



Debra Beale, "Biami"

Indigenous Businesses in Australia

Case 1

This case is prepared solely for use in the **Australian Undergraduate Business Case Competition 2022**.

The Australian Undergraduate Business Case Competition is run jointly by QUT and the UNSW Business School.

This case was written by Nathan Bleier in consultation with Dr Jeff Coulton and Brian Burfitt

Any views expressed in this case are those of the author only and do not represent the view of any other party, including Debra Beale, the Indigenous Australian community, QUT or the UNSW Business School. The author has relied solely on publicly available information in preparation of case materials.

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Partner Universities



Indigenous Small Businesses - Debra Beale

Debra Beale is an established Aboriginal female artist and designer maker from the Gamilaraay/Wonnarua and Wiradjuri/Boonwurung/Palawa/Yorta Yorta nations across Australia.

After living in Sydney until 5 years old, Beale lived in Griffith for most of her childhood. Here especially she developed a connection to land, sea and sky and used this spiritual connection as a source of inspiration and healing for herself.

After growing up and spending time on Wiradjuri and Gadigal Country, Beale now lives in Penrith, Darug nation. She says that art for her is a way for her to express her lived experience, connecting to land through utilizing sustainable and natural materials that come from the Earth. Her goal in creating art is to “bring Aboriginal art and culture to life using contemporary media and traditional themes”. Beale’s art can be found through modern mediums such as fashion, sterling silver jewellery, Australian bush jewellery, paintings, and public installations.

“For me, it’s about giving back to community, about creating pathways through light”

With a range of different artistic designs that represent the Australian landscape, Beale uses local community and even family to often model her designs.

Beale’s work has been commissioned and featured through a variety of public works projects, private industry events and various councils across Australia. She is also currently a student at the UNSW Art and Design campus and has commissioned work featured throughout the UNSW Business School and merchandise.

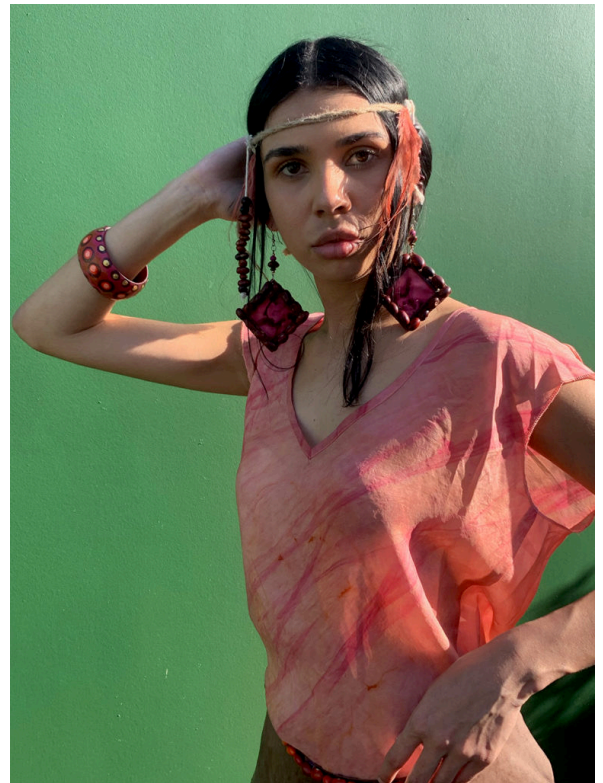
TRIBAL WARRIOR



Scale-up and Expansion for Indigenous Businesses

Beale is in the first stages of setting up her own website and store. She wishes to continue to work with community and have more collaborations with other aboriginal artists and open a boutique store in one of Australia's country towns. Furthermore, workshops and fashion shows are a longer-term goal. All of these are designed to create strength in community and create more jobs and opportunities for the next generation of indigenous Australians.

As Beale's built up a strong reputation and portfolio of Indigenous artwork, she now looks to expand the commercial prospects of her business. Currently, she sells merchandise through the Boomalli Aboriginal Artists Co-op and her art is featured on products including the UNSW Business school's official merchandise. She is looking at expanding into commercial textile studios.



Debra Beale, "Tyeisha"

However, as she looks to expand internationally, there are very few resources available to start getting products sold and exported overseas. There are several key issues that arise when looking at small businesses:



- 1. Remoteness** – With 26% of indigenous Australian businesses operating outside of metro areas, finding reliable commercial textile production can be difficult
- 2. Scaling Ethically** – When many businesses such as Debra's rely on local culture and connection to land, issues arise with sustainable fashion (fast Fashion) and profiting from culture (cultural appropriation).
- 3. Trade Policy/Regulations** – with export of agriculture and natural items heavily regulated in Australia, Indigenous artists making use of natural materials are disproportionately affected.
- 4. Distribution** – With manufacturers, wholesalers, distributors and online platforms all taking large margins from goods, how do you create a sustainable business model?

How can people like Debra begin making the move to build up and expand their Indigenous businesses?

Case Overview

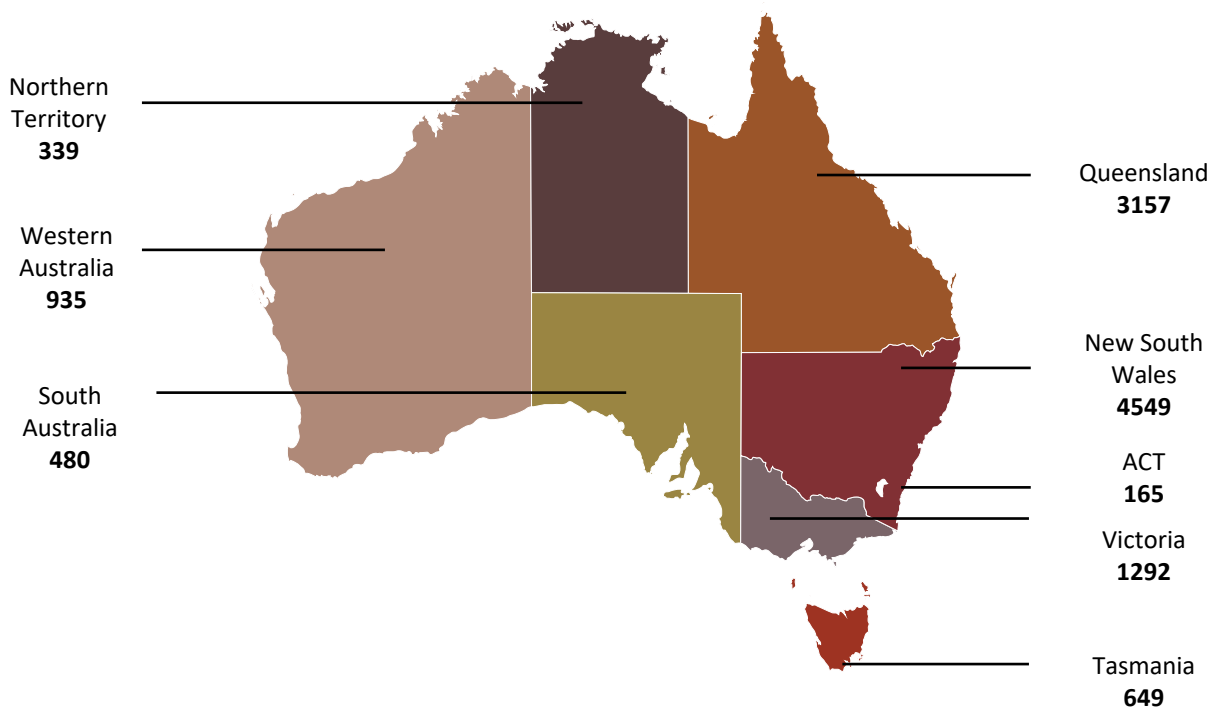
Background

Australia's First Nations business sector is growing at a pace of around 4 per cent per year by number of businesses. As one of the fastest-growing sectors in Australia, demand is currently fueled by three key areas; local private purchases, international tourism and commonwealth department contracts. Commonwealth departments purchased over \$1.084 billion worth of goods and services from over 1,000 Indigenous-owned businesses since 2015¹ while over 150,000 tourists travel to Australia annually on package tours that involve Indigenous tourism events or activities.

Trust is Key²

Trust has long been understood to be an important success factor for new business owners. A lack of trust means that customers, suppliers and employees must vet the quality of goods/services and claims made by businesses, sometimes being detrimental to the businesses themselves. The long shadow to Australia's racist past means that many Indigenous Australians are shut out of attaining these credentials, and do not receive the same benefits from a high-trust economy. This is another barrier that Indigenous Australians must deal with when building and expanding their businesses Across Australia and overseas.

Location of Indigenous Owner-Managers in Australia



Tremendous growth potential exists for the global indigenous economy, and increased participation of indigenous businesses in trade and policy development has the potential to unlock mutual economic prosperity. More Information is available at: <https://www.weforum.org/agenda/2022/08/how-indigenous-peoples-are-reshaping-modern-economies/>

¹ DFAT, *Showcasing Indigenous Business* (2019)

² RBA, *First Nations Businesses: Progress, Challenges and Opportunities* (2022)

Market Outlook

Conditions of Indigenous Business

With the number of indigenous businesses greatly growing in Australia, the sector's total revenue is growing at an even faster rate with a 12 year CAGR of 6.5%. Average business sizes are increasing rapidly over the past two decades with registered indigenous businesses' average gross income being \$1.6m in 2018. However, this number is skewed towards a small number of larger businesses, with many small businesses also existing around Australia.

Key statistics below illustrate the accelerating size of the Indigenous business across Australia and the important part that it plays in Australia⁴

11,566

Businesses in Australia with at least 50% ownership by Indigenous Australians

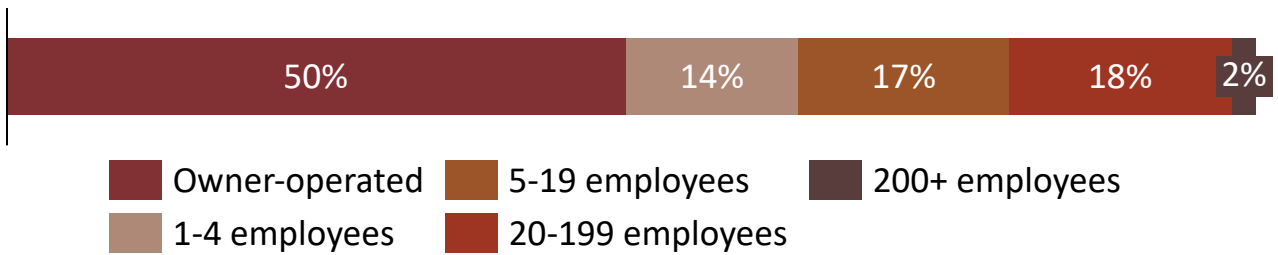
26%

Of Indigenous-owned businesses are located outside major cities

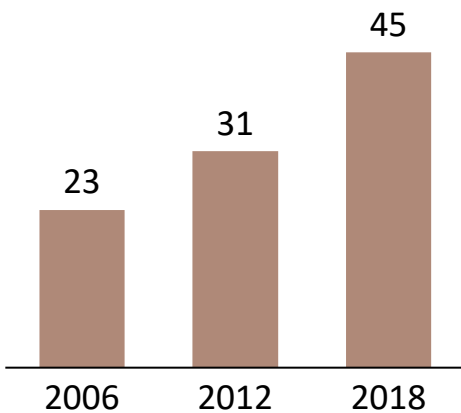
2%

Of all workers outside major cities are employed by Indigenous-owned businesses

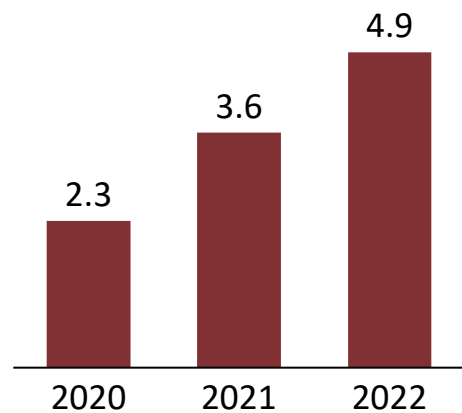
Size of Indigenous Australian Businesses



Number of Employees in Indigenous Businesses (000s)



Gross income of Indigenous Businesses, \$ millions (AUD)



³ DFAT, Showcasing Indigenous Business (2022)

⁴ University of Melbourne, Indigenous Business Sector Snapshot 1.1 (2022)

Businesses and Assistance

While not exhaustive, it is useful to identify the primary different types of Indigenous-owned and run firms in Australia⁵. There are a number of bodies that are able to assist with both funding and grants for emerging businesses (including Austrade and Indigenous Business Australia), as well as with potential customers (including DFAT trade missions)⁶.

Open Market Firms

These include firms that are operating, competing and winning work in their industry and are owned and operated by Indigenous Australians.

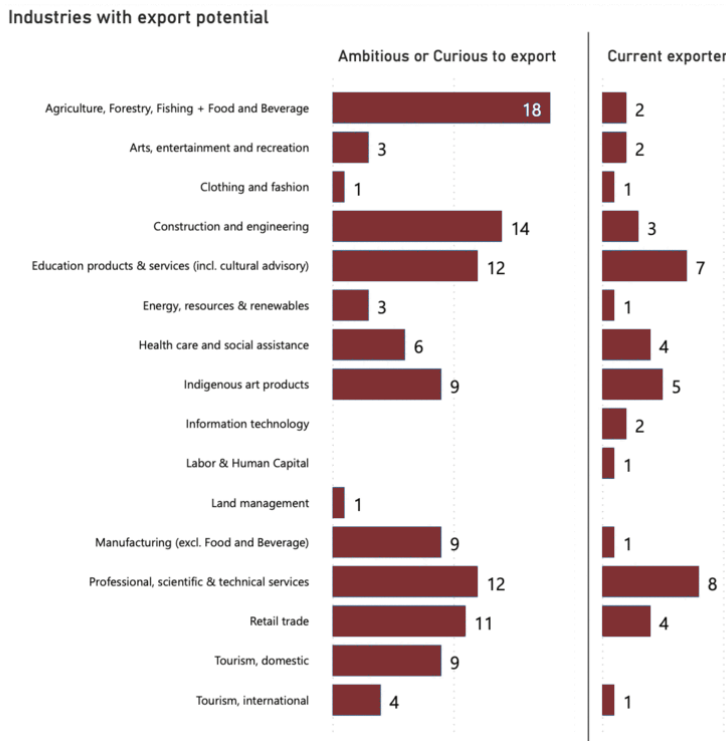
Knowledge Broker Firms

Businesses that work to broker knowledge, practices, and networks between Indigenous Australia and non-Indigenous Australia, like consultancy firms and cross-cultural training businesses.

Cultural Firms

Businesses that trade cultural services and products.

When looking at expansion, there is a wide variety of industries suitable for export in the Indigenous business sector, especially within arts, retail, agriculture and manufacturing.



⁵ University of Melbourne, Closing the gap in the Indigenous business sector (2022)

⁶ <https://iba.gov.au/>
<https://www.austrade.gov.au/>
<https://www.dfat.gov.au/>

The Next Frontier - Global Expansion

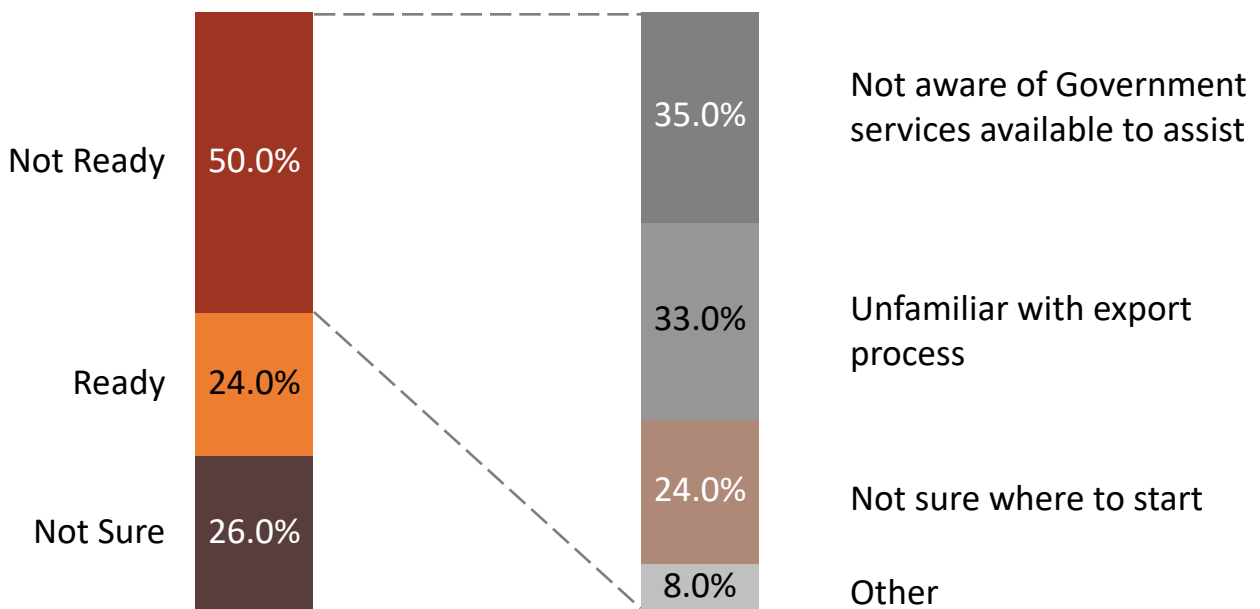
Due to various global factors including the COVID-19 pandemic, global tourism majorly impacted the Indigenous business sector in Australia. 82% of Indigenous businesses experienced a sales drop, some by as much as 70% at the start of the COVID-19 pandemic⁷. This means that diversifying income streams of Indigenous businesses has become more important than ever, including looking at options such as international expansion.

While Indigenous businesses have seen high growth in the past two decades, this has been mostly limited to domestic sales or tourism from other countries. Less than 5% of Indigenous export businesses are accessing Foreign Direct Investment (FDI) even though 28% of businesses have an active interest in the area⁸. Furthermore, 91% of Indigenous businesses are currently exporting, or are ambitious or curious about exporting.

While many Indigenous exports are conducted through e-commerce channels, 46% of Indigenous businesses actively exporting do not make use of these channels as part of their business model.

This is a major opportunity for Indigenous businesses in Australia, but accessing this new potential area proves to require large amounts of resources.

Indigenous Australian Businesses on if/why they are ready to export goods/services overseas ⁷



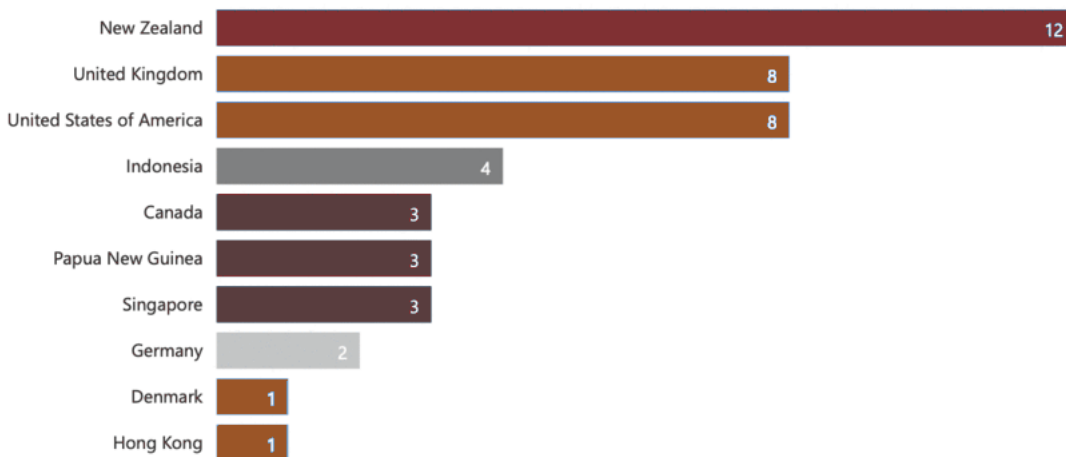
⁷ Supply Nation, State of Indigenous Business (2021)

⁸ DFAT, Inclusive Trade: Unlocking the export potential of Australia's Indigenous SMEs (2021)

Global Expansion - Culture and Resources

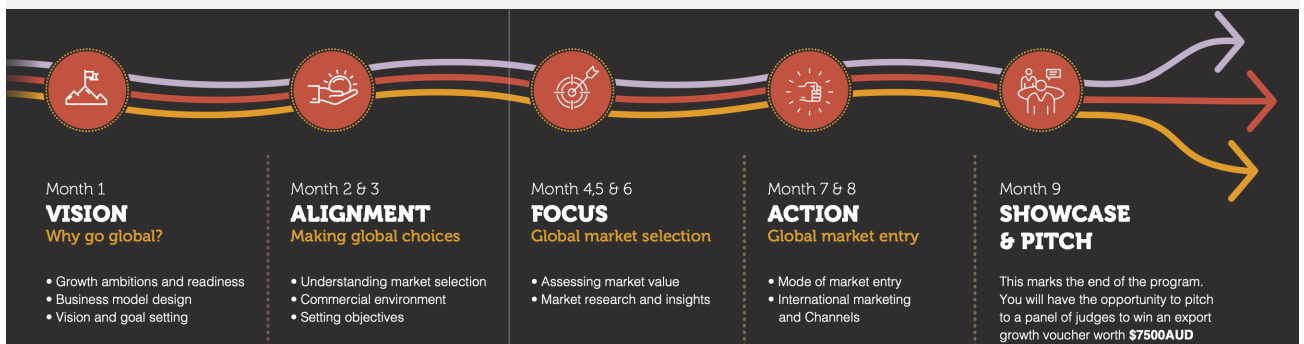
Of surveyed Indigenous Australian businesses, the biggest export markets are New Zealand, the United Kingdom and the United States of America. While these are large markets with potential, cultural factors must be considered and overcome when exporting to other countries.

Export markets of Indigenous exporters (Number of responses)⁹



Trade Routes - Indigenous Global Growth Program

Supported by Global Victoria and powered by RMIT Activator, Trade Routes is a growth program designed to incubate global growth opportunities in Indigenous businesses. Over a 9 Months period, businesses are given resources to create a global vision and execute through a targeted market entry strategy.



The Trade Routes program has been largely a success with four businesses from the inaugural program in 2021 now actively exporting overseas, and gives participants the opportunity to receive a \$7,500 grant upon completion to help implement their market entry strategy. While successful, the program has a low capacity, servicing 12 businesses including sole operators in 2021 ¹⁰.

⁹Supply Nation, State of Indigenous Business (2021)

¹⁰ DFAT, Inclusive Trade: Unlocking the export potential of Australia's Indigenous SMEs (2021)

Case Question

Your team has been asked to prepare a brief presentation to be viewed and reviewed by Indigenous Australian business owners. Your team should deliver recommendations that are informed by the client's cultural and community-led obligations. Propose a business plan that specifically addresses the following question:

How can Indigenous Australian business owners like Debra Beale succeed when expanding their business internationally?

Considerations

- What are the challenges facing someone in Debra's position in her next steps?
- How should she prepare to ensure that the commercial, business, international regulations, trade policy and legal and ethical issues are prepared for and adequately dealt with?
- What steps should be taken to begin exporting Indigenous art and culture?
- Teams should make recommendations specifically addressing international launch requirements while also looking at long-term economic sustainability
- Teams should consider what KPIs could be used to measure a successful expansion

