**How to incubate a successful Indigenous owned construction company: the story of Barpa and key lessons shared**

The story of how to establish an Indigenous owned construction company is one of challenge and inspiration. Distinguished Professor Martin Loosemore has spent several years digging into the social impact strategies of construction companies – to understand their achievements, challenges and solutions.

Early in July he led a round table of members of construction company Barpa and its parent Icon Group to identify the lessons learned in the process and how it could be shared with others.

In attendance was Michael Read, Executive Director of Barpa and Icon, Indigenous Coordinator Jordan Falla and Ruth De Rosa, Commercial Manager at Barpa Construction Services. Tina Perinotto, editor, *The Fifth Estate* was moderator.

The aim of the case study is to tell the story of how Barpa was established and built over the last ten years into one of Australia’s most successful Indigenous owned construction companies.

**Background**

Barpa is a majority Indigenous owned construction company which was formed in 2014 through a unique collaboration between Icon and the Federation of Victorian Traditional Owner Corporations. Barpa represents a unique partnership between the oldest construction company in Australia and the oldest continuous living culture in the world. Since 2014 Barpa has grown to become an exemplar of Indigenous entrepreneurship and empowerment.

**How it all started**

The story of Barpa started before 2014 when Icon was approached by the Federation of Victorian Traditional Owner Corporations to leverage the new business opportunities offered by the federal government’s Indigenous Procurement Policy (IPP) and other related state policies across Australia.

The Federation approached Icon because of the emerging untapped opportunities presented for Indigenous builders by the Federal Government’s Indigenous Procurement Policy and other state-based Indigenous procurement policies. Icon was the first choice because of its historical support for Indigenous Australians and businesses and for the federal government’s “Closing the Gap” policy.

Encouraged by major government clients such as the Department of Defence, which were required by these new social procurement policies to achieve ambitious goals around supporting Indigenous businesses into their supply chains, the vision was to create an Indigenous majority owned company to provide employment and business opportunities for Indigenous peoples, suppliers and subcontractors.

**Establishing the business**

Following the joint decision to establish Barpa, Icon and the Federation of Victorian Traditional Owner Corporations spent a year formally establishing the company by registering the business, obtaining the necessary licences and accreditations, creating a leadership team drawn from the two main stakeholders and creating a governance structure to manage the new business.

“*It was a little bit the horse in the cart. We couldn't demonstrate the opportunity until someone gave us an opportunity. And then we couldn't also get our third party accreditation until they had a job to audit*” – Michael Read

To secure its first project, Barpa’s team started by door-knocking most government entities in Canberra, explaining the concept and capabilities of the business. Barpa’s first job was a $50,000 job for the Department of Finance, a switchboard upgrade for tourism house in Canberra.

From there, the company grew progressively year on year to now employ more than 100 staff of which about 20 per centare indigenous and 25 per cent female.

The business now delivers a range of projects in various industry sectors such as defence, health, education and telecommunications across every Australian state in remote, regional and urban areas. Next year the business will turn over $200 million, providing an inspiring story about progressive and controlled growth while providing many new opportunities for Indigenous Australians and businesses.

*“Four out of 10 years, we've been a finalist in this certified Supplier of the Year under Supply Nation.. Last year, we won the New South Wales Indigenous Chamber of Commerce award, we won Kinaway Victorian Indigenous businesses award. We won a Telstra Small Business Award. We've been finalist in the defense industries award. So, although it's a small business, it continues to achieve great things. And the business is operating in all state territories, … it's exciting”. – Michael Read*

**Key lessons of growth**

The history of Barpa’s growth holds important lessons for those wanting to emulate this success story.

As Michael Read noted, the first challenge the partners faced, as two different groups coming together, was working out what people's strengths and weaknesses were and what resources, connections and expertise the Federation and Icon would bring to the new Indigenous owned building company.

After securing the first project, the next challenge was recruitment and retention of Indigenous staff and educating new government clients of how to work with the traditional owners, how the company would go “into Country” and be respectful of Traditional Owners.

The round table members noted it was also important to establish a credible track record and focus the limited resources by being strategic about areas of strength and capability and limiting the geographical size and spread of projects the business could tender for.

**Independence and strength from the start**

Importantly, it was decided from the very start that Barpa needed to be an independent business that could stand its own two feet and be competitive in the market. However, in the early days important administrative and backbone support was provided by Icon Construction in the form of tendering and estimating expertise and experience.

From the start it became obvious that despite best intentions, the parent company had their own businesses to run and were often very busy. So Barpa soon employed its own staff. This included new business manager and estimators who could independently generate revenue to acquire more resources. This decision and commitment to the future of the new company provided to be a turning point in the growth trajectory and self-sufficiency of the business.

**The feeling (and the benefits) have been mutual**

While Barpa has obviously benefited from its partnership with Icon, benefits have been mutual, the roundtable heard.

This includes rich intercultural learning between the two organisations, a sense of pride in Icon staff about Barpa, and reputational benefits for Icon Construction too, from being associated so closely with a genuine and successful Indigenous business.

“*We've had some of our Indigenous employees on the panel for Icon when they were developing the Reconciliation Action Plan, which I think was a really important insight for the Icon business as well. Its ahead of RAP plans developed by its competition*” – Michael Read.

**What is it like working with Barpa?**

The organisational culture of Barpa has evolved independently of Icon.

The Barpa culture deliberately reflects Indigenous values such as connection to Country, kinship, community and storytelling.

Internal policies are designed to support and reflect the values, priorities and cultural responsibilities of Indigenous staff. For example, the business leave policy accommodates the need for staff to return to country for cultural ceremonies and traditions such as sorry time.

Barpa also employs an Indigenous coordinator, Jason Falla, to liaise with and support its Indigenous staff, ensure they are effectively mentored and to act as a conduit between its indigenous staff, and non-Indigenous staff.

This conduit is critically important in running an effective and efficient Indigenous owned business and to the recruitment and retention of both Indigenous and non-Indigenous staff.

“*It’s a**very welcoming, all embracing supportive culture for someone to work in. People stay for a long time, and often we've had employees that have left and come back*” ­–Jordan Falla

To help build the culture, Barpa established a successful cadet pathway and partnership with a local university (UTS) to recruit talented and committed Indigenous students into the business. As a wider contribution to building capacity in the Indigenous business community, these students often go on to work and take leadership positions in other Indigenous businesses.

“*We've had three cadets come through Indigenous scholarship we've got through UTS, because I'm a former student… They've got the experience, they've enjoyed the process, they've learned a lot, and they've sometimes gone on to other companies… You know, when these indigenous employees leave is not necessarily a failure. It's a success story, because we've given them that stepping stone to that next pathway in their career, which we're really proud of*” – Ruth De Rosa

Business partners also benefit from working with Barpa.

*“We've got local Traditional Owners to do some cultural training on site. And, you know, not only us as a team will learn, but the subcontractors and the clients and all the stakeholders on that site. And it is so well received, that kind of engagement and getting everyone learning in that process is one of the probably the most rewarding parts, I think, for everyone” - Jordan Falla*

**What are the six main pieces of advice for another company wishing to replicate the Barpa story?**

1. The number one thing is going into a partnership with the right intentions from both parties. As Michael Read noted:

*“If you're going into purely for a commercial sense, to make money, you will fail.…Commercial is great,and you've got to be commercial –  be a financial and sustainable business. But you've got to be wanting to provide opportunities for Indigenous businesses, individuals and suppliers”. Michael Read*

1. You need to find the right types of Indigenous business partners, Read said. Not everyone is as they may seem and although the Indigenous business sector has grown rapidly over the past 10 years, supported by peak bodies like Supply Nation, there is a need to be strategic and careful with supply chain partners. An organisation’s supply chain is only as good as the weakest link.

*“I in terms of having people on tools, we don't necessarily have many libraries and things like that in the business. However, having said that, we will work with, like, with young kids, as well as any potential employees and then to get them involved with their subcontractors. So it's kind of one of the discussions that we'll have with subcontractors early on, is to know that they they'll consider bringing in indigenous employees into their businesses as well”. - Jordan Falla*

*“You've got to also you've got to be prepared for some challenges and hicups along the way. …. Sometimes you'll engage an Indigenous business, and it may not go as well as you want. Don't be deterred by that, you've got to step up and go again, or put some more scaffolding around them to help them succeed and help ourselves succeed” – Michael Read*

3. It is important to be strategic about the clients you work with. The best clients are those businesses that genuinely care about Indigenous issues, are committed to doing the right thing and that have a formal policy that says that they want to engage with Indigenous businesses. But then you also need the champion within that business that's prepared to provide the support.:

*“The government has done it very well, Department of Defence have been unbelievable, and continue to be unbelievable. And shout out to all [those people in defence] for the opportunities they've provided to Barpa. But to all the other Indigenous construction companies and supplies”. (Michael Read)*

4. Having clear values and living them through good leadership is critical.

*“…our core value is empowering Indigenous people and businesses through building Australia infrastructure. Getting everyone on the journey is critical, everyone in the company and in our supply chain needs to be on the same journey. And if that message is not coming through from the senior management down to the people on the ground, then you're not being successful.” Ruth De Rosa*

5. It’s important to understand and respond to local community needs and priorities. Barpa has engaged an Indigenous coordinator to do this and to educate and support the business at a project level to respond to these needs effectively and efficiently.

*“I'll contact the Traditional Owners for mobile working, which can have its difficulties as well. But from there, we start the relationship with the local mob. And that way, you know, they're aware of what we're doing, and how we're working on Country. It’s the best way to tap into the top community because we can we work in some very remote areas” Jordan Falla*

*I'll also discuss local Indigenous businesses that we can engage with, and suppliers, because they might have better understandings of the employment agencies in the area, and some of them might work better with the local mob and things like that. I'll talk to them about the schools, the students in the area because we've got like a schools program where we go out to local schools and have a chat to their Indigenous students.*

*I don't think any kid under the age of 18 has any idea about the industry and the employment pathways that we have in Barpa. And then we go out and do volunteering, or support [work], like local, small Indigenous folks and organisations. In Victoria for example, we did a fire pit, like a yarning circle for the Aboriginal health services”. Jordan Falla*

6. It is critical to monitor, measure and communicate your social impact effectively to the right stakeholders, internally and externally. Different stakeholders respond to different types of messages about social impact and it is important to communicate the right message in the right way to the right stakeholders. This typically involves a combination of quantitative and qualitative messages and going beyond a compliance mindset in responding to community needs to exceed the minimum of what is required by Indigenous procurement policies.

*“We put Indigenous procurement plans into our tenders and they will often talk about the statistics and have some case studies”. Michael Read*

*“By default, we do quarterly reporting for the Indigenous procurement policy – it's mandatory for us to do as a business. What we do is then, at a more granular level, is that all of our project teams have a monthly report that they produce with their own internal targets. So for example, government requires us to have 3 per cent, mandatory, the teams will, at a minimum, do 4 per cent If they see more opportunities, more indigenous businesses in the location that they are building in, then they will have a higher target” Ruth De Rosa*

*So that's tracked against and it's planned against, and the teams will actively try and make that happen. It's discussed at a monthly meetings. And you know, if they're not quite making their target [we ask] why? How can we help”. – Ruth de Roso*

However, measuring and reporting the indirect and softer social outcomes rather than the harder direct social outputs such as the numbers of Indigenous people and businesses employed is an ongoing challenge and discussion within the business.

*“People look at Barpa and we go to site and we engage with traditional artists. We smoking ceremony or the equivalent – Welcome to Country; acknowledgement of the country. And the clients see that, and they see that it's heartfelt. And that it's true, a regular part of what we do. We maybe don't advertise it as well as we do. But it's, it's more through the actions of what we actually do”. Michael Read*