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Australia-UK FTA Coordinator
Regional Trade Agreements Division
Department of Foreign Affairs and Trade
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Public Submission to the Department of Foreign Affairs and Trade on the Australia - United Kingdom Free Trade Agreement

- PERMISSION TO PUBLISH -

Introduction

The Indigenous Network for Investment Trade and Export (IGNITE) welcomes the opportunity to make this submission to the Department of Foreign Affairs and Trade on the Australia-United Kingdom Free Trade Agreement (the Aus-UK FTA).

IGNITE is an industry based intermediary to promote and advance Indigenous Australian interests in investment, trade and export markets. The use of free-trade agreements as a key instrument of trade policy and cooperation is a significant opportunity to advance our national interests and to work with Indigenous men and women of Australia in furtherance of that objective. We are interested in advancing Indigenous economic development through trade and investment.

IGNITE hopes that promoting inclusive economic growth for Indigenous owned MSMEs, social enterprises, women, those in regional and rural Australia and for underrepresented groups is in the national interest can be advanced in these FTA negotiations.

233 years ago a new chapter opened between the UK, Indigenous men and women of this continent and the eventual Commonwealth of Australia. As such, trade and commerce in goods and services from enterprises controlled by Indigenous Australians should create an exciting new opportunity to be realised in an "ambitious and comprehensive" Australia-UK FTA. We believe there is merit in this objective.

Indigenous Inclusions in an Ambitious and Comprehensive Free-Trade Agreement

IGNITE believes that Indigenous interests in investment, commerce and trade would extend to, but are not limited to:

- i) achieving greater investment inflows from the UK into Indigenous businesses, enterprises and ventures, development and projects.
- ii) securing export opportunities for Indigenous companies into UK markets.
- iii) protecting the Australian national interest through the Geographic Indications list - Indigenous intellectual property and Indigenous knowledges in uses of Indigenous botanicals, flora and fauna.
- iv) ensure full participation for Indigenous companies into the FTA's implementation plans, negotiations and resourcing for the built-in agenda.
- v) secure the place of Australian Indigenous Peoples in an ambitious and comprehensive, gold-plated Aust-UK FTA.
- vi) allow access for Indigenous Australian-owned companies into UK Government Procurement opportunities, particularly for those contracts within the Indo-Pacific region ie official development assistance and defense contracts.

Securing Inclusive Trade

An Inclusive Trade clause (ITC) in the FTA would take steps to ensure all segments of society can access opportunities that flow from an FTA. This includes providing equal opportunities for small and medium-sized enterprises (SMEs) that may already be at a disadvantage, including those owned by Indigenous women and men, ethnic minorities and other underrepresented groups.

Why Inclusive Trade?

1. Makes good business and economic sense for Australia. Chapter 5 of the Prime Minister's Closing the Gap Report (2018) entitled "Economic Development: Growing the Indigenous business sector"¹ indicates that:

"The number of Indigenous Australians going into business is growing rapidly – with a 30 per cent jump in the number of Indigenous Australians reporting that they were in business in 2016 compared to 2011, compared to a 1 per cent increase for non-Indigenous Australians. And these businesses are diversifying."

Indigenous enterprises are growing and looking to new market opportunities for their goods, services and new ventures.

2. Indigenous women and men in Australia are moving from being consulted about development on their own lands to being proponents of their own ventures. A vibrant business sector for Indigenous Australia is served by improved access to export markets and direct foreign investment. DFAT estimates the value of direct foreign investment from the UK investors to be \$AUD127 billion (in 2019). If a small proportion of this

¹ <https://www.pmc.gov.au/sites/default/files/reports/closing-the-gap-2018/sites/default/files/ctg-report-20183872.pdf?a=1>].

investment capital could be attracted to Indigenous ventures and development opportunities, the size of capital allocation would grow.

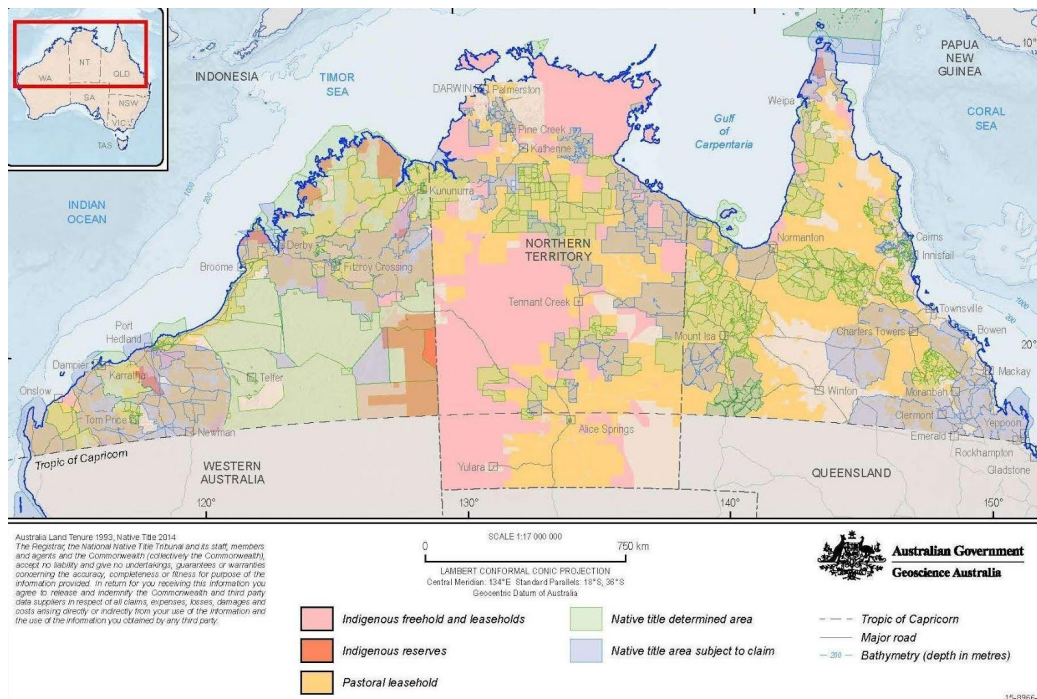
3. Follows and builds on the positive work done by the business and public sector in engaging Aboriginal and Torres Strait Islanders businesses as contractors into procurement and supply chains.
4. OECD countries like Canada, USA and NZ recognise the importance of and have already included Inclusive Trade in their FTAs. The value of *trade over aid* to Indigenous domestic populations is reinforcing the advantage of supporting a strong and vibrant private and commercial sector to create jobs, offer careers on-country, and to boost opportunity.

Increasing Investment, the Northern Australia initiative, Ag2030, Defense White Paper and Indigenous Interests

Developing Northern Australia

“Our North, Our Future: White Paper on Developing Northern Australia” provided a vision to unlock the great potential and opportunities of the north.² Of the approximately 40% of the land mass of Australia which is set to be developed, inclusion of Indigenous Australians as a central component of the Northern Australia initiative is welcomed on the basis that “some 94 per cent of the landmass of north Western Australia is subject to a native title claim or determination, as is 62 per cent of north Queensland and 30 percent of the Northern Territory (National Native Title Tribunal, 2014). This is an area more than twice the size of New South Wales (PM&C, 2015)”.³

Figure 1 Indigenous Interests in Northern Australia.



Direct foreign investment accessed through an Aus-UK FTA will build Indigenous commercial interests and business owners.⁴

²https://www.industry.gov.au/sites/default/files/June%202018/document/pdf/nawp-fullreport.pdf?acsf_files_redirect.

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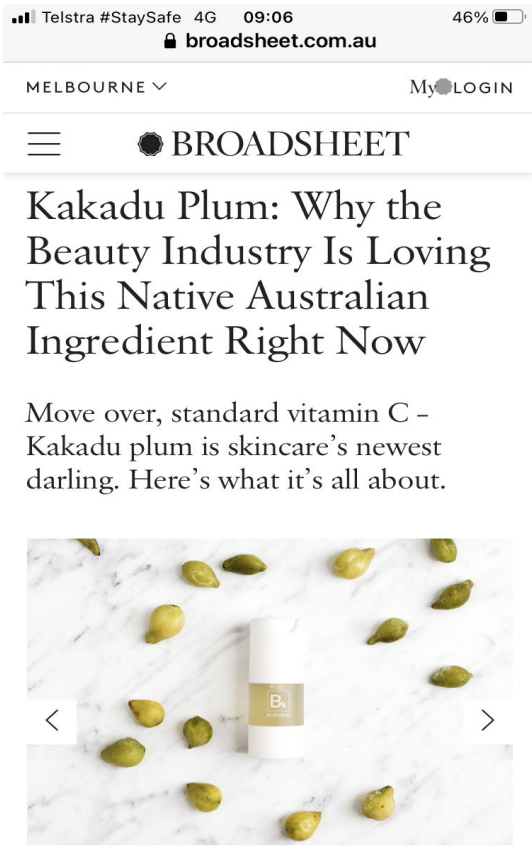
⁴<https://www.industry.gov.au/news-media/progress-update-meeting-measures-on-the-our-north-our-future-white-paper>.

Increasing and Diversifying Farm Gate Output from Aboriginal & Torres Strait Islander Interests in Land and Agribusiness

In 2020 the Australian Government published its Ag2030 strategy:

“The Australian agriculture, fisheries and forestry sector aims to achieve \$100 billion in farm gate output by 2030. The \$100 billion target is very ambitious and business as usual will not be enough. The Government is supporting the farm sector to achieve this vision.”

IGNITE sees this important policy objective as a great opportunity to lift Indigenous contributions. Bringing investors to Indigenous agribusiness and enterprise is timely. The Australian Government should be supportive of actions that make it possible for Indigenous interests in land to transition to more wide-ranging, high value food products, more tourism activities and possibly new emerging industries, such as renewable energy investments. This possibility provides enormous potential when coupled with the Aus-UK FTA. Diversification of agricultural cropping and production on Indigenous lands would be a necessary step to lifting agriculture farm gate output.



Australian National Interest in Indigenous Agribusiness - Indigenous Botanicals

The use of Indigenous Australian botanicals into manufactured goods in the cosmetic, fragrance and skincare industries is well apace. Several species of plants and botanicals have been utilised in foodstuffs, manufactured goods, therapeutic goods and, less so, into medicinal uses. The scope and potential for most of these Indigenous botanicals into products and new export markets remains undervalued. The realisation of commercial interests in Indigenous botanicals has gone largely unchecked against the national interest.

A legitimate investment from the Government to secure and boost the export possibilities for Australian Indigenous agribusiness is linked to a commercial-led strategy through this FTA.

Specifically to the UK export markets, a number of products and manufactured goods are already present in supply chains and on store shelves in the UK. Australia should protect our national interest in the provenance, source and supply of these Australian Indigenous botanicals into products sold and marketed in the UK.

The Australian national interest is served by ensuring protections over goods marketed to our English cousins as being Australian are actually derived from Australia.

By establishing the national interest in this FTA, agricultural production with Indigenous botanicals would secure a pathway for advancing sustainable and innovative growth opportunities for Australian MSMEs, including Indigenous and regional and rural enterprises in Australia's regions.

Geographic Indication Listing for Indigenous Botanicals, Products and Flora

IGNITE is advocating that the Australian Government deploy the accepted use of listing products and goods for protection within FTAs on Geographic Indications Lists to protect the national interest in unique products grown, made, and manufactured in Australia from Indigenous botanicals, products and flora.

There are a number of Indigenous grains and cereals crops worthy of inclusion. Other foodstuffs deserve close consideration including Kakadu Plum, Finger Limes, Bush Tomatoes, Geraldton Wax and Lilly Pilly. European countries have been highly effective in utilising GI Listings to:

- protect customer trust;
- preserve authenticity;
- provide assurance on product quality and standards;
- recognise the uniqueness of culture and land; and
- lift the value of export trade in those goods and products.

IGNITE is making the case that Australia should be pursuing similar protections for Indigenous botanicals that have been cultivated, harvested, utilised and exploited for 80,000+ years on this continent. What's missing is commercial certainty and protections to undergird commercial production and supply. A GI listing in the UK FTA would quantify and protect the national interest in new Australian and Indigenous agribusinesses and boost farm gate outputs. IGNITE is advocating a trade-led strategy to lift investment certainty and secure commercial benefits for the Australian national interest.

Figure 3: Harvesting Native Cereals and Grains



Energy Security, Production and Transitions

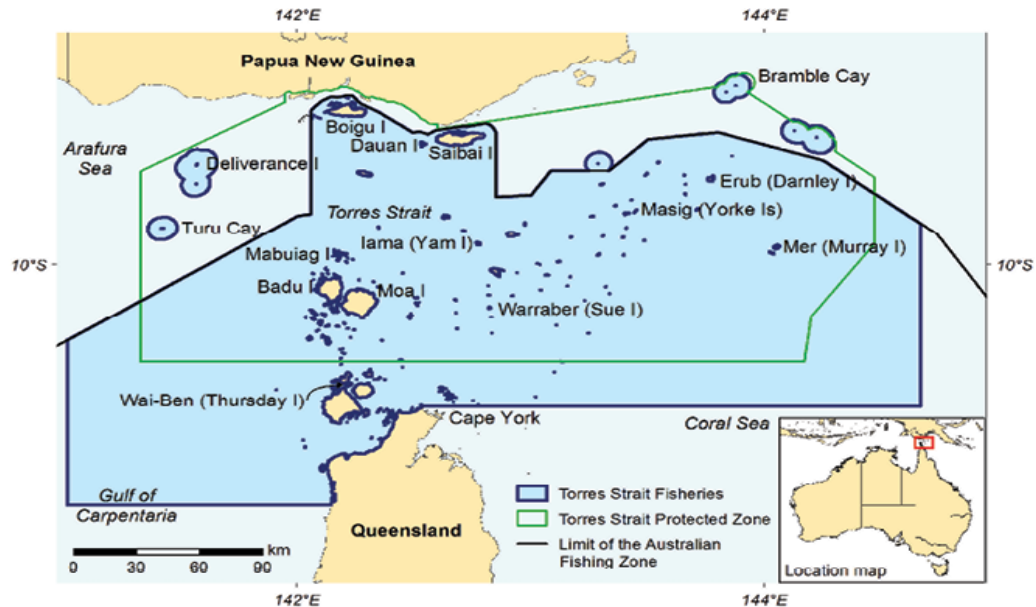
It's time for Indigenous Australians to be supported as proponents of development. This FTA can help advance the national interest, investor interest and Indigenous interests in ways that the private sector knows how best to do.

Strengthening energy security and resilience, addressing climate change and building resilient and sustainable communities within regional, rural and remote Australia will require enterprise and capital and fresh thinking. This is an opportunity.

There is scope for Australia to secure a greater share of inflows of direct foreign investment from the UK market into larger renewable energy projects on Aboriginal land holdings in remote and rural Australia.

The same could be considered for carbon abatement projects and land management practices with Indigenous interests.

Increasing the Fisheries Contributions from the Torres Strait Islands



The fishing of products such as prawns, tropical rock lobster, Spanish mackerel, pearl shell, trochus, finfish, sea cucumber and crab yielded approximately \$24m in gross value of fisheries and aquaculture production in 2015-2016 according to the Australian fisheries and aquaculture statistics 2016.

The opportunity to inject capital inflows into the fishing industry in the Torres Straits for the benefit of local Indigenous communities provides tremendous opportunities to increase fish production yield and allow traditional owners in the Torres Straits to build infrastructure to supply to international markets.

Conclusion

We contend that an Australian-UK FTA without Indigenous inclusions 233 years after English colonisation would attract sustained criticism. We are interested in advancing Indigenous economic development through trade and investment and believe there is merit in this objective.

Yours Sincerely,

Darren Godwell

a/ Executive Officer

Indigenous Network for Investment Trade and Export