

Media release

Supply Nation applauds new Indigenous Procurement Policy results

Date of release 14 February 2019

Aboriginal and Torres Strait Islander people have been running innovative, successful and sustainable businesses for thousands of years. Today's announcement of the latest results from the Federal Government's Indigenous Procurement Policy (IPP) illustrate that this cultural heritage translates into today's economy: with reports that 1,473 Indigenous businesses have delivered 11,933 contracts worth over \$1.83 billion to Government departments and agencies under the policy since its implementation in July 2015.

Laura Berry, Chief Executive Officer of Supply Nation welcomed the news: "By any measure, the Indigenous business sector is growing exponentially. The Indigenous Procurement Policy demonstrates that setting targets, monitoring them and reporting on them publicly can have a transformative effect on buying behaviours and further, on an entire business sector.

"2019 is Supply Nation's tenth year of operation, and the growth of the sector in the last 10 years illustrates how both government and corporate organisations can use their procurement spend as a lever to achieve social good."

In addition to the IPP results, the Federal Government has also announced that it is phasing in ambitious new targets. With Indigenous people making up around 3% of the Australian population, the previous policy terms mandated that a proportional 3% of the number of government contracts should go to Indigenous businesses. Whilst that has driven growth in the number and value of contracts awarded to Aboriginal and Torres Strait Islander owned businesses, the value of these contracts has not increased proportionally and falls well short of 3% of total Government spend. The next iteration of the policy sees targets implemented around the value of procurement – with stepped increases from 1% in 2019 to 3% in 2027.

Ms Berry believes this is a logical next step for the Government. "Not only are the increases achievable, the implementation of the Indigenous Business Sector Strategy will provide the support to build capability and capacity for Aboriginal and Torres Strait Islander businesses to be well positioned to deliver these larger contracts.

These changes to the IPP also integrate with the announcement in October 2018 of new Joint Venturing criteria – and clearly illustrate that the Government are working in real-time to address the challenges faced by the sector with real, practical and sensible policy."

Supply Nation also welcomes the inclusion of mandatory Indigenous participation targets for high value contracts across an expanded range of industries from July 2020.

These new targets will go into effect 1 July 2019, with Indigenous participation targets for new industry sectors introduced on 1 July 2020.