

Buying local.

The role of procurement in helping to make Australia.





Help make Australia. Buy Australian made.

Winc offers a wide range of Australian made products for every room in the workplace. Speak to your Winc Account Manager if you'd like more information or help with setting buy local procurement targets. To help make sourcing Australian made products easier for procurement professionals, we have recently updated our Australian made catalogue.



You can download
a copy here.

winc.

Help make
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The collage features a black office chair, a box of winc labels, a box of Bio-Tek, a bottle of winc cleaning product, a box of Chia, a bottle of winc cleaning product, and a spray bottle of winc cleaning product.

The importance of buying Australian made.

In the post-pandemic era, the importance of purchasing goods made in Australia, as well as having buy local procurement plans and targets to increase Australian made and owned spend, is clear now more than ever. By doing so, companies help create more job opportunities in our local supply chain and support the Australian economy by keeping money onshore.

COVID-related global production issues, challenges with sourcing raw materials and transport delays made many organisations re-evaluate their sourcing strategies to reduce risk in their supply chains. Sourcing locally is one way to mitigate this risk.

To help support local manufacturing and the recovery and growth of local business post-pandemic, various levels of government have created stimulus for the Australian manufacturing sector and initiated other programs to give local businesses an enhanced opportunity when bidding for government contracts and tenders.

With Australian made at the forefront of national interest, Winc undertook a research project to better understand the importance of buying local for Australian organisations and procurement professionals.

The research was conducted by Taverner Research Group between 24 March – 5 April 2023 and canvassed the opinions of 34 procurement managers around Australia.

The significance of ‘buy local’ procurement in Australian businesses.

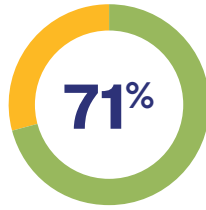
According to our research, a vast majority of Australian organisations are committed to purchasing locally made goods and services from Australian owned businesses.

In our findings, 71% of Australian procurement professionals say their company has a commitment to ‘buying local / Made in Australia’ products, or products and services from Australian owned businesses. Of these, 80% have either documented plans or documented plans with targets. Based on our research, supporting the Australian economy (39%), quality of products (35%), and reducing carbon emissions from less shipping (19%) are the top motivating factors for procurement managers to increase spending on ‘Australian made/Australian owned’ products and services, while creating jobs (6%) is a less significant factor.

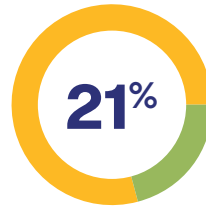


of procurement professionals say that their company has a form of commitment to ‘buying local / Made in Australia’ products, or products and services from Australian-owned businesses.

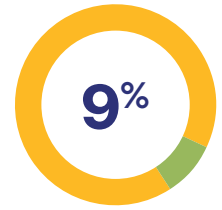
Does your company have any form of commitment to 'buying local / Made in Australia' products, or products and services from Australian owned businesses?



Yes



No

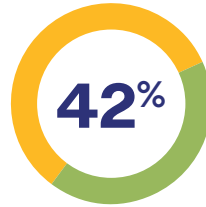


Not sure / Don't know

Which best describes what is in place by your company?



'Buy local / Australian made / Australian owned' procurement plans



'Buy local / Australian made / Australian owned' procurement plans and targets



'Internal discussions about 'Buy local / Australian Made / Australian owned', but no concrete plans yet

The value of investing in Australian made.

The landscape

While 55% of those procurement professionals surveyed believe their company is doing at least several things to procure 'Australian made and/or owned' products and services, 24% believe their organisation has only recently begun to take action, and 12% perceive their company is falling behind other businesses.

The challenge

What are the barriers? Our findings show 55% of Australian procurement professionals face challenges to supporting Australian made/owned products and services, with 6% indicating that these hurdles are significant. Cost of products (77%), cost of services (50%), products can only be sourced from overseas (47%), and lack of local expertise (30%) are among the main barriers cited.

The opportunity

According to research from one of Australia's leading banks, almost one in four businesses are buying more from local Australian companies to address supply chain issues¹. Our survey results support this trend, with 56% of respondents indicating an intent to increase their spending on Australian made and/or owned products and services in the next year.

Most common answers

Which of the following barriers or hurdles have you faced related to supporting Australian made/owned products and services?



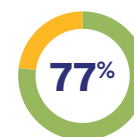
Quality of services



Quality of products



Cost of services



Cost of products

¹Commonwealth Bank, 2022, 'Businesses buy local to tackle supply chain issues', <<https://www.commbank.com.au/articles/newsroom/2022/08/businesses-buy-local-supply-chain.html>>

Advice for procurement professionals looking to increase local procurement.

Making informed procurement decisions that benefit your organisation and the broader community is fundamental in wanting to increase the amount of goods and services procured locally.

We asked Mark Daniels, Company Director at Social Procurement Australasia, to share his advice on the most important factors to consider when developing a stronger procurement strategy.



Mark Daniels,
Company Director at
Social Procurement
Australasia.



56%

of procurement professionals plan to increase their spend, or proportion of their spend on 'Australian made / owned' products and services in the next year.



Assess the current supply chain

It is important to understand where the goods and services are currently being sourced from and to what extent they are local or imported. This will help in identifying areas where local procurement can be increased. Start with an audit. Procurement professionals should also assess the risks associated with the current supply chain and consider the benefits of having both Australian and overseas suppliers as a form of risk mitigation.

Define what local means, then identify local suppliers

Decide what constitutes local procurement in your organisation. Will it be limited to goods and services produced and sourced entirely within Australia or will it include goods and services produced overseas but procured from Australian owned businesses? What percentage of the total value needs to come from within Australia?

Conduct research to identify local suppliers who can provide the required goods and services. This can be done through supplier directories, trade associations, and industry events or working with a distributor like Winc who can procure Australian made goods on your behalf.

In the Winc survey, when asked to share more on the barriers and hurdles faced, many procurement professionals expressed how difficult it can be to source Australian made or owned goods. This is yet another reason to work with a distributor who can help by doing that sourcing job for you.

— Communicate local procurement requirements

Ensure that local procurement requirements are communicated clearly to suppliers through tenders, contracts, and other procurement documents. This will ensure that suppliers are aware of your requirements and can respond accordingly. By setting expectations, industries change.

— Weight tender evaluations

Consider weighting tender evaluations to give preference to local suppliers. This will encourage suppliers to focus on having local supply chains.

— Understand category capacity

Understand the capacity of the local supply chain to provide the required goods and services, as this will help in determining the extent to which local procurement can be increased.

— Consider the cost difference

Local procurement may come at a higher cost. Procurement professionals need to understand the cost difference between sourcing locally and sourcing from overseas. This will help in determining the financial feasibility of increasing local procurement. And remember, you can start by sourcing some of your product needs locally (what you can afford), it's not all or nothing in a particular category. Local supplier capacity won't grow unless you start buying from them, your procurement is part of the solution to developing a robust Australian supply chain.

— Explore sustainability

Consider the impact on the environment and the local economy of sourcing locally. Purchasing goods made locally can reduce your environmental impact by decreasing the amount of fuel needed for transportation.

— Make a commitment.

If your organisation wants to formalise their commitment to buying local, Mark Daniels recommends starting with education, leadership, and communication.



“It starts with a process of engagement across the organisation. Engage with employees and stakeholders to help them understand why buying local is important and how it can benefit the local economy. Companies can share stories and examples of the benefits of buying locally and the impact it can have on the greater community.”

Mark Daniels, Company Director at
Social Procurement Australasia.



Additionally, companies should set targets and strategies for increasing their local procurement, including supplier identification, and changing procurement policies. This may involve changing your request-for-tender process, looking at the current supply chain and identifying Australian made products that are already being used or finding new suppliers that can provide local products. Consider how much your organisation is willing to spend on local products and set targets for increasing your local procurement over time.



“Tell stories about the local businesses you buy from and explain why it matters to them that you are their customer and how your partnership benefits the broader economy.”

Mark Daniels, Company Director at Social Procurement Australasia.

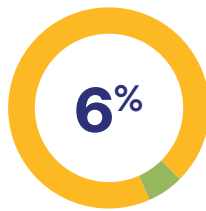
— Success is in the story.

While the ultimate measure of success is increased spend, Mark suggests that it is not enough.

“Simply increasing your local spend is not enough if you continue to rely on just one or two suppliers. True success comes from diversifying and expanding your pool of Australian made suppliers,” says Mark.

Another measure of success is the cultural change within the business. Organisations need to be telling stories about their local spend and promoting the benefits of buying local. This helps to create a positive narrative around the company’s commitment to buying local and can encourage others to follow suit.

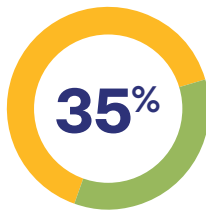
Which of the following do you believe would motivate procurement managers to increase spending behind ‘Australian made / Australian owned’ products and services?)



Creating jobs



Less carbon emissions from less shipping



Quality of products



Supporting the Australian economy



“Numbers and figures can be easily forgotten, but a compelling story is what people remember and truly resonate with.”

Mark Daniels, Company Director at Social Procurement Australasia.

Sirron Holdings Group.

From challenges come opportunities.

Sirron Holdings Group is a commercial dishwashing machine supplier based in Caves Beach, NSW, and over the past decade has expanded into other kitchen and hospitality services.

For Greg Gates, Managing Director, manufacturing locally is not a challenge but an opportunity. During the pandemic, when the hospitality industry saw a 60% decrease, the company responded quickly to the changing needs of consumers.

“We made a strategic decision to pivot our business and expand into new categories and channels. This included diversifying our offerings with products like aerosols, dissolvable cleaning tablets, and cleaning-related products that have approval from the therapeutic goods administration, expanding beyond the hospitality sector into other categories,” says Greg.

A social agenda.

Buying local and Australian made means supporting Australian workers and the community. Sirron Holdings has implemented several practices to reduce their carbon footprint to be accountable for their sustainable business practices, such as using solar power, rainwater harvesting, and managing peak demand. The company’s approach of aligning sustainability goals with cost reduction and assisting other businesses with their own sustainability programs has been critical.

“Our goal has been significantly adjusted to help businesses with their sustainability program - what can we do to help make a difference? We assist organisations in achieving their ESG goals by incorporating a sustainability story into products we make for them,” states Greg.

Community and collaboration lead to innovation.

The ability to collaborate with the local community is at the heart of Australian made. Recently, the company partnered with the University of Newcastle to develop a dishwasher that uses 50% less energy, lowering carbon emissions and in addition collaborated with one of the top research facilities in Australia; The Hunter Research Media Institute to develop products proven effective in killing the coronavirus disease.

“Collaboration is easier within the local community. As a local manufacturer, we generate a lot of local activity, which allows us to make our values more visible. We believe this makes a difference, and we take great pride in our street here in Caves Beach,” says Greg.



“Buying Australian made and manufacturing locally creates social benefits by providing employment in the local area, supporting families for generations, and allowing for easier collaboration within the community.”

Greg Gates, Managing Director at
Sirron Holdings Group.

Avery.

The quality standard.

As one of the world's leading manufacturers of premium adhesive labels, Avery is proud to locally manufacture products from a factory in Castle Hill, Sydney. For the company, manufacturing locally means not only supporting local jobs and the Australian economy, but also providing the highest quality products to customers.

Innovation over tradition.

Being a local manufacturer, facing competition from within the industry is an inevitable challenge. With the growth of traditional products impacted by the rapid pace of digitisation, overcoming this barrier has never been more relevant.



“To tackle this challenge, we strive to keep up with both local and global trends. Our focus is to drive innovation that resonates with our consumers, ensuring that we remain relevant in the market,” says Nathan Hallahan, Head of Marketing at Avery.



Long history of supporting Australian jobs and the economy.

For the past 25+ years, Avery has been steadfast in its commitment to supporting Australian jobs.

“Supporting the local economy by providing jobs in Australia to our team is a huge benefit, especially since a large portion of our team has been with the company for decades,” says Nathan.

Manufacturing locally ensures that sustainable practices are implemented to the highest standards. As a domestic manufacturer, Avery is also able to be flexible in meeting changes in customers' inventory demand.

“Being a local manufacturer also gives us the ability to be flexible to meet changes in our customers demand, as it's important we continue to meet our customers delivery in full, on time (DIFOT) targets,” says Nathan.

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