



# 1. The inquiry

## Referral of the inquiry

- 1.1 On 27 March 2024, the Committee adopted an inquiry into economic self-determination and opportunities for First Nations Australians following a referral from the then Minister for Indigenous Australians, the Hon Linda Burney MP.
- 1.2 The terms of reference for the inquiry are listed on page xv of this report.

## Conduct of the inquiry

- 1.3 The Committee received 109 submissions and 21 supplementary submissions. These are listed at Appendix A.
- 1.4 The Committee held 8 public hearings in person and via videoconference, in Canberra, Melbourne, and Perth. These are listed at Appendix B.

## Report structure

- 1.5 Chapter 2 outlines the context within which the inquiry took place, including the intergenerational context, the National Agreement on Closing the Gap and existing economic policy frameworks, and the case for an economic pathway forward.
- 1.6 Chapter 3 looks at opportunities to support First Nations business development, including enhancing data capability, concerns about the definition of a First Nations business, and support for Indigenous business networks.
- 1.7 Chapter 4 considers opportunities to enhance access to capital, and finance and activating the Indigenous Estate.
- 1.8 Chapter 5 examines the commercial opportunity of protecting Indigenous Cultural and Intellectual Property and potential reforms to Australian intellectual property laws.
- 1.9 Chapter 6 considers the opportunities for, and barriers to, improved outcomes for First Nations peoples in relation to education and employment, including new and emerging industries.
- 1.10 Chapter 7 discusses the experiences of international jurisdictions in fostering economic independence for First Nations communities.





## 2. An economic pathway forward

- 2.1 For over 65,000 years Aboriginal and Torres Strait Islander peoples ‘sustained their own vibrant economies, including systems of trade and exchange that stretched across the continent and to adjacent islands’.<sup>1</sup> First Peoples were explorers, inventors, entrepreneurs, and exporters, and maintained an economic system that fuelled their population for generations.
- 2.2 With colonisation and the new settler population, a new economy was introduced to support it. An economy that Indigenous peoples have been excluded from through the forceful dispossession of their lands and rich natural resources, systemic discriminatory practices, paternal and forced assimilation policies, and stolen wages. From then until now, this legacy has stemmed higher unemployment rates, lower than average incomes, poor health and educational outcomes, and educational attainment disparity, resulting in ‘a significant wealth divide between Indigenous and non-Indigenous people’.<sup>2</sup>
- 2.3 Addressing this historical disadvantage and economic disempowerment are critical to improving Aboriginal and Torres Strait Islander peoples’ socio-economic outcomes and to closing the economic divide.
- 2.4 Furthermore, the right of all peoples to self-determination, including the free pursuit of economic development, is enshrined in international law through the International Covenant on Economic, Social and Cultural Rights and International Covenant on Civil and Political Rights.<sup>3</sup> Articles 3–5 of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) affirm this right of all peoples to self-determination, economically, socially and culturally.<sup>4</sup>

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<sup>1</sup> Australian National University (ANU) First Nations Portfolio, *Submission 48*, pages 1–2.

<sup>2</sup> First Australians Capital, *Submission 56*, pages 4–5; First Nations Portfolio ANU, *Submission 48*, pages 1–2; First Peoples’ Assembly of Victoria, *Submission 75*, p. 2.

<sup>3</sup> Australian Human Rights Commission (AHRC) 2023, ‘Self-determination and Indigenous peoples’, <https://humanrights.gov.au/our-work/aboriginal-and-torres-strait-islander-social-justice/self-determination-and-indigenous>, accessed 19 August 2024; United Nations (UN) 1967, *International Covenant on Economic, Social and Cultural Rights*, [https://treaties.un.org/doc/Treaties/1976/01/19760103%2009-57%20PM/Ch\\_IV\\_03.pdf](https://treaties.un.org/doc/Treaties/1976/01/19760103%2009-57%20PM/Ch_IV_03.pdf), accessed 19 August 2024, p. 1.

<sup>4</sup> UN 2007, *United Nations Declaration on the Rights of Indigenous Peoples*, [https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP\\_E\\_web.pdf](https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf), accessed 19 August 2024, pages 8–9.

# National Agreement on Closing the Gap

- 2.5 In recent decades the Australian Government, states and territories have taken steps to stem the legacy of disadvantage. In 2019, the Commonwealth, state and territory governments and the Australian Local Government Association signed a formal partnership agreement with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (the Coalition of Peaks) to share decision-making processes and develop a new National Agreement on Closing the Gap.<sup>5</sup> The National Agreement on Closing the Gap was finalised in July 2020.<sup>6</sup> The National Agreement on Closing the Gap continues to be successive Australian governments' flagship policy, and many of its policies refer to the Agreement.
- 2.6 The National Agreement on Closing the Gap sets out four key priority reforms:
- One: Formal partnerships and shared decision-making
  - Two: Building the community-controlled sector
  - Three: Transforming government organisations
  - Four: Shared access to data and information at a regional level.<sup>7</sup>
- 2.7 There are also 19 socio-economic targets under the National Agreement on Closing the Gap. These include targets for increasing the proportion of Aboriginal and Torres Strait Islander peoples who are employed,<sup>8</sup> as well as various targets that are indirectly related to better economic outcomes, including targets in relation to education, housing and land rights.<sup>9</sup>
- 2.8 The most recent progress report has shown that, of the Agreement's 15 socio-economic targets for which data was available, only five were on track, five showed improvements but were not on track, one showed no change, and four showed progress that was worsening.<sup>10</sup> As reported in the recent Productivity Commission review, it observed small tweaks or additional initiatives, or even layers of initiatives as attempts to give effect to the Agreement. However, it advised that real change does not mean multiplying or renaming business as usual actions.<sup>11</sup>
- 2.9 This inquiry has highlighted that while progress has been made against Closing the Gap targets, it has been piecemeal and slow.

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<sup>5</sup> Australian Government n.d., 'Partnership', *Department of Prime Minister and Cabinet*, <https://www.closingthegap.gov.au/partnership>, accessed 21 August 2024.

<sup>6</sup> Australian Government 2020, *National Agreement on Closing the Gap*, <https://www.closingthegap.gov.au/sites/default/files/files/national-agreement-ctg.pdf>, accessed 21 August 2024.

<sup>7</sup> Australian Government 2020, *National Agreement on Closing the Gap*, <https://www.closingthegap.gov.au/sites/default/files/files/national-agreement-ctg.pdf>, accessed 21 August 2024.

<sup>8</sup> National Agreement on Closing the Gap, targets 7 and 8.

<sup>9</sup> National Agreement on Closing the Gap, targets 3, 5, 6, 7, 9a, 9b, 15a, 15b.

<sup>10</sup> Productivity Commission 2024, *Closing the Gap: Annual Data Compilation Report*, pages 3–6.

<sup>11</sup> Productivity Commission 2024, *Review of the National Agreement on Closing the Gap: Study Report*, vol 1, p. iii.

# The Australian Government is building the foundation for First Nations economic empowerment

- 2.10 The Australian Government's commitment to building the foundation for First Nations economic empowerment for Aboriginal and Torres Strait Islander peoples was reinforced in Prime Minister Anthony Albanese's speech at the recent Garma Festival:

Changing this, building true and lasting self-determination, requires economic security. Security that exists outside of government decisions—and endures beyond them. And, right now, changes in the global economy are opening up these possibilities. Growing demand for renewable energy, critical minerals and rare earths represents an unprecedented opportunity for our nation. By partnering with locals from the beginning, we can avoid the exploitation and injustices of the past. And we can tackle the poverty and lack of opportunity that has seen disadvantage entrenched in these parts of our country over generations. The principle that Aboriginal and Torres Strait Islander peoples deserve a real say in the economic development of the land you call home. And you deserve your fair share of the benefits that flow from it. You are more than curators or custodians, you are the Traditional Owners, who have cared for land and waters for 60,000 years and more. And we want you to have ownership of your future—built on a foundation of economic empowerment.<sup>12</sup>

- 2.11 The Australian Government is supporting the economic prosperity of Aboriginal and Torres Strait Islander peoples by making historical investments in jobs, education, and economic development opportunities. It has created more than one million jobs since it was elected in 2022—more than any government in a single parliamentary term. It has invested \$777.4 million over five years for the creation of 3,000 jobs in remote Australia. It has furthered employment opportunities by investing in free-free TAFE courses with over 30,000 First Nations students furthering their education. It is investing in a Future Made in Australia and is working to put Aboriginal and Torres Strait Islander peoples at the decision-making table and position them to have equity and ownership rights in future industries.
- 2.12 The Australian Government's commitment to a new First Nations Economic Partnership was announced by the Prime Minister in August 2024, who described the partnership as a 'new direction—with greater independence, real empowerment and lasting economic security for communities'.<sup>13</sup>

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<sup>12</sup> The Hon Anthony Albanese MP, Prime Minister 2024, *Economic empowerment for Indigenous Australians—Address to the Garma Festival*, 3 August, East Arnhem Land.

<sup>13</sup> The Hon Anthony Albanese MP, Prime Minister 2024, *Economic empowerment for Indigenous Australians—Address to the Garma Festival*, 3 August, East Arnhem Land; Ms Patricia Turner, Lead Convener, Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks), *Committee Hansard*, Canberra, 24 September 2024, p. 18.

- 2.13 Since then, the Treasury and the Coalition of Peaks have been working together to shape the partnership and its priorities. Between May and June 2024, the Coalition of Peaks held stakeholder consultations to ‘inform the partnership design, including key priorities and governance’.<sup>14</sup>
- 2.14 At a public hearing, Ms Patricia Turner, Lead Convenor of the Coalition of Peaks, explained that the First Nations Economic Partnership will be a policy partnership under the National Agreement on Closing the Gap.<sup>15,16</sup> She described the policy partnership as ‘a vehicle for allowing Aboriginal and Torres Strait Islander representatives to share decision-making around Closing the Gap policies, instead of [governments] making policies on their own without much success’.<sup>17</sup> Ms Turner advised that four key priorities had emerged through consultations on the partnership, aligning with the four priority reforms of the National Agreement on Closing the Gap:
- a. strengthening Aboriginal and Torres Strait Islander representation in economic development and participation partnerships with governments and other stakeholders to improve outcomes
  - b. developing and strengthening employment opportunities in the community-controlled sector through the creation of additional secure jobs, wage parity, new professional job streams and associated professional development opportunities
  - c. reforming mainstream employment services and looking at what actions are needed to create culturally safe workplaces that value and invest in growing opportunities for Aboriginal and Torres Strait Islander peoples to get into a range of roles and positions
  - d. building a comprehensive data picture of the current state of Aboriginal and Torres Strait Islander peoples with respect to economic development and participation opportunities.<sup>18</sup>
- 2.15 Ms Turner said she anticipated that the partnership would be established in the coming months and proposed that this Committee’s report be ‘considered by the partnership as a vehicle for determining a government response’.<sup>19</sup>

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<sup>14</sup> The Treasury n.d., ‘Scoping a policy partnership on First Nations Economic Development’, <https://treasury.gov.au/consultation/c2024-536388>, accessed 26 August 2024; The Treasury 2023, *Working Future: The Australian Government’s White Paper on Jobs and Opportunities*, pages 166, 182–183, 232, 234 and 248; The Treasury 2023, *Working Future: The Australian Government’s White Paper on Jobs and Opportunities*, pages 166, 182–183, 232, 234 and 248.

<sup>15</sup> Ms Turner, Coalition of Peaks, *Committee Hansard*, Canberra, 24 September 2024, p. 18.

<sup>16</sup> Priority Reform One of the National Agreement on Closing the Gap concerns formal partnership arrangements. There will be formal partnership arrangements to support Closing the Gap in place between Aboriginal and Torres Strait Islander peoples and governments in each state and territory enshrining agreed joint decision-making roles and responsibilities and where Aboriginal and Torres Strait Islander peoples have chosen their own representatives.

<sup>17</sup> Ms Turner, Coalition of Peaks, *Committee Hansard*, Canberra, 24 September 2024, p. 18.

<sup>18</sup> Ms Turner, Coalition of Peaks, *Committee Hansard*, Canberra, 24 September 2024, p. 18.

<sup>19</sup> Ms Turner, Coalition of Peaks, *Committee Hansard*, Canberra, 24 September 2024, p. 18.

- 2.16 In parallel with the First Nations Economic Partnership, the Australian Government is supporting the First Nations Economic Empowerment Alliance.<sup>20</sup> The Alliance was established following an international symposium in 2022, and the *Murru waaruu* seminar series in 2023, hosted by the Australian National University (ANU)'s First Nations Portfolio.<sup>21</sup> In addition to the ANU, the Alliance's members include the Indigenous Sea and Land Corporation, the National Native Title Council and First Australians Capital.<sup>22</sup> It aims to 'advance the case for major economic reform in Australia' and 'establish comprehensive economic empowerment for First Nations peoples in Australia'.<sup>23</sup>
- 2.17 The ANU First Nations Portfolio described the *Murru waaruu* Outcomes Report, published in May 2024, as 'the culmination of almost two years of deliberative dialogue and policy design involving subject matter experts, community representatives and key stakeholders from Australia and overseas'.<sup>24</sup> The report includes a range of policy proposals that are intended to 'inform a genuine engagement between First Nations leaders and the Australian Government to co-design a First Nations economic self-determination policy framework'.<sup>25</sup>
- 2.18 The ANU First Nations Portfolio submitted to the Committee that 'Australian governments have never before sought to establish a comprehensive policy response to First Nations economic marginalisation that engages economic and fiscal policy levers to provide economic opportunities for First Nations communities'.<sup>26</sup> It considered that adopting such an approach 'could enable First Nations communities to leverage their acquired assets and other rights and interests to engage as meaningful partners in the economic prosperity of modern Australia'.<sup>27</sup>
- The focus now must be on using economic and fiscal policy levers to shift the narrative and public policy approach away from managing First Nations poverty, to supporting the capacity of First Nations people to grow and sustain wealth. That shift is important for the health and development of the Australian economy and must be based on partnership and equity, and on the strengths of what First Nations people bring to the table, not on a focus on deficit and disadvantage.<sup>28</sup>

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<sup>20</sup> The Hon Anthony Albanese MP, Prime Minister 2024, *Economic empowerment for Indigenous Australians—Address to the Garma Festival*, 3 August, East Arnhem Land.

<sup>21</sup> ANU First Nations Portfolio, *Submission 48*, p. 2.

<sup>22</sup> ANU First Nations Portfolio, *Submission 48*, p. 2.

<sup>23</sup> ANU 2024, 'New alliance to drive Indigenous economic development', *ANU Media*, 15 July, <https://reporter.anu.edu.au/all-stories/new-alliance-to-drive-indigenous-economic-empowerment>, accessed 3 October 2024.

<sup>24</sup> ANU First Nations Portfolio, *Submission 48*, p. 2.

<sup>25</sup> ANU First Nations Portfolio 2024, *Murru Waaruu (On Track) Economic Development Seminar Series: Outcomes Report*, p. 6.

<sup>26</sup> ANU First Nations Portfolio, *Submission 48*, p. 4.

<sup>27</sup> ANU First Nations Portfolio, *Submission 48*, p. 4.

<sup>28</sup> ANU First Nations Portfolio, *Submission 48*, p. 4.

- 2.19 Australians for Native Title and Reconciliation, Kimberley Land Council, Cooperative Research Centre for Developing Northern Australia and Indigenous Land and Sea Corporation were supportive of the institutional reform considerations set out in the *Murru waaruu* Outcomes Report.<sup>29</sup>
- 2.20 The joint submission from the National Indigenous Australians Agency and the Treasury highlighted that the *Murru waaruu* Outcomes Report and other international research ‘demonstrates the important role of economic empowerment in achieving improved socio-economic outcomes for First Nations peoples’ and ‘establishes the need for a shift in First Nations economic policy, away from a legacy of social policies directed at First Nations welfare and simple mainstream industry participation, to a strategic commitment to First Nations wealth creation.’<sup>30</sup>

## Aboriginal and Torres Strait Islander peoples are punching above their weight

- 2.21 Despite Aboriginal and Torres Strait Islander peoples exclusion from the Australian economy, research from the University of Melbourne shows that the First Nations economy is growing at pace with an 11 per cent increase from 2012–2022, and that businesses generate over \$16.1 billion in revenue each year, employ more than 116,000 people, pay \$4.2 billion in wages, and are 40 to 100 times more likely than non-Indigenous businesses to employ Aboriginal and Torres Strait Islander staff.<sup>31</sup> For every dollar of revenue spent, Indigenous businesses create \$4.41 of economic and social value.
- 2.22 Given the limitations on capturing Indigenous data, the economic and business contribution of First Nations peoples is likely to be underestimated (this will be discussed later in the report—see Chapter 3).
- 2.23 Indigenous-led and owned businesses and social enterprises are receiving well deserved accolades for their work. Indigenous businesses and entrepreneurs are punching above their weight in the tourism, hospitality, construction, information technology, fashion and arts, bush foods and botanicals, and clean energy sectors.
- 2.24 The inquiry has also shown that Aboriginal and Torres Strait Islander peoples face significant barriers to participating in the mainstream economy. They reported facing barriers to starting a business, scaling up a business, leveraging land for economic purposes, accessing capital and finance, lack of institutional trust, negative risk stereotypes, and lower business and commercial acumen.

<sup>29</sup> Australians for Native Title and Reconciliation, *Submission 92*, pages 4–5; Kimberley Land Council, *Submission 83*, p. 5; Cooperative Research Centre for Developing Northern Australia, *Submission 98*, p. 7; Indigenous Land and Sea Corporation (ILSC), *Submission 53*, p. 5.

<sup>30</sup> National Indigenous Australians Agency (NIAA) and The Treasury, *Submission 64*, p. 3.

<sup>31</sup> Evans, M., Polidano, C., Dahmann, S.C., Kalera, Y., Ruiz, M., Moschion, J. & Blackman, M. 2024, *Indigenous Business and Corporation Snapshot Study 3.0*, University of Melbourne, pages 11, 19, 27.



## An economic approach for intergenerational transformation

- 2.25 The inquiry has also put a renewed spotlight on the structural barriers and systemic disadvantages Aboriginal and Torres Strait Islander peoples face. As a result of the colonial experience, Aboriginal and Torres Strait Islander peoples are unable to leverage assets and accrue intergenerational wealth to the same extent as other Australians.
- 2.26 The evidence is clear that historical and successive policy approaches are inadequate in transforming the social and economic outcomes for Aboriginal and Torres Strait Islander peoples.
- 2.27 In addition to bipartisan commitment to Closing the Gap, this report calls for a fundamental reframing of the First Nations economic narrative and the embracing of broader economic and legislative settings. The recommendations of this inquiry will support the transformation of First Nations peoples to generators of long-term wealth and equity.
- 2.28 Many participants in the inquiry identified that a strengthened and new approach is needed to address disadvantage, with a greater focus on economic empowerment as the vehicle for achieving broader social outcomes.<sup>32</sup> There was also strong support for greater participation of Aboriginal and Torres Strait Islander peoples in the design and delivery of policies that affect them,<sup>33</sup> and broad support for taking a ‘strength based’ approach to policy, in contrast to the, often applied, deficit approach.<sup>34</sup>
- 2.29 Participants also highlighted the importance of this inquiry and the Australian Government in elevating their entrepreneurial strengths and perspectives in examining a new pathway forward.

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<sup>32</sup> For example, see ILSC, *Submission 53*, p. 6; NIAA and Treasury, *Submission 64*, p. 2; Coalition of Peaks, *Submission 67*, pages 3–4; Ms Jocelyn King, First Australians Capital, *Committee Hansard*, Canberra, 23 July 2024, p. 13; Mr Greg McIntyre, President, Law Council of Australia, *Committee Hansard*, Canberra, 23 July 2024, p. 28; Mr Martin Sibosado, Board Member, Nirrumbuk Aboriginal Corporation, *Committee Hansard*, Perth, 2 September 2024, p. 26.

<sup>33</sup> For example, see Australian Indigenous Governance Institute, *Submission 19*, p. 3; New South Wales Indigenous Chamber of Commerce, *Submission 84*, p. [1]; ILSC, *Submission 53*, p. 2; Northern Territory Indigenous Business Network, *Submission 63*, p. 3; Ms Jocelyn King, First Australians Capital, *Committee Hansard*, Canberra, 23 July 2024, p. 13; Mr Greg McIntyre, President, Law Council of Australia, *Committee Hansard*, Canberra, 23 July 2024, p. 31.

<sup>34</sup> Lowitja Institute, *Submission 36*, p. 1. See also, for example, Australian Indigenous Governance Institute, *Submission 19*, p. 2; Waminda South Coast Women’s Health and Wellbeing Aboriginal Corporation, *Submission 23*, p. 2; Jumbunna Institute for Indigenous Education and Research, *Submission 25*, pages 2–3; Federation of Victorian Traditional Owner Corporations, *Submission 40: Attachment 2*, p. 21; Northern Territory Government, *Submission 41*, p. 6; ANU First Nations Portfolio, *Submission 48*, p. 4; NIAA and Treasury, *Submission 64*, pages 2–3.

2.30 During the inquiry the Committee heard that:

- accessing finance and capital is the greatest barrier to First Nations economic development
- strengthening existing, and developing, new fiscal instruments can significantly increase economic participation
- capturing longitudinal economic and business data can support policy design and improve the institutional trust of First Nations businesses
- strengthening First Nations cultural and intellectual property will deliver significant commercial opportunities
- capacity and capability building within First Nations communities will enable the growth of emerging industries and Australia's economy
- ensuring resourcing for Prescribed Bodies Corporates is sufficient will enable economic development for Traditional Owner groups and other interested parties
- reviewing the full *Native Title Act 1993* (Cth) may deliver improvements for leveraging economic opportunities in the Indigenous estate
- co-governance of fiscal institutions and creative investment frameworks have been fundamental to the economic development of international First Nations communities.

## Committee comment

2.31 The Committee recognises the resilience and ongoing strength of Aboriginal and Torres Strait Islander peoples and communities in the face of the colonial legacies of forced dispossession, and the systemic discriminatory and exclusionary practices and policies which have resulted in unacceptable levels of economic and social disadvantage. Previous efforts at closing the gaps in social and economic advantage have generally not delivered the success that is needed.

2.32 The Committee also recognises the need for a fundamental reframing of the First Nations economic narrative and embracing of broader economic and legislative settings, focused on improving economic opportunities and self-determination. Economic self-determination is not only a worthy goal in its own right, but is the key to enabling broader self-determination and the means by which social disadvantage in communities can be addressed in the long-term. The Committee recognises that growing a First Nations economy will benefit all Australians.

2.33 While a comprehensive economic policy to address Aboriginal and Torres Strait Islander disadvantage has been lacking in the past, this inquiry has shown that the Australian Government is heading in the right direction and that many of the ideas and the structures required to deliver them already exist. Throughout this inquiry, the Committee heard about many examples of Aboriginal and Torres Strait Islander peoples showing the tenacity, creativity and resourcefulness needed to carve out areas of economic opportunity for themselves and their communities. However, sustained efforts from the Australian Government in building capacity, scaling up of

investments, and removal of unnecessary legislative impediments will be needed for these successes to be replicated at the scale needed to achieve the aspirations of First Nations businesses and communities, and the outcomes set by the National Agreement on Closing the Gap.

- 2.34 The Committee acknowledges the ongoing bipartisan commitment to the National Agreement on Closing the Gap priority reforms. In particular, the Committee supports the Agreement's emphasis on partnerships and shared decision-making, and enabling Aboriginal and Torres Strait Islander peoples to take more control of their social and economic futures. First Nations-led solutions are of crucial importance to delivering the outcomes and targets set out in the Agreement.
- 2.35 The Committee specifically notes the relevance of the First Nations Economic Partnership as a vehicle for implementing a comprehensive policy framework to address the economic challenges facing Aboriginal and Torres Strait Islander peoples. The Committee encourages the Australian Government to accelerate the implementation of this partnership as a priority.
- 2.36 An evaluation of the economic benefits of government policy to First Nations peoples must take a holistic approach and include the measurement of social benefits, including improved housing, health outcomes, and reduced incarceration rates.
- 2.37 It will be important to measure the degree to which any economic benefits are distributed throughout communities.

## Recommendation 1

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- 2.38 **The Committee recommends that the Australian Government and the Department of Treasury develop a supplementary measurement framework that incorporates the principles of Australia's *Measuring What Matters Framework*. This must include profiling and tracking to illustrate gaps and the mapping of variations of socio-economic wellbeing of First Nations communities. This will create a systematic way to track the socio-economic wellbeing of communities over time.**





## 3. The First Nations business sector

- 3.1 This chapter considers the economic contribution of the Aboriginal and Torres Strait Islander business sector and opportunities to support the sector as a means of contributing to the economic self-determination of Aboriginal and Torres Strait Islander peoples.

### Economic contribution of First Nations businesses

- 3.2 Aboriginal and Torres Strait Islander businesses make a significant contribution to Australia's economy and the social and economic empowerment of First Nations peoples. Evidence presented to the Committee indicated that, for every dollar in revenue earned by a First Nations business, an average of \$4.41 in social and economic value is generated.<sup>1</sup>
- 3.3 According to the University of Melbourne's Dilin Duwa Centre for Indigenous Business Leadership (Dilin Duwa), in 2021–22 there were 13,693 'alive and active' businesses in the Indigenous business ecosystem,<sup>2</sup> generating around \$16.1 billion in revenue and employing 116,795 people.<sup>3</sup> Separate research by Dr Zannie Langford of the University of Queensland (using different methodology) showed that, in 2023, there were 16,248 Indigenous businesses in Australia managing over \$10 billion in annual revenue (up from \$4.9 billion in 2018) and employing more than 70,000 workers.<sup>4</sup>
- 3.4 Dilin Duwa reported that the Indigenous business sector had grown rapidly in recent years. In particular, Dilin Duwa noted the number of Indigenous-owned sole traders had almost tripled from 1,951 in 2012 to 5,377 in 2022, and the number of Indigenous-owned partnerships increased from 1,774 to 3,124 over the same period.<sup>5</sup>

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<sup>1</sup> Northern Territory Indigenous Business Network (NTIBN), *Submission 63*, p. 4; Department of Industry, Science and Resources, *Submission 69*, p. 5.

<sup>2</sup> Dilin Duwa Centre for Indigenous Business Leadership (Dilin Duwa) describes the Indigenous business ecosystem as comprising three separate groups, including registered Indigenous businesses, Indigenous corporations on the Office of the Registrar of Indigenous Corporations registry, and sole traders and partnerships that are not registered as Indigenous businesses but are at least 50 per cent owned by people who self-identify as Indigenous in census and Centrelink records. See Evans, M., Polidano, C., Dahmann, S.C., Kalera, Y., Ruiz, M., Moschion, J., Blackman, M. 2024, *Indigenous Business and Corporation Snapshot Study 3.0*, University of Melbourne, p. 5.

<sup>3</sup> Dilin Duwa, *Submission 8*, p. 3.

<sup>4</sup> Dr Zannie Langford and Dr Richard Martin, *Submission 17*, p. 4, citing Dr Zannie Langford 2023, 'The geographies of Indigenous business in Australia: An analysis of scale, industry and remoteness', *Supply Nation Research Report 8*.

<sup>5</sup> Dilin Duwa, *Submission 8*, p. 3.

- 3.5 Strong growth in the sector was also noted by Indigenous Business Australia (IBA), which reported that the number of First Nations business owners had grown by more than 50 per cent between 2016–21 to an estimated 29,400.<sup>6</sup> This equated to approximately 4.5 per cent of Aboriginal and Torres Strait Islander peoples owning a business in 2021, which while lower than the 8.5 per cent of non-Indigenous Australians owning a business, was a substantial increase from 3.3 per cent in 2006.<sup>7</sup> IBA cited estimates that, if parity was achieved, the economic contribution of the Indigenous business sector to Australia's Gross Domestic Product (GDP) would be almost \$64 billion.<sup>8</sup>
- 3.6 Given the limitations on capturing Indigenous data, the economic and business contribution of First Nations peoples is likely to be underestimated. These challenges are discussed later in this chapter.
- 3.7 As well as directly benefitting business owners, growing the Indigenous business sector was identified by many inquiry participants as the key to improving employment outcomes for First Nations peoples. In its research brief on Indigenous employment in the Indigenous business sector, Supply Nation found that Aboriginal and Torres Strait Islander businesses were reported to be '40 to 100 hundred times' more likely to engage Aboriginal and Torres Strait Islander employees.<sup>9</sup> They added that:
- the proportional Indigenous employment rate is significantly higher among not-for-profit Indigenous businesses
  - the proportional Indigenous employment rate decreases as the revenue of Indigenous businesses increases
  - larger Indigenous businesses (revenue over \$10 million) have a proportional Indigenous employment rate at or above 30 per cent—ten times the estimate of the Indigenous proportion of the population (three per cent) as a whole.<sup>10</sup>
- 3.8 This link between First Nations businesses and strong First Nations employment outcomes has been corroborated by more recent research, which shows that Supply Nation-registered businesses employ around nine times as many Indigenous staff as would be expected based on population data alone.<sup>11, 12</sup> In a joint submission, Associate Professor Kerry Bodle, Christian Eva, Professor Dennis Foley, Dr Jessica Harris and Emeritus Professor Boyd Hunter (Kerry Bodle et al) argued that the

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<sup>6</sup> Indigenous Business Australia (IBA), *Submission 34*, p. 6.

<sup>7</sup> IBA, *Submission 34*, p. 7.

<sup>8</sup> IBA, *Submission 34*, p. 7.

<sup>9</sup> Supply Nation 2022, 'Supply Nation Research and Policy Brief No. 3. Indigenous employment in the Indigenous business sector', June, p. 1.

<sup>10</sup> Supply Nation 2022, 'Supply Nation Research and Policy Brief No. 3. Indigenous employment in the Indigenous business sector', June, p. 4.

<sup>11</sup> Dr Zannie Langford and Dr Richard Martin, *Submission 17*, p. 4.

<sup>12</sup> The research showed that 34 per cent of employees of 3,688 Supply Nation-registered businesses identified as Indigenous, compared to 3.8 per cent of the overall population. See also Associate Professor Kerry Bodle et al, *Submission 37*, p. [1], which cites similar figures based on a 2021 Supply Nation dataset (Eva, C., Bodle, K., Foley, D., Harris, J. & Hunter, B, 2023, 'The importance of understanding Indigenous employment in the Indigenous business sector', *Australian Journal of Social Issues*, 58, pages 494–522).

continued growth of the sector is ‘crucial’ for supporting Indigenous employment; a National Agreement on Closing the Gap target.<sup>13</sup> The submission discussed the ‘multi-faceted’ reasons for these strong employment outcomes, including that:

Indigenous businesses are more likely to facilitate workplaces that align with the values of Indigenous peoples, that are dedicated to anti-racism, that are culturally informed, and that value Indigenous knowledges, cultures, and experiences. In doing so, Indigenous businesses create jobs that work for Indigenous people.<sup>14</sup>

- 3.9 Dr Zannie Langford and Dr Richard Martin added that different types of Indigenous businesses vary in their rates of Indigenous employment. They reported on research showing that smaller businesses (earning less than \$1 million in annual revenue), employ First Nations workers at twice the rate of larger businesses, and that regional and remote businesses employ First Nations workers at twice the rate of those based in major cities.<sup>15</sup>

## **An unequal playing field for Indigenous and non-Indigenous businesses**

- 3.10 The inquiry has brought to the surface the significant barriers that First Nations businesses face compared to non-Indigenous businesses. Many witnesses reported the historical and ongoing structural and institutional barriers that has limited their opportunity to start, grow, or sustain a viable business. Indigenous entrepreneurs reported significant challenges in accessing capital and finance from mainstream banks and financial institutions, lower commercial acumen and financial literacy, limited business networks, and less accumulated intergenerational knowledge.
- 3.11 Many witnesses also spoke of the structural trust deficit they face and mainstream institutions’ perception that First Nations businesses are higher risk investments than non-Indigenous businesses.

## **Economic contribution of female-owned businesses**

- 3.12 Recent data indicates that Indigenous women are increasingly stepping into leadership roles within their communities and businesses. They are not only fostering economic growth but also driving social change. These businesses span various sectors including education and training, arts and entertainment, construction and facilities management, and domestic goods and services sectors.<sup>16</sup>

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<sup>13</sup> Associate Professor Kerry Bodle et al, *Submission 37*, p. [1].

<sup>14</sup> Associate Professor Kerry Bodle et al, *Submission 37*, pages [1]–[2].

<sup>15</sup> Dr Zannie Langford and Dr Richard Martin, *Submission 17*, pages 3–4.

<sup>16</sup> Supply Nation 2023, *Research Report no. 7: State of Indigenous Business – An analysis of procurement spending patterns with Indigenous businesses 2021–2022*, p. 9.

- 3.13 Supply Nation reported that ‘there are a total of 1,016 female-owned Indigenous businesses registered with Supply Nation, roughly 28 per cent of all suppliers. Of these, 471 suppliers received a total of \$513 million in contract revenue, which equates to 14 per cent of the total contract revenue reported by Supply Nation members’.<sup>17</sup> Incorporating gender targets into the Indigenous Procurement Policy (IPP) may help stem the disadvantage for women.
- 3.14 The Department of Foreign Affairs and Trade, in a survey it commissioned Indigenous company i2i Global to undertake, found that Indigenous women are leading the export orientated business sector.<sup>18</sup>
- 3.15 The Department of the Prime Minister and Cabinet highlighted the vital importance of businesses led by Aboriginal and Torres Strait Islander women to the sector and wider Australian economy:
- Aboriginal and Torres Strait Islander women are central to the development, growth and diversity of the Indigenous business sector and the Australian economy. The roles women play—as business owners, operators, entrepreneurs, and leaders—are critical in contributing to economies at all levels, and providing role models to future generations of entrepreneurs. They also provide a unique perspective for their customers and forge a pathway for their daughters and sisters to follow.<sup>19</sup>
- 3.16 This was further reinforced in the Australian Government’s recent funding announcement of \$355 million for the creation of 1,000 new Indigenous ranger jobs, with First Nations women making up the vast majority of the 770 Indigenous ranger roles.<sup>20</sup>
- 3.17 The success of Aboriginal design and art company, Kinya Lerrk Pty Ltd, highlights the broader impact of women-led Indigenous businesses (see Box 3.1).

### **Box 3.1 Kinya Lerrk Pty Ltd**

Kinya Lerrk Pty Ltd, co-founded by artists and entrepreneurs Emma Bamblett, a Wemba Wemba, Gunditjmara, Ngadjonji and Taungurung woman, and Megan Van Den Berg, a Dja Dja Wurrung, Yorta Yorta and Boon Wurrung woman, is a design and art company that celebrates the rich cultural heritage of Australia's Aboriginal people. The name Kinya Lerrk (*Wemba Wemba* for ‘women coming together’) reflects the company's focus on collaboration and community.<sup>21</sup>

<sup>17</sup> Supply Nation 2023, *Research Report no. 7: State of Indigenous Business – An analysis of procurement spending patterns with Indigenous businesses 2021–2022*, p. 9.

<sup>18</sup> Department of Foreign Affairs and Trade 2022, ‘Inclusive trade: Ensuring Australia’s Indigenous entrepreneurs benefit from the global trading system’, *Business Envoy*, February, pages 24–25.

<sup>19</sup> Department of the Prime Minister and Cabinet (PM&C) 2018, *The Indigenous Business Sector Strategy: Supercharging Indigenous Business Start-Up and Growth 2018–2028*, p. 7.

<sup>20</sup> PM&C 2024, ‘1,000 new jobs for expanded Indigenous Rangers program’, *Media Release*, 31 October.

<sup>21</sup> Kinya Lerrk Pty Ltd, *Submission 94*, p. 1.



The company's portfolio includes a diverse range of products, from artworks and home décor items to fashion accessories and bespoke designs. Each piece is infused with the stories, symbols, and traditions of Aboriginal culture, offering a unique and authentic representation of Indigenous art focussing on Victorian creatives.

In 2022 they opened their first retail and gallery space in Melbourne/Naarm—Kinya Lerrk & Co. Through this space they have created economic opportunities for over eighty different First Nations businesses and artists. Many of these are individual artists and young people who have no other means to sell their products.

They also provide development pathways for young people including cultural workshops, gallery space, local community art programs, book launches and other community programs.

Over their first 18 months of operation, Kinya Lerrk have provided over \$150k of revenue to First Nations businesses across the country.<sup>22</sup>

3.18 Submitters also noted that First Nations women face additional barriers to economic and business participation compared to First Nations men, and non-Indigenous men and women in business. Indigenous Services Canada attributed lower average financial literacy, added family responsibilities, and a lack of experience and confidence in dealing with lenders and financial institutions as significant barriers to greater economic participation in Canada.

3.19 Mrs Kadic, from the Noongar Chamber of Commerce, elaborated saying that First Nations women have additional familial responsibilities and lacked the female mentors or business networks to learn from:

I think the idea of that work-life balance is difficult. A lot of our women have families. They're usually caring for other people's children. There's the aspect of that whole balance. I firmly believe I'm in this spot because I didn't have, or see, anyone that was doing what I was doing, so I'm a firm believer in the idea that if you see somebody doing it, you can do it, especially when it comes to our women. I think it's a lonely journey. Having that network of supportive black women around you is so important. That's something that I struggled with at the very beginning. I probably poured more strength into programs, so being around people who are like-minded. I think educational programs, such as Melbourne Business School, are so helpful. They also build that network and support and opportunities.<sup>23</sup>

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<sup>22</sup> Kinya Lerrk Pty Ltd, *Submission 94*, pages 1–2.

<sup>23</sup> Mrs Jasmine Kadic, Director, Noongar Chamber of Commerce and Industry, *Committee Hansard*, Canberra, 2 September 2024, p. 6.

- 3.20 Canada's Indigenous Entrepreneurship Initiative<sup>24</sup> provides tailored training and mentorship for aspiring and existing First Nations women in business to help them navigate these additional barriers. Some submitters recommended similar initiatives to grow the number of First Nations women in enterprise and establish a future pipeline of mentors and champions for younger generations.

## Enhancing data availability

- 3.21 Others noted that there are gaps in the data available to measure the economic contribution of Aboriginal and Torres Strait Islander businesses and the challenges they face.<sup>25</sup> The importance of a complete data picture in supporting a positive narrative about Aboriginal and Torres Strait Islander peoples' economic contribution and participation in Australia and for improving institutional trust of First Nations businesses was also reinforced. As such, many submitters were of the view that estimates about First Nations businesses and their economic contribution are likely to fall short of the true calculation of First Nations businesses.
- 3.22 The Northern Territory Indigenous Business Network (NTIBN), for example, advocated for large longitudinal studies on the impacts of private Indigenous businesses on Aboriginal and Torres Strait Islander employment and career progression, as well as how money spent on for-profit Indigenous businesses is given back to the community:
- I think it would demonstrate very much our claim that all Aboriginal businesses, for profit or not for profit, are social enterprises just by sheer default of their impact, because we are giving more back.<sup>26</sup>
- 3.23 Dilin Duwa submitted that a long-term funding commitment would be needed to build a 'national Indigenous business and economic dataset' that can be used to produce longitudinal statistics and help understand the sector's social and economic contribution, and the impact of policies.<sup>27</sup> Dilin Duwa currently uses the Business Longitudinal Analysis Data Environment (BLADE) and the Person Level Integrated Data Asset datasets produced by the Australian Bureau of Statistics (ABS), matched against six Indigenous business registries.<sup>28</sup>
- 3.24 The ABS submitted to the Committee that the wide range of information incorporated into BLADE currently allows for detailed longitudinal analysis, but with additional

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<sup>24</sup> Government of Canada 2024, 'Minister Valdez announces new support for Indigenous women and youth entrepreneurs', *News release*, 8 March, <https://www.canada.ca/en/innovation-science-economic-development/news/2024/03/minister-valdez-announces-new-support-for-indigenous-women-and-youth-entrepreneurs.html>, accessed 28 October 2024.

<sup>25</sup> For example, Name withheld, *Submission 1*, p. 1; Dilin Duwa, *Submission 8*, p. 5; Screen Australia, *Submission 12*, p. 3; Australian Securities and Investments Commission (ASIC), *Submission 50*, p. 10; NTIBN, *Submission 63*, p. 9; Ms Cecilia Anthony, Industry Professor, Indigenous Policy, Jumbunna Institute for Indigenous Education and Research (Jumbunna), *Committee Hansard*, Canberra, 23 July 2024, p. 36.

<sup>26</sup> Ms Naomi Antess, Chief Executive Officer, NTIBN, *Committee Hansard*, Canberra, 23 July 2024, p. 23.

<sup>27</sup> Dilin Duwa, *Submission 8*, p. 5.

<sup>28</sup> Dilin Duwa, *Submission 8*, p. 3.

funding, BLADE could be further enhanced to provide data about Indigenous businesses.<sup>29</sup> The ABS noted that this enhancement would require the establishment of an agreed definition of Indigenous business (discussed further below) as well as integration of data from various Indigenous business registries.<sup>30</sup>

- 3.25 The ABS further submitted that it expects to release more information in early 2025 about the consultation process with Aboriginal and Torres Strait Islander peoples around ways to capture employment data more frequently.<sup>31</sup>
- 3.26 The development of a perpetual longitudinal dataset had the support of the Department of Industry, Science and Resources. It submitted that the work had ‘strong potential to enable departmental analysis on how the Commonwealth can best support First Nations economic empowerment’.<sup>32</sup>
- 3.27 The Australian Sustainable Finance Institute (ASFI) proposed a nationally consistent framework for corporate disclosures in relation to First Nations impacts and outcomes. It suggested such disclosure requirements would be a ‘transformative step’, meeting the needs of investors and stakeholders for ‘high-quality, comparable information’, while also facilitating better data collection and analysis ‘at scale’. ASFI advised that it is currently leading a First Nations Disclosure project in collaboration with its First Nations Reference Group, and would welcome the Australian Government’s support.<sup>33</sup> At a public hearing, ASFI explained that ‘disclosures bring better practice’,<sup>34</sup> drawing an analogy to legislatively required climate change disclosures:
- What has played out with climate disclosures is—as soon as you are encouraging and requiring disclosure, that means that better practice is almost automatically generated because corporates, generally, are not comfortable disclosing unmitigated risks or disclosing opportunities without a plan to capitalise on those opportunities. That’s the rationale and the reason for the interest and support for more consistent and credible disclosures right across the corporate and financial institution ecosystem across Australia.<sup>35</sup>
- 3.28 Corporate reporting mechanisms were similarly supported in a submission from Mr Tyson McEwan.<sup>36</sup>

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<sup>29</sup> Australian Bureau of Statistics (ABS), *Submission 104*, p. 3.

<sup>30</sup> ABS, *Submission 104*, p. 3.

<sup>31</sup> ABS, *Submission 104.1*, pages 1–2.

<sup>32</sup> Department of Industry, Science and Resources (DISR), *Submission 69*, p. 5.

<sup>33</sup> Australian Sustainable Finance Institute (ASFI), *Submission 15*, p. 5.

<sup>34</sup> Ms Tiarne Shutt, Program Lead, First Nations and Finance, ASFI, *Committee Hansard*, Canberra, 24 September 2024, p. 9.

<sup>35</sup> Ms Kristy Graham, Chief Executive Officer, ASFI, *Committee Hansard*, Canberra, 24 September 2024, p.13.

<sup>36</sup> Mr Tyson McEwan, *Submission 51*, pages 4–6.

## Supporting First Nations business development

- 3.29 Although Aboriginal and Torres Strait Islander peoples have a long history of trade and commerce,<sup>37</sup> intergenerational impacts of colonisation and the deliberate exclusion of First Nations peoples from the economy, have meant that the vibrant First Nations business sector that has emerged today is relatively new.<sup>38</sup> Australian Government policies and programs have had an important role in helping to build the capability of Aboriginal and Torres Strait Islander peoples to run successful private enterprises that contribute to economic self-determination.

## First Nations procurement policies

- 3.30 Like with other small businesses, one of the key drivers for the rapid growth of the Indigenous business sector in recent years has been the Australian Government's IPP (Box 3.2), as well as similar procurement policies introduced by state and territory governments and private sector companies.<sup>39</sup> In general terms, these policies are designed to increase procurement from Aboriginal and Torres Strait Islander businesses, including by setting minimum targets for the awarding of contracts. IBA told the Committee that, since being established in 2015, the IPP has generated over \$9.5 billion in contracting opportunities.<sup>40</sup>

### Box 3.2 Indigenous Procurement Policy

The primary purpose of the Australian Government's IPP is to 'stimulate Indigenous entrepreneurship, business and economic development, providing Indigenous Australians with more opportunities to participate in the economy'.<sup>41</sup> The IPP has three elements:

- Annual targets for the volume and value of contracts to be awarded to Indigenous businesses by the Commonwealth and each Portfolio.

<sup>37</sup> Aarnja Ltd, *Submission 22*, p. 1; Australian National University First Nations Portfolio, *Submission 48*, p. 2; Mr Tyson McEwan, *Submission 51*, p. 1.

<sup>38</sup> Associate Professor Michelle Evans, Director, Dilin Duwa, *Committee Hansard*, Melbourne, 19 July 2024, p. 11; Mr Rueben Berg, Co-Chair, First Peoples Assembly of Victoria, *Committee Hansard*, Melbourne, 19 July 2024, p. 30; First Australians Capital, *Submission 56*, pages 4–5.

<sup>39</sup> For example, Fortescue Metal Group and Rio Tinto. See Business Council for Sustainable Development, *Submission 71*, p. [6]; Dr Zannie Langford and Dr Richard Martin, *Submission 17*, p. 6. See also Business Council of Australia 2023, *Raising the Bar: A guide for Business Council of Australia members to support the growth of Indigenous businesses*.

<sup>40</sup> IBA, *Submission 34*, p. 7.

<sup>41</sup> National Indigenous Australians Agency (NIAA), 'Indigenous Procurement Policy', <https://www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policy-ipp>, accessed 28 August 2024.