



PM&C INDIGENOUS PROCUREMENT STRATEGY

BACKGROUND

The Australian Government's Indigenous Procurement Policy (IPP) stimulates Indigenous entrepreneurship and business development, providing Indigenous Australians with more opportunities to participate in the economy and access government procurement contracts.

The policy has three key components:

- an Australian Government target for purchasing from Indigenous enterprises;
- a mandatory set-aside to direct some Australian Government contracts to Indigenous enterprises; and
- a minimum Indigenous participation requirements for certain Australian Government contracts.

The IPP recommends that, as a matter of best practice, each portfolio government department should develop and communicate an Indigenous Procurement Strategy (IPS).

OBJECTIVES

The objective of this IPS is to:

- influence the supply market such that PM&C's potential and incumbent suppliers adopt business principles and actions consistent with the stated purpose of the IPP; and
- increase PM&C's usage of majority owned Aboriginal and Torres Strait Islander businesses to ensure the achievement of the Australian Government Indigenous procurement targets.

IPS ACTIONS

The following actions will support the integration of the IPS into the PM&C procurement process:

1. *Ensure staff give due consideration to a potential suppliers' contribution to the IPP objectives when assessing value for money, to the extent that is practical, efficient and effective.*

PM&C can (to the extent practicable):

- include in the value for money assessment a process to consider any broader economic benefit to the Australian economy that non-majority Indigenous owned business may be making to the IPP objectives and the wider Indigenous Advancement Strategy through their respective supply chain, subcontracting or employment practices.



2. *Inclusion of Special Conditions of Contract to support IPP objectives.*

Growth in Indigenous economic participation and development, increased sourcing of goods and services from Indigenous enterprises, and a strengthened and empowered Indigenous business sector can be supported by adopting contract terms and conditions that reflect the IPP principles.

PM&C can (to the extent practicable) develop and incorporate contract terms that:

- encourage the supplier to apply the IPP principles to their own business practices and to any subcontractor arrangements that may be entered into by the contractor; and
- require that the supplier report on any engagement with majority Indigenous owned business within their supply chain.

3. *Continue to grow PM&C staff awareness of the IPP and build a common understanding across the department of the broader benefits flowing from IPP based procurement activity.*

PM&C will build a stronger awareness and understanding of the purpose of the IPP and embed the objectives into procurement processes by:

- ensuring senior executives and procurement decision makers understand and support the IPP;
- providing quarterly reporting to the Executive Board on Divisional performance in relation to procurements subject to the IPP mandatory set aside thresholds (procurements ranging from \$80,000 to \$200,000) and non-compliance;
- developing and delivering training material that ensures staff are aware of the mandatory elements and procurement efficiencies available through the application of the IPP;
- regularly sharing success stories about engagements with Indigenous providers through our internal communications channels; and
- encouraging staff to attend majority Indigenous owned business trade fairs and forums.

GOVERNANCE

The Chief Finance Officer is the policy owner of the PM&C IPS.

This IPS has been developed in line with:

- the IPP;
- Purpose 3 of the Department as set out in the PM&C Corporate Plan 2016-20 - Improving the lives of Indigenous Australians; and
- the aims of the PM&C Reconciliation Action Plan (RAP) 2019 – 2020.

The IPS will be reviewed and updated annually to ensure alignment with the PM&C RAP 2019 - 2020.