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Dr Anna Dacre
Committee Secretary
Standing Committee on Aboriginal and
Torres Strait Islander Affairs
Parliament House
CANBERRA ACT 2600

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BY:..... ASIA.....

Dear Dr Dacre

The Indigenous Land Corporation (ILC) notes the Standing Committee's request for submissions to its inquiry into ways to develop Indigenous enterprises.

The ILC is a statutory authority of the Australian Government, established to assist Indigenous Australians to acquire and manage land to achieve economic, environmental, social and cultural benefits.

Given the need for all landholders to have a sustainable income source to manage and maintain their property, the ILC plays a significant role in assisting and supporting Indigenous landholders to develop viable enterprises.

As set out in the National Indigenous Land Strategy 2007-2012, the ILC has priorities of supporting projects that:

1. Target education, training delivery and creation of sustainable employment; and
2. Are conducted in collaboration with other project partners.

The ILC believes that economic, environmental, social and cultural benefits will flow to Indigenous people through their engagement in education, training and employment.

The ILC targets these priorities and assists with the development of Indigenous enterprises through four primary mechanisms:

1. Indigenous organisations apply to the ILC's Land Acquisition and Land Management programs for assistance with development of a land-based business;

2. Regional projects are supported that give advice, mentoring and training to Indigenous businesses;
3. ILC businesses are operated that employ and train Indigenous people in the pastoral and tourism industries; and
4. Businesses are initiated in collaboration with Indigenous groups to target mainstream enterprise development opportunities that will be handed over to the group once governance, capacity and appropriately-skilled staff are in place.

1. Assisting land-based Indigenous enterprises

Through the 'economic stream' of its Land Acquisition and Land Management programs, the ILC supports Indigenous organisations with developing viable land-based enterprises that will deliver benefits to Indigenous people. In the Land Acquisition program, land and assets are acquired for the applicant group, and operating costs for the initial stages of the enterprise are provided. In the Land Management program, the ILC most commonly contributes to start-up capital and infrastructure development for the enterprise.

In both programs, applicants must demonstrate that the enterprise will be financially viable and that they have the capacity to sustainably operate the business. Applicant groups that are still building their capacity and developing a plan for a business, can apply to the ILC for training and/or planning assistance. Currently the ILC has 52 active economic land management projects that have arisen from applications from Indigenous corporations and landholders.

For example, this year the ILC assisted Groote Eylandt and Bickerton Island Enterprises Aboriginal Corporation with funds for infrastructure and accredited training to develop a high-quality holiday resort at Groote Eylandt. The resort, the first to be developed on the island, aims to give the traditional owners a sustainable economic enterprise beyond the life of the current mining activities. The resort aims to employ 50 Indigenous staff in the long term. Currently 25 Indigenous staff are employed.

2. Regional projects that support Indigenous enterprise development

The ILC works in partnership with other agencies to fund regional projects that support the development of businesses on under-utilised Indigenous-held land. The Indigenous Pastoral Program (IPP) in the NT and the Kimberly Indigenous Management Support Service (KIMSS) in WA are two examples of such projects.

The IPP is a partnership between the ILC, NT Government, Northern and Central Land Councils, the Department of Education, Employment and Workplace Relations (DEEWR) and the NT Cattleman's Association that aims to increase the level of pastoral production on Indigenous-held land and increase Indigenous involvement in the industry through training and employment. The program is currently assisting Indigenous land owners of 11 properties with financial and

governance training, natural resource audits, fire management, drought response and business planning. The program has built successful partnerships between industry and Indigenous land owners in the region, and contributed to direct environmental benefits and improved land management.

The ILC jointly funds the KIMSS program with the WA Department of Agriculture and Food to assist Indigenous pastoral lease holders in the Kimberley to build their capacity to run sustainable cattle enterprises. In the program, mentors are working with pastoral managers and key staff of 14 pastoral businesses to develop annual work plans, source materials and labour, and create opportunities for training and skill development. This year 90 Indigenous people attended governance training and 65 people participated in Certificate I to IV level courses ranging from beef cattle production to business administration. An evaluation of the program this year described the support and mentoring provided by the program to be integral to the development and growing success of the Indigenous pastoral stations.

3. The ILC's industry-based training and employment model

The ILC operates nine successful pastoral and tourism businesses that deliver training and employment to Indigenous people in these industries. These businesses annually employ more than 200 Indigenous people in full-time and seasonal work and host 50 Indigenous trainees.

The ILC has developed a successful training and employment model in its businesses, which it delivers together with DEEWR (refer to figure 1). Key elements of the model are the provision of:

- Industry-based training that is integrated into the operations and work plan of the business;
- Industry-standard wages;
- Board and accommodation through residential facilities, wherever feasible;
- Training that follows the Australian Quality Training Framework and the new employability framework, and uses industry-certified, accredited courses and vocational and technical education; and
- Intense mentoring, including to facilitate placement into mainstream businesses and provide post-placement support.

For example, the ILC has developed a pastoral-based tourism facility at the ILC-held property Home Valley Station in the Kimberley, WA. Ten Indigenous trainees are supported with board, accommodation and training in tourism and hospitality per year. Trainees are coached in workplace and life skills, and given career counselling and support. At the end of their training, they are assisted to move into ongoing employment within ILC-managed operations or with other employers in the tourism industry.

The ILC has, in other cases, been asked by Indigenous land owners to establish a sustainable, viable business on their land. For example, at Urannah near Collinsville in Queensland, the ILC is developing the pasture, herd and infrastructure on the property, and building the capacity of the Indigenous land owners to operate a viable cattle enterprise.

The ILC believes that many of the elements of its training and employment model could be used successfully in other new enterprises developed in partnerships between Indigenous organisations and mainstream companies. These partnerships will be particularly important in remote areas where there are currently under-developed labour markets and often limited capacity to develop viable businesses.

4. ILC-initiated projects that target enterprise development opportunities

Recently, the ILC has also initiated projects to create sustainable employment and income for Indigenous people in mainstream industry opportunities. Projects can utilise either or both the ILC's land acquisition and land management functions to:

1. develop a viable and sustainable commercial business;
2. train and employ Indigenous people to build work-readiness and capacity to own and operate the business; and
3. in the longer-term, hand the business over to the Indigenous corporation to own and manage.

Several examples of this approach are described below.

The ILC has recently acquired land adjacent to Mossman Gorge, north of Cairns to work with the Mossman Gorge Aboriginal Community to establish a nationally significant Indigenous tourism business. Mossman Gorge is frequented by over 500,000 visitors per year, and construction of a visitor centre and passenger shuttle service will address the safety and environmental issues associated with the current visitor arrangements at the Gorge. The business will provide training and sustainable employment for 45 local Indigenous people.

The traditional owners of Gunbalanya Meat Supply Pty Ltd in western Arnhem Land have approached the ILC to assist with the expansion and development of the Gunbalanya meatworks and floodplain cattle business. The ILC has undertaken to upgrade the meatworks infrastructure and develop the floodplain cattle grazing enterprise to create a commercial abattoir that will train and employ local Indigenous people. Once capacity has been built, the Gunbalanya Meat Supply company will own and operate the enterprise.

The ILC has also undertaken to develop and operate export cattle yards in Broome to provide security to the live export trade in that region. Indigenous-held stations in the Kimberley are reliant on the live export trade, and these properties are important contributors to the employment and training of Indigenous people in the

region. The development and operation of the yards will provide training and employment of Indigenous people.

Minority Business Model

The ILC does not have a particular view on, or experience with, the US Minority Business/Development Council model. However, as can be seen from the examples described above, the ILC is already engaged in some aspects of this model. In particular, the ILC:

- runs programs that enhance business relationships between corporations and Indigenous businesses
- builds capacity of Indigenous-owned businesses to deliver competitive goods and services in mainstream industries
- has Board Directors who are successful business people who give advice and direction on Indigenous enterprise development and the ILC-operated businesses
- maximises the use of Indigenous goods and services in all of its purchasing and contracting

The ILC continues to be committed to working with Indigenous organisations, government agencies, non-government organisations and the private sector to achieve economic development and training and employment outcomes for Indigenous Australians. It looks forward to hearing the outcomes of the current inquiry and any reform of current programs that will assist Indigenous Australians to develop viable and sustainable enterprises.

I would be pleased to meet with the Standing Committee to discuss the ILC's initiatives and viable business development models in greater detail and to answer questions from Committee members in order to facilitate opportunities and outcomes for Indigenous Australians.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Galvin', written in a cursive style.

DAVID GALVIN
General Manager

Figure 1. ILC Employment-Based Training Model

