



Australian
National
University

First Nations
Portfolio

Reframing Access

Moving from Individual to
Institutional Drivers of Indigenous
Business Finance



This report reframes issues in Indigenous business finance by shifting focus from capability deficits to structural and relational constraints within financial institutions. It argues that meaningful improvement requires institutional reform rather than business-level fixes.

Details

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Foreword

**Professor
Peter Yu AM**

Vice President, First
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Australian National
University

The participation of Indigenous peoples and communities with banks and other financial institutions is shifting towards a more considered relationship after decades of being a foreign, uninviting and, at times, unfriendly environment.

There has always been a need for Aboriginal and Torres Strait Islander peoples to access finance and other forms of affordable capital to leverage out of their historical and current impoverished and marginalised position. Yet they were often confronted with societal biases and prejudice while navigating the complexities of the banking and financial systems.

Over time, Indigenous peoples' aspirations and circumstances have shifted markedly, driven by the need to consider the well-being and health of their families and communities, as well as important legal recognition and ownership of traditional Country. The need to ensure succession in language, tradition and culture has seen an exponential growth of the entrepreneurial class of Aboriginal and Torres Strait Islander peoples, contributing significantly to the local, regional and national economies.

The collaboration between NAB Foundation and the First Nations Portfolio at The Australian National University is an important step towards reshaping the way our country understands the ever-increasing contribution and value Indigenous businesses bring to our local and national communities.

The resulting report shows that the experience of disenfranchisement is not isolated and speaks to the systemic nature of attitudes and systems. The voices of business owners, organisations and institutional partners remind us that change is possible when relationships are built on respect and genuine partnership.

The report also offers a pathway forward, one grounded in evidence, shaped by community experience, and informed by a shared commitment to a more equitable future.

Our collective task is to ensure that financial institutions and systems evolve to grow with Indigenous modernity, to interrogate and build innovative models that support and enable Indigenous communities to thrive on their own terms.

I thank NAB Foundation for having the foresight and initiative to support this important research, the research team for their hard work, and the individuals who contributed their time and stories to the project. Most of all, I acknowledge the strength and creativity of our First Nations entrepreneurs and businesses. Their leadership and success will guide us towards a stronger and more inclusive economy and community.

Acknowledgement of Country

The Australian National University (ANU) acknowledges the Ngambri (Kamberri) and Ngunnawal Peoples, who are the Traditional owners of the ACT and surrounds.

ANU is firmly nestled within the ancestral land of the Ngambri (Kamberri) and Ngunnawal. The name of the capital city, 'Canberra', was a corruption of the earlier anglicised version, 'Canberry', of the original name for this territory: Ngambri. The name Canberra, formerly rendered as 'Canburry' or 'Canberry' from the many renditions including Ngambri, Kamberri, Kemberry, Ngambra, etc by the earliest non-Aboriginal settlers in Ngambri country, is derived from the name of the Aboriginal ancestral people and country, the Ngambri (Jackson-Nakano 2005).

The names 'Canberry' or 'Canberra' or 'Ngambri' were also used by early non-Aboriginal settlers to refer to other geographical features in the district, such as the Canberry Plains, Canberry Creek, Canberry Ranges and so on. The Ngambri referred to the 'Molonglo River' as the Ngambri River, and to the stream now referred to as 'Sullivan's Creek' as Ngambri Creek, the source of which is near Gooroo Hill (Goorooyaroo). The Ngambri referred to the Limestone Plains as the 'Ngambri Plains'. 'Black Mountain', which was part of the Canberra (Ngambri) Ranges, appears on the earliest maps as 'Black Hill', named as such because it was also a favourite traditional gathering place of Ngambri families and their visitors.

A mountain of historical evidence overwhelmingly supports the assertion that the ancestral custodial group of this territory at the time the first 'European settlers' arrived in 1820-21 took their name from their ancestral country: these were the Ngambri people.

This land supports students and staff throughout their time at ANU. It will continue to hold a space for future generations to come together and learn from Country and one another. We pay our respects to all Aboriginal and Torres Strait Islander peoples, Indigenous peoples, past and present, and acknowledge that this land from which we benefit has an ancient history that is both rich and sacred. The ANU community commits to always respect the land upon which we stand and to ensure that the voice of this land's Indigenous peoples is both heard and listened to so that we may move towards a future marked by cooperation and mutual respect.

Acknowledgements

This research was enabled by the guidance, collaboration, and contribution of several individuals and organisations.

The Project Steering Committee (PSC), including Vice-President (First Nations) Professor Peter Yu, played a central role in shaping design and methodology. The PSC was an active methodological partner. It contributed to defining the research problem, refining research questions, validating the literature review scope and reviewing data collection instruments. PSC oversight extended throughout the project. Key methodological decisions were made with structured consultation, analytical rigour, and cultural integrity. This ensured alignment with Indigenous research principles and the Indigenous business context.

Sincere thanks are due to Farha Nadia, who undertook the foundational work and literature review for this project. Emeritus Professor Boyd Hunter is gratefully acknowledged for his advice and consultation. Special thanks go to Emeritus Professor John Taylor for his continued expert guidance and support during this project.

The author would like to sincerely thank and acknowledge the contribution of every Indigenous business owner, operator, and representative from financial and supporting institutions who lent their time and knowledge for this research. The report would not be possible without their generosity and trust. Their insights are invaluable, and their willingness to share is fundamental to this project. The depth and quality of their contributions are gratefully acknowledged.

Executive summary

This report finds that access to finance for Indigenous businesses is not constrained by business capability alone. It is shaped by the interaction between Indigenous business realities and finance systems that often do not recognise their structures, assets, risks, relationships, geographies or growth pathways. Drawing on qualitative evidence from Indigenous businesses and financial institutions, the report examines how capability, relational dynamics, institutional design, and structural conditions combine to produce persistent barriers to finance access.

First, the report demonstrates that access to finance is not simply a function of individual entrepreneur readiness but an emergent outcome of how financial systems interact with Indigenous business contexts. Factors often treated as discrete barriers — such as financial literacy, trust in institutions, remoteness, collateral constraints, and procurement access — are in practice inter-related expressions of a broader misalignment between mainstream financial models and the relational, institutional, legal, and asset structures within which many Indigenous businesses operate. Current approaches tend to emphasise individual-level deficits while underestimating how credit assessment processes, collateral requirements, procurement settings, and policy incentives embed institutional assumptions that do not always reflect Indigenous governance arrangements, capitalisation pathways or growth strategies. As a result, financial systems frequently struggle to engage with otherwise viable Indigenous enterprises, not because of inherent business weaknesses, but because of how financial products and institutional practices are designed and applied.

Second, the report identifies a “supported-to-fail” dynamic at the core of many current financial inclusion strategies. Supported-to-fail describes a pattern in which Indigenous businesses are actively supported to enter markets, but are not supported with the capital depth, continuity, market access, working capital or institutional relationships required to sustain operations and scale over time. Policy attention is disproportionately concentrated on business formation and initial participation through start-up grants and procurement initiatives, while comparatively little emphasis is placed on firm survival, profitability or long-term capital accumulation. For example, when procurement contracts are offered without access to working capital or when start-up grants are not paired with follow-on growth finance. The “supported-to-fail” dynamic reflects a system that defines success through participation rather than prosperity. Current systems tend to optimise for Indigenous supplier participation, procurement visibility, contract volume, and business start-up numbers, rather than profitability, retained earnings, capital accumulation, business durability, scale, and intergenerational wealth creation. The result is a system where high levels of participation coexist with weak long-term outcomes. This is not because Indigenous businesses lack viability, but because policy and financial settings are not configured to support sustained growth.

Third, the report identifies a structural ceiling on the growth of Indigenous businesses embedded within both mainstream and Indigenous financial systems. Financing pathways are largely oriented toward micro and small enterprises, with limited provision for growth-stage capital. Indigenous ownership requirements, while important, place strict 51% equity constraints on Indigenous businesses. Strict and untailored collateralisation requirements from banks exclude native title landholders, and underdeveloped investment markets restrict the ability of Indigenous firms to scale. In parallel, institutional pipelines and data systems tend to categorise Indigenous businesses in ways that reinforce expectations of small-scale, low-capital cottage industries. Many firms seeking to expand report bypassing Indigenous-specific financial mechanisms altogether to access more flexible sources of capital.

These findings suggest that Indigenous business finance operates within a stable but suboptimal equilibrium characterised by high entry, low capital intensity, and limited upward mobility. While current policy settings have been effective in increasing participation, they have not enabled a transition to self-sustaining and growth-oriented enterprises.

The report concludes that improving access to finance for Indigenous businesses requires a system-changing response more than additional business support. It requires financial institutions, policymakers, and Indigenous business leaders to redesign institutional lending models, realign performance metrics

toward long-term outcomes, and develop financing mechanisms that support business sustainability and scale . The findings point toward the need for: redesigned capital pathways, alternatives to traditional collateral settings, Indigenous-informed risk frameworks, relationship continuity, integration between Procurement and finance systems, Indigenous influence within product and policy design, and institutional cultural intelligence embedded into decision-making systems. Without such changes, existing approaches risk perpetuating the very constraints they seek to address.



Introduction

This report draws on qualitative interviews and surveys with Indigenous business owners and representatives from both Indigenous-specific and mainstream financial institutions to examine Indigenous access to finance. It explores participants' experiences, identifies key constraints, and elicits potential solutions. The report systematises the evidence collected into a coherent set of three interacting framings. The findings provide a basis for actionable insights for financial institutions, governments, and Indigenous leaders to improve access to finance and support the growth of Indigenous businesses.

Indigenous businesses are increasingly central to economic participation, procurement, community wealth creation and self-determination. As a significant and growing economic segment, improving their access to finance is important not only as a social policy issue, but also for economic development, the efficient allocation of capital and broader productivity growth in Australia. Yet while Indigenous businesses have expanded rapidly, financial systems and institutional settings have not evolved at the same pace. Access to appropriate finance therefore remains a persistent constraint on business growth and sustainability. This research is needed because existing policy and institutional responses have not yet fully addressed the structural and systemic factors that shape access to capital.

This report is distinctive in both its scope and approach, representing one of the first qualitative, interview-based studies of the Indigenous economy that specifically focuses on access to finance. One core point of difference lies in its dual-perspective design, capturing not only the experiences of Indigenous businesses but also the constraints and institutional decision-making processes of both Indigenous-specific and mainstream financial providers. Rather than framing barriers as deficits in business capability, the analysis deliberately centres on systemic features such as relationship design, product design, and governance structures that shape access to capital. In doing so, the report reframes the problem from one of individual limitation to one of structural alignment, offering a more policy-relevant and institutionally grounded evidence base.

The report underscores the need for policymakers and Indigenous leadership to update their understanding of the Indigenous economy and Indigenous businesses' need from Indigenous and mainstream institutions. This begins by recognising that difficulties accessing finance are systemic, arising from the interaction of institutional design and relational dynamics, not merely individual deficits. The report highlights a misalignment in current approaches, which prioritise startup activity over long-term sustainability, often resulting in businesses being "supported to fail" due to insufficient pathways to scale and durable capital. More fundamentally, it points to the need to rethink the rules, structures, and objectives of Indigenous institutions, given that existing frameworks can inadvertently constrain growth and limit participation in higher-value, capital-intensive sectors. Addressing these challenges will require a stronger evidence base, including more comprehensive and longitudinal data, to better capture the diversity, performance, and financing needs of Indigenous businesses and to inform more effective, system-level policy responses. Good governance requires knowing where Indigenous businesses are and where they want to go.

Access to finance for Indigenous businesses in Australia is grounded in a long history of dispossession, exclusion from secure property rights, and institutional arrangements that constrained wealth accumulation

and the formation of collateral. These histories are not only contextual. They continue to shape contemporary finance access through patterns of asset ownership, collateral availability, institutional trust, geographic exclusion and the way risk is assessed. These legacies of past injustices persist beyond their formal removal, shaping both lived experiences through ongoing distrust and constrained economic agency, and institutional structures, such as land tenure laws that limit the use of restituted land as collateral and policy settings that continue to regulate aspects of financial autonomy. While initiatives such as the Indigenous Procurement Policy, Supply Nation, and the work of Indigenous Business Australia have expanded participation in economic activity, significant challenges remain in access to equity and pathways to scale. Concurrently, the evidence base remains limited and fragmented. Dilin Duwa's excellent Indigenous Economic Power Project (Polidano et al. 2025) provides one of the most comprehensive snapshots of the Indigenous economy, but a robust longitudinal dataset is still lacking. Complementary insights from FNP's

Murru waaruu (On Track) Economic Development Seminar Series (2024) have helped surface key policy reform directions. But further research is needed to deepen understanding of specific sectors and financing dynamics.

Improving access to finance for Indigenous businesses is, first and foremost, a matter of equity and justice. Indigenous entrepreneurs should be able to participate fully in the economy irrespective of narrow market-based evaluations of their worth. From a financial perspective, improving access expands the investable frontier by unlocking under-recognised opportunities, diversifying portfolios, and fostering businesses with strong community ties and long-term orientations that can enhance resilience and returns. For financial institutions, this is not simply a social obligation but a strategic opportunity to engage with a growing and dynamic segment of the economy that has historically been underserved.

Access to finance is central to Indigenous economic development because it underpins genuine economic self-determination: the ability of Indigenous businesses to make independent decisions about growth, investment, and participation in the economy. The urgency is heightened by the fact that repeated policy or institutional failures do not occur in a vacuum. Each successive failed or ineffectual intervention — and even research project — risks eroding trust, making future engagement more difficult and constraining the effectiveness of subsequent reforms. As such, policymakers, financial institutions, and Indigenous leaders face a narrowing margin for trial-and-error approaches, and the problem must be treated with a level of seriousness commensurate with its long-term consequences. This report reflects that imperative by presenting unsanitized critical perspectives on institutions that are often well-intentioned and largely beneficial, on the basis that accurate diagnosis is a prerequisite for meaningful change. Importantly, the analysis does not isolate uniquely Indigenous barriers after controlling for mainstream ones. Rather, it captures the full finance experience, meaning many identified solutions may have broader applicability. However, Indigenous businesses warrant specific focus not because their challenges are wholly unique, but because they face these challenges in compounded and historically embedded ways that materially shape their economic opportunities.

Summary Literature Review

The literature review formed the analytical foundation of this project by clarifying where the evidence base is already strong, where it remains insufficient for decision-making, and where further inquiry is required to inform institutional reform. What follows is a summary of the literature review. This summary review identifies three enduring themes in the literature that shaped the scope of this research: structural barriers to finance, relational and cultural dynamics, and differences in need the business lifecycle and geography. These themes persist across more than a decade of academic and sector reporting, signalling that they remain live issues for financial institutions despite repeated attempts at intervention. While this report later revisits and challenges aspects of how these themes are framed, they served as the initial basis for the qualitative investigation.

Across the literature, structural constraints are consistently shown to shape Indigenous businesses' experiences with mainstream finance. Seminal studies demonstrate that thin credit histories, limited bank acceptable collateral and rigid underwriting criteria continue to constrain access to capital (Furneaux and Brown 2008, Shirodkar 2021). These findings remain relevant because the underlying credit settings, largely consisting of security rules and liability requirements, have not substantially changed. This justified focusing the research on how lending rules, approval pathways and risk frameworks operate in practice, and on understanding what prevents institutions from adapting to Indigenous business contexts.

The literature also shows that trust and cultural competency remain central factors in whether Indigenous businesses engage with, or disengage from, financial institutions. Experiences of cultural misunderstanding, inconsistent treatment and limited relational continuity continue to undermine confidence in mainstream banking (Foley 2006, Shirodkar and Hunter 2021, Evans and Polidano 2022). These issues are not historical anomalies but reflect current service conditions and institutional behaviours. For this reason, the methodology includes a focus on staff conduct, customer due diligence processes, communication practices and the broader service environment that shapes trust.

The third theme concerns the differing financial needs of Indigenous businesses across lifecycle stages, and the intensified barriers faced by remote and regional enterprises. Research shows that startups confront capability and cash flow challenges, while growing firms struggle to secure timely expansion capital, and remote enterprises face higher operational and transaction costs (Morrison et al. 2014, Brueckner et al. 2014). These patterns remain evident today, making it necessary to design a methodology that captures variation across business maturity, industry and location, and to interrogate whether existing products and processes meet these differentiated needs.

These three themes define the scope of this study because they represent the areas where institutional decisions have the greatest impact on outcomes. They also elucidate where gaps in applied evidence most limit progress. The literature points to long standing issues in capability development and supply chain participation (Supply Nation 2018), and a continued call for more flexible, context aligned financial products (Shirodkar et al. 2018). The issues' persistence suggests that existing responses have not addressed the root causes of exclusion, strengthening the case for a study focused on institutional systems and decision making.

This report builds on earlier work by moving beyond describing barriers to interrogating the institutional and market systems that produce them. Rather than asking only what challenges Indigenous businesses face, it examines why those challenges persist despite sustained intervention. By taking a dual perspective of Indigenous businesses and financial institutions, it shows how these outcomes are the emergent properties of multiple systems interacting, not just a lack of business capability on the part of Indigenous entrepreneurs. The three framings identified by the report are not independent: capability narratives can

mask structural constraints, and weak relational interfaces can prevent strong businesses from navigating institutional systems effectively. By revealing how relational and structural characteristics interact and shape outcomes, the study reframes long-standing issues as system-level design issues rather than business capability gaps. This helps explain why challenges persist despite sustained intervention; they are reproduced through the complex interaction of structural limitations and poor relationships rather than resolved through capability-building alone.



Methods and Methodology

Insights from this report are the product of a 2-year long partnership between NAB Foundation and the First Nations Portfolio (FNP). NAB Foundation provided funding via a philanthropic grant and NAB has provided in-kind support through their network to supplement FNP's own network of respondents. The First Nations Portfolio retained full responsibility for the conduct, analysis, and reporting of the study. Indigenous leadership and governance were embedded in the project's design through the Project Steering Committee (PSC) comprising Darren Godwell (Chair of the Board, IBA), Peter Yu (Vice-President (First Nations), ANU), Samantha Webster (Head of First Nations Affairs, NAB) and Noel Prakash (National Head of Indigenous Business and Community, NAB). The PSC was embedded as an active methodological partner rather than a passive oversight body. The PSC contributed to shaping the research framework by reviewing the emerging design, refining research questions, assessing data collection instruments, and ensuring both cultural integrity and analytical rigour from the outset. The partnership first produced a fully comprehensive literature review to be used to inform the empirical research aims. Consistent with this structure, the research process incorporated the voices of Indigenous business owners, representatives of Indigenous institutions, Indigenous finance specialists, and mainstream financial actors. The deliberative process yielded a focus on identifying the distal causes of the difficulties that Indigenous businesses face when trying to access finance.

The research questions were developed through a structured, iterative process led by the Project Steering Committee. Questions were focused around three categories: barriers, current experiences and prospective solutions. Each question was designed to interrogate a distinct dimension of Indigenous business engagement with financial services, while also examining how financial institutions perceive and respond to Indigenous clients. In line with the study's dual-perspective design, the questions were intentionally framed to capture both sides of the financial relationship, enabling analysis of systemic barriers, organisational practices, and potential reform pathways. Questions directed at Indigenous businesses focused on lived experience, including practical barriers to accessing finance, the nature of banking relationships, perceived gaps in financial products, and expectations of effective support, with an emphasis on how these dynamics vary across business maturity, sector, and context. In parallel, questions for financial institutions explored internal risk assessment models, institutional capabilities, staff awareness, and programmatic responses, as well as perceived constraints in serving Indigenous clients. The study recognises that institutional respondents operate within broader organisational and regulatory constraints. Lending practices are shaped not only by individual judgement, but by prudential requirements, risk frameworks, product governance, operational incentives and shareholder expectations. The report therefore examines how these wider system settings shape institutional decision-making and capital allocation, rather than attributing outcomes solely to individual behaviour. Together, these complementary sets of questions were designed to identify areas of alignment and misalignment between businesses and institutions, and to surface both structural constraints and opportunities for systemic improvement.

The study employed a mixed interview and survey design to balance depth of insight with breadth of participation. Consent was sought from each respondent to use anonymised quotes in the report. Interviews were conducted virtually for logistical reasons, enabling engagement with respondents across diverse geographic locations, though this mode may have influenced response rates and the development of trust and rapport. Each interview followed a consistent question structure aligned with the survey instrument, but allowed for greater flexibility, enabling the interviewer to probe in depth on salient issues or move quickly past less relevant topics depending on participant expertise and engagement. Interviews typically lasted 30–45 minutes, and participants were informed that their responses would be anonymised and were encouraged to speak openly. The complementary survey was developed to capture additional respondents who were unable to participate in interviews due to time or scheduling constraints and was administered

via Qualtrics, distributed through the FNP network and LinkedIn channels. While the survey achieved broader reach, the responses were significantly less detailed, limiting analytical depth. In retrospect, the findings suggest that where feasible, interviews should be prioritised over survey instruments in future work to ensure richer and more meaningful data collection.

The study initially drew respondents through FNP networks and LinkedIn distribution, yielding 10 survey responses and 6 interview participants (16 in total). In qualitative research, sampling is typically expanded until data saturation is reached — that is, the point at which additional interviews no longer generate substantively new insights. However, in the absence of an extensive established literature on qualitative research into Indigenous finance, it was not possible to define a clear target sample size *ex ante*, and it became evident that the initial sample was insufficient to reach saturation. In response, the study broadened recruitment through NAB Foundation's network contributed a further 16 interview participants and increased the total sample to 32. Interviews were conducted solely by FNP, and participants were aware that NAB and NAB Foundation would not have access to their responses or identities. Respondents spoke freely about a range of banks and financial institutions. Data saturation was broadly reached at around 20 participants, although this is influenced by the study's dual-perspective design, which inherently expands the range of relevant experiences and institutional viewpoints. The challenges in recruitment also point to broader methodological and structural considerations, including limited trust in financial institutions, fatigue or scepticism toward philanthropic and research initiatives, and the importance of established relational networks over *ad hoc* outreach. In this context, successful engagement was more consistently achieved through ongoing relationships rather than cold or out-of-the-blue recruitment efforts.

There are several important limitations and potential sources of selection bias in the sampling approach that should be acknowledged. The expansion of recruitment through NAB Foundation's networks may have skewed institutional perspectives more positively, as respondents were already engaged with, or known to, the bank and therefore more likely to have functional or ongoing relationships with it. This may also have influenced perceptions of Indigenous banking channels and specialist Indigenous branches, given that a large proportion of the additional respondents were drawn from these existing institutional touchpoints. More broadly, this reliance on relational networks likely underrepresents businesses and individuals who are disengaged from, or excluded by, mainstream financial institutions, and whose experiences may be more adversarial. There is also a limitation in the business sample itself, particularly the inclusion of only one clearly identified failed Indigenous business, which constrains the ability to fully explore business failure as an outcome of financing barriers. However, this limitation is partially mitigated by the fact that many successful businesses reported prior unsuccessful ventures or periods of failure before achieving viability, allowing some indirect insight into failure dynamics. Businesses most excluded from finance systems may be the least visible within formal research processes. Businesses disconnected from support networks, unable to access procurement markets, or excluded before formal finance engagement may therefore be underrepresented in the findings. Overall, while the sampling strategy enabled access to a relatively difficult-to-reach population, it is important to interpret findings with awareness of these structural biases and the likelihood that the most excluded voices remain underrepresented.

The qualitative analysis employed a hybrid thematic coding approach, integrating both deductive and inductive methods to balance theory-driven structure with openness to emergent findings. Deductive codes were developed from the literature review and included key pre-identified domains such as access to finance, cultural competency, lifecycle-stage financing needs, capability development, product innovation, geographic disparities, and supply-chain participation. These provided an initial analytical framework against which interview and survey data were organised. Inductive coding was then applied to capture unanticipated themes arising directly from participant narratives, ensuring that context-specific insights not well represented in the existing literature were not lost. This dual approach enabled the analysis to remain both grounded in established scholarship and responsive to lived experience. The coding and theme development process followed Bingham's (2023) five-phase framework, supporting a systematic progression from familiarisation and initial coding through to theme refinement and interpretation.

Respondent Characteristics

In total, the study draws on qualitative data from 32 respondents. There were 10 survey respondents from FNP's network and 22 interview respondents.

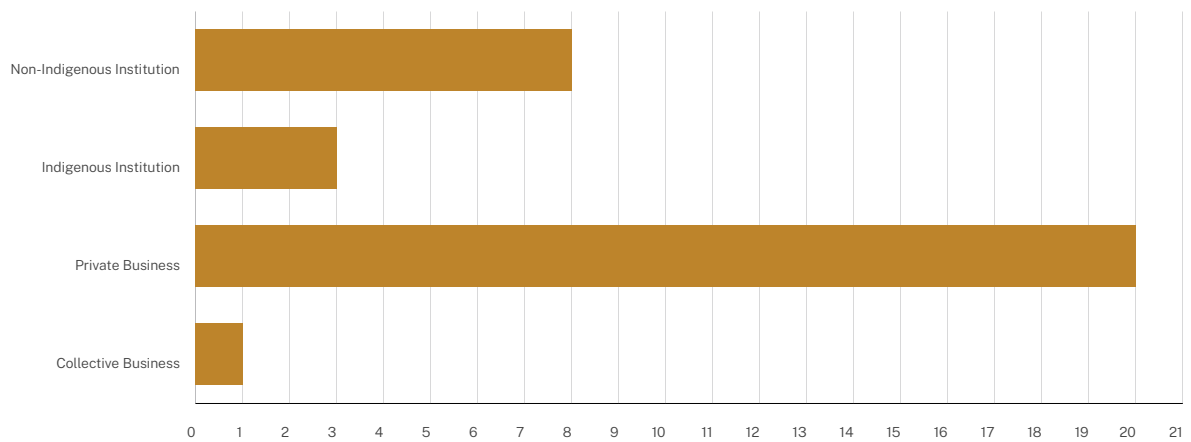


Figure 1 Count of respondents by business or institution type

The sample is skewed toward Indigenous businesses, meaning the findings are more strongly grounded in lived experience. However, institutional views are less represented, which may limit insight into internal banking processes and constraints. Within the business sample, there is also a bias toward more typical individually operated enterprises, with only one collectively governed business represented, limiting the extent to which the analysis captures the distinct dynamics of collective governance models. Some respondents worked at both Indigenous businesses and institutions. They are recorded by their primary employment. Some respondents were connected to multiple businesses in different industries and locations. They are also recorded by their primary employment.

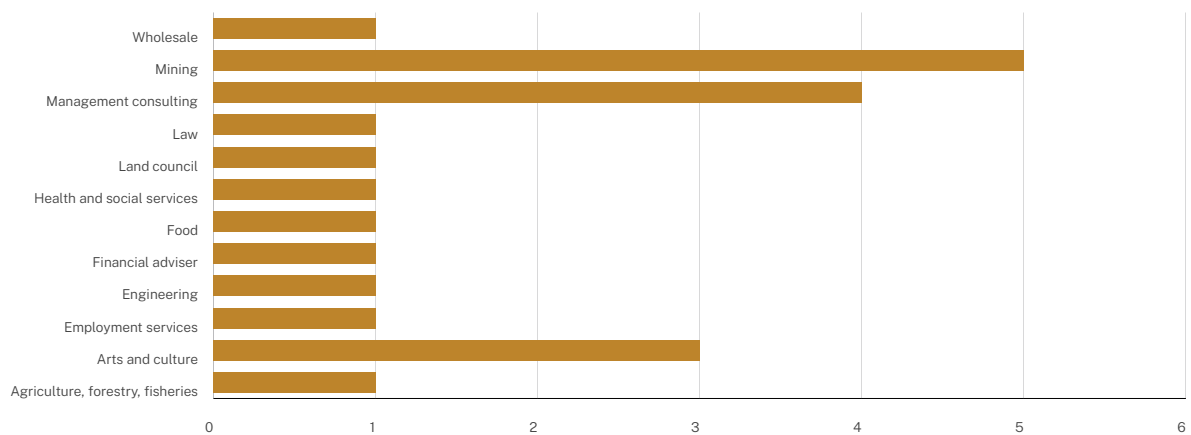


Figure 2 Industry of Indigenous business respondents

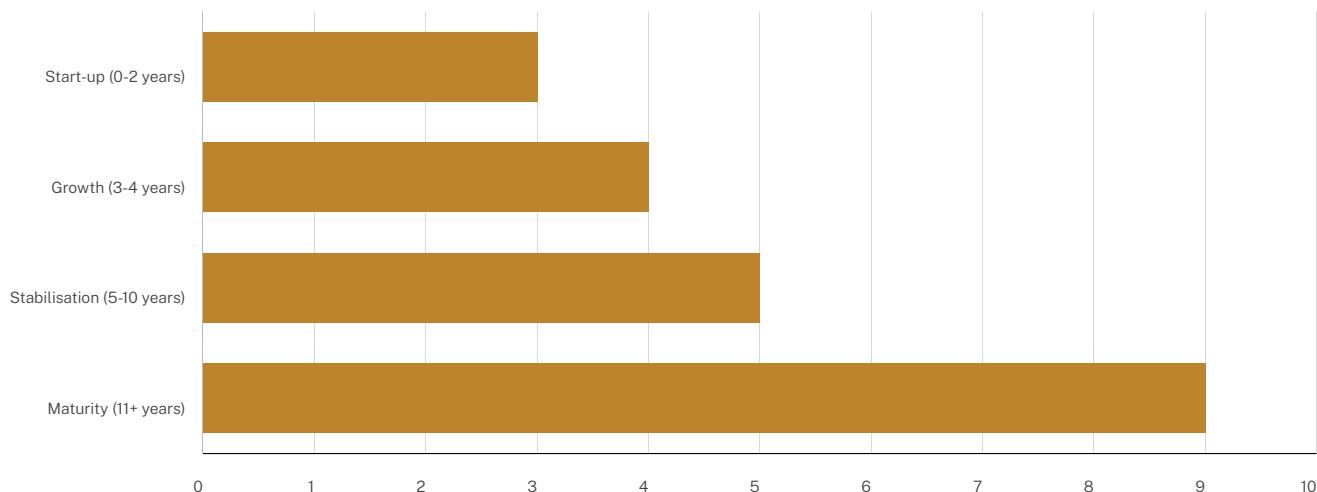


Figure 3 Business stage of Indigenous business respondents

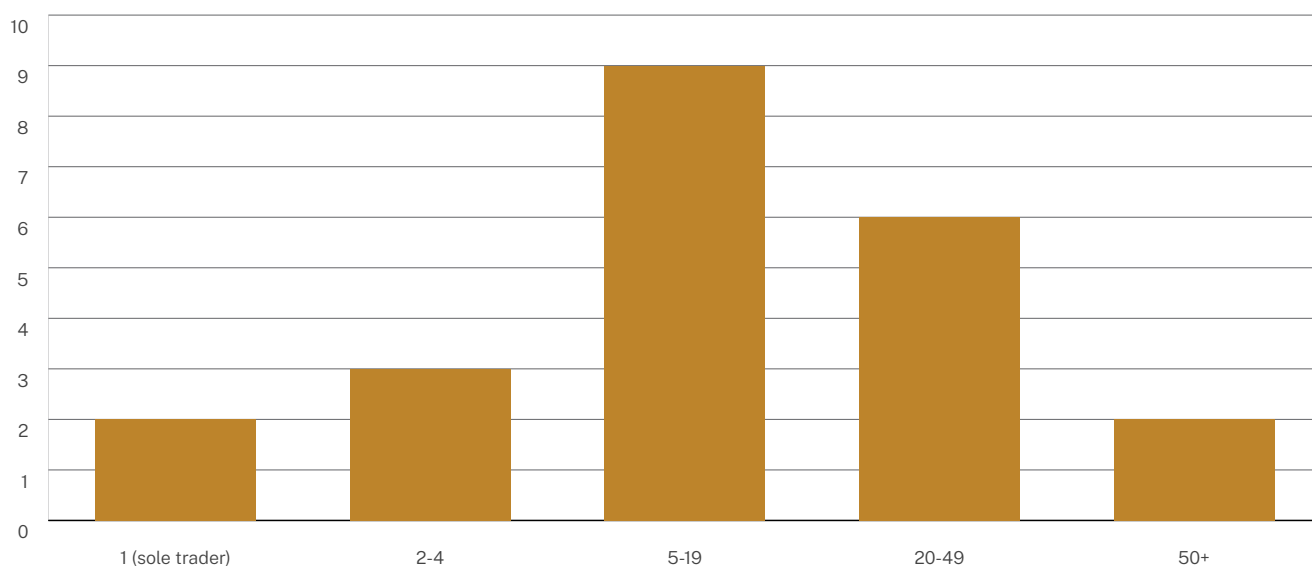


Figure 4 Number of employees for Indigenous business respondents

The business sample spans a broad range of industries, with attempted stratification across sectors. There is a noticeable concentration in mining, management consulting, and arts and culture. Health and social services are underrepresented in the sample compared to their prevalence in the population (Polidano et al. 2025), meaning the sample is broadly indicative but not fully stratified. Firms are skewed toward greater maturity, with businesses operating for 11+ years forming the largest group, and toward larger small-to-medium enterprises, particularly in the 5–19 and 20–49 employee ranges. While these characteristics provide strong insight into established and scaling businesses, they are also likely influenced by selection bias, meaning early-stage and smaller enterprises may be underrepresented in the findings.

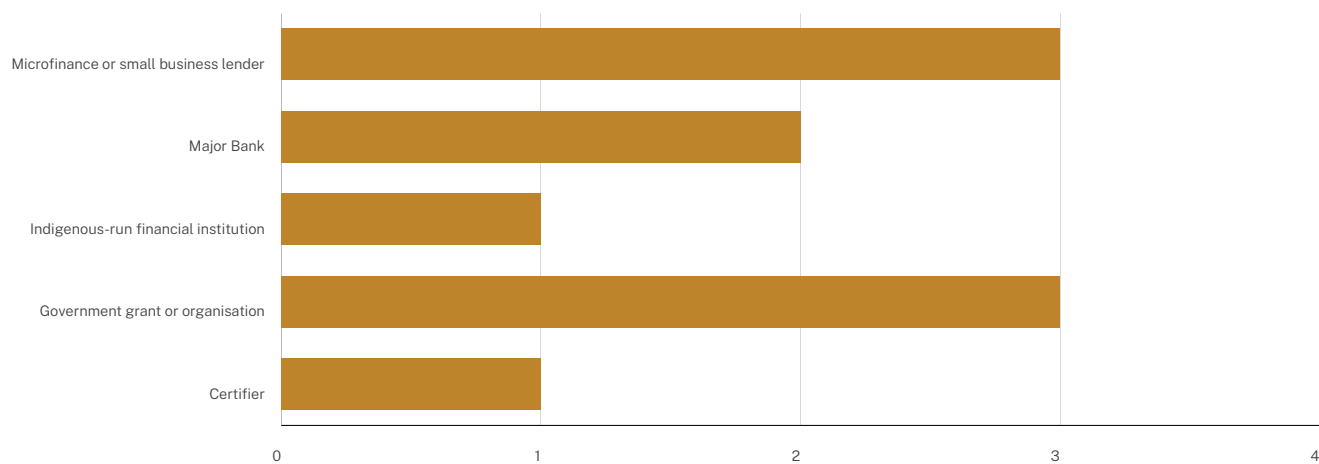


Figure 5 Type of institution respondents

The sample contains a wide variety of types of institutions ranging from Indigenous-specific to mainstream.

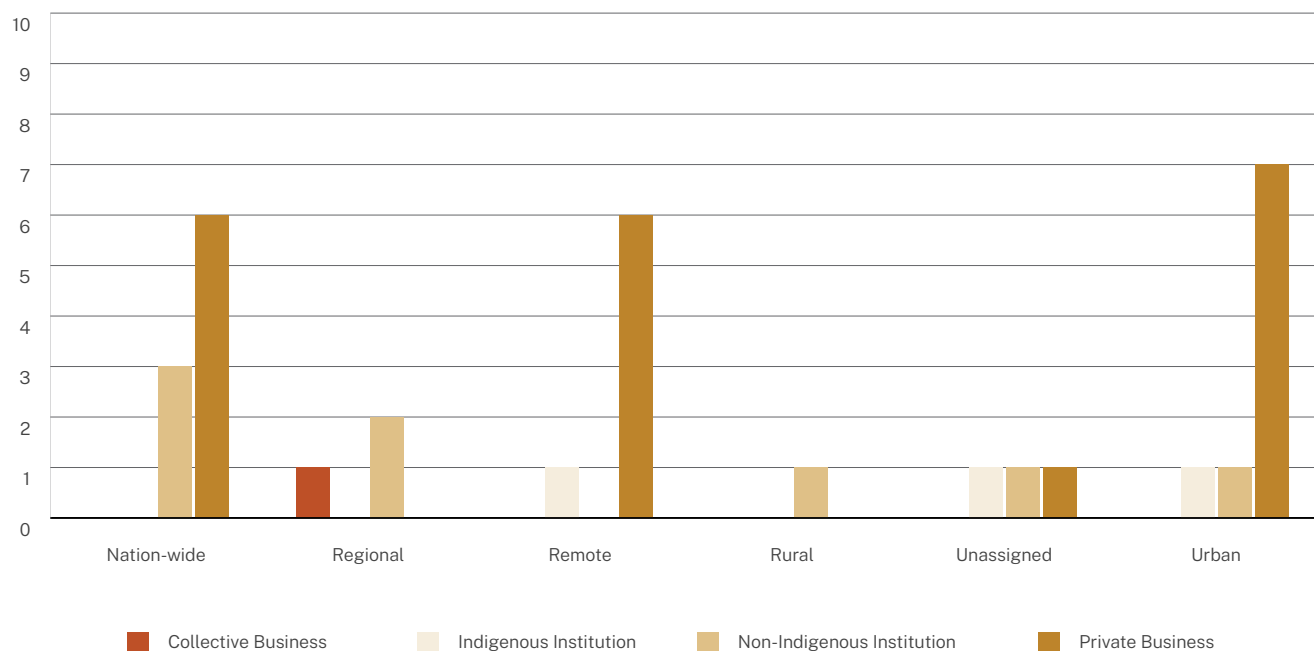


Figure 6 Respondents by type and area of product delivery

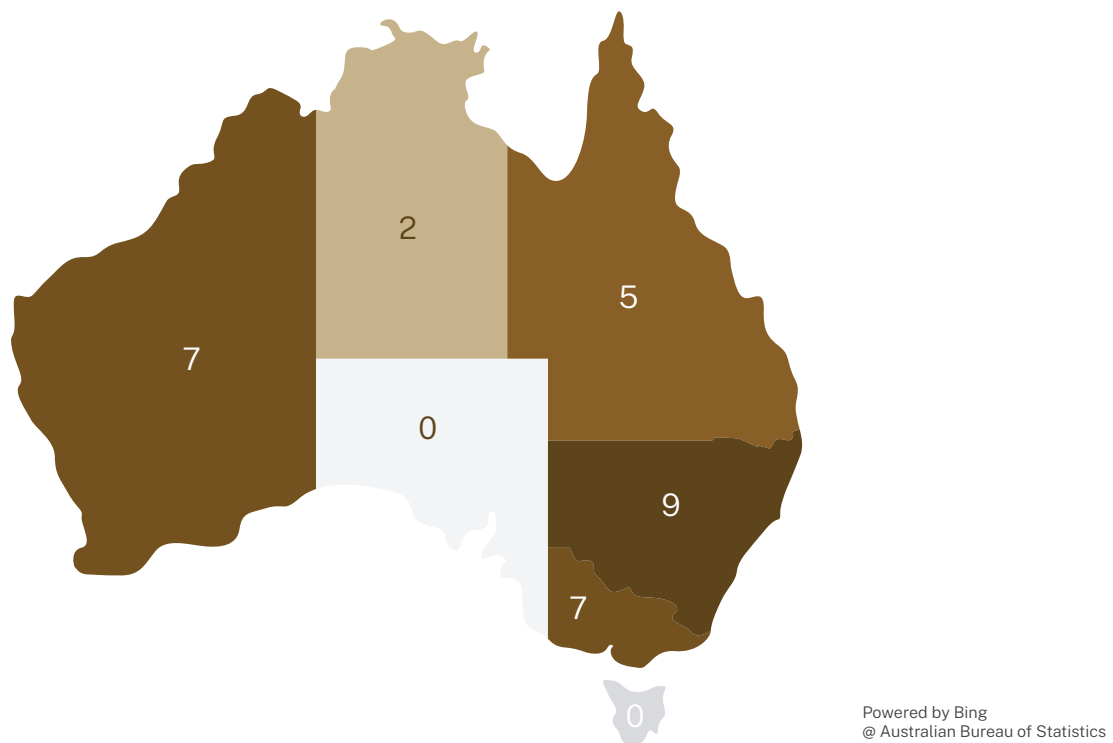


Figure 7 Choropleth map of respondent count by state and territory

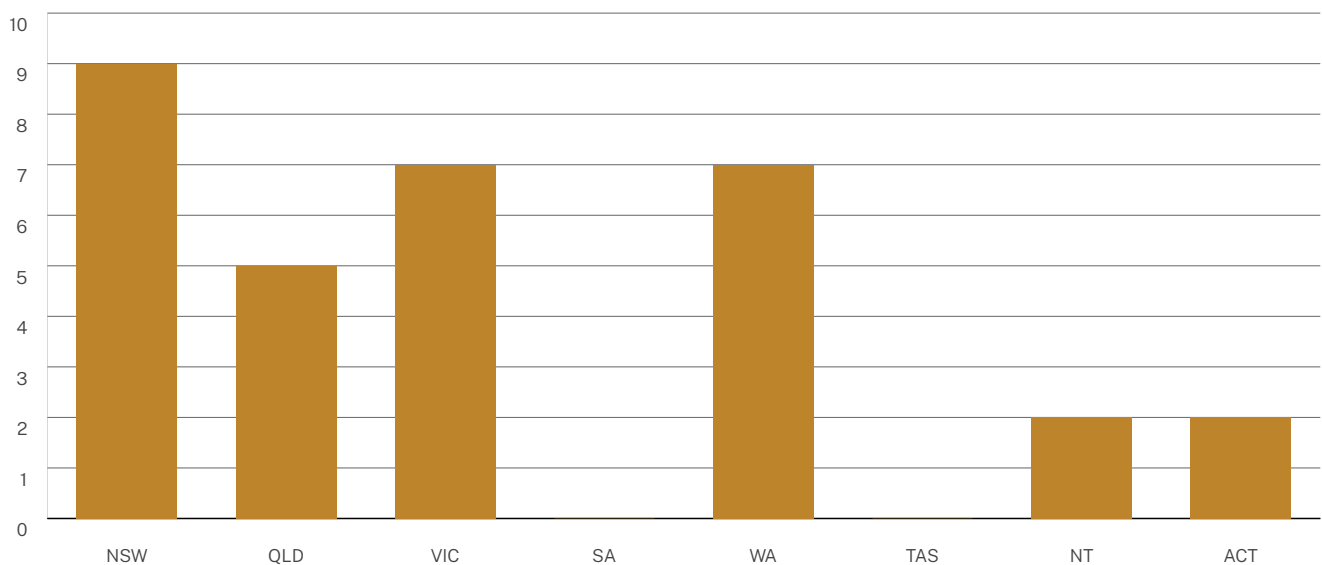


Figure 8 Number of respondents by state and territory

The geographic distribution of respondents indicates a relatively even spread in terms of areas of product and service delivery, with businesses operating across local, regional, and national markets. Notably, there were no respondents from businesses solely delivering in regional areas. However, this is partially mitigated by the inclusion of nationally operating businesses whose activities extend into regional contexts. In terms of location, there is a broad mix of respondents living across states and territories, providing reasonable national coverage. South Australia and Tasmania are not represented in the sample, but respondents did operate in those states. This absence should be considered when interpreting findings, particularly in relation to region-specific institutional settings and market conditions.

The characteristics of the sample have several implications for how the findings should be interpreted. The weighting toward established, mid-sized businesses means the analysis is particularly strong in identifying barriers to growth, scale, and sustained engagement with financial institutions, but is less reflective of early-stage or micro-enterprises.

Similarly, the stronger representation of business perspectives over institutional ones emphasises lived experience, while providing comparatively less visibility into internal banking processes and constraints. The industry concentrations may reflect genuine patterns within the Indigenous economy but could also shape the types of financing challenges observed, particularly in sectors with more established procurement or contracting pathways. Geographically, the broad national coverage supports general insights, though the absence of some jurisdictions and regionally confined businesses may limit the ability to fully capture place-based barriers. Taken together, the findings should be understood as most applicable to established Indigenous businesses engaging with formal financial systems, with caution applied when extending conclusions to less represented segments.

Three Framings

This report identifies three distinct lenses through which issues in Indigenous business finance can be framed: the Capability framing, the Relational framing, and the Structural framing. The Capability framing currently dominates policy and institutional practice, despite being the least emphasised by participants. This report argues that this dominant framing is incomplete and, in some cases, inaccurate. When the problem is misdiagnosed, solutions are necessarily incomplete and can be counterproductive, much like an incorrect medical diagnosis leading to harmful treatment. It therefore introduces the Relational and Structural framings as alternative approaches that provide a more robust diagnosis of the problem and point toward more effective solutions.

The Capability framing is a term used in this report to describe the prevailing, but largely implicit, framing adopted by financial and public institutions. While rarely articulated explicitly, it is evident in institutional practices, responses, and program design, examples of which are discussed later in this section. This framing focuses almost exclusively on Indigenous businesses themselves, often overlooking the role of financial and public institutions and their interactions with Indigenous entrepreneurs. It speaks in language that frames the problem in terms of “barriers,” attributes cause to “deficits,” and measures outcomes through “gaps” between Indigenous and non-Indigenous businesses rather than advancing Indigenous self-determination or economic freedom.

Under this framing, the problem is conceptualised primarily as a set of individual-or community-level capability gaps, such as intergenerational poverty, limited financial literacy, language barriers, and geographic remoteness restricting access to banking services. Framing the issue in this way leads logically to institution-driven solutions aimed at compensating for the lack of capability and opportunity. These include financial literacy programs, cultural competency training, grants and procurement programs. While these interventions have expanded entry points into the economy, findings suggest they often prioritise business formation over long-term viability. Success is measured through participation and start-ups rather than sustainability, resulting in “supported-to-fail” outcomes where businesses are assisted to commence operations without access to the structural capital pathways required to endure or scale. Repeated failure under these conditions’ risks eroding trust in financial institutions, undermining future engagement. Fundamentally, the Capability framing prioritises making Indigenous entrepreneurs’ investment-ready while leaving unexamined whether financial systems themselves are Indigenous-ready. In terms of the aims of institutional support, this report does not argue against the prevailing focus on reducing gaps as opposed to economic self-determination or any other alternative but cautions against treating the goals of the Capability framing as given.

The Relational framing reframes Indigenous business finance through the quality and structure of relationships between Indigenous people, financial institutions, and money. Central to this framing is a “trust less transaction problem,” where engagement with finance is shaped by low baseline trust and high relational friction. Participants described discomfort engaging with unknowledgeable bankers, the prevalence of transactional rather than ongoing relationships, and concerns around dignity, independence, and risk — particularly the reluctance to jeopardise hard-won assets such as first-generation home ownership. The burden of repeatedly explaining Indigenous business contexts further compounds these dynamics.

Within this framing, the issue is not simply access to finance but the relational conditions under which finance is sought and negotiated. The natural response is relationship-building: continuity of personnel, localised engagement, and repeated interactions across the full financing journey. This is reflected in Indigenous banking teams, community-based models, and networks such as NILs, where success is often measured through relationship quality and trust narratives. However, when treated as a standalone solution, relational mechanisms could generate new risks, including relationship dependency, selection effects based on personal connections, and the persistence of underlying structural constraints.

The Structural framing shifts attention from individual capability and interpersonal relationships to the design of the financial and institutional system itself. This was the most frequently referenced framing among participants. From this perspective, many of the problems identified are not isolated or behavioural but emerge from how finance is organised, regulated, and delivered. Respondents described a “triage pipeline” in which systems favour applicants already familiar with institutional processes and documentation, systematically excluding those without prior exposure. Declined applicants are often excluded without guidance or alternative pathways, reinforcing exclusion at entry points.

Structural fragmentation further exacerbates these effects, for example, where mainstream bankers are unfamiliar with ORIC business practices. Ownership and equity structures were also identified as critical constraints. Requirements such as 51 per cent Indigenous ownership alongside the absence of substantial Indigenous-controlled investment capital can limit access to external equity and constrain growth. “Black cladding” is therefore understood not simply as an ethical issue, but as a response to structural incentives embedded within funding and compliance systems.

The Structural framing points toward system-level redesign, including reconsideration of ownership thresholds, development of Indigenous-controlled investment vehicles with access to mainstream capital markets, and reform of how Indigenous businesses are defined, classified, and measured. Current systems are widely perceived as better suited to small-scale participation than to supporting Indigenous businesses operating at scale. Key outcome measures in this framing include sustained business success, scalability, compliance rates, and time-to-decision, while acknowledging that poorly designed reforms may introduce new risks, including reinforcing perverse incentives or further segmenting the financial system.

While the three framings interact, the report does not treat them as equally influential or pervasive. Capability framing remains dominant within policy and institutional discourse, often shaping how problems are interpreted and where interventions are directed. Relational dynamics strongly influence how businesses navigate financial systems in practice and may represent the most challenging area for institutions to recognise and operationalise. The report finds that structural factors are the most fundamental drivers of long-term outcomes, as they shape the institutional rules, incentives and market settings within which relational and capability dynamics operate.

Framing	How the problem is conceived	Implied solution	Metric of success	Unintended effect if other framings are not considered
Capability (The dominant framing)	Individual deficits: poverty, literacy, language, remoteness.	Financial literacy, cultural competency, IPPs, RAPs, “investment-readiness” programs.	Number of participants, workshops, startups, grants, and procurement targets.	“Supported-to-fail”: enough help to start, not enough systemic change to thrive. Grant dependency, market distortions, limited self-determination, and constrained capital accumulation.
Structural	Strict financial pathways and regulations can unintentionally lead to higher rejection rates for Indigenous applicants, disjointed systems, rigid ownership rules, a lack of Indigenous equity and data.	Indigenous bankers embedded across finance policy, re-evaluate 51%, Indigenous-controlled investment firms backed by mainstream capital.	Sustained successful businesses across business scales, compliance rates, and time-to-decision.	Black-cladding risks, segregated financial system.
Relational	Low trust, interactions are transactional, having to re-explain Indigenous finance to bankers, and an aversion to risking first-generation assets.	Build trust via Indigenous banking arms, local knowledge, repeated interactions with one banker, and building networks.	Relationship touches, client satisfaction.	Relationship dependency, two-tiered access that relies on finding “the right person”, structural issues left untouched.

Figure 9 The three framings at a glance

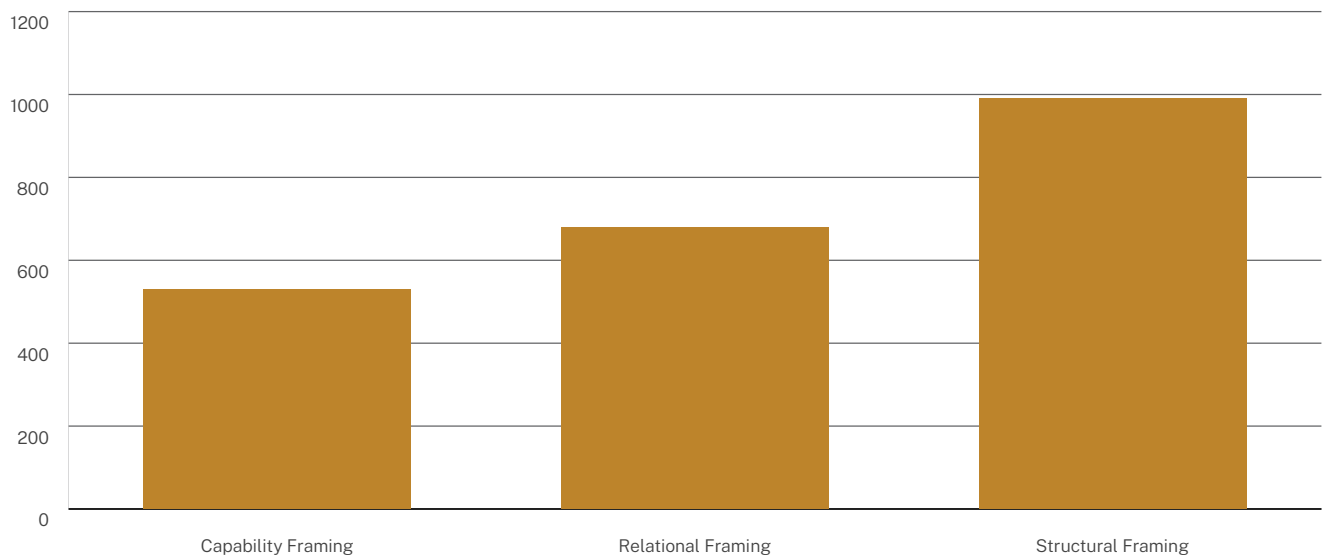


Figure 10 Number of references to themes within each framing

Within each framing, findings are introduced with an illustrative graph that indicates how frequently key themes arose across interviews. These graphs present the number of coded references (i.e. meaningful excerpts linked to a theme), alongside the number of business and institutional respondents who engaged with that theme, providing a quasi-statistical indication of its relative prominence. The results are then elaborated through selected anonymised quotes, allowing the analysis to retain both interpretive structure and fidelity to participant voice.

The Capability Framing

The Capability framing represents the dominant framing used by financial and public institutions, despite being the least referenced by participants in this study. It conceptualises Indigenous business finance as a problem of individual capability and opportunity deficits, and positions institutiondriven capabilitybuilding initiatives as the primary solution. The findings suggest this limited framing contributes to a churn of startup businesses and a “supported-to-fail” trap, where participation is encouraged without the conditions required for longterm viability.

Capability is not a neutral or objective attribute of a business or entrepreneur. It is often defined by the institutional assumptions embedded within financial systems. Many participants demonstrated high levels of strategic capability, adaptive resilience, sophisticated institutional navigation and strong commercial understanding despite continued issues accessing finance. This corroborates the theory that persistent exclusion frequently reflects an ignorance of structural and relational constraints rather than a lack of business capability.

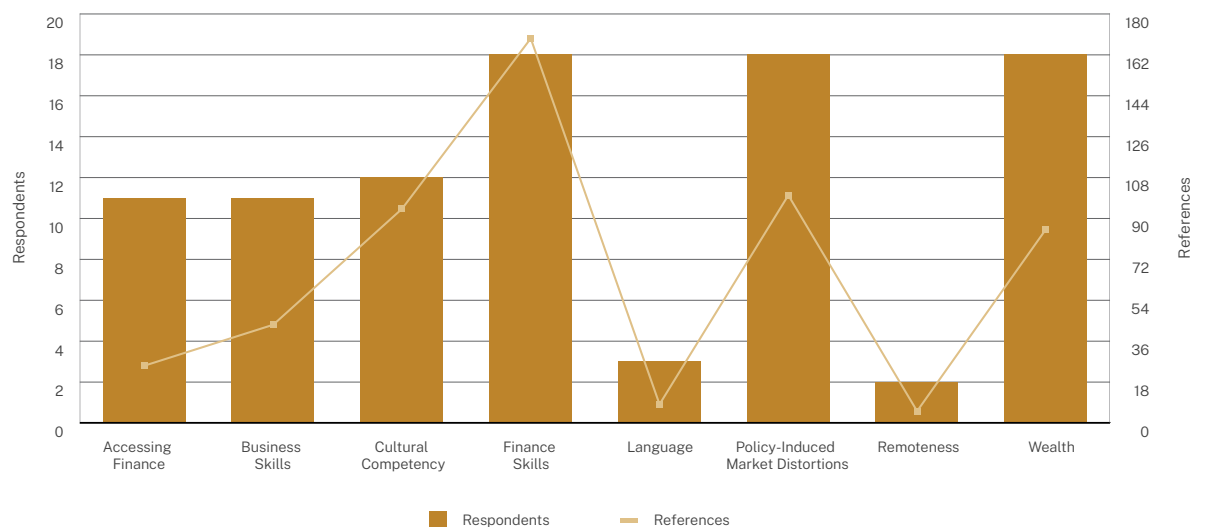


Figure 11 Respondent and reference counts for each theme in the Capability framing

How it frames the problem: Individual opportunity and capability deficits

Wealth and Intergenerational Poverty

Collateral constraints should not be interpreted as a simple business weakness. They reflect broader patterns of asset exclusion and uneven access to intergenerational wealth, which continue to shape financial access.

“First step, [...] I think the banking and financial system just doesn’t take into account that our people were deprived of the ability to amass intergenerational wealth. I mean, this whole banking system is all built on holding property essentially, in Australia. It’s how you generate wealth. We weren’t allowed to. We got it all taken off us and we weren’t even allowed to buy it back until recently. ... My generation will probably be the first generation to inherit something. And also I think too, you got to remember, the majority of Aboriginal people are coming from a poverty base, essentially. So, when the business does start to go, there’s a trend I see where people just start ripping cash out of it.” -Indigenous business respondent

Disparities in wealth — particularly in the form of assets and collateral — are recognised as a central if not the central constraint on access to finance. Respondents consistently noted that collateral is a prerequisite for most lending decisions, and that lower levels of intergenerational wealth among Indigenous entrepreneurs reduce both the likelihood of securing finance and the terms on which it is offered. Institutions are broadly aware of these constraints, including the limitations imposed by native title, which can render land illiquid and unsuitable as collateral within conventional lending frameworks. In this sense, the Capability framing correctly identifies material conditions, such as limited asset ownership, lower savings, and lower rates of property ownership, as key contributors to finance gaps.

However, the dominant framing tends to interpret these constraints as deficiencies at the level of the business or individual, rather than as outcomes of historically and structurally produced patterns of asset exclusion. Collateral constraints are often treated as a straightforward indicator of risk or readiness, rather than as a reflection of uneven access to wealth accumulation mechanisms over time. This framing obscures the fact that wealth itself is not neutral, but is shaped by institutional rules governing land tenure, credit markets, and inheritance pathways.

As a result, current solutions within this framing typically focus on working around the absence of collateral through grants, concessional finance, or savings accumulation rather than considering whether alternative forms of value could be more systematically recognised. This is a limitation in the current Federal and State/Territory Government policy approach. Indigenous Businesses are expected to deliver positive social and economic outcomes through their operations; however, associated costs to train and develop workers are expected to be absorbed without fair compensation. Similarly, societal, economic and cultural benefits and associated Government service delivery cost savings are not shared with the Indigenous Business that delivers them. If this revenue were contractually available to Indigenous Businesses, banks and other capital providers could better provide funding to optimise and scale these services. In the current policy settings, Indigenous businesses create significant social value that is not financially compensated for by government; therefore, standard financial analysis can only account for the costs borne solely by those businesses despite society sharing the benefits (Eva et al. 2023).

Respondents noted that while Indigenous businesses often generate significant social and community value, current financial systems are primarily designed to assess and service debt through measurable financial returns. This highlights an opportunity to better recognise broader impacts and, through innovation, future solutions that account for this challenge.

More broadly, while the Capability framing acknowledges that financial resources underpin entrepreneurial activity, it does not fully account for how financial strain interacts with personal capacity. Respondents highlighted that sustaining a business requires not only capital, but also time, energy, and resilience. These resources are themselves constrained under conditions of financial precarity. Wealth is not simply an input into business formation, but a structuring condition that shapes both access to finance and the capacity to endure the risks associated with entrepreneurship.

“It gets a bit of a kick in the guts, and some people just go, ‘This is too hard, mate. I’m going to go and work for someone and get a paycheque every week.’” - Indigenous business respondent

Financial Literacy and What is Not Financial Literacy

Financial literacy is commonly treated as a key determinant of access to finance, and the findings provide partial support for this view in relation to basic, transactional financial literacy. Respondents described financial capability as unevenly distributed, with some entrepreneurs lacking the foundational skills needed to engage confidently with financial products and processes. In these cases, limited financial literacy can constrain borrowing capacity and increase vulnerability to poor financial decisions or exploitation. Institutions, therefore, correctly identify this as a relevant factor but often misdiagnose it as a standalone deficit, responding through relatively superficial “investment readiness” programs.

Financial literacy is often used as an umbrella term for many interconnected components. Transactional financial literacy (basic budgeting, accounting and product understanding) is different from institutional navigation capability (engaging with documentation, compliance and lending processes), investment capability (deploying capital strategically), wealth-building capability (asset accumulation and intergenerational financial management), and commercial scaling capability (growth, structuring and market expansion). Many Indigenous business respondents demonstrated high levels of the latter forms, particularly strong commercial judgement and sophisticated institutional navigation, even where access to capital is constrained.

This framing treats financial literacy as an individual deficit, rather than as a capability shaped by structural and intergenerational conditions. The findings suggest that financial skills are typically developed through early-life exposure — such as observing parents manage mortgages or businesses — rather than acquired through short-term interventions. As a result, financial literacy is closely linked to wealth. Where intergenerational asset ownership is limited, opportunities to build embedded financial capability are also constrained.

“You’ve also got the low socioeconomic communities that have the typical habits of spending. The children just fall into those same habits because that’s what they watch, it’s what they see, it’s what they grow up with. So I think there’s an education piece, but I also think that there’s the history part of it too, where they’re just watching and mimicking what’s going on at home. ... You got to remember these people also come from backgrounds where they’ve been given cashless debit cards and told how to spend their money.” – Indigenous finance respondent

Moreover, several respondents noted that the language of “financial literacy deficits” can obscure institutional shortcomings. Navigating finance depends not only on individual knowledge but also on the financial institution’s understanding of Indigenous business legislation, product complexity, transparency of requirements, access to trusted advice, and the willingness of institutions to explain options in context. For example, Indigenous businesses operating under the Corporations (Aboriginal and Torres Strait Islander) Act (2006) (CATSI Act) are required to use a rule book and submit annual reports to ORIC. Not all CATSI Act businesses are required to submit Business Activity Statements (BASs) and operate under a constitution, as is standard for ASIC-registered businesses. Many respondents shared stories of finance providers denying applications based on missing constitutions, when in reality, the finance provider had failed to understand the different requirements of Indigenous business legislation. What is interpreted as a lack of financial literacy on the part of the business owner may therefore reflect unknowledgeable finance institutions, opaque systems or weak relational practices.

“[The banker] goes, ‘Oh, it seems that you’re unsure about this’. And I said, ‘I’m actually fine. I’m actually trying to get help you understand. ... I think you might be projecting on me here.’” – Indigenous business respondent

The findings also highlight the importance of distinguishing financial literacy from broader business capability, with which it is often conflated. Respondents emphasised that business success depends on a wider set of competencies, including structuring a business, developing and articulating a viable business plan, and maintaining organised financial and operational systems. Digital literacy and the use of accounting tools were identified as critical enablers, alongside a clear understanding of cost structures and cash flow dynamics. Several participants noted that early business challenges often stemmed not from a lack of access to finance, but from underestimating total costs or lacking appropriate governance and legal support.

“Finance is one area. Marketing and communications are another area. Making sure you’ve got good governance for your organization is another element. I think any of those sorts of things add value to helping support a First Nations organisation. And also, it’s empowering if you know what you’re talking about.”

- Indigenous business respondent

“I think capital is the end of a chain and the chain doesn’t exist.”

- Indigenous finance respondent

This distinction matters because grouping these capabilities under “financial literacy” risks oversimplifying the problem and reinforcing a narrow, individualised diagnosis. It directs attention toward fixing entrepreneurs, rather than addressing whether institutions are equipped to engage with businesses at different stages of capability and complexity. Respondents consistently pointed to the need for more comprehensive, staged support systems that recognise how businesses develop over time, with many successful enterprises relying on gradual, organic growth rather than rapid scaling. In this context, financial literacy is one component of a broader capability ecosystem, and its effectiveness depends on how well it is supported by both institutional design and access to complementary forms of business development support.

Language

Within the Capability framing, language is often identified as a barrier to accessing finance. While this reflects a legitimate concern where English is not a first language, the findings suggest it is not a primary constraint for most Indigenous businesses engaging with financial institutions. References to language barriers (in the sense of Indigenous languages versus English) were limited, raised solely by finance-sector respondents, while Indigenous business participants rarely identified language itself as a barrier, with some explicitly rejecting this characterisation.

This points to a misspecification within the Capability framing. What is often labelled as a “language barrier” is more accurately a difference in ways of communicating, relating, and interpreting financial interactions. Respondents described challenges in navigating institutional communication styles such as highly technical terminology, implicit expectations, and transactional engagement norms. These are relational and contextual issues rather than purely linguistic ones.

The emphasis on language may therefore signal an implicit recognition that communication and relationships matter, but without fully engaging with the relational structures that shape those interactions. As a result, interventions focused narrowly on “language barriers” risk overlooking the deeper issue — whether financial institutions communicate in ways that are accessible, transparent, and responsive to the contexts in which Indigenous businesses operate.

Remoteness

Remoteness is commonly framed as a core barrier to Indigenous business finance, particularly in terms of limited access to banking services, government programs, and professional support. For Indigenous people living in remote areas, these constraints are real and materially significant. Remoteness is costly for financial institutions to service and offers limited return on investment. Institutional responses are rarely focused on addressing remoteness directly.

Respondents placed less emphasis on remoteness itself and more on how geography intersects with sectoral segmentation, regional market size, and growth potential. Differences between urban, regional, rural, and remote contexts were described in terms of the type of businesses being financed, their capital needs, and their capacity to scale. In this sense, geography was understood not simply as a delivery challenge, but as a determinant of business models, risk assessment, and financial suitability — an insight largely absent from the dominant Capability framing.

How it frames the solution: Institution-driven opportunity and capability initiatives

The Capability framing tends to produce solutions that focus on expanding opportunity and building individual capability. These interventions are largely institution-driven and aim to increase participation, improve readiness, and reduce observable “gaps” between Indigenous and non-Indigenous businesses. While respondents recognised the intent and, in many cases, the value of these initiatives, they also highlighted important limitations in how they are designed and deployed.

Procurement Initiatives

Indigenous procurement initiatives — most prominently the Commonwealth Indigenous Procurement Policy (IPP), introduced in July 2015, but also State and Territory procurement initiatives — are designed to increase Indigenous participation in the economy by directing demand toward Indigenous-owned businesses. They operate through mechanisms such as mandatory government targets, set-aside contracts, and participation requirements in large projects, effectively creating a pipeline of revenue opportunities (NIAA 2025b). A growing number of private-sector organisations have adopted procurement commitments through Reconciliation Action Plans (RAPs) or supplier diversity programs, voluntarily setting targets to engage Indigenous suppliers and subcontractors (Prestipino 2024, Harley 2025). Together, these public and private initiatives aim to expand market access beyond what would otherwise be available.

These initiatives address the wealth barriers explained earlier by generating income flows and business opportunities. The logic is that consistent contract revenue enables firms to build retained earnings, develop capability, and gradually accumulate assets, thereby offsetting historical exclusion from markets and capital. Procurement is therefore positioned as a mechanism to prime Indigenous businesses, supporting entry, participation, and early-stage growth.

However, the findings suggest that in the absence of complementary structural support, these initiatives can contribute to “supported-to-fail” outcomes. Businesses may be enabled to start and secure initial contracts, but lack the capital pathways, balance sheet strength, or financing relationships required to sustain operations once procurement opportunities fluctuate or end. This risk can be amplified in both public and private procurement settings where engagement is tied to specific contracts rather than long-term commercial integration. In some cases, firms are effectively built around a single procurement opportunity, leaving them exposed when that demand is not ongoing.

The “supported-to-fail” dynamic is a natural consequence of what procurement initiatives use as a metric of success. They optimise for participation rates, supplier visibility and contract throughput, rather than profitability, retained earnings, scalable growth, capital accumulation and long-term resilience.

Without parallel access to finance, equity, and scalable capital, procurement-driven growth can remain shallow, reinforcing reliance on externally generated opportunities rather than enabling autonomous expansion. Procurement initiatives directly address opportunity gaps and can generate short-term income but they do not on their own resolve the deeper issue of wealth accumulation.

One positive effect of RAP procurement initiatives is that some large businesses have begun to internalise financial support for their Indigenous contractors. When larger firms have skin in the game in ensuring Indigenous suppliers can deliver — for example, meeting contract requirements or maintaining compatible IT and cybersecurity systems — they are incentivised to invest their financial and business expertise in supporting these businesses. This has led to the development of dedicated funding mechanisms, such as Wesfarmers’ BOAB Fund, which provide alternative pathways to finance. These arrangements can foster longer-term partnerships and create pathways for Indigenous businesses to scale.

Government and Philanthropic Grants

“Grants are great, but you need to be able to transfer that into real money and a real business plan because otherwise there’s no real point. Grants only last so long.”
– Indigenous finance respondent

Grants were widely recognised as another core response to a lack of intergenerational wealth within the Capability framing. By reducing upfront capital requirements, they enable business formation where private finance may not be accessible. Respondents acknowledged that grants could play an important role in lowering barriers to entry.

The dominant concern regarding grants was not their existence, but the absence of clear pathways beyond them. Respondents identified issues arising from the design and use of grant funding, particularly in relation to dependence and transition failure. Grants, both government and private, were widely described as creating a reliance that supports business entry but does not consistently enable progression to self-sustaining revenue models. Many Indigenous businesses reported depending on grants to start up, with limited pathways or support mechanisms to transition from grant-based funding to stable, income-generating operations.

This dynamic was seen as producing a structural gap between early-stage support and long-term viability. There is a “missing middle” in terms of grant support for transitioning and growing Indigenous business that acts as a “structural cliff” between startups and sustainable mature businesses. While grants can lower initial barriers to entry, respondents noted that the shift to commercial sustainability is difficult, particularly in the absence of complementary financial tools such as working capital, equity, or growth finance. As a result, businesses can become caught in cycles of grant dependence, where continued operation relies on securing new funding rounds rather than building durable revenue streams.

Cultural Competency Programs

“When we do that historical training, that’s what it feels like; it’s historical training. We put it into a box and it’s very rarely related to our day job. If every one of us knew what supporting Indigenous businesses looked like in our actual job description or in our policies and procedures [we would value it]. People can’t connect the dots between these warm fuzzy feelings on reconciliation and NAIDOC and then how that translates into their work.” –Indigenous business respondent

Cultural competency (CC) programs can be understood as a response to language and communication barriers within the Capability framing. They aim to improve individual interactions between financial institutions and Indigenous clients by building awareness and sensitivity among staff. CC programs, as they are today, reflect how the Capability framing stems from a focus on compensating for individual deficits rather than looking inward at institution-wide adjustments.

CC was identified as an important but inconsistently implemented mechanism for improving financial relationships. Respondents noted that CC initiatives exist across some major banks and are often included in government programs. However, their effectiveness is frequently constrained by budgetary prioritisation and competing institutional demands, raising questions about the extent to which CC is treated as a strategic priority rather than a compliance exercise. At the customer-facing level, CC was seen as most valuable when it improves frontline etiquette, communication quality, and relationship-building capacity between staff and Indigenous clients. However, delivery was commonly criticised as too limited in scope, with programs often described as short, externally delivered, and opt-in, reducing their depth and reach.

Respondents’ experiences of CC programs were mixed. Some viewed them as neutral or ineffective, with concerns that they can be overly abstract at the expense of practical, day-to-day application, while most reported limited or no exposure to such programs at all. There was also a critique of a strong historical emphasis in some CC content, with participants suggesting that understanding contemporary business contexts and operational realities is often more important than historical framing alone. In contrast, a key insight was that CC is most effective when it is localised, recognising that cultural, economic, and relational contexts vary across regions.

Across responses, participants highlighted what effective CC should look like: co-designed with Indigenous stakeholders, embedded into onboarding processes, reinforced through regular refreshers, and linked to performance expectations such as KPIs. Effective CC was described not as a one-off training module, but as an ongoing capability that supports staff to understand customer context, motivations, and communication styles in a sensitive and consistent way. Poor CC programs limit their scope to one-on-one interactions with Indigenous customers. As currently implemented, they reflect a Capability framing that prioritises compensating for perceived individual deficits rather than examining the need for institutionwide change. Capability framing can unintentionally individualise structural problems, shift responsibility onto businesses and obscure institutional accountability.

There has been a recent shift from CC toward cultural intelligence (CQ) (Ang et al. 2015). While CC has focused on developing knowledge of relatively fixed cultural norms and culturally appropriate behaviours, CQ emphasises the strategic capability to navigate diverse and changing cultural contexts effectively. This reflects a move from fragmented ideas about cultural sensitivity toward a more coherent framework centred on adaptability, reflexivity, and relationship-building. CQ also recognises that identities are dynamic and shaped by intersectional, institutional, and power dynamics, rather than being culturally fixed.

Financial Literacy Programs

Financial literacy programs (FLPs) are a direct response to the Capability framing of financial knowledge as an individual deficit. Institutions aim to build skills that enable Indigenous entrepreneurs to engage more effectively with financial systems, prepare documentation, and meet lending requirements.

“They’ve got to make a cogent argument for the capital. And I think that means they need to have a strong understanding of financial literacy. And there’s a massive difference between paying your bills every week and borrowing capital. And I think that’s the step between a lot of those businesses that are happily running as a three person electrical crew, turning over 250 a year, but when they need to borrow 100 for a new van, how do they make the cogent argument for that is where I think a lot of this breaks down.” -Indigenous finance respondent

Views on FLPs were mixed. While such programs are available, uptake appears inconsistent, and several respondents questioned their relevance or effectiveness. Some reported limited engagement with these programs while others found them useful, suggesting that their value depends on context, delivery, and alignment with participant needs.

“If I look at my brothers in their businesses, they just look at it and go, ‘Well, we can’t get lending. We don’t have this. We don’t have that’. It’s very black and white for them. I think non-blackfellas understand that everything’s up for negotiation in finance and around money, whereas I think blackfellas don’t realise that.” -Indigenous business respondent

Respondents also reflected on what makes financial literacy programs (FLPs) effective in practice. Practical, experience-based learning was consistently emphasised, particularly understanding that contracts or revenue pipelines are not the same as cash flow, and how this distinction affects borrowing capacity and business viability. Access to ongoing, expert support rather than one-off training was seen as critical, alongside clear guidance on what banks expect, what financing options are available, and how to present information in a way that aligns with institutional requirements. Participants highlighted that skills such as preparing documentation and making a compelling case for capital are central to successful engagement with finance. Trust and continuity were also key, with respondents noting that programs need to be sustained over time to build credibility and meaningful capability. Some suggested that stronger incentives, such as linking FLP completion to improved financing terms, could increase both uptake and practical impact.

Several respondents cautioned that an emphasis on financial literacy can obscure broader issues. While capability gaps do exist, navigating finance also depends on product complexity, transparency, and the willingness of institutions to engage meaningfully. It can also be used to mask financial institutions’ lack of understanding of Indigenous finance institutions such as ORIC, and financial practices such as collective ownership, charity and trusts. Programs that focus solely on fixing the client risk overlooking how institutional settings contribute to the very issues they seek to address.

Effects: Supported-to-fail and self-determination in the market

The solutions associated with the Capability framing — procurement, grants, cultural competency and financial literacy programs — are designed to address identified gaps in wealth, capability, communication, and access. Respondents acknowledged that these interventions have expanded entry points into the economy. However, their lived experiences suggest that these same mechanisms can also shape how the Indigenous market functions, with implications for sustained flourishing and self-determination.

Current Experiences Accessing Finance

“It took us almost 18 months to get a credit card approved. This is after the business was turning over at that time, three and a half million dollars.” -
Indigenous business respondent

Respondents commonly described access to finance in practical, experience-based terms. Many noted that borrowing, particularly for equipment, was difficult but necessary, and that financing often had to be pieced together incrementally by moving through different tiers of finance rather than accessing a single, adequate source of capital.

Securing loans was frequently characterised as challenging, with some expressing a preference for more industry-specific financing options that better align with their business models. A strong subtheme centred on broader struggles with capital. Respondents identified access to capital as a key barrier, particularly beyond the startup phase, where larger amounts are needed to create assets and support growth. High interest rates, including on overdrafts, were also raised as a constraint, alongside difficulties in meeting capital requirements. While a small number of respondents reported no significant barriers to finance, the overall pattern reflects a perception that capital is both essential and persistently difficult to obtain on suitable terms.

This reflects the underlying wealth constraints identified earlier: without collateral, retained earnings, or intergenerational assets, businesses struggle to secure sufficient capital on competitive terms. There was also a clear interaction with access and institutional complexity. Navigating finance was not simply a matter of knowledge, but of understanding how to engage with complex systems, shifting requirements, and lender expectations. Requirements shift for several reasons. For example, customers may be asked for progressively more information as the loan assessment progresses, and two customers in similar circumstances may be asked for different levels of information. Also, banking industry-level changes affect customers. Industry credit risk appetite shifts as markets change. This can appear as an arbitrary change to customers whose business operations have not changed. APRA and AUSTRAC requirements will change the type of information requested of customers, and are often communicated through impersonal letters informing customers that they are no longer compliant. The experience of accessing finance reflects not only capability gaps, but the cumulative effect of wealth constraints and institutional design.

Self-Determination

Respondents highlighted a tension between formal commitments to Indigenous self-determination and the way current solutions operate in practice. While many programs are framed as enabling participation and independence, they are often experienced as structured around preventing failure or misuse rather than actively enabling scale, ownership, and long-term economic autonomy. This tension is closely linked to the Capability framing. By focusing on fixing gaps in wealth, literacy, or access, solutions tend to position Indigenous businesses as participants within existing systems, rather than reshaping those systems to support different forms of economic development.

Respondents noted that grants and procurement initiatives can influence the types of businesses that emerge. There were cases shared where businesses entered industries primarily to access procurement opportunities, rather than as a result of organic market alignment. For example, the NSW Government’s Aboriginal Procurement Policy has incentivised the establishment of many Indigenous construction businesses. This is because the largest discretionary contracts are for large project builds such as hospitals, roads and airports. Many Indigenous business leaders have entered the industry without prior experience in construction and have had to rely heavily on Joint Venture partners for expertise and leadership. Construction is a high-value, but relatively low-margin industry and many businesses do not build balance sheets commensurate with the activity they are responsible for delivering. These businesses are often more compatible with existing funding and procurement settings but may not align with longer-term aspirations for asset ownership, scale, or intergenerational wealth creation.

Similarly, high rates of business entry supported by procurement and grants do not necessarily translate into sustained control or wealth accumulation. Participation is achieved, but self-determination in a deeper economic sense remains constrained.

However, without comparing the distribution of Indigenous procurement contracts with the distribution of all procurement contracts, it is not possible to determine whether Indigenous procurement policies actively shape the structure of Indigenous businesses or simply reflect broader patterns in the economy.

“Everyone talks about economic self-determination and access to capital would be part of that. But then I don’t know whether it’s cognitive dissonance or what, but the next sentence is some form of government liability for that economic self-determination. They’re counterintuitive, right? We’re either going for economic self-determination or allowing the government to hold our hand. But you can’t have both. If one’s a step to another, I get that, but we’re 11 years into the Indigenous procurement policy for those that work at the federal or state government servicing level, and to an extent the mining sectors benefited from various procurement prioritising endeavours. But the reality is there hasn’t been any movement in the needle and closing the gap.” – Indigenous business respondent

Policy-Induced Market Distortions

Respondents identified procurement and funding systems as key sources of market distortion. While procurement initiatives address opportunity gaps by creating demand, they can also shape competitive dynamics and business behaviour in unintended ways.

Respondents demonstrated how procurement policy is a key source of market distortion, particularly through IPP and related contracting frameworks. A recurring theme was the conspicuousness of contracts, where procurement outcomes are sometimes shaped by visibility and signalling incentives rather than underlying capability or long-term economic development. While some participants acknowledged that the IPP has enabled business formation and was in some cases a direct catalyst for starting a business, others noted that its effects are uneven and can generate unintended competitive dynamics within the Indigenous business sector itself, with businesses competing against each other for a limited pool of contracts.

“It’s just the expectation that because it’s an Indigenous business, we just get business. It doesn’t work like that. There are so many indigenous businesses now that you’re competing against each other.” – Indigenous business respondent

Respondents also raised concerns about the allocation and targeting of procurement opportunities. Regional and remote businesses were identified as being particularly disadvantaged, with limited access to both procurement opportunities and complementary grant funding. The IPP includes a mandatory set-aside for remote contracts and has provisions that those contracts go to local businesses or contribute to local employment (NIAA 2025b). However, in the first 8 financial years of the IPP, over 50% of the number of contracts valued over \$10,000 have been awarded to just 11 businesses, with contract flows heavily skewed towards businesses in major cities, primarily Canberra (Eva 2025). There were many reported cases of businesses and entrepreneurs following the opportunities into industries they would not have entered, leading to questions about what it means for self-determination.

Respondents highlighted that Indigenous businesses are often pushed toward higher-risk lending environments due to constraints in mainstream banking access. When traditional banks are slow, highly collateral-dependent, or risk averse, businesses reported turning to second-tier financial institutions as a practical alternative. These lenders were consistently described as faster and more flexible, particularly in their willingness to offer unsecured loans or adapt lending conditions to business circumstances.

However, this shift was also associated with increased financial risk. Second-tier financial institutions carry higher costs and less favourable terms, effectively transferring structural exclusion in the mainstream system into greater exposure to financial vulnerability. As a result, Indigenous businesses may face a trade-off between accessibility and financial safety, where timely access to capital is secured at the cost of higher risk profiles.

“We’re often looking in unsecured spaces. We’re looking in spaces where we may have to pay higher interest rates. So often for us to get lending, it costs more. I found that I had to go for second, if not third tier lenders to get my start. I also had to be creative.” – Indigenous business respondent

Supported-to-Fail

Procurement, grants, and capability-building programs are often designed to enable business formation, consistent with the Capability framing’s focus on addressing entry barriers linked to wealth and opportunity. Respondents identified a strong start-up bias in both policy and funding ecosystems, where support is heavily concentrated at the early stages of business formation. While this has enabled many Indigenous businesses to commence operations, several participants noted that this emphasis can also create unintended long-term distortions. Early-stage grants and incentives were sometimes described as arriving before businesses had a clear understanding of their market, cost structures, or operational viability, which in some cases contributed to instability or failure during the start-up phase. Respondents also highlighted that the abundance of start-up support can, in some cases, incentivise business formation in ways that are not always aligned with readiness or sustainable demand, with some feeling pressure to establish subcontracting businesses for the procurement benefit of their employer.

“It’s really exploded since 2010 on the back of procurement targets by government and then by large parts of the private sector, but particularly the big end of town, the private sector having procurement targets. That’s what’s provided the opportunity and created the demand. And 101 economics: demand and supply. Before we had an oversupply and no market. Now we have a market, and there’s nowhere near the supply, so people rush into it.” – Indigenous finance respondent

“There was no real support for Indigenous business in the scale-up. Heaps of support in the startup, but like 90% of startups fail. A lot of Indigenous people also do not have much to borrow against. So, it was just like a double-edged sword where you could get a start, but then to scale, you need money.” – Indigenous business respondent

These dynamics contribute to what respondents described as “supported-to-fail” patterns. Businesses are often enabled to start and, in some cases, secure early contracts, but lack the ongoing capital, financial infrastructure, or institutional support required to sustain operations over time. Failure, where it occurs, is therefore delayed, emerging after initial success rather than at the point of entry. For some Indigenous entrepreneurs, procurement incentives and grants encouraged the formation of businesses that ultimately failed, leaving them financially worse off than if they had not entered business at all.

Respondents conveyed that businesses receive sufficient initial support to enter the market but insufficient follow-through to sustain growth over time. Several participants described a pattern in which businesses are funded just enough to become operational or secure early contracts, but lack the ongoing capital, infrastructure, or financial flexibility required to remain viable once initial support ends. This can result in business failure occurring after an initial period of apparent success, rather than at the point of entry. A related concern was new businesses immediately scaling up to support the procurement targets of their employer, with no support or employee protections thereafter if their employer exits the market.

“I’ve seen some people be funded just enough to see them fail.” – Indigenous business respondent

“He was an Indigenous fella on site, had an earthmoving truck, a little bit of earthmoving equipment. Won a big contract and then the miner actually went into receivership and he fell over with them. He had no capability to be able to unwind it. He was too far in and you see that all the time from them winning big contracts.”

– Indigenous business respondent

“You look at them, you’re like, ‘This isn’t even half viable. I don’t know how you even got to this stage’. Especially with all the startup support and everything that’s happened. Grants are band-aiding for stuff that needs antibiotics.” – Indigenous finance respondent

“I see a lot of Indigenous business stuffing up in the tender stage. They’re so quick to get the job or so naive about what it’s actually going to take to do the job that they end up blowing a lot of cash and not succeeding.” – Indigenous business respondent

“I see cash being offered to Indigenous businesses at really early stages before they have any of the basic financial acumen and the discipline required. And they chew through the money like it’s a welfare payment.” – Indigenous business respondent

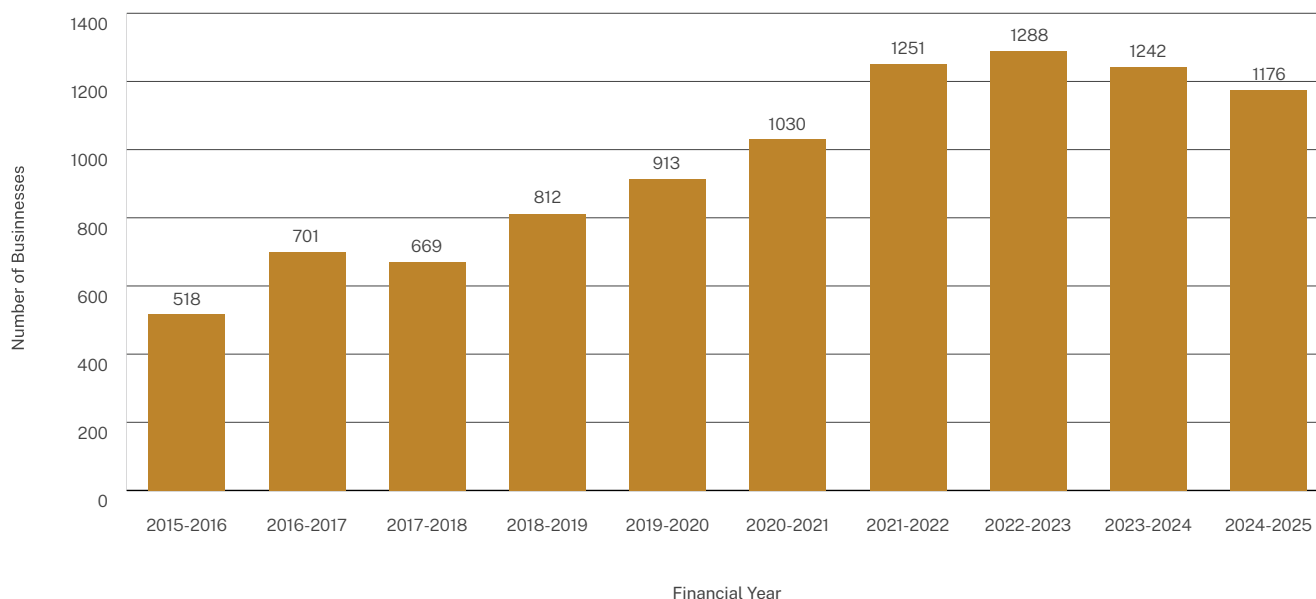


Figure 12 Number of unique Indigenous businesses within the Commonwealth supply chain each financial year since the IPP commenced. (source NIAA 2025a)

While these patterns are strongly reflected in qualitative accounts, empirical validation remains constrained by limited longitudinal data on Indigenous business performance. Available data sources, such as those from the Office of the Registrar of Indigenous Corporations (ORIC) and NIAA procurement data, provide some indicative evidence but are not fully representative. As such, the findings point to a plausible and important dynamic, but one that requires further data to confirm at scale.

The number of unique Indigenous businesses within the Commonwealth supply chain increased dramatically since the introduction of the IPP in 2015 until 2022-23. However, this figure provides no insight into business longevity, including whether firms persist year-to-year or are simply replaced by new businesses. Since 2022-23, the number of Indigenous businesses within the Commonwealth supply chain has decreased. This may indicate Indigenous businesses being discouraged from pursuing these contracts or some unrelated factor, such as contractionary government budgets or larger businesses taking up greater shares of government contracts.

The report draws cautiously on ORIC data to examine survivorship patterns and business age distributions, where there is some indicative evidence consistent with the hypothesis. Evidence would look like periods of increased business entry alongside relatively low but delayed survivorship rates. However, ORIC-registered corporations represent only 7% of Indigenous businesses as of 2022 (Evans et al. 2024) and have distinct governance and regulatory characteristics, such as the inability to sell the business, limiting generalisability. More comprehensive and longitudinal data on Indigenous businesses is needed to rigorously test this proposition and better understand the relationship between policy support, business formation, and long-term sustainability.

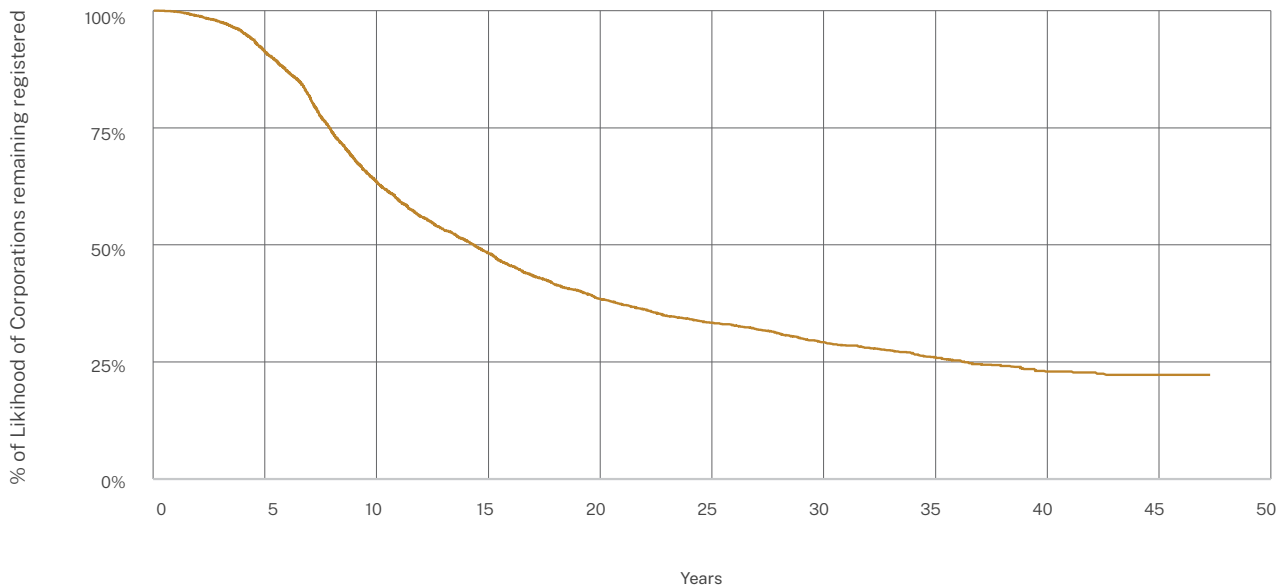


Figure 13 Survivorship curve of ORIC businesses, author’s calculations, Kaplan-Meier estimator (data from ORIC 2026a)

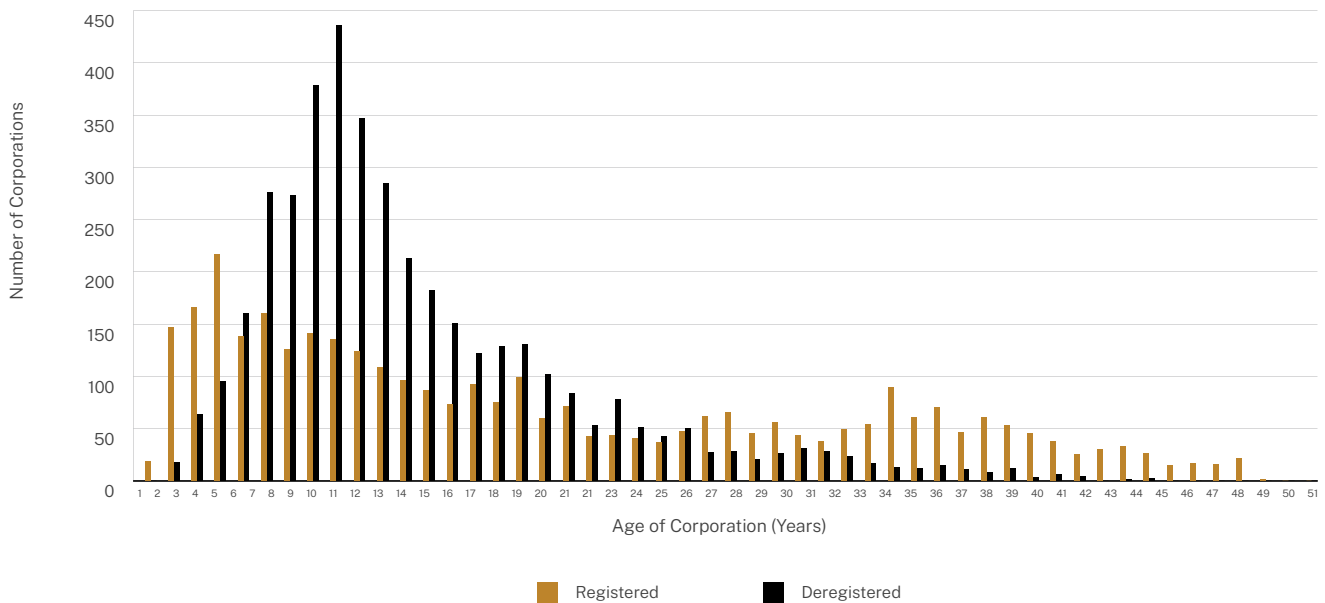


Figure 14 Age of ORIC businesses and whether they are active (registered) or defunct (deregistered), 1978-2026, author’s calculations (data from ORIC 2026a)

The Structural Framing

In contrast to the Capability framing — which locates the problem in gaps in wealth, literacy, language, or access at the level of the business — the Structural framing shifts the analytical focus to the design of the financial and institutional system itself. Rather than asking how Indigenous businesses can be made investment-ready, it asks how financial systems produce the conditions under which some businesses are able to access and deploy capital while others are not. It was the most referenced framing in interviews.

From this perspective, many of the barriers identified earlier are not isolated or behavioural but are the outcomes of how finance is organised, regulated, and delivered. A key example is what respondents described as a “triage pipeline” to access loans, where systems favour applicants who are easiest to work with and already understand the documentation requirements and institutional processes at each step. These advantages are, often linked to intergenerational wealth and experience, and systematically exclude those without it. If unsuccessful applicants are simply declined, rather than supported through pathways to readiness or alternative options, these dynamics reinforce cycles of exclusion at the point of entry.

Structural fragmentation further compounds these effects. Respondents pointed to institutional silos, for example, separation between home lending, business banking and ORIC, that prevent the accumulation of institutional knowledge and weaken continuity in decision-making. Ownership and equity settings were also identified as binding constraints. Requirements such as 51% Indigenous ownership can limit access to external equity and restrict scaling, while the absence of substantial Indigenous-controlled investment capital narrows available growth pathways.

The Structural framing therefore points toward system-level redesign. This includes reconsidering ownership and equity settings to enable scalable participation, developing Indigenous-controlled investment vehicles, and improving how businesses are defined, identified, and measured within financial systems. It also shifts the focus of success metrics from participation and entry, as emphasised in the Capability framing, to sustained business performance, scalability, and efficiency of capital allocation.

Many of the structural constraints arise because existing financial systems were designed around assumptions that historically did not align with Indigenous business realities and are increasingly outdated today. Addressing these misalignments requires a stronger evidence base, making the collection of high-quality, up-to-date longitudinal data a critical first step.

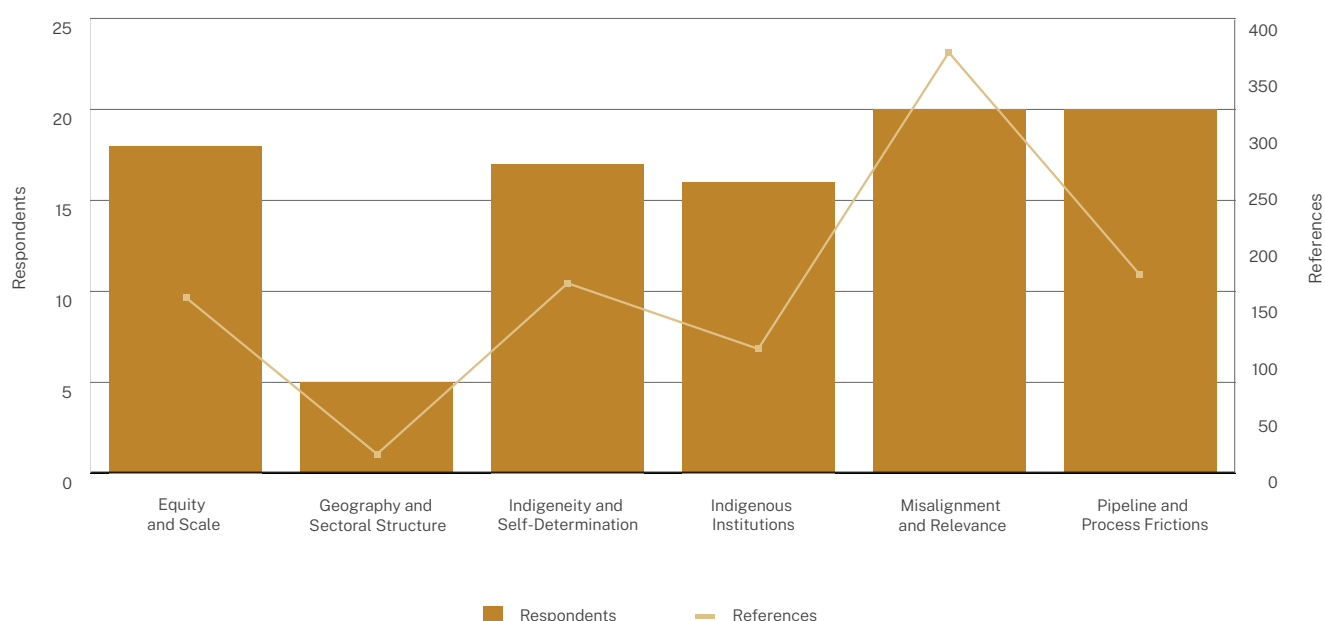


Figure 15 Respondent and reference counts for each theme in the Structural framing

How it frames the problem: Structural exclusion and ceilings

Geography and Sectoral Structure

“The JVs in the West: capital intensive to an incredible degree and have a successful model. My understanding is they’re lending incredible amounts of money to Aboriginal JVs predominantly in the West around capital equipment because the mining sector is so equipment intensive, which means you need capital to buy. But on the East Coast — where it’s predominantly services oriented, predominantly to the government or to big corporates — the JVs that are backing those businesses are already multinationals or significant national players. And they cover all the capital requirements for that JV.” – Indigenous finance respondent

Where the Capability framing treats geography primarily as a question of remoteness and service access, respondents emphasised how geography interacts with sectoral structure to shape financing pathways. Business models, capital intensity, and growth trajectories differ significantly across regions. For example, East Coast businesses were described as more service-oriented and often supported through grants and corporate programs, whereas West Coast businesses, particularly in mining, require asset-backed bank finance. Remote corporations were more focused on land management, while urban businesses prioritised capital assets.

“In urban areas it tends to be at the secondary or tertiary end of the economy rather than the primary end of the economy.” – Indigenous finance respondent

“You get so many Aboriginal people with business degrees running consulting companies because it’s not capital intensive. Heaps of us could [start] actual companies who do stuff, but we can’t get access to capital, so we just stay as consultants. Because all you need to be a consultant is a laptop.” – Indigenous business respondent

These differences matter because they determine what types of finance are appropriate and available. Sectoral volatility, particularly in industries like mining, and the concentration of remote businesses in primary industries further shape risk profiles and financing needs. In this framing, geography is not just about access, but about how market structure and sectoral composition condition financial outcomes.

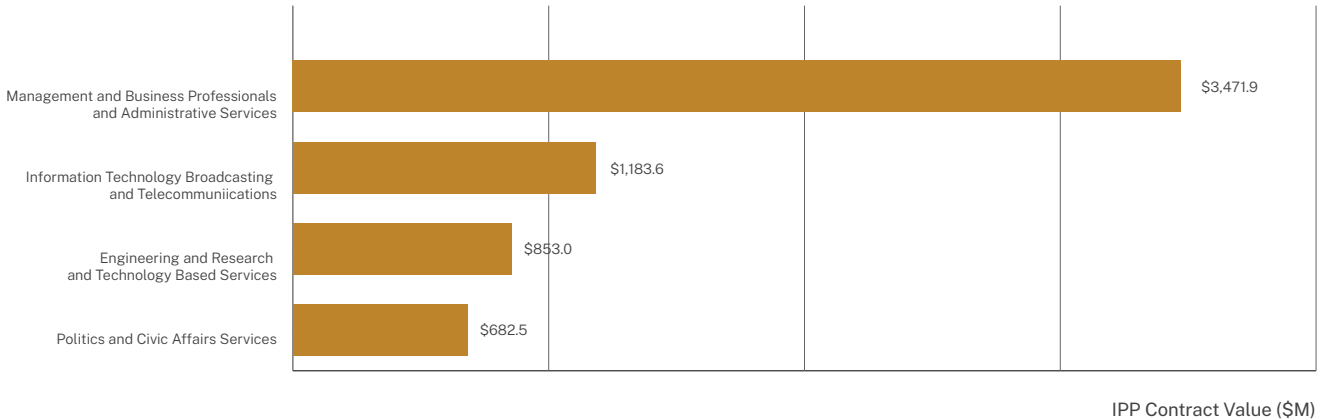


Figure 16 Top 5 industry categories of Commonwealth IPP contracts by value for the 2024-25 financial year (source NIAA 2025a)

The absence of comprehensive data on the geographic and sectoral distribution of Indigenous businesses constrains deeper analysis and more targeted policy design.

Pipeline and Process Frictions

What the Capability framing often interprets as financial literacy gaps is reframed here as friction within financial processes. Respondents consistently reported that banks require extensive documentation, with loan paperwork described as complex and inhibitive, especially for resource-constrained businesses. This burden is amplified by the need to repeatedly prepare and submit similar documentation for each new application, creating speed bumps and discouraging re-engagement after unsuccessful attempts. For some participants, these frictions were sufficient to warrant avoiding formal financial processes altogether or minimising engagement with Indigenous-specific structures where they added additional complexity.

Tax and compliance requirements were also highlighted as a key source of friction. Indigenous business structures, particularly those involving ORIC, are described as requiring specialised tax knowledge, often needing multiple advisers for different aspects of the business. This fragmentation increases both cost and complexity, particularly where expertise in Indigenous-specific tax and governance arrangements is limited.

“We actually found the ability to get capital into the business, the administration of it and the process a little bit inhibitive.” – Indigenous business respondent

“The other issue was we needed a specialist to set up an ORIC, and we also have a tax specialist. So we actually have three financial people working on our accounts, which makes it complicated.” – Indigenous business respondent

A key issue was the lack of feedback within the pipeline, with respondents noting that rejection decisions are rarely accompanied by clear explanations or guidance, limiting opportunities for improvement and re-engagement. There were also concerns about the growing reliance on non-human or automated risk assessment systems, which were seen as unable to account for context, nuance, or atypical business structures. Participants emphasised the importance of more human approaches, including tolerance for minor errors, clearer communication, and support-oriented engagement.

“There’s absolutely nothing in both those businesses that I’ve dealt with that supports Indigenous businesses from a cost-saving or an efficiency kind of streamlined point of view. It’s no different. They said they support indigenous businesses, but there’s nothing different to what they do with mainstream. There’s nothing there to help us any different.” – Indigenous business respondent

“Thinking the banking sector is going to support Indigenous Australian requirements is naïve.” – Indigenous business respondent

Respondents highlighted a fundamental tension between banks’ profit incentives and the provision of meaningful support to Indigenous businesses. Financial institutions were widely described as risk averse, with lending decisions driven primarily by return and risk metrics rather than developmental objectives.

Respondents also noted that major banks are often the only institutions with dedicated Indigenous banking arms, but these units do not translate into more favourable financial outcomes. Instead, they are often positioned as relational or facilitative mechanisms rather than sources of capital flexibility. This reinforces a broader view that, despite visible engagement, the underlying profit-driven logic of banks remains largely unchanged, limiting the extent to which Indigenous businesses receive differentiated or development-oriented financial support. Eva et al 2023

“But I did say to him on the quiet I was a little bit disappointed about that because I really wanted their heads of policy and their economic thinkers in that discussion, not their heads of Aboriginal engagement, because really they have no influence over what the bank does. They just got to go out and sell what the bank does with an Aboriginal face on it.” – Indigenous finance respondent

“They can then say yes, we do have a role. Bearing in mind — as boards of directors — we have our duties around best interests of the organisation, a return to shareholders, so on and so forth. If I’m really honest about it, my question is: are banks, are those who govern banks, their boards of directors, capable of thinking like that? That’s a different question.” – Indigenous finance respondent

Respondents identified speed and timing as critical frictions in accessing finance, with delays often undermining otherwise viable business opportunities. A consistent view was that both bank finance and government support mechanisms are too slow relative to the pace of business needs. Participants described situations where it was faster to liquidate personal assets, such as selling a house, than to secure business finance, highlighting the severity of these timing mismatches. Delays in loan approvals, including from IBA, were frequently cited, alongside slow processing of government grants. These timing issues were not just inconvenient but structurally consequential. Several respondents noted receiving finance or grants only after their business had already succeeded or moved past the point where funding was needed, limiting the effectiveness of support.

“That’s a common story too. Government likes to back winners. And we’d already done the hard yards.” – Indigenous business respondent

“I applied for a loan for a couple of work vehicles to get the business started in a maintenance space and by the time it was finalised it took me 7 months. So if I really relied on the finance for that, I would have really struggled.”
– Indigenous business respondent

A key issue was the lack of transparency in application processes. Respondents called for clearer communication around how decisions are made, what criteria are applied, and how risk is assessed. Greater transparency was seen as essential not only for fairness but also for enabling businesses to better prepare and position themselves for finance.

“And he said, ‘This is not the documentation I need’. And I said, ‘Can you give me the checklist that you are trying to check off?’” – Indigenous business respondent

Misalignment and Relevance

Current initiatives, financial tools and institutional structures are often misaligned with the needs of Indigenous businesses today.

“The structure of the grants, of the banks, of even indigenous institutions like IBA are set up for the landscape of indigenous businesses 10, 20 years ago when it was those small startup businesses with didgeridoo making and lawn mowing. That’s what that was set up for. And now you’re butting up against the ceiling of these structures, because indigenous businesses are maturing.” – Indigenous business respondent

Respondents emphasised a misalignment between existing financial products and the needs of Indigenous businesses, particularly in relation to flexibility and innovation. A recurring view was that mainstream banking systems are not sufficiently tailored, with limited availability of fit-for-purpose lending, guarantees, and financial instruments designed around the operational realities of Indigenous enterprises. Many respondents noted that they had not encountered genuinely innovative financing programs that effectively address these gaps, suggesting that current offerings remain largely conventional in structure and risk assessment.

Participants proposed a range of potential innovations that could better align finance with business needs. These included: borrowing against contracts; platform-linked lending models such as Shopify-style financing where loan repayments are made automatically at the point of sale; government-backed guarantees or low-deposit schemes; repayment holiday periods where repayments are deferred for a certain time; revenue contingent loans; Indigenous-issued bonds, and mechanisms such as rights of first refusal in commercial arrangements. Despite these suggestions, respondents also acknowledged that regulatory requirements make tailored financial products difficult to implement in practice.

“Make the due diligence process proportionate to the size of the cheque.”
- Finance respondent

Respondents highlighted fundamental incompatibilities between the financial logics of institutions and the operating logics of Indigenous businesses. A key tension lies in how culture interacts with economic activity. While many participants rejected the idea that culture is a barrier to finance, they emphasised that it meaningfully shapes business practices, community relationships, and motivations. Indigenous businesses were often described as being driven by obligations to community and Country, rather than profit maximisation alone. In contrast, financial institutions were perceived as largely indifferent to these dimensions, focusing narrowly on financial returns and risk metrics. This disconnect creates friction where business models grounded in cultural and social objectives do not align neatly with conventional lending expectations.

Additionally, incompatibilities arise in financial structuring and incentives. For example, lower reported profits, sometimes a result of reinvestment into community, charity status or tax strategies, can weaken a business’s position in credit assessments, even where underlying activity is strong. Ownership models were also seen as misaligned, particularly where land councils or collective entities are involved, creating governance and cash flow structures that do not fit standard asset-based lending approaches. Practices such as demand sharing further complicate how income and capital are interpreted within financial assessments.

Respondents also pointed to a divergence between how financial institutions and Indigenous businesses value outcomes. Financial institutions, ranging from second-tier lenders to angel investors, were widely perceived by respondents as prioritising returns, with limited capacity to account for the broader public or social benefits generated by Indigenous enterprises. In contrast, Indigenous businesses emphasised their role in delivering community benefits such as local employment, support for other Indigenous enterprises, stewardship of land, and broader economic participation. Some participants argued that these public benefits ultimately create value for financial institutions but noted the absence of frameworks to quantify and incorporate social impact into financial decision-making.

“The only thing investors give a s**t about is if I give you a million bucks, when are you going to turn it into 10 million bucks and are you the person to do it? That’s all they care about. They don’t care about any cultures.” – Finance respondent

“When they do work for us, they want to get paid straight away and we got to pay them straight away because they’re our elders. So we had an issue where we were paying contractors straight away, but our invoices weren’t being paid straight away. I tried to get an overdraft for a little working capital facility, just couldn’t get one. It was just hard.” – Indigenous business respondent

“I think there’s a lot of ways that value and what an Aboriginal business is bringing to mainstream society can be assessed by the business bankers other than what’s your margin, what’s your P&Ls after your first month, how much you’re going to make after your first year, when are you going to start returning our investment.”
– Indigenous business respondent

Respondents identified a lack of institutional capability as a key source of misalignment in the financial system. A recurring issue was internal fragmentation within banks themselves, where different business units do not effectively communicate, resulting in a disconnected and inconsistent experience for Indigenous business customers. This lack of coordination was compounded by limited institutional understanding of Indigenous-specific governance frameworks, including unfamiliarity with ORIC and the complexities of working with Indigenous corporations and charities. As a result, businesses often face additional friction when navigating financial processes that do not align with their legal or organisational structures.

Respondents also highlighted the absence of clear feedback mechanisms, particularly around loan rejections, with many noting that explanations would be valuable for improving readiness and future engagement. More broadly, financial institutions were seen as lacking the internal expertise required to engage effectively with Indigenous business contexts, including limited capability to interpret Indigenous legislation or accommodate non-standard business models. Indigenous-specific banking teams were viewed as helpful, but often lacking sufficient authority or influence within larger institutional structures to drive meaningful change. These challenges were perceived to be even more pronounced in smaller financial institutions, which may lack the resources or scale to develop specialised capability.

“The problem is that [Indigenous banker’s name] can only bring the approach so far. And then it’s handed on to what they term as their business bankers. Once it gets to the business bankers, it’s all about dollars and cents.” – Indigenous business respondent

“We actually had to change everything over into [business’s name] because we want to get fringe benefits and we want to get charity status. So when we changed our business model, the whole business team in the frontline bank, their brains exploded because they had no idea what that model looked like and how you can work with a customer at the bank in a different way. It needed a lot of intervention from the First Nations team to go, ‘Hey, it’s not dodgy, it’s just your frontline staff have never dealt with a company like this’. And once they see that we’re an ORIC they kind of freeze in their boots. I don’t think that’s racism necessarily, but I do think it’s a bit of fear, it’s different. ‘Oh my God, it’s a First Nations business’. ... So that’s been the experience so far. We walked into the branch and we said, ‘We’re setting up an ORIC and here are the emails from the Indigenous team who have set up the appointment’. And then they said, ‘Oh, no, you need this kind of documentation’. They didn’t realise that a rulebook was the same as the constitution. ... Actually, when we started up [second business’s name], the non-Indigenous – well, it’s an Indigenous business – but it’s Pty Ltd: smooth as butter.”
– Indigenous business respondent

Respondents questioned the relevance of existing financial institutions and support mechanisms to the contemporary Indigenous business landscape. A consistent theme was that current systems, both mainstream banking and Indigenous-specific finance, have not kept pace with the growing scale, diversity, and maturity of Indigenous businesses. While some participants acknowledged using Indigenous finance and noted that certain institutions remain relevant, many others described available products and support structures as outdated or poorly matched to current business needs. This included a lack of appropriate options for more mature businesses, limited visibility of grants, and financial products that do not align with the operational realities of larger or more complex enterprises.

“When they set Supply Nation up, it wasn’t thinking about companies like [names of large Indigenous businesses]. It was thinking about the Indigenous little tourism business or souvenir shop or something like that, where it was always going to be one person, maybe two people involved in the business. They’re probably not going to raise capital and they’re just going to tick along. But I can’t see anywhere in the way they’ve structured their rules that they considered the fact that some of these Indigenous-led companies are going to potentially become quite big.” – Finance respondent

“Given it’s the third decade of the 21st century, do you think we should have a look at where the blackfellas are and see how relevant we are? So we did that and surprise, surprise. Our level of relevancy wasn’t as great as we thought, so we had to reshape our strategy around: let’s be relevant now.” – Indigenous finance respondent

Indigenous Institutions

Respondents highlighted issues with Indigenous-specific institutional structures, particularly the fragmented and disjointed nature of the broader Indigenous business system. A key concern was that Indigenous legislation, governance frameworks, and institutional arrangements are often not well integrated with mainstream financial systems, creating gaps between regulatory recognition, business support structures, and access to capital. This lack of integration can result in duplicated processes, unclear pathways, and inconsistencies in how Indigenous businesses are understood and engaged by different parts of the system. Notwithstanding, respondents were generally cautious about solutions that would further segregate Indigenous finance into a fully separate system.

“I think even for a while there — this might have even been like 10 years ago — some of the native title Aboriginal corporations would set up under the CATSI legislation and you try and register for GST and the systems didn’t even talk to each other. You literally had to do a hard copy application. It’s just things like that. The system is not built to integrate it simply.” – Indigenous business respondent

A recurring observation was that grants can be more administratively complex, time-consuming, and unclear than accessing finance through banks. Respondents pointed to issues such as heavy application requirements, competitive allocation processes, and misalignment between grant design and business cash flow needs.

“I’d argue because of the government constraints in some cases, they’re harder to deal with than the banks because they’ve got a very narrow focus, whereas the banks have got much more ability to assess and tolerate risk.” – Indigenous business respondent

Respondents were critical of the role of the Indigenous Business Australia (IBA) as a key Indigenous-specific financial institution. A common theme was that IBA has historically not been primarily oriented toward business growth finance, with several participants describing it as relatively risk-averse and constrained in lending capacity. Concerns were also raised about customer service quality, lending rates, and the perceived lack of a deep understanding of community and business contexts. Respondents acknowledged that IBA is evolving and may be becoming more business-focused over time, with some noting its flexibility relative to mainstream banks. However, the requirement for borrowers to participate in workshops or preparatory processes was seen by some as an additional barrier.

“I’ve tried to use [IBA] myself and I found it a challenge. This is for home loans to youth. You express your interest to apply and then when they’ve got a spot, you’re invited to apply, and you can apply. But then you still have to wait for funding to come up. And then once the funding’s there, then you’re told to go and find a house for a certain amount. It’s helpful because the deposits are quite small. I knew someone that done a purchase for 550-odd thousand, and the deposit was 5 grand. So, they funded the full amount. It’s just expensive once you are with them. So, the idea is for them to get you into a home, you stay with them, build some equity, and then you refinance it out to a tier one lender. In terms of the business lending, I know that someone else has tried to do it, a family friend, and it was super difficult and complicated, and they just gave up.” – Indigenous finance respondent

“But when I received the loan and the loan documents, the interest rate was 6%. For an indigenous business to be getting charged 6.9% when I can go at 2.9% from the bank, I nearly fell over, and I was already locked into the deal.” – Indigenous business respondent

“IBA’s majority of their funding is tied up with house loans and other equipment lease models, rather than pure capital engagement. Now, Darren [Godwell], as the chair, has made some recent announcements. My understanding is they’ve got their business model and their policy governance changed, so they can do more in the business space. But my understanding is they’re still developing the mechanisms for achieving that. But I’ve had four goes at IBA, been unsuccessful in every regard.” – Indigenous business respondent

Respondents also discussed the role of ORIC as a key governance and regulatory framework for Indigenous corporations, noting both its enabling and constraining features. A central theme was the importance of compliance, with participants acknowledging that many organisations, including land councils, struggle to meet or maintain compliance requirements consistently. While ORIC was recognised as providing a necessary governance structure and a degree of transparency, it was also described by some respondents as intrusive in its oversight and reporting requirements. ORIC was seen as relatively accessible for incorporation and useful in meeting tax and administrative obligations, particularly for smaller or community-based entities. However, several respondents noted that it is less suited to commercially oriented businesses, limiting its utility as a platform for growth or investment. A structural limitation identified was that ORIC corporations can be inherited but not readily sold or transferred in the same way as commercial entities, which constrains flexibility, capital formation, and exit options.

“No. F*****g no chance. If you can avoid them, it’s best. Yeah, the costs are down, but the issue I have with ORIC is that politics can influence it, and you don’t want politics influencing your regulator. Something else that’s weird with ORIC is that they don’t check if you’re Aboriginal when you start a company. The only reason I will ever be on an ORIC company is for native title purposes, because native title law has to be an ORIC company, you don’t have an option.” – Indigenous business respondent

“Setting up an ORIC is pretty simple. You come up with a rule book. But the trick is you can’t sell it. So I’ve got to make sure that anything I build under the ORIC is modular. And should I want to exit out of the business, I can sell certain parts of it, but I can never sell the entity itself. Because an ORIC is designed for community ownership. I can inherit it though. It can be inherited by my kids.” – Indigenous business respondent

A key takeaway from respondents’ experiences with Indigenous-specific Institutions is that governance systems designed primarily around protection and accountability can unintentionally constrain self-determination equity flexibility, financing innovations, capital attraction and scalability.

Equity and Scale

Equity and scale emerged as a foundational structural issue shaping Indigenous business growth, particularly through constraints related to collateral and asset structures. Respondents emphasised that many Indigenous businesses face systemic limitations in converting existing forms of value, most notably native title, into usable financial collateral. This means that access to finance is often contingent on personal asset ownership, with home ownership frequently identified as a de facto requirement for securing early-stage or growth capital. This creates a structural dependence on individual wealth accumulation rather than collective or land-based assets.

Institutional frameworks were also identified as contributing to these constraints. Some respondents noted that compliance and governance requirements associated with collective ownership systems like ORIC can complicate access to insurance and financing products, further limiting scalability. More broadly, asset ownership was described as both necessary and restrictive, with businesses needing to hold assets in order to access finance, while simultaneously finding asset acquisition difficult without finance in the first place. In response to these constraints, respondents pointed to emerging or alternative mechanisms such as leasehold arrangements and solar installations that can generate revenue without requiring the transfer or loss of land ownership.

“They can only secure capital against a house. Effectively, that’s every discussion with a bank or a financial institution says, ‘Sign your house over, and we’ll lend you whatever you want, within reason. But if you haven’t got a house or you haven’t got enough equity in your house, then you can’t access capital either.’” – Finance respondent

“Forty-some percent of Australia is owned by traditional owners that you can’t borrow against the value because of the Commonwealth law.” – Indigenous finance respondent

Equity constraints were identified as a central limitation on the scale and competitiveness of Indigenous businesses. A recurring theme was that the 51% Indigenous ownership requirement, while designed to ensure Indigenous control, can in practice operate as a binding constraint on access to external equity capital. Respondents noted that this restriction limits the ability of Indigenous businesses to raise growth finance, creates a structural ceiling on expansion, and makes it difficult to compete with larger, well-capitalised firms. As a result, many Indigenous businesses remain confined to smaller operational scales, not due to capability, but due to restricted access to equity markets.

Some participants highlighted concerns that bringing in external equity can dilute self-determination. Others noted that there is a lack of dedicated Indigenous-controlled equity capital available in the market, limiting viable pathways for scaling and exit strategies. In response, some businesses rely on alternative mechanisms such as philanthropic funding. It is possible to create structural workarounds such as establishing subsidiaries that maintain 51% ownership while directing profits through constitutional arrangements to a parent entity, but even for those personally willing to find workarounds, the shame of “black cladding” from the community is a significant deterrent. There were also calls to reconsider definitions of what constitutes an Indigenous business in ways that could enable more flexible equity participation. The challenge is not to weaken Indigenous ownership protections, but to design capital pathways that enable growth while protecting Indigenous control, identity and benefit.

“Investors don’t want controversy. You got [Indigenous-focussed venture capital firm] out there, pure Indigenous fund, right? But it’s run by whitefellas. So under Supply Nation, they can’t get their money certified Indigenous. Because the rule is that there has to be an aggregate of 51% ownership of Indigenous money. Okay, fact is, there is no indigenous money. [Founding director of said firm]’s a f*****g billionaire, he’s not going to hand 51% control of a fund over to an Indigenous person just to get certified. How do you change that? Mate, I’m not a politician. But the argument is that Rupert Murdoch still controls News Corp with 19%.” – Finance respondent

“It’s not small amounts of money in the construction industry that you need to be viable because you’re competing against some tier one and tier two construction providers that are either ASX listed or have a lot of capital behind them. So that makes it difficult for Aboriginal businesses in the construction industry.”
– Indigenous business respondent

“There are ways of keeping a 51% shareholding where a shareholder’s agreement might say that 70% of the profit goes to the non-Indigenous member of the business, even though they hold a 49% share. But it’s really difficult to be able to do that when you’re starting out. You’re doing a 5 or \$6 million project and your margins are that tight that you’re lucky to get out of there and make it money.” – Indigenous business respondent

Microenterprise bias was identified as a key systemic constraint shaping how Indigenous businesses are financed and how they grow. Respondents described a financial system that is well adapted to meeting the needs of low-capital, low-risk enterprises, but less capable of supporting businesses seeking to scale beyond small or cottage-industry models. As a result, Indigenous businesses are often channelled into small-scale operations, with limited access to pre-revenue investment or growth capital that would enable expansion. This dynamic is compounded by funding models that prioritise seed funding or early-stage support without providing clear pathways to sustained investment. Subcontracting arrangements were also identified as reinforcing this pattern, where Indigenous businesses remain embedded in supply chains in ways that limit the accumulation of capital and independence.

“A lot of those — which reflect where people are, in rural and remote — are probably doing the modern equivalent of subsistence work. They’ve got enough work in their community to keep themselves fed, but the economy in the place they’re at can’t expand it beyond that locality in most cases.” – Indigenous finance respondent

“The vast majority of the Indigenous businesses were never going to scale. They were never going to go beyond. They were artists, they were people trying to put together Indigenous support programmes. So where does the money come from? How much? Breaking the market down to companies that are actually investable and scalable.”
– Finance respondent

Within the Structural framing, respondents consistently identified a “missing middle” in the financing landscape: a gap between startup support and the capital required to scale into medium-sized enterprises. Many noted that while initial funding or seed support may be available, it becomes significantly harder for businesses to access appropriate financial products once they move beyond the startup phase. Participants highlighted a lack of suitable tools for scale, including limited access to overdrafts, working capital facilities, and other forms of flexible short-term finance needed to manage cash flow during expansion. In response, some suggested that alternative instruments such as revenue-contingent loans or vendor finance could better align with the needs of growing businesses.

“In all fairness, from an investment point of view, I reckon there’s 10% of them that could ever conceivably get an investment. But I can’t see anywhere in the way they’ve structured their rules that they considered the fact that some of these indigenous led companies are actually going to potentially become quite big.” – Finance respondent

“Investing in a First Nations enterprise: that’s really small scale for the bigger funds. They are working on 10 million plus investment opportunities that will deliver a return and then they have to bring in all of these employees and others to do significant due diligence. They have to do the same for \$100 million plus investment as they would for a First Nations business.” – Indigenous finance respondent

“I’m probably going to have five avenues to get up to [a] \$2 million [loan]. But that’s taken my entire life to get to that point. To have the business backing to go and borrow against assets and all that. And a bank might look at a \$2 million loan, but if I want to borrow 100K, I can nearly put that on a credit card now. So that’s the gap.”
– Indigenous business respondent

Often, current systems constrain Indigenous businesses into participation models rather than wealth creation models. Again, this is a product of how success is measured and what is being optimised for, be that participation or prosperity.

How it frames the solution: Structural adjustments

Indigenous-Ready Institutions

Respondents emphasised that making institutions “Indigenous-ready” — as opposed to making Indigenous businesses “finance-ready” — requires embedding Indigenous considerations throughout institutional pipelines, not isolating them in specialist teams. Systems designed for efficiency and risk management may be inherently limited in their ability to provide the level of support required.

Several practical suggestions were raised to support this shift. These included embedding cultural competency into compliance and risk training (for example, incorporating issues such as black cladding into fraud frameworks), aligning Indigenous considerations with existing regulatory areas such as modern slavery compliance, and using real examples of Indigenous finance cases to build institutional understanding. Some institutional respondents also emphasised the need to formalise these approaches within organisational codes and policies, rather than relying on discretionary or relationship-based practices. Conversely, there was recognition that overly rigid processes can undermine the “human touch” that many businesses value, suggesting that effective institutional design must balance system integration with relational flexibility.

“They just don’t even get back to you, and you’re hounding them. Maybe I’m not a top priority, but there’s lots of dicking me around sometimes with things. And that really frustrates me because I’m generally an organized, responsive person. I’m guessing they’ve got KPIs, they’ve got a hit to get. There are issues with that if that’s their model when you’re dealing with vulnerable customers, that shouldn’t be the case. I suppose no, everyone just goes in the general sausage machine.” –Indigenous business respondent

Respondents highlighted a tension between pipeline efficiency and meaningful support. Several participants expressed scepticism about institutional ability, suggesting that proactive support may be impossible within systems primarily oriented toward risk management and throughput.

Indigenous-ready institutions would require redesigned assessment frameworks, alternative collateral approaches, Indigenous-informed risk interpretation, relationship continuity, flexible governance interpretation, alternative success metrics, long-term capital pathways and Indigenous influence within product and policy design.

Data and Understanding

Respondents consistently identified significant gaps in available data on Indigenous business activity, including a lack of reliable time-series information, limited breakdowns by business size and sector, and insufficient visibility of the Indigenous business landscape. This lack of structured data was seen as constraining both policy design and financial decision-making, as well as limiting the ability of institutions to understand where constraints are most acute. Several participants suggested that financial institutions and related bodies should play a more active role in collecting and sharing economic data on Indigenous businesses, rather than relying on fragmented or ad hoc sources. There was also a strong emphasis on the importance of listening to Indigenous voices directly.

“The banking sector seeks to bring its services, such as they are, to the Aboriginal community, but they do it in the vacuum of really having a good handle on where the Aboriginal Australia is economically. I think that, for me, is a huge barrier: the banks don’t know enough about the Aboriginal economy, particularly the business sector, and that’s not their fault because there’s a lot of us who don’t know enough. We run on supposition and assumption a lot of the time. That’s building up, but I don’t think there’s been a really good — what I would call a macroeconomic — understanding of the Aboriginal business sector. I don’t think it’s just a matter of — I’ll be briefly honest — putting dot paintings on existing products and saying we’ve made it Aboriginal friendly, which to date is what has happened in a lot of instances.”
–Indigenous finance respondent

Data invisibility is itself a structural constraint that affects financial access and institutional confidence. Information and understanding shape policy decisions, capital allocation, risk assessment, institutional appetite and investment confidence. Risk-averse and data-reliant institutions are less likely to pursue unfamiliar areas, leading to a structural exclusion of Indigenous businesses.

Additionally, there are now innovative methods to quantify the social benefit of Indigenous businesses. For example, the Australian Social Value Bank's Value Calculator quantifies the value of programs across a number of social outcomes. This may provide an opportunity for the government to supply compensatory financial support commensurate with the currently invisible public benefit that Indigenous businesses deliver.

Addressing Black Cladding

"I said '[Indigenous business owner's name], we're going to get to a point where we can't raise capital in this'. She's on 53%. How do I raise more money for her company now? Now she risks raising money, diluting below the 51% and losing Supply Nation certification. Now, any smart investor, they all pick up on this pretty quick. And they're like, 'OK, there are limitations to where these companies can go because of that'. So a lot of investors recognise that pretty fast and they see it as an issue and don't want to invest. Can I create exotic structures for someone like [Indigenous business owner's name]? Yeah, 100% I can. But then the risk is that [Indigenous business owner's name] gets accused of black cladding." – Finance respondent

Black cladding has gained prominence alongside the expansion of IPP, but the term is often used imprecisely to describe distinct phenomena. Supply Nation defines black cladding as the practice of a non-Indigenous entity exploiting an Indigenous business or individual for the purpose of accessing procurement benefits that would otherwise be unavailable (Supply Nation 2020). This reflects a clear case of policy arbitrage and undermines the integrity of Indigenous business certification frameworks.

However, the term is also applied to a structurally different scenario where an Indigenous business dilutes ownership or control to access capital and subsequently falls outside formal definitions of Indigenous ownership. While both situations may appear similar under compliance rules, they are ethically distinct. The former constitutes misrepresentation to extract rents from Indigenous policy settings; the latter reflects a financing constraint, where growth necessitates trade-offs between control and capital access. Here, strict definitions unintentionally create rigidity, financing complexity and constrained growth pathways.

Addressing black cladding, therefore, is not solely a compliance exercise but a design challenge. Policy and financial institutions should be able to differentiate between exploitative arrangements and capital-driven ownership changes. If black cladding is used to describe businesses that meet the formal definition of Indigenous but do not match people's intuitive expectations, that suggests the definition itself needs reconsideration.

Indigeneity and Self-Determination

"The problem is if you're asking someone to give you a loan and they want some equity in your business, it completely changes your shareholder dynamic. And it pushes you out. You're no longer an indigenous business if you start taking investment funds. Now, 100% I get that because it challenges the ownership model, but what's the gap that we're going to address? How do we educate Aboriginal businesses on saying this is the kind of money you want to accept and this is the kind of money that you can't because it changes the dynamic? You figure that stuff out as a business owner, but it's not crystal clear. Can you change the definition of what an Indigenous business is so that you've got at least five different commercial models? Because you want to still have an Indigenous business accepting external money and maybe giving away some equity, but still have it recognised as an Indigenous business, if they've got all the cultural values.

And if they've got an Indigenous engagement plan or got that management and control element in there, find a way to still include them, but classify them differently. ... But it also solves in the interim while the NIAA figure out what their definition of Indigenous businesses should be and how that affects money flow and growth of a business, because at the moment, they're capping our size. I don't particularly love the model. I don't think it's perfect, but I do see that where there's a will, there's a way, and I've been here trying to find it." –Indigenous business respondent

Indigeneity and self-determination are intrinsically linked and must be considered together to address structural constraints on Indigenous access to finance. Rules designed to protect and define Indigenous businesses currently also constrain their financial autonomy. For example, 51% ownership definitions protect Indigenous business benefits but restrict Indigenous businesses' ability to utilise equity and scale. This creates a structural tension between protecting authenticity and enabling self-determined, commercially viable growth. Neither component can be ignored at risk of sacrificing one for the other. The Capability framing, with its myopic outcome focus on narrowing gaps rather than economic self-determination, has resulted in many respondents expressing what this report colligates as a desire for a rebalance or re-evaluation.

Indigeneity and self-determination were closely linked to the ways businesses engage in joint ventures, subcontracting, and broader dependency relationships within the economy. Respondents described joint ventures as a dominant feature of the Indigenous finance and contracting landscape, often shaping how Indigenous businesses enter markets and access opportunities. In many cases, businesses begin as subcontractors, with subcontracting relationships acting as both an entry point and a mechanism of ongoing support. Some participants also noted that subcontractors may receive informal financial or operational assistance from the larger businesses they service, and that subcontracting between Indigenous businesses is relatively common, creating layered dependency structures that can both enable and constrain growth.

However, these arrangements were also associated with structural tensions. For some respondents, joint ventures and subcontracting relationships can reinforce dependency rather than build independence, particularly when they become the primary pathway for accessing work and capital. In addition, there were concerns that subcontracting chains involving multiple layers of subcontractors can dilute value, reduce margins, and create instability in business growth trajectories. Control over contracts on land provides important leverage for Prescribed Body Corporates to support Indigenous businesses.

"Even if that Aboriginal company based out of Canberra wins a contract, they'll then subcontract that out to a potentially Aboriginal business. Then you get screwed on your margins, so a lot of smaller Aboriginal businesses go, 'No, mate, you won the contract, you do the work, mate, you come to Moree or Burke or wherever. You said you could do it; you come out and do it'. And that's unfortunately what's happening in the environment." –Indigenous business respondent

"A mining company that wants to embed you properly, they will throw all their resources in that pool to make sure that you service this contract properly and that you're not going to fall over in doing that. If the banks took the time to service the loans and correctly, do it and then interact with the Aboriginal people so that they got a better understanding of what makes a bank tick and how they can do it, and embed that process into the Aboriginal people on that very startup journey, there'll be a lot more successful Aboriginal businesses." –Indigenous business respondent

"They all want directors' guarantees. Director guarantees are hard when you are trying to have First Nations directors." –Indigenous business respondent

“I don’t think there is an Indigenous business sector. I think there’s a JV sector.”
– Indigenous business respondent

“But sometimes that regulation has been designed with the idea of making sure that baddies can’t behave badly, as opposed to thinking about what that means for someone in a community now that’s looking to borrow a dollar.” – Indigenous business respondent

Respondents raised complex and often contested views about what constitutes an Indigenous business and how Indigeneity is defined, verified, and operationalised within financial and procurement systems. A key issue was the 51% Indigenous ownership requirement, which was seen by some as structurally prohibitive to 50–50 partnerships and broader equity arrangements, potentially limiting access to capital and collaboration. Nevertheless, concerns around black cladding were acknowledged, with certification frameworks such as those used by Supply Nation seen as important safeguards.

Many expressed a desire to reach a point where they can be a business that happens to be Indigenous rather than an Indigenous business. The potential for tension and infighting within Indigenous business ecosystems, particularly where questions of legitimacy and certification arise was noted by respondents. Institutions such as Supply Nation were seen by some as both enabling and constraining. There were also observations that ORIC can allow for changes in directors without direct verification of Aboriginality, further complicating how Indigeneity is defined in practice, since IPP can be satisfied by ORIC or the much more stringent Supply Nation. Overall, the findings point to an unresolved structural tension between protecting against misrepresentation and enabling flexible, scalable, and self-determined forms of Indigenous economic participation.

“[What we did] right back from the early days, is we identify, we want to do the right thing, we want to open up an Aboriginal medical service, we want to cater to all of our community, but how are we going to do it? Because we don’t have the funds there to be able to do it. So, what did we do? We thought outside, we thought, OK, we need to open the business up to all the community. And that means we cater to everyone. That means if we do it that way, we’re going to be running as a business; we’re going to be self-sufficient; we’re going to be self-funded; the community gets the services along with the non-Indigenous people, and we ensured that the board wasn’t a large board of Indigenous representation, 12, 14 people. We minimised the board to be around about five. We then did a lot of education with the group that was on the board and got them off on to learning what a board does. What the board’s role is and what the role is of a CEO and what the expectation of a CEO need to do with that business. So, we’ve done a lot of education within that area that taught them about business and how business should run.” – Indigenous business respondent

“You’re not going to get much out of Supply Nation, and I’ll tell you why. You’re not going to get a lot of accurate data if you’re able to get any at all, because I work with a bunch of indigenous companies that are growing that answer, they don’t give a s**t about Supply Nation. Reconciliation action plans and Supply Nation don’t even come into the conversation. Even on our food side, the only people that care about Supply Nation are the corporate directs like Qantas and Voyages Hotels and Resorts. But if you look at Coles, Woolies, Ampol, and all these guys that we range in, they don’t ever ask about it. They don’t care. So, a lot of Indigenous companies just don’t bother with Supply Nation, and that’s why you won’t get a complete picture, I don’t believe.” – Finance respondent

“I registered a business [with Supply Nation]. I’ve got it set up under a family trust. The trust is the beneficiary of the shares, which is a common way of doing it. I tried to send [Supply Nation] the trust deed because that determines where the cash goes. The money flows up from the company into the trust, into the beneficiaries. They said, ‘Oh, no, we don’t look at that. We just look at directors. And I was like, ‘But that’s what controls the profit, where it goes’. They said, ‘No, no, we don’t look at it’. I was like, ‘The beneficiaries could be my white family.’” – Indigenous business respondent

“I’m here for mob. I’m here for traditional owners. But at the end of the day, I’ve got to run a safe business. It’s got to be efficient, and it’s got to be cost effective. So first and foremost, I run a business.” – Indigenous business respondent

“We’re 50-50 owned in our husband-and-wife team for [business name]. And when the Supply Nation are going to drop their 50-50 owned, we will no longer be certified by them. So, we’re going to use QIBN. They still recognise businesses like ours that are 50-50. It’s very similar. With certification for Indigenous businesses, I confirm Aboriginality. ORIC needs to tighten up their rules, though, because people can change as directors. And you will have heard some of the gaps where black cladding can still occur within that structure. They still use statutory declarations instead of Aboriginal confirmation, which I find pretty shaky because there’s no endorsement from the community.”
– Indigenous business respondent

“My personal view is that if it’s an Aboriginal business, you should at all times hold the majority shareholding and the management of that company to be able to direct it and to do what your first idea was to open the business anyway.”
– Indigenous business respondent

A number of methods to achieve equity whilst maintaining Indigenous certification were identified by respondents. This report does not claim that these methods retain the Indigeneity of the businesses, only that they allow businesses to remain compliant with some Indigenous business definitions. Businesses can scale while maintaining certification through models such as subsidiary structures with differentiated ownership, constitutions that retain majority Indigenous control but vary dividend rights, and dual-class share arrangements that enable external capital without relinquishing decision-making authority.

Table 1 A list of definitions of Indigenous businesses

	Definition of Indigenous	Proof
Supply Nation Registered (Supply Nation n.d.)	50+% Indigenous ownership.	Confirmation of Aboriginality. Audited annually.
Supply Nation Certified (Supply Nation n.d.)	51+% Indigenous owned, managed and controlled.	Confirmation of Aboriginality. Audited annually. Interviewed to prove management and control.
Supply Nation Indigenous Joint Venture (Supply Nation n.d.)	Individually or cumulatively 50+% Indigenous owned, managed and controlled.	Confirmation of Aboriginality. Audited annually.
ORIC (ORIC 2026a)	Majority Indigenous directors	The role of the corporation to enforce.
Indigenous Procurement Policy (NIAA 2025b)	ORIC or Supply Nation Registered (Supply Nation Certified from 1 July 2026).	As above, respectively.
QIBN (QIBN n.d.)	51+% Indigenous ownership and control or a family partnership between equal Indigenous and non-Indigenous members and demonstrated cultural connection.	Referral from two QIBN members. May include confirmation of Aboriginality or ORIC registration.
Black Business Finder (Gateway by ICN n.d.)	50+% Indigenous owned or an equal Joint Venture agreement with a majority Indigenous owned business.	
IBA	50+% Indigenous owned	

Indigenous business is not a single consistent category. The label is applied over multiple overlapping definitions with different thresholds and evidentiary standards. Ownership is prioritised but not consistently linked to control.

The Relational Framing

In contrast to the Capability framing — which locates barriers in deficits at the level of the business, such as financial literacy, experience, or access to networks — the Relational framing shifts the analytical focus to the quality and structure of interactions between Indigenous businesses, financial institutions, and money itself. It concerns itself with the relational conditions under which finance is sought, negotiated, and trusted. Through this lens, issues with accessing finance stem from trust less transactions, where engagement is shaped by low baseline trust and a heavy relational load placed on businesses by institutions. Respondents described discomfort in dealing with unfamiliar bankers, a predominance of one-off transactional rather than ongoing relationships, and tensions around independence and dignity, particularly reluctance to appear dependent or to risk first-generation assets. The repeated burden of explaining Indigenous business contexts further raises the cost of engagement.

The natural response is therefore relationship-building: embedding local knowledge, ensuring continuity of personnel, and enabling repeated engagement across the financing journey. However, while these mechanisms can improve trust and experience, they are not sufficient on their own. Without broader structural change, relationship-based solutions risk creating dependency, reinforcing selection effects, and leaving underlying barriers to capital access unresolved. Relationship-based approaches can improve experience and navigation, but they cannot substitute for structural reform. A strong relationship may help a business move through the system, but it does not change the underlying rules of collateral, credit, equity or procurement design.

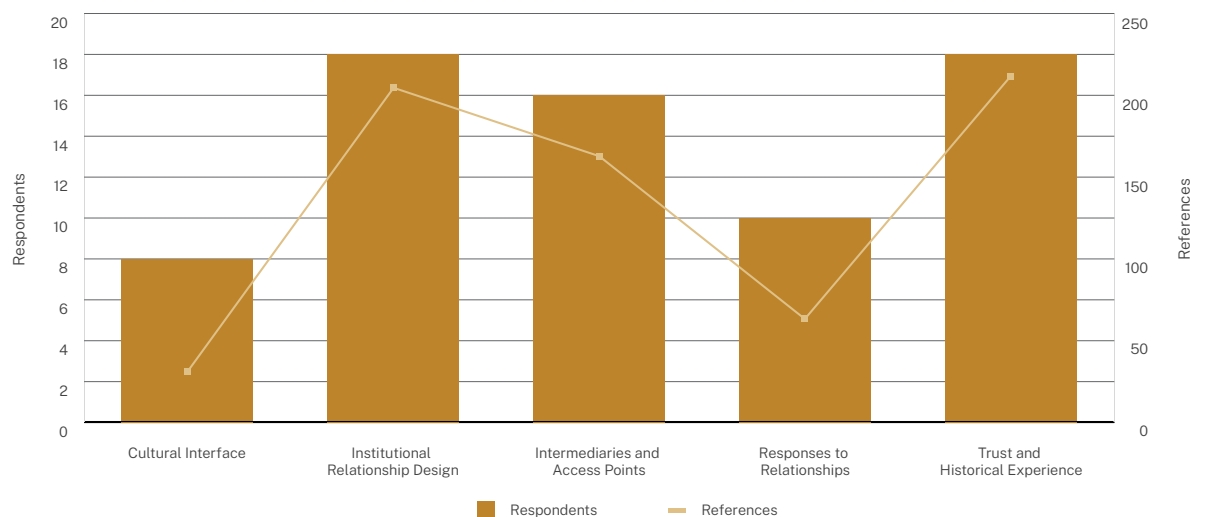


Figure 17 Respondent and reference counts for each theme in the Relational framing

How it frames the problem: Trustless transactions

Trust and the Historical Experience

Trust accumulates slowly over time, through repeated positive and sincere interactions. In the relationship between Indigenous entrepreneurs and financial institutions, however, a history of harmful and exclusionary experiences has produced deep, mutual distrust. The issue is not simply that Indigenous businesses need to trust financial institutions. Financial institutions need to demonstrate that they are trustworthy. Trust should be understood as an institutional outcome. It is built when financial institutions demonstrate consistency, transparency, cultural intelligence and responsiveness over time.

Trust shapes not just outcomes, but the willingness to engage in the first place. Under the dominant Capability framing, this dynamic is often overlooked. By focusing on perceived gaps in skills or readiness at the level of the business, institutions can fail to recognise that trust is itself a critical condition for financial engagement — and one that sits within their own remit. As a result, the idea that financial institutions must actively build and demonstrate trustworthiness, as one half of a mutually responsible relationship, can appear outside the scope. This report argues that it is central to improving access to finance.

A perceived bias against Indigenous businesses was widely reported across interviews. While most respondents attributed this not to overt racism but to ignorance or lack of understanding within mainstream banking systems, the effect was still experienced as exclusionary and undermining. Relational experiences with banks were described as markedly less patient and more rigid compared to Indigenous-specific financial institutions.

Current experiences with banks varied but were often characterised by poor service quality and low responsiveness. Respondents reported difficulties with in-person customer service, ineffective complaint handling processes, and limited follow-through on enquiries or applications. Indigenous-specific financial institutions were sometimes described as more supportive, though also noted by some as complex or difficult to navigate. Experiences ranged across the spectrum, from negative and frustrating engagements to neutral or entirely absent engagement with mainstream banks, while some reported positive interactions. Overall, responsiveness and relational continuity were commonly seen as weak points in mainstream banking relationships, reinforcing the importance of trust and consistent engagement in shaping financial access.

“If you don’t clearly know what it is you need help on, you don’t want to seem like you’re foolish. There’s already a stigma that exists. You don’t want to confirm it, you don’t want to walk in the door and have people go ‘Yeah, that’s what I thought’. And then you walk away and feel more awful for turning up in the first place and doing it. I think if you can go in there and feel comfortable and you know what it is and what you’re asking for, with confidence. This is why am I asking for [financial literacy support] around that, that can be done earlier to save the embarrassment of it.” -Indigenous business respondent

Respondents also highlighted humiliation and fear as important but often under-acknowledged dimensions of financial engagement. Several participants described receiving unfavourable or poorly structured loan offers as not only economically disadvantageous but also disrespectful, reinforcing a sense of being undervalued as business owners. Humiliation was explicitly identified as a factor in financial interactions, with some respondents expressing a desire for greater compassion and recognition of business potential rather than narrowly risk-based assessments. In this framing, growth opportunities were often perceived as not being fully recognised or supported by banks, contributing to disengagement or reluctance to re-enter formal financing processes.

Some respondents showed a degree of conspiratorial thinking or scepticism toward institutions. This should not be interpreted as irrationality, but as a response to deeply painful and inconsistent experiences with banks and other institutions, where conspiracies can be more psychologically manageable than repeated failures (Douglas et al. 2017). These perceptions are situated within a broader historical context in which relationships with financial institutions have frequently been characterised by exclusion, rigidity, or misunderstanding, reinforcing caution and scepticism in contemporary interactions.

Risk aversion and the experience of first-generation wealth emerged as important factors shaping financial decision-making. Many respondents expressed a strong reluctance to take on debt or expose personal assets to risk, particularly with a view to avoiding passing financial burden onto children or future generations. This cautious approach was often linked to the fact that, for many, wealth accumulation and home ownership are relatively recent achievements, making financial loss feel particularly consequential. As a result, there is a preference for lower-risk, more gradual forms of business growth, and hesitancy to commit significant personal capital into business ventures.

Responses to Relationships

Respondents demonstrated that Indigenous businesses exercise agency and autonomy in how they choose to engage with financial institutions, often in direct response to service quality and relational experiences. Several participants described leaving banks due to perceived lack of respect, disengaging when a trusted banking manager changed, and explicitly choosing not to return following poor service experiences. Conversely, positive and responsive interactions were a strong driver of continued engagement, with good service seen as a reason to maintain or rebuild banking relationships.

“If it wasn’t for [Indigenous banker’s name], I probably would have left. From my dealings with any finance, they’re not flexible, they’re not helpful. No matter how much money I put through [bank’s name], to the tune of about 8, \$9 million last year, we still do not get the support. And like I said, the only reason I’m with [bank’s name] still is because I’ve got a relationship with [Indigenous banker’s name]. Because [Indigenous banker’s name] did the right thing.” –Indigenous business respondent

While independence was widely valued, respondents also noted that avoiding financial institutions or intermediaries can carry high costs in terms of time, efficiency, and access to capital. Some participants deliberately chose not to use partners or external support, reflecting a desire for control and autonomy, while others described a strong reluctance to appear dependent on “handouts,” which in some cases led to missed opportunities for finance.

“It’s almost like I’ve proved that I don’t need it in order to feel comfortable enough to go in and get it. I don’t know if that’s uniquely a First Nations thing, but growing up, you never really asked for anything or you figured that if you’re going to do it, you had to just go do it yourself. As a First Nations person, you feel quite often a perception of, ‘If I get it, it’s a handout’. So I’d much rather prove that I didn’t need it before I went and asked for it. Otherwise, the perception has just been, ‘Oh, well, you got that because you’re a blackfella. So that’s why you got it.’” –Indigenous business respondent

“You take the Indigenous procurement policy, for example. There is a sense that the government is spending money on you as a First Nations business, not because you deliver good capability or quality of work, but it’s because you’re a First Nations business.” –Indigenous business respondent

“I’m selling [the house] to put the money back into the business because I can’t borrow the money from the bank. I have \$700,000 equity in that property. I have \$700,000 equity in my other property, and I have \$300,000 in another property and \$400,000 equity in the other property. But I can’t borrow because [they are inflexible]. I have to pick up against that. I have to pay \$22,000 to a real estate agent. Then I’ve got to pay another 60-\$70,000 in capital gains tax. For what? To help my business grow. But again, I’m backing my business. All I need is someone to back my business with me.”
–Indigenous business respondent

“And we never, other than banks, we’ve never sourced a partner. And a lot of it is that we’re a proud people, as simple as that. And we’re a people that don’t like to put our hand out for help.” –Indigenous business respondent

“So, then what happened was we managed and ran the corporation out of my house, up on the reserve, up on the mission in [remote community]. We then devised and put a business plan together. We had no money. We walked away from the funding. We had no money. We do not receive any funding from state and federal for our operations.”

– Indigenous business respondent

“I don’t want to create that welfare mentality. But I’ve got to be honest, it’s not a welfare mentality when you look at non-Indigenous businesses, they do that stuff all the time. But I also wanted to talk about the psychology of it. Like we’ve been brought up to not accept welfare. And then when you create a business, there’s a lot of corporate welfare that we don’t talk about, which is tax exemptions that the federal government give. And there’s a lot of small business welfare. Every small business owner I talk to who is non-Indigenous: ‘Where’s my money to pay for this? Where’s the grant? Where’s the government?’ They expect the government to pay for everything. Our mindset is completely opposite because of all the racism we’ve experienced about accepting welfare. We need to change our relationship with money and we need to change our thinking about welfare because I said there’s corporate welfare everywhere you look.”

– Indigenous business respondent

Cultural Interface

Under the dominant Capability framing, culture is often treated as a static attribute of Indigenous people — frequently homogenised — and positioned as a source of complication in otherwise neutral financial systems. This obscures the fact that financial institutions are not acultural; they operate within their own norms and practices. Both Indigenous businesses and financial institutions bring evolving cultures into the interaction, which continuously shape and influence one another. Friction, therefore, arises not from culture alone, but from how these different institutional and social logics meet, align, or clash in practice.

Communication norms and expectations shape financial engagement. In terms of communication styles, respondents noted a tendency for Indigenous businesses to take “promises” from banks at face value when the banks were still in negotiation mode. Several participants described the importance of informal relational practices such as yarning before deals and the role of shared social settings, including food and in-person connection, in establishing trust before formal agreements. This was contrasted with institutional communication methods, which were often seen as more rigid, written, and incongruent with preferred ways of building understanding, particularly in early-stage negotiations. Some respondents also referred to the dismissal of verbal agreements by banks in favour of formal written documentation.

“[Banks] have the money, they don’t have the know-how. That’s the one thing they don’t have, right? They’re good at lending money, they’re good at knowing what it is that will appease the [lenders]. The bit they don’t understand is how they engage the traditional owner people and make them feel comfortable in going to a bank to borrow money.”

– Indigenous business respondent

“I didn’t feel comfortable just walking into any branch [without an Indigenous representative] because I felt like I would have had to explain those things. And you sometimes don’t want to because if I go in and I have to explain that I’m a First Nations organisation, it is just that ‘Well, so what’ type thing. I guess I take a lot of pride in [my business] and at the same time, giving you the balance of my worth, of my house or any of those sorts of things. ... I think [it can] be a raw nerve, historically and contextually. And putting yourself out there has not led to good things, and so I think it takes a little while for that to be broken down. So, if there’s anything I’d suggest to the lending organisations is to put themselves out there a little bit, to talk about financial literacy, particularly around P&Ls, balance sheets, those sorts of things, but also for them to go, ‘Hey, look, this is what we’re interested in when we have the conversations with you, these are the type of things we’re looking for.’” – Indigenous business respondent

Respondents highlighted that relationships with money themselves shape Indigenous business engagement with finance. A recurring view was that Indigenous businesses are not necessarily unwilling to seek finance, but that broader cultural and relational factors can influence how money is approached and discussed. Several participants noted that talking openly about money can be uncomfortable or even considered taboo in some contexts, which may limit proactive engagement with financial systems or formal lending processes. Others described a perception among some Indigenous entrepreneurs that money is “dirty” or morally uncomfortable to pursue, reflecting deeper cultural and historical associations rather than purely economic considerations. Collectively, these views suggest that financial engagement is not only shaped by access or capability, but also by underlying relational attitudes toward money itself, which can influence when, how, and whether finance is sought.

“You talk to accountants and go, ‘Yeah, I’m registered with ORIC’. They go, ‘What? Registered with who?’ They got no idea the reporting we have to [do], it’s more stringent in ORIC than it is in ASIC.” – Indigenous business respondent

“I was brought up to think money was a dirty word, like don’t be manipulated by it. ... I said [speaker’s own name], you need to shake those old things that the colony has taught you about you not deserving money and about money being a bad thing, because money is growth, which enables me to help more people in my business model. And that psychology, it’s a really, really hard switch to flip. And so, I don’t want to put that on the banks. I just want to recognise that those values, it’s not actually a clash of values. Sometimes we need, as Indigenous people, to think about it a bit differently, that’s all.” – Indigenous business respondent

How it frames the solution: Relationship building

Trust Building

“[Banker’s name] doesn’t have any indigenous roots, but the point is that she has taken the time, or alternatively, [name of bank] have allowed her the time to go and speak to the particular parties and she’s developed those relationships — not over three months — over many, many years because she’s been doing it for so long and she’s able to understand the issues on both sides and then find common ground and make the deal happen and she knows because they can see the potential in — yes, economic — but also good for the country. They can see those aspects and they have the connections.”

-Indigenous business respondent

Trust was identified as a central relational factor. Respondents frequently contrasted mainstream finance workers with Indigenous workers, noting that the latter tended to command immediate trust due to perceived shared understanding. Distrust of banks was common and often linked to past experiences of inconsistency or poor communication. Across accounts, trust was described as something that must be built over time through repeated, reliable interactions, rather than assumed at the outset of a financial relationship. A common response was a desire to have a long-term partnership with banks rather than many one-off client-vendor relationships.

“So, a lot of them are looking for you know, ‘My family banked’ — not mine in particular — but one of the comments was like, ‘The family’s banked at [name of bank] for as long as we can remember, so the kids just go to [name of bank] and get a bank account’. And then that’s it, that’s the end of the story. ‘I see the same person that sits behind the counter every week’, they talk to the same people, they become dependent on the one teller or the one sales advisor, because that’s who they know and trust. So, it makes it difficult when they’re accessing funding too, because that’s typically not the same person.” -Indigenous finance respondent

Some of these behaviours associated with distrust are often interpreted under a Capability framing as reflecting a capability deficit. However, respondents have demonstrated that Indigenous businesses are in fact highly capable of navigating financial systems. A Relational framing offers a different interpretation, showing that these behaviours are better understood as shaped by historical experiences and by ongoing institutional failures to recognise and engage with relational dynamics.

Institutional Relationship Design

Institutional relationships must be reinforced within systems, not only individuals. Relying too heavily on individual champions within financial institutions can be unsustainable and create uneven access. Participants frequently described better outcomes when businesses encountered culturally intelligent bankers, flexible relationship managers, or trusted individuals willing to navigate institutional barriers. While these relationships can improve access to finance, they can also produce inconsistent experiences, dependence on particular personalities, and fragile pathways that disappear when staff move on. Cultural intelligence and sustained relationships must be embedded within institutional systems, processes, and incentives, rather than relying solely on individual capability or goodwill.

Concerns were raised about how support for Indigenous businesses is designed and signalled through institutional behaviour. Some participants perceived banks and related institutions as prioritising visible demonstrations of cultural sensitivity over substantive financial impact. This included initiatives or messaging that signal engagement with Indigenous clients, without necessarily translating into meaningful improvements in access to capital or long-term business outcomes. As a result, several respondents expressed limited confidence that mainstream financial institutions actively envision or support the sustained growth trajectories of Indigenous businesses. In this framing, support can be experienced as performative or symbolic, reinforcing perceptions that engagement is driven by reputational considerations rather than deep structural commitment to Indigenous economic development.

“What’s the disappointing thing is there’s a big push for supporting indigenous businesses. There’s a big push for helping them. If they talk about it, there’s a lot of smoke and mirrors. There’s a lot of talk about saying that they’re willing to help, they’re willing to do what they need to do. I just feel that there’s Indigenous arms as part of these finance institutes just to tick a box.” – Indigenous business respondent

“The perception that an Indigenous person can ring up IBA and next minute have 10K, 100K, a million bucks is also false. I would also extrapolate that to the amount of Indigenous – or perceived Indigenous – funded organisations that start with a lot of noise, but I don’t know what they’re doing or whether they even still exist. And I’m not calling anything by name, but there have been numerous organisations that have identified themselves as offering capital to the First Nations sector that haven’t. I haven’t seen comprehensive reports on what they’ve done, right? There appears to be more rhetoric around capital offerings than actual delivery, which also makes it quite confronting for people who think you can just go to IBA and get a loan and then you find that the reality is. In fact, the feedback I get quite often is, ‘There was so much involved that it was just easier for me to go to the bank and get a loan. And in a lot of cases, it was cheaper to go to the bank.’” – Finance respondent

Respondents also identified tangible benefits that well-designed relationships can create for both banks and Indigenous businesses. A key subtheme was that strong relationships improve transparency for both parties: spending time developing trust and continuity allows banks to better understand business context, while businesses gain clearer insight into lending expectations and decision-making processes. This relational depth was seen as improving outcomes over time, particularly where interactions move beyond transactional exchanges toward ongoing engagement.

“We just got a little bit more clearer picture. So I’ve got [banker’s name]’s mobile. I call her, ‘Hey, we’re looking at buying this now. I’m getting close to this stage’. So she just goes, ‘Right, let’s start. I’ll give you an idea of what you possibly can borrow if you want now, so you can start factoring it into your cost and where you want to go’. Just those conversations are great. It saves them a lot of time and money”
– Indigenous business respondent

“The other issue is that we do talk about history, and that’s fine, but we’re talking about professional people who have a day job and a job description. Now, I’ve said to the teams, ‘Where in that job description has your ESG [(environmental, social and governance practices)]?’ Like, OK, you process invoices for a living, not a problem. But how do you deal with diverse suppliers and make that process better? By picking up the phone, or is there an extra bit of tender love and care that you put? And they go, ‘Oh every time we identify an Indigenous business, we pick up the phone and engage them, have a different engagement methodology. And we found that our payments get done faster.’” – Indigenous business respondent

Relatedly, respondents emphasised the importance of greater institutional proactivity. Rather than waiting for Indigenous businesses to navigate complex application processes, banks were encouraged to demonstrate curiosity about Indigenous business models and actively offer tailored services. This included clearly explaining what documentation is required, why it is needed, and how to prepare it, as well as proactively reaching out with solutions rather than expecting businesses to request them. Across responses, there was a clear preference for service models that are anticipatory and supportive in design, where assistance is offered upfront rather than only in response to formal requests.

“Every time someone knocks on a bank’s door, the first thing they need to do is exactly what you [the interviewer] said. They want to make sure that all those boxes are ticked, and if one fails, you’re out. But what they should do is bring people in and go through the process with them. So that they better understand the process, and they can better understand how to get into it without getting themselves into trouble. Not to turn away but help them to do that. Because then they’ll be more successful for the bank. And there’ll be not as many Aboriginal businesses going under, because the banks are explaining the process properly.” –Indigenous business respondent

Respondents identified several features that define effective relationships between Indigenous businesses and financial institutions. A consistent theme was the importance of connection to community, with respondents emphasising that banks need to listen to Indigenous businesses and understand local context and knowledge. Direct contact within the bank was seen as highly valuable, though difficult to access in non-urban areas, where establishing a consistent point of contact can be challenging. In-person relationships were repeatedly described as key to building trust and clarity, alongside preferences for flexibility and responsiveness in how banks engage with businesses.

Respondents also framed good relationships as those that resemble partnerships rather than transactional exchanges. This included a strong preference for long-term continuity, particularly having the same banker involved across multiple stages of engagement, including beyond the initial lending decision. Many emphasised that the relationship should not end once finance is provided, but continue throughout the life of the loan and business growth. Overall, effective relationships were characterised by continuity, responsiveness, and a sense of genuine partnership grounded in mutual understanding and sustained engagement.

“I think we’ll shift all that banking over to be honest, because I’m on the board of a couple of [charitable] orgs. I think they understood our purposes. Like if we say we’re going to turn a big quarter, then we’ll spend heaps in the fourth one. And a lot of that makes sense, because we don’t want to be carrying heaps of income. We don’t want to be carrying heaps of cash in the bank account; we want it to be deployed for community benefit. [Not] just profit, profit, profit. I think that they seem to consider what we tell them in addition to the documents.” –Indigenous business respondent

“But I think the relationship part of it is really good. Having some dedicated people who understand the issues that we go through and then having someone you’ve got a consistent relationship with who can help fix problems and help you overcome hurdles, I think that’s a good first step.” –Indigenous business respondent

Intermediaries and Access Points

Respondents highlighted the importance of intermediaries and structured access points in navigating financial systems. Business coaching was generally viewed positively, with some participants describing it as a valuable source of guidance and support. However, the quality of coaching was seen as uneven, and in some cases, coaching provided through banks was perceived less as supportive development and more as a form of monitoring or oversight, which could weaken trust and openness.

“And they also provided a little bit of business coaching, but to be honest, towards the end, the business coaching sort of started to feel a little bit more like monitoring, which is why I was like, ‘I’m getting out of this’.” –Indigenous business respondent

“We just literally sat with him every step of the way. We prepared and stuff. Like otherwise he wouldn’t have been able to afford to do it. There’d be one less business out there, but now he’s killing it.” –Indigenous finance respondent

Intermediaries emerged as a critical access point in financial decision-making. Many respondents relied on external expertise such as accountants, tax advisors, or mortgage brokers to help interpret requirements, prepare documentation, and negotiate with financial institutions. For some, the absence of a dedicated business banking manager meant that these intermediaries played an essential advocacy role in securing finance. Several participants noted that without such support, the loan application process would have been significantly more difficult or inaccessible. Overall, the findings suggest that intermediaries are not supplementary but often essential to enabling effective engagement with financial systems, particularly where institutional processes are complex or opaque.

“I’m not overly comfortable with finance. I’d say it just wasn’t the way I was raised. Having a middle person to help negotiate: that was really useful with a mortgage broker. I mean, now I’m fine, but it’s sort of in that [early] stage. I probably wouldn’t have been as confident without hiring someone to advocate.” – Indigenous business respondent

Indigenous-specific teams within financial institutions were consistently identified as one of the most effective mechanisms for improving access to finance. Respondents noted that Indigenous banking teams and representatives within major institutions can play a valuable role in guiding clients through complex processes and helping translate institutional requirements in a more accessible way. These teams were often described as helping Indigenous customers feel safer and more understood within the banking environment, particularly where they demonstrate awareness of history, purpose, and community context.

However, their effectiveness was seen as uneven. While Indigenous teams were appreciated for providing dedicated support, respondents noted that they can be too small, limiting reach and capacity, and that handover processes to broader banking teams are not always well managed. In some cases, these units were also seen as acting as a delegation point, rather than embedding Indigenous expertise across the institution. Participants expressed a preference for Indigenous capability to be distributed throughout banks rather than concentrated in specialist units.

“I think it’s useful even if you connect with one of the Indigenous team members to start with, who can then direct you to the specialist based on your industry. If I’m having trouble, it’s been great to be able to go back to the Indigenous lead or say, ‘Where do I need to go next? I want to do this’. That is handy, sort of as a traffic controller.” – Indigenous business respondent

“[Indigenous banker’s name] then put us in touch with relevant people who worked with us to put a five-year financial plan to put into place. Without that, we wouldn’t have even been able to get past the word go because that’s just a big daunting thing itself. So, with the connections through [bank’s name], we were able to produce that. We could service the loan without any problem.” – Indigenous business respondent

“We borrowed money off from that through [Indigenous banker’s name]’s support, along with the support of a couple of other Indigenous allies that worked within [bank’s name]. And we actually proven that we can be able to service the loan. And it was a big process, something that we hadn’t done in the past. And it was very mind-boggling. And I think if we didn’t have that little team there, we would not have been able to secure the finances through [bank’s name], and we would not have just called back and said it’s just too hard, it’s too complicated for us to be able to go any further. And I’m pleased to say that we actually paid out the service loan.” – Indigenous business respondent

Respondents identified online banking platforms as an emerging access point with both advantages and limitations. On the positive side, online banks were often described as faster, more flexible, and less prone to the relational pressures or perceived judgement associated with in-person interactions. For some participants, digital channels also reduced the risk of humiliation or discomfort when discussing sensitive financial matters. On the negative side, online-only banking models were seen as requiring a higher level of digital literacy. In addition, several respondents noted that online banks tend to have lower levels of trust compared to institutions with in-person presence and established community relationships.

“I certainly think online banking tools are particularly useful if you can apply, upload, you name it, anything to avoid going into a branch and they have no idea what you’re talking about, I think is a positive thing for someone like me who is time poor. But I suppose, if you’ve got digital literacy issues, that doesn’t really help.”

– Indigenous business respondent

Networks

Networks were identified as a key mechanism through which access to finance is enabled and trust is built.

Respondents emphasised that financial institutions themselves should be more embedded in community settings, with greater accessibility through local presence, outreach, and participation in community forums, including those focused on financial literacy. In this framing, banks are not external actors but part of the broader community ecosystem, where ongoing visibility and engagement help reduce distance and improve understanding.

Indigenous networks were also highlighted as particularly important for navigating financial systems. Participants noted that exposure to successful Indigenous businesses can play a strong role in shaping expectations, confidence, and pathways into finance, with role models providing practical reference points for what is possible. Several respondents also described finding Indigenous banking services or support through existing business networks, underscoring the importance of relational pathways in accessing institutional resources. Indigenous business networks were reported to be generally smaller due to intergenerational poverty and a strong cultural practice of family influence on business. Overall, the findings suggest that networks function as both enabling structures for access and potential gatekeeping mechanisms, reinforcing the importance of transparency and broad-based connection-building.

In [regional town’s name] they do like a monthly forum. They’ll have Services Australia go, they’ll have Services New South Wales go and different providers that have help in different ways. People basically sit at the table at the local cooperative and they just provide morning tea. When they provide the morning tea, people come down, talk, they’ll talk to Centrelink, they’ll get help with anything that they’re trying to get done, talk about any grievances. That works really well. They get quite a lot of interest in that. They don’t have a representative from a financial institution there. They’re getting basic, very, very basic support, other services, but they’re not getting a lot of support from a financial perspective. I have asked why they don’t have representatives from the bank come and they have said that they have tried. But I’ve never had them engage with me and I think a lot of the issues that they’ve said are with getting someone there.”

– Finance respondent

“If you’re going to do it, it’s not a one-off because it’s not [the banks] putting themselves out there, but it’s those people that turn up the first few times that then start spreading the word to say this is a safe place to come to and to listen and to have a yarn about the products they’ve got or what they’re intending to on doing.”

– Indigenous business respondent

“I believe there’s too much nepotism. And what I mean by nepotism is too much of family orientated within those organisations, within those businesses, which in many senses stifles the way how a business runs, or the way how a business succeeds in that community. So, our organisation, we do not have any family members on our board. We have people on our board who have the sole business at hand, but do not have any family business.” – Indigenous business respondent

Table 2 A non-exhaustive list of business support networks

Business Networks	Business Support	Business Programs	Other networks
Palawa Business Hub	Many Rivers	Murra Indigenous Business Leadership Program	Good Shepherd NILs
First Nations Futures	Indigenous Innovation Ventures	First Nations Foundation	The Salvation Army NILs
	First Australians Capital	Australian Indigenous Leadership Centre	
	Social Enterprise Finance Australia		

Entrepreneurial success is heavily dependent on one’s ability to access social capital through social capital networks (Greve et al. 2010). Indigenous entrepreneurs often have reduced or disconnected networks and must actively use bridging networks in the dominant culture to facilitate business functions (Foley and O’Connor 2013). Access to finance for Indigenous businesses is not mediated through a single channel, but through a layered ecosystem of networks that perform distinct but complementary functions. These networks act as relational infrastructure that reduces information asymmetries, builds trust, and scaffolds businesses through different stages of development. They often substitute for or complement formal financial institutions by providing culturally informed support, repeated engagement, and informal validation mechanisms.

The Relational framing shows that access to finance is strongly shaped by trust, communication, and the quality of ongoing relationships between Indigenous businesses and financial institutions. Across themes, respondents emphasised that respectful, responsive, and continuous engagement often matters as much as formal financial criteria, while poor relational experiences can lead to disengagement even where financial products are technically available. The findings also highlight a structural tension in relationship-based models. While Indigenous-specific teams, intermediaries, and networks can significantly improve access and safety for clients, they also risk creating dependency on particular individuals. Relationship-based practice should not depend on individual champions alone. To be sustainable, cultural intelligence needs to be embedded into systems, decision rights, processes and accountability structures.

The no-interest loan networks (NILs) identified in Table 2 are relevant not because they provide a direct model for business finance, but because they demonstrate an alternative institutional arrangement between mainstream finance and local communities. In these schemes, capital is provided by major financial institutions, while loan delivery and borrower relationships are managed by trusted community-based organisations with established local knowledge and relationships. This model suggests a potentially transferable approach for Indigenous business finance, whereby community-level intermediaries act as the interface between Indigenous businesses and mainstream lenders, combining the scale and capital of the banking sector with the trust, cultural understanding, and long-term relationships of locally embedded organisations.

This raises a broader design question between a “delegator” model, where Indigenous units within mainstream institutions facilitate access, and a more fully integrated Indigenous financial pipeline. The former can improve navigation and trust but may leave core institutional practices unchanged and create handover inefficiencies, while the latter could enhance coherence and cultural alignment but risks unintentionally reinforcing a parallel or segregated financial system if not carefully designed. The report does not resolve this tension but highlights it as a central policy and institutional design challenge

Discussion

Three connected framings

The report's three framings should not be read as discrete or self-contained. In isolation, the Capability framing can make problems such as financial literacy appear straightforward and readily addressed through individual skill development. However, the findings show that the framings interact in ways that shape real-world outcomes and can obscure the underlying causes of exclusion. Emphasis on individual or organisational capability can therefore inadvertently mask these deeper structural constraints, deflecting attention from regulatory complexity, power imbalances, or institutional rigidity. Similarly, weak relational interfaces such as poor coordination between agencies, industries, or support systems can prevent even highly capable businesses from engaging effectively with institutional environments. Strong internal capacity does not automatically translate into successful navigation of external systems. Without robust relational and institutional connections, capability alone is often insufficient.

While the three framings interact, they are not equally influential. Capability framing dominates policy and institutional thinking, shaping problem definitions and responses. Relational dynamics strongly affect how businesses navigate financial systems but are harder for institutions to recognise and implement. Structural factors are most fundamental, setting the rules and conditions that shape both capability and relational dynamics over time.

A clear understanding

The findings highlight the need for stronger and more comprehensive data on Indigenous businesses and their experiences accessing finance. Effective responses depend on an accurate diagnosis of the problem. Without consistent data on the size, maturity, sectoral and geographic distribution of Indigenous businesses, it is difficult to design finance initiatives and policy settings that are aligned to business needs and growth pathways.

Current evidence is often limited to cross-sectional snapshots or case studies. While studies such as Dilin Duwa's Indigenous Business and Corporation Snapshot Study 3.0 (2024) provide important insights into the Indigenous economy, they are less able to capture how businesses evolve over time, how financing needs change across growth stages, or the extent of business churn and "supported-to-fail" dynamics. Better longitudinal data would improve understanding of how existing policy and financial settings shape business sustainability and scale.

Quantitative data alone is insufficient. Qualitative feedback remains important for understanding the relational dimensions of finance, including trust, communication and how businesses experience engagement with financial institutions. Together, stronger quantitative and qualitative evidence would support more accurate and responsive policy and financial system design.

How success is defined: Metrics vs self-determination, participation vs prosperity

How success is defined is important. A central tension exists between the policy focus on closing the gap and the principle of Indigenous self-determination. While closing gaps in economic metrics is an important objective, it can also be pursued in ways that unintentionally restrict economic freedom and shape Indigenous businesses toward externally defined models of success.

This tension is visible in the operation of the IPP. The IPP has created important opportunities for Indigenous businesses, but it can also encourage businesses into sectors driven by government procurement demand rather than by their own long-term aspirations or comparative advantages. In some cases, it may also create competitive pressures around a relatively small pool of contracts, shaping business behaviour around procurement eligibility rather than broader sustainability or self-determined growth pathways.

The issue is also connected to Goodhart's Law: when a statistical measure becomes a policy target, behaviour adapts around the metric itself, reducing its effectiveness as a measure of genuine success. For example, when success is measured primarily through the number of Indigenous businesses receiving contracts, this generates black cladding arrangements or the encouragement of Indigenous employees to establish businesses primarily to satisfy procurement requirements, often carrying significant personal and financial risk while delivering disproportionate benefits elsewhere in the supply chain.

These dynamics raise broader questions about what constitutes an Indigenous business and how success should be understood in the context of self-determination and economic freedom. Existing definitions have emerged from the need to defend Indigenous businesses from exploitation generated by the Capability framing's own quantitative definition of success. These definitions are focused on ensuring that the metrics on gap-closing initiatives, such as the number of contracts, are good proxies for economic empowerment for Indigenous people. However, these definitions are less effective at recognising the diversity of Indigenous business models, aspirations and pathways to growth. Debates around Indigenous business definitions and legitimacy have been present in the literature for some time (Foley 2013, Eva 2025), but these questions require deeper engagement across public institutions, financial institutions and Indigenous business leadership.

Implications for Policy and Institutional Practice

A number of areas for reform emerge from the findings when the problem is viewed through the Structural and Relational framings outlined in this report. These perspectives shift attention from individual capability alone toward the design of financial systems, institutional practices, and the relationships through which finance is accessed and delivered.

1. Structural adjustments

1.1 Build a robust evidence base on Indigenous business

The findings highlight a foundational gap in the data infrastructure underpinning Indigenous business finance policy. Current datasets are fragmented, largely cross-sectional, and insufficient for understanding business trajectories, financing pathways, or churn dynamics over time.

- Shift from snapshot reporting to longitudinal tracking of Indigenous business formation, survival, growth, and exit
- Integrate administrative banking, procurement, and business registry data where possible
- Combine quantitative datasets with systematic qualitative evidence on lived experience of accessing finance

1.2 Redesign financial systems for Indigenous business realities (“Indigenous-ready institutions”)

Current financial architectures remain built on assumptions that misalign with Indigenous business structures, asset bases, and growth pathways.

- Embed cultural intelligence into core banking systems, not standalone training
- Redesign credit assessment, risk models, and product design to reflect Indigenous business realities
- Align procurement, contracting, and finance systems to operate as an integrated pipeline rather than separate silos
- Consider mandating net 14-day payment terms for invoices to Indigenous businesses

1.3 Expand alternative capital pathways

Traditional collateral-based lending structurally disadvantages many Indigenous businesses.

- Move beyond asset-based security requirements as the default risk model
- Expand institutional acceptance of non-traditional security and trust-based mechanisms

1.4 Recalibrate definitions and policy logic

Current definitions of Indigenous business often prioritise protection over self-determination, creating tension between control, authenticity, and scalability. Current definitions of success risk at distorting behaviour by incentivising metric optimisation over genuine economic empowerment.

- Clarify distinctions between ownership, control, and benefit
- Explore definitions that capture the diversity of Indigenous businesses
- Explore definitions that protect Indigenous businesses without restricting them
- Re-evaluate outcome metrics (e.g. contract counts) and consider longer-term capability, sustainability, and self-determination outcomes

2. Relationship building

2.1 Institutionalise trust-building as a core financial function

Trust is not an interpersonal by-product; it is a structural condition of access to finance.

- Move from transactional engagement models toward long-term relational banking
- Treat continuity and reliability as core performance indicators
- Formalise community-based engagement strategies for regional and remote contexts

2.2 Design relationship systems that do not rely on individual champions

While culturally intelligent individuals improve outcomes, over-reliance on “champions” produces uneven access and fragile systems.

- Shift from personality-dependent access to institutionally embedded relational systems
- Ensure cultural intelligence is operationalised through systems, not individuals alone
- Standardise handover protocols and relationship continuity mechanisms
- Develop institutional accountability for relational performance, not just frontline staff capability

2.3 Build integrated Indigenous financial and support networks

Networks play a central role in enabling access to finance, but remain uneven, fragmented, and overly dependent on informal pathways.

Required changes

- Strengthen Indigenous business networks as formal infrastructure for finance access
- Embed financial institutions more deeply in community ecosystems

2.4 Resolve the “delegator vs integration” design tension

There is a structural tension between:

- dedicated Indigenous units (delegator model), and
- fully integrated Indigenous capability across institutions

These implications are necessarily high-level and must be translated into institution-specific reforms. While the broad directions of change are common across the ecosystem, their practical implementation will differ between banks, insurers, certifiers, governments, regulators, and other actors. For example, a recommendation to embed cultural intelligence within institutions may translate in the banking sector into changes to credit policy design, application processes, risk assessment frameworks, hardship and collections procedures, and fraud or anti-money laundering reviews where community or legal structures differ from conventional business models. The challenge is therefore not only identifying areas for reform, but operationalising them within the systems, processes, incentives, and decision-making frameworks of each institution.

Conclusion

This research demonstrates that access to finance for Indigenous businesses is not simply a function of business readiness, but an emergent outcome of how financial systems interact with Indigenous business contexts. Constraints often framed as discrete barriers such as financial literacy, trust, remoteness, collateral limitations and procurement access are, in practice, interrelated expressions of a deeper misalignment between mainstream financial models and the relational, institutional, legal and asset structures within which many Indigenous businesses operate. Indigenous enterprises are not inherently difficult to finance; rather, they are frequently assessed through systems that do not adequately recognise their governance arrangements, capitalisation pathways, operating contexts or definitions of value.

A central insight is that capability does not reside solely with businesses. Institutional capability, including cultural intelligence, the ability to interpret Indigenous business models, and the capacity to assess value beyond conventional collateral frameworks, plays a decisive role in shaping financial outcomes. Current approaches continue to emphasise individual-level deficits while underestimating how credit assessment processes, product design, procurement settings and policy incentives embed assumptions that can exclude otherwise viable enterprises. This suggests that improving access to finance requires not only strengthening business capability, but reconfiguring how institutions understand risk, structure products and make lending decisions.

Within this broader misalignment, the research identifies a persistent “supported-to-fail” dynamic at the core of many financial inclusion efforts. Indigenous businesses are often supported into markets through start-up grants, procurement opportunities and early-stage assistance, yet are not provided with the depth, continuity or flexibility of capital required to sustain operations and grow. Participation is enabled, but long-term viability is not systematically supported. When procurement contracts are offered without access to working capital, or start-up funding is not paired with follow-on finance, businesses face structural constraints that undermine their ability to convert opportunity into durable growth. The system tends to define success through entry and visibility — measured in supplier participation and start-up numbers — rather than profitability, retained earnings, capital accumulation or intergenerational wealth creation. High levels of participation can therefore coexist with weak long-term outcomes, not because of business weakness, but because policy and financial settings are not configured to support sustained growth.

The findings also point to a structural ceiling on the growth of Indigenous businesses embedded across both mainstream and Indigenous financial systems. Financing pathways remain heavily oriented toward micro and small enterprises, with limited provision for growth-stage capital. Indigenous ownership requirements, while essential for maintaining control, can constrain equity flexibility; standard collateral frameworks exclude many land-based asset holders; and underdeveloped investment markets limit scaling opportunities. Additionally, institutional data systems and market narratives often categorise Indigenous businesses in ways that reinforce expectations of small-scale activity. Many firms seeking to expand report navigating beyond Indigenous-specific mechanisms altogether in order to access more flexible sources of finance. These dynamics collectively restrict the availability of capital pathways capable of supporting business continuity, expansion and scale while maintaining Indigenous ownership.

Relationships and trusted intermediaries continue to play an important role in navigating these constraints, but they cannot compensate indefinitely for structural misalignment. While strong relationships can improve access at the margins, they remain bounded by rigid credit processes, unsuitable products and institutional frameworks that are slow to adapt. Similarly, cultural intelligence appears most consequential not as a standalone engagement function, but when embedded directly within credit assessment, product design and capital allocation decisions. Incremental or informal workarounds may improve outcomes in individual cases, but do not create scalable or durable pathways to finance.

Taken together, the findings suggest a need to move beyond approaches that focus primarily on preparing Indigenous businesses to engage with existing financial systems. Instead, meaningful change depends on preparing financial systems to engage with Indigenous business realities. This involves rethinking how value is recognised, how risk is assessed, how products are structured, and how capital pathways are designed over the full business lifecycle, from entry through to growth, sustainability and intergenerational wealth creation.

Ultimately, the challenge is not whether Indigenous businesses are ready for finance. The challenge is whether financial systems are ready for Indigenous business realities.

List of Acronyms

ACT – Australian Capital Territory
ANU – Australian National University
APRA – Australian Prudential Regulation Authority
ASIC – Australian Securities and Investments Commission
AUSTRAC – Australian Transaction Reports and Analysis Centre
BAS – Business Activity Statement
BBF – Black Business Finder
CATSI – Corporations (Aboriginal and Torres Strait Islander) Act 2006
CC – Cultural competency
CQ – Cultural intelligence
ESG – Environmental, social and governance
FLP / FLPs – Financial literacy program(s)
FNP – First Nations Portfolio
GST – Goods and Services Tax
IBA – Indigenous Business Australia
ICN – Industry Capability Network
IPP – Indigenous Procurement Policy
IT – Information Technology
JV / JVs – Joint Venture(s)
KPI / KPIs – Key performance indicator(s)
NAB – National Australia Bank
NIAA – National Indigenous Australians Agency
NILs – No interest loans
NSW – New South Wales
NT – Northern Territory
ORIC – Office of the Registrar of Indigenous Corporations
P&L / P&Ls – Profit and loss statement(s)
PSC – Project Steering Committee
QIBN – Queensland Indigenous Business Network
QLD – Queensland
RAP / RAPs – Reconciliation Action Plan(s)
WA – Western Australia

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