

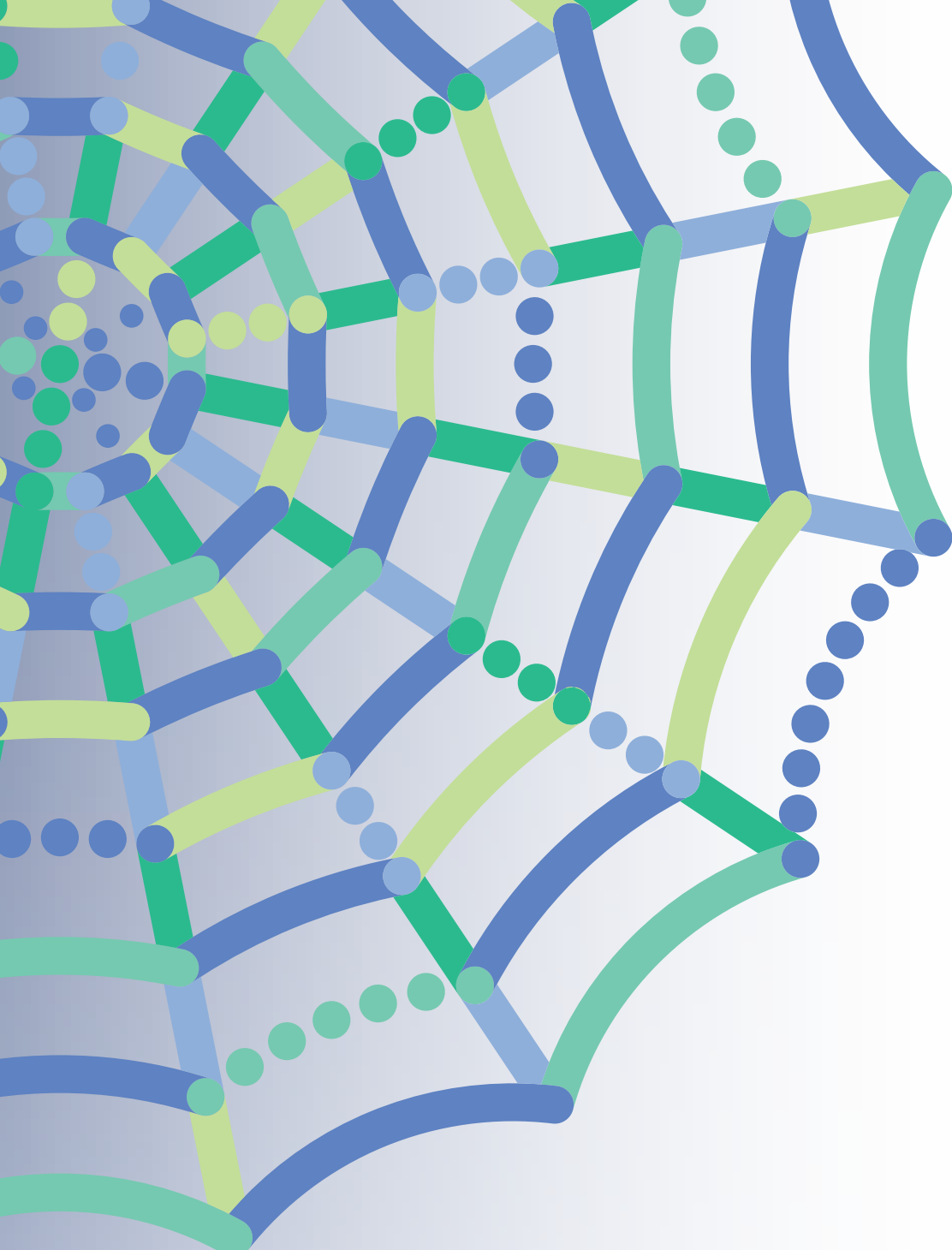


THE UNIVERSITY OF
MELBOURNE

Indigenous Business and Corporation

Snapshot Study 3.0





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About Us

The Indigenous Business and Corporation Snapshot Study 3.0 is a key research commitment of the Dilin Duwa Centre for Indigenous Business Leadership, through our Indigenous Economic Power Project.

Dilin Duwa is Woi Wurrung for Everlasting Flow. In the spirit of the generative flow of waterways, the research stream of Dilin Duwa is symbolised by a dewy spider web hanging over the flow of the yaluk (river) here now, a snapshot in time. Research captures knowledge, structures it for communication, and like a spider web it is intricate, strong and flexible. Over time, old outlines give way to new knowledge, new interpretations and new snapshots are built carefully to capture the present and new ways.

Dilin Duwa aims to achieve an economically powerful Indigenous Australia by delivering excellent education and teaching programs, sharing transformational research and co-designing engagement programs with community partners and stakeholders. Our three streams of Dilin Duwa work – research, programs and engagement – converge to support this important goal.

Acknowledgements

This research is undertaken in partnership with the Australian Bureau of Statistics (ABS), and with the participation of Indigenous business data custodians – Melbourne Business School, Waalitj Foundation, the Victorian Department of Jobs, Precincts and Regions, Industry Capability Network Limited, National Indigenous Australians Agency and the Office of the Registrar of Indigenous Corporations.

This report would not be possible without the contribution of Indigenous business owners who decided to make their enterprise visible by listing it on, and with, Indigenous registries. We thank them for their leadership and contribution to this important initiative.

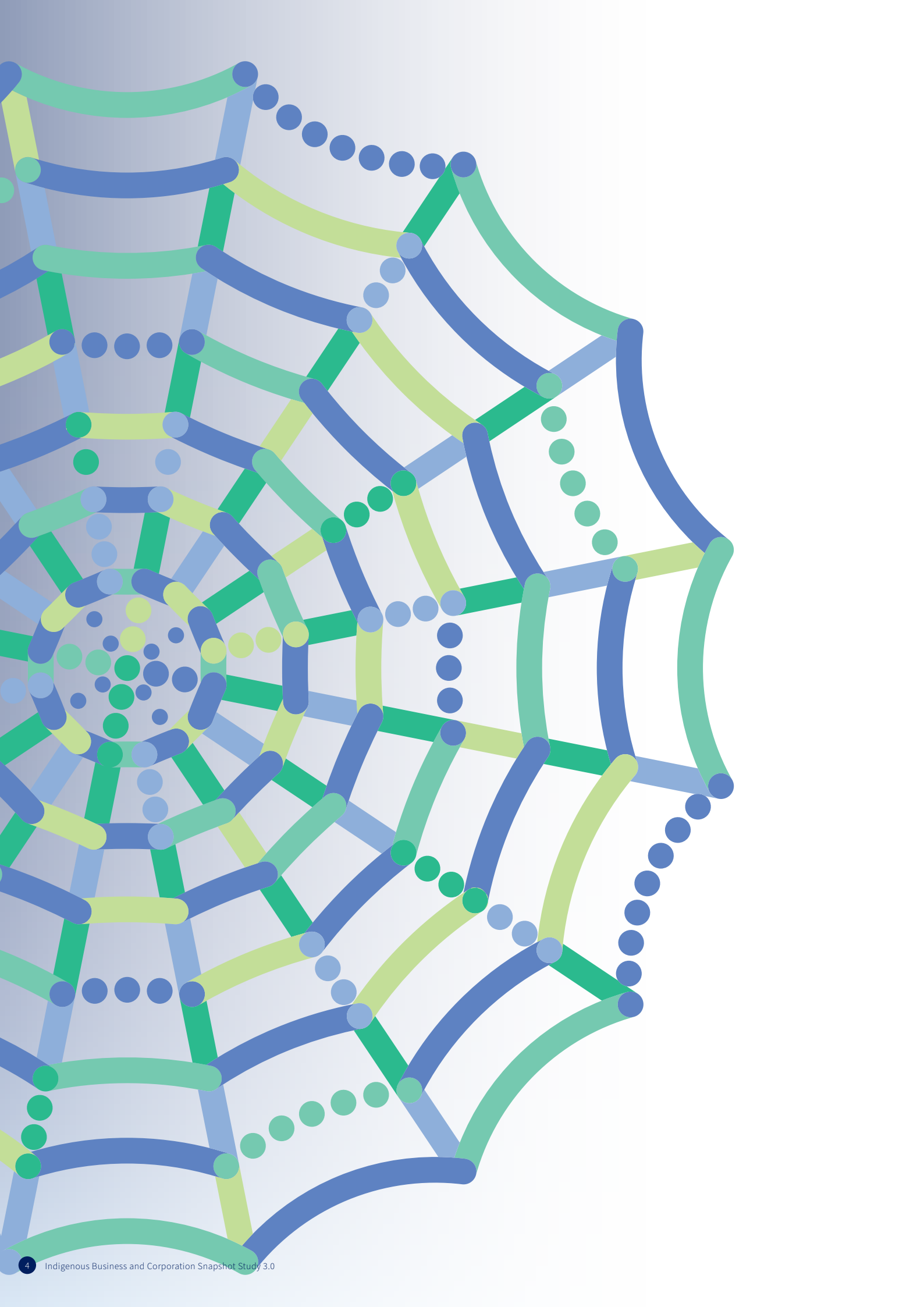
We also thank the many Indigenous business data custodians that we continue to dialogue with about this long-term project, including Indigenous Chambers of Commerce, Supply Nation, Indigenous Business Australia, Many Rivers and smaller registries of Indigenous businesses operating across Australia.

This year we include and acknowledge all business owners self-identifying as Indigenous in the Australian Census and in Centrelink records. This larger population of Indigenous entrepreneurs is represented for the first time in the Snapshot Study. They are a larger group than registered Indigenous businesses and corporations and serve to demonstrate the diversity and range of the Indigenous business and corporations ecosystem.

We are grateful to our academic colleagues who have provided generous and expert feedback across the development of this report. We especially wish to thank Boyd Hunter.

We also acknowledge the support and guidance provided by Dilin Duwa Founding members, including Marcia Langton, Paul Jensen and Matthew Storey.

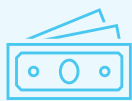
Finally, we acknowledge the dedication and support of the Dilin Duwa team including Lan Hoang, Ash Francisco, Mark Jones, Dinah Hippolyte-Blake, Sara Kaltz, Admiral Manganda, Brooke Murray-Noble, Peter Musinguzi, Chris Riley, Kate Munro and Angela Chen.



Executive Summary

- In the Indigenous Business and Corporation Snapshot Study 3.0 we report statistics describing ‘the Indigenous business ecosystem’, which is made up of three separate groups: (1) Indigenous businesses listed on the five registries participating in this study; (2) Indigenous corporations with operating Australian Business Number from the Office of the Registrar of Indigenous Corporations registry; and (3) sole traders and partnerships with at least 50% of owners self-identifying as Indigenous in the Australian Census and Centrelink records and that can be linked to businesses in the Business Longitudinal Analysis Data Environment or BLADE. At present there is no Australian Bureau of Statistics data available on owners of companies who self-identified as Indigenous. Indigenous companies in our study are only those that appear on registries and thus represent an under-estimate of the actual Indigenous ecosystem.
- The Indigenous ecosystem makes an important contribution to the Australian economy, with 13,693 active and alive (trading) businesses and corporations in 2022, generating \$16.1 billion in revenue, employing 116,795 people, and paying \$4.2 billion in wages. In terms of generated revenue, the ecosystem is around the same size as the Australian timber industry.
- The contribution of Indigenous ecosystem to the Australian economy and community is far greater than the sum of its economic activities. These contributions include opportunities for Indigenous employment and self-determination, intergenerational wealth generation, sharing of Indigenous knowledge, provision of culturally sensitive services to communities and trust-building within the community.

Overview of the Indigenous ecosystem (2022)



Revenue
**\$16.096
Billion**



Wages
**\$4.200
Billion**



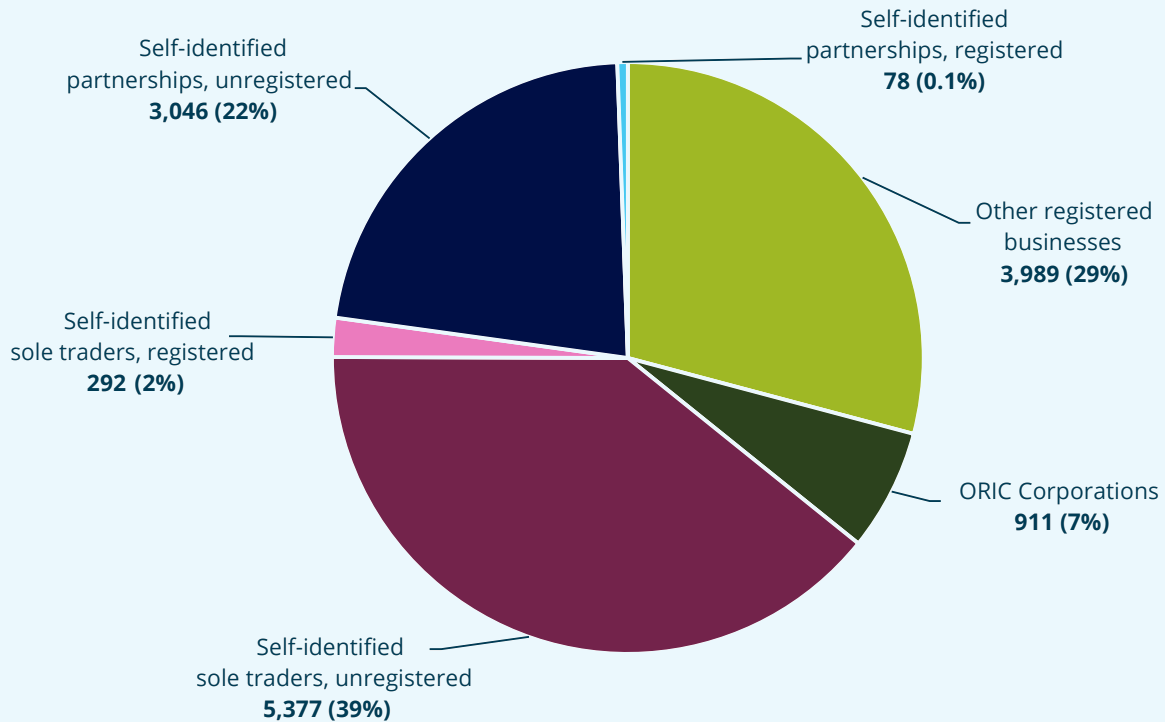
Employed
116,795



Unique alive and
active businesses
13,693

Note: Alive and active firms are those reporting to the Australian Taxation Office either through Business Activity Statements or Pay-as-you-go wage summaries, and is approximately equal to firms currently trading.

Breakdown of Indigenous ecosystem (2022)



Note:

Self-identified Indigenous businesses are firms in which at least 50 per cent of owners self-identify as Indigenous in the Australian Census and/or in Centrelink records.

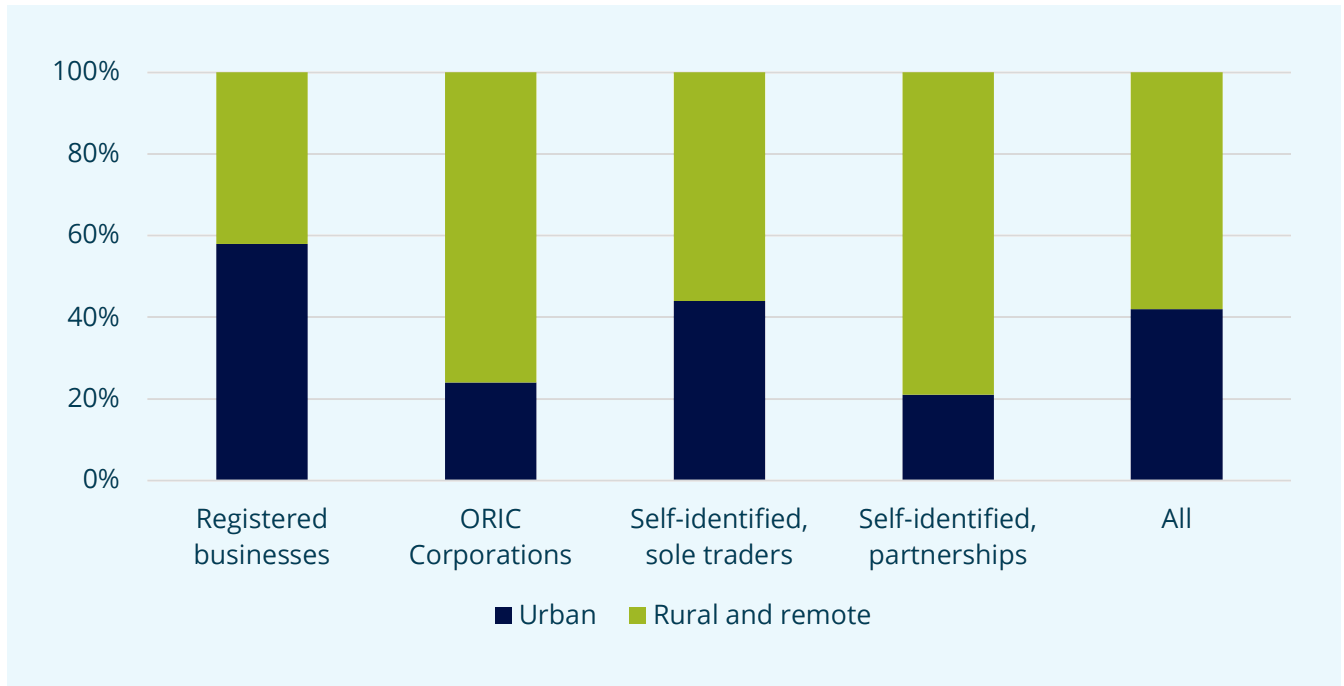
Registered businesses are those that voluntarily register their business as being at least 50 per cent Indigenous owned on public registries to promote their business (with National Indigenous Australians Agency, Waalitj Foundation, Industry Capability Network Limited, the Victorian Department of Jobs, Precincts and Regions, Melbourne Business School).

ORIC Corporations (Office of the Registrar of Indigenous Corporations registry) are established under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act) and have a current Australian Business Number.

Sole traders, partnerships and other businesses are as defined by the Australian Taxation Office. Sole trader is a sole owner who is legally responsible for all aspects of the business. Partnership is a group of owners who run a business together and who agree in writing how the business shares income, losses and how it is managed. Other businesses are mostly companies and trusts.

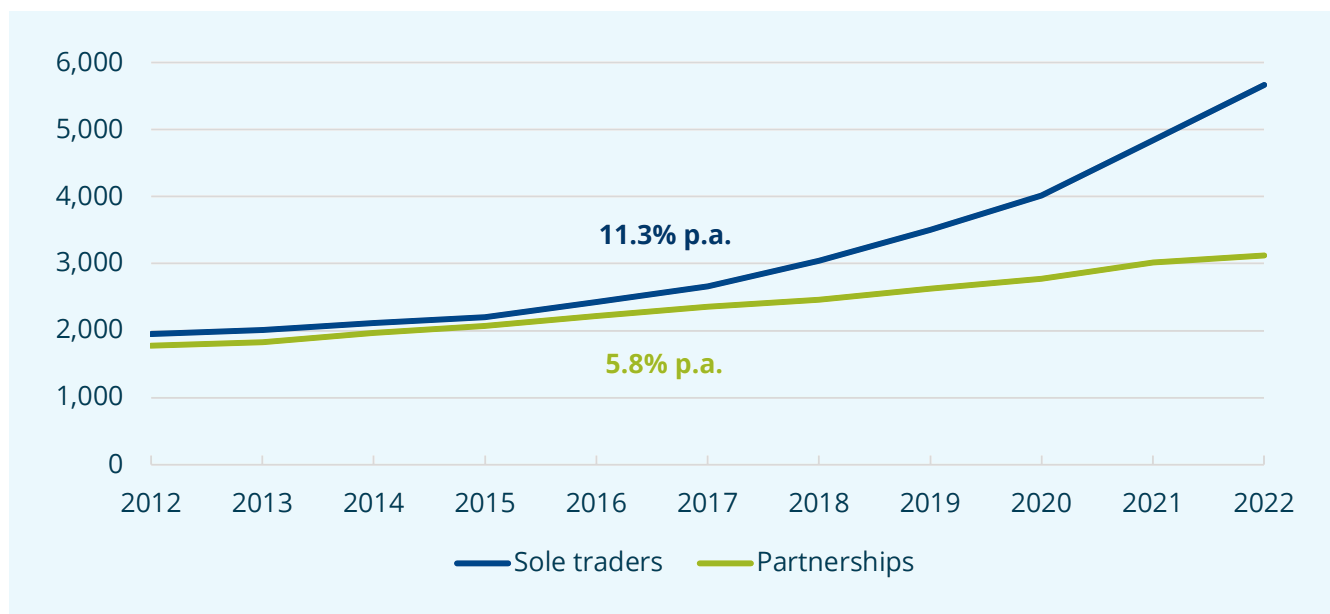
- The Indigenous Business and Corporation Snapshot Study is the most extensive study of Indigenous businesses and corporations to date and is the first to include sole traders and partnerships that are at least 50 per cent Indigenous owned, based on owner self-identification in the Australian Census and in Centrelink records. This study uncovers 8,793 self-identified sole traders and partnerships, 8,423 of which do not appear on public registries designed to promote Indigenous businesses. Owners may not be aware of registries, may not see the benefits of registering, and some may see the risk of discrimination if they do.
- Self-identified sole traders and partnerships are, on average, smaller than registry businesses (average income in 2022 of \$144,000 and \$303,000 respectively, compared to \$2.7 million for registered businesses) and are less likely to have employees (19 per cent and 25 per cent respectively) compared to 59 per cent of registered businesses. However, self-identified businesses are more likely to provide opportunities for economic self-determination in rural and remote areas where employment options are limited – 56 per cent of sole traders and 79 per cent of partnerships are in rural and remote areas.

Location of Indigenous business (2022) ecosystem



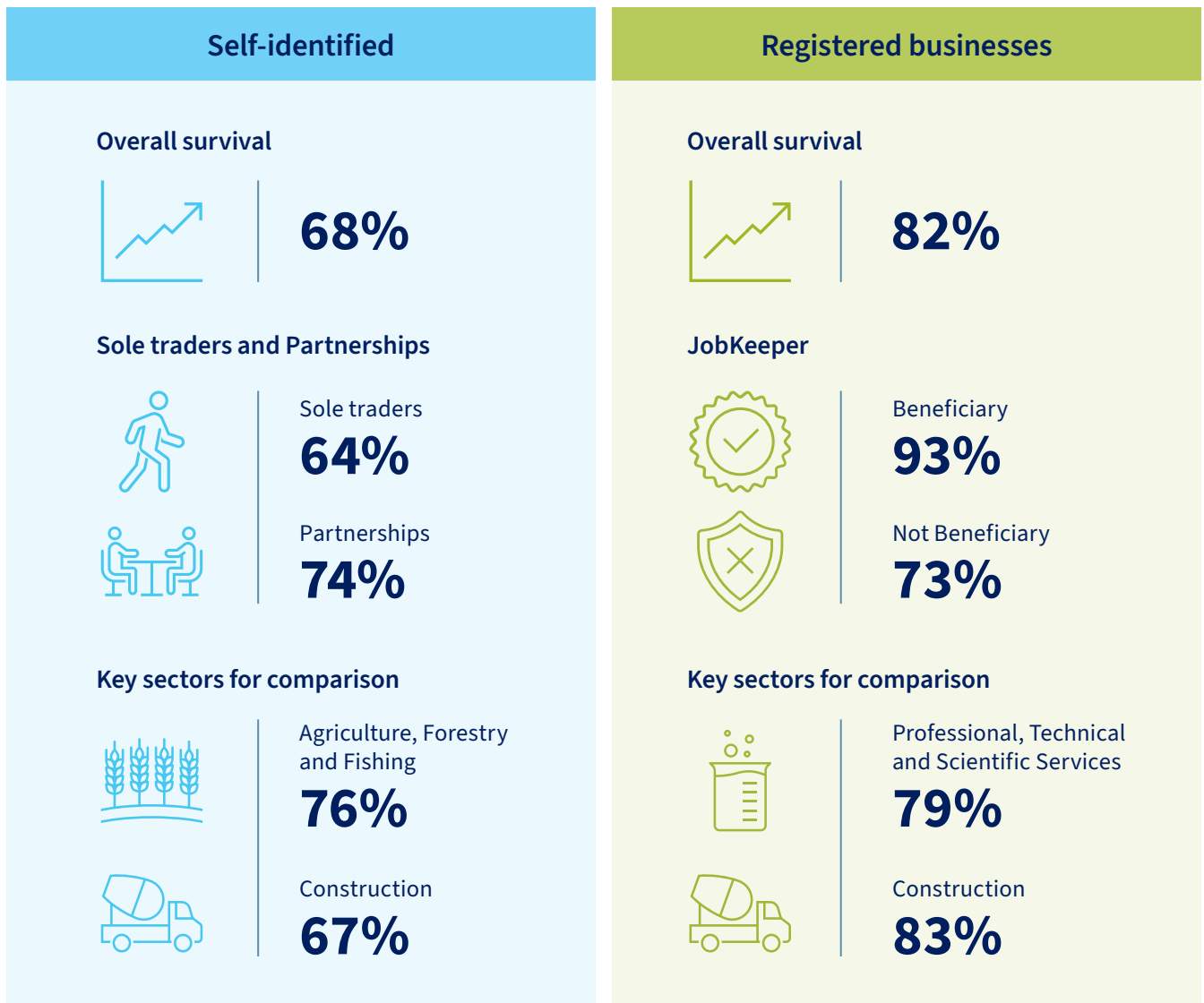
- Using self-identified sources to identify businesses and corporations with at least 50 per cent Indigenous ownership enables us to measure growth in parts of the ecosystem in a consistent way. We find that the number of alive and active (trading) sole traders over the last 10 years has almost tripled from 1,951 in 2012 to 5,669 in 2022, representing an annual average growth rate of 11.3 per cent. Partnerships growth, while more modest, is growing at a strong rate of 5.8 per cent per year over the same period.
- Of the 3,124 partnerships identified, more than 85 per cent (2,680) are exactly 50 per cent Indigenous owned. This means that narrowing the definition of an Indigenous-owned firm to more than 50 per cent, for the purpose of being eligible for government or industry assistance, will potentially exclude more than 85 per cent of partnerships. Partnering with non-Indigenous owners can provide significant benefits to Indigenous entrepreneurs, including increased capital, skills, and supply-chain and market networks. Efforts to tighten ownership requirements may be better targeted at registered businesses that are competing for the purposes of preferential procurement.

Growth in the number of self-identified Indigenous businesses



- Analysis of the survival rates of businesses and corporations show that the differing impacts of COVID-19 for registered businesses and self-identified Indigenous-owned businesses. We find that 82 per cent of businesses on registries that were alive and active (trading) in 2019 (just prior to COVID-19) were still alive in 2022. In comparison, only 68 per cent of self-identified businesses survived COVID-19; 64 per cent of sole traders and 74 per cent of partnerships.
- When compared to non-Indigenous comparators also alive and active (trading) in 2019, we find that registered businesses are 10 percentage points more likely to have survived to 2022 compared to non-Indigenous comparators (82 per cent compared to 71 per cent). Using regression analysis to adjust for differences in business characteristics, such as sector, location, business size and access to JobKeeper, the advantage in survival rates falls to 2.4 percentage points. Our interpretation is that registry businesses, on average, were in better financial shape than non-Indigenous businesses initially and that the remaining 2.4 percentage point higher survival rate stems from access to preferential procurement programs that persisted through COVID-19. This is clearly apparent for registry construction firms who were 12 percentage points more likely to survive than their non-Indigenous competitors.
- For self-identified Indigenous-owned businesses who were alive and active (trading) in 2019, we find a 3 percentage-point lower survival rate in 2022 compared to non-Indigenous sole traders and partnerships. This gap is driven exclusively by Indigenous sole traders whose completion rate was 5 percentage points lower (64 per cent compared to 69 per cent). Using regression analysis to adjust for differences in firm characteristics and access to JobKeeper made no difference to the gap. We interpret this as due to Indigenous sole traders facing greater difficulties managing the impacts of COVID-19, possibly because of greater caring responsibilities, lower wealth buffers and/or greater perceived health risks if they continued to trade.
- Results from the COVID-19 analysis tell a tale of resilience among firms on registries, but also a need for greater support to grow and develop smaller sole traders and partnerships. Many sole traders need to scale-up their operations to become more resilient in the face of economic shocks like COVID-19. Meeting this challenge often means building business acumen and networks, but also developing more mature capital markets. Many Indigenous entrepreneurs report difficulties accessing mainstream finance to grow their business to sustainable levels. Trust remains a problem for this fast-growing part of the Indigenous ecosystem.

COVID-19 survival rates of the ecosystem 2019 to 2022



Note:

Survival rates are the proportion of businesses that were alive and active (trading) in 2019 and still alive and active in 2022.

Registered businesses are those that voluntarily register their business as being at least 50 per cent Indigenous owned on public registries to promote their business (with National Indigenous Australians Agency, Waalitj Foundation, Industry Capability Network Limited, the Victorian Department of Jobs, Precincts and Regions, Melbourne Business School).

Self-identified Indigenous businesses are firms in which at least 50 per cent of owners self-identify as Indigenous in the Australian Census and/or in Centrelink records.

What Follows

This Snapshot Study consists of five parts.

Part One – Indigenous Economic Power Project

Part Two – Data integration

Part Three – Making the Indigenous business ecosystem visible, 2022

Part Four – Impacts of COVID-19 on the Indigenous business ecosystem between 2019 and 2022

Part Five – Key learnings and future developments

We look forward to an ongoing dialogue with the Indigenous business ecosystem, including stakeholders invested in the growth of the sector. Contact us at dilin-duwa@unimelb.edu.au.

List of Acronyms

ABDWA	Aboriginal Business Directory Western Australia
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ATO	Australian Taxation Office
BAS	Business Activity Statement
BIT	Business Income Tax
BLADE	Business Longitudinal Analysis Data Environment
CATSI Act	Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth)
DJPR	Department of Jobs, Precincts and Regions
ICN	Indigenous Corporation Number
ICNL	Industry Capability Network Limited
IEPP	Indigenous Economic Power Project
MBS	Melbourne Business School
NIAA	National Indigenous Australians Agency
ORIC	Office of the Registrar of Indigenous Corporations
PAYG	Pay-As-You-Go
PLIDA	Person Level Integrated Data Asset
RBA	Reserve Bank of Australia
VABD	Victorian Aboriginal Business Directory

Part One: Indigenous Economic Power Project

Economic empowerment is key to improved socio-economic outcomes for Indigenous Australians, and central to self-determination. The Indigenous Economic Power Project (IEPP) is a long-term commitment by researchers and collaborating partners to build a national longitudinal Indigenous business and economic dataset. The dataset will be used to produce research to inform policy, decision makers and Indigenous businesses and corporations endeavouring to grow the visibility of their contribution to the Australian economy. The project is a collaboration between the Dilin Duwa Centre for Indigenous Business Leadership at the University of Melbourne/Melbourne Business School, the Australian Bureau of Statistics (ABS) and Indigenous business data custodians.

The IEPP aims to generate a perpetual longitudinal dataset that tracks Indigenous businesses and corporations. It allows us to see how key variables like business performance, employment, industry composition and business longevity change over the long term. **Being able to study change over time provides valuable insights into the expansion, contraction and extent of the contribution of Indigenous businesses and corporations across Australia.** This important dataset also provides a foundation for researchers to integrate different datasets, such as the impact of business grant funding or the extent and influence of procurement opportunities, and, significantly, employer and employee outcomes.

Developing the visibility of Indigenous economic vehicles like businesses, organisations and corporations is powerful. Policy development, government, non-government and corporate decision making relies on reliable empirical data. Data informs decision making and policy making that aims to change behaviour and enhance outcomes for Indigenous people and communities. Through the building of this data, we support a future focus for our Indigenous communities. The data developed through our alliance with both the ABS and Indigenous business data custodians supports the production of trustworthy statistical analysis.

What you will see in this report is statistical information as a snapshot, an impression at a point in time, 2021–22. The statistical information relates to the businesses registered by our Indigenous business data custodians and those with at least 50 per cent of owners who self-identify as Indigenous in ABS administrative data, including the 2021 Census. We describe the contribution of these businesses and corporations to the Australian economy and society, and quantify their sectoral composition, locations and economic activities, including income generated, wage bills and number of employees.

Indigenous businesses and corporations (collectively the Indigenous ecosystem) make a significant contribution to economic development, especially across rural and remote Australia. Our snapshot of business activity in the financial year 2021–22 demonstrates the robustness of Indigenous businesses in Australia. **Their contribution can be simply understood as generating \$16.1 billion in revenue in 2021–22, around the same as the Australian timber industry, and providing jobs for 116,795 employees.**

It is important to first define what is an Indigenous business in Australia to set the boundary conditions for which businesses to include in the IEPP. The range of Indigenous data custodians engaged in the IEPP demonstrates the variability in registering Indigenous businesses and corporations; from Indigenous corporations that are under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act)* to registries that allow self-identification of Indigenous businesses. We acknowledge that the **best practice standards are those registries that certify and/or verify Indigenous businesses at point of registration ensuring that the business is both owned and operated by an Australian Indigenous person.** While the variability in registering Indigenous businesses and corporations exists, the boundary conditions pertaining to who is included in the IEPP will exist, as protocols and decision making are the responsibility of Indigenous business data custodians.

The drivers for a formal definition of Indigenous business include the need to develop good data on the Indigenous business ecosystem and the need to build trustworthiness in the Indigenous business sector through verification and certification of Indigenous ownership, management and control. Key to Australia's definition of Indigenous business is the Indigenous identity of business owners. Currently, it is agreed that 50 per cent Indigenous ownership of a business is the minimum agreed definition. This allows for the legal corporate structure of partnerships, including 50:50 joint venture partnerships.

Indigenous business registries provide a platform for Indigenous businesses to publicly list their business. These registries are brands in themselves and create and drive markets for Indigenous business. The visibility Indigenous businesses gain by registering enables them to develop a competitive advantage, gain access to sector support, and attract interest from those seeking to engage with Indigenous businesses in their area of goods and/or services. You will see in this Snapshot Study that **Indigenous businesses that appear on registries are more likely to be bigger and were highly robust throughout the global pandemic.**

In this study, we include **sole traders and partnerships identified as Indigenous businesses through self-identified information from administrative data sources (including Census and Centrelink records) that is linked to ABS business data (Business Longitudinal Analysis**

Data Environment or BLADE). These administrative data sources include questions that give people the option to identify as Aboriginal and/or Torres Strait Islander. We now have a complete view of all trading sole traders and partnerships with at least 50 per cent self-identified Indigenous ownership within BLADE data. These statistics offer a broader population of Indigenous businesses, which is key to understanding the differences between Indigenous businesses that choose to register and those that do not.

Why does this matter? It is a personal decision to identify as an Indigenous business. Whilst there are opportunities that come with registering a business, such as Indigenous procurement prospects and grant or support services, there are also challenges for business owners, such as having their business framed by their Indigeneity and the potential positive and negative racial responses that come with that. For many Indigenous business owners: *'... there is still a stigma associated with receiving government support because of the passivity and paternalistic nature of past, and some say present, policies that encouraged dependence on government. Many of these business owners are time poor, so without clear evidence that the programs have improved outcomes of other business owners like them, the red tape and bureaucratic hurdles associated with program participation may be enough to keep First Nations entrepreneurs from participating'* (Evans and Polidano, 2022).

We are steadily and methodically working to build data to understand the contribution of Aboriginal and Torres Strait Islander people, businesses and corporations to the Australian economy. There is growth in the Indigenous economic contribution, but it is coming from a low base. The data we present in this Snapshot Study is still incomplete and, therefore, under-represents the contribution of Indigenous businesses and corporations to the economy. But we must start somewhere because the stories of Indigenous economic empowerment have long been silenced and ignored. In Snapshot 1.0, we presented integrated data from four Indigenous business registries; in Snapshot 2.0, we focused on the performance of Indigenous businesses from five Indigenous business registries. This year we present to you the best statistics so far, from six Indigenous business registries. Progress is being made, but it is far from final, and we are committed to supporting the Indigenous business ecosystem by providing robust data long-term.

In Snapshot Study 3.0 we present Indigenous business and corporation statistics from three categories of registration or non-registration:

1. businesses that appear on five business registries (including the National Indigenous Australians Agency (NIAA) Indigenous business directory);
2. Office of the Registrar of Indigenous Corporations (ORIC) corporations that have been established under the CATSI Act and have an operating Australian Business Number (ABN);
3. unregistered sole traders and partnerships with at least 50 per cent self-identified Indigenous ownership, the data for which comes from linked administrative sources.

In this year's report, as well as examining the economic contribution and nature of the wider Indigenous business ecosystem, we look back at the **impacts of COVID-19 lockdowns and recovery to 2021–22**. The report collates Indigenous business data (13,693 observed businesses) identified within BLADE with detailed business information reported to the Australian Taxation Office (from Business Activity Statements (BAS), Business Income Tax (BIT) and

Pay-as-you-go (PAYG)). The COVID-19 analysis tracks the average survival rates of our three Indigenous business and corporation categories from pre-pandemic (2018–19) to 2021–22. **This is the largest and most robust statistical study of Indigenous businesses and corporations in Australia.**

Finally, this is a statistically laden report. Statistics are powerful, but stories paint a more vivid picture. In practice, Indigenous businesses are a major source of innovation, mentorship, leadership, cultural knowledges and practices, community and cultural kinship, unpaid childcare, and volunteer work. Indigenous economic power must be accounted for in our society. We have included some case studies of Indigenous businesses and corporations to exemplify the value of Indigenous business leadership – in health and caring services, in education, in agriculture and tourism. These firms give much to our economy and society through business activity including employment, but more significantly through Indigenous ways of doing business, where cultural values and frameworks guide business practice. Our statistics ultimately tell the story of how Indigenous business owners and leaders are playing a role in the reshaping of Australian economic life.





Snapshot case study: Southern Cultural Immersion

Southern Cultural Immersion is a 100% Aboriginal-owned business that offers services including cultural training, community engagement, art and cultural workshops, and cultural tours. Along with its work, Southern Cultural Immersion donates a percentage of its profits to the Kurna Meyunna Trust, supporting the Kurna People.

Southern Cultural Immersion has a particular focus on promoting and nurturing reconciliation and respect towards First Nations people.

Further to its cultural engagement, Southern Cultural Immersion also manages the Living Kurna Cultural Centre at Warriparinga, which is open to the public. The Centre is a place to learn about Kurna culture, stories, and history for Kurna Meyunna (Karuna people) and for future generations to come. The Centre offers a space for the wider community to learn about Kurna and other Aboriginal people and to aid in strengthening community ties.

Photos courtesy of Southern Cultural Immersion.



Part Two: Data integration

The release of BLADE in recent years has advanced the capability for analysis of Australian businesses. BLADE is an expansive collection of anonymised business data from administrative and survey sources. It is compiled by the Commonwealth through the ABS, Australian Taxation Office (ATO), Department of Industry, Science and Resources, and IP Australia. Most important for the purposes of this study is annually tracked financial data on all businesses that are alive and active (trading) and required to report to the ATO.¹ Financial data in BLADE includes data from BAS (2001–02 to 2021–22), BIT (2001–02 to 2020–21) and PAYG payroll data (2001–02 to 2021–22).

A key part of our Snapshot series is undertaking data development each year in partnership with the ABS, using up-to-date information to identify which trading businesses (termed alive and active) in BLADE are Indigenous owned. This year, we employ two methods. The first is to integrate data from six registries that contain lists of businesses and corporations that are at least 50 per cent Indigenous owned (see Appendix A for more details):²

- National Indigenous Australia’s Indigenous Procurement Policy Reporting Solution;
- Melbourne Business School’s (MBS) Murra Indigenous Business Master Class Alumni list;
- Industry Capability Network Limited (ICNL) Gateway;
- Department of Jobs, Precincts and Regions (DJPR) Victorian Aboriginal Business Directory;
- Waalitj Foundation Aboriginal business list from its Waalitj Hub; and
- Office of the Registrar of Indigenous Corporations (ORIC) registry.

The second method, which is new this year, is to integrate data on owners of sole traders and partnerships and their self-identified Indigenous status into BLADE to identify sole traders and partnerships that have at least 50 per cent Indigenous ownership, referred to in this study as ‘self-identified Indigenous’ businesses. This ownership data comes from the ABS Person Level Integrated Data Asset (PLIDA).

Extending the data to include Indigenous-owned businesses that are not on registries is important for gaining a more complete picture of the Indigenous business ecosystem. Businesses may not register due to lack of awareness or by choice. Owners of Indigenous businesses may elect not to register for several reasons including, fear of discrimination, inability (or reluctance) to verify ownership and/or because their small size and/or business activities mean that they do not see opportunities from government preferential procurement policies, which is a primary motivation for registry enrolment (see Evans and Polidano, 2022, for a more detailed discussion).

¹ Note that the ABS definition of “alive and active” is only an approximate measure of all businesses trading because the definition excludes businesses that earn less than \$75,000 per year in revenue.

² Although the extent of verification of 50 per cent Indigenous ownership varies from list to list.

Integration of registry businesses into BLADE

Registry data is provided to the research team separately and includes information on business and corporation names, registration details and ABNs (where available), excluding those that had opted-out of the registries. It is important to include all registered businesses and corporations, including those that may not be trading, to capture Indigenous business and corporation activity over time.

Column (a) of Table 1 provides information on the number of businesses on each of the registries and supplied for integration, and column (e) provides information on the number of businesses successfully integrated into BLADE in 2021–22. Columns (b) to (d) explain why the remaining businesses could not be used in the final analysis.

For information on the sample used each year by registry, and the reasons for the imperfect linkage (columns (b) to (d)), see the figures B.1 to B.6 in Appendix B.

We recovered valid ABNs for most businesses from registry custodians and ABR Lookup, except for ORIC (column (b)), where just under half (3,061) of the 6,936 ORIC corporations have no valid ABN based on the ABN Lookup search. Although all ORIC corporations are required to have an Indigenous Corporation Number (ICN), not all are required to have an ABN. Currently, because BLADE data only includes financial information for businesses that interact with the taxation system through an ABN, ORIC corporations integrated into BLADE are a very select group that have an ABN (see Polidano et al., 2022, for analysis on the select nature of ORIC corporations that can be linked to BLADE).

Table 1: Number of registered businesses and corporations and number linked to alive and active businesses in BLADE, 2022

Registry	(a) All registry businesses provided ^a	(b) Invalid/ missing ABN ^b	(c) Valid, born & unlinked (unknown reason) ^c	(d) Valid, born, linked but inactive ^d	(e) Valid, born, linked, alive & active ^e
ICNL	5,273	60	716	2,026	2,471
ORIC	6,936	3,061	1,125	1,557	1,193
MBS	257	< 10	< 10	112	113
Waalitj	458	< 10	< 10	132	174
DJPR	507	12	75	197	223
NIAA	6,006	< 10	1,112–1,128 ^f	1,788	3,088

Notes: These numbers add up to more than the total alive and active businesses in Table 2 because they include counts of businesses that appear in multiple registries. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity. ^aRegistered businesses, independent of validity status, linkage status and alive and active status. ^bOf those provided by registries, this is the number that have missing or invalid ABNs after cleaning the ABN Lookup data. These businesses cannot be linked to BLADE. ^cNumber of businesses with a valid ABN and cannot be linked to BLADE for unknown reasons. ^dThese are the number of businesses that have valid ABNs are linked to BLADE, but are not active in 2022 either because they have ceased operating, have been merged/acquired or are not active for another reason (ABS is suppressed, excluded or is a profiled population). ^eThese are the count of businesses that are included in the analysis and represent those that are born, alive and active. ^fThis number is expressed as a range to avoid identification of number of invalid/missing ABNs.

Among businesses that have valid ABNs, the main reason ABNs are not included in the analysis is because they are not active (column (d)). Given that reporting to the ATO is a requirement for integration, the conclusion is that these firms are not operating in 2021–22, either because they ceased trading or have been merged/acquired by another firm. The other main reason is ‘unknown’ reasons (column (c)), or there is no ABN–BLADE linkage key for these businesses, suggesting that these businesses are not in BLADE because they have never interacted with the ATO.

It is important to note that the business counts in Table 1 include duplicates – businesses that appear across multiple registries. In total, there are 1,778 businesses of 5,270 registered businesses that appear on multiple registries. Duplicates are mostly because NIAA, ICNL and

ORIC corporations have high rates of overlap – 1,602, 1,554 and 282 businesses respectively on these registries also appear on other registries (see Table B.1 in Appendix B). In Table 2, we show the total numbers of unique business that are linked, born, alive and active by registry over time. The number of registered businesses and corporations that are linked, born and active over time is growing as more organisations listed on the registries in 2023 are observed to be born as each year passes. From Table 2, we see that around 33 per cent of linked alive and active businesses and corporations appear in multiple registries in 2021–22. There is also a large proportion of multiple businesses that are NIAA registered. Of the 3,088 alive and active businesses in NIAA (Table 1), around half (1,486) are exclusively on NIAA, while the rest are multiples. See Appendix B for information on duplicate businesses by registry.

Table 2: Number of unique registered businesses and corporations that are linked to alive and active businesses in BLADE

	ORIC	ICNL	DJPR	Wallitj	MBS	NIAA	Multiple	Indeterminant	Total
2006	895	436	17	< 10	< 10	364	452	52	2,235
2007	843	455	20	< 10	< 10	338	463	54	2,187
2008	809	512	20	< 10	< 10	358	490	49	2,256
2009	859	565	26	< 10	< 10	363	553	53	2,439
2010	844	612	23	< 10	< 10	395	581	54	2,530
2011	840	672	27	11	15	440	630	51	2,686
2012	828	720	27	< 10	< 10	461	676	55	2,793
2013	822	759	31	< 10	< 10	454	708	50	2,848
2014	813	825	38	< 10	< 10	497	776	52	3,025
2015	816	866	45	< 10	< 10	526	851	48	3,176
2016	824	887	51	< 10	< 10	586	958	50	3,381
2017	817	907	59	< 10	< 10	690	1075	42	3,615
2018	820	935	65	< 10	< 10	781	1206	45	3,879
2019	832	943	78	14	18	932	1355	44	4,216
2020	871	938	91	18	14	1111	1540	47	4,630
2021	927	943	94	23	15	1316	1701	42	5,061
2022	911	917	85	32	18	1486	1778	43	5,270

Notes: Alive and active means that the businesses have previously reported to the ATO and reported BAS and/or PAYG payroll information in the relevant year. The total is less than the total of alive and active businesses in Table 1 because businesses that appear in multiple registries are not included. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity.

Identification of self-identified Indigenous businesses

Snapshot 2.0 identified the integration of anonymised administrative data as one key avenue for future research. In Snapshot 3.0, we are now able to make progress, with, for the first time, the merging of owner information from PLIDA with sole traders and partnerships in BLADE. This integration is central to identifying businesses with owners self-identifying as Indigenous, but which are not on registries. This information helps to provide a more complete picture of the Indigenous business ecosystem, while also shedding light on the overlap (or discrepancy) between businesses that are formally registered as Indigenous and those with owners self-identifying as Indigenous. It is important to note that there is no owner information in PLIDA for companies and corporations. Incorporating ownership information for companies is a priority for future ABS data development.

What constitutes an Indigenous business is a matter of debate. For the purposes of this study, we distinguish self-identified businesses whose ‘owners’ self-identify as Aboriginal and/or Torres Strait Islander, as distinct from businesses that appear on Indigenous registries with owners self-identifying their ‘businesses’ as being at least 50 per cent Indigenous owned. Why self-identified firms do not register their business is unclear, but may be related to several issues, including concern over the risk of discrimination.

We treat self-identified Indigenous businesses as having at least 50 per cent of owners self-identifying as Indigenous. Alternative definitions include having at least one owner who self-identifies as Indigenous and/or having majority Indigenous control (see Shirodkar et al., 2018 for a discussion of these definitional differences and the implications).

PLIDA data

PLIDA, like BLADE, is an ABS asset. Instead of combining business data, however, PLIDA focuses on individual-level information about the Australian population. It combines information on health, education, government payments, income, taxation, employment and population demographics (including the Census) over time.

In this study, we use the following elements of PLIDA that allow us to complement the business data from BLADE with information on whether business owners self-identify as Indigenous:

- linkage key of businesses between PLIDA and BLADE;
- business ownership information, 2010–11 to 2021–22; and
- Indigenous identifier from combined demographics.

We use information on whether people self-identify as Indigenous from PLIDA’s combined demographics file. This data asset combines information from various administrative data sources, including Centrelink data, the 2021 Census and death registrations. A person is labelled as Indigenous if they are identified as Indigenous in at least one of these data sources. This approach is superior to relying on a single data source (e.g., Census) for various reasons. First, combining data across various sources reduces missing information on Indigenous status and reduces inconsistency in the status of any individual over time (see Christensen et al., 2014). Second, identifying a person as Indigenous in any source gives the highest possible number of people labelled as Indigenous, which avoids the problem of under-reporting due to concerns of disclosure bias against the individual.³

³ While over-reporting may also be a problem in some settings, we consider this to be less of a problem than under-reporting to government agencies.

We link this Indigenous identifier to the owner(s) of each business, using data on business ownership, separately for every financial year between 2010–11 and 2021–22. For each business, we calculate the ratio of the number of Indigenous owners to the number of total owners and, whenever it is 50 per cent or higher, identify a business as ‘self-identifying Indigenous’.⁴ Where a business owner’s information on Indigenous status is missing, we treat them as non-Indigenous. This implies that any business we identify as ‘self-identifying Indigenous’ has at least 50 per cent of its owners identified as Indigenous in at least one administrative data record. The reverse – that the remaining businesses are not owned by at least 50 per cent Indigenous owners, is not necessarily true because we might be unaware of their Indigenous identification if that information is missing. However, it is certainly likely given the small Indigenous population relative to the overall Australian population. Consequently, we refer to these businesses simply as ‘not self-identifying Indigenous’.

PLIDA owner information is merged into BLADE by joining unique random numbers (linkage key) that are common to the same businesses across the two datasets. The business owner module is created from the ‘Business and professional items section’ on the owners’ individual tax return, while information in BLADE is taken from the businesses directly; thus, we expect some discrepancy in their coverage. To ensure we merge only truly alive and active businesses, we further condition on economic activity reported in BLADE. That is, we focus on businesses that are alive and active and submitted either BAS and/or PAYG information in the respective financial year.⁵ Still, not every sole trader or partnership business contained in BLADE has corresponding owner information

in PLIDA.⁶ For example, for the financial year 2021–22, we find that about 31 per cent of sole traders and 25 per cent of partnerships in BLADE have no matching ownership information in PLIDA. **While this implies that our integrated data does not necessarily span the universe of sole traders and partnerships in Australia, it is still an important step forward in shedding light on a significant additional part of the Indigenous business ecosystem that has been previously overlooked when focusing only on registry information.** Importantly, we observe that Indigenous-owned firms are integrated into BLADE at a similar rate as non-Indigenous businesses, which provides some comfort that there is no systematic bias in linkage associated with Indigenous ownership.

Table 3 presents the number of self-identified Indigenous businesses over time, distinguishing between all those for which business and owners’ data could successfully be merged (i.e., appearing in both BLADE and PLIDA) and only those that are alive and active with BAS and/or PAYG records in the respective financial year. These estimates, unlike others previously, are the first to measure growth in the number of Indigenous-owned businesses using a consistent methodology.⁷ The increase in numbers of sole traders is remarkable: while in 2011, there were only 1,889 alive and active sole traders self-identifying as Indigenous, this number tripled to 5,669 in 2022, with a steeper increase especially in the last four years. This represents 200 per cent growth in the number of businesses between 2011 and 2022 or an annual average increase of 11 per cent. The number of alive and active partnerships also increased from 1,706 in 2011 to 3,124 in 2022, a growth of 83 per cent or an average annual increase of 6 per cent.

4 In the absence of equity information in PLIDA, we cannot take into account potentially differential shares held by the owners in multiple-owner businesses and therefore treat all owners equally.

5 This is a more restrictive constraint than conditioning on any reporting to the ATO because businesses that just report BIT are excluded. These firms are excluded because there is a lag of one year before BIT information is made available – the latest year available was 2020–21 at the time of analysis.

6 Conversely, also not all sole traders and partnerships from PLIDA’s owner module can be linked to their business information in BLADE – however, without their business information, we cannot determine whether this is legitimate, e.g., due to the business not being alive or operating. Another reason is differences in scoping: BLADE includes only businesses with an annual turnover greater than \$75,000, while ownership information may also be present for businesses with lower turnover. Importantly, we see very similar match rates for self-reported Indigenous and not self-reported Indigenous businesses.

7 Previous snapshot studies relied on changes in the number of businesses registered, but these can reflect not just changes in the number of Indigenous businesses, but also changes in the rate of businesses choosing to register or de-register.

Table 3: Number of self-identified Indigenous businesses by activity status

	All			Alive and active		
	Sole traders	Partnerships	Total	Sole traders	Partnerships	Total
2011	5,364	2,004	7,368	1,889	1,706	3,595
2012	5,737	2,099	7,836	1,951	1,774	3,725
2013	6,051	2,193	8,244	2,006	1,826	3,832
2014	6,398	2,307	8,705	2,116	1,962	4,078
2015	6,739	2,420	9,159	2,196	2,071	4,267
2016	7,198	2,566	9,764	2,424	2,215	4,639
2017	7,675	2,727	10,402	2,664	2,355	5,019
2018	8,310	2,872	11,182	3,040	2,463	5,503
2019	9,143	3,067	12,210	3,501	2,624	6,125
2020	9,985	3,257	13,242	4,012	2,775	6,787
2021	11,215	3,537	14,752	4,838	3,014	7,852
2022	12,911	3,852	16,763	5,669	3,124	8,793

Notes: Self-identified Indigenous businesses are those with at least 50% of owners self-identifying as Indigenous in various administrative sources. Alive and active are businesses that have recently reported to the ATO and report either PAYG or BAS in relevant year.

We find inconsistency in Indigenous ownership of sole traders and partnerships recognised through registry and self-identified sources. In 2021–22 there were 692 registered sole traders and partnerships ((columns (a) plus (c) in Table 4), but only 370 sole traders and partnerships (292 sole traders and 78 partnerships) (or 53 per cent) had at least 50 per cent Indigenous ownership from self-identified sources (Table 4). In other words, **there is inconsistency between self-identified administrative sources and registries around half the time. There may be many reasons for these inconsistencies, both on the registry and administrative data side.** On the registry side, it is possible that changes in business Indigenous ownership may not be updated, or that businesses are misrepresenting their Indigenous status because of perceived competitive advantages. While misrepresenting Indigenous status might represent an intention for ‘black cladding’, in practice, procuring agencies, including business and government, have verification procedures to help minimise fraudulent behaviour. On the administrative data side, it is possible

that some Indigenous owners refrain from identifying when reporting to government agencies because of a lack of trust in government or that their Indigenous status is simply missing because they do not appear in the relevant data sources.⁸ Under-reporting of Indigenous status among business owners has been observed in a previous study by Shirodkar et al. (2018), who found 20 per cent of Indigenous business owners in the 2016 Australian Census had not identified as Indigenous in the 2011 Census.

Another important finding from Table 4 is that there is little overlap between Indigenous-owned sole traders and partnerships identified through registries and self-identified sources. In 2021–22, of the 8,793 self-identified Indigenous businesses (columns (b) plus (c)), only 370 (or 4 per cent) are on registries – 292 sole traders and 78 partnerships. This underlines the point made in previous snapshot studies that Indigenous registry businesses are mostly medium-sized companies, with limited representation from sole traders and partnerships.

⁸ The small overlap between registered and self-identified businesses is not due to missing Indigenous information at the owner level: when excluding owners whose Indigenous status is unknown, the number of businesses we categorise as Indigenous businesses in 2021–22 remains unchanged.

Table 4: Alive and active sole traders and partnership by source of Indigenous identification

	Registered, not self-identified (a)	Self-identified, not registered (b)	Self-identified & registered (c)	Total
Sole traders				
2011	215	1,814	75	2,104
2012	218	1,867	84	2,169
2013	212	1,928	78	2,218
2014	208	2,030	86	2,324
2015	218	2,109	87	2,414
2016	237	2,328	96	2,661
2017	267	2,555	109	2,931
2018	271	2,905	135	3,311
2019	277	3,334	167	3,778
2020	280	3,809	203	4,292
2021	284	4,591	247	5,122
2022	233	5,377	292	5,902
Partnerships				
2011	123	1,676	30	1,829
2012	119	1,742	32	1,893
2013	106	1,794	32	1,932
2014	105	1,928	34	2,067
2015	106	2,037	34	2,177
2016	103	2,177	38	2,318
2017	101	2,314	41	2,456
2018	104	2,419	44	2,567
2019	110	2,573	51	2,734
2020	105	2,718	57	2,880
2021	99	2,945	69	3,113
2022	89	3,046	78	3,213

Notes: Self-identified are businesses with at least 50 per cent of owners who self-identify as Indigenous in one of various ABS administrative data sources. Not self-identified are businesses with less than 50 per cent Indigenous ownership recognised through ABS administrative sources. Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets (ICNL, Waalitj, MBS, ORIC, NIAA, DJPR).

The above insights underline the importance of the integrated PLIDA data in shedding light on a substantial part of the Indigenous economy, self-identified Indigenous sole traders and partnerships, who otherwise would be overlooked.

For policy, the implication is that there is a considerable proportion of the Indigenous businesses ecosystem that may provide similar benefits to the community as registered businesses, but may not benefit from preferential procurement policies.

Table 5: Number of alive self-identified sole traders and partnerships by ownership level, 2022

		Level of Indigenous ownership			Number of self-identified
		Less than 50% ^a	50%	51–99%	
Registry businesses	322	61	0	309	370
Non-registry businesses	–	2,680	40	5,703	8,423
All	322	2,741	40	6,012	8,793

Notes: Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. Indigenous ownership level is proportion of owners who self-identify as Indigenous in one of various ABS administrative data sources. ^aThese correspond to registered sole traders and partnerships that appear on registries but are not self-identified Indigenous business because less than 50 per cent of owners identify as Indigenous (see Table 4).

In Table 5, we present data on the level of Indigenous ownership among self-identified Indigenous sole traders and partnerships to shed light on the possible impact of increasing ownership criteria for government support beyond 50 per cent. For the purposes of preferential procurement, based on current ownership levels, changes to ownership rules would affect 61 partnerships (Table 5) or 36 per cent of partnerships on registries. This represents⁹

only 1 per cent of all businesses on registries (61 of 5,270). It is not clear that this rate would also apply to companies, which comprise the bulk of registered businesses.

For administration of any support to businesses not on registries, eligibility criteria of Indigenous ownership above 50 per cent would exclude 88 per cent of self-identified partnerships (2,680 of 3,046).

⁹ This is 61 (from Table 5) divided by 167 partnerships on registries (column (a) plus (c) in Table 4).

Snapshot case study: Yiliyapinya Indigenous Corporation

Yiliyapinya Indigenous Corporation is an Indigenous-owned not-for-profit corporation that focuses on improving the brain health of vulnerable individuals of all ages, seeking to break cycles of systemic disadvantage and adversity.

Yiliyapinya engages with Aboriginal and Torres Strait Islander communities across Queensland to integrate its programs into service delivery that is culturally appropriate, aiming to break down the stigma surrounding mental and brain health.

Using scientifically backed programs, Yiliyapinya seeks to train, coach, and educate people to improve their memory, attention, brain speed and social skills. It promotes a holistic way of healing and partners with other professionals to provide an integrated model of support. It engages with organisations, businesses and schools through workshops aimed at supporting individuals and communities to participate effectively across activities ranging from education to employment.

Photos courtesy of Yiliyapinya Indigenous Corporation.



Part Three: Making the Indigenous business ecosystem visible, 2022

A key objective of this study is to describe the Indigenous business ecosystem, which includes Indigenous businesses and corporations on registries, as well as, from this year on, self-identified businesses beyond those on registries. Self-identifying businesses are all sole traders and partnerships with at least 50 per cent of owners identifying as Indigenous. In contrast to self-identified ownership files that are linked to BLADE, which can change status due to changes in ownership year-on-year, Indigenous registries are not necessarily annual updates of currently registered firms. Instead, they are mostly records of Indigenous-owned businesses that have ever appeared on registries (an accumulated stock of Indigenous businesses).¹⁰ Except for ORIC, registry and de-registry dates are not included in the registries provided.

As highlighted in Table 4, there is minor overlap between registered Indigenous businesses and corporations and self-identified businesses – 370 self-identified Indigenous sole traders and partnerships that also appear on registries. In estimating the magnitude of the Indigenous business ecosystem (Tables 6 and 7), these businesses count only towards the registry statistics. However, when we describe the location and sectors of registry and self-identified businesses and corporations, we include these 370 businesses in both (Figures 1 and 2).

Economic contributions of Indigenous business ecosystem

The economic benefits of the Indigenous business ecosystem are extensive and include both direct benefits to business owners and indirect or ‘spillover’ benefits of business activities to the local community and Australia more broadly. For the business owners, these benefits include economic self-determination, higher income and standards of living than they could attain from employment, the chance to build intergenerational wealth and the satisfaction of creating an organisation that serves the local community.

¹⁰ In practice, businesses have the right to request their details to be removed; however, we do not know the extent to which this happens.

Indirect benefits include increased Indigenous employment opportunities, including in remote locations where there are few other employment opportunities. Evidence suggests that Indigenous businesses are more likely than non-Indigenous businesses to hire Indigenous workers (Hunter, 2015), which helps overcome discrimination, a major barrier to employment for Indigenous people (Shirodkar, Hunter and Foley 2018; Biddle et al., 2013). Increased Indigenous employment accelerates income levels and wealth generation within a historically dispossessed and excluded population, and catapults individuals out of the welfare economy. Indigenous businesses may also provide a more culturally supportive working environment that may help in attaining sustainable and rewarding employment for Indigenous employees. To the extent that improved employment rates increase the financial autonomy, self-esteem and wellbeing of Indigenous people, this is likely to benefit the wider community through reduced public cost of health and income support payments.

A vibrant Indigenous business and corporations sector also helps lift community aspirations and builds greater trust within society. Successful Indigenous business leaders can help break down barriers that many Indigenous people face in business, especially in terms of trust among suppliers, customers and financiers (see Evans and Polidano, 2022 for a discussion). Successful Indigenous business leaders are potentially powerful figures who can help raise aspirations within communities and help to combat the 'deficit discourse' that often prevails in popular media around Indigenous identity (see Eva et al., 2023 for further discussion). Development of a business landscape where Indigenous people participate and interact on equal terms with non-Indigenous Australians can build understanding and respect. This is consistent with the notion that greater connectedness and interactions between people from dominant and minority cultures builds social capital, a commonly articulated motivation for affirmative action policies (Holzer and Neumark, 2006).

Indigenous businesses and corporations are also an important vehicle for sharing unique Indigenous perspectives and knowledge. Cultural tourism and artistic/creative businesses help preserve and share the world's oldest living culture, enriching the lives of all Australians and developing understanding, trust and social cohesion. Knowledge brokering businesses work to educate and initiate cultural change within non-Indigenous corporations to shape better relations with Indigenous partners. Indigenous land management companies and corporations apply knowledge systems developed over 60,000 years to mitigate wildfire risk, enhance biodiversity and capture carbon.

Indigenous businesses and corporations also invest heavily in the economic and social development of their local communities by providing start-up grants and access to finance, by being major local procurers, or by investing in local economic infrastructure, such as air strips, road maintenance and telecommunications. Indigenous corporations registered under CATSI often state their purpose as the provision of public goods (such as education, health, social and cultural services) and infrastructure in remote communities. These corporations are responding to local needs and, as such, some corporations have a not-for-profit status and take on roles that would otherwise be filled by local government.

As extensive as these benefits are, they are difficult to quantify. In this study we do the next best thing, which is to quantify the extent of Indigenous business and corporation ecosystem economic activity. In general terms, the greater the extent of their economic activity, the greater the direct and indirect benefits to the wider community.

Overall, we estimate that the Indigenous ecosystem consists of 13,693 trading businesses and corporations, 4,359 businesses that appear on Indigenous registries, 911 ORIC corporations and 8,423 self-identified sole traders and partnerships that are at least 50 per cent Indigenous owned and not appearing on registries (Table 6).¹¹ In total, the Indigenous ecosystem generated \$16.1 billion in revenue in 2021–22, which is similar to that generated by the timber industry’s \$16.05 billion (Australian Bureau of Statistics, 2023) in the same period.¹² This is larger than a previous estimate of \$8.5 to \$12 billion in 2020–21 by Healy and Brown (2023), based on triangulated estimates from the 2016 Census and Supply Nation data projected to 2021. The Indigenous ecosystem employs 117,000 workers, which is around the same as the nationwide workforce of Coles supermarkets, with an annual wage bill of \$4.2 billion in 2021–22.¹³ We also estimate 9,137 self-identified Indigenous owners of sole trading firms and partnerships, although at present there is no data on the number of self-identified owners of Indigenous companies that make up the bulk of registered businesses. This is for future work in partnership with the ABS, but a ‘back-of-the-envelope’ calculation suggests there could be as many as 12,000 Indigenous owners of registered companies (or around 21,000 in total) if the Indigenous ownership rate of all registered companies is equal to that of the Supply Nation registry – 72 per cent with half Indigenous ownership and 28 per cent more than half.¹⁴ This number is consistent with the 17,900 owner-managers estimated from 2016 Census data by Shirodkar et al. (2018). For information on the economic contribution by business registry, see Table C.1 in Appendix C.

In Table 7, we provide an overview of the average activity of Indigenous self-identified and registered businesses and corporations. As is expected, the number of self-identified sole traders and partnerships is smaller in size on average compared to registered businesses. On average, the revenue of sole traders and partnerships is \$144,000 and \$303,000 respectively (Table 7), compared to \$2.713 million for registered businesses, which are mostly companies. Similarly for employment, the average self-identified sole trader and partnership employs around one employee (excluding the owner), which compares to 19 employees for registered businesses. Although employment numbers of self-identified businesses are relatively modest, it is worth noting that many are still employing – 19 per cent of sole traders and 25 per cent of partnerships. A key difference of self-identified businesses is that they are more likely than registered businesses to operate in rural and remote areas. Around 56 per cent and 78 per cent of sole traders and partnerships respectively operate in rural and remote Australia compared to 42 per cent of registered businesses. For average business characteristics by registry, please refer to Table C.2 in Appendix C.

11 Note that there are 911 ORIC Corporations that are exclusively on the ORIC register. There are also 282 corporations that appear on other registries and are counted towards registered business.

12 Timber industry includes log sawmilling and dressing and other wood product manufacture (prefabricated building timber manufacture, wooden structural fitting and components, veneer and plywood, reconstituted wood products and other wood manufacturing).

13 <https://colescareers.com.au/au/en/culture>.

14 This is based on 3,667 companies on registries with an average of six owners and those with more than 50 per cent ownership have four Indigenous owners of six on average (66 per cent Indigenous rate). The 28 to 72 ratio of certified to registered businesses on the Supply Nation dataset is based on information from their online directory as at 1 March 2024.

Table 6: Economic activity associated with alive and active businesses in the Indigenous business ecosystem, 2022

	Registered businesses and corporations			Self-identified businesses, not registered			Indigenous ecosystem
	Businesses	ORIC	Total	Sole traders	Partnerships	Total	
Revenue (\$bill.)	11.825	2.572	14.398	0.775	0.992	1.698	16.096
Wages (\$bill.)	2.955	1.088	4.043	0.074	0.083	0.157	4.200
Number of Indigenous owners	384 ^a	–	384	5,377	3,376	8,753	9,137
Number of employees	80,875	27,654	108,529	4,147	4,119	8,266	116,795
Number of employing businesses	2,552	640	3,192	1,014	762	1,776	4,968
Number of exporting businesses	< 10	< 10	< 10	< 10	< 10	< 10	< 10
Export amount	< 10	< 10	< 10	< 10	< 10	< 10	< 10
Number that are urban	2,491	210	2,701	2,311	654	2,965	5,666
Number that are rural	1,293	371	1,664	2,720	2,159	4,879	6,543
Number that are remote	517	295	812	268	197	465	1,277
Total age of all businesses	30,576	11,705	42,281	41,134	31,324	72,458	114,739
Number 3 years or less	1,961	177	2,138	2,422	904	3,326	5,464
Count	4,359	911	5,270	5,377	3,046	8,423	13,693

Notes: Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. Indigenous ownership level is proportion of owners who self-identify as Indigenous in one of various ABS administrative data sources. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity. ^aOwner count is for sole traders and partnerships only. No information is currently available for ownership of other types of firms. This means that the count of owners for registered businesses is a gross under-count because most businesses are companies for which no data on owners is available. A ‘back-of-the-envelope’ calculation suggests that the number of company owners could be as high as 12,000. See p. 26 and footnote 11 for details.

Table 7: Average activity of alive and active businesses in the Indigenous business ecosystem, 2022

	Registered businesses and corporations			Self-identified businesses, not registered			Indigenous ecosystem
	Businesses	ORIC	Total	Sole traders	Partnerships	Total	Total ^a
Revenue (\$mill.)	2.713	2.824	2.732	0.144	0.303	0.202	1.176
Wages (\$)	678,010	1,193,743	767,163	13,813	27,150	18,636	306,720
Number of Indigenous owners	0.09 ^b	–	0.07	1.00	1.11	1.04	0.67
Number of employees	19	30	21	1	1	1	9
Proportion of employing	0.59	0.70	0.61	0.19	0.25	0.21	0.36
Proportion of exporting	<10	<10	<10	<10	<10	<10	<10
Export amount	<10	<10	<10	<10	<10	<10	<10
Proportion who are urban	0.58	0.24	0.52	0.44	0.22	0.36	0.42
Proportion who are rural	0.30	0.42	0.32	0.51	0.72	0.59	0.49
Proportion who are remote	0.12	0.34	0.16	0.05	0.07	0.06	0.09
Total age of all businesses	7.01	12.85	8.02	7.65	10.28	8.60	8.38
Proportion 3 years or less	0.45	0.19	0.41	0.45	0.30	0.39	0.40
Count	4,359	911	5,270	5,377	3,046	8,423	13,693

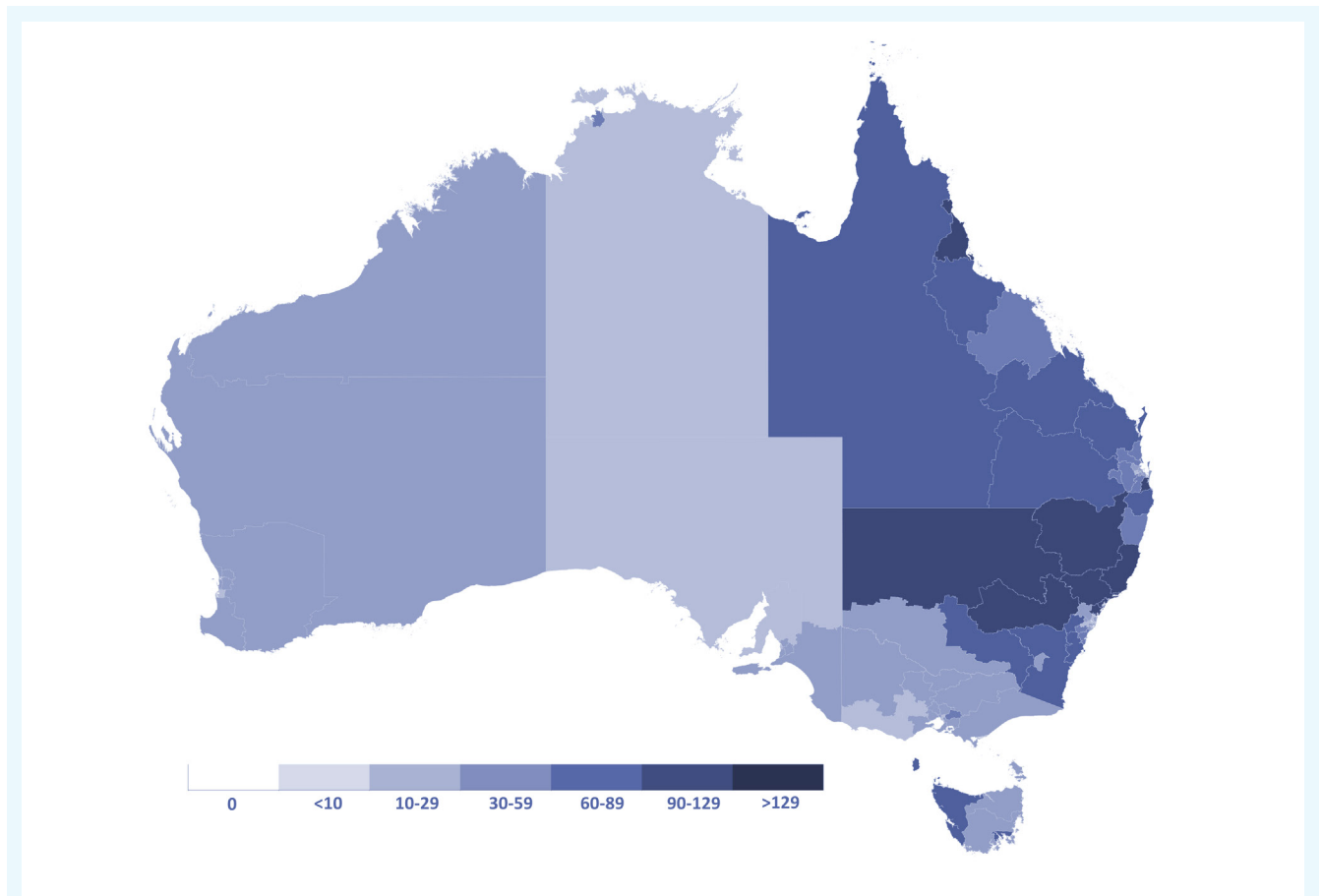
Notes: Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. Indigenous ownership level is proportion of owners who self-identify as Indigenous in one of various ABS administrative data sources. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity. ^aThis is the average across the entire Indigenous business and corporation ecosystem, that is the average of all registered businesses, ORIC corporations and self-identified businesses. ^bOwner count is for sole traders and partnerships only. No information is currently available for ownership of other types of firms. This means that the count of owners for registered businesses is a gross under-count because most businesses are companies for which no data on owners is available.

Self-identified businesses, where are they and what do they do?

A feature of this report is the uncovering of self-identified Indigenous businesses. In this section we provide an overview of their location and sectors. As described above, compared to registered businesses, self-identified Indigenous businesses are more likely to operate outside of urban areas. Figures 1a and 1b show that the greatest concentration of self-identified Indigenous sole traders and partnerships is in New South Wales, with around 40 per cent of all self-identified sole traders and over 50 per cent self-identified partnerships, despite only having around 30 per cent of all registered businesses (see Figure D.1 in Appendix D).

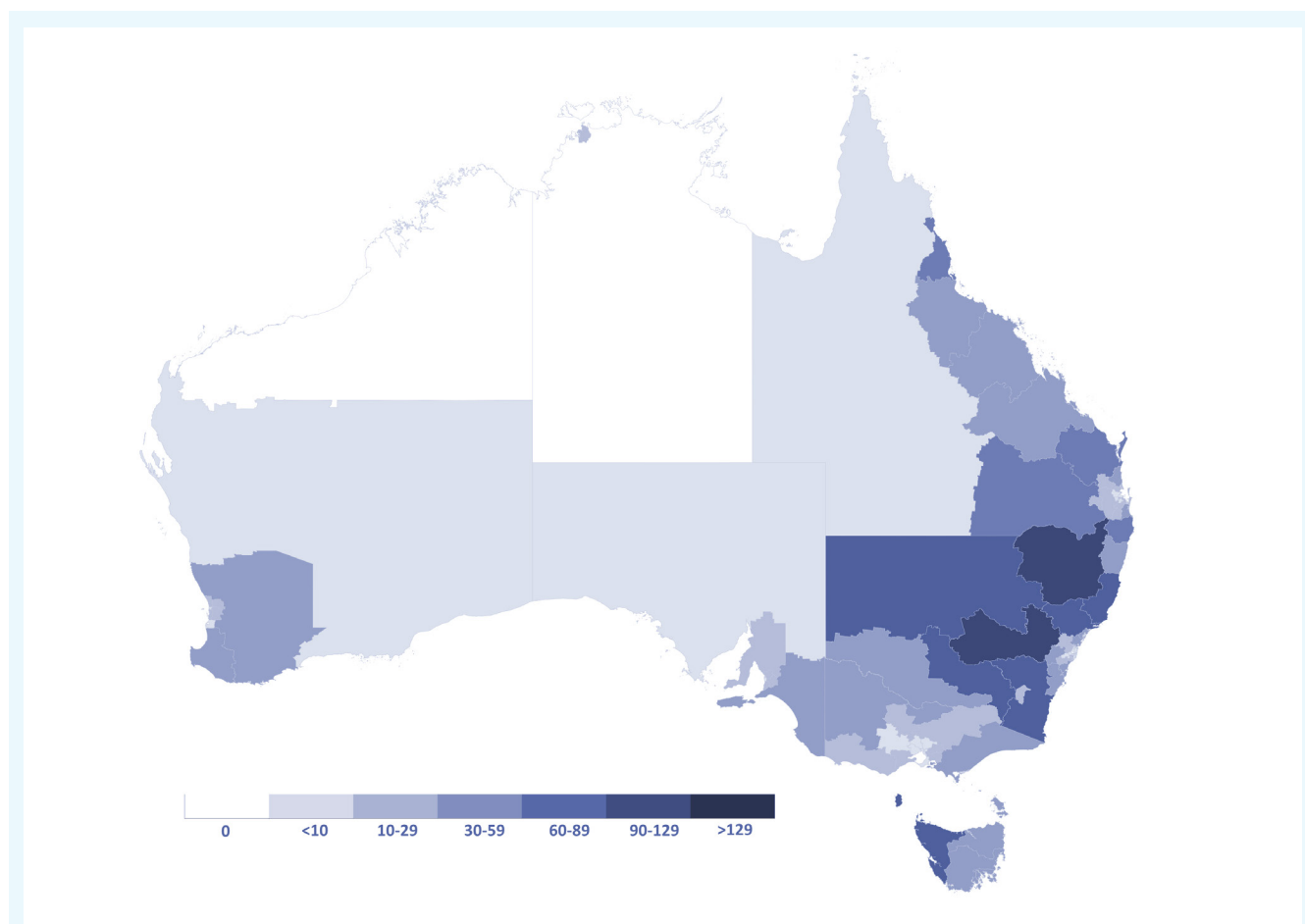
In contrast, only around 5 per cent of self-identified Indigenous sole traders and partnerships are from Western Australia, despite 24 per cent of all registered Indigenous businesses being in that state. The relatively high representation of registered businesses in Western Australia is possibly related to the ‘need to be seen’ for Indigenous construction firms to compete for procurement contracts with large mining companies. There is also a low representation of self-identified businesses in the Northern Territory, which, given its relatively large Indigenous population, suggests a low rate of Indigenous entrepreneurship. Around 1 per cent of all sole traders and partnerships respectively are from the Northern Territory, despite it having 8 per cent of registered businesses and 27 per cent of all ORIC corporations (see Figure D.2 in Appendix D).

Figure 1a: Location of self-identified sole traders, 2022



Note: These are raw counts and do not adjust for differences in the Indigenous population across regions.

Figure 1b: Location of self-identified partnerships, 2022

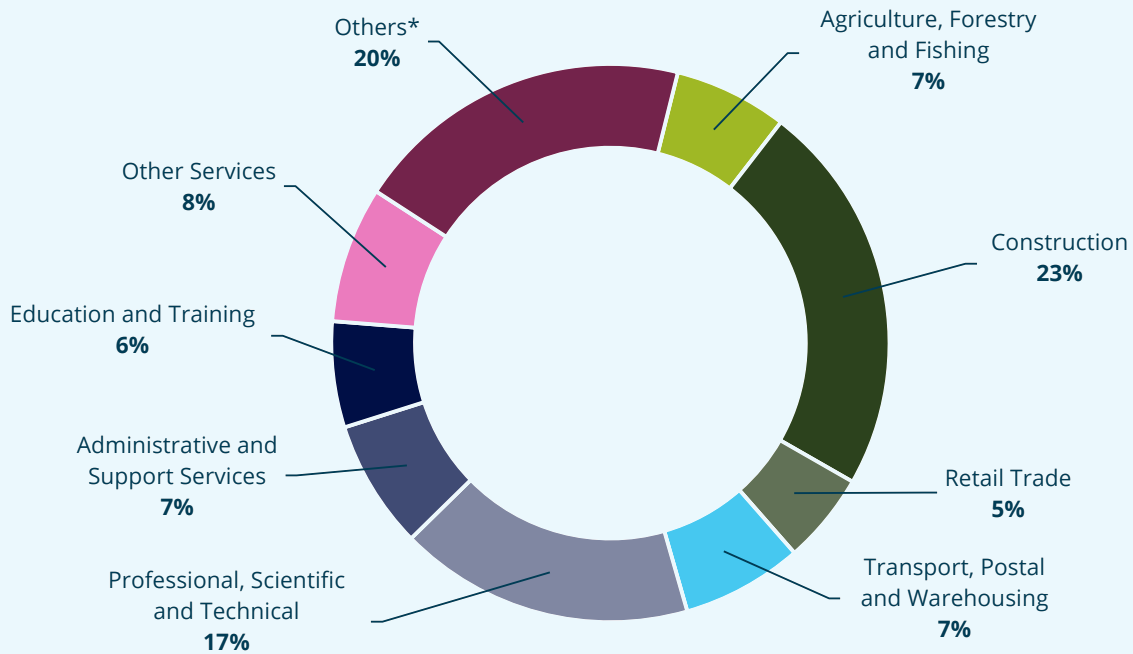


Note: These are raw counts and do not adjust for differences in the Indigenous population across regions.

When examining the sectoral representation of self-identified businesses, we produce results by registry membership to highlight differences that may reflect potential motivations to register. For sole traders (Figures 2a and 2b), who on average are the smallest firms, and who are least likely to have the capability to compete for procurement contracts, we observe only small differences in the sectoral composition of firms that are registered or otherwise. The dominant sector is Construction (23 per cent of sole traders on registries and 31 per cent of sole traders not on registries); followed by Professional, Scientific and Technical Services (17 per cent of sole traders on registries and 7 per cent of sole traders not on registries); Agriculture, Fisheries and Forestry (7 per cent of sole traders on registries and 10 per cent of sole traders not on registries) and Administrative and Support (7 per cent of sole traders on registries and 7 per cent of sole traders not on registries).

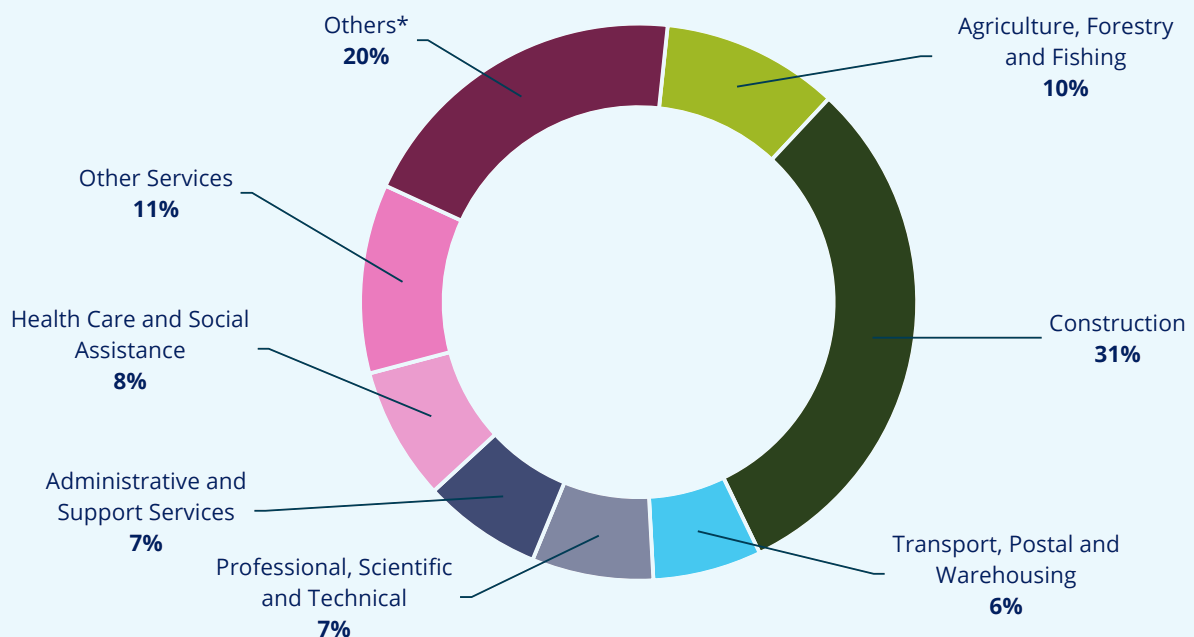
In contrast, we find much starker differences in the composition of partnerships by registry membership (Figures 2c and 2d). This could be because partnerships are better able to compete for procurement contracts, which means there is more self-selection onto registries. Among businesses on registries, the two main sectors are Construction (24 per cent) and Professional, Scientific and Technical Services (14 per cent); both are sectors that provide services to the mining industry. Among partnerships that are not on registries, the concentration in sectors is broader, including Agriculture, Fisheries and Forestry (35 per cent), Construction (19 per cent), Rental Hiring and Real Estate Services (7 per cent), Other Services (7 per cent), and Retail Trade (6 per cent). For information about the sectoral breakdown of partnerships by area into urban compared to rural and remote areas, see Figures D.3 and D.4 in Appendix D.

Figure 2a: Industry composition of alive and active sole traders on registries, 2022



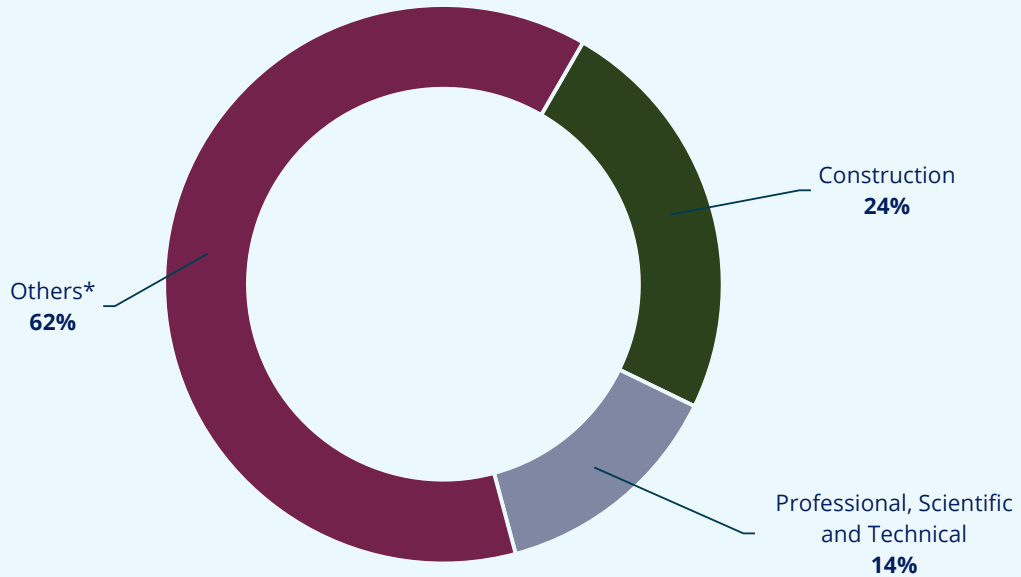
*Others each comprise less than 5% and include Mining, Manufacturing, Wholesale Trade, Accommodation and Food Services, Information Media and Telecommunication, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Public Administration and Safety, Health Care and Social Assistance, and Arts and Recreation Services.

Figure 2b: Industry composition of alive and active sole traders not on registries, 2022



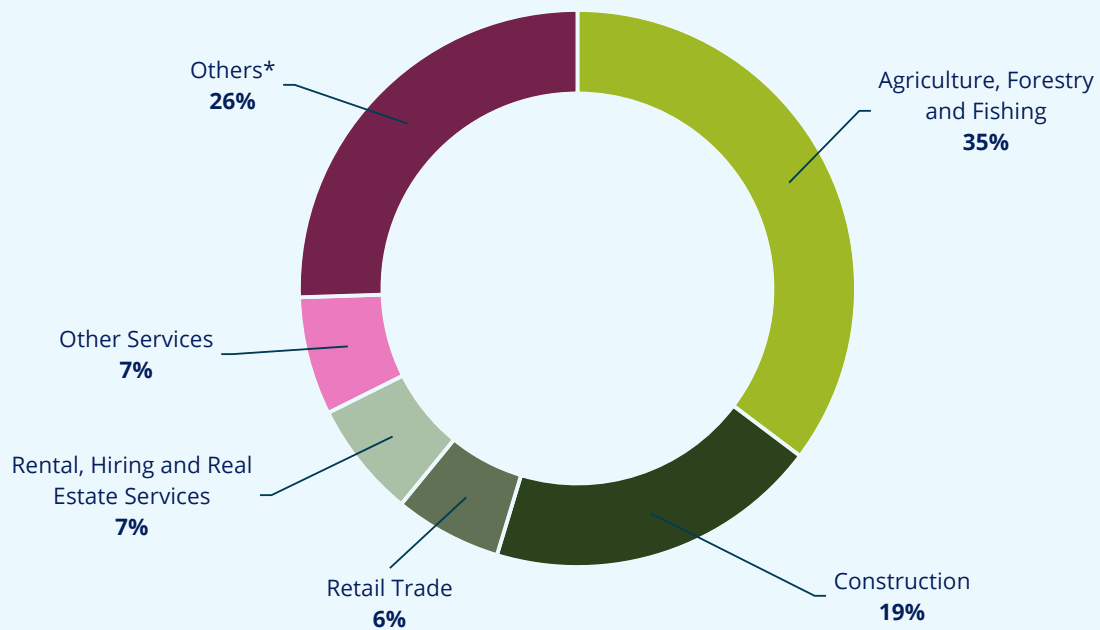
*Others each comprise less than 5% and include Mining, Manufacturing, Electricity, Gas, Water and Waste Services, Wholesale Trade, Retail Trade, Accommodation and Food Services, Information Media and Telecommunication, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Public Administration and Safety, Education and Training, Arts and Recreation Services.

Figure 2c: Industry composition of alive and active partnerships on registries, 2022



*Others each comprise less than 5% and include Agriculture, Forestry and Fishing, Mining, Manufacturing, Wholesale Trade, Retail Trade, Accommodation and Food Services, Transport, Postal and Warehousing, Information Media and Telecommunication, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Administrative and Support Services, Education and Training, Health Care and Social Assistance, Arts and Recreation Services, and Other Services.

Figure 2d: Industry composition of alive and active partnerships not on registries, 2022



*Others each comprise less than 5% and include Mining, Manufacturing, Electricity, Gas, Water and Waste Services, Accommodation and Food Services, Wholesale Trade, Transport, Postal and Warehousing, Professional, Scientific and Technical, Administrative and Support Services, Education and Training, Health Care and Social Assistance, Arts and Recreation Services, Information Media and Telecommunication, Financial and Insurance Services, and Public Administration and Safety.



Snapshot case study: The Cryogenics Group

The Cryogenics Group is a premier gas supplier and service provider with expertise spanning two vital sectors: medical and industrial. It takes pride in being a 100% Indigenous-owned business, representing a legacy of resilience and innovation. It specialises in delivering essential gases and comprehensive services tailored to the unique needs of healthcare and industrial clients. With a strong commitment to excellence, The Cryogenics Group aims to empower its customers with reliable cryogenic solutions to fuel their operations and support their missions.

In addition to gas supply, The Cryogenics Group offers a wide range of specialised services. These services include bulk vessel installation, commissioning of cryogenic systems, decommissioning of equipment, custom fabrication, and regular/ad-hoc maintenance. It is committed to providing reliable cryogenic solutions and supporting its clients' missions with safety and operational excellence.

Along with its work in the industry, The Cryogenics Group focuses on making an impact in its communities to increase economic self-determination and ensure individuals are in control of their future.

The Cryogenics Group features multiple partnerships that seek to increase social impact, including partnering with Waalitj Hub to procure services from Indigenous people seeking to grow their own businesses.

Photos courtesy of Frames by Hari.

Part Four: Impacts of COVID-19 on the Indigenous business ecosystem between 2019 and 2022

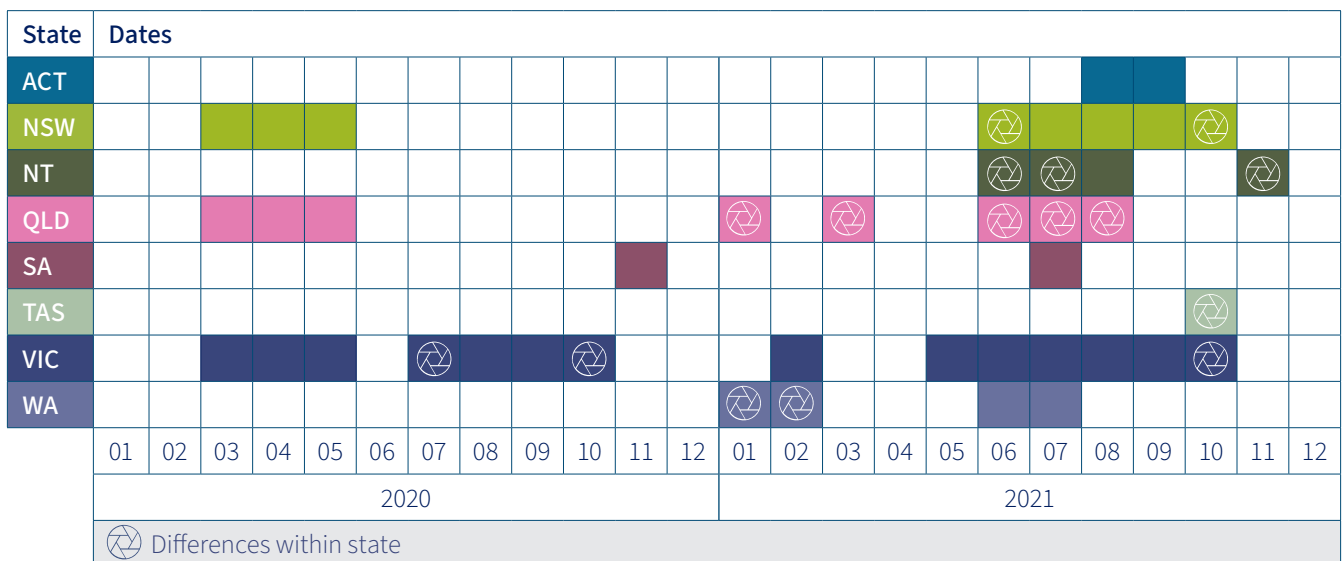
In this section we present analysis on the impact of COVID-19 on business and corporation survival rates for three parts of the Indigenous ecosystem: registered businesses, self-identified Indigenous businesses and ORIC Corporations. Understanding the extent to which Indigenous-owned businesses and corporations survived COVID-19 (up until 2022) sheds light on the strengths and pressure-points in the ecosystem that can reflect current support effectiveness and areas for support extension. This work builds upon analysis by Supply Nation (2020, 2021) that focused on early impacts of COVID-19 on firms on their registries.

Public health policy response to COVID-19

Travel restrictions (lockdowns) were one of the key public health measures to restrict the spread of the virus. Given that public health is the jurisdiction of state governments, each state set its own travel restrictions, in consultation with the Commonwealth and other state governments.

Details of within state lockdowns across Australia are presented in Figure 3. New South Wales and Victoria, the two most populated states in Australia, endured the longest (cumulative) lockdown durations in the country. In the case of Victoria, metropolitan Melbourne had a total of 262 lockdown days, one of the longest lockdown periods in the world. In contrast, Western Australia, Tasmania, the Australian Capital Territory and South Australia had relatively short periods of lockdown.

Figure 3: Within-state COVID-19 lockdown by month and state

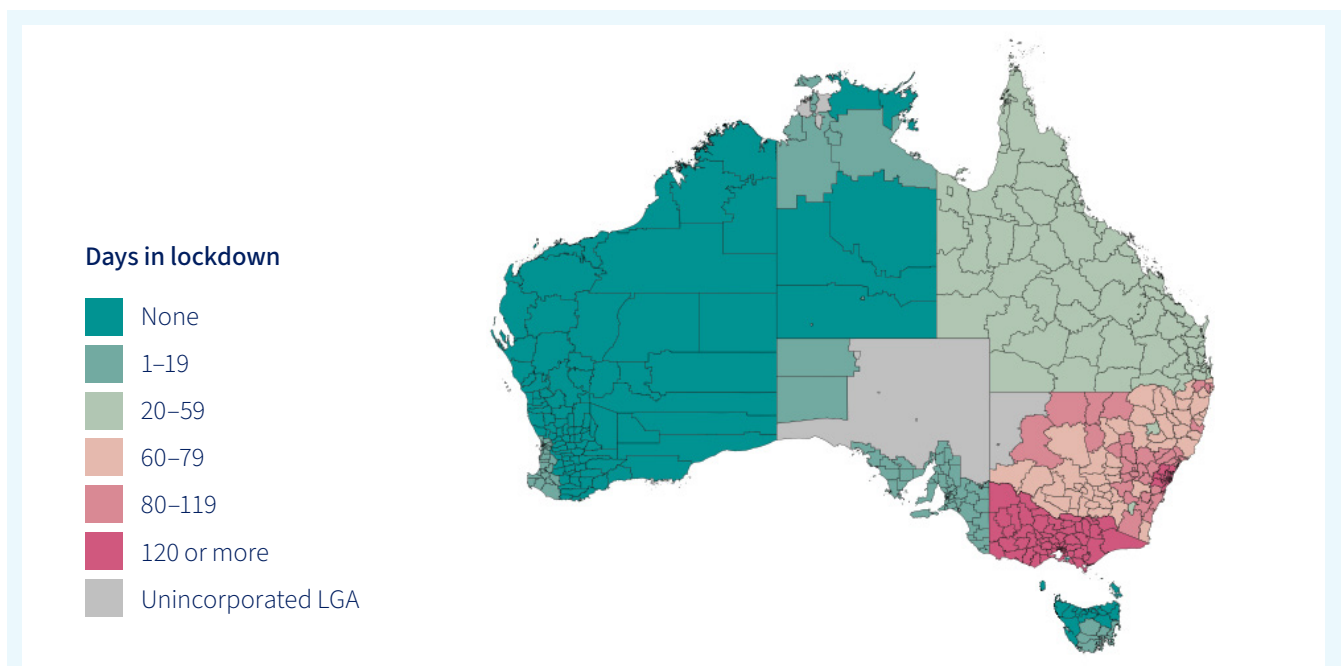


Source: Authors' calculations using the COVID-19: Stay-At-Home Orders in Australia dataset.

As well as marked variation in lockdown duration across states, there was also variation between rural and urban areas within states, for example, Perth, Sydney and Hobart had more days in lockdown than the non-urban areas of their respective states (Figure 4). Despite these differences, the classification of essential businesses (which were exempt from some of the COVID-19 restrictions) and non-

essential was much the same. Essential businesses were those deemed critical to day-to-day life and the broader economy including supermarkets, health care services, food processors, construction and public transportation. Some notable exceptions included the construction sector, which was only deemed non-essential and had to stop operating in Victoria's sixth lockdown.¹⁵

Figure 4: COVID-19 lockdown duration by local government area (LGA)



Source: Authors' calculations using the COVID-19: Stay-At-Home Orders in Australia dataset.

15 The closure lasted two weeks and costed an estimated \$2.2 billion in construction activity and \$640 million in lost wages.

Economic policy response

Public health policies to prevent the spread of COVID-19 impacted businesses of all types and sectors. The subsequent policy responses to support businesses were implemented at the state and federal level, with the main one being the federal government's JobKeeper package.¹⁶ Established in March 2020, the JobKeeper scheme provided temporary relief to Australian businesses impacted by COVID-19, ensuring those eligible could retain their employees. JobKeeper's design was motivated by three broad objectives, supporting business and job survival, preserving the employment relationship and providing needed income support.¹⁷

Eligibility for JobKeeper payments involved a two-sided approach, requiring both businesses and employees to be eligible to receive payments. Businesses were eligible for the payment if their GST turnover was estimated to fall by 30 per cent or more for a relevant comparison period, either a calendar month or quarter, between March and September 2019. This value was at least 50 per cent or more for businesses that had an aggregate turnover of \$1 billion or greater. JobKeeper payments flowed from the ATO to the employer and then to the employee in full. Employers could continue to claim JobKeeper as long as they kept paying eligible employees their fortnightly payment in full.¹⁸ Employees were eligible if they were employed regularly for longer than 12 months, were aged 16 years or over, and were Australian citizens, permanent residents or Special Category Visa holders as of 1 March 2020.¹⁹

Over its life, JobKeeper underwent a series of extensions in line with Australia's health response. The first phase of JobKeeper ran from 28 March to 27 September 2020. During this period, eligible employees received payments of \$1,500 per fortnight. The second phase of JobKeeper was a two-part extension that ran from 28 September 2020 to 3 January 2021 (Part 1), and again from 4 January to 28 March 2021 (Part 2). Part 1 of the extension introduced a tiered payment structure based on number of hours worked (weekly). Individuals who worked at least 20 hours received a payment of \$1,200 per fortnight, and individuals who worked less than 20 hours received \$750. Part 2 of the extension saw payments lowered to \$1,000 per fortnight for individuals working at least 20 hours, and \$650 for individuals working less than 20 hours.²⁰

Other Commonwealth support included JobMaker and early access to superannuation. The JobMaker Hiring Credit Scheme, which ran between 7 October 2020 and 6 October 2021, provided incentives for businesses to engage in job creation by funding new positions for young people aged 16–35.²¹ Temporary early access to superannuation provided individuals whose employment circumstances were impacted by COVID-19 access to up to \$10,000 tax-free of their retirement savings across the 2019–20 and 2020–21 financial years.²² The scheme was accessed by 4.55 million applicants over its life, with requested funds totalling \$37.8 billion.²³ State and territory government support was estimated to be around \$233 billion, providing a sizeable contribution to the economic recovery of Australian businesses.²⁴

16 The JobKeeper Payment: Three-month review (2020). <https://treasury.gov.au/sites/default/files/2020-07/jobkeeper-review-executive-summary.pdf>

17 Independent evaluation of the JobKeeper Payment final report (2023). <https://apo.org.au/sites/default/files/resource-files/2023-10/apo-nid324801.pdf>

18 JobKeeper Payment – Information for employers (2020). https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet_Info_for_Employers_2.pdf

19 For more details of JobKeeper eligibility conditions see <https://treasury.gov.au/sites/default/files/2020-07/jobkeeper-review-executive-summary.pdf>, https://treasury.gov.au/sites/default/files/2020-04/JobKeeper_frequently_asked_questions_2.pdf.

20 For further details regarding payment, see Independent Evaluation of the JobKeeper Payment (2023). <https://apo.org.au/sites/default/files/resource-files/2023-10/apo-nid324801.pdf>

21 JobMaker hiring credit scheme (2020). <https://www.ato.gov.au/individuals-and-families/financial-difficulties-and-disasters/covid-19/jobmaker-hiring-credit>

22 Early access to superannuation (2020). https://treasury.gov.au/sites/default/files/2020-04/Fact_sheet-Early_Access_to_Super.pdf

23 COVID-19 Early release of super (2023). <https://www.ato.gov.au/about-ato/research-and-statistics/in-detail/super-statistics/early-release/covid-19-early-release-of-super>

24 A perspective on the financial system through COVID-19 and beyond (2022). <https://www.industry.gov.au/news/perspective-financial-system-through-covid-and-beyond>

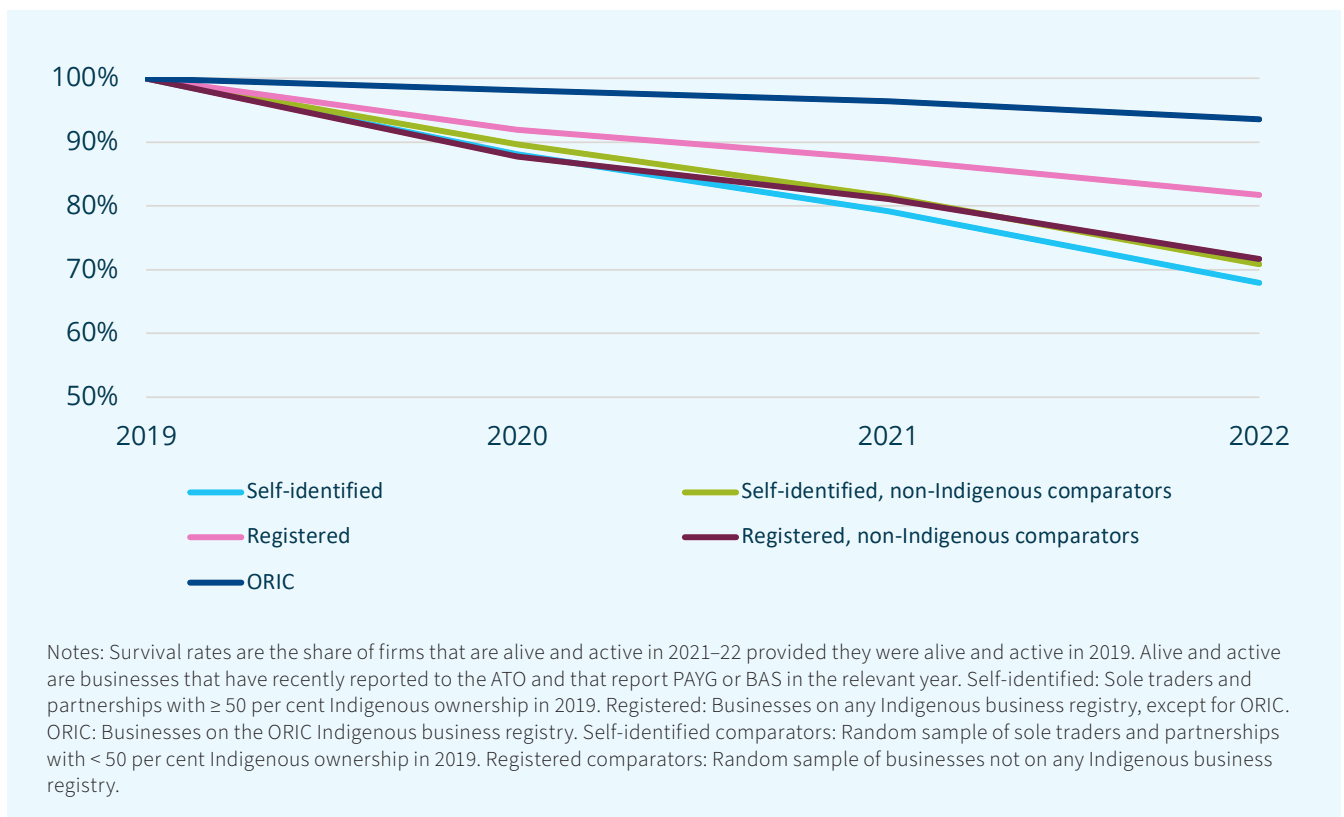
Measuring impacts

To estimate the impacts of COVID-19, we examine the survival rates of Australian Indigenous-owned registry and self-identified businesses that were alive and active just prior to the start of the pandemic in 2019. We have chosen to study survival rates for simplicity and because it was a central policy objective of government support. In our context, survival rate is the proportion of businesses that were alive and active (trading) in 2019 and still alive and active in each subsequent year until 2022. Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. For the initial year, 2019, the survival rate is equal to 1 by construction. Please note that the survival rates defined here are not directly comparable to the COVID-19 firm survival rates estimated by others, including the Reserve Bank of Australia (RBA), the ABS and Indigenous Business Australia.²⁵

To put survival rates of Indigenous-owned firms into context, we construct two comparison groups of non-Indigenous businesses: one for registry businesses and one for self-identified Indigenous businesses. Each comparison group is constructed by drawing a random sample of 20,000 non-Indigenous businesses that were alive and active in 2019. For the comparison group of self-identified businesses, we draw only from sole traders and partnerships that do not self-identify as Indigenous.

In the analysis that follows, we first present raw descriptive statistics on the survival rates of Indigenous-owned businesses and corporations compared to non-Indigenous comparators and then seek to understand what factors may be associated with differences in survival rates using multivariate regression analysis. Finally, we present raw descriptive statistics across various Indigenous-owned business and corporation subgroups.

Figure 5: Post-COVID-19 survival rates of Indigenous-owned businesses and corporations and their non-Indigenous comparators



²⁵ In their work, these institutions use different samples and definitions for survival rates or measure the impact of the pandemic across other labour and economic dimensions.

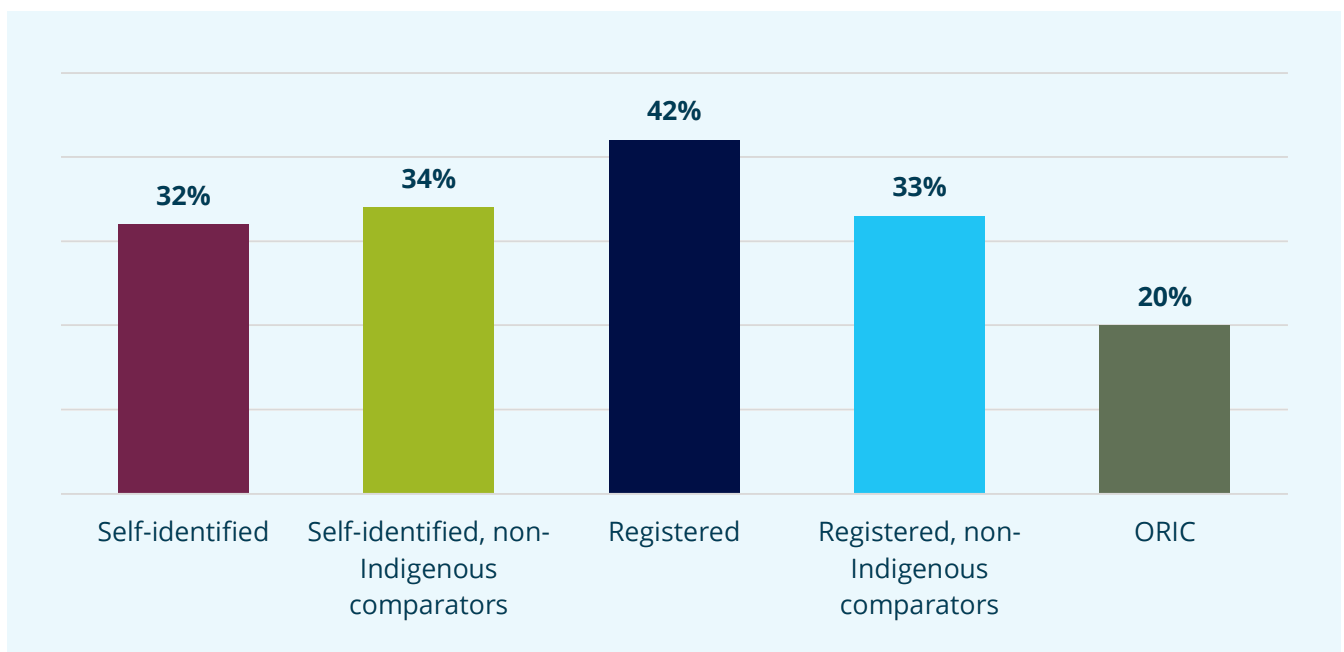
Overall business survival rates

Within the Indigenous business ecosystem, self-identified Indigenous businesses appear to have been impacted the most by COVID-19, with only 68 per cent of alive and active businesses in 2019 surviving until 2022, compared to 82 per cent for registered businesses and 94 per cent for ORIC corporations (see Figure 5 and Table 8). When compared to their non-Indigenous comparators, self-identified Indigenous businesses fared slightly worse (3 percentage points lower), and registry businesses proved to be more robust (10 percentage points higher) in terms of their survival rate to 2022.

There are many reasons why we observe differences in the raw post-COVID-19 survival rates between Indigenous-owned businesses and their non-Indigenous comparators, but the main ones include the following.

- (a) Differences related to Indigenous and non-Indigenous business characteristics, such as turnover,²⁶ firm size, firm type, state, location, sector and firm age, non-profit status, capital expenditure and total expenditure;
- (b) Differences in access to government support, especially JobKeeper and preferential procurement policies. Data presented in Figure 6 shows that self-identified Indigenous businesses were less likely to receive JobKeeper payments compared to their non-Indigenous sole trader and partnership comparators (32 per cent versus 34 per cent), whereas registered businesses were more likely to receive JobKeeper (42 per cent versus 33 per cent).
- (c) Differences in the personal circumstances of Indigenous and non-Indigenous owners, for example, caring responsibilities, health status, wealth and discrimination.

Figure 6: Proportion of businesses and corporations that receive any JobKeeper payments, 2020 to 2022



²⁶ We adjust for differences in turnover by including controls for log of annual income and also a binary dummy for whether turnover is less than or equal to \$10 million, an indicator for small-medium enterprises.

To gauge the importance of these explanations we use ordinary least squares multivariate regression analysis to measure how much of the gap in survival rates between Indigenous-owned and non-Indigenous businesses in 2022 (Figure 5) can be attributed to differences in firm characteristics (a) and JobKeeper (part of (b)). This is done by observing how the estimated gap between Indigenous and non-Indigenous businesses changes when we independently adjust for differences in each characteristic, and the change when all characteristics are adjusted for at once, which helps us to understand the contribution of each factor to the total difference observed in Figure 5. For self-identified Indigenous businesses, any remaining gap when all the characteristics are adjusted is likely to be related to explanation (c) above; while for registered businesses, it may be related to (c) and differences in access to preferential procurement (part of (b)).²⁷

Regression results are presented in Table E.1 in Appendix E. For self-identified businesses, our regression results suggest that differences in characteristics (a) and access to JobKeeper (part of (b)) between Indigenous-owned and non-Indigenous firms are relatively minor and do not explain the differences in survival rates observed in Figure 5. Overall, adjusting for differences in survival rates due to differences in firm characteristics and JobKeeper access *increases* the gap slightly from 3 percentage points to 3.4 percentage points. This does not mean that JobKeeper was not important to business survival, but that differences in access were not large enough to significantly explain the gap in survival. The gap is a little larger with adjustments because self-identified sole traders and partnerships are more likely to be in regions (especially in rural and remote areas) where the rates of post-COVID-19 survival were relatively high, which more than compensates for their lower rate of JobKeeper. Our overall conclusion is that the gap in survival rates for sole traders and partnerships most likely reflects greater difficulties for Indigenous sole traders and partnerships in managing the impacts of COVID-19, which may reflect greater caring responsibilities, less wealth accumulation or greater perceived health risks in continuing to trade. Unpacking this result further requires more data development and will be a topic of future research.

Regression results for registry businesses are different. Compared to self-identified Indigenous businesses, we find registry businesses are more dissimilar to their non-Indigenous comparators, so differences in firm characteristics explain much of the difference in survival rates. Specifically, registry businesses are on average larger than their non-Indigenous comparators, and larger firms on average were more likely to survive COVID-19 than smaller ones. When we use the regression model to adjust for this difference, the advantage in survival rates of registered businesses falls from 10 percentage points to 5 percentage points. Going further, after adjusting for all differences in firm characteristics (in our data) and JobKeeper access between Indigenous and non-Indigenous-owned businesses, we find that registry businesses are still around 2.4 percentage points more likely to have survived COVID-19 compared to non-Indigenous comparators. This 2.4 percentage point higher survival rate in 2021–22 may be because registry businesses had access to preferential procurement contracts during COVID-19. Further exploration of this issue will be a topic of future analysis.

Analysis across businesses and corporation subgroups

In Table 8, we present survival rates (akin to those in Figure 5) for sub-groups of Indigenous-owned business and corporations in 2022, along with those of their non-Indigenous comparators. This subgroup analysis allows us to better understand the parts of the Indigenous business ecosystem that were particularly affected by COVID-19. The comparison with non-Indigenous businesses helps to provide a reference point for understanding whether the impacts were specific to Indigenous-owned firms or not.

²⁷ The unexplained gap is unlikely to be related to preferential procurement for self-identified Indigenous businesses because they mostly do not appear on registries that are used for procurement.

Table 8: Post-COVID-19 2019 to 2022 survival rates of sub-groups of Indigenous-owned businesses and corporations and their non-Indigenous comparators

	Self-identified	Self-identified Comparators	Registered	Registered Comparators	ORIC
Overall Survival Rate	0.68	0.71	0.82	0.72	0.94
Firm Size					
Small–Medium (<\$10 mill.)	0.68	0.71	0.8	0.71	0.93
Large	< 10	1	0.99	1	1
Business Type					
Sole traders	0.64	0.69	0.58	0.62	N/A
Partnerships	0.74	0.75	0.7	0.75	N/A
Business Sector					
Agriculture, Forestry and Fishing	0.76	0.8	0.8	0.8	0.87
Accommodation and Food Services	0.63	0.64	0.76	0.69	< 10
Arts and Recreation Services	0.68	0.71	0.65	0.8	0.96
Construction	0.67	0.7	0.83	0.71	< 10
Health Care and Social Assistance	0.68	0.78	0.92	0.79	0.96
Professional, Scientific and Technical Services	0.66	0.68	0.79	0.7	0.93
State					
ACT	0.67	0.62	0.9	0.72	0.64
NSW	0.69	0.71	0.84	0.72	0.94
NT	0.59	0.69	0.82	0.75	0.95
QLD	0.67	0.7	0.81	0.7	0.91
SA	0.68	0.73	0.86	0.73	0.95
TAS	0.72	0.76	0.78	0.73	< 10
VIC	0.66	0.7	0.78	0.72	1
WA	0.65	0.71	0.81	0.71	0.95
Location type					
Metropolitan	0.67	0.72	0.85	0.77	0.93
Rural	0.75	0.8	0.84	0.8	0.94
Remote	0.77	0.83	0.88	0.83	0.93
JobKeeper					
Recipient	0.83	0.85	0.93	0.9	1
Non-recipient	0.6	0.63	0.73	0.63	0.92
Firm Age					
Three years or less	0.56	0.56	0.78	0.6	0.9
More than 3 years-old	0.71	0.74	0.83	0.74	0.94

Notes: Survival rates are the share of firms that are alive and active in 2021–22 provided they were alive and active in 2018–19. Alive and active are businesses are those that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. Indigenous ownership level is proportion of owners who self-identify as Indigenous in one of various ABS administrative data sources. <10 means that there are fewer than 10 businesses and the number is suppressed to preserve anonymity.

The strong survival rates of registered construction companies suggests that preferential procurement policies played a major role in protecting registry businesses from the worst of COVID-19 impacts. We find that 83 per cent of registry firms in construction (the largest sector amongst registered businesses) survived. This rate is much higher than the survival rates of construction companies that are generally not eligible for preferential procurement – 13 percentage points higher than non-Indigenous construction firms and 16 percentage points higher than self-identified construction firms. Except for Victoria’s sixth lockdown, the construction sector was treated as an essential sector and continued to operate through the pandemic. This result adds weight to the conclusion of the regression analysis above, which showed high survival rates of registry businesses compared to non-Indigenous firms were partly due to the businesses’ Indigenous status, independent of differences in firm characteristics and access to JobKeeper.

We observe stark differences in the survival rates of registered firms that did, and did not, access JobKeeper – 94 per cent compared to 73 per cent. Considering that the program was targeted at firms that were more severely impacted by COVID-19 based on their fall in revenue between March and September 2019, this points to a possible ameliorating effect of JobKeeper. However, we should be wary of this interpretation. It is also possible that causation may work in the opposite direction, that is, the firms that survived the initial economic shock of COVID-19 were the ones that were able to take advantage of JobKeeper.

A key result for self-identified Indigenous businesses – again consistent with the findings suggested by the regression analysis above – is that self-identified Indigenous businesses in rural and remote areas were more likely to survive COVID-19 than their metropolitan colleagues – 75 and 77 per cent survival, respectively, compared to 67 per cent. Self-identified businesses in rural and remote areas were more protected from COVID-19 impacts because these areas were less impacted by lockdown and were also more likely to be in Agriculture, Fisheries and Forestry (see Figures 2a, 2b and 3) – a sector that was relatively unaffected (76 per cent survival among self-identified Indigenous businesses).

A less rosy statistic is the 64 per cent survival rate of self-identified Indigenous sole traders, compared to 74 per cent for self-identified partnerships. Sole traders are small firms and are less likely than other business types to have employees, which means that much of the responsibility for keeping these businesses operational during COVID-19 fell on the owner-manager. These pressures, combined with financial pressures and those of managing the domestic impacts of lockdown, such as caring for and protecting family and others in the community, may have been too much. Self-identified Indigenous sole trader survival rates were also lower than for their non-Indigenous comparators (69 per cent). This result is consistent with the conclusion made in the regression analysis, that the lower rate of survival of self-identified Indigenous businesses, relative to non-Indigenous comparators, may be related to more difficult circumstances of Indigenous sole traders during COVID-19.

As may be expected, only 56 per cent of young self-identified Indigenous businesses (businesses in existence for 3 years or less) survived to 2022, although this rate is the same as for their non-Indigenous comparators. In general, young firms are more likely to fail anyway because they are more highly geared due to the often large set-up costs and the time required to establish themselves in the market. The fact that young self-identified Indigenous businesses did not fail at a higher rate than their young non-Indigenous comparators suggests that they had similar risk profiles.

We find similar impacts across states despite differences in the duration of lockdown. An exception is self-identified Indigenous businesses in the Northern Territory, of which there were around 100 in 2019. Their 59 per cent survival rate compares to 69 per cent for non-Indigenous comparators in the Northern Territory. Northern Territory self-identified businesses are on average much younger than their non-Indigenous comparators and hence may have found it more challenging to survive.

As for registry firms, we observe large differences in the rates of survival between self-identified businesses that did, and did not, access JobKeeper. Among the third of all self-identified Indigenous business who received JobKeeper, 83 per cent survived to 2022, compared to 60 per cent among those that did not.²⁸ As discussed above, this relationship is not necessarily a causal impact of JobKeeper on survival rates.

²⁸ It is important to stress that the regression results discussed above found that the small difference in JobKeeper access between self-identified Indigenous businesses and their non-Indigenous comparators did not explain much of the gap in survival rates from Figure 5. This does not mean that JobKeeper did not have any impact on survival rates.

Part Five: Key learnings and future developments

The IEPP aims to build a national longitudinal Indigenous business dataset by highlighting Indigenous businesses within the ABS population BLADE dataset and by expanding its capacity as a tool for program evaluation. In achieving this aim, the project will make visible the economic contribution of the Indigenous business ecosystem, and through research, help develop a better understanding of the ecosystem and how best to support its continual growth and development. This involves supporting future work to understand the impacts of existing government programs such as preferential procurement policies.

In collaboration with the ABS and Indigenous business data custodians, recent data development has focused on expanding our registries and developing a more complete picture of self-identified Indigenous sole traders and partnerships. **In this report, we produce first statistics on the economic contribution of this broader Indigenous business and corporation ecosystem**, including a close look at population-level data of Indigenous-owned sole traders and partnerships and how different parts of this ecosystem fared during COVID-19.

In what is the most complete picture to date, we show that the Indigenous business and corporation ecosystem comprises 13,693 trading firms, including 5,270 registered businesses, 911 ORIC corporations and 8,793 Indigenous-owned sole traders and partnerships (only 370 of which are also on registries). In terms of economic contribution, the ecosystem generated around \$16.1 billion in revenue, which is comparable in size to the \$16.05 billion in revenue generated by the timber industry in 2021–22.

Total ecosystem employment is estimated to be 116,796, around the same as the national workforce of Coles supermarkets, with a total wage bill of \$4.2 billion. Around 70 per cent of the revenue and jobs generated comes from registered businesses. The number of Indigenous-owned sole traders has increased dramatically in the last 10 years, from 1,951 in 2012 to 5,377 in 2022, an annual average growth of 11 per cent. Growth in Indigenous-owned partnerships has been more moderate, increasing from 1,774 to 3,124 over the same period, or an annual average growth rate of 6 per cent. Indigenous-owned sole traders and partnerships are more likely to be in rural and remote areas with 56 and 79 per cent respectively, compared to 42 per cent of registry businesses. **These figures paint a picture of a vibrant ecosystem that is contributing significantly to Australia's economy and enabling Indigenous economic self-determination and spillover benefits to the wider society, including sharing of Indigenous knowledge and culture, breaking-down of social barriers and the building of trust.**

Our analysis of COVID-19 uncovers two different stories of impact on the Indigenous business ecosystem, with implications for the targeting of government support more generally for the sector. **We find that 82 per cent of registry businesses that were trading in 2018–19 have been able to continue trading (survived) until 2021–22. When compared to the 72 per cent survival rate of non-Indigenous businesses that were also trading in 2018–19 over this period, this is a strong result.** Statistical analysis suggests that is in part due to the strong financial position of registry businesses coming into the pandemic, but also because these businesses, especially in Construction, continued to benefit from preferential procurement policies. In contrast, we find that small Indigenous-owned firms, especially sole traders, that were not on registries and that do not typically compete for procurement contracts, were more affected by COVID-19. Only 64 per cent of Indigenous-owned sole traders trading in 2018–19 survived to 2021–22. While it is true that small firms were more vulnerable in general, compared to the rate of survival of non-Indigenous sole traders (69 per cent) the rate is low, especially when considering they are more likely to be in sectors and regions that were less impacted. **Our statistical analysis points to the possibility that personal circumstances of Indigenous sole traders, such as caring responsibilities for family and community and more limited wealth, may have made it difficult for Indigenous sole traders to navigate COVID-19.**

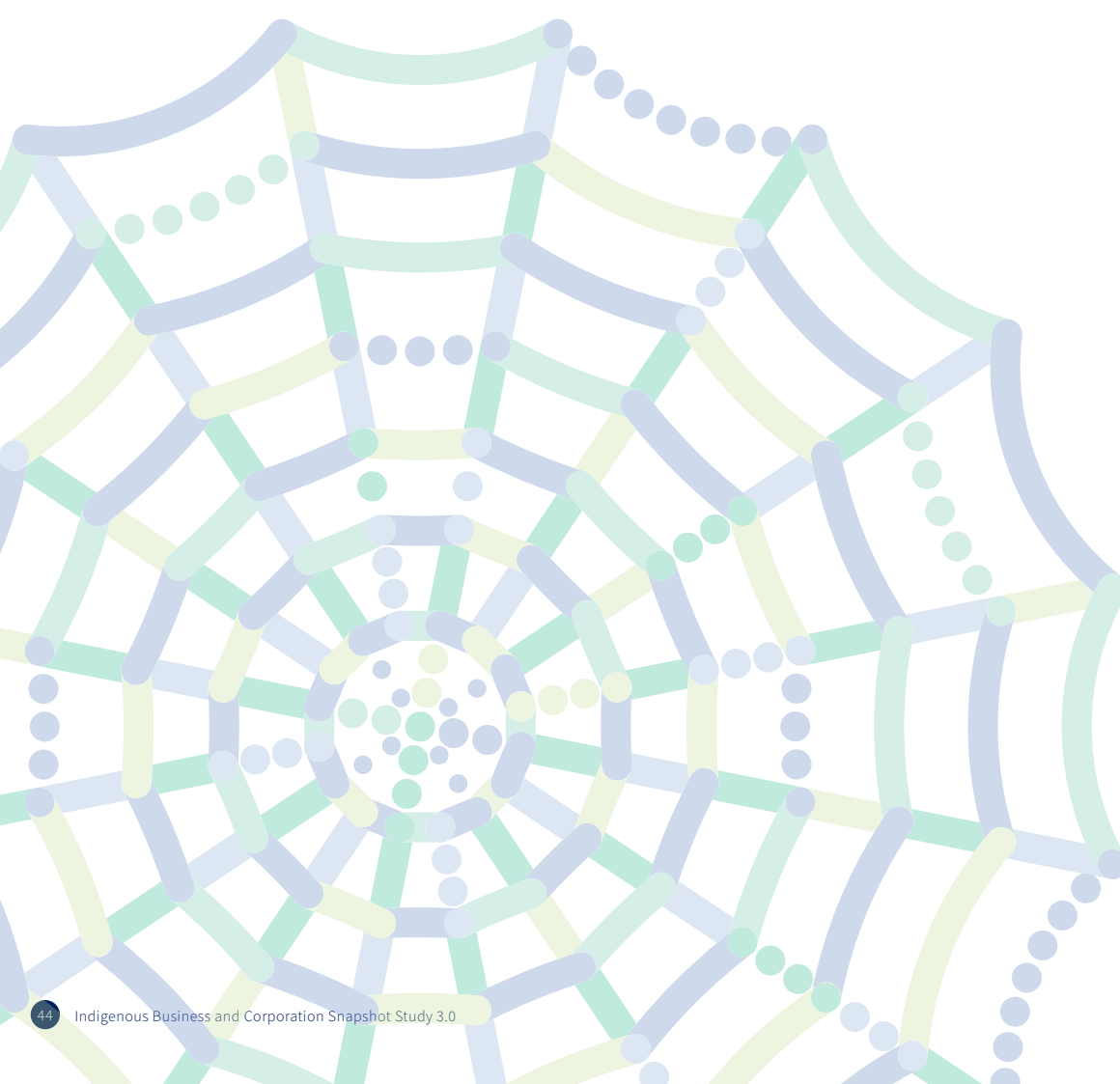
These two stories of COVID-19 reflect two distinct segments of the Indigenous business ecosystem. The first and largest, is registered Indigenous businesses, which are typically strong, resilient, well- equipped for procurement and generate over 80,000 jobs in total. The second is small Indigenous-owned sole traders and partnerships who employ few people, are not typically well-equipped for procurement and are less resilient but fast growing in number, with the promise to be more significant players if they can become sustainable.

As well as continuing to support registry businesses through preferential procurement policy, which is appropriate given that registry businesses are large employers, governments should also focus on how best to support small Indigenous businesses in scaling-up their activities to compete for procurement contracts and become more sustainable. Important factors for small Indigenous businesses are their business stage and their capacity to scale-up. Many smaller businesses do not have sufficient equity to scale-up and many are happy with the scale of their operations. While opportunities exist in the Indigenous business ecosystem now, how to take these opportunities is a key challenge for small Indigenous businesses. Developing business acumen and business networks for Indigenous business leaders is central to meeting the challenges ahead.

Another challenge for small Indigenous businesses is the finance markets, which is not yet ready to provide capital to small businesses in their early stages. The finance market needs to actively and authentically meet the growth and interest in the Indigenous business ecosystem. Such measures need to be designed in a way to address the barriers that small Indigenous businesses owners face in establishing and growing their businesses, including access to capital. This may warrant further research. However, the targeting of any support for Indigenous-owned partnerships will depend crucially on the Indigenous ownership criteria. **New data produced in this study shows that 88 per cent (2,680 of 3,046) of all currently trading partnerships with 50 per cent Indigenous ownership would be excluded if the definition of an Indigenous business is resolved to be 51 per cent or more.**

While uncovering self-identified Indigenous sole traders and partnerships has provided a fresh perspective on the Indigenous business ecosystem, more work is needed to meet the aims of the project. First, for a complete picture of all self-identified Indigenous businesses in Australia, future work will extend coverage of our data to include information on self-identified Indigenous companies. This work is crucial to providing insights into how tightening access to preferential procurement by increasing minimum Indigenous ownership beyond 50 per cent is likely to affect procurement outcomes and potentially flow-on effects to community, including Indigenous employment. The ABS is currently undertaking work to build company ownership data that could similarly be linked to administrative Indigenous identifiers and companies in BLADE.

Second, we are extending the COVID-19 analysis to explore, in more detail, the circumstances of Indigenous sole traders and how the pandemic impacted their business survival, which can point to possible support measures. Third, we also plan to integrate federal government procurement (AusTender and Indigenous Preferential Procurement Reporting Solution) and grant (Grant Connect) data that will enable analysis of the outcomes and impacts from government procurement and grant programs. Finally, future snapshot studies will also focus on Indigenous employment outcomes associated with the Indigenous business and corporation ecosystem, including analysis of training investments, job retention, career progression and pay levels.



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Appendix A:

Business registries

The **MBS (Melbourne Business School) database** comprises alumni from the MURRA Indigenous Business Master Class Program, running since 2012. The 12-day course provides entrepreneurs with an understanding of the key elements of business success — marketing, strategy, finance, people and talent management, negotiation, and leadership. Upon graduating, individuals and their firms become a part of the MURRA alumni community, which includes post-program activities, engagement, showcasing and alumni networking events. The program is aimed at Indigenous people with at least two years' experience of owning/operating a business, or leaders in senior leadership positions (including corporate, government, not-for-profit or registered native title body corporate). Given the selection criteria, the MBS registry is likely to capture newly established businesses that may be looking to enter a growth phase but may not capture newly minted firms. The ABNs of all MBS MURRA alumni who agreed to be part of this study were provided to the ABS. Importantly, we removed non-Indigenous businesses associated with those Alumni who hold managerial or leadership positions in non-Indigenous businesses and government. The MBS database contained 257 businesses as of April 2023.

ICNL (Industry Capability Network Limited) registry data is from the ICNL Gateway, an online business networking platform established in 2003 that contains a searchable database of more than 80,000 suppliers, with the aim of streamlining project procurement to meet local and Australian industry procurement policy and participation requirements. There are two routes to registering Indigenous businesses in the ICNL Gateway. First, Indigenous businesses can voluntarily register their own profile at no cost and are asked to identify whether their business is Indigenous owned and, if so, to what level (percentage), and whether the ownership has been verified. Alternatively, Indigenous businesses registered with the Aboriginal Business Directory Western Australia (ABDWA) (Chamber of Commerce and Industry WA) and Black Business Finder (developed by ICNL for the Queensland Government) are automatically included in the ICNL Gateway. To be registered in ABDWA, Indigenous businesses must be at least 50 per cent Aboriginal owned and, in addition, have Aboriginal interests represented in the entity's management and operation. The ABDWA also includes incorporated Aboriginal organisations, which require at least 50 per cent of the controlling board of management to be Aboriginal and Aboriginal interests represented in the entity's operation. Businesses in Black Business Finder must be at least 50 per cent Indigenous owned. Indigenous ownership of businesses on Black Business Finder and ABDWA is not always verified. ICNL provided all self-identified Indigenous businesses (5,273) from their Gateway at April 2023 for integration into BLADE, including businesses that were no longer trading. See <https://abdwa.icn.org.au/> and <http://www.bbf.org.au/index.asp> for Aboriginal Business Directory and Black Business Finder respectively.

The **DJPR (Department of Jobs, Precincts and Regions) data** is from the Victorian Aboriginal Business Directory (VABD), which is managed by DJPR. The main purpose of the Directory is to promote the goods and services of local Indigenous businesses, including for procurement. To register (online) business must be at least 50 per cent Indigenous owned, although ownership is not automatically verified. VABD mostly contains businesses that are registered with the Victorian Aboriginal Chamber of Commerce (Kinaway) Directory, established in 2018. To be registered on the Kinaway Directory, businesses must provide Aboriginality documents and documents of ownership. Data provided by DJPR was for 507 registered businesses as of April 2023.

The Waalitj Hub is a collection of Indigenous businesses that have accessed Waalitj Foundation services since the inception of 'the Hub' in 2020. The Hub's objective is to help the Indigenous business sector thrive in Western Australia. Services normally include a meeting with a Waalitj business coach, who will recommend tailored support services that meet individual business requirements. Participating businesses come from across the business life cycle, from start-ups to mature businesses. The Hub registry is not made public for the purposes of promoting procurement opportunities, in contrast to the Supply Nation, DJPR or ICNL registries. However, Waalitj does work closely with government and the business community to advise procuring organisations on how to meet their targets, and it connects businesses with procurers. Data provided included 458 businesses registered as of April 2023.

The **ORIC database** contains information on all Indigenous corporations dating back to 1979 under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth)* (CATSI Act) or its predecessor, the *Aboriginal Councils and Associations Act 1976 (Cth)*. However, the ORIC database does not include all Indigenous corporations. Indigenous corporations can still be registered under the *Corporations Act 2001 (Cth)* or under state/territory legislation. ORIC corporations are mostly not-for-profit organisations that are established to benefit members, as spelt out in individual corporation rules (see Part Three for more details). Being not-for-profit, ORIC corporations are prohibited from distributing profits to members. ORIC data is held primarily to support its main purpose, which is to administer the CATSI Act. This function includes:

- registration of corporations under the Act;
- helping corporations comply with rules and regulations; and
- supporting and advising corporations on delivering good outcomes for their communities.

The ORIC data provided for integration into BLADE was the complete dataset from April 2023, which contained information for 6,936 corporations.

National Indigenous Australians Agency (NIAA) database contains a list of all businesses that have been verified as eligible for Commonwealth Indigenous Procurement Policy (IPP) from July 2015 to supply of data, June 2023.²⁹ The list contains 6,006 businesses, including, but not limited to, businesses that are registered and verified by Supply Nation. The registry is used exclusively for the purpose of determining eligibility for IPP.

²⁹ <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-procurement-policy>

Appendix B:

Registry—BLADE linkage rates

Figure B.1: ORIC linkage rates

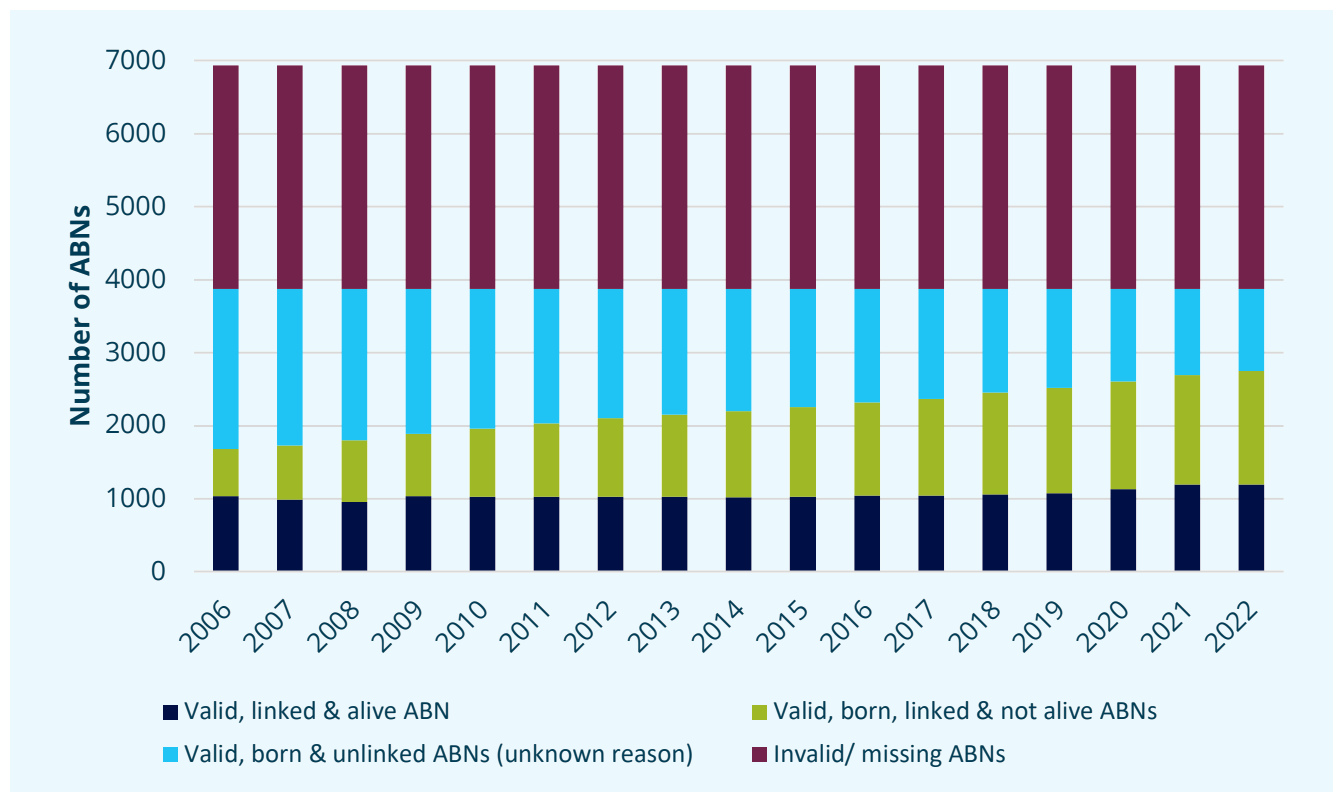


Figure B.2: ICNL linkage rates

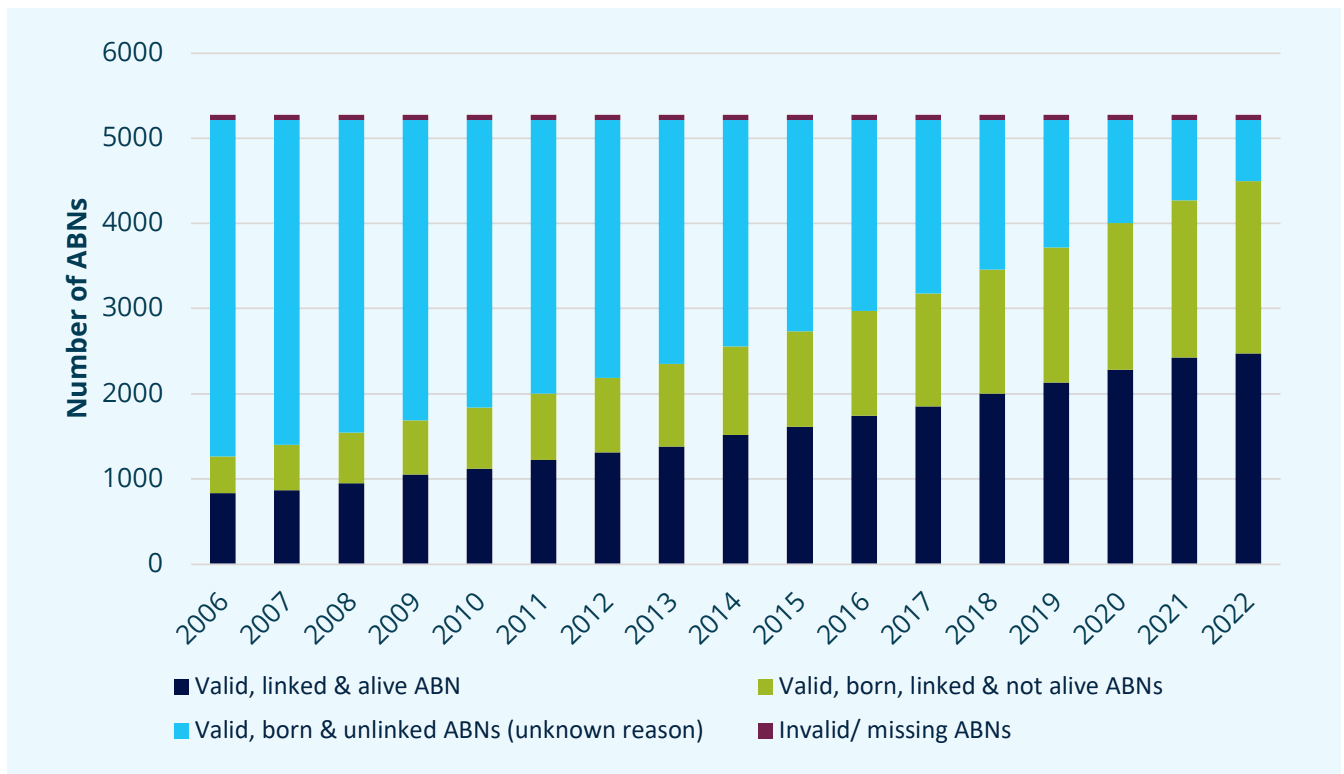
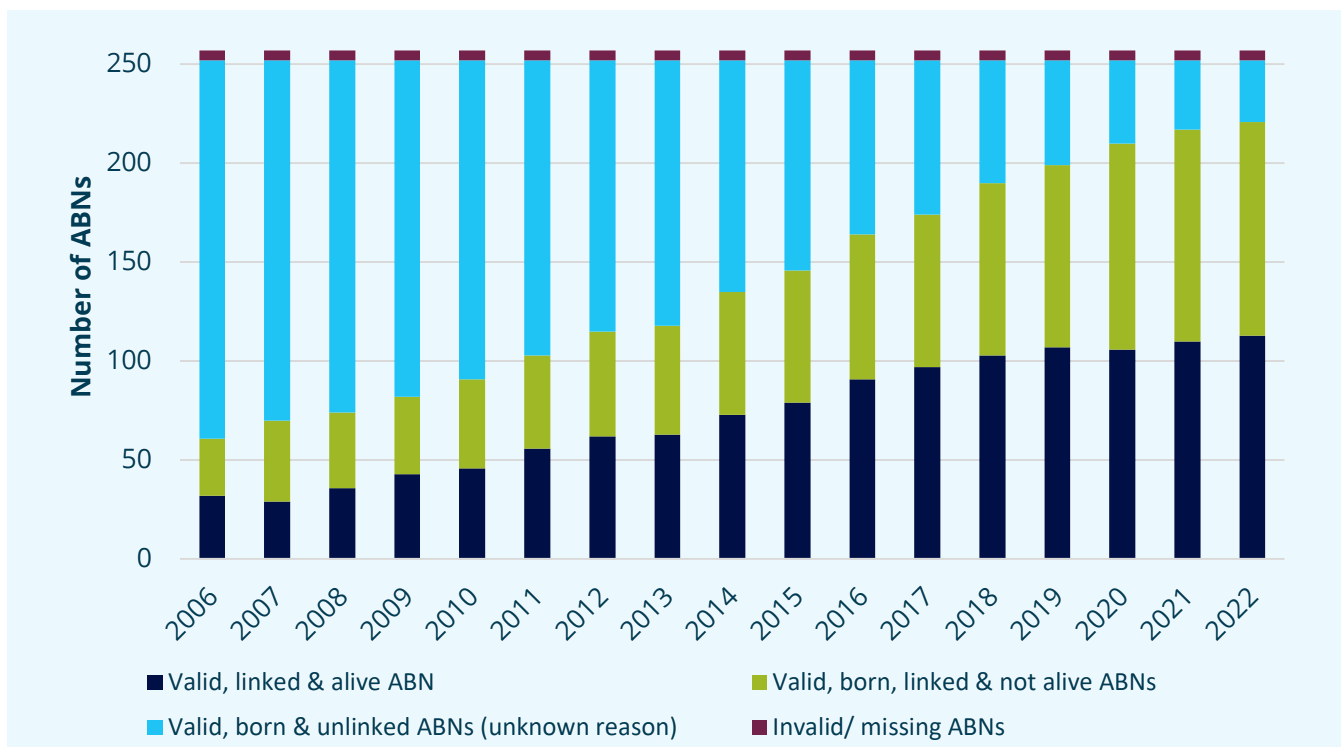


Figure B.3: MBS linkage rates



Note: Valid, born, linked & not alive ABNs, Invalid/missing ABNs: the graphics for these are generated using representative numbers to preserve anonymity where count <10.

Figure B.4: Waalitj linkage rates

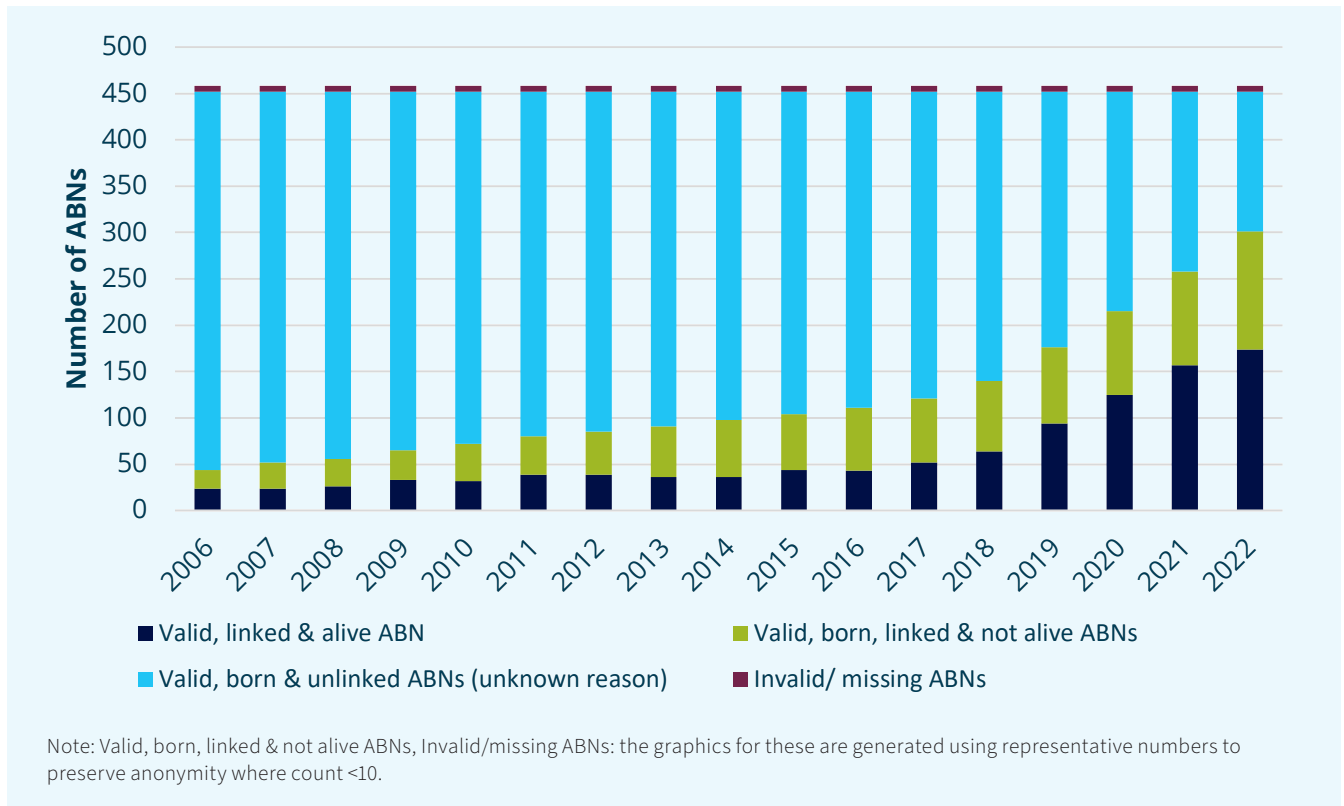


Figure B.5: DJPR linkage rates

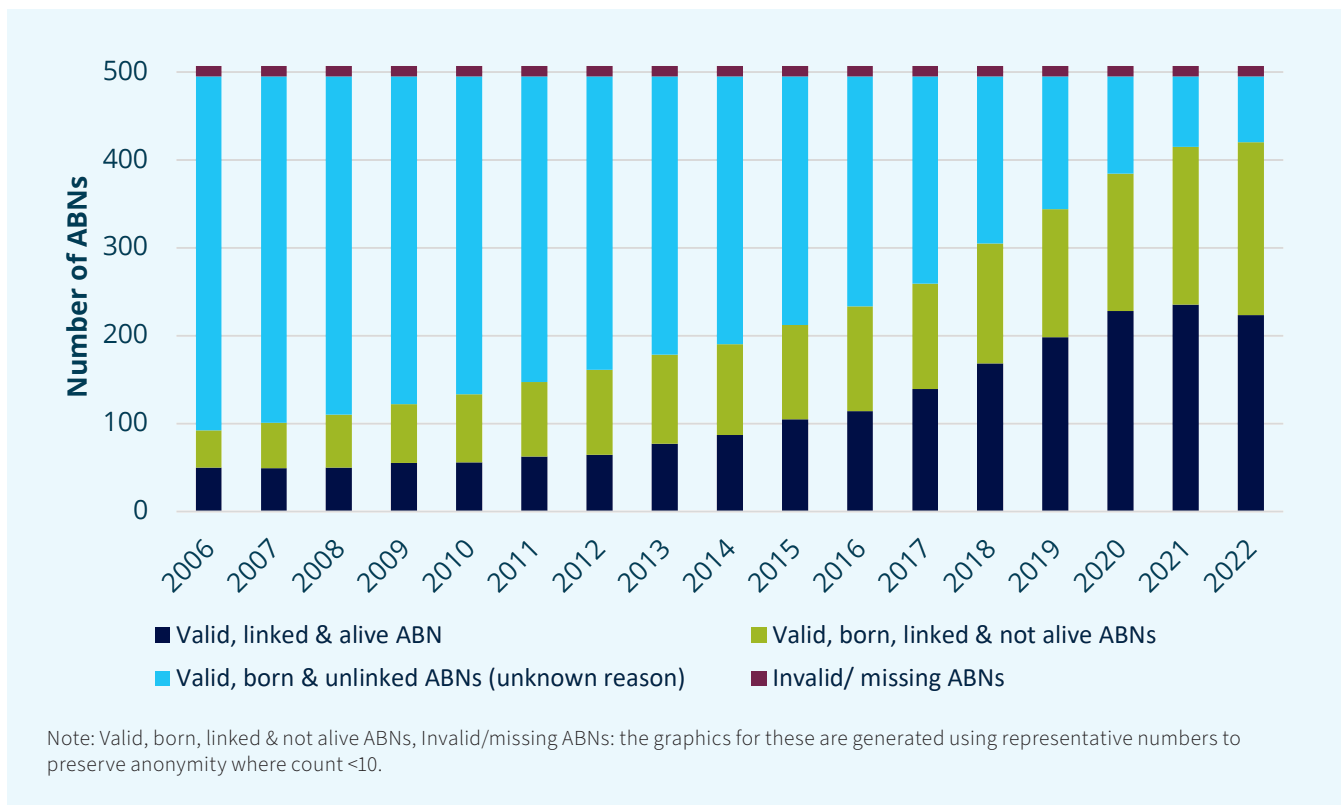


Figure B.6: NIAA linkage rates

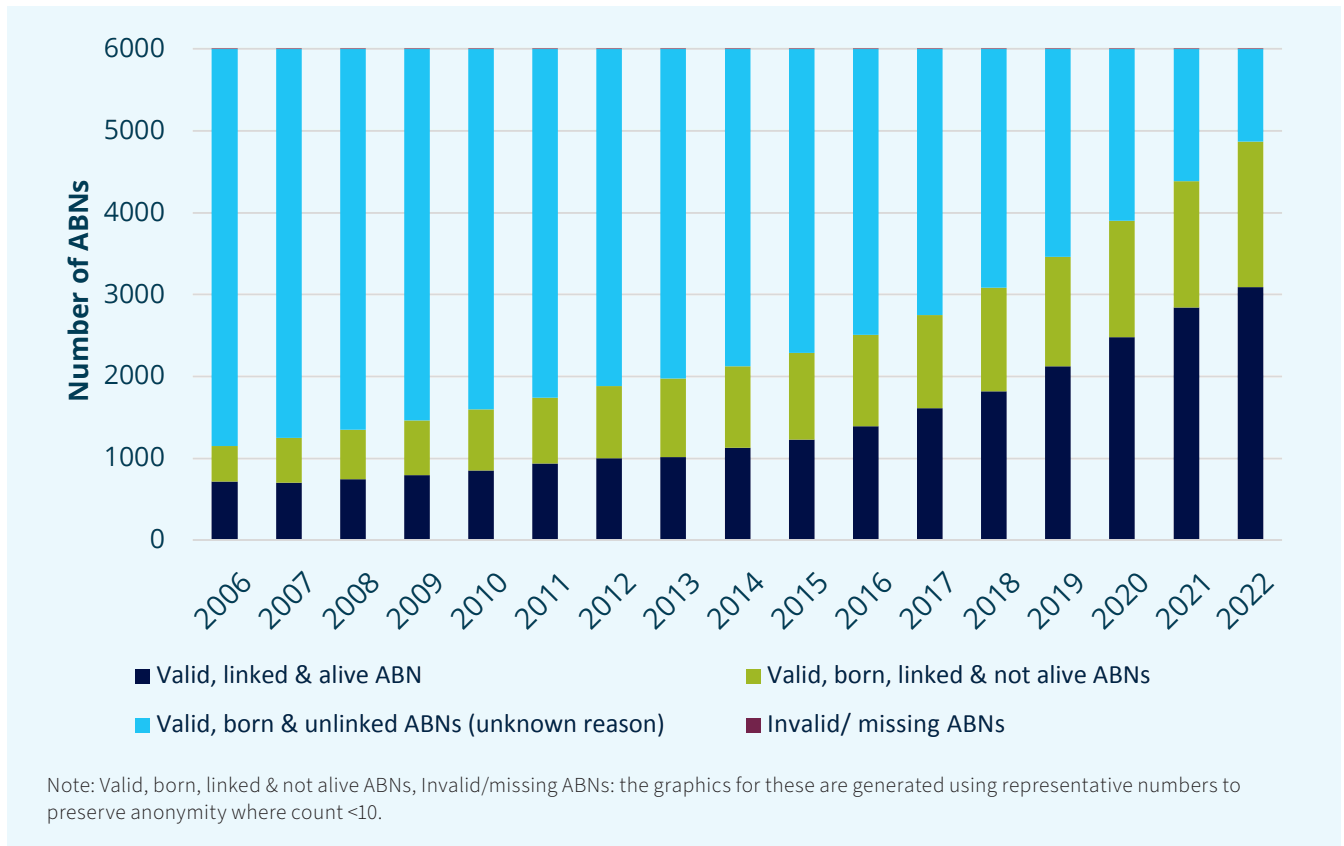


Table B.1: Number of registered businesses and corporations that appear on multiple registries

Financial Year	Total multiple registries linked, alive and active businesses	Multiples that appear on ICNL registry	Multiples that appear on ORIC registry	Multiples that appear on MBS registry	Multiples that appear on Waalitj Foundation registry	Multiples that appear on DJPR registry	Multiples that appear on NIAA registry
2006	452	399	142	21	16	33	355
2007	463	411	146	22	17	29	365
2008	490	435	147	26	18	30	389
2009	553	487	175	32	24	29	435
2010	581	510	180	34	23	33	458
2011	630	552	189	41	28	35	499
2012	676	593	196	45	30	37	540
2013	708	622	202	47	28	46	562
2014	776	689	205	56	29	49	630
2015	851	746	213	64	35	60	705
2016	958	856	217	73	36	63	805
2017	1075	945	229	79	45	80	920
2018	1206	1064	237	84	56	103	1038
2019	1355	1190	242	89	80	120	1190
2020	1540	1343	260	92	107	137	1369
2021	1701	1485	271	95	134	141	1523
2022	1778	1554	282	95	142	138	1602

Appendix C:

Economic contribution by registry

Table C.1: Economic activity associated with alive and active businesses on Indigenous business registries, 2022

	ORIC	ICNL	DJPR	Waalitj	MBS	NIAA
Revenue (\$bill.)	3.82	9.16	0.59	0.33	0.24	8.52
Wages (\$bill.)	1.54	2.30	0.13	0.14	0.09	2.11
Number of Indigenous owners ^a	<10	190	36	13	12	344
Number of employees	41,602	62,925	3,294	3,963	1,897	57,560
Number of employing businesses	889	1,598	128	100	69	1,797
Number of exporting businesses	< 10	< 10	< 10	< 10	< 10	< 10
Export amount	< 10	< 10	< 10	< 10	< 10	< 10
Number that are urban	393	1,434	192	141	88	2,121
Number that are rural	600	848	79	41	33	978
Number that are remote	502	437	0	20	<10	301
Total age of all businesses	19,309	22,227	1,802	774	1,091	20,465
Number 3 years or less	321	1,041	119	144	38	1,800
Count ^b	1,547	2,754	272	204	130	3,454

Notes: Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. These estimates include duplicates, that is, businesses on multiple registries contribute to the estimated contribution of each registry. For estimates of total economic activity of registries, please use estimates from Table 6, which exclude duplicates. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity. Dom. cannot be reported because of statistical dominance (largest business is more than 50 per cent of the total or largest two businesses are more than two-thirds of the total) that raises the risk of re-identification. ^aOwner count is for sole traders and partnerships only. No information is currently available for ownership of other types of firms. ^bThese are larger than counts in Table 2 because they include duplicates.

Table C.2: Average activity of alive and active businesses on Indigenous business registries, 2022

	ORIC	ICNL	DJPR	Waalitj	MBS	NIAA
Revenue (\$mill.)	3.27	3.76	2.68	1.96	2.23	2.81
Wages (\$mill.)	1.50	1.11	0.73	1.03	1.01	0.87
Indigenous owners ^a	<10	1.04	1.00	1.00	1.00	1.03
Employees	46.80	39.38	25.73	39.63	27.49	32.03
Share of employing business	0.57	0.58	0.47	0.49	0.53	0.52
Share of exporting businesses	< 10	< 10	< 10	< 10	< 10	< 10
Export amount	< 10	< 10	< 10	< 10	< 10	< 10
Share that are urban	0.25	0.52	0.71	0.69	0.68	0.61
Share that are rural	0.39	0.31	0.29	0.20	0.25	0.28
Share that are remote	0.32	0.16	0.00	0.10	0.06	0.09
Years of experience	12.48	8.07	6.63	3.79	8.39	5.93
Share that are 3 years or less	0.21	0.38	0.44	0.71	0.29	0.52
Count ^b	1547	2754	272	204	130	3454

Notes: Alive and active are businesses that have recently reported to the ATO and that report PAYG or BAS in the relevant year. Registered businesses are those that appear in Indigenous business datasets. These estimates include duplicates, that is, businesses on multiple registries contribute to the estimated contribution of each registry. <10 means that there are fewer than 10 businesses, and the number is suppressed to preserve anonymity. Dom. cannot be reported because of statistical dominance (largest business is more than 50 per cent of the total or largest two businesses are more than two-thirds of the total) that raises the risk of re-identification. ^aOwner count is for sole traders and partnerships only. No information is currently available for ownership of other types of firms. ^bThese are larger than counts in Table 2 because they include duplicates.

Appendix D:

Business location and composition by location

Figure D.1: Location of registered businesses, 2022

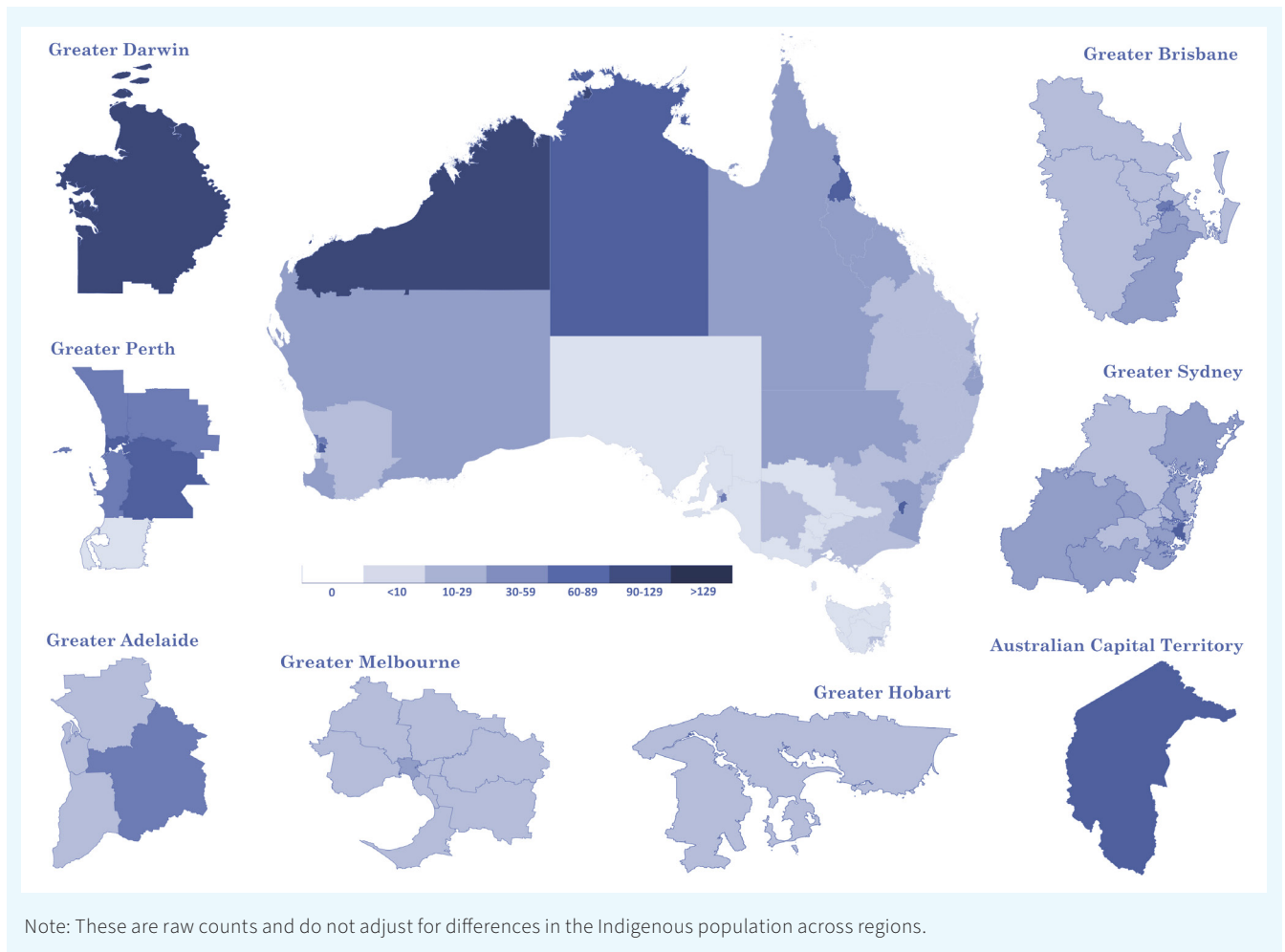
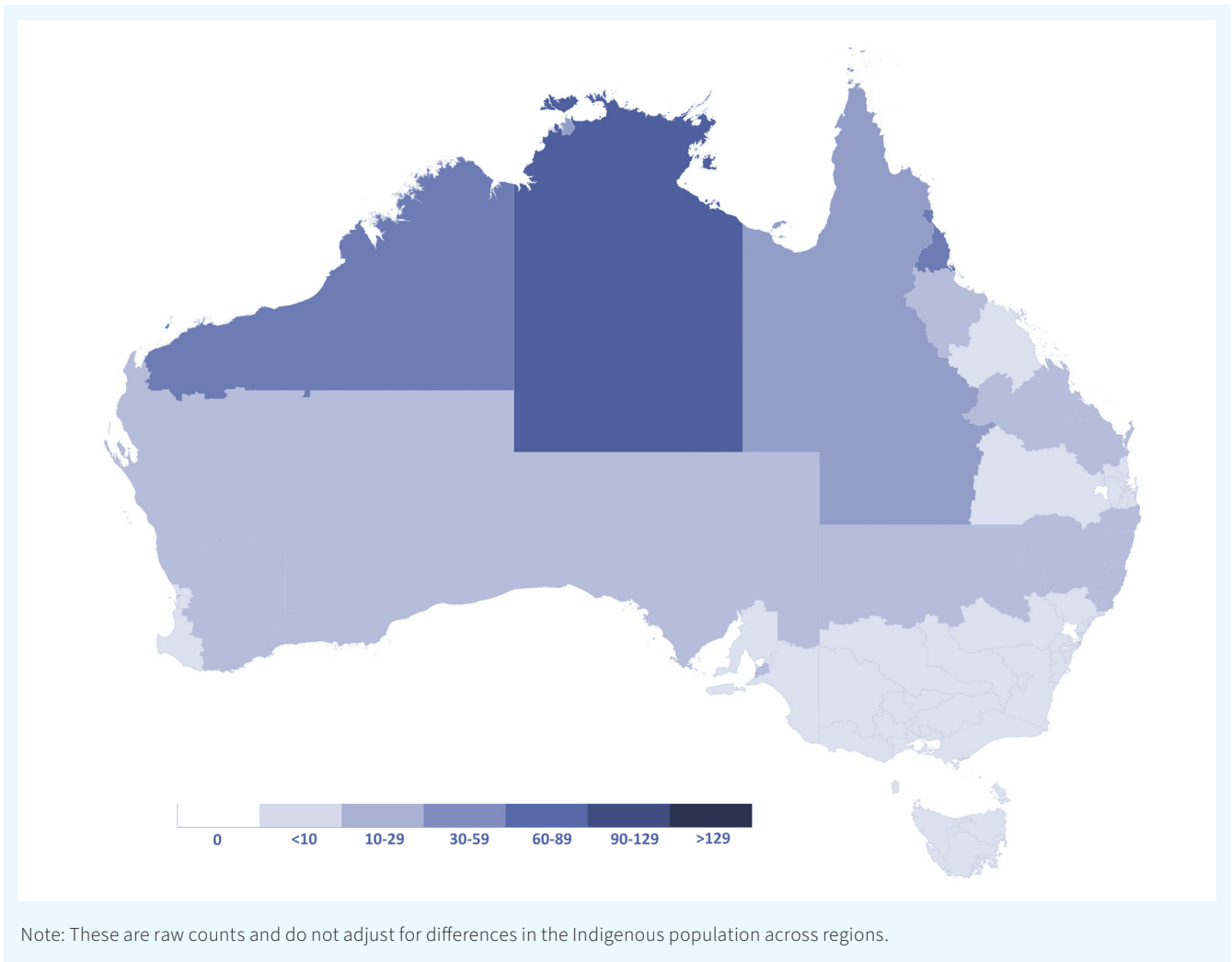
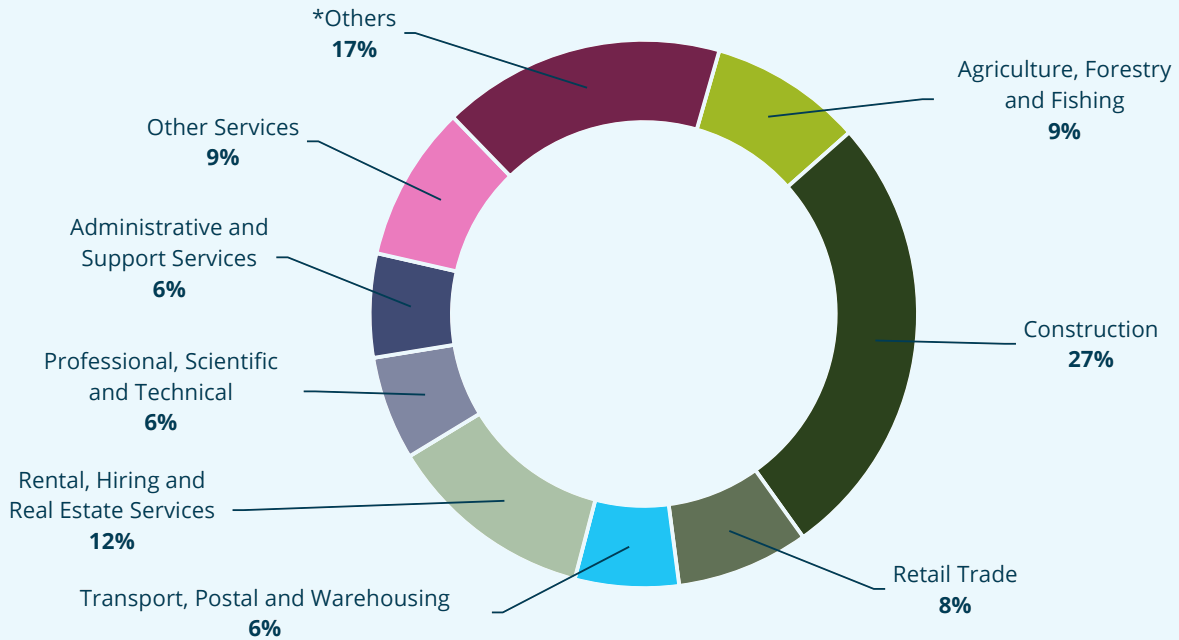


Figure D.2: Location of ORIC Corporations, 2022



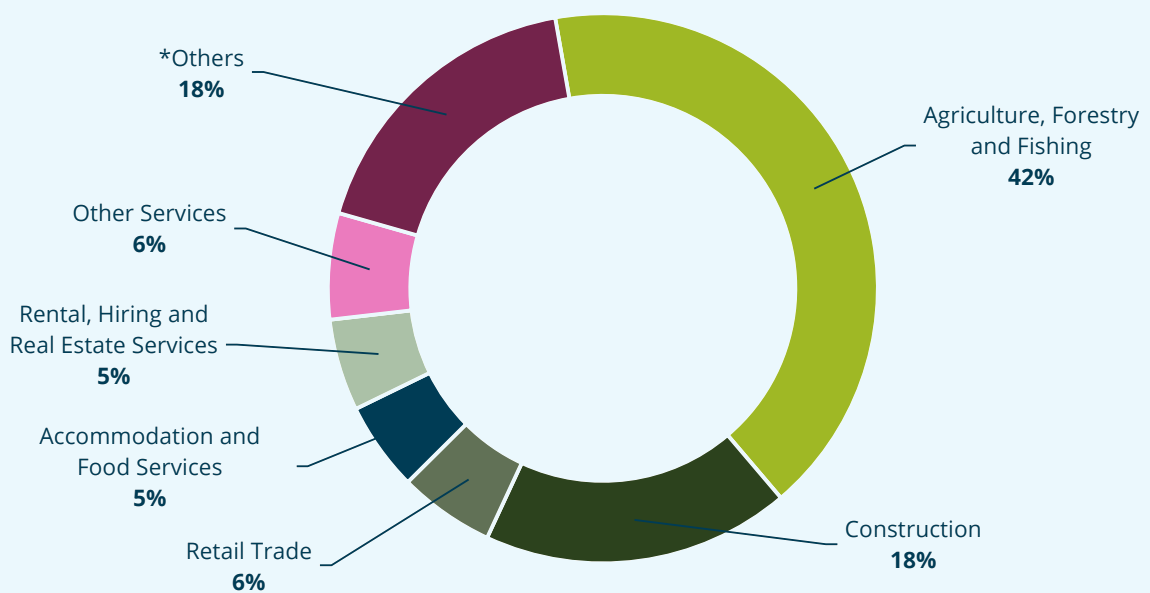
Note: These are raw counts and do not adjust for differences in the Indigenous population across regions.

Figure D.3: Industry composition of alive and active self-identified partnerships not on registries in urban areas, 2022



*Others each comprise less than 5% and include Manufacturing, Wholesale Trade, Accommodation and Food Services, Education and Training, Health Care and Social Assistance, Electricity, Gas, Water and Waste Services, Information Media and Telecommunication, Financial and Insurance Services, and Arts and Recreation Services.

Figure D.4: Industry composition of alive and active self-identified partnerships not on registries in rural & remote areas, 2022



*Others each comprise less than 5% and include Manufacturing, Mining, Electricity, Gas, Water and Waste Services, Wholesale Trade, Transport, Postal and Warehousing, Information Media and Telecommunication, Financial and Insurance Services, Professional, Scientific and Technical, Administrative and Support Services, Education and Training, Health Care and Social Assistance, Arts and Recreation, and Public Administration and Safety.

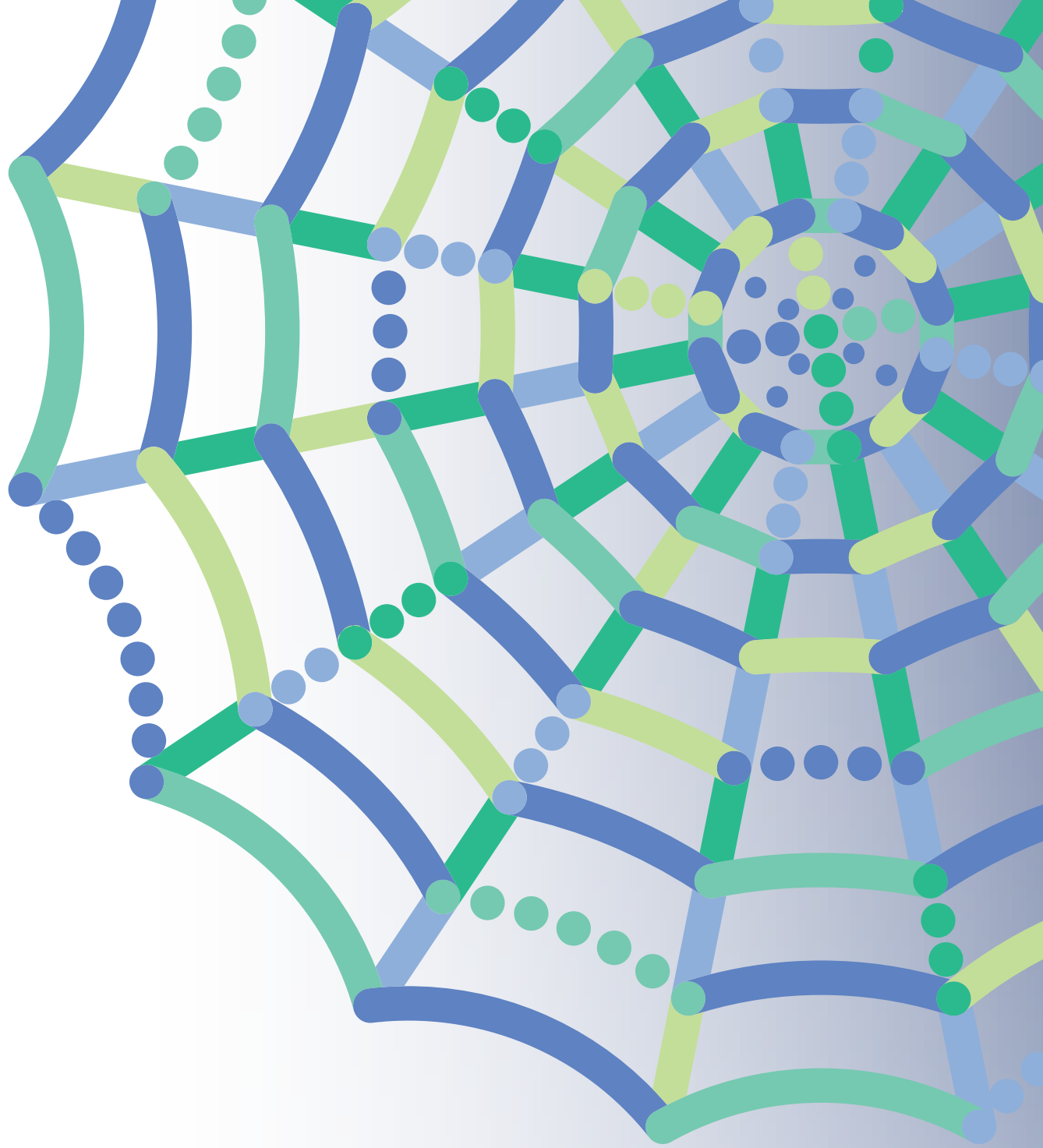
Appendix E:

Linear regression results

Table E.1: Results of a linear regression hierarchical model of the survival of Indigenous-owned businesses relative to non-Indigenous comparators, 2021-22

	Registered businesses			Self-identified Indigenous		
	Coeff.	s.e.	N	Coeff.	s.e.	N
No Controls ^a	0.109***	0.008	19,005	-0.029***	0.006	24,866
Firm Size ^b	0.026***	0.008	16,671	-0.034***	0.006	23,610
Business Type ^c	0.077***	0.008	19,005	-0.040***	0.006	24,866
Business Sector ^d	0.108***	0.009	19,005	-0.035***	0.006	24,866
Firm Location ^e	0.102***	0.009	19,005	-0.053***	0.006	24,866
Government Support ^f	0.083***	0.008	19,005	-0.025***	0.006	24,866
Fledgling ^g	0.116***	0.008	19,005	-0.025***	0.006	24,866
Other controls ^h	0.057***	0.009	14,585	-0.029***	0.006	21,136
All controls ⁱ	0.024***	0.009	14,585	-0.037***	0.006	21,136

Note: comparators samples of businesses that are trading in 2018–19. Comparators for registered businesses are a random sample of businesses that are not on registries. Comparators for self-identified businesses are sole traders and partnerships that are not at least 50 per cent Indigenous owned. *** Statistically significant at 99 per cent. ^aOnly right-hand-side variable is an identifier for Indigenous-owned business. ^bFirm size is measured \$ turnover in 2018–19 plus an indicator for whether the firm turnover is less than \$10 mill. in 2018–19. ^cIndicator for whether the business is a sole trader, partnership, company or other. ^dABS ANZSIC 2006 sectoral divisions. ^eIndicators for urban, rural and remote. ^fIndicator for receipt of JobKeeper payment. ^gIndicator for whether the business is three years old or less. ^hOther controls include an indicator for whether the firm is not-for-profit, capital expenditure (\$) and total expenditure (\$) in 2018–19. ⁱAll of the above controls added in one regression.





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