Cultural Market Systems Development



INDIGENOUS CONNECTION

CRCNA

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Cover Photo

Helen Nyomba Gandaŋu. Senior Yolŋu Leader and Indigenous Connection employed Cultural Knowledge Provider. Galiwin'ku, East Arnhem Land. Pictured on Country, where the freshwater meets the salt—traditionally understood as *Ganma*, a place of two-way learning or knowledge mix.

Acknowledgement of Country

We acknowledge the Land, Fresh Water & Sea Country of all areas where we connect, share & learn. We pay our respects to the ancestors. We also pay our respects to elders, past, present & emerging.

Foreword



Ian Gumbula
Senior Yolngu Leader
IC Cultural Knowledge Provider
PhD Candidate

People in the communities want to be involved. want to be included and want their voice to be known - that's the sort of thing that empowers them to be strong leaders. people and community. It's really important.

My name is Ian Mongunu Gumbula. I am a Yolngu leader from North East Arnhem Land. my community is Galiwin'ku - Elcho Island. All of my life I've been doing cultural governance and leadership in many communities across Arnhem Land. Central Desert. Tiwi Islands. Groote and the Kimberley. Been everywhere. working with our leaders helping them to stand up and to talk about their Country. to talk about their connection and relationships with one another and how that cultural systems can apply to western or urban systems.

Through my years of experience and technical skill working in lore. justice and language. I led Indigenous Connection into communities for Arnhem Land. Groote. Central Desert and everywhere. Cultural governance is very important to Yolngu people. because that's the foundation for our journey. We go through that from when you're little bit old enough. You get all the knowledge from elders. You listen first and when you're old enough you can take that knowledge. you take that role in decision-making.

When I share that IC story with people - they say. okay this is really good because it relates to us. All the things you're saying is connected to us. our life. We need to start working with this project.

It was a really exciting time for our mob. specially leaders to actually put their voice to be known. through IC. So. in every community when we talk about that one (IC). it was really reflective of people's experience. because they have been through that journey and they like to share their story with visitors.

People feel really comfortable when they are talking about their language and their land. When they share that knowledge with visitors to Country. people feel balance. All the people who are connected to the songlines. water. land. sea. everything – and that's the sort of thing that is valuable knowledge that is not being known to anyone. only Yolngu people know and we would like to share that. with our understanding. so that we can go further together with balanda people.

Indigenous Connection market systems processes. helps people share their remote voices. It mixes and matches the meaning and the purpose between First Nations people and Visitors to Country. We did this through Emergency Management and Water projects.

We invite government and corporate people to open up the space for our thinking. and our voice to be heard. It would be really meaningful because it is not pushing your system away. it is bringing your system there to work with our system.

Partner statement



Sally Auld
Executive Chief Economist, NAB

Australia is rightly recognised internationally as a developed economy. Yet this description can obscure a more complex reality: for many First Nations peoples and communities, particularly in very remote parts of Australia, the economic conditions, infrastructure settings and participation barriers described in this paper more closely resemble those seen in developing economies.

That distinction matters. Macro-level analysis is essential for understanding national progress, but it can also obscure difference and mask important nuances. When aggregate measures are used to assess need and opportunity, prioritise investment or to allocate finite resources, they risk an under-appreciation of the lived conditions of remote communities. In these communities, economic participation and need are shaped by a broad range of factors, including housing pressures, infrastructure insecurity, limited service access, language, culture, geography, connection to Country, and sub-optimal institutional relationships.

This paper challenges us to look beyond averages and to consider the systems that determine whether people can participate in our economy on their own terms. It highlights that constrained economic participation is not simply an individual outcome; it is often the product of system design, context misalignment and the compounding effects of systems that have not been designed for place, culture and context.

Achieving better informed policy outcomes and the distribution of appropriate products and services into complex and remote environments requires more granular insight, stronger relationships and a willingness to listen to communities directly. Prioritisation should be informed not only by national indicators, but also, by an in depth understanding of where systems are failing and why they are unable to meet people in context, on Country.

The opportunity set out in this report is ultimately a positive one: to build more culturally intelligent, place-based and economically inclusive market systems that recognise capability on Country and value cultural knowledge. Grasping the opportunity will support lasting outcomes for First Nations peoples, communities and the broader Australian economy.

Executive Summary

Executive Summary

Across remote and very remote communities of Northern Australia, Indigenous Connection has observed a deficit focused economic development narrative that better aligns with the United Nations (UN) definition of 'least developed economies'. Globally, these markets are predominately government and philanthropic led, supporting conflict affected or natural disaster impacted regions where high-level displacement of people exists. The investment narrative is anchored to the provision of safety, aid and essential health services.

However, through the Cultural Market Systems Development applied research, IC has found a readiness on Country, to change that narrative. An overwhelming willingness to participate in the economy exists. Remote community members who are often understood as not in the labour force, welfare dependent or not yet 'job ready', absolutely hold the willingness and capacity to supply knowledge services to a paying market of visitors, if offered the opportunity.

An overwhelming willingness to participate in the economy exists.

Year-in year-out, annual reports are published celebrating institutional progress and a vision for future that holds optimism, aspiration and sense of pride in the new look First Nations strategy. Setting out again to improve inclusion, equity and social impact on Country.

Simultaneously, voices from remote communities that do cut through to an urban audience, along with academic papers, journals, news articles, government and non-government reporting, articulate no wellbeing change outcomes have been attained in remote communities of Northern Australia.

The investment of time / money / effort continues to flow. Approximately $6b of government and philanthropic time / money / effort, per annum. The investment narrative remains the same and is committed to improving the lives of vulnerable and marginalised First Nations people.

Approximately $6b of government and philanthropic time/money/effort, per annum.

But for some reason, the wellbeing outcomes, and the cultural-socio-economic development return on investment, remains limited.

Through deep evaluation of symptoms of failure experienced within multiple systems operating across remote communities of Northern Australia, the Cultural Market Systems Development applied research project has observed patterns of friction undermining wellbeing outcomes to be achieved. Unfortunately, the lack of wellbeing progress is evidenced by Closing the Gap reporting.

The Cultural Market Systems Development (CMSD) research compiled data from multiple sources and has identified an unfortunate truth that, participation in market systems across remote Northern Australia is not determined by people living on Country. Instead, it is shaped by the interaction of multiple situational forces that influence remote community member capacity to engage with systems.

Through a market systems evaluation framework, Indigenous Connection has identified two root cause failures undermining people's capacity to participate in systems across Northern Australia; Systemic Exclusion and Infrastructure Insecurity.

IC has identified two root cause failures undermining people's capacity to participate in systems across Northern Australia; Systemic Exclusion and Infrastructure Insecurity.

'If you always do what you have always done, you will always get what you have always got'. Creating systemic change is a process that begins by understanding systemic failures. This paper sets out evidence to better understand what is preventing remote community members to access systems and realise improved outcomes for Country, cultural, people, community and economic wellbeing.

An incredible opportunity exists. Indigenous people living on Country absolutely want to share their story and participate in the economy. The vehicle to create systemic inclusion at scale, is Knowledge Services. The critical first step, rethinking business-as-usual.

An incredible opportunity exists. Indigenous people living on Country absolutely want to share their story and participate in the economy. The vehicle to create systemic inclusion at scale, is Knowledge Services. The critical first step, rethinking business-as-usual.

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Peer Review Statement

The CRCNA recognises the value of knowledge exchange and the importance of objective peer review. It is committed to encouraging and supporting its research teams in this regard.

The author(s) confirm(s) that this document has been provided to CRCNA and project representatives for review.


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NORTHERN TERRITORY GOVERNMENT

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Acronyms

IC	Indigenous Connection
MSD	Market Systems Development
CMSD	Cultural Market Systems Development
M4P	Making Markets Work for the Poor
CKP	Cultural Knowledge Provider
ABS	Australian Bureau of Statistics
HDI	Human Development Index
CMSD-I	Cultural Market Systems Development-Index
NILF	Not in Labour Force
GST	Goods and Service Tax
BAU	Business-as-usual



Alan Watson

Cultural Knowledge Provider
Minyerri, NT

Project Participants



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Our Story

Indigenous Connection (IC) is a majority Indigenous-owned and governed social enterprise, applied research organisation and consultancy, dedicated to creating Cultural Economic Inclusion on Country. Larrakia is home to IC. However, much of the year is spent engaging with Australia's most remote communities — exploring institutional relationships, evaluating how and why systems work, and mapping place-based vulnerability and complexity to deliver context-informed economic and business development consultancy.

IC's central finding, drawn directly from this work, is that cultural economic participation is not held back by unwillingness on Country — it is held back by systems.

The company was seeded in 2016 in the East Kimberley community of Wyndham, Western Australia.

From then until now, IC has been on a long-term, focused cultural-socio-economic development journey — sitting down with hundreds of Indigenous people across 35-plus remote and very remote communities throughout the Kimberley, Central Desert, Tiwi Islands, Groote Archipelago and Arnhem Land, listening and learning from community members telling their own story: explaining "what's important to us mob," and how IC could bring value to Country, Culture, People & Community.

Our time together has been powerful. Thank you.

The 2016 aspiration to catalyse scalable and sustained change in remote communities of Northern Australia is what drives IC today.

Our Belief

Our belief is that by rethinking market systems design, we can create cultural economic inclusion, reconcile institutional relationships and Close the Gap.

IC Leadership

IC is governed by a board of three directors including Nicole Thompson, Ronald Morgan & Brad Martin. Nicole is a Mak Mak - Marranunggu woman from the Top End of the Northern Territory. Ronald is a Kwini man from the East Kimberley. Brad is an inclusion strategist, dedicated to making markets work for people who are systemically excluded. IC directors are majority shareholders of Indigenous Connection Pty Ltd.

Our Vision

Cultural Knowledge Providers are included in the economy. Sharing their voice and knowledge with institutional actors Nationally. Cultural Knowledge Providers are enjoying an increased sense of pride, identity, recognition, respect and self-worth. Government and Corporate actors are enjoying a deeper and mutually beneficial relationship with culture, people and place.

Cultural economic participation is normalised.

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Group Economics

1 Introduction

Understanding the context for systemic inclusion on Country



Adam Gaston

Cultural Knowledge Provider
Jilkminggan, NT

Background and Context

Economic development across Northern Australia is often discussed in terms of growth, investment, and boundless possibility.

However, in remote community contexts the economic development mindset shifts focus, to a space of harm, dysfunction, over stretched resourcing, and seemingly no light at the end of the tunnel. In response, economic development strategies, policies and interventions are often centred around meeting the Closing the Gap objectives.

Strategies to drive positive change on Country, often appear to be either consciously or sub-consciously better aligned with broader Australian socio-economic values, aspirations and norms. This creates an implicit expectation, that development models applied in urban Australia are appropriate and transferrable to remote contexts with minimal adjustment.

However, in practice, remote Aboriginal and Torres Strait Islander communities operate within fundamentally different social, cultural, and geographic environments. Furthermore, a significant proportion of land in the Northern Territory is recognised under Native Title or Aboriginal Land Rights. Across the NT approximately 100 individual remote communities are recognised as - Community Living Areas (CLA). In 1989 the Australian and Territory Governments reformed legislation, where small parcels of land were carved out from larger pastoral leases and provided to local community corporations or associations on behalf of families who hold traditional connection to Country. The 'community ownership' structures differ from individual freehold systems. This limits access to mechanisms such as private property ownership and mortgage finance, which are key drivers of participation in urban economies.

In addition, Aboriginal and Torres Strait Islander people maintain strong connections to Country, culture, and community. Cultural obligations, kinship systems, and ceremonial practices play a central role in daily life and decision-making. These responsibilities can influence the availability and capacity of individuals to engage with employment, education, and other systems.

At the same time, national frameworks such as Closing the Gap continue to highlight disparities in outcomes between non-Indigenous and Indigenous populations, through a national lens. However, these frameworks do not fully account for the structural and contextual factors that incentivise and shape participation, on a place basis.

This knowledge gap highlights the need for a system-level understanding, where participation is examined not only as an outcome, but as a function of how systems are designed and how they interact on a place basis.

For communities living on Country, economic participation is shaped not only by financial and labour market factors, but also by cultural obligations, kinship systems, environmental conditions, and everyday traditional life. These factors influence how individuals engage with education, employment, and broader market systems, often in ways that significantly differ from urban economic norms.

On Country, cultural economic activity is found within existing individual systems. It includes the exchange of goods, services, and knowledge grounded

in traditional cultural practices, such as land management, arts, language services, and community-based activities. Cultural knowledge services are also being exchanged informally on regular basis in remote communities too. Unfortunately, the informal sharing of knowledge services are often not meeting formal labour market compliance expectations. Anecdotally, remote community members have shared their frustrations with IC relating to frequent requests to support institution's community engagement or research objectives, only to be remunerated with shop vouchers, cash or in some instances, nothing at all.

Furthermore, institutions supplying goods and services into remote communities across Northern Australia commonly recognise that a misalignment of product – market fit exists. Supply-side actors often identify that a clear need to rethink the design of urban centric product, service and policy, to better meet the needs of Australia's most vulnerable consumers living on Country, would increase inclusivity and reduce friction.

For example, 98% of Indigenous households across Arnhem Land NT speak an Indigenous Australian language at home. During the CMSD project, IC reviewed financial services sector institutions (banking, superannuation, insurance and payroll services) language support services offered to market. Most institutions offer customers product, service, policy information that has been translated into multiple different international languages.

But IC could not find a financial institution that currently provides customers with information and collateral in an Indigenous language.

This one example highlights a clear symptom of failure, that can often lead to additional failures, harm, increased vulnerability, customer confusion and unmet demand for support.

Problem Statement

Despite decades of policy focus and significant public and philanthropic investment, many remote Aboriginal communities continue to experience disparities in health, education, income, and employment outcomes. National frameworks such as Closing the Gap provide important outcome-level benchmarks; however, these indicators primarily describe what the gaps are, but not why they exist.

In practice, development efforts largely focused on addressing visible symptoms of failure. While initiatives that do reach remote communities provide essential short-term support services, they do not address the underlying systemic failures that restrict participation long-term.

Many institutional actors IC engaged with during the CMSD project appear to hold genuine empathy, good intentions and willingness to create positive change within their sphere of influence. Unfortunately, IC has also observed the same actors, restricted from acting upon their concerns due to misaligned internal priorities, budget, governance rules and norms.

Over the previous years, IC has observed market systems exchanging products, services that are frequently shaped by what works well in urban Australia, without considering remote community contexts.

This disconnect is reinforced by a lack of institutional situational awareness.

IC engagement with institutional actors throughout the CMSD project indicates that many organisations are aware that community members face challenges when engaging with their products and services but were not exactly clear why.

When discussing opportunities to rethink product / service design to meet the needs of vulnerable customers, multiple actors identified a barrier to action being - "we just don't know our customers".

As a result, negative participation outcomes are often framed as an issue of people living on Country, rather than as an outcome of context misaligned products, and services. This framing risks overlooking the structural and systemic factors that constrain participation, leading to interventions that address symptoms of failure rather than root causes of failure.

Project Purpose

To better understand *why* market systems across Northern Australia are underperforming against a range of cultural-socio-economic wellbeing measures, despite the long-term efforts of Governments and other actors.

Rather than focusing solely on individual-level capacity, this study adopts a system-level perspective. It explores how market systems are structured, how different actors interact, and how relationships between institutions and communities influence multiple outcomes.

Using a Market Systems Development (MSD) approach, the research explores both the supply and demand sides of systems, with particular attention to:

- the conditions that influence willingness and capacity to participate in systems
- the alignment (or misalignment) between systems design and remote community contexts
- the role of incentives, relationships, and institutional behaviour shaping outcomes on Country

The study also introduces IC's creation of a Cultural Market Systems Development-Index (CMSD-I) as a place-based analytical tool to better understand vulnerability and complexity on a remote community-by-community basis.

Research Objectives

The key objectives of this study are to:

1. Analyse how market systems are currently functioning across remote Northern Australia
2. Identify the systemic factors that limit or constrain Indigenous participation
3. Examine how supply and demand interact within the system, and where misalignment occurs
4. Understand how incentives, relationships, and institutional behaviours shape system performance
5. Evaluate how community-level conditions influence participation outcomes
6. Contribute to the development of more inclusive, culturally aligned market systems
7. Identify the underlying structural drivers of system underperformance and constrained participation

These objectives are informed by core research questions, including whether current systems design is reducing participation, and whether redesigning systems to embrace cultural, social, and environmental relationships can improve outcomes.

Scope and Boundaries

This study focuses on market systems operating within remote and very remote communities across Northern Australia. It examines interactions between Aboriginal and Torres Strait Islander communities, government institutions, corporate actors, and service providers. IC explored priority market systems that appeared to be the least inclusive of traditional knowledges, markets which consumers interact with on a regular basis for the purpose of maximising impact. Key market systems including travel, arts and land management, where the exchange of traditional knowledge is already normalised, were less considered during the study.

The analysis considers both formal and informal economic activity, with particular attention to culturally grounded forms of economic participation, including the exchange of knowledge services, and community-based contributions.

While national indicators such as the Human Development Index (HDI) and Closing the Gap targets are referenced to provide context, the primary focus of this research is on community-level conditions and system dynamics. The study emphasises place-based analysis to better understand how participation is influenced by situational forces unique to each community.

Significance and vision for the future

It is our vision that research such as this inspires Government and Corporate actors to rethink existing norms and to explore cultural economic norms. Catalysing increased human interaction and systemic inclusion. Reducing the friction between supply – demand of goods and services and exploring procurement opportunities to decode symptoms of failure. Supporting improved cultural-socio-economic well-being outcomes.

This research seeks to move beyond outcome-based analysis towards a deeper understanding of market systems performance and place.

By integrating system-level analysis with place-based data and real-world evidence, the study challenges the assumption that low-level participation is primarily a function of individual capacity. Instead, it highlights the role of systems design, institutional behaviour, and the relationship between urban and remote Australia.

Ultimately, this research positions the cultural market systems development approach not as a peripheral or conscience-based adjacency, but as key to unlocking reconciliation aspirations, to make Closing the Gap progress, to preserve one of the oldest living cultures on earth, and to support improved Country, cultural, human, community and economic well-being outcomes in remote communities across Northern Australia.

2 Cultural Market Systems Development Approach

A new framework for culturally aligned market systems



Jenny Manmurulu

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The Market Systems Development Approach

The Market Systems Development Approach focuses on understanding how systems operate as a whole (The Springfield Centre 2015). It examines how market actors, relationships, incentives, and institutional structures interact to influence outcomes. The approach emphasises addressing the root causes of system underperformance and supporting changes that can be sustained beyond individual programs.

Thousands of professional MSD practitioners are delivering programs across Asia, Africa, the Pacific and South America. Programs are often funded by donors including the Department of Foreign Affairs and Trade (DFAT), Aus Aid, UK Aid, Canadian Aid, US Aid and the World Bank. MSD programs are deployed in the least developed and developing economies globally, to support regions that are conflict-affected, post-conflicted or that have been impacted by natural disaster events. Further in this report, IC utilises the United Nations Human Development Index to highlight Australia's internal developing economy.

The MSD approach is particularly relevant in the context of remote Northern Australia. While Australia is recognised as the 7th highest-performing developed economy on average, many remote Aboriginal and Torres Strait Islander communities experience conditions that differ significantly from the UN's definition of a 'developed economy'.

Research by Altman (2001) describes these contexts as operating within a hybrid economy, where state, market, and culturally based systems coexist and interact. In such settings, participation is influenced by multiple overlapping systems rather than a single market structure. This highlights the importance of understanding how these systems align or fail to align with each other.

Applying an MSD lens in this context allows for a deeper evaluation of system-level dynamics, including how incentives are structured, how relationships between actors are formed, and how well existing systems align with life on Country. It also supports a shift away from focusing largely on individual capacity, towards an understanding of how systems design influences participation.

Definition of Cultural Market Systems Development

The CMSD approach was inspired and created by aligning the world view of 'what's important to remote communities', observing economic outcomes in developing contexts around the world and the study of MSD programs being delivered globally.

Through the CMSD approach, IC selected individual market systems operating within the economy to support the evaluation processes. Priority systems were identified based on potential impact, scale, perceived actor willingness and capacity to explore systemic change.

All market systems can be understood through three key components:

- **Core transactions**
  The exchange of goods and services (including cultural knowledge).
- **Supporting functions (tangible)**
  Infrastructure, housing, human and social services (Health, Justice, Education),

geography, information and technology systems that enable participation.

- **Rules and norms (Intangible)**
  Both formal (policies, regulations) and informal (cultural lore, leadership, behavioural expectations, roles and responsibilities).

The components listed are just a few of the key elements that interact within an individual market system. The components vary significantly on a context basis, and as a result, influence participation outcomes on a place basis too.

Figure 1
Market Systems Development Diagram.



Core Market Actor engagement (Primary data)

Cultural market systems supply-side engagement

IC introduced the CMSD projects to more than 35 individual remote communities across NT (Tiwi Islands, Central Desert, Big Rivers, Arnhem Land and across Groote Archipelago) and the Kimberley Region of WA. Embracing the cultural governance systems, IC consulted with more than 140 individual Senior Leaders who speak for Country and Culture. Introducing the CMSD approach and the IC business model to

leaders on Country, asking one key question "would you like IC to operate on Country?".

The response from leaders was an overwhelming, yes. We heard from multiple leaders, "this is exactly what we have been calling for, forever. We want to share our knowledge with visitors to Country, and we want our voice to be included in decisions that affect us".

Within less than 12months, IC was endorsed by Senior Leaders across all communities where we engaged. Furthermore, Senior Leaders then co-designed the community specific IC strategy for their community. Identifying a list of community members who should be employed by IC to share knowledge services, balanced across all clan and family groups, gender and age.

During the CMSD project, IC employed more than 80 individual community members as Cultural Knowledge Providers. However, IC also received an additional 130 expressions of interest to be employed as a Cultural Knowledge Provider.

Community member willingness and capacity to participate (supply) in the economy clearly exists.

Through the delivery of projects within water security and local emergency management on Country, IC was able to include approximately 50 Cultural Knowledge Providers on the project teams, on a community-by-community basis. Again, validating that the capacity to share knowledge services, unquestionably exists.

Furthermore, when onboarding Cultural Knowledge Providers, IC surveyed a sample of new employees. Asking questions to explore individual capacity to participate in the economy, including "what does your dream job look like and how many hours per week would you like to work?"

- Cultural Knowledge Providers told IC that their dream job utilises their knowledge for Country, culture, people and community. Their dream job is on Country
- Cultural Knowledge Providers also identified that their dream job sees them working between 10-20hrs per week

The sample size is small; but it does represent a diverse voice across multiple regions and communities. Whilst additional research to further explore labour force underutilisation, willingness and capacity to participate is required. IC is satisfied that the findings from this survey are reliable.

Cultural market systems demand-side engagement

Throughout the CMSD project IC met with more than 300 individual actors from more than 100 individual organisations, across approximately 15 individual market systems. Exploring the relationship between Government and Corporate demand-side actors and their organisational relationships with remote communities.

All actors who explored the opportunity to engage with IC Cultural Knowledge Providers in a range of different formats, approached the invitation with warmth and a clear willingness to consider procurement of Cultural Knowledge Provider supplied knowledge services to support institutional relationship development. Some institutional conversations required more

than 12months to explore the mechanics of community engagement, to find budget and obtain executive leadership endorsement. The opportunity to procure knowledge services from remote community contexts was observed as a challenge for Government and Corporates alike. Procuring knowledge-based services was well received in theory but encountered friction in the transition from concept and conversation into successful procurement within the timeframe of the research project.

Despite this, several successful procurements primarily with Government actors, resulted in multiple award-winning programs. Proving both the potential and the power of human interaction when communities are included.

IC approached demand-side actor engagements by asking open-ended questions from a place of genuine willingness to learn what key concerns, perspectives and challenges are held within the relationship. During those conversations IC was able to develop a sense of institutional situational awareness of remote community contexts, alignment or misalignment of products, services, processes, policy, information and collateral. Some key challenges identified by actors within multiple institutions include:

- Community engagement and labour force underutilisation. The CMSD project has validated that Indigenous people on Country hold willingness and capacity to participate in the economy. Inversely, throughout the CMSD project IC canvassed institutional willingness and capacity to procure cultural knowledge services nationally. The purpose was to explore context alignment or misalignment of institutional products, services, processes, policies, information and collateral being offered to consumers on Country. All institutional interactions identified a

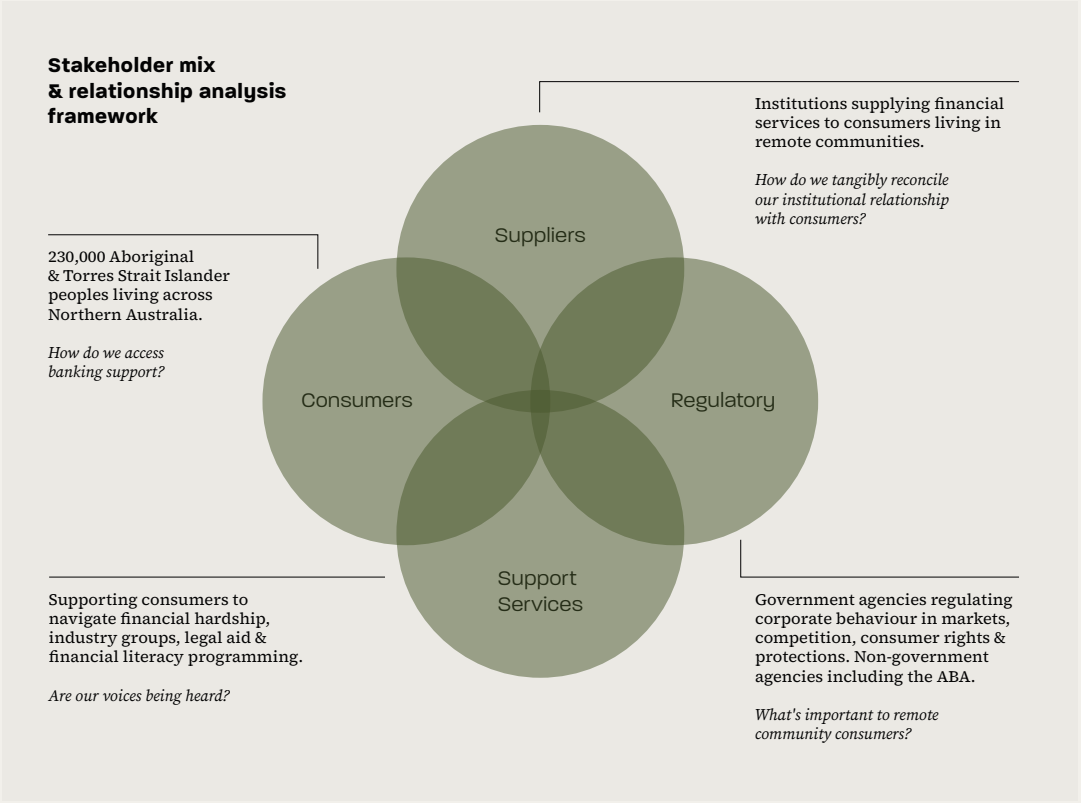


Figure 2
Financial Services Sector core market actor map

clear need to improve the context alignment within the relationship pertaining to supply and demand. However, willingness and capacity to procure cultural knowledge services designed to support improved context alignment, build institutional trust and reduce friction, was rejected by almost all actors, across all market systems. There were a number of positive examples proving procurement is possible including the Northern Territory Government's Remote Water Team's ability to procure cultural knowledge services on Country. The projects within water security and local emergency management were nationally recognised during industry events. Demonstrating a positive reception to the procurement and inclusion of cultural knowledge services. This early evidence also points to the fact that this is seen as an innovation rather than a mainstream business-as-usual procurement.

- Actors recognised, empathised with and appeared to be across the well-known Closing the Gap outcomes and challenges in respect of the associated data points. It was also acknowledged that Indigenous people within remote communities represented in the data are considered amongst Australia's most vulnerable customers. Furthermore, in-terms of evolving the conversation from an agreed need or value proposition, institutions appeared to be constrained by friction for access to non-business-as-usual budget allocations, internal politics or resistance from executive leadership to explore any opportunities outside of established partnerships.
- Cultural governance systems, lore, kinship, traditional connection to Country, Native Title and Land Rights, existing leadership and the cultural hierarchy that guides decision making, roles and responsibilities also do not appear to be valued or well understood by Government and Corporate actors. Actors appear to hold limited practical understanding relating to demands of cultural practice that impact community member availability to participate in a range of systems. For example, remote community members are often expected to travel and participate in multiple funeral ceremonies per annum. Across Arnhem Land, an individual funeral may take place over the course of 10 days. Market systems, programs and actors who ignore cultural values, rules and norms will continue to realise low-level alignment and participation outcomes.

Macro-Economic Evaluation Frameworks

Human Development Index and *Closing the Gap*

Measures such as the Human Development Index (HDI) and national frameworks like *Closing the Gap* provide valuable insight into disparities and development outcomes at the macro level.

The HDI offers a composite measure of health, education, and income, while *Closing the Gap* tracks national progress across key socio-economic indicators including employment, education, health, and housing.

Together, these frameworks highlight a consistent pattern: despite Australia's overall strong performance as a developed economy, significant disparities

persist between Indigenous and non-Indigenous populations, and between urban and remote communities.

However, both approaches are primarily outcome-focused and rely on aggregated data. While they are effective in identifying *what is happening*, they do not fully explain *why these outcomes occur*.

In particular, they do not capture or at least report:

- Infrastructure capacity, energy, water and wastewater security
- Placed-based access to housing / overcrowding in existing housing
- Vulnerability and complexity on a context-by-context basis
- Cultural governance systems
- Access to human and social services on a place-basis
- Access to public transport
- Institutional relationships and institutional trust, supporting the exchange of goods and services
- Data relationships and trends undermining outcomes

This creates a knowledge gap between outcome measurement and systems understanding.

Human Development Index (HDI)

To support comparative analysis across communities, this study applies a localised version of the Human Development Index (HDI).

The HDI is a composite measure developed by the United Nations Development Programme (UNDP), designed to assess human development based on three key dimensions:

- health
- education
- income

Figure 3
Human Development Index Structure

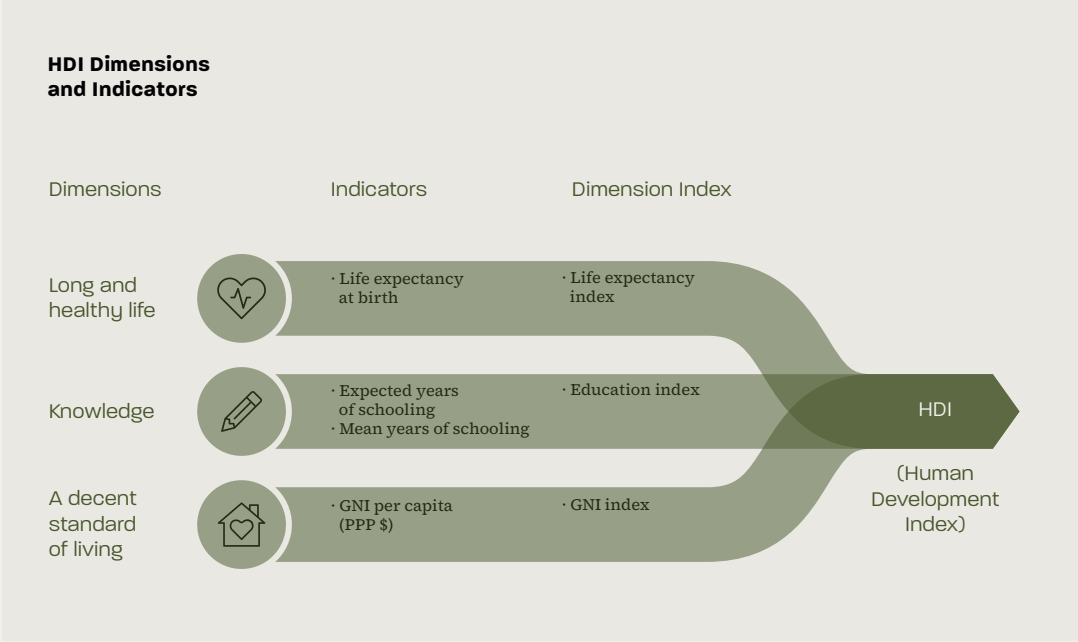
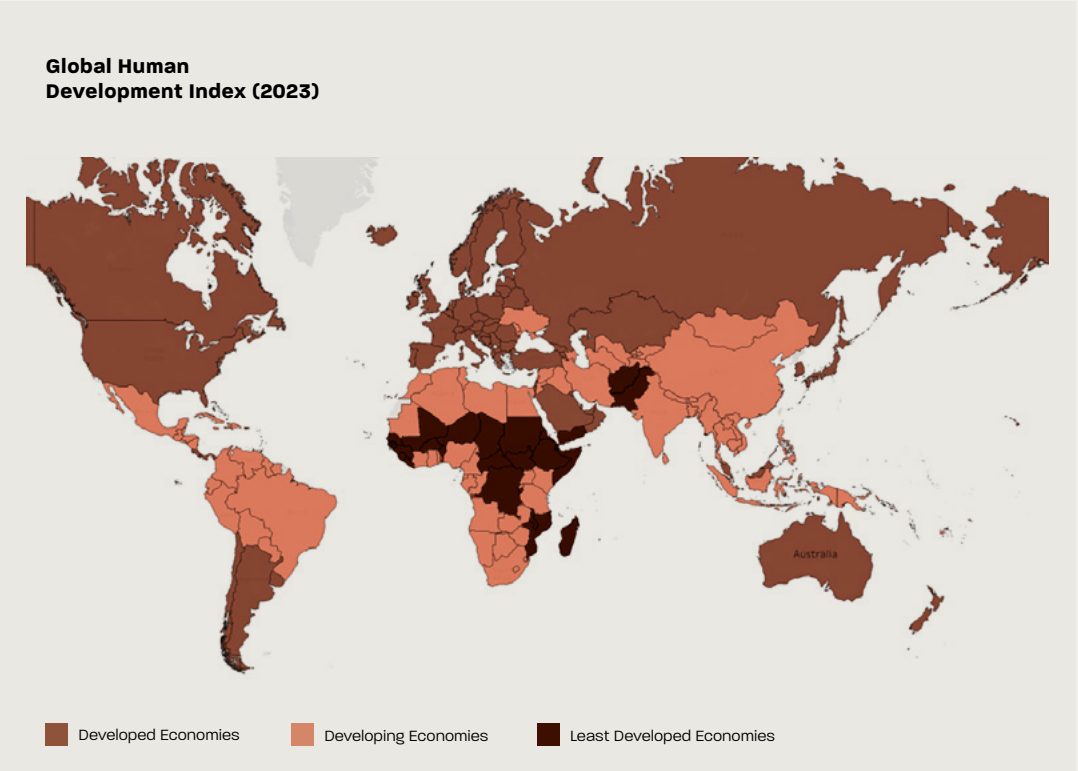


Figure 4
Map representing Global Human Development 2023



As an outcome-based measure, the HDI provides an insightful perspective when viewed through a global lens. Highlighting Australia's high performance with a HDI score of .958 and alignment to well understood developed economies around the world.

However, it does not capture the stark contrast between remote and urban environments within Australia. For this reason, the HDI is used in this research as a comparative diagnostic tool, rather than a comprehensive measure to support market systems evaluation, root cause failure diagnosis and program design.

Closing the Gap

The National Agreement on Closing the Gap provides the principal national framework for improving outcomes for Aboriginal and Torres Strait Islander people. It contains 19 socio-economic targets across 17 outcome areas, including health, education, employment, housing, justice, social and emotional wellbeing, culture, land and waters, and digital inclusion.

Within this macro-economic evaluation framework, Closing the Gap is therefore relevant not only as an outcome's framework, but also as a reference point when examining institutional relationships and outcomes on Country.

IC used the Closing the Gap framework as a national policy benchmark to inform the CMSD research approach, methodology and to guide the development of IC's Cultural Market Systems Development-Index. However, the CMSD project does not claim to evaluate the performance of the National Agreement itself, nor does it use national Closing the Gap indicators as direct measures of individual

community performance. CMSD therefore complements Closing the Gap by bringing analysis closer to place, examining situational forces, relationships, context alignment of products and services that may be causing friction and shaping community outcomes.

Closing the Gap four Priority Reforms are strongly aligned with a CMSD approach:

- Priority Reform One supports shared decision-making
- Priority Reform Two supports the growth of community-controlled organisations
- Priority Reform Three requires governments to change institutional practices
- Priority Reform Four supports local access to useful data

CMSD can operationalise these reforms at community level by identifying barriers that prevent Aboriginal and Torres Strait Islander people's inclusion in market systems.

Cultural Market Systems Development-Index Introduction

Need for Place-Based Measurement

Evaluating and understanding the performance of market systems in remote Northern Australia requires more granular data than national or regional data sets typically offer.

Communities differ significantly in terms of economic inputs and situational forces, including but not limited to the following examples:

- geography and remoteness, seasonal isolation and island communities that are only accessible via air travel or sea ferry
- land tenure and recognition of Indigenous land rights
- enabling infrastructure (infrastructure capacity to meet the demand for energy, water, wastewater)
- cultural well-being
- access to social service provision
- social housing capacity to meet demand

These differences are often masked in aggregated, national datasets.

As a result, reliance on macro-level data can lead to generalised assumptions, limiting the ability to design effective, context-specific and informed interventions.

A place-based approach addresses this gap by focusing on community-level conditions. It enables a more detailed understanding of the situational forces that influence participation, including cultural, social, economic, and environmental factors.

In this context, the Cultural Market Systems Development-Index (CMSD-I) was developed by IC as a tool to capture and analyse these conditions. Unlike macro indicators that focus on outcomes, the CMSD-I reflects the underlying forces that shape participation within individual market systems on Country.

This shift from aggregate measurement to place-based analysis supports more informed decision-making and better alignment between systems design and the realities of life on Country.

Rationale for a Systems Approach deployed across remote Northern Australia

Historic approaches to economic development are often largely informed by macro data and appear to reflect socio-economic development aspirations and norms better aligned to urban environments, typically offering:

- stable employment structures
- individual wealth accumulation incentives and norms
- consistent participation in education and work
- access to property ownership
- low-level overcrowded housing and homelessness
- populations free from chronic illness including Rheumatic Heart Disease
- secure infrastructure, energy, water, wastewater networks, roads and year-round access to essential services
- high-level human and social service provision

In contrast to a deficit narrative, the Market Systems approach to economic development is best characterised as strengths-based narrative, celebrating Country, culture, people and community. Rethinking market systems, not participants.

3 Methodology

A systems-based approach to evidence and analysis



Constance Puruntatameri

Cultural Knowledge Provider
Pirlangimpi, NT

Research Approach

This research adopts a Market Systems Development (MSD) approach to examine how cultural market systems operate across remote Northern Australia. Rather than focusing solely on individual-level outcomes, the study takes a system-level perspective, analysing how actors, relationships, incentives, and institutional structures shape participation.

The methodology combines qualitative and quantitative analysis informed by both research and applied practice. In addition to analysing secondary datasets and community-level indicators, the study draws on insights from community engagement, cultural governance, co-design processes and lived experience on Country.

The approach included:

- consultation with clan group leaders who speak for Country and culture. Introducing the CMSD approach and seeking endorsement of senior leaders for IC to employ people and to share knowledge services with a paying market of visitors to Country
- IC employed Cultural Knowledge Providers and senior leaders who co-designed the cultural knowledge services and product types, IC offered to market
- system-level analysis of market structures and participation conditions
- friction analysis to identify barriers within and between system elements
- examination of both supply-side and demand-side willingness and capacity to procure and provide knowledge services respectively
- applied learning from the delivery of pilot programs including:
- exploring Cultural Capital Development and Local Emergency Management on Country (project report)
- improving Water Security in Remote Communities (supporting NTG's Remote Water Team, delivering the Territory Water Plan)
- monitoring and evaluation of program design, delivery and outcomes, to identify continuous learning, and implications for future system design

This combination of applied research processes and system analysis supports a more grounded understanding of how participation is shaped in practice.

Data Collection, systems, tools and frameworks

The research draws on multiple data sources to support a comprehensive diagnosis of system performance.

Primary data sources

- stakeholder engagement across government, corporate, and community contexts
- community engagement and cultural governance consultation
- surveys
- observations and insights generated through Indigenous Connection's delivery of pilot projects

Secondary data sources

- Australian Bureau of Statistics (ABS)
- policy and research literature
- public datasets relevant to human development, participation, and economic conditions
- additional macro-level economic and benchmarking sources, where relevant

Place-based dataset development

A place-based dataset was compiled across Northern Australia to support community-level analysis. This dataset includes indicators relating to:

- cultural wellbeing
- human wellbeing
- economic conditions
- community conditions
- selected environmental and contextual factors

This combined data approach enables the study to move between broad development patterns and localised community-level conditions. To the best of our knowledge, this comprehensive aggregation of place-based characteristics across all remote communities has not previously been collated or published making IC's CMSD R&D a unique benchmark.

Localised HDI Construction

To support comparative analysis across communities, this study applies a localised version of the Human Development Index (HDI). While the HDI is traditionally used at the national level, it has been adapted in this research using available community-level data to provide an indicative measure of development outcomes.

The localised HDI captures three key dimensions:

- health, using proxy measures
- education, based on attainment data
- income, based on median personal income

Cultural Market Systems Development-Index (CMSD-I) Framework

To support a more granular understanding of community-level conditions, this research introduces a Cultural Market Systems Development-Index (CMSD-I) as a place-based analytical tool.

The CMSD-I was developed to address the limitations of macro-level indicators, such as national statistics and adapted HDI measures, which do not fully capture the diversity of conditions experienced within remote Indigenous communities. While these indicators provide useful insight into overall outcomes, they do not completely reflect the situational forces that influence participation at the local level.

The CMSD-I is designed to provide a structured, community-by-community view of development conditions. It brings together multiple dimensions of wellbeing into a single composite framework, enabling comparison across communities while preserving the ability to examine individual factors in detail.

Analytical Purpose of the CMSD-I

The CMSD-I is a diagnostic tool designed to support analysis of the conditions that influence participation in market systems. The CMSD-I is constructed as a composite index ranging from 0 to 1, where higher values indicate relatively stronger development conditions.

Unlike outcome-focused indicators, the CMSD-I brings together both outcome-related measures, such as income and education, and context-related measures, such as infrastructure, housing, culture, and community services. This enables a more holistic understanding of how different conditions interact within communities.

In particular, the CMSD-I supports:

- variability of vulnerability and complexity on a community-by-community context basis
- analysis of patterns and clustering of disadvantage
- exploration of relationships between conditions and participation
- a more nuanced understanding of system performance at the local level

Interpretation and Use

The CMSD-I provides a comparative view of community conditions rather than an absolute measure of development. It enables the identification of relative strengths and constraints across communities, supporting more targeted analysis.

Importantly, the CMSD-I is used in this research as a diagnostic tool rather than a standalone measure of success. Its primary value lies in helping IC to interpret how underlying conditions may influence participation and how these conditions relate to broader system performance.

Limitations and Future Development of CMSD-I

The current version of the CMSD-I (Version 1) is subject to several limitations.

Further Community engagement required to meet IC's own expectations relating to co-design and development principles.

The index is primarily based on readily observable socio-economic and community-level indicators and does not yet incorporate a complete and consistent direct measure of service access, infrastructure availability, or institutional presence. These factors are important components of evaluating market system performance and are not fully captured in the current framework.

In addition, some indicators rely on proxy measures derived from available data, which may not fully reflect the lived experience within communities.

Future versions of the CMSD-I may incorporate additional system-level variables, including access to services, infrastructure conditions, and institutional engagement. This would support a more comprehensive understanding of how system design influences participation.

Data Analysis

The analysis was a mixed method approach to examine systems performance and identify constraints.

These included:

- market systems evaluation, examining the interaction of core market actors, supporting functions, rules, and actors
- friction analysis, identifying where system elements are not aligning effectively
- supply-side analysis, assessing willingness and capacity to participate
- demand-side analysis, examining the willingness and capacity to procure knowledge services
- comparative analysis, using HDI and CMSD-I to understand differences across communities
- applied case analysis, drawing on lessons from pilot projects

Together, these methods support diagnosis of root cause failures rather than surface-level symptoms.

4 Cultural Market Systems Evaluation

Revealing the systemic barriers to participation



Gerry Price

Cultural Knowledge Provider
Wilora, NT

Friction Analysis

To understand system performance, IC evaluated multiple individual systems to explore if, where and why friction exists.

Friction is understood as the set of constraints that prevent efficient, inclusive, and sustained participation within systems. Rather than occurring in isolation, these constraints emerge through misalignment between system components and are observed across multiple individual market systems.

The analytical process reviewed shared symptoms of failure (friction) within three data sets including:

- Core market actor relationships (Supply – Demand willingness and capacity to exchange cultural knowledge services)
- Human Development Index
- Cultural Market Systems Development-Index

Utilsing the MSD framework, IC identified root cause failures categorised as Supporting Functions, Rules and Norms that are currently undermining economic performance across remote communities of Northern Australia.

- Supporting Functions are understood within the MSD community as the tangible, physical components a market requires to exchange goods and services. For example, infrastructure, housing, utilities, roads, human and social services and more
- Rules and Norms are understood as the intangible components relating to behaviours, law's, belief's (lore), relationships, institutional trust, processes, policies that shape the norms within a system

Core Market Actors (Friction Analysis of Interactions, Rules and Norms on Country)

Actors include government, corporate organisations, human & social service providers, and community members.

The following list identifies common points of friction observed during the exchange of goods and services across multiple market systems. The list is not an exhaustive list, but offers insights, that are utilised to identify symptoms of failure within market systems:

- IC has observed high-level community member willingness and capacity to participate in the economy, if provided the opportunity. Primary objectives within developing economies are enabling economic transformation, increasing living standards, improving environmental, cultural, human, community and economic wellbeing outcomes. Economic development programs and interventions that are deficit focused, risk undermining an economic transformation that is community-led and that embraces existing skills and knowledge for Country and culture. Potentially ignoring the voice of community leaders who are calling for shared equity and systemic inclusion. Furthermore, risking the normalisation of a humanitarian and hand-out approach to policy and economic development. It is difficult to see a strength based, self-determined cultural economy into the future, without first seeing Government and Corporate actors sharing equity and investing time / money / effort to enable systemic inclusion.

- IC believes, Government and Corporate actors hold low-level awareness of situational forces existing within remote community contexts. Leading to weak market linkages and friction experienced by consumers when navigating digital products and services.
- Observed through engagement with demand-side actors, there appears to be reluctance from Government and Corporate actors to develop sustained, deliberate and skills-based procurement relationships with Country, culture, people and Community. The relationship development norms appear to be better aligned to transactional engagement approaches rather than long-term, trust based, deliberate and sustained relationships anchored around in-person and on Country engagement. One actor noted, “we need to move at the speed of trust”.
- It was observed that when transactional interactions were required, the channels used included existing business-based relationships through entities such as Land Councils as indirect access points rather than a formal channel based in Lore. IC heard from both remote community members and staff within Land Councils, this process is inappropriate and both not in line with cultural governance norms and the charter of Land Councils. IC understands this friction exists out of market actor need and willingness to engage correctly. However, friction will maintain without a having access to a supply of knowledge services
- Limited Government and Corporate actor willingness and capacity to share equity in challenges faced in remote communities. As a result, low-level inclusion of people from remote contexts sharing their voice, experiences, perspectives, challenges and solutions. Our observations included a misalignment between leadership statements and the unbudgeted reality of business units not having the capacity to innovate or test the procurement of cultural knowledge services even when the application of said service was completely desirable.
- IC observed an unmet market dependency for in-person service provision on Country. The digital economy is providing institutions significant market efficiencies and is reducing the in-person and in community service provision across financial services sector, health, government services, utilities and more. Symptoms of failure occur as a result of low-level market readiness to adopt a fully operational digital economy, prior to reducing in-person services footprint on Country (as noted earlier in this report relating to communication norms such as sound files as a preference ahead of collateral written in English). Communities across Northern Australia are well known to hold less digital literacy, accessibility and affordability of internet, numeracy and other academic educational outcomes, observed through Closing the Gap findings. Interestingly, urban economic environments where participants hold higher readiness to transition to the digital economy, are also still supported by being able to access in-person services including banks, health services, social services and much more.
- Meeting market dependency on Country is more than a moral or ethical

decision for Government and Corporate actors to make. IC believes the observed transition to digital delivery away from in-person channels reflects the high cost to serve of in-person channels rather than the servicing need of customers in remote communities (i.e. supply constrained rather than demand driven). Furthermore, a significant risk exists that large-scale institutions will potentially continue to reduce service provision on Country in the pursuit of increasing market efficiencies. Reducing Closing the Gap capacity to meet targets relating to financial inclusion or life expectancy.

- Cultural knowledge services are not yet identified as a distinct occupation or skill in Australia's national classifications (ABS/Jobs and Skills Australia), and no modern award specifically recognises them. Recognition is limited to a few roles in land management, tourism, heritage, health and education. This narrow recognition undermines the opportunity to treat cultural knowledge as a critical economic input across the wider economy. In IC's experience, sharing cultural knowledge is often treated as voluntary or community goodwill rather than professional work, which lowers its economic value. Anecdotally, when first exploring insurance products suited to the provision of cultural knowledge services, IC was told that "sharing of cultural knowledge services appears to be understood by the underwriter as a hobby, or knowledge from an interest group". Without a recognised category, pay benchmarks or clear award coverage, providers are often engaged informally, and their economic participation goes unrecognised. Community members told IC that their cultural knowledge is often recognised with shop vouchers, $50 Visa cards, small cash payments or nothing at all. Informal arrangements like these may leave knowledge holders without the protections that come with paid work, such as minimum pay, superannuation and workers' compensation, and may not meet institutions' own workplace and tax obligations. The issue carries historical weight. The 1966 Wave Hill Walk-Off, led by Gurindji stockmen and their families, is remembered in part as a stand against Aboriginal workers being paid in rations and low wages.
- As discussed earlier, Government and Corporate actors' urban economic norms and expectations appear to be informing policy design, product policy design, product design and services that are at odds to remote community settings. This leads to low-level context alignment, inappropriateness and undermining of cultural-socio-economic wellbeing outcomes. However, opportunity exists to embrace and utilise a willing labour force across Northern Australia who would like to share their voice, perspectives, experiences and language skills, to support improved context alignment of products and services design.
- Government policy, human and social services design processes appear to react to (or ignore) outcomes on Country and the symptoms of failure, within a short-term mindset. But limited consideration or investment of time / money / effort is dedicated to exploring root cause failures

– systemic failures, undermining performance through a whole-of-system lens. Large scale, systemic change requires long-term, whole-of-government approach that may exceed short-term political cycles. Undermining government's ability to satisfy voter perceived 'policy achievements' within a shorter than required change life cycle.

For example, when engaging with Financial Services Sector, IC explored the role of the Customer Advocate. The Australian Banking Association describes the role of the Customer Advocate as follows, "Customer Advocates are a voice for customers within the banks", furthermore, "Customer Advocates help their bank better understand what its customers and the community need".

However, during IC conversations with Customer Advocate teams, capacity limitations were identified in-terms of reaching remote community customers across Northern Australia. Whilst the Customer Advocate is a critically important support mechanism within banks, IC observed that even where Customer Outreach teams exist, the Customer Advocate function has limited reach, formal, consistent and direct engagement with vulnerable customers across Northern Australia.

Supply-side Actor - Friction Analysis (Rules and Norms)

Key points of friction identified by Closing the Gap and primary data (IC survey of employed Cultural Knowledge Providers):

- Systems often require "non-Indigenous knowledges not cultural knowledge"
- Lower levels of academic educational outcomes relating to numeracy and literacy on Country
- Low-level demand for labour, "there's no jobs here, just jobs for balanda mob" (non-Indigenous people)
- Lower life expectancy and higher rates of chronic illnesses undermining physical, emotional health outcomes and capacity to participate in systems
- Language barriers, English is often not the preferred language spoken in remote communities
- Digital literacy, accessibility and affordability
- Overcrowded housing and homelessness undermining safe spaces to sleep. Unsatisfactory housing maintenance, often navigating broken plumbing, critical fixtures and fittings
- Isolation, remoteness, lack of public transport and general access to in-person essential services such as banking, human and social services
- Challenges relating to community cohesion, cultural, domestic and family violence and the requirement to support family members to navigate incidents of harm
- Cultural obligations and participation in ceremony
- Shared wealth norms, particularly relating to 'humbug'
- Climate challenges reducing people's capacity to participate in systems
- Energy, food and water security

- Power imbalances, anecdotally, IC has observed employees holding a sense shyness, or shame when first engaging with visitors to community

Demand-side Actor - Friction Analysis (Rules and Norms)

Key points of friction observed through Government and Corporate interactions:

- Self-acknowledged situational awareness limitations, impacting the organisations capacity to develop cross-cultural relationships with remote community customers, stating “we simply do not know who or how to engage appropriately on Country”
- Leading to institutional challenges pertaining to navigating cultural governance systems, engaging with community appropriately including meeting the Human Rights Commissions principles of Free, Prior and Informed Consent,
- Procurement of ‘Cultural Knowledge Services’ is not business-as-usual (BAU), IC often heard, “we do not have an identified budget or governance mechanism to procure knowledge services”
- Language barriers, multiple actors told IC “There are so many Indigenous languages spoken, it is simply not possible that we can translate communication material to meet the needs of all Indigenous language speakers”
- Institutional cross-cultural literacy and fear of failure, sometimes prevents organisations from acting at all. For example, most Superannuation Funds up until recently (2025) did not ask or offer their customers an opportunity to identify as an Aboriginal or Torres Strait Islander person. One fund explained, “we don’t offer any additional support services for First Nations customers, so we have no need to ask that question”
- Additionally, some organisations identified software and technology limitations, cited as an explanation why audio translations into Indigenous languages could not be published on company websites despite acknowledgement of this as a preferred channel ahead of written collateral
- Geographical challenges and perceived risks associated with deploying urban team members to remote community locations, are also commonly identified as a barrier to community engagement with vulnerable customers
- Reconciliation Action Plan commitments are often anchored to good allyship, engaging with the national conversation and investing in external philanthropic or research programs. IC also observed many institutions investing time / money / effort internally, to celebrate cultural events of significance and people (HR). However, limited investment appears to be dedicated to increasing the inclusivity of products, services and processes to better meet the needs of vulnerable customers living on Country.

The points of friction listed above are not an exhaustive list, however, the findings do highlight shared challenges experienced across multiple remote community locations, Government agencies & Corporate businesses. In-terms of core actor evaluation, based on IC's observations, it is reasonable to conclude that the core actor relationships across multiple individual market systems are disconnected and as result, undermine system performance and the acquisition of cultural knowledge services beyond tourism, art and land management. Furthermore, when the points of friction are experienced by multiple actors across multiple systems, the findings provide critical insights required to diagnose 'systemic failures'.

Infrastructure and Housing on Country - Friction Analysis (Supporting Functions)

Supporting functions include tangible infrastructure, services, and enabling elements required to shape market system participation.

Overcrowded housing and the enabling critical infrastructure are considered high-impact friction points influencing participation outcomes in multiple individual market systems across remote Australia.

Where high-level overcrowding exists, it was IC's observation that even if Housing Supply was prioritised for that community, it was very evident that the enabling infrastructure was years away from being delivered.

Key points of friction identified:

- Infrastructure capacity (Market input: energy, water, wastewater security and social housing). Many remote and very remote communities across Northern Australia are navigating long-term water security challenges. Often, ground water sourced drinking water presents complex challenges to supply safe, reliable and quality drinking water in remote and very remote communities. The Country varies from community-to-community, therefore different metals are found on a context basis including uranium, manganese, barium, iron and others. Furthermore, some communities are challenged by insecure availability of water supply in an aquifer. Enabling water infrastructure, requires complex engineering and intensive capital expenditure commitments from Government in response. Similarly, energy capacity on a context basis remains a significant challenge to meet the demand for energy on Country.
- After decades of underinvestment contributing to the overcrowding across remote communities, Federal, State and Territory Government political willingness to reduce overcrowded housing and homelessness, is observed through significant investment commitments including, the NT Remote Housing Investment of more than $4b over a 10year period. Additional investments to support housing and infrastructure development to assist meeting the Closing the Gap targets have also been committed by governments. However, without place-based critical infrastructure security across Northern Australia, government capacity to prioritise and build social housing is significantly constrained.
- Data analysis utilising IC's place-based Cultural Market Systems

Development Index (CMSD-I) identified a statistically significant relationship between overcrowded housing and low-level health, educational and labour force outcomes. For example, in the Northern Territory, a 25 percentage point reduction in overcrowded housing is associated with an increase in school attendance of around 5.5 percentage points.

- Infrastructure should be understood as a key enabler to social housing supply. Water and power capacity is required to unlock housing development on Country. The data relationships and trends observed through the CMSD analysis, highlight critical enabling infrastructure (such as drinking water and energy security) is not only a bottle neck reducing the development of social housing, but as a systemic challenge undermining remote community member's capacity to attend school, reduce chronic illness, to work or to engage with culture. Undermining the performance of multiple systems and the national aspiration to Close the Gap.
- High-level demand for social housing (Market output perspective). Across Northern Australia around 38% of Indigenous households are overcrowded. Furthermore, around 32% of WA Indigenous households, 50% of NT Indigenous households and 22% of Far North and Western Queensland Indigenous households are overcrowded. The total demand for Indigenous social housing across Northern Australia is estimated to be approximately 8,000 to 12,000 additional dwellings required (excluding the remediation work on the existing housing stock to meet liveability standards). Investment in the development of social housing on Country is both an economic input and output. As an input, social housing development supports short-term economic activity throughout the construction phase, where benefits often land with Aboriginal Corporations, businesses and the creation of short-term employment on Country. As an output, the CMSD study has evaluated and discussed the data relationships and trends between overcrowded housing constraining participation in multiple systems.
- Human and Social services / key worker housing. Demand for human and social service provider housing on a context basis, appears to be relatively unknown by governments. Particularly, across the Northern Territory's 72 remote communities. Currently, many communities across the NT do not have key worker housing stock capacity to meet community demand for human and social services. In many remote communities, critical services are not being delivered, due to the lack of key worker accommodation.
- It is understood that NT Government's Department of Lands, Planning and Environment have developed some future focussed 'Community Land Use Plans' under the 'Remote Aboriginal Community Planning Framework' to guide land zoning and economic development planning. What seems to be less understood or defined is the NT Government's expectations relating to future economic development, particularly in consideration of the current and future demand for human and social services in remote communities. This appears to be a knowledge gap,

that may risk or undermine context informed future focused investment decision making and prioritisation of key infrastructure. Essentially, a placed based analysis of economic development gap, of 'served' versus 'underserved' appears to be relatively unknown.

- Remoteness, geographic isolation and symptoms of logistical barriers observed. Seasonal accessibility and disconnection from major towns combined with the lack of public transport are negatively impacting remote community members access to health services, access to social services, increased cost of living and reduced access to employment opportunities. Additionally, IC has observed increased risks of domestic and family violence, reduced access to housing and maintenance support, decreased energy security and educational outcomes. These conditions directly affect the ability to participate consistently.

Remote Australia's Human Development Story

The localised Human Development Index (HDI) provides a comparative view of development outcomes across communities.

Australia's 2023 national HDI score of 0.958, reflects strong outcomes in health, education, and income. In contrast, IC's community-level HDI estimates communities across remote Northern Australia in the range of 0.6 to 0.7

This highlights a significant gap in development outcomes between national and community-level. While Australia performs strongly as a developed economy on average, many remote Aboriginal communities experience substantially lower outcomes highlighting significant economic performance differentiation between urban and remote community contexts. To provide perspective, urban environments are estimated to make up just 0.2% of the total Australian land mass.

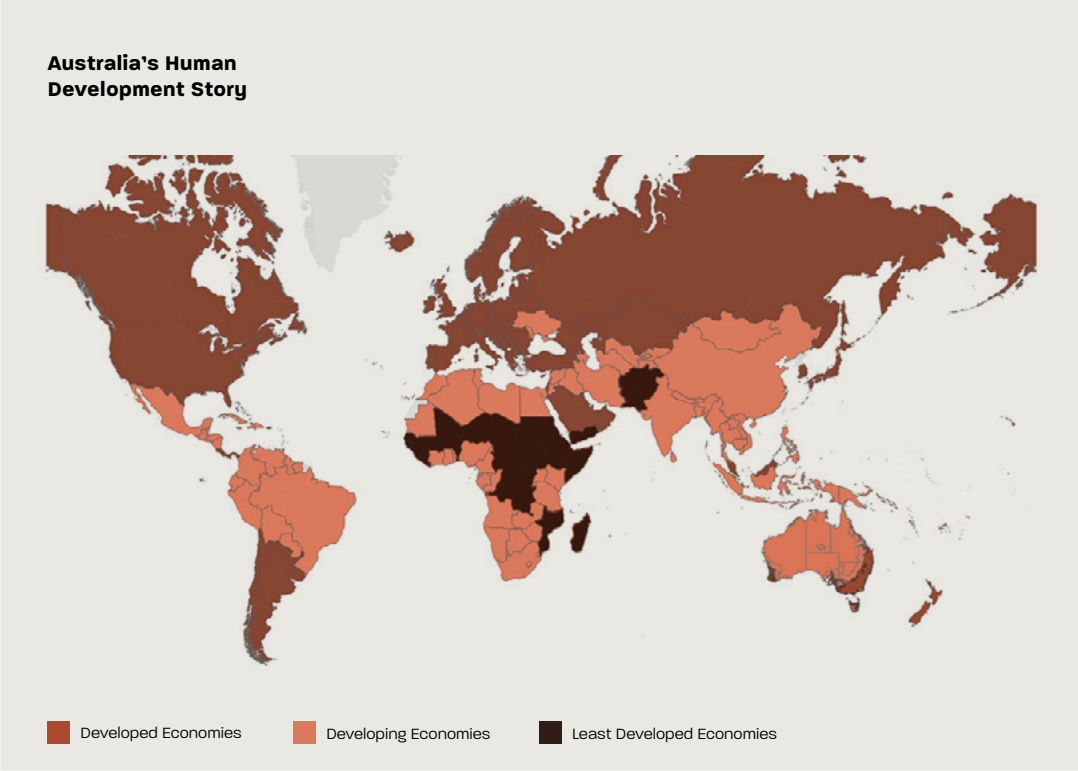


Figure 5
Map representing Remote Australia's Human Development story

HDI identifies what the difference is but does not explain why this difference exists.

Cultural Market Systems Development-Index

IC created the Cultural Market Systems Development-Index (CMSD-I) to provide a place-based perspective on community conditions by utilising granular data across additional key metrics aligned to the CMSD guiding principles pertaining to 'what's important to remote communities'.

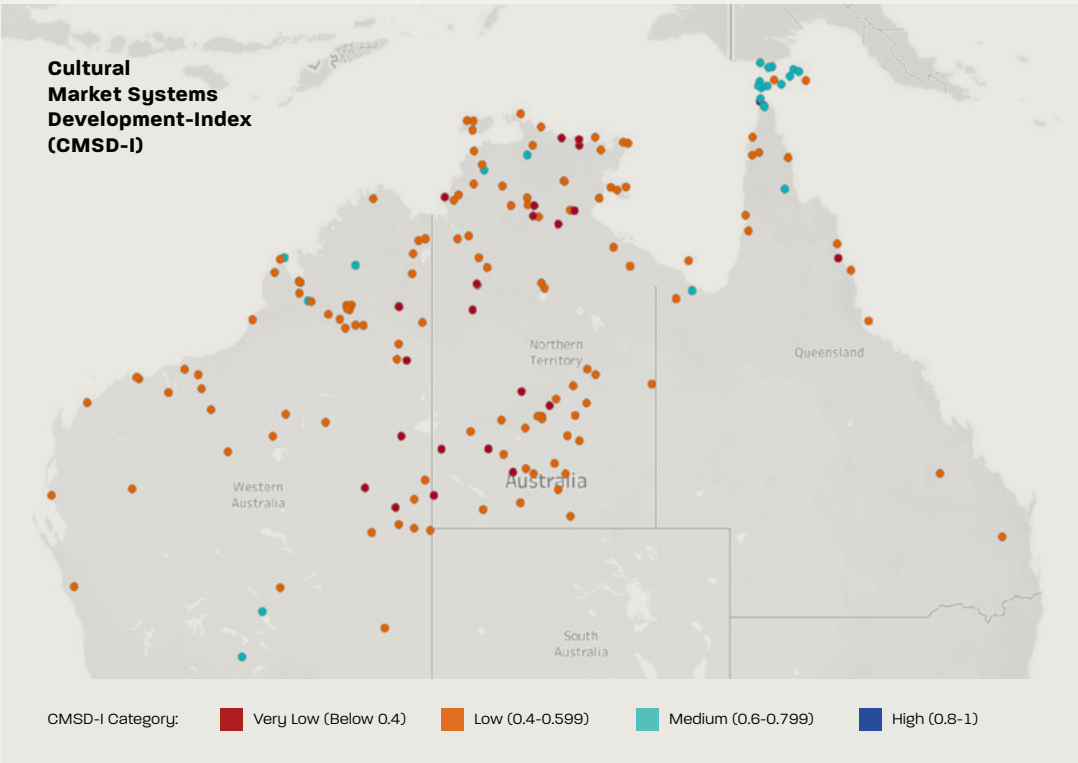


Figure 6
Map representing Community Development Story utilising CMSD-I analysis of Northern Australia remote & very remote Aboriginal Communities

The CMSD-I Analysis

Unlike HDI, the CMSD-I considers the situational forces experienced within communities.

- substantial variation in conditions across remote community contexts
- interconnected challenges across housing, income, health, and community wellbeing, are impacting all market systems and people's capacity to participate on Country

The CMSD-I provides a structured way to examine these conditions and understand how they collectively influence participation outcomes. It captures the conditions that influence participation, providing a more detailed understanding of context at the local level.

This highlights that system performance cannot be understood through aggregate data alone and must be examined in relation to community-specific conditions. Supporting users to better understand why vulnerability and complexity exists, and the key development gaps on a place-basis. CMSD-I offers a range of use cases to support improved cultural-socio-economic development

outcomes. However, perhaps the most valuable contribution CMSD-I will offer to market in its future application, is the ability to inform community-led program design, to measure social return on investment and to provide rigour in the analysis at the local level as to whether the 'gap' is actually closing (i.e. a policy effectiveness measure).

Relationship Between Different Situational Forces

Relationship Between Economic Wellbeing and Overcrowded Housing

The relationship between economic conditions and housing outcomes was examined to better understand how community-level factors interact within the CMSD-I framework.

Figure 7
Relationship Between Economic Index and Overcrowded Housing

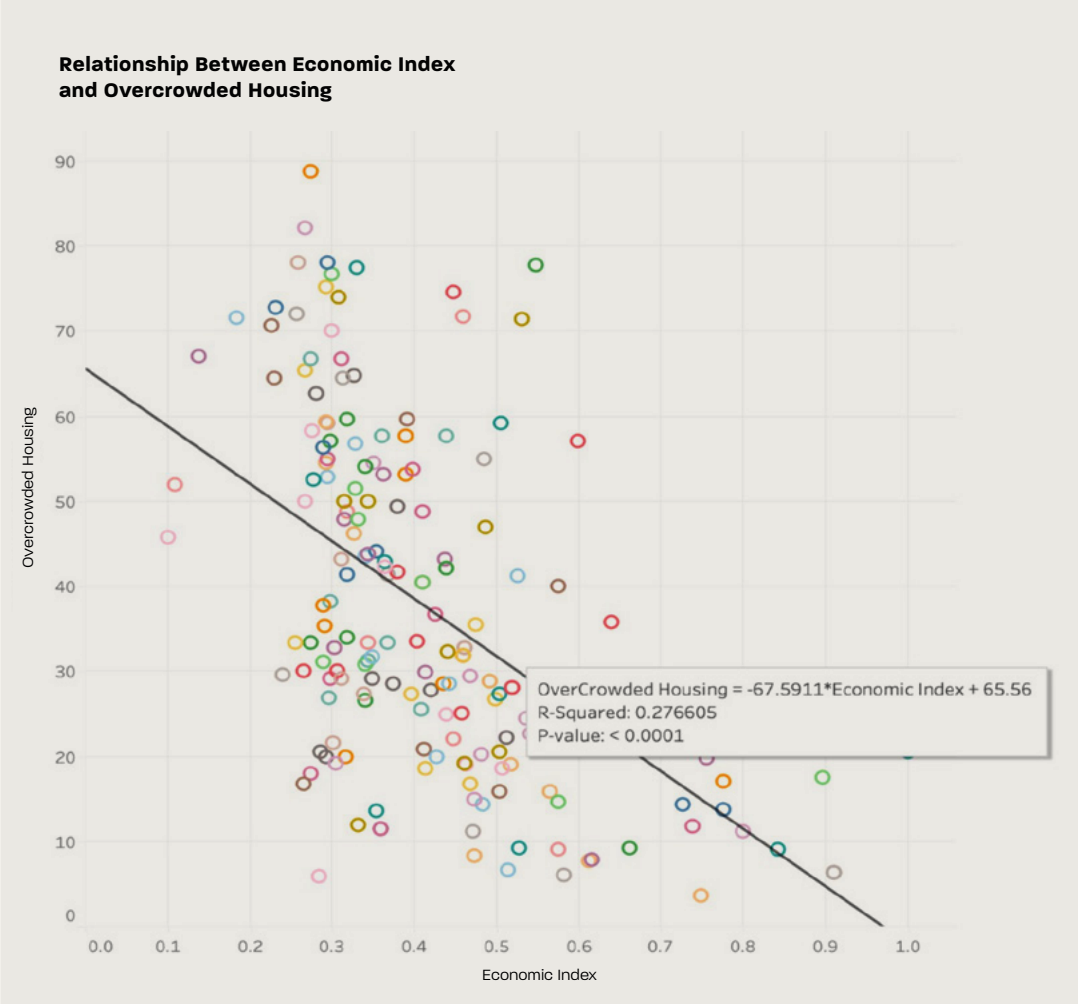


Figure 7 presents a scatter plot of the Economic Index against overcrowded housing across the Northern Australia Aboriginal remote and very remote communities, with a linear trendline. The results indicate a negative relationship, where higher Economic Index values are associated with lower levels of overcrowded housing. This suggests that communities with relatively stronger economic conditions tend to experience improved housing outcomes.

The statistical analysis shows an R^2 value of approximately 0.28, indicating a moderate relationship between the two variables. The p-value ($p < 0.0001$) confirms that this relationship is statistically significant.

While the relationship is not deterministic and other contributing factors are present, the findings highlight an important pattern: economic conditions are closely linked to broader living conditions within communities. The dispersion of data points suggests that housing outcomes are also influenced by additional structural factors such as infrastructure security, access to services, land tenure arrangements, and population pressures.

Importantly, this reinforces the central premise of the CMSD-I framework, that development conditions are interconnected. Improvements in economic participation may contribute not only to increased income, but also to improvements in housing stability and overall community wellbeing.

More broadly, this finding supports a system-level interpretation: housing conditions are both an outcome of economic performance and a constraint on participation. High levels of overcrowding can limit individuals' capacity to engage in employment and other activities, while improved economic conditions can support more stable and functional living environments over time.

Relationship Between Overcrowded Housing and Labour Force Participation

The relationship between overcrowded housing and labour force participation was examined to understand whether housing pressure is associated with economic participation across communities.

Figure 8
Relationship Between Overcrowded Housing and Labour Force Participation

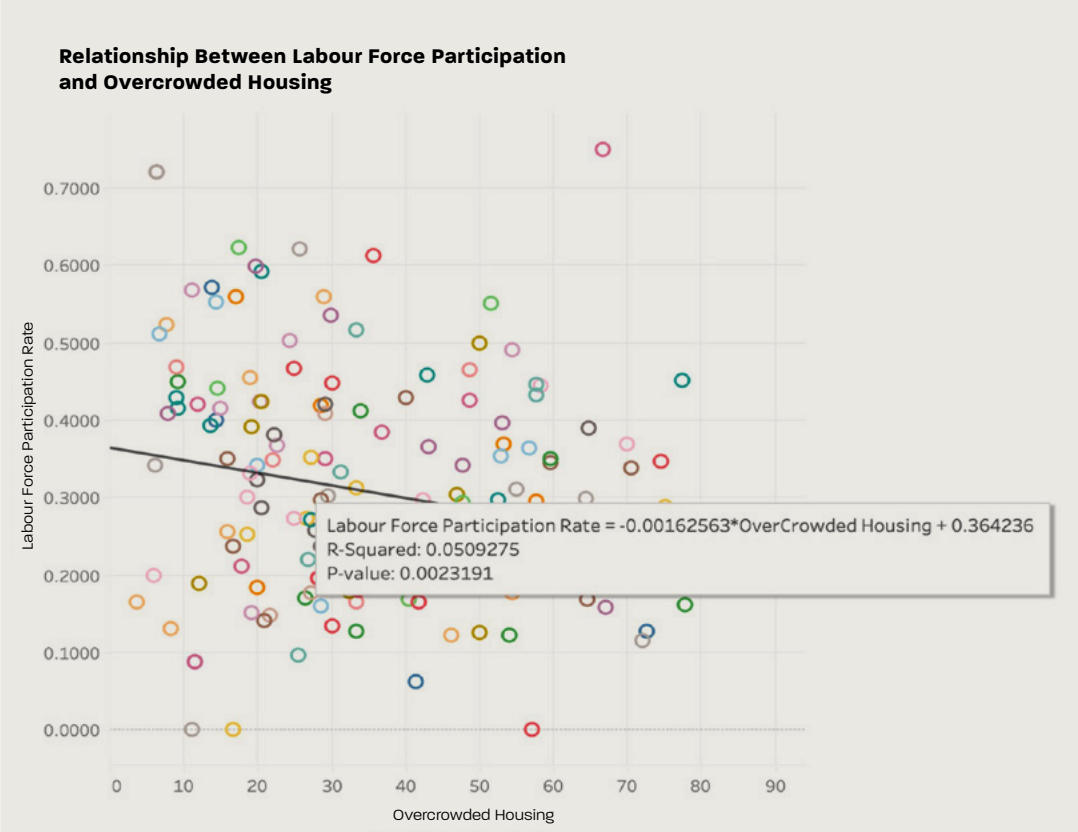


Figure 8 presents a scatter plot of overcrowded housing in each of the Northern Australia remote and very remote aboriginal communities against labour force participation rate, with a fitted linear trendline. The results indicate a negative relationship, where higher levels of overcrowded housing are associated with lower labour force participation rates.

The regression model suggests that for every 1 percentage point increase in overcrowded housing, labour force participation is associated with an estimated decrease of approximately 0.16 percentage points. Inversely, a 1 percentage point reduction in overcrowded housing is associated with an estimated 0.16 percentage point increase in labour force participation.

However, this relationship should be interpreted cautiously. The R^2 value is approximately 0.05, meaning overcrowded housing explains only about 5% of the variation in labour force participation. This indicates that overcrowding is one contributing factor, but not the main or only factor shaping labour force participation. Other factors such as health, education, transport, local employment opportunities, cultural obligations, and service access also play important roles.

From a systems perspective, the finding is still useful. It supports the broader CMSD-I argument that housing conditions and participation are connected. Overcrowded housing may reduce people's practical capacity to participate by affecting rest, health, household stability, safety and daily routines. Therefore, reducing overcrowding alone may not fully solve participation constraints, but improved housing conditions can contribute to a more supportive environment for employment, training, health, education, and community-based economic activity.

The correlation between health and overcrowded housing is the subject of other studies and in IC's view, overcrowded housing and the lack of infrastructure to support increased housing supply has been identified as a root cause failure frustrating the improvement of many important metrics in remote communities.

Relationship Between Labour Force Participation and Economic Conditions

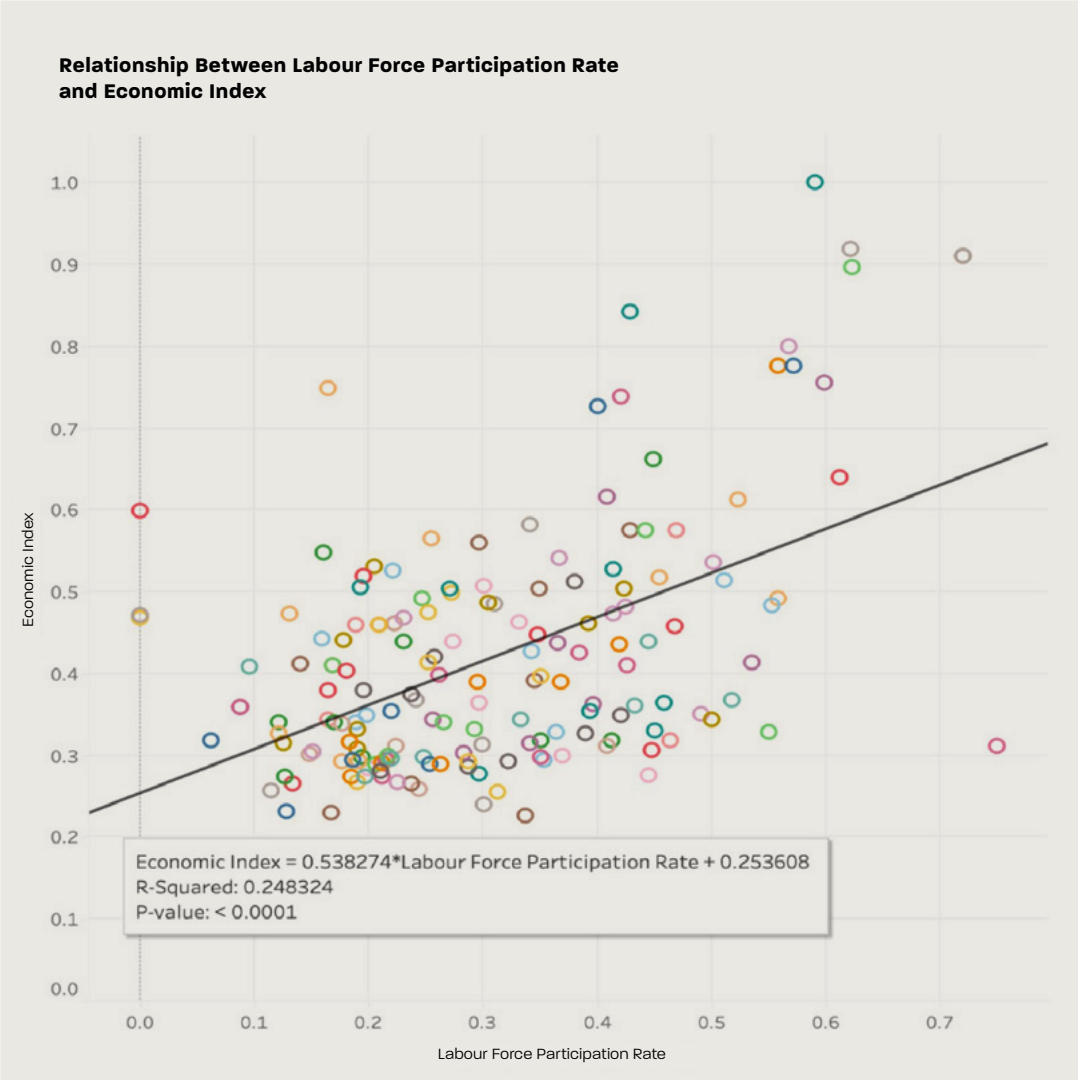
The relationship between labour force participation and economic conditions was examined to better understand how participation influences community-level outcomes within the CMSD-I framework.

Figure 9 (next page) presents a scatter plot of the Labour Force Participation Rate against the Economic Index across all remote and very remote Aboriginal communities in Northern Australia, with a fitted linear trendline. The results indicate a positive relationship, where higher participation rates are associated with stronger economic conditions.

This suggests that communities with greater levels of labour force engagement tend to experience improved economic outcomes, while lower participation is associated with weaker economic performance.

The statistical analysis shows an R^2 value of approximately 0.25, indicating a moderate relationship between the two variables. The p-value ($p < 0.0001$) confirms that this relationship is statistically significant.

Figure 9
Relationship Between Labour Force Participation and Economic Index



While the relationship is not deterministic and influenced by additional factors, the findings highlight an important pattern: participation plays a meaningful role in shaping economic conditions within communities. The dispersion of data points indicates variability across communities, suggesting that participation outcomes also influence broader structural and contextual factors such as housing conditions, health, cultural obligations, and access to opportunities.

Importantly, this reinforces the central premise of the CMSD-I framework, that development conditions are interconnected. Increased participation contributes to improved economic outcomes, while participation itself is shaped by underlying systemic conditions.

More broadly, this finding supports a systems-level interpretation: economic performance is not only a function of participation, but also a reflection of how effectively systems enable individuals to engage. Where structural constraints limit participation, economic outcomes are also constrained.

When considered alongside the inverse relationship between economic conditions and overcrowded housing, the findings suggest a connected pathway: increased participation → stronger economic conditions → improved living conditions.

This pathway highlights the interdependence between participation,

economic performance, and housing outcomes, reinforcing the need for systems-level approach to improving cultural-socio-economic development outcomes.

Relationship between Environmental wellbeing (Housing) and Education Outcomes

The relationship between housing conditions and education outcomes across all 72 Northern Territory remote and very remote communities was examined using NT Government and Australian Bureau of Statistics community-level data, where both overcrowded housing and school attendance measures were available. This analysis is therefore treated as an NT-specific sub-analysis within the broader Northern Australia, rather than as a direct representation of all remote communities across Northern Australia.

Two comparisons were conducted. The first analysis compares overcrowded housing and school attendance in 2021, while the second compares overcrowded housing in 2021 with school attendance in 2024.

Figure 10
Relationship between Overcrowded Housing and School Attendance Rate, Northern Territory Communities, 2021

Note on figures
All changes in rates in this report are expressed in percentage points. School attendance estimates are based on the 2021 relationship between overcrowded housing and school attendance (Figure 10), where each 1 percentage point reduction in overcrowded housing is associated with an increase in school attendance of around 0.22 percentage points. This same relationship is used in the future scenario dashboard (Figure 13).

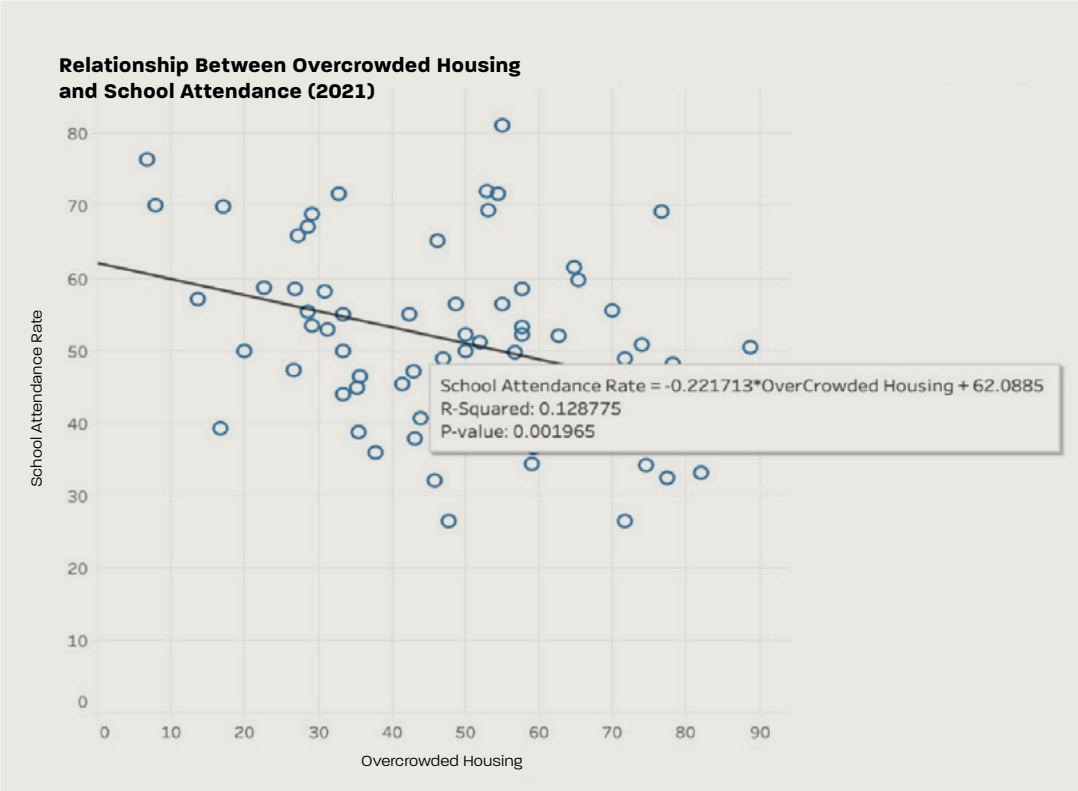


Figure 10 presents the relationship between overcrowded housing and school attendance rates in 2021. The results indicate a negative relationship, where higher levels of overcrowded housing are associated with lower school attendance within the same period. The relationship is statistically significant, with an R^2 value of approximately 0.13 and a p-value of approximately 0.001965. This suggests that housing conditions are meaningfully linked to educational participation, although other factors also influence attendance outcomes. Based on the regression model, a 1 percentage point reduction in overcrowded housing is associated with an estimated 0.22 percentage point increase in school attendance.

Figure 11
Relationship Between Overcrowded Housing (2021) and School Attendance Rate (2024), Northern Territory Communities

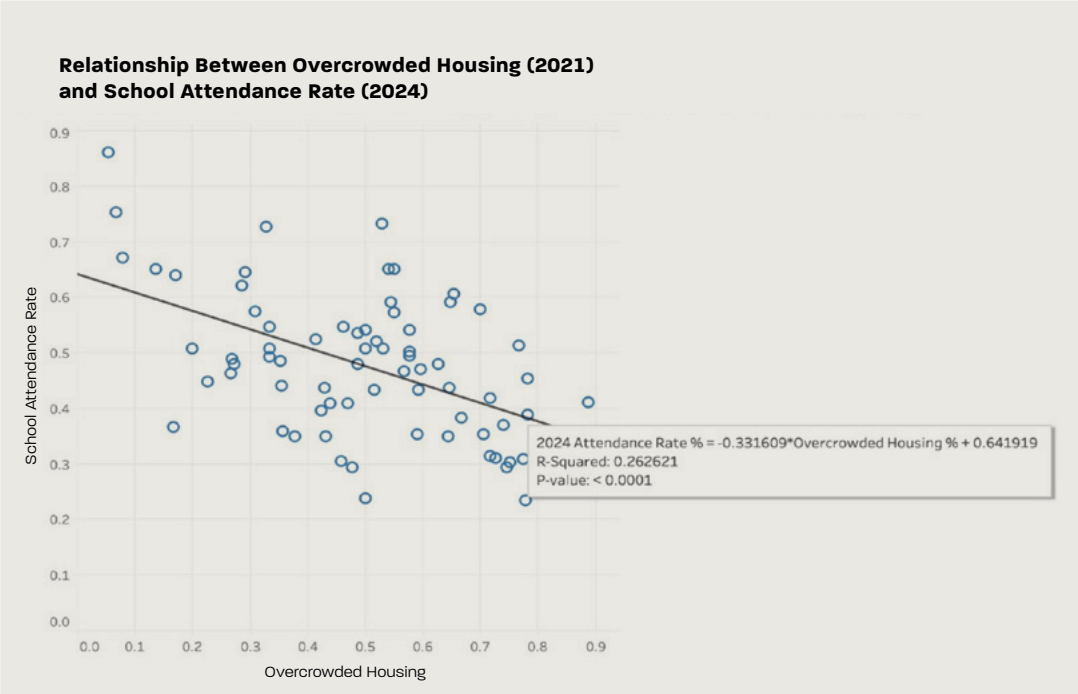


Figure 11 examines the relationship between overcrowded housing in 2021 and school attendance rates in 2024 across Northern Territory communities. The results show a negative and statistically significant relationship, where communities with higher levels of overcrowding in 2021 tend to record lower school attendance rates in 2024. The R^2 value of approximately 0.26 suggests a moderate relationship, while the p-value ($p < 0.0001$) indicates that the observed pattern is statistically significant. This lagged relationship suggests that overcrowded housing may reflect a persistent structural condition associated with lower education engagement over time.

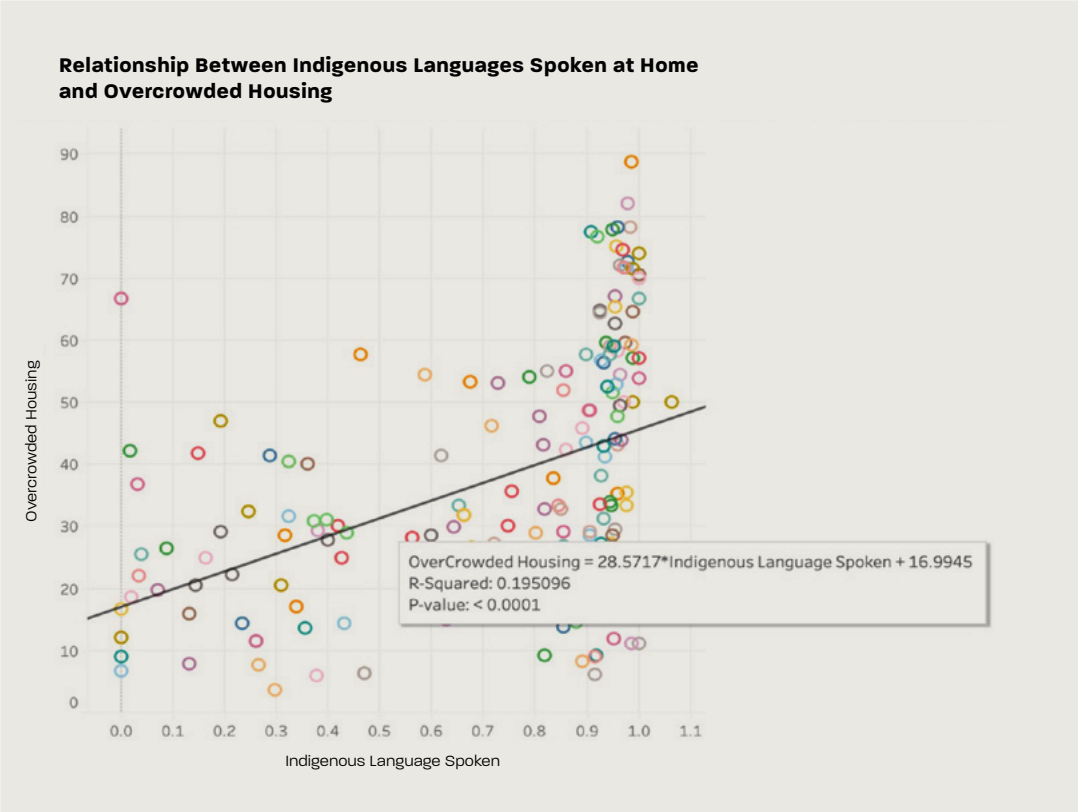
The relationship should not be interpreted as deterministic or causal. School attendance is also influenced by factors such as school access, family circumstances, cultural obligations, health, food security, energy security, transport, and broader community conditions. However, the consistency of the negative trend across both the same-year and lagged analysis strengthens the interpretation that overcrowded housing is an important environmental constraint affecting human development outcomes.

From a systems perspective, this finding is significant. Housing conditions influence not only current wellbeing, but also education engagement and future participation capacity. Lower school attendance can affect long-term learning, skills development, and future economic participation. This reinforces the central premise of the CMSD-I framework: development conditions are interconnected and cumulative over time.

Relationship Between Overcrowded Housing and Indigenous Language Used at Home

The relationship between Indigenous language spoken at home and overcrowded housing was examined to better understand how cultural and structural conditions intersect across communities.

Figure 12
Relationship Between Overcrowded Housing and Indigenous Language Use



The results indicate a positive association, where communities with higher levels of Indigenous language use also tend to experience higher levels of overcrowded housing. However, this relationship should not be interpreted as indicating that Indigenous language use causes overcrowding.

Rather, higher levels of Indigenous language use may reflect communities with reduced levels of participation in the education system, as observed Figure 10 and 11 above. These communities may also experience greater structural housing pressure due to factors such as limited infrastructure security, population dynamics, land tenure arrangements, and historical underinvestment.

This finding highlights the importance of interpreting cultural indicators carefully within the CMSD-I framework. Cultural strength should not be treated as a deficit indicator. Instead, the relationship suggests that culturally strong communities may also be the communities facing some of the most significant infrastructure and housing constraints.

For this reason, cultural indicators must be analysed alongside environmental, economic, housing, and service access conditions to avoid misinterpretation and to support more culturally informed systems diagnosis.

Critical Findings

Components within all systems do not operate independently. They interact and reinforce each other, creating compounding effects that reduce the capacity of people living in remote community contexts to participate in multiple market systems.

The empirical relationships presented show that labour force participation is associated with stronger economic conditions, economic conditions are

associated with lower overcrowding, and overcrowded housing is associated with lower school attendance. Together, these patterns clearly validate that community-level conditions are interconnected across all cultural-socio-economic development dimensions.

Overcrowded housing disrupts sleep, reduces privacy, increase household stress and the presence of domestic and family violence. Making it difficult for children and adults to maintain consistent routines. These conditions affect students' ability to attend school regularly and adults' capacity to participate consistently in employment, training, or community-based economic activity.

Limited income also reduces an individual's capacity to buy food, energy and essential items, reinforcing the same cycle over time.

This does not mean that overcrowding alone determines education or employment outcomes. Rather, overcrowding should be understood as a systemic failure, of several systemic conditions that reduce the practical capacity of people to participate.

These compounding constraints highlight why participation should not be understood as an individual choice alone. Participation is shaped by the interaction of economic conditions, housing stability, health, cultural responsibilities, and community context.

Without addressing systemic failures, efforts to increase participation are certain to remain limited or unsustained.

Participation – Performance of People versus Performance of Systems

Participation should be understood as an outcome of systems, rather than as an isolated human behaviour. Where underlying conditions are constrained, participation is also constrained, regardless of the availability of opportunities.

This reframes the question from:

"Why are people not participating?" → "What conditions are preventing participation from occurring?"

Interaction of System Conditions
Situational forces beyond an individual's control

The analysis highlights several key relationships between community-level conditions and participation:

- Environmental wellbeing (Housing): Workforce Stability and Capacity
- Overcrowding and unstable housing conditions affect health, rest, and daily routines, reducing the ability to participate consistently in employment, education, or training.
- Cultural wellbeing: Lore, kinship, roles and responsibilities
- Cultural obligations and connection to Country influence how individuals prioritise time and responsibilities, often differing from standard employment structures to support community members capacity to maintain cultural wellbeing.

- Human wellbeing: Physical and emotional participation capacity
- A higher burden of long-term health conditions and chronic illness inevitably limit physical and emotional capacity to engage with systems.
- Community wellbeing: Cohesion, collaboration and support
- High levels of unpaid assistance reflect strong community networks but also create competing demands that influence availability for formal labour market participation.
- Economic wellbeing: Income and Employment
- Lower income levels and limited employment opportunities reduce both financial capacity and incentive to engage in formal economic activity.

These patterns suggest that participation is not constrained by a single factor, but by a combination of structural, relational, contextual and systemic conditions undermining performance across most systems.

Importantly, performance cannot be fully understood through outcome measures alone. This reinforces the need to examine system performance through a combined analysis:

- Systems output, outcome-level analysis (HDI)
- Systems input, place based situational forces, vulnerability and complexity analysis (CMSD-I)

5 Diagnosis

Identifying the root causes of systemic exclusion



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CMSD Systemic Root Cause Failure Diagnosis

The CMSD analysis across all data sets suggests that participation is fundamentally shaped by market system design. Where systems do not consider situational forces within remote community contexts, participation is unlikely. Highlighting a misalignment between market systems design and the realities of life on Country. Similarly, policy responses must align to the "developing economy" needs which exists in remote communities rather than the persistence of "developed economy" policy response. This misalignment at the foundation level of policy potentially explains the limited effectiveness of generations of policy response to close the gap.

Why are Market Systems across Northern Australia continuously, underperforming?

1. **Housing Supply and the Critical Infrastructure as a (Supporting Function):**
   Overcrowded housing is one of two root cause failures requiring investment as a priority. IC's research has highlighted that whilst some communities have some capacity for additional housing supply, many have insufficient key infrastructure security (energy, water and wastewater)
2. **Institutional Relationships and Systemic Exclusion (Rules and Norms):**
   - Low-level institutional awareness of situational forces relating to remote community vulnerability, complexity and the existing economic development gap
   - Low-level context alignment of products, services, processes, policies, information and collateral
   - Underutilisation of the labour force. Low-level institutional willingness to procure knowledge services on Country

Key Discussion

The patterns observed in this report identify a need for actors to separate symptoms of failure and system failures. Supporting improved understanding of the influence of situational forces within remote community contexts and how improved systems design can support improved systems participation.

Reframing participation:

- participation is shaped by interacting conditions
- these conditions are influenced by systems design
- systems design is shaped by institutional behaviour

The following sections build on this analysis to examine supply-side constraints, demand-side constraints, and the underlying drivers of systemic underperformance.

Supply-Side Constraints

Supply-side participation within market systems is shaped not only by individual capability, but by the conditions, structures, and context in which individuals and communities operate.

The analysis indicates that constraints on the supply side are not limited to skills or capability alone, but are strongly influenced by demand-side norms, governance, budget allocations, and institutional cultural intelligence that systemically frustrate the opportunity for people to participate.

Evidenced by IC's delivery of projects *Exploring Cultural Capital Development and Local Emergency Management on Country* and supporting the NTG's Remote Water Team to deliver *Improved Water Security for Remote Communities*. IC formally employed and included more than 50 individual Cultural Knowledge Providers in the economy for the purpose of sharing knowledge for Country, culture, people and community. Further validating that individuals understood as "Not in the Labour Force" are not necessarily unwilling to work. When participation opportunities are culturally aligned and flexible, many individuals demonstrate a willingness to engage. Confirming that the observed labour force inactivity reflects system misalignment, inappropriate job design, rather than an individual's lack of motivation or capability.

Capability Constraints

Conventional labour market narratives often interpret low participation as a lack of individual willingness or capability. However, evidence from IC's community engagement and applied research validates high-level willingness to participate in a paid casual employment arrangement, to share knowledge for Country, culture, people and community through knowledge services exists.

Observations from applied engagement indicate that when opportunities are culturally aligned and flexible, individuals demonstrate clear willingness to participate.

Furthermore, knowledge for Country, culture and people is learnt from birth. Rethink supply-side capability, by recognising place-based and context specific knowledge as an employment skill not a constraint. Willingness to supply has been validated through the CMSD. People who are currently understood as Not in the Labour Force, have been proven to be willing, ready and capable to support institutions to build situational awareness and to improve the context alignment of goods and services, through formal economic participation.

Demand-Side Constraints

Demand for cultural knowledge services within market systems is shaped by the behaviour, incentives, procurement norms, situational awareness and the level of institutional commitment to supporting vulnerable customers on Country.

The analysis indicates that demand-side constraints are not defined solely by a lack of demand or market need, but by the norms that govern procurement. In IC's experience through the period of the research project, the friction around procurement processes and access to budget are often misaligned with the public commitments to reconciliation. This can be explained in part by the treatment of cultural knowledge services as innovative rather than a business-as-usual procurement (such as paying for consulting services from an advisory

firm). Whilst intentions such as FPIC are acknowledged, there is often no budget allocation or evidence in practice of prior engagement being prioritised or budgeted for. Cultural knowledge within communities appears to be viewed as a free service to be accessed ad hoc via informal or adjacent channels (such as relationships with Land Councils who get asked to provide introductions to elders or to arrange community interactions).

Furthermore, both government and corporate institutions do not appear to be appropriately incentivised to support vulnerable customers or policy beneficiaries, who hold the highest need for support. There appears to be a reluctance to proactively engage with a compliance-led approach to service delivery. In IC's interactions with Government actors (including regulators), there appears to be an opportunity for increased clarity in the form of regulation regarding corporate actors providing services into remote communities which could assist in unlocking labour market participation as an unintended but adjacent positive consequence.

The existence of 'good governance' within remote communities reduces government investment risk and increases the likelihood of investment in those communities. Inversely, remote communities that do not hold perceived good governance through a local Aboriginal Corporation or other entity, become exponentially excluded through underinvestment. Leading to a further reduction of human and social service provision, marginalisation and systemic exclusion in those communities.

Corporate actors incentivised by shareholder returns appear to be disincentivised to engage with thinly populated markets holding significant context differentiation to that of urban environments (examples referenced high-cost-to-serve as a friction point rather than a lack of identified demand for the service).

For example, within the financial services sector, mortgages generate 40-60% of total banking revenue. Banks are incentivised to supply commercial banking products and services to urban customers and agricultural businesses, outside of urban markets. However, individual housing lots within remote & very remote NT communities most often exist within 'Community Living Areas' and cannot be purchased by community members. As a result, removing mortgage product and service demand from the actor incentive mix.

Additionally, without home ownership in remote and very remote communities, participants are not financially incentivised to participate in the economy to meet the repayments of a mortgage. Systemic implication, banks appear to be financially disincentivised to meet the banking needs of vulnerable customers living in remote and very remote communities of Northern Australia – the 'banking deserts'.

Narrative and relationship norms

Demand for knowledge services in remote Northern Australia is largely driven by:

- government programs and funding
- philanthropic investments
- human and social service delivery

This form of demand is often:

- short-term
- project-based
- funding-based

As a result, demand tends to be:

- humanitarian or philanthropy driven
- inconsistent
- fragmented
- not always aligned with community capacity or priorities

This creates instability in market activity and limits the development of sustained participation pathways.

Types of Demand for knowledge services

Three distinct forms of demand exist within systems across Northern Australia:

- Market-based demand
- Goods and services delivered through formal economic systems
- Government-based demand
- Human and social services delivered through formal economic systems
- Unrealised potential demand, cultural knowledge services
- Knowledge for Country, culture, people, and community

While cultural knowledge services are actively shared within communities, it is not consistently recognised or procured within formal market systems.

As a result:

- existing supply (labour) remains underutilised
- products and services are not user-centric in their design or delivery due to a lack of prior engagement or empathy testing
- economic value is not fully realised
- participation opportunities remain limited

Alignment with Cultural Values

A key constraint lies in the misalignment between demand structures and cultural context.

Market systems:

- often do not recognise or value cultural knowledge services as an economic input
- actors rely on consultation rather than co-design, shared equity and economic inclusion
- actors often treating engagement as a compliance requirement rather than an economic value

This results in:

- low-level product–market fit
- limited institutional trust between actors
- underutilisation of the labour force, and reduced participation in other systems

Importantly, organisations often acknowledge that they do not know their customers in remote contexts. However, governance mechanisms to build this understanding, such as the procurement of cultural knowledge services to inform product design are not embedded and are not currently business-as-usual.

Implications for Demand-Side Performance

The findings suggest that demand-side constraints are driven less by the absence of demand, and more by institutional procurement norms despite public statements supporting institutional reconciliation.

Specifically:

- products, services, processes, policies, information and collateral are often designed without sufficient contextual understanding
- norms for community engagement have created an expectation of adjacent actors to arrange free access to community members for work that would be paid for in an urban environment (even cultural services such as a welcome to country would be arranged as a free service in a remote community and the same service would be paid for in an urban context)
- institutional incentives often prioritise outputs and obtaining market efficiencies
- market mechanisms do not adequately value cultural knowledge services as a critical procurement opportunity to reduce friction within the business and on Country

As a result, demand-side actors are missing an opportunity to embrace Country, culture, people and community whilst simultaneously contributing to the development of markets in remote communities.

Trust and Relationship Gaps

A fundamental constraint across Northern Australian remote communities, is the limited interactions, depth and consistency of relationships between institutions and communities.

While many governments, corporate, and philanthropic actors demonstrate a strong commitment to improving outcomes, engagement is often episodic, transactional, or program based. In IC's observation there is limited pre-positioning with community leaders and even more rare is the sustained engagement after the episodic interaction despite statements around relationship and ongoing engagement. Often the lack of funding or the high frequency of role turnover sees these interactions as a one off. This limits the development of long-term trust and reduces opportunities to build meaningful, place-based relationships and deeper understanding.

As a result, a gap emerges between institutional intent and achieved social impact. Organisations may recognise that communities face barriers to participation yet lack the willingness, capacity (i.e. budget) and contextual insight required to respond effectively.

This gap in situational awareness represents a critical systemic constraint.

Systems Interconnectedness

These constraints do not operate in isolation. They are interconnected and reinforce one another over time.

For example:

- limited institutional understanding leads to poorly aligned policies
- poorly aligned policies lead to reduced participation
- reduced participation reinforces perceptions of low capability
- these perceptions influence future system design and investment decisions

This creates a reinforcing cycle, where system underperformance is continuously reproduced.

6 The National Opportunity

Reimagining systems for inclusive economic participation



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Redesigning Market Systems

Making markets work for people living in remote and very remote communities across Australia, requires a whole-of-economy approach over a sustained period, beyond political cycles and executive leadership tenures.

Whole-of-economy meaning, the inclusion of Country, culture, people, community, government and corporate Australia. All actors have a story to tell, skills and knowledge required to collaborate and rethink existing norms to build context informed, cultural economic norms.

It is impossible to create systemic change, without first diagnosing 'what' change is required. As a result of the CMSD root cause diagnosis, we now better understand 'why' people living in remote communities across Northern Australia are experiencing systemic exclusion, harm and vulnerability.

Furthermore, the CMSD primary data findings also identified that remote community members and institutional actors, hold high-level willingness to come together and to reconcile relationships.

The national opportunity requires demand-side actors to rethink the norms, to explore the institutional relationships to Country, culture, people and community and to lead systemic change within individual organisations, departments and teams.

Critical CMSD Redesign Required:

- Increased government prioritisation of infrastructure security investment to meet the demand for social housing
- Corporate and Government institutions nationally are identifying opportunities to procure knowledge services from remote Northern Australia. Reconciling institutional relationships, improving context alignment products and services, whilst simultaneously creating systemic inclusion

Future Scenario Modelling

IC's interactive Future Scenario Model was designed and developed to depict potential cultural-socio-economic outcomes that could be realised by redesigning market systems. The model is informed by the CMSD project data, research frameworks, relationships, trends and key findings. The purpose of the future scenario modelling is not to predict future outcomes to be achieved by changing economic inputs. Proxies have been utilised to support the model and therefore, users should not rely on the outputs alone to support decision making. However, it is utilised to create and share a cultural economic vision for the future, aiming to inspire actors to explore opportunities to create inclusion within their sphere of influence. Simply, by changing selected market inputs, as a nation we could collectively create unprecedented cultural-socio-economic wellbeing on Country.

Users are invited to engage with IC's future scenario model to explore systems change, and to visualise potential cultural-socio-economic impacts on Country.

Example CMSD Change, Impact and Outcomes (Figure 13)

The following example CMSD future scenario model offers a static image of just one potential future scenario. The change settings:

- Location: (All) includes remote & very remote across WA, NT and QLD
- Increased Infrastructure Security
  - Meet demand for housing by 50%
- Increased Systemic Inclusion
  - Create Cultural Economic Inclusion (New job creation) 40% of labour force
  - Participation rate, 12hrs per week

Figure 13
Screenshot of CMSD Future Scenario Model (Creating Systems Change)



Creating Systemic Change, Impact and Outcomes on Country

The dashboard (Figure 13) identifies an exciting cultural-socio-economic wellbeing shift from the baseline across 8 individual key metrics. Key highlights include the disruption of intergenerational welfare dependency by the creation of 11,096 culturally and context aligned, new jobs on Country. Leading to a welfare reduction of approximately $250m per annum and an increased median personal income of approximately $583 per week. Through a longer-term lens of 20+years, the systemic inclusion settings of 40% labour force utilisation at 12hrs per week, could see a $5b welfare cost reduction over two decades.

School attendance projection based on the 2021 relationship shown in Figure 10. A reduction in overcrowded housing from 34% to 17% is associated with an increase in school attendance from 59% to 63%.

Furthermore, the single measurement of 44,384 hours of cross-cultural human interaction per week could reflect multiple other cultural and social wellbeing improvements including increased cultural knowledge preservation, pride, identity, recognition, respect, reconciliation, cross-cultural literacy, improved institutional situational awareness and potentially, improved institutional trust.

Within the future scenario model dashboard IC's localised HDI and CMSD-I models have also positively shifted from the baseline. The localised HDI change identifies remote and very community progress toward 'developed economy' settings. CMSD-I has observed notable change across the index's additional key metrics. Improved infrastructure security has led to improved capacity to develop social housing and directly respond to the CMSD root cause failure diagnosis of overcrowded housing, seeing a reduction of overcrowded housing of approximately 50%.

The interconnectedness of situational forces within systems identified earlier in this report can be observed throughout this dashboard. Whilst school attendance may increase by 4% because of the changes made to systems, IC believes the increased attendance rate is likely to be much higher as a result of improved personal and household income, increased food and energy security, reduced overcrowded housing and many other interconnected cultural-socio-economic wellbeing benefits achieved.

7 Conclusion

From systemic insight to lasting change



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The Productivity Commission's Closing the Gap Dashboard, updated in March 2026, presents a clear warning that current approaches are not delivering change at the scale required. Of the 17 socio-economic outcome areas, only a small number are on track, while adult incarceration, the overrepresentation of children in out-of-home care, and suicide are each worsening against their respective baselines. These outcomes are not isolated failures. They are among the most serious downstream indicators of whether communities are experiencing safety, stability, wellbeing and genuine opportunity. The evidence does not suggest that existing investment has no value; rather, it shows that investment and program delivery, in their current form, are not yet producing the connected and sustained change required to meet the National Closing the Gap targets.

For remote Aboriginal communities across the Northern Territory, Queensland and Western Australia, disadvantage cannot be understood or addressed as a series of separate policy problems. Cultural wellbeing, overcrowded housing and homelessness, school attendance, academic educational outcomes, employment, personal and household income, health, family wellbeing and community cohesion operate as a connected system. Overcrowded housing is well understood to undermine sleep, the stability of households and directly impact health; these pressures are clearly affecting remote community member capacity to participate in education and employment, while limited income reduces the capacity of households to keep the air conditioner on and food on the table. When programs are funded, delivered and evaluated separately, improvement in one area can be compromised by consistent pressure in another. This is the central limitation of business-as-usual: it manages individual symptoms without sufficiently changing the system that reproduces them.

Housing data demonstrates the scale of this challenge. For example, in the Northern Territory, 43.4 per cent of Aboriginal and Torres Strait Islander people were living in appropriately sized housing in 2021, compared with the national Closing the Gap target of 88 per cent by 2031. The CMSD business-as-usual trajectory, based on the continuation of the current rate of improvement, indicates that this figure could only reach approximately 53 per cent by 2031. This is not a prediction of an unavoidable future; it is a scenario that shows why incremental improvement is insufficient when the starting gap and the negative impacts on wellbeing are so significant. Population continues to grow, and housing supply, maintenance, infrastructure and local delivery capacity do not appear to realistically align with the 2031 Closing the Gap targets.

The CMSD Cultural Market Systems Development-Index and Future Scenario Model provide a practical alternative. The modelling indicates that by increasing infrastructure security and reducing overcrowding does more than improve a housing measure: it can increase school attendance, economic participation, income, household stability and community cohesion. A 25 per cent overcrowding-reduction scenario is therefore significant not because it produces a single percentage-point change, but because it begins to shift several connected drivers in a positive direction at the same time.

Reflecting on the CMSD findings, IC believes that meaningful progress toward Closing the Gap and Reconciliation, is fundamentally misaligned with Corporate and Government institutions maintaining business-as-usual, rules and norms.

Rethinking business-as-usual does not mean abandoning current investment to drive positive change. It means creating space for Indigenous people living on Country to share their voice. Creating systemic inclusion is not a radical change, it is a process and an incredible opportunity.

8 Key recommendations

Practical actions to create systemic inclusion



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The overarching recommendation arising from the CMSD research is for Government and Corporate Australia to explore and develop deeper institutional relationships with remote Australia.

Globally, Indigenous people are renowned as highly relational, prioritising relationships to Country, culture, people and community throughout everyday life. The CMSD report identified an institutional relationship disconnect between remote communities and large-scale Corporate and Government organisations based in urban environments exists.

However, through the research we heard that people living on Country want to change this narrative and absolutely want to be included in the economy and want to share with institutional actors their voice; experiences, concerns, perspectives, language skills, knowledge for Country, culture, people and community.

Institutional relationships significantly influence the performance of market systems.

1. Evaluate and Build Institutional Situational Awareness

Context-by-context vulnerability and complexity cannot be understood only through macro data. 'Know your customer' through stronger institutional relationships, community engagement processes and granular data that better explains the lived reality of remote and very remote communities.

Institutions are encouraged to evaluate existing knowledge held relating to cultural-socio-economic diversity across remote Northern Australia. Conducting a baseline study of current-state situational awareness, to help identify any knowledge gaps that may exist.

Guided by the baseline findings, institutions are encouraged to invest time / money / effort to build a foundational understanding in response to identified knowledge gaps. Supporting an improved self-awareness of institutional readiness to engage with remote communities.

Exploring the needs of vulnerable customers or policy beneficiaries living on Country, should not be treated as a one-off process. Developing situational awareness needs to be recognised as a continuous learning process that aims to build cross-cultural and cross-community intelligence over time.

The learning outcomes should therefore be naturally embedded into the design and development of strategy, community engagement planning, investment, policy, product, service design and delivery.

Key questions:

- Do we understand placed-based vulnerability and complexity on Country?
- How do we currently build institutional cultural-socio-economic intelligence?
- Do we consult vulnerable customers when designing a new product, service, policy or process?

2. Evaluate and Build Institutional Context Alignment

As a process, IC recommends the evaluation of the institutional relationship

with remote communities across Australia. Exploring whether products, services, processes, policies, information and collateral are aligned with remote community needs, rules and norms.

The evaluation process will benefit from internal and external analysis. Engaging with front-line team members, who are customer facing and backend teams designing products, services, processes, policy and more.

Additionally, critical insights will also be captured externally, when engaging with vulnerable customers of remote community contexts – the target beneficiaries of improved context alignment. Evaluate the vulnerable customer experience across all touchpoints of the business; exploring how, where, why, when do vulnerable customers interact with the business or Government Department, identifying any points of friction that may exist.

Consider key situational forces identified in the CMSD report to help guide the context evaluation and customer experience, friction analysis.

Again, establish a baseline study of current-state context alignment to identify specific areas of improvement. Providing a targeted approach that is both vulnerable customer and community informed.

Key questions:

- What does our vulnerable customer experience look like in a remote community context?
- Does friction exist within the vulnerable customer experience?
- Why does the friction exist?
- Who is affected by it?
- Who is responsible for addressing it?
- What change is required to reduce it?

3. Define Institutional Relationship Development Vision and Aspiration

Executive leaders and decision makers are encouraged to build personal relationships with Country, culture, people and remote communities. Building situational awareness of the lived reality on Country from urban Australia via secondary data sources and public events, will yield some appreciation of the challenges faced.

However, human interaction on Country provides the most insightful and powerful understanding of remote community contexts. Remote communities feel, sound, look and operate in significant contrast to urban environments. Without gaining this personal understanding at the executive level, organisations risk context misalignment of product, service, process, policy, information and collateral. The tangible interactions of remote community – institutional relationships.

Through the CMSD project, IC observed actors within large-scale institutions holding a sense of ambiguity when attempting to translate the well-intended institutional vision for reconciliation into practice. Exploring avenues to create policy information and collateral in traditional languages to better meet the Human Rights Commission principles of Free, Prior and Informed Consent, or to deliver focus groups with vulnerable customers to better understand friction or to explore vulnerable customer risk exposure to e-scams, all seemed well aligned to the reconciliation vision.

However, in-practice most often the hands of actors were tied by a lack of budget allocation, concerns of reputational risk when engaging directly with people living on Country, or simpler alternative such as engaging with Indigenous people living in Urban environments.

Executive leaders and decision makers are encouraged to explore IC's localised HDI and CMSD-I tools to support better understanding of diversity within Indigenous Australia. Identifying that levels of vulnerability and complexity vary significantly by place. Cultural-socio-economic wellbeing should not be perceived as a single group or through a national lens.

IC recommends:

- Executive leaders gain personal experience on Country across remote Australia
- Collaborate with senior cultural leaders across multiple remote communities and internal key team members, to define the institutional cross-cultural and cross-community relationship vision for the future
- Consider key recommendations 1 and 2 to support the discovery process
- Consider the institutional reconciliation focus; external third-party led, or internal and institutionally led
- Leaders need to define social impact programs with clear intention

Key questions:

- Have vulnerable customers helped shape our relationship vision?
- What are our social impact / change aspirations?
- How do we measure success?
- What cultural-socio-economic development return on investment are we hoping to generate on Country
- What are our cross-cultural and cross-community institutional relationship goals?
- Who are we setting out to support specifically?
- Place, where are we focused?
- How:
    - Product
    - Service
    - Process
    - Policy
    - Information and collateral

4. Rethinking Business-As-Usual, Procurement and Labour Force Utilisation

The CMSD research found systemic exclusion to be one of two root cause failures, undermining economic participation on Country. The obvious recommendation therefore being, create inclusion. However, it is not that simple.

Economic narrative, unconscious bias and unchallenged assumptions matter. Access to knowledge services, cultural beliefs, informal and formal rules and norms matter too. Rethinking these norms to unlock a sustainable market led solution will require institutions to recognise cultural knowledge sharing and services as a value add, an economic input and a job. Following key recommendations 1, 2 and 3, IC recommends institutions build an environment

to enable inclusion. Creating tangible space within businesses to procure the voice of people living in remote communities to support improved situational awareness, institutional context alignment, mitigate compliance risks and to support Reconciliation and Closing the Gap progress.

Perhaps more challenging in the first instance, institutions will also need to identify if a lack of situational awareness, context alignment and a relationship gap both exists, and is causing friction for already vulnerable customers. Fortunately, the research also highlighted high-level willingness and capacity on Country exist to support improved institutional – remote community relationships.

Key recommendations 1 and 2, sets out a framework to build a cultural economic environment within institutions, to enable Corporate and Government actors to embrace knowledge for Country, culture, people and community. Furthermore, IC recommends executive leaders, and decision makers explore existing community engagement processes to ensure proper process. Through the CMSD research, IC heard a sense of frustration from multiple CKP's on Country relating to informal labour market participation. The concerns voiced to IC included Corporate, Government and Academic institutions engaging with community members for a range of different reasons on a voluntary basis, or cash payments, or $50 Visa cards, or $50 shop vouchers. As discussed earlier in this report, more research on this topic is required, however, IC is concerned that many large-scale institutions are sub-consciously not meeting compliance expectations of Fair Work, the ATO, Human Rights Commission and remote community members.

Remote community members hold the language skills, the cultural and social authority required to navigate informal rules, norms and cultural governance on Country. The unique value proposition of knowledge services offered to Corporate and Government actors when engaging with remote communities, cannot be understated.

The 'incredible opportunity' mentioned twice in this report presents benefits to all actors, is two-sided and is an outcome of intentional practice.

The incredible opportunity:

- Job creation and economic inclusion (Immediate action)
    - Procuring and embedding the voice of remote community members within institutions to support improved situational awareness and context alignment
- Reconciliation and Closing the Gap (Long-term action)
    - Co-designed inclusive products, services, processes, policy, information and collateral

Key questions:

- How do we currently engage with Country, culture, people and community?
- Are we meeting compliance and community expectations when engaging with Indigenous people?
- Are Cultural Knowledge Services a procurable item within our institution?

- When people living on Country do support our organisation to navigate cultural governance, interpret, design or create key messaging, participate in workshops or make introductions to family, do we pay for such support? If so, how so?

Key Recommendations Summary

Systemic inclusion at scale will not be achieved through policy, additional human and social service programmes or philanthropic funding alone. Institutions that understand context, reduce friction and create space for remote community members, and context norms within the systems present a community-led and strengths-based alternative.

The CMSD research looked beyond symptoms of failure, to explore opportunities to rethink the norms and to address systemic failures within multiple market systems. Long-term institutional relationships will help organisations to build awareness of local context, learn from community experience and reduce avoidable friction over time. Improving customer experience and expectations, reducing institutional risk, and help Corporate and Government institutions meet their public, compliance and community expectations. More importantly, it can build institutional trust.

By combining the key recommendations described above, institutions can create immediate inclusion that inspires long-term systemic inclusion.

The CMSD research unpacked a number of issues undermining the performance of market systems on Country. However, possibly the most astounding finding is an underutilisation of a willing labour force. Indigenous people living on Country absolutely want to share their story, knowledge and skills with institutions. As a nation, we have the need, the knowledge, the technology and the willingness to create systemic inclusion.

IC encourages Corporate and Government actors to explore the incredible opportunity that is cultural economic inclusion.

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Disclosure of Commercial Interest

Indigenous Connection is a majority Indigenous-owned social enterprise, consultancy and applied research organisation that builds and operates a paid, consent-governed market between institutions and Cultural Knowledge Providers.

Indigenous Connection acknowledges that it holds a potential commercial interest in some of the findings and recommendations presented within this report.

A central finding of the Cultural Market Systems Development (CMSD) research is that greater investment in cultural-economic inclusion, institutional relationship development and the procurement of Cultural Knowledge Services may improve outcomes for Country, Culture, People and Community. If governments, corporations, utilities, researchers or other institutions choose to adopt recommendations relating to the engagement of Cultural Knowledge Providers, Indigenous Connection may be contracted to provide consultancy services, applied research, workforce development services, community engagement, data analytics, Cultural Knowledge Provider engagement or other related services.

Where this occurs, Indigenous Connection may generate business income and, by design, Cultural Knowledge Providers engaged through Indigenous Connection may also access the economy and generate personal income through the provision of paid knowledge services.

Indigenous Connection has invested more than a decade in developing its business model, research methodologies, intellectual property, Cultural Knowledge Provider network and related service offerings. Should elements of the CMSD approach be adopted at scale, Indigenous Connection may experience commercial growth and, over time, shareholders may realise a financial return on that investment.

The authors acknowledge that this potential commercial benefit exists. However, the findings, conclusions and recommendations contained within this report were developed through the research process and should be evaluated independently of Indigenous Connection's present or future commercial interests. Readers, stakeholders and decision-makers are encouraged to assess the evidence, methodology, analysis and recommendations on their own merits and apply independent judgement regarding their validity, appropriateness and potential application.

This report is not intended to promote Indigenous Connection's services. Rather, it seeks to present the research findings, evidence and insights generated through the CMSD research program. Whether, how, or by whom any recommendations are implemented remains a matter for independent consideration by governments, institutions, communities and other stakeholders.

Artificial Intelligence (AI) Use Statement

Artificial Intelligence (AI) tools were used in a limited capacity to support the structuring, editing and presentation of this report.

All research activities, research design, methodology, data collection, stakeholder engagement, analysis, interpretation of findings, development of

frameworks, conclusions and recommendations were undertaken and authored by Brad Martin and Indigenous Connection.

AI tools were not used to generate research findings, analyse data, develop methodologies, formulate conclusions or determine recommendations. Responsibility for the content, accuracy, interpretation and opinions expressed throughout this report remains solely with the authors.

The Cultural Market Systems Development (CMSD) framework, Cultural Market Systems Development-Index (CMSD-I), Institutional Trust Framework, analytical approaches, findings and recommendations are original works developed by Indigenous Connection through its applied research and development activities.

Secondary and Third-Party Data Use Statement

This report draws upon a combination of primary research undertaken by Indigenous Connection and secondary information obtained from external sources, including government datasets, publicly available statistics, academic literature, industry reports, policy documents, market information, research publications and other third-party sources.

Where secondary or third-party data has been utilised, Indigenous Connection has made reasonable efforts to identify reputable sources and to use information believed to be reliable at the time of analysis. However, Indigenous Connection does not independently audit, verify or guarantee the accuracy, completeness, currency, quality or fitness for purpose of information supplied by third parties.

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Brad Martin
Executive Director
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Author's Statement

Leadership is often described as an art, science and a process. Whilst the Cultural Market Systems Development (CMSD) story was authored by me, in truth, it is a collective voice that speaks multiple languages, from multiple places across remote and urban Australia.

The CMSD project set out to explore the situational forces that influence Country, cultural, human, community and economic well-being outcomes in remote & very remote communities. Prior to starting the R&D project, the Indigenous Connection (IC) board and I were pretty confident we knew what remote Northern Australia needed from IC, and our research objective was to establish evidence that proved the hypothesis - cultural economic inclusion is a national development opportunity.

However, our assumptions were challenged within the first few months. Our quiet confidence regarding remote community member willingness to share knowledge services, was massively understated. We found that the willingness to participate on Country was so strong, that we actually had to stop employing Cultural Knowledge Providers and shift focus to the demand-side of the economy. Again, our assumptions were challenged.

The most significant lesson from the CMSD project was that willingness and capacity to participate in the economy existed long before Indigenous Connection arrived. The research challenged us to look beyond community readiness and instead critically evaluate the broader systems, relationships and market structures influencing participation. Ultimately, the CMSD journey became less about validating a hypothesis and more about listening, learning and understanding why inclusion remains difficult within existing market systems.

Capturing the voice within this project could only occur by travelling far from home and for most of the kms, travelling with my 'bunji', Ian Gumbula. We communicated often with eye contact only, or a little sign language and fewer words than I ever thought possible. Ian, you have mentored me every step of the way. Being guided by you through our cultural governance processes, was a profound learning experience for me.

The 2.5yrs of R&D was a journey of long days and late nights on the road or in demountables under the most epic night skies. I loved it. It was a privilege to be introduced to more than 35 remote communities, across multiple language groups and to sit down with senior leaders of land and lore. Additionally, within the CMSD story are important voices from institutions within urban environments too. Voices that carry a warmth and willingness to explore institutional relationships with remote Australia.

I was pushed professionally and emotionally further than I anticipated. As a dad to our young boys, I also could not have led this project without the 'all in support' of my partner, Shez. I am indescribably inspired and thankful for your strength, love and support. Our Saturday morning coffee debriefs and late-night pep talks were essential!

Obviously, the CMSD project would not have been possible without the financial support of the Cooperative Research Centre for Developing Northern Australia (CRCNA). CRCNA believed in IC, our Cultural Knowledge Providers and

the vision that Northern Australia could be home to a thriving cultural economy.

Through our lived experience, our team know life on Country is tough. But more importantly, we also know, value and believe in remote communities across Australia. The CMSD story does not subscribe to a deficit narrative. Our story is unequivocally anchored to a strengths-based narrative of cultural economic inclusion – the incredible opportunity.

Whilst I personally led the CMSD project, the leadership process itself was community led. Communities challenged our assumptions, influenced our thinking, shaped our priorities and helped determine the direction of the research as it evolved.

For which, I sincerely thank our community.

Special acknowledgements to the people who influenced and helped guide the CMSD project delivery. In no particular order:

- Nicole Thompson and Ronnie Morgan for your unwavering dedication, trust and support. When I was weak, you gave me strength and reset the compass.
- It is difficult to articulate the significant influence, guidance and generosity of more than 80 individual Cultural Knowledge Providers across remote Australia in just a few words. But 2026, is just the beginning – our story will continue.
- Michael Bedwell, you shared with me a bottomless cup of positivity; there is never a problem, only a solution.
- Prajwal Niroula, you heard the voice on Country and helped IC to build and share in inclusive, empathetic and strengths-based CMSD story.
- Sarah Docherty, you held belief in the CMSD vision from the beginning and for that, we are forever grateful for your leadership.
- My lifelong friends and family offered incredible support when I needed it most. I can't thank you enough .