



WESTERN SYDNEY INDIGENOUS BUSINESS SUMMIT 2019 INSIGHTS REPORT



YARPA
NSW Indigenous Business
and Employment Hub



**New South Wales
Aboriginal Land Council**

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the land, sea and skies – Australia's First Peoples. We are grateful to those who have come before us and who have nurtured and protected Country for future generations, and we pay our respects to Elders past and present.



WELCOME TO THE WESTERN SYDNEY INDIGENOUS BUSINESS SUMMIT

The New South Wales Aboriginal Land Council (NSWALC) and the Yarpa Indigenous Business and Employment Hub (Yarpa Hub) would like to welcome you to the first Western Sydney Indigenous Business Summit (the Summit). The Summit is a unique forum bringing together over 100 key stakeholders from the Indigenous business sector, government, corporates and industry to collaboratively look towards harnessing the economic opportunities arising in Western Sydney.

This important gathering is about creating a genuine two-way dialogue within the Indigenous business sector built around an exchange of ideas, challenges and progressive thinking anchored by subject matter experts, panel discussions, and a space for real conversations.

Recognising the benefits of community engagement, NSWALC and the Yarpa Hub are finding new ways to collaboratively engage with their stakeholders in the development of solutions that are not only considered, but actionable.

The Summit will also seek a collaborative approach to:

- Contribute to thought leadership on integrating Indigenous businesses in the supply chains of Tier 1, Tier 2 and Tier 3 companies and government agencies
- Generate industry commitment to contribute to the success of State and Federal Indigenous procurement policies
- Identify solutions for Indigenous business success and capability of mainstream businesses through supplier diversity engagement
- Drive network and partnership development
- Highlight the economic opportunities for Indigenous businesses in Western Sydney.

WHAT IS THE YARPA HUB?

The Yarpa Hub is a key deliverable under the Commonwealth Government's Indigenous Business Sector Strategy. Our mission is to connect the NSW Indigenous community to meaningful business and employment opportunities to improve access to the state's economy. The Yarpa Hub is a one-stop-shop for Indigenous entrepreneurs, business owners, job seekers and industry to access business and employment advice and services.

We are also committed to enhancing Indigenous peoples' involvement in the economy, ensuring the empowerment, strength and prosperity of Indigenous communities, now and into the future.

Through the NSW Government's policies on Aboriginal Participation in Construction and Procurement, there is even greater opportunity to develop mutually beneficial partnerships between Government, industry and Indigenous businesses.

The Yarpa Hub aims to harness these opportunities by brokering relationships, as well as providing generalised business support and professional development opportunities through a range of innovative services and partnerships.

THE WESTERN SYDNEY OPPORTUNITY

The Western Sydney opportunity represents an unprecedented economic landscape that will be the largest planning and investment partnership between industry and government in Australia's history.

The economic centre in Western Sydney will be the third largest in the country with strong population growth projected. It's estimated that 200,000 jobs will be created and growth in household numbers will increase as a result of the developments in this region.

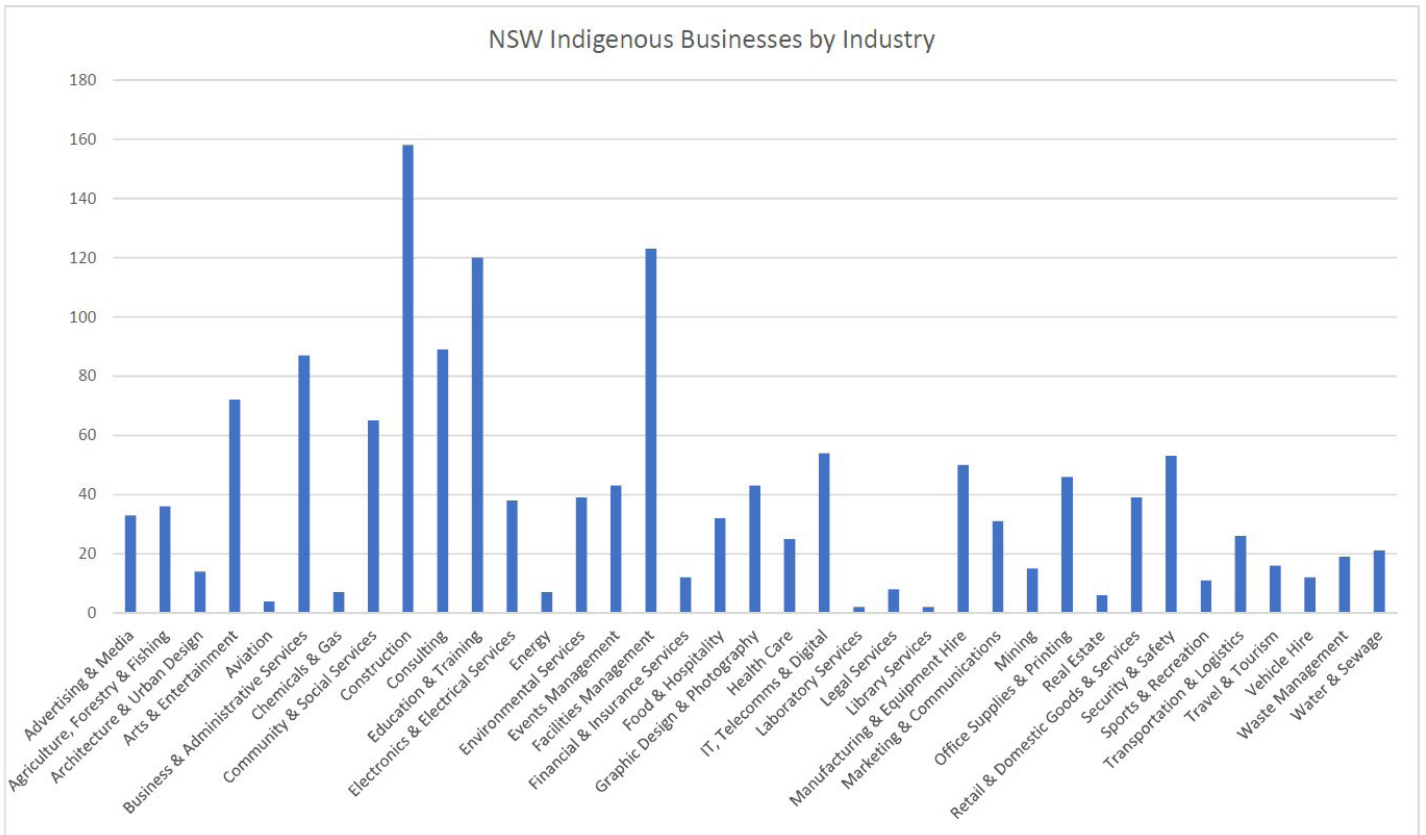
At the epicentre, is the Western Sydney Aerotropolis including a 24-hour airport which is already under construction, encompassing 112 square kilometres with multiple surrounding precincts focused on agriculture, education, tourism and many other markets.

It has also been projected that the following key industry areas will grow as a result of the Western Sydney opportunity:

- Aerospace & Defence
- Health, Research & Manufacturing
- Food & Agriculture
- Freight & Logistics
- Building & Construction
- Tourism
- Smart Cities (ICT)



A SNAPSHOT OF NSW INDIGENOUS BUSINESSES BY INDUSTRY



(Source: Supply Nation's Indigenous Business Directory, April 2019)

INDIGENOUS BUSINESS SECTOR RESEARCH

As part of the co-design approach to the Summit, the Yarpa Hub engaged Indigenous business owners, top tier organisations, peak bodies and government agencies in a series of workshops to understand the current state of the sector. This was critical in designing the agenda for the Summit, and additionally, help shape the future offerings of the Yarpa Hub.

We also initiated research into the Indigenous business sector outside of this process to gather insights to capture wider perspectives of what challenges need to be met, and what the opportunities are in meeting the Western Sydney demand.

REFLECTIONS OF INDIGENOUS BUSINESS OWNERS

“We all need to build trust with each other for all of us, including our businesses, our communities and our people to benefit” – Indigenous business owner.

The following is a summary of insights from a group of Indigenous business owners reflecting on the consistent challenges they face as they build either an established business or a new start-up.

Whilst the Western Sydney opportunity presents an enormous vehicle to build strong businesses, participants of the research indicated that Indigenous people in Greater Western Sydney, have historically been let down with unfulfilled promises of economic inclusion.

Key feedback that came from the research participants related to greater accountability being required across the wider business sector when it comes to Indigenous procurement. This includes Indigenous businesses but more so, the various domestic and international corporations that will benefit from the enormous commercial opportunities in the region.

Capability and capacity

Most of the research participants indicated that having true visibility of the available work packages is critical, and in addition to this, ensuring there is ample time provided to respond to Request for Quotations and tenders to effectively articulate their value.

A common sentiment is that it is often difficult to assess whether a tender opportunity is a real prospect or if there has already been a pre-determined outcome based on an incumbent's track record of delivery. "Do I really have a chance of winning the work?" – (Research Participant).

There was a shared view that it's difficult at times to understand what information is required to be assessed equally with other tenderers. For example, what pre-qualifications are needed? What have I not accounted for in this response?

Increasingly as the Indigenous business sector matures, research participants indicated they are interested in learning how to scale up for the size of the opportunities ahead of them. This may be through formal platforms like Joint Ventures (JVs), capability partners or access to mentoring.

It was also noted by some Indigenous business owners that there are a number of JVs in the market that have limited authenticity as an Indigenous business, and we must be doing more to get the balance right.

Impact and Outcomes:

A number of the respondents identified that the Indigenous business sector needs to become more outcomes focus and understand, research and evaluate what impact the sector has on Indigenous communities.

On both a State and Federal level, there are more pointed questions that can be asked to understand the impact that current policies. How many Indigenous people are

being employed as a result of these policies? What does the ownership data look like for Indigenous businesses benefiting from the Indigenous procurement policies? What are the initial community benefits from the growth of Indigenous businesses?

All of the Indigenous business owners we spoke to during this research said that when they become successful, they want to give back to others including family and community but also other Indigenous businesses.



REFLECTIONS FROM INDUSTRY (TOP TIER)

A summary of qualitative research from procurement managers, social inclusion managers, commercial managers from leading organisations in building and construction, (Top Tier), on challenges and opportunities procuring from Indigenous businesses.

Capability to Engage:

“Getting Indigenous businesses ready for demand should be for the sector, not just one company” – (Top Tier representative).

There is sometimes a disconnect between Diversity or Social Inclusion functions and Procurement, Commercial and Project teams. It can be difficult to convert good intent into action due to a lack of capability to engage with Indigenous businesses and community.

Whilst there is a good general understanding of the requirements from a policy and strategy perspective for Indigenous engagement, there is still a growing need for more support for organisations, including procurement specialists and project managers, on the ‘how to’. This extends beyond the availability of Indigenous business directories, internal policies and strategies such as Reconciliation Action Plans and first level Supplier Diversity training from peak bodies.

Top Tier representatives also described the complexity relating to the mobilisation of supply chains and that it can be challenging to communicate to Indigenous businesses about project execution or ‘breaking ground’. These organisations recognise that there

needs to be more of a focus on assessment processes to identify capable Indigenous businesses and equally, the validity of capability as described by relevant Indigenous businesses in the evaluation process.

An overwhelming majority of participants expressed that the risk appetite within their organisations is low but conversely, project managers are being asked to incorporate Indigenous engagement throughout their projects. Participants expressed that Indigenous businesses can be perceived as high risk, not by the fact they are Indigenous owned, but they are new to the supply chain and subsequently unknowns about quality and delivery timeliness.

Better articulation of the benefits of supplier diversity seems to be an important piece when building a strong engagement approach for top tier organisations, but even more critical is the capability and resources to identify which Indigenous businesses will be able meet project deliverables.

Indigenous Procurement Policy:

Similar to insights from Indigenous business owners, a number of Top Tier participants called out that there is limited visibility on Indigenous procurement policy social outcomes. This visibility is critical when looking to articulate the ‘why’ when advocating for the integration of Indigenous business into supply chains.

The Sleeping Giant Report conducted by Supply Nation in 2015 quotes, “for every \$1 spent with Indigenous businesses, there is a \$4.41 return to Indigenous communities”.

This research was based on five Indigenous businesses at the foundation stage of the Federal Indigenous Procurement Policy (IPP). It was also noted from the participants that there needs to be further research on the Social Return on Investment (SROI) businesses given the enormous growth in this rapidly evolving sector.

Particularly from those working in the social inclusion function of these organisations, it was noted that value for money when assessing suppliers should also be taken into consideration given.

REFLECTIONS OF INDIGENOUS BUSINESS SECTOR PEAK BODIES

Peak body research participants were represented by organisations in the role of 'enabler' for the Indigenous business sector connecting Indigenous businesses with industry and assisting with access to capital, finance and first level support.

Buyer (Corporates/Top Tier) Capability:

Consistent with some of the earlier themes, participants have indicated that the buyers find it challenging to uncover social inclusion outcomes as a result of engaging with Indigenous businesses.

Additionally, given the rate of the demand for Indigenous owned businesses and the level of capacity and capability, buyers need to consider how work packages can be broken down to minimise risk.

It was noted by peak body representatives that from the buyer's perspective there is no visibility on capacity and capability of an Indigenous business on current directories and that due diligence should be practiced in line with the process of engaging any other supplier.

Building a Community:

Peak body participants indicated that anything peer based to support Indigenous businesses as demand continues to grow, is more likely to work to build a sense of community.



In the experience of one peak body working with Indigenous businesses, seeing an Aboriginal person in business or in the corporate sector makes a big difference in terms of high levels of engagement.

The participants also said that having a Western Sydney Hub was critical in terms of an immersive community approach to promote and nurture an environment of Indigenous business excellence to “support our mob”.

When reflecting on the opportunity in Western Sydney, participants noted that Indigenous businesses should respond to the demand by building skilled Indigenous workforces in partnership with industry and government.

It was also noted that we, as an Indigenous business sector, need to look ‘beyond the build’ and focus on the legacy for Indigenous communities in the Western Sydney region. In addition to this we need to look at the longer-term opportunities in the region and how our people can add value to the vibrancy of communities and place-making.

Collaboration:

In terms of collaborating with other peak bodies, one participant highlighted that there are too many resources working in silos and the market is growing so rapidly that it is hard to make time to collaborate with each other.

The Yarpa Hub has the potential to bring all of the ‘moving parts’ of the Indigenous business sector together whilst creating an innovative and engaging space for aspiring and current Indigenous business owners.

Participants shared that there needs to be a collaborative energy to the Yarpa Hub and the promotion of a comfortable and culturally respectful space. Additionally, creating a peer learning environment, expert lead workshops and thought leadership for all stages of businesses should be at the forefront of the design of the Yarpa Hub – ‘essentially, a Centre for Indigenous Business Excellence’.

CONCLUSION

It is clear from the participants insights that the success of the Indigenous business sector in Western Sydney should be founded on collaboration, with a greater understanding and commitment from suppliers, buyers, peak bodies and Government.

A strong focus on outcomes for the community as a result of Indigenous procurement policies should be a critical performance indicator as the Western Sydney opportunities mature for Indigenous businesses and industry.

The Yarpa Summit is designed to encourage real discussion and real action to meet the challenges of high demand for Indigenous businesses and economic growth in the Western Sydney region.

Drawing on the perspectives and ideas of participants, we can be confident we are designing services through the Yarpa Hub that will strengthen and empower Indigenous businesses and communities.

AUTHORS

This Insights Report was produced by the Yarpa Hub and Two Point Co.

The Yarpa Hub

The Yarpa Hub is a one-stop-shop for Indigenous businesses, entrepreneurs and job seekers to build relationships and connect Indigenous people to business and employment opportunities across NSW.



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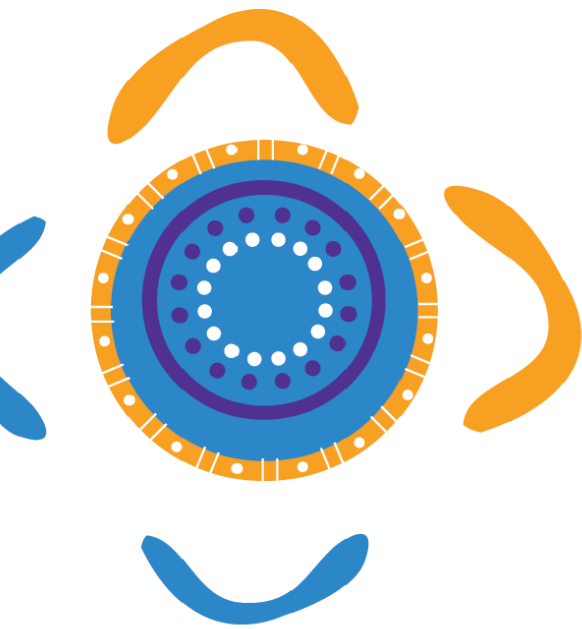
Two Point Co

Two Point Co. is a 100% Aboriginal and Torres Strait Islander owned consultancy, specialising in Indigenous engagement through strategy design, facilitation, community consultation and social impact assessment.

two point co:

SPECIAL THANKS

The NSW Aboriginal Land Council and the Yarpa Hub would like to extend a special thanks to KPMG for their guidance in the design and delivery of this important event.



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Australian Government
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