

# Aboriginal Procurement Policy



Advancing Aboriginal Business





Photo: Darrian Niehsner and Ryan Smith from TEC Automation



# Acknowledgement

The Northern Territory Government respectfully acknowledges the First Nations people of this country and recognises their continuing connection to their lands, waters and communities. We pay our respects to the Aboriginal and Torres Strait Islander cultures, and to their leaders past, present and emerging.

While this policy uses the term 'Aboriginal', we respectfully acknowledge that Torres Strait Islander peoples are First Nations people living in the Territory. Therefore, strategies, services and outcomes relating to Aboriginal Territorians should be read to include both Aboriginal and Torres Strait Islander Territorians.



# Aboriginal Procurement Policy

**Commences 1 July 2022**

A step change in the advancement of Aboriginal employment and business opportunities through government contracting activities.

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# Foreword

I am very pleased to introduce the Northern Territory Government's (NT) inaugural Aboriginal Procurement Policy.

The NT Government is committed to improving employment, business and economic outcomes for all Territorians by creating more transparency in the way government assesses procurement.

The Aboriginal Procurement Policy is a targeted approach, as part of the NT Government's procurement framework, to increase opportunities for Aboriginal Business Enterprises, community controlled organisations and Aboriginal Territorians to participate in government procurement activities.

Building the capability and capacity of Aboriginal businesses and increasing the economic participation of Aboriginal people is critical to unlocking the full potential of the NT. It will grow the local economy, increasing business and regional development and building the local Territory workforce.

We estimate that bringing Aboriginal Territorians to the forefront of economic development could generate between \$49 million and \$146 million in social benefits and this is vitally important for the Territory's future prosperity.

This policy has been built on the back of extensive consultation with industry and community members. We have listened to their feedback and advice that it is important for Aboriginal people to have a strong voice in their own future; the NT recognises how important it is for Aboriginal people to have ownership and control of their businesses.

This is why we are the first jurisdiction in Australia to define an Aboriginal Business Enterprise as one that has a minimum of 51% ownership by Aboriginal people.

The policy introduces, for the first time, a target of 5% for both the number and the value of NT Government contracts awarded to Aboriginal Business Enterprises. We are committed to publicly reporting on our progress against these targets, as well as reviewing and resetting the targets as necessary to ensure we are always working towards economic participation that is representative of the communities that we live in.

We know that Aboriginal businesses are more likely to employ Aboriginal people, and supporting Aboriginal businesses is one of the best ways to increase and support the employment of Aboriginal people.

While this policy represents a step change for the NT Government, this is just the first step. Private industry also has an important role to play in helping to unlock the economic potential of the NT, and I encourage all business to consider the role they could play.

Implementing, monitoring and improving the Aboriginal Procurement Policy will benefit all Territorians and I look forward to working with all Territorians to do so.

Hon Paul Kirby MLA  
Minister for Business, Jobs and Training

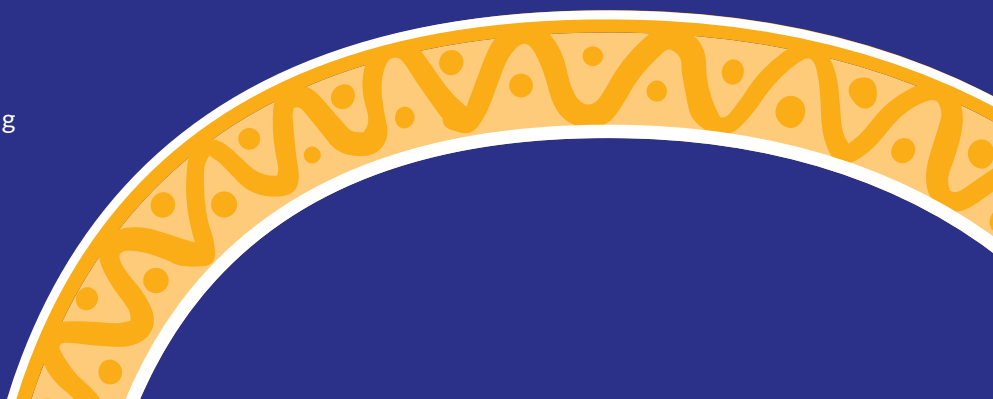




Photo: Andrea Rice and Michelle Smith at Winya

## 1. Introduction

In 2020, *A Step Change to Win Investment and Create Jobs. Territory Economic Reconstruction Commission: Final Report* [TERC Report], identifies 'Aboriginal leadership will be front and centre of this economic development of the Territory – as land owner, developer, investor and partner, employee and community member' (p. 6).

The TERC Report also identifies the value for the Territory through a 'strong focus on inclusive societies and mature relationships with First Nations peoples, providing opportunity for Aboriginal Territorians to economically benefit from a growth agenda' (p.10).

The *National Agreement of Closing the Gap* (Closing the Gap) and *Everyone Together – Aboriginal Affairs Strategy* position the Territory to increase the proportion of contracts awarded to Aboriginal businesses and organisations, as does the Aboriginal Economic Participation Framework to which the Aboriginal Procurement Policy is aligned.

The Territory is ready for this step change and the Aboriginal Procurement Policy is one enabler of the Northern Territory Government's commitment to create more opportunities for Aboriginal Territorians to participate in and be part of the upward swing in the NT's economic growth.

# Advancing Aboriginal Business

Maximise opportunity for certified Aboriginal Business Enterprises to participate in, benefit from and build capacity and capability through NT Government procurement.



**Maximise opportunities**



**Build capacity and capability**



**Partnerships with Territory enterprises**

## 2. Purpose

The purpose of the Aboriginal Procurement Policy is to:

- maximise opportunities for certified Aboriginal Business Enterprises\* and Aboriginal Territorians to participate in, benefit from and generate individual, organisational, community and Territory-wide economic, social, cultural and environmental value through NT Government procurement activities
- to build Aboriginal Business Enterprise capacity and capability through joint ventures and partnerships with other Territory enterprises with industry experience and expertise.

The Aboriginal Procurement Policy complements the value Aboriginal businesses (that do not qualify as an Aboriginal Business Enterprise), contribute to the NT economy.

\*Aboriginal Business Enterprises include Aboriginal Community Controlled Organisations, companies, incorporated associations, sole traders, partnerships, trusts and social enterprises or registered charities.

## 3. Achieving the purpose

The Aboriginal Procurement Policy purpose will be achieved by:

- contributing to enabling a commensurate level of Aboriginal economic participation, including Aboriginal employment through supply chains, to that of the NT's Aboriginal population (30%)
- enabling whole-of-government preferencing for Aboriginal economic participation in procurement activity to realise an increased number and value of NT Government contracts awarded to Aboriginal Business Enterprises
- enabling agencies to procure fit-for-purpose outcomes with the flexibility to match demand for Aboriginal Business Enterprises
- introducing achievable and measurable procurement stretch-targets.



Photo: Shardae Elsegood, Bodhi Pastor-Elsegood and Larissa Mills from Cross Cultural Consultants

## 4. Aboriginal Procurement Policy principles

The Aboriginal Procurement Policy applies the NT Government Procurement principles, being:

- value for the Territory
- ethical behaviour and fair dealing
- open and effective competition
- enhancing the capabilities of Territory enterprises and industries
- environmental protection.

The Aboriginal Procurement Policy also aligns to the Aboriginal Economic Participation Framework principles, being:

- Aboriginal Territorians are key drivers and partners in the Territory's economic future

- equal inclusion of Aboriginal Territorians in the economy is critical to the NT reaching its economic potential
- the best value for the Territory in procurement and grants includes social value, which must be taken into account
- the NT Government recognises that decisions are best made closer to the people and communities affected and supports a regional approach that placed Aboriginal people and communities at the centre of decision making
- public funds expenditure must achieve the best value for the Territory and be an accountable use of public money.





## 5. Whole-of-government targets

A truly equal society would see the number of Aboriginal business enterprises and their share of Territory Government procurement broadly proportionate to the Aboriginal population in the Territory. The Territory Government acknowledges that as a Territory, and as a country, we are a long way from this. There is significant work to be done to improve Aboriginal participation in many industries across the Territory before such a target would be realistic or achievable. The Territory Government is committed to continuing to support the development of Aboriginal enterprise in the Territory and by establishing regular reviews of Aboriginal procurement targets intends to reach this goal.

The Aboriginal Procurement Policy will commence on 1 July 2022 with targets based on previous years data. Future years' targets will be identified after the first review of the Aboriginal Procurement Policy.

Financial year	Target
2022-23	5 per cent of the total number of NT Government contracts awarded to Aboriginal Business Enterprises
	5 per cent of the annual total NT Government contract value awarded to Aboriginal Business Enterprises

# NT Government definition



**51% or more Aboriginal owned business**



**operate as a business**

including: companies, incorporated associations, sole traders, partnerships, trusts, social enterprises and registered charities



**Aboriginal involvement in daily operation**



**registered with a certifying authority**

## 6. Application

The Aboriginal Procurement Policy applies to all NT Government agencies, and their personnel, and any NT Government body that is required to comply with the *Procurement Act 1995* (refer agencies and entities covered by the NT Government procurement framework).

The Aboriginal Procurement Policy applies to all NT Government supplies with an estimated value of \$15,000 or greater (including GST).



## 7. Whole-of-government accountability

All applicable NT Government agencies and entities are responsible for complying with and reporting against the Aboriginal Procurement Policy from 1 July 2022.

Aboriginal Procurement Policy reporting is also to be included in *Closing the Gap and Everyone Together - Aboriginal Affairs Strategy* reporting.





## Aboriginal Procurement Policy principles



Value for Territory



Ethical behaviour and fair dealing



Open and effective competition



Enhancing the capabilities of Territory enterprises and industries



Environmental protection

## 8. Complementary cross-government initiatives

- Aboriginal business and workforce programs
- Aboriginal business project development agreements
- Aboriginal Grant Policy (to be finalised)
- Buy Local Plan
- Closing the Gap
- Establishment of the Aboriginal Business Enterprise Register
- Everyone Together – Aboriginal Affairs Strategy
- Identification and development of training and skill development programs
- Local Decision Making
- NT Regional Boundaries reporting
- Small Business Champions
- Value for Territory Framework and Assessment
- Whole of Government Procurement Framework.

## 9. Guidelines

The Aboriginal Procurement Policy guidelines will support NT Government agencies and entities procure supplies from Aboriginal Business Enterprises. Supplies are a requirement of the NT Government or an agency including goods, works and services, and consultancies. The [guidelines](#) are publicly available here.

## 10. Definitions

<b>Aboriginal Business Enterprise</b>	<p>A business or community organisation that meets all of the following criteria:</p> <ul style="list-style-type: none"><li>▪ 51% or more Aboriginal owned</li><li>▪ is operating as a business, including companies, incorporated associations, sole traders, partnerships, trusts and social enterprises or registered charities if they are operating as a business</li><li>▪ can demonstrate that the Aboriginal and Torres Strait Islander people are involved in the daily operation of the enterprise and have effective control at least equal to the degree of ownership</li><li>▪ is registered with a certifying authority as meeting the definition.</li></ul>
<b>Certifying authority</b>	<p>A certifying authority is an organisation that 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 NT Government as suitably robust to assure the Territory of the integrity of its certified Aboriginal and Torres Strait Islander enterprise list.</p> <p>The NT Indigenous Business Network is recognised by the NT Government as the peak body for Aboriginal Business Enterprises in the Northern Territory and the primary certifying body.</p> <p>Other approved certify authorities are:</p> <ul style="list-style-type: none"><li>▪ Supply Nation</li><li>▪ Office of the Registrar of Indigenous Corporations (ORIC).</li></ul>

### 10.1. Transitional Arrangements

The NT Government acknowledges there are existing entities that have been recognised as an Aboriginal enterprise that do not meet the definition of an Aboriginal Business Enterprise under this policy.

Existing Aboriginal enterprises can apply to be recognised as an Aboriginal Business Enterprise under a transitioning arrangement for a period of up to 18 months. Recognition will require demonstrated progression towards certification in accordance with the Aboriginal Procurement Policy guidelines and the NTIBN Aboriginal Business Enterprise Certification.

## 11. Policy review and evaluation

A review of the Aboriginal Procurement Policy targets will commence on 1 January 2023 to inform new targets for 2023-24.

A review of the Aboriginal Procurement Policy in its entirety will commence 1 July 2023.

An evaluation of the Aboriginal Procurement Policy will commence 1 July 2024.

**The review and evaluation processes will be co-designed and agreed with the Aboriginal sector peaks and the Procurement Review Board.**



## Targets 2022 - 23

### Target 1.

**NT Government contracts awarded**

**5%**

5 per cent of the total number of NT Government contracts awarded to Aboriginal Business Enterprises.

### Target 2.

**NT Government contract value**

**5%**

5 per cent of the annual total NT Government contract value awarded to Aboriginal Business Enterprises.







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