



IBA'S TRADITIONAL OWNER AND NATIVE TITLE UNIT



By Ken Markwell & Sonali Hedditch

From the outset

IBA has been supporting native title holders to achieve their economic development objectives from the outset. IBA was involved in the first native title settlement, the McArthur River Agreement, which remains enshrined in the *Native Title Act* (Cth).

As part of the agreement, IBA formed a joint venture – Carpentaria Shipping Services – with Mawa Riinbi Pty Ltd (representing the four native title groups whose lands are affected by the McArthur River silver, lead and zinc mine) and P&O Maritime Pty Ltd. Nearly 20 years later, the business continues.

This venture has produced sustainable wealth and opportunities for native title holders since commencing operations in 1995. Mawa Riinbi has used profit distributions from its investment in Carpentaria Shipping Services to purchase some of IBA's equity and has steadily increased both its ownership level and annual profit distribution. It has also used these distributions to help finance its acquisition of a convenience store in Borroloola.

Since these early days, IBA has invested in partnership with many traditional owners and native title holders. IBA has also provided access to affordable finance and business development support.

Growing need

IBA recognises that traditional owners and native title holders have a growing need for access to commercial advice and support. The IBA Board established a specialist Traditional Owner and Native Title Unit in February 2013. The focus of the unit is on building strong partnerships with native title holders and ensuring that IBA uses expertise and resources in ways that assist traditional owners on the journey to economic independence. The unit is initially focused on developing the capability of traditional owner groups and native title holders, particularly in areas of

corporate governance, performance, strategy, and financial viability and sustainability. While IBA cannot assist all native title holders, it can play an important strategic role in creating opportunities, strengthening partnerships with the private sector and building commercial capability.

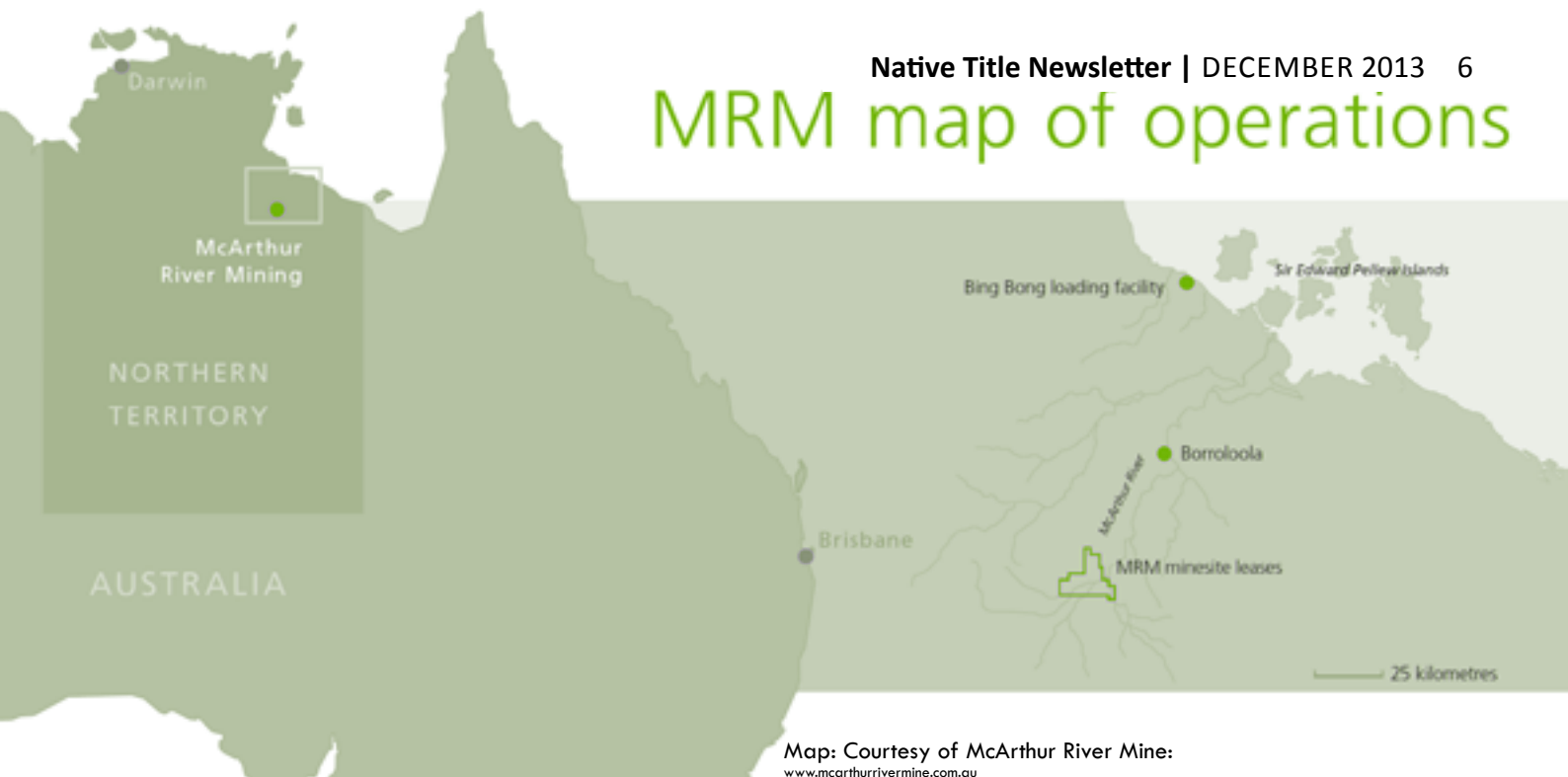
Strategic projects to develop resources

IBA is undertaking a number of projects to develop resources that will assist native title holders to build their commercial capabilities, and has recently developed a commercial capability health check tool.



Top of page: Bitter Springs, Mataranka. Credit: Bhamie Williamson
Bottom of page: Ship docked at Bing Bong Port. Credit: Courtesy of Carpentaria Shipping and IBA

MRM map of operations



Map: Courtesy of McArthur River Mine:
www.mcarthurrivermine.com.au

This tool is designed to:

- enable native title holders to identify areas where their organisation is functioning well and areas where they may require assistance in the core areas of corporate governance, corporate performance, strategy and financial sustainability. IBA will use the tool to assist native title holders to obtain information that will enable them (with assistance if requested) to identify their organisation's strengths and identify and prioritise where it needs advice to strengthen its commercial capabilities
- monitor developments periodically, including tracking improvements made by the native title holders and their impact on economic, social and cultural goals
- assess the quality and appropriateness of advice received, as part of an overall assessment of the Native Title Holders' commercial capabilities.

IBA is also developing resources to assist native title holders to access appropriate advisors. These will:

- provide access to the right type of advisor (e.g. corporate governance and corporate performance advisors, strategic planners and investment strategy advisors), with key information such as contact details, locations, website, key staff

members, fee structure and, most importantly, relevant experience

- offer detailed reference checks conducted with other Indigenous organisations, including native title holders, to ensure highly rated advisors have consistently delivered commercially prudent advice tailored specifically to the organisation's needs and capabilities, and that advisors have also built capabilities as needed
- receive ongoing maintenance by IBA, to ensure only advisors with a continuous record of good advice (which has been successfully implemented and has achieved the organisation's key performance indicators) are on the registry.

IBA is producing guidelines to assist native title holders to:

- develop scopes of work to accurately match their commercial needs
- undertake a best practice procurement process to ensure the best possible advice will be delivered and meet the organisation's needs will be delivered
- consider case studies of other Indigenous organisations and Native Title Holders that have had strong and weak advisor procurement processes, and the lessons learnt
- understand their rights

and responsibilities in procuring and managing advisors.

IBA also plans to develop a toolkit and training program in 2014 that will assist Native Title Holders to build their commercial capabilities to achieve economic sustainability.

In addition to developing these commercial capability resources, IBA will work with selected clients to broker and assure the quality of advice.

Case Study: Dja Dja Wurrung

In early 2013, Dja Dja Wurrung became the second group of traditional owners to settle its native title claims under the *Victorian Traditional Owner Settlement Act*. IBA is assisting Dja Dja Wurrung to build their commercial capabilities by brokering, funding and assuring the quality of advisory services for developing and executing an investment strategy that ensures economic independence and sustainability. They are developing the investment strategy in four stages:

1. August 2013: Background research into the Dja Dja Wurrung Clans Aboriginal Corporation (DDWCAC) and its subsidiary, including benefits to be received under the traditional owner agreements with the Victorian Government, and previous corporate and business planning and governance arrangements and capabilities.

2. 24–25 August 2013: Develop and deliver an aspirations and investment workshop, including key DDWCAC (and subsidiary) Board members, staff members and stakeholders.
3. September–November 2013: Develop a draft investment strategy that meets Dja Dja Wurrung's aspirations and the obligations outlined in the Settlement Agreement, and delivers long-term sustainability for Dja Dja Wurrung. In mid-October, Dja Dja Wurrung Board members were surveyed by Deloitte as part of the process to finalise the draft strategy, and the survey findings were tested with the objective of

achieving group consensus at a Board meeting on 19 October. It is anticipated that the strategy will be finalised by the end of November.

4. December 2013 onwards: Assist Dja Dja Wurrung to successfully execute the investment strategy. This will include reviewing the governance structures and capabilities that will underpin the organisation's investment approach and assisting Dja Dja Wurrung to make decisions in accordance with the investment strategy.

Throughout the process, IBA continued to add value through:

- a) assisting Dja Dja Wurrung to ensure rigour in selecting and monitoring the performance of the investment strategy advisor
- b) providing best practice guidance to Dja Dja Wurrung and the advisors developing an investment strategy and implementation plan, including stakeholder engagement and traditional owner capacity building. Best practice guidance is often delivered during a weekly Project Steering Committee meeting
- c) assuring the quality of the investment strategy and implementation plan to ensure the best possible advice is delivered, aligned with Dja Dja Wurrung's corporate plan and the investment strategy development process
- d) providing after-care support, assisting Dja Dja Wurrung to monitor and evaluate its performance against the investment strategy and implementation plan, including identifying and assisting on constraints such as internal capacity, governance, engaging other advisors to implement aspects of the strategy and adjusting the strategy as needed.

Drive to economic independence

As a result of building commercial capabilities in corporate governance, corporate performance, strategy and financial sustainability, native title holders will:

- possess a strong, commercially capable governance mechanism

and a management team that is trusted by all beneficiaries to achieve the Native Title Holders' economic, social and cultural development goals

- meet or exceed the strategic plan's key performance indicators
- receive solid commercial returns on investments, and progress on economic, social and cultural development goals and intergenerational wealth
- be perceived as an attractive investment partner by other organisations
- possess the commercial capability to diversify, innovate, and broker or manage ongoing commercial advice as needed
- be able to teach peer Indigenous organisations about building their commercial capabilities.

Can IBA assist you?

If your traditional owner or native title organisation can answer 'yes' to all of the questions below, and you are interested in working with IBA to build your organisation's commercial capabilities and asset base, please contact us.

1. Are you an established traditional owner-based Indigenous organisation?
2. Do you have legal and community-recognised responsibility for all assets and funding associated with your traditional owner and native title agreements (settlement, determination, compensation, ILUA or similar)?
3. Do you have a vision for your future based on economic independence?
4. Can you demonstrate commitment to establishing and maintaining prudent self-governance?
5. Are you financially able to obtain professional commercial advice?
6. Would you like to partner with IBA to build your organisation's commercial capabilities and sustainable economic development practices?

If so, please write to IBA's Traditional Owner and Native Title Unit at tontu@iba.gov.au or call on 1800 107 107.



Image: Courtesy of Living with Native Title