



# COLLABORATIVE INDIGENOUS BUSINESS MODEL

## ABSTRACT

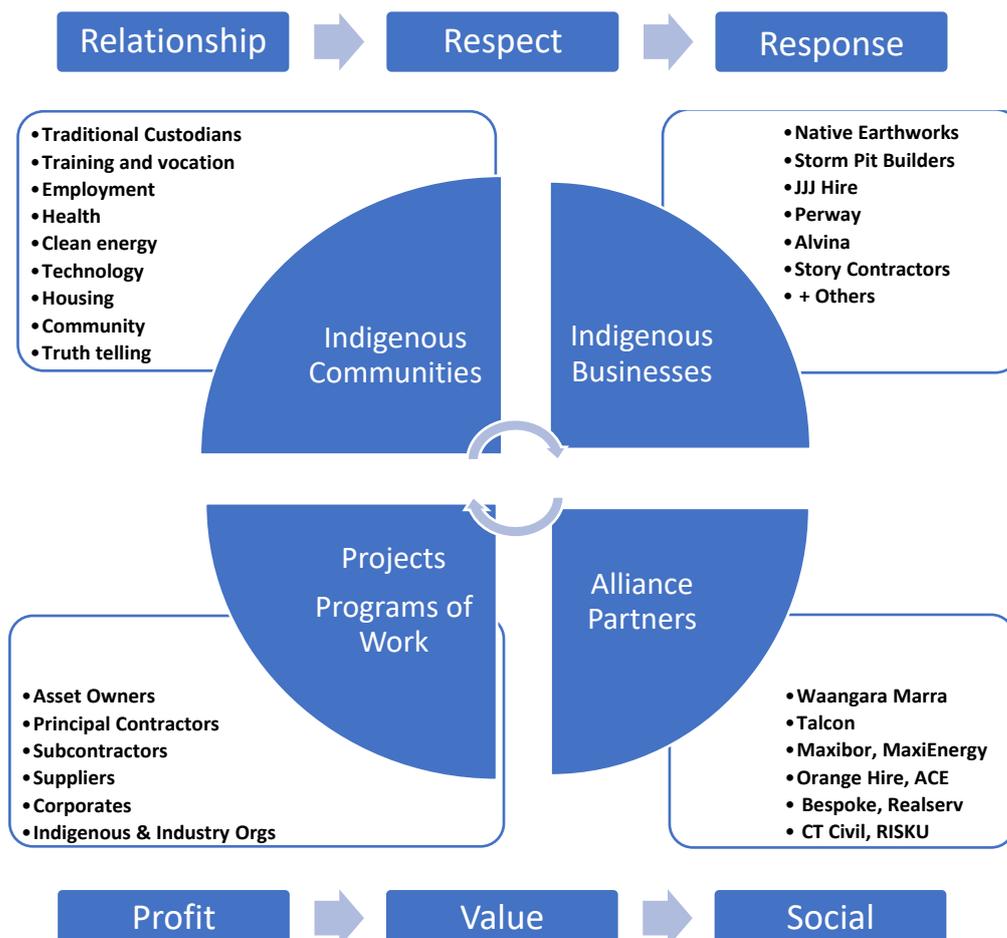
The collaborative Indigenous business model is designed to help Indigenous businesses better participate in the infrastructure and mining sectors to make a sustainable difference.



## Overview

The collaborative Indigenous business model is designed to help Indigenous businesses better participate in the civil construction, construction, renewables and mining sectors to make a sustainable difference.

The model is based on assisting micro and small Indigenous businesses to move to a higher level of service capability to achieve sustainable profitability and collaboratively grow the value of their business asset. The model's approach goes beyond the traditional supplier transaction arrangement. It works to build enduring relationships to help to build the value of Indigenous businesses. The model is about being cooperative as opposed to competitive.



This is achieved through collaborative and supportive development of the capabilities and resources of the Indigenous businesses to enable them to better participate in projects and programs of work at a profitable level and grow the value of their business assets.

Collaborative and supportive development of capabilities and resources requires mainstream alliance businesses proactively sharing knowledge, facilitating friendly access to plant and equipment and materials and services, providing connections into potential customers and assistance with commercial negotiations, compliance and administration. All this builds Indigenous business value.

The model proactively seeks to provide social and cultural benefit back to the wider Indigenous community as part of the collaborative delivery process.

The model is open, scalable and repeatable. No one owns the model. Participants work cooperatively.

## Key Principles

The model embraces Relationship, Respect and Response to help achieve three corporate objectives:

1. Achieve sustainable profitability
2. Grow the value of the business assets of shareholders, alliance partners and customers
3. Build a future we all look forward to

The first two objectives are economic, the third social. Thinking in the context of these three objectives allows a wider set of outcomes beyond the economic to be achieved. Social, cultural and environmental outcomes are just as important if we want to build a future we all look forward to.

## Markets and Capability

Behind the model is an extensive network of Indigenous and mainstream businesses and organisations which have been working in a collaborative manner over several years. This group is expanding as the delivery model gains further traction across the various categories of participants. The participants have a wide range of capabilities which now, when combined, can make a significant contribution to the delivery of major projects or programs of works either directly to asset owners or through Tier 1 EPCs and their major subcontractors.

The markets relevant to the model in the context of infrastructure and mining are:

- Agriculture
- Airports
- Construction
- Defence
- Facilities fitouts and maintenance
- Oil and Gas
- Mining
- Power
- Property development
- Rail
- Renewables (solar, wind and storage)
- Road
- Security (electronic and fencing)
- Telecommunications
- Water and Sewer

Capabilities and resources across the model participants include:

- EPC on infrastructure and construction projects (direct, JV or subcontractor at each or all project stages)
- Civil works across all market sectors delivered by Indigenous and non-Indigenous labour and subcontractors
- A large plant fleet nationally for dry and wet hire available through Indigenous businesses with capacity to supply most requirements of clients operating locally or nationally in the infrastructure and mining markets
- Design and construct of horizontal direction drilling projects in all infrastructure sectors across Australia – bores from 20m up to 2kms in length and 63mm to 1.5m in diameter
- Design and install of access security and fencing
- High rail maintenance services
- Design and construct of large-scale solar farms
- Construct of wind farms
- Delivery of industrial, commercial and residential energy solutions (diesel replacement, solar, virtual power plants, microgrids, residential energy storage)

- Supply of key products (infrastructure technology, infrastructure materials (pits, pipes, fencing etc), microgrids, batteries, security hardware, fuel efficiency products- Cataclean) to provide supply in combination with install capability
- Training and mentoring programs for Indigenous businesses
- HSEQ systems, in-field technology, insurance and finance
- Engineering surveying, aerial surveys, monitoring and scanning
- Bid preparation including specialised engineering design
- Social procurement content in bids with demonstrated evidence from the model outcomes over a period of time
- Business development with executive level asset owner/ tier 1 / design and technical advisors and other industry and media connect along with access to national future and current project and tendering databases – BCI, Illion Tenderlink, ICN and other tendering sites
- Marketing – platforms, collateral material
- Financial management, enterprise risk management and governance
- Cultural heritage matters and build of respectful and trusting relationships with Traditional Owners/Custodians
- Indigenous engagement help for mainstream corporates well beyond RAPS and KPIs delivered in the context of the underlying principles of the collaborative Indigenous business model

The model encourages the participation of asset owners, Tier 1 EPCs, major contractors and suppliers in the collaborative model to help provide access into current works and early involvement in the bidding and defined participation in future projects.

The collaborative involvement of all participants in providing sources of projects and programs of work facilitates the sustainable flow of on-going works to the Indigenous businesses. This is essential if the financial worth of the Indigenous businesses is to grow to a level which creates a valuable business asset and thereby achieve intergenerational change.

### The Model Delivering Responses

There are now numerous examples of how the model is responding and adding value to both **Indigenous** and non-Indigenous businesses. Examples include:

- **Native Earthworks**, Maxibor and Orange Hire – Native Earthworks has been able to secure a wet plant hire contract into the West Gate Tunnel Project through accessing plant from Orange Hire and interim financial support from Maxibor.
- **JJJ Hire**, Orange Hire – plant is being made available to these Indigenous companies at very competitive rates to enable them to competitively bid into major projects for wet and dry plant hire and traffic management services.
- **Talcon Group** is proactively embracing the collaborative Indigenous business model through linkage of Indigenous businesses and organisations with mainstream businesses to deliver into major infrastructure projects
- **Talcon Group** is providing contract management services into **Jangga Operations** to facilitate increased participation of local community in civil and other projects
- **Crystal Ailan** and MaxiEnergy – Michael Tournier of MaxiEnergy has linked two Indigenous businesses to facilitate the creation of a wholly owned Indigenous business to operate a large quarry in the Torres Strait Islands.

- **Waangara Marra** and Fluor – Christine Sindely is providing her insights on Indigenous engagement to major corporates to help them incorporate the objectives of the model into their corporate strategies.
- **Jangga Operations** – the model is being utilised to facilitate the achieving of greater participation of Indigenous businesses and mainstream businesses supportive the Indigenous community in major mining projects in far north Queensland. The model is being taken to mainstream principal contractor businesses to help facilitate the utilisation of Indigenous businesses in the delivery of the projects.
- **Perway Rail** – mainstream businesses in the model are exploring opportunities to support an innovative high rail maintenance vehicle solution.
- Major Tier 1 – is using model as part of its social procurement strategy to facilitate a direct opportunity for Indigenous businesses to supply directly into major projects.
- MaxiEnergy – has made available to an Indigenous business its knowledge (technical and supply chain) around solar farms and microgrid technology thereby facilitating the development of renewables capabilities inside an Indigenous business. This has facilitated that business undertaking the construct of an 87MW solar farm and selection, through a competitive EOI process, for that company to tender into a major Defence Department microgrid project.
- Bespoke Insurance Brokers – a well-established insurance brokerage is supporting the establishment of an Indigenous owned insurance brokerage through knowledge transfer and broader business support. Priority service with favourable brokerage rates for Indigenous and other businesses participating in the model.
- RISKQ – a mainstream HSEQ sole trader is providing technical HSEQ support to Indigenous businesses in the model to build their systems and capabilities in this space – assisting **Native Earthworks** in conjunction with Maxibor and CT Civil with build of enhanced HSEQ systems.
- ACE Contractors have embraced the model to engage **Native Earthworks** on Victorian level crossing removal project with flow through support from Laing O’Rourke as principal contractor and Victoria Governments (Major Roads Projects Victoria) as ultimate asset owner and onto other projects.
- Realsurv – engaging **Native Earthworks** to provide labourer services into survey projects with Realsurv identifying opportunities for Native Earthworks and other model participants to apply the model approach across the infrastructure sector.
- **Story Contractors** - a small husband and fencing company servicing Queensland is being supported by **Jangga Operations** and Maxibor and MaxiEnergy to facilitate their involvement in larger and more profitable projects.
- **Troy O’Meley**, Australian super welter weight boxing champion and fitness trainer seeking to apply the model to help Indigenous boxers better participate in the boxing and broader fitness industry along with employment opportunities in the infrastructure sectors.
- **Native Earthworks** – is receiving additional support from Fletcher Constructions to be involved in wind farm projects and, along with CT Civil, to bid into other civil projects where they can jointly provide services.

## Market Response

There is a growing recognition across the infrastructure supply chain that the traditional transactional approach of engaging Indigenous businesses on a project by project basis is not always achieving the desired outcomes of growing the number of sustainable Indigenous businesses in the civil construction and construction sectors in particular.

In response to this:

- Government Infrastructure Asset Owners are seeking to strengthen social procurement requirements by contractually requiring Tier 1s to move away from the traditional transactional approach to a more cooperative approach which helps achieves outcomes similar to those espoused by the model
- Tier 1 Contractors are starting to incorporate approaches like the collaborative Indigenous business model as part of the support for social procurement in their bidding process and embrace the concept in current works to provide demonstrated evidence that they are in fact changing their approach
- Mainstream contractors providing into the Tier 1s are being encouraged by the Tier 1s to similarly demonstrate that they are applying a more cooperative approach to Indigenous subcontractors on current works
- Mainstream businesses working in the model are stepping up the level of assistance provided to the Indigenous businesses

What is also being observed is that:

- There is a catch up being made by Tier 1s and major subcontractors as regards building their social procurement capabilities. Some are however struggling given the limited credentials and relationships they have established over time.
- Social procurement departments within several Tier 1s are still struggling to get full support and vision across their organisations to fully embrace social procurement beyond the minimal requirements.
- The culture of Tier 1s and major contractors at an executive, project manager and site manager level needs to become more receptive to a more cooperative approach. Several continue to be transactionally focussed rather than outcomes focussed. This means undoing parts of the supply chain they have been comfortable and “successful” with previously to deliver projects. To achieve broader social outcomes, Tier 1s and major contractors however need to be more inclusive of the other businesses, Indigenous and mainstream, which embrace and are experienced in social procurement.
- There is growing concern about the 51%/49% companies which are established in a manner predominantly to provide commercial benefit the 49% mainstream shareholder. This arrangement is competitive in nature as the mainstream business naturally protects its financial interests. These arrangements however limit the extent of cooperation and inclusion of other Indigenous businesses and are not naturally inclusive of other mainstream businesses. This collaborative model is much less constrained as it is about cooperation to achieve an outcome, not competition for individual gain.

## Employment and Training

With access to capability and long-term involvement in projects comes the opportunity for training and vocational development. Education in the infrastructure sectors requires the opportunity to

apply what is being learned to a real situation. Training courses and vocational arrangements which do not lead to work are a lost investment.

By the model working closely with the asset owners, principal contractors and services providers the likelihood of continuous work is significantly increased. If there is work, education is worthwhile and will be much more respected.

Training and employment responses encouraged by the model include:

- A training program for Indigenous People engaged by the Indigenous and mainstream businesses working on projects
- Development and delivery of tailored vocational assessment, training and employment program for companies and Indigenous groups
- Delivery of accredited training programs with partner organisations to assist project developers, Tier 1 & 2 contractors and Indigenous groups to increase Indigenous employment participation rates
- Assisting qualified Indigenous personnel to find permanent employment
- Placing trained Indigenous personnel into permanent employment within Indigenous-owned commercial enterprises that have secured contracts on major projects
- Providing mentoring services to project developers and Tier 1 & 2 contractors to support Indigenous personnel through probation periods and ongoing.

### **Indigenous Organisations**

The Indigenous businesses participating in the model are all members of Supply Nation. They are also encouraged to members of other Indigenous organisations eg Native Earthworks is a member of Kinaway, the Victorian Indigenous Chamber of Commerce. A key part of the model is to work in a very cooperative manner with organisations such as these so as to share knowledge and optimise outcomes.

### **How to be Involved**

These examples are just some of the opportunities which can arise from a collaborative approach at a micro level through to a substantial project level. The build of Relationships and Respect across the model participants is serving to increase the opportunities which arise for both Indigenous and non-Indigenous participants in the model.

As an open model, participation is available to all who agree to support the objective of helping Indigenous businesses better participate in the civil construction, construction, renewables and mining sectors to make a sustainable difference.

The model operates in an environment of Relationship, Respect and Response between all parties involved.

The model does not transact in its own right. Respective parties who are involved in a specific project or program of works will enter into commercial arrangements between themselves and others as necessary to deliver that activity.

Initial involvement into the model is being coordinated through Jeff Simpson who can be contacted on 0477 471 356 or by email at [jeff.simpson@giadvisory.com.au](mailto:jeff.simpson@giadvisory.com.au) A database of information to facilitate knowledge sharing, business development and broader connection across the model participants and

other parties is available to those who embrace the model's objectives through Relationship, Respect and Response.

Each model participant will have unique organisational circumstances which can benefit from the model. A strategy aligned to the overall objectives of the model can be readily developed for each individual participant in consultation with other model participants in order to optimise outcomes from participation for all.

Some items of initial reference are:

- Christine Sindely authored the Aboriginal Engagement Guidelines for the Western Australia Civil Construction Federation <http://www.ccfwa.com.au/wp-content/uploads/2013/02/CCF-WA-Aboriginal-Engagement-Guide-v2.pdf>  
<https://www.slideshare.net/ChristineSindely/wangara-marra-consulting>
- LinkedIn Group Improving the engagement & participation of Aboriginal businesses into your procurement/supply chain <https://www.linkedin.com/groups/12380008/>
- <https://www.maxibor.com.au/relationship-respect-response> (HDD company supporting Indigenous businesses eg Native Earthworks)
- [www.orangehire.com.au](http://www.orangehire.com.au) (source of plant hire into Indigenous businesses)
- <http://australianminingreview.com.au/latest/#page=21> (Maxibor article at p22)

## DELWP AND SUPPLY NATION EVENT 7 JULY 2019

DELWP and Supply Nation held an Aboriginal Business showcase event at their office at 8 Nicholson Street on the 7th July. DTF attended and met some of the verified Aboriginal businesses showcasing their goods and services.



(L-R: Chris Young (Native Earthworks), Fatima Everitt (Dreamtime Art), Jeff Simpson (Native Earthworks), Pauline Jubb (DELWP) and Shane Smith (Australian Eco Print))

### AUSTRALIAN ECO PRINT

Australian Eco Print was established in Melbourne in 2011 after founder and CEO Shane was frustrated at paying too much for toners and cartridges and receiving poor customer service. This 100 per cent Indigenous - owned and operated online business sells a range of original and compatible inkjet cartridges and laser toner cartridges for printers, multifunction devices, photocopiers and fax machines.

[www.australianecoprint.com.au](http://www.australianecoprint.com.au)

### NATIVE EARTHWORKS

Native Earthworks is a 100 per cent Indigenous-owned business delivering drainage, related civil construction and maintenance support services and dry plant hire.

Native Earthworks' knowledge and insight into indigenous customs, cultures and heritage enables them to assist stakeholders in the infrastructure sector.

<http://directory.business.vic.gov.au/aboriginal/listings/native-earth-works>

### DREAMTIME ART

Dreamtime Art provides artistic and innovative solutions for Indigenous cultural connections based on cultural relevance and partnerships with a focus on the protection of artists' copyrights, intellectual properties and Indigenous cultural intellectual property.

Dreamtime Art engages in collaborative projects that promote supplier diversity, Indigenous businesses and knowledge about Arts and Culture.

Products and services include:

- art leasing;
- image licensing;
- design and layout;
- digital images;
- acknowledgement plaques;
- artwork commissioning;
- awards and corporate gifts;
- community and artist clearance; and
- advisory services.

# Collaboration is the key

EMMA DAVIES

FOR disadvantaged groups like Indigenous Australians to better participate in the infrastructure and mining sectors, collaboration is needed at all levels.

Often people from disadvantaged groups struggle to participate as businesses in plant intensive industries due to the cost of equipment to deliver their services, struggles with compliance requirements and technology, and not having a good network of contacts to help find business in the short term and to develop a pipeline of work in the long term.

Horizontal directional drilling, civil construction and project management company Maxibor is working to stop this cycle of disadvantage, which has impacts on health, well-being, education and community, and is encouraging all stakeholders to support and help build up micro-businesses across the sector.

Maxibor chief financial officer Jeff Simpson said the company's Collaborative Indigenous Business Model embraced respect, relationship and response to help achieve three corporate objectives: sustainable profitability, growing the value of the business assets of shareholders, alliance partners and customers, and building a future everyone can look forward to.

"The first two objectives are economic, the third social, but thinking in the context of these three objectives allows a wider set of outcomes beyond the economic to be achieved," he said.

"Social and environmental outcomes are just as important."

Mr Simpson said the model requires all key stakeholders across the delivery chain to collaborate to achieve the objective of growing the micro business.

According to Christine Sindely, an Arabunna woman from South Australia, who in 2016 authored the Aboriginal Engagement Guidelines for the WA Civil Contractors Federation (CCF), the



Native Earthworks plant operator Chris Young is a beneficiary of the Collaborative Indigenous Business Model, which has helped his business secure contracts in the mining and construction industries.

collaborative Indigenous business model is a logical extension of the engagement efforts to help make a difference for Indigenous Australians in the mining and infrastructure sectors.

"Over the past decade numerous Indigenous Australians have had the opportunity to develop skills as an employee or small sub-contractor," Ms Sindely said.

"Many are now ready to take the next step and move to providing those services on a larger scale, direct to asset owners or principal contractors.

"The collaborative business model facilitates this opportunity through

providing the added capacity in the form of plant and equipment and business development and administrative knowledge and support to deliver at that level".

Benefits to the mining industry of implementing the model include increasing social responsibility and supplier loyalty, as well as creating value and profitably for Indigenous business owners to participate in projects.

Native Earthworks plant operator and Torres Strait Islander Chris Young can attest to the benefits of collaboration, having secured a wet hire plant contract on the West Gate Tunnel Project under construction in Melbourne.

"I would not have been able to participate at this level in a \$6.7b project such as this without collaborative support across the full delivery chain," Mr Young said.

"A leading social procurement policy specialist from the Victorian Government, diversity appreciation from the principal contractors CPB and John Holland, capacity in the form of plant from Orange Hire and knowledge sharing from Maxibor have all contributed to providing a pathway for my 100pc Indigenous-owned Native Earthworks business to be positioned to move to another level.

"Without the collaborative business model I would be still out in the paddocks."

Koori Mail 23 October 2019

b u s i n e s s

# Business could learn a lot from Indigenous practice



AS an Indigenous business owner, Dr Dean Jarrett wanted to understand the factors that could help Indigenous businesses work successfully with large corporate and government organisations.

He also wanted to provide a voice for Indigenous business owners, to see if more could be done to support and grow the Indigenous business sector.

This led him on a five-year academic journey, including almost a year in the US as a Fulbright Scholar, which has just culminated in the awarding of his doctorate from the University of Technology Sydney.

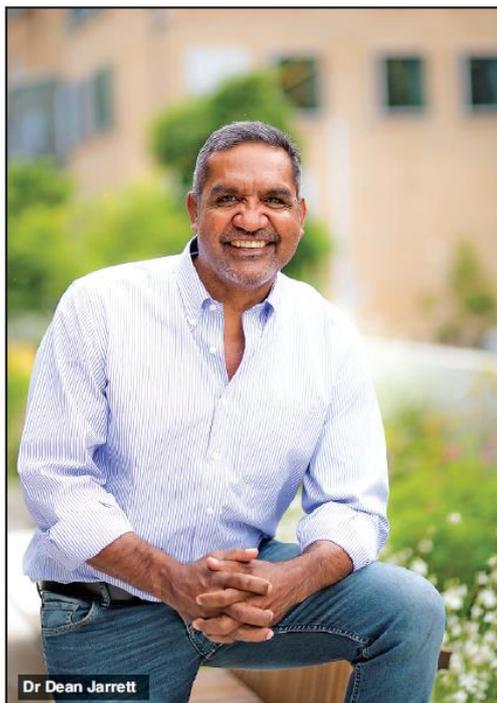
Dr Jarrett's PhD thesis provides robust evidence that, rather than Indigenous business needing to imitate mainstream ways of working to achieve success, it is the other way around.

Mainstream business has much to learn from the cultural value system that underpins Indigenous business practice – an approach established over many thousands of years.

In particular, Dr Jarrett reveals how a focus on developing trusting, equal and reciprocal relationships can minimise business transaction costs and deliver positive social and commercial outcomes.

"There is a need to move away from a transactional way of engagement to a relational way of engagement," he said.

Dr Jarrett interviewed Indigenous business owners in Australia and the US to compare and contrast approaches to supporting Indigenous business, particularly through supplier diversity initiatives.



Dr Dean Jarrett

"Inclusive procurement, while well-intentioned, is sometimes applied in counterproductive ways that create numerous challenges in commercial relationships," Dr Jarrett said.

His thesis revealed unique insights into the relational factors that underpin economic transactions between Indigenous suppliers and the large organisations that purchase their goods and services.

He found the top five challenges confronting Indigenous businesses were business size and capacity, tokenism or perfunctory compliance from large purchaser organisations, negative buyer perceptions, perceived racism, and power inequality.

The top five factors underpinning positive commercial relationships for Indigenous businesses were

strong personal relationships, trust and reciprocity, collaboration, information sharing, and similar values, ethics and principles.

"Cultural values that underpin Indigenous business, including reciprocity and obligations to community, are in stark contrast to individualism, neoliberalism, and traditional Western business models," says UTS Associate Professor Bronwen Dalton, who co-supervised Dr Jarrett's doctoral thesis.

"Mainstream business models often see buyers and sellers transacting at arm's length, in a supply chain where participants never meet, and without developing the trust necessary to ensure an ongoing relationship.

"On the other hand, Indigenous approaches to managing relationships are built around developing trust, power-sharing and reciprocity – approaches that reduce transaction costs from trust breakdowns."

The costs involved in changing suppliers and acquiring new purchasers can be high, so this approach could provide significant savings for both large and small organisations.

The principles that govern Indigenous businesses have more in common with values-driven social enterprise business models where there is a greater balance between profit and purpose, says UTS Jumbunna director of research Distinguished Professor Larissa Behrendt, a Eualeyai/Kamillaroi woman.

"As the oldest living culture, Indigenous trade and business practice was sophisticated and extensive, from the Gunditj/mara eel farms to trade with

Indonesia," Professor Behrendt said.

"Aboriginal cultural stories and traditions include valuable messages and wisdom around business practice, including the importance of sharing resources and the consequences of selfishness."

Dr Jarrett said all the Indigenous business owners he spoke to were primarily focused on helping the community, providing role models, and creating employment opportunities. Financial gains for individuals were a secondary focus.

As one of his respondents commented: "It always comes down to culture and community first. So, we're not going to bulldoze or step over one another to get to that finish line. It's always having culture front and centre to everything that we do and everything that we're about."

Dr Jarrett's research draws on Indigenous standpoint theory, a perspective centred on Indigenous experience that includes his own experience as an Indigenous business practitioner. From this standpoint, it shines a light on purchasing practices of large corporate and government organisations.

"I looked at these issues from the perspective of an Indigenous researcher, with Indigenous respondents, exploring Indigenous concerns," he said.

His findings reveal that a greater appreciation and adoption of Indigenous business values and practices can help build respectful, collaborative and strategic business partnerships not only with Indigenous suppliers but across all commercial relationships.