



Unity through Enterprise

The Arnhem Land Progress Aboriginal Corporation

Owned by the Yolngu residents of Minjilang, Milingimbi, Ramingining, Galiwin'ku and Gapuwiyak communities NT

Submission to the Expert Indigenous Working group

COAG Investigation into Indigenous Land Administration and Use

Scope of this submission

This submission principally focuses on effective strategies of engagement to give remote Indigenous residents participation and ownership in economic activities as a means of increasing wellbeing and to what can become intergenerational dependency traps.

Clan affiliations and the maintenance of interpersonal relationships

The absolute foundation of Indigenous legal structure, land administration and economics is twofold, the primacy of family, clan and tribal group alliances expressed and maintained through interpersonal relationships and secondly the inter-relationship with all things on, in or around land and sea. Since colonisation the inter-relationship with land and sea has evolved dramatically. Contemporary economics has led to an evolution of how land is viewed and utilized. Commitment to land takes many different forms across Australia, while Indigenous social and economic organisation even in mainstream urban settings has remained steadfastly related to family and clan relationships and alliances.

This resilient and often marginalized sub-stratum of organisation has enormous management and organisational capacity to contribute to societal wellbeing including economics. Interpersonal relationships are required to engage with this cohort. Busy policy makers and administrators often lack the skills and/or avoid the time consuming business of building and maintaining relationships at their peril. This exclusion process is a thin edge of the dependency wedge that can grow to have profound and intergenerational societal costs.

The essentials of building and maintaining relationships

In discussing the importance of relationships (at the recent launch of the Community Development Programs), Senator the Hon Nigel Scullion, made reference to conversations with Miriam Rose Ungunmerr Baumann, an Elder from Nauiyu (Daily River). In essence Miriam Rose explained to Senator Scullion that the high level of bureaucracy and a reliance on computer generated compliance systems seriously undermined the efficiency of the Remote Jobs and Community Projects (RJCP). The older Community Development Employment Project (CDEP) ticked over for years, especially when contracted to the Nauiyu Community Council. The Council had a foundation of clan and family group alliances, with CDEP administered through family and clan relationships.

The salient reality relevant to this paper is that these groups when treated respectfully have a capacity to resolve many internal issues that are less understood and often exacerbated by outside well intentioned interventions. We also attest that the Hon Senator, who unlike many others, is well known for walking the talk in relation to maintaining relationships. He is a frequent visitor, who fronts even on bad news days to difficult to reach communities, including those where ALPA has a presence.

What does the ALPA model offer to Indigenous economics and wellbeing?



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The Arnhem Land Progress Aboriginal Corporation was incorporated in 1972. The ALPA members were the Yolngu residents of the 7 communities where the stores were located. Community and Traditional Owner representatives were elected to the Board. Created from the Uniting Church of northern Australia's Self Determination Strategy, the aim of ALPA is the social and economic development of its members. A significantly more detailed explanation of ALPA, its aims and objectives and the many activities of the corporation can be viewed on our web and Facebook pages.

The origins are humble, 7 former ration shop tin sheds on former mission stations, 37 employees of which 19 were Yolngu and a \$1 Million debt. Cyclone Tracy helped the organisation go backwards. However by 1978 when still dependent on two way radio, the organisation had repaid its debts and had already embarked on a steady improvement of employment of locals, increased range of goods and the upgrade of premises, cash flow permitting. Concerns about unemployment and welfare dependency meant strategic plans already included the building of a culturally appropriate training facility to enhance employment. Nutrition and education were also deemed important as was the upgrading of retail facilities to mainstream standards. ALPA has retained a clear vision of its roles and responsibilities over the decades. ALPA works on commercial principles to ensure a sustainable organisation and to self fund its benevolent support to members currently at well over \$1m per annum.

Developing and maintaining a combined cultural approach

ALPA is a conservative organisation which has operated for 43 years in a high risk multi-cultural working environment. Modelled by the Board of Directors and senior managers down and including in every facet of the business, ALPA has over the years been able to utilize both contemporary and traditional law, economics and management practices to successfully navigate and grow the business. The turnover of ALPA Indigenous retail employees is less than that of mainstream retail. This can only happen by utilizing traditional cultural assets and relationships. ALPA does not have all the answers and is constantly negotiating difficult issues in this rapidly evolving society, but it does have a lot of experience.

The presence of two approaches

These days ALPA has a turnover of more than \$100 million, runs a number of different enterprises and has a workforce of around 800 of which 650 are Indigenous. In direct contrast to ALPA and tolerated in the same communities are other organisations and administrators who whinge about how lazy and unreliable Indigenous employees are because "Aboriginal people don't want to work", and find it much easier to employ non-Indigenous to do even basic unskilled tasks.

RJCP: what makes it work?

More recently and motivated by concern to provide more employment opportunities, ALPA sought the contract for the Remote Jobs and Community Projects Region 39, Ramingining and Milingimbi. It would be reasonable to say that ALPA has performed better than average in the implementation of this contract, particularly when Minister Scullion travelled to Ramingining to congratulate the RJCP team on being the best RJCP operator in the country.



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ALPA's primary motivation in engaging with this contract was that the Board of Directors were concerned enough to make a difference.

Effective use of cultural capital as well as good business practice

A successful outcome requires the application of the same fundamentals, a solid business case, effective management and administration and the effective utilization of traditional cultural capital, that is structure, relationships, authority and expertise. The Remote School Attendance Strategy (RSAS) at Ramingining with school attendance normally around 80% plus and peaking at 92% is an example of the effective use of traditional cultural assets. The effective and respectful engagement of Yolngu leaders enables in-house problem solving. Leaders are able to verify if an absence really involves ceremonial attendance and are readily able to challenge the misuse of cultural authority.

The establishment of labour hire services

Part of the RJCP initiatives was the establishment of labour hire companies. Many people have skills which are in demand: from cleaning, painting, house maintenance, ground keeping, drivers and plant operators. The labour hire model enables workers to transition back into the workforce, It provides structure for those organisation that are seeking casual employees but have no payroll mechanism or administration. Labour hire is a positive alternative to establishing small businesses. Despite all the funding, mentoring and workshops there is little evidence and few examples of owner operated small businesses. Labour hire delivers with minimal preparation where an individual is hard working and entrepreneurial but is highly unlikely to have the capacity or means to run a small business. Labour hire is a critical engagement tool that is relatively easy to establish. Ironically, contract labour was an important feature of Indigenous engagement in the mission era.

Exploration and engagement of Indigenous self world view and recent history

ALPA is founded on a profound depth of talent, enthusiasm and resilience. Yolngu strongly desired to be in control of their own destiny as different but responsible citizens of Australia. All the Indigenous communities with whom we work share this vision.

The Yolngu members of ALPA have a world self-view as entrepreneurs, with a history of management, farming & harvesting of clan estates, where alliances or Ringitj provided a structure of law and administration between clans. Leaders of legal ceremonies have strong legal and social standing and a capacity to administer ceremonial logistics of mind numbing complexities. The Yolngu and the Macassans traded for more than 500 hundred years. Australia's first export boom was of trepang and pearls, with more than a 1000 traders arriving in 100s of boats at the start of each wet season. This occurred centuries before wool was exported in the 1830s. The Methodist Missions established on the coast did not recognize native title but utilized a Council of Elders to organize labour and to resolve cultural and social issues. As an example Galiwinku's clan based fishing enterprises landed more than 2 ton of fish per week. Combined with garden produce and timber this location was a net exporter. Until the mid 1980s Yolngu built most of the houses and performed many of the municipal functions. Today there are opportunities abound including land and sea management.



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The cost of non-engagement

Leaders are desperate to reclaim this space and are lamenting the atrophication of experience, skills and opportunities especially for youth. There is a case for a cost benefit analysis of the cost of effective engagement or the cost of non engagement.

There will be a tax payer cost to ensure engagement, to enable Indigenous citizens to lead meaningful lives while remaining in remote localities. The alternative will be a hastening of the urban drift. With around 40% of remote populations under 25 this is something that greatly concerns elders. The potential cost of a growing urban fringe population as they interact with public housing, health, law and order and a myriad of other organisations need to be quantified as it is the default strategy of the failure or inadequacy of remote community initiatives.

Models of business and enterprise: what works?

As a case study of what is a more effective and sustainable business models we can look at the two of the original 7 stores that left the ALPA group. One is now privately owned non-indigenous business, the other after a significant battle with viability is now managed by ALPA on behalf of the owning Indigenous corporations. The saga of these two stores like many enterprises in the north has important implications when considering Indigenous economic development.

Lack of expertise at a local level

Reduced to absolute simplicity, the two main issues are a lack of supervisory managerial and accounting expertise. Appropriately qualified staff are difficult to find and retain. Secondly In a cross cultural setting and the absence of a circuit breaker to stop a run of capital demands arises from any one of a number of cultural crises which in turn overrun business viability.

ALPA and other relatively successful organisations manage the first risk by a model of usually offshore **external management and accounting monitoring and supervision**. When things start to go wrong, an intervention, starting with consultation with the owners (so they become part of the solution) can take place before the point of no return. Otherwise these very important economic and social outposts rise and fall according to the capacity and integrity of who is currently in charge in a labour market that is exceedingly thin. ALPA has management agreements in place with some client organisations for more than 20 years allowing the development of a great deal of mutual respect and trust.

Choosing the correct business structure

The second issue of owners drawing beyond the capacity of the business these days is minimized at incorporation or registration with a number of two tiers business models that entirely separate business activity and the distribution of surpluses to owners.



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The Northern Territory Land Rights Act (1976): the participation and distributions to Traditional Owners

The Directors of ALPA are supportive of the purpose of the Land Rights Act. ALPA through the Northern Land Council has secured leases on the 5 stores that are owned and operated by ALPA. Last year ALPA paid more than \$600K in rents on the five stores. The ALPA Directors have two opinions, firstly those rental only agreements where there is no role or participation of the traditional owners delivers little long term benefit. This is exacerbated by distribution methods which are marked by periodic spending sprees which over the years have generated not only little sustainable benefit but often leave a mess of jealousy and ill will within and between clan groups. The distribution model need be designed to bring empowerment and economic engagement, not an additional contributor to dependency. Traditional Owners do not believe the Land Councils listen to them nor represent their views and wishes in many cases. They are also slow and difficult to deal with due to their ineffectual administration of projects and documentation. In one small example the construction of a new store that would create 15- 20 jobs has been delayed as the Northern Land Council has taken 6 months to change a few lines on a lease document. At the time of writing it is still not done even though the document is agreed by all parties. Neither ALPA Management or representations from Traditional Owners have been able to progress this issue.

Conclusion

Our starting point is always sound business management and accounting practices. Secondly the establishment and maintenance of interpersonal relationships is critical to meaningful and respectful engagement to enable use of cultural capital. Of equal importance is that the organisational ownership structure needs to be reflective of clan and family group organisation and alliances. The chances of business flourishing will be enhanced if the partners are party to meeting their aspirations. In discussing the RJCP contract, the introduction of a labour hire model is a critical stepping stone to workforce participation, significantly more credible than small business options. Selecting the correct business structure and ensuring there is ongoing quality management and accounting support for remote enterprises is essential for sustainability. We also comment on the more effective use of rents due to land owners. Our final point which we cannot emphasise enough is the high wellbeing and economic cost of dependency resulting from the non engagement of Indigenous Australians.

Yours sincerely

Dr Rev Djiniyini Gondarra
Chairman
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