THE CENTRE FOR INDEPENDENT STUDIES

Research Report 45

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CIS Indigenous Research Forum

Joining the Real Economy: A quantitative mapping of the economic potential of remote Indigenous communities

Nyunggai Warren Mundine AO

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A quantitative mapping of the economic potential of remote Indigenous communities

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Introduction

Remote and very remote (henceforth 'remote') Indigenous communities have become a major focus for policy makers in recent decades.[1] These communities experience well established disadvantages, leaving them "more comparable to the third world than to one of the most prosperous countries on earth".[2] Such communities are a centre point of Australia's premier piece of Indigenous focussed policy, the Closing the Gap Agreement. Remoteness is now being recognised as one of the key determinants behind the gap, and tackling inequalities in remote areas holds the key to ultimately achieving equality between Indigenous and non-Indigenous Australians.[3]

Whilst the disadvantage of remote communities is well understood, governments are yet to develop an effective solution for resolving this situation. The Centre for Independent Studies has long been a supporter of participation in the real economy representing the best opportunity for remote Indigenous communities to truly close the gap. I have long argued that "remoteness is not a barrier to economic development".[4] Indeed, there are towns in remote areas across Australia with functional real economies. There is no reason that remote Indigenous communities cannot be a part of this.

The purpose of this paper is to provide a data-based analysis of remote economies across Australia, creating a benchmark of what is possible in remote areas. The paper will analyse comparable remote Indigenous and non-Indigenous communities, and use quantitative evidence to argue that it is feasible for Indigenous communities to participate in the real economy — just as their non-Indigenous counterparts have been able to do. It will contend that remote Indigenous communities can have real businesses — such as hairdressers, cafes and supermarkets — and that these can employ local Indigenous people. Ultimately it will argue that closing the gap through economic participation in remote Indigenous communities is eminently achievable.

Understanding Remote Indigenous and Non-Indigenous Communities

This paper looks at 71 Indigenous and non-Indigenous communities. As discussed in the methodology appendix, a rigorous quantitative process has been undertaken to select these communities, ensuring consistency in their selection and the ability to conduct analysis across the chosen group of communities. This section utilises a range of datasets to compare the two community types as a whole. It will establish the clear differences in economic outcomes between the two groups despite their similar remoteness characteristics, providing a strong case for what economies in remote communities could look like. This analysis will be accompanied by more detailed community profiles later in the paper.

A note on the 'Remote' and 'Very Remote' classifications and the 'NT' factor

This paper combines the 'Remote' and 'Very Remote' categories under the Australian Statistical Geography Standard (ASGS) Remoteness Structures (See Methodology for further information). The purpose of this is to allow for the creation of a data sample size large enough to measure trends across a wide range of communities.

It is important to note that a majority (75%) of non-Indigenous communities are located in the 'Remote' category, while 84% of Indigenous communities are in the 'Very Remote' classification. Under the ASGS system, Very Remote areas have less access to services than Remote areas — thus impacting economic opportunities. While this paper makes comparisons between a range of communities in Remote and Very Remote areas, its suggestion is not that all communities could be like-for-like in terms of economic outcomes. Rather, it argues that communities with similar characteristics should have the capacity to sustain at least a small functioning economy.

It should also be mentioned that a large number of the Indigenous communities discussed in this paper are located in the Northern Territory. The Territory's economy is consistently the poorest performer of all Australian states and territories.[5] This has undoubtedly had an impact on the ability of Indigenous communities to participate in the economy. However, there is hope for improvement, with the Northern Territory one of the fastest growing economies in the past year, and the fastest growing in terms of employment.[6]

Demographics

The demographics of the chosen communities have been discussed in the methodology appendix. However, it is worth noting some dynamics of the data. While the threshold for an 'Indigenous' community has been set at 50% Indigenous population or higher, most locations have a significantly larger Indigenous population.

Table 1: Suburb and Locality (SAL) Population Characteristics (Median)

Community Type	Population	Indigenous Population	Indigenous Population %
Indigenous SALs	**941**	**740**	**86.47%**
Non-Indigenous SALs	**854**	**22**	**2.60%**
Australia (All)	**25,422,788**	**812,728**	**3.20%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix
The median Indigenous population in Indigenous SALs (2021) is 86.47% (see Table 1). Thirty six (71%) of the 51 Indigenous communities have an Indigenous population of 80% or higher. Just 6 communities had an Indigenous population at the lower end of the cutoff between 50-60%. The median Indigenous population in the 20 non-Indigenous communities is just 2.60%, well below the Australia-wide figure of 3.20%

Participation in the Economy: Employment

Employment is the primary indicator of the health of an economy. Whether a business owner or an employee, employment and unemployment figures give a clear picture of the proportion of the population engaged in the economy.

Table 2: Employment (Median)

Community Type	Unemployed	Not in the Labour Force
Indigenous SALs	**14.88%**	**58.35%**
Non-Indigenous SALs	**2.76%**	**30.07%**
Australia (All)	**5.10%**	**33.10%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Despite both groups of communities in this paper experiencing similar characteristics in terms of remoteness and access to infrastructure and services, the employment figures for these communities diverge significantly. In remote Indigenous communities a median of 14.88% of the workforce is unemployed. This is nearly five times the rate of unemployment in remote non-Indigenous communities and nearly three times the Australian unemployment rate at the time of the 2021 Census. This disparity could be due to the fact that non-Indigenous people are probably a lot more likely to move out of a remote town to look for work and opportunity in comparison to Indigenous people — who, due to cultural and family reasons, are probably a lot more likely to stay in their home community regardless of the employment prospects.

Overall labour force participation is also well below the rest of the country. In remote Indigenous communities a median of nearly two thirds (58.35%) of the working aged population are not engaged in the economy. That is: neither maintaining employment, nor actively seeking work if they are unemployed. The median figure in remote non-Indigenous communities is just 30.07%, a few percentage points below the Australia-wide figure.

When considered together, a picture emerges that shows an even larger gap in the number of people in Indigenous SALs that are employed. There are far fewer people in the workforce, and many more of those who are in the workforce are unemployed, compared to Non-Indigenous SALs.

Overall, a median of just 39.70% of working aged people in these communities were either employed or undertaking education and training. In non-Indigenous local economies, a median of 74.10% of people were engaged in work or education.

Participation in the Economy: Private Sector Employment

When it comes to public versus private sector employment in our selected Indigenous and non-Indigenous remote communities, the data is telling. A median of nearly a third (29.30%) of all people employed in remote Indigenous communities work for government. This is double the median 14.81% of people employed by government in remote non-Indigenous communities and almost double the figure for Australia as a whole.

While typically we might blame overreach from federal and state/territory governments, local government is the standout culprit here. Local government employs a median of 12.34% of people in the selected remote Indigenous communities — more than three times the median rate of people it employs in remote non-Indigenous communities (3.82%). People in remote Indigenous communities are employed by local government at a median of nearly nine times the rate for Australia as a whole (1.41%).

It's possible that the over-representation of government employment in Indigenous SALs arises at least in part because of the relative absence of other employment opportunities. Consequently, if socioeconomic outcomes in remote Indigenous communities improve, the proportion of government jobs would naturally decrease. Some services provided by government will be displaced by private businesses, and some additional opportunities would be created by expansion of private industry — both of which mean proportionally fewer people working in the public sector.

However, it is essential for us to not see government jobs as the answer to employment issues in remote Indigenous communities. While there will always be a need for some government jobs to run certain services, it is the strength of the private sector that will be the true marker of a robust economy in remote areas — something we know is possible when we look at the stronger economies of the non-Indigenous communities in this area.

Participation in the Economy: Education

When it comes to education specifically, remote Indigenous SALs sit well behind non-Indigenous communities, although the gap is less pronounced than in some other categories of 'outcomes'. Education is key to achieving improved economic outcomes, with the gap between Indigenous and non-Indigenous Australians declining as Indigenous educational attainment increases.[7]

Table 3: Public vs Private Employment (Median)

Community Type	National Govt %	State/Territory Govt %	Local Govt %	All Public Sector	Private sector %	Not Stated or Other
Indigenous SALs	**0.69%**	**16.27%**	**12.34%**	**29.30%**	**65.29%**	**4.12%**
Non-Indigenous SALs	**0.68%**	**10.31%**	**3.82%**	**14.81%**	**81.46%**	**1.69%**
Australia (All)	**3.81%**	**10.61%**	**1.41%**	**15.83%**	**82.87%**	**1.30%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Table 4: Education Outcomes (Median)

Community Type	Bachelor's Degree or Higher	Advanced Diploma & Diploma Level	Cert III & IV Level	Year 12 Completion	Cert I & II Level	Did not go to School
Indigenous SALs	**5.44%**	**2.14%**	**8.85%**	**25.42%**	**0.00%**	**1.52%**
Non-Indigenous SALs	**11.69%**	**7.76%**	**19.67%**	**39.39%**	**0.00%**	**0.00%**
Australia (All)	**26.12%**	**9.37%**	**16.07%**	**57.00%**	**0.08%**	**1.00%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Participation in the Economy: Welfare Dependence

Welfare dependency is seen as an important indicator of the health of an economy. Typically, when an economy is going well there are plenty of jobs, thus the need for working-age people to be on welfare diminishes.[8]

The welfare dependence in Australian Indigenous communities is well established and documented. Noel Pearson refers to this phenomenon as 'passive welfare' — the concept that ongoing income support creates a dependency and disincentivises participation in the real economy.[9] It is not that the communities that become welfare dependent don't have the ability to work, but that they become debilitated by the ongoing receipt of welfare.[10]

The communities this paper analyses have been selected because they have similar levels of remoteness, and similar access to infrastructure and services. However, they have very different economic outcomes. Welfare dependency could go some way to explaining the lack of economic activity in the local economies of the Indigenous communities discussed in this paper in comparison to their otherwise similar non-Indigenous peers.

Table 5: Welfare & Engagement in the Local Economy (Median)

Community Type	% Job Seeker Allowance	% Engaged in Work or Education
Surrounding SA2s - Indigenous SALs	**28.63%**	**39.70%**
Surrounding SA2s - Non-Indigenous SALs	**8.17%**	**74.10%**
Australia (All)	**6.93%**	**81.00%**

Source: ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. SA2s used as a proxy for the surrounding local economies of chosen SALs. See Methodology Appendix. Data is a collation of data from individual SA2 pages on database.

Data on welfare recipients is not available at the SAL level. However, as discussed in the methodology appendix, SA2s will be used in this paper as a measure of the health of the wider local economies that the selected SALs sit within. In 2020, a median of over a quarter (28.63%) of working aged people in the local economies of the selected remote Indigenous communities were on Job Seeker allowance. This was three times the median rate at which people in the local economies of non-Indigenous communities accessed the JobSeeker allowance (8.17%). Notably, those non-Indigenous local economies received JobSeeker at a rate only just higher than the Australia-wide figure.

Participation in the Economy: Business Ownership and Creation

Business ownership is a key foundation of a free and healthy economy. As long as there is a sufficiently-sized population to maintain a certain level of business activity (which our non-Indigenous communities show there is) there should be sufficient supply and demand to sustain even small-scale local economies. As discussed previously, this paper utilizes data on the SA2s that surround our selected remote Indigenous and non-Indigenous communities as a proxy for the local economy. To give an idea of the size of the economy we are talking about here, the median population of the SA2s that form the economies of the chosen SALs is 4,189 people (Indigenous median: 4,142; non-Indigenous median: 4,555). This is the size of a small regional town like Cobar in Western New South Wales — more than enough people to have a functioning real economy.

The ABS' SA2 business data shows us that the surrounding local economies of our select remote non-Indigenous communities are healthy and functioning.[11] The median number of businesses in these local economies is 634, with a median number of businesses per capita of 0.12 businesses per person in the region. This puts the selected non-Indigenous local economies above the number of businesses per capita for all of Australia at 0.09, suggesting that the environment for running a business in these locations is more than adequate.[i] In comparison, the surrounding local economies of our selected Indigenous communities only have a median of 51 businesses. This represents a median per capita ratio of just 0.01 businesses per person, and demonstrates just how far behind the local economies of remote Indigenous communities are, compared to their non-Indigenous counterparts.

i Businesses can operate in more than one geographical location and be represented by a single ABN/TAU. These are referred to as multi-location businesses. These businesses are attributed to one geographical classification under the ABS' count to prevent double counting of businesses. The issues of geocoding such businesses are more pronounced in counts at smaller geographies, as these businesses will only be attributed to a single SA2/LGA. As such, it cannot be assumed that business counts at each geographical level reflect all business operations within that geography. See Endnote 11 for further information.

Table 6: Businesses in surrounding SA2s (Median)

Community Type	# Business-es in SA2	Businesses to Population Ratio SA2
Surrounding SA2s - Indigenous SALs	**51**	**0.01**
Surrounding SA2s - Non-Indigenous SALs	**634**	**0.12**
Australia (All)	**2,402,254**	**0.09**

Source: ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. SA2s used as a proxy for the surrounding local economies of chosen SALs. See Methodology Appendix. Data is a collation of data from individual SA2 pages on database.

When the business ownership data of the selected remote communities (SALs) is analysed, it further reinforces the findings on the nature of the surrounding local economies (SA2s). Despite having similar median populations of just approximately 900, business ownership statistics within the selected Indigenous and non-Indigenous SALs paint a very different picture.

In non-Indigenous SALs, there is a median of 67 business owners in each community. Business ownership is very much the norm in these towns, with a median of nearly a quarter (21.93%) of working people owning a business. In fact, median business ownership in non-Indigenous SALs is 50% higher than the figure for all Australia (14.00%). In non-Indigenous SALs there is a median of one business owner for every 4.27 employees, compared to one owner for every 6.12 employees across Australia.

Table 7: Business Ownership in SALs (Median)

Community Type	Business Owners	Employees	Business Owners %	Employees %	Employees to Business Owners Ratio
Indigenous SALs	**5**	**163**	**3.29%**	**95.38%**	**32.60**
Non-Indigenous SALs	**67**	**286**	**21.93%**	**70.47%**	**4.27**
Australia (All)	**1,658,123**	**10,143,435**	**14.00%**	**86.00%**	**6.12**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Despite having similar populations, business ownership in Indigenous SALs is significantly lower. There is a median of just five business owners per community, meaning the median number of business owners in non-Indigenous SALs is 13 times higher than Indigenous SALs. Just 3.29% of working people in remote Indigenous communities own a business, with a median of 32.60 employees for every business owner – over seven times the rate for remote non-Indigenous SALs and five times the rate for all of Australia.

There are many potential factors that may contribute to this, including a difficulty in accessing capital due to a lack of collateral, for example. However the data show that the issue is not remoteness per se.

Counts of business entries and exits are another indicator of activity within an economy. Business entries are a sign that the economy is dynamic and alive.[12] People see opportunities within the economy, with business openings creating new jobs and economic output. As long as the businesses aren't exiting faster than they are entering, the economy should remain fairly stable.

Table 8: Business Entries & Exits in surrounding SA2s (Median)

Community Type	Business Entries (2020) SA2	Business Exits (2020) SA2	Business Entry to Exit Ratio
Surrounding SA2s - Indigenous SALs	**10**	**7**	**1.13**
Surrounding SA2s - Non-Indigenous SALs	**51**	**43**	**1.01**
Australia (All)	**365,480**	**277,674**	**1.32**

Source: ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. Business Entries & Exits in 12 months to June 2020. SA2s used as a proxy for the surrounding local economies of chosen SALs. See Methodology Appendix. Data is a collation of data from individual SA2 pages on database.

Business entry and exit data for the surrounding local economies (SA2s) of our selected remote communities demonstrates a similar trend to the other datasets analysed in this paper. In the SA2s surrounding non-Indigenous communities there was a median of 51 business entries and 43 exits in 2020. The median business entry to exit ratio was stable at 1.01.

In the SA2s surrounding remote Indigenous communities a median of only 10 businesses entered the economy in 2020. This is despite the local economy serving a similar-sized population to non-Indigenous local economies (Indigenous: 4,142; non-Indigenous: 4,555). This figure reinforces the lack of business and wider activity in these areas that has been identified throughout this paper. Interestingly, the median business entry to exit rate in the local economies of remote SA2s was 1.13, signifying that there is some growth occurring. However, this is coming from a very low base.

Summary – A Snapshot of what is Possible

The goal of this paper is to create a benchmark of what sort of economic activity is possible in remote towns, with the aim of demonstrating there is significant potential for remote Indigenous communities to have the functioning, real economies they currently lack.

This first section of the paper analysed the high-level situation across the 71 remote communities (51 Indigenous; 20 non-Indigenous) chosen through strict selection criteria. Through this analysis, a strong picture has been painted of the stark divide in the economies of remote Indigenous and non-Indigenous SA2s — despite their similar profiles when it comes to access to infrastructure and services, remoteness, and population size.

Significantly, Indigenous communities trail well behind in virtually every metric. Levels of education, the foundation for economic participation, are poor. Engagement in the economy is low, with nearly two thirds of working aged people choosing to not even attempt to find work and many more reliant on welfare. Of the jobs that do exist, a significant proportion are reliant on the public sector propping up the employment market – never a good sign for an economy. Business ownership – the most important foundation of an economy – is almost non-existent. Only a small number of businesses are running despite the existence of populations that can support significantly higher levels of economic activity. While this can somewhat be put down to the greater number of Indigenous communities in the 'Very Remote' category of this analysis, the data on non-Indigenous communities suggest that Indigenous communities could have at least a small functioning economy — as opposed to their virtually non-existent economies at present.

Indeed, the high-level analysis of remote non-Indigenous SALs gives us a powerful insight into what the economies of Indigenous communities could look like. Whilst remote towns are never going to be burgeoning metropolises, the data suggest that non-Indigenous SALs have a level of economic activity more commensurate with their population sizes. These towns and their surrounding local economies are home to hundreds of businesses each. They are significantly less reliant on the public sector propping up the economy, with a public sector employment rate lower than Australia as a whole. Business ownership rates are very high, implying that there is more than enough capacity for these types of remote communities to sustain entrepreneurship and wider business activity.

I have long said that it is possible for remote Indigenous communities to have a real economy, pointing to the example of non-Indigenous communities as to what is possible. However, I am shocked at just how strongly the data back up this theory.

Indigenous communities have valuable assets in land, culture and other rights.[13] While not all Indigenous communities can be like-for-like with their non-Indigenous counterparts, they should be able to create jobs and economic opportunities for themselves. This is more than applicable in the remote communities this paper looks at, with non-Indigenous communities doing significantly better than their Indigenous peers in virtually every outcome area I have analysed.

Remote communities have more than enough potential when it comes to building and participating in the real economy. The high level analysis of selected non-Indigenous communities clearly highlights that this is not a pipe dream.

Barriers to Participation in the Real Economy

The high-level quantitative analysis has painted a clear disparity between remote Indigenous and non-Indigenous communities in spite of their similar levels of remoteness and access to infrastructure and services. Many of these disparities seem illogical when you can see the potential for genuine economic activity exemplified by the non-Indigenous communities discussed in this paper.

While in many ways it is illogical, there are a range of barriers preventing remote Indigenous communities participating in the real economy. These barriers have been well analysed over the years, so I will not go into too much detail. However, I will provide a brief summary of a few key issues below.

Land Tenure and Regulatory Constraints

Ongoing land tenure issues, particularly in the Northern Territory, continue to represent one of the most significant barriers to remote Indigenous Australians' participation in the economy.[14] CIS has always been a strong supporter of reform to Indigenous land tenure policy.[15] The lack of freehold title in numerous communities is the central cause of the economic dysfunction in many of the remote Indigenous communities analysed in this paper. Complex land rights laws make establishing a business virtually impossible. This stifles entrepreneurship and impacts the ability of external investors to take out commercial leases. Thus, communities with genuine potential continue to remain in an economic rut, stifled by legislation that is not fit for purpose.

Table 9: Proficiency in Spoken English

Community Type	% Speaks English only	% Uses other Language, Speaks English as Very Well or Well	% Uses Other Language, Speaks English Not well or Not at all	Other/Not Stated
Indigenous SALs (Median)	**12.97%**	**60.94%**	**4.70%**	**21.39%**
Non-Indigenous SALs (Median)	**87.39%**	**4.22%**	**0.00%**	**8.39%**
Australia (All)	**72.00%**	**19.11%**	**3.43%**	**5.46%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Proficiency in Spoken English

Many of the remote Indigenous communities discussed in this paper have poorer levels of proficiency in spoken English. A median of nearly two-thirds of people in the selected remote Indigenous SALs (60.94%) speak English as a second language. Another 4.70% struggle to speak English at all. In addition, another 21.39% did not fill out the census form completely, with many of these likely not competent English speakers.

While not absolutely essential to all jobs, speaking competent English can only enhance one's potential to gain employment or start a business. Proficiency in spoken English will improve as education improves, however the current situation in remote communities remains a barrier to participation in the economy.

Education Rates

The ongoing education gap represents one of the key barriers to remote Indigenous communities participating in the real economy. We have seen from this paper that remote non-Indigenous communities with decent education rates are more than capable of having genuine functioning economies. Until we begin to close the gap in education, remote Indigenous communities joining the real economy will remain unachievable.

Detailed Profiles – Small Communities (population < 750)

This section and the two that follow contain detailed profiles of 12 of the 71 remote communities (6 Indigenous and 6 non-Indigenous), divided into sections to focus on small, medium and larger sized communities selected from the remote communities discussed in the high level analysis above.

The analysis is primarily data driven. The purpose of this section is to provide a more detailed look at the divergence in economic outcomes between remote Indigenous and non-Indigenous communities. More importantly, it helps bring into perspective just what is possible in Indigenous communities based on the situation in similar non-Indigenous communities.

While every community is different, effort has been made to ensure each Indigenous community in the case study has some similarities to at least one non-Indigenous community in its size category. For example, that they are similar distances from a major city or urban centre or have similar proximity to a major piece of infrastructure such as a mine.

However, every community has different localised factors that influence their economies (e.g. climate, proximity to a mine). It is not the intention of this section to provide a like for like comparison, nor to say that one particular non-Indigenous community is what a comparable Indigenous community could be. Rather, the argument here is that communities with similar populations, similar remoteness and similar access to infrastructure and services can have a real economy commensurate with their population size that features a range of businesses adequate to serve that population.

The small communities section looks at four communities across Australia. The non-Indigenous communities are:

- **Edithburgh, SA:**[16] A remote small town in the south-east of the York Peninsula, 226km by road to Adelaide. Businesses include a newsagent, motel, holiday park, surf shop, caravan park and pub. Edithburgh is also considered one of Australia's best scuba diving sites.
- **Ravensthorpe, WA:**[17] A very remote small town 541km southeast of Perth and 40km inland from the south coast of WA. Agriculture has always been a major part of the economy, with the Ravensthorpe Nickel mine operational from 2008 before production was suspended by BHP in 2009 and the mine sold. The mine has now reopened. The town has a supermarket, café, pharmacy, hardware store and pub amongst other businesses.

The Indigenous communities are:

- **Santa Teresa** (Ltyentye Apurte Community), **SA**:[18] A former Aboriginal mission located 82km south-east of Alice Springs. Surrounding land is appropriate for cattle-grazing and the region can be quite vibrant and colourful after rain. There is a small community store.
- **Gapuwiyak, NT:**[19] Located in East Arnhem Land, 220km south west of Nhulunbuy by road. Gapuwiyak is located adjacent to Lake Evella and the upper reaches of the Buckingham River. It has a small community store, fuel service station, some accommodation options and an aerodrome.

Note on adjustments of Census Data for areas with small populations:

When ABS Census data is extracted for SALs with small populations, minor random adjustments are made to all cell values to protect the confidentiality of data.[20] These adjustments may cause the sum of rows or columns to differ by small amounts from the table totals. For example, a Table of Business Owners by Industry might list zero in every industry type row, however, the total column may have a value greater than zero. This is particularly the case in the detailed data provided on the industries of business ownership and employment in the profiles below. As such, data in these tables should be viewed as providing a general high level picture of the communities, rather than as an exact depiction of the situation on the ground.

Demographics

All communities have populations more the size of a large village than a town, with the size of their local economies (SA2s) sitting between 3900 and 7,000.

Table 10: Demographics - Selected Small SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Gapuwiyak	**Santa Teresa**	**Edithburgh**	**Ravensthorpe**
State/Territory	NT	NT	SA	WA
Remoteness Area	Very Remote Australia	Remote Australia	Remote Australia	Very Remote Australia
SAL Population	705	609	550	580
SAL Indigenous %	**91%**	**92%**	**2%**	**4%**
Corresponding SA2	East Arnhem	Sandover - Plenty	Yorke Peninsula - South	Esperance Surrounds
SA2 Pop All	6983	3912	4142	3966
Surrounding SA2 Indigenous Pop %	**91.10%**	**84.70%**	**2%**	**3%**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix. SA2s used as a proxy for the surrounding local economies of chosen SAL

You may expect that due to these communities' small size, they would not show a notable amount of economic activity, nor a large number of businesses to be in operation. However, as you will see from the two non-Indigenous communities, there is still room for businesses to operate in smaller towns and smaller local economies such as these.

Participation in the Economy

Education and outcomes in all if these small remote communities lags well behind the Australian standard. High School and tertiary education rates are low, with Ravensthorpe the only location where a notable proportion of people have a bachelor's degree or greater (likely linked to the presence of the Ravensthorpe Nickel Mine). Other tertiary qualifications are also obtained at notably lower rates. Unemployment remains relatively low compared to many other remote communities.

Table 11: Education & Employment - Selected Small SALs

SAL Name	Indigenous		Non-Indigenous	
	Gapuwiyak	**Santa Teresa**	**Edithburgh**	**Ravensthorpe**
SAL Population	705	609	550	580
SAL Year 12 Completion %	36%	15%	32%	42%
Certificate III & IV	3%	10%	22%	21%
Advanced Diploma & Diploma	2%	1%	9%	7%
SAL % Bach Degree or higher	6%	7%	7%	14%
SAL % Unemployed	13%	4%	9%	4%
SAL % Not in the Labour Force	71%	58%	62%	24%
SAL % Private Sector	62%	53%	85%	79%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Engagement in the economy is where differences start to emerge, as well as a more significant reliance on public sector employment in the Indigenous communities.

Table 12: Business Ownership - Selected Small SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Gapuwiyak	Santa Teresa	Edithburgh	Ravensthorpe
SAL Population	705	609	550	580
SAL Businesses	7	0	38	63
SAL Business Owners	0	0	51	66
SAL Business Owners %	0%	0%	36%	23%
# Businesses in SA2	29	37	428	691
SA2 Businesses to Pop Ratio	0.01	0.01	0.10	0.17
Leading Industry (By # Businesses in SA2)	Professional, Scientific and Technical Services	Retail Trade	Agriculture, Forestry and Fishing	Agriculture, Forestry and Fishing

Source: ABS Census TableBuilder 2021 & ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. SA2s used as a proxy for the surrounding local economies of chosen SAL

Business Ownership

It is the business statistics where these communities really begin to diverge. Business ownership in Gapuwiyak and Santa Teresa is extremely low. Comparably, a significant proportion of people in Edithburgh (36%) and Ravensthorpe (23%) own businesses, significantly higher than the Australia wide figure (14%). The local economies (surrounding SA2s) are strong as well, with business to population ratios above the Australian figure of 0.09. Ravensthorpe and Edithburgh both have several businesses in service areas such as retail, as well as Accommodation and Food Services.

Employment figures for all communities are somewhat similar. However, the differences in industry of employment are of note. As with the majority of remote Indigenous communities analysed in this paper, employment is notably more heavily weighted towards the public sector, including public administration, education, and health care. Conversely, the non-Indigenous communities have a healthy spread of employment across a range of industries, suggesting that they are proportionally less reliant on government services and more involved in the real economy.

Small communities such as Gapuwiyak and Santa Teresa are never going to have booming economies. However they should have some small businesses supporting the needs of the community. Towns with a population of over 700 could have a small café or a food truck, a newsagent and a pub. Santa Teresa is also close enough to a major regional economy in Alice Springs to tap into the tourism market of the region to utilise interest in the history of the mission as well as the vibrant natural landscape.

Table 13: Employees by Industry – Selected Small SALs

SAL Name	Indigenous		Non-Indigenous	
	Gapuwiyak	Santa Teresa	Edithburgh	Ravensthorpe
Agriculture, Forestry and Fishing	0	5	9	66
Mining	0	0	5	37
Manufacturing	0	0	0	3
Electricity, Gas, Water and Waste Services	0	0	6	0
Construction	5	0	12	14
Wholesale Trade	0	0	4	14
Retail Trade	30	6	15	15
Accommodation and Food Services	0	0	23	17
Transport, Postal and Warehousing	0	0	7	24
Information Media and Telecommunications	0	0	0	0
Financial and Insurance Services	0	0	3	0
Rental, Hiring and Real Estate Services	0	0	0	0
Professional, Scientific and Technical Services	0	0	3	3
Administrative and Support Services	4	13	8	0
Public Administration and Safety	29	43	8	28
Education and Training	20	43	10	21
Health Care and Social Assistance	21	31	19	22
Arts and Recreation Services	4	0	0	0
Other Services	0	9	3	16
Inadequately described	0	0	0	10
Not stated	16	3	7	7
Total	**130**	**165**	**140**	**284**

Detailed Profiles – medium communities (population 800 to 1,100)

The four communities profiled in the medium profiles section include the following non-Indigenous communities:

- **Cummins, SA:**[21] A remote town on the Eyre Peninsula, 638km from Adelaide and 60km North of Port Lincoln. The economy is primarily based on agriculture. Businesses in Cummins include several caravan parks, a range of agricultural businesses, a butcher, community co-op and electrician among others.
- **Hopetoun, WA:**[22] A very remote town on Western Australia's south coast, Hopetoun is 600km south east of Perth. Formerly a shipping port, the town's population has declined significantly in recent years. Businesses in the town include a hotel, tavern, bakery, IGA Supermarket, two cafes, post office/ general store, hairdressers, beauty salon, library, chemist and two real estate agents.

The Indigenous communities are:

- **Ngukurr, NT:**[23] Located on the banks of the Roper River, 636km south east of Darwin. Ngukurr has several hotels/accommodation facilities, a general store, a takeaway shop, and a sealed aerodrome.
- **Roebourne, WA:**[24] A former gold mining community in the Pilbara, Roebourne is located 40km west of Karratha and 700km from Broome. Businesses include several cafés and a fuel station.

Demographics

With populations of approximately 1,000 and local economies between 4,200 and 6,900, these locations are still very small when it comes to towns in Australia. However, they have a significant enough population base to sustain reasonable demand for services, and thus create business opportunities.

These communities in the medium size category are where the economic statistics start to diverge significantly between Indigenous and non-Indigenous SALs.

Table 14: Demographics - Selected Medium SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Roebourne	Ngukurr	Cummins	Hopetoun
State/Territory	WA	NT	SA	WA
Remoteness Area	Remote Australia	Very Remote Australia	Remote Australia	Very Remote Australia
SAL Population	975	1088	981	1115
SAL Indigenous %	74%	93%	2%	4%
Corresponding SA2	Roebourne	Gulf	Eyre Peninsula	Esperance Surrounds
SA2 Pop All	5187	4189	6824	3966
Surrounding SA2 Indigenous Pop %	20.60%	77.60%	2.80%	3.20%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix. SA2s used as a proxy for the surrounding local economies of chosen SAL

Table 15: Education & Employment - Selected Medium SALs

SAL Name	Indigenous		Non-Indigenous	
	Roebourne	Ngukurr	Cummins	Hopetoun
SAL Year 12 Completion %	20%	21%	46%	41%
Certificate III & IV	10%	10%	21%	19%
Advanced Diploma & Diploma	3%	1%	7%	9%
SAL % Bach Degree or higher	2%	6%	12%	12%
SAL % Unemployed	17%	23%	3%	4%
SAL % Not in the Labour Force	66%	68%	30%	38%
SAL % Private Sector	77%	63%	83%	88%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Table 16: Business Ownership - Selected Medium SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Roebourne	Ngukurr	Cummins	Hopetoun
SAL Population	975	1088	981	1115
SAL Businesses	9	0	91	62
SAL Business Owners	12	0	96	61
SAL Business Owners %	6%	0%	20%	13%
# Businesses in SA2	170	51	868	691
SA2 Businesses to Pop Ratio	0.03	0.01	0.13	0.17

Source: ABS Census TableBuilder 2021 & ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. SA2s used as a proxy for the surrounding local economies of chosen SALs

Participation in the Economy

Education and employment outcomes are very different across medium sized Indigenous and non-Indigenous communities. Year 12 completion and tertiary education rates are more than double in Cummins and Hopetoun compared to those of Roebourne and Ngukurr.

Unemployment in the two Indigenous communities is rife, as is the proportion of those not participating in the labour force. Consistent with the remainder of this paper, private sector employment is significantly stronger in the non-Indigenous communities.

Table17: Employees by Industry - Selected Medium SALs

SAL Name	Indigenous		Non-Indigenous	
	Roebourne	Ngukurr	Cummins	Hopetoun
Agriculture, Forestry and Fishing	0	0	139	31
Mining	16	0	3	184
Manufacturing	3	0	20	6
Electricity, Gas, Water and Waste Services	0	0	0	5
Construction	12	4	21	25
Wholesale Trade	0	0	40	4
Retail Trade	16	9	33	26
Accommodation and Food Services	6	0	14	35
Transport, Postal and Warehousing	11	0	20	8
Information Media and Tele-communications	0	0	0	0
Financial and Insurance Ser-vices	0	3	13	0
Rental, Hiring and Real Estate Services	6	0	0	9
Professional, Scientific and Technical Services	0	5	7	17
Administrative and Support Services	18	5	8	12
Public Administration and Safety	29	23	22	27
Education and Training	20	51	43	28
Health Care and Social Assistance	36	19	47	26
Arts and Recreation Services	13	9	3	5
Other Services	17	15	19	12
Inadequately described	0	0	7	6
Not stated	5	12	9	12
Total	**197**	**168**	**487**	**459**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix. Please see the note at the top of the Detailed Profiles section regarding data adjustments in areas with small populations.

Detailed Profiles – Large Communities (population 1,100+)

Business Ownership

As expected, the trend in business ownership continues when we take a look at these selected medium sized communities. In Cummins, a fifth of the population own a business, with 13% owning a business in Hopetoun. Comparably, only 6% of those in Roebourne are business owners, with none at all listed in 2021 Census data for Ngukurr. Cummins has nearly 100 businesses, with Hopetoun supporting 60. This is compared to 12 in Roebourne and none in Ngukurr. This is similar when you look at the number of businesses in the surrounding (SA2) local economies.

In terms of employment, once again we see a strong concentration of public sector employment in the Indigenous communities, with significantly more balance in the non-Indigenous SALs. Notably, the economies of the non-Indigenous communities are both able to support nearly 500 jobs, whilst the Indigenous communities can barely support 200 despite being significantly propped up by public sector employment.

The employment and business data for these medium sized communities is where the findings of this paper really begin to be emphasised. It is illogical that, based on their population sizes, almost no businesses whatsoever can exist in towns like Ngukurr and Roebourne, when Cummins and Hopetoun can support a respectable number despite relatively similar contexts in terms of remoteness ratings.

Cummins and Hopetoun have functioning real economies, while Ngukurr and Roebourne could barely be described as having an economy at all. Contextual factors mean that you couldn't expect Ngukurr or Roebourne to have the Agricultural and mining industries that Cummins and Hopetoun have. However, they should at least be able to host a range of services such as cafes, pubs, real estate agents and small retail stores that any town of a similar population size could have.

The four communities profiled in the large profiles section include the following non-Indigenous communities:

- **Dampier, WA:**[25] A Pilbara port town servicing nearby Rio Tinto mines and salt fields. Dampier is 20km west of Karratha, with the town supporting a range of tourism businesses in addition to the mining industry. The town has a range of supporting businesses and services, such as motels and caravan parks, restaurants, a clothing store and a pharmacy.
- **Mallacoota, VIC**:[26] A beach holiday town in East Gippsland on Victoria's east coast. The town has a regular population of approximately 2,000 people, however, this grows significantly during major holiday breaks. The town is home to a range of tourism-related businesses, as well as a small number of restaurants and cafes and a range of trades and services to support the town.

Table 18: Demographics - Selected Large SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Maningrida	**Galiwinku**	**Dampier**	**Mallacoota**
State/Territory	NT	NT	WA	VIC
Remoteness Area	Very Remote Australia	Very Remote Australia	Remote Australia	Remote Australia
SAL Population	2518	2199	1282	1183
SAL Indigenous %	91%	92%	3%	1%
Corresponding SA2	West Arnhem	East Arnhem	Roebourne	Orbost
SA2 Pop All	5,204	6983	5187	6727
Surrounding SA2 Indigenous Pop %	90.90%	91.10%	20.60%	5%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix. SA2s used as a proxy for the surrounding local economies of chosen SAL

The Indigenous communities are:

- **Maningrida, NT**:[27] 500km east of Darwin in West Arnhem Land. The community is located on the mouth of the Liverpool River with a healthy population of 2,500. Access to the community is impacted by dirt roads, which can be inaccessible during the wet season.
- **Galiwinku, NT:**[28] Located on the southern end of Elcho Island in North East Arnhem land 140km west of Nhulunbuy. The community has a sealed aerodrome, a community store, motel and fuel station.

Demographics

With reasonably large populations you would expect these locations could be home to a reasonable sized economy. This is especially the case when you consider that the populations of the two Indigenous communities are both over 1,000 people larger than their non-Indigenous counterparts, with similar sized populations for all four SA2s. While these communities are in many ways quite different, a population body of their sizes requires a reasonable number of services to meet the needs of the population.

Table 19: Education & Employment - Selected Large SALs

SAL Name	Indigenous		Non-Indigenous	
	Maningrida	Galiwinku	Dampier	Mallacoota
SAL Year 12 Completion %	26%	30%	47%	49%
Certificate III & IV	6%	8%	30%	19%
Advanced Diploma & Diploma	2%	2%	9%	10%
SAL % Bach Degree or higher	5%	4%	15%	23%
SAL % Unemployed	37%	33%	3%	2%
SAL % Not in the Labour Force	63%	56%	12%	46%
SAL % Private Sector	72%	68%	86%	81%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix

Participation in the Economy

Data on education outcomes — the foundations of economic participation — show a vast gap between the selected large Indigenous and non-Indigenous communities. High school completion in the remote Indigenous communities is less than half of that of the non-Indigenous communities, with tertiary educational attainment even worse. While part of the difference here would be caused by workers moving to work in mines near Dampier and tourism in the Mallacoota region, the disparity in education rates is still shocking for Indigenous communities of this size.

Employment in the large Indigenous communities is disastrous, with nearly three quarters of the population not even attempting to participate in the real economy, and over a third of those who do still being out of a job. In smaller communities with less of a population base to serve, it is understandable that participation in the economy is low. However, in these larger Indigenous communities it beggars belief. As we will see below, there aren't many businesses operating in Maningrida and Galiwinku. With significant population bases there is huge potential for more people to participate in the real economy.

Business Ownership

Business ownership in the selected large remote Indigenous communities is once again virtually non-existent. ABS Census data for 2021 reports no business owners in the SAL and only 6 in the wider local economy of West Arnhem. Galiwinku doesn't fare much better.

While we wouldn't expect these Indigenous communities to have as many business owners as Dampier (54) and Mallacoota (134), you would think that at least a core body of businesses such as small shops, cafes, hairdressers and fishing or agricultural stores would exist to serve the permanent population.

There is some employment in Galiwinku and Maningrida, but not nearly enough outside the delivery of public services. Census data lists only 4 people employed in Agriculture, Forestry and Fishing in Maningrida, and 3 in Galiwinku. These are both coastal communities with ample opportunities for involvement in the fishing industry.

The typical cluster around healthcare, education and public administration suggests these communities continue to struggle to access the real economy.

Table 20: Business Ownership - Selected Large SALs & surrounding SA2s

SAL Name	Indigenous		Non-Indigenous	
	Maningrida	Galiwinku	Dampier	Mallacoota
SAL Business Owners	0	4	54	134
SAL Business Owners %	0%	1%	8%	29%
# Businesses in SA2	6	29	170	745
SA2 Businesses to Pop Ratio	0.00	0.00	0.03	0.11
Leading Industry (By # Businesses in SA2)	Agriculture, Forestry and Fishing	Professional, Scientific and Technical Services	Construction	Agriculture, Forestry and Fishing

Source: ABS Census TableBuilder 2021 & ABS (2022). Data by region 2020 | Australian Bureau of Statistics. [online] dbr.abs.gov.au. Available at: https://dbr.abs.gov.au/index.html [Accessed 15 Oct. 2022]. SA2s used as a proxy for the surrounding local economies of chosen SAL

When we look at locations such as Mallacoota, you see the potential a remote coastal economy can have. Mallacoota has long been a burgeoning tourist destination, but it had to start from somewhere. Whilst it is unreasonable to expect places like Galiwinku and Maningrida to become the next Mallacoota, there is significant potential to build a tourism industry. While crocodiles make certain swimming activities more difficult, there is no reason why these locations shouldn't build resorts, create fishing and sightseeing activities and other supporting businesses. A short flight from Darwin, these communities are on the footsteps of Asia and could tap into the significant interest in Indigenous culture that comes from the region.

Table 21: Employees by Industry - Selected Large SALs

SAL Name	Indigenous		Non-Indigenous	
	Maningrida	Galiwinku	Dampier	Mallacoota
Agriculture, Forestry and Fishing	4	3	6	35
Mining	0	0	227	0
Manufacturing	0	0	18	27
Electricity, Gas, Water and Waste Services	0	0	11	6
Construction	29	17	59	45
Wholesale Trade	0	0	7	7
Retail Trade	24	67	24	38
Accommodation and Food Services	7	14	59	64
Transport, Postal and Warehousing	3	6	69	7
Information Media and Telecommunications	0	0	0	0
Financial and Insurance Services	0	5	0	8
Rental, Hiring and Real Estate Services	0	0	16	10
Professional, Scientific and Technical Services	8	8	12	18
Administrative and Support Services	9	3	18	20
Public Administration and Safety	40	39	29	31
Education and Training	97	105	55	56
Health Care and Social Assistance	147	87	35	46
Arts and Recreation Services	18	0	5	19
Other Services	0	13	19	5
Inadequately described	0	5	24	11
Not stated	10	44	4	14
Total	**140**	**420**	**692**	**462**

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology Appendix. Please see the note at the top of the Detailed Profiles section regarding data adjustments in areas with small populations.

Summary & Recommendations

This paper has sought to quantitatively demonstrate the potential for remote Indigenous communities to participate in the real economy. While remote locations will never have thriving economies, the analysis of non-Indigenous communities with similar levels of remoteness and access to infrastructure and services demonstrates that there is potential for genuine economic activity in remote Indigenous towns. Most communities with populations between 500–3,000 have more than enough of a critical mass of people to support a range of businesses and services, including cafes, hairdressers, real estate agents, supermarkets, pub, bakeries, butcheries, agricultural and fishing supplies stores, tourism enterprises and more.

Most of the remote Indigenous communities analysed in this paper have virtually no businesses whatsoever. The lack of businesses, particularly in larger communities, is verging on incomprehensible. Remote Indigenous towns could and should have small functioning economies equivalent to their population size.

In light of this paper's findings, I present the following recommendations:

- Legislative reform must become a key component of each state and territory's Closing the Gap Agreement. Jurisdictions must review and reform legislation that unduly restricts the ability of remote Indigenous communities to participate in the real economy. A particular focus should be placed on reform of laws impacting land tenure that stifle business and entrepreneurship.
- Governments need to get out of the way so local Indigenous people are free to create businesses, own property and bring in private investment that will create local employment, meet the demand of the population, and bring these communities into the real economy with a strong focus on Indigenous entrepreneurs. Governments and the private sector should work with communities and local Indigenous residents to attract suitable private investment and to help foster the culture of work and entrepreneurship that is so important in the real economy.
- Governments and the private sector must take the lead from the mining and energy industries by ceasing the deficit mentality they have towards remote Indigenous communities. These communities must be seen for their potential, rather than as a perpetual drag on the government purse.
- Indigenous communities and the private sector must overcome previous relationship difficulties and come to see working together as an economic opportunity for both parties. Indigenous communities must embrace the potential investment that the private sector brings, rather than viewing it with suspicion. Meanwhile, the private sector should see the potential for investment and growth in Indigenous communities, rather than seeing their presence as a hindrance.
- Education outcomes must be radically improved to ensure that people in remote Aboriginal communities have adequate skills to participate in the real economy.

Appendix – Methodology

Choosing the Statistical Areas to Analyse

Significant research was undertaken to develop an impartial, quantitative methodology to select and compare the communities analysed in this report. Via this process ASGS Suburbs and Localities (SALs) were selected as the ideal location for analysis. Formerly called State Suburbs prior to the 2021 Census, SALs are an approximation of the officially recognised boundaries of suburbs (in cities and larger towns) and localities (outside cities and larger towns) as defined by the State and Territory governments of Australia.[29] They are smaller than most postcodes, but bigger than Statistical Area Level 1s and Mesh Blocks — which analyse down to the level of blocks on a street.[30] In remote areas, SALs are generally structured around what are traditionally understood to be distinct communities or towns.

To account for the fact that communities and towns participate in the wider economy of their local region, Statistical Area Level 2 (SA2) data was also included in the analysis. SA2s are medium-sized general purpose areas built up from whole Statistical Areas Level 1 (SA1s). Their purpose is to represent a community that interacts together socially and economically.[31] SA2s are also typically the smallest size area for which data is collected for a range of non-Census datasets. This includes the Counts of Australian Businesses data. As such, SAL and SA2 data are both used in this paper to create a combined picture of the economies within communities themselves, and their surrounding local region to help develop a rigid, quantitative framework for comparing the economies of remote Indigenous and non-Indigenous communities. It must be noted SA2s are made up of multiple SALs, some of which have different population characteristics to the particular SAL being analysed. For example, an Indigenous SAL might sit in an SA2 that has an otherwise small Indigenous population in its remaining SALs.

Data referring to an 'Indigenous community,' 'Indigenous SAL,' or 'Indigenous local economy' refers to the entire population within that community (Indigenous or non-Indigenous people) unless otherwise stated, with the converse applying for non-Indigenous communities. This is primarily because economies are not exclusively race based. Indigenous and non-Indigenous people trade with and employ each other all over Australia.

Remoteness Areas

This report utilises the 'Remote' and 'Very Remote' ASGS classification to identify and analyse the communities and towns it focusses on. The use of the ASGS remoteness areas is an important means of impartially selecting and comparing communities. Remoteness Areas divide Australia into different categories of remoteness on the basis of a measure of relative access to goods, services, people and "service centres" via road distance, as rated by the Accessibility and Remoteness Index of Australia. To calculate the index, geographical areas are scored (continuous between 0 to 15) based on the road distance to service towns of different sizes.[32] Under this system, the chosen ASGS Areas are rated as the following:

- **Remote:** ARIA score greater than 5.92 to <=10.53 very restricted accessibility to goods, services and opportunities for social interaction.
- **Very Remote:** ARIA score greater than 10.53 to 15) — very restricted accessibility to goods, services and opportunities for social interaction.

Hence, using this classification system allows an analysis of towns and communities with comparable access to the infrastructure and services, and thus comparable factors that influence the ability of these locations to participate in the real economy. It is by this means that this paper can fairly compare remote Indigenous and non-Indigenous communities in an impartial, quantitative manner.

Choosing Specific Communities

With SALs chosen as the preferred means of identifying locations, a list of towns and communities was drafted based on the following criteria:[ii]

- **Indigenous Communities:** SAL has a majority (50% +) Indigenous population. SAL population is between 500 and 3,000 people. Remoteness Area Type is Remote and Very Remote.
- **Non-Indigenous Communities:** SAL has a 3% or less Indigenous population (under the Australian figure of 3.2% Indigenous). Population is between 500 and 3,000 people. Remoteness Area Types Remote and Very Remote.

Based on the criteria above, 71 SALs (51 Indigenous, 20 non-Indigenous) were identified. The communities are listed in Table 22.

ii NOTE: When research on this paper commenced full 2021 ABS Census Data for SALs was not available. Communities were first identified using the Indigenous population percentage of 2016 ABS Census data, with 2021 Census data then used to analyse the communities

Table 22 - List of Chosen Remote Communities – ABS Suburbs and Localities 2021

ABS Suburb & Locality Name	Community Type	State or Territory	Remoteness Area	Corresponding SA2	SAL Population	SAL Indigenous %	SA2 Population	SA2 Indigenous %
Angurugu	Indigenous	NT	Very Remote	Anindilyakwa	883	97%	2541	62%
West Arnhem	Indigenous	NT	Very Remote	West Arnhem	785	96%	5204	91%
Beswick	Indigenous	NT	Very Remote	Elsey	542	95%	2283	91%
Numbulwar	Indigenous	NT	Very Remote	Gulf	681	95%	4189	77%
East Arnhem	Indigenous	NT	Very Remote	East Arnhem	1194	94%	6983	91%
Milingimbi	Indigenous	NT	Very Remote	East Arnhem	1097	94%	6983	91%
Ngukurr	Indigenous	NT	Very Remote	Gulf	1088	93%	4189	77%
Miniyeri	Indigenous	NT	Very Remote	Gulf	650	93%	4189	77%
St George Ranges	Indigenous	WA	Very Remote	Derby - West Kimberley	1133	93%	7045	60%
Lajamanu	Indigenous	NT	Very Remote	Tanami	655	92%	2839	85%
Galiwinku	Indigenous	NT	Very Remote	East Arnhem	2199	92%	6983	91%
Santa Teresa	Indigenous	NT	Remote	Sandover - Plenty	609	92%	3912	85%
Gapuwiyak	Indigenous	NT	Very Remote	East Arnhem	705	91%	6983	91%
Woorabinda	Indigenous	QLD	Remote	Central Highlands - East	1019	91%	7156	21%
Maningrida	Indigenous	NT	Very Remote	West Arnhem	2518	91%	5204	91%
Ramingining	Indigenous	NT	Very Remote	East Arnhem	814	91%	6983	91%
Palm Island	Indigenous	QLD	Remote	Palm Island	2138	90%	2098	91%
Hugh	Indigenous	NT	Remote	Sandover - Plenty	895	89%	3912	85%
Doomadgee	Indigenous	QLD	Very Remote	Carpentaria	1387	89%	4921	62%
Aurukun	Indigenous	QLD	Very Remote	Aurukun	1101	89%	1101	89%
Hermannsburg	Indigenous	NT	Very Remote	Tanami	551	89%	2839	85%
Injinoo	Indigenous	QLD	Very Remote	Northern Peninsula	498	89%	2781	82%
Gunbalanya	Indigenous	NT	Remote	West Arnhem	1177	88%	5204	91%
Hope Vale	Indigenous	QLD	Remote	Cape York	1004	87%	7803	47%
Badu Island	Indigenous	QLD	Very Remote	Torres Strait Islands	704	87%	4124	91%
Kowanyama	Indigenous	QLD	Very Remote	Kowanyama - Pormpuraaw	1079	86%	1691	83%
Wadeye	Indigenous	NT	Very Remote	Thamarrurr	1924	86%	2118	87%
Wurrumiyanga	Indigenous	NT	Remote	Tiwi Islands	1421	85%	2348	86%
Warburton (WA)	Indigenous	WA	Very Remote	Leinster - Leonora	511	84%	4804	36%
Lagrange	Indigenous	WA	Very Remote	Roebuck	634	84%	2310	61%
Camballin	Indigenous	WA	Very Remote	Derby - West Kimberley	500	84%	7045	60%
Sandover	Indigenous	NT	Very Remote	Sandover - Plenty	569	84%	3912	85%
Yuendumu	Indigenous	NT	Very Remote	Yuendumu - Anmatjere	740	83%	1851	84%
Wellesley Islands	Indigenous	QLD	Very Remote	Carpentaria	1022	80%	4921	62%
Yirrkala	Indigenous	NT	Very Remote	East Arnhem	657	80%	6983	91%
Dampier Peninsula	Indigenous	WA	Very Remote	Roebuck	1051	80%	2310	61%
Pormpuraaw	Indigenous	QLD	Very Remote	Kowanyama - Pormpuraaw	611	79%	1691	83%

ABS Suburb & Locality Name	Community Type	State or Territory	Remoteness Area	Corresponding SA2	SAL Population	SAL Indigenous %	SA2 Population	SA2 Indigenous %
Lockhart River	Indigenous	QLD	Very Remote	Cape York	640	79%	7803	47%
Bamaga	Indigenous	QLD	Very Remote	Northern Peninsula	1186	78%	2781	82%
Borroloola	Indigenous	NT	Very Remote	Gulf	755	74%	4189	77%
Roebourne	Indigenous	WA	Remote	Roebourne	975	74%	5187	21%
Mission River	Indigenous	QLD	Very Remote	Cape York	974	73%	7803	47%
Horn	Indigenous	QLD	Very Remote	Torres	533	72%	3421	69%
Halls Creek (WA)	Indigenous	WA	Very Remote	Halls Creek	1572	71%	3603	78%
Thursday Island	Indigenous	QLD	Very Remote	Torres	2805	69%	3421	69%
Fitzroy Crossing	Indigenous	WA	Very Remote	Derby - West Kimberley	1181	62%	7045	60%
Wyndham (WA)	Indigenous	WA	Very Remote	Kununurra	941	57%	7477	34%
Brewarrina	Indigenous	NSW	Very Remote	Bourke - Brewarrina	931	56%	3428	37%
Normanton	Indigenous	QLD	Very Remote	Carpentaria	1391	56%	4921	62%
Tennant Creek	Indigenous	NT	Very Remote	Tennant Creek	3080	56%	3080	56%
Wilcannia	Indigenous	NSW	Very Remote	Far West	735	52%	2288	29%
Wandoan	Non-Indigenous	QLD	Remote	Miles - Wandoan	666	7%	4180	7%
Tindal	Non-Indigenous	NT	Remote	Katherine	850	5%	9658	26%
Bruce Rock	Non-Indigenous	WA	Remote	Merredin	742	4%	4893	5%
Hopetoun (WA)	Non-Indigenous	WA	Very Remote	Esperance Surrounds	1115	4%	3966	3%
Taroom	Non-Indigenous	QLD	Remote	Banana	885	4%	8817	5%
Mount Johns	Non-Indigenous	NT	Remote	Mount Johns	541	4%	4025	10%
Ravensthorpe	Non-Indigenous	WA	Very Remote	Esperance Surrounds	580	4%	3966	3%
Exmouth	Non-Indigenous	WA	Very Remote	Exmouth	2806	3%	4659	6%
Dampier	Non-Indigenous	WA	Remote	Roebourne	1282	3%	5187	21%
Currie	Non-Indigenous	TAS	Very Remote	King Island	766	3%	1617	2%
Lameroo	Non-Indigenous	SA	Remote	Karoonda - Lameroo	857	2%	2921	2%
Cummins	Non-Indigenous	SA	Remote	Eyre Peninsula	981	2%	6824	3%
Tumby Bay	Non-Indigenous	SA	Remote	Eyre Peninsula	1781	2%	6824	3%
Edithburgh	Non-Indigenous	SA	Remote	Yorke Peninsula - South	550	2%	4142	2%
Yorketown	Non-Indigenous	SA	Remote	Yorke Peninsula - South	997	2%	4142	2%
Wudinna	Non-Indigenous	SA	Very Remote	Le Hunte - Elliston	594	2%	2122	3%
Whitsundays	Non-Indigenous	QLD	Remote	Airlie - Whitsundays	2281	2%	14523	3%
Kimba	Non-Indigenous	SA	Remote	Kimba - Cleve - Franklin Harbour	608	2%	4201	1%
Stansbury	Non-Indigenous	SA	Remote	Yorke Peninsula - South	603	1%	4142	2%
Mallacoota	Non-Indigenous	VIC	Remote	Orbost	1183	1%	6727	5%
Median - Indigenous	Indigenous	-	-	-	**941**	**86%**	**4189**	**78%**
Median - Non-Indigenous	Non-Indigenous	-	-	-	**854**	**3%**	**4191**	**3%**
Australia (All)	**N/A**	**-**	**-**	**-**		**3%**	**25,422,788**	**3%**

Source: ABS Census Data 2016 & 2021. Indigenous Communities: SAL has a majority (50% +) Indigenous population (2016). SAL population is between 500 and 3,000 people. Non-Indigenous Communities: SAL has a 3% or less Indigenous population (2016). Population is between 500 and 3,000 people. Remoteness Area Type is Remote or Very Remote for all communities

Structure of the Economies – Understanding the Impact of Mining

The purpose of this analysis is to determine whether remote Indigenous communities could have comparable economies to similar non-Indigenous communities. One of the main issues when conducting such an analysis is the impact the mining and resources industry may have on the data. Mines employ large numbers of people, with towns and local economies in remote areas often built around the presence of a mine. Were the 20 non-Indigenous SALs and their surrounding local economies to be dominated by the mining sector, it would not be possible to say that remote Indigenous SALs could support similar economies.

As part of the research process, data was thoroughly reviewed to ensure that this wasn't the case. While a small number of the non-Indigenous communities do have nearby mines, the data shows that mining only forms a small part of the economies of the 20 SALs and their local economies (SA2s). Within the SALs themselves a cumulative total of only 6% of employed people work in Mining (See Table 23), with Accommodation and Food Services (18%) as well as Agriculture, Forestry and Fishing (11%) employing the most people. As with the Indigenous communities, public services are also large employers. It is a similar story in the surrounding local economies (SA2s), with mining making up a cumulative total of only 7% of employed people working in mining (See Table 23).

Table 23: Industry of Employment - Cumulative of Selected SALs + Cumulative of Surrounding SA2s

Industry of Employment	Indigenous SALs	Non-Indigenous SALs	Surrounding SA2s	Australia
Agriculture, Forestry and Fishing	3%	11%	14%	2%
Mining	2%	6%	7%	2%
Manufacturing	0%	3%	2%	6%
Electricity, Gas, Water and Waste Services	1%	1%	1%	1%
Construction	5%	7%	6%	9%
Wholesale Trade	0%	2%	1%	3%
Retail Trade	7%	7%	7%	9%
Accommodation and Food Services	4%	18%	9%	7%
Transport, Postal and Warehousing	3%	5%	4%	5%
Information Media and Telecommunications	0%	0%	0%	1%
Financial and Insurance Services	0%	1%	1%	4%
Rental, Hiring and Real Estate Services	0%	1%	1%	2%
Professional, Scientific and Technical Services	1%	3%	2%	8%
Administrative and Support Services	3%	3%	3%	3%
Public Administration and Safety	19%	10%	10%	7%
Education and Training	20%	7%	10%	9%
Health Care and Social Assistance	19%	8%	12%	15%
Arts and Recreation Services	3%	1%	2%	2%
Other Services	3%	3%	3%	4%
Inadequately described	0%	2%	2%	3%
Not stated	4%	2%	2%	1%

Source: ABS Census TableBuilder 2021. SALs from selected Remote & Very Remote communities. See Methodology. SA2s surrounding selected SALs. Note that some SA2s contain multiple SALs from this analysis, with some containing both Indigenous and non-Indigenous SALs (See Table 22)

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Remote and very remote Indigenous communities experience well-established disadvantages, leaving them "more comparable to the third world than to one of the most prosperous countries on earth". Such communities are a centre point of Australia's premier piece of Indigenous-focussed policy, the Closing the Gap Agreement. Remoteness is now being recognised as one of the key determinants behind the gap, and tackling inequalities in remote areas holds the key to ultimately achieving equality between Indigenous and non-Indigenous Australians.

Whilst the disadvantage of remote communities is well understood, governments are yet to develop an effective solution for resolving this situation. I have long argued that remoteness is not a barrier to economic development. Indeed, there are towns in remote areas across Australia with functional real economies. There is no reason that remote Indigenous communities cannot be a part of this.

The purpose of this paper is to provide a data-based analysis of remote economies across Australia, creating a benchmark of what is possible in remote areas. The paper will analyse comparable remote Indigenous and non-Indigenous communities, and use quantitative evidence to argue that it is feasible for Indigenous communities to participate in the real economy — just as their non-Indigenous counterparts have been able to do.

It will contend that remote Indigenous communities can have real businesses — such as hairdressers, cafes and supermarkets — and that these can employ local Indigenous people. Ultimately it will argue that closing the gap through economic participation in remote Indigenous communities is eminently achievable.

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