

## Media release

### Proposed changes to Indigenous Procurement Policy welcomed

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The definition of what constitutes an Indigenous business may soon change, following a consultation announced by the Federal Government.

As part of the consultation, the Government is considering enhancing the definition from a minimum of 50% ownership to 51% ownership, management and control.

Welcoming the proposed change, Indigenous business organisation, Supply Nation said the new definition would help combat the practice of “black cladding”, where a company establishes a facade of Indigenous ownership in order to fraudulently win contracts.

Supply Nation Chief Executive Officer, Kate Russell said her organisation had long advocated for the change.

“One percent is a small number but can make a big difference. Including standards of management and control will only strengthen the Indigenous economy and increase confidence in Indigenous business. We are very pleased the Government has listened to our concerns and is considering this much needed reform”, Ms Russell said.

Ms Russell said that while black cladding was not widespread, any incidence of it was damaging to Indigenous businesses.

“This change would be very welcome because black cladding robs genuine Indigenous businesses of opportunities and damages the reputation of the vast majority of our businesses that are doing the right thing”, she said.

Ms Russell said Supply Nation would seek to work with the Government to ensure any change is implemented smoothly in a way that gives time and support for businesses to make the transition.

“There is very little time to participate in the consultations, so we urge businesses to read the discussion paper, complete the survey and make a submission as soon as possible”, she said.

The Federal Government’s consultation runs until 1 March 2024. A discussion paper, online survey and details on how to make a submission are available on the [National Indigenous Australian Agency \(NIAA\) website](https://www.niaa.gov.au).

#### About Supply Nation:

Supply Nation is Australia’s leading supplier diversity organisation. Since 2009, Supply Nation has worked with Aboriginal and Torres Strait Islander businesses and procurement teams from government and corporate Australia to help shape today’s emerging and rapidly evolving Indigenous business sector. Supply Nation’s robust verification process provides peace of mind by ensuring that all businesses listed on Indigenous Business Direct are not only Indigenous owned but are regularly audited for changes in company structure. Supply Nation’s support, combined with a range of business tools, helps our members develop their supplier diversity practices, and build a strong, successful and sustainable Indigenous business sector. To find out more, visit: [supplynation.org.au](https://supplynation.org.au)

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