

Office of Northern Australia submission to the Joint Standing Committee on Northern Australia, Inquiry into Opportunities and challenges associated with land rights, native title and other land-related agreements (together with payments, benefits and access arrangements under these agreements) for the purpose of engaging Traditional Owners in the economic development of Northern Australia

This attachment provides responses to the two questions asked by the Joint Standing Committee at the public hearing on 15 February 2019.

Potential impacts of the conclusion of the Northern Australia Tourism Initiative

The Northern Australia Tourism Initiative extended the Entrepreneurs' Programme and Australian Small Business Advisory Services Programme to meet the needs of tourism businesses in northern Australia. It provides tourism businesses in northern Australia with practical support to build management and business capability, improve their performance, grow and be more internationally competitive. The Initiative was originally scheduled to conclude on 30 June 2019, but the Minister for Industry, Innovation and Science extended the Initiative until 31 December 2019. The extension allows the department to evaluate the Initiative. This evaluation will then feed into future program design and delivery considerations for the tourism sector in northern Australia and for Indigenous businesses more broadly.

Five Indigenous businesses have accessed the Northern Australia Tourism Initiative. It is not mandatory for applicants to self-identify as being Indigenous owned during the application process.

The Initiative is delivered by AusIndustry – the national service delivery arm of the Department of Industry, Innovation and Science. AusIndustry connects Australian businesses and business intenders across the country with information, advice and services to help them start, run, innovate and grow. It delivers a range of Australian Government programs for the Industry department and external agencies to boost business competitiveness, job creation and economic growth. Specific services and examples contributing to the economic development of northern Australian include:

- The Entrepreneurs' Program is the Australian Government's flagship initiative for small and medium business competitiveness and productivity. The program offers practical support for businesses including advice from advisors with relevant private sector experience, co-funded grants to commercialise new products, processes and services, funding to take advantage of business improvement and growth opportunities connection and collaboration opportunities. Small and medium businesses (including Indigenous Corporations) wishing to join the program are required to meet a number of eligibility criteria including an annual turnover between \$1.5 million and \$100 million. This threshold has been lowered to \$750,000 for businesses in the growth sectors in remote and northern Australia.

- AusIndustry has a national network of Regional Managers who provide advice and assistance to businesses across regional Australia. In 2018, AusIndustry and the Office of Northern Australia jointly appointed a Regional Manager for northern Western Australia. A priority for this region is connecting Indigenous businesses to government programs and services and business opportunities. The WA position is boosting AusIndustry's existing presence in north Queensland and the Northern Territory.

How road programs have impacted Indigenous employment

The Framework to maximise Indigenous employment and business opportunities in northern Australia sets out how the Australian Government, through the Department of Infrastructure, Regional Development and Cities and the Department of the Prime Minister and Cabinet, work with the northern jurisdictions to leverage opportunities arising from the Northern Australia and Beef Roads programs to increase Indigenous economic participation.

This Framework implements the White Paper's Indigenous employment and supplier-use targets by setting targets that balance the need to improve the participation of Indigenous people and current market conditions.

An example of the Framework being successfully implemented is in the Kimberley region on the Great Northern Highway Bow River Bridge replacement. The Western Australian Government announced in their media release¹ that local Indigenous participation on the project consistently exceeded 30 per cent. This commitment to Indigenous employment and supply use, including community consultation, provided access to employment and business opportunities for the local area.

The Australian Government continues to work with the northern jurisdictions to increase the work readiness of local Indigenous populations and the capacity of Indigenous businesses to compete for contracts. Critical to the success of support strategies will be the timeliness and quality of information about upcoming opportunities made available to Indigenous stakeholders.

A similar approach could be used for other Commonwealth funded infrastructure projects in northern Australia, including social housing, roads, local government and projects associated with the northern Cities and Regional deals.

The Australian Government has an Indigenous procurement policy, led by the Department of the Prime Minister and Cabinet, which applies to all non-corporate Commonwealth entities subject to the Commonwealth Procurement Rules (CPRs). The policy has three parts:

- A target number of contracts that need to be awarded to Indigenous businesses.
- A mandatory set-aside of contracts for Indigenous businesses to apply in certain situations.

¹ Western Australia Government, media release 13 November 2018

<https://www.mediastatements.wa.gov.au/Pages/McGowan/2018/11/New-Bow-River-Bridge-builds-Great-Northern-Highway-resilience.aspx>

- Mandatory minimum requirements for Indigenous employment and Indigenous supplier use applying to certain Commonwealth contracts.

Entities that are not required to comply with the CPRs are encouraged to adopt the policy as best practice.

The policy puts Indigenous businesses at the front and centre of the way the Commonwealth Government does business. Whether through direct contracts, or as part of the supply chain of some of Australia's biggest companies, the policy will ensure that Indigenous businesses have the chance to compete and showcase the products they have to offer. The Commonwealth Government has committed to a procurement target for goods and services from Indigenous businesses. The target - three per cent of Commonwealth contracts awarded to Indigenous businesses by 2020 - is ambitious and will be achieved. The Government is committed to ensuring that every government portfolio meets its target.