

Re: Reconciliation Australia Submission on the Yoorrook Issues Paper on Economic Prosperity

27 March 2024

Reconciliation Australia welcomes the opportunity to provide a submission on the Yoorrook Justice Commission's Issues Paper on Economic Prosperity. We acknowledge the important work of the Yoorrook Justice Commission.

As the national organisation promoting reconciliation between the broader Australian community and Aboriginal and Torres Strait Islander people, we believe a reconciled Australia is one where Aboriginal and Torres Strait Islander people participate equally and equitably in all areas of life, and the distinctive individual and collective rights and cultures of Aboriginal and Torres Strait Islander peoples are universally recognised and respected. To do so, we are dedicated to building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and other Australians.

Our vision of reconciliation is based and measured on five dimensions: historical acceptance; race relations; equality and equity; institutional integrity and unity. These five dimensions do not exist in isolation but are interrelated and integral to advancing reconciliation in contemporary contexts.

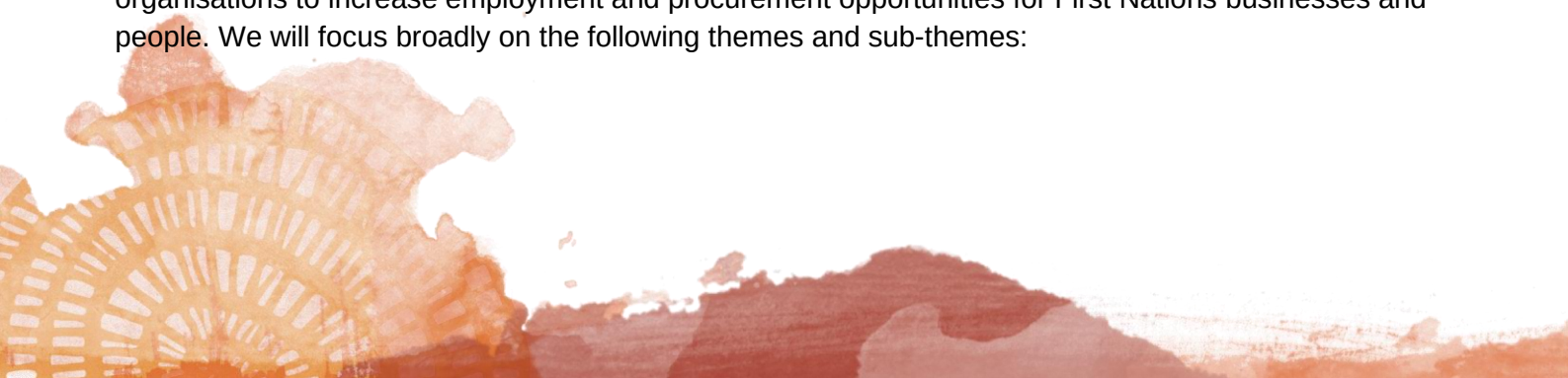
Reconciliation Australia's various programs work to support these goals: including Narragunnawali: reconciliation in education, and the Indigenous Governance Program which promotes and supports governance, leadership and self-determination in First Nations-led organisations and communities.

Of relevance to this Issues Paper is our Reconciliation Action Plan Program (RAP Program), which for 17 years, has supported organisations to engage with reconciliation and embed reconciliation throughout their organisation. This work has been informed by strong commitment to supporting self-determination and drawing on the principles of UNDRIP.

The RAP program enables a diverse array of organisations – including government agencies and private sector businesses to use our framework to develop a RAP that meets their unique needs and aspirations. The RAP framework supports the effective implementation of government procurement policies. Our experiences with government and private sector partners engaged in the RAP program provides us with insights into strategies developed and utilised to support self-determination of Aboriginal and Torres Strait Islander peoples through economic participation.

The RAP network consists of more than 3,000 organisations across Australia that are committed to actions to progress reconciliation in their policies, governance, and practices.

In response to this Issues Paper, we can contribute some of our learnings from working these organisations to increase employment and procurement opportunities for First Nations businesses and people. We will focus broadly on the following themes and sub-themes:



Theme 2 - Current government and corporate strategies

9. What strategies currently exist that promote First Peoples employment, economic development and investment in First Peoples businesses? What are their strengths and weaknesses?

Theme 3. Procurement, employment and corporate governance

11. How would you describe the current effectiveness and achievements of:

- a. public sector First Peoples employment targets and strategies?
- b. private sector First Peoples employment strategies?

Aboriginal and Torres Strait Islander peoples are the original entrepreneurs, who maintained innovative, sustainable economies since time immemorial ¹. Existing barriers to economic and social development of Indigenous Peoples are described by the United Nations as a continuing injustice, with Indigenous peoples still suffering the consequences of historic injustices, colonisation, dispossession, and lack of control over their own ways of life ². Economic independence in Australia is an act of self-determination for Aboriginal and Torres Strait Islander peoples.

We view strong economic participation and a prosperous Indigenous business sector as key to advancing equality and equity for Aboriginal and Torres Strait Islander people. And we note the powerful influence that Indigenous business and entrepreneur success has in changing historical deficit narratives of First Peoples.

Indigenous knowledge systems are proven to demonstrate unique competitive advantage and greater sustainable returns, including in industries such as environmental management, health and wellbeing, tourism, and cultural exchange³, spotlighting the strengths and growth achieved by investing in First Peoples.

A strong level of institutional integrity is required to support economic prosperity of First Peoples. Government, corporate and social sectors must actively develop economic opportunities for First Nations people and businesses through participation in reconciliation and supporting the National Agreement on Closing the Gap.

Through our RAP program we have provided structures to enable organisations to set and meet procurement and employment targets, as well as systems to evaluate the impact of those structures

¹ Barayamal (2022) *Aboriginal entrepreneurship: A First Nation's Perspective* accessed at <https://barayamal.com.au/aboriginal-entrepreneurship-the-first-nations-perspective/>

² United Nations Department of Economic and Social Affairs Indigenous Peoples (n.d) *Economic and Social Development*, accessed at <https://www.un.org/development/desa/indigenouspeoples/mandated-areas1/economic-and-social-development.html>

³ PwC's Indigenous Consulting, (2019) *Realising the potential of the Indigenous Procurement Policy (IPP)* <https://www.pwc.com.au/indigenous-consulting/assets/realising-the-potential-ipp-nov19.pdf>

including the Workplace Reconciliation Barometer⁴ and the national Australian Reconciliation Barometer⁵.

In 2019, EY and the Wollotuka Institute at the University of Newcastle compared RAP organisations⁶ to a control group of 100 organisations that supported reconciliation but did not have a RAP. Data demonstrated those organisations were less likely to successfully sustain strategic reconciliation efforts when compared to their peers in the RAP network.

Our yearly RAP Impact evaluation demonstrates that over 50% of employment and procurement outcomes⁷ met by organisations are directly attributable to targets set in their RAP, that is, without the RAP framework those benefits would not have been delivered.

The RAP program enables a diverse array of organisations - including government agencies and private sector businesses - to use our framework to develop a RAP that meets their unique needs and aspirations. The RAP framework also effectively supports the effective implementation of Victorian government procurement policies.

Current government and corporate strategies

Aboriginal and Torres Strait Islander people have long been excluded from equal participation in Victoria's economic and labour markets. This is also true nationally and can be attributed to “generations of structural, cultural and systemic disenfranchisement which government policy has either reinforced or fundamentally failed to address effectively”⁸.

History continues to have a present-day reality with 2022 Australian Reconciliation Barometer (ARB) data showing that 74% of Aboriginal and Torres Strait Islander Victorians believe past race-based policies are a cause of low employment among some Aboriginal and Torres Strait Islander people⁹. The persistent nature of workplace racism and discrimination is also clear, with 55% of Aboriginal and Torres Strait Islander Victorians indicating they have felt personally discriminated against by employers¹⁰.

⁴ Workplace Reconciliation Barometer (2020) <https://www.reconciliation.org.au/publication/2020-workplace-rap-barometer/>

⁵ Australian Reconciliation Barometer (2022) <https://www.reconciliation.org.au/publication/2022-australian-reconciliation-barometer/>

⁶ <https://www.reconciliation.org.au/wp-content/uploads/2021/10/Benefits-of-RAPs.pdf>

⁷ Reconciliation Australia's 2023 RAP Impact Survey includes data reported by 1,873 RAP organisations for the period Jul 2022 – Jun 2023. Of those organisations, 178 (9.5%) were Stretch and Elevate RAP partners. The previous year's report was drawn from 1,428 RAP organisations of which 170 (11.9%) were Stretch and Elevate partners.

⁸ Australian Council of Trade Unions (2020). Not so Simple: Enhancing Indigenous Economic Opportunity (Pg. 2).

<https://www.actu.org.au/wp-content/uploads/2023/06/media1385882d5-actu-submission-to-the-pathways-and-participation-opportunities-for-indigenous-australians-in-employment-and-business.pdf>

⁹ Reconciliation Australia (2022), *Victoria Data ARB 2022*, Unpublished Raw Data

¹⁰ *ibid*

This demonstrates that it is not enough to create opportunities and address barriers to economic participation for First Nations Peoples. Sustained success requires proactive efforts to create culturally responsive, respectful workplaces and institutions.

Building culturally responsive employment opportunities, as well as involving First Peoples in the design of programs, have been identified to be effective strategies to improve economic participation of First Peoples ¹¹. This should occur in association with shifts in Aboriginal and Torres Strait Islander community control, governance structures, and communication for stronger outcomes ¹².

Reconciliation Action Plans (RAPs)

As a voluntary program that organisations chose to participate in, RAPs seek to leverage the critical role that the corporate sector, government and community institutions can play in working with First Nations peoples, and organisations, to embed the UNDRIP in their policies and practices. In particular, the role of privileging Aboriginal and Torres Strait Islander equitable participation in culturally responsive and inclusive environments that are free from racism, obtain free, prior and informed consent (FPIC) and recognise Indigenous Cultural and Intellectual Property (ICIP), rights that are evidenced through the ongoing valuing and respecting of First Nations knowledge systems.

A RAP is a long-term structured journey built on three core pillars of *relationships, respect and opportunities*. Each RAP is built on the RISE framework, Reflect, Innovate, Stretch, and Elevate. The framework is a cycle of innovation and change – advancing relationships, respect and opportunities, and impacting organisational governance.

Commitments to Indigenous procurement and employment targets are core actions of the *opportunities* pillar of the RAP framework. As organisations mature on their reconciliation journey, they are supported to develop increasingly more ambitious and sustainable procurement and employment strategies.

A strength of the RAP framework of *relationships, respect and opportunities* is that Indigenous employment and procurement targets occur in tandem with mandatory, measurable activities to build cultural capability, understanding, respect and historical acceptance within the culture and ethos of RAP organisations. Building culturally responsive practices within RAP organisations can support long term employment and leadership pathways for First Peoples, addressing some employment barriers such as less supportive workplaces and limited long-term job opportunities for First peoples ¹³.

¹¹ Australian Institute of Health and Welfare & National Indigenous Australians Agency (2023). Aboriginal and Torres Strait Islander Health Performance Framework. Canberra: AIHW. Accessed at <https://www.indigenoushpf.gov.au/measures/2-07-employment#implications>.

¹² *ibid*

¹³ Australian Institute of Health and Welfare & National Indigenous Australians Agency (2023). *Aboriginal and Torres Strait Islander Health Performance Framework*. Canberra: AIHW. Accessed at <https://www.indigenoushpf.gov.au/measures/2-07-employment#implications>

Procurement, employment, and corporate governance

Employment and procurement targets of RAP organisations are measurable actions, made public through publication of RAPs, and are governed by mandatory reporting and review of performance agreements. Reconciliation Australia takes strong responsibility for ensuring compliance with commitments occurs, and importantly constantly works to progress organisations towards undertaking transformative, sustainable economic development opportunities for First peoples.

Our more advanced Stretch and Elevate RAP partners are required to set procurement and employment targets. They implement innovative, sustainable procurement activities that work to scale and mentor Indigenous businesses. They also play a strong leadership role in demonstrating how transformational engagement and partnership with Indigenous Business opportunities can be implemented. These organisations and their RAPs provide evidence of the framework's effectiveness to scaffold substantive employment and procurement actions to support First Peoples self-determination. They also play an important leadership role in inspiring further action by other RAP organisations who are earlier in their reconciliation journey.

The impact of the RAP program framework can be seen in the measured, sustained increase in employment and procurement opportunities provided across the RAP network. The 2023 RAP Impact Report ¹⁴ shows that nationally:

- 76,953 Aboriginal and Torres Strait Islander people were employed by an organisation with a RAP (46% in Stretch and Elevate RAP organisations)
- \$3,680,422,710 worth of goods and services were procured by RAP organisations (55% Stretch and Elevate RAP cohort) from Aboriginal and Torres Strait Islander-owned businesses, an 18% increase from 2022.

Growth in leadership and representation from First Nations people in decision-making positions within RAP organisations is increasing proportionally each year, with 606 Aboriginal and/or Torres Strait Islander people on RAP organisation boards (25% Stretch and Elevate) in 2023 (a 24% increase from 2022)¹⁵

Executive leadership roles for Aboriginal and/or Torres Strait Islander people in RAP organisations increased also increased by 17% in the year between 2023-23 (574 from 491). 43% of these RAP organisations were in the Stretch and Elevate cohort, which highlights their sustained and sustainable presence in the RAP program building *relationships, respect and opportunities*.

¹⁴ Reconciliation Australia (2023) RAP Impact Report 2023, accessed at <https://www.reconciliation.org.au/publication/rap-impact-report-2023/>

¹⁵ Ibid

There are currently 1,463 RAP partners operating in Victoria, spanning diverse sectors and industries. The breadth of these organisations embeds a wide range of employment and procurement opportunities for First Nations business owners and individuals. Private and government sector RAP organisations can often be well placed to provide high-quality training, mentoring and leadership programs for First Nations employees, for which existing barriers have been well identified ¹⁶ .

¹⁶ Australian Institute of Health and Welfare & National Indigenous Australians Agency (2023). *Aboriginal and Torres Strait Islander Health Performance Framework*. Canberra: AIHW. Accessed at <https://www.indigenoushpf.gov.au/measures/2-07-employment#implications>