



## **Submission to the Yoorrook Justice Commission**

The Aboriginal Retail Australia Indigenous Corporation (ARAIC) is an Aboriginal led, non-profit organisation committed to enhancing the participation of Aboriginal businesses in the retail sector to drive economic development, equity, and social impact.

Aboriginal Retail Australia was created by a group of Aboriginal retailers in Victoria who aim to drive change in the retail sector by advocating for greater inclusion and a fairer, more just operating environment in the sector to support economic development.

Aboriginal retailers consist of a range of enterprises from sole-trader businesses of people such as individual artists and retailers creating products from their creative practice to mum-and-dad businesses who employ a small team of people creating retail products. Or social enterprises focussing on retailing to support community development or employment to Traditional Owner enterprises who want to economically support people on Country by trading in a retail focussed enterprise.

### **Challenges Faced by Aboriginal Retailers**

Aboriginal retailers currently face significant challenges on top of historical and systemic barriers due to inflation, rising interest rates, and supply chain issues, which have impacted both discretionary customer spending and business input costs. These factors threaten the current and ongoing sustainability and profitability of their businesses.

The current suite of Aboriginal business support services is ill-equipped to address the specific needs of Aboriginal retailers. These support services were designed and developed to support the realisation of outcomes from government and corporate procurement targets. But over time while many Aboriginal businesses have seen great outcomes, Aboriginal retailers have not seen significant benefits of procurement spend or targets and our business support services do not have the retail expertise, experience, specific networks and focussed resources to support Aboriginal businesses operating in the retail sector.

Aboriginal retailers need to be included in the wider retail sector to create sustainable businesses and promote business growth, while actively addressing issues of the

dominance of non-Aboriginal businesses in retail sector promoting Aboriginal products with questionable and uncertified authenticity and the virtue-signalling and black washing that is aligned to these.

Aboriginal retailers look for opportunities to engage and collaborate, but these aspirations are not without their challenges. Aboriginal retailers require the support of the wider retail industry, government and a dedicated organisation to advocate, broker, encourage and collaborate to create a level-playing field and a more inclusive retail sector.

Without industry focussed support, Aboriginal retailers will not be able to scale their businesses and participate in an export economy with the industry backing they require to participate successfully.

The challenges of our sector require targeted support and initiatives that recognise and respect the unique needs and strengths of Aboriginal businesses in retail, without a dedicated support organisation to facilitate this change we are unlikely to see the progress the sector strives for.

### **Challenges in the promotion of culture**

In many instances Aboriginal retailers represent and promote cultural narratives and practices through their businesses. This retail trade based on their cultural heritage and practice creates an opportunity to engage in culture, develops a sense of pride, builds responsibility and fosters economic opportunity.

However, Aboriginal retailers also unfairly compete with non-Aboriginal businesses who trade in the promotion of Aboriginal cultures. These trade competitors compete with Aboriginal businesses for customer loyalty and spend which can sometimes lead to questionable and sometimes exploitative practices, further marginalising Aboriginal businesses.

Aboriginal retailers operate in a strongly competitive market competing with non-Aboriginal businesses who generally have greater capacity and capability to promote Aboriginal-style products to wider audiences.

In some cases, misleading business practices of non-Aboriginal businesses undermine the sustainability of Aboriginal enterprises. Retailers who create and sell products that are based on artistic, creative or cultural endeavours and those that utilise bush foods and bush botanicals compete with non-Aboriginal businesses who create and sell similar style products to the consumer.

In many cases, these products are more readily available because they are produced in higher quantities, they are lower priced to their greater ability to scale, they can be higher quality and marketed more expertly creating more 'attractive' and available products to the consumer. This can be attributed to their ability to invest in manufactured products and reach a larger customer base in comparison to many Aboriginal businesses, who can struggle with scaling up and reaching the customer.

However, these products generally focus on creating wealth from Aboriginal culture for the non-Aboriginal business that created them, and in turn this deprives Aboriginal businesses of income and benefit from their own culture.

Many non-Aboriginal businesses ‘virtue-signal’ to consumers, portraying themselves as supporting Aboriginal communities and as virtuous, ethical allies. However, there is little verification mechanisms for their activities and no recognised credentials and their operations either unknowingly or knowingly exploit Aboriginal people and culture. In fact Aboriginal businesses are more regulated in this regard in terms of being ‘verified’ as a bona fide Aboriginal business, than non-Aboriginal businesses selling the same or similar products.

Non-Aboriginal businesses frequently profit from Aboriginal cultural themes and tangible culture, many without a genuine connection to Aboriginal people or communities and their activities are subject to market forces and are not monitored, verified or regulated leading to many misleading consumers through misrepresentation or ‘black washing’.

This black-washing and passing-off are deceptive marketing practices and create an environment that confuses the customer and harms Aboriginal businesses and people. These businesses may claim a connection to Aboriginal culture, people or a community where none exists, or none is bona fide. This creates great inequality in the retail trade sector.

Aboriginal Retail Australia was established to help create greater opportunity for Aboriginal businesses in the retail sector by engaging the retail sector to support Aboriginal businesses to be included and to ‘open doors’ to retail opportunities. It is by no means a level playing field for Aboriginal businesses and there are challenges that remain unaddressed

Addressing systemic challenges requires support for Aboriginal businesses to participate in the retail sector by creating opportunities for Aboriginal businesses to incubate, grow and scale and ensuring respectful and equitable market that builds sustainable outcomes for Aboriginal businesses and the community.

There are a range of initiatives that could create meaningful change and more equitable outcomes for First Nations people. Aboriginal Retail Australia is working towards advocacy, partnerships and developing initiatives to address the inequality in the retail sector to foster greater economic development outcomes for Aboriginal people.