

# NSW Roadmap for Aboriginal Business Growth

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Delivering under Priority Reform 5 of Closing the Gap  
2023–2026

DRAFT FOR CONSULTATION



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## Acknowledgement of Country

We acknowledge the Traditional Custodians of the lands of New South Wales.

We pay respect to Ancestors and Elders, past and present, and to future generations of Aboriginal peoples.

We recognise the unique cultural and spiritual relationship, and celebrate the contributions of Aboriginal peoples to the state of New South Wales.

### The Artwork

The artwork was designed for the NSW Government's work with the Aboriginal business sector under Priority Reform 5.

The right side of the artwork represents the roundtable and everyone coming together in a meeting place. The pathways leading in with footprints represent our journey towards making change from the roundtable.

The dots around the roundtable represent the Aboriginal stakeholders and NSW Government. The Roadmap is represented by the brown dotted pathways leading from the roundtable up to circles depicting the 3 key themes: strengthening accountability, supporting businesses, and recognising talent. The land and the waters are represented throughout the rest of the artwork.

The artist, Lani Balzan, is a proud Aboriginal woman from the Wiradjuri people of the three-river tribe. One of her biggest goals and inspirations with creating her artwork is to develop a better connection to her culture and to continue to work towards reconciliation; bringing people and communities together to learn about the amazing culture we have here in Australia.

### Copyright and disclaimer

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# Opening statement

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## The Hon Ben Franklin MLC, Minister for Aboriginal Affairs

The NSW Government is deeply committed to supporting Aboriginal economic advancement to deliver on our shared commitments under the National Agreement on Closing the Gap. As the only state to have a specific, additional priority reform for employment, business growth and economic prosperity, we recognise that economic success for Aboriginal people and communities is intertwined with better life outcomes overall.

Supporting Aboriginal business growth is at the heart of Priority Reform 5. We know that businesses are important vehicles for Aboriginal economic prosperity and self-determination. The allocation of an additional \$10 million in funding to support the diversification and expansion of the Aboriginal business sector reflects our dedication to delivering on this Priority Reform.

Continual engagement and collaboration are essential for making progress in this area, which is why the NSW Government held Aboriginal business roundtables in October 2021 and May 2022. We brought key NSW Government decision-makers together with a range of Aboriginal business owners from across the state, providing them with a unique opportunity to voice their insights and perspectives.

We listened, and now we're taking action. This draft Roadmap charts our approach to addressing key barriers and opportunities for Aboriginal business growth over the next 4 years. Each of the pillars outlined responds directly to feedback we received from Aboriginal businesses. The Roadmap includes tangible, practical actions that deliver on key learnings from the roundtables.

This draft document is now open for consultation into January 2023, ahead of the publication of the final Roadmap. We are eager to hear feedback from key stakeholders, including peak bodies, industry leaders, Aboriginal community-controlled organisations and, of course, Aboriginal business owners.

The NSW Government is determined to foster an investment environment that Aboriginal businesses can succeed in. Following the feedback phase and publication of the Roadmap, we will continue to engage with the sector through ongoing roundtable events and other relevant forums to ensure we remain on track. Together we can continue to drive Aboriginal business growth, deliver on our goals under Priority Reform 5, and ensure better outcomes for all Aboriginal people and communities in NSW.

# Overview

## Background

### Priority Reform 5

We know that economic advancement contributes to Closing the Gap outcomes, which is why NSW specifically developed a **fifth Priority Reform to focus on Aboriginal employment, business growth and economic prosperity**. The reform involves work across the NSW Government and Aboriginal business and community sectors, and presents an opportunity for overarching change that can make a genuine difference in the lives of Aboriginal people and communities.

This Priority Reform also directly addresses Socio-Economic Outcome 8, which focuses on ‘strong economic participation and development of Aboriginal people and communities’. Stemming from our commitments under the *NSW Closing the Gap Implementation Plan 2022–2024*, we are undertaking a range of strategies and initiatives across the NSW Government, of which the Roadmap is one component. The figure below outlines how the Roadmap fits into these broader efforts.



We know that several of these strategies intersect and overlap with one another. For example, while the Aboriginal Enterprise Strategy is a key driver for improving Aboriginal employment, efforts to grow the Aboriginal business sector will complement this approach; previous research suggests that Aboriginal businesses are over 100 times more likely to hire Aboriginal people compared to non-Aboriginal businesses.<sup>1</sup> The Roadmap represents a starting point for drawing these linkages together, and the NSW Government will continue to work closely across agencies and with the Aboriginal business and community sectors to ensure work under Priority Reform 5 is complementary and aligned across all agencies and sectors.

<sup>1</sup> Hunter, B, *Indigenous Employment and Business: Whose Business is it to Employ Indigenous Workers?* Working paper no. 95/2014, Centre for Aboriginal Economic Policy Research, Australian National University 2014

## Aboriginal business roundtables

Growing Aboriginal businesses is at the heart of Priority Reform 5, as they are vehicles for self-determination, driving employment and improving broader social outcomes. To hear directly from Aboriginal business owners on the challenges they face to enter, grow and thrive in the NSW economy, the NSW Government convened 2 Aboriginal business roundtables, held in October 2021 and May 2022. These involved stakeholders from the NSW and Australian governments and the Aboriginal business sector. Representatives from more than 30 Aboriginal businesses attended each event, from industries spanning the arts, tourism, retail and hospitality, mining, construction, IT and professional services.

An overview of discussions at the roundtables is available on the Aboriginal Affairs NSW website. Key themes from these conversations form the primary pillars of the Roadmap, which includes both immediate initiatives to drive progress on these fronts as well as sketching out pathways for reform in the longer term. The Roadmap represents the NSW Government's comprehensive response to feedback received from Aboriginal business owners at these roundtables.

Aboriginal business roundtables will continue to be held regularly into the future. These events will play a key role in fostering accountability around Aboriginal business growth and ensuring that we remain on track.

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## The Roadmap

The Roadmap for Aboriginal Business Growth takes what Aboriginal businesses have told us at the Roundtables and transforms these ideas into concrete policy responses, supported by **\$10 million in funding**. The purpose of the Roadmap is to complement existing work under Priority Reform 5 by providing targeted support for Aboriginal businesses. Our aim is to create a new generation of entrepreneurs growing their own business knowledge, networks, assets and wealth. This will, in turn, help remove barriers to employment and economic prosperity, and will lead to improvements in health, education and justice outcomes.

Several factors provide NSW with a unique opportunity to be a driver for Aboriginal business growth:



### We are a hub for business

More than **39%** of Aboriginal business owner/managers in Australia are based in NSW<sup>2</sup>



### We have room for growth

Aboriginal people make up **3.4%** of the NSW population, but make up less than **1%** of business owners<sup>3</sup>



### We can scale up

**40%** of Aboriginal businesses operate beyond sole tradership, compared to **59%** of non-Aboriginal businesses<sup>4</sup>

Our work under the Roadmap is grouped against 3 primary pillars based on feedback from the Aboriginal business roundtables: strengthening accountability, supporting businesses and recognising talent. Through immediate initiatives, relevant linkages and the exploration of longer-

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<sup>2</sup> 2016 Census, Australian Bureau of Statistics.

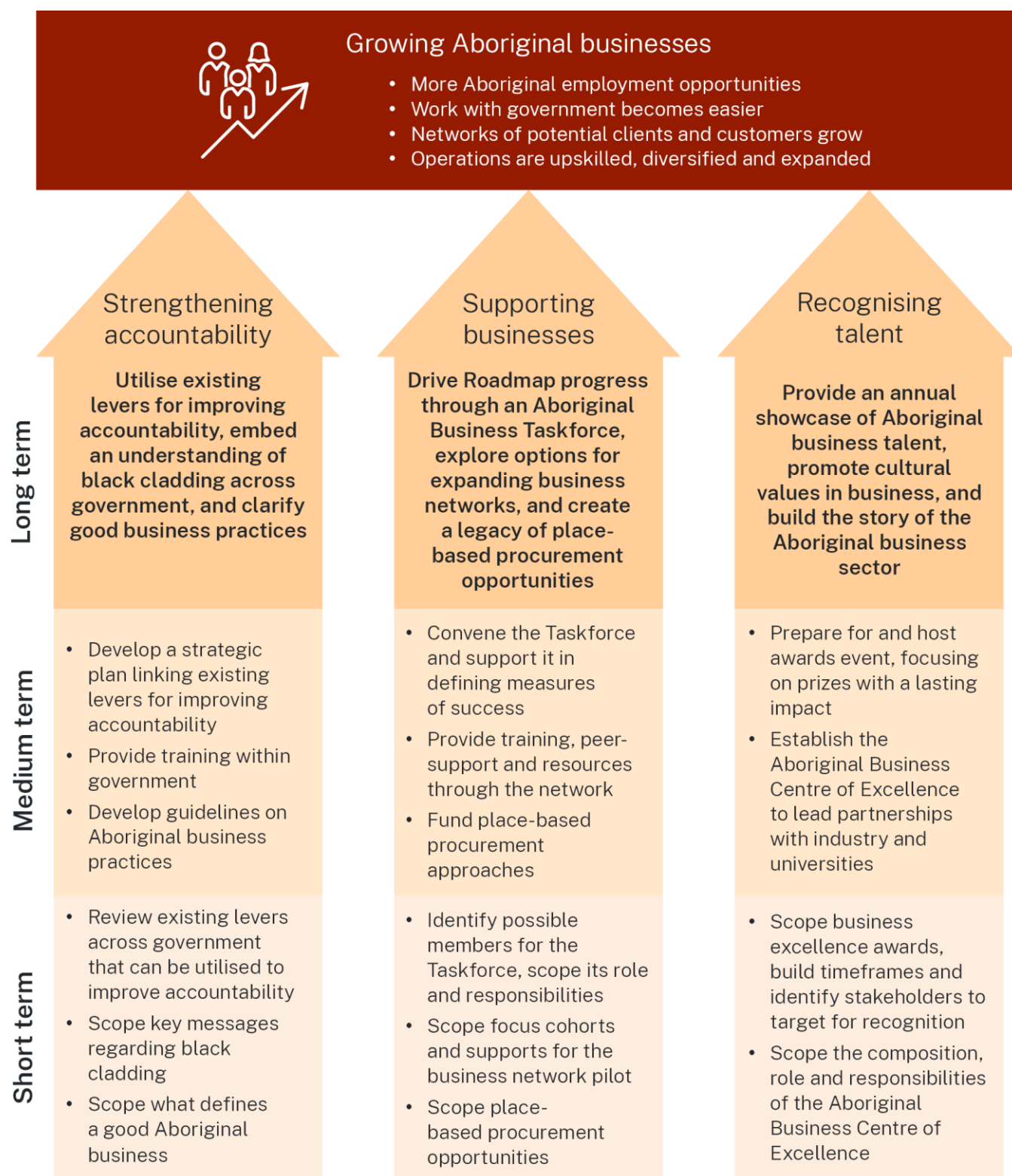
<sup>3</sup> 2016 Census, Australian Bureau of Statistics.

<sup>4</sup> 2016 Census, Australian Bureau of Statistics.



term policies, these pillars will create a path towards Aboriginal business growth. Ultimately, we want to ensure that Aboriginal businesses foster more employment opportunities for Aboriginal people; are able to work more easily with government; can grow their networks with potential clients and customers; and can effectively expand, upskill and diversify their operations.

## Our vision for change



## **Delivering on the Roadmap**

Aboriginal Affairs NSW will lead in delivering this Roadmap, with regular input from the Aboriginal business sector via the ongoing roundtables and an Aboriginal Business Taskforce (see below). Relevant stakeholders will be engaged throughout the design, implementation and review stages so all initiatives complement existing work underway across government and in the Aboriginal business and community sector. All work will also be reported through and overseen by Closing the Gap partnership governance bodies – that is, the NSW Government in partnership with the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO).

The Roadmap will be a living document that responds to feedback from the Aboriginal business sector and incorporates relevant activities from across government. While it outlines an initial pathway for progress in this area, we will take an iterative approach to driving Aboriginal business growth as we receive feedback about what works and what does not.

## **Aboriginal Business Taskforce**

We will convene an Aboriginal Business Taskforce to drive progress for Aboriginal business growth under the Roadmap and to respond to emerging issues raised at the ongoing roundtables. It will include Aboriginal peak groups and business leaders – including NSW CAPO, NSW Indigenous Chamber of Commerce, Supply Nation and Yarpa Hub – and NSW Government representatives. An immediate focus for the Taskforce will be to understand and establish measures of success for individual Roadmap initiatives, building on the foundation provided by the Priority Reform 5 indicators developed by the Closing the Gap partnership.

# Roadmap Pillar 1: Strengthening accountability

We need to **strengthen accountability and transparency** to ensure that genuine Aboriginal businesses are empowered, and ‘black cladding’ issues are addressed

Strengthening accountability and revised policy settings will ensure that opportunities for growth, expansion and diversification are directed toward genuine Aboriginal businesses. ‘Black cladding’ has been consistently identified as a concern in the Aboriginal business sector, and is defined by Supply Nation as:

*“The practice of a non-Indigenous business entity or individual taking unfair advantage of an Indigenous business entity or individual for the purpose of gaining access to otherwise inaccessible Indigenous procurement policy.”*

This ongoing issue requires a solution that is innovative, responds to Aboriginal community expectations and works with procurement professionals across government.

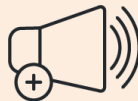
## We will...



### Review existing options for addressing black cladding

#### What we will do in partnership:

- Review existing levers across government that can be used for improving accountability
- Develop a strategic plan linking these levers and outlining how to utilise them
- Implement our plan to address black cladding through a coordinated, whole-of-government approach



### Raise awareness of black cladding across government

#### What we will do in partnership:

- Scope what key messages we need to convey across government, and develop a plan for communicating these
- Run training seminars and provide resources with information on black cladding
- Embed an understanding of black cladding issues and a commitment to address them across government



### Establish guidelines for good Aboriginal business practices

#### What we will do in partnership:

- Scope what defines good Aboriginal business practices in consultation with stakeholders
- Develop whole-of-government guidelines for reference across government when making procurement decisions
- Distribute the guidelines and ensure they form a standard part of the procurement process across government



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## NSW Implementation Plan

The initiatives under this pillar will support the following key action area for Priority Reform 5 under the NSW Implementation Plan:

- **Key Action Area 2:** Aboriginal businesses access consumers and supply chains more effectively

In addition to these initiatives, work is already underway to strengthen accountability and transparency through existing programs under the NSW Implementation Plan:

- Procurement NSW will review the **Aboriginal Procurement Policy** to simplify and improve procurement processes
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## Measuring our success

Our progress under the Roadmap will be measured through pillar-specific indicators developed by the NSW Closing the Gap partnership and the Aboriginal Business Taskforce, building on the overall Priority Reform 5 indicators. The pillar-specific indicators will be designed to complement the overall Priority Reform 5 indicators. We know that successful delivery under each of the Roadmap pillars will feed into positive outcomes under the Priority Reform 5 indicators.

As part of the initial phase for each initiative, we will develop tailored performance indicators to ensure that we remain on track and achieve tangible long-term outcomes.

Potential indicators that we will consider under Pillar 1 include:

- Increased support to respond to black cladding issues is available across government.
  - There is greater awareness of black cladding concerns and a better understanding of how to address these across all government agencies, including at the procurement officer level.
  - Good business practice guidelines are readily available for procurement officers and are used for all procurement decisions involving Aboriginal businesses.
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## Driving long-term change

Through the review of existing options, education and awareness efforts and the provision of guidelines, we hope to drive a cultural shift across the NSW Government that strengthens accountability and transparency in engaging with Aboriginal businesses, and reduces the losses these businesses face as a result of black cladding. These early initiatives will be a platform for further work to ensure that genuine Aboriginal businesses are empowered.

Based on feedback and evaluation of our initial efforts to define Aboriginal businesses and strengthen accountability and transparency, we will consider how we can expand on our existing work and develop new initiatives. This may include:

- funding **improved verification and auditing processes** for confirming Aboriginal businesses, via non-government groups such as Supply Nation
- exploring new **business grants** for genuine Aboriginal businesses
- strengthening accountability processes, including creating **formal pathways to report black cladding**
- increasing transparency by **providing specific feedback to unsuccessful tenderers**.

## Roadmap Pillar 2: Supporting businesses

We need to **support Aboriginal businesses to partner with government** and empower them to overcome significant existing barriers to engagement

We listened to the concerns and opportunities raised by Aboriginal business owners in relation to overcoming barriers to engage with government. As many Aboriginal businesses are new and less established, government tends to avoid ‘taking a risk’ on them. This is compounded by a lack of knowledge within government agencies on opportunities to effectively partner with these businesses. Procurement processes remain complicated, and accountability in major government contracts between the principal contractor and subcontractors is an ongoing issue. It is therefore vital that the NSW Government continues to listen to Aboriginal business owners and explores opportunities to build their networks and facilitate partnership opportunities.

**We will...**



### Establish an Aboriginal Business Taskforce

#### What we will do in partnership:

- Identify possible Taskforce members (including peak groups and business leaders) and scope its role and responsibilities
- Convene the Taskforce to support it in defining our measures of success under Priority Reform 5
- Drive Roadmap progress through the Taskforce, including by advising on opportunities for better partnership between Aboriginal business and government



### Pilot an Aboriginal business support network

#### What we will do in partnership:

- Identify both the focus cohorts for the network and the supports to be offered, in alignment with Investment NSW's one-stop shop initiative
- Run seminars, facilitate mentoring and peer-support sessions, host networking events, and establish resource directories
- Explore options for expanding the pilot networks on an ongoing basis, in alignment with Investment NSW's one-stop shop initiative



### Provide support for place-based Aboriginal procurement

#### What we will do in partnership:

- Scope place-based opportunities for procurement through partnerships between Aboriginal businesses, community-controlled organisations, and local councils
- Support place-based procurement approaches for Aboriginal business development and growth
- Create a legacy of place-based networks for procurement opportunities for Aboriginal businesses

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## NSW Implementation Plan

The initiatives under this pillar will support the following key action areas for Priority Reform 5 under the NSW Implementation Plan:

- **Key Action Area 1:** Aboriginal business owners and staff, and Aboriginal people looking to start a business, make high-quality business decisions
- **Key Action Area 2:** Aboriginal businesses access consumers and supply chains more effectively

In addition to these initiatives, work is already underway to support businesses to partner with government through existing programs under the NSW Implementation Plan:

- Aboriginal Affairs NSW will host ongoing **Aboriginal business roundtables** every 6 months to ensure our work continues to be receptive to the needs of the Aboriginal business sector
- Investment NSW will establish a **one-stop shop** for business support to enable Aboriginal people to make informed business decisions
- Destination NSW will implement the **Aboriginal Tourism Business Activation Program** to provide emerging tourism businesses with access to services for further development
- Procurement NSW will review the **Aboriginal Procurement Policy** to simplify and improve procurement processes
- Treasury will scope a **review of business and employment training programs** to ensure that these programs lead directly to employment outcomes
- Treasury will **review access to public liability insurance** to address issues with this insurance being inaccessible to Aboriginal businesses
- Treasury will **review access to capital** to address this significant barrier to the economic development of Aboriginal businesses
- Regional NSW will continue to assist the capability of Aboriginal businesses in regional locations through the **Regional Development Aboriginal Partnership Program**.

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## Measuring our success

Our progress under the Roadmap will be measured through pillar-specific indicators developed by the NSW Closing the Gap partnership and the Aboriginal Business Taskforce, building on the overall Priority Reform 5 indicators.

Potential indicators that we will consider under Pillar Two 2 include:

- Tailored indicators for all pillars are developed and finalised by the Taskforce.
- There is strong uptake of the business support networks by businesses in the focus cohort, positive feedback on supports offered, and more procurement opportunities (in the diversity of contracts and in overall expenditure) going to Aboriginal businesses
- Local projects are effectively delivered by Aboriginal businesses

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## Driving long-term change

We will use the business support network pilot as a platform for delivering ongoing positive outcomes. The knowledge and experiences derived by both the NSW Government and Aboriginal businesses from the pilot will be the basis for further support to empower these businesses to overcome barriers and further improve their prospects of partnership with government.

Based on feedback and evaluation of the business support network pilot and place-based procurement approaches, we will also consider expanding these initiatives and investing in new ones. Further long-term initiatives we will explore include:

- developing **ongoing Aboriginal business networks**, including facilitating opportunities to partner with the private sector, and domestic and international investors
- considering options to **build accountability for large contractors** to honour contracts with Aboriginal businesses
- **educating NSW Government staff** and promoting cultural awareness
- shaping **existing business programs** to better support Aboriginal businesses
- enhancing procurement by:
  - maximising opportunities for a **diverse range** of businesses under the Aboriginal Procurement Policy
- exploring opportunities to **break down projects** so that smaller contracts are available to bidders.

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# Roadmap Pillar 3: Recognising talent

## We need to recognise and develop Aboriginal talent in business

Feedback from Aboriginal businesses highlighted the difficulties some Aboriginal businesses face in achieving broader recognition, accessing capital and developing their businesses. The NSW Government can support these businesses to build their visibility and profile so they can accelerate their development and unlock opportunities to succeed.

## We will...



### Support Aboriginal business excellence awards

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#### What we will do in partnership:

- Scope the awards process, including building detailed timeframes and identifying stakeholders to target for recognition (e.g. women in business, micro-businesses, emerging businesses, regional businesses, employers of young people, businesses in the disability sector)
- Prepare and host an awards event, awarding prizes with a lasting impact (including scholarships and mentoring opportunities)
- Provide an annual showcase of Aboriginal business talent



### Establish an Aboriginal Business Centre of Excellence

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#### What we will do in partnership:

- Scope the composition of the centre, and its role and responsibilities in showcasing Aboriginal business excellence, noting that it would be based in community rather than government
- Convene the centre and support it in leading partnerships with industry and universities, and providing other evidence-based supports for the Aboriginal business sector
- Promote cultural values in business and build the story of the Aboriginal business sector

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## NSW Implementation Plan

The initiatives under this pillar will support the following key action areas for Priority Reform 5 under the NSW Implementation Plan:

- **Key Action Area 2:** Aboriginal businesses access consumers and supply chains more effectively

In addition to these initiatives, work is already underway to recognise and develop Aboriginal talent through existing programs under the NSW Implementation Plan:

- Aboriginal Affairs NSW will host **ongoing Aboriginal business roundtables** every 6 months to ensure our work continues to be receptive to the needs of the Aboriginal business sector

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## Measuring our success

Our progress under the Roadmap will be measured through pillar-specific indicators developed by the NSW Closing the Gap partnership and the Aboriginal Business Taskforce, building on the overall Priority Reform 5 indicators.

Potential indicators that we will consider under Pillar 3 include:

- There is strong engagement with the business excellence awards from government, industry and business leaders
- Positive feedback is received from a diverse range of Aboriginal businesses, academics and industry groups on tangible supports offered by the Centre of Excellence

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## Driving long-term change

Supporting Aboriginal business excellence awards will just be a starting point in the NSW Government's efforts to recognise and develop Aboriginal talent. We will continue to work with Aboriginal business bodies and our partners to explore additional supports in the longer term. We will consider expanding existing initiatives and investing in new ones if necessary. This may include:

- supporting partnerships and thought leadership between **industry, universities and registered training organisations** to provide broader training and development opportunities
- running an **internal NSW Government campaign** to promote Aboriginal businesses
- exploring opportunities for Aboriginal businesses to capitalise on **interstate and international trade**.



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# How we will deliver

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## Coordinating our delivery

Enhancing Aboriginal business growth is an all-encompassing objective that requires whole-of-government collaboration in partnership with Aboriginal communities and businesses. The Roadmap seeks to complement existing work across the NSW Government and Aboriginal business and community sectors, providing support to current programs and filling the gaps that have been identified by Aboriginal business owners. For the Roadmap initiatives to be successful, effective alignment of the NSW Government's work in this area is necessary.

Utilising the Aboriginal Business Taskforce, we will look to bring together various avenues of support for Aboriginal businesses across the NSW Government to ensure that these are as visible and effective as possible. Linkages will be further developed in the implementation phase of our initiatives, and we will continue to learn from ongoing conversations about how we can draw them together to enhance our work.

We will also seek to align our work with the Commonwealth's *National Roadmap for Indigenous Skills, Jobs and Wealth Creation*. Coordination with non-government organisations will also be critical, and we are particularly focused on ensuring that we empower Aboriginal community-controlled organisations through our work.

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## Evaluating our success

Evaluation is critical to inform our future direction. We will measure our performance in delivering against the Roadmap in line with the indicators of success noted against each pillar. We anticipate this will include identifying how our effort has made an impact in developing the Aboriginal business sector in NSW and addressing the concerns and opportunities identified by Aboriginal business owners. This will shape our approach throughout the life of the Roadmap, as well as future directions.

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