA uses the primary term of Aboriginal and Torres Strait Islander people to refer to our customers, acknowledging the distinct cultural differences and diversity across Australia. In recognition of the societal shifts occurring in Australia, IBA has also adopted the secondary term of First Nations.

Introduction

IBA welcomes the opportunity to provide a submission to the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs for the inquiry into the application of the United Nations Declaration on the Rights of Indigenous Peoples (the Declaration) in Australia.

Since colonisation, exclusionary policies and practices have created barriers and limited the ability for First Nations people to leverage assets, grow wealth and reach economic independence. IBA was created with the deliberate and expressed intention of supporting greater economic independence and self-sufficiency for Aboriginal and Torres Strait Islander people.

IBA supports incorporating the Declaration into Australia's legal system to further protect, promote and uphold the human rights of Aboriginal and Torres Strait Islander people, either through implementing the Uluru Statement from the Heart and/or other means, in accordance with Article 38 of the Declaration.

IBA acknowledges that there is currently no framework or legal instrument to ensure that Australian laws, policies, and practices are consistent with and adhere to the Declaration. Despite this, IBA seeks to adhere to the Declaration, within the limits of its own remit and legal and governance framework.

IBA is established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is a corporate Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013*. IBA is accountable to the Australian Parliament through the National Indigenous Australians Agency and the Minister for Indigenous Australians, the Hon. Linda Burney MP.

This submission outlines the contribution that IBA makes to implementing the Declaration in Australia.

IBA's contribution to delivering Australia's commitment

The Declaration is a comprehensive international instrument on the rights and freedoms of Indigenous peoples. The Australian Government endorsed the Declaration in 2009.

The Declaration includes several rights pertaining to the ability to access finance and financial assistance and the free pursuit of and full participation in economic development, in particular Articles 3, 4, 5, 20, 21, 23, 32, and 36. IBA contributes to the delivery of these Articles, as outlined in the table below.

Article Number	IBA's Contribution
Article 3 Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.	IBA's purpose is set out in the ATSI Act, as follows: • To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and • To advance the commercial and economic interests of Aboriginal and Torres Strait Islander people by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people. IBA's approach to supporting Aboriginal and Torres Strait Islander people is through responding to one of the most critical societal barriers to economic participation – a lack of intergenerational wealth transfer. IBA provides access to capital, skills and networks, thereby supporting First Nations people to pursue economic self-sufficiency and independence.
Article 4 Indigenous peoples, in exercising their right to self-determination, have the 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.	IBA has a Board made up of eminent people with expertise in business, most of who are First Nations people, including the Chair. Half of IBA's Executive team identify as either Aboriginal and/or Torres Strait Islander people. The ATSI Act provides IBA with various powers to engage in commercial activities, provide loans and other finance products, and participate in investments, partnerships and joint ventures. IBA also has the power to act as a trustee to support the accumulation of wealth for Aboriginal and Torres Strait Islander people. Over time IBA has built a total consolidated asset base of around $2 billion.

Article 5 Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.	By providing access to capital, networks and skills that may otherwise be unavailable, IBA helps Aboriginal and Torres Strait Islander people establish their own economic security, create jobs and grow wealth. Although IBA receives some of its income through Commonwealth Government grant receipts, appropriations and capital injections, most of IBA's operations are funded by self-generated revenue from home and business loan interest and returns from IBA's investment portfolios. Indeed, $185 million in revenue in 2021-22 was self-generated. IBA believes that its reinvestment model is a large part of its success.
Article 20 1. Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities. 2. Indigenous peoples deprived of their means of subsistence and development are entitled to just and fair redress.	The principles of collaboration, co-design and shared decision-making are part of IBA's everyday operations. For example, IBA's Indigenous Investment Principles were co-designed with 30 First Nations organisations to provide guidance for managing funds derived from Indigenous land and sea rights and interests. IBA has partnerships with 14 First Nations organisations across 12 direct investments. As of 30 June 2022, IBA's investment portfolio was worth around $850 million.
Article 21 1. Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security. 2. States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of their economic and social conditions. Particular attention shall be paid to the rights and special needs of indigenous elders, women, youth, children and persons with disabilities.	IBA operates in a space of market failure, providing loans to customers who would not be able to access finance from the commercial banking sector. The people and businesses in which IBA invests deliver a range of benefits, including in the areas of employment, training, and supply chain. Through its Indigenous Home Ownership Program (IHOP), IBA has supported over 20,000 Aboriginal and Torres Strait Islander customers and in turn housed over 60,000 people. As of 30 June 2022, IBA's home loan portfolio was worth around $874 million. IBA also has products and services specifically designed for women, such as the Strong Women Strong Business program, which aims to increase the participation of Aboriginal and Torres Strait Islander women in business.

Article 23 Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.	IBA involves First Nations people in defining what success means through their perspectives and voices. Analysis of feedback from complaints, customer satisfaction and social impact surveys, assists IBA to maintain a robust continuous improvement framework and ensure its staff have the most up-to-date information and tools to deliver our suite of products and services. A valuable source of knowledge and experience is IBA's Aboriginal and Torres Strait Islander staff, who are represented in almost every aspect of its operations. As of 30 June 2022, 27 percent of IBA staff identified as Aboriginal and/or Torres Strait Islander. First Nations staff guide and support the development and delivery of IBA's products and services to ensure they are culturally appropriate. IBA established its Galambany Staff Network, and the Galambany Advisory Committee, in recognition of the significant value and contribution our First Nations staff members make to IBA's strategies, policies, and programs.
Article 32 1. Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources. 2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources. 3. States shall provide effective mechanisms for just and fair redress for any such activities, and appropriate measures shall be taken to mitigate adverse environmental, economic, social, cultural or spiritual impact.	IBA engages and collaborates with First Nations people and organisations in designing and delivering its products and services, which results in IBA's activities having wide-reaching and long-term impact. In 2020, IBA developed an Impact Framework to help explain its external footprint and the ripples of impact from its activities. This impact research, and customer satisfaction surveys, show that IBA's core programs have an overall significant positive economic, social and cultural impact on IBA's customers. IBA is seen as a long-term partner, not just a bank. Governance arrangements for IBA co-investments include fair and equitable community representation, and free, prior and informed consent for individual decision-makers.

Article 36 1. Indigenous peoples, in particular those divided by international borders, have the right to maintain and develop contacts, relations and cooperation, including activities for spiritual, cultural, political, economic and social purposes, with their own members as well as other peoples across borders. 2. States, in consultation and cooperation with indigenous peoples, shall take effective measures to facilitate the exercise and ensure the implementation of this right.	IBA assists First Nations businesses to export products and services, and engage in trade, through its business support programs. IBA does this by engaging independent industry specialists to work with its customers one on one to build and grow their capability. IBA does not lead the Commonwealth Government's approach to export trade and investment, which is led through the Department of Foreign Affairs and Trade (DFAT) and Austrade. However, where possible, IBA does and has contributed to supporting trade delegations and attendance at events such as the World Indigenous Business Forum.
Article 39 Indigenous peoples have the right to have access to financial and technical assistance from States and through international cooperation, for the enjoyment of the rights contained in this Declaration.	In addition to its home ownership support programs, and co-investments, IBA offers a range of workshops, advisory services, business support, and business loans to support Aboriginal and Torres Strait Islander people to start, grow and maintain sustainable businesses. As of 30 June 2022, the fair value of IBA's business loan portfolio was $36.5 million. IBA also offers a suite of finance products including: • Start-up finance • Producer offset loans • Performance bonds • Invoice finance. In 2020, IBA expanded its partnerships programs to ensure customers had access to a larger network of skills, advice, and assistance primarily delivered by Aboriginal and Torres Strait Islander organisations. IBA also assisted its customers to manage financial challenges throughout the COVID-19 pandemic, including through the COVID-19 Business Relief Package and financial hardship support.

Conclusion

IBA is an important example and platform for enabling First Nations people to meet their aspirations and needs, in accordance with the Declaration.

Throughout IBA's history, it has contributed towards positive economic, social, and cultural impacts for its customers and their communities. IBA's products and services have resulted in more First Nations people securing jobs, businesses, home ownership, capability and capacity development, prosperity, sound investments, and wealth creation.

IBA will continue to work closely with First Nations people to ensure they can access the Australian and global economy from a safe and stable position.

Embedding the Declaration into Australia's legal system will provide greater certainty, accountability, and transparency for Aboriginal and Torres Strait Islander people to exercise their rights. It will also expand opportunities to further identify and address barriers for First Nations people to secure housing, experience self-management, leverage assets, grow wealth, and reach economic independence.