



Supply Nation

Supply Nation Research Report No.5

State of Indigenous Business

An analysis of procurement spending patterns with
Indigenous businesses 2019 – 2021

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Supply Nation

Supply Nation is the Australian leader in Indigenous business diversity, and since 2009 has worked with Aboriginal and Torres Strait Islander businesses, along with procurement teams from government and corporate Australia, to help shape today's rapidly evolving Indigenous business sector. Supply Nation's world-leading 5-step verification process provides peace of mind by ensuring that all businesses listed on Australia's largest national directory of Indigenous and Torres Strait Islander businesses, Indigenous Business Direct, are not only Indigenous owned but are also regularly audited for changes in company structure and ownership. Supply Nation partners with its members from the government, corporate and not-for-profit sectors to include Indigenous business diversity in procurement policies, and develop and support Indigenous business diversity practices, based on global best practice that enable greater participation of the Indigenous business sector.

More recently, Supply Nation also established an internal research capacity to deliver evidence-based programs – providing a stronger platform to advocate for the needs and benefits of Indigenous business and Indigenous procurement. As custodian of Australia's largest and most respected database of Indigenous businesses, the focus of our research is to understand the contours, trends, and contributions the Indigenous business sector makes to the broader national economy, as well as its contribution to Indigenous well-being and self-determination.

Supply Nation's research is the product of collaboration with a range of university centres, government, and independent research agencies on projects of relevance to Indigenous Australians and Indigenous business, and is primarily disseminated through:

- Supply Nation Research Reports: substantial and original pieces of research on topics of relevance to Supply Nation's mission and Indigenous businesses.
- Supply Nation Research and Policy Briefs: concise papers that summarise key areas of research or policy of relevance to the Indigenous business sector and key stakeholders.

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EY's human services Program Evaluation team led the analysis and drafting of this report, with contribution of data from Supply Nation.

The case profiles of the Supply Nation members (purchasing organisations), as well as final editing, was undertaken by Supply Nation.

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Definitions and Acronyms

Definitions	Description
Certified Supplier	51% or more Aboriginal and/or Torres Strait Islander owned, managed, and controlled
Registered Supplier	50% or more Aboriginal and/or Torres Strait Islander ownership (caters for equal partnerships with non-Indigenous owners)
Indigenous business	Aboriginal and/or Torres Strait Islander owned business, including both Certified and Registered Suppliers as above
Indigenous Business Direct	Supply Nation's publicly available national online directory of Indigenous businesses
Supply Nation member (purchasing organisation)	A corporate, government or not-for-profit organisation that pays a membership fee to Supply Nation and commits to purchasing goods and/or services from Indigenous businesses

Acronym	Description
ABS	Australian Bureau of Statistics
EY	Ernst & Young
ACCO	Aboriginal Community Controlled Organisation
AIMSC	Australian Indigenous Minority Supplier Council
ALGA	Australian Local Government Association
APIC	Aboriginal Participation in Construction
APP	Aboriginal Procurement Policy
FTE	Full-Time Equivalent
FY	Financial Year
IBA	Indigenous Business Australia
IBD	Indigenous Business Direct
IBSS	Indigenous Business Sector Strategy
IPP	Indigenous Procurement Policy
MSA	Mandatory Set Aside
NFP	Not-for-profit
NMSDC	National Minority Supplier Development Council
ORIC	Office of the Registrar of Indigenous Corporations
RAP	Reconciliation Action Plan

Foreword

This Supply Nation research report is the first for 2022, and the last that will be published under my tenure as CEO of Supply Nation. In March I announced that after seven years I will be stepping down as CEO later this year and handing over to new leadership. I made the decision with a tinge of sadness, but also with a sense of immense pride in Supply Nation's accomplishments achieved through the amazing team I am lucky to be surrounded by.

I've been blessed to lead this organisation and an incredible team of dedicated and passionate individuals, who have, together with all our Indigenous suppliers and corporate and government members, helped us grow this organisation during my tenure from 15 to 40 employees, 350 to 3,734 Indigenous suppliers and 120 to 636 members across corporate, government and the not-for-profit sectors today!

Indeed, this Research Report highlights a significant outcome despite the difficulties associated with the pandemic over the last two years. Supply Nation engaged EY to undertake research to better understand trends in procurement spend across the Indigenous business sector over a two-year period. The results show **a 39% increase in total spend by our members with Indigenous businesses from FY 19-20 to FY 20-21, equating to \$2.3 billion, up from \$1.7 billion on the previous financial year.**

As the custodian of Australia's largest and most respected database of Indigenous businesses, it is anticipated that this research will enable Supply Nation to build a greater level of understanding and awareness of what is required to support Indigenous businesses to enter the market and continuously grow, to support opportunities to access contracts and procurement initiatives, and to build the overall business capabilities of Indigenous businesses as they transition into different stages of the business lifecycle.

Additionally, this report is testament to the important role that the corporate and government sectors have played in stimulating the growth of the Indigenous business sector. These entities have become increasingly conscious of their spending habits and how they can impact, positively or negatively, on broader societal outcomes for Indigenous Australians.

While the result outlined in this report is a great achievement for Indigenous business, it also highlights that there is more that remains to be done to ensure the longer-term sustainability of the Indigenous business sector. Further work is required to ensure that the number of contracts being awarded to Indigenous businesses is increasing and being distributed among different Indigenous businesses across the sector. The capacity building of Indigenous businesses is also important and needs to be ongoing. As was also highlighted in our previous Research Report by the late Dr Dean Jarrett, the underpinning relationships between Indigenous businesses and purchasing organisations are critical for maintaining and increasing genuine and authentic engagement levels.

Despite the setback experienced by some Indigenous businesses during the pandemic, especially those in sectors such as travel and tourism, this report gives me confidence that Indigenous businesses will continue to remain proactive, identify any potential gaps in their business offerings and continue to be innovative to remain competitive.

Laura Berry

Chief Executive Officer

Supply Nation

Executive Summary

Procurement spend with Indigenous businesses has been growing annually since the enactment of the Commonwealth Government's Indigenous Procurement Policy (IPP) in 2015. Research undertaken by Supply Nation in recent years has explored the impact of COVID-19 on this growth, the challenges Indigenous businesses are facing, and the support they require to emerge from the pandemic in a position of relative strength. Despite the challenges of the past two years and other persistent inequalities in opportunity, the analysis of Supply Nation data suggests that the overall procurement spend with Indigenous businesses remains strong.

The research aims were to understand the factors driving the growth experienced in the sector, particularly in challenging economic circumstances. The questions that guided the research included:

- 1 What are the drivers of growth and decline across the Indigenous business sector?
- 2 What are the current challenges for Indigenous businesses and how can they be supported to address these challenges?
- 3 What are the current opportunities for Indigenous businesses and how can they be supported to leverage them?

These research questions were selected to explore all potential factors influencing spend trends across the Indigenous business sector. This included consideration of general economic activity across industries, Indigenous workforce participation, the effects of COVID-19 on various industries and Indigenous business geographies.

The research approach included:

- A select literature review
- An analysis of Supply Nation member spend data for the financial years FY 19-20 and FY 20-21. Supply Nation members include government (federal, state, and local) agencies, corporate entities and not-for-profit (NFP) organisations that report their Indigenous procurement spend annually through a Supply Nation designed tool called 'SpendTracker'
- An analysis of a separate Supply Nation dataset based on inputs from Indigenous businesses (suppliers)
- A select number of interviews with Indigenous business owners and representatives
- Profiling the top three Supply Nation members in terms of procurement spend

The triangulation of data helped identify trends in procurement among Supply Nation members (purchasing organisations) and suppliers (Indigenous businesses).

Limitations of the analysis include:

- Supply Nation data was recorded during the period in which COVID-19 had a major effect on the economy, therefore limiting the ability to explore past or future performance of purchasing organisations and Indigenous business procurement activities. References throughout this report to pre-COVID Supply Nation spend may not therefore provide a valid comparison and are provided for additional context.
- Supply Nation members reported their spend at various intervals across financial years, therefore, the reporting of spend may not always align with the time of actual spend.

- The small number of stakeholders (suppliers and purchasing organisations) consulted for the purpose of this research represent a select 'cross-section', rather than a representative sample, and their views should not be considered reflective of the whole Indigenous or non-Indigenous business sectors.

Summary of key findings

Overall, the analysis indicated a 39% increase in total spend with Indigenous businesses from FY 19-20 to FY 20-21. This equates to \$2.3 billion spent by Supply Nation members (purchasing organisations) with Indigenous businesses registered or certified with Supply Nation (suppliers). This represents an increase from \$1.7 billion on the previous financial year.

1. Increases in the number of Indigenous businesses across all types of business and geographical location

While the last two financial years were affected by COVID-19, the Indigenous business sector has experienced continued growth across multiple domains, including a 29% increase in the number of Indigenous businesses that secured contracts.

Between FY 19-20 and FY 20-21, there was an increase in Indigenous businesses across all types of business ownership with the most growth observed in the number of registered sole traders and partnerships. There was also significant growth in the number of Aboriginal Corporations (defined as those entities registered with the Office of the Registrar of Indigenous Corporations (ORIC) under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act).

All states and territories in Australia saw an increase in the number of Indigenous businesses with contracts from FY 19-20 to FY 20-21, ranging from a 24% increase in Queensland to a 50% increase in New South Wales (NSW). In FY 20-21, most Indigenous businesses with contracts were in NSW (446), followed by Western Australia (280) and Queensland (234).

2. Growth in spend within the Indigenous business sector

The Commonwealth's IPP, state and territory-based Indigenous economic and procurement plans and Reconciliation Action Plans (RAPs), have been important drivers of Indigenous procurement. Government accounted for one-third of total spend with Indigenous businesses as of FY 20-21, but commitments from the private sector have also played a substantial role in the development of the Indigenous business sector.

The data analysed showed significant growth in spend with Indigenous businesses from FY 19-20 to FY 20-21, with the total spend with Indigenous businesses in FY 20-21 equating to \$2.3 billion. This represents a 39% increase on the previous financial year.

Purchasing organisations from major industries, including Government (government agencies at local, state, and federal levels are given an industry category of 'Government' in the Supply Nation dataset), Mining, Construction, Facilities Management, and Real Estate maintained strong engagement annually with Indigenous businesses. Indigenous businesses in the Marketing and Communications, Food and Hospitality, and Events Management industries experienced significant revenue growth in FY 20-21. This may be suggestive of a 'bounce back' to pre-COVID-19 revenue levels or growth due to new market opportunities.

Purchasing organisations in industries such as Travel and Tourism, Aviation, and Retail and Domestic Goods and Services, reduced their spend with Indigenous businesses, which may be due to the greater adverse effects of COVID-19 in these sectors.

3. A need for greater member engagement in certain industries

The data which informed this research was collected during periods where COVID-19 effects were greatest. A limitation of the analysis was the lack of consistently recorded pre-COVID-19 data making it difficult to determine if a lack of spend or reduced engagement within each industry was due to COVID-19 or other factors.

Nevertheless, the analysis found that 200 Indigenous businesses who had a contract in FY 19-20 did not subsequently receive contracts from purchasing organisations in FY 20-21, with the largest proportion of those businesses operating in the Arts and Entertainment industry. The reduction in and absence of contracts in these industries is most likely related to the effects of COVID-19 restrictions such as lockdowns and venue capacity limits.

Purchasing organisations in certain industries, including Agriculture, Forestry and Fishing, and Sports and Recreation, reported limited engagement with Indigenous businesses particularly in FY 20-21. While it remains unclear if this limited engagement is a direct result of COVID-19, it highlights the need for additional engagement by purchasing organisations in these industries to enable further procurement activities.

The analysis also highlighted a reliance on a single contract for Indigenous businesses in many industries. Almost half of Indigenous businesses for instance rely on a single contract which represents 50% or more of their revenue. This high sole contract dependency may represent a significant risk factor for Indigenous businesses.

4. The competitiveness of Indigenous businesses is increasing although more can be done to increase access to opportunities

Several industries in which Indigenous businesses provide goods and services experienced a significant increase in the number of contracts awarded. This increase in the number of contracts, however, did not always correspond to an increase in contract value. This may suggest a diversification or spreading of spend by purchasing organisations among Indigenous businesses within different industries, creating more opportunities for Indigenous businesses to compete for and win contracts.

The number of Indigenous businesses operating within the smaller revenue tiers grew at a greater rate than Indigenous businesses with larger revenues. Together, these findings may suggest that smaller players in the Indigenous business sector are securing opportunities in the marketplace, with a more even spread of revenue reflecting increasing market competition.

The findings point to significant opportunities for Indigenous businesses as the economy emerges from the COVID-19 pandemic and highlight areas where further opportunities may exist to ensure that Indigenous businesses are receiving equal access to supply goods and services across all industries.

1. Introduction

In 2009, Supply Nation (previously known as the Australian Indigenous Minority Supplier Council) was established in response to the inquiry into Indigenous Economic Development.¹ The model was intended to emulate the National Minority Supplier Development Council (NMSDC) model from the United States, which was established during the Civil Rights movement in the 1960s to support growth in diversity of businesses and employment.²

Diversifying supply chains enables business to be more flexible, innovative, and sustainable.³ Supply Nation is helping organisations of all sizes across Australia implement best practice approaches to help procurement teams successfully engage with Indigenous businesses and diversify their supply chains.⁴

Supply Nation's mission is to:

- Help people and organisations to understand the positive social impacts that can be created through business purchasing power;
- Facilitate connections between Indigenous businesses and purchasing organisations; and
- Manage the Indigenous business verification (registration, certification, and audit) process.⁵

Indigenous businesses may be registered or certified by Supply Nation, with many benefits available with registration or certification, including a business profile listing on Indigenous Business Direct (IBD), support and advice, tools and resources, and access to networking events, training, and information sessions. Supply Nation applies a five-step verification process for the purpose of registering and verifying Indigenous businesses to be listed on the IBD.⁶ Since inception, Supply Nation has been driving Indigenous business diversity across Australia, having now verified over 3,500 Indigenous businesses on IBD.⁷

Supply Nation members include government (federal, state, and local) agencies, corporate and Not-For-Profit (NFP) organisations.⁸ Government agencies are required under the IPP to utilise IBD 'as the first port of call for procurement officers to search for Indigenous businesses to fulfil their targets'.⁹ State and territories are adopting similar approaches, developing procurement plans to increase engagement and spend with Indigenous businesses.¹⁰

In its first financial year of operations, Supply Nation registered 37 corporate members and achieved \$3.95 million in contracts.¹¹ As of 2021, Supply Nation's corporate and government members increased to 575 with a total spend of close to \$2.3 billion.

¹ Commonwealth of Australia (2008) *Open for Business: Developing Indigenous enterprises in Australia*, House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs
<https://www.aph.gov.au/binaries/house/committee/atsia/Indigenousenterprises/report/fullreport.pdf>

² Ibid

³ Supply Nation (2021) *Why join Supply Nation?* <https://supplynation.org.au/benefits/government/>

⁴ Ibid

⁵ Supply Nation (2021) *Our mission*, <https://supplynation.org.au/about-us/our-mission/>

⁶ Supply Nation (2021) *Why Indigenous businesses should register with Supply Nation*,
<https://supplynation.org.au/benefits/supplier/>

⁷ Supply Nation (2021) *History of Supply Nation*, <https://supplynation.org.au/about-us/history/>

⁸ Supply Nation (2021) *First of all, tell us about you*, <https://supplynation.org.au/benefits/>

⁹ Supply Nation (2021) *Why join Supply Nation?* <https://supplynation.org.au/benefits/government/>

¹⁰ Ibid

¹¹ Australian Indigenous Minority Supplier Council (2010) Annual Report 2009-2010, <https://supplynation.org.au/wp-content/uploads/2018/09/aimsc-annual-report-2009-2010.pdf>

Procurement within the Indigenous business sector has a profound impact on Indigenous businesses, with high levels of growth across multiple domains. One estimate, for instance, suggests that every dollar of revenue generated by a certified Indigenous business, results in an average social return of \$4.41. This highlights the importance of spending with Indigenous businesses as it creates wider social and economic benefits.¹²

Considering the significance of supporting Indigenous businesses and the challenges posed by COVID-19 in recent years, Supply Nation engaged EY to explore the trends in spend among Indigenous businesses. The research analysed a range of quantitative and qualitative data to identify trends among Supply Nation members and Indigenous businesses including:

- Industries experiencing growth or decline in spend;
- The value of contracts being awarded by purchasing organisations;
- The number of contracts being awarded to Indigenous businesses; and
- The locations of Indigenous businesses and the industries within which they operate.

The core focus of the research was to analyse Supply Nation data collected from its members (purchasing organisations) and Indigenous businesses (suppliers). Three central questions guided the research, designed to ensure the research considered all potential factors that may influence spend trends across the Indigenous business sector.

1. What are the drivers of growth and decline across the Indigenous business sector?
2. What are the current challenges for Indigenous businesses and how can they be supported to address these challenges?
3. What are the current opportunities for Indigenous businesses and how can they be supported to leverage them?

¹² Supply Nation (2018) *The Sleeping Giant: A Social Return on Investment Report on Supply Nation Certified Suppliers*, <https://supplynation.org.au/wp-content/uploads/2018/08/Sleeping-Giant-Report.pdf>

2. Methodology

The research approach included a literature review, the analysis of two key datasets - SpendTracker for member spend and a separate dataset for supplier data (collectively, the 'dataset'), and selected semi-structured interviews with Indigenous business owners and purchasing organisations.



2.1 Literature review

The literature review included a desktop analysis of available Supply Nation documents as well as broader literature from the public domain. The focus was on the drivers of Indigenous procurement and the state of the Indigenous business sector. The literature review helped shape the research design and analysis and provided context to understand the spend trends, including policy, funding arrangements, Reconciliation Action Plans (RAPs), the Raising the Bar initiative, and Indigenous business loans and grants.

2.2 Quantitative data

Available data on Indigenous economic activity, particularly in terms of Indigenous businesses and the business ecosystem has been limited and continues to be a challenge for the sector.¹³ Levels of public awareness of Indigenous business diversity and its benefits is also limited. To partly address this knowledge gap, it is a condition of Supply Nation membership that members (purchasing organisations) report their procurement spend with Indigenous businesses using a tool called 'SpendTracker'. Members are encouraged to report on a quarterly basis to allow for more effective and current benchmarking with member peers. Member organisations are responsible for entering the data into the SpendTracker tool, including providing information on the number of contracts, contractual value, suppliers and dates payable. This data also allows Supply Nation to track any movements in spend by Supply Nation members over time and to tailor support to assist members achieve their supplier diversity goals.

The findings in this report derive primarily from an analysis of Supply Nation's 'Spendtracker' dataset allowing a nuanced understanding of Supply Nation members spend together with an examination of how this spend varies by:

- Indigenous business geography / location;
- Industry sector;
- Ownership structure;
- Characteristics of members (e.g. size); and
- Impact of COVID-19.

¹³ Commonwealth of Australia (2008) *Open for Business: Developing Indigenous enterprises in Australia*, House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs
<https://www.aph.gov.au/binaries/house/committee/atsia/Indigenousenterprises/report/fullreport.pdf>

A separate dataset relies on Indigenous businesses entering information on the types of services they provide. Suppliers may select up to five different types of services which are then merged into categories relating to sector and industry. The main industry category is determined by Supply Nation based on the industry in which the Indigenous business provides most of its services. The two datasets were merged for this analysis to enable the contracts awarded by purchasing organisations (members) to be matched with the industry of the Indigenous business (supplier) providing the goods and services.

2.3 Interviews

Semi-structured interviews were conducted with six Indigenous business owners and/or representatives. These interviews were designed around the research questions, allowing representatives from Indigenous businesses to share their insights and experiences regarding procurement trends, the impact of COVID-19 on business operations and contracts, and any other information they saw as relevant to procurement trends across the Indigenous business sector. The interviews were thematically analysed and synthesised, providing depth to the quantitative findings.

In addition, the Supply Nation team conducted semi-structured interviews with the three 'top spenders' in the last financial year to get a member perspective on procurement trends.¹⁴ Topics covered included the organisation's background to their supplier diversity journey; key features of the supplier diversity program; characteristics of a 'successful' Indigenous business; 'success factors' in retaining Indigenous businesses on long term arrangements; and any specific initiatives used to raise awareness of or promote supplier diversity practice throughout their procurement departments. The three organisations agreed for their profile to be identified in this report and the insights are presented in the relevant areas throughout the report.

2.4 Ethical considerations

Informed consent was sought from all interview participants consistent with the Australian Evaluation Society's (AES) Ethical Guidelines, with data stored and analysed in a de-identified fashion. Interviews with Indigenous businesses were led by a First Nations researcher, with processes consistent with the Indigenous Evaluation Strategy.¹⁵

The approach to collection, utilisation and analysis of member and supplier data was also consistent with AES's Ethical Guidelines, with quantitative data provided to the research team, stored, and analysed in a de-identified fashion. Except for the case profiles of the three top spending member organisations, data was reported in aggregate form only, with analysis conducted to ensure protection of participant privacy and anonymity.

2.5 Limitations

Limitations included the fact that data analysed came from periods in which there were significant adverse effects of COVID-19 on the economy. Given the difficulty of using an appropriate baseline data year, no conclusive comments are made on pre-COVID 19 procurement trends. References to Supply Nation pre-COVID-19 data provide a guide rather than directly comparable trends as the data sources and methodology used in previous reports may differ to the analysis presented here. Other data limitations included:

¹⁴ The interviews with purchasing organisations were conducted by Shaun Hodgins, Procurement Advisor to Supply Nation

¹⁵ Productivity Commission (2020) *Indigenous Evaluation Strategy*, <https://www.pc.gov.au/inquiries/completed/Indigenous-evaluation/strategy/Indigenous-evaluation-strategy.pdf>

- Inconsistencies in data entry and frequency of reporting, as not all Supply Nation members report their spend on a quarterly basis. The spend dates reported by members in SpendTracker may therefore not always align with the date the spend occurred.
- Descriptive data (e.g. ownership structure, supplier services, number of employees) was not always available for some suppliers even though these suppliers received revenue from contracts in at least one of the financial years examined. In these cases, the descriptive data of the available financial year was used.
- There were several zero-dollar, small value and negative value contracts recorded in the dataset (2.3% of all contracts recorded in the dataset across both financial years) which were not excluded from the analysis, unless otherwise stipulated. Any analysis regarding number of contracts or average value of contracts may therefore result in higher amounts or values of contracts reported than is the case.
- Due to timing constraints the number of stakeholders consulted for this report was small but targeted to ensure the research captured the perspectives of key industry groups. Nevertheless, the views expressed by participants cannot be considered representative of the Indigenous business sector, as well as purchasing organisations in the private and government sectors.

3. Key Findings

The findings presented in this section derive primarily from the analysis of the Supply Nation SpendTracker and supplier data, together with insights from the secondary literature and interviews with Indigenous businesses and Supply Nation members (purchasing organisations).

3.1 Indigenous business growth and employment

This section provides some initial background data on the state of the Indigenous business sector to contextualise the findings presented in later sections of the report.

3.1.1 Growth in Indigenous businesses and employment by ownership structure

Highlights:

- Growth in Indigenous businesses was recorded across all types of business structure between FY 19-20 and FY 20-21, with sole traders and partnerships experiencing the greatest increase in the number of businesses with contracts.
- All states and territories in Australia saw an increase in the number of Indigenous businesses with contracts from FY 19-20 to FY 20-21.
- Previous research suggests that the gap in employment outcomes between Indigenous and non-Indigenous Australians is still persistent and most disproportionate in remote regions of Australia.

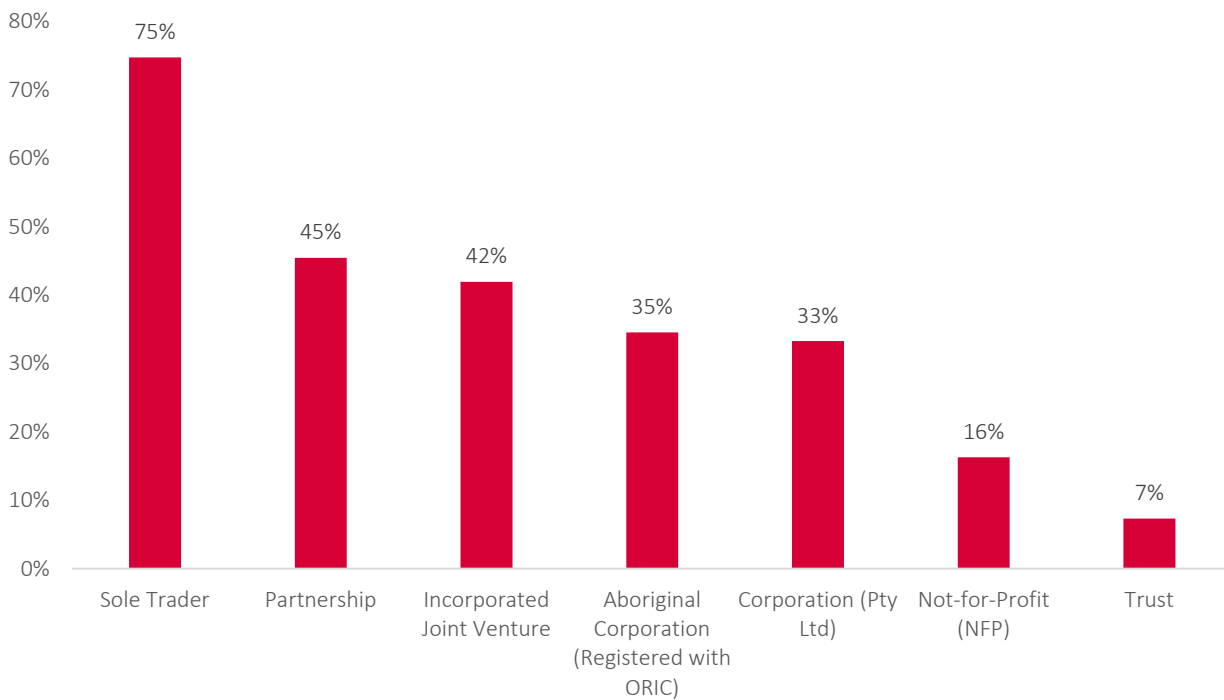
Historically Indigenous businesses have experienced greater difficulty in starting their businesses and securing sufficient capital, finance, and assistance to enable them to scale up and tender for work packages at a competitive price.¹⁶ Indigenous women appear to face greater challenges in business ownership, while Indigenous men are twice as likely to be self-employed as women.¹⁷

The analysis found that the Indigenous business sector has experienced continued growth across multiple domains despite the effects of COVID-19 over the previous two financial years. This includes a 29% increase in the number of Indigenous businesses that secured contracts. Between FY 19-20 and FY 20-21, there was an increase in Indigenous businesses across all types of business structure and ownership, with the most growth evident in the number of registered sole traders and partnerships. This is a positive sign for the Indigenous business sector, as Indigenous businesses appear to be optimistic and willing to enter business regardless of the uncertain environment due to COVID-19. Figure 3.1 highlights the overall growth in Indigenous businesses by ownership structure between FY 19-20 and FY 20-21.

¹⁶ Denny-Smith, G and Loosemore, M (2017) 'Assessing the impact of Australia's Indigenous Procurement Policy using Strain Theory', in Chan, P W and Neilson, C J (eds) *Proceeding of the 33rd Annual ARCOM Conference*, 4-6 September 2017, Cambridge, UK, Association of Researchers in Construction Management, pp. 652-661.

¹⁷ National Indigenous Australians Agency (2018) *The Indigenous Business Factsheet*, https://www.niaa.gov.au/sites/default/files/publications/ibss_factsheet.pdf

Figure 3.1 Growth in Indigenous businesses by ownership structure



Note: Ownership structure type was not available for all suppliers in the dataset.

The Commonwealth Government's most recent 'Closing the Gap' report highlighted significant and persistent gaps in employment rates:¹⁸

- In 2018, the Indigenous employment rate was around 49% compared to around 75% for non-Indigenous Australians;
- Major cities had the highest employment rate at around 59% compared to around 35% in very remote areas; and
- The gap in employment outcomes between Indigenous and non-Indigenous Australians was the most disproportionate in remote and very remote Australia.

Indigenous businesses however are 100 times more likely to employ Indigenous employees than non-Indigenous businesses.¹⁹ The employment of Indigenous people has positive correlations with health, social and emotional wellbeing outcomes, and overall living standards.²⁰ A strong Indigenous business sector is therefore vital given the significant economic and social outcomes it generates for Indigenous Australians.

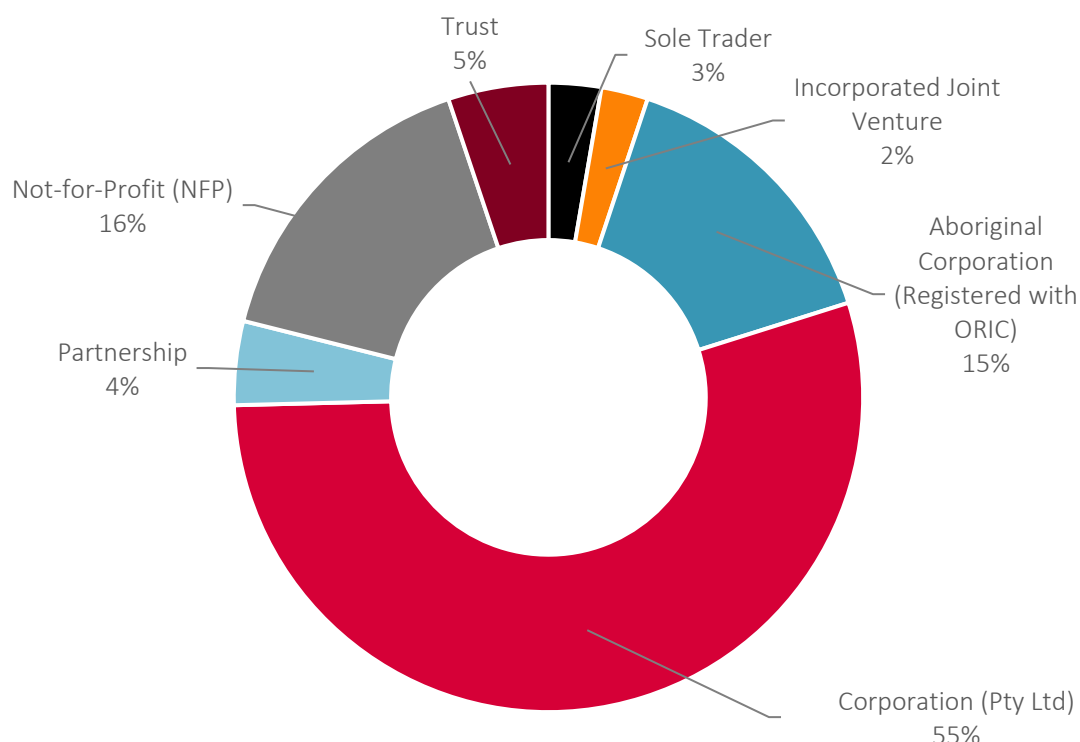
The data in Figure 3.2 shows a breakdown of Indigenous employment based on the different types of Indigenous businesses registered or certified by Supply Nation. Overall, in FY 19-20, Indigenous employees accounted for just under one-third (31%) of the Indigenous business workforce (for businesses that obtained contracts).

¹⁸ National Indigenous Australians Agency (2020) *Closing the Gap Report 2020*, <https://ctgreport.niaa.gov.au/sites/default/files/pdf/closing-the-gap-report-2020.pdf>

¹⁹ Hunter, B. (2015) 'Whose business is it to employ Indigenous workers?', *Economics and Labour Relations Review*, 26(4), pp. 631-651. DOI:10.1177/1035304615598526

²⁰ Ibid

Figure 3.1 Percentage of total Indigenous employees by ownership structure in FY 19-20



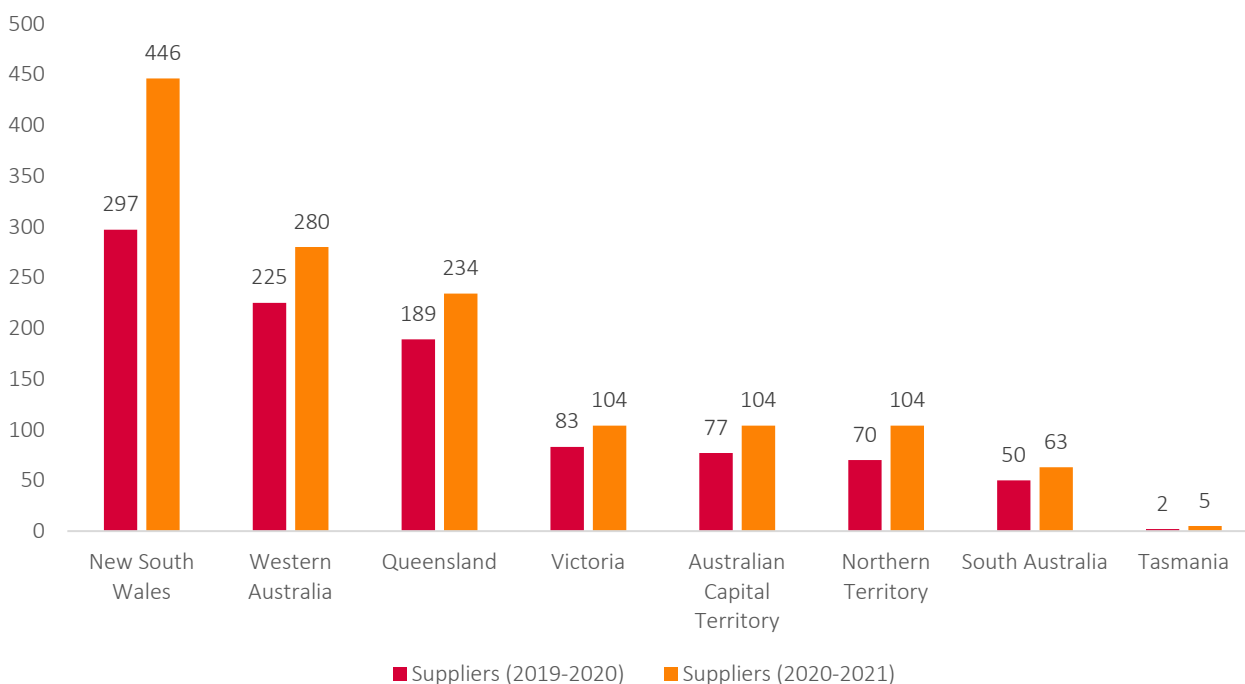
Note: Number of Indigenous employees was not available for all suppliers in the dataset. Indigenous businesses report their employment data when registering or certifying their business with Supply Nation. Indigenous employment data may not have been updated or taken from different points in time.

3.1.2 Growth in Indigenous businesses and employment by geographical location

All states and territories in Australia saw an increase in the number of Indigenous businesses with contracts from FY 19-20 to FY 20-21.

For this analysis, location is defined as the Indigenous business' billing state/postcode rather than its area/s of operation. In FY 20-21, most Indigenous businesses with contracts were in NSW (446), followed by Western Australia (280) and Queensland (234). All states and territories have seen an increase in the number of Indigenous businesses with contracts, ranging from a 24% increase (Queensland) to a 50% increase (NSW).

Figure 2.3 Number of Indigenous businesses with contracts by state and territory FY 19-20 to FY 20-21



Note: Supplier billing state or territory was not available for all suppliers in the dataset.

Figure 3.4 shows the number of Indigenous employees employed by Indigenous businesses with contracts by state and territory for FY 19-20. Of the total number of 7,364 Indigenous employees, the number was highest in NSW (1,878 employees), followed by Western Australia (1,802), Queensland (1,443) and the Northern Territory (1,250).

Figure 3.3 Number of Indigenous employees by state and territory in FY 19-20



Note: Number of Indigenous employees was not available for all suppliers in the dataset. Employment data was initially recorded when the Indigenous business joined Supply Nation. Employment growth was not examined as employment figures are not uniformly updated following initial registration.

3.2 Trends in procurement across industries

3.2.1 Procurement policies are significant drivers of growth

Highlights:

- The total spend with Indigenous businesses increased by 39% from FY 19-20 to FY 20-21
- A total spend of \$2.3 billion was recorded for FY 20-21
- The impact of COVID-19 has varied across industries
- Government, Mining, Real Estate, Construction and Facilities Management are the top 5 industries in terms of spend with Indigenous businesses for the past two financial years
- The Government 'industry' accounted for one-third (33%) of the total spend with Indigenous businesses in FY 20-21

Since its inception, the Indigenous Procurement Policy (IPP) has recorded \$5.3 billion in spend with Indigenous businesses, with more than 35,000 contracts being awarded to over 2,000 Indigenous businesses.²¹ Over 10,000 contracts were awarded to 943 Indigenous businesses equating to a total value of over \$1 billion in the FY20-21.²² One study based on the Australian construction industry found that IPP's:²³

- Create more opportunities for Indigenous business owners to generate social value for staff and communities;
- May produce an environment that creates business and employment opportunities for Indigenous people; and
- Can support Indigenous ways of working because they allow Indigenous companies to promote Indigenous culture in their operations.

Prior to the IPP, Commonwealth government procurement opportunities with Indigenous businesses were limited.²⁴ In the year prior to the enactment of the IPP, for instance, the Commonwealth Government awarded only \$6.2 million in contracts to Indigenous businesses.²⁵ Since 2015, the Commonwealth Government has awarded an average of \$850 million per year in contracts to Indigenous businesses.²⁶

In addition to the IPP, there have been several Commonwealth-level strategies and plans enacted to enable Indigenous social and economic development. One of the key strategies is the National Agreement on Closing the Gap (2020) (the Agreement), which outlines specific targets to increase outcomes for Indigenous communities in education, employment, health and wellbeing, justice, safety, housing, land and waters, and languages. Many other strategies and plans contain actions to subsequently meet targets specified in the Agreement, and many of these are specifically related to Indigenous economic empowerment and employment.

State and territory-level Indigenous procurement policies have also had a positive effect on the levels of spend by state governments. The NSW Government, for example, almost doubled their targeted contractual spend with

²¹ National Indigenous Australians Agency (2021) *Indigenous Procurement Policy*, <https://www.niaa.gov.au/Indigenous-affairs/economic-development/Indigenous-procurement-policy-ipp>

²² Ibid

²³ Denny-Smith, G (2021) 'How Compliance Imperatives Stifle the Impact of Social Procurement', in Scott, L and Neilson, C J (eds), *Proceedings 37th Annual ARCOM Conference*, 6-7 September 2021, UK, Association of Researchers in Construction Management, pp. 634-643.

²⁴ National Indigenous Australians Agency (2021) 'Procurement policy generates \$5.3 billion in contracts for over 2,600 Indigenous businesses', <https://www.niaa.gov.au/news-centre/indigenous-affairs/procurement-policy-generates-53-billion-contracts-over-2600-indigenous-businesses>

²⁵ Ibid

²⁶ Ibid

Indigenous businesses, spending \$173 million with majority-owned Indigenous businesses in FY 20-21.²⁷ Over \$100 million of this expenditure was awarded in the six months following the refresh of the state's Aboriginal Procurement Policy.²⁸

Indigenous procurement policies have significant benefits for Indigenous businesses and communities, with research suggesting a strong correlation between the adoption of Indigenous procurement policies and targets at the state and federal government levels and the growth of Indigenous businesses (see Appendix A for a more detailed description of procurement policies and plans at the federal, state and local government level).

The analysis of the Supply Nation data shows that the Government 'industry' was responsible for approximately one third of total spend with Indigenous businesses in FY20-21. Box 3.1 profiles the experience of the Commonwealth Department of Defence, one of the top three Supply Nation members in terms of Indigenous procurement, highlighting the important role that government agencies can play.

Box 3.1 Department of Defence case profile

At the forefront of supplier diversity in Australia is the Commonwealth Federal Government, having developed the Indigenous Procurement Policy (IPP) in July 2015, which sets out clear targets for the engagement of Indigenous businesses across the sector. Leading the government's efforts in this area is the Commonwealth Department of Defence, who have been on their supplier diversity journey for over a decade. The Department's commitment and pathway to raising awareness and enhancing compliance with the Commonwealth IPP through tangible outcomes is illustrated through its Indigenous Procurement Strategy comprising three distinct pillars:

1. Committed leadership – demonstrating leadership at all levels by committing to championing Indigenous business opportunities;
2. Inclusive Culture and Behaviour – promoting activities that instil a business-as-usual approach to engaging Indigenous businesses; and
3. Proactive Communication – celebrating good news stories and sharing Indigenous procurement updates and outcomes.

This strategy has proven successful, with Defence spending \$3.1 Billion since the introduction of the IPP to over 700 Indigenous owned businesses (almost all registered or certified with Supply Nation). In addition to direct contracts between Defence and Indigenous owned businesses, Defence encourages indirect (second tier) engagement and spend through the Department's large contractor market and supply chain network. Every supplier seeking to work with Defence that meets the Mandatory Minimum Requirements of the IPP is required to include Indigenous employment or supply chain targets in their contracted Indigenous Participation Plan. This means that the impact of Indigenous business engagement is more expansive and has a 'multiplier' effect, as the outcomes of such contracts not only meet the government's IPP requirements, but cascade through Defence's supply chains in general.

Defence's Indigenous Procurement Strategy is also embedded via their civilian and military Indigenous Champions and dedicated supplier diversity team positioned within the Department's Commercial Division. Their supplier

²⁷ Gooley (2021) 'NSW government doubles spend on Indigenous businesses', *Sydney Morning Herald*, <https://www.smh.com.au/politics/nsw/nsw-government-doubles-spend-on-Indigenous-businesses-20211022-p592ce.html>

²⁸ Ibid

diversity success is in part attributable to the Department's business matching service, which facilitates regular meetings between Indigenous businesses and Defence buyers to further increase connection opportunities.

Successful commercial relationships with Defence are those where Indigenous businesses that:

- Have appropriate capacity and capabilities;
- Are able to demonstrate 'value for money' and commercial competitiveness;
- Can manage expectations through good and consistent communication; and
- Participate in the relevant tender process and probity requirements of the Department's procurement process.

As a significant procuring agency, the Department of Defence offers many opportunities as well as challenges for potential suppliers. Opportunities include the scope to provide goods and services in a range of sectors such as Building and Facility Construction and Maintenance Services, Management and Business Professionals and Administrative Services. Challenges, however, include potential suppliers being sometimes deterred from dealing with Defence due to the perception that the Department's procurement processes are complicated and arduous. Due to the large scale of Defence's operations, procurement processes can be lengthy, however, as the Department's Indigenous procurement spend illustrates, successful and sustainable Indigenous engagement is possible with appropriate internal supplier diversity policies and strategies and authentic and genuine commercial partnerships with Indigenous businesses.

3.2.2 Spend by purchasing industry

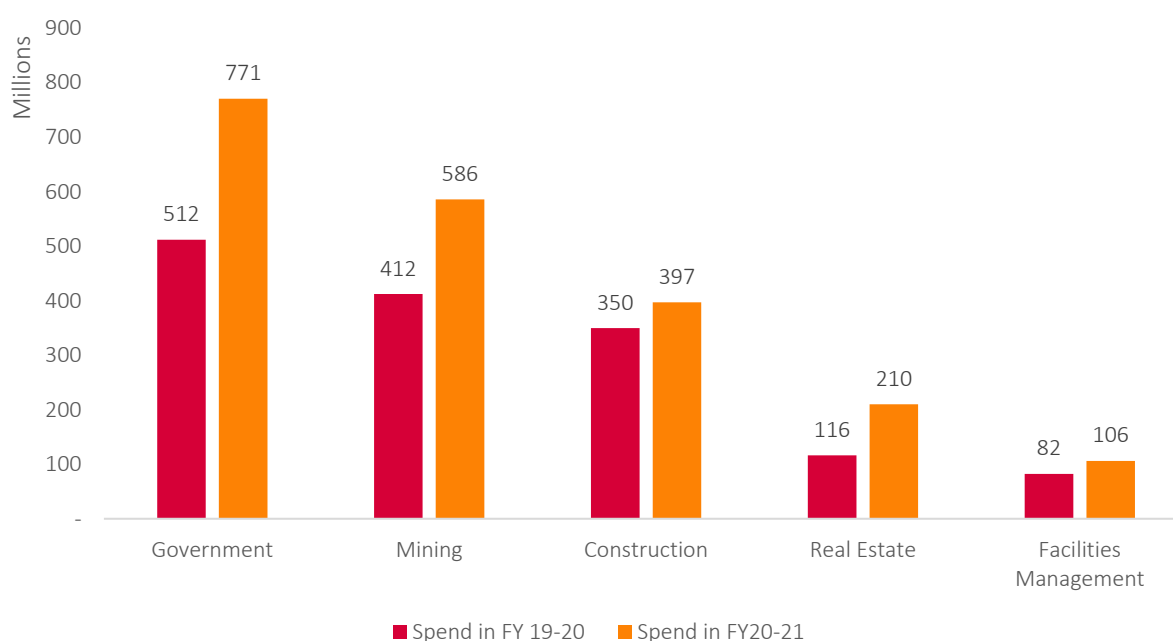
Overall, there was significant growth in spend with Indigenous businesses from FY 19-20 to FY 20-21. Supply Nation members spent a total of \$2.3 billion with Indigenous businesses in FY 20-21, an increase of 39% from the \$1.7 billion in spend in FY 19-20. As discussed in previous sections it is important to note that the data analysed from both years (from July 1, 2019, to June 30, 2021) was collected during the COVID-19 period. The analysis did not include pre COVID-19 data and does not therefore make any comparisons with that period.²⁹ It is assumed that the Indigenous business sector was affected by COVID-19 and associated lockdowns and restrictions to the same extent as the Australian economy generally, which grew at a subdued rate of 1.5% over FY 20-21.³⁰ The impact on businesses varied with some businesses reporting significant growth, whereas others experiencing reductions.

The top 5 purchasing industries by total spend are listed in Figure 3.5. The order in which these industries appear remained consistent from FY 19-20 to FY 20-21, with the average spend increasing by 43% year-on-year.

²⁹ In a previously published report, procurement spend on Indigenous businesses was estimated at \$952 million in 2019, Supply Nation (2020) *State of Indigenous Business: Driving Growth across the Indigenous business sector*, <https://supplnation.org.au/wp-content/uploads/2020/09/Supply-Nation-Driving-Growth-in-Indigenous-Business-DEC-2020.pdf>

³⁰ Australian Bureau of Statistics (2022) *Key economic indicators*, <https://www.abs.gov.au/statistics/economy/key-indicators>

Figure 3.4 Top 5 industries by total spend amount (in AUD) from FY 19-20 to FY 20-21



The increasing procurement from Indigenous businesses by Government was noted in Section 3.2, and of the total \$2.3 billion spend in FY 20-21 by Supply Nation members, Government accounted for approximately \$771 million (or 33% of total spend), increasing its procurement with Indigenous businesses by 51% from FY 19-20.

The mining industry also increased its procurement spend from the previous year by \$174 million, resulting in a total spend of \$586 million in FY 20-21. Box 3.2 provides a summary of Fortescue's experience with Indigenous procurement and some of the factors that have led to it being one of Supply Nation's 'top three' members in terms of procurement spend.

Box 3.2 Fortescue Metals Group Ltd (Fortescue) case profile

Fortescue believes that to maintain a successful supplier diversity program, it is vital to understand the purpose of Indigenous business engagement, thus the procurement function has set a specific mandate to ensure supplier diversity. Authentic commitment to supplier diversity from the top is also important to filter throughout the organisation.

Founded in 2003 by Dr Andrew Forrest AO, leading Western Australian-based mining company Fortescue Metals Group Ltd (Fortescue) has been awarded multiple supplier diversity awards since becoming a Supply Nation corporate member in 2012. In 2011, Fortescue made firm commitments to deliver economic outcomes to their local communities through the Billion Opportunities program. The program awarded \$1 billion in contracts to Aboriginal businesses within 18 months, and today, Fortescue has awarded contracts worth a total value of more than A\$3.5 billion to over 130 Aboriginal businesses.

In FY21, Fortescue invested \$429 million in 65 Aboriginal businesses, the majority of this being direct expenditure for the supply of core business activities within categories including civil and earth works within mining operations, facilities maintenance, equipment and machinery operations and hire, and in some cases extending to technical areas such as 3D modelling (geo-tech). Where core capability is scarce, Fortescue seeks to establish relationships between Aboriginal businesses and capability partners to develop capacity. In addition to procuring the services of Aboriginal businesses for these core business operations, Fortescue also

procures from several other Aboriginal businesses for the supply of goods and services for categories such as printing, stationary, medical supplies, uniforms and protective equipment and professional services.

Fortescue's supplier diversity leadership is evident within all levels of the organisation beginning with the Chief Executive Officer. Fortescue also has dedicated and well-established supplier diversity champions in place, whose role is to provide ongoing support to Aboriginal suppliers within Fortescue's supply chain and assistance and guidance to non-Aboriginal contractors with their Aboriginal engagement requirements and commitments.

While not procurement specialists, these roles are responsible for leading the initial stages of Aboriginal business engagement. Fortescue's approach is to ensure relevant employees (such as the supplier diversity champions) personally meet Aboriginal businesses that seek to do business with Fortescue, as well as lead community liaison activities that may encourage other emerging Aboriginal businesses to engage with them. These Aboriginal businesses are guided through the procurement journey to establish and develop a strong foundation for longer-term relationships. Delivering on contract outcomes over the long term is critical to being a successful supplier with Fortescue. Aboriginal businesses that are successful in securing their initial contract must be able to repeat good performance and develop their ability to provide ongoing core or support service to Fortescue's mining activities and operations.

Fortescue's supplier diversity champions are also responsible for assisting Aboriginal businesses to overcome the initial challenges associated with the procurement process by conducting tender briefings. In short, Fortescue take a personal relationship approach to ensure Aboriginal businesses are comfortable with the tender and procurement process and are ready to participate in tender activities when opportunities arise. Attributes of Aboriginal businesses that Fortescue regard highly include:

- Commitment to safety and ensuring zero harm;
- Commercial capability and savviness that leads to being able to deliver to expectation;
- The ability to operate independently with minimal oversight from Fortescue; and
- The demonstration of resourcefulness and a preparedness to learn and grow with Fortescue.

Like any business, Aboriginal businesses can and do face challenges with meeting targets and contractual commitments. Fortescue has found Aboriginal businesses that have a solid grasp of their own business's product, service, level of capability, as well as an understanding of Fortescue's business and how they can add value, are usually successful in becoming part of the supply chain. Fortescue views Aboriginal business as part of the normal business operating environment and on a level playing field of potential suppliers. It is therefore an expectation that all Fortescue suppliers and contractors adopt the same principles of supplier diversity as Fortescue, to ensure they are seen as a supplier of choice.

Of the top 5 industries by total spend amount the Real Estate industry experienced the greatest *percentage* increase in total procurement spend from FY 19-20 to FY 20-21, increasing by 80%. This is consistent with the broader growth experienced by the Australian real estate market during this period. Previous growth rates of around 2% per annum within the industry over the last five years, increased to an average of over 8% per annum for FY 19-20 and FY 20-21. Factors such as low interest rates and durable demand within the commercial property market has seen the real estate industry in Australia enjoy substantially increased revenue during the pandemic.³¹ The case profile in Box 3.3 highlights the experience of JLL, a leading Supply Nation corporate member specializing in real estate and investment management which provide services in a variety of sectors and industries.

³¹ IBISWorld (2021) *Real Estate Services in Australia*, Australian Industry (ANZSIC) Report L6720

Box 3.3 JLL case profile

JLL is a leading Supply Nation corporate member specializing in real estate and investment management and provide services to clients in a variety of sectors and industries. In Australia, JLL's supplier diversity journey began in 2016 following the establishment of their inaugural Reconciliation Action Plan (RAP) and RAP committee. This was followed by a dedicated diversity policy geared towards their clients with diversity seen as a strategic part of their business model. Together with the appointment of a dedicated Supply Chain Diversity Specialist, this approach has been central to JLL's engagement with Indigenous businesses, has created realistic opportunities that allow Indigenous businesses to succeed and form a client perspective. JLL actively use a variety of internal and external communications and public relations initiatives, such as podcasts, to raise awareness and promote supplier diversity across their operations and client base.

With a portfolio of over 70 engaged Indigenous businesses, JLL achieved an annual Indigenous procurement spend of more than \$230m in 2021. Over 90% of this spend is procured and managed on behalf of their client base through partnerships with many of these Indigenous businesses across several core categories such as cleaning and janitorial, multi-trade repairs and maintenance. The procurement function is responsible for embedding supplier relationships into JLL's core business, ensuring JLL is a 'supplier diversity enabler' through the provision and delivery of second tier products and services to their clients, while meeting JLL's own supplier diversity objectives. New and existing JLL client proposals and contracts, for instance, may also include the establishment of Indigenous procurement targets (based on realistic supplier diversity outcomes that in some cases may represent up to 12% of total client third party spend).

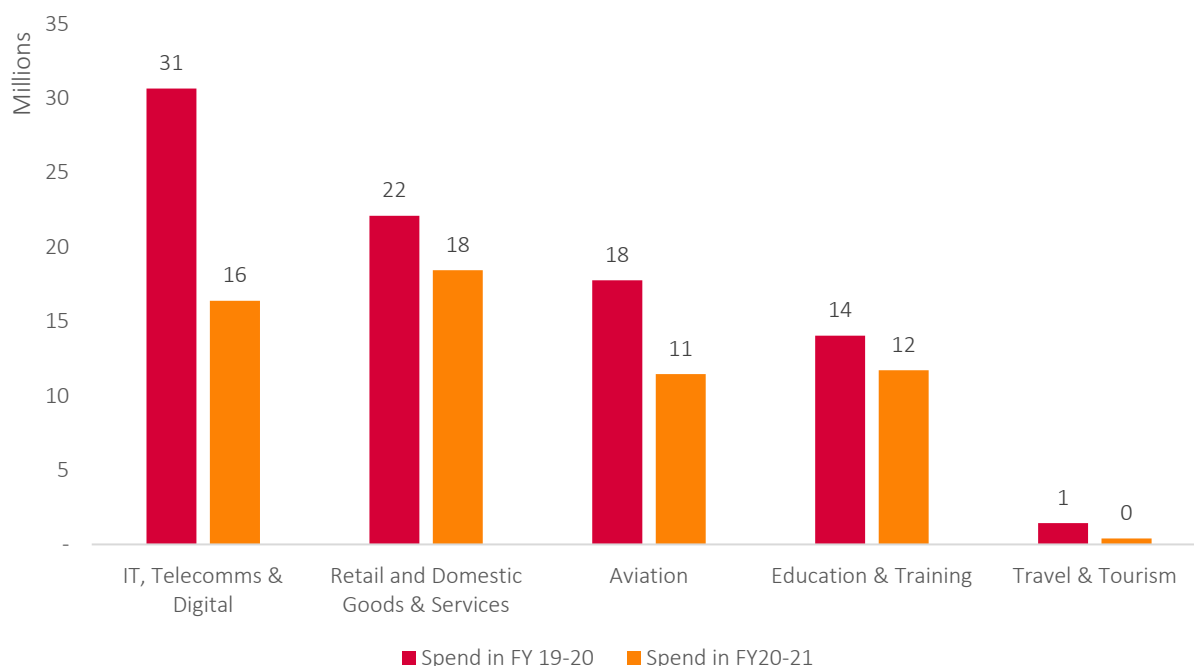
A key success factor of the program is the Supply Chain Diversity Specialist role and the use of a matrix approach to the core procurement and supplier diversity functions as well as assisting in client facing aspects of Indigenous business engagement. The role is also responsible for networking with new emerging business via events, using the Supply Nation Indigenous Business Directory (IBD), hosting regular meet and greet events aimed at identifying potential suppliers across the JLL 'category matrix', developing supplier capability through partnerships and joint ventures and providing coaching and guidance throughout the procurement and tender process.

In terms of establishing procurement partnerships JLL looks for Indigenous businesses that:

- Are established and able to demonstrate capability and category experience;
- Have reasonable scale and market accessibility;
- Can demonstrate a level of commercial competitiveness;
- Are prepared to begin with smaller contracts being willing to adapt and scale over time; and
- Understand and work professionally with JLL's client base

Some industries however significantly reduced their expenditure with Indigenous businesses from FY 19-20 to FY 20-21, as shown in Figure 3.6. The IT, Telecommunications and Digital industry, for example, reduced its procurement spend by 47%. This reduction may represent a correction in spend or a 'return to normal' following the increased need and demand for IT services and digital capabilities in FY 19-20 as people began working from home. Reductions in spend by the Travel and Tourism and Aviation industries may have been due to the COVID-19 related travel restrictions (domestic and international) in Australia during the period in which this data was collected.

Figure 3.5 Industries that experienced significant decreases in spend (in AUD) from FY 19-20 to FY 20-21



3.2.3 Spend with Indigenous businesses

Paralleling the trends in member spend, Figure 3.7 shows that major Indigenous businesses in industries such as Construction and Facilities Management (which has a high proportion of Indigenous businesses compared to the non-Indigenous business sector)³² continued to win contracts during COVID-19. The high spend values are likely to be a direct correlation with the high value contracts associated with procurement in construction. The Construction industry gained an extra \$300 million in contracts from FY 19-20 to FY 20-21. Stimulus spending on infrastructure in Australia helped to mitigate the impact of COVID-19 on construction activity and the industry at large, which only declined by 2% in FY 19-20 and 0.9% in FY 20-21.³³

Similarly, the Facilities Management industry significantly increased its contractual value by 49% year-on-year, with a total of almost \$470 million in FY 20-21, despite the Facilities Management industry in general experiencing an almost 10% drop in overall revenue over FY 20-21.³⁴ The increased demand for facilities management services may be related to more stringent cleaning requirements during COVID-19.

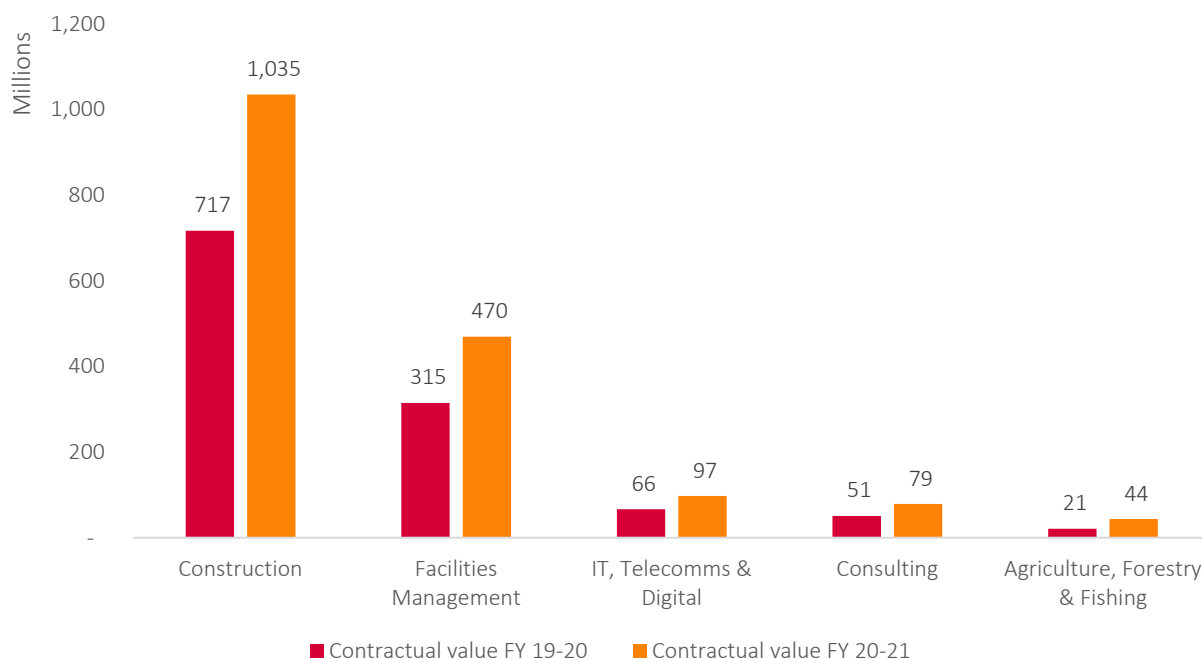
Despite much lower total contractual values than some of the major industries in the Indigenous business sector, Indigenous businesses in the Agriculture, Forestry and Fishing industry won more than double the contractual value of FY 19-20 in FY 20-21.

³² Shirodkar, S., Hunter, B., & Foley, D. (2018) *Ongoing Growth in the Number of Indigenous Australians in Business*, CAEPR Working Paper 125, ANU, Canberra

³³ IBISWorld (2022) *Construction in Australia*, Australian Industry (ANZSIC) Report E

³⁴ IBISWorld (2021) *Facilities Management Services in Australia*, Australia Specialised Industry Report 0D5528

Figure 3.6 Top 5 industries by increase in contractual value (in AUD) from FY 19-20 to FY 20-21



Notes: Industries in this Figure refers to those of the Indigenous businesses (suppliers)

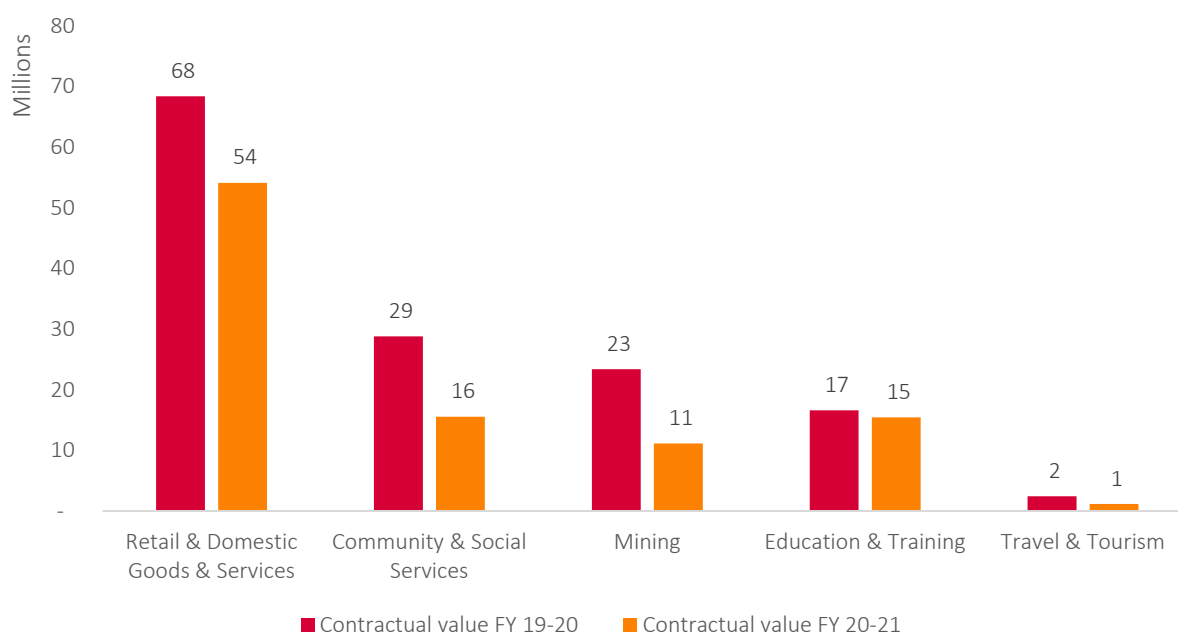
There were also some parallels between those industries where Indigenous businesses reported a decrease in contractual value in FY 20-21 (Figure 3.8) and the industries reporting a decrease in procurement spend in the same year (Figure 3.6) (e.g. Retail and Domestic Goods and Services, Travel and Tourism and Education and Training). Australia's border closures have negatively affected growth within these industries. The Education and Training sector for example, declined by almost 2% in FY 20-21, largely because of low international student enrolments.³⁵

Revenue reductions of over 50% were experienced by Indigenous businesses in the Mining, and Travel and Tourism industries in FY 20-21. This is consistent with general trends in those industries, for example, the number of active mines in Australia declined by 5.3% during FY 20-21 and mining exports also fell by 7.6% over the same period.³⁶ The Retail and Domestic Goods and Services industry experienced a decline in total contractual value of \$14 million from FY 19-20 to FY 20-21 (a 21% decrease).

³⁵ IBISWorld (2021) *Education and Training in Australia*, Australia Industry (ANZSIC) Report P

³⁶ IBISWorld (2021) *Mining*, Australia Industry (ANZSIC) Report B

Figure 3.7 Industries that experienced significant decreases in contractual value (in AUD) from FY 19-20 to FY 20-21



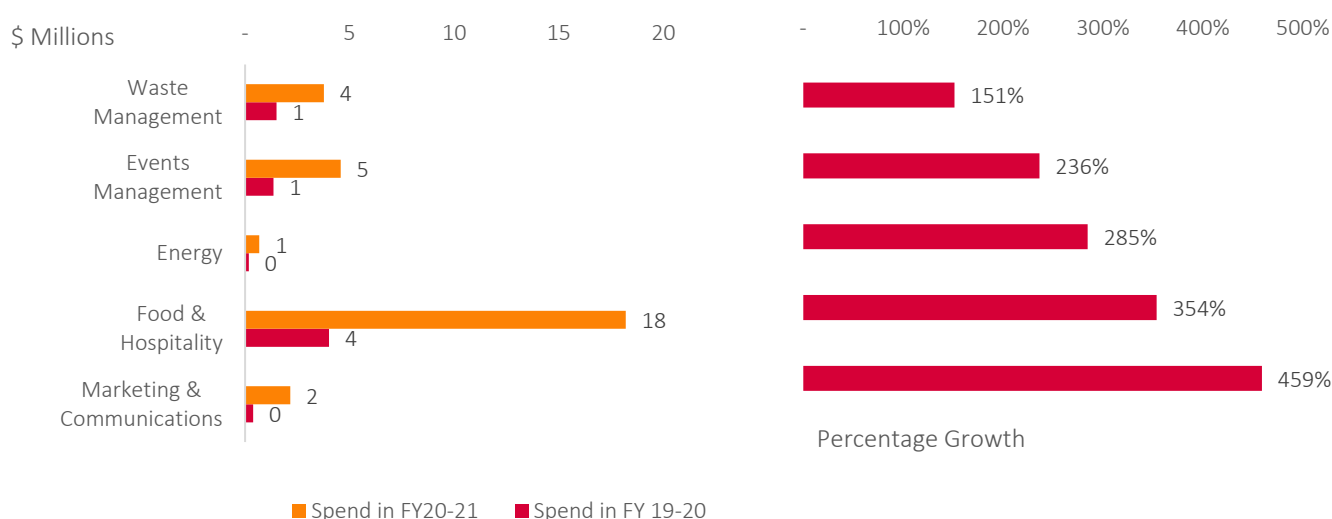
Notes: Industries in this Figure refers to those of the Indigenous businesses (suppliers)

The Community and Social Services industry also saw a decline of \$13 million in contractual value from FY 19-20 to FY 20-21, representing almost half (46%) of total contractual value. The increasing demand for social, health and community services due to the pandemic may have led to the expectation of an increase in revenue within this industry³⁷, however, complexities and the inability to deliver face-to-face services typically required for community and social services, may have had adverse impacts on the ability of Indigenous businesses to provide such services to purchasing organisations.

Several industries affected by COVID-19 experienced significant growth in revenue in FY 20-21 (see Figure 3.9), while others were affected by COVID-19 lockdown restrictions (see Figure 3.10). The Marketing and Communications industry, for instance, witnessed the highest percentage of growth in contractual value (459%), followed by the Food and Hospitality (354%) and Energy (285%) industries. The growth in some of these industries may be suggestive of a 'bounce back' from COVID-related restrictions in FY 19-20 to FY 20-21 or may be a result of new opportunities.

³⁷ Australian Institute of Family Studies (2021) *Impacts of the COVID-19 pandemic on service demand for family and relationship services*, <https://aifs.gov.au/cfca/2021/12/07/impacts-covid-19-pandemic-service-demand-family-and-relationship-services>

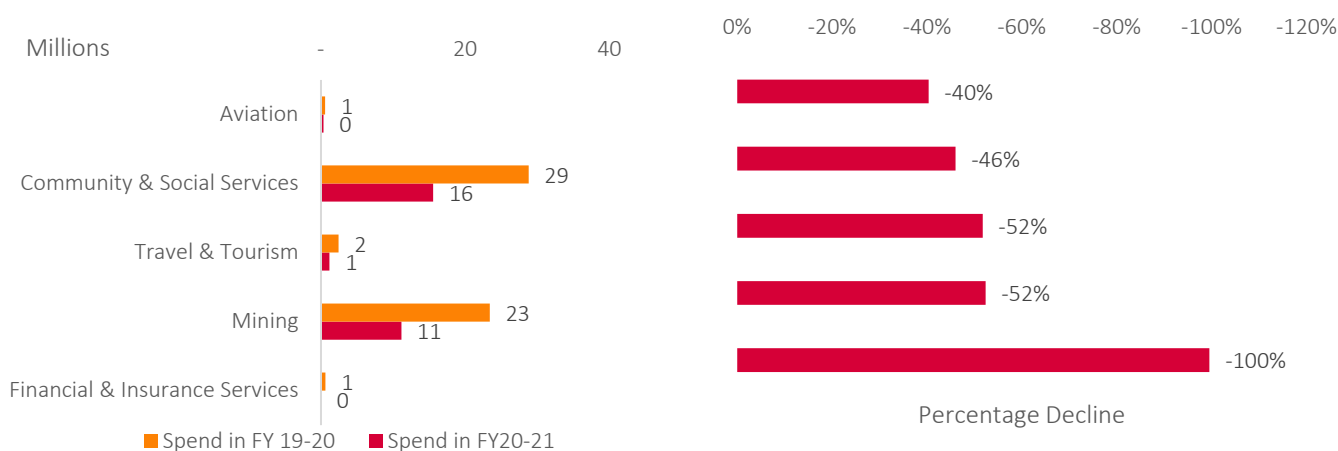
Figure 3.8 Top 5 industries by % growth in contractual value (in AUD) from FY 19-20 to FY 20-21



Notes: Industries in this Figure refers to those of the Indigenous businesses (suppliers)

The Financial and Insurance Services industry experienced the greatest percentage decline in contractual value (100%), followed by Mining (52%) and the Travel and Tourism (52%) industries.

Figure 3.9 Industries that experienced a % decline in contractual value (in AUD) from FY 19-20 to FY 20-21



Notes: Industries in this Figure refers to those of the Indigenous businesses (suppliers)

Although purchasing organisations in the Mining industry increased their spend in FY 20-21 (see Figure 3.5), the decline in spend with Indigenous businesses in the same industry sector (Mining) suggests that Indigenous procurement was not always with suppliers from the same industry. Decline in contractual values for Indigenous business providing goods and services in industries such as Travel and Tourism and Aviation are likely due to COVID-19 factors.

3.3 Challenges

Highlights:

- Supply Nation members (purchasing organisations) in the Agriculture, Forestry and Fishing industry reported no spend with Indigenous businesses in FY 20-21, with several other industries also recording minimal spend.
- Approximately 200 Indigenous businesses which reported having contracts in FY 19-20 had no contracts in FY 20-21.
- Purchasing organisations should actively identify opportunities to build the capacity of Indigenous businesses.
- Indigenous businesses face challenges in building a sustainable workforce due to significant growth and increased competition.
- Some Supply Nation members in certain industries are reporting less contracts being awarded, but increases in those contractual values, which may suggest reduced opportunities for smaller businesses within those industries.
- Almost half (49%) of Indigenous businesses relied on a single contract that was worth 50% or more of their revenue in FY 19-20.

3.3.1 Limited engagement highlights the importance of building relationships

Over the last two financial years, some Supply Nation members from certain industries have had limited or no engagement with the Indigenous business sector (see Table 3.1). Purchasing organisations within these industries may wish to consider initiatives and opportunities to connect and build relationships with Indigenous businesses, their staff, and the industry more broadly. The importance of building relationships for winning contracts emerged as a key factor in the interviews with Indigenous businesses and purchasing organisations and has been especially highlighted as a critical factor for Indigenous ways of doing business. A study by the late Dean Jarrett suggests that a relational approach to engagement can achieve more positive social and commercial outcomes and can minimise business transaction costs. Dr Jarrett found that strong personal relationships, trust and reciprocity, collaboration, information sharing, and similar values, ethics, and principles, were key factors that underpin positive commercial relationships for Indigenous businesses.³⁸

³⁸ D. Jarrett, 'What makes Indigenous business unique? How understanding Indigenous cultural values can improve Indigenous procurement', Supply Nation Research Paper No.4, 2021; Schubert (2019), What mainstream business can learn from Indigenous business, <https://www.uts.edu.au/news/business-law/what-mainstream-business-can-learn-Indigenous-business>

Table 3.1 Member Industries with limited spend with Indigenous businesses in FY 20-21

Industry	Spend (FY 19-20)	Spend (FY 20-21)
Agriculture, Forestry and Fishing	\$669,823	\$0
Events Management	\$400	\$7,574
Sports and Recreation	\$5,037	\$7,190
Water and Sewerage	\$0	\$9,602

Corporate commitments and initiatives aimed at increasing spend with Indigenous businesses can also have significant effects on the Indigenous business sector. As highlighted in the case profiles in this report, several large corporations have established Indigenous business development, capacity building and mentoring programs for Indigenous businesses in their supply chains. These can be beneficial in building the capabilities and scale of Indigenous businesses enabling them to generate greater Indigenous employment outcomes.³⁹

Building on the supplier diversity progress in Australia, Supply Nation, in partnership with members of the Business Council of Australia, launched the Raising the Bar initiative in August 2019, which aims to develop Indigenous procurement capabilities and includes a commitment to spend more than \$3 billion ‘to boost Indigenous businesses, create new opportunities and deliver greater economic participation’.⁴⁰ The key components of Raising the Bar include:

- A 3% of contestable spend target with Indigenous businesses over a five-year period;
- Supporting systems and processes to achieve the target;
- Ensuring spend is being reported and monitored; and
- Activities are being undertaken to develop Indigenous businesses.⁴¹

The Reconciliation Action Plan (RAP) is another example of a corporate initiative designed and implemented to support further investment into Indigenous businesses. The RAP framework is used to guide organisations to identify and progress reconciliation commitments, some of which include building relationships, strategies and initiatives that create positive outcomes with and for Aboriginal and Torres Strait Islander peoples and becoming leaders to advance reconciliation.⁴² To-date, the implementation of RAP’s by over 1,100 organisations accredited by Reconciliation Australia has resulted in:⁴³

- Over 40,000 Indigenous people employed;
- \$32 million provided in pro bono support; and
- \$8.5 billion worth of goods and services procured from Indigenous businesses.

There is also increasing evidence that supplier diversity can have positive outcomes for companies including:

- Improved reputation;
- Attracting customers; and

³⁹ JLL (2021) ‘Why more companies are working with Indigenous suppliers’, <https://www.jll.com.au/en/campaign/perspectives-podcast/ep-19-why-more-companies-are-working-with-Indigenous-suppliers>

⁴⁰ Business Council of Australia (2021) *Indigenous engagement*, https://www.bca.com.au/Indigenous_engagement

⁴¹ Ibid

⁴² Reconciliation Australia (2021) *The RAP Framework*, <https://www.reconciliation.org.au/reconciliation-action-plans/the-rap-framework/>

⁴³ Reconciliation Australia (2021) *The RAP process - Reconciliation Australia*, <https://www.reconciliation.org.au/reconciliation-action-plans/the-rap-process/>

- Positive effects on customer satisfaction.⁴⁴

Companies with good reputations, higher customer satisfaction, and a focus on how they can support their local communities are in turn more attractive to investors.⁴⁵

3.3.2 The impact of COVID-19 on market and employment opportunities

COVID-19 and associated lockdowns have had, and continue to have, varied impacts across industries and geographic locations with more severe effects in industries such as accommodation and food services, air transport, recreation, trade, and education.⁴⁶ Indigenous businesses within these industries may benefit from capacity building in areas including business strategy, financial planning and management, and support to compete for tenders. The interviews with Indigenous businesses suggested that maintaining a consistent and sustainable workforce has proven to be difficult due to an increasingly competitive business environment and COVID-related workforce challenges, including, but not limited to, loss of staff and attraction and retention difficulties.

Indigenous people have been disproportionately affected by COVID-19's impact on employment. The sectoral concentration of Indigenous employment, the relatively high levels of casual employment and the young age profile of the Indigenous population increased the number of Indigenous job losses during COVID-19.⁴⁷ Indigenous businesses also disproportionately employ Indigenous workers, however these businesses are concentrated in small to medium enterprises which are likely to be more sensitive to recessionary conditions.⁴⁸ Given the disproportionate effect on Indigenous employment, susceptibility to recessionary conditions and other barriers to entry, Indigenous enterprises are likely to suffer ongoing challenges as they emerge from the pandemic.

Many Indigenous businesses accessed financial support programs during the pandemic, such as JobKeeper, and stated that without this financial support they may not have survived.⁴⁹ In response to COVID-19, Indigenous Business Australia (IBA) also delivered a 'Business Relief Package' which provided approximately \$25 million in loans, grants and support to Indigenous businesses. In FY 20-21, IBA provided \$13.1 million of funding to 159 existing customers to assist Indigenous businesses understand the impact of COVID-19 on their business and identify new opportunities.⁵⁰ Continued financial support will likely be required to support the activity of new and existing Indigenous businesses.

The analysis found that approximately 200 Indigenous businesses who had a contract in FY 19-20 had no contracts in FY 20-21, representing one-fifth (19%) of all Indigenous businesses with contracts in FY 19-20. Indigenous businesses who did not have contracts in FY 20-21 were from a range of industries, with the largest proportion being from the Arts and Entertainment industry, followed by Mining, and Travel and Tourism. While the reduction

⁴⁴ Zhou, F (2016) *A Cross-National Study of Supplier Diversity*, Thesis submitted to the Faculty of Graduate Studies of The University of Manitoba in partial fulfillment of the requirements of the degree of Master of Science, The University of Manitoba

⁴⁵ Ian Worthington, Monder Ram, Harvinder Boyal and Mayank Shah, 'Researching the Drivers of Socially Responsible Purchasing: A Cross-National Study of Supplier Diversity Initiatives', *Journal of Business Ethics*, 79(3), pp. 319-331

⁴⁶ Supply Nation (2021) *State of Indigenous Business: The impact of COVID-19 on the Indigenous business sector: view from the frontline*, <https://supplynation.org.au/research/research-reports/>

⁴⁷ Ibid

⁴⁸ Dinku Y, Hunter B & Markham F (2020) 'How might COVID-19 affect the Indigenous labour market?', *Australian Journal of Labour Economics*, 23(2), pp. 189-209.

⁴⁹ Supply Nation (2021) *State of Indigenous Business: The impact of COVID-19 on the Indigenous business sector: view from the frontline*, <https://supplynation.org.au/research/research-reports/>

⁵⁰ Indigenous Business Australia (2021) Annual Report 2020-2021, <https://iba.gov.au/wp-content/uploads/2021/10/IBA-AR-2020-21-FINAL-web.pdf>

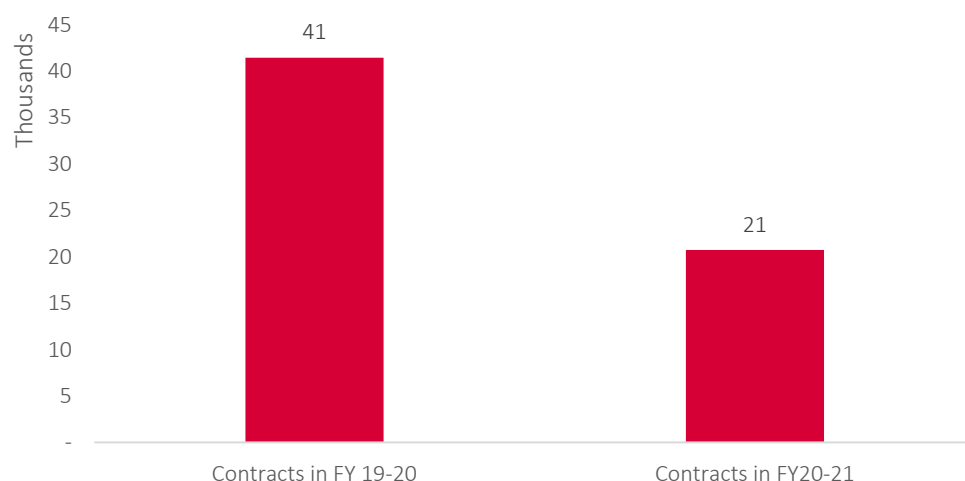
in contracts may be due to several factors, prior research suggests that Indigenous businesses experienced, and are likely still experiencing, the following challenges from COVID-19:⁵¹

- Restricted capacity to complete tenders;
- Clients deferring contracts;
- International supply chain disruption;
- Reliance on a small number of clients;
- Barriers to accessing government support;
- Lower awareness of available supports;
- Inflexible operating models; and
- Being in the early stages of business development.

3.3.3 Saturation and concentration

The analysis also found that a large proportion of Indigenous businesses across all industries were reliant on one major contract. In FY 19-20, for example, 514 (49%) Indigenous businesses had a single contract that comprised 50% or more of their revenue. In FY 20-21, 628 (46%) Indigenous businesses had a single contract that comprised 50% or more of their revenue. Simultaneously, industries such as construction, for instance, reduced the number of contracts awarded to Indigenous businesses by 50% from FY 19-20 to FY 20-21 (see Figure 3.11), while being the third highest industry by total spend with Indigenous businesses (\$397 million in FY 20-21 representing an increase of \$47 million on the previous year's spend).

Figure 3.10 Number of contracts awarded by Construction industry



Note: Excludes negative value contracts to remove risk of potential double counting

While high-value contracts could be suggestive of strength within the Indigenous business sector in terms of quality of goods and services provided, limited diversification in terms of the number of contracts may present significant financial risk for these Indigenous businesses. Furthermore, the increase in spend together with a decrease in the number of contracts may also suggest that higher value contracts are being awarded to a smaller

⁵¹ Supply Nation (2020) *State of the Indigenous Business: A quantitative analysis of the impact of COVID-19 on the Indigenous business sector*, <https://supplynation.org.au/research-paper/state-of-Indigenous-business-a-quantitative-analysis/>

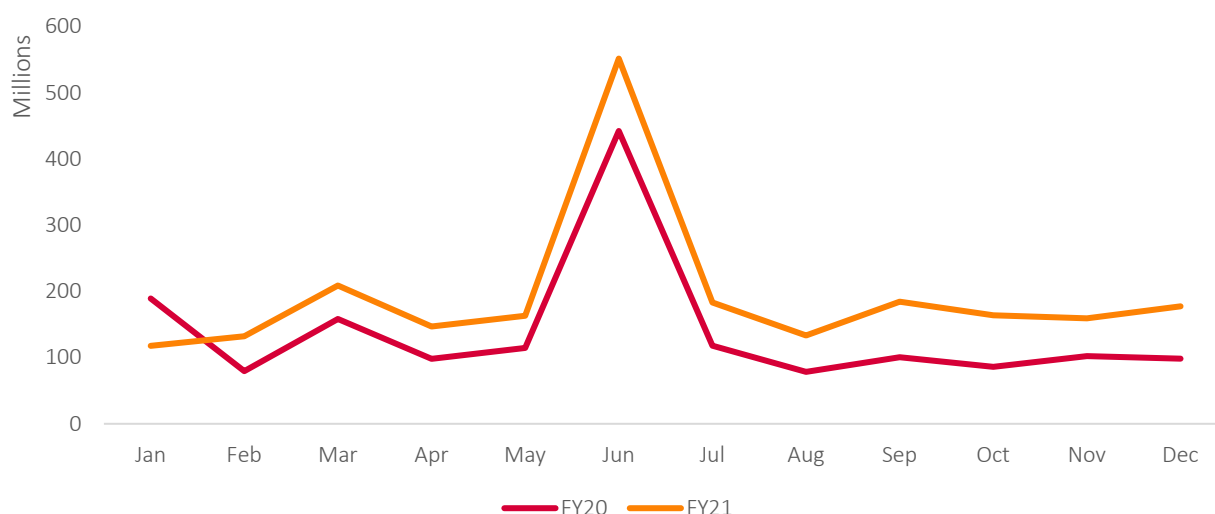
number of Indigenous businesses, which may create a disadvantage for smaller Indigenous businesses or new market entrants.

The interviews also highlighted concerns that Indigenous businesses in certain industries, especially those considered 'high risk' or high value, such as construction, can find it difficult to secure contracts for first time entrants. It is therefore important for purchasing organisations to maintain a balance between awarding contracts to established businesses, maintaining a competitive tension in the procurement process, and splitting the contractual value more evenly across Indigenous suppliers to enable new entrants or smaller players a greater opportunity to compete. This greater balance also ensures purchasing organisations diversify their spend, potentially reducing their overall procurement risks. Furthermore, capacity building initiatives in industries perceived to be higher risk, may also help ensure that Indigenous businesses are able to competitively tender and win work.

3.3.4 Sustainable growth and planning

The analysis of spend data also revealed that a significant spike in revenue for Indigenous businesses occurred in the month of June, coinciding with the end of financial year (EOFY). Smaller spikes were also evident on a quarterly basis throughout the year.

Figure 3.11 Comparison contracts payable by month in FY 19-20 and FY 20-21



Note: Although Supply Nation members are encouraged to report their spend on a quarterly basis, many do not, and instead enter the date payable for a contract as 30 June regardless of when the contracts were actually paid

While this pattern of an increase in payments just prior to the EOFY is also anecdotally reported across the non-Indigenous business sector, it is likely to create difficulties in organisational planning and growth for businesses who are reliant on one or a small number of contracts (almost half of Indigenous businesses in FY 20-21).

The responses from the interviews also highlighted the need for flexibility in contract payment terms due to financial constraints faced by smaller businesses or start-ups. Indigenous businesses also reported a sense of inauthentic, tokenistic engagement with the Indigenous business sector by some purchasing organisations, giving the perception that their main aim was to meet their RAP targets or expend any remaining funds by the EOFY rather than having a planned and consistent supplier diversity policy. This inconsistent engagement in procurement activity close to the EOFY had potentially adverse effects on Indigenous businesses, making longer-

term planning in terms of resourcing and financial requirements difficult. A balancing procurement spend across the year by purchasing organisations would underpin a more authentic and consistent buyer-supplier relationship.

The issue of ‘black cladding’ was also raised as a concern throughout the interviews with Indigenous businesses. ‘Black cladding’ is understood as the practice of a non-Indigenous business entity or individual taking unfair advantage of an Indigenous business entity or individual for the purpose of gaining access to otherwise inaccessible Indigenous procurement policies or contracts, to appear more attractive in the tender selection process. Unfair advantage involves practices and arrangements that result in the disadvantage or detriment to an Indigenous business, or that do not represent a genuine demonstrated level of equitable partnership and benefit. ‘Black cladding’ may be a significant setback to the ability of the IPP to create social value because it takes money away from businesses that genuinely want to create social outcomes for their staff and communities.⁵²

While the extent of ‘black cladding’ appears to be limited (only 8 complaints of ‘black cladding’ from almost 2,800 Indigenous businesses were received through Supply Nation’s formal complaint process in the second half of 2020)⁵³, Supply Nation’s verification system monitors and audits all Indigenous businesses and seeks to give verified, legitimate Indigenous enterprises the best chance of succeeding in the marketplace to mitigate the risk of ‘black cladding’. Nevertheless, it is important for purchasing organisations to conduct their own independent due diligence and apply best practices for engaging with Indigenous businesses to minimise unethical practices to achieve the best possible Indigenous outcomes from procurement.

3.3 Opportunities

Highlights:

- Industries, such as Food and Hospitality, Community and Social Services, and Real Estate, reported significant increases in contracts being awarded, at a rate that was disproportionate to the increase in contractual value. While some industries, such as IT, Telecommunications and Digital, and Waste Management, experienced a significant increase in the number of contracts awarded, they saw a decrease in the total contractual value.
- The increase in contracts may be the result of purchasing organisations procuring goods and services from a more diversified range of Indigenous businesses.
- Indigenous businesses in the lower revenue tiers grew the most in terms of number of Indigenous businesses in the sector.

⁵² Denny-Smith, G (2021) ‘How Compliance Imperatives Stifle the Impact of Social Procurement’, in Scott, L and Neilson, C J (eds), *Proceedings 37th Annual ARCOM Conference*, 6-7 September 2021, UK, Association of Researchers in Construction Management, pp. 634-643

⁵³ Commonwealth of Australia (2021) *Report on Indigenous Participation in Employment and Business*, House of Representatives Standing Committee on Indigenous Affairs, https://www.aph.gov.au/-/media/02_Parliamentary_Business/24_Committees/243_Reps_Committees/Indigenous/Pathways_and_Participation/Report.pdf?la=en&hash=0FF8A974D86F9A87BB46B5F236D4FCFD110C515B

3.4.1 Certain industries are awarding more contracts

Although there was a significant increase in spend by Supply Nation members from FY 19-20 to FY 20-21, the overall increase in the number of contracts awarded to Indigenous businesses was minimal. Table 3.2 shows the industry sectors where there was an exception to this trend, that is, where Supply Nation members increased the number of contracts awarded to Indigenous businesses.

Table 3.2 Increase in contracts awarded to Indigenous businesses

	Food and Hospitality	IT, Telecomms and Digital	Real Estate	Waste Management	Community and Social Services
No. of contracts					
FY 19-20	175	875	10,029	313	463
FY 20-21	4,073	2,418	28,146	552	2,373
Percentage increase	+2,227%	+176%	+181%	+76%	+413%
Total contractual value					
FY 19-20 (\$)	2, 539, 207	30,641,016	116,390,465	2,001,289	2,917,629
FY 20-21 (\$)	15,291, 839	16,375,440	209,871,722	1,271,865	10,328,889
Percentage increase	+502%	-47%	+80%	-36%	+254%

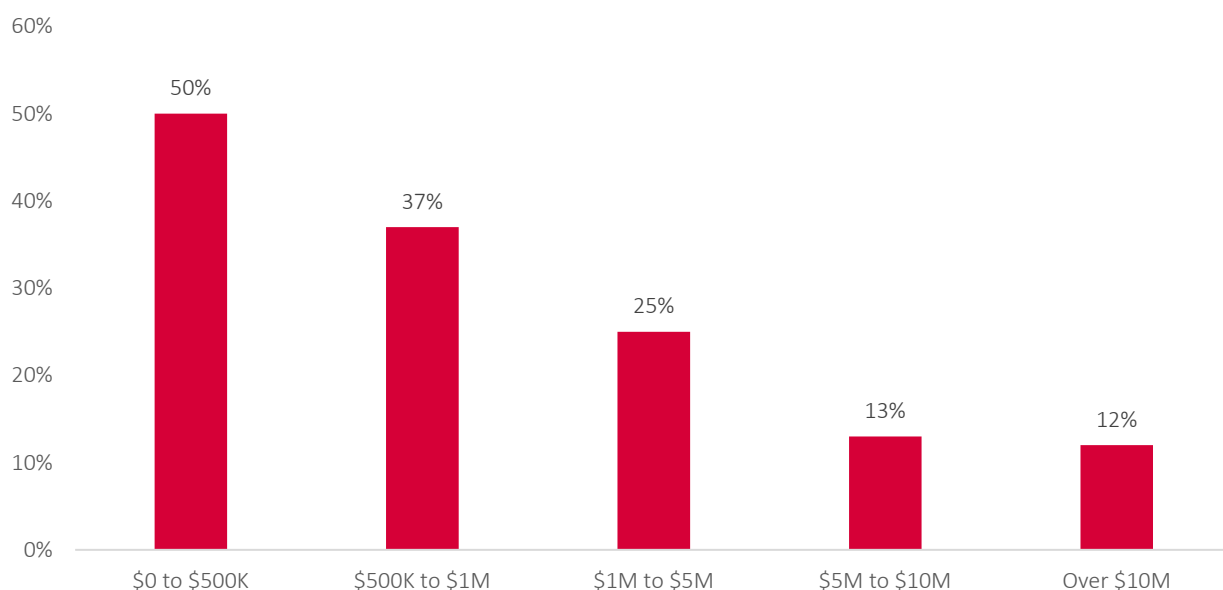
Notes: Negative and zero-dollar contracts were excluded from the analysis to remove risk of potential double counting

The findings in Table 3.2 may suggest that more Indigenous businesses, especially those with lower revenues, sole traders, and new entrants, have had the opportunity to compete for and win contracts from purchasing organisations within these industry sectors.

3.3.2 Growth in smaller players

An important finding from the analysis shown in Figure 3.13 is that Indigenous businesses with lower annual revenue experienced the highest growth in terms of the number of Indigenous businesses over the period examined. This finding highlights the developing nature of the Indigenous business sector and may also suggest an increased level of confidence among Indigenous business owners establishing businesses during the period of the pandemic.

Figure 3.12 Percentage growth in the number of Indigenous businesses by revenue (FY 19-20 to FY 20-21)



Note: Revenue tier categorisation was not available for all suppliers in the dataset.

4. Conclusion

A key finding of this analysis is that procurement spend with Indigenous businesses has continued to grow despite the various challenges faced by the Indigenous business sector, most recently exacerbated by COVID-19. The report focused on the drivers underlying this growth, highlighting the ongoing challenges in procurement and the ability to win contracts, as well as areas of opportunity that may strengthen this growth and further develop and empower Indigenous business owners and employees.

The findings showed that Supply Nation members (purchasing organisations) from some industry sectors, including Government, Mining, Construction, Facilities Management and Real Estate, experienced an increase in procurement spend between FY 19-20 and FY 20-21. Indigenous businesses operating within these industry sectors have opportunities to capitalise on the significant purchasing power and high value contracts that are available within these industries. In contrast, Supply Nation members (procuring organisations) operating in industries such as Travel and Tourism, Aviation, and Retail and Domestic Goods and Services, experienced a reduction in their procurement spend with Indigenous businesses. While there may be several factors at play that account for this reduction, it is likely that the effects of COVID-19 were felt more significantly in these industries. Further research is required to unearth other factors that may lie behind these trends in Indigenous procurement.

Many Indigenous businesses also experienced a growth in the number of contracts awarded, which may suggest an increased opportunity for smaller players to enter and compete in the procurement market. This was supported by the finding that it is these smaller Indigenous businesses (in terms of revenue) that experience the greatest growth in terms of the number of active suppliers. The need to build the capacity of these smaller Indigenous businesses remains a key factor in ensuring they have equal opportunities to compete for tenders and secure contracts.

Appendix A: Federal procurement policies and plans

The procurement-specific policies mentioned in the body of the report are part of broader strategies to improve social, economic, and health and wellbeing metrics for Indigenous people in Australia. Many of these broader strategies have similar aims and intended outcomes, namely:

- Building Indigenous economic capability, participation, empowerment and employment;
- Strengthening relationships with decision-makers, government organisations, and business and industry networks; and
- Improving and sharing access to data and information.

Further detail on some of the key national Indigenous strategies, policies and plans is provided in the table below.

Policies and Plans	Description
Indigenous Procurement Policy	The Indigenous Procurement Policy (IPP) was established in 2015 to stimulate Indigenous entrepreneurship, business and economic development, providing Indigenous Australians with more opportunities for economic participation. ¹ The policy is intended to significantly increase the rate of government purchasing from Indigenous enterprises through annual targets for the volume and value of contracts to be awarded to Indigenous businesses, with an aim of 3% total contractual value by 2027-2028, Mandatory Set Aside (MSA) requirements for Indigenous businesses, and Indigenous employment and business participation targets for contracts valued over \$7.5 million.
Indigenous Business Sector Strategy	Launched in 2018, the Indigenous Business Sector Strategy (IBSS) is a 10-year strategy to enable a stronger and more prosperous Indigenous business sector. ² The IBSS recognises that the longer-term success of the IPP is dependent on Indigenous-owned businesses having the required skills and experiences to perform the contracts on offer.
National Agreement on Closing the Gap	The National Agreement on Closing the Gap was formally agreed in July 2020 between the Coalition of Aboriginal and Torres Strait Islander Peak Organisations and all Australian Governments. ³ The Agreement has targets to meet desired outcomes in education, employment, health and wellbeing, justice, safety, housing, land and waters, and languages. Target #8 is “strong economic participation and development of people and their communities”, with the aim to increase the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed to 62% by 2031. In 2018, the actual rate of Aboriginal and Torres Strait Islander employment was 49%, whereas the rate of employment for non-Indigenous people in 2018 was 75%. There is a similar target for youth (15-24 years) employment.
National Roadmap for Indigenous Skills,	A National Roadmap for Indigenous skills, jobs and wealth creation was launched on 6 December 2021 to ensure Indigenous Australians contribute to the post-COVID-19

¹ National Indigenous Australians Agency (2020), Indigenous Procurement Policy, <https://www.niaa.gov.au/sites/default/files/publications/ipp-guide.pdf>

² National Indigenous Australians Agency (2018), The Indigenous Business Sector Strategy, https://www.niaa.gov.au/sites/default/files/publications/ibss_strategy.pdf

³ Closing the Gap In Partnership (2020), National Agreement on Closing the Gap, https://www.closingthegap.gov.au/sites/default/files/2021-05/ctg-national-agreement_apr-21.pdf

Jobs and Wealth Creation economic recovery and longer-term nation building.⁴ It was developed in partnership with Indigenous leaders, business, industry, and state and territory governments.

The Roadmap will support the achievement of many of the Closing the Gap targets and sets out short, medium and long-term actions to achieve a vision of a thriving and financially independent Indigenous business sector through three policy pillars: skills, jobs and business.

⁴ National Indigenous Australians Agency (2021) *National Roadmap for Indigenous Skills, Jobs and Wealth Creation*, <https://www.niaa.gov.au/Indigenous-affairs/economic-development/national-roadmap-Indigenous-skills-jobs-wealth-creation>

Appendix B: State and local government procurement policies and plans

Following the establishment of the IPP, several state and territory governments launched their own Indigenous procurement policies and strategies. Distilling national-level policies to a more localised level is critical to drive progress and more targeted solutions for Indigenous business and local communities. The following states and territories have a current policy focussed on increasing economic outcomes and participation for Aboriginal and/or Torres Strait Islander people:

- New South Wales - Aboriginal Procurement Policy
- Queensland - Indigenous Procurement Policy
- Western Australia - Aboriginal Procurement Policy
- South Australia - Aboriginal Economic Participation Strategy
- Victoria - Aboriginal Procurement Strategy
- Australian Capital Territory - Aboriginal and Torres Strait Islander Procurement Policy
- Northern Territory – Territory Benefit Policy (does not have a specific Indigenous procurement policy, but rather guides local benefit planning and encourages using local content to enhance local benefit outcomes)

An overview of a selection of these state and local level plans is provided in the table below.

Policies and Plans	Description
NSW Aboriginal Procurement Policy (APP)	<p>The NSW APP was revised and since 1 January 2021, all NSW Government agencies have been required to apply the Aboriginal Procurement Policy (APP).⁵ The APP is part of the NSW Government’s strategic economic policy “Growing NSW’s First Economy”. The policy has three key targets by 31 December 2021:</p> <ol style="list-style-type: none"> 1. Direct 1% of addressable spend to Aboriginal businesses. 2. Award 3% of total number of goods and services contracts to Aboriginal businesses. 3. Support 3,000 full-time equivalent (FTE) opportunities for Aboriginal and Torres Strait Islander peoples through NSW government procurement activities.
QLD Indigenous Procurement Policy (IPP)	<p>The Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy (QIPP) has committed to increasing Indigenous procurement by 3% of the value of government procurement by 2022. The QIPP aims to;</p> <ul style="list-style-type: none"> • Increase Indigenous businesses capacity and capabilities to successfully tender for government contracts in QLD. • Build the Indigenous business sector in QLD.

⁵ NSW Treasury (2021) *Aboriginal Procurement Policy*, https://www.aboriginalaffairs.nsw.gov.au/policy-reform/economic-prosperity/procurement-policy/app_policy_jan_2021.pdf

- Improve employment outcomes and opportunities for Aboriginal peoples and Torres Strait Islander peoples in QLD.⁶

The QIPP is supported by the 'Moving ahead' strategy, a whole-of-government plan to improve economic participation outcomes for Aboriginal and Torres Strait Islander people.⁷

ALGA's Closing the Gap Implementation Plan	To help build the community-controlled sector, ALGA plans to work with state and territory governments to review procurement policies and guidelines to facilitate greater Aboriginal Community Controlled Organisation (ACCO) participation in council tenders. The plan also considers issues associated with employment and retention of Aboriginal and Torres Strait Islander staff and opportunities for training and development with ACCO's. ⁸
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⁶ Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (2021) *Queensland Indigenous Procurement Policy*, <https://www.dsdsatsip.qld.gov.au/our-work/aboriginal-torres-strait-islander-partnerships/business-economic-development/queensland-indigenous-procurement-policy#:~:text=Queensland%20Indigenous%20Procurement%20Policy%20The%20Queensland%20Indigenous%20%28Aboriginal,the%20value%20of%20government%20procurement%20contracts%20by%202022>

⁷ Queensland Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (2021) *Moving Ahead strategy: Introduction*, <https://www.dsdsatsip.qld.gov.au/our-work/aboriginal-torres-strait-islander-partnerships/business-economic-development/moving-ahead-strategy/introduction>

⁸ Australian Local Government Association (2021) *Closing the Gap Implementation Plan*, <https://alga.asn.au/app/uploads/ALGA-Closing-the-Gap-Implementation-Plan-4.pdf>

Appendix C: Timeline of procurement policies and plans

