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# House of Representatives Standing Committee on Indigenous Affairs

## **Submission from the Industry Advocate into the Inquiry into Pathways and Participation Opportunities for Indigenous Australians into Employment and Business.**

The South Australian Government is committed to improving the opportunities and services available to Aboriginal South Australians; increasing Aboriginal economic participation; and assisting in the self-determination of First Nations people in this State.

In 2016 Aboriginal Economic Participation Policy was embedded in the South Australian Industry Participation Policy (SAIPP) to ensure it became part of mainstream procurement policy in the State. This also gave the Industry Advocate responsibility to ensure the Aboriginal Economic Participation Policy was being implemented and delivered in accordance with the government's objectives.

The Industry Advocate is an independent Statutory Office established under the *Industry Advocate Act 2017* and one of a key functions of the Act is for the Advocate to take action to further the objectives of the South Australian Industry Participation Policy and to ensure compliance with the Policy by all participants to a State Government contract.

The policy drivers are designed to increase Aboriginal procurement opportunities, directly through State Government contracts and indirectly through the delivery of State Government funded major projects while concurrently building the capacity and capability of South Australian Aboriginal businesses\*. In 2016 there were 85 such businesses in South Australia. This had increased to 158 by 2019.

*\*The Aboriginal Economic Participation policy defines a South Australian Aboriginal business as an Aboriginal business 50% or greater owned by an Aboriginal South Australian or a 50% or greater Aboriginal owned business operating in South Australia and providing economic benefit to Aboriginal South Australians through employment. This includes interstate owned Indigenous businesses with South Australian Aboriginal workforce.*

To maximize opportunities for Aboriginal businesses in South Australia, Responsible Government Agencies (RGAs) are encouraged to utilize the Aboriginal Economic Participation Policy:

- For contracts less than \$220,000 (GST Incl) South Australian Government agencies are actively encouraged to use the Aboriginal Business Procurement Policy which enables agencies to procure directly from a business listed on the SA Aboriginal Business Directory, instead of seeking three quotes.
- For tenders greater than \$220,000 (GST Incl), the Office of the Industry Advocate works with South Australian Government agencies to develop Tailored Industry Participation plans to ensure there is an emphasis in the tender evaluation on the engagement of SA Aboriginal owned business and Aboriginal employment in the project's supply chain.

RGAs in South Australian agreed in 2017 to an annual Aboriginal Procurement Spend Target and other indicators. In 2018/19 the Aboriginal Procurement Spend Target was set at 0.5% of total Agency spend. Along with this the Agencies reported on the following:

1. The number of times Aboriginal businesses were invited to quote
2. The number of contracts awarded to Aboriginal businesses in South Australia
3. The number of times increased weighing was used for an Industry Participation Plan to provide greater opportunity for an Aboriginal owned business to be successful.

There has been a substantial increase in the Aboriginal Procurement spend reported by Agencies from \$7m in 2014/15 financial year to \$65.9m in 2018/19 financial year. This is testament to the successful delivery of the Aboriginal Economic Participation Policy in South Australia.

Staff of the Office of the Industry Advocate (OIA) are assigned to support the Industry Advocate and take responsibility for the delivery of the operational objectives of the Aboriginal Economic Participation through Procurement Strategy.

In 2016 a dedicated Industry Participation Consultant – Aboriginal Business was appointed to deliver the policy objectives and advocate for Aboriginal businesses in South Australia. The role provides an interface between the Aboriginal business sectors; State and Commonwealth Government and industry. The role continues to drive the State’s policy objectives and assists RGAs to achieve the Aboriginal Economic Participation objectives by:

- Assisting South Australian Aboriginal owned businesses to raise their capacity, capability and profile with a view to them winning more State Government contracts and as a direct result increasing their Aboriginal workforce;
- Working with RGAs to identify opportunities in their supply chain and forward procurement for Aboriginal businesses;
- Aligning suitable Aboriginal businesses to be nominated for work packages with Tier 1 companies delivering major projects for the State Government;
- Monitoring commitments made in Industry Participation Plans with regard to Aboriginal workforce and supply chain contract obligations.

In addition the focus of the Industry Participation Consultant – Aboriginal Business is to:

- Understand and promote Federal Government Indigenous funding and support initiatives including Indigenous Trade Fairs delivered in South Australia;
- Facilitate joint ventures (JVs) between Aboriginal businesses and culturally appropriate capacity partners with a long term view of a knowledge transfer and the development of a stand-alone Aboriginal business entity; and
- Advocate with State agencies for the delivery of appropriate training and employment programs for Aboriginal people.

The South Australian Government Aboriginal Affairs Action Plan incorporates initiatives and actions for completion by agencies during 2019-20 designed to demonstrate the government’s commitment to making an improvement to the lives of Aboriginal South Australians by:

- Creating opportunities for Aboriginal jobs and businesses
- Improving the quality and delivery of services to Aboriginal South Australians
- Building strong and Capable Aboriginal communities

[South Australian Government Aboriginal Affairs Action Plan 2019-2020 \(PDF, 15.3 MB\).](#)

OIA is responsible for delivering 2 of the 32 projects within the South Australian Government Aboriginal Affairs Action Plan 2019-2020.

The first of the projects within the South Australian Government Aboriginal Affairs Action Plan 2019-2020 is the development of the South Australian Aboriginal Business Strategy 2020-2022. This will be a framework for how government will support current and emerging South Australian businesses with a focus on supporting the establishment of businesses in the non-traditional areas for Aboriginal enterprise such as manufacturing and information technology. Consultation is underway with all stakeholders with the expected delivery date of the final draft due to the Premier in December 2020.

The second project is the Far North Aboriginal Economic Collective (FNAEC), a collective impact strategy designed to increase employment and business growth for Aboriginal people in South Australia's Far North region. This project is well underway with nominated Traditional Owner Groups and local Aboriginal businesses committing to establishing the FNAEC. The FNAEC Aboriginal Coordinator has been appointed to support the groups as they tender for government contracts being delivered in the region.

Further support for Aboriginal business in South Australia will be provided by the South Australian Aboriginal Entrepreneur Hub (AEH). The Hub is part of the redevelopment of the former Royal Adelaide Hospital site (now known as Lot Fourteen) and is incorporated into the City Deal agreement which was announced in March 2019. The Federal and State Governments and Adelaide City Council signed the agreement to provide a framework for all three levels of government to work together to achieve goals in population, cultural enhancement and support the long-term growth of Adelaide as a vibrant, innovative city that drives the economy.

The project has been made possible through an investment of \$3 million over three financial years (2019-20 to 2020-21) under the Indigenous Business Sector Strategy (IBSS) to provide for an Aboriginal-specific element to the broader innovation, incubation, start up and growth hub being established by the SA Government through the Lot Fourteen Development.

It is intended the AEH will have both a physical and virtual presence to complement the broader innovation, incubation, start-up activities being established in SA. It is also expected to see initiatives developed for the Hub being available in regional areas of the State. Successful engagement with all stakeholders will enable the design and delivery of the best service possible for Aboriginal entrepreneurs.

Additional support for the Aboriginal business sector is the Product and Services Register located on the OIA website which is an easy to access and navigate online platform <https://industryadvocate.sa.gov.au/sa-product-register/>.

South Australian businesses, including Aboriginal businesses can profile their business at no cost, highlighting what local products and services they offer. These profiles are promoted to both government and industry buyers with a view to increasing local participation in the delivery of projects in South Australia.

The OIA website also hosts a South Australian Aboriginal Business Directory <https://industryadvocate.sa.gov.au/aboriginal-business-register/> This is a register of South Australian Aboriginal businesses in the appropriate industry categories to enable buyers to easily source goods and services from locally based Aboriginal businesses.

Online learning is also offered to South Australian business, including Aboriginal businesses, interested in better understanding the government tender process. The Ready to Tender portal is a resource that consolidates everything businesses need to know about supplying to Government. Step-by-step online modules assist businesses to navigate the Government procurement process that can be completed at the pace and available time of the business owner/employee. It is a guide to making a business ready-to-supply, finding and qualifying tender opportunities.

OIA also delivers Supply to Gov Workshops that are well attended by Aboriginal businesses with some of the workshops specifically designed for Aboriginal businesses. These workshops provide an overview of the Government tender process and often have guest speakers from relevant government Agencies available to answer questions.

The successful Meet the Buyer program has just been reinstated for 2020 and Aboriginal businesses will be encouraged to attend these free events where they can speak directly to government buyers about current and forward procurement opportunities and network with industry and other Aboriginal businesses.

The Aboriginal Economic Participation through Procurement Strategy led by the Industry Advocate was designed to assist Aboriginal South Australians to achieve economic prosperity and self-determination. Results so far indicate that the Strategy is delivering positive outcomes for Aboriginal South Australians.