



# **Native Title Creating & Realising Commercial Opportunities**

**7 June 2017**

- WGAC – A brief history
- WGEPL - Commercial arm
  - Structure
  - Activities
  - Results
  - Lessons learnt
- Creating Opportunities
- Managing Risk
- Maximising Outcomes

**Outline**





**Eastern Guruma Country**





**Hill formerly known as Mt Tom Price**

- Eastern Guruma Country
  - Native Title Determinations – 2007 and 2012
  - 6500 km<sup>2</sup> around Tom Price in Pilbara region of WA
  - 7 Iron Ore Mines on Country
  - Number of Commercial Agreements with Mining Cos
- History of the PBC
  - Up until 2014 – decision making body only
  - Limited Community involvement in PBC
  - Heavy reliance on Advisors
  - No bank accounts, No operations, No capability
  - Parties to Benefit from this Structure
    - Consultants
    - Lawyers
    - Accountants
    - Mining Companies
    - Select TO businesses

**WGAC Story**

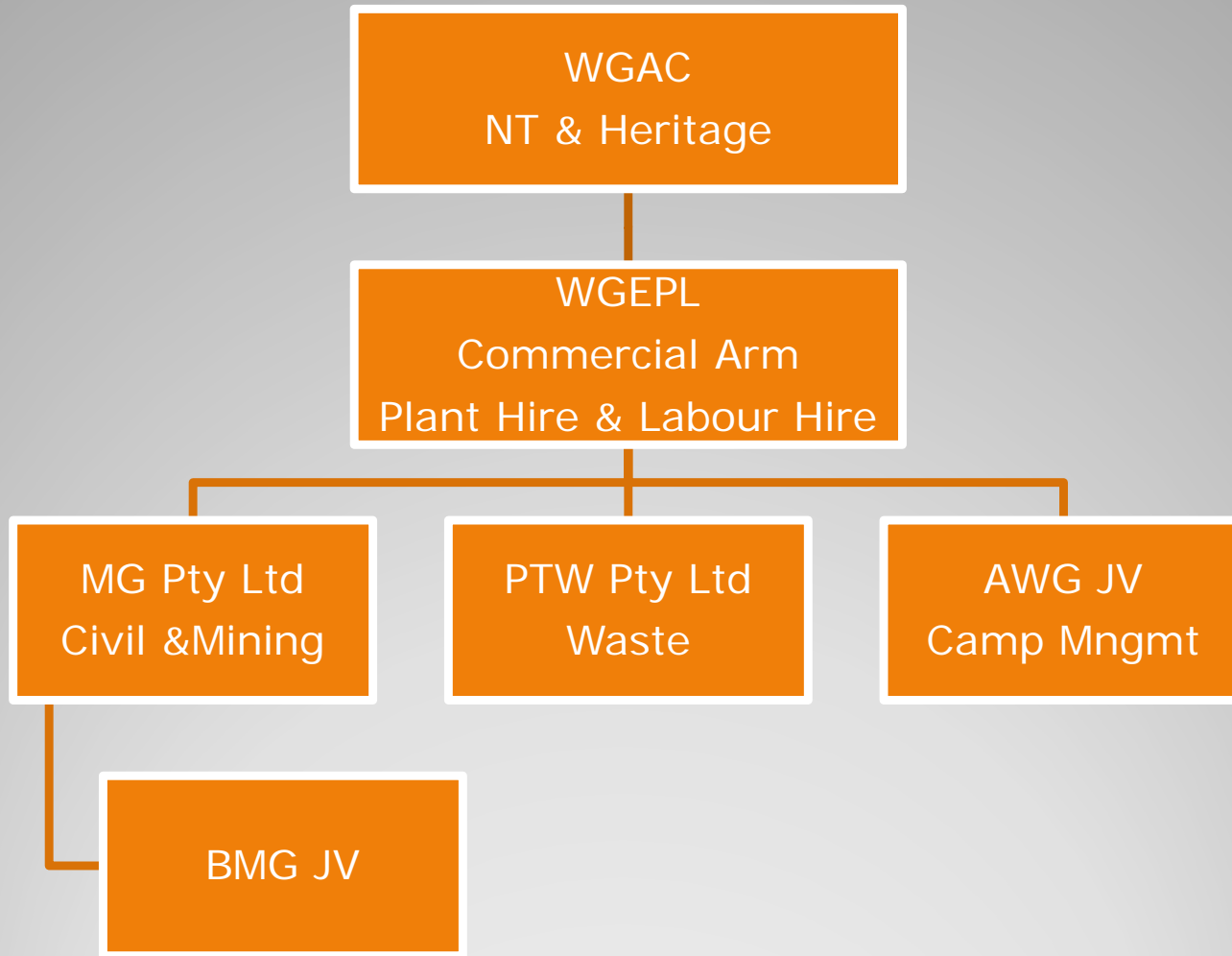
- History of the PBC (cont'd)
  - Change of Board in 2012
  - Wanted self determination
  - Advisors replaced over time – not easy
  - Commenced operating in own right - Aug 2014
  - Responsible for own affairs incl heritage surveys
  - Non member Director appointed
  - Trusted advisers engaged as employees
- Outcomes for EG People
  - Greater autonomy
  - Building capability
  - Greater community involvement in PBC
  - Use of Elder Advisory Committee
  - Stronger PBC

**WGAC Story**

- WGEPL Structure
  - Separate Company - 100% owned by PBC
  - 3 TO Directors
  - 2 employees – CEO and BD Manager
  
- Activities
  - Plant Hire
  - Labour Hire
  - Joint venture companies
    - Civil(50%)
    - Waste(25%)
  - Unincorporated JV's
    - Camp management
    - Other – eg: Civil

**Commercial Arm - WGEPL**





# Structure

- Lessons Learnt

- Directors

- – strategic, community focused, commercial

- Get the best advice – legal & commercial

- Advisors need to understand the community/politics

- Pick good JV partners

- Set the ground rules early

- Drive a hard bargain

- Focus on outcomes

- Manage growth – OK to start small

- Challenges

- Politics – self interest, families

- Decision making processes

**Wintawari Guruma Enterprises Pty Ltd**

- **Competitive Advantages**
  - Community Benefit – very powerful
  - Native Title Holder - also significant
  - Understand what you bring to the table
  
- **Identifying Opportunities**
  - Local Govt
    - Local Road Maintenance
    - Local labour
  - State Government Departments
    - Main Roads
    - Water Corp
    - Housing Dept
    - Education & Training
  - Large Corporates
    - Community Image
    - Social Responsibility
  - Federal Government
    - Procurement Policies

**Creating Oppportunities**

- Conservative, Commercial Approach
- Conservative approach to risk
  - Limited financial capability
  - Community money
  - Use capability partners
    - Select good JV partner – look at values
    - Use separate incorporated companies
    - Focus on building capability
    - Have good Shareholder / JV Agreements
  - No financial or director guarantees
  - Get the best advice – legal, accounting & commercial
  - Limit the downside risk

**Managing Risk**



- Commercial approach to risk
  - Generally - no risk, no reward
  - Likely need to assume some risk
  - Identify the risks & mitigate where possible
  - Be realistic, be commercial
  - Companies will expect you to bring something to the table
    - Community knowledge/authority
    - Assistance with Indigenous recruitment
  - Labour Hire can be a great start
  - Don't give away the farm
    - Be prepared to walk away
    - Find the right people/partner

**Managing Risk**

- Identify Outcomes that are Important to your community
  - Employment
  - Business Development for TO business
  - Commercial Return - \$\$
  - Community outcomes
- Agree outcomes with JV partners up front
  - Be honest/blunt
  - Hold partners accountable

**Maximising Outcomes**