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# Legacy

## Supply Nation's 15-year Anniversary Report



## Acknowledgement of Country

Supply Nation acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respect to them and their cultures; and to Elders past and present.

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# Letter from our CEO

Over the past 15 years, Supply Nation has played a significant role in creating an inclusive economy in Australia. From our humble beginnings in 2009, to currently having more than 5,000 verified Indigenous businesses on our national database and more than 820 members from corporate, government, and not-for-profit organisations located in almost every Australian state, it is hard to believe how far Supply Nation has come.

In 2022-23, procurement spend with Supply Nation's Indigenous businesses was more than \$4.1 billion<sup>1</sup>. The Indigenous business sector is growing, and its potential cannot be underestimated. I am constantly inspired by the passion and maturity of Indigenous businesses, particularly those in remote areas. I am proud of the strong contribution they are making to Australia's economy and jobs growth, as well as the communities and customers they serve. The role that Indigenous businesses play in economic prosperity and positive social impact is being increasingly acknowledged by a broad cross section of government, industry and community groups.

Fifteen years is an important milestone, but this is only just the beginning. As we leverage the opportunities and challenges ahead, we are already considering the legacy we will leave at the end of the next 15 years. As the future remains unwritten with stories yet to be told, we can – and must – enhance the potential of every Indigenous Australian through economic empowerment.

Commitment to a values-based approach in business, the importance of sustainability and protecting natural assets are increasingly recognised as fundamental factors in economic success. Globally, businesses and governments are placing increasing importance on environment, social, and governance issues. However, Indigenous knowledge must also be incorporated into the decision-making processes that affects economic growth. Indigenous perspectives are essential as Australia looks to expand its clean energy and renewables sectors, as well as sustainable tourism in regional and sensitive natural environments. The values and culture of our business leaders equip us well to forge success. The strength, resilience, and determination of Indigenous businesses will have significant, critical, and positive impact in shaping a successful economy over the next 15 years – for the benefit of all Australians. This success will require us all to work together, and I look forward to that.

*Legacy – Supply Nation's 15-year Anniversary Report* reflects on our journey. It celebrates our impact and provides a view on 'where to from here?' for Indigenous procurement in Australia through analysis of broader global and business trends. We hope this report will start a conversation with our suppliers and members about ensuring the Indigenous business sector remains resilient and continues to grow. This report highlights the significant contribution of Indigenous businesses to the Australian economy, a contribution that Supply Nation has been instrumental in fostering.

Lastly, I would like to thank McKinsey & Co for their assistance with this report, particularly Fiona Prowse and Sandra Hu.



Kate Russell

CEO

Supply Nation

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<sup>1</sup> Supply Nation data.

# Introduction

The celebration of Supply Nation's 15-year anniversary is an opportunity to reflect on where we have come from, what we have achieved since our inception in 2009, and to look ahead at what the future holds for Indigenous procurement.

This report is divided into three parts.

- **Part 1: History – The role of Supply Nation in shaping an inclusive economy.** The first part of the report looks at the history, inspiration, growth, and evolution of Supply Nation and the role it has played in shaping an inclusive economy in Australia.
- **Part 2: Legacy – What have we achieved in the last 15 years?** The second part of the report is a snapshot of where Supply Nation stands today and what we have achieved since our inception, featuring case studies of our suppliers and members.
- **Part 3: What is ahead for Indigenous procurement?** The third part of the report turns to the future by examining six key trends that will shape the Australian economy and their potential impact on Indigenous businesses.

# Part 1: The role of Supply Nation in shaping an inclusive economy

## Launch of the Australian Indigenous Minority Supplier Council

### Letter from Prime Minister Kevin Rudd

#### Launch of the Australian Indigenous Minority Supplier Council Pilot

It gives me great pleasure to provide this message of support for the launch of the Australian Indigenous Minority Supplier Council pilot.

The 2009 House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry Report, *Open for business: Developing Indigenous enterprises in Australia*, recommended that given the success of minority supplier councils overseas, the Australian Government establish a pilot here. Consistent with its commitment to Indigenous business development the Government has responded positively to this recommendation by allocating \$3 million for a three-year pilot under the Indigenous Employment Program. This pilot will increase the sustainability and raise the profile of Indigenous businesses and contribute positively to Indigenous employment outcomes in Australia.

I have said on numerous occasions that we all have a part to play in Closing the Gap in Indigenous disadvantage – Indigenous leaders and communities, corporate and business leaders and government. I am delighted that Australian and international corporations have shown such leadership in supporting this pilot. The Australian Government is proud to support this important endeavor and I welcome too the support of the Governments of New South Wales and the Australian Capital Territory.

I'd also like to personally thank Mr Michael McLeod of the Message Stick Group, who has been the driving force behind the establishment of the Council and has devoted considerable personal time and resources to bringing the pilot to fruition.

Ms Macklin, Senator Arbib, Mr McLeod, distinguished guests from the corporate sector, ladies and gentleman, I wish you all the very best for the pilot's success and look forward to hearing about how this has helped foster a new level of engagement and opportunity for Indigenous Australian.

The Honourable Kevin Rudd MP

Prime Minister of Australia

In October 2008, the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs held the Inquiry into Indigenous Economic Development, and published a report of its findings called, *Open for business: Developing Indigenous enterprises in Australia*. The report recommended that an Australian Indigenous Minority Supplier Council (AIMSC) be established to follow the success of the National Minority Supplier Diversity Council in the United States.

On 15 September 2009, in the Mural Hall at Parliament House in Canberra, the Australian Indigenous Minority Supplier Council was launched. In 2013, it became known as Supply Nation.

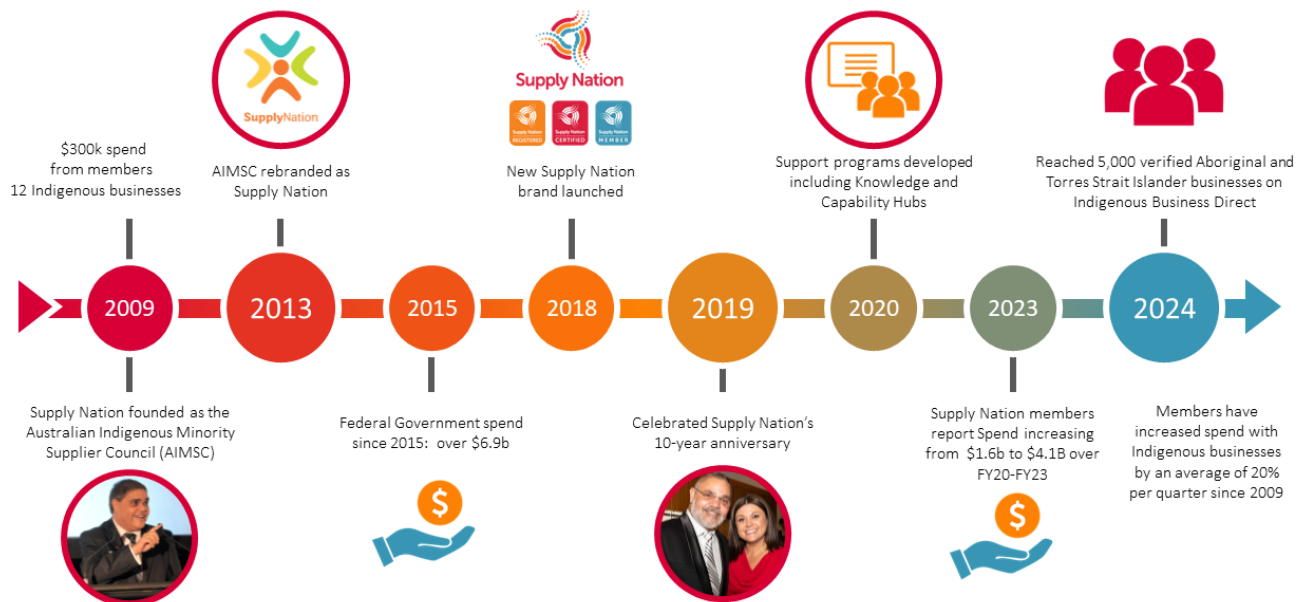
Indigenous businessman Michael McLeod, CEO, Message Stick Group – and the driving force behind the AIMSC launch said:

“ The Prime Minister asked for more and better collaboration when he announced the Government’s ‘Closing the Gap’ policy commitment. We have answered that call and provided a model which we hope will play a role in breaking down Indigenous welfare dependency over the long-term. It’s not a silver bullet, but it will give Indigenous people a better chance to engage with Australia’s economy and create employment and wealth within our communities. ”

## Growth of Supply Nation

The growth of Supply Nation since 2009, and its impact on Indigenous procurement in Australia, has been meteoric.

Figure 1: Supply Nation's historical timeline



# Part 2: What have we achieved in the last 15 years?

## Our purpose

Supply Nation’s objective is to increase Indigenous supplier opportunity by facilitating connection, improving Indigenous business capabilities, advocating for supplier diversity, and driving systemic change. We have achieved these objectives over the last 15 years by growing our network to more than 5,000 Indigenous businesses and more than 820 corporate and government members (buyers). From 2009 to 2023, we have facilitated more than \$14.7 billion in procurement spend between Supply Nation Indigenous suppliers and members.<sup>2</sup>

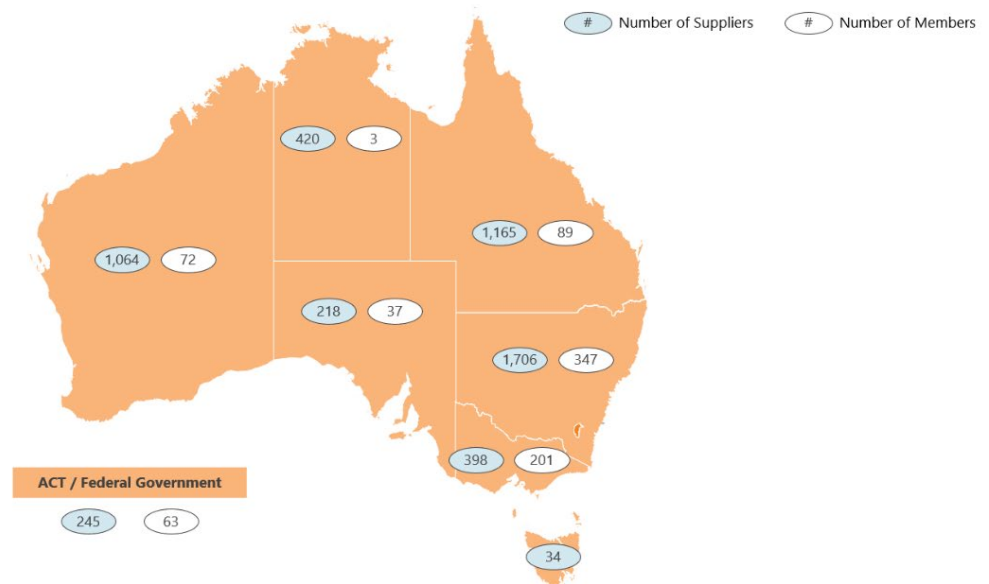
This part of the report looks at our contributions as an organisation across four areas:

- Growing and supporting Indigenous businesses in our supplier network
- Partnering with an expanding network of members to increase their supplier diversity
- Fostering collaboration and increasing capability across the Australian business community
- Driving systemic change through our advocacy, research, and policy work.

Figure 2: Spread of Supply Nation suppliers and members across Australia

### Spread of suppliers and members across Australia

As of 30<sup>th</sup> June 2024



<sup>2</sup> Figures reported at 30 June 2024. Supply Nation data.

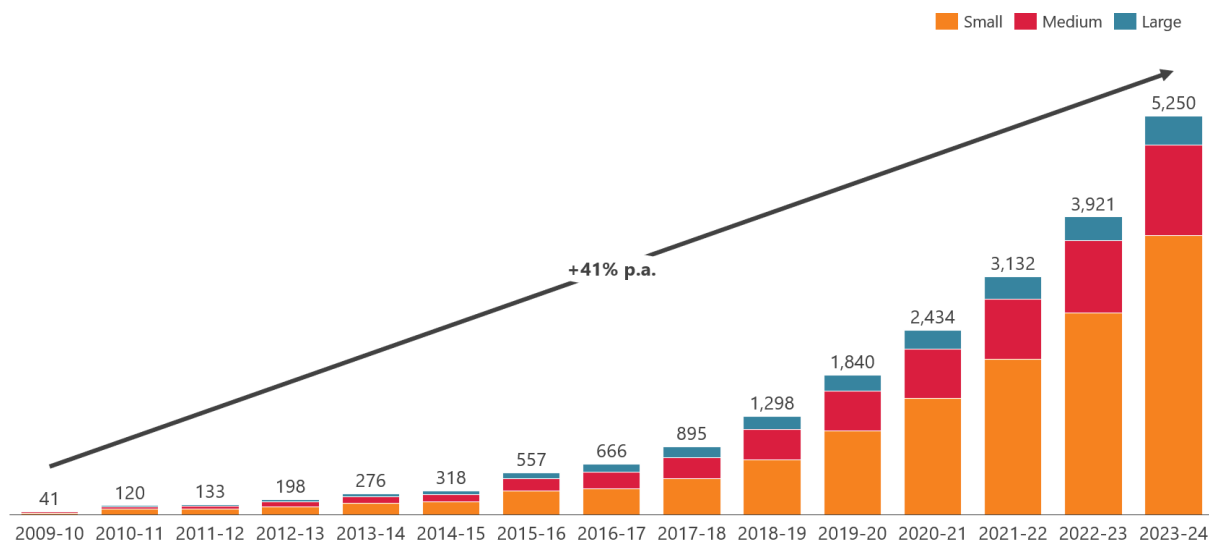
## Suppliers: How have we supported Indigenous businesses?

Our Indigenous business supplier network has grown by 40% on average each year since the 2009 founding cohort of 13 organisations. It has become Australia's largest national directory, called Indigenous Business Direct. Today, our directory has over 5,000 Indigenous-owned businesses Registered and Certified using Supply Nation's 5-step verification process. These businesses employ around 46,000 workers, including an estimated 18,000 Indigenous employees across Australia.

Figure 3: Growth of Supply Nation suppliers from 2009 to 2024

### Growth of Supply Nation suppliers

Suppliers broken down by size by year between 2009-2024 (as of 30 June 2024)



Since 2009, we have increasingly supported small to medium-sized Indigenous businesses (by revenue), which today make up over 90% of our network. At various stages of their journeys, we have helped them to build their capability and connected them with prospective partner (member) organisations. The businesses are located all around Australia across a broad range of industries. The top 10 industries, based on the number of Indigenous businesses in each industry, are:

- Construction
- Facilities management
- Recruitment and administrative services
- Retail and domestic goods and services
- Consulting
- IT, telecommunications and digital
- Manufacturing and equipment hire
- Mining
- Vehicle hire
- Office supplies and printing.

Our advocacy and international network have also helped support the international expansion of these Indigenous businesses, which in 2023 generated almost \$18 million in exports.

The trainings and services provided by Supply Nation to our Indigenous businesses include:



Funded by Commonwealth Bank, **Kickstart** is designed to help suppliers optimise their business profile listing on Indigenous Business Direct (IBD) and discover the valuable resources available in the Supplier Portal.



Funded by Commonwealth Bank, **Drive** is a supplier capability training and support program on tender preparation, contract negotiation and post contract responsibilities with guidance from industry experts.



**Accelerate** is a mentoring program which expands on the Drive program and provides eligible suppliers with one-on-one support and guidance as they prepare and complete their tender submission during the tender period.



Funded by Google.org, the **Indigenous Business Learning Program** provides an online learning platform with on-demand video resources on a range of topics identified in Supply Nation research reports as key success factors for Indigenous businesses.



**Export Nation** is an initiative offered by Supply Nation to help Indigenous businesses to succeed internationally. Export Nation is an industry-leading initiative to help suppliers market and sell products and services outside of Australia.



Funded by Commonwealth Bank and exclusively for Certified Suppliers, **JumpStart** provides suppliers with access to skilled professionals who can support and guide them through business challenges. JumpStart provides a platform to connect volunteers from our member organisations with skills aligned to the real and specific needs of Indigenous businesses.



The **Member Opportunity Board** is an online platform that suppliers can search for the latest procurement, training and networking opportunities available from members. This platform is open to Registered and Certified Suppliers.



Exclusive to Certified Suppliers, the **Member Directory** is an online listing of all registered corporate, government, and not-for-profit members. Through the Member Directory, Certified Suppliers can connect directly with members and their key procurement contacts.

The benefits of our training and events are echoed by our suppliers:



“By being a part of Supply Nation, I can leverage their extensive network, gain greater visibility, and access resources tailored to support Indigenous entrepreneurs.”

– Secret Harvest, a supplier with Supply Nation since 2015



“We have seen such amazing growth in the First Nations business sector over the last 15 years and much of this has been due to the efforts of Supply Nation. Its suppliers and members not only advocate for Blak Business success, but they also deliver it daily. Supply Nation has helped us connect and build relationships with like-minded businesses and start to challenge the barriers on what business success looks like.”

– Carbon Creative, a supplier with Supply Nation since 2009

## Baidam Solutions, a 'profit with purpose' cybersecurity business



L-R: Jack Reis and Phillip (Pip) Jenkinson, the co-founders of Baidam Solutions.

Indigenous business growth has positive flow-on effects for community, as seen with Baidam Solutions, an award-winning cybersecurity and information consultancy based in Brisbane.

Baidam Solutions was co-founded by Jack Reis and Phillip (Pip) Jenkinson, whose vision was for a profit-with-purpose cybersecurity business. Since its inception in 2018, Baidam Solutions has made social impact a core part of its operating DNA and has given back more than 50% of profits to regional and remote communities. This has created pathways to employment in IT for Indigenous people and provided funding for cybersecurity certification training.

Baidam Solutions also provides a procurement vehicle to help organisations achieve Reconciliation Action Plan (RAP) outcomes and address the cybersecurity skills shortage. Chief Operations Officer, Beau Hodge, said, *“Supply Nation has been instrumental to our success as a business, and we are now working with almost 80 Supply Nation members and verified suppliers. That’s a strong indication that it is a network and model that works.”*

*“Where we can, we will procure from Indigenous-owned businesses and make every effort to create value and impact beyond just the business side of things,”* Beau said.

Supply Nation also plays an important role in supporting rural and remote Indigenous businesses. Our research<sup>3</sup> suggests that smaller Indigenous businesses are more than twice as likely to employ Indigenous workers than larger businesses. Similarly, businesses in regional and remote areas are more than twice as likely to employ Indigenous people than those in major cities. Regional and remote Indigenous businesses also employed almost the same number of Indigenous workers as those in major cities.

Regional and remote Indigenous businesses play an important role in rural development by providing services to Indigenous people in remote regions. The benefits include employment and training opportunities and other philanthropic initiatives.

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<sup>3</sup> Supply Nation Research Report No. 8. The geographies of Indigenous business in Australia: An analysis of scale, industry and remoteness (2023).

## Arnya Consulting – remote business with a big vision



L-R: Napranum Elder Richard Barkley (Thainakwith & Yupungathi), Weipa consultant Sheridan Teitzel (Liningithi & Mbaiwum) of Arnya Consulting, and her sons, Lucas and Archer. Captured on-Country during fieldwork.

Supply Nation's 5,000<sup>th</sup> supplier is a remote Indigenous business called Arnya Consulting, based in Weipa, on the Cape York Peninsula, Queensland. Arnya Consulting bridges the distance between urban and remote areas by blending Indigenous knowledge with innovative digital solutions. Specialising in strategic planning and digital technologies, they align business practices with reconciliation objectives to foster growth and better outcomes for businesses and community alike.

“It is about driving the digital economy to support economic growth in remote and discrete communities around Australia. Access to strong communications infrastructure is critical for communities in driving economic growth and positive social outcomes.”

– Sheridan Teitzel, owner of Arnya Consulting

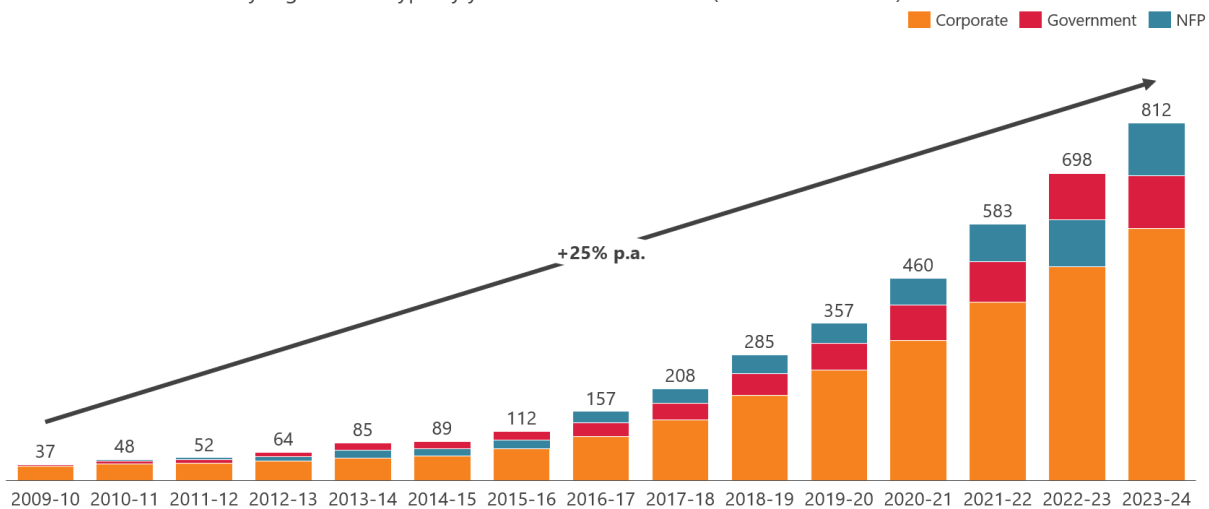
## Members: How have we partnered with buyers?

Supply Nation’s membership network has also grown on average by 25% each year since 2009. There were 32 founding members and today we have more than 820 member organisations from across Australia. The majority of our members are in the private sector (71% in 2023-24) including over half of the Top 20 companies listed on the Australian Securities Exchange. The remainder come from government and not-for-profit sectors. Like the Indigenous businesses on our database, our member organisations are located throughout Australia across a broad range of industry sectors.

Figure 4: Growth of Supply Nation members from 2009 to 2024

### Growth of Supply Nation members

Members broken down by organisation type by year between 2009-2024 (as of 30 June 2024)



Supply Nation has played a key role in promoting the importance of supplier diversity in Australia, through training programs such as First Step and Next Step, as well as supporting each member organisation with a dedicated Relationship Manager who provides guidance and support tailored to their individual supplier diversity journey.

The four core values that our membership model uses to accelerate an organisation’s supplier diversity journey and meet their strategic vision are:

- Expertise – through a dedicated Relationship Manager and business matching support
- Capability – through Supply Nation training
- Data insights – through research, tools, and best practice
- Community connection – through events and programs that enable connection

Members who have benefitted by working with Supply Nation include:



“Supply Nation will continue to play a significant role in JLL’s Indigenous procurement strategy. As leaders in supplier diversity in Australia, Supply Nation provides thought leadership, support, tools, and events that enable us to connect with Indigenous businesses and meet our supplier diversity goals while meeting the needs of our clients.”



“ We have learned a lot about supporting Indigenous business over the past 15 years and couldn’t have done this without Supply Nation. Moving into the future we hope to continue that relationship and explore innovative and holistic ways that we can foster economic empowerment in Indigenous communities. ”



“ Having access to a dedicated Supply Nation Relationship Manager has enabled Defence to access Supply Nation-led training and to identify short and longer-term goals for Indigenous supplier engagement. ”

Supply Nation’s training and services to our members include:



**First Step** is Australia's first and only introductory supplier diversity training program exclusive to Supply Nation members. First Step reflects the journey and growth of supplier diversity in Australia and includes a framework for building an effective and successful supplier diversity program.



**Next Step** builds on First Step training to position Indigenous business engagement as a ‘business as usual’ practice. Next Step helps members take a deeper dive into supplier diversity and explore how they can embed Indigenous suppliers into their supply chain and procurement practices.



Proudly supported by Commonwealth Bank, **JumpStart** is an online platform on which volunteers from participating member organisations offer professional skills and experience to help suppliers build capability within the Indigenous business sector.



The **Member Opportunity Board** is an online platform for members to promote their procurement, training, and networking opportunities to suppliers.



**SpendTracker** is an online reporting tool designed to benchmark, track, and provide insights into member organisations’ spend with Indigenous businesses.



The **SupplyStream** API provides member organisations with automated access to real-time, accurate supplier data for increased efficiency of procurement and a deeper understanding of engagement with suppliers.

## Indigenous business procurement

Over the last 15 years, we have supported our members to increase their supplier diversity by connecting them with Indigenous businesses in our directory, Indigenous Business Direct.

As our member network has grown, so has the size of total transactions and contracts in our supplier network, increasing exponentially from \$5 million in 2010 to \$4.1 billion in 2023. This represents a 68% year-on-year average increase.

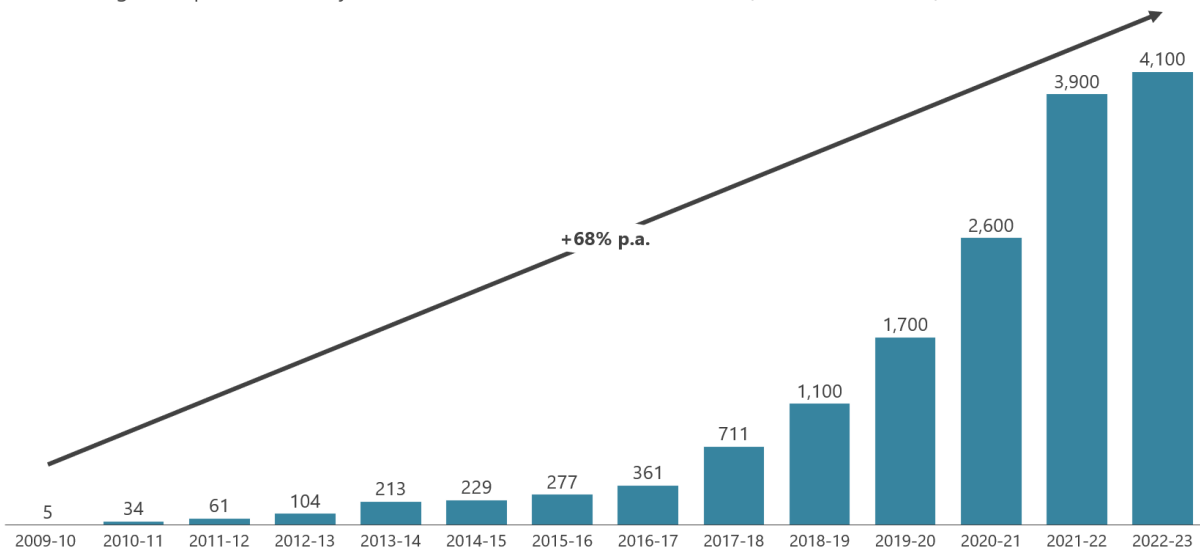
Our members' desire to procure with Indigenous businesses has remained consistently high, with 94% of members reporting transactions with suppliers in 2022-23. The government sector procured the most from Indigenous businesses, representing a third of the total Indigenous procurement, followed by construction and mining sectors<sup>4</sup>.



Figure 5: Reported Indigenous procurement by members from 2009 to 2023

### Reported Indigenous procurement by members over time

Annual Indigenous procurement by members between 2009-2023, \$ million (as of 30 June 2024)



Indigenous business engagement is happening all over Australia, including at our largest and best-known member organisations. We see more and bigger contracts awarded every year in a range of different industries, creating a lasting impact on the Indigenous business sector.

<sup>4</sup> Supply Nation data.



“ Supply Nation continues to be a cornerstone in the development and evolution of our Indigenous procurement strategy. Their commitment to fostering growth within the Indigenous business sector, facilitating knowledge exchange, and creating networking opportunities is invaluable. The support and capability-building initiatives provided by Supply Nation are essential for the advancement of Indigenous businesses, and their research into emerging sectors offers crucial insights for these businesses to explore new markets.

EY has consistently leveraged our Supply Nation membership to enhance our Indigenous procurement strategy. We actively participate in Knowledge Forums, Tradeshows, and networking events, and we engage in a learning exchange with peers in the Indigenous business sector. Our strong relationship with our Supply Nation Relationship Manager has been particularly instrumental. They provide regular check-ins, offer growth suggestions, and facilitate introductions to suppliers that align with our procurement needs. Looking ahead, EY is committed to deepening this relationship and exploring new avenues to foster an inclusive procurement environment that benefits both EY and the Indigenous business sector. ”



“ Many of our longstanding partnerships with Indigenous-owned businesses were formed through relationships built through Supply Nation, whether through Indigenous Business Direct, networking events, or member referrals. ”

## Lendlease and PSG Holdings joint venture making an impact

Founded in 2011, PSG Holdings (PSGH) specialises in commercial construction projects and cleaning solutions. The Garden Island Bayinguwa Delivery Team (GIBDT) was formed through a joint venture between PSGH and real estate developer, Lendlease. As an integrated real estate company specialising in construction, development and investment, GIBDT was responsible for carrying out the \$263 million Bayinguwa critical wharf works project at the Garden Island Defence Precinct.



In July 2018, GIBDT held a ‘speed networking’ event that attracted more than 35 Supply Nation verified Indigenous businesses. The event was an opportunity for Indigenous businesses to engage directly with PSGH and Lendlease representatives, as well as their subcontractors. Over the duration of the project, they engaged more than 15 additional Indigenous sub-contractors.



Troy Rugless, Director, PSGH said, “Having Indigenous businesses included in landmark projects like the Garden Island project brings enormous benefits and will not only support growth in Indigenous businesses but also facilitate local community employment.”

Alli Devlin, Site Engineer at Lendlease said, “Indigenous engagement on the project has proven to be a satisfying challenge. By disrupting the typical construction procurement process, we have been able to reach new levels of Indigenous engagement. The biggest hurdle is often starting the conversation. Once started, you quickly realise the immense capability and competency of Indigenous businesses.”

Troy Rugless concluded, “Bringing PSGH and Lendlease together, and combining what they both do well, has provided great opportunities for Indigenous businesses – both new to us and those already engaged. We both look forward to long and lasting partnerships with every Indigenous business we have engaged on this project.”

## Building connectivity and educational initiatives

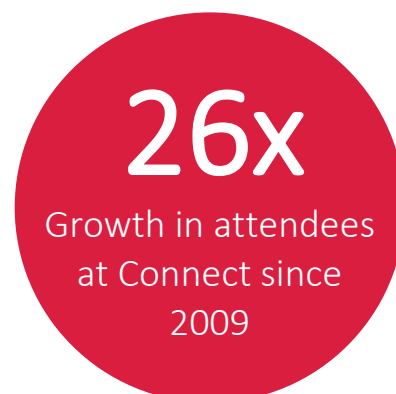
### Supply Nation's Connect event

Connect is Supply Nation's annual flagship event and is part of a program of events run throughout the year to provide suppliers and members with learning and networking opportunities. Connect brings together Indigenous businesses, corporate organisations and government departments to foster new business opportunities and celebrate the success of the sector.

Since its humble beginnings in 2010 with 146 attendees, Connect has grown to be our largest ever event in 2024 with 4,000 attendees across two days. The buzz and excitement during our Connect program is electrifying. The air is filled with energy and optimism with new connections and partnerships being formed at the Tradeshow, powerful conversations sparked at the Knowledge Forum, and the Supply Diversity Awards finalists and winners celebrated at the Gala Awards Dinner.

The Knowledge Forum is an important platform for Supply Nation to bring the best, brightest, and most influential people together to challenge the status quo and further the agenda of the Indigenous business sector. Topics discussed at the Knowledge Forum include:

- Protecting the integrity of the Indigenous business sector
- Pathways to closing the gap, economic development, the self-determination of Aboriginal and Torres Strait Islander peoples
- What Indigenous businesses need to know about corporate procurement processes
- Importance of supporting Indigenous women in business
- Challenges and opportunities of embedding supplier diversity in Australia
- The impact of the Australian Government's Indigenous Procurement Policy on the Indigenous business sector



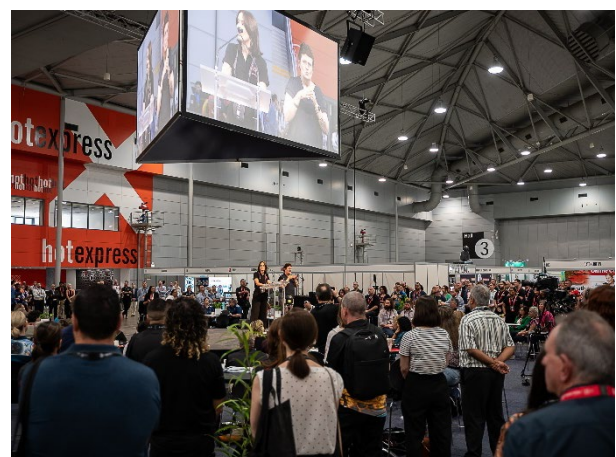
Events like Connect and other regional Tradeshows run by Supply Nation have raised the profile of the breadth, scope, and capability of Indigenous businesses in Australia. These events create significant opportunities for Supply Nation suppliers and members to network, build relationships, and form partnerships. One example is the partnership between APA Group and Biodiversity Australia that came about from Connect 2022:

## Successful partnership between APA Group and Biodiversity Australia



APA Group and Biodiversity Australia first met at Supply Nation's Connect 2022 event. Since then, the two have developed a successful partnership that has developed and grown over time. Biodiversity Australia is a 100% First Nations-owned and Supply Nation Certified business, who have delivered solutions for APA Group's National Weed Survey Program by capturing field data and creating effective vegetation management plans. This partnership is also having lasting impacts on communities, with almost 60% of the staff working on this contract being First Nations people.

The growth and evolution of Connect from 2010 to now is illustrated in the images below. All iterations of Connect have held immense value for the sector, with the earlier years laying the strong foundation to where Connect is now in 2024.





## Training

A key objective for Supply Nation is to educate and improve the capability of suppliers and members (see page 10 and 14 for our list of trainings and services).



*“By working with Supply Nation, we have gained a deeper understanding of the challenges faced by Indigenous communities and businesses in Australia. This knowledge has guided our leadership support and enabled our sourcing and procurement teams to confidently engage with Indigenous businesses, fostering partnerships and removing barriers to entry.”*

Success of Supply Nation’s training programs have seen member organisations partner with us to deliver training to Indigenous businesses they work with. In 2024, Supply Nation partnered with the Department of Employment and Workplace Relations (DEWR) and Downer to deliver tailored webinars targeted at Indigenous-owned and managed suppliers.

Downer’s collaboration with Supply Nation included the delivery of three bespoke *Drive* workshops targeted at Indigenous businesses in the Southeast Queensland region. The training was designed to assist Indigenous businesses in navigating the procurement and tender process on a key major project, the Queensland Train Manufacturing Program (QTMP), for which Downer was awarded the contract. The training was designed to give participants a deeper understanding of the QTMP requirements, bid preparation including project-specific procurement requirements, compliance with work health and safety and environmental management systems.

Member organisations are exploring and trialling new ways to bring Indigenous businesses along on the procurement journey and are showing interest in working with them. This is an exciting opportunity for Indigenous businesses to learn the specific processes and requirements needed to win major contracts.

Supply Nation has also partnered with industry experts to deliver tailored and unique training and support services to our suppliers.



*“We also value our membership with Supply Nation as a conduit to support First Nations businesses so that we can assist those businesses with legal training and advice. As a law firm, legal support is often the best way that we contribute.”*

## Export Council of Australia partnership to deliver an export readiness course for Indigenous businesses



L-R: Dianne Tipping, Chair of Export Council Australia, and Kate Russell, CEO of Supply Nation, signing the renewed MoU on 8 August 2024.

In 2024, Supply Nation strengthened our relationship with Export Council of Australia, the country's largest export training provider. This collaboration aims to build the capacity of First Nations entrepreneurs and businesses to engage in international trade, and to foster the export of their products and services to overseas markets.

Recognising that trade is a pathway for sustained growth in Indigenous businesses, Supply Nation renewed an MoU with the Export Council of Australia in August 2024. By expanding into global markets, Indigenous businesses can create economic opportunities and strengthen community ties through cultural exchange.

A centrepiece of the MoU is the development of a unique export readiness course for Indigenous businesses. Suppliers looking to engage in Supply Nation's international programs, including overseas missions, will have the opportunity to undertake this course.

Other areas of collaboration with Export Council Australia include:

- Developing and delivering programs for training and networking, including in organising trade delegations
- Promoting each other's activities and services through respective channels, such as websites, social media, and newsletters
- Exchanging and sharing relevant information that may advance the objectives of this agreement, such as market entry requirements, commercial opportunities, business contacts, and political-economic conditions.

# Policy, research and advocacy work

## Research and advocacy in Australia

Supply Nation is the peak body for Indigenous supplier diversity in Australia. That means we have a role to play in advocacy for Indigenous businesses. Our research positions us as a thought-leader and advocate for the sector.

The philosophy and goals of our research are directly informed by ‘who’ (the intended audience of each specific research project) and ‘why’ (the intended use of each specific research project). This approach allows our research to make critical and groundbreaking contributions to the Indigenous business sector.

In the last 15 years, Supply Nation has published fifteen research reports and policy briefs, including making recommendations on government policy and white papers. Our published reports and policy briefs are listed below, and available on our website:

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### Research reports

The geographies of Indigenous business in Australia: An analysis of scale, industry and remoteness

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An analysis of procurement spending patterns with Indigenous business 2021-2022

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Supply Nation’s ‘story of change’: Developing a framework to measure the holistic impacts of investing in Indigenous businesses

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

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What makes Indigenous business unique? How understanding Indigenous cultural values can improve Indigenous procurement

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The impact of COVID-19 on the Indigenous business sector: the view from the frontline

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State of Indigenous Business: a quantitative analysis of the impact of COVID-19 on the Indigenous business sector

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State of Indigenous Business: driving growth across the Indigenous business sector

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First Nations businesses succeeding internationally

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Sleeping Giant Report: A Social Return on Investment Report on Supply Nation Certified Suppliers

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Indigenous Business Growth Report: Working together to realise potential

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### Policy briefs

Supply Nation Research and Policy Brief No. 1 – Implications of COVID-19 for the Indigenous labour market

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Supply Nation Research and Policy Brief No. 2 – Principles for designing post COVID-19 support programs for Indigenous business

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Supply Nation Research and Policy Brief No. 3 – Indigenous employment in the Indigenous business sector

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Supply Nation Research and Policy Brief No. 4 – Measuring the holistic impacts of investing in Indigenous businesses: a knowledge review

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## International advocacy

Supply Nation plays a crucial role in advocating for Indigenous businesses internationally. Each year, key delegates from Supply Nation attend the annual National Minority Supplier Development Council (NMSDC) conference in the United States to promote the interests of Indigenous businesses. Several supplier representatives accompany us, providing valuable exposure to the American market.

In November 2023, Supply Nation and NMSDC signed an MoU to advance the economic growth of minority-owned businesses, including Indigenous businesses, through advocacy, collaboration, and sharing of best practice, knowledge and experience.

## Gunggandji Aerospace on a trade delegation to the US in 2023

The collage features a portrait of Daniel Joinbee, the Gunggandji Aerospace logo, a group photo at a 'Welcome to Historic Downtown' mural, a Native American dance performance, and a row of flags (USA, Australia, Indigenous Australia, and another flag).

### FIRST NATIONS TRADE DELEGATION ATTENDS JOINT SPEECH AT WHITE HOUSE

In 2023, Aerospace accompanied Supply Nation on a three-week trade delegation to the United States. This trip was invaluable in shaping the future of Gunggandji Aerospace and created relationships with trade representatives in the United States, Native American tribes and enterprises. The Supply Nation-initiated relationships are helping my business to grow by helping us find tangible gaps in international markets and creating values-aligned commercial relationships with our Native Americans brothers and sisters.

– Daniel Joinbee, Managing Director, Gunggandji Aerospace

Supply Nation is also part of the Global Supplier Diversity Alliance (GSDA). Collectively, this alliance represents more than 30,000 minority-owned business in Australia, New Zealand, the United Kingdom, Canada, China, South Africa, and Europe, as shown in Figure 6.

Launched in 2016, the GSDA advocates, leads research, shares tools and resources, and creates connections for companies as they develop powerful and inclusive supply chain practices that strengthen their global supplier diversity programs. By leveraging our international networks and partnerships, we support Australia's Indigenous businesses to access global markets.

Figure 6: The Global Supplier Diversity Alliance (GSDA)



## Part 3: What is ahead for Indigenous procurement?

We know that Indigenous businesses deliver excellent quality, high value goods and services to the economy – worth an estimated \$4.41<sup>5</sup> of economic and social value for every dollar of revenue. Our research<sup>6</sup> shows that large Indigenous businesses (with more than \$10 million in annual revenue) employ approximately five times as many Indigenous staff, and smaller Indigenous businesses (with less than \$1 million in annual revenue) employ approximately 14 times as many Indigenous staff, while Indigenous businesses in remote Australia are twice as likely to hire Indigenous staff as those in Australia’s major cities.

In 2023, Indigenous workers represented 39% of the aggregated workforce of Supply Nation suppliers, which is significantly greater than the proportion of Indigenous people in the Australian population (3.8%).<sup>7</sup> Demand for Indigenous staff is rising with government and corporate organisations increasing competition to attract talent. This is reflected in the growth of our supplier base, and the substantial and sustained demand for Indigenous products.

However, Indigenous businesses like non-Indigenous businesses, are exposed to a range of market, political, ecological, and demographic forces beyond their control – forces that impact their day-to-day activities, and fundamentally shape the future of Australia’s economy.

While market forces and future trends can be a source of disruption, they also can be an opportunity for comparative advantage, provided they can be anticipated and harnessed effectively. To avoid being left behind, businesses must not only educate themselves about the implications of these forces, but also be able to adapt to the risks and opportunities that arise.

Several key factors will influence Indigenous businesses in the coming years, such as the collective wisdom of the World Economic Forum, G20 Summit, B20 priorities, McKinsey’s Global Business Leaders, the Australian Government, Business Council of Australia, and CSIRO.

In this part of the report, we explore six trends which have the potential to substantially shape the future pathway for Indigenous businesses. They are:

- Geopolitical tension and trade uncertainty
- Artificial intelligence and the next wave of data and technology
- The new ‘care economy’ and Australia’s changing demographics
- Climate change and the energy transition to achieve net zero
- ESG reporting and expectations for diversity, equality and transparency
- Jobs and growth in the new era.

The following section provides a brief overview of each trend, including the potential implications for Indigenous businesses. Suppliers may wish to consider how these trends might impact their businesses, and how the effects can be mitigated or harnessed. This section is intended to be a thought-provoking piece and a conversation

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<sup>5</sup> Supply Nation, Sleeping Giants Report (2018).

<sup>6</sup> Supply Nation Research Report No. 8. The geographies of Indigenous business in Australia: An analysis of scale, industry and remoteness (2023).

<sup>7</sup> ABS Estimates of Aboriginal and Torres Strait Islander Australians (2021)

<https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples/estimates-aboriginal-and-torres-strait-islander-australians/30-june-2021>.

starter about broad business trends and how suppliers can prepare for them, so they can continue to grow and be resilient. This is not an exhaustive list.

## Geopolitical tension and trade uncertainty

The Australian economy is highly integrated with global economies through trade, research, labor and capital. Events that occur overseas can have sudden and unexpected implications here. As reflected in measures like the Global Economic Policy Uncertainty Index (see Figure 7), the frequency of such events or ‘shocks’ is increasing, highlighted by examples including:

- The COVID-19 pandemic, which restricted the flow of people and caused labor shortages
- The Ukraine-Russia conflict, which caused European gas prices to skyrocket and global supply chain shortages
- A lengthy drought disrupting major trading routes like the Panama Canal has limited daily ship crossings

While each event is different, generally the success of the Australian economy has never been more interconnected with global events.

Figure 7: Global Policy Uncertainty Index from 2000 to 2024

### Global Economic Policy Uncertainty (EPU) Index

Global Economic Policy Uncertainty Index between 2000 to 2024



## Potential considerations for Supply Nation suppliers

As the frequency of these ‘shocks’ increases, Indigenous businesses need to explore options to reduce the likelihood of these events impacting their operations, and the severity of the impacts. We have outlined some of these in Table 1.

Table 1: Options that Supply Nation suppliers could consider to reduce the likelihood and severity of global economic ‘shocks’

Consideration	Areas to explore
<p><b>What is your exposure?</b> (i.e., what would happen if a major event was to occur?)</p>	<p>How reliant are you and your supply chain on external factors like foreign goods, services or tools to operate successfully?</p> <p>How do you anticipate and stay aware of potential disruptor events, prior to and as they unfold?</p>
<p><b>How can you insulate your business against shocks?</b> (i.e., what steps can you take to reduce or remove the impact?)</p>	<p>Can a buffer be created to protect your business against shortages either through a surplus of critical supplies, or a financial contingency?</p> <p>What alternative sources exist in your supply chain? Can these be explored as secondary options, potentially through building relationships with local suppliers?</p> <p>Can your product, sales channels and customer base be diversified, distributing the impact of shocks?</p>
<p><b>Is there a potential upside?</b> (i.e., are there opportunities that shock events present?)</p>	<p>Is there an opportunity to pivot to a different market, such as taking advantage of changing consumer consumption?</p> <p>Has an event created a new comparative advantage for your business? Are you uniquely positioned amongst your competitors?</p>

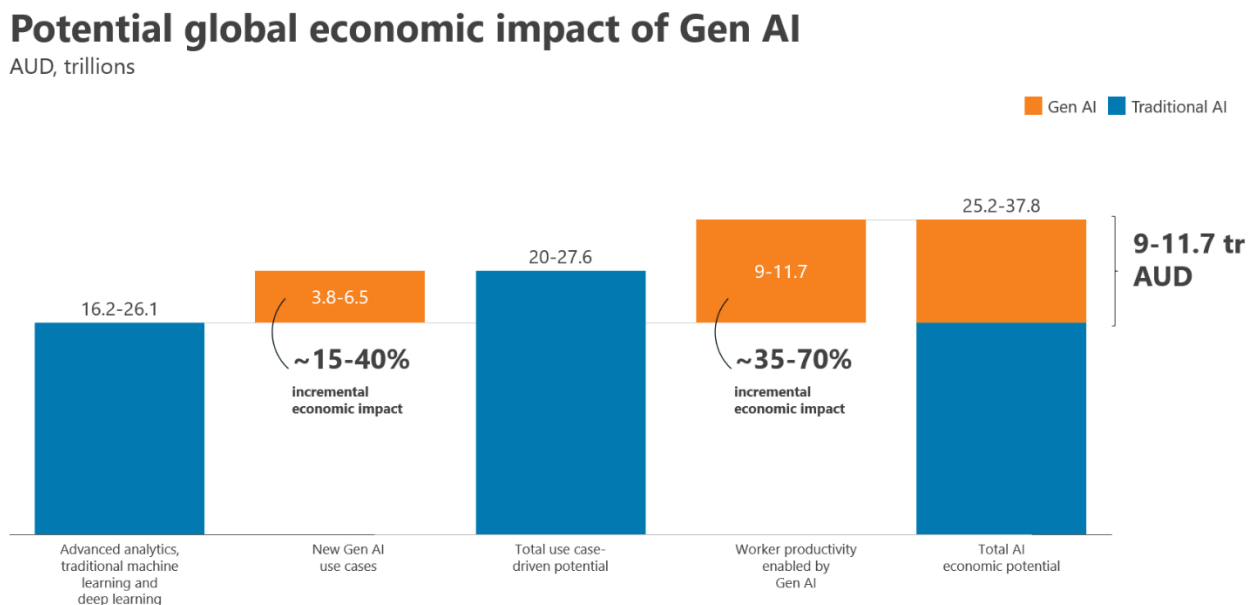
## Artificial Intelligence and the next wave of data and technology

In recent years, the exponential growth of the digital economy has fundamentally transformed consumer expectations and the way businesses operate. Advancements in Artificial Intelligence (AI) lead the next wave of digital transformation, with AI anticipated to impact almost all parts of Australia’s economy.

We are already seeing this in the creation of new products and services enabled by the large-scale use of significant datasets, as well as increased worker productivity from changes to fundamental tasks and roles. Of the

\$9 to 12 trillion in potential impact to the global economy, a significant portion of incremental economic impact (between 35-70%) is attributed to worker productivity enabled by generative AI.<sup>8</sup>

Figure 8: Potential global economic impact of generative AI



Businesses globally are recognising the potential of AI and actively searching and competing for talent that can help them take advantage of the latest technology. After the release of ChatGPT in November 2022, advertisements for generative AI-related jobs in the United States increased from 519 in 2022 to more than 10,000 in 2023.<sup>9</sup>

Despite this rapid growth, the future of this technology remains unclear, as do the unintended consequences, ethical and legal risks. As businesses become more autonomous and data driven, their exposure to privacy and data breach risks increases. In 2022-23, there was a 23% rise in the number of cybercrime reports, with one reported every six minutes (compared to one report every seven minutes in the prior year)<sup>10</sup>.

<sup>8</sup> Updated estimates based on “Notes from the AI Frontier: Applications and value of deep learning”, McKinsey Global Institute (April 2018) <https://www.mckinsey.com/featured-insights/artificial-intelligence/notes-from-the-ai-frontier-applications-and-value-of-deep-learning>

<sup>9</sup> Lightcast, “Generative AI demand soars 1800% for US employers”, 20 Oct 2023 <https://lightcast.io/resources/blog/generative-ai-10-19-2023>

<sup>10</sup> Australian Signals Directorate (ASD) Cyber Threat Report 2022-2023, <https://www.cyber.gov.au/about-us/view-all-content/reports-and-statistics/asd-cyber-threat-report-july-2022-june-2023>

## Potential considerations for Supply Nation suppliers

As suppliers navigate this next wave of digital change, there are several questions business owners can consider when thinking about adapting to new technologies. We have outlined some of these in Table 2.

Table 2: Options that suppliers could consider when adapting to AI in their businesses

Considerations	Areas to explore
<p><b>How will you use new technology?</b></p> <p>(i.e., how do you ensure your business is ready for new opportunities?)</p>	<p>What is the potential upside and use case of new technology such as AI for your business?</p> <p>What new products or services could your business offer?</p> <p>Does your workforce have the digital literacy and core skills to take advantage of new technology?</p> <p>How can you uplift digital literacy for your existing staff?</p> <p>How will you attract and retain appropriately skilled staff, particularly in a constrained job market?</p> <p>How can additional capacity created through technology be deployed to build business value?</p>
<p><b>What safeguards are needed when adopting new technologies?</b></p>	<p>What checks and balances can you put in place to protect business integrity when using third-party technology to maintain accuracy and reliability?</p> <p>What workforce policies or training are needed to guide the responsible use of AI?</p>
<p><b>How do you protect the value of your business, and guard against adverse impacts?</b></p>	<p>What safeguards are necessary to protect existing and created intellectual property and assets, such as customer information?</p> <p>How can capital be secured to invest in new technology?</p> <p>What strategies and procedures are required to protect against and respond to any potential cyberattacks?</p>

## The new 'care economy' and Australia's changing demographics

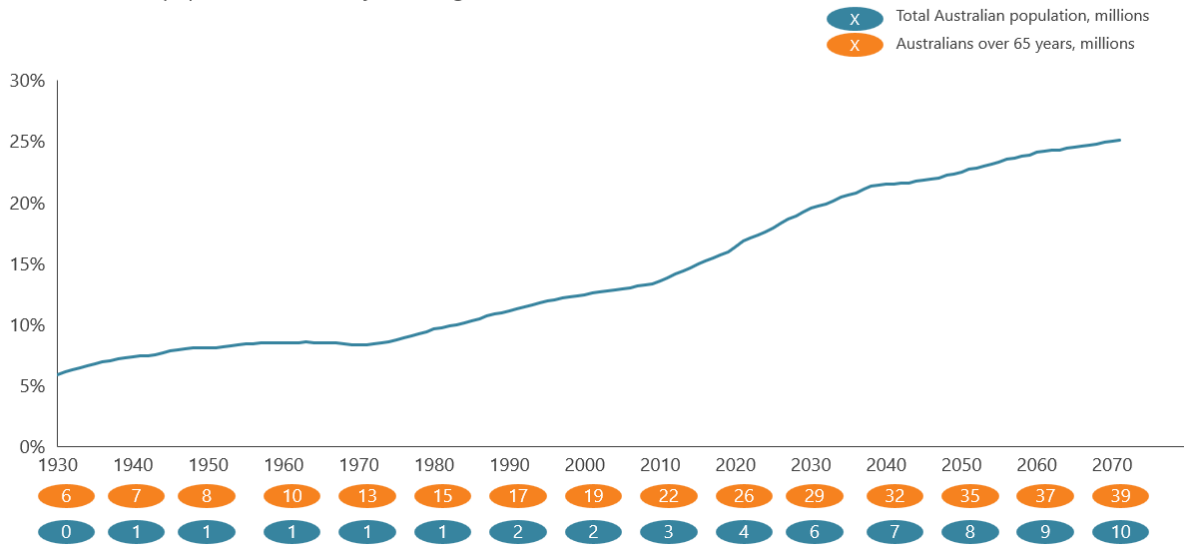
The size and demographics of Australia's consumer base is changing significantly as the population changes in composition. Australians are expected to live longer and remain healthier into older age over the next 50 years. By 2070, one in four Australians will be aged 65 years and older (around 9.8 million out of a total population of around 39 million)<sup>11</sup> as shown in Figure 9.

<sup>11</sup> Based on analysis of ABS Population Projections (released 23/11/2023)  
<https://www.abs.gov.au/statistics/people/population/population-projections-australia/latest-release>

Figure 9: The projected population of Australians aged over 65 to 2070

### Projected population of Australia

Portion of total population over 65+ years in age between 1930-2070, %

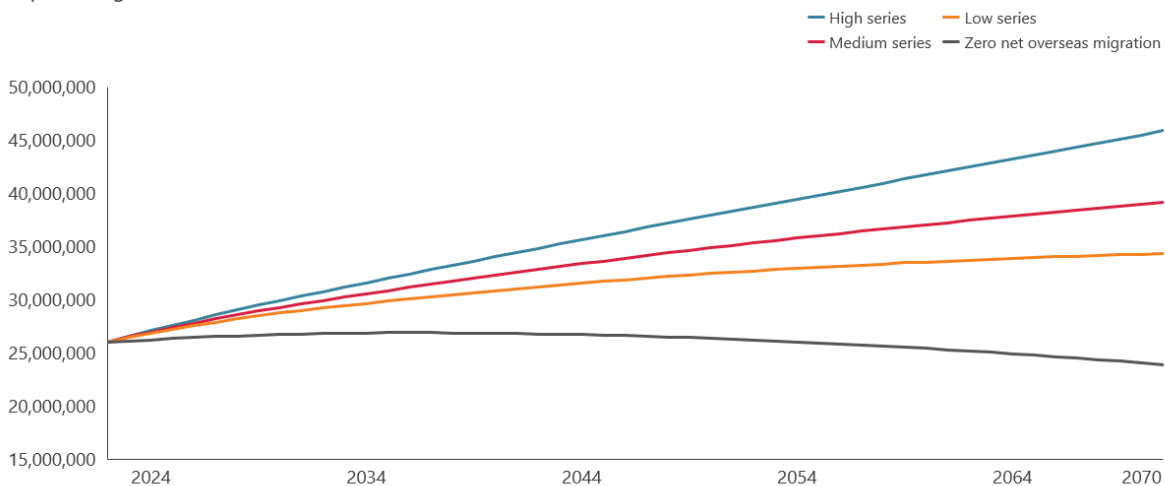


However, Australia’s average population growth is projected to slow to 0.6-1.2% per year until 2071 (compared to 1.9%<sup>12</sup> in 2023 and 1.4%<sup>13</sup> over the last 40 years). The country’s growth rate will continue to be predominantly driven by net overseas migration (projected to increase by 175,000 to 275,000 people in 2071) rather than natural increases (projected to either increase by 104,510 or decrease by 118,139 people per year in 2071 as natural deaths outstrip births).<sup>14</sup> The impact of migration on Australia’s projected population growth is highlighted in Figure 10.

Figure 10: Projected population growth in Australia from 2022 to 2071 (under scenarios)

### Projected population growth in Australia

Population growth between 2022 to 2071 under scenarios



<sup>12</sup> ABS Media Release (released 15/06/2023) <https://www.abs.gov.au/media-centre/media-releases/19-population-growth-driven-overseas-migration>

<sup>13</sup> Commonwealth of Australia, 2023 Intergenerational Report: Australia’s future to 2063, 37.

<sup>14</sup> ABS Population Projections, Australia (released 23/11/2023) <https://www.abs.gov.au/statistics/people/population/population-projections-australia/latest-release#national>

These demographic shifts will impact the size and structure of the Australian workforce. Extended life expectancy and delaying the age at which retirement pensions and superannuation can be accessed mean that people will be generally expected to work for longer. More workers will remain in the workforce longer than ever.

These dynamics present businesses with growing demand in existing sectors like aged care and health, and the emergence of new markets, at scale. This growth is also driven by a shift in government policies, such as the National Disability Insurance Scheme (NDIS) for people with disability; expanded early education for three- and four-year-old children; and a range of expanded social and health care services such as mental health supports.

These changes have underpinned the growth of the ‘care economy’ which has expanded so significantly in the last 35 years that it has eclipsed growth in traditional industries like manufacturing, finance and construction (as shown in Figure 11).

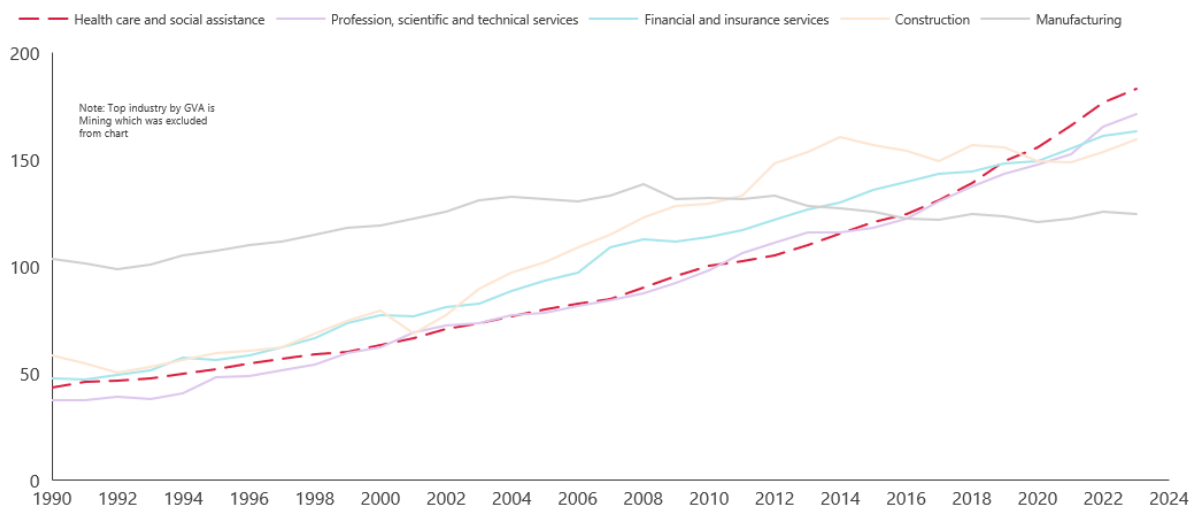
In 2023, the contribution to the Australian economy by the health care and social assistance industry (\$183 billion gross value added) was second only to the mining industry (\$321 billion gross value added).<sup>15</sup> The latest Australian Government budget estimates \$48.8 billion in funding for the NDIS in 2024-25 growing to \$60.8 billion by 2027-28. This exceeds the forecast Department of Defence expenditure of \$48 billion growing to \$55.1 billion over the same period.<sup>16</sup>

The reconfiguration of key aspects of our economy presents a significant opportunity for Supply Nation suppliers, which is anticipated to grow as our population ages and commitments to care support are entrenched.

Figure 11: Gross value added by industry from 1990 to 2024 (\$ billion)

### Gross value added by industry

GVA of top 5 industries between 1990-2024, \$ billions



<sup>15</sup> Based on analysis of ABS System of National Accounts 2023 (released 27 October 2023).

<sup>16</sup> Federal Budget Strategy and Outlook – Budget Paper No.1 (2024-25), 203 and 211.

## Potential considerations for Supply Nation suppliers

Indigenous businesses can start assessing the opportunities that are emerging due to demographic change and consider how their operating models that may need to change too, as shown in Table 3.

Table 3: Options that suppliers could consider within the 'care economy'

Considerations	Areas to explore
<b>What opportunities emerge for your business from the care economy?</b>	<p>To what extent does your business service the demands of Australia's ageing population?</p> <p>To what extent does your business service new and expanded markets, such as disability, early childhood education?</p> <p>How can your existing products or services be tailored to these potential consumers, or new products or services created?</p>
<b>How can your business adjust its operating model?</b>	<p>What approaches can be put in place to manage and attract an increasingly diverse workforce, such as flexible work arrangements, phased retirement programs, and inclusive workplaces?</p> <p>What contingencies are in place to manage workforce shortages in the future?</p>

## Climate change and the energy transition to achieve net zero

Climate change, and government action to mitigate it, will impact the way businesses operate. The legislated target of net zero greenhouse gas emissions by 2050 means businesses need to take steps to decarbonise. Consumers and investors also expect businesses to reduce emissions, with more than half of Australian shoppers reporting sustainability as an important factor when making a retail purchase.<sup>17</sup> Investors, including more than 130 banks (representing 40% or around \$110 trillion of global banking assets), have joined the United Nation's Net Zero Banking Alliance committing to align their lending and investment portfolios with a net-zero target.<sup>18</sup>

As businesses electrify to achieve decarbonisation targets, demand for electricity is forecast to double from 145 TWh to almost 345 TWh by 2050.<sup>19</sup> The energy generation mix is shifting as coal production winds down, and there is uncertainty in Australia's ability to meet this demand. The Australian Energy Market Operator has flagged the risk of inadequate gas supply to meet peak demand periods along the east coast of Australia.<sup>20</sup> In the short term, as Australia continues to transition, these energy shortages are likely to cause rises in electricity prices – impacting business demand positively and negatively.

<sup>17</sup> Monash Business School, Australian Consumer and Retail Studies <https://lens.monash.edu/@business-economy/2023/08/16/1386034/sustainability-attitudes-and-behaviours-of-australian-shoppers>

<sup>18</sup> UN Environment Program Finance Initiative, <https://www.unepfi.org/net-zero-banking/members/>

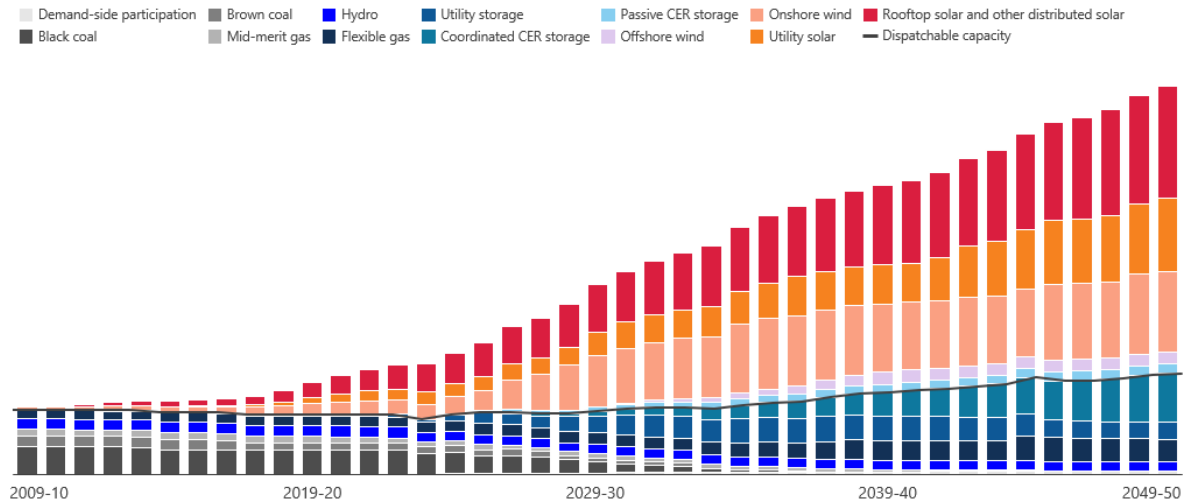
<sup>19</sup> AEMO, 2024 Integrated System Plan (ISP) for National Electricity Market (NEM), 26.

<sup>20</sup> AEMO, GP-2013-F02: East Coast Gas System Risk or Threat Notice, <https://www.nemweb.com.au>

Figure 12: Projected future energy mix in Australia to 2050

### Projected future energy mix in Australia

Capacity in National Energy Market under Step Change scenario, GW



New opportunities will also emerge for businesses as the energy sector transitions to the targeted 82% renewable energy system by 2030.<sup>21</sup> To achieve decarbonisation targets by 2050, it is estimated that \$122 billion in capital and 60,000 workers are needed to construct and operate utility scale generation, storage, firming and transmission infrastructure.<sup>22</sup>

Further, there is a need to build resilience in supply chains to safeguard against the ongoing changes and variability in Australia’s weather and climate. CSIRO’s *State of the Climate 2022* report found that since 1910, Australia’s climate has warmed by 1.47°C; there has been an increase in extreme fire weather; and a longer fire season across large parts of the country. Rainfall and streamflow have declined for Southwestern and Southeastern Australia and increased for Northern Australia since 1970.<sup>23</sup>

In the coming decades, Australia is expected to experience more heat extremes and fewer cold extremes. The declining average rainfall across Southern and Eastern Australia, will likely lead to more time in drought, but the ongoing climate variability will also give rise to short-duration heavy-rainfall events.

<sup>21</sup> AEMO, 2024 Integrated System Plan (ISP) for National Electricity Market (NEM), 31.

<sup>22</sup> AEMO, 2024 Integrated System Plan (ISP) for National Electricity Market (NEM), 74 and 84.

<sup>23</sup> CSIRO, 2022 State of the Climate.

## Potential considerations for Supply Nation suppliers

While the effect of climate change and intervening actions remains to be seen, the impact will be material. Businesses must understand the potential impacts on their operations or risk being left behind.

Table 4: Options that suppliers could consider within climate change and the energy transition to achieve net zero

Considerations	Areas to explore
<p><b>How can you build or improve the sustainability of your business?</b></p>	<p>What are the sources of direct emissions in your business, such as from manufacturing processes?</p> <p>What are the sources of indirect emissions in your business, such as emissions produced to generate electricity for your business and other activities outside of your control such as delivering goods to your customers?</p> <p>What is your plan to reduce or offset direct and indirect greenhouse gas emissions?</p> <p>Can existing technologies, suppliers, distributors and other partners be substituted for more sustainable alternatives?</p> <p>What ways can waste be reduced in your business?</p> <p>Are there ways to improve resource efficiency?</p> <p>Which grants, subsidies or loans are available that support the adoption of renewable energy or energy-efficient technology for your business (e.g. solar panel rebates)?</p> <p>What free programs or trainings are available to help reduce business emissions (e.g. CitySwitch)?</p>
<p><b>What are your market opportunities?</b></p>	<p>Does adopting sustainable practices create a competitive advantage?</p> <p>What changes could be made to make products or services more efficient?</p> <p>Are there new products or services which could be developed for the renewable energy sector?</p>
<p><b>What safeguards can you put in place to protect against climate change?</b></p>	<p>What parts of your business are dependent on climate and weather?</p> <p>What products or assets need insurance in case of natural disasters?</p> <p>What buffers can be put in place in the event of supply chain disruptions caused by extreme weather, such as surplus of critical supplies or a financial contingency?</p>

# ESG reporting and expectations of diversity, equality and transparency

The increased expectations on businesses, as well as easy access to information through technology and social media, has enabled consumers and investors to demand transparency from organisations on how they operate.

We see this most acutely through the concept of Environmental, Social and Governance (ESG) reporting. ESG increasingly dominates public and organisational discourse for government, private and social sector organisations.

While ESG is a diverse concept, there are key trends that define how businesses consider their ESG obligations, including:

- **Environmental sustainability** - Expectations are shifting from voluntary reporting to mandatory climate-related financial disclosures that create a consistent standard across Australian businesses. Reputation and legal penalties have been implemented to target 'greenwashing'.
- **Social sustainability** – There is increasing pressure to build inclusive businesses as mandatory gender pay gap reporting was introduced in 2024 to improve transparency in workplace gender equality<sup>24</sup> and peak bodies like the Diversity Council of Australia's call for ASX-listed companies to report on the cultural, ethnic and racial diversity of their boards<sup>25</sup>.
- **Corporate governance** - As expectations for transparency rise, meaningful engagement with corporate governance, such as reviewing anti-corruption policies and complying with modern slavery reporting obligations, will guide businesses in building a culture of integrity and lay the foundation to achieve environmental and social commitments.

While ESG reporting creates increased scrutiny and reporting for businesses, Indigenous businesses are uniquely placed to create a source of competitive advantage. Indigenous businesses are able to recruit and retain talent, attract mindful consumers (who buy based on the origins of goods and services rather than just the price) and collaborate with large corporations that are focused on improving diversity in their supply chains.

Suppliers may need to reconsider the products and services they produce and how they produce them, as well as leveraging what already exists. While many Indigenous businesses have existing social programs that align well with ESG ambitions - given the natural inclination of Indigenous people to consider country, community and culture - they are not marketed as ESG programs, rather a natural extension of our cultural values.

## Potential considerations for Supply Nation suppliers

Indigenous businesses can think about ways to improve ESG outcomes in their operations, as well as how to leverage this to their advantage, as shown in Table 5.

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<sup>24</sup> Workplace Gender Equality Agency, <https://www.wgea.gov.au/pay-and-gender/employer-gender-pay-gaps-information>

<sup>25</sup> Diversity Council of Australia, "DCA calls for ASX listed companies to report on board diversity", [https://www.dca.org.au/news/media-releases/dca-calls-for-asx-listed-companies-to-report-on-board-diversity?at\\_context=199](https://www.dca.org.au/news/media-releases/dca-calls-for-asx-listed-companies-to-report-on-board-diversity?at_context=199)

Table 5: Options that suppliers could consider within ESG reporting and expectations of diversity, equality and transparency

Considerations	Areas to explore
<p><b>What steps can be taken to improve ESG outcomes in your business?</b></p>	<p>How can diversity and equality be assessed, measured and improved in your business?</p> <p>What are the latest ESG reporting requirements for your business?</p> <p>What ESG reports or policies can be put in place or require updating, such as modern slavery reporting, climate-related financial disclosures, diversity and inclusion hiring policies?</p> <p>What certifications or trainings are available to build ESG credibility, such as B Corp or WGEA Employer of Choice for Gender Equality?</p>
<p><b>What ways can you better position your business in the market?</b></p>	<p>Are there parts of your business that align and contribute to ESG outcomes?</p> <p>How can you communicate your ESG outcomes to your stakeholders?</p> <p>What are the ESG outcomes of potential or target clients that could indicate they value diversity in their procurement?</p>

## Jobs and growth in the new era

Global markets are under pressure from economic uncertainty and lagging productivity and Australian growth in productivity in the decade to 2020 was the slowest in 60 years.<sup>26</sup> The average multifactor productivity (MFP) growth has fallen from 1% in the last 30 years to 0.4% in the last 20 years while capital deepening growth only fell from 1.3% to 1.2% in the same timeframe.<sup>27</sup> This suggests a combination of different factors is responsible for Australia’s productivity slowdown, including the pace of technological advancements and lower capital investment.

Increasing productivity depends on a range of factors, such as the quality and efficiency of creating goods and services through improved workforce capability, streamlined systems and processes. It also requires having the leadership and decision-making skills to navigate global trends and recognise risks and opportunities. Examples include the COVID-19 pandemic normalising remote and hybrid working; ChatGPT accelerating the demand for generative AI-related jobs and skills; and supply chain disruption spurring local distributors to expand and guarantee supply.

Small- to medium-sized businesses are also lagging large businesses on labor productivity. In Australia, the value-added per worker in micro to medium-sized enterprises ranged from \$55-75,000 compared to around \$120,000 in large enterprises.<sup>28</sup> Smaller businesses can improve their productivity by improving technology competencies, investing in talent and training, being more globally connected and building partnerships with large organisations.

<sup>26</sup> Commonwealth of Australia, 2023 Intergenerational Report: Australia’s future to 2063, 81.

<sup>27</sup> Commonwealth of Australia, 2023 Intergenerational Report: Australia’s future to 2063, 82.

<sup>28</sup> McKinsey Global Institute, A microscope on small business: spotting opportunities to boost productivity (2024).

## Potential considerations for Supply Nation suppliers

As productivity lags and the economic outlook remains uncertain, there are several levers that businesses can explore to get the most out of available resources, as shown in Table 6.

Table 6: Options that suppliers could consider to increase their productivity in the new era

Considerations	Areas to explore
<p><b>How do you improve productivity by increasing the value of products and services?</b></p>	<p>How can you partner with large organisations to create a ‘win-win’ scenario, such as subcontracting specialist employees to larger companies, boosting research and development through relationships with academia, or deepening linkages across supply chains?</p> <p>What best practices or innovations can you learn from industry leaders in other markets?</p>
<p><b>How can you improve the efficiency of your business?</b></p>	<p>How can you improve the use of technology to automate or reduce time taken to carry out tasks?</p> <p>What ways can business processes be streamlined to remove bottlenecks or duplication?</p> <p>How can you improve collaboration and decision making in your leadership team?</p>
<p><b>How can you improve the capabilities of your workforce?</b></p>	<p>What skills and capabilities will be important for the future of your business? Are there industry specific considerations?</p> <p>What training can be implemented to reskill your workforce?</p> <p>What can be done to increase workforce diversity and inclusivity?</p> <p>What working model (e.g., hybrid, remote, in person) creates the most business value?</p>

## Potential considerations for Supply Nation members

Members and other stakeholders invested in the success of Indigenous businesses also have a role to play when considering the impact of these trends. This includes:

- Looking at ways can you support existing suppliers in your network to take advantage of upcoming opportunities, such as by sharing expertise and knowledge on how AI can assist their business, tapping into your network to help diversify supply chains and reduce reliance in certain areas.
- Considering how you can help suppliers whose businesses may be at risk of becoming unviable (e.g. by being displaced by technology or vulnerable to extreme weather) to build resilience by sharing market insights on potential opportunities to diversify.
- Considering potential threats to the integrity of Indigenous suppliers. This could be through purchasing AI-made goods that infringe on Indigenous intellectual property or procuring services from businesses that practice 'black-cladding'. Supply Nation considers 'black cladding' 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.

Supply Nation members have told us that they recognise the risks and opportunities brought about by shifting global trends and highlight the importance of strategic partnerships to overcome challenges:



Commonwealth Bank

**“** Strong relationships with Indigenous suppliers and stakeholders will enable us to meet any challenges and opportunities now and into the future. **”**



**“** EY can support Indigenous businesses by helping them navigate these complexities, ensuring they remain competitive and resilient in a changing global landscape. **”**

# Conclusion

Supply Nation has played a pivotal role in creating cultural change in Australia by advocating for Indigenous supplier diversity. From training programs to regional and national events, Supply Nation has consistently pushed the boundaries towards an inclusive economy in Australia.

This is demonstrated by the massive growth in Supply Nation suppliers, members, and procurement in the last 15 years. This important milestone is an opportunity to stop, reflect, and celebrate how far we have come, and the impact we have had.

But there is more to do.

Australia is still a long way from being an inclusive economy and Closing the Gap for Aboriginal and Torres Strait Islander people, so that ownership, responsibility and accountability can be shared to drive progress for current and future generations. Supply Nation will continue to advocate for the economic self-determination of Indigenous businesses in Australia.

Supply Nation members have also expressed their commitment to creating a prosperous, vibrant, and sustainable Indigenous business sector. It is a collective effort.



Commonwealth Bank

“ Commonwealth Bank will continue to look to Supply Nation to inform its procurement strategy, through their Indigenous supplier connections and valuable industry insights. As the Indigenous business sector grows, it’s important Commonwealth Bank and Supply Nation continue to work together to identify opportunities to create positive impact. ”



**EY** Building a better working world

“ As the Indigenous business sector expands, Supply Nation’s role will become even more integral to EY’s strategy. Supply Nation’s efforts will enhance our ability to uncover a broader array of procurement possibilities, allowing us to integrate a wider range of Indigenous suppliers into our supply chain. This, in turn, will introduce fresh perspectives, diverse thought, and innovative solutions into our business ecosystem. ”



Wayne Denning, Managing Director of Carbon Creative.

“Indigenous businesses are slowly being celebrated and embraced more and more. Our allies, believers and backers seek out opportunities to partner and collaborate with the collective ‘us’, celebrating our oldest living culture as the innovators, thought leaders and game changers we so often are.

Done with authenticity, conviction, and importantly, mutual respect, this often leads to a win-win for all. It acts as a critical proof point for other non-Indigenous business-to-business or business-to-consumer businesses to act upon, helping create a ripple effect that will eventually surpass trend and become the norm.

There is some way to go – but it’s promising.”

– Carbon Creative

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### Artwork '15 Years of Growth'

By Eastern Arrernte Artist Pat Caruso of We Create Print Deliver

This artwork reflects the journey of Supply Nation, from its inception to its role as Australia's leading supplier diversity organisation. The central elements symbolise the people driving change in the sector, the opportunities created, and the thousands of Indigenous businesses empowered as a result. The backdrop, inspired by the sunrise, pays respect to those who came before us, and represents new beginnings.

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