



## **National Sector Manager program**

**All the right connections for local industry**



# National Sector Manager program

## Highlights

In less than five years, the National Sector Manager Program helped deliver \$5.274 billion to Australian suppliers, through 1,624 successful tenders.

The program, administered through Industry Capability Network Limited (ICN Limited) as part of a funding boost via the Supplier Access to Major Projects (SAMP) program, saw more than 30,000 companies registering with ICN in order to take advantage of 211 projects listed.

Nine key sectors were helped as part of the program: health, steel, clean energy, mining, rail, water, oil and gas, National Broadband Network (NBN) and textile, clothing and footwear.

## Background

In July 2009, the Australian Government announced \$19.1 million in funding to boost Australian Industry Participation (AIP). As a part of this announcement, ICN Limited received extra funding through the SAMP program for the appointment of national industry specialists.

The primary focus for these specialists was to promote competitive Australian suppliers to major projects both locally and internationally; as well as communicate these opportunities to small and medium enterprises (SMEs).

They became known as National Sector Managers (NSMs) and performed a coordination role within ICN, instrumental in developing business to business transactions in these key sectors within Australia and New Zealand.

The initial agreement between the Australian Government and ICN Limited was for three years from 2010; the project was extended twice before winding up on 28 February 2015.

The agreement also outlined the purposes and objectives of the NSM role, which were to:

- develop and promote Australian industry competency and capability within the specified sector
- negotiate and foster Australian industry access to major project proponents and sector supply chains
- facilitate the formation of partnerships and alliances to enable Australian industry to effectively compete for work packages and opportunities for in major projects of national and/or international economic significance
- identify opportunities for Australian industry to participate in major projects of national and/or international economic significance
- facilitate increased Australian industry access to global supply markets for major projects
- demonstrate and promote outcomes of the SAMP program.

The NSMs also supported the Government-appointed Supplier Advocates in each sector; and the role later became linked to Buy Australian at Home and Abroad (BAHA) program.

## Key achievements

- Created a national framework to deliver local and international opportunities to SMEs that were beyond their normal market penetrations.
- Developed solid relationships with major project procurement teams to get early engagement and significantly increased the number of opportunities available to SMEs.
- Created directories for each sector to serve as an online connection point, both domestically and internationally, for buyers and suppliers looking to build partnerships in Australia and New Zealand.
- Showcased the innovation and capabilities of Australian SMEs at various tradeshow, conferences and missions both locally and internationally.
- Worked closely with Austrade to present detailed Australian capability information into international markets.
- Formed alliances with complementary associations and industry bodies to create better knowledge sharing of contract opportunities for SMEs.
- Developed sector-specific strategic plans aimed at the growth, expansion and capability development of Australian SMEs.
- Developed and published case studies to promote the expertise and capabilities of Australian SMEs both locally and abroad.
- Monitored and reported on sector activity, barriers to success and key outcomes.







## More than \$5 billion to Australian SMEs

In less than five years, the outcomes of the program were extremely positive and included:

- 30,823 sectoral companies registered with ICN
- 1,624 wins, with a total value in excess of \$5.274 billion
- 211 projects listed with ICN involvement.



# Sector overviews

## “The National Sector Management Program delivered \$5.274 billion to Australian suppliers”

### Health

During the global financial crisis, most construction, resources and infrastructure projects had all but stopped in Australia. Due to an ageing population, however, healthcare projects boomed both locally and internationally.

The Government responded to this boom by boosting funds for healthcare infrastructure projects, including tertiary and major speciality facilities, upgrading existing facilities, creating regional integrated cancer treatment centres and developing primary care facilities.

There is a great opportunity for Australian suppliers to investigate offshore opportunities within the ASEAN and China regions. Indonesian legislation now states that all employees must have health insurance; the Malaysian aged care market is gaining rapid momentum; and in China there are nine new hospital projects in one province.

### Rail

With approximately \$56.6 billion worth of rail projects listed with current (or forecasted) ICN involvement, the NSM was dedicated to the continued growth of the local rail manufacturing sector.

The success was achieved through helping rail manufacturers improve their competitiveness, identify and maximise opportunities and promoting the rail sectors capabilities locally and internationally.

Australian passenger and freight is one of the most sophisticated in the world in terms of construction and consultancy services. Our innovative engineering and technology solutions to solve physical, economic and technical challenges are sought around the world. Australia's railways carry some of the heaviest and longest freight trains in

the world. Overall the annual turnover of the Australian rail sector is more than \$4 billion.

The NSM worked closely with the Rail Supplier Advocate, Australasian Railways Association (ARA), Austrade and Enterprise Connect on the Rail Development Strategy (RDS) which comprised of several key initiatives; including the Rail Industry Technology Roadmap, forecasting demand for rolling stock, promoting capability and business matching and increased international business opportunities. The key initiatives were identified to address the challenges facing the rail industry, to drive competitiveness and maximise opportunities.

A major part of the program's international activities was to make sure ICN promotes solution-based supply opportunities to the global market. This involves partnering companies to give potential global proponents a whole-of-supply solution rather than individual solutions.

### Water

Between May 2010 and September 2014, the sector recorded 94 major project listings, valued at \$59.3 billion, on the ICN Water Directory.

The NSM worked to help water project proponents in Australia and overseas to identify Australian water industry capabilities and to maximise opportunities for local SMEs to supply goods and services to the water sector. A Business Development Strategy (BDS) for the sector was created, and the NSM worked closely with Enterprise Connect, Austrade and the Supplier Advocate to achieve the BDS and operational plan.



Key project achievements:

- Aligned Australian water suppliers, with both national and international companies, investors and buyers.
- Successfully undertook business matching with delegates from China.
- Highlighted Australian water solution providers to the coal seam gas sector and developed close working relationships with the major project owners to help SMEs undertake business development to enter the water market.
- Helped companies access the lucrative United States market through the engagement of a business development manager in market, funded with a special SAMP grant.
- Delivered a platform for water utilities to engage with SMEs, and gave an overview of the processes and risks of the water utility sector.
- Showcased water suppliers to engineering procurement and construction management (EPCM) contractors to demonstrate what the EPCM contractors are missing within their supply chain.

Future opportunities for the sector include specialised water solutions; links between agriculture, food production and water infrastructure; collaboration and linkages for the water industry to drive research with universities for a commercial outcome and stronger links between companies and opportunities focusing on clusters that are unique to Australia, such as aquifer recharge or water reinjection.

# Sector overviews

**“On the NBN alone, ICN promoted 4,083 Australian companies into the areas of construction and materials.”**



## Clean energy sector

Many clean energy projects were delayed or postponed indefinitely, which in turn meant a lack of consistency in orders, poor return on investment and a lack of confidence in further investment.

During the project period, however, the NSM identified a significant number of Australian technologies, still at the pilot plant stage but working towards large-scale. Some examples include Green Distillation Technologies (tyres to diesel), New Energy Corporation (municipal waste to energy), Algaetec (algae for biodiesel), Licella (wood to liquid fuels) and Microbiogen (yeasts for ethanol from cellulose). This is not an exhaustive list of technologies.

The NSM also mapped a supply chain of the wind sector including of suppliers of hardware, EPCs and contractors. Solar is more complex as the sector is fragmented with many small suppliers and installers, however suppliers to utility scale projects are well defined.

Many local companies invested heavily in equipment to make components such as wind towers and Solar PV. It was also noted that while large megawatt utility-scale solar PV will be small in number there will still be demand for rooftop solar (domestic, commercial and industrial).

## National Broadband Network (NBN)

The NBN NSM program was designed to underpin a long-term, coordinated and strategic approach to pursue opportunities for Australian industry in the construction of the NBN and other related major projects in Australia and internationally.

The strength of the program (and one of its greatest outcomes) is the NSM team worked in the best interest of the country not one individual state.

The NSM worked with NBN Co for three years and during this time ICN was held in the highest regard. ViaSat Australia won the \$280 million NBN Co satellite ground station contract and fully engaged with ICN in finding suitable resources for the Australian construction section of the gateway build.

The NSM gave more than 100 presentations in 2013/2014 promoting Australian industry competency and capability across all states and territories in Australia and New Zealand

## Steel

During the project, 2,780 steel-related companies registered on ICN Gateway with 193 supplier contract wins valued at more than \$800 million.

The move of the sector from investment to operational focus reduced the major construction project opportunities. There is a large fabrication capacity in Australia, however, with many facilities being under-used due to limited opportunities for the local participants. The steel sector has turned to major State transport infrastructure projects for a source of opportunity. The continued presence of imported fabrication steel presents an ever increasing threat to locally fabricated goods.

The continuation of the Australian steel industry promotion of capability, innovation, quality, certification and reduced lead times is critical to ensure local production is considered in the whole-of-life outlook for projects. The steel industry is also committed to introducing a third-party certification system to promote complying product to Australian Standards in both raw and fabricated material.

The NSM gained industry commitment from Onesteel and Bluescope to industry meetings and worked with

other key stakeholders to identify early engagement targets for promoting Australian capability.

## Oil and gas

As with other resources sectors, major new projects within the oil and gas sector were transitioning from the peak construction phase, SMEs needed to shift their focus towards the opportunities that lie in operations and maintenance activities of the LNG plants.

The NSM developed a report called *Opportunities for Small to Medium Enterprises*. This report highlighted opportunities available for operations and maintenance (O & M) requirements of a typical onshore operational LNG facility to Australian sub-suppliers.

Companies operating, or constructing, onshore LNG plants, as well as industry suppliers and ICN consultants provided the source information. A direct result of the close and trusted relationships created by the NSM within the sector.

## Textile Clothing & Footwear

The NSM Textile, Clothing and Footwear began in 2013, with a key focus to showcase the strengths of local industry, improve its competitiveness, and help target the right opportunities for organisations within the sector.

Before this time, many in the industry were unaware of ICN and role it played in procurement. Likewise, there was as lack of knowledge among ICN consultants of the innovative products and manufacturing capabilities of the TCF sector across many other industries.

The NSM forged close links with the Council of Textile and Fashion Industries of Australia (TFIA), the prime advocate for the industry and a sector knowledge hub.

The TCF sector offers a wide variety of products and services that cater

# Sector overviews

**“The health sector is one of the NSM program’s key successes. For the first time, we worked on all major public health infrastructure projects.”**

to the needs of many other sectors including health, rail and mining. These include personal protective equipment; commercial textiles for seating, wall coverings and window furnishings; technical textiles and fibres used in construction; smart responsive textiles for the healthcare industry; and non-woven textiles, including filtration textiles used in mining, scientific research, pollution control and air filtration systems.

The NSM project provided TCF businesses with the opportunity to engage with ICN in overcoming the barriers they face accessing major projects and ensuring that the project proponents, ICN consultants and stakeholders were aware of the wide offerings and capabilities of the sector.

## Mining

The mining sector is in a rebalancing phase, so the NSMs focus was on collaborating with business associations to improve the relevance of ICN, which in turn improves the knowledge of market needs and provides the opportunity to connect with more proponents, contractors and suppliers.

Importantly, this activity helped in the education of SMEs on the expectations of the mining industry and will help with the retention of work in Australia as the sector recovers.

Although the market is transitioning from a construction boom to an operations stage, it still presents considerable opportunity for SMEs as operational mines look for suppliers to deliver cost saving solutions. The NSM was a valuable conduit between suppliers and mines continually looking for reliable and profitable operations, innovation and productivity gains.

There is little doubt that NSM program delivered value and opened up opportunities for Australian and New Zealand companies. Working with engineering and procurement, helped the NSM identify those suppliers that have the capability to meet prequalification requirements, and can leverage good returns for local industry. The NSM was also able to identify those suppliers that fall short in the prequalification process and direct them into government-funded capability building programs.



**ICN Limited  
strives towards  
one goal:  
the growth of  
Australian and  
New Zealand  
companies.**

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