
ABORIGINAL AND TORRES STRAIT ISLANDER PATHWAYS THROUGH BUSINESS



Understanding the size, composition
and growth of the Aboriginal and
Torres Strait Islander business sector

ACRONYMS

- ABS** – Australian Bureau of Statistics
- ACLD** – Australian Census Longitudinal Dataset
- AICD** – Australian Institute of Company Directors
- ANU** – Australian National University
- ASIC** – Australian Securities and Investments Commission
- BCA** – Business Council of Australia
- BLADE** – Business Longitudinal Analysis Data Environment
- ESG** – Environmental, Social and Governance (ESG)
- GDP** – Gross Domestic Product
- IBA** – Indigenous Business Australia
- IBRP** – Indigenous Business Relief Package
- IPP** – Indigenous Procurement Policy
- NIAA** – National Indigenous Australians Agency
- NTAIC** – Northern Territory Aboriginal Investment Corporation
- NTIBN** – Northern Territory Indigenous Business Network
- QUT** – Queensland University of Technology

A NOTE ON TERMINOLOGY

The United Nations Permanent Forum on Indigenous Issues estimates there are more than 370 million Indigenous people spread across 70 countries worldwide. In considering the diversity of Indigenous people, an official definition of 'indigenous' has not been adopted by any United Nations (UN) system or body.

According to the UN, the most fruitful approach is to identify, rather than define, Indigenous people. This is based on the fundamental criterion of self-identification as underlined in several human rights documents.

Australia's Indigenous people are two distinct cultural groups made up of Aboriginal and Torres Strait Islander people. But there is great diversity within these two broadly described groups exemplified by more than 250 different language groups spread across the nation.

IBA uses the primary term of Aboriginal and Torres Strait Islander people to refer to our customers, in line with the *Aboriginal and Torres Strait Islander Act 2005* (ATSIA Act), which acknowledges the distinct cultural differences and diversity across Australia. In recognition of the societal shifts occurring in Australia, IBA has adopted the secondary term of First Nations.

DEFINITIONS

Business owner manager – The business owner manager is a person who self-identifies in the Census as being an owner manager of an incorporated or unincorporated enterprise, with or without employees. These are individuals who have any ownership share of a business and manage its operation. Multiple owner managers may run a single business, and a single owner manager may run multiple businesses.

Business – Businesses are the series of contracts that tie the activities of a business owner manager to their operations, staff, suppliers, and their customers. Some of the analysis will contain aggregate data about businesses who are customers of IBA and/or Supply Nation. In those circumstances, they will be businesses that have been identified as First Nations-owned businesses through IBA or Supply Nation's verification processes, which means the business is at least 50% First Nations owned.

Aboriginal and/or Torres Strait Islander owner manager – A person who is a business owner manager and also self-identifies in the Census as an Aboriginal and/or Torres Strait Islander person. The owner manager is arguably the more important unit of analysis from a policy perspective, because ultimately programs that support businesses are most often delivered to individuals. Much of the data presented is derived from the Census and will primarily cover individuals who identify as Aboriginal and/or Torres Strait Islander, and as an owner manager of a business. Individuals voluntarily provide information around their First Nations identity, with no possibility of deriving reward from it. As such, concerns around 'black cladding' do not arise in relation to Census data.

Implications of definitions – Most of the businesses that are at least 50% Aboriginal and Torres Strait Islander owned would constitute legitimate joint ventures and partnerships between First Nations and non-First Nations entrepreneurs. However, there are concerns of 'black cladding' in relation to some ventures. The term is used to describe non-First Nations business entities or individual(s) taking unfair advantage of a First Nations business entity or individual for the purpose of gaining access to otherwise inaccessible Indigenous procurement policies or contracts.

Unfair advantage involves practices and arrangements that result in the disadvantage or detriment to a First Nations business, or that do not represent a genuine demonstrated level of equitable partnership and benefit.

For the purposes of this quantitative analysis on aggregate data, we rely on the verification processes of IBA and Supply Nation to determine if the business is a legitimate First Nations business, and will therefore assume the data has integrity.

CONTENTS

About IBA	2
Acknowledgements	2
Paving the way for long-term change and impact	2
Executive summary	3
Background	3
Key findings	4
Recommendations	5
Driving economic empowerment and financial inclusion	6
Implications for Aboriginal and Torres Strait Islander entrepreneurs	7
Key motivation: Drawing on culture and community to bring about social change.....	8
Accelerating growth in the First Nations business sector	9
1. Size of the sector	10
2. Industry representation	14
3. Gender representation in business.....	18
4. Stages of the business lifecycle	20
5. Location of First Nations business owners.....	26
Challenges and supports for First Nations businesses across the business lifecycle	31
Access to finance	32
Countering negative biases, prejudices, and stereotypes	33
Access to business support	34
Access to mentoring/networks	36
Conclusion	38
References	39
Appendix A: Detailed tables on needs of First Nations business across the lifecycle	40

ABOUT IBA

IBA was established under the *Aboriginal and Torres Strait Islander Act* (2005). We exist to enable Aboriginal and Torres Strait Islander people to engage with economic and wealth-building activities when they choose. We continue our original intent to 'engage in commercial activities and to promote and encourage Indigenous self-management and self-sufficiency'. The act specifically sets out our purpose:

- To assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.
- To advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander peoples.

Acknowledgements

In 2023, IBA partnered with the Australian National University (ANU) Office of the Vice-President, First Nations (First Nations Portfolio) to undertake the study, with a team of First Nations and non-First Nations researchers. ANU interviewed 16 First Nations business owners at various stages of the business lifecycle and from across the country.

We would like to thank First Nations business owners for generously sharing their valuable insights and to ANU researchers for their important contribution to this project.

As this was a consultancy arrangement between the ANU Office of the Vice-President, First Nations and IBA, ethics approval was exempted by ANU. Nevertheless, the ANU Office of the Vice-President, First Nations, which is led by senior Aboriginal and Torres Strait Islander academics and practitioners, applied their own internal practices to protect the rights, privacy,

and interests of the participants. The First Nations Portfolio only sought the permission to use interview data once the participants had a chance to review the recorded notes from their interviews. This provides participants an added layer of protection, and they had an opportunity to reflect on their recorded views and make any corrections.

We also thank Supply Nation for supplying data and information to support this project.

Paving the way for long-term change and impact

IBA serves Aboriginal and Torres Strait Islander people to achieve their economic and financial goals. We work with First Nations people, organisations, and communities to establish their own economic security, create jobs, and grow wealth. Through home ownership, business financing and commercial activities, investment and asset management and partnerships, we play a critical role in enabling Aboriginal and Torres Strait Islander people to achieve economic self-determination.

Delivering on our purpose requires a strong understanding about the size, scale and scope of Aboriginal and Torres Strait Islander businesses. These insights inform our strategic direction, and ensure we are appropriately meeting the needs of an expanding and maturing sector.

This report shares the latest available research to provide new insights into the rapid expansion and diversity of the First Nations business sector. It also highlights the contribution that IBA has had on helping this sector grow during this time of rapid expansion. We hope that it provides readers with a better understanding of the long-term structural changes the sector is creating and the incredible impact it is having on First Nations communities as well as wider Australia.

EXECUTIVE SUMMARY

Background

This report presents the first study on the experiences of Aboriginal and Torres Strait Islander entrepreneurs through the business lifecycle.

The report summarises where gaps are emerging in the availability of support and provides insights into the First Nations business sector including:

- estimates of its size and growth over time
- estimates of the rate of business ownership
- industry representation
- gender representation
- the proportion of businesses at various stages of the business cycle
- location of businesses.

It also identifies the needs for businesses at various stages of maturity:

- Start-up (0–2 years)
- Growth (3–4 years)
- Stabilisation (5–10 years)
- Maturity (11+ years).

The research draws on qualitative insights from Aboriginal and Torres Strait Islander business owners to inform directions for future reform.

KEY FINDINGS:

The need to assist more mature First Nations businesses

- The Aboriginal and Torres Strait Islander business sector grew by more than 50% between 2016 and 2021 to reach an estimated **29,200** business owner managers, or **4.4%** of the 15+ population.
- The growth in the number of First Nations business owners over the last decade is phenomenal. Over many years, mature First Nations businesses overcame barriers including challenging stereotypes and biases, to help establish the sector as a key change agent driving self-determination. Their hard work has blazed the trail for the next generation of entrepreneurs, making business ownership a genuine opportunity for more First Nations people.
- IBA has supported an estimated 19% of the Aboriginal and Torres Strait Islander business sector over the five years to 2023 (5,515 individual businesses and owners). This equates to around **56%** of the growth in Aboriginal and Torres Strait Islander business owners over much of that period.
- First Nations business owners, including those who received a loan from IBA, are operating in the same sectors and in roughly the same proportion as non-First Nations business owners.
- Aboriginal and Torres Strait Islander women are the fastest growing business demographic in Australia. Aboriginal and Torres Strait Islander women made up **36%** of the First Nations business sector in 2021, up from **33%** in 2016, in part thanks to initiatives such as IBA's Strong Women Strong Business. However, women currently make up only **31%** of IBA business loan customers.
- The First Nations business sector is about **half** as likely to be in the **maturity stage** compared with non-First Nations businesses. The sector has experienced its largest growth over the last decade, so this is not surprising. However, this research reveals that barriers may also be impacting some Aboriginal and Torres Strait Islander businesses reaching maturity.
- This research reveals that there is accessible capital, business support, and networks through the existing ecosystem for early stage Aboriginal and Torres Strait Islander businesses. In comparison, more **mature** Aboriginal and Torres Strait Islander businesses may be having a **harder time** accessing suitable finance, business support and networks. Mature businesses face business challenges centred on **capacity constraints**. This is different to early stage businesses' challenges, which centre on **capability**. While mature businesses overcome many of the capability gaps with starting a business, ongoing capacity challenges centre on:
 - **demand** challenges: limited penetration into national and international supply chains and big business networks
 - **supply** challenges: not having access to sufficient, appropriate, or timely sources of capital and business support to meet their expansion needs when demand is identified and confirmed.
- There is an assumption that mature businesses can get support more readily from the market than start-ups. A key insight from speaking with mature Aboriginal and Torres Strait Islander businesses is that the **market does not sufficiently cater** to their needs.
- IBA is recognising the growing gap in support available for more mature businesses. Internal analysis reveals that efforts have mainly supported early stage businesses over recent years. With agreement from the National Indigenous Australians Agency (NIAA), IBA has recently changed its Business Solutions Program settings. This involved reducing the proportion of businesses IBA supports that are pre-bank from 80% to 50%. Supporting pre-bank businesses will remain a core feature of IBA's Business Solutions Program. However, this pivot will provide space for **IBA to support more mature businesses** to address their capacity constraint challenges.
- IBA has capital products suitable for more established and larger businesses. However, it does not have the financial capacity to meet the demand of mature businesses, particularly those with higher capital needs of above \$5 million. Given IBA is a large provider in the eco-system, this limits the overall ecosystem's ability to support emerging mid-market customers.

Recommendations

Organisations that support the Aboriginal and Torres Strait Islander business ecosystem have a role in enhancing outcomes for the sector. IBA has a mandate to ensure adequate supports are in place for all Aboriginal and Torres Strait Islander businesses at all stages, not just early stage businesses. Acting on these opportunities will be key to:

- sustained growth
- long-term viability
- building an enduring Aboriginal and Torres Strait Islander business legacy.

The role of the Aboriginal and Torres Strait Islander entrepreneur cannot be underestimated or undervalued.

In breaking through barriers and blazing a trail for new generations, they challenge the status quo, and restructure the operating environment and expand economic participation around them, enabling greater financial inclusion for their community.

Opportunities for IBA to expand how it supports the sector are outlined below.

Opportunity	Recommendation
<p>Mature Aboriginal and Torres Strait Islander businesses find it difficult to access suitable capital, business support and networks to meet their needs.</p> <p>Appropriate supports will be critical to support larger and more sophisticated First Nations businesses to enter the next phases of maturity without compromising on First Nations control of the business.</p>	<p>1. IBA should consider how to support more mature Aboriginal and Torres Strait Islander businesses through the delivery of suitable capital products, relevant business support and access to networks.</p>
<p>Aboriginal and Torres Strait Islander businesses continue to experience bias at all stages along the business lifecycle. This can reduce financial and economic inclusion.</p>	<p>2. IBA can play a greater anti-discrimination role by actively challenging negative and biased perceptions about First Nations people, thereby creating greater opportunities for financial and economic inclusion. IBA will do more to celebrate the success stories of First Nations entrepreneurs, thereby expanding businesses' commercial opportunities in the mainstream economy.</p>
<p>IBA's Strong Women Strong Business initiative, and wider Government's focus on supporting women into business have resulted in the proportion of Aboriginal and Torres Strait Islander women entrepreneurs increasing to 36% of the business sector. But they are only 31% of IBA's business finance customers.</p>	<p>3. IBA has made a concerted effort to increase women's representation in business. Recognising the added challenges that women face, but also their strength and determination, IBA will:</p> <ul style="list-style-type: none"> • analyse the factors that are resulting in the lower representation of women amongst IBA's business loan customers • support more Aboriginal and Torres Strait Islander women with access to suitable finance products and services for their business needs.

DRIVING ECONOMIC EMPOWERMENT AND FINANCIAL INCLUSION

Aboriginal and Torres Strait Islander financial inclusion and economic empowerment through business ownership is increasingly recognised as critical to activating First Nations-led economic, social, and cultural development. Empowered individuals invest in themselves, the community and their assets and use markets as tools to express their own ideas and vision in tangible ways. An empowered individual uses the market to serve individual and community goals, making significant contributions to wider society. Critically, empowered individuals self-determine the terms under which they engage markets. Through their presence and activities, they can support communities to drive greater financial inclusion. The First Nations entrepreneur is a driver of commerce and change in their community.

The role that capitalist markets play in our lives can cause anxiety about the unknown. But this should not discount any person's right to access and engage in markets on their own terms.

Markets provide the primary means through which people can access and supply the goods and services needed to live, thrive, and grow. Indeed, the world-famous development economist Professor Amartya Sen (1999, p. 6) noted that, "[t]o be generically against markets would be almost as odd as being generically against conversations between people... The freedom to exchange words, or goods, or gifts... are part of the way human beings in society live and interact with each other (unless stopped by regulation...)"

Historical socioeconomic exclusion continues to have a long and lagging impact on Aboriginal and Torres Strait Islander communities, limiting access to markets and over time may have affected the shape of aspiration. Our economy can often ignore socially excluded individuals and communities. It results in their economic *dis-empowerment*.

It is a misconception to presume that the communal cultures of many Aboriginal and Torres Strait Islander groups are incompatible with concepts of finance. It is not an issue of capability, rather a lack of exposure and access to appropriate financial products that meet the needs of people and communities. Historical dispossession and socioeconomic exclusion of Aboriginal and Torres Strait Islander peoples means that many communities lack intergenerational transfer of financial wealth and the accompanying knowledge and practice of money management skills, as one respondent of IBA's Impact Report 2021-22 explained:

"...if you don't know the information and you didn't grow up with that information and that kind of financial discussions in your home, in your family home and that way of living. And the lifestyle. You're not going to be able to practice that."

It is also a misconception to separate *community development* from *economic development*. Indeed, good economic development is ensuring the community's aspirations are met through the building of capability, capacity, and the removal of barriers. This is the essence of economic empowerment.

Many marginalised people often face multiple societal, cultural, economic and health barriers. Such barriers *deactivate* a person's socioeconomic agency, or at least, severely limit their ability to engage the economy from a position of strength. Addressing these barriers are essential to economically empowering more First Nations people and enabling greater financial inclusion.



— IMPLICATIONS FOR ABORIGINAL AND TORRES STRAIT ISLANDER ENTREPRENEURS —

The incredible growth in the number of Aboriginal and Torres Strait Islander entrepreneurs over the last five years shows that going into business is, in many ways, a return and reclaiming of pre-colonial economies. The sector is becoming a known force across Australia's policy landscape, changing the narrative about First Nations people towards **aspiration, excellence, and success**. These stories of success, which should be more widely reported, counter prevailing narratives that are affected by societal biases. The success of the sector reveals how First Nations entrepreneurs can 'walk in two worlds', with IBA's Impact Report 2021-22 showing how owning a business enables them to have positive community and cultural impacts. Supply Nation (2018) estimates suggest that \$1 invested into a First Nations business creates \$4.41 in social benefit. These factors point to the power of First Nations entrepreneurs as positive agents of change, who form conduits into the mainstream economy for other Aboriginal and Torres Strait Islander people. But widening the flow of people into those mainstream opportunities is built on the premise that existing First Nations entrepreneurs can still tap into opportunities.

Discrimination still permeates and impacts on more mature First Nations entrepreneurs, creating barriers into mainstream business and social networks. Addressing the issue, along with having the right capital products, is integral to scaling up and achieving long term viability. While some business owners report a degree of access, there are still unfair perceptions around the label of a First Nations business that view them through a prism of a higher risk. It implies an ongoing trust deficit (Evans and Polidano 2022), which is not reflective of the data on the success of First Nations businesses.

The resulting misperception is indicative of a market failure, which is limiting the opportunities for Aboriginal and Torres Strait Islander entrepreneurs to enter the market and grow further to expand their footprint in the Australian economy. The presence of market failure means there is a role for policy to address the underlying barriers, where appropriate.

The ecosystem for First Nations start-ups is growing from strength to strength. IBA is playing an integral part in promoting and creating opportunities based on needs identified by aspiring First Nations entrepreneurs. While the existing support structures (including the Indigenous Procurement Policy (IPP), IBA, First Nations Chambers, Supply Nation and First Nations business, cultural and social networks) are still necessary to ensure we continue to support strong start-up growth over the next decade, the data presented in this paper points to a policy gap at the more mature end of the business lifecycle, where there is insufficient support for established First Nations entrepreneurs to tap into mainstream supply chains and networks.

Access to highly successful non-First Nations mentors could also provide a key opportunity to build two-way understanding amongst those in positions of socioeconomic power. In particular, it can educate supply chains to draw upon the strengths of Aboriginal and Torres Strait Islander entrepreneurs, as opposed to just seeing them through a prism of higher risk.

Legacy is a critical concept in relation to the role of Aboriginal and Torres Strait Islander entrepreneurs. In particular, their role in nation building. Establishing an ongoing legacy amongst entrepreneurs will create an event over the next decade where almost all First Nations people will know of or be related to at least one First Nations entrepreneur. All other things being equal, that event should build a self-sustaining pipeline of business owners who's success can have an expanding footprint on the mainstream economy.

Key motivation: Drawing on culture and community to bring about social change

Maintaining culture and supporting communities and families are central motivators for the 16 Aboriginal and Torres Strait Islander entrepreneurs interviewed for this research. The entrepreneurs identified how they leveraged the business opportunity and their success to bring about social change to advance Aboriginal and Torres Strait Islander economic self-determination.

Many of the entrepreneurs valued the chance to educate and guide future generations of First Nations entrepreneurs, often expressing a responsibility to 'bring the community along' the road to success.

The community is often seen as critical to the success of their business.

Because of the support they received early on and the opportunities they were accessing, the business owners often felt a responsibility to bring the community along over the course of the business' journey. An entrepreneur who sees the value of their intellectual and cultural resource base equally grows the value of their business as a vehicle for self-determination for themselves, their community, culture, and other Aboriginal and Torres Strait Islander people.

Many interview participants said they showed and used the principle of reciprocity and returning their support to their community through community development, youth engagement, health and wellbeing support and transparency. One entrepreneur noted their business as an opportunity to 'set up pathways for the kids to look up to', pointing to how business ownership is an effort towards building a legacy.

The businesses draw on deep knowledge systems that have been passed down through generations. One entrepreneur reflected, '...the idea for my business didn't come from nowhere. It's been a dream of my family for years'. Many of the entrepreneurs stressed the connection between the past, the contemporary business and the future.

Cultural knowledge and practices are often incorporated throughout their service delivery and development of products. Indeed, culture was deeply embedded in many aspects of how the business operated. Culture affords businesses specific capabilities, values, approaches, and impacts, offering some businesses unique opportunities.

Some businesses recognised they could identify, access, and leverage market niches using culture. Entrepreneurs can also incorporate their formal experience alongside their skills and cultural assets to identify and address gaps in policy and markets.

The collective motivations of the entrepreneurs in the sample reflected a broader goal to lead the process of strengthening self-determination and agency. This influenced the directions and practices of many of the businesses throughout the business lifecycle.

ACCELERATING GROWTH IN THE FIRST NATIONS BUSINESS SECTOR

The report illustrates the incredible growth in the First Nations business sector over the last decade. It also identifies potential opportunities for future growth, including providing greater support for mature First Nations businesses.

The nature of the change is only matched by the rapid awareness of the dynamic nature and increasing capability of Aboriginal and Torres Strait Islander entrepreneurs. Policy makers, businesses and the wider community are taking note of the incredible pace of growth, but also the diversity of industries that First Nations entrepreneurs are operating within.

Evidence of this is shown through the following:

- In 2016–17, a sample of 770 Aboriginal and Torres Strait Islander enterprises that received business support and/or capital from IBA generated around **\$1.15 billion** in turnover, contributing around **\$430 million** to Australia's Gross Domestic Product (GDP) in that year.
- In 2021–22, Supply Nation registered and certified suppliers generated a record **\$3.8 billion** from Supply Nation member contracts,¹ growing 65% from the previous year.

- In 2022-23, the reported Commonwealth spend on Indigenous Procurement Policy (IPP) contracts was **\$1.4 billion** alone, which compares with around \$6.2 million in 2012–13.
- The National Indigenous Australians Agency's (NIAA) latest results reveal that by 2022-23, the IPP generated more than **\$9.5 billion** in contracting opportunities since it was introduced in 2015–16. The IPP involved more than **64,000** contracts awarded to more than **3,900** Aboriginal and Torres Strait Islander businesses (as at September 2023).
- Dilin Duwa's third research snapshot reported that a sample of **13,693 businesses** generated **\$16.1 billion** in revenue in 2022, paying **\$4.2 billion** in wages to **116,795** employees.

This report illustrates the incredible growth in the First Nations business sector over the last decade. It also identifies potential opportunities for future growth, including providing greater support for mature First Nations businesses.

¹ Supply Nation registered and certified businesses are businesses that are confirmed as either 50% (registered) or 51% (certified) Aboriginal and/or Torres Strait Islander-owned. Supply Nation members are paying government, corporate and not-for-profit organisations that are committed to working with Aboriginal and Torres Strait Islander businesses to help grow supplier diversity in Australia. For a listing of members, visit <https://supplynation.org.au/about-us/supply-nation-members/>.

1. Size of the sector

Policymakers and big businesses are recognising the:

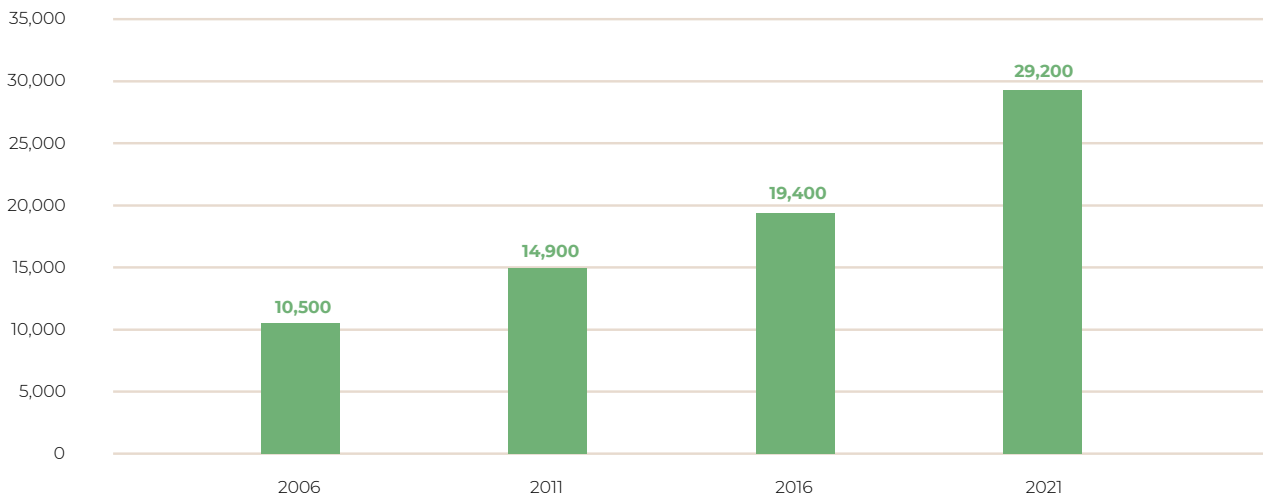
- value, growth and industry diversity of First Nations entrepreneurs, and
- benefit to the broader economy.

Figure 1 estimates the size of the First Nations business sector using an academically reviewed technique.

The headline estimate reveals an estimated **29,200** Aboriginal and Torres Strait Islander business owner managers operated in Australia in 2021, representing a **51%** increase compared to an estimate of 19,400 in 2016.

The method uses Census data and updated estimates of the residential population to determine the likely size of the First Nations business sector. The approach accounts for the significant net undercount of the size of the Aboriginal and Torres Strait Islander population.

FIGURE 1: ESTIMATE OF THE NUMBER OF ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS OWNER MANAGERS, 2006-21



Source: IBA internal analysis based on ABS Census of Population and Housing 2006-2021, using Shirodkar, Hunter and Foley (2020) methodology for estimating the size of the First Nations business sector.



Using the Australian Census Longitudinal Dataset (ACLD), the approach also takes into account the large net growth in people identifying as Aboriginal and/or Torres Strait Islander in recent years, who did not identify before. In previous decades, some Aboriginal and Torres Strait Islander people did not identify due to the existence of bias, prejudice and discrimination. This is not unique for Aboriginal and Torres Strait Islander people in Australia. It is reported and witnessed globally.

Aboriginal and Torres Strait Islander **business owners** have even more reasons not to identify, given that discrimination can impact their opportunities through various avenues including:

- Customers who do not pay their invoices or choose not to go to their business.
- Suppliers who do not extend credit or exclude the business from their supply chain.

There are varying reasons for the increase in the Aboriginal and Torres Strait Islander population, as reflected in the ACLD, including the historical data that needs to be adjusted to account for this. But even in more recent Census data, there are concerns about revealing Indigeneity. As a result, the raw headline Census figure for 2021 is also an **underestimate** of the size of the First Nations business sector and hence the need for the adjustment applied.

The exclusive use of the raw unadjusted Census count of Aboriginal and Torres Strait Islander business owner managers, confirms the number of owner managers increased by 54% between 2016 and 2021.

IBA's contribution to the First Nations business sector has been significant. Over the five years to June 2023, IBA supported 5,515 Aboriginal and Torres Strait Islander individual entrepreneurs through finance products, business support and workshops. The results indicate IBA would have engaged approximately **19%** of the total estimated Aboriginal and Torres Strait Islander business sector (5,515 out of around 29,200 business owners) between 2018 to 2023 as part of fulfilling the IBA Strategic Plan 2018-23. This equates to around **56%** of the growth in Aboriginal and Torres Strait Islander business owners over much of that period.

The results also reveal the number of Aboriginal and Torres Strait Islander owner managers increased despite the impact of COVID-19. IBA developed the Indigenous Business Relief Package (IBRP) in partnership with the NIAA, which supported business survivability and adaptability.

While many Aboriginal and Torres Strait Islander businesses were affected during the pandemic, the overall number of business owners increased by more than 50% between 2016 and 2021. This was, in part, because the IBRP was able to keep many of them trading. Critically, it shows the determination of Aboriginal and Torres Strait Islander entrepreneurs to survive and remain resilient despite such challenges. The wider non-First Nations business sector also grew during this period by 8.5%—higher than any other time post-Global Financial Crisis.² The results suggest that while the pandemic would have led to many businesses closing, other opportunities arose that were taken up by First Nations and non-First Nations entrepreneurs.

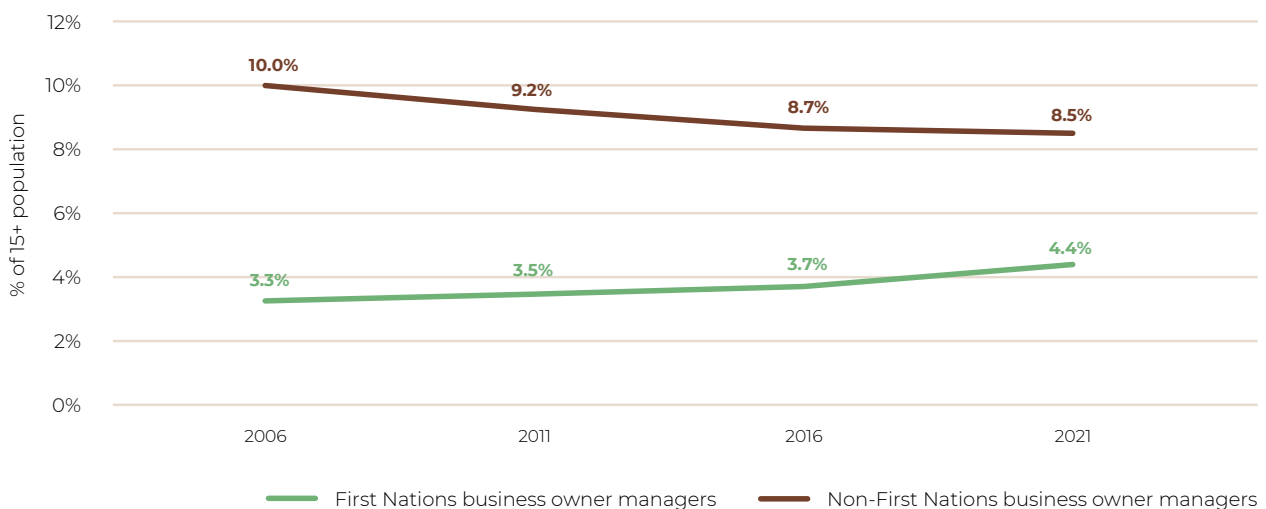
² However, because the rate of business growth did not match the growth in the non-First Nations 15+ population, their total share decreased slightly.

Figure 2 shows the First Nations business ownership rate grew from **3.3% in 2006** (which was a third of the non-First Nations rate) to **4.4% in 2021** (which is over half the non-First Nations rate). Were the rates of business ownership between First Nations and non-First Nations people to converge, then potentially an additional 26,900 Aboriginal and Torres Strait Islander people would be in business.

Overall, the estimate reflects the pace at which First Nations business owner managers are tapping into multiple strengths and showing they can meet commercial, cultural and community obligations through business ownership. The acceleration in the rate of business ownership between 2016 and 2021 shows the strong rate of catch-up in comparison to non-First Nations peers. It shows progressively more Aboriginal and Torres Strait Islander people are embracing a life in business.

The IBA Impact Report 2021–22 showed that 38% of IBA's business customers surveyed either agreed or strongly agreed, that it is becoming the norm for First Nations people to own their own business—higher than the 10% who did not agree with the notion.³ While this result comes from a small sample, it indicates that Aboriginal and Torres Strait Islander business ownership is an established pathway to economic independence.

FIGURE 2: ESTIMATE OF THE RATE OF BUSINESS OWNERSHIP FOR FIRST NATIONS AND NON-FIRST NATIONS, 2006–21



Source: IBA internal analysis based on ABS Census of Population and Housing 2006–2021, using Shirodkar, Hunter and Foley (2020) methodology for estimating the size of the First Nations business sector in 2021. Historical results are drawn from Shirodkar, Hunter and Foley (2020).

³ The remaining 52% neither agreed or disagreed with the notion.

Possibly the most significant policy change contributing to the growth in the sector is the Federal Government's IPP, introduced in 2015. Since 2015, NIAA estimates the IPP has generated more than \$9 billion in contracting opportunities for First Nations businesses as of 2022-23. It has arguably done so by:

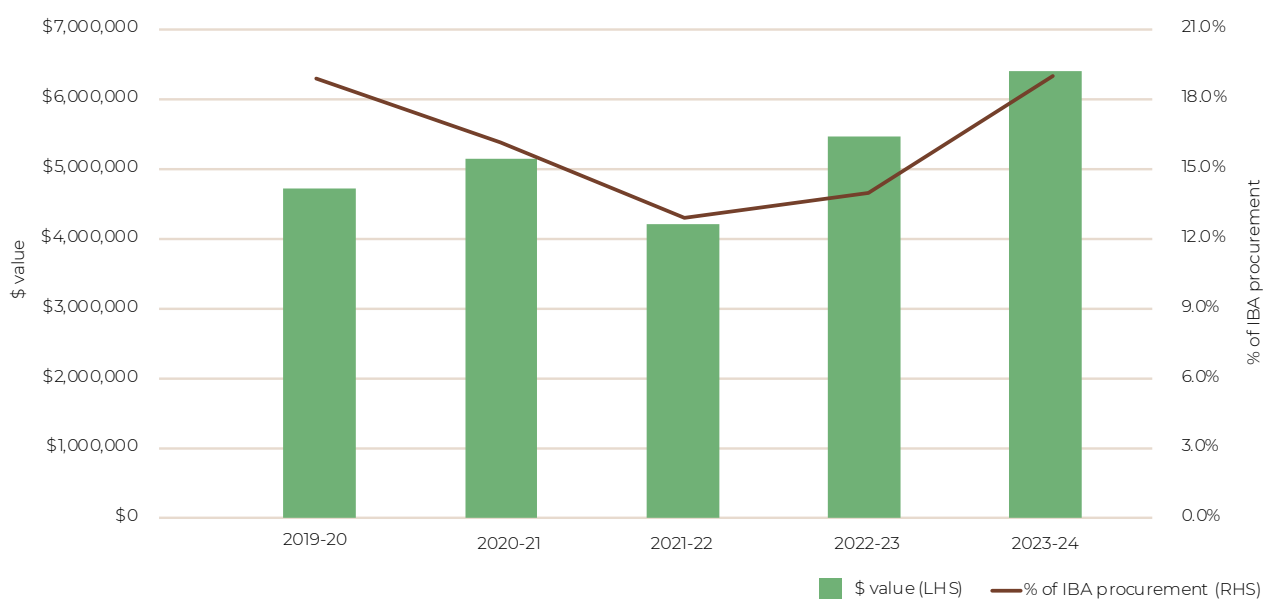
- challenging stereotypes of the market and decision makers.
- adjusting processes that may have excluded many Aboriginal and Torres Strait Islander businesses from competing.

By levelling the playing field, Aboriginal and Torres Strait Islander businesses can show their capability and capacity in ways that had not existed before. The volume target is the equivalent of 3% of eligible procurements awarded to First Nations businesses each financial year. Critically, the value target was

1.5% in 2021-22, growing in increments to 3% by 2027-28. The IPP has challenged long-held beliefs about the sector and used policy as a lever to unlock the potential, drive, and diversity of Aboriginal and Torres Strait Islander people, through business development. As documented earlier, IBA has supported the growth of the sector over this period, including many businesses that received IPP contracts with capital, capability and capacity development.

While not subject to the IPP, IBA has a strong focus on procuring from Aboriginal and Torres Strait Islander businesses. Between 2019-20 and 2023-24, IBA issued 659 contracts to Aboriginal and Torres Strait Islander businesses with a total value of \$26.0 million (Figure 3). IBA's procurement from First Nations businesses in 2023-24 was 19%, which was more than 6 times the whole of the Federal Government's IPP target for 2027-28 (3%).

FIGURE 3: IBA'S ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT, DOLLAR VALUE AND PERCENTAGE OF IBA'S TOTAL PROCUREMENT, 2019-20 TO 2023-24



Source: IBA internal data.

The IPP inspired:

- state-based policies
- the Business Council of Australia's (BCA's) procurement policy for Aboriginal and Torres Strait Islander businesses.

BCA's procurement policy, 'Raising the Bar', exceeded its target of \$3 billion in cumulative influenceable spend with Aboriginal and Torres Strait Islander businesses in 2022-23, 12 months ahead of schedule.⁴ Analysis of Supply Nation's members also reveals cumulative revenue of \$3.8 billion in contracts from Supply Nation members in 2021-22. This was a 65% annual increase from the previous year.

The results suggest procurement policies are finally recognising the technical and unique benefits of buying from Aboriginal and Torres Strait Islander businesses. This has fundamentally changed the landscape for Aboriginal and Torres Strait Islander business and economic development.

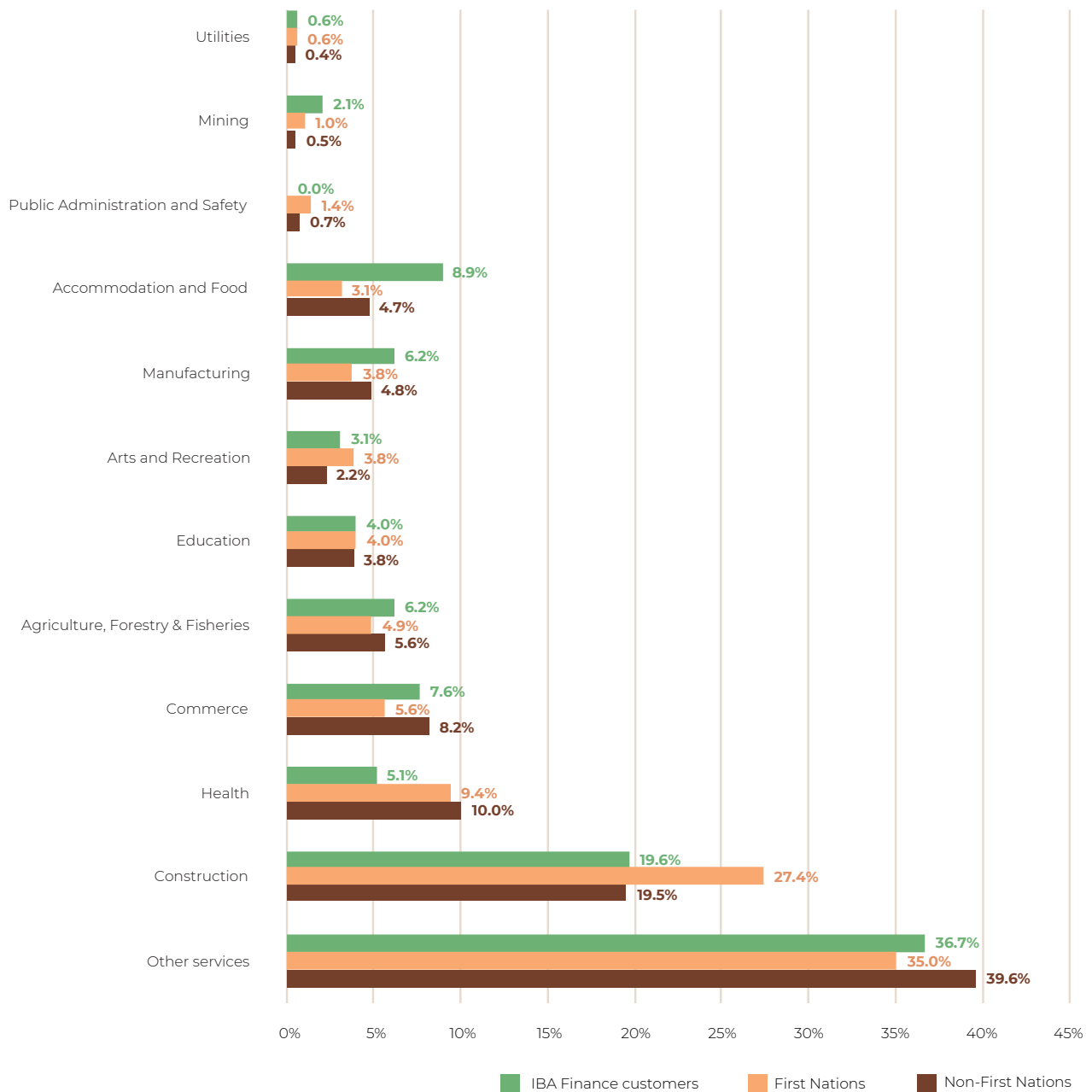
2. Industry representation

Figure 4 shows the industry representation of First Nations businesses who engaged with IBA, First Nations business owners and non-First Nations business owners by industry. The chart shows:

- Aboriginal and Torres Strait Islander businesses are operating in broadly the same sectors and in roughly the same proportion as non-First Nations business owners
- the largest concentration of businesses across all three categories is 'Other services total', which combines a range of industries from professional services to telecommunications and financial services
- construction represents the second largest industry (and largest single industry).

⁴ 'Cumulative influenceable spend' refers to the total expenditure that BCA members undertake over the five year target period, which reflects pure procurement expenditure (and not wages or other non-procurement related expenditure).

FIGURE 4: COMPOSITION OF THE FIRST NATIONS AND NON-FIRST NATIONS BUSINESS SECTORS BY INDUSTRY, 2021



Source: ABS Census of Population and Housing 2021. Note: 'Other services' includes the ABS ANZSIC categories of Transport, Postal and Warehousing, Information Media and Telecommunications, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, Administrative and Support Services, and Other Services. 'Commerce' incorporates Wholesale and Retail Trade. 'Utilities' is Electrical, Gas, Water and Waste Services.

Construction is the only area where First Nations businesses are over-represented. Construction accounts for around 27% of Aboriginal and Torres Strait Islander business owner managers. This is 8 percentage points higher than the representation of all other Australian business owners in construction (19.5%).

IBA's business loan customers' in construction (19.6%) is closer to the non-First Nations representation of business owners in construction (19.5%). IBA's business loans portfolio has an over representation in the categories of Accommodation and Food Services. Otherwise the portfolio shares are broadly aligned.

The results suggest that when in business, Aboriginal and Torres Strait Islander entrepreneurs respond to the same demand signals as non-First Nations entrepreneurs.

Table 1 shows the growth by category for First Nations business owners between 2016 and 2021:

- Health and Social Assistance recorded the fastest growth across all industries—the number of business owner managers grew by 142.8%.
- The second fastest rate was in Mining, which grew by 91% (albeit from a small base, making up around 1% of the First Nations business sector).
- Education grew by 77% and Professional, Scientific and Technical Services grew by 61.9%.
- The slowest growth was recorded in Retail Trade (24.4%), followed by Accommodation and Food Services (30.4%), Transport, Postal and Warehousing (40.1%) and Administrative and Support Services (44.4%).

COVID-19 may have had a minor impact on retail trade and accommodation and food services opportunities, resulting in the sub-par growth. However, the results reveal that Aboriginal and Torres Strait Islander entrepreneurs are increasing in number across all industries in Australia. They are continuing, and in some respects, reclaiming, their legacy as the nation's first entrepreneurs.



TABLE 1: INCREASE IN ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS OWNERSHIP BY ANZSIC CLASSIFICATION, 2016-21

Industry	2016	2021	Percent change
Health Care and Social Assistance	654	1588	142.8%
Mining	91	174	91.2%
Education and Training	379	671	77.0%
Professional, Scientific and Technical Services	825	1336	61.9%
Electricity, Gas, Water and Waste Services	60	97	61.7%
Rental, Hiring and Real Estate Services	152	244	60.5%
Wholesale Trade	119	188	58.0%
Manufacturing	404	636	57.4%
Arts and Recreation Services	411	647	57.4%
Construction	2987	4622	54.7%
Financial and Insurance Services	123	188	52.8%
Public Administration and Safety	153	233	52.3%
Agriculture, Forestry and Fishing	563	823	46.2%
Information Media and Telecommunications	111	161	45.0%
Other Services	1153	1671	44.9%
Administrative and Support Services	1002	1447	44.4%
Transport, Postal and Warehousing	618	866	40.1%
Accommodation and Food Services	405	528	30.4%
Retail Trade	611	760	24.4%

Source: Australian Bureau of Statistics Census of Population and Housing, 2016, 2021.

3. Gender representation in business

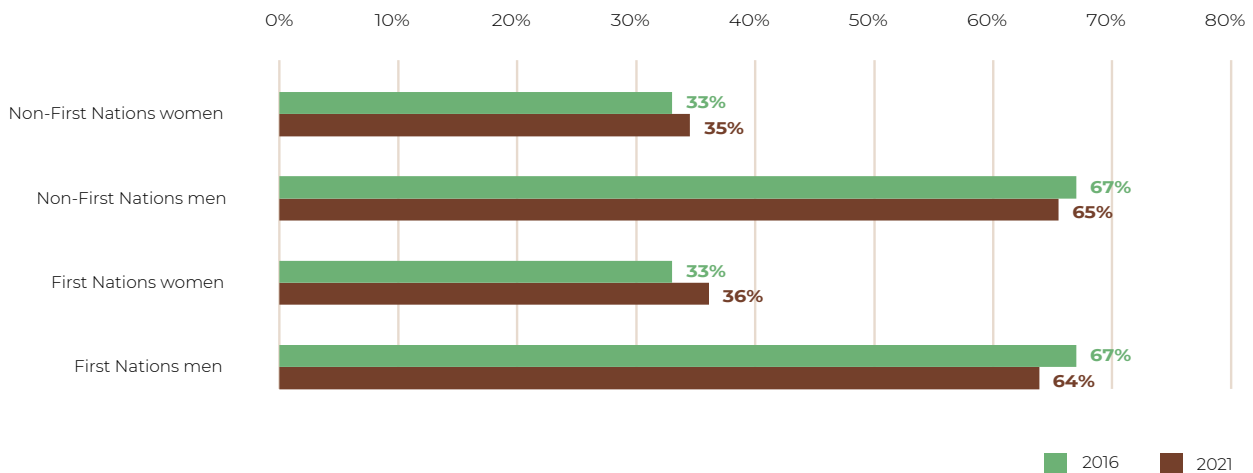
The proportion of women in business has grown over the last five years. This is the case among Aboriginal and Torres Strait Islander and non-First Nations entrepreneurs (Figure 5).

- In 2016, the ratios of First Nations and non-First Nations women in business were the same at 33%.
- In 2021, the proportion of First Nations women in business grew to 36% and 35% for non-First Nations women.
- First Nations women in business are the fastest growing demographic over five years to 2021, increasing by 67.5% over that period.

Aboriginal and Torres Strait Islander women contributed 41% to the overall growth in the First Nations business sector between 2016 and 2021. The results show that Aboriginal and Torres Strait Islander women business owners are the fastest-growing group across all four demographics shown in Figure 6.

The business environment is becoming incrementally more inclusive. It recognises the value women create when they enter business and pursue greater economic self-determination. Policy settings may have played a role to influence this growth. Successive Australian governments have made efforts to boost the numbers of women in business generally.

FIGURE 5: OWNER MANAGERS BY GENDER AND FIRST NATIONS STATUS, 2016 AND 2021



Source: ABS Census of Population and Housing 2016 and 2021.

The Wiyi Yani U Thangani (Women's Voices) was a landmark report by the Australian Human Rights Commission. It discusses the role Aboriginal and Torres Strait Islander women play in supporting economic development across the country, including valuing unpaid caring responsibilities.

Various factors limit the likelihood that women go into business more generally in Australia. This includes the differences in how women and men approach debt.

Within IBA, Strong Women Strong Business is an initiative encouraging more Aboriginal and Torres Strait Islander women to choose business. It provides a platform for engagement, connection, collaboration, and partnership. More recently, IBA has supported Aboriginal and Torres Strait Islander women-led social enterprises with grants as part of the Social Enterprise Grant program, designed to promote economic activity in the sector. Analysis of IBA customers reveal that First Nations women are under-represented as a share of our business finance customers. Women currently make up 31% of IBA business loan customers, but 36% of the First Nations business sector. In comparison, women make up over 40% of External Business Support recipients at IBA, which is higher than the representative share in business. IBA is looking more closely at the factors that may be affecting the take up of business finance amongst First Nations women.

The 10-year Indigenous Business Sector Strategy⁵ is being delivered through NIAA. It also had a policy focus on supporting more Aboriginal and Torres Strait Islander women to go into business. Further, broader initiatives such as the \$52 million Boosting Female Founders program introduced in 2018 have also encouraged more women to enter business. Such initiatives are likely to have contributed to the growth in women entrepreneurs, including Aboriginal and Torres Strait Islander women entrepreneurs.



⁵ <https://www.niaa.gov.au/resource-centre/indigenous-business-sector-strategy>

In terms of experiencing barriers, women entrepreneurs interviewed as part of this research reported that gender made the challenge harder, including being ‘...hammered by racist slurs online, as well as the micro aggressions for a female founder’. Some female entrepreneurs emphasised the big impact of the ‘cultural load’ on their activities. One spoke about how she experienced racism and ignorance every day in her regional community about Aboriginal and Torres Strait Islander people, culture and practices. She looked to turn the experience into a learning opportunity—to confront the racism and educate people in her community. However, business owners reported that addressing cultural load required considerable time, resources, and emotional energy to navigate. They later realised this formed a large part of their earlier experiences in business.

4. Stages of the business lifecycle

The business lifecycle refers to the stages of maturity that businesses progress through, as they move towards financial inclusion, economic participation, and independence.

For the purposes of analysis, this report uses four categories through the lifecycle:

1. Start-up (0-2 years)
2. Growth (3-4 years)
3. Stabilisation (5-10 years)
4. Maturity (11 years and over).

The stages are time-dependent, and we assume that business maturity results with the experience that entrepreneurs and their organisations gather over time. But that is not necessarily always the case. Family and other life factors can also affect the pathway through business depending on the entrepreneur’s and their family’s circumstances. Some businesses face barriers that limit their ability to successfully transition from start-up through growth and towards stabilisation and maturity. Some may achieve a high level of sophistication and maturity rapidly by hiring experienced staff. Others may close before they have an opportunity to fully develop their business. This research aims to understand what the opportunities are in response to the identified barriers those businesses face.

Figure 6 reveals the stages in the business lifecycle for three different cohorts:

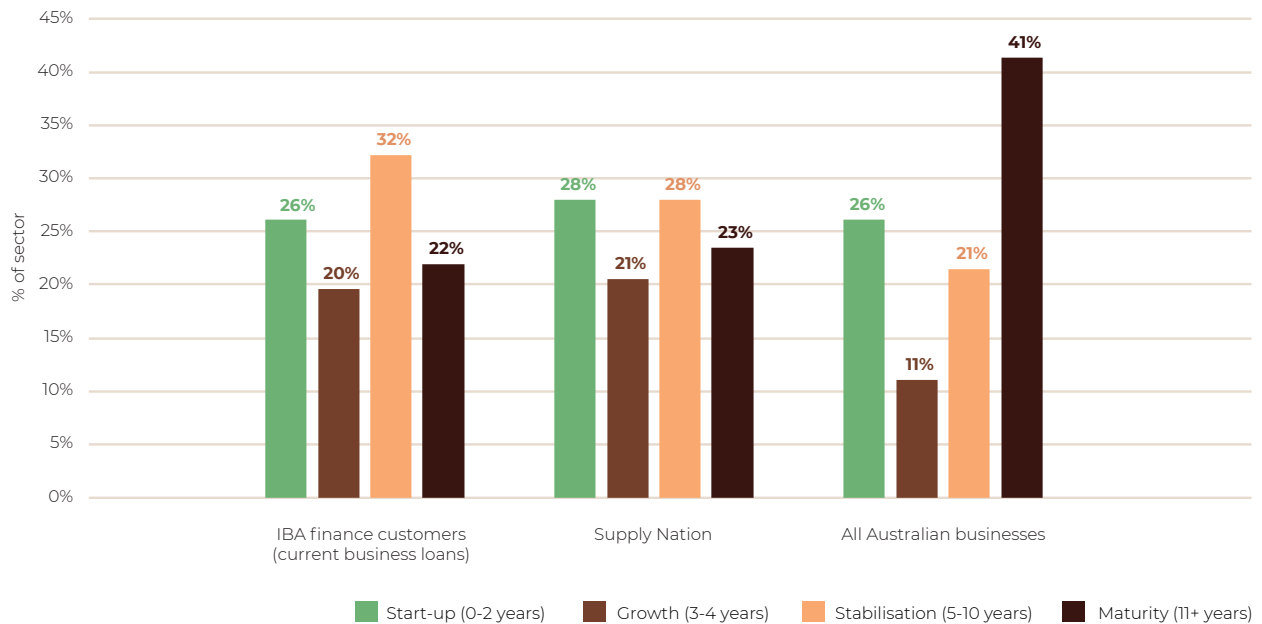
1. businesses in IBA's current business loan portfolio
2. Supply Nation registered and certified businesses
3. all Australian businesses.

Most Aboriginal and Torres Strait Islander businesses who engage with IBA begin their relationship at the start-up stage. This reflects past contractual rules IBA had in place with NIAA between 2016-17 and 2021-22,

which required 80% of services to new customers to be classified as pre-bank.⁶ As those businesses operate for longer, they transition into growth and stabilisation, which may be why so many are in the later categories.

Recognising the growing number of support services for First Nations start-ups in the market, IBA recently updated its contract with NIAA. It now only requires 50% of services to new customers to be classified as pre-bank. This policy change provides better balance and creates space for IBA to support more customers at the maturity and stabilisation stages.

FIGURE 6: REPRESENTATION ON THE BUSINESS CONTINUUM FOR IBA CUSTOMERS AND ALL AUSTRALIAN BUSINESSES



Source: IBA, Supply Nation and ABS BLADE data on all Australian businesses. Data for all Australian businesses is for 2018-19.

⁶ Pre-bank refer to businesses who are too early in their development to be able to access finance from commercially oriented financial services providers. IBA works with many Aboriginal and Torres Strait Islander start-up businesses who are at the pre-bank stage providing workshops, business support and mentoring to reach a stage where they can access finance.

Over many years, mature First Nations businesses overcame barriers and challenges to help establish the sector as a key change agent driving self-determination. Their hard work has blazed the trail for the next generation of entrepreneurs, making business ownership a genuine opportunity for more First Nations people.

Mature Aboriginal and Torres Strait Islander businesses are using their experiences to mentor and guide earlier-stage entrepreneurs about how to manage their unique business, cultural, and familial obligations, to achieve holistic success.

There are currently more than 4,400 active Supply Nation registered and certified Aboriginal and Torres Strait Islander businesses. This indicates a larger sample of the business sector's representation along the business life cycle.

The data in Figure 6 reveals:

- the proportion of start-ups broadly aligns across all three groups
- the proportion in the growth stage is broadly comparable across IBA and Supply Nation, but around half that for all Australian businesses
- of IBA's business loan customers, 32% are at the stabilisation phase—broadly in line with Supply Nation but higher than for all Australian businesses (21%).

The higher proportion of IBA finance loan customers at the stabilisation phase may reflect:

- that many businesses reaching this phase probably received a loan from IBA when they were still a start-up or growth business
- aligns with the four-year survivability of IBA businesses, which is much higher than the Australian average business survivability rate (see Table 2).

The higher survivability likely reflects the total wrap-around service which IBA gives to many Aboriginal and Torres Strait Islander businesses, including:

- workshops
- business development officers to assist with initial planning
- business support
- business relationship managers to provide mentoring and guidance
- access to affordable capital.

TABLE 2: FOUR-YEAR SURVIVABILITY OF IBA SUPPORTED BUSINESS LOAN CUSTOMERS

	0-4 employees	5-19 employees	20-199 employees
Australian average business survivability - ABS Counts of Australian Businesses (to June 2023)	62.4%	67.9%	76.8%
First Nations businesses with an IBA business loan (June 2024)	85.0%	88.0%	100%

Source: IBA (June 2024) and Australian Business Register, ABS Counts of Australian Businesses (to June 2023).

The proportion of IBA customers and Supply Nation members at the maturity stage (11+ years) is similar (22% and 23% respectively). However, the proportion is around half that of all Australian businesses (41%). The difference could reflect two factors:

1. The limited length of time Aboriginal and Torres Strait Islander businesses have meaningfully been able to participate in the economy.
2. Structural barriers that may limit the likelihood of Aboriginal and Torres Strait Islander businesses continuing through to maturity if they wanted to.

Another way to understand the maturity of businesses is to compare the size of businesses by the number of employees.

Figure 7 compares the proportions of First Nations business owners and non-First Nations business owners with:

- no employees
- 1-19 employees
- 20 or more employees.

The results show consistency in employment levels across First Nations and non-First Nations businesses.

- Around 60% of businesses have no employees, also known as self-employed or sole trader businesses.
- Around 34% to 38% of each category have 1–19 employees.
- Between 4% and 5% have 20 or more employees.

FIGURE 7: FIRST NATIONS BUSINESS OWNERS AND NON-FIRST NATIONS BUSINESS OWNERS BY NUMBER OF EMPLOYEES



Source: ABS Census of Population and Housing 2021.

The results suggest that Aboriginal and Torres Strait Islander owner managers are slightly less likely to employ 20 or more employees than non-First Nations owner managers. IBA should consider if there is more that could be done to support growth in the number of Aboriginal and Torres Strait Islander businesses with 20 or more employees.

Despite current growth, the data reveals the First Nations business sector is about half as likely to be in the maturity stage compared with non-First Nations businesses. The sector has experienced its largest growth over the last decade, so this is not surprising. However, various barriers may also be impacting on some Aboriginal and Torres Strait Islander businesses reaching maturity.

This research reveals there is accessible capital, business support, and networks through the existing ecosystem for early stage Aboriginal and Torres Strait Islander businesses. In comparison, more mature Aboriginal and Torres Strait Islander businesses may be experiencing a harder time

accessing suitable finance, business support and networks to meet their specific needs. Mature businesses face business challenges centred on **capacity constraints**. This is different to early stage businesses' challenges, which centre on **capability**. While mature businesses overcome many of the capability gaps with starting a business, ongoing capacity challenges centre on:

- demand challenges—limited penetration into national and international supply chains and big business networks
- supply challenges—not having access to sufficient, appropriate, or timely sources of capital and business support to meet their expansion needs when demand is identified and confirmed.

Table 4 (page 31) reveals that gaps are emerging in the supports available at different stages of the business cycle based on research conducted with First Nations entrepreneurs and insights drawn from ANU and IBA researchers. Further details around these gaps are explored in the Appendix of this document.





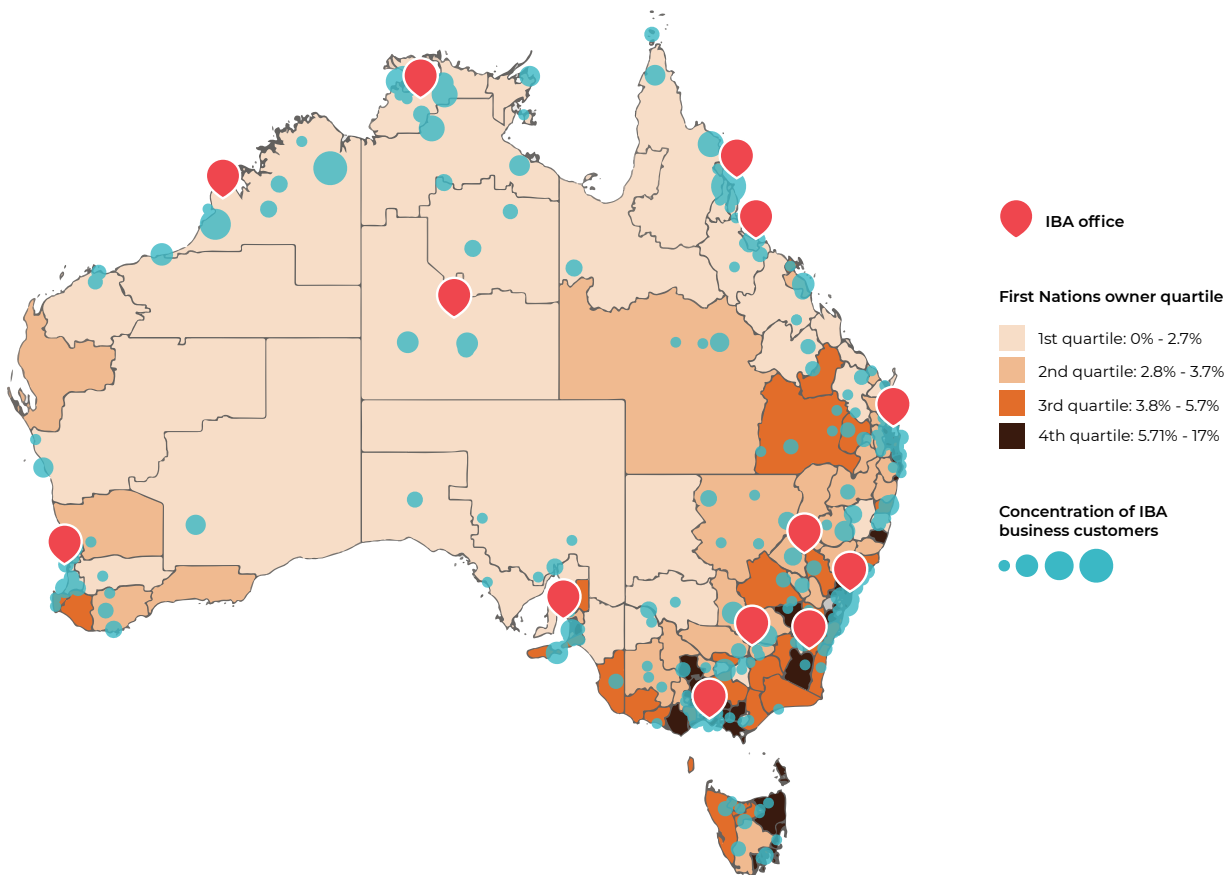
5. Location of First Nations business owners

Aboriginal and Torres Strait Islander business owners are located across Australia (Figure 8).

The highest concentrations of First Nations owned businesses are mainly across the eastern states of New South Wales, Queensland and Victoria.

Regional New South Wales, Victoria and Tasmania have above-average rates of business representation, although those figures reflect a low population base in Tasmania.

FIGURE 8: ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS OWNERSHIP RATE BY LOCATION (SA3) AS A SHARE OF THE 15+ POPULATION, IBA BUSINESS LOAN CUSTOMERS, IBA OFFICES

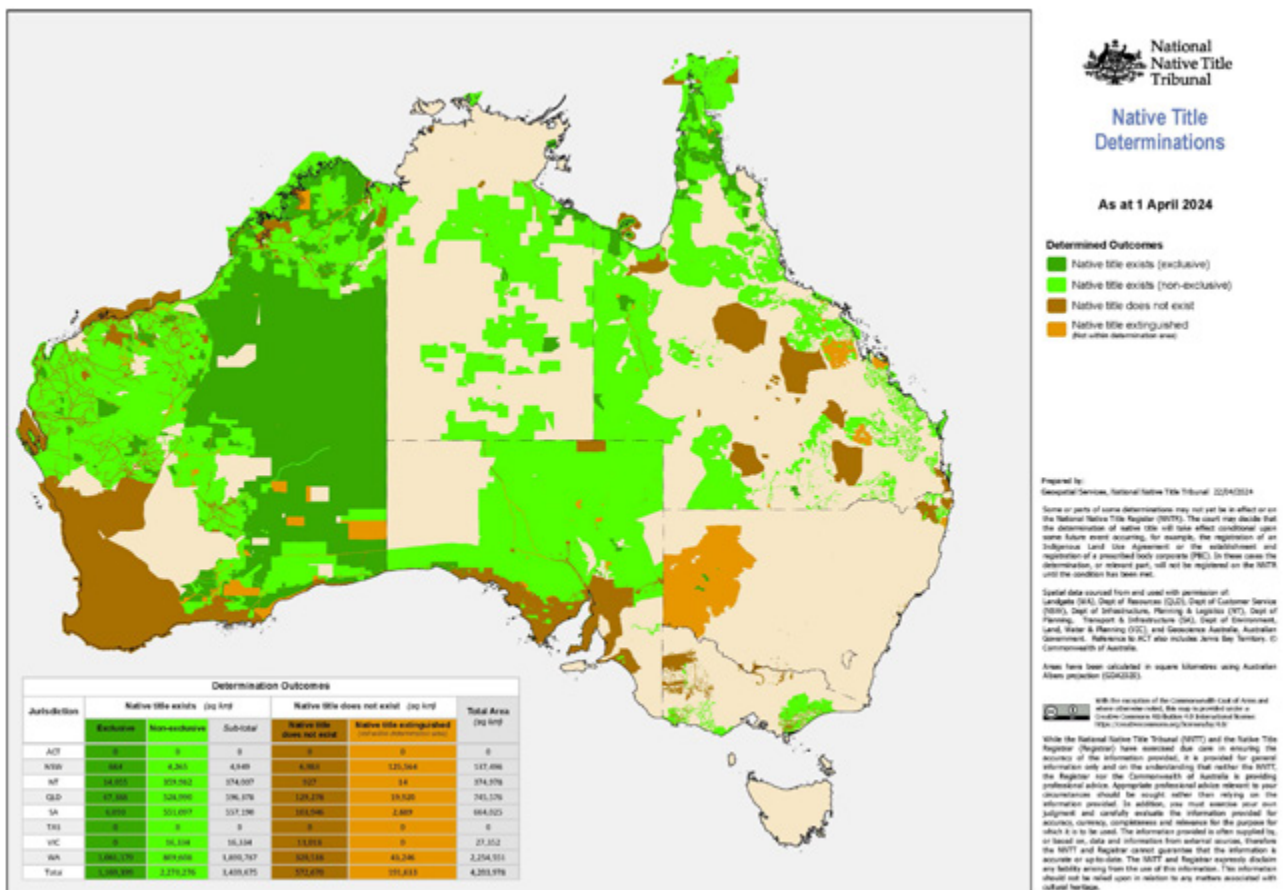


Source: IBA and ABS Census of Population and Housing, 2021. Note, the rates of business ownership are based on raw Census data and unadjusted to take into consideration identification changes and differences in the estimated residential population.

The lowest rates of First Nations business ownership are over much of remote Australia. This is despite Native Title and other Aboriginal land title being prevalent in those locations, which is often a precursor for economic activity. Rough estimates by NIAA indicate that around 50% of Australia's land mass has some Aboriginal or Torres Strait Islander control over it.⁷ The latest estimates of Native Title determinations (exclusive and non-exclusive) cover 44.7% of the country (Figure 9).⁸

Land access is a factor of production. However, the tenure and fungibility of the land title and the rights it gives often restrict the scope of uses. This can greatly impact on the ability to use the land for economic purposes. Further, not all groups who have secure title in place are motivated by extractive industries. They could be looking for ways to protect resources and support higher levels of biodiversity and production for future generations.

FIGURE 9: NATIVE TITLE DETERMINATIONS AS AT 1 APRIL 2024



Source: National Native Title Tribunal, April 2024. NSW Land Rights data is not supplied by the NSW Government as part of forming this national map.

⁷ <https://www.niaa.gov.au/indigenous-affairs/land-and-housing>

⁸ Total area of exclusive and non-exclusive Native title exists over 3,439,675 sq km out of 7,688,288 sq km comprising Australia's total land mass.

Because the land cannot be transferred, many land-rich First Nations communities could not use the land as collateral to access capital using mainstream financial practices.

The highest concentration of Aboriginal and Torres Strait Islander businesses supported by IBA are in urban and regional parts of eastern Australia, which coincides with the highest rates of First Nations business ownership.

IBA also has a high representation of Aboriginal and Torres Strait Islander businesses in northern Australia. This is despite the relatively low rates of First Nations business ownership in those regions. It implies that IBA has a more prominent role in supporting businesses in the north.

The concentrations of Aboriginal and Torres Strait Islander businesses are also in places where there are IBA offices. IBA may need to consider opportunities to increase its physical or partnered approach to connect with regions or locations where there are no offices.



Figure 10 shows the change in the number of business owner managers between 2016 and 2021 highlighting:

- The significant growth occurred across Australia.
- For most regions, the number of Aboriginal and Torres Strait Islander business owners grew by over 20%.
- While in many remote locations the rate of business ownership remains low, there has been substantial growth in the number of business owner managers over the last five years.

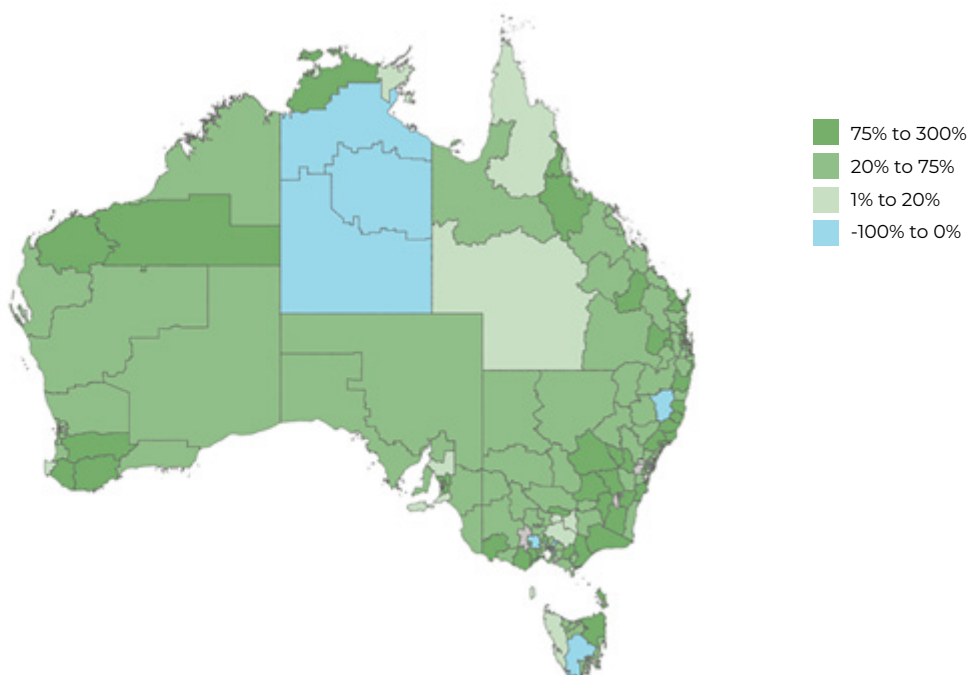
The Northern Territory is the main jurisdiction with slight declines in the number of Aboriginal and Torres Strait Islander owner managers, which was coming off an already low base. A potential explanation is the impact of COVID-19 on the remote tourism sector.

This is reflected in the high amount of remote NT businesses that received the Indigenous Business Relief Package.

The recent Northern Territory Indigenous Business Network (NTIBN) aims to increase the economic participation and social prosperity of First Nations people. It does this by encouraging, supporting, empowering, and building the capacity of First Nations businesses. IBA signed a Memorandum of Understanding with NTIBN to collaborate and support Aboriginal and Torres Strait Islander businesses to achieve their economic goals and growth.

IBA also supported the region with the remote NT start-up package between 1 July 2018 and 31 December 2019. However, many of those loans have been repaid and may not offset the declines in remote NT business owners.

FIGURE 10: PERCENTAGE IN ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS OWNERS BY GEOGRAPHY (SA3), 2016–2021



Source: ABS Census of Population and Housing, 2016, 2021.

Table 3 lists the top 10 locations for Aboriginal and Torres Strait Islander business owner managers, and 9 out of the 10 regions are in regional NSW.

The highest numbers of First Nations business owners are in:

- Wyong (313) on the NSW central coast
- Newcastle (252)
- Dubbo (243).

The results likely reflect:

- the large number of Aboriginal and Torres Strait Islander people in those regions
- potentially the freehold land titling arrangements in New South Wales, which provides a foundation for undertaking economic activity on Aboriginal land in the state.

TABLE 3: TOP 10 LOCATIONS FOR ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS OWNER MANAGERS, 2021

SA3 regions	Geography	State	Number
Wyong	Inner regional	NSW	313
Newcastle	Major city	NSW	252
Dubbo	Outer regional	NSW	243
Tamworth—Gunnedah	Outer regional	NSW	224
Townsville	Outer regional	QLD	214
Shoalhaven	Inner regional	NSW	213
Gosford	Major city	NSW	213
Lower Hunter	Inner regional	NSW	195
Port Macquarie	Inner regional	NSW	190
Tweed Valley	Inner regional	NSW	190

Source: ABS Census of Population and Housing, 2021

CHALLENGES AND SUPPORTS FOR FIRST NATIONS BUSINESSES ACROSS THE BUSINESS LIFECYCLE

This research found a core set of challenges facing First Nations businesses. The challenges emerge in different ways across the business lifecycle and have, for the first time, been collected in a structured way.

Table 4 reveals that the nature of challenge around early-stage businesses are associated with **capability**, while those for mature businesses are around **capacity**.

Further to Table 4, the sections below and Table A1 of the Appendix map out in detail the nature of barriers across the business lifecycle in four domains:

1. Access to finance
2. Countering negative biases, prejudices and stereotypes
3. Access to business support
4. Access to mentoring and networks.

TABLE 4: ABILITY OF THE ENTREPRENEURIAL ECOSYSTEM TO MEET SPECIFIC NEEDS OF ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESSES ACROSS THE LIFECYCLE

Domain	Start-up/ pre-start up	Growth	Stabilisation	Maturity
Access to finance	IBA is the primary source of early stage finance for many First Nations businesses	Availability of suitable lending products through IBA	Difficulty tapping into mainstream financial markets	Difficulties accessing larger capital to go from SME to big business Equity risks Indigenous identity
Countering negative biases, prejudices, and stereotypes	Bias resulting in higher perceived risk, 'trust' deficit	Stereotyping persists for growing Aboriginal and Torres Strait Islander businesses	Using business to bring about social change and counter stereotypes	Small but growing numbers of mature and larger First Nations businesses are challenging perceptions
Access to business support	Strong need for business fundamentals capability building	Difficulties achieving scale	Challenges achieving stability and longevity	Lack of support for mature businesses
Access to mentoring/ networks	Growing access to First Nations networks	Two-way knowledge sharing	Trying to tap into non-First Nations networks and mentors	Further growth requires access to wider supply chains and non-First Nations networks
Primarily operation and business capability challenges			Primarily capacity challenges	

good coverage of support

some coverage of support

limited coverage of support

The in-depth interviews with Aboriginal and Torres Strait Islander business owners revealed that:

- Sizeable challenges were emerging for later stage First Nations businesses relating to:
 - accessing higher levels of finance
 - accessing suitable business support
 - engaging more effectively with non-First Nations networks and mentors
- While early stage businesses faced challenges, there was access to sufficient support (including through IBA) to meet their needs
- Discriminatory factors were ever present and affected the operating environment for First Nations business owners, but mature businesses were using their example to challenge stereotypes and negative narratives.

The sections below provide detailed qualitative insights from the interview participants into the key challenges across stages of the lifecycle and where gaps are emerging.

Access to finance

Later stage businesses

Limited financing options

IBA is often the primary source of capital for many early stage businesses with a range of products specifically suited for this cohort. Some businesses reported substantial growth from the outset that has continued through their business journey. Early loans or guarantees helped these entrepreneurs to meet the high demand for their product and establish them in the market.

However, a lack of genuine access to larger scale finance affected the further growth of some of the mature entrepreneurs. The findings emphasise that third parties could explore supporting mid to late-stage loans. These loans would support critical transition stages including to fund staff expansions.

More mature entrepreneurs revealed the gap in suitable financing options for mid- to late-stage businesses, particularly financing from commercial banks. These loans would support critical transition

stages as the business moved into stabilisation, maturity, and long-term viability. Without access to suitable short- and long-term finance options, businesses cannot fund operations, train additional staff, or expand capacity.

While looking to finance the expansion of their worker base, one mature business owner asked, 'What is the pathway for that? I don't know what that looks like. There is a lot of fear in that.' Another described they are already 'treading water', particularly around access to capital.

More mature businesses also felt the availability of finance options was more limited for them compared with earlier-stage businesses. One mature participant noted that the banks were unhelpful: '... [the banks] looked at the books and didn't believe the numbers and questioned the legitimate expenses...'. Getting knocked back by the banks meant the business had to downsize and say no to customers because operations and resourcing were not enough to support growth. In comparison, the business felt that IBA was much more helpful.

One entrepreneur raised the point that after promising conversations with IBA about the potential of getting a loan, it was not followed through. The participant wondered, 'Why wouldn't [IBA] continue to support us when we are growing and always paying the loans? Wouldn't you strive to ensure the company can become the best it can be? They left us hanging and very confused.' The specific circumstances of why the business was knocked back from a loan were not clear. This may have reflected the limited share of mature businesses IBA could have supported prior to contractual changes instituted in 2023-24.

Bias-induced labels of 'risky', which are often applied to earlier stage business, still affect mature businesses, and that can impact on their likelihood of accessing larger amounts of capital. A lack of financing options available to mature First Nations businesses may reflect the policy assumption that as a business matures, it can more easily tap into mainstream financing. Participants suggest this may be an incorrect assumption.

For most of the 4% of larger First Nations businesses with more than 20 employees, accessing significant pools of capital (\$50 million to \$100 million) is not

currently available – either through IBA or other suppliers. It may also be difficult to access through commercial banks, perhaps due to being labelled ‘risky’ and having stereotypes applied. Raising equity from non-First Nations partners could also dilute First Nations ownership, control and self-determination.

A lack of sufficiently sizeable First Nations investors creates a natural structural barrier for Aboriginal and Torres Strait Islander businesses to grow from SMEs into big businesses—or enter as an ASX-listed company—while keeping their status as First Nations owned and controlled. For this reason, some of the largest First Nations businesses likely make the decision not to grow larger through equity. As such, many may become overleveraged with debt, which limits future growth prospects.

Countering negative biases, prejudices, and stereotypes

All businesses across the lifecycle

Discrimination, labels and the ‘trust deficit’

Respondents across the lifecycle spoke of how widespread experiences of racism were. This resulted in a ‘trust deficit’ from mainstream businesses at the start-up phase, which refers to a lack of trust from non-First Nations parties who second guess and judge Aboriginal and Torres Strait Islander business owners. This continues in different forms over later stages too. However, more mature businesses tended to have more effective means to counter these perceptions, with the most mature businesses using their experience to challenge and counter stereotypes.

Businesses in the start-up phase often felt constrained by unjustified notions of being seen as too risky, limiting their opportunities. Some felt that younger members of the community would be more affected by discrimination and did not necessarily have the confidence to speak up against it.

Entrepreneurs felt that this label of risk was significantly compounded for young, female entrepreneurs operating in niche markets or emerging industries. Participants spoke about how ‘racism is always present’. When reflecting on their

early stages of business as a young First Nations entrepreneur, one participant asserted that ‘you get labelled as soon as you sit down’. Another said of receiving racist comments:

‘I hear it all the time. Sometimes it can be very overt.... But sometimes it can be covert. I have had people say the most horrendous things to me... I have copped the overt stuff a lot. On top of that, there is gender discrimination.’

Another noted that any business in the start-up phase, First Nations or not, is already strongly associated with risk and fragility, a perception which intensified for Aboriginal and Torres Strait Islander women entrepreneurs. The success of the business sector highlights how the trust deficit and associated labels of risk underestimate the actual capabilities of First Nations entrepreneurs.

The labels indicate that discriminatory and biased views affect First Nations entrepreneurs on a deeply personal level. Some entrepreneurs felt they could not promote themselves as a First Nations owned and operated business. As mentioned by an entrepreneur earlier, ‘Racism is always present, so I’ve had to keep my Aboriginal heritage quiet. I really wanted the Aboriginal flag in my business signage and logo, but the visual design was going to cause too many risks.’

The pressure for entrepreneurs to keep their ‘Aboriginal heritage quiet’, or not promote it widely, did not reflect their pride or values. Rather, it showed the realities of living as a First Nations businessperson in contemporary Australia. Bias is not specific at earlier stages. However, it may have the most crippling affect at this point as it can stop a potential entrepreneur from going into business. For those who do enter business, bias from suppliers, customers and creditors can limit their opportunities for growth.

Further, addressing the cultural load is not always without repercussions. An entrepreneur said that he was ‘blacklisted’ when he spoke up against the racism and deficit narratives cast onto his workers. He also however emphasised the strength of standing up and continuing to assert his values and beliefs in the face of racism.

All businesses across the lifecycle

The cultural divide between First Nations and non-First Nations businesses

As their business reached a wider market, participants reported feeling a tension between their cultural obligations and working with larger partners or third parties that were not adept at working with Aboriginal and Torres Strait Islander businesses.

Some felt that non-First Nations clients and networks, including governments, could not perceive the world from an Aboriginal or Torres Strait Islander perspective. They lacked the competency of working with First Nations businesses and how to best utilise their unique approaches. A lack of First Nations decision-makers in those counterpart organisations likely contributed to this experience.

One entrepreneur spoke about going to a broader industry symposium in her sector: ‘...it was evident that knowledge of Country and all our Nations is unheard of and invisible on the international stage,’ despite First Nations entrepreneurs operating in virtually every industry. The entrepreneur’s experience is further evidence that many non-First Nations organisations lack exposure and understanding of First Nations perspectives. The First Nations entrepreneurs often have to go the ‘extra mile’ to meet the lack of maturity of non-First Nations businesses at the cost of their own resources, time, and labour, further adding to their cultural load.

Entrepreneurs also reported being labelled, or associated with, a charity rather than a profit-driven organisation. One described the long-term impacts the impression had on the sustainability of a business, describing the experience as living ‘drip-by-drip’, referring to the limited size and length of contracts. Being framed as a charity may further demonstrate the lens through which non-First Nations parties viewed Aboriginal and Torres Strait Islander businesses. This would have an ongoing impact on the ability to achieve scale.

The notion of charity is also reported to lead to third parties expecting free labour and insights from the entrepreneur while offering little in return in the form of remuneration, opportunity or capability building.

Enthusiasm to work with First Nations business is growing. However, this is still not matched by an understanding of how to work well, nor how to appropriately value those services.

Access to business support

Mid to late- stage businesses

Policy implementation challenges and bureaucratic burdens

Entrepreneurs noted that government policies and supports were often restrictive and a significant barrier to successful Aboriginal and Torres Strait Islander enterprises. There was a common feeling that government approaches to encouraging First Nations procurement may have excluded some entrepreneurs and their businesses from competitive or closed tenders. Government approaches put extra requirements onto them along with longer decision-making timeframes. Participants reported the extra burdens offered little overall benefit in return, despite the opportunities that the IPP afforded. One entrepreneur noted that:

‘...the current Indigenous procurement is a phase that needs to be better governed. Indigenous businesses and entrepreneurs are often used by companies to win bids, but there is a lack of follow through once they have won the bid.’

This sentiment was echoed by another participant—that some companies make promises to subcontract to First Nations businesses, but do not follow through once the contracts are confirmed. There was little evidence from the entrepreneurs interviewed about whether they were hired through the IPP.

One entrepreneur described working with government to be like ‘...trying to turn an aircraft carrier around’. The entrepreneur emphasised time as a critical factor and the ‘extra layer’ First Nations businesses must work through. Another spoke about how it feels like there are ‘extra hoops to jump through because [we] are an Indigenous organisation’, which felt like more ‘subtle racism moments’. Ultimately it led the business to walk

away from seeking government procurements. Participants felt that various governments were making things extra challenging. They were often unreceptive to First Nations community contexts indicating, 'it's [a] confusing process of paperwork on paperwork, the red tape is insanity'.

IBA support was valued highly by most entrepreneurs. However, some noted that the time and effort taken to get a loan was a limiting factor. They did value the loan once it came through. Respondents noted IBA was willing to provide significant support at the early stages of the business, but as the business matured, IBA was less able to assist. One respondent stated, '[i]t was IBA who turned them down when we were going to begin upscaling. IBA had been there through thick and thin at the start of the business...'. This likely reflecting the fact that IBA was not contractually well resourced to support more mature businesses historically. Recent contractual changes with NIAA have meant that up to 50% of customers can be established, bankable businesses.

There was a common theme around government policy and systems surrounding First Nations business often feeling arbitrary and unrelated to the business. One entrepreneur noted the differing thresholds that apply for auditing corporations. Reviewing the requirements for conducting annual audits that apply for public companies under the *Corporations Act 2001* and Indigenous businesses registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)* shows the vastly different minimum thresholds that apply:

- Public companies registered with the Australian Securities and Investments Commission under the *Corporations Act* - minimum \$50 million turnover.
- Indigenous organisations registered under by the Office of the Registrar of Indigenous Corporations (ORIC) under the CATSI Act – minimum \$100,000 turnover.

They found that the higher bar for small ORIC-registered corporations required significant time and effort with little benefit in return.

Another entrepreneur detailed the difficulties in 'proving' their First Nations heritage to government agencies, who penalise them if they '...don't have the right piece of paper'. This was reported to not only exclude them from the market, but also actively added to the cultural load they experienced as an entrepreneur.

A female entrepreneur stated that aligning her business with government policy for defining an Aboriginal or Torres Strait Islander business was very difficult. It also demanded extra resources. The entrepreneur operated a small/micro business and felt as though policy and support networks were not flexible. She stated that '[i]t seems like there is a push for a specific type of business that government would engage as an "Aboriginal business" but there are smaller operators and micro-enterprises that are just as impactful'.

Later stage businesses

Lack of business support

Most of the mature businesses expressed a lack of business support in later stages of the lifecycle. While entrepreneurs in this stage had been in operation for more than a decade, two of the entrepreneurs noted there was still a feeling of instability. One described it as 'any set back can send you back to zero'. While not all the entrepreneurs in the maturity phase felt this way, all of them found that the later stage supports were absent, such as:

- finding suitable and specialised staff
- lack of professional and peer networks for later stage businesses
- how to manage cultural load at the later stage
- challenges with achieving scale.

The ability to expand the employment base was seen as a primary transition point for many of the later stage businesses. Having extra staff allowed the business to grow its production capabilities while stabilising the business. Another common theme was the importance of finding specialised staff for the business. However, entrepreneurs in the maturity phase found that identifying and hiring specialist staff was

challenging and not well supported by third parties. By being unable to access new staff during the growth and stabilisation phases, businesses felt restricted in reaching their full potential in the maturity phase.

Another entrepreneur also noted that professional and peer networks in the later stage were rare and not supported by the existing First Nations business ecosystem. Further, the cultural load experienced by Aboriginal and Torres Strait Islander entrepreneurs is not well-supported in this late stage with informal networks as the main form of support, but difficult to access.

Access to mentoring/networks

Early stage businesses

Appropriate pricing and market information

A common experience early stage entrepreneurs identified was how hard it was to properly:

- value their expertise
- price their products and services.

This reflected a lack of access to mentoring and networks with sufficient experience to inform how to effectively price their products. Many found it difficult to know how much to charge and the market's willingness to pay. This could arguably be an experience that occurs mainly in the start-up and growth stages in the business lifecycle, with some participants in later stages reflecting on the profit lost at an earlier time. First Nations Chambers can play a critical role in this space.

The entrepreneurs mentioned that without a chance encounter or contract, they would have continued to undercharge for their product. The market would have kept their true value hidden. One entrepreneur described this as a constant '...cloud in my mind', as it is the '...difference between a \$10,000 and a \$50,000 job.' They said they lost significant income from not having a true understanding of the market's willingness to pay.

Small or micro services businesses were particularly exposed to incorrect pricing as were those in a

market niche such as cultural education, consultancy and media. Service-based industries are notably hard to price because of the heavy intangible parts of delivery. As one services entrepreneur stated, 'I am the product.' Many services businesses are often new as they transition to delivering more to mainstream businesses and non-First Nations customers. Without having guidance or industry insights into the market's willingness to pay from mentors and networks, entrepreneurs underprice their product and intellectual and cultural property.

Many entrepreneurs noted a tension in putting proper value on experience and insights. They said it can be not culturally appropriate to 'pump up your tyres' amongst mob. But it was important to recognise the strength of the work I was doing. By recognising this, I was able to charge people what I thought I was worth'. Entrepreneurs in the later stages of business said recognising the true value of their product in the market was a critical transition and growth point for their business. The findings suggest a lack of information and support for Aboriginal and Torres Strait Islander entrepreneurs to price their unique products—particularly for early stage businesses—as they transition to a larger non-First Nations market.

Later stage businesses

Limited access to big business networks, supply chains and mentors

Access to business and professional networks, mentors and supply chains was a significant benefit for those who had them. When working well, networks afford the entrepreneur flexibility to pursue their own path while curtailing some of the contemporary barriers faced by First Nations entrepreneurs. However, respondents reported professional networks did not necessarily exist for some industries, or they were not aware of those networks. Further, when engaged in the supply chain of larger non-First Nations businesses, arrangements could be one-sided:

'When companies use social procurement to win bids, they often dump all the large scale responsibility onto the Indigenous business owner with no form of supports or governance.'

Further, respondents reported while there are many well-meaning non-First Nations people out there, they did not necessarily have the connections with potential Aboriginal entrepreneurs. It required more non-First Nations people to reach out to community through local events and through elders noting, '[t]here is a huge gap between [non-Indigenous] organisations/programs and the communities.'

Some entrepreneurs that had experience in the industry before starting their business had access to non-First Nations networks. These entrepreneurs were often able to hit the ground running by tapping into their networks from the start-up phase. This is critical to the findings as it reflects an avenue identified by the entrepreneurs that can be nurtured by third parties to increase the outcomes of First Nations entrepreneurship.

However, it was clear that businesses that openly identified as First Nations had limited opportunities in accessing those networks and supply chains. The business owners were observant of the ever-present nature of bias and racism, which permeated into the operations of business networks and how they viewed and considered working with First Nations businesses. Often any engagement with a First Nations business was derived to meet social procurement policy outcomes. In those circumstances, the First Nations owner's position may have been tenuous. One respondent noted they were 'blacklisted' for speaking up about racism and deficit narratives cast onto their workers by the larger non-First Nations business. The businesses that did not openly identify as Aboriginal or Torres Strait Islander-owned seemed to have an easier time navigating through mainstream business networks and into the wider economy. As one respondent noted, 'Older, white folks are scared they will get ripped off or robbed and have made it clear they won't hire an Aboriginal business.'

The observations reveal that being First Nations is not an impediment to accessing networks. Rather, the block may be from how **others perceive** a person's Aboriginal and Torres Strait Islander identity or change their approach to engagement once they realise they are working with a First Nations business owner. Large gains for Aboriginal and Torres Strait

Islander people may come from creating a more even playing field, enabling greater access into an open-minded mainstream business community that genuinely values the First Nations business owner and treats them with **equality, dignity and respect.**

Like networks, mentors were highly regarded among those of the entrepreneurs who had them. Mentors offer valuable insights into how to develop sophisticated systems and business fundamentals that establish long term stability and adaptability for the business. Additionally, mentors provided an avenue into the market through their existing networks, connections, and industry knowledge. One respondent reported the value of being incubated by their mentor's business. First Nations mentors were reported to understand the nuances of operating as a First Nations business and valued as both business and cultural guides. Many entrepreneurs aspired to be mentors for their community and the future First Nations entrepreneurs.

Mentors were considered as important to helping the sustainability and long-term health of the business. At the early stage, mentors were often other First Nations businesses. At the later stage however, accessing non-Indigenous mentors was not necessarily possible and when they did, some respondents reported that even the mentors with their heart in the right place often lacked understandings of the complexities and experiences of being a First Nations entrepreneur. But they still valued the benefits the non-First Nations mentor brought to the business.

Many entrepreneurs emphasised the importance of third parties to walk alongside the businesses to maximise the impact of non-First Nations networks. It required mentors to have a better cultural understanding of the entrepreneur's lived experience. Early contracts and existing connections significantly reduce the trust deficit and label of risk often placed on First Nations businesses.

CONCLUSION

The priority over the last five years for IBA has been to support Aboriginal and Torres Strait Islander start-ups, as they presented the greatest avenue for First Nations economic expansion—and still do. The growth in the number of Aboriginal and Torres Strait Islander business owners is expanding, growing by over 50% between 2016 to 2021, to reach an estimated 29,200 owner managers. This represents a significant policy success in Aboriginal and Torres Strait Islander-led economic self-determination.

The foothold in business established decades ago is now having big and positive impacts. Over the next decade, almost all Aboriginal and Torres Strait Islander people will likely know of a First Nations business owner within their community, family, or wider network. At that point, the idea of starting a business will become a well-mapped pathway and an achievable goal for all entrepreneurially inclined Aboriginal and Torres Strait Islander people. This could lead to a self-sustaining trajectory for Aboriginal and Torres Strait Islander business growth.

The challenges of starting a business are unique and much of the supporting policy architecture is geared towards addressing capability. This research revealed that some of the challenges entrepreneurs face at maturity echo those experienced early in their business journeys. However, they are unique and manifest in different ways. Policy makers assume that after a few years in operation, Aboriginal and Torres Strait Islander business owners would have more equal access to mainstream economic resources and systems. This report provides evidence that the assumption may not be correct. The result is a market failure, that limits growth opportunities for First Nations businesses.

There is growing evidence that big businesses and industries are taking notice and working with Aboriginal and Torres Strait Islander businesses.

However, some negative perceptions continue to impact on decisions by policy makers and people in positions of power that reduce the inclusivity of Australia's business, financial, and economic structures.

At the stabilisation and maturity phases, the challenges are less about capabilities and more about expanding capacity to be able to either increase demand or have the capacity to meet demand. The available support systems are less focused on capacity building. As such, the research identified a gap in appropriate capacity-related supports for Aboriginal and Torres Strait Islander businesses.

IBA commits to ensuring Aboriginal and Torres Strait Islander people further their economic and business aspirations with the freedom to choose how and when to access capital, knowledge, and networks. It is evident from this research that this choice should be available to all First Nations businesses, despite their maturity. In this way, IBA can assist existing businesses to propel themselves towards achieving their full social, cultural, environmental, and economic potential.

Supporting mature entrepreneurs will have compounding benefits for other Aboriginal and Torres Strait Islander entrepreneurs as they often act as mentors. Mature businesses also show the wider Australian business community how to successfully manage economic, social, cultural, and environmental activities. They model enhanced environmental, social and governance (ESG) insights, informed by cultural practices that are unique to Australia and critical to the long-term sustainability of business in Australia.

Through an approach that is steeped in promoting respectful two-way learning, mature Aboriginal and Torres Strait Islander businesses can continue to reshape Australian society's perceptions as they break new ground in the business world.

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APPENDIX A: DETAILED TABLES ON NEEDS OF FIRST NATIONS BUSINESS ACROSS THE LIFECYCLE

Earlier-stage Aboriginal and Torres Strait Islander entrepreneurs benefit greatly from support programs that provide **capability** and training to deliver a product and run a business. More mature businesses have fine tuned their operational **capability** over time. However, at the stabilisation and maturity phases, businesses face challenges of **capacity** to maintain and expand on their initial growth.

First Nations businesses experience challenges with scaling up their activities through the growth, stabilisation, and maturity phases because they have difficulty tapping into larger opportunities. The research suggests that these capacity challenges manifest in two ways:

- **Demand side:** negative perceptions and stereotypes limit penetration into mainstream business networks and supply chains.
- **Supply side:** when demand is present, an inability to access financial capital, labour and supports, which limit their ability to grow, despite having significant capability.

Both challenges have many layers and are discussed in detail below. If businesses cannot overcome these structural hurdles through strategic manoeuvring, or if there is no broader change in the business climate, it could mean a crippling blow for their potential.

Table A1 includes details about the challenges identified at the various stages of the business cycle. The assessment shows the level of support currently available based on the research of First Nations business owners and researchers from ANU and IBA. The findings offer general illustrations that could apply to Aboriginal and Torres Strait Islander businesses more broadly.



TABLE A1: ABILITY OF THE ENTREPRENEURIAL ECOSYSTEM TO MEET SPECIFIC NEEDS OF FIRST NATIONS BUSINESSES ACROSS THE LIFECYCLE (DETAILED)⁹

START-UP		
Access of finance		
Description	Available support	
<p>IBA is the primary source of early stage finance for many First Nations businesses</p> <p>Early access to cash flow is a significant challenge at the start-up phase.</p> <p>Current availability of IBA's loan/grant start-up package is a unique offering in the ecosystem, but is not guaranteed for all applicants.</p> <p>Other government programs are primarily grant-based.</p> <p>Some dedicated private sector lenders are offering support to start-up First Nations businesses.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA start-up package</p> <p>IBA Business Finance</p> <p>Private dedicated First Nations business lenders</p> <p>First Australians Capital</p> <p>Many Rivers Microfinancing</p> <p>New South Wales Aboriginal Land Council</p>	<p>Other Government supported programs</p> <p>Indigenous Land and Sea Corporation (ILSC) funding and investment program</p> <p>Grants through the Indigenous Advancement Strategy (through NIAA)</p> <p>Grant Finder</p> <p>GrantConnect</p> <p>State based grant opportunities (examples below)</p> <p>NSW Regional Aboriginal Partnerships Program</p> <p>Northern Territory Aboriginal Investment Corporation (NTAIC) Innovation Grants Program (exclusive to the NT)</p>
Countering negative biases, prejudices, and stereotypes		
Description	Available support	
<p>Bias resulting in higher perceived risk and the trust deficit</p> <p>First Nations business ventures are labelled as 'risky', which is based on biased perceptions of what is an Aboriginal and Torres Strait Islander business.</p> <p>Biased perceptions exclude many entrepreneurs who openly identify as First Nations, from the high trust economy, or placing them in a limited niche, such as a 'charity'.</p> <p>Early stage businesses felt the label of 'start-up' indicated fragility, which added to the notions of riskiness. This was particularly challenging for women.</p>	<p>Supports</p> <p>Some promotion of Aboriginal and Torres Strait islander businesses in First Nations-specific media outlets (including the work of Aboriginal and Torres Strait Islander-led researchers), but limited traction in mainstream media.</p>	<p>Corporate partnerships and capacity building</p> <p>Jawun Indigenous Corporate Partnership</p> <p>Cultural competency training providers</p>

⁹ References or links to third party websites and information listed are provided as a guide only and should not be considered an exhaustive list. It does not constitute an endorsement or recommendation by IBA of any material on those websites or of any products or services. Readers should make their own decisions about the accuracy, currency, reliability, and correctness of information contained in those websites.

START-UP

Access to business support

Description	Available support
<p>Strong need for business fundamentals capability building</p> <p>Significant supporting architecture at the start-up stage.</p> <p>Requirements are primarily around capability building, getting the tools necessary to be able to start and run a business.</p> <p>Success in business at the start-up stage requires planning, structures and appropriate systems in place to arrange activities and manage the flow of customers.</p>	<p>Supports</p> <p>IBA specific</p> <p>Into Business workshops</p> <p>IBA business support</p> <p>IBA partnerships</p> <p>Other programs</p> <p>Australian Institution of Company Directors First Nations Director Scholarship program</p> <p>Scholarship Programs e.g., Aurora Education Foundation.</p> <p>Aboriginal Business Development Program (NT only)</p> <p>MoneySmart (ASIC)</p> <p>Corporate initiatives</p> <p>ANZ Money Business</p> <p>Westpac's Davidson Institute</p> <p>Business Toolkit for Indigenous Women</p> <p>Terri Jenke Law Way videos</p> <p>Accelerator programs and Indigenous business hubs</p> <p>IBA Accelerator program</p> <p>Barayamal</p> <p>Waalitj</p> <p>Indigenous Business Hubs</p> <p>The Circle (SA)</p> <p>Norther Territory Indigenous Business Network</p> <p>Indigenext</p> <p>Yarpa</p> <p>Governance and leadership training</p> <p>Dilin Duwa development programs</p> <p>Australian Institute of Company Directors (AICD) Indigenous governance courses</p> <p>Australian Indigenous Leadership Centre</p> <p>Australian Indigenous Governance Institute</p> <p>ORIC business courses and workshops</p>

Access to mentors and networks

Description	Available support
<p>Growing access to First Nations networks</p> <p>Family, community and culture offer distinct opportunities to connect with other Aboriginal and Torres Strait Islander people.</p> <p>The formal and informal networks are widely available, and offer a level of understanding of the unique challenges of other First Nations business owners, particularly at the early stage of business development.</p> <p>First Nations Chambers of Commerce and accelerator programs are particularly strong networks.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA Strong Women Strong Business</p> <p>First Nations Chambers</p> <p>First Australians Chamber of Commerce and Industry</p> <p>National Indigenous Business Chambers Alliance</p> <p>NSW Indigenous Chamber of Commerce</p> <p>Kinaway Chamber of Commerce (VIC)</p> <p>South East Queensland Indigenous Chamber of Commerce</p> <p>Aboriginal Business Industry Chamber of South Australia</p> <p>Noongar Chamber of Commerce and Industry (WA)</p> <p>Northern Territory Indigenous Business Network</p> <p>Canberra Indigenous Business Network</p> <p>Indigenous business registries</p> <p>Supply Nation</p> <p>Office of the Registrar of Indigenous Corporations</p> <p>Black Business Finder (QLD)</p> <p>Accelerator programs and Indigenous business hubs</p> <p>IBA Accelerator program</p> <p>Barayamal</p> <p>Waalitj</p> <p>Indigenous Business Hubs</p> <p>The Circle (SA)</p> <p>Indigenext</p> <p>Yarpa</p> <p>Black Coffee</p> <p>Family and community networks</p>

GROWTH

Access of finance

Description	Available support	
<p>Availability through IBA to suitable lending products</p> <p>Access to larger lending products through IBA (with and without collateral), much of which is targeted at this segment.</p> <p>If the entrepreneur has built equity in their home, they can potentially utilise that to access capital from a mainstream lender.</p> <p>Grants available through government agencies and Federal and state levels.</p> <p>Some private providers offering capital access.</p> <p>Could utilise built up equity to access business finance from commercial providers. Otherwise, difficult accessing mainstream business loans.</p>	<p>Supports</p> <p>IBA specific business financing products</p> <p>Business Loan</p> <p>Producer Loan</p> <p>IBA Leasing</p> <p>Invoice Finance</p> <p>Private dedicated First Nations business lenders</p> <p>First Australians Capital</p> <p>New South Wales Aboriginal Land Council</p> <p>Secured business loans from commercial lenders</p>	<p>Other Government supported programs</p> <p>Indigenous Land and Sea Corporation (ILSC) funding and investment program</p> <p>Grants through the Indigenous Advancement Strategy (through NIAA)</p> <p>Grant Finder</p> <p>GrantConnect</p> <p>State based grant opportunities (examples below)</p> <p>NSW Regional Aboriginal Partnerships Program</p> <p>Northern Territory Aboriginal Investment Corporation (NTAIC) Innovation Grants Program (exclusive to the NT)</p>

Countering negative biases, prejudices, and stereotypes

Description	Available support	
<p>Stereotyping persists for growing First Nations businesses</p> <p>Stereotypes often put onto Indigenous entrepreneurs and their businesses can limit opportunities to grow.</p> <p>Government and third parties often have a narrow and reductive view of 'Indigenous specific' products—only engaging with businesses that fit into a certain view.</p> <p>Entrepreneurs reported not only having to navigate the complexities of the mainstream business lifecycle, but also government systems and bureaucracy designed to promote First Nations business place significant hurdles on proving First Nations identity, and as a result, increase the complexity of operating as First Nations businesses.</p> <p>Stereotypes and discrimination are compounded by gender and age. Persistently experiencing bias can create a lack of trust in non-First Nations systems, businesses, and people. Addressing persistent biases could have the effect of de-risking First Nations entrepreneurs and their business ventures by celebrating their strengths. Doing so should increase access to finance and the high trust economy.</p>	<p>Supports</p> <p>Some promotion of Aboriginal and Torres Strait Islander businesses in First Nations-specific media outlets (including the work of Aboriginal and Torres Strait Islander-led researchers), but limited traction in mainstream media.</p> <p>Government policy</p> <p>Indigenous Procurement Policy</p>	<p>Corporate partnerships and capacity building</p> <p>Jawun Indigenous Corporate Partnership</p> <p>Cultural competency training providers</p>

GROWTH

Access to business support

Description	Available support	
<p>Difficulties achieving scale</p> <p>Entrepreneurs are experiencing significant demand for their services, but are having difficulty scaling their activities to meet immediate demand.</p> <p>Investing in the business and addressing capacity constraints requires long lead times to meet contracts.</p> <p>Capability or capital to scale immediately is difficult. 12-18 month lead up time is not sufficient. Finding employees is a particular challenge in the current economic environment but is necessary to grow.</p> <p>Some sole traders did not intend to meet the surplus demand, as that would mean overextending themselves since their primary product is their unique knowledge and their own labour.</p> <p>Some may be unwilling to meet demand by achieving scale if it took them away from their family and culture. That creates opportunities for new entrants.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA business support</p> <p>IBA partnerships</p> <p>Accelerator programs and Indigenous business hubs (examples)</p> <p>IBA Accelerator program</p> <p>Barayamal</p> <p>Waalitj</p> <p>Indigenous Business Hubs</p> <p>The Circle (SA)</p> <p>Norther Territory Indigenous Business Network</p> <p>Indigenext</p> <p>Yarpa</p> <p>Wunan Foundation's Kimberley Business Support (Kimberley)</p> <p>Morrugul (Broome)</p> <p>Supply Nation</p> <p>Corporate initiatives</p> <p>ANZ Money Business</p> <p>Westpac's Davidson Institute</p> <p>Business Toolkit for Indigenous Women</p> <p>Terri Jenke Law Way video</p>	<p>Governance and leadership training</p> <p>Dilin Duwa development programs</p> <p>Masters in Indigenous Business Leadership (Monash University)</p> <p>Australian Institute of Company Directors (AICD) Indigenous governance courses</p> <p>Australian Indigenous Leadership Centre</p> <p>Australian Indigenous Governance Institute</p> <p>ORIC business courses and workshops</p> <p>Murra Indigenous Business Program</p> <p>QUT Indigenous Economic Development Centre</p> <p><i>Note: many of the programs become less relevant for businesses looking to address challenges associated with capacity</i></p> <p>Other programs</p> <p>Australian Institution of Company Directors First Nations Director Scholarship program</p> <p>Scholarship Programs e.g., Aurora Education Foundation.</p> <p>Aboriginal Business Development Program (NT only)</p> <p>MoneySmart (ASIC)</p>

Access to mentors and networks

Description	Available support	
<p>Two-way knowledge sharing</p> <p>First Nations family and community networks continue to offer critical support.</p> <p>First Nations business networks are most valued in the first 5 years of operation, and particularly amongst women.</p> <p>Entrepreneurs are in a position to provide new entrants with opportunities and advice, as well as gaining benefit themselves.</p> <p>The availability of First Nations business networks is widespread for private, urban based businesses, but not as accessible for community-based remote enterprises.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA Strong Women Strong Business</p> <p>Indigenous business registries</p> <p>Supply Nation</p> <p>Office of the Registrar of Indigenous Corporations</p> <p>Black Business Finder (QLD)</p> <p>Family and community networks</p> <p>Accelerator programs and Indigenous business hubs (all geared towards early stage enterprises)</p> <p>IBA Accelerator program</p> <p>Barayamal</p> <p>Waalitj</p> <p>Indigenous Business Hubs</p> <p>The Circle (SA)</p> <p>Indigenext</p> <p>Yarpa</p> <p>Black Coffee</p>	<p>First Nations Chambers</p> <p>First Australians Chamber of Commerce and Industry</p> <p>National Indigenous Business Chambers Alliance</p> <p>NSW Indigenous Chamber of Commerce</p> <p>Kinaway Chamber of Commerce (VIC)</p> <p>South East Queensland Indigenous Chamber of Commerce</p> <p>Aboriginal Business Industry Chamber of South Australia</p> <p>Noongar Chamber of Commerce and Industry (WA)</p> <p>Norther Territory Indigenous Business Network</p> <p>Canberra Indigenous Business Network</p>

STABILISATION

Access of finance

Description	Available support
<p>Difficulty tapping into mainstream financial markets</p> <p>The financing needs of larger Aboriginal and Torres Strait Islander entrepreneurs can be sizeable, and may be beyond the scope of some of IBA's financing products.</p> <p>It requires businesses to tap into mainstream banks for multi-million dollar loans, but negative labels, stereotypes, and perceptions of the viability of socially focussed activities can affect access to capital.</p> <p>Angel and patient capital investors do not have the necessary level of patience and time horizon to be compatible investors for First Nations people.</p>	<p>Supports (for smaller SMEs)</p> <p>IBA specific</p> <p>Business Loan</p> <p>Producer Loan</p> <p>Leasing</p> <p>Invoice Finance</p> <p>Performance Bonds</p> <p>Private dedicated First Nations business lenders</p> <p>First Australians Capital</p> <p>New South Wales Aboriginal Land Council</p> <p>Secured business loans from commercial lenders</p>

Countering negative biases, prejudices, and stereotypes

Description	Available support
<p>Using the business to bring about social change and counter stereotypes</p> <p>Discrimination continues to result in significant cultural load for the entrepreneurs that often goes unaddressed. Some still being viewed through the lens of charity, rather than a business venture. This presented a genuine threat to sustainability and growth prospects.</p> <p>Many of these entrepreneurs are using their position and influence to challenge perceptions, push for social change, and advance self-determination.</p> <p>Many reported the importance of harnessing their success to support their communities, and also educate/change the non-Indigenous public perceptions of First Nations people and entrepreneurs. However, this has the potential to intensify the 'labelling' of Indigenous businesses through a social policy lens and be considered through the prism of charity and philanthropy.</p> <p>Entrepreneurs reported have a feeling of strength, pride and determination in challenging racism and discrimination.</p> <p>Many felt they were able to leverage the business to make positive change. Entrepreneurs reported to harness their unique strengths to remain resilient.</p>	<p>Supports</p> <p>Self-promotion through proven record</p> <p>Some promotion of First Nations businesses in Indigenous-specific media outlets, limited traction in mainstream media.</p> <p>Indigenous Procurement Policy (But often the contract value does not encompass the cost in time, effort and money to support their staff).</p> <p>Corporate partnerships and capacity building</p> <p>Jawun Indigenous Corporate Partnership</p> <p>Cultural competency training providers</p>

STABILISATION

Access to business support

Description	Available support
<p>Challenges to achieving stability and longevity</p> <p>For many entrepreneurs, their desire to affect change can, at times, result in short-term trade-offs with achieving financial stability.</p> <p>They may be in a position to overlook some smaller contracts or have to forego certain opportunities as they require too much upfront investment to meet short timeframes. They often look to employ and invest in First Nations workers to magnify the impact of their opportunity.</p> <p>Businesses are entering a phase where they are considering multi-million dollar contracts, and could commence gearing up for such opportunities. They may invest significant resources and time to meet a particular project, but could be over-extended and face significant exposure to risk if the project is put on hold or cancelled due to no fault of their own.</p> <p>While Government agencies value the social benefits of First Nations businesses, they often do not appreciate that it carries a cost which cannot be fully absorbed by the business, and affects their ability to deliver without sufficient resourcing. As a result, Government needs to be willing to pay for higher social benefits through slightly higher contracting costs.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA business support</p> <p>IBA partnerships</p> <p>Governance and leadership training</p> <p>Dilin Duwa development programs</p> <p>Australian Institute of Company Directors (AICD) Indigenous governance courses</p> <p>Australian Indigenous Leadership Centre</p> <p>Australian Indigenous Governance Institute</p> <p>ORIC business courses and workshops</p> <p>Murra Indigenous Business Program</p> <p>Dilin Duwa development programs</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> - limited supports tailored for more mature businesses that addresses capacity challenges - requires further education of procurement officers to understand the capabilities of Aboriginal and Torres Strait Islander businesses at this stage of maturity, and the broader societal benefits associated with investing in First Nations businesses.

Access to mentors and networks

Description	Available support
<p>Trying to tap into non-First Nations networks and mentors</p> <p>While First Nations business networks remain available, continuing to grow requires access to non-First Nations networks and supply chains for advice and opportunities. Valuable, but opportunities are limited.</p> <p>While non-First Nations mentors and angel investors often have good intentions, many are not aware of the full sociocultural context of Aboriginal and Torres Strait Islander entrepreneurs. When partially exposed to the context, some are scared away by the intricacies and complexities, and are unwilling to be considered as a second or third priority relationship for the First Nations entrepreneur.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA Strong Women Strong Business</p> <p>First Nations Chambers</p> <p>First Australians Chamber of Commerce and Industry</p> <p>National Indigenous Business Chambers Alliance</p> <p>NSW Indigenous Chamber of Commerce</p> <p>Kinaway Chamber of Commerce (VIC)</p> <p>South East Queensland Indigenous Chamber of Commerce</p> <p>Aboriginal Business Industry Chamber of South Australia</p> <p>Noongar Chamber of Commerce and Industry (WA)</p> <p>Northern Territory Indigenous Business Network</p> <p>Canberra Indigenous Business Network</p> <p>Indigenous business registries</p> <p>Supply Nation</p> <p>Office of the Registrar of Indigenous Corporations</p> <p>Black Business Finder (QLD)</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> - limited access to valuable mainstream industry networks and supply chains

MATURITY

Access to finance

Description	Available support
<p>Difficulties accessing large scale lending capital to grow from SME to big business</p> <p>IBA works with many mature and sophisticated First Nations businesses, offering a variety of financial products including cashflow financing and performance bonds.</p> <p>IBA cannot meet the needs of larger sized mature businesses to access the \$50 million to \$100 million+ lending category.</p> <p>Commercial lenders have yet to tap into mature First Nations businesses.</p> <p>Equity from non-First Nations partners could risk Indigenous identity and self-determination</p> <p>Selling equity to non-First Nations shareholders may mean the business stops being First Nations owned and/or controlled.</p> <p>The situations creates a natural structural barrier for Aboriginal and Torres Strait Islander businesses to grow from SMEs into big businesses, including listing themselves on the Australian Stock Exchange.</p>	<p>Supports</p> <p>IBA specific</p> <p>Business Loan</p> <p>Producer Loan</p> <p>Leasing</p> <p>Invoice Finance</p> <p>Performance Bonds</p> <p>IBA Investments for equity investments)</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> - IBA capital for individual customers is generally limited to less than \$5 million. <p>Secured business loans from commercial lenders</p>

Countering negative biases, prejudices, and stereotypes

Description	Available support
<p>Small but growing numbers of mature and larger First Nations businesses challenging perceptions</p> <p>Having overcome the hurdles of stabilisation, the entrepreneur is starting to influence the perceptions of powerful non-First Nations interests.</p> <p>They have a feeling of strength, pride and determination in challenging racism and discrimination.</p> <p>Many felt they were able to leverage their business to make positive change. Entrepreneurs reported to harness their unique strengths to remain resilient.</p> <p>Discrimination affects perceptions, and continues to result in significant cultural load for entrepreneurs that often goes unaddressed.</p>	<p>Supports</p> <p>Success stories of larger businesses are helping shift the landscape, but limited traction in mainstream media.</p> <p>Indigenous Procurement Policy (But often the contract value does not encompass the cost in time, effort and money to support their staff).</p> <p>Corporate partnerships and capacity building</p> <p>Jawun Indigenous Corporate Partnership</p> <p>Cultural competency training providers</p> <p>Encouraging change in larger non-Indigenous corporations</p> <p>Business Council of Australia</p> <p>Raising the Bar initiative</p> <p>Mature First Nations businesses are exercising influence.</p>

MATURITY

Access to business support

Description	Available support
<p>Lack of support for mature businesses</p> <p>Mature businesses do not require as much support as start-ups, their longevity is incumbent on being able to continue to grow and pivot.</p> <p>Businesses are facing a challenge of capacity and less about capability.</p> <p>Some businesses are stretched thin and focussed exclusively on operations. They have limited capacity to think strategically about their future direction.</p> <p>More targeted business support may be required to focus on expanding capacity to leverage strengths.</p> <p>Business coaching may be required.</p>	<p>IBA specific</p> <p>IBA business support</p> <p>IBA partnerships</p> <p>Governance and leadership training</p> <p>Dilin Duwa development programs</p> <p>Australian Institute of Company Directors (AICD) Indigenous governance courses</p> <p>Australian Indigenous Leadership Centre</p> <p>Australian Indigenous Governance Institute</p> <p>ORIC business courses and workshops</p> <p>Murra Indigenous Business Program</p> <p>Dilin Duwa development programs</p> <p>Note:</p> <ul style="list-style-type: none"> - limited supports tailored for more mature businesses that addresses capacity challenges - requires further education of procurement officers to understand the capabilities of Aboriginal and Torres Strait Islander businesses at this stage of maturity, and the broader societal benefits associated with investing in First Nations businesses.

Access to mentors and networks

Description	Available support
<p>Further growth requires access to wider supply chains and non-First Nations networks</p> <p>Reaching maturity often means being in the best position to deliver on their social, cultural and economic objectives. They become mentors and leaders in the First Nations business eco-system.</p> <p>Longevity requires that they can influence supply chains, networks, and mentors to shape the wider operating environment.</p> <p>Where access is available, non-First Nations networks offer new advice and opportunities—expanding capacity. The networks can provide access to larger supply chains. It presents an opportunity to exercise significant two-way learning. But this access is limited.</p>	<p>Supports</p> <p>IBA specific</p> <p>IBA Strong Women Strong Business</p> <p>First Nations Chambers</p> <p>First Australians Chamber of Commerce and Industry</p> <p>National Indigenous Business Chambers Alliance</p> <p>NSW Indigenous Chamber of Commerce</p> <p>Kinaway Chamber of Commerce (VIC)</p> <p>South East Queensland Indigenous Chamber of Commerce</p> <p>Aboriginal Business Industry Chamber of South Australia</p> <p>Noongar Chamber of Commerce and Industry (WA)</p> <p>Norther Territory Indigenous Business Network</p> <p>Canberra Indigenous Business Network</p> <p>Indigenous business registries</p> <p>Supply Nation</p> <p>Office of the Registrar of Indigenous Corporations</p> <p>Black Business Finder (QLD)</p> <p>Note:</p> <ul style="list-style-type: none"> - limited access to valuable mainstream industry networks and supply chains



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