



NINTI ONE INNOVATION
FOR REMOTE AUSTRALIA

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Public Consultations Team
White Paper Task Force
Department of Foreign Affairs and Trade
RG Casey Building
John McEwan Crescent
Barton ACT 0221
Australia

11 January 2017

Dear Public Consultations Team of the White Paper Task Force,

Thank you for the opportunity to provide input into the Foreign Policy White Paper.

I would like to focus my comments in the area of **remote Australia's intersection with Australia's foreign policy**, under your headings.

More than half of Australia's borders are in remote Australia

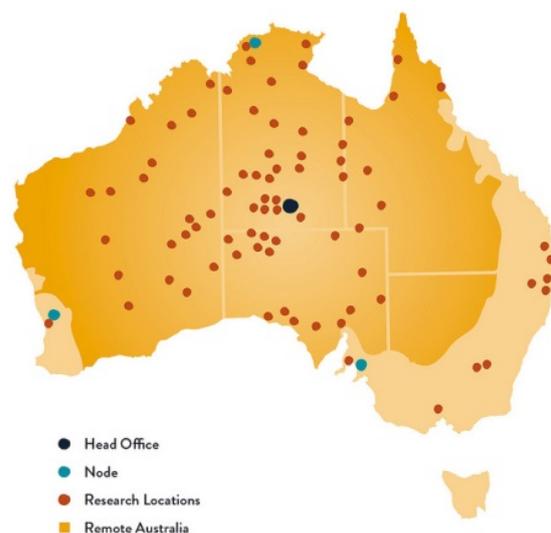
As shown on the map below, and according to the ABS, remote Australia comprises 85% of Australia's landmass. It provides >40% of Australia's export income (mainly oil, gas, mining and pastoral); has <3% of Australia's population and is home to around 130,000 Aboriginal and Torres Strait island people, many of whom practice the oldest culture in the world.

Ninti One Limited

Ninti One was established in 2003 with the aim of building opportunities for people living in remote Australia. It is an incorporated not-for-profit company.

Ninti One has managed two Cooperative Research Centres (CRCs): the current CRC for Remote Economic Participation (\$120 million, incl. in-kind, 2010–17) and the former Desert Knowledge CRC (\$93 million, incl. in-kind, 2003–10).

Further, Ninti One has been contracted by DFAT to provide strategic advice over the last two years in the area of procuring supplier services for the delivery of off-shore projects in a range of countries. This followed a 25 year period of international development assistance where I worked in more than thirty countries under contract to DFAT, through a private supplier.



DFAT's Terms of Reference

The TORs for the White Paper list nine 'Areas of Focus'. Our response to each follows:

1. Examine the foreign, security, economic and international development issues and global trends shaping Australia's international environment

Agree, and these issues and trends need to be examined in a short, medium and long-term horizon.

Please see more detailed comments below.

2. Define Australia's interests and policy priorities in response to that environment

We believe that the Foreign Policy White Paper should:

- recognise and promote the economic and social strengths of remote Australia, particularly Aboriginal and Torres Strait Island cultural assets such as the art industry, cultural tourism industry and native flora and fauna assets
- conserve and manage the natural environment of the 85% of the continent that is remote, which is increasingly becoming de-populated by humans, with a corresponding proliferation of feral animal species. There is a predominance of drivers that will most likely see a continuation of these trends in remote Australia. It is becoming more difficult to live in remote Australia due to the effects of climate change (more extreme weather and heat); and the relative cost of providing public and private good and services. As populations decline, there will be fewer people living on or near Australia's borders.

3. In light of those interests, outline how Australia should advance relations with major international partners

We believe that Australia's foreign policies should include an increased engagement of Australia's Aboriginal and Torres Strait Islander peak bodies, Supply Nation private companies, Foundations and NGOs. We also believe that Australia's Aboriginal and Torres Strait Islander Social Justice Commissioner should be involved in international forums, with the aim of promoting Australia's regulations, institutions and standards in the region.

4. Identify approaches to support and better utilise multilateral and regional structures to promote and protect Australia's interests and values

We believe that DFAT should utilise the capabilities of DFAT's aid program and Austrade, to support and better utilise the economic and social strengths of remote Australia, particularly those of Aboriginal and Torres Strait Islanders, as described more fully below.

5. Establish a roadmap to pursue Australia’s economic interests as an open, export-oriented market economy to ensure we continue to capitalise on our competitive advantages, guard against economic risks and maximise national prosperity

We believe that the Foreign Policy White Paper should capitalize on Australia’s’ unique competitive advantage of Aboriginal and Torres Strait Islander enterprises in art, tourism and bush foods (and pharmaceuticals). More information can be found in the form of research reports and summaries, policy briefings, journal articles, films, presentations and project specific stakeholder and end-user designed communications at www.crc-rep.com.au

6. Examine how Australia should promote its regulations, institutions and standards in the region, and globally, to support our commercial interests;

We believe that the Foreign Policy White Paper should:

- consider appointing a Trade Commissioner for Aboriginal and Torres Strait Islander commerce
- consider making Aboriginal and Torres Strait Islander commerce a mainstream obligation for all Austrade business, with a policy that sets target KPIs for the inclusion of Aboriginal and Torres Strait Islander commerce (similar to the approach undertaken by PMC in developing the Indigenous Procurement Policy in 2015)

7. Assess options for mitigating and responding to security risks, including strategic competition in the Indo-Pacific and transnational threats;

We believe that the Foreign Policy White Paper should consider a greater role for the established Indigenous Ranger program for border monitoring and protection. There are currently about 780 Aboriginal and Torres Strait Island people employed on this program: many of these people are in remote border regions. These Indigenous ranger teams develop partnerships with research, education, philanthropic and commercial organisations to share skills and knowledge, engage with schools and generate additional income and jobs in environment, biosecurity, heritage and other sectors – please see:

<https://www.dpmc.gov.au/indigenous-affairs/environment/indigenous-rangers-working-country>

8. Outline how we can promote prosperity and stability through our aid program with a focus on the Indo-Pacific

We believe that the Foreign Policy White Paper should:

- more fully utilise the annual approx. \$4 billion of aid investment to mobilise multiples of this investment. Providing grants to emerging economies like Indonesia has less impact than if this money can be used for catalytic innovative multiplier-effect investments in the new economy. We understand that DFAT is pursuing this approach, but progress has been slow, with few examples to draw upon as yet. Potential leveraging approaches include innovative financing models, providing loans instead of grants, cooperative financing between the private sector and governments and other leveraged co-investments. It is often reported that achievement of the Sustainable Development Goals will require raising more than \$US500 billion of innovative financing per year: additional to increasing global ODA and other measures like overhauling tax rules and improving effectiveness.
- implement a more widespread application of the Indigenous Procurement Policy (IPP) in aid and development activities. While DFAT should be congratulated for exceeding its overall Departmental IPP targets (in terms of numbers of contracts), it is under-performing in the area of contracting Indigenous firms to undertake aid and development activities. The good result in the overall target has been achieved mainly in corporate areas, such as office supplies but not in aid or developmental services in foreign countries. There is untapped potential to involve Indigenous firms, registered under Supply Nation, to be contracted to deliver DFAT's aid and development services
- compel DFAT's private aid contractors (who are contracted to deliver about \$800 million of the aid program annually) to implement the Indigenous Procurement Policy on the contracts that they manage
- re-visit previous policies that focussed Australia's aid on Eastern Indonesia and PNG (which border Australia). The re-scaling of Australia's development cooperation with Indonesia in mid-2015 saw the cancellation of the Primary Health Care Strengthening and Maternal and Newborn Health Program (PERMATA), a \$165 million eight-year program of Australian support to assist Indonesia in reducing maternal and newborn mortality and stunting and improving the performance of the primary health care system in eastern Indonesia.
- consider fostering linkages between institutions in northern Australia with like-minded institutions in eastern Indonesia and PNG
- support the constitutional recognition of Aboriginal and Torres Strait Islander peoples as a demonstration (domestically and to foreign governments) of Australia's commitment to DFAT's stated objective of '*promoting prosperity, reducing poverty, enhancing stability*'.

9. Examine how we should best use our assets to pursue our interests internationally.

We believe that the Foreign Policy White Paper should:

- recognise, conserve and promote the economic and social strengths of remote Australia, particularly Aboriginal and Torres Strait Island cultural assets through art industry, tourism industry and native flora and fauna assets
- conserve and manage the natural environment of remote Australia, which is increasingly becoming de-populated by humans, with a corresponding proliferation of feral animal species. supporting measures that mitigate against and adapt to the effects of climate change in significant strategic border centres like Darwin, which is predicted to become significantly hotter and therefore less attractive to live and operate, alongside the rise t of electricity prices.

I hope this helps your White Paper.

Yours sincerely

A handwritten signature in black ink that reads "Rod Reeve". The signature is written in a cursive style with a large initial 'R'.

Rod Reeve

Managing Director, Ninti One Limited and the Cooperative Research Centre for Remote Economic Participation