

Submission by Aboriginal Investment NT

2024 NAIF Act Review | 30 October 2024

About us

Aboriginal Investment NT is a corporate Commonwealth entity, established under section 65B of the *Aboriginal Land Rights (Northern Territory) Act 1976*.

Our purpose is to promote the self-management, economic self-sufficiency, and social and cultural wellbeing of Aboriginal people living in the Northern Territory. Our vision is for Aboriginal Territorians to have the agency and resources to make choices and negotiate opportunities to self-determine their own economic, social and cultural needs, and to live well according to their own values and measures of success.

Our [2024-29 Strategic Investment Plan](#) sets a bold, Aboriginal-led plan to achieve this purpose and vision, focusing on innovative approaches to grants and investment to grow the resources and power of Aboriginal people living in the NT. This will result in benefits not only to Aboriginal Territorians, but to the wider economy.

2024 Independent Review

Aboriginal Investment NT is pleased to submit its feedback on the *2024 Review of the Northern Australia Infrastructure Facility (NAIF) Act 2016* (Review). As an organisation committed to facilitating Aboriginal self-determination through capital deployment and investment, we recognise the critical role NAIF can play in supporting sustainable, Aboriginal-led infrastructure development across northern Australia.

This submission provides insights and recommendations rooted in the values of self-determination, reflecting the unique challenges faced by Aboriginal communities and incorporating the broader theoretical principles underpinning Aboriginal rights, nation-building and economic development. These align with the Review's Terms of Reference and include actionable recommendations.

Our secondary aim is to provide a helicopter view of Aboriginal economic empowerment. In essence, self-determination embodies the inherent right of Aboriginal peoples to freely determine their political status and chart their economic, social and cultural trajectories. However, this pursuit is often hindered by deeply entrenched systemic inequalities stemming from historical injustices,

discriminatory policies and institutional barriers. These disparities manifest in limited access to resources, opportunities and decision-making power, which then perpetuates economic marginalisation among Aboriginal populations. This can consequentially hinder social and cultural wellbeing within Aboriginal communities. Our submission navigates this dynamic terrain where self-determination, systemic inequality, and investing for change intersect, examining how these forces shape Aboriginal economic initiatives.

Aboriginal Investment NT also recognises that 50% of the NT's land mass and 85% of its coastline is Aboriginal owned and controlled. Simultaneously, there exist emerging culture-based opportunities in sectors such as aquaculture, agriculture, carbon abatement, renewable energy and eco-tourism, alongside mining and resources. These sectors leverage Country, community and cultural assets and present significant potential for Aboriginal businesses and communities to thrive in alignment with their values. We submit that NAIF should focus on supporting Aboriginal businesses and communities in these sectors, contributing to long-term economic sustainability for the Northern Territory, while preserving cultural heritage.

Recommendations

1. Centring Aboriginal voices in decision-making to facilitate self-determination and economic empowerment

Context

NAIF has the unique opportunity to empower Aboriginal people to determine and lead their own economic futures. Colonialism and state dependency have historically undermined Aboriginal self-governance. The integration of self-determination and Aboriginal knowledge into economic decision-making represents a powerful shift in economic advancement.

Aboriginal Investment NT advocates for reforms that prioritise Aboriginal-owned projects and land-based infrastructure reflective of cultural values and self-defined aspirations of communities. By leveraging the principles of Free, Prior, and Informed Consent (FPIC) – an essential right of all Indigenous Peoples under the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) – we can ensure that Aboriginal communities are free to pursue economic, social and cultural development on their own terms. Aboriginal people must be at the forefront of decision-making that impacts their lives and their land – as leaders, not mere participants.

Recommendation

NAIF can actively work towards dismantling the legacy of colonialism and paternalism by requiring economic decision-making frameworks where Aboriginal voices are central to the leadership of projects. This recommendation is aligned with the concept of Aboriginal independence over development pathways, where self-determination is at the heart of any economic strategy.

Economic development strategies, rooted in Aboriginal knowledge systems, can generate resilience and long-term wealth for communities.

2. Enhancing Aboriginal governance and capacity-building

Context

Many Aboriginal-led projects face barriers in meeting NAIF's due diligence and risk criteria, which limits the participation of Aboriginal communities. Empowering Aboriginal communities to lead their own economic development requires building the capacity of institutions and individuals to govern and manage these ventures effectively.

Recommendation

Governance structures required by NAIF must have a tailored approach to Aboriginal contexts and values, integrating both traditional knowledge and contemporary economic principles.

NAIF should consider partnership models with Aboriginal organisations, such as the Northern Territory Indigenous Business Network or the Australian Indigenous Governance Institute, to offer governance training, financial management support, and business planning assistance for Aboriginal project proponents. Strengthening these governance structures is a core component of the nation-building process, empowering Aboriginal communities to take ownership of their economic futures. This would ensure long-term success and sustainability, allowing communities to actively shape their development pathways.

3. Expanding public benefit assessments to include cultural and community outcomes

Context

NAIF's current focus on economic infrastructure overlooks the importance of cultural and community-based outcomes that are foundational to Aboriginal self-determination. Economic advancement is inseparable from the cultural integrity and social cohesion of Aboriginal communities. Infrastructure that fosters both economic and cultural resilience is crucial for intergenerational wealth and social wellbeing.

Recommendation

Aboriginal Investment NT urges NAIF to revise its public benefit assessment criteria to prioritise projects that promote cultural preservation, collective social and cultural wellbeing, environmental stewardship, and intergenerational wealth transfer as well as economic advancement. Projects that focus on community development, land management and cultural tourism should be emphasised as they align with Aboriginal nation-building principles and ensure that economic progress does not

come at the cost of cultural erosion. This approach will also encourage a holistic view of economic outcomes, blending traditional practices with contemporary investment models.

4. Addressing NAIF's constraints in creating investable opportunities

Context

The *Northern Australia Infrastructure Facility Investment Mandate Direction 2023* sets out NAIF's investment mandate. NAIF's mandate to deliver returns on investments limits its ability to engage in higher-risk Aboriginal-led projects. The investment mandate prevents investment in emerging opportunities that may require long-term development before yielding financial returns. Traditional Owners often face difficulties due to the conservative risk appetite of investors, including NAIF, which stifles economic development and, ultimately, self-determination. These barriers to accessing capital have disproportionately affected Aboriginal communities, leaving them reliant on external entities.

Recommendation

We suggest amending NAIF's investment mandate to include early-stage investment and sector development assistance. This is vital to creating a pipeline of investable projects that align with Traditional Owners' long-term goals. Such an approach, which invests in capacity-building and focuses on long-term outcomes, also aligns with the principles of nation-building, including that economic models are shaped by and for the community rather than adhering to externally imposed criteria and where decisions are made strategically with long-term priorities in mind. This creates an investment strategy that is consistent with Aboriginal values, contributing to sustainable, self-determined growth.

5. Tailoring financial products for Aboriginal enterprises

Context

Aboriginal businesses face significant challenges in accessing capital due to exclusionary financial standards that often do not reflect community realities. Traditional credit standards fail to account for the community-driven economic models often practised by Aboriginal enterprises. Providing access to capital, especially in ways that align with cultural and economic self-determination, is fundamental to fostering Aboriginal entrepreneurship.

Recommendation

NAIF should develop specialised financial products, such as first-loss or guarantees, tailored to the unique needs of Aboriginal businesses. These financial products should reflect Aboriginal knowledge systems and cultural values, creating a more inclusive economic model. Aboriginal Investment NT

welcomes collaboration to ensure these products are community-centric and long-term, supporting sustainability and resilience.

6. Supporting land-based and cultural projects

Context

Many Aboriginal communities are looking to develop culturally significant and environmentally sustainable projects, including in culture-based sectors. These projects often align with traditional knowledge systems, which enhance both economic and environmental outcomes. Projects that leverage Aboriginal land and cultural assets are key to maintaining community resilience and autonomy.

Recommendations

NAIF should prioritise land and cultural projects that offer both economic returns and cultural preservation benefits. These projects will enable Aboriginal communities to achieve long-term prosperity while preserving their cultural and environmental heritage. By investing in land-based projects that promote both economic and cultural outcomes, NAIF will contribute to a holistic vision of nation-building for Aboriginal communities.

7. Supporting sustainable and environmentally responsible investments

Context

NAIF can play a significant role in supporting Aboriginal-led environmental projects that align with traditional ecological knowledge. By focusing on renewable energy, land management and conservation efforts, NAIF can contribute to long-term environmental and social benefits for Aboriginal communities.

Recommendation

NAIF should prioritise investment in Aboriginal-led renewable energy projects and conservation initiatives that promote sustainable land management. This aligns with nation-building principles by fostering Aboriginal leadership in environmental stewardship, ensuring that the economic benefits of these projects contribute to the preservation of cultural and ecological heritage.

8. Streamlining access and flexible financing

Context

Aboriginal enterprises often face unique challenges that traditional financial institutions may not fully recognise or accommodate. These businesses encounter application processes for financing that can be complex, involving extensive documentation, intricate legal frameworks, and bureaucratic procedures that may require specialised knowledge or resources. Additionally, these processes often do not account for the distinctive cultural and social contexts in which many Aboriginal businesses operate. In Aboriginal communities, business decisions are frequently made collectively and align with community values, rather than solely focusing on individual profit motives.

Furthermore, rigid financing terms can create additional barriers for Aboriginal enterprises. Conventional loan structures tend to follow mainstream, profit-driven business models and may not offer the flexibility required to support enterprises grounded in collective ownership or those reinvesting in community wellbeing. Aboriginal businesses are often deeply integrated within their communities, prioritising values such as cultural preservation, social cohesion, and environmental stewardship alongside economic objectives.

Recommendations

We encourage NAIF to consider ways to support and/or simplify its application processes and consider concessional loans with terms that reflect the unique financial circumstances of Aboriginal businesses. Streamlined processes, complemented by culturally appropriate support, would enable more Aboriginal enterprises to access the fund and engage meaningfully with NAIF, thereby fostering nation-building through accessible, community-oriented economic models.

Moving towards a more accessible and adaptable financial system could involve developing tailored application procedures, supporting collective decision-making processes, and designing terms that account for seasonal or project-based revenue flows rather than standard monthly income expectations.

Additionally, offering culturally competent financial support through advisors or other intermediaries who are familiar with Aboriginal business models could help Aboriginal entrepreneurs more effectively bridge gaps and access capital. Flexible loan products or alternative funding mechanisms, such as blended finance or revenue-sharing agreements, may empower Aboriginal entrepreneurs to drive economic growth in ways that align with their community-focused values and priorities. By aligning financial systems with Aboriginal values and realities, NAIF can contribute to building a more inclusive economy that celebrates diversity and supports sustainable, community-driven growth.

Conclusion

Aboriginal Investment NT appreciates the significant role NAIF plays in promoting economic infrastructure development in northern Australia. However, to achieve genuine economic self-determination for Aboriginal communities, NAIF must recalibrate its approach to prioritise Aboriginal leadership, capacity-building and community-driven outcomes, beyond its current Indigenous Engagement Strategy. The integration of nation-building principles – including Aboriginal self-determination, cultural preservation and capacity-building – will ensure NAIF’s investments contribute meaningfully to the economic advancement and resilience of Aboriginal communities. Supporting Aboriginal economic advancement in northern Australia will grow local economies, progressing the broader development and workforce in those areas.

Aboriginal Investment NT believes that with meaningful adjustments to investment mandate, NAIF can become a powerful force for inclusive, sustainable growth that not only respects but helps realise the aspirations of Aboriginal communities. We welcome the opportunity to work collaboratively with NAIF to ensure that the future economic prosperity of northern Australia is inclusive, equitable, and conducive to Aboriginal self-determination and empowerment.