

Case Study

Supply Chain Diversity

2023

sydneymetro.info

Sydney Metro is committed to driving supply chain diversity across Sydney Metro projects as part of our broader Sydney Metro Workforce Development and Industry Participation project plans. This includes increasing opportunities for small to medium enterprises and Aboriginal businesses in the supply chain.

Sydney Metro established a collaborative model working with industry and government to ensure the Sydney Metro Workforce Development, Aboriginal and Industry Participation plans were developed and implemented.

Our approach to increasing supply chain diversity is informed by wider government policies including the Aboriginal Procurement Policy, Australian Industry Participation Plan, Indigenous Participation Plan and the Infrastructure NSW 10-point commitment to the construction sector. It is also underpinned by our experience in successfully implementing initiatives and targets to engage small to medium enterprises and Aboriginal businesses in the supply chain.

Initiative 1 – Minimum requirements

At Sydney Metro our requirements are embedded in our contracts to ensure we drive supply chain diversity during the construction and operations of our projects. These include:

- A minimum number of Australian and New Zealand Small to Medium Enterprises (ANZ SMEs) and Recognised Aboriginal businesses in the supply chain.
- Promotion of procurement opportunities – All delivery partners must promote all procurement opportunities on the Industry Capability Network (ICN).
- A percentage of the workforce is required to be from Greater Western Sydney.
- Minimum key resources – Each delivery partner must have an Aboriginal participation resource and Workforce Development manager to drive outcomes during delivery.
- Supporting the NSW Aboriginal Procurement Policy – refer to the Sydney Metro Aboriginal participation case study for more information.
- Participation in the Sydney Metro Aboriginal business forum – provides opportunities for Aboriginal businesses to gain insights from Sydney Metro delivery partners and their supply chain in relation to upcoming procurement opportunities.

Initiative 2 – Bid back mechanisms

From lessons learnt, Sydney Metro recognised that outcomes cannot be delivered solely through minimum requirements set by our contractors. Through the procurement process, Sydney Metro encourages tenderers to bid back their own initiatives and commitments to further drive supply chain diversity and support capability building. These can include but are not limited to:

- Procurement initiatives that support ANZ SMEs and Recognised Aboriginal businesses accessing scope of works within the supply chain.
- Initiatives to enable businesses to respond to procurement opportunities by separating packages into smaller pieces of work.
- Participation or delivery of programs that support increased capacity of businesses such as mentoring.
- Meet the Buyer events with the head contractor and their supply chain.



Speed networking at the Sydney Metro Aboriginal Business Forum.

To ensure these outcomes are achieved, monitoring/ feedback mechanisms have been developed for our contractors to regularly report feedback.

Sydney Metro, in collaboration with our delivery partners, has achieved the following outcomes as part of the Sydney Metro City & Southwest, Sydney Metro West and Sydney Metro –Western Sydney Airport projects:

- 2,523 number of ANZ SMEs
- 1,023 number of ANZ SMEs and 115 Recognised Aboriginal Businesses from Greater Western Sydney
- 339 Recognised Aboriginal businesses engaged which represent 13% of Australian & New Zealand Business Enterprises (ANZ SMEs)
- 60 new Aboriginal businesses entered the supply chain in 2023
- 84% of workers on current Sydney Metro projects reside in the Greater Sydney area, with 44% residing in the Greater Western Sydney region
- Over \$294M in goods and services procured from Recognised Aboriginal Businesses. This equates to 2.8% of eligible project spend, supporting the NSW Aboriginal Procurement Policy.

Case Study spotlight – Industry Capability Network NSW (ICN NSW)

Sydney Metro has collaborated with ICN NSW from the project's commencement to provide an avenue for businesses to engage in subcontracting work.

Sydney Metro requires all Delivery Partners to post procurement opportunities through the ICN Gateway at sydneymetro.icn.org.au. ICN Gateway is a comprehensive online portal with around \$400 billion worth of projects in Australia and more than 70,000 suppliers.

Sydney Metro's partnership with ICN NSW provides small to medium enterprises visibility and accessibility to express interest for upcoming procurement opportunities across all Sydney Metro projects.

ICN NSW's involvement in Sydney Metro has achieved these outcomes to date including*:

- Over 400 work packages posted across 23 projects by Sydney Metro delivery partners.
- More than 1,500 unique businesses registering interest.
- Two-thirds of awarded subcontractors have been ANZ SMEs, totalling over \$100M of contracts.
- 25% of successful ANZ SMEs have been Aboriginal businesses and social enterprises.

*due to the nature of reporting, this is an estimate only.

Case study spotlight – Sydney Metro Aboriginal Business forums

Established in 2016, the purpose of the forum is to support our commitment to increasing the number of Recognised Aboriginal Businesses in the wider supply chain for our projects. The events facilitate engagement between our delivery partners, supply chain representatives and Aboriginal businesses, keeping such businesses aware of upcoming work packages across our projects.

The Aboriginal Business Forum supports Metro's broader **workforce development and industry participation commitments**, particularly the priority to increase the participation of small and medium enterprises including Recognised Aboriginal Businesses within our supply chain through collaboration with current and future program delivery partners.

To date 9 forums have been delivered with over 400 Aboriginal businesses in attendance. Currently 12% of all Australian & New Zealand Business Enterprises (ANZ SMEs) are Recognised Aboriginal businesses.



Participants at the Sydney Metro Aboriginal Business Forum.

The case studies on this page highlight examples of successful initiatives that provided access for SMEs and Aboriginal businesses to access the supply chain. Sydney Metro is not seeking to endorse or promote the organisations named in the case studies.