



Supply Nation

The Sleeping Giant

**A Social Return on Investment Report
on Supply Nation Certified Suppliers**



Supply Nation

Supply Nation is the Australian leader in supplier diversity, established in 2009 to connect our membership of Australia's leading brands and government with Indigenous businesses across the country. Supply Nation's rigorous registration and certification processes ensure our members can be confident of Indigenous ownership. With Indigenous businesses active in every state and territory, in every industry sector, Supply Nation has been central to the growth of a new economic force. Supply Nation is proud to be the first and pre-eminent supplier diversity organisation in Australia.

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Photographs provided by Wayne Quilliam (front cover image), Sam Walker-Wilson, Shane Jacobs, Dean Jarret, Gordon Cole, John Jeffery and Supply Nation.

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Indigenous business are the sleeping giants in Australia. In a sense we do business almost all our waking hours. We've been doing business here for 40 thousand years. When we joined thousands of businesses at the Minority Supplier conference in the US, it blew my mind in terms of Indigenous business, but it also showed me that in Australia we're not too far behind. That's why I say we're a sleeping giant.

Gordon Cole,
Cole Workwear and Global Professional
Services International (GPSI)



Executive Summary

A Social Return on Investment Report on Supply Nation Certified Suppliers

Indigenous businesses generate pride, independence and financial stability. Owners and employees use these businesses to create positive futures for themselves, their families and communities.

Supply Nation is a not-for-profit organisation that connects Indigenous owned businesses with opportunities in corporate and government supply chains. Its vision is of a prosperous, vibrant and sustainable Indigenous enterprise sector. Supply Nation Certified Suppliers must be at least 51 per cent Indigenous owned, managed and controlled. This is the report of a Social Return on Investment (SROI) assessment that analyses the value created by Indigenous businesses for their stakeholders. An SROI assessment identifies the social change created by a project or organisation and then assigns it a dollar value.

Five Certified Suppliers are profiled: BNYM Indigenous Designs; Indigenous Success Australia (ISA); Global Professional Services International (GPSI); Cole Workwear; and Pacific Services Group Holdings. These businesses represent a stratified cross-section of the businesses certified by Supply Nation; they are proportionately spread across industries and locations as well as size

and number of employees. Interviews were undertaken with their owners, employees, clients and community members to identify the changes and value experienced because of their existence.

When Supply Nation began this assessment, we expected that the research would uncover some additional social value created by Certified Suppliers. As the interviews progressed, it became clear that these businesses don't just create a little social value on top of the value of the goods and services they deliver: the creation of value is their whole approach to business.

Every Certified Supplier owner profiled uses their business as a vehicle to drive change for their family and wider community.

Owners and employees of Certified Supplier businesses spoke of their increased confidence, autonomy and aspirations. They emphasised their commitment to making their businesses work for the wider community. All expressed their pride in being an example of strength and independence for the next generation.

Business owners invest in their children's education, act as mentors for their employees and other

businesses, and are positive role models in the community – factors they attribute to owning their own business.

These changes were given a monetary value. Across the five Certified Supplier businesses the SROI averaged \$4.41 for every dollar of revenue for a Certified Supplier. This means that for every dollar of revenue they generate, in addition to goods and services, Certified Suppliers create an average \$3.41 social value. Higher SROI ratios were associated with smaller businesses and those producing cultural products.

This assessment in no way concludes that every Indigenous person should own their own business. Nor does it assert that Indigenous businesses are the answer to the range of issues and inequalities currently faced by the Indigenous peoples of Australia.

This report begins by telling the story of Indigenous business as revealed through interviews. It then provides a summary of the SROI approach and reviews relevant literature. Five business case studies are then followed by the calculations and proxies used to value their outcomes.



Who should read this report and why

1. **Corporate procurement professionals** who are building a business case for their supplier diversity programs and need information on the impact of Indigenous businesses.
2. **Government procurement professionals** who want to understand how their Indigenous procurement program is impacting the Indigenous community.
3. **Indigenous business owners** who want to demonstrate to potential customers the value Indigenous businesses deliver in their communities.
4. **Corporate and government executives** who want more information on the impact their organisation's supplier diversity program delivers.
5. **Policy makers** who want to understand how Indigenous businesses create social impacts.
6. **Indigenous community members** who want to celebrate the success of Indigenous businesses.

Key findings

The following are our findings from a sample of five Indigenous businesses. We hope to continue this research to understand whether they hold true across a larger sample.

For every dollar of revenue, Indigenous businesses create \$4.41 of economic and social value

Indigenous businesses are a 'safe place' for families

Businesses working directly in Indigenous cultural industries have higher SROI ratios than businesses working in mainstream industries

Indigenous businesses employ more than 30x the proportion of Indigenous people than other businesses

Indigenous owned business strengthen their Indigenous employees' connection to culture

Indigenous businesses provide training to staff

Owners of Indigenous businesses reinvest revenue in their communities

Smaller Indigenous businesses have higher SROI ratios than larger businesses

Indigenous business owners that were part of the stolen generation use their businesses to create a place of belonging and healing

Indigenous owners, employees and communities are proud of Indigenous businesses

The story of Indigenous business: it's about the collective, not the individual

Indigenous businesses are more than a means of economic independence: they enable their owners to build resilience and pride in their communities. For their employees, they sustain connection to culture, as well as provide a work environment in which to learn and thrive. For the families of Certified Supplier business owners, these businesses are a proving ground where young Indigenous people develop their capacity to pursue their desired careers and grow into leaders themselves. Certified Suppliers leverage every aspect of their businesses to strengthen their communities and culture.

"We know what we want and how to get there and bring others with us. It's about the collective, not the individual."

Gordon Cole, GPSI and Cole Workwear

Certified Supplier owners are leaders and role models

Owners of Certified Supplier businesses clearly articulate the purpose of their businesses and their vision for the future. However, every owner we interviewed revealed leadership goals and capabilities beyond their business. This holistic leadership was most strongly described by other stakeholders.

"Without their influence and help, I wouldn't have a vision like that. Because now I can see how well they are doing as well. I want my business to be like that too."

Glen Kelly, Indigi Empire (mentored by PSG Holdings)

Owners support Indigenous and non-Indigenous community groups and sporting clubs. They proudly acknowledge their own Indigenous

culture and encourage others to do likewise. They advocate on behalf of Indigenous people through positions on not-for-profit boards and in other community groups.

They demonstrate success to their children and extended families. Certified Supplier owners also nurture the next generation of Indigenous leaders by encouraging and supporting their staff and other Indigenous business owners.

Certified Suppliers support and grow strength in their communities

Certified Suppliers are creative and diverse in the ways they serve their communities. Small and micro Certified Suppliers draw their communities into their business through employment, volunteering, training and even growing food on their properties. They provide a safe and welcoming space in which people can connect with each other and their culture. Larger Certified Suppliers nurture Indigenous employees, support the community through corporate foundations and other charities, and purchase from other Indigenous businesses. Owners speak of their businesses as a natural extension of their community – a place where commerce and community co-exist.

"[Owning my own business] means that I have the ability to determine my own future. It means to me, that through example, that I can make a difference in my community. Aboriginal communities are different. Our connection doesn't go away. We may not be in those communities, but those communities are in us."

Dean Jarrett, owner and principal, GPSI

Certified Suppliers support and grow strength in their communities

Indigenous employees talked about the encouragement they receive to develop and reach their potential.

"When I'm here, I get so much extra opportunity and it's got the Indigenous context. That's the real reason I wouldn't take any offer somewhere else."

Nathan Muggleton, cadet, PSG Holdings

Certified Suppliers were aspirational about the number and/or proportion of Indigenous employees they want for their organisation. Most Certified Suppliers are not big employers, with an average of six employees per business.

However, when they do employ people they employ Indigenous people at an average rate of about 50 per cent, compared to 1.5 per cent Australia-wide¹. Even in larger Certified Supplier businesses, the rate of Indigenous employment remains well above the national average

Certified Suppliers tackle prejudice and misperceptions

Some Certified Supplier owners spoke of the need to produce goods or services of a higher quality than their non-Indigenous competition. They spoke of fighting perceptions of increased risk associated with Indigenous businesses and Indigenous employees. To win new business and retain customers involved battling prejudices about Indigenous business competence, and forging a path for other Indigenous businesses to follow.

Certified Supplier owners also actively engaged their non-Indigenous stakeholders in learning about their Indigenous cultures. Many non-Indigenous employees and clients had had little or no prior interaction with Indigenous people. They talked proudly about gaining new understanding of Indigenous culture with an appetite to learn more. They became advocates for Indigenous people and businesses.

"I get mixed responses when I say I work for an Indigenous business. I say it's exactly the same commercially but there's an understanding of Aboriginal heritage: that there's a positive approach to interacting with that heritage and the community and developing that economically."

John Myers, cadet, PSG Holdings

Certified Suppliers connect to culture

When Certified Supplier owners compared their current work to previous jobs in non-Indigenous organisations, they talked about a stronger, more genuine connection to culture. For businesses that sell cultural products, such as art or Indigenous consulting, this sense of being close to community and culture is even stronger. Indigenous employees expressed similar sentiments.

"I wasn't very interested in my culture growing up, but when I had a choice to be here, and Auntie Sam started teaching me, learning designs and the meaning behind them, it makes more sense. So now when I'm looking at Aboriginal art I know the story behind it. I feel very proud to be Aboriginal."

Noel Terrick, nephew and volunteer, BNYM Holdings

Attachment to traditional culture has been found to be closely linked with enhanced outcomes across multiple socio-economic indicators. The Certified Supplier businesses profiled in this report reflect this, which partly explains the social value created.

Certified Suppliers are a place for the family to be together

Some Certified Suppliers use the physical location of their business to create a safe and stable place for family to connect with each other and

their culture. For Certified Suppliers who have a lived history of being forcibly removed from their families, this is an essential characteristic of the business and the value it creates.

"I used to be ashamed of my Aboriginal heritage and then a very amazing woman told me I had nothing to be ashamed of, and that I am a proud black woman with a long black heritage. Mum was a powerhouse. I was 35 before I found out who I belonged to."

Sam Walker-Wilson, owner and manager, BNYM

Certified Suppliers enhance pride and aspiration

Several stakeholders of the Certified Suppliers profiled spoke of the business as a source of transformative pride in their Aboriginality, self or community. They related that pride to confidence, independence and optimism for the future. There was talk of defying the odds, of standing up and making change, and of being economically independent in communities that are devastated by disempowerment and disadvantage. Children of the Certified Suppliers profiled are well educated and successful. They attribute some of their current success or ambition for the future to their experience of growing up with a parent in business.

"Without this business I would be a labourer or a mechanic. Here, I went to meetings with mum, to listen and then write documents that were well received. That's what really sparked my interest and made me want to hone those skills, to become more articulate."

Zack Haddock, son and former employee, BNYM

Indigenous employees attribute their higher aspirations for the future and a greater likelihood of achieving them to working for a Certified Supplier.

"I've experienced so many things in my life, and now my idea of what I can be is completely changed. I've always gone with the flow of things I guess. So being here has definitely changed my view on what I can achieve and where I might end up."

Nathan Muggleton, cadet, PSG Holdings

Certified Suppliers deliver local value in diverse locations

Certified Suppliers, like other small businesses, are innovative, flexible and contribute to their local economies. They are lean, well connected and are thus able to adapt to the needs of their customers and communities. A greater proportion of Certified Suppliers are based in regional and remote Australia, as opposed to most other Australian businesses, which operate from central business districts.

Income

When interviewed, most Certified Supplier owners were earning less than they could have by working for somebody else. The social value they gained from their business was estimated using this pay differential and by asking owners how much they would need to be paid to work elsewhere. Lower personal incomes for business owners were partly due to reinvestment of profits in their businesses.

Not all Indigenous people want to run their own business

The Certified Suppliers included in this assessment were extremely positive about running their own businesses. This does not mean that all Indigenous people can or should run their own business. The owner of one Certified Supplier business declined to be interviewed, as he was considering shutting it down. He recognised the freedom and success he had enjoyed over the past ten years, but was taking a job elsewhere. He described the benefits of employment as being free of worry about where revenue would come from, having a regular pay cheque to provide for his family and being able to work regular hours. For many Indigenous people, as with non-Indigenous people, owning their own business may not be the preferred option.

Social Return on Investment – the method

Six stages of SROI

There are six stages to calculating SROI

1. Establishing scope and identifying stakeholders

The scope of this report includes assessing the impact Certified Suppliers have on their employees, families, clients and communities.

To identify businesses to include in the SROI assessment, the Supply Nation Certified Supplier database was stratified by geography, metro/regional head office, size and industry. Five Certified Suppliers were selected to reflect this distribution. Not all businesses approached agreed to be profiled, so replacements were made that maintained the stratification.

Interviews were conducted with owners first, and then with those identified by an owner as having experienced an impact as a result of the business. This included other owners, employees, volunteers, family members, customers or clients and other business owners being mentored by the business. Across the five businesses, 13 people were interviewed.

2. Mapping outcomes

An impact map was developed for each business. Impact maps list every change experienced by each stakeholder as a result of their interaction with the Certified Supplier.

3. Evidencing outcomes and giving them a value

Each outcome change was assigned a monetary value. When stakeholders valued a particular outcome in monetary

terms during their interview, this amount was used. In other cases, a financial proxy was assigned. These financial values and proxies are listed and explained in the calculating value section at the end of the report. Wages of employees or owners were not included, as it was assumed that any wages paid were equal in value to the time and skills purchased. Wages were only accounted for when an increase or decrease in wage was said to be directly due to the business.

4. Establishing impact

Once impacts were identified and valued, they were adjusted for deadweight and attribution. Each of these was estimated as a percentage. Deadweight estimates the change that would have happened anyway, without the business. For example: how much change in confidence would the employee have experienced in any other job? Attribution asks what proportion of the change is due to other influences in the person's life. Many SROI assessments also consider displacement and drop off. Displacement would ask what activity is being displaced by the activity of the Certified Supplier, for example purchases from other businesses. However, in this study displacement was not included, because the negative effect of customers not buying goods and services elsewhere was not clearly material. Drop off would consider how change might lessen over time. As this SROI assessment calculated return over a single year, drop off was irrelevant.

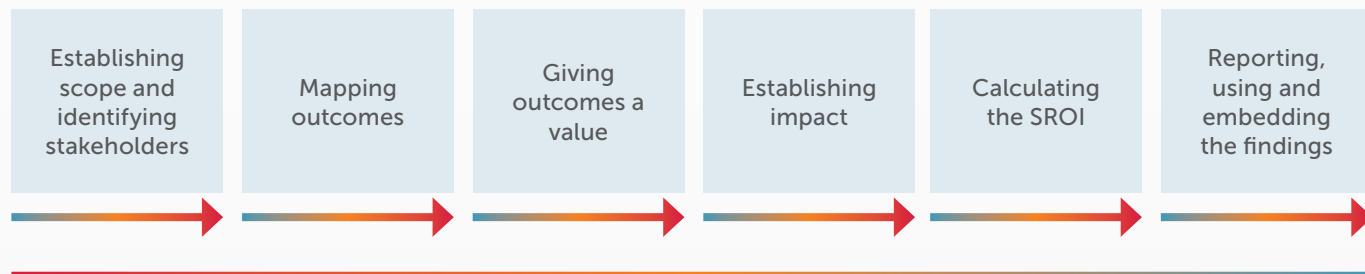
5. Calculating the SROI

For each business, the social value created for each stakeholder was aggregated, subtracting deadweight and attribution, to get an estimate of the annual social value created by each business. The value of goods and services was assumed to be equal to the money paid for them. The revenue for the businesses is the 'investment' and the value of goods and services sold was added to the social value to create the 'return'. For example, Certified Supplier GPSI has an SROI ratio of \$3.11:\$1. This means that every dollar of revenue created a dollar's worth of services and an additional \$2.11 of social value. The enterprise model of SROI is illustrated to the right.

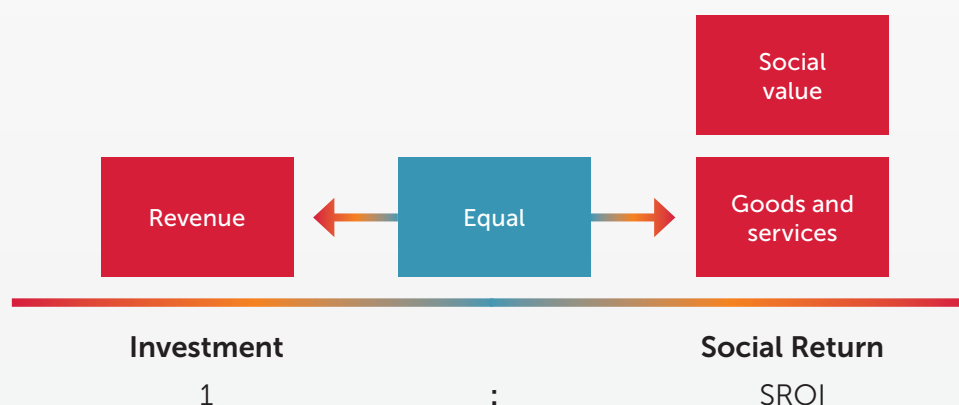
6. Reporting, using and embedding the findings

Finally, after the findings were analysed, the report was written up, reviewed by all interviewed stakeholders, and made public. We hope these SROI assessments form a precedent that will continue to profile the range and types of social value created by Indigenous businesses.

Six stages of SROI



Enterprise model of SROI



The principles of SROI

The SROI process is guided by seven principles²:

1. Involve stakeholders

Understand the way in which the organisation creates change through a dialogue with stakeholders.

2. Understand what changes

Acknowledge and articulate all the values, objectives and stakeholders of the organisation before agreeing which aspects of the organisation are to be included in the scope; determine what must be included in the account in order to allow stakeholders to make reasonable decisions.

3. Value the things that matter

Use financial proxies for indicators to include the values of those excluded from markets in same terms as used in markets.

4. Only include what is material

Articulate clearly how activities create change and evaluate this through the evidence gathered.

5. Do not over-claim

Compare performance and impact using appropriate benchmarks, targets and external standards.

6. Be transparent

Demonstrate the basis on which the findings may be considered accurate and honest – and show that they will be reported to the stakeholders, and discussed with them.

7. Verify the result

Ensure appropriate independent verification of the account.

Literature review

Organisations from Australia and the United Kingdom have conducted impact reports on the value of local businesses, small businesses, minority owned businesses and social enterprises. There have also been reports that assessed the impact of programs for Indigenous people. All of these have been reviewed prior to writing this report.

The value of local business

Business Insight Group conducted a [Buy Local Study](#)³ in 2013 into the added local value created by purchasing from local businesses. The study estimated that for every dollar spent on local businesses, 97 cents of local economic impact is created in addition to the goods and services received. The study looked at four areas of local economic benefit:

1. Wages and benefits paid to local residents
2. Profits earned by local owners
3. Purchases of local goods and services for resale and internal use
4. Contributions to local charities and not-for-profit organisations

This study formed the initial basis for the Supply Nation SROI approach.

In [Social Procurement: The Business Case](#)⁴, Social Procurement Australasia writes about the Local Multiplier Effect:

Local procurement can concentrate economic benefits in a particular area of disadvantage or those in economic decline. The '[Local Multiplier 35](#)' (LM3) methodology evaluates how local firms will re-spend in a local economy through their own spending with suppliers and labour. The tool was first applied on a large scale within Northumberland County Council where [it was shown](#)⁶ that every £1 spent with a local supplier was worth £1.76 to the local economy, but only 36 pence of it was spent out of the

area. That makes £1 spent locally worth almost 400 % more. (p. 10)

The value of small and medium business

Research from the Federation of Small Businesses in the UK shows that 58 per cent more of the money spent by local authorities with small firms is re-spent in the local economy compared with that spent with large businesses in the same area. For every £1 spent with a small or medium-sized business 63 pence was re-spent in the local area compared with 40 pence in every £1 spent with a larger business⁷.

Social Return on minority owned businesses in the UK

Minority Supplier Development United Kingdom (MSDUK) has played a leadership role in supplier diversity in the UK since it began in 2006, encouraging global and British companies to engage with ethnic minority-owned businesses (EMBs) and promote supplier diversity. Its [2014 Impact Report](#)⁸ found that EMBs:

- **Boost growth in disadvantaged areas:** 71% of MSDUK EMBs are located in areas of above average unemployment and lower educational attainment and therefore have an important role in raising incomes, employment and aspirations in these areas
- **Support employment throughout the UK:** MSDUK suppliers are increasing their workforce by 4% every year, far above the national average of 2%
- **Provide role models in the communities:** MSDUK EMBs are active participants in their local community; 82% of them regularly volunteer which is more than twice the national average of 40%⁹.

SROI of social enterprises

CAN Mezzanine is a UK social enterprise that provides fully serviced office space exclusively to charities, social enterprises and not-for-profit organisations. It was profiled as a case study in the SROI Network's [Making It Count](#)¹⁰. It uses a similar approach to earned income as has been used in the Supply Nation SROI, where dollars spent for goods and services create goods and services and additional social value. It calculated the SROI ratio at '£1.30 for every £1 invested – so for every £1 spent by CAN customers they receive £1 of office space and £1.30 in additional social and economic value.' (p. 17)

SROI of programs for Indigenous people

While the following have not published complete information on their proxy values, SROI assessments that have been conducted of programs for Indigenous people were useful to review at the beginning of this process.

Ernst and Young (2014), [Social Return on Investment Analysis National Australia Bank School Based and Full Time Indigenous Traineeship Program](#)¹¹.

Netbalance (2013), [Social Return on Investment forecast of the Indigenous Money Mentor Program](#)¹², National Australia Bank. The idea of presenting an average SROI ratio within the range of interviewee ratios was taken from this report.

Other relevant literature

Urbis' 2014 report, [Enabling Prosperity: Success Factors for Indigenous Economic Development](#)¹³, for Westpac Bank identifies factors that contribute to Indigenous business success.

Identifying businesses to include in this SROI assessment

At 8 July 2014 Supply Nation had 276 Certified Indigenous Suppliers. We decided a stratified sample of five businesses had to represent the difference in size, type and location of the Certified Supplier base. To produce this sample, the following conditions were met:

State

Two businesses from NSW, one from WA, one from Queensland and one from another state.

City

Of those five, two from metro-suburban areas of capital cities, one in a capital city CBD, one in an inland regional area, and one in a coastal regional area.

Employee base

Three 'micro' businesses (1–4 employees), one small (5–19 employees), and one medium (20–199 employees).

Revenue

One business with annual revenues around \$50,000, one around \$100,000, one around \$200 000, one around \$500,000 and one over \$2 million.

Industry

One business in building and construction, two in consultancy and business support, one in education and training, and the fifth in either art, performance, entertainment or corporate gifts.

The five businesses that were chosen based on the criteria above were:

- BNYM Indigenous Designs (BNYM)
- Indigenous Success Australia (ISA)
- Global Professional Services International (GPSI)
- Cole Workwear
- Pacific Services Group Holdings (PSG Holdings)

People interviewed

BNYM Indigenous Designs (BNYM)

- Sam Walker-Wilson, owner and manager
- Zack Haddock, son and former employee
- Amanda Haddock, daughter-in-law and employee
- Noel Terrick, nephew and volunteer
- Dave Wilson, husband and employee
- Jerry Haddock, grandson
- Sam Haddock, granddaughter
- Aunty Jenny Solomon, founder

Indigenous Success Australia (ISA)

- John Jeffery, owner
- Ally Coe, Wiradjuri Condobolin Corporation, client

Global Professional Services International (GPSI)

- Dean Jarrett, owner and principal
- Gordon Cole, owner and principal

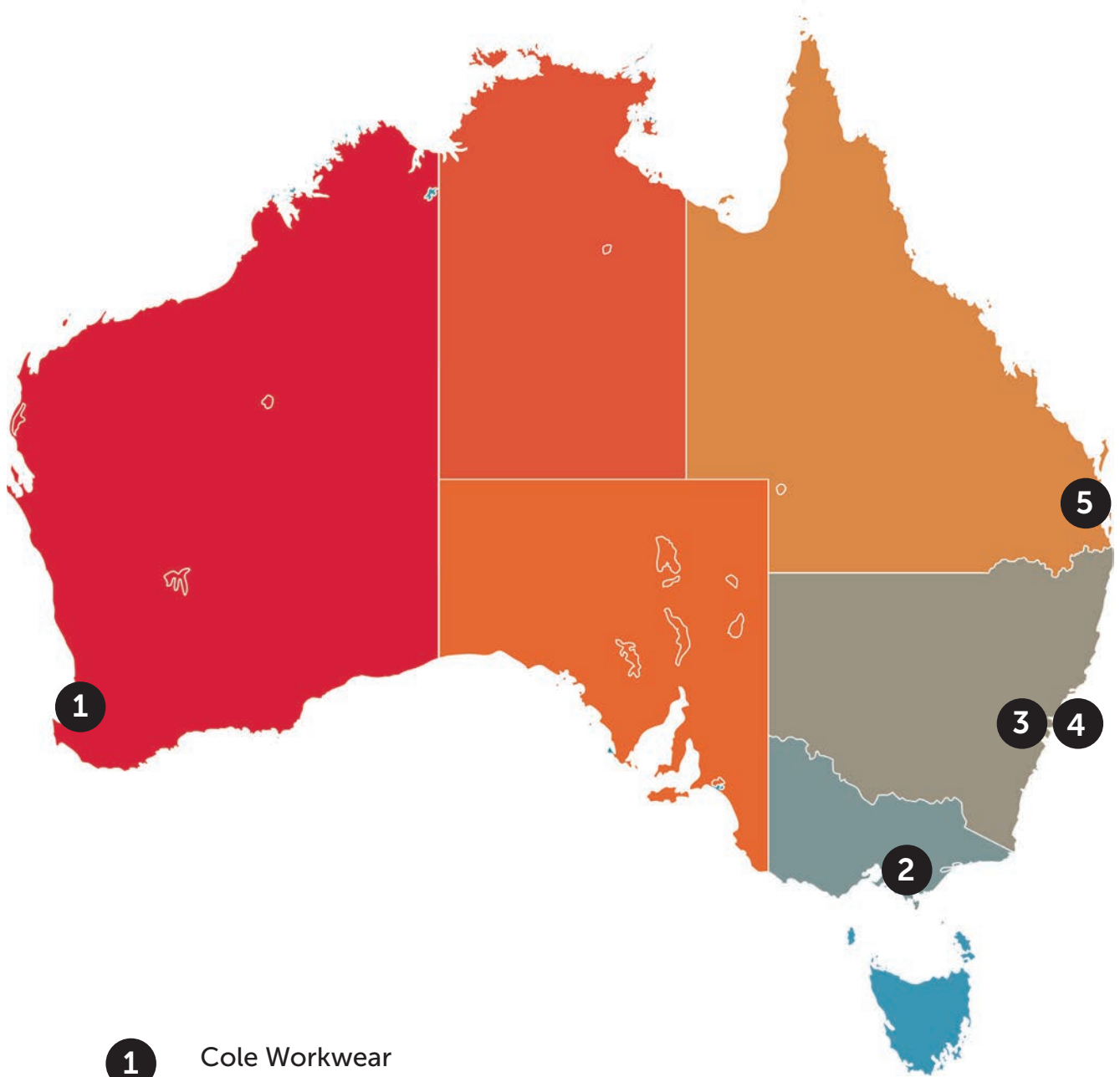
Cole Workwear

- Gordon Cole, owner and operator
- Jim Atkinson, MMA Offshore Ltd, client

Pacific Services Group Holdings (PSG Holdings)

- Shane Jacobs, owner and principal
- John Myers, non-Indigenous project manager
- Nathan Muggleton, Indigenous cadet
- Glenn Kelly, Indigi Empire, mentee

Over the following section, the Social Return on Investment for each of the five businesses is presented as a case study.



- 1 Cole Workwear
- 2 BNYM Indigenous Designs (BNYM)
- 3 Pacific Services Group Holdings (PSG Holdings)
- 4 Global Professional Services International (GPSI)
- 5 Indigenous Success Australia (ISA)

Understanding social value

As well as creating financial value for their owners and employees, Indigenous businesses produce social value for stakeholders. The first interview conducted with each business was with the owner(s) who were asked who else was significantly involved in their business or affected by it. These people were then also interviewed where possible. They included other owners, employees, volunteers, family members, customers or clients and other business owners being mentored by the business.

Indigenous businesses included in the SROI

The businesses profiled in this SROI assessment are a stratified sample of the 2014 pool of Supply Nation Certified Suppliers. For the purpose of this report it can be assumed that they represent the entire population of Certified Suppliers. Therefore, on average, Supply Nation Certified Suppliers create \$4.41 of value for every dollar of revenue: \$1 of goods and services and \$3.41 of social value. The social and economic value created ranges from \$1.13 to \$10.93.

- BNYM is a family micro-business, producing Aboriginal art and gifts. BNYM is located in Morwell in regional Victoria. For every dollar spent at BNYM, \$9.93 of social value is created in addition to goods and services.
- ISA is a micro-business with an education and training focus. ISA is also involved in joint ventures and facilitates several. ISA is located in coastal Queensland and works with organisations across Australia. For every dollar spent at ISA, \$4.68 of social value is created in addition to goods and services.
- Global Professional Services International is an international consulting company with both Australian and Canadian Aboriginal owners. GPSI delivers a range of services, including cultural awareness training.

GPSI's Australian owners are based in Perth, Sydney and Port Macquarie, working with clients across Australia. For every dollar spent at GPSI, \$2.11 of social value is created in addition to goods and services.

- Cole Workwear is a small Western Australian workwear provider. Cole Workwear manufactures its own products and also stocks a range of other brands. The organisation services a range of industries. For every dollar spent at Cole Workwear, 96 cents of social value is created in addition to goods and services.
- Pacific Services Group Holdings is a large Sydney-based construction company. PSG Holdings was the largest of the Indigenous businesses profiled, and the one with the most institutionalised Indigenous practices. It produces high-quality buildings and services that successfully compete in mainstream markets. For every dollar spent at PSG Holdings, 13 cents of social value is created in addition to goods and services.

There are two key factors that explain some of the variations in social value created by the businesses: size and type of product offered.

Size

Generally, across the five businesses, the smaller the business, the larger the SROI ratio. However, the larger the business, the larger the total impact.

For example, the micro-business BNYM had a huge direct impact on the family of the owner from a small revenue base. The larger business PSG Holdings institutionalised the creation of value for owners and employees within a more specialised and complex corporate structure. Larger businesses were able to create more social value overall, but less per dollar of revenue.

Type of product: cultural or non-cultural

In general, the SROI assessment found that cultural products contribute substantial social value to their stakeholders.

Culture and product are one and the same at BNYM. Volunteers, staff and families are taught Bungalung, Naragu, Yorta Yorta and Muttie Muttie painting techniques to paint pottery for sale. Art is set in the context of stories and knowledge that have been passed down for thousands of years.

GPSI and ISA educate and connect non-Indigenous businesses to Indigenous culture and businesses. They work with organisations and individuals to support Indigenous economic independence and engagement.

The businesses can be represented on a cultural continuum, with BNYM at one end – producing cultural products – and PSG Holdings and Cole Workwear at the other – producing non-cultural products. GPSI and ISA, in the middle, work directly with Indigenous people and their communities, but do not sell traditional cultural products.

No type of business is 'better' or 'worse' than the other. However, we did notice businesses connected to culture reported higher average SROI ratios than businesses working in mainstream industries, while businesses in mainstream industries created higher average total social value – due to the scale of their businesses.

On measure, regardless of the industry or size of the business, Certified Suppliers create enormous social value to their stakeholders.



**Indigenous
Business
SROI
\$4.41 : \$1**

Family arts and gifts
\$10.93 : \$1

Micro-education and training
\$5.68 : \$1

Small consulting
\$3.11 : \$1

Small manufacturing
\$1.96 : \$1

Large construction
\$1.13 : \$1

BNYM Indigenous Designs

SROI Analysis

BNYM Indigenous Designs creates social value for its community of stakeholders, concentrated in the extended family of the owners. This includes short-term value from having a safe place to be, as well as long-term value from cultural connectedness, self-pride and confidence, heightened career aspirations and economic independence.

About BNYM

BNYM Indigenous Designs produces high quality pottery and ceramics making it a leader in contemporary Australian Aboriginal Art.

Based in the La Trobe Valley region of Victoria, BNYM Indigenous Designs was formed in 2001 by five Koori women.

The name BNYM (pronounced 'Binum') is an anagram of the tribes of the founding members: B for Bungalung, N for Naragu, Y for Yorta Yorta, and M for Muttie Muttie.

The aim of the company is to showcase the wealth of the Gippsland Indigenous culture to national and international audiences.

"It's a dream come true. It's a koori culture come true. To turn our culture into our paintings and our pots."

Aunty Jenny Solomon, founder

BNYM is a family business. It is run by Sam Walker-Wilson and employs her husband, daughter-in-law, daughter, nephew and other family members on a commission basis

Apart from producing pottery for retail and wholesale, BNYM provides classes to community members, a sanctuary for volunteers to come and learn about their Indigenous culture, and various types of support for neighbours and community members.

"It's very empowering for women around here, which clearly lets you know that people who started this

are all women. But it's come a long way, we now have sons and nephews. We realised it needs to be about empowering our people, not just our women. I think it's important people realise that there are important roles that both genders are involved in raising a community."

Sam Walker-Wilson, Owner and Manager

BNYM is a Supply Nation Certified Supplier that is 100 per cent Indigenous owned, managed and controlled.

For BNYM, the SROI process included interviews with owners, employees, children, grandchildren and a volunteer.

"I think everyone who comes here has the opportunity to play a role in providing for the next generation. They see us embracing who we are. They see us balancing our cultural connectedness and working in a Western society. These kids are watching this every day and watching us do it successfully."

Zack Haddock, son and former employee

Stakeholder outcomes

For all stakeholders, connection to culture and family is a strong effect of the BNYM business. Several stakeholders also spoke of the pride they felt in themselves and in their sense of belonging. They clearly expressed their sense of belonging within their cultural heritage as they spoke about what they painted - the animals and patterns based on their personal lineage.

"When I paint pots, I paint long-neck turtles, because we're long-neck turtles. That's our totem for country. Totem for our mob."

Sam (Gin Gin) Haddock, 9 years old

Each stakeholder group identified changes:

- BNYM owners feel more connected to culture and family. Because they had previously been denied access to both their culture and family, this was especially important.
- Employees value the opportunity to teach their children about culture, and the ability to work without incurring the financial burden of after-school care. They also value employment and earning.
- Volunteers value both the learning experience and the products they make. The business is a sanctuary of support and inclusion.
- Family members value the ability to grow up in a healthy, loving, supportive, financially stable and culturally rich environment. This contrasted to how older family members described the environments that they had grown up in and the environments that other local Indigenous children experience. Older family members attributed higher achievements and earnings in later employment to the work experience provided at BNYM.

SROI Ratio:
\$10.93 : \$1



"The money value is important because it means that people can support themselves. We have huge problems with people that don't work. We don't employ anybody here that is either not Indigenous or not a community member."

Sam Walker-Wilson, owner and manager

Calculating value

The SROI analysis revealed that for every dollar spent on products from BNYM, not only are artworks of value created but an additional \$9.93 of social value is created.

"Our culture is important because it's all we've got left to give to our children, to our grandchildren, to our nieces, to our nephews, to ourselves. All Koori culture is important to the people it belongs to. It's our identity: it's what makes us unique."

Sam Walker-Wilson, Owner and Manager

Critical success factors

This business is particularly effective in creating cultural value, because culture is intrinsic to the product being sold. The working environment also creates value for family members with space for children to play and vegetables to be grown – attributes not necessarily found in all Indigenous businesses.

"The art in gallery, the one in town, my stuff was there from kindergarten. A boomerang, a picture of me and nan nan. Nan taught us how to make boomerangs."

Jerry Haddock, 6 years old



BNYM.
Indigenous Designs



Indigenous Success Australia

SROI Analysis

The social value created by Indigenous Success Australia occurs through forming relationships that increase the capacity of Indigenous businesses and their employees. Delivering a variety of goods and services with a diverse range of partners creates both breadth and depth of impact.

About Indigenous Success Australia

The Indigenous Success Australia (ISA) Group is an Indigenous owned and managed company. It has for many years been a leader in providing clients with original and highly successful Indigenous employment, engagement, training and enterprise development solutions.

ISA's innovative approaches and extensive networks put them at the forefront of developing and implementing corporate, regional and industry-wide Indigenous employment, engagement and training strategies. ISA uses its knowledge and understanding of the future challenges and current political, economic and social issues facing Indigenous Australians to support and guide their clients to achieve their Indigenous employment and engagement objectives. ISA's team of Indigenous experts can also assist clients at any stage of their Reconciliation Action Plan (RAP) and Supply Nation journey.

"Over the years you're often told you're dreaming and that'll never happen and it's not done that way, but things can be done with a bit of assistance and strong relationships."

John Jeffery, owner

ISA is a Supply Nation Certified Supplier that is 100 per cent Indigenous owned, managed and controlled.

"The idea is that once these businesses are up and running they'll contribute to more Indigenous employment and require more training. I'm always thinking of those opportunities, looking at opportunities where I can still focus on Indigenous outcomes by partnering with people."

John Jeffery, owner

For ISA the SROI process included interviews with the owner and a client.

"I see the value in partnerships. Just like a traditional owner group, I can't deliver an RTO [registered training organisation] or a rock-crushing service or a springwater group on my own."

John Jeffery, owner

Stakeholder outcomes

Changes for each stakeholder group were identified:

- The owners has the opportunity to build capacity and form innovative partnerships, such as the one formed with the Wiradjuri Condobolin Corporation, that have the potential to create long-term value.
- Family members are proud of their identity and have more choice in their careers.
- Clients increase the size and scope of their operations through partnerships and capacity building.

"I'm not going to stop at the partnerships. If there are opportunities for addressing Indigenous employment, I'm always keeping my eyes open for those opportunities!"

John Jeffery, owner

Calculating value

The SROI analysis revealed that for every dollar spent on goods and services from ISA, an additional \$4.68 of social value is created.

Critical success factors

Indigenous Success Australia creates social value by finding and establishing Indigenous business opportunities. The creation of partnerships between Indigenous and non-Indigenous businesses creates value beyond pure commercial returns. Indigenous Success Australia supports aspiration and capacity building in the Indigenous communities in which it operates. Its work results in the creation of Indigenous businesses and increases the likelihood of their success.



SROI Ratio:
\$5.68 : \$1

“John’s connections that he’s got all over Australia are where he creates value. He’s got fantastic business partners. One of the things John has been able to do is to connect us up with a major quarry mining operation in the Riverina called Milbrae and they have 30 years of rock crushing experience. Now the truth be known, if that tender had come across our desk we’d have to throw it in the bin because we don’t have the equipment, resources or people to be able to go out and do that ourselves, but because they are a professional rock crushing company and because they are now our joint partners, together we have secured a 20 year contract with the mine.”

Ally Coe, Wiradjuri Condobolin Corporation



John Jeffery, owner



GPS International SROI Analysis

GPSI creates social value for its owners, employees and customers in addition to the services it provides. Significant value is created from the Australian and Canadian Indigenous alliance, as well as from the capacity-building work of each owner in their local communities.

About GPSI

GPSI is a cultural business consulting firm with core services including the development of supplier diversity programs, business health checks, enhancement of governance models and Reconciliation Action Plan (RAP) assessments. As a supplier of these services it aims to help organisations achieve success through business growth.

GPSI was established in 2013 as a partnership between:

- Dean Jarrett, a Gumbaynggirr person based in New South Wales, Australia
- Gordon Cole, a Noongar person based in Western Australia,
- Cynthia Dorrington, an African-Canadian person with Canadian-Aboriginal heritage based in Nova Scotia, Canada.

The vision of the company is to build organisational and individual capacity by developing and delivering effective Indigenous engagement programs anchored by the principles of reconciliation, empowerment and self-determination. It also empowers organisations to embrace and achieve their own vision for positive social change, which in turn will inspire others to do the same.

"I've never had a family member that's been in business. Not just my immediate family – my Mum was one of 18 and my Dad was one of 10."

Gordon Cole, owner and principal

GPSI is a Supply Nation Certified Supplier, meaning it is a viable

business which is at least 51 per cent Indigenous owned, managed and controlled.

"I've got four children. My business hopefully shows them that they can run a business too. One son works for me, he's my oldest one. My 15 year old son and my 17 year old daughter talk about business. The impact on the family has been huge. I've been able to pay for my daughter's education which I would have struggled to before. That's a huge investment for her future. If I wasn't in business it would have been hard to do that."

Gordon Cole, owner and principal

For GPSI the SROI process involved interviews with its owners.

"The perception of the wider business community is that Indigenous businesses don't have the capacity or the capability for what we're trying to deliver, so 100% of what we do is changing perceptions. If we can do that simply by having a relationship with people, then that change can happen. The depth of the relationship determines how these perceptions change."

Dean Jarrett, owner and principal

What does it mean to you to be a business owner?

It means that I have the ability to determine my own future. It means that, through example, I can make a difference in my community. It means that with my products and services, I can make practical differences in my community.

It means that through our business we can help other people and other Indigenous businesses.

It means that with international exposure we can talk to and learn from people all over the world.

It means that as we grow our business we will provide opportunities and other outcomes as a result of employment and economic development.

It means that we have a corporate social responsibility to assist young people coming through the system, whether it's creative arts, through the technology industry, health industry or whether it's the education industry, we can assist young people with their new ideas and nurture them and their new business.

Dean Jarrett, owner and principal



Dean Jarrett, owner and principal



SROI Ratio:

\$3.11 : \$1

Calculating value

The SROI analysis revealed that for every dollar spent on services from GPSI, not only are services delivered but an additional \$2.11 of social value is created.

"In terms of the collectiveness of our business, I've started looking at establishing a Noongar Chamber of Commerce in Perth. When I started there was no place to look at other Indigenous businesses. Going over east and meeting other Indigenous businesses gave me a lot of comfort and confidence."

Gordon Cole, owner and principal

Stakeholder outcomes

Changes for each stakeholder group were identified:

- GPSI owners value the autonomy to do what they see as necessary for themselves and their communities.
- Employees have lifted their confidence and have progressed to more highly paid jobs.
- Family members have heightened aspirations and educational opportunities. Some have gained work experience and started their own businesses.

- Other Indigenous businesses receive mentoring and advice, support and inspiration.

"I provide a lot of advice for people in business. I've helped a number of people establish their own business. If they've got a laptop, I just sit down and have a coffee and get an ABN right then and there."

Gordon Cole, owner and principal



GPS
International



Cole Workwear

SROI Analysis

The social value created by Cole Workwear includes cultural awareness delivered to clients along with their workwear products, employee growth and business mentoring. Quality products and services increase client trust and set a precedent for other Indigenous businesses. Over 10 per cent of Cole Workwear's revenue is channelled into the Indigenous community and this is expected to grow as income increases.

About Cole Workwear

Cole Workwear is a proud Noongar owned work wear company based in West Australia.

It oversees the manufacture and supply of a wide selection of industry-specific workwear products suitable for oil and gas, mining, construction, asbestos removal, viral outbreaks, defence, police, transport, aviation, electrical authorities and many other sectors. Cole Workwear manufactures its own Boomerang range work wear, as well as supplying recognised work wear brands like Bisley and Winning Spirit.

The goal of the company is to employ local Indigenous staff and use Indigenous suppliers where possible in its quest to become Australia's premier work wear provider.

"My kids talk about my business interests and say: who's going to take over this stuff when Dad's finished? I just hear that and smile, because when I was growing up our conversations were about getting a house and raising kids."

Gordon Cole, owner and principal

Cole Workwear is a Supply Nation Certified Supplier, meaning it is a viable business which is at least 51 per cent Indigenous owned, managed and controlled.

"I've had Indigenous friends all my life and there are things I've felt uncomfortable asking that I can talk about with Gordon. There's cultural stuff that definitely we talk about. Some semi-spiritual stuff."

Jim Atkinson, Procurement and Supply Chain Manager, MMA Offshore Ltd

For Cole Workwear the SROI process included interviews with the owner and a client as material stakeholders in the business.

"I educate my clients and potential clients around cultural issues as well as the product. I spend perhaps an hour with an individual in the company. A core part of Aboriginal culture is family – everyone has family – so we talk about the kinship system and structure in their family and it generates interest."

Gordon Cole, owner and operator

Stakeholder outcomes

Changes for each stakeholder group were identified:

- The owner has the ability to determine his own future and make a difference in his community.
- Employees' confidence has increased and they have started their own businesses or gone on to higher earnings.
- Family members: opportunities for education and employment have become available.
- Customers have a greater understanding of Aboriginal culture and community.
- Community: Sporting teams receive uniforms; individual participants are sponsored to play

tournaments overseas; teams and associations receive financial support.

"The netball team I sponsored is a non-Aboriginal team and club. People said, 'Why would you sponsor a non-Aboriginal team?' What it does is put my company name on the back of their shirts.

Everywhere they go, people can see my logo with the four boomerangs. My daughter saw a couple of girls in a shop with the logo and asked me about it. It's where we come from, it's caring and sharing. It's reconciliation in reverse."

Gordon Cole, owner and principal

Calculating value

The SROI analysis revealed that for every dollar spent on products from Cole Workwear, not only is workwear delivered, but an additional 96 cents of social value is created.

Critical success factors

Cole Workwear creates social value due to the attitudes and activities of its owner and employees. They use the business as a vehicle to pave the way for other Indigenous businesses to follow, and to give both clients and employees positive experiences with Indigenous businesses. Social value is created through a supply chain of high environmental and ethical standards, which includes Indigenous suppliers. Profits are used to support Indigenous community organisations and other community groups.

SROI Ratio:
\$1.96 : \$1

Gordon Cole, owner and principal

"When I'm asked by people on the supply base why we go to a particular vendor, I tell them 'Time, quality and cost'. But then I say, 'But did you know we also contribute to outcomes in this community?'"

Jim Atkinson, Procurement and Supply Chain Manager, MMA Offshore Ltd

"When they see dad going to work in a Cole Workwear shirt, the kids might think, 'I'm no good at basketball, I'm no good at footy, I'm not academically fantastic, but I can work in a business like Dad or like Cole Workwear.' Our contracts mean there are business role models in their community."

Gordon Cole, owner and principal



Pacific Services Group Holdings

SROI Analysis

The social value created by Pacific Services Group (PSG) Holdings occurs largely through two means: cultural engagement and professional success. PSG Holdings leaders expect success of themselves, their staff and other Indigenous businesses. Their patience and support turns these expectations into reality.

About PSG Holding

PSG Holdings is an Indigenous owned national construction, maintenance and vertically integrated services business and is part of the Pacific Group of companies. PSG has built a strong reputation for outstanding customer service, reliability, on-time delivery and quality.

Troy Rugless and Shane Jacobs are the founders of PSG. Both Shane and Troy's Indigenous heritage is from the Wiradjuri people who were the first inhabitants of central western NSW.

The SROI study of PSG Holdings included interviews with an owner, non-Indigenous employee, Indigenous cadet and another Indigenous business being mentored.

Stakeholder outcomes

Changes for each stakeholder group were identified:

- The owners' ability to effect change in their communities is enhanced.
- Indigenous employees engage and connect with culture.
- Non-Indigenous employees grow their understanding of Indigenous culture.
- Cadets have higher aspirations and achievement.
- Other Indigenous businesses receive revenue through being part of the PSG Holdings supply chain and/or mentoring.

What does it mean to be an Indigenous business?

"It means it's good for the soul. It means that I'm contributing to community. It allows me to fulfil my commitment to community. It's my social investment. There are very few companies that get this supplier diversity space. They think the ultimate goal is employment. But it's about Aboriginal entrepreneurship. It's about business excellence. Through that is Aboriginal employment. And outcomes for the community."

Shane Jacobs, owner and principal

PSG Holdings is a Supply Nation Certified Supplier which means that it is a viable business which is at least 51 per cent Indigenous owned, managed and controlled.

"I probably wouldn't have started without them, you know. In fact I told them they should start a bins business, but they said that it is my idea so I should do it. I was just planning on working for them. Now they're spewing that they didn't take me up on the offer!"

Glen Kelly, Indigi Empire (mentored by PSG Holdings)

Calculating value

The SROI analysis revealed that for every dollar spent via Pacific Services Group Holdings, not only are services procured, but an additional 14 cents of social value is created.

Critical success factors

PSG Holdings is a medium-sized business. Its owners use their commercial levers and corporate environment to create social value. They mentor and purchase from other Indigenous businesses. Both Indigenous and non-Indigenous employees are encouraged to learn about and be proud of Indigenous culture. It has an Indigenous training and employment program. PSG Holdings uses its own success to inspire and support its staff and wider business community.

"PSG Holdings has a culture of wanting to understand more about its staff, about their history. Shane and Troy, being Wiradjuri men, are very proud of their history. They wear their history on their sleeve, in a sense. It's encouraged in that regards. Our Indigenous involvement is printed in all of our publications and documents. A lot of our contractors are Indigenous. I guess it is a real cultural thing.

My own perception of my Aboriginality has changed since I started working at PSG Holdings. It has brought my Aboriginality to the surface. Growing up, my upbringing was quite secluded from my Indigenous background. Since working here I have re-identified with my Indigenous background."

Nathan Muggleton, cadet

SROI Ratio:
\$1.13 : \$1



Troy Rugless, owner and principal
Josh Tinker, General Manager



Calculating value

After the interviews, the outcome changes expressed by each stakeholder was given a value. These values were then adjusted for deadweight (what would have happened without the Indigenous business)¹⁴ and attribution (what proportion of the change is due to other people and organisations outside the Indigenous business).

The information gathered in interviews was used to identify outcome changes and assign them a monetary value. In cases where stakeholders valued a particular outcome in monetary terms during their interview, that amount was used. In other cases, a financial proxy was assigned.

These financial proxies are a best estimate of the value of the outcome change. The process quoted below from the SROI Guide (2012)¹⁵ was followed and involved a mix of stated and revealed preference methods to determine our proxies.

Just as two people may disagree on the value of a traded good (and so decide not to trade), different stakeholders will have different perceptions of the value they receive from different things. By estimating this value through the use of financial proxies, and combining these valuations, we arrive at an estimate of the total social value created by an intervention.

In stated preference and contingent valuation methodology, we ask people directly how they value impacts – either relative to other things they value or in terms of how much they would pay to have or avoid it. This approach assesses people's willingness to pay, or accept compensation for a hypothetical thing. For example, you may ask people to value a decrease in aircraft noise in their town – their willingness to pay for it. Conversely, you may ask them how much compensation they would require to accept an increase in crime.

Revealed preference techniques infer valuations from the prices of related market-traded goods. A common technique for inferring preference is to look at the way in which people spend money. Many governments produce data on average household spending, which includes categories like 'leisure', 'health' or 'home improvement'. Although flawed for a number of reasons, not least because it excludes the value of the public services, this can also be useful.

When identifying proxies it is important to remember that we are not interested in whether money actually changes hands. It also doesn't matter whether or not the stakeholders in question could afford to buy something – they can still place a value on it.

We assume that health has a similar value to people on any income. So, for example, you may want to use the average cost of health insurance as a proxy for improved health amongst children in care. The fact that those children would not be in a position to take out such insurance is beside the point – it gives generic guidance on how people value health.

Once the value of the impact or benefits was calculated, it was compared to the input. This comparison is the Social Return on Investment (SROI) ratio. The input for the social value calculations is annual revenue or turnover.

Businesses made their revenues known for these calculations, but preferred that they not be published. The benefit calculations and proxy values for the five businesses are therefore listed as a group, rather than individually in mainstream industries, while businesses in mainstream industries created higher average total social value – due to the scale of their businesses.

On measure, regardless of the industry or size of the business, Certified Suppliers create enormous social value to their stakeholders.

Each of the following outcome, indicator and value sets is given for one stakeholder for one business. Some of these sets were used for other stakeholders or other businesses in this analysis. When the sets were used for other stakeholders or other businesses the quantity, deadweight, attribution and drop-off were recalculated for that context.

Stakeholders	Intended/ unintended changes	Outputs	The outcomes	The outcomes (what changes)						Deadweight	Attribution	Impact
Stakeholder	Change for stakeholders	Summary of activity in numbers	Description: How would you describe the change?	Indicator: How would you measure it?	Source: Where did you get the information?	Quantity: How much change was there? (units of change)	Financial proxy: What proxy would you use to value the change?	Value (\$): What is the value of the change?	Source: Where did you get the information?	What would have happened without the activity?	Who else contributed to the change?	Quantity x financial proxy – deadweight, attribution and drop-off
Owner	Is reconnecting with family and healing	1 person over 1 year	The trauma of being stolen from family and lied to about identity is having less of a negative impact in daily life	Years spent feeling connected to family	Source interview	1	Social cost of post – traumatic stress disorder	\$2,027	http://www.acpmh.unimelb.edu.au/site_resources/guidelines/ACPMH_Full_ASD_PTSD_Guidelines.pdf	50%	0%	\$1,014
Owner	More proud of working self	1 person x 1 year of work	More proud of being the boss and business owner than if they were an employee	Working days of business ownership and being the boss	Average Australian work days per year	200	Daily gap between wage forfeited from alternative (fitness instructor) (\$520) and 'take home pay' estimate (\$100)	\$420	Interviewee value of hour, with average hours verified by https://www.acefitness.org/fitness-certifications/pdfs/A_Day_in_the_Life.pdf	40%	0%	\$50,400
Owner	Autonomy and related ability to effect change	3 people working for one year	Ability to determine own future and make a difference in community	Pay gap between current earnings and annual salary it would take to work elsewhere	Source interview	3	How much additional salary to shut business and work elsewhere?	\$86,667	Interview	0%	0%	\$260,000
Owner	Autonomy and related ability to effect change	1 person owning business	Increased autonomy and opportunity – can do things nobody else can do or would do	Pay gap between current earnings and annual salary it would take to work elsewhere	Source interview	1	How much additional salary to shut business and work elsewhere	\$5,000,000	Stated preference	75%	60%	\$500,000
Owner	More pride and leadership in organisation and community	3 owners of business are proud leaders for one year	Change from feeling like regular business managers to being integral community leaders	Salary required to work elsewhere	Source interview	3	Differential between medium Australian CEO salary and the stated preferences of interviewee (\$1 000 000)	\$829,726	Interview and http://www.payscale.com/research/AU/Job=Chief_Executive_Officer_(CEO)/Salary	0%	0%	\$2,489,178
Other Indigenous businesses	Redefining perception of Indigenous businesses	10% of one person's time checking and destroying imperfect products	Customers who may perceive Indigenous businesses as producing lower quality product are proved wrong	Staff time per annum doing additional quality control on product	Source interview	0.10	Cost of staff time	\$49,400	ABS 6310.0 http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6310.0Main+Features1August%202013?OpenDocument	0%	0%	\$4,940
Other Indigenous businesses	Business-to-business mentoring	30 businesses mentored per year	Indigenous businesses are supported to establish and succeed	Number of businesses mentored	Source interview	30	Low end of range of grant size of NAB social impact investment readiness fund	\$20,000	The slides from the launch of NAB IIRF http://impactinvestingaustralia.com/iirf/	25%	50%	\$225,000
Other Indigenous businesses	Increased size and scope of operations	1 joint venture developed to take on large local contracts	Connections, advice and help to increase size and scope of operations as an investment in long-term potential	Number of joint ventures per annum	Source interview	1	Investment in tech start-up for small amount of equity with potential for high reward	\$50,000	Similar to Startmate arrangement http://blog.theleech.com/startup-incubators-and-accelerators-in-australia/	0%	0%	\$50,000
Other Indigenous business	Higher revenue	7.5% of total procurement is spent with Indigenous businesses	Increased business opportunities and revenue for Indigenous businesses further down the supply chain	Years of spend	Source interview	1	Dollars spend = dollars additional social value (conservative)	\$300,000	Interview	0%	0%	\$300,000

Stakeholders	Intended/ unintended changes	Outputs	The outcomes	The outcomes (what changes)						Deadweight	Attribution	Impact
Stakeholder		Summary of activity in numbers	Description: How would you describe the change?	Indicator: How would you measure it?	Source: Where did you get the information?	Quantity: How much change was there? (units of change)	Financial proxy: What proxy would you use to value the change?	Value (\$): What is the value of the change?	Source: Where did you get the information?	What would have happened without the activity?	Who else contributed to the change?	Quantity x financial proxy - deadweight, displacement, attribution and drop off
Non-Indigenous cadet	Change for stakeholders	Summary of activity in numbers	Description: How would you describe the change?	Indicator: How would you measure it?	Source: Where did you get the information?	Quantity: How much change was there? (units of change)	Financial proxy: What proxy would you use to value the change?	Value (\$): What is the value of the change?	Source: Where did you get the information?	What would have happened without the activity?	Who else contributed to the change?	Quantity x financial proxy - deadweight, displacement, attribution and drop off
Non-Indigenous cadet	Support through university	1 non-Indigenous cadet supported to complete university degree	Completes university and earns more over lifetime	Number of non - Indigenous staff supported to complete university	NATSEM via ABC	1	Earnings differential bachelor degree to Year 12	\$46,250	http://www.abc.net.au/news/2014-05-29/pyne-graduate-earnings-and-unemployment-claim-overblown/5446463	72%	0%	\$12,950
Family	After school care	1 child in free and high-quality after-school care for one school year	Child comes to business after work instead of after school care	Number of days of commercial after-school care avoided	Source interview	200	Cost of after-school care for one day	\$20	http://www.essentialkids.com.au/forums/index.php?topic/805299-how-much-does-after-school-care-cost/	0%	0%	\$4,000
Family	Enhanced sense of identity, belonging, safety, pride in culture	10 children with sense of belonging over a year	Growing up in a healthy, loving, supportive, financially stable and culturally rich environment	Number of children with safe and loving family	Source interview	10	Annual value of feeling of belonging in neighbourhood	\$7,234	http://www.globalvalueexchange.org/valuations/feeling-of-belonging-in-a-neighbourhood-(value-to-individual-of-unknown-age-who-lives-in-uk-but-outside-of-london)/	85.00%	25%	\$8,138
Family	Heighted aspirations	8 children see parent owning business and aspire to higher earning jobs themselves	Higher long-term earnings	Number of children earning higher wages	Source interview	8	Earnings differential Indigenous: non-Indigenous	\$16,402	ABS Census 2011	50%	50%	\$32,804
Family	Better education	4 children see parent owning business and go to university	More likely to go to university	Earnings differential between university completion and high school completion	Source interview	4	Difference between Year 11 and 12 earnings	\$10,895	ABS Census 2011	50%	50%	\$10,895
Employee – non-Indigenous	Cultural learning and respect	15 staff learn more about Indigenous culture	Non-Indigenous staff are more engaged with Indigenous colleagues and their culture	Number of non-Indigenous staff	Supply Nation database	15	Value of 2 semesters' part-time Indigenous studies unit at Open Universities Australia	\$1,538	\$769 per semester per staff member http://www.open.edu.au/content/documents/unit-schedules/2015-UGRD_OFFER_SCHEDULE.pdf	10%	0%	\$20,763
Employee – non-Indigenous	Increased job satisfaction	1 employee would need \$10,000 more to move to another organisation	A willingness to remain at job, even if another job may offer more money.	Non-Indigenous staff value job more due to Indigenous cultural connection	Source interview	1	Additional dollars required to work in non - Indigenous business	\$10,000	Stated preference	0%	0%	\$10,000
Employee – Indigenous	Heighted aspirations	36 workers have heightened aspirations	Higher long-term earnings	Number of staff with heightened aspirations/ pay	ABS	36	Earnings differential Indigenous: non-Indigenous	\$16,402	ABS Census 2011	50%	50%	\$147,618
Employee	Feels more connected to culture	1 person x 48 hours over 1 year	Learning and owning of cultural stories and practices	Number of hours spent learning about culture	Source interview	48	Cost of a cultural awareness course	\$125	http://www.acpmh.unimelb.edu.au/site_resources/guidelines/ACPMH_Full_ASD_PTSD_Guidelines.pdf	0%	0%	\$6,000
Employee	Prouder of identity	5 volunteers on year-long journey	From feeling indifferent about being Aboriginal and not interested in culture, to feeling proud to be Aboriginal and having a sense of cultural ownership.	Number of people with transformed sense of identity	Source interview	5	Value of cognitive behavioural therapy: 10 sessions (NHS standard) at \$230 per session (recommended fees)	\$2,350	Australian Psychological Society http://www.psychology.org.au/Assets/Files/2014-15-Recommended_Fees.pdf NHS http://cep.lse.ac.uk/pubs/download/dp0829.pdf	0%	50%	\$5,875
Employee	Learns skills and confidence to start their own business	1 employee starting their own business	An employee subsequently started their own business	Number of registered businesses of former employees	Source interview	1	School for Social Enterprises WA incubator program	\$8,800	http://sse.org.au/wa-incubator-program/	10%	0.00%	\$7,920

Stakeholders	Intended/ unintended changes	Outputs	The outcomes	The outcomes (what changes)						Deadweight	Attribution	Impact
		Summary of activity in numbers	Description: How would you describe the change?	Indicator: How would you measure it?	Source: Where did you get the information?	Quantity: How much change was there? (units of change)	Financial proxy: What proxy would you use to value the change?	Value (\$): What is the value of the change?	Source: Where did you get the information?	What would have happened without the activity?	Who else contributed to the change?	Quantity x financial proxy - deadweight, displacement, attribution and drop off
Stakeholder	Change for stakeholders											
Employee	Gains skills and experience to increase earnings	1 person for one year in higher paying job	Is now Senior Policy Analyst but would have been labourer or mechanic without experience in family business	Number of people with increased wages per year	Source interview	1	Difference between median Mechanic and median Senior Policy Analyst wages	\$48,185	Auto mechanic http://www.payscale.com/research/AU/Job=Automobile_Mechanic/Hourly_Rate ; Senior Policy Analyst http://www.payscale.com/research/AU/Job=Senior_Policy_Analyst/Salary	0%	0%	\$48,185
Employee	A work environment that provides additional value for children and time for family to spend together	1 person working in this environment for 1 year	Opportunity to teach kids about culture, be a role model, not have to pay others to care for children during work hours	Years spent with children in cultural, family workplace	Source interview	1	Stated preference of dollars required to give up job per year	\$500,000	Stated preference	0%	0%	\$500,000
Customers	Have more knowledge of one or more Indigenous cultures	1 hour with each customer	Customer has a greater understanding and appreciation of Aboriginal culture and community	Time spent with customers talking about culture	Source interview	12	Cost of a cultural awareness course	\$125	Quote from a provider for cost of cultural awareness training	0%	0%	\$1,500
Community	Have learnt artistic skills	10 people x 48 hours of wood burning, painting pots – the whole process from start to finish	Is able to construct own pots and decorate both ceramic and wooden artworks	Number of hours learning	Source interview	480	Cost of Aboriginal art class	\$48	http://www.janbalgallery.com.au/aboriginal-art-worksshops/boomerang-painting/	50%	0%	\$11,520
Community	Increased charity funding	1 not-for-profit raises funds for charity	Not-for-profit PCAP established within Indigenous business – one full time staff	Years of fundraising by corporate not-for-profit	Interview	1	Dollars raised for charity	\$100,000	Company records	0%	0%	\$100,000



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This report was produced by Supply Nation in partnership with Community Insight Australia/ Social Impact Analyst, Emma Tomkinson.

Supply Nation

Supply Nation is the Australian leader in supplier diversity, established in 2009 to connect our membership of Australia's leading brands and government with Indigenous businesses across the country.

Emma Tomkinson

Emma works with charities and governments to use more data in their service design and delivery. She is particularly interested in procurement and contracting to maximise social value. Most of Emma's experience has been with a particular contracting model called social impact bonds.

She created the Social Impact Bond Knowledge Box for the Centre for Social Impact Bonds at the UK Cabinet Office after developing the social impact bond concept for application for NSW Government. Emma is the founder of Community Insight Australia, a map-based tool for non-expert users to access publicly available data on Australian communities.

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14. Some SROI calculations also include displacement and drop off. Displacement is how much the outcome change just moved the problem to somewhere else or denied someone else an opportunity. This was not deemed relevant in the case of Indigenous businesses, as they did not obviously prevent anyone else from starting a business or achieving an outcome. Drop off considers how change might lessen over time. As this SROI assessment calculated return over a single year, drop off was not considered relevant.
15. The SROI Network (now Social Value UK) (2012), A Guide to Social Return on Investment.



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