Resourcing First Nations Enterprises: Insights from a Social Enterprise Development Learning Community.

A Knowledge Resource on Funding Models for Self-Determination

Prepared by: First Nations Projects Institute

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1. Acknowledgement of Country

We acknowledge the Traditional Owners and Custodians of the many lands and waters across which this work has taken place. We pay our deepest respects to Elders past and present, and honour the enduring strength, knowledge, and sovereignty of First Nations peoples across Australia and Aotearoa New Zealand.

This project was conducted across multiple First Nations, and we recognise that each carries its own distinct cultures, languages, laws, and knowledge systems that have been sustained for tens of thousands of years.

2. Acknowledgement of Contributors

This report would not exist without the generosity of the First Nations business leaders, social enterprise founders, community members, and finance professionals who gave their time, shared their stories, and trusted this process with their knowledge and lived experience over the past 12 months.

We extend our deep thanks to every contributor across the forum series and the many conversations that informed this work. Your insights, honesty, and willingness to speak openly about both the challenges and the possibilities have shaped every part of this report.

We hope it does justice to what you've shared, and that it serves as a useful tool in the ongoing work of resourcing First Nations enterprises.

3. About First Nations Projects Institute

First Nations Projects Institute is a not-for-profit dedicated to advancing the economic, social, cultural, and environmental aspirations of First Nations people in Australia. We specialise in strategic delivery and coordination on major projects that impact First Nations economic rights.

We bring together a powerful team of experienced leaders who specialise in financial systems, economic development, policy transformation, and strategic project delivery. With our collective expertise, we bridge the gap between financial systems, corporate governance, and First Nations perspectives, driving system-level change that supports communities, businesses, and First Nations groups to achieve economic self-determination and meaningful outcomes.

4. Purpose

This report captures insights from First Nations business leaders, social enterprise founders, and finance professionals across Australia and Aotearoa New Zealand. It documents the lived experiences of those navigating funding systems and identifies both the barriers to, and opportunities for, achieving economic self-determination through appropriately resourced First Nations enterprise.

The aim is to contribute to sector-wide learning and to advocate for systemic change in how funding flows to First Nations-led initiatives.

5. Methodology

This report draws on qualitative insights gathered through small group discussions and one-on-one conversations with approximately 25 First Nations contributors over a 9-month period (July 2025– April 2026). Contributors included social enterprise leaders, business owners, finance professionals, and community organisers from diverse regions across Australia and Aotearoa New Zealand.

Conversations were guided by open-ended questions exploring:

1. Current funding sources and models being used or explored
2. Experiences with government, philanthropic, and investment funding
3. Barriers and enablers to accessing appropriate capital
4. What "good" funding relationships look like in practice
5. Ideas for systemic reform

The themes presented in this report reflect recurring patterns across these conversations. Direct quotes and attributions have been avoided to protect confidentiality; instead, insights are presented as collective observations.

6. Context and Key Findings

First Nations enterprises operate in a funding environment that was not designed for them. The systems that allocate capital, whether government grants, philanthropic funding, or commercial investment are largely built on Western institutional frameworks that often conflict with Indigenous ways of working, measuring success, and building economic capability.

Despite the rapid growth of the First Nations business sector in recent years, access to appropriate and timely capital remains one of the most significant barriers to sustainability and scale. Contributors consistently described a landscape characterised by scarcity, complexity, and systemic bias.

1. Funding Scarcity and Competition

A consistent theme across conversations was the fundamental shortage of funding available to First Nations enterprises. Available pools are small, competitive, and often inaccessible. The demand for funding far outstrips supply, creating an environment where First Nations organisations compete against each other and increasingly against non-Indigenous organisations for limited resources.

Several contributors raised concerns that funding earmarked for Indigenous-focused work was being awarded to non-Indigenous organisations delivering services “for” rather than “by” First Nations people. This was described as a significant and ongoing frustration, with one **contributor noting it felt like being crowded out of their own space.**

2. Burdensome Application Processes

Contributors repeatedly described funding application processes as disproportionately complex and time-consuming, particularly for the amounts of money being sought. **A recurring observation was the requirement to complete lengthy applications sometimes 15 pages or more for relatively small grants.** Several contributors described these requirements as systemically biased, reflecting underlying assumptions about capability and trustworthiness.

As one contributor summarised: **being asked to jump through extraordinary hoops for modest funding, while larger mainstream organisations access significant capital with relative ease, sends a clear message about who the system was built to serve.**

3. Slow and Unpredictable Funder Behaviour

Beyond application complexity, contributors described significant frustrations with funder responsiveness and reliability.

Common experiences included

- extended delays between application and decision, often without communication
- timelines and milestones being changed mid-process by funders,
- difficulty getting responses to emails or inquiries, particularly from government agencies,
- and funding decisions that seemed disconnected from stated priorities or criteria.

The National Indigenous Australians Agency (NIAA) was specifically mentioned by multiple contributors as particularly difficult to engage with. Contributors described minimal responsiveness, unclear processes, and a general sense that the agency was not set up to genuinely support First Nations enterprise development.

4. Start-Up Enterprises Face Acute Disadvantage

Contributors identified early-stage and start-up First Nations businesses as facing the most significant barriers to funding access.

Without established track records, revenue history, or assets to secure lending, start-up enterprises often find themselves locked out of both commercial finance and grant funding that requires demonstrated organisational capacity.

This creates a catch-22: organisations need funding to build capacity, but can't access funding without demonstrating capacity. This bias toward established organisations effectively excludes emerging First Nations entrepreneurs and reinforces existing inequalities within the sector.

5. Government seen as Blocker, Not Enabler

Contributors consistently characterised the role of government funding bodies as obstructive rather than supportive. Beyond the specific criticisms of NIAA, contributors described a broader pattern of government agencies operating in ways that hindered rather than enabled First Nations economic development.

This included:

- overly prescriptive funding requirements,
- risk-averse approaches that prioritised compliance over outcomes,
- lack of cultural competency among staff making funding decisions,

- and disconnection between stated policy commitments to self-determination and actual funding practice.

Indigenous Business Australia (IBA) received mixed feedback. While some acknowledged IBA's importance, others described the organisation as inconsistent, difficult to navigate, and lacking cultural competency. Several noted that IBA's products and eligibility criteria were unclear, making it hard to know whether support was genuinely accessible.

6. The Absence of Impact Investment

When asked about impact investment as an alternative to grants, contributors consistently noted its near-total absence from the First Nations enterprise funding landscape.

While impact investment has grown significantly in mainstream markets, First Nations enterprises described having almost no access to this form of capital. The infrastructure, networks, and intermediaries that connect impact investors with opportunities largely do not extend to First Nations-led initiatives.

First Australians Capital (FAC) was acknowledged as an important exception, FAC is an Indigenous-led fund working to address this gap. However, contributors observed that FAC's scope has narrowed in recent years, with the organisation operating more like a traditional fund and therefore supporting fewer businesses than it once did.

7. Blended Finance: Promising but Limited

Several contributors identified blended finance. combining grants, concessional loans, and investment as a promising model for First Nations enterprise funding.

Blended approaches were seen as offering flexibility, reduced risk, and the potential to bridge gaps between what grants can provide and what commercial lending requires.

However, contributors noted that access to blended finance options remains extremely limited. The intermediaries and structures needed to package and deliver blended finance to First Nations enterprises are largely undeveloped.

8. Limited Access to Appropriate Banking and Finance

Contributors highlighted significant barriers in accessing appropriate banking and investment products, particularly for smaller-scale or start-up enterprises.

Banking thresholds for loans and credit facilities are often set too high for emerging First Nations businesses. Traditional banks view these enterprises as risky investments, creating systemic exclusion from mainstream finance.

Several contributors noted the potential of B Corp-aligned and cooperative banks, such as Kiwibank and Cooperative Bank in Aotearoa New Zealand which offer more accessible lending for sustainable and community-oriented businesses. However, there is limited visibility on how to access these options, and knowledge sharing among First Nations communities about alternative finance pathways remains weak.

Crowdfunding was mentioned as an emerging model. However, this approach requires significant social capital, digital literacy, and marketing capacity, resources not equally available to all First Nations enterprises.

9. Power Imbalances in Funding Relationships

Contributors consistently identified the fundamental power imbalance between funders and those seeking funds as a core barrier to equitable relationships.

Funders hold the power to approve or deny resources, while applicants must navigate a system that was not designed with their input or for their ways of working. This dynamic creates a transactional, often extractive relationship rather than a genuine partnership.

Contributors emphasised that without structural changes to decision-making authority, such as placing First Nations people in governance and funding decision roles, this imbalance will persist regardless of rhetoric about equity and self-determination.

7. What Good Looks Like: Learning from Effective Models

Despite the challenges, contributors shared powerful examples of funding relationships that worked well. These models demonstrate what becomes possible when funders commit to cultural integrity, relational practice, and genuine power-sharing.

Case Example: Ministry Business, Innovation and Employment (Aotearoa New Zealand)

Contributors described a previous government funding process led by Ministry for Business, Innovation and Employment as a transformative model grounded in te ao Māori values:

- **Culturally grounded design:** The entire process was structured according to te ao Māori principles, with Māori leaders guiding design and implementation.
- **Equitable governance:** A Māori advisory board ensured decision-making was led by and accountable to Māori communities.
- **Language and cultural expression:** Applicants could write applications and present pitches in te reo Māori, enabling authentic expression of concepts that have no direct English translation.
- **Māori panel, Māori decisions:** The assessment panel was entirely Māori, ensuring decisions were made by those who understood the cultural context and community benefit.
- **Relationship-based assessment:** Rather than relying solely on written applications, the process included face-to-face engagement, sitting down to yarn, discussing projects directly with decision-makers, and building genuine relationships.
- **Minimal reporting burden:** Reporting requirements were responsive and proportionate to the project reality, acknowledging that excessive compliance work detracts from doing the actual mahi.
- **Outcomes-focused:** The process prioritised outcomes that would directly benefit Māori communities, rather than rigid outputs or deliverables disconnected from real impact.

This model demonstrated that when funding processes are designed by and for Indigenous communities rather than adapted from mainstream templates, they create space for authentic self-determination.

Case Example: Mannifera First Nations Advisory Group

Contributors also highlighted Mannifera's First Nations advisory group model as effective:

- **Straightforward processes:** Application pathways were clear and accessible, avoiding unnecessary bureaucratic complexity.
- **Systems change focus:** The model recognised that effective resourcing requires changing systems, not just distributing funds.
- **First Nations-led governance:** Decision-making authority was held by First Nations advisors who understood community needs and organisational realities.

8. Common Characteristics of Good Funding Practice

Across these examples and others, contributors identified consistent elements of funding relationships that worked:

Trust-Based Approaches

Funders who extended trust to First Nations organisations rather than requiring extensive proof of capability before engagement. This meant streamlined applications, flexible reporting, and genuine partnership rather than surveillance.

Relational Investment

The best funding relationships were deeply relational: funders took time to sit down and yarn, visit communities, see the work in the field, and invest time in understanding context. This human element transformed transactional relationships into genuine partnerships.

Values-Led, Not Risk-Led

Funders who led with their values and purpose rather than risk mitigation. Contributors described the best funders as those willing to accept some risk in service of genuine impact, rather than prioritising their own institutional protection.

Cultural Integrity in Process

Processes that allowed applicants to present as themselves, speaking their own languages, expressing concepts in culturally appropriate ways, and being assessed by people who shared cultural understanding.

Place-Based Decision-Making

Decision-makers who were either from the communities being served or had deep relationships with those communities. This ensured funding decisions made sense in local context and reflected actual community priorities.

Diverse and Rotating Governance

Strong governance structures with diverse representation and term limits to prevent "title collecting" and ensure fresh perspectives. Contributors emphasised the importance of avoiding cliques and ensuring governance roles serve the community rather than individual status.

Responsive Reporting
Reporting requirements matched to project scale and reality, focusing on outcomes and storytelling rather than bureaucratic outputs. Good funders recognised that excessive reporting creates unnecessary work and diverts energy from actual impact.

Transparency and Follow-Through
Clear communication about processes, timelines, deadlines, and decision criteria. Funders who followed through on commitments and maintained communication throughout the relationship, not just at funding approval.

Outcomes Over Outputs
Focus on genuine outcomes, including unintended positive outcomes—rather than rigid adherence to predetermined outputs. Recognition that impact often manifests in ways that weren't predicted in the original application.

Long-Term Commitment
Funders willing to commit over multiple years rather than short funding cycles that create constant uncertainty and administrative burden.

9. Barriers Requiring Reform

Beyond individual funder behaviour, contributors identified structural barriers that require systemic change:

Lack of Indigenous Financial Literacy Support

Contributors emphasised the need for accessible education around banking, finance, and investment structures for First Nations communities. Many potential entrepreneurs and social enterprise leaders lack knowledge about how to navigate mainstream financial systems, not due to individual capacity issues, but because these systems were never designed to be accessible to First Nations people.

Knowledge Sharing Gaps

Information about successful funding models, alternative finance options, and effective strategies doesn't travel well across First Nations communities. Contributors noted that knowledge tends to remain localised, with limited infrastructure for sharing insights, models, and lessons learned across regions and networks.

Investment Thresholds and Scale Bias

Mainstream investment structures are designed for scale that doesn't match the reality of many First Nations enterprises, particularly those operating in remote communities or prioritising community benefit over growth. Perceived "small-scale" operations are excluded from investment, even when they represent the most effective model for their context.

Absence of Examples Led by Indigenous Ways

Contributors noted the lack of visible, well-documented examples of funding models genuinely informed by Indigenous ways of knowing, doing, and measuring success. While organisations like First Nations Futures were mentioned, contributors observed they had limited visibility into how such organisations were funded or governed, making it difficult to replicate successful models.

10. Recommendations

Based on the insights gathered, the following recommendations are offered to funders, policymakers, and sector advocates:

FOR FUNDERS

1. Adopt culturally responsive design processes. Involve First Nations people in designing funding processes from the outset, not just as applicants. Structure processes according to Indigenous values and ways of working.

2. Invest in relational practice. Sit down and yarn with applicants. Visit communities. Spend time understanding the work in context. Make funding a genuinely relational process, not a transactional one.

3. Transfer decision-making power. Establish First Nations-led advisory boards or decision-making panels with genuine authority. Ensure decision-makers are diverse, place-based, and subject to term limits to maintain accountability.

4. Enable cultural expression: Allow applications and presentations in Indigenous languages. Recognise that some concepts, values, and ways of describing impact cannot be adequately expressed in English or through Western frameworks.

5. Simplify application processes: Match administrative requirements to funding scale. Small grants should require simple applications. Trust First Nations organisations to know how best to use resources.

6. Make reporting responsive and proportionate: Focus on outcomes and storytelling rather than bureaucratic compliance. Recognise that excessive reporting detracts from actual work and undermines impact.

7. Lead with values, not risk: Accept that meaningful impact requires accepting some risk. Don't let institutional risk aversion prevent good funding decisions.

8. Fund First Nations-led, not just First Nations-focused: Prioritise organisations led by and accountable to First Nations communities, not non-Indigenous organisations doing Indigenous-adjacent work.

9. Be transparent and communicative: Clearly communicate processes, timelines, and decision criteria. Respond to emails. Follow through on commitments. Treat applicants with respect regardless of outcomes.

10. Commit long-term—Offer multi-year funding cycles to reduce administrative burden and enable organisations to focus on impact rather than constant fundraising.

11. Gender-Lens Investment Support: Introduce targeted funding for First Nations women founders to address the documented funding gap.

<u>**FOR GOVERNMENT**</u>

12. Reform NIAA funding processes: Address systemic issues with responsiveness, clarity, and cultural competency within the agency. Ensure staff have genuine understanding of and respect for First Nations self-determination.

13. Review IBA's role and accessibility: Ensure products are clear, accessible, and delivered with genuine cultural competency. Make eligibility criteria transparent and navigation straightforward.

14. Shift from compliance to outcomes: Reorient funding frameworks toward genuine impact rather than bureaucratic compliance. Measure success by community-defined outcomes, not institutional risk management.

15. Lower banking and investment thresholds: Work with financial institutions to create accessible products for smaller-scale First Nations enterprises, particularly start-ups and community-focused businesses.

16. Support cooperative and ethical banking: Facilitate partnerships between First Nations enterprises and B Corp-aligned or cooperative banks that prioritise social and environmental outcomes alongside financial returns.

For the Sector

17. Build impact investment infrastructure: Develop intermediaries, networks, and products that connect impact capital with First Nations enterprise.

18. Expand blended finance options: Create more pathways for First Nations enterprises to access flexible, blended funding models combining grants, concessional loans, and investment.

19. Strengthen knowledge sharing: Build infrastructure for sharing successful funding models, strategies, and lessons learned across First Nations communities and regions.

20. Provide accessible financial literacy education: Develop culturally appropriate resources and programs to support First Nations people in navigating banking, investment, and finance systems.

21. Document and share good practice examples: Make visible the models that work so they can be learned from, adapted, and replicated in other contexts.

22. Advocate collectively: Continue building collective voice to advocate for systemic reform in how funding flows to First Nations enterprise. Use examples of what works to demonstrate what's possible.

23. Address governance accountability: Establish clear expectations around term limits, diverse representation, and community accountability in First Nations governance structures to prevent concentration of power and ensure genuine community benefit.

24. Market Access & Growth Infrastructure: Enhance First Nations Procurement Policies to improve retail and supply chain access, including shelf space opportunities and streamlined government procurement pathways for small businesses that may not fit traditional tender models. Complement this with targeted funding for manufacturing and distribution infrastructure to support scalable growth.

11. Conclusion

The insights gathered through this project paint a consistent picture: First Nations enterprises are navigating a funding landscape that is scarce, complex, slow, and often hostile to their success. While pockets of good practice exist, the system as a whole remains fundamentally misaligned with the needs and aspirations of First Nations-led economic development.

The path forward requires more than incremental improvement. It requires a fundamental reorientation of funding relationships, from compliance to trust, from transactional to relational, from risk-aversion to values-alignment, and from control to genuine self-determination.

The contributors to this project have shown what's possible when funding is done well: culturally grounded processes, genuine power-sharing, relational investment, and focus on outcomes rather than outputs. These models work because they start from Indigenous ways of knowing and doing, rather than attempting to retrofit First Nations organisations into Western institutional frameworks.

What becomes clear is that effective funding for First Nations enterprise is not primarily a technical problem requiring better financial products. It is a structural and relational problem requiring genuine redistribution of power, resources, and decision-making authority.

The contributors to this project are already doing the work: building enterprises, creating employment, generating community wealth, and demonstrating what First Nations economic leadership looks like. What they need is a funding system that supports rather than obstructs that work—one built on trust, relationship, cultural integrity, and genuine commitment to self-determination.

This learning community was commissioned by Social Enterprise Australia as part of the Australian Government's Social Enterprise Development Initiative (SEDI) to help build sector capability and grow social impact.

12. Disclaimer

The information contained in this report has been prepared in good faith and is true and accurate to the best of our knowledge at the time of writing.

The content draws on discussions, conversations, and contributions shared across the Resourcing First Nations Enterprises forum series and related engagements over the course of approximately 9 months. Findings and insights have been summarised and synthesised from these discussions and may not capture every perspective or viewpoint shared.

The views expressed in this report reflect the collective contributions of participants and do not necessarily represent the formal positions of any individual, organisation, or funding body. Contributor insights have been included with care, and where possible, have been shared back with participants for review. Any errors or omissions are our own.

This report is intended as a resource to inform and support ongoing efforts to strengthen the resourcing of First Nations enterprises. It does not constitute financial, legal, or professional advice.

Contact us:

hello@fnpg.org

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ACN 688 467 183