



ACT
Government

Chief Minister, Treasury and
Economic Development

Aboriginal and Torres Strait Islander Procurement Policy Summary

2019

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Aboriginal and Torres Strait Islander Procurement Policy

Executive Summary

Objectives

The ACT Government's Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) supports the objectives of the [ACT Aboriginal and Torres Strait Islander Agreement](#). This includes supporting employment and economic independence for Aboriginal and Torres Strait Islander peoples in the Canberra Region.

The ACT Government has identified two target areas that offer the greatest opportunity for Aboriginal and Torres Strait Islander Enterprises;

- Opportunities that Aboriginal and Torres Strait Islander small to medium enterprises (SMEs) have the capacity and capability to deliver individually, and
- Opportunities for Aboriginal and Torres Strait Islander Enterprises as sub-contractors on large projects.

Core Policy Components

In summary the Policy is comprised of three core components:

- Eligibility and Certification,
- Opportunity and Exemption, and
- Measurements and Targets.

Eligibility and Certification

An enterprise's eligibility for opportunities under the Policy is determined through a certification process. Certification of an enterprise is completed by "Certifying Authorities" (See Core Concepts below), which is then passed to the Territory's Aboriginal and Torres Strait Islander Supplier List, for Territory Entities to refer to in for their procurements.

Opportunity and Exemption

Territory Entities identify opportunities for Aboriginal and Torres Strait Enterprises in their procurement requirements. An Entity may utilise an exemption from the quotation threshold to seek a quote directly from an Aboriginal and Torres Strait Enterprise.

Measurements and Targets

The measures and reporting tracks whether Territory Entities are achieving the Policy's objectives. The three measures capture both the scale and scope of the work going to Aboriginal and Torres Strait Islander Enterprises, as well as the number of suppliers submitting quotations. The Territory's performance then is published to drive change.

Core Concepts

Aboriginal and Torres Strait Islander Enterprise

An Aboriginal and Torres Strait Islander Enterprise under the ATSIPP is defined as an organisation which:

- has an office registered in the Canberra Region against its ABN, and
- is at least 51% Aboriginal and Torres Strait Islander owned.

In order to maintain the integrity of the Aboriginal and Torres Strait Islander Procurement Policy, Enterprises are required to obtain certification from one of the Certifying Authorities in order to access opportunities under the policy. As part of the certification a Confirmation of Aboriginality is required for each Aboriginal and Torres Strait Islander owner.

Certifying Authority

A Certifying Authority is an organisation which provides services to confirm the Aboriginal and Torres Strait Islander ownership and control of Aboriginal and Torres Strait Islander enterprises. The Certifying Authority's processes are recognised by the Territory as suitably robust to assure the Territory of the integrity of its certified Aboriginal and Torres Strait Islander Enterprise list. The following organisations are recognised by the Territory as being suitable Certifying Authorities:

- Supply Nation,
- NSW Indigenous Chamber of Commerce (NSWICC),
- National Aboriginal Community Controlled Health Organisation (NACCHO), or
- Office of the Registrar of Indigenous Corporations (ORIC).

The Territory will consider additional Certifying Authorities on a case by case basis.

Chief Executive Officer

As defined in the *Government Procurement Act 2001*.

Territory Entity

As defined under the *Government Procurement Act 2001*.

Cultural change

The ATSIPP encourages a cultural change in the procurement practices of Territory Entities to help Aboriginal and Torres Strait Islander SMEs respond to government opportunities. This involves:

- addressing any bias or barriers,
- making it easy for enterprises to understand the requirements,
- giving enterprises enough time to respond to opportunities, and
- making it easier for enterprises to manage their cash flow for government projects.

Requirements

Each Territory Entity is required to:

- identify and act upon procurement opportunities for Aboriginal and Torres Strait Islander Enterprises
- encourage staff to seek quotes from relevant Aboriginal and Torres Strait Islander Enterprises wherever possible
- increase the proportion of their expenditure and engagement with Aboriginal and Torres Strait Islander Enterprises each financial year, and
- report against the policy's performance measures as part of its annual report.

Exemption for Aboriginal and Torres Strait Islander Procurement

Normally, Territory Entities must look for three enterprises to give quotes when conducting a procurement between \$25,000 and \$200,000. There are certain circumstances where Territory Entities can seek a quote from only one enterprise, such as for emergencies or when only one supplier can do the work. These circumstances are called select procurement exemptions from the procurement thresholds.

The ATSIPP empowers decision makers to seek an exemption from the procurement quotation thresholds when they find opportunities to create some financial or social value for the Aboriginal and Torres Strait Islander community. In these cases, engaging an Aboriginal and Torres Strait Islander Enterprise is often more valuable to the community than the value of a competitive procurement process.

Performance

The three ATSIPP performance measures that capture the scale and scope of Aboriginal and Torres Strait Islander procurement are to find out:

- how many Aboriginal and Torres Strait Islander Enterprises are interested in opportunities
- how many Aboriginal and Torres Strait Islander Enterprises are actually receiving work each financial year, and
- how much money is spent on work by Aboriginal and Torres Strait Islander Enterprises.

The ACT Government will set realistic targets for their performance measures with the view to increase them as the policy matures.

Addressable Spend

The Territory spends its money on a vast range of items including wages, grants, subsidies and depreciation costs. Addressable Spend is defined as only the Territory's purchases of goods, services and works. This spend is identified through a defined set of invoice categorisation codes (GL Codes). The list of applicable codes is at [Appendix A](#).

Approved Systems

An Approved System means a system capable of capturing information required to determine a Territory Entity's performance against Measure 1 in the ATSIPP.

These systems are:

- The Goods and Services Simple Procurement Tool; and
- Tenders ACT.

In order for an Aboriginal and Torres Strait Islander Enterprise to access the full opportunities under the ATSIPP, some Approved Systems may require Aboriginal and Torres Strait Islander Enterprises to register as a supplier account. An account with Tenders ACT is needed to access tender opportunities. Notifications about opportunities are then emailed to enterprises as part of the Approved Systems' operations.

Target Addressable Spend

Financial Year	Target Addressable Spend
2019-20	• 1.0% of the financial year's addressable spend.
2020-21	• 1.5% of the financial year's addressable spend.
2021-22	• 2.0% of the financial year's addressable spend.

Compliance

Territory Entities that do not achieve acceptable results against their performance measures under the ATSIPP may be required to develop a report for the Minister for Government Services and Procurement and the Minister for Aboriginal and Torres Strait Islander Affairs outlining:

- why they did not meet the performance measure, and
- plans to improve opportunities to Aboriginal and Torres Strait Islander Enterprises.

Review

The Aboriginal and Torres Strait Islander Procurement Policy Committee will review the ATSIPP after 12 months, and then again in three years.

Policy administration

Procurement ACT, within the Chief Minister, Treasury and Economic Development Directorate, manages the ATSIPP and is responsible for:

- leading policy implementation
- maintaining the list of registered Aboriginal and Torres Strait Islander Enterprises
- publishing the target addressable spend within the first month of each new financial year
- setting the annual targets for the Territory, and
- providing support for reviews of the Policy.