

# **Raising**the Bar

BCA

A guide for Business Council of Australia members  
to support the growth of Indigenous businesses.

AUGUST 2023



Supply Nation



# Contents

<b>Introduction</b>	2
<b>Join Raising the Bar</b>	3
<b>Unlocking economic potential</b>	4
<b>Raising the Bar overview</b>	5
<b>Priority actions to Raise the Bar</b>	7
1. Setting an Indigenous procurement target	8
2. Reporting and monitoring	10
3. Creating and developing Indigenous business	12
<b>Supporting Indigenous suppliers</b>	13

*The Business Council acknowledge 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 both past and present.*

# Introduction

## Supporting BCA members to implement an Indigenous procurement program

To help deliver national prosperity for all Australians, the Business Council is committed to positive and practical on-the-ground initiatives that support Indigenous businesses to expand, innovate, hire more workers, and create vibrant ecosystems in their communities.

We believe this is a critical way of helping deliver economic and cultural empowerment.

### ■ What is Raising the Bar?

At the heart of this strategy is our Raising the Bar program. We developed this landmark initiative in partnership with Supply Nation, Australia's leading database of verified Indigenous businesses.

Raising the Bar is specifically designed to support BCA members to increase their procurement of goods and services from Indigenous small business suppliers.

The program, which began in 2019 with 17 members, requires signatories to steadily increase their spend with Indigenous businesses to achieve targets set over a number of years. As part of the Raising the Bar network, signatories share their best practice case studies and report their spend data so that growth can be monitored.

It is on track to reach its cumulative target of spending \$3 billion in influenceable spend.

### Essential practices

#### ■ Setting targets

#### ■ Reporting and monitoring

#### ■ Sharing best practice

### ■ We are expanding Raising the Bar

To help increase Indigenous businesses and jobs, we have worked with BCA members to expand Raising the Bar.

This playbook outlines how members can use their supply chains and procurement programs to support the growth of Indigenous businesses.

Spending targets can now be reached through three options:

1. a percentage of influenceable spend with Indigenous suppliers
2. a year-on-year overall spending increase with Indigenous suppliers, or
3. a year-on-year increase in the percentage of Indigenous suppliers

Through the program, members are helping Indigenous suppliers with building their capabilities, improving their skills, confidence, resources, and balance sheets.

Supply Nation estimates that for every dollar of revenue, certified Indigenous suppliers create \$4.41 of economic and social value<sup>1</sup>. Indigenous businesses are estimated to contribute between \$8.5 billion to \$12 billion to the Australian economy<sup>2</sup>.

Raising the Bar is voluntary and open to all BCA members.

<sup>1</sup> Source: Supply Nation 2018, The Sleeping Giant: A Social Return on Investment Report on Supply Nation Certified Suppliers

<sup>2</sup> The Contribution of the Indigenous business sector to the Australian economy, PWC Report 2018 – updated to 2023 dollars by PWC



# Sign up to Raising the Bar

## ■ Commitments

BCA members who sign on to Raising the Bar commit to:

- Join the Raising the Bar Network which shares good practice, builds connections and provides advice on opportunities that can expand and mature the Indigenous supply chain.
- Provide a supportive structure for reporting and monitoring Indigenous procurement activity.
- Agree to the guiding principles and priority actions set out in this playbook.
- Provide updated information for the annual update of the program's achievements.

## ■ New members

New members will not be required to meet targets for the first year of their membership.

- Spending on these initiatives will be counted in the overall outcomes of the program.
- Members who are involved in supplier development programs will be invited to join as affiliate members and that activity will also be counted as part of the broader program.
- Affiliate members will not be required to commit to the procurement targets.

## ■ How we support you

The Raising the Bar Network will meet at least three times a year:

- 1x meeting on reporting and updating the program
- 2x meetings to share good practice and knowledge

Supply Nation will provide support to members, particularly through their reporting framework. They will also host a number of events throughout the year to inform and guide members.

## ■ Reporting progress

We will publicly report on Raising the Bar's achievements once a year:

- only detail aggregate dollar value spends for the year will be released
- individual company data will not be disclosed
- case studies may be needed.

BCA members are already reporting on procurement outcomes to Supply Nation and Reconciliation Australia. We would like members to share that data with us to promote their activities.

## ■ Further information and how to sign up

To seek membership of Raising the Bar, please contact Amelia Bitsis, Director of Social Impact and Indigenous Engagement, Business Council of Australia [amelia.bitis@bca.com.au](mailto:amelia.bitis@bca.com.au).

# Unlocking economic potential

## With new and emerging opportunities to develop and support the Indigenous supply chain, now is the time to expand Raising the Bar's membership and recast for an ambitious vision.

We acknowledge the extensive work that BCA members are already doing to build the capacity and capability of Indigenous businesses.

The big challenges ahead of Australia, including decarbonisation and opportunities in advanced manufacturing, are all underpinned by technology change and innovation. This shift in the economy presents new avenues for business incubation, start-ups and joint venture partnerships to create new jobs and industries.

There are significant opportunities for Indigenous businesses across a range of sectors that rely on Indigenous knowledge, such as environmental and land management practices (including the emerging carbon abatement sector), bush foods and pharmaceuticals (including nutraceuticals), arts and cultural experiences, and tourism. Equally, there is a huge potential for Indigenous businesses to contribute to export supply chains, linking with international markets.

## Participating members



# Raising the Bar overview

## Our investment in Indigenous procurement

### ■ Indigenous engagement survey

The BCA has conducted an Indigenous Engagement Survey of its members on a biennial basis since 2009. The most recent survey in 2022 measures our progress in achieving a range of objectives around Indigenous engagement activities, employment and procurement strategies.

### ■ 2022 survey findings

The 2022 survey revealed that 98 per cent of participants have an Indigenous engagement plan or strategy in place. This is a significant increase on previous results.

One third of companies reported having these plans in place for up to five years. The survey found BCA members are increasingly focused on growing the Indigenous supply chain.

### ■ Reflecting the communities we operate in

BCA members take their responsibility seriously to deliver a stronger Australia through a growing economy, and this includes creating meaningful change that empowers Indigenous Australians. Business is part of the community, made up of employees, customers, suppliers and shareholders.

## Growing Indigenous businesses

An important consideration for the Raising the Bar program is the geographic distribution of Indigenous businesses, with just over one quarter of those businesses located in remote locations, 32 per cent in regional locations, and almost 60 per cent located outside major cities.<sup>1</sup>

BCA members are active in every state and territory with a national footprint that extends to regions across the nation. For this reason, Raising the Bar is uniquely suited to supporting economic opportunities on Country.

Members are continually developing and refining Indigenous business development strategies and programs tailored to their local context and their business needs. Initiatives such as the creation of business incubators, business accelerator programs, seed funding, venture capital, and other investment vehicles that build commercial capability and capacity, will help unlock the potential of the Indigenous estate and create wealth.

Supply Nation has estimated that for every dollar of revenue, Certified Suppliers create \$4.41 of economic and social value. Sharing the lessons of success will be an important element of the Raising the Bar network, and leading practice examples will be included in future Raising the Bar reports.

For a definition of an Indigenous Business, please refer to the Supply Nation [website](#). Supply Nation is a national, recognised body endorsed by government providing a definition and verification process for Indigenous businesses.

State based Indigenous Chambers of Commerce also include definitions on their websites.

---

<sup>1</sup> Indigenous Business Sector Snapshot 1.1, Indigenous Business Research Group Page 18, University of Melbourne 2021.

Raising the Bar network meetings

The Network has agreed to meet on a quarterly basis.

Meeting 1	Meeting 2	Meeting 3	Meeting 4
Annual review meeting focusing on the data and the progress towards the overarching ambitions of this program which is outlined in the Raising the Bar playbook.		Community of practice meetings based around agreed themes.	

Outcomes to be achieved by Raising the Bar

Raising the Bar aims to achieve six outcomes:		
<p><b>1. Clarity</b></p> <p>Raising the Bar members are operating within a distinct business case for Indigenous procurement, as well as a clear set of goals, benefits and processes.</p>	<p><b>2. Sustainability</b></p> <p>Indigenous procurement is automated and business as usual, it is not just led by one person/team or viewed over a short period of time.</p>	<p><b>3. Awareness</b></p> <p>The benefits of a commitment to Indigenous procurement are known and understood by those inside and outside our organisations.</p>
<p><b>4. Indigenous Supplier Development</b></p> <p>Practices are in place to help Indigenous suppliers build their confidence, capability (skill) and capacity (resources / balance sheet).</p>	<p><b>5. Measuring and Reporting</b></p> <p>There is clarity on what data is collected and how it is reported including:</p> <ul style="list-style-type: none"><li>■ tier 1 spend</li><li>■ direct tier 2 spend<sup>1</sup>.</li></ul> <p>This will also cover efforts by members to build and deepen capacity and capability of the supply chain, including embedding these practices into business as usual.</p>	<p><b>6. Impact</b></p> <p>Coordinating for impact to expand the Indigenous supply chain and creating a pathway for Indigenous business into the future Australian economy.</p>
<p><sup>1</sup> Tier 1: the direct supplier; Tier 2: subcontractors or suppliers to Tier 1.</p>		

Guiding principles

The implementation of Raising the Bar will be guided by the following principles:

1.	<b>Be Indigenous supplier-centric:</b> This includes seeking and acting on Indigenous supplier perspectives, building supplier capability and capacity, proactively identifying procurement opportunities, making a long-term commitment, learning from other approaches in different sectors, and not creating another layer of bureaucracy.
2.	<b>Facilitate peer learning:</b> This includes embracing new ideas, building new networks, collaborating with other Raising the Bar members and key partners outside the Raising the Bar membership.
3.	<b>Champion change:</b> This includes being advocates for Indigenous procurement, being ambitious, building a community of practice and bringing others into the conversation.
4.	<b>Be framework-led:</b> This includes being flexible enough to accommodate different procurement targets and organisational needs, leading to greater engagement with Indigenous business.
5.	<b>Be committed:</b> Includes following through on organisational and personal commitments and working as a collective.



# Priority actions to Raise the Bar

## The first priority of Raising the Bar is to set an Indigenous procurement target.

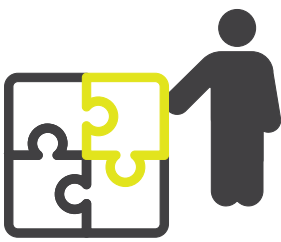
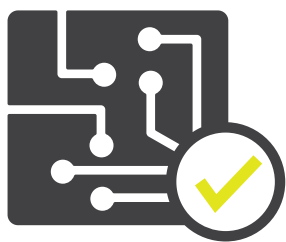
Next, the essential practices needed to achieve that target should be identified, designed and adopted.

These practices relate to:

- 1. Systems and processes
- 2. Reporting and monitoring
- 3. Creating and developing Indigenous suppliers.

The following sections outline the requirements, practice guidance and key considerations to assist Raising the Bar members to adopt and embed these priority actions.

### Setting the Indigenous procurement target



- |    |                                 |    |                       |    |                              |
|----|---------------------------------|----|-----------------------|----|------------------------------|
| 1. | Implement systems and processes | 2. | Report and monitoring | 3. | Develop Indigenous suppliers |
|----|---------------------------------|----|-----------------------|----|------------------------------|

*“Through Raising the Bar, our members are fostering entrepreneurship, economic partnerships, development, and building lasting links with Indigenous suppliers.”*

*– Jennifer Westacott, Chief Executive, Business Council of Australia*



# 1. Setting an Indigenous procurement target

**Members of the Raising the Bar network believe that setting an Indigenous procurement target supports a continued focus on activity within their organisation.**

BCA members have a diverse range of opportunities and challenges on their path to reaching the objectives of the Raising the Bar program. As a result, Raising the Bar members can choose one of two spending targets:

- **Option 1:** A percentage of influenceable spend, or
- **Option 2:** A year-on-year overall spending increase, or
- **Option 3:** A year-on-year overall increase in the percentage of suppliers.

**Option 1: A percentage of influenceable spend**

This option allows Raising the Bar members to increase their target for influenceable spending with Indigenous businesses to three per cent of their total annual influenceable spend over a five-year period. This method ensures the members provides the greatest impact from a dollar perspective on Indigenous businesses within specific sectors.

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
0.5%	1%	1.5%	2%	3%

**Option 2 : Year on Year increase in overall spend**

This option allows Raising the Bar members to increase their impact by a percentage each year with Indigenous businesses. This method allows members to adjust targets over the five-year period without the requirement to establish an influenceable spend baseline, with Year 1 of the program establishing baseline and flow on targets for the remainder of the program being established each year.

**Option 3: A year-on-year overall increase in the percentage of Indigenous suppliers**

Raising the Bar members aim to increase the number of active suppliers annually. This will help to increase the number of businesses that RTB members engage with and procure from and therefore increasing the overall number of Indigenous businesses across multiple sectors

To allow time for new members to work through the onboarding requirements of the Raising the Bar initiative, new members in 2023 will not be required to meet the Year 1 target.

The onboarding process includes formalising membership of the Raising the Bar network, access to a relationship manager at Supply Nation, and individual planning sessions on this manual.

The Raising the Bar network and Supply Nation are able to provide ongoing support to members who may find difficulty reaching a target in a given year.

## Determining your influenceable spend

Things to consider	
What is influenceable spend?	<ul style="list-style-type: none"><li>■ Influenceable spend generally relates to categories of goods and services that can be procured from the open market. The Raising the Bar program considers influenceable spend as also including those categories where Indigenous businesses participate in the open market.</li><li>■ BCA members should have the flexibility to define spend in a manner that makes sense for their business.</li></ul>
Defining influenceable spend	<ul style="list-style-type: none"><li>■ Definitions will vary across members and may exclude for example: payroll, taxes and government related charges, insurance, depreciation and amortisation, travel, rent &amp; utilities.</li><li>■ Other considerations include:<ul style="list-style-type: none"><li>– industry and geographic footprint</li><li>– level of domestic influenceable spend available</li><li>– global sourcing arrangements</li><li>– Indigenous business participation in the sector.</li></ul></li><li>■ Set date for annual review and update of definition.</li></ul>
Identifying excluded spend	<ul style="list-style-type: none"><li>■ Check your exclusions and seek feedback from the BCA, Supply Nation, Indigenous Chambers of Commerce, or other Raising the Bar members.</li><li>■ Avoid the temptation to exclude all categories of spend that you assume Indigenous business does not supply. They may not today, but they may tomorrow. Also, think about what role your company can play in building the Indigenous supply base in these markets.</li></ul>

*“Raising the Bar will help build relationships with Indigenous suppliers to build a vibrant and prosperous Indigenous business sector.”*

– Jennifer Westacott, Chief Executive, Business Council of Australia



## 2. Reporting and monitoring

### Your reporting requirements

Requirement	Practice guidance
Collect the right data on spend activity	<ul style="list-style-type: none"><li>■ Data to be collected:<ul style="list-style-type: none"><li>– Number of active Indigenous suppliers</li><li>– Value of tier 1 spend</li><li>– Value of direct tier 2 spend</li><li>– Size of opportunity</li><li>– Impact on social outcomes, including number of Indigenous employees</li></ul></li><li>■ Further guidance on this is outlined on the next page.</li></ul>
Report internally	<ul style="list-style-type: none"><li>■ Consider internal reporting to procurement, CFO, executive sponsors, business units and diversity and inclusion teams on:<ul style="list-style-type: none"><li>– Indigenous spend by category and business unit against target</li><li>– Number of Indigenous suppliers</li><li>– Impact reporting</li></ul></li></ul>
Report externally	<ul style="list-style-type: none"><li>■ Reporting of spend will occur annually, be coordinated through the Raising the Bar network, and focus on:</li><li>■ The aggregate dollar value of spend across all Raising the Bar members as a collective. It will not include individual organisation information.</li><li>■ Raising the Bar members agree to share aggregate data that they supply to Supply Nation or Reconciliation Australia with the BCA.</li><li>■ Discussions will be held with Supply Nation and Reconciliation Australia to ensure that data collected is simplified and consistent.</li></ul> <p>Reporting of spend by Raising the Bar members will include:</p> <ul style="list-style-type: none"><li>– Spend with Supply Nation suppliers via the regular process of reporting to Supply Nation</li><li>– Total dollar value of spend with Indigenous Chambers of Commerce Registered or Certified Indigenous suppliers, to the BCA.</li><li>– Total number of Indigenous suppliers that RTB members procure from.</li></ul>

Data collection: some considerations

Requirement	Guidance
Collect the agreed data on spend activity	<ul style="list-style-type: none"><li>■ Ensure your system for capturing procurement data has some way of identifying Indigenous suppliers. This may require an Indigenous identifier.</li><li>■ The basic data required for reliable reporting against the procurement target is:<ul style="list-style-type: none"><li>– Dollar value of all invoices paid (excluding GST) to Indigenous suppliers.</li><li>– Dollar value of all invoices paid (excluding GST) to all other suppliers. To achieve this, the invoice value must be linked to a unique identifier for the supplier (usually ABN), and that identifier should be linked to the Indigenous status of the supplier.</li></ul></li><li>■ Collecting the above will enable members to calculate the number of Indigenous suppliers engaged and value of Indigenous spend versus total annual influenceable spend.</li><li>■ Outline how tier 1 suppliers should report on spend with Indigenous business that is directly related to your contracts.</li></ul>

The next level: going beyond the minimum requirements

1.

Develop a tier 2 program: Work with the Tier 1 suppliers on opportunity to sub-contract to Indigenous businesses
2.

Work with tier 1 (prime) suppliers to contract Indigenous businesses and report on this activity
3.

Develop the capacity and capability of Indigenous suppliers through accelerator programs. Our members have developed a number of programs to support and grow Indigenous businesses through intensive support and mentoring. Case studies are included in our Good Practice Guides.
4.

Align Indigenous procurement goals to individual performance targets
5.

Obtain adequate resources and commitment from senior management
6.

Raise awareness within the business through an internal communications strategy
7.

Enhance reporting systems



### 3. Creating and developing Indigenous business

**Adopting practices that help grow Indigenous suppliers is crucial. Putting practices in place will help ensure businesses can meet their targets.**

The Raising the Bar network is a source of guidance for new members, collecting best practice case studies and sharing information about what works.

These best practice examples of activity will be included in an annual Raising the Bar report, and expenditure towards these programs will be included in the aggregate data collected. Additionally, members who are involved in these type of supplier development programs will be invited to join the Raising the Bar program, even if they are not able to commit to the procurement targets.

Requirement	Guidance
Focus on building relationships with Indigenous suppliers (rather than solely focusing on the transaction)	<ul style="list-style-type: none"><li>Strengthen relationships with your current Indigenous suppliers. Seek to understand their growth aspirations and how you might be able to assist them.</li><li>Identify and strengthen relationships with Indigenous suppliers who might supply to your company in the future. Seek to understand what they do and don't supply, their business model and how this may fit with future opportunities.</li></ul>
Explore industry-level procurement opportunities for Indigenous suppliers	<ul style="list-style-type: none"><li>Work with Supply Nation, Indigenous Chamber of Commerce and others to identify similar supply opportunities that could be fulfilled by an Indigenous supplier.</li><li>The Raising the Bar Network meetings will focus on industry level best practice.</li></ul>
Build Indigenous capability for procurement readiness	<ul style="list-style-type: none"><li>Provide clear feedback, pre-qualifying Indigenous suppliers and assisting them with the tendering process. These are explored in detail on the next page.</li></ul>
Identify what opportunities for Indigenous suppliers exist within your company	<ul style="list-style-type: none"><li>Identify opportunities and capability requirements.</li><li>Assess Indigenous supplier capability and capacity against the opportunity and requirements.</li><li>Explore options for de-bundling an opportunity into more manageable pieces.</li><li>Introduce Indigenous suppliers to tier 1's for partnership opportunities.</li></ul>

# Supporting Indigenous suppliers

## Improving with feedback and insights

Activity	Purpose/benefits	Guidance
Giving feedback	<ul style="list-style-type: none"> <li>Assists buyers and suppliers with continuous improvement</li> <li>Provides suppliers with insight into business requirements</li> </ul>	<ul style="list-style-type: none"> <li>Provide suppliers with detailed and constructive feedback on where their tenders were and weren't competitive.</li> <li>For existing suppliers, during regular performance reviews, provide feedback on how they are delivering.</li> <li>Buyers are also encouraged to seek feedback from suppliers.</li> </ul>
Dummy tendering	<ul style="list-style-type: none"> <li>Assist suppliers with the tendering process</li> <li>Helps set buyers expectation</li> </ul>	<ul style="list-style-type: none"> <li>Send suppliers a template and/or former tender.</li> <li>Assess their responses and feedback (positive and negative).</li> <li>Re-set expectations based on feedback.</li> <li>Apply a generic tool for small, medium and large contracts.</li> <li>Note the financial and non-financial costs associated with tendering.</li> </ul>
Pre-qualification	<ul style="list-style-type: none"> <li>Identifies what the buyer needs to know, think, see, feel</li> <li>Increases the speed of procurement process</li> <li>Makes suppliers / products fit for purpose</li> <li>Inspires confidence and credibility for the buyer / suppliers</li> <li>Helps to determine whether the buy approach is go-to-market or direct negotiation</li> </ul>	<p><b>For the buyer</b></p> <ul style="list-style-type: none"> <li>Determine the specific 'hurdle' questions (pre-qualification vs. RFP).</li> <li>Agree that if the supplier goes through the pre-qualification and mandatory requirements then they progress to the next stage.</li> <li>Provide clarity about the potential outcomes of the pre-qualification.</li> </ul> <p><b>For Supply Nation</b></p> <ul style="list-style-type: none"> <li>Increase the level of detail for pre-qualification – general corporate and industry information.</li> <li>Industry / sector specific commonalities – pre-competitive (industry data, security).</li> <li>Provide a set of standards / requirements housed on Supply Nation.</li> <li>Pre-qualifications per category / industry.</li> <li>Pre-qualification leads to buy approach (direct or market) which leads to sourcing process.</li> </ul>



# BCA

Business Council of Australia

## BUSINESS COUNCIL OF AUSTRALIA

GPO Box 1472, Melbourne 3001  
T 03 8664 2664 F 03 8664 2666 [www.bca.com.au](http://www.bca.com.au)

© Copyright August 2023 Business Council of Australia  
ABN 75 008 483 216

Cover artwork: © Ky-ya Nicholson Ward #87 licensed by  
Ky-ya Nicholson Ward, Djirringu Art [djirringu.com](http://djirringu.com).

### Artwork meaning:

Blue circles – represents the journey of Indigenous people learning new skills and training to achieve their goals, it showcases their struggles, obstacles and the resilience of mob.

Manna Gum leaves – Wurundjeri people are the Manna Gum people, the leaves represent my people, culture and country.

Red Handprint – the finger prints within the hand represent knowledge and wisdom as fingerprints are unique within everyone and they hold so much individuality and stories.

Orange handprints – they represent mob giving and sharing knowledge for the younger generation to learn and use their creativity and knowledge to succeed in the business environment.

White circles – represents coming together and engaging more indigenous people leadership roles and employment.

### About the Artist:

Ky-ya Nicholson Ward, Djirringu Art is a 20 year old Wurundjeri, Dja Dja Wurrung, Ngurai illum Wurrung, German and Irish woman. Ky-ya specialises in acrylic painting, digital works and also does public art, murals and jersey/shirt designs. She is based in Naarm (Melbourne) and is a passionate Victorian Aboriginal artist who tells the stories of her ancestors, family, country and who also uses her art to advocate political issues around the world.

