

RED ARROW GROUP

in association with



Australian Government

Department of the Prime Minister and Cabinet



(IDEP) INDIGENOUS DEVELOPMENT & EMPLOYMENT PROGRAM

For the provision of

Group Project Support





DRAFT



Proposal

Group Project Support

Prepared for: The Australian Prime Minister and Cabinet

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1. PREAMBLE

Red Arrow Group, who are an Indigenous company providing Project Management, Construction and Resource company which provides services across a diverse range of industries in Australia and would like to Partner with PMC to Develop and Implement an Internal Project Support Strategy throughout Australia.

1.1 BACKGROUND

Red Arrow Group commenced in 2012 and is the Parent Company to Red Arrow Resources, Global Technology, Red Arrow 4D Planning.

Red Arrow Group is a privately-100% indigenous owned company with Head Office based in Perth, Western Australia.

The Red Arrow Group ensures it's Policies and Procedures align to the International Standard ISO 9001.

Managing Director Richard Tester is of Aboriginal descent and his family originates from the South West of Western Australia. He has previously worked in senior roles within companies such as ThyssenKrupp Materials Handling in Australia and China, RCR Tomlinson, and as the CEO of Gravity Cranes.

Richard has also worked with numerous indigenous groups from the Pilbara and was appointed the General Manager of Wirlu-Murra Yindjibarndi Aboriginal Corporation and R2R Contracting CEO for a period of 2 years.

Red Arrow has established itself as a key player in the supply of Resources, Technology, Project Management and Planning sectors. Red Arrow utilize the experience and knowledge of their Key Management and Customer Relationships. Red Arrow employs over 40 Personnel and Subcontractors who have a proven track record within their field, this includes over 10 Indigenous Personnel.

Ensuring our client's target business objectives for their Projects and Services are delivered on time and within budget is a guaranteed process.

Red Arrow is a registered Indigenous member and supplier with Supply Nation



1.2 OBJECTIVE

One of the biggest issues facing Indigenous personnel and remote communities is that the applicants reluctance to leave their families and lose touch with their culture and relationships. The MCN concept is powered by real-time communication techniques and technology that allows project activities to take place in a decentralised manner. Using the Red Arrow IDEP model, we aim to provide indigenous personnel the opportunity to remain in their remote communities whilst working on projects throughout Australia.

Urban, regional and remote distribution of Aboriginal people (in %)

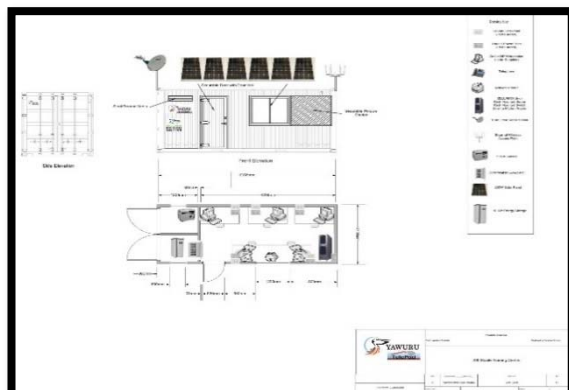
State or territory	Urban	Regional*	Remote**
Australian Capital Territory	100	–	–
New South Wales	42	52	5
Northern Territory***	–	19	81
Queensland	26	52	22
South Australia	48	33	19
Tasmania***	–	96	3
Victoria	48	52	–
Western Australia	34	24	41

1.3 COMMUNICATION HUBS

Red Arrow Group would like promote the utilisation of Indigenous persons into Project Management, Planning and Drafting through the 4D Process. This would allow Red Arrow to implement training and development whilst remaining in the local communities working in Mobile Communication Nodes (MCN).

Red Arrow's remote Mobile Communication Node (MCN) structures are rapidly deployable, highly mobile and very robust. The specifications of the MCN structure are;

- 20 foot portable self-sustaining structure
- Ability to house at least 4 workstations
- Environmental controls to ensure a comfortable operating environment
- Full security options with swipe card





The key focus is to ensure growth and development in skills and the opportunity to transition from blue collar employment into white collar / professional positions.

2. PROPOSAL

Throughout Australia there are a significant number of projects that do not require selected personnel to be based in offices within capital cities. Instead, these personnel can be provided remotely. Red Arrow has recently carried out this service from Western Australia servicing projects in Qatar and Germany.

2.1 PROCESS

Red Arrow will select an available and appropriate project to work with. The goal being to highlight the benefits of the services or allocate a portion of current works to a local community as a project by project basis.

An assessment of the communications capability at the remote community will be conducted. This will enable the company to review the set up structure located on site:

- ▶ 3 Applicants- Approved- access to communications for 1 off person.
- ▶ 3 Applicants – Approved – Mobile Communications Hub

Short List Applicants in the Communities

Select the Project with relevant stakeholders

Arrange Project Team Interface Meeting

Red Arrow would only utilise accredited training facilities in which applicants would obtain accredited certification.

2.2 HOW CAN WE EMPLOY, TRAIN AND MENTOR?

The initial phase would start with a review process of selected applicants in remote communities. Selected applicants would travel to Sydney, Darwin, Brisbane or Perth for 4 weeks training.

After this period Red Arrow would mobilise one of its trainers to the local community to work with building applicants and its families in the community.

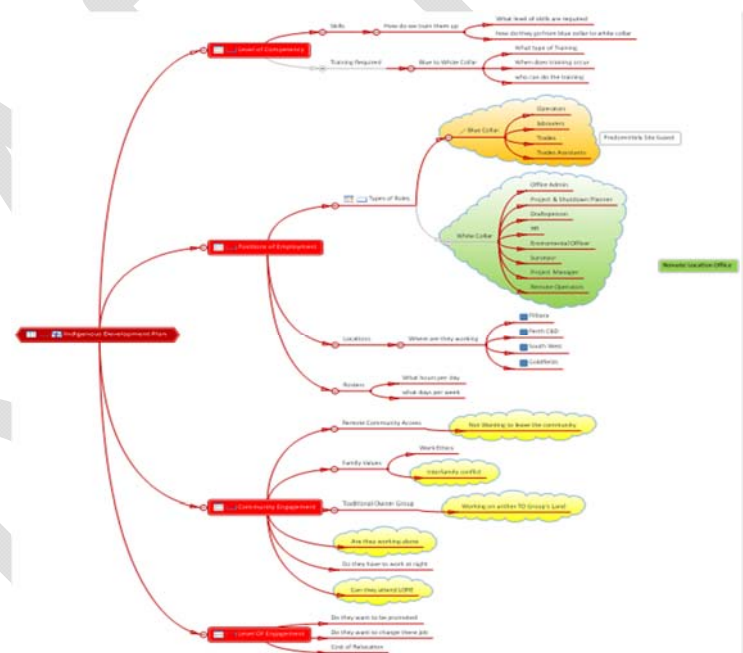
These bases will allow Red Arrow to monitor the works remotely after providing base training both on and off site. Red Arrow have relationships with certified Training Organisations such as:

- ▶ The Australian Institute of Management- Project Management
- ▶ Polytechnic West
- ▶ 4D Planning Red Arrow In-house – P6 Planning, Cost Control, Synchro 4D & QA
- ▶ Misc – Others TBC

3. ROLES

With large scale potential long term projects and an association with training institutes Red Arrow would be able to offer long term skills development in the following sectors

- ▶ Project Management
- ▶ Cost Control
- ▶ QA
- ▶ Drafting
- ▶ Planning
- ▶ Project Administration
- ▶ Planning
- ▶ Remote Technology
- ▶ Operations
- ▶ Project Admin
- ▶ Call Centre



4. QUALIFICATIONS AT END OF PROJECT

- ▶ Diploma in Project Management
- ▶ Training in AutoCAD/ Micro station (or other CAD tool, i.e. Revit, ArchiCad, etc).
- ▶ Planning Training in Primavera P6, Microsoft Project or Asta Powerproject
- ▶ 4D Planning Training in Synchro 4D
- ▶ Full understanding of how projects are management effectively.

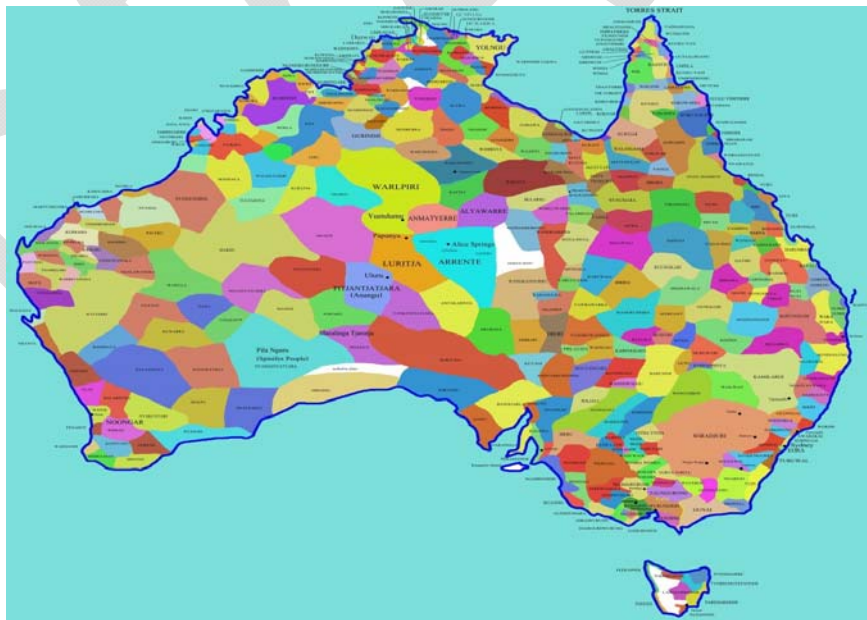
IDEP is a 100% indigenous Partnership between Red Arrow Group and a registered member and supplier of Supply Nation, that steers growth of the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity. IDEP's partners attend supplier meetings, trade shows and other events that offers exposure to government and corporate markets leveraged by the IPP.

IDEP's partners have prequalification with State Government, is a registered supplier to the Department of Defense, and has working history and relationships with Traditional Owner groups Australia-wide.

5. INDIGENOUS GROWTH STRATEGY

For Australian companies to improve their relationships with Indigenous Australian Groups the focus needs to be on two key areas which will allow the foundation of relationships to grow and develop.

1. **IPP the Indigenous Procurement Policy** issued by the Federal Government in 2015
2. **EPI which is the Employment Parity Initiative.**



Project Hubs to be located in Remote communities for Indigenous Training and Development

6 INDIGENOUS PROCUREMENT POLICY (IPP)

Context

The Indigenous Procurement Policy (IPP) was created to provide economic participation and employment opportunities for Indigenous people. The IPP has created an environment for the possibility of incredible growth of new Indigenous companies such that has never before been seen in Australia's history. Emerging Indigenous businesses that meet the 51% ownership criteria are springing up across Australia. This will ensure that Indigenous people do not miss out on the economic development and employment opportunities the IPP is designed for.

Forecasting the IPP Report Card

Companies are required to report on their IPP targets, unfortunately current data reveals that the large number of emerging Indigenous businesses have provided little employment opportunities for Indigenous people .

Indigenous Integrity Benchmarking – A new criteria

Large corporations will be required to set 'Indigenous integrity benchmarks specifically designed to 'close the gap'. These benchmarks must incorporate commercial realities as well as address the benefits claimed by each Indigenous and Non-Indigenous company. Setting this type of benchmark will support the ethos of large corporations that have integrity, trust, and accountability as their core values.

This approach supports the Federal and State government's commitments and contributes to their annual report card on closing the gap.

7 IDEP

Our objective is to cut through all the "black cladding" and get to the heart of each business to assess their Competency and Structure

Our formula for success is simple: **review** each business; **compile** businesses audit and **recommend** to your corporation, **manage** the relationships and **improve** opportunities and Growth.

Our strategy is to save large corporations money and time as they comply with the Indigenous Opportunity and Procurement Policies.

Our approach is to coordinate the end to end pre-contract negotiations and manage the successful delivery of all Indigenous content as part of your corporate management team.

IDEP- Supporting Indigenous Affairs Advisors

We will provide support to your Indigenous Affairs staff, who are often in the firing line from external Indigenous suppliers who wave the traditional owner or the 51% card. We will ensure they are involved with the end to end process as well as being provided with report cards for all Indigenous contractors and suppliers.

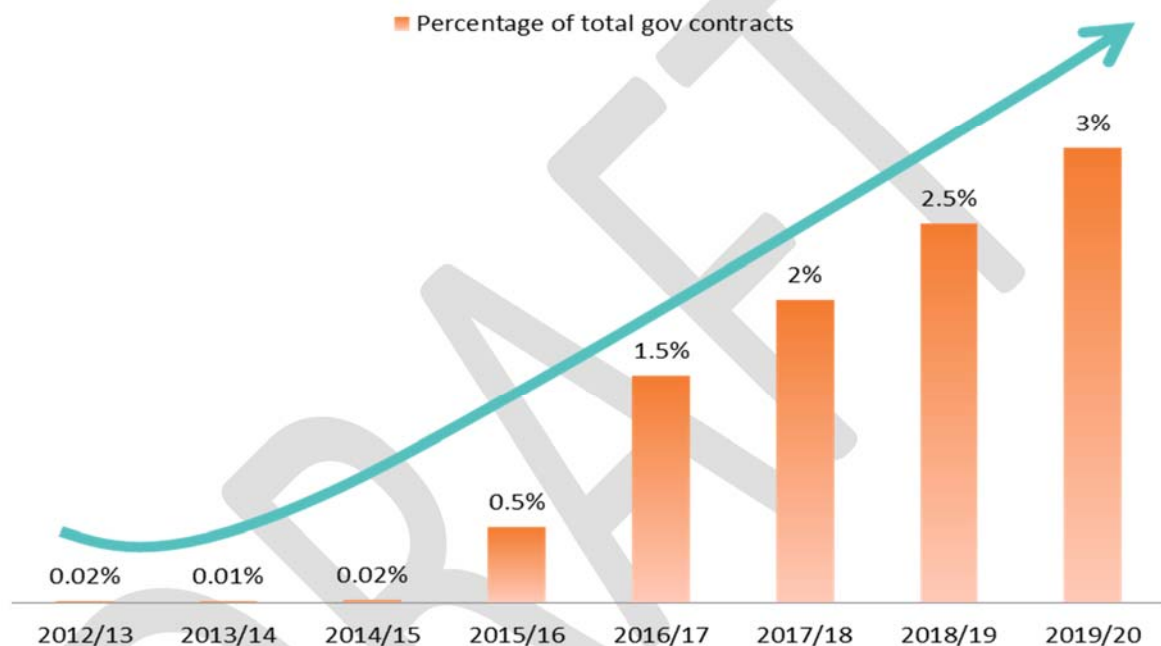
Disclaimer:

Our business model and service does not question the Supply Nation philosophy, model or method for verifying, endorsing, and/or accrediting Indigenous businesses that are 51% owned or otherwise.

As part of the Federal Government Indigenous Procurement Policy (IPP), IDEP is a key player in providing non-indigenous companies the opportunity to partner with indigenous businesses and Traditional Owner groups.

By 2020, each government portfolio must award 3% of their contracts to businesses with 50% or more indigenous ownership. From a target of 0.5% in 2016, this will increase gradually each year until 2020.

Government procurement with Indigenous business is projected to increase dramatically



Owners of mega projects require contractors to have a certain level of capacity and with many indigenous businesses still growing, joint ventures are often the best option to win high-profile work and to build capacity and competency.

For non-indigenous businesses, forming a joint venture with indigenous players in the market is almost obligatory if they want to secure contracts that have a requirement to meet IPP and EPI.

The policy has three parts:

- A target number of contracts that need to be awarded to indigenous businesses.
- A mandatory set-aside of contracts for Indigenous businesses to apply in certain situations.
- Mandatory minimum requirements for Indigenous employment and Indigenous supplier use applying to certain Commonwealth contracts.

Commonwealth buyers can purchase directly from indigenous small to medium enterprises (SMEs) for contracts of any size and value using the indigenous business exemption (Exemption 17) in the CPRs.

This provides indigenous businesses with a big advantage - they do not need to complete costly tender processes. Indigenous business must still demonstrate value for money, but this can be done through a simpler quote process.

In order to influence private businesses to increase their engagement with the Indigenous community, the mandatory minimum requirements for indigenous participation apply to all new contracts delivered in Australia that are valued at \$7.5 million (GST inclusive) or more, where more than half of the value of the contract is being spent in one or more of the following industry sectors:

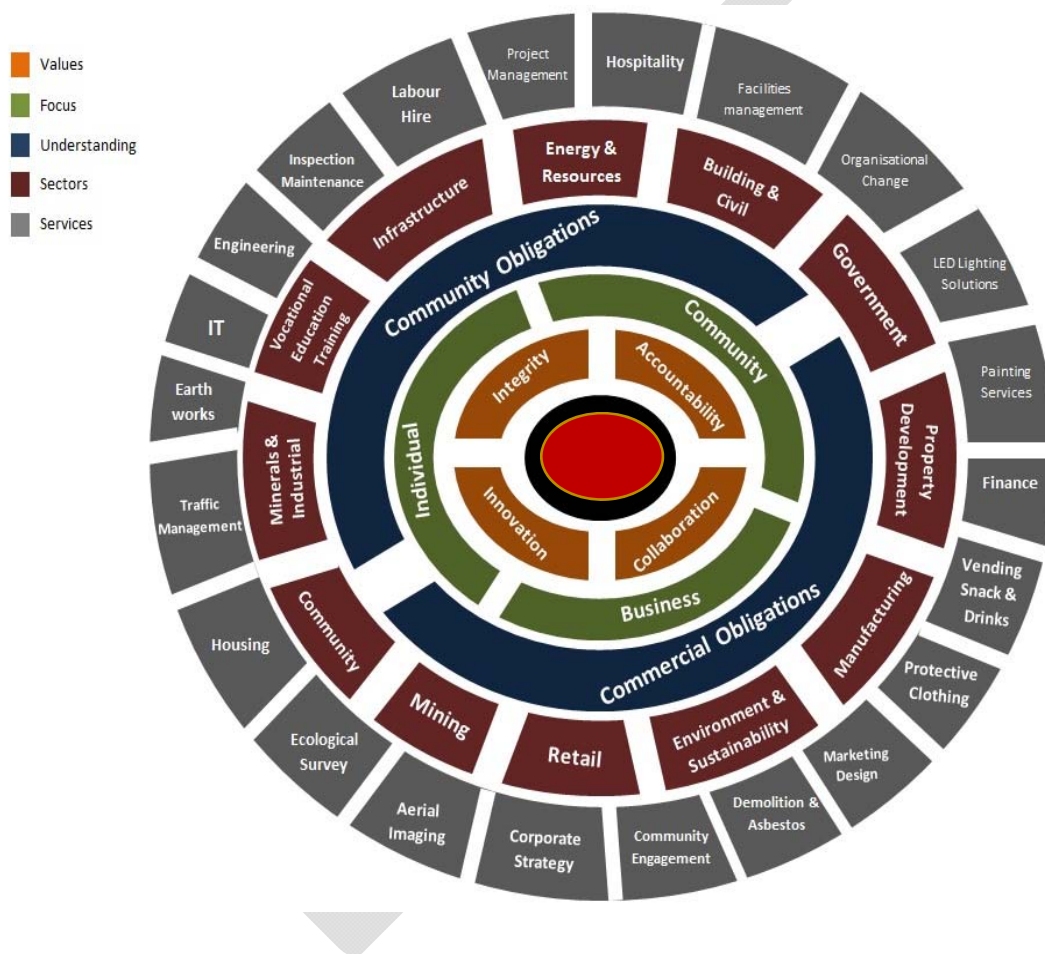
- 1) Building, construction and maintenance services
- 2) Transportation, storage and mail services
- 3) Education and training services
- 4) Industrial cleaning services
- 5) Farming and fishing and forestry and wildlife contracting services
- 6) Editorial and design and graphic and fine art services
- 7) Travel and food and lodging and entertainment services
- 8) Politics and civic affairs services

The questions which arise from this for non-indigenous companies are the following:

- Which areas/sectors can we work in?
- Which are the best traditional owner groups to work or partner with?
- Which groups have expertise?
- What are the best type of JV's to set up?
- How do we manage the ongoing Indigenous relationship?

8 HOW WILL RED ARROW AND PMC UTILIZE THE IDEP?

- Establish relationships between Indigenous businesses and Traditional Owner groups.
- JV partnership aligns to the Indigenous Procurement Policy.
- Opportunity to work with Traditional Owners Australia-wide.
- Exposure to new leads and opportunities – we win you work!
- Marketing opportunity by way of associating your brand with the JV.
- Gain access to Supply Nation resources.
- Aligning to work with which Traditional Owner group



8.1 EMPLOYMENT PARITY INITIATIVE (EPI)

The Employment Parity Initiative aims to increase the number of large Australian companies with a workforce reflective of the size of the working age Indigenous population – expected to reach 3% by 2018. Specifically, the program aims to get 20,000 more Indigenous job seekers into jobs by 2020.

Large national employers will be invited by the Prime Minister to become parity employers by increasing the level of Indigenous employees within their organization.

Getting more Indigenous Australians into the work force is one of the Government's highest priorities under the Indigenous Advancement Strategy, along with ensuring children attend school every day and that communities are safe.

The Department of the Prime Minister and Cabinet will administer the Employment Parity Initiative and offer tailored contracts to parity employers with payments linked directly to outcomes.

This recognizes the additional costs of employing and supporting disadvantaged job seekers. To reduce business red-tape, there will be minimal reporting required.

The Employment Parity Initiative will leverage the business expertise, goodwill and networks of companies involved, providing a platform to share experience and knowledge.

Employers will also be encouraged to incorporate more Indigenous businesses into their supply chains.

Why is the Employment Parity Initiative good for large businesses?

- The Initiative provides payments to large employers to cover the additional costs that are typically associated with employing and retaining long-term unemployed, disadvantaged Indigenous job seekers.
- Contracts are simple and tailored to the circumstances of the employer, spanning a period of four years. Flexible, long-term arrangements provide employers with funding certainty to do what is needed to source and retain job seekers and through that achieve employment parity.

How does the Employment Parity Initiative minimize red tape for businesses?

- Parity employers are only paid an outcome fee when an eligible employee hired under the program achieves a minimum term of employment with the organization. Reporting burdens and administration is also minimized through simple, quarterly reports. This, in conjunction with long-term contracts allows employers to focus on recruiting and retaining job seekers.

How does a business become involved in the Employment Parity Initiative?

- The Prime Minister will extend a formal invitation to selected businesses based on their track record in Indigenous employment or their capacity to hire large numbers of Indigenous Australians.

How are Employment Parity Initiative contracts negotiated?

- Each contract under the Employment Parity Initiative will be individually negotiated with the Department of the Prime Minister and Cabinet and reflect the individual circumstances of the business. Personal service from senior staff within the Department supports all negotiations.
- Primary considerations for contract terms include: the track record of the organization in Indigenous employment; the relative level of disadvantage of the job seekers being employed; the types of positions being offered; as well as their locations.

Can a business that is part of the Employment Parity Initiative still apply for funding under the Indigenous Advancement Strategy?

- Yes, but the Indigenous Advancement Strategy funding must concern wholly different participants than those taking part in the Employment Parity Initiative. Outcome and training fees cannot be claimed twice for the same participant.

Are there any demand driven employment programs that a business can access while operating under an Employment Parity Initiative contract?

- Businesses employing participants under the Employment Parity Initiative can access Community Development Program job seekers by engaging with local Community Development Program providers. Where an employer is operating in a Community Development Program region it is expected that 50 per cent of their intake in that area will be Community Development Program participants. The Community Development Program is complementary and ensures that local job seekers in remote communities get priority access to any available opportunities.

Only a small percentage of the 60,000 Indigenous job commitments made by Australian Employment Covenant employers have actually been realized to date. Why is the Employment Parity Initiative going to be any different?

- Australia's major employers have the goodwill and ability to employ a large number of Indigenous Australians. The Employment Parity Initiative will build on this goodwill to achieve large scale employment outcomes.
- The Employment Parity Initiative does not reward commitments but real, long-term outcomes. Employers will only receive an outcome fee when an eligible employee hired under the program achieves a minimum term of employment with the organization. This approach generates a strong incentive for parity employers to meet contractual obligations.

Is the Employment Parity Initiative just corporate welfare?

- The Employment Parity Initiative provides payments to parity employers to cover the additional costs that are typically associated with employing and retaining long-term unemployed Indigenous Australians. Many long-term unemployed Indigenous job seekers require significant support and training to begin work and remain in employment.
- Contracts will be tailored to the individual circumstances of each business with minimal reporting obligations. This results in better value for money than other methods of delivering Indigenous employment. Contracts will also allow parity employers flexibility to determine what training services are required for each Indigenous employee. This will avoid costly and unnecessary training.

Why is the Government establishing yet another Indigenous employment program?

- The Forrest Review identified that there are untapped opportunities to leverage the goodwill and capacity of large companies to employ large numbers of Indigenous people. The Review received feedback from business that they would employ more Indigenous workers if they had access to more flexible contracts tailored to their individual circumstances. This initiative has been developed in response to this feedback and will not duplicate existing programs.