

PRESS RELEASE

First Australians Capital urges Government and Investors to back Indigenous-led investment

Date of release: Wednesday 10 February 2021

Backing Indigenous entrepreneurs to drive a new economy requires specialist Indigenous-led intermediaries coupled with the right finance.

The Minderoo Foundation Report “Generation One: Backing Black Business – Greater financial inclusion for Australia’s Indigenous business sector” is clear that there is a gap that is not discussed: the gap that Aboriginal and Torres Strait Islander businesses face in accessing finance for their early-stage businesses.

Leah Armstrong, a Torres Strait Islander woman and Managing Director of First Australians Capital, says: “The Minderoo Foundation Report – prepared by PwC’s Indigenous Consulting – provides further evidence backing the First Australians Capital proposition: that in order to achieve parity in business ownership, and achieve the potential benefits for the Australian economy, Indigenous businesses need access to tailored, culturally appropriate business support and the right finance.”

First Australians Capital, established in 2015, is unique in the Australian market. An independent Indigenous owned-led organisation, it works with Aboriginal and Torres Strait Islander businesses not only to access funding for growth, but also to de-risk investments by providing ‘wrap around support’. FAC is also building an Australian first Indigenous owned venture debt style fund, offering a mixed and flexible range of investment products for the Indigenous business sector.

Bundjalung woman, Jocelyn King, Executive Director of Business Development, underscores the importance of building the Indigenous business sector: “We know all about ‘closing the gap’ in employment, education and health. Supporting First Nations businesses is an investment in closing those gaps. Study after study has shown that Indigenous businesses employ Indigenous people at a rate up to 100 times higher than non-Indigenous businesses. Want to close the gap on employment? There’s a clear pathway through investing and developing Indigenous businesses.”

First Australians Capital has already secured \$6.5 million for its fund from private and philanthropic sources and has leveraged close to \$50million in investment, patient capital for Indigenous businesses since 2015.

The focus on supporting otherwise underserved businesses is clear to Robert McLean AM, one of First Australians Capital’s early champions: “Enterprises need risk capital to build and grow. When it isn’t available from family and friends or banks, as is the case for many Indigenous ventures, then those ventures are likely to struggle. The FAC Impact Enterprise Fund brings capital and knowhow to Indigenous ventures to provide the best prospects for growth and social impact.”

Jane Pound, Executive Director of Impact Capital explains the First Australians Capital approach: “We understand that there are significant challenges to First Nations entrepreneurs accessing finance for start-up and early-stage businesses. We remove or reduce many of the barriers and provide the support they need to grow and establish enough trading history to move into the mainstream lending channels.”

First Australians Capital calls on the Federal Government and Impact Investors to invest in the future of the Indigenous business sector and match the philanthropic and private investment already committed to create a truly independent, Indigenous-led PPP partnership fund to seed and grow the Australian Indigenous business sector.

For interviews or more information about First Australians Capital, visit:

<https://firstaustralianscapital.org/>

To access First Australians Capital's 2020 Annual Review, visit:

<https://firstaustralianscapital.org/wp-content/uploads/2020/12/FAC-Annual-Report-2019-2020-14-Dec-2020-online-spreads.pdf>
