



# Kinaway

Chamber of Commerce  
Victoria Ltd

**Submission on the Proposed Approach to Reviewing the progress. Of  
the Closing the Gap Agreement  
January 2023**

*Kinaway* acknowledges Aboriginal and Torres Strait Islander Peoples as the Traditional Owners and Custodians of the lands on which we work and the lands on which our members conduct their businesses. We acknowledge their enduring connection to and continued custodianship of Country.

We pay our respect to our Ancestors as our first entrepreneurs who built and maintained thriving economies through their connections to land, water and resources, and we honour their spirit in the work we do to overcome the inequity and economic loss our People have suffered as a result colonisation, dispossession and exclusionary policies.

Sovereignty never ceded. Always was, always will be.

## **Background**

Kinaway is from the Gonnai language meaning “exchange.” We are a First Nations Chamber of Commerce and the recognised peak representative body for the Victorian First Nations business community. Our focus is on changing First Nations Peoples’ lives through a strength-based model of business ownership and participation in the broader economy, and the education of the public and private sectors to better understand the social value of including First Nations businesses into their supply chains. We work in close partnership with the Victorian State Government to deliver programs that support First Nations entrepreneurship as well as over 80 corporate partners to support the identification of opportunities to increase First Nations businesses into supply chains. Our work has contributed to a burgeoning First Nations economy in Victoria that continues to grow and deliver socio-economic benefits to our community via services, support and products to assist commercial sustainability, profitability and innovation, and work to foster meaningful partnerships with government, corporations and academia to enact policy change.

We have a current membership of 532 businesses across a diverse spectrum of industry. We are a First Nations led organisation, committed to the growth of our People. Our Board is comprised exclusively of First Nations business owners whose vision is to increase the economic participation of First Nations people and support them to build their own economic outcomes and to promote the value our members’ contribution to the economy. Our CEO and senior management team is led entirely by First Nations People and 78% of our staff identify as Aboriginal and/or Torres Strait Islander.

Kinaway is a founding member of the newly formed National Indigenous Business Chamber Alliance Working Group with our CEO acting as an interim co-chair to this group. It is the aspiration that this group will become the national voice for the Indigenous Business Sector and work in partnership with government to not only increase the participation of our member businesses in the wider economy but normalize participation. Economic participation across all sectors of the economy will deliver real and tangible benefits to our people and assist government to overcome negative social indicators for First Nations People.

## **Introduction**

We are grateful for the opportunity to provide comments to assist in the formation of the Productivity Commission’s proposed approach to reviewing progress against the National Closing the Gap Agreement. We thank the Commission for allowing this later than desired submission and hope you find value in our comments and the issues raised.

The Commission’s *Review Paper 2: Proposed Approach and Invitation to Engage with the Review* is a welcome opportunity for Kinaway to become more engaged in matters affecting First Nations People at the national level insofar as they pertain to economic development. Whilst not a formal member of the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks), Kinaway meets the criteria for membership and intends to make application for membership in 2023.

It is telling in and of itself that Kinaway has not formally been made aware or asked to participate in the review to date, albeit through no fault of the Commission. As mentioned above, Kinaway is not a member of the Coalition of Peaks, and the Coalition of Peaks does not have any representation from any First Nations business chambers or networks despite these chambers or networks operating in most states and territories. As a result of Kinaway only recently becoming aware of the review, despite existing relationships with the Victorian State Government and with the Commonwealth as

represented by the National Indigenous Australians Agencies and Indigenous Business Australia, our comments in relation to the Review Paper are brief however we look forward to greater involvement in the review as it progresses.

We note the Commission's review will be complemented by an independent First Nations-led review and that the Commission has outlined its engagement approach for the review in *Review Paper 1: Engagement Approach* and we look forward to receiving further information on and participating in this review as it progresses.

We hope that this submission provides the initial steps for a more formalised manner to enable the participation and involvement of the First Nations business sector in implementing the National Agreement on Closing the Gap and we would be pleased to discuss with the Commission further any aspects of our submission.

## **PART ONE – PROPOSED APPROACH TO THE REVIEW**

### **1.1 ENGAGEMENT WITH THE FIRST NATIONS BUSINESS SECTOR**

#### **Recommendations**

1. The First Nations business sector, and First Nations People more broadly, be actively engaged in the Commission's review process
2. The Commission be adequately resourced to undertake comprehensive consultation with First Nations People including with the First Nations Business Sector

Whilst we are largely supportive of the Commission's approach to the review we feel it would be strengthened by the specific involvement of the First Nations business sector as part of the consultation process. This involvement would enable a more comprehensive review and provide a more holistic analysis of the landscape many First Nations organisations must traverse, and this is a sector that has broad interaction across a number of government departments due to the wide-ranging and cross portfolio scope of economic development. We feel this may also provide better insight into what role the National Indigenous Australian Agency plays in First Nations economic development and business sector support and growth, and provide some clarity on the role of the NIAA as a cross co-ordinating body with lead responsibility for Closing the Gap initiatives. Whilst undoubtedly all government departments have responsibility for the agreement and that this responsibility extends across all jurisdictions, greater consultation with the First Nations business sector will hopefully shed some light on the bureaucratic quagmire that our sector is required to navigate in order to access support and hopefully provide some recommendations on how this could be improved.

Notwithstanding the Indigenous led review, a failure to include a First Nations voice as part of the Commission's review is likely to result in a skewed presentation of the realities First Nations organisations face when interacting with government departments, particularly where those departments purport to be supporters of First Nations self-determination under the guise of shared decision-making. If the agreement is to deliver its intended outcomes the absence of First Nations business voices as part of the Commission's review may inadvertently lead to policy and program design and delivery that is ill equipped to deliver economic outcomes, or deliver economic outcomes for only a subset of the community (for example economic development outcomes tied to Native Title outcomes).

Further, the participation of the First Nations business sector as part of the review is necessary to enable an enhanced understanding of the link between the growth of the First Nations economy and the resultant social impacts that more directly contribute to Closing the Gap priority areas. At present, the voice of First Nations entrepreneurs and business owners are not sufficiently represented in implementation of the Agreement, nor are the views of First Nations voices from our flourishing business sector adequately included in policy making and program design in instances where the Commonwealth is seeking to deliver outcomes under the identified priority areas and we have seen first hand the negative impacts of this in our sector.

Whilst we note that a two pronged approach is being taken to the review, our firm view is that the Commission's review must taken into account the unique perspectives and lived experiences of First Nations People and the ample opportunity should be afforded to First Nations organisations to participate in the Commission's review in order to ensure the Commission's review accurately reflects the realities of the landscape in which our organisations operate.

In order for this level of consultation to occur, the Commission must be financially supported to undertake broad scope consultation.

## **1.2 CHOOSING CASE STUDIES**

### **Recommendations**

3. Inclusion of a case study of a First Nations business that has benefited from the Indigenous Procurement Policy to achieve profit and deliver social outcomes
4. The Commission's review include assessment and recommendations of jurisdictional implementation of procurement policy, including policies developed to enable implementation

Kinaway would be pleased to work with the Commission to develop a case study on the impact of the Indigenous Procurement Policy as an example of how formal partnership agreements can achieve faster progress. We note that such case studies are not immediately or obviously attached to the listed priority reform areas of justice, social and emotional well-being, housing, early childhood care and development, and Aboriginal and Torres Strait Islander languages, or those areas that the Agreement says must be strengthened, however the growth of the First Nations business sector contributes significantly to priority reform areas on account of the resultant social impacts of greater First Nations participation in the economy, whether through business ownership, or the employment of First Nations people in First Nations businesses, the sponsorship of community based projects and the importance of strong role models being available and it would a useful exercise for the Commission to include a case study in its report that demonstrates the social impacts of this policy.

The area of Indigenous Procurement is also noteworthy in that each of the individual States and Territories have adopted their own policies, however there is no alignment and considerable disparity between the Commonwealth's policy and those policies adopted by other jurisdictions. To this end, procurement provides an example of the challenges that First Nations People experience where a non-uniform approach is taken on a specific policy issue across different jurisdictions and where these policies conflict with the approach taken by the Commonwealth. Procurement is also interesting in that every government department and their agencies across all jurisdictions, engage in procurement. If we apply the equation that \$4.41 of social value is created for each dollar spent then this becomes even more significant and highlights the importance of enabled economic participation to achieve cross beneficial social outcomes.

By way of background, the introduction of the Commonwealth's Indigenous Procurement Policy in 2015 has created economic opportunities for First Nations business owners and employees, with a marked increase in the number and value of contracts awarded to First Nations businesses since the National Agreement came into effect in July 2020. As of May 2022, total purchasing through the IPP since its inception represents over 41,000 contracts with a total value of over \$6.2 billion from over 2,800 First Nations businesses. 314 contracts across the Commonwealth worth \$19 billion have first Nations employment and supply use targets attached. This contribution is significant in terms of achieving Closing the Gap outcomes, however the importance of this contribution is often overlooked as there is insufficient data to prove the social impacts of the policy.

In Victoria the introduction of the Social Procurement Framework has generally seen our member businesses derive benefit, however despite the initial success of the policy, the consensus now is that the policy is underwhelming, has declined in success and requires refresh, lagging considerably behind other States and the Commonwealth where Indigenous specific policies with higher procurement targets have been enacted and are delivering better outcomes for Aboriginal businesses. For example, in 2019–2020 the value of contracts awarded to Aboriginal businesses under the SPF in Victoria was recorded as \$46.1 million. By contrast the value of contracts awarded under the Commonwealth Government's IPPP for the same period was \$1.09 billion, while NSW reported a total value of contracts of \$173 million for that period. The Queensland Government IPPP reported an increase in the value of contracts awarded from \$322 million in 2020–2021 to \$440 million in 2021–2022. Whilst the current figure of Victorian contracts awarded to Aboriginal businesses for 2022 is unknown our view is that it has declined.

Conversely, Kinaway's investment in working with the private sector through our self-funded Strategic Partnerships Program has seen in excess of \$349 million being spent with Aboriginal businesses in the corporate sector. Whilst some of this spend can be attributed to contracts awarded under Victoria's Social Procurement Framework the vast majority is not and therefore provides an indication of what could be achieved should a robust and uniform approach to procurement across all jurisdictions be adopted with higher spend targets, increased accountability and built-in support mechanisms including ongoing support to First Nations business chambers and networks who have first hand knowledge and expertise in brokering relationships between government and the Aboriginal business sector, and support two-way capacity development via shared values, rationalised approaches and practical arrangements.

We have seen the most success in the application of the policy in instances where government departments and/or their agencies have a formal relationship with Kinaway through our Strategic Partnership program and where departments and their agencies are supported in a culturally appropriate manner to shift attitudes and establish new agency or departmental specific business practices including through diversification of supply chains, cultural awareness training and networking opportunities. Unfortunately, however, such arrangements are the exception rather than the rule, and the lack of investment in relationship building and fostering trust is likely contributing to the lower than desired procurement outcomes we are seeing.

In addition to the inclusion of this case study, we would welcome the inclusion of an assessment of jurisdictional implementation of the agreement and policies adopted to enable implementation of the agreement with a view to having a more uniform approach to policies that affect the livelihoods of First Nations People.

## **PART TWO – PROGRESS AGAINST EACH OF THE 4 PRIORITY REFORMS AND THE SOCIO ECONOMIC OUTCOMES**

### **2.1 Priority Reform One - Formal Partnerships and Shared Decision Making**

In addition to our comments made earlier, greater attention must be given to long term funding of First Nations controlled organisations that are contributing to Closing the Gap. The current approach to funding, particularly through a competitive grants system and short-term funding even where there is demonstrated experience in delivering the same or similar program previously under similar arrangements, does not provide our organisations with the level of certainty required to deliver on going services, leads to difficulty in the management of our organisations, such as less than ideal budget planning as a result of funding uncertainty, which also means that there is employment uncertainty for the staff of these organisations due to employment being linked to funding arrangements. In many cases these staff are First Nations People.

There is an increasing concern that government commitments to shared decision making and long term funding via formal partnerships do not extend beyond empty verbal platitudes. This issue is long standing and was supposedly part of the initial impetus for the formation of the National Indigenous Australians Agencies. Despite the existence of NIAA for a considerable time we are yet to see any improvement.

The review must also look to the role of the National Indigenous Australians Agency and its administration of grants for the benefit of First Nations People. Our experience is that there is significant jurisdictional confusion over responsibility for program and policy between the Commonwealth and the States and Territories which is detrimental to the operations of many organisations. Additionally, the types of funding agreements organisations are often locked into are imposed by the Commonwealth and there is limited opportunity to negotiate arrangements that would enable the better administration of programs – a one size fits all approach is taken and our experience with NIAA is that often an overly bureaucratic approach is taken.

### **2.2 Priority Reform Two - Investment in the Aboriginal Community Controlled Organisations Sector**

As a Chamber of Commerce uniquely devoted to the furtherance of normalising the economic participation of First Nations People via a robust First Nations business sector, we are concerned that the Priority Reform initiatives may not enable the desired economic development outcomes of the Closing the Gap Agreement because the Agreement itself, does not adequately recognise the necessity of a flourishing First Nations business sector in addressing economic inequality. With the exception of support for Indigenous Procurement, the agreement adopts a community development approach to economic development rather than a more self-determining approach through business sector development, and this is reflected through the absence of a stand-alone “Building the First Business Sector” in the same manner that as “Building the Community Controlled Sector”, notwithstanding the importance of building that sector and the contribution a strengthened community controlled sector will have in reform.

Whilst the Aboriginal Community Controlled Sector has led the way in achieving self-determined outcomes in a variety of areas including health and well-being, education, justice and cultural

revitalisation, and has no doubt contributed to improving community driven outcomes that contribute to Closing the Gap initiatives, it is traditionally linked to the provision of community services, and these organisations are not best placed to deliver business support. We are concerned that when a community development lens is applied to economic development it can stifle progress, and be delivered from a deficit model rather than applying the necessary private sector approach, albeit with consequential social outcomes.

The commission's review should clarify what an ACCO is and the importance of organisations with expertise in service delivery in a particular area being mandated to deliver and be funded to deliver those services.

### **2.3 Priority Area Three- Transforming government organisations**

Aside from our comments in relation to Indigenous Procurement, Kinaway's experience is that there is significant reluctance on the part of government, both locally and federally, to hand over control and design for programs. Our experience in dealing with NIAA in its current iteration has been fraught, and there appears to be confusion over responsibility between the regionally based offices of NIAA and NIAA itself.

Kinaway's experience is that NIAA is not able to support a number of our initiatives and instead have offered to play more of a facilitatory role in dealing with other government departments however for the most part this does not occur. Our experience is that business development is not prioritised by NIAA despite the obvious need to grow the First Nations Business sector, and that NIAA take a very narrow approach in terms of funding.

### **2.4 Priority Area 4 – Shared Access to data and information at a regional level**

Our lack of awareness of this review through any formal mechanism, and the fact that we have received no information to date in relation to the Indigenous-led review, is indicative of the vast improvement that needs to occur in relation to information sharing at the regional level.