

## Hon Martin Hamilton-Smith MP

Minister for Small Business

Tuesday, December 19, 2017

### **Industry Advocate to support SA industry and local jobs for local workers**

The job-creating role of the South Australian Industry Advocate has been enshrined in law, further confirming the State Government's commitment to support local workers, producers and the economy.

Today's Proclamation of the *Industry Advocate Act 2017* follows overwhelming support from local industry associations and business leaders and gives the Advocate powers to hold contractors to commitments they have made to use South Australian workers or materials in projects.

Small Business Minister Martin Hamilton-Smith said South Australia was the first in Australia to establish an Industry Participation Advocate in 2013 and since that time there has been a shift among lead contractors and government agencies to focus on using local labour and local suppliers in government contracts.

### **Background**

Today's Proclamation of the *Industry Advocate Act 2017* recognises how important government expenditure can be in driving the economy.

The average proportion of State Government goods and services contracts awarded to South Australian suppliers has grown from 65 per cent to almost 80 per cent since the Industry Advocate role was created. On the average reported levels of procurement spending, this increase raises the economic contribution to the State by over \$230 million a year.

Spending on South Australian contractors working on major infrastructure projects is even higher at more than 90 per cent of the project's costs. The Industry Advocate has overseen delivery of strong results on other projects including Torrens to Torrens. In that project, 89 per cent of the labour cost so far has been on South Australian residents, with 96 per cent of sub-contracts awarded to South Australia, its suppliers and SMEs.

Ian Nightingale who has held the position of Industry Advocate since the role's creation will continue in the new statutory position reporting to the Minister for Small Business.

### **Quotes attributable to Small Business Minister Hamilton-Smith**

It's estimated that more than 90 per cent of businesses in SA are small to medium sized enterprises, with many wanting to supply goods and services to government. The Industry Advocate opens doors for locally based businesses to improve their chances of winning government work.

A recent Inquiry into the Commonwealth Government Procurement recommended, "a national Industry Advocate, cast on the highly successful South Australian model, is urgently needed to overcome a current procurement culture focused on lowest cost rather than value for money, lacking in transparency and unaware of the benefits of engaging Australian businesses".

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### **Quotes attributable to Ian Nightingale, Industry Advocate**

I have seen how Government expenditure can provide a huge boost for businesses and the community through the flow-on benefits of jobs and additional economic activity. I am committed to helping these businesses to win Government contracts and leverage the opportunities these contracts provide to grow and diversify.

What I would like to see in the New Year is a genuine commitment from Local Councils to adopt the same Industry Participation Policies used by the State Government.

### **Quotes attributable to Phil Sutherland, Civil Contractors Federation**

The Civil Contractors Federation has been a supporter of the Industry Advocate and policies from the outset. The establishment of a statutory authority to ensure compliance, will provide the teeth necessary for the Industry Participation Policy to achieve true social and economic benefits for South Australia including regional areas of the state

### **Quotes attributable to Dino D'Ottavi, Best Group**

This is wonderful news for any local business that wants to invest and grow in SA.

### **Quotes attributable to Jan Irvine, Consult Australia**

Consult Australia welcomes the move by government to commit to law the role of the Industry Advocate. The independence of the Industry Advocate provides an avenue for local businesses to have a voice and offer innovative policy solutions.

### **Quotes attributable to Tony Dixon, Australian Steel Institute**

The legislation will help to shore up the independence of the Industry Advocate role to continue to collaborate widely with the steel sector for the SA Governments Steel Initiative and provide on-going support and acknowledgement of the valuable contribution the steel industry is making in this state.

### **Quotes attributable to Paul Williams, Australian Subcontractors Association**

Association members have already seen the benefits of the Industry Advocate role that was created four years ago. South Australian small to medium sized businesses are now seeing greater opportunities through the application of industry participation plans extending to sub-contractors and suppliers. The proposed legislation would give the Industry Advocate greater powers to go into bat for these businesses.