

Annual Review 2019-2020





First Australians Capital Manifesto

We celebrate 60,000 years of cultural knowledge and sustainable practices and believe in their unimaginable potential to drive a new economy.

We aspire to build the capacity of Indigenous Australians to create and drive their own economic prosperity, and in turn, contribute to the nations' economic growth.

The greatest innovations come from those that are self-reliant: individuals who disrupt the norms and do things that create change. Self-reliance comes from extending opportunity – in enterprise, capacity building and entrepreneurialism.

We stand alongside Indigenous entrepreneurs and help break through the systemic barriers that exclude them from accessing the support they need to flourish.

We start with listening to our people and their stories. We are certain that local people have the answers to local problems.

We are obsessed with providing a better solution to drive a new diverse and flourishing economy in Australia. We know that building something together is far more rewarding than building it alone – that empowering each other is critical to future growth.

Holistic empowerment is at the heart of what we do.

Inequality in the Australian economy need not exist. Australia is ready for change and we have made it our ambition to accelerate the entrepreneurialism of First Australians.

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Chairperson/Managing Director Report

At the beginning of this year First Australians Capital wrapped up our successful contract with the Department of Prime Minister and Cabinet which resulted in 15 Indigenous businesses receiving \$2.8 million in funding through the Indigenous Enterprise Investment Fund. In December 2019, the first Indigenous tourism aggregator was launched in Darwin. Welcome to Country was seeded by First Australians Capital in partnership with Indigenous Capital Ltd. Our first investment in an Indigenous bush food enterprise, Black Duck Foods, is the start of our next market accelerator in Indigenous native foods and agriculture.

The second six months was shaped by the bushfires and the global pandemic which both had disproportionately severe impacts for Indigenous businesses. Alongside the pandemic, the Black Lives Matter movement highlighted the inequality faced by First Australians.

COVID-19 has placed significant strain on Indigenous business, communities, families and individuals as they come to terms with the impacts of loss of income and social isolation.

The spotlight from the world-wide Black Lives Matter movement has also illuminated how systemic discrimination has resulted in the over-incarceration rates of Aboriginal and Torres Strait Islander people in our communities today. The resulting poor relationship between Aboriginal and Torres Strait Islander people and the systems that are designed to keep them well and safe has also exacerbated the impacts from COVID-19.

Out of these challenging times First Australians Capital has strengthened our reputation and relationships with our funding partners and our regional Indigenous partners. The future is looking promising as we set to launch our Impact Enterprise Capital fund and build a network of regional Indigenous relationships.

We have been very fortunate to have amazing partnerships with our major funders. These progressive partners have responded to the needs of our Indigenous communities and businesses and supported our COVID-19 Recovery Program and are committed to doing things differently to realise lasting change.

In FY21, First Australians Capital will focus on developing an Indigenous Impact First approach to impact outcomes and demonstrate and share more impact stories from our Indigenous business partners.

We would like to recognise our supporters Paul Ramsay Foundation, Cages Foundation, AMP Foundation, Baker Foundation, Equity Trustees, Arnold Bloch Leibler and MinterEllison for your belief in our mission and purpose; and for backing Indigenous leadership.

The Board of First Australians Capital would like to take this moment to recognise two amazing Indigenous leaders who have been in leadership roles within First Australians Capital over the past 3.5 years: Adrian Appo, former First Australians Capital Executive Chairperson; and Jocelyn King, former CEO.



Adrian was instrumental in the establishment of First Australians Capital. We thank him for his unwavering support and belief that the greatest innovations come from those that are self-reliant: individuals who disrupt the norms and do things that create change (First Australians Capital Manifesto).



Although Jocelyn has stepped down as CEO, she continues to work in the area where her passion to create change is strongest – as the Executive Director, Business Development. We thank Jocelyn for her role as the inaugural CEO and establishing First Australians Capital's reputation and relationships with our key partners and look forward to seeing the outcomes she has worked so hard to achieve.

In closing, we look forward to the year ahead, confident that we are on the right path and with the right partners, our growth strategy will help us realise our vision.

Leah Armstrong
Chairperson/Managing Director



Impact at a glance

During FY20 First Australians Capital:

- Supported over 40 businesses with capacity building and access to capital
- Invested \$4.465 million into Indigenous businesses
- Leveraged a \$30 million Westpac loan facility to help support Indigenous businesses who might not otherwise qualify trading history requirements
- \$42 million cumulative funding leveraged for investment into Indigenous businesses
- Supported 40* Indigenous entrepreneurs to participate in the MURRA Program at Melbourne Business School *(25 in Sept 2019 and 15 in March 2020)
- Launched the first industry accelerator, a tourism aggregator Welcome to Country (the Airbnb of Indigenous tourism) in December 2019
- Supported Employee, Allen Roberts, First Australians Capital's Head of Economic Development, who will attend Oxford University to study his MBA on a scholarship

42	\$4.465 M	12	6	\$42 M
Number of Indigenous businesses supported	Business Capital/Finance leveraged	Westpac/FAC deals reviewed	COVID-19 partnerships established	Cumulative funding secured for funding to Indigenous businesses

“The new equipment has put us into some new large contracts and for the first time real financial growth. We are in the middle of the biggest drought in 60 years and without this opportunity we may not be alive today. We have expanded our operations into government contracts such as Defence Force works, and the North and West Connex Tunnel works in Sydney. Real jobs and real opportunity with focus on indigenous employment and training. I totally trust First Australian Capital to represent my business.”

Mick Davis, Managing Director of Warialda Engineering and Welding Pty Ltd



Business Development – building the investment pipeline

2020 has been dominated by a series of natural disasters and economic shocks for most businesses. Indigenous businesses have been particularly vulnerable as they lack assets on their balance sheets to draw upon.

The bushfires in Victoria and NSW, along with floods in Queensland and Northern NSW saw several businesses suffer early in the year, along with the added financial burden of dealing with the COVID-19 pandemic, many Indigenous businesses have been left short on cash and having to make significant changes to their business models.

Key Achievements:

- 42 Indigenous businesses received capacity building support
- COVID-19 Program developed to support up to 250 business
- 40 Indigenous business participants in MURRA Program

Business profile data

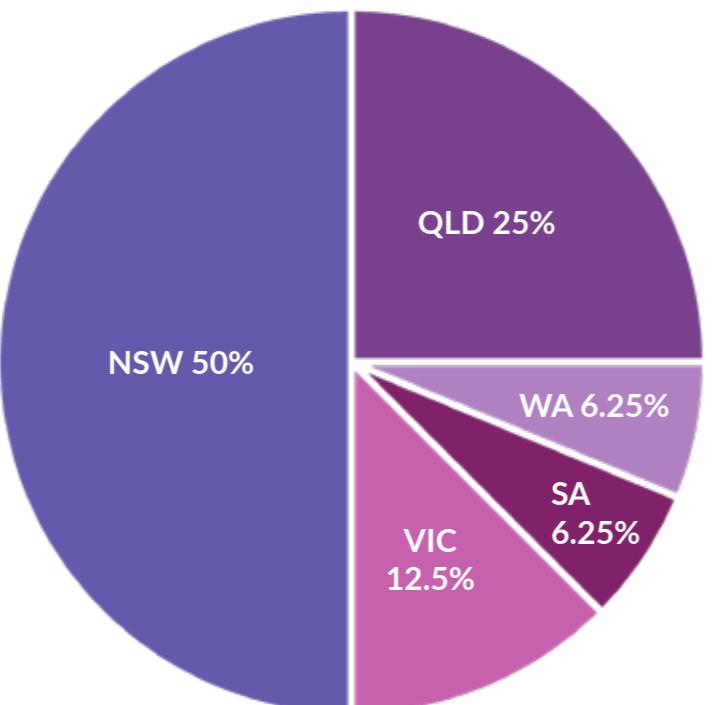
22 industries supported

Top 5:

- Leisure, travel and tourism
- Construction
- Food and beverages
- Apparel and fashion
- Professional training and coaching

10% (4 businesses) employed more than 10 staff.

67% of businesses are located in regional areas, the remainder are metropolitan.





Black Duck Foods success journey

Aboriginal people have thrived on what is now known as Australia for thousands of years. Earliest colonial records describe vast and flourishing plains of grain, and later research has demonstrated a wide-spread use of cultivated native plants as part of the diets of First Nations people. Led by Professor Bruce Pascoe, author of the best-selling book *Dark Emu*, Black Duck Foods had a vision of mobilising people around Australia to take a part in growing a new business ecosystem around farming traditional foods.

First Australians Capital supported this vision – investing in Black Duck Foods and helping start Bruce's farm as a social enterprise that gives back to Country, people and culture: and Black Duck Foods is already having an impact.

Employing Aboriginal people and sharing traditional knowledge with communities around Australia, the aim is to drive Indigenous economic empowerment through food: taking traditional organisations into the mainstream, creating jobs across the ecosystem and revitalising regional Australia. Through inspiring other Indigenous farming enterprises, setting up a supply chain, engaging Indigenous businesses in accounts, transport, marketing, there will be an impact across the whole business ecosystem – all based on thousands of years of traditional knowledge.

Bruce Pascoe image courtesy of Anna Maria Antoinette D'Addario – annamariaantoinette.com



MURRA Program

Supporting the next generation of Indigenous entrepreneurs

As part of our ongoing mission to support the development of a growing and sustainable Indigenous businesses sector, First Australians Capital has proudly sponsored MURRA since 2016.

This year, First Australians Capital has continued its support of the next generation of Indigenous entrepreneurs. 40 Indigenous entrepreneurs participated in the Murra Program over the September 2019 and March 2020 intake.

The events of 2020 have interrupted normal programming of MURRA. 15 participants have commenced a new blended online approach, with a Strategy masterclass, followed by online offerings of marketing, finance and HR masterclasses. They then returned to the classroom this past October for the final two masterclasses – Leadership and Negotiation.



“FAC has very committed individuals that are dedicated to seeing Aboriginal people advance through their own participation in the market. In terms of its support of our business, we received significant capital and that means people get jobs as a result. Their Business Advisor intuitively understood the needs of our business and she was very culturally appropriate. That was refreshing and it's pretty rare for a consultant. Overall, the work they produced, and their ongoing support means we have good trust and a good relationship, and I know I won't be left hanging. We'll continue to have a relationship with FAC in terms of capital and finance.”

Jagera woman Catherine Wright, CEO of CMJ Wholesale

From First Australians Capital to Oxford University



Allen Roberts, First Australians Capital's previous Head of Economic Development, has secured a place to complete his MBA at Oxford University. A proud Yorta Yorta man, Allen has been instrumental in supporting Aboriginal and Torres Strait Islander business across Australia to access finance in order to scale.

Allen started working with First Australians Capital as a Business Relationship Manager but was soon promoted to Head of Economic Development. First Australians Capital is proud to be supporting Allen in the next step in his career.

COVID-19 Response Program

Supporting Indigenous businesses through a global pandemic

First Australians Capital has come to terms with the impact of the pandemic with a program to support Indigenous businesses, communities, families and individuals as they come to terms with the impacts the pandemic and pandemic response. The consequences of loss of income and employment is commonly acknowledged, as is the significant risk to physical health for those who contract the virus. There are additional mental health impacts from social isolation and the stress of maintaining business operations with minimal support in a struggling economy.

The First Australians Capital COVID-19 Program supports Indigenous businesses across Australia, so they can continue to operate and survive the COVID-19 crisis. First Australians Capital has developed a six-month coordinated business advisory service with five First Australians Capital advisors and wrap around support. The Advisors have access to funding to support the recovery of businesses. Funds can include packages for virtual CFO functions and marketing advice/support. Each package is developed in consultation between the First Australians Capital business relationship manager and the entrepreneur.

To support this program First Australians Capital recruited three Indigenous business partners to provide regional support in Broome, Townsville and Brisbane: Cultural Intelligence, Indigenous Impact and North 360.



Market Accelerator

Building game-changing business infrastructure in high potential sectors

First Australians Capital believes in the cultural and creative strengths of Indigenous Australians and that these bring unique opportunities and advantages to key industry and market sectors. First Australians Capital has identified eco-tourism, native foods and agriculture, land and natural resource management, creative industries and renewable energy as sectors with latent market potential.

Our goal is to catalyse these markets through partnership and collaboration with Indigenous businesses and networks. In partnership with Indigenous Capital Limited, our first market accelerator is in the Indigenous tourism sector and has resulted in the launch of Welcome to Country.

Welcome to Country success journey

Aboriginal and Torres Strait Islander communities are the custodians of the world's oldest continuous living cultures. This connection to Country and the generosity of communities wishing to share their cultures is reflected in the quality of experiences and tours provided across the country.

Welcome to Country (WTC) is inspired to work with Aboriginal and Torres Strait Islander people and communities to increase employment and economic outcomes. The tourism sector and the experience sector more broadly present an opportunity to deliver on this purpose and meet a growing demand for First Nations' experiences. Designed as a central 'market-place' WTC provides a platform for communities to access and tap into travellers. For travellers it provides a trusted source of high-quality experiences.

First Australians Capital provided the seed funding and infrastructure for two years to incubate and scale Welcome to Country until it was ready to be launched as an independent Aboriginal-led, for-purpose organisation.

With COVID-19 restricting tourism, WTC has pivoted to include virtual experiences and a store showcasing Aboriginal and Torres Strait Islander products.

WTC supports Indigenous employment in communities around the country, helping grow a sustainable and vibrant Indigenous business sector. Purchasing products or booking experiences directly benefits artists, Indigenous businesses and communities.





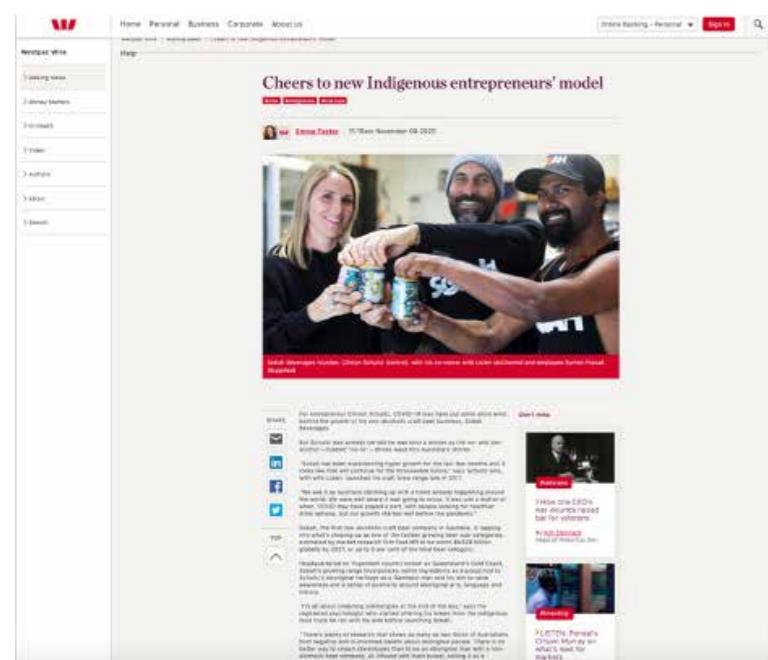
Impact Capital – investing for Indigenous impact first

First Australians Capital is building a unique matched investment model that aims to bring together private sector, government and philanthropic investors to invest in high potential Aboriginal and Torres Strait Islander enterprises. Providing financial solutions that bypass the structural barriers that have prevented Indigenous economic development, First Australians Capital is accessing a largely untapped capital market of impact investors.

Key Achievements:

- 12 business due diligence
- \$4.465 million direct capital into Indigenous businesses
- \$36.9 million capital leveraged

Westpac Partnership



The First Australians Capital Westpac Partnership officially commenced in April 2020. The partnership unlocks a \$30 million facility specifically for Indigenous businesses who are ready to access mainstream finance.

The first deal was approved to Sobah Non-Alcoholic Beverages for working capital in June 2020.

Sobah Beverages success journey

Proudly Aboriginal owned and led, Sobah is Australia's first non-alcoholic craft beer company.

Based on beautiful Yugambeh country in Coastal Queensland, Sobah was founded by Gamilaroi man and psychologist, Clinton Schultz. Now run together with his wife Lozen, Sobah functions from the philosophies of Gamilaraay Lore 'dhiriya Gamil', along with other lessons Clinton has been fortunate to learn from Elders from around Australia.

Lessons include acting from a position of respecting people, place and the environment; understanding and working towards fulfilling responsibilities that we are connected to and, engaging in positive reciprocity.

Clinton says, "While we're hard workers, we truly believe we have been privileged in our opportunities thus far and therefore have a responsibility to give back, to share our knowledge and experience, to create opportunities for others, to encourage sustainable and healthy ways of living, and to assist in bringing about positive changes".

Challenged by an industry steeped in history and embedded in societal behaviour, Sobah has set out on a journey to lead the conversation around common Australian societal issues with alcohol consumption and breaking down the stigma of socialising sober.

Sobah has been the first of First Australians Capital's supported Indigenous businesses to access the newly established Westpac Facility, accessing funds that will enable Sobah to scale-up production.



FAC Impact Enterprise Fund – Phase 1

First Australians Capital has received in-principal commitments of \$6.5 million from three philanthropic investors for the Phase 1 (proof of concept) of our Impact Enterprise Fund. Phase 1 is designed as a proof-of-concept. Using a small pool of capital, First Australians Capital will efficiently demonstrate the market opportunity, investment need and potential blended investment return with the objective of establishing the full FAC Impact Enterprise Fund at scale.

The Impact Enterprise Phase 1 (otherwise known as the mini fund) will be launched in late 2020.

Ngali success journey

Ngali is an award-winning fashion house founded by Wiradjuri woman, Denni Francisco. Meaning 'we' or 'us', Ngali's designs and approach work towards a harmonious, sustainable and equitable union of people with the planet. Ngali brings to life the multiverse of benefits First Nations' entrepreneurs' drive; for their communities and for all Australians.

FAC worked closely with Ngali over 2018, providing intensive financial advisory support and planning, including helping them re-engineer their upstream and downstream business processes. Ngali was also nominated by FAC as one of the 4 businesses put forward for the McKinsey Mentoring program.

Ngali ended up showing at both Melbourne Fashion Week and Virgin Fashion Week (Sydney). The first runway collection was a sell-out.

"A real driving force behind Ngali is being able to share First Nations' stories; of the artists, of our culture, of our Country. And I think fashion is a really good way to do that. What I love about what I do, is the opportunity to get out on Country to celebrate the amazing things that our First Nations' people are doing. We are looking at sustainability, ethical manufacturing, and then it's the collaborative process of how to we work together to achieve something that is meaningful to everyone. The First Nations' way of doing business is more than just a bottom line; we're giving back. It's about legacy".

Denni Francisco, Owner, Ngali



Board and Executive Team



Leah Armstrong
Chairperson/
Managing Director



Jane Pound
Executive Director -
Impact Capital



Jocelyn King
Executive Director -
Business Development



Clive Ringler
Director



Shane Hamilton
Director



Carly Mohamed
Director



Adrian Appo
Outgoing Executive
Chairperson 31.7.20

Financial Report

First Australians Capital (FAC) is a national, not-for-profit, Indigenous-led, business advisory and social impact fund. FAC's financial sustainability is supported by funding from philanthropic trusts, government grants, corporate partnerships and staff giving.

The result of First Australians Capital's consolidated operations was a financial surplus in FY20 of \$652,990. This included an advance income of \$350k for the COVID program for July – December 2020.

Financial Summary	2019-2020	2018-2019
Total revenue	\$1,603,377	\$1,516,613
Total expenses	\$950,387	\$1,655,291

FAC experienced a minimal effect on its operations and financial result due to the pandemic. There were a number of strategies put in place, including holding off on any new office leases, minimising employee travel and implementing safe working from home arrangements.



"It was a very genuine experience working with First Australians Capital. I felt very supported through the process because their knowledge base, hard work and availability was excellent. Their Business Advisor made the process really easy for me. I would highly recommend FAC."

Marie Barbaric, Koori Kulture

Financial graphs

The Statement of Surplus or Deficit and Other Comprehensive Income shows a Net Operating Surplus of \$653k compared to a deficit of \$139k in 2018-19.

The change in the result from the prior year was attributable to several items. The major factors for the improvement in the result was reduced project costs of \$234k, this related to the completion of the Welcome to Country project in the previous year and employee benefits \$343k, due to the restructure during the year.

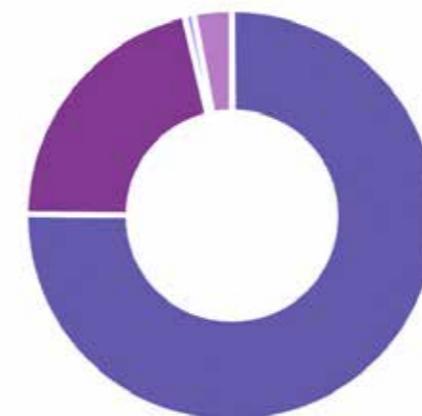
Sub category	Sources of revenue	2019-20 actuals	2018-19 actuals
Revenue	Grants	\$1,204,867	\$726,925
Revenue	Donations	\$339,256	\$172,345
Revenue	Business advisory and support	\$0	\$342,045
Revenue	Consulting	\$11,508	\$273,574
Revenue	Other revenue	\$47,746	\$1,723
Revenue	Total revenue	\$1,603,377	\$1,516,613

Sub category	Sources of revenue	2019-20 actuals	2018-19 actuals
Expenses	Project costs	\$201,445	\$435,870
Expenses	Employee benefits	\$596,310	\$939,313
Expenses	Sponsorship	\$22,727	\$50,000
Expenses	Depreciation	\$3,331	\$8,131
Expenses	Other expenses	\$126,574	\$221,977
Expenses	Total expenses	\$950,387	\$1,655,291

Surplus/(Deficit)

	2019-2020	2018-2019
Surplus/(Deficit)	\$652,990	(\$138,678)

Revenue 2019-20

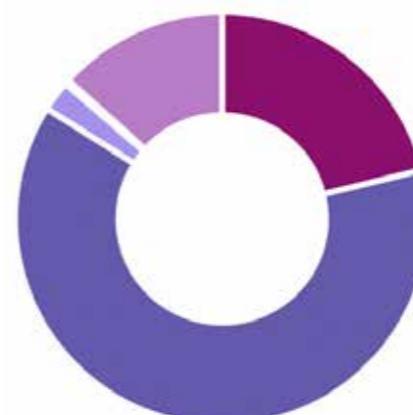


Revenue 2018-19

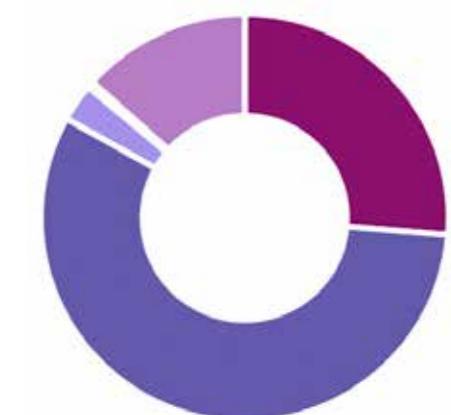


Grants Donations Business advisory and support Consulting Other revenue

Expenses 2019-20



Expenses 2018-19



Project costs Employee benefits Sponsorship Depreciation Other expenses



Our supporters

First Australians Capital would like to thank the individuals and organisations that have supported us over the past year.

Reversing 200 years of status-quo is not the work of a few people, or a short period of time. However, each step along the journey brings us closer to our mission of driving a new economy for all Australians.

Arnold Bloch Leibler
Leaders for business

MinterEllison

cages

paul ramsay
FOUNDATION
PARTNERSHIPS FOR POTENTIAL

Baker
Foundation

Equity
Trustees

W

AMP

INDIGENOUS
CAPITAL LIMITED

COLLECTIVE
WORKS

We pay our deepest respect to the Traditional Custodians of Country across Australia. We acknowledge and thank our Elders who demonstrated over 60,000 years of sustainable Indigenous business and ask them to guide us back on track to a more prosperous and purposeful future.

Photography acknowledgements

Anna Maria Antoinette D'Addario – annamariaantoinette.com
Matthew Vasilescu – mattvas.com.au
Wayne Quilliam – aboriginal.photography

Accountants

First Australians Capitals' accountants are Collective Works and their auditors are Cutcher and Neal Assurances.



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