



Australian Government
Indigenous Land Corporation

ILC Group Indigenous Procurement Policy

1. Introduction

The aim of the Indigenous Procurement Policy is to actively seek opportunities to maximise the ILC Group's procurement of Indigenous goods and services to support Indigenous businesses to grow and in turn employ more Indigenous people. The policy will support Indigenous businesses to compete and showcase the products they have to offer, to help to drive financial independence and to create wealth and opportunities for Indigenous Australians. It will also support Indigenous economic development in regional and remote Australia and will build the presence of Indigenous businesses in the ILC Group supply chain.

2. Legislative and Policy Context

Legislative context

- *ATSI Act* s191F(2): For the purposes of the performance of the Indigenous Land Corporation's functions, the Indigenous Land Corporation must give priority to the following:
 - (b) maximising the employment of Aboriginal persons and Torres Strait Islanders;
 - (c) maximising the use of goods and services provided by businesses owned or controlled (whether directly or indirectly) by Aboriginal persons or Torres Strait Islanders.
- The ILC is also bound by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The PGPA Act includes requirements to:
 - make proper use and management of public resources;
 - keep records that properly record and explain transactions; and
 - comply with certain general policies of the government.

Policy Context

This policy acts in accordance with the ILC's:

- National Indigenous Land Strategy
- ILC's Reconciliation Action Plan
- ILC and Subsidiary Purchasing Guidelines
- Delegations and Authority Limits
- Code of Conduct
- Commonwealth Governments Indigenous Procurement Policy and Guidelines

For the purposes of this Policy, procurement is defined as the acquisition of goods and services by the ILC or one of its subsidiaries in the ordinary course of business. However, the Policy does not apply to the following items:

- Grants and loans
- Land Acquisition
- Employee salary and other costs relating to employment matters



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- Board and Director's fees
- The acquisition of shares, units or other financial products
- Insurance (Comcover and Comcare)
- Payments imposed by Governments and regulatory bodies

3. Procurement Targets

The ILC Group will target the following:

- a minimum of 5% of its annual procurement spend is with Indigenous businesses; and
- a minimum of 5% of all contracts that relate to the procurement of goods and services are executed with Indigenous businesses.

The ILC Group will also support indirect Indigenous procurement through the grants and investments it provides to Indigenous Corporations through Our Land Our Future.

4. Guiding Principles

- The ILC Group is committed to delivering economic, social, cultural and environmental benefits to Indigenous people
- The ILC Group is committed to supporting the Government's Indigenous Advancement Strategy and Indigenous Procurement Policy
- A key driver of economic development is the employment of Indigenous people
- The ILC Group will build on its record of supporting Indigenous employment and training through its programs and procurement practices through this policy
- The ILC Group will ensure transparency through its procurement processes, including being clear in its objectives and reporting against its targets
- The ILC Group is committed to the procurement of culturally appropriate and authentic goods and services
- The Indigenous Procurement Policy will apply across the ILC Group
- Indigenous businesses are defined as a 50% or more Indigenous owned¹ legal entity and may take the form of a sole trader, corporation, partnership and incorporated association;
- Robust reporting and recording systems will enable monitoring and reporting of performance
- Supply Nation is utilised to identify potential Indigenous suppliers

5. Underpinning processes

Procurement Process

When procuring goods and services, the ILC Group will provide opportunities for Indigenous businesses to quote. The ILC Group will look first to procure goods and services from Indigenous suppliers. A minimum of one Indigenous business should quote or tender for

¹ This is in line with the Commonwealth Indigenous Procurement Policy definition of an Indigenous enterprise.



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work if possible. In cases where no Indigenous supplier is available, or a non-Indigenous supplier is chosen for other reasons, this will be recorded along with the reason for the decision.

An Indigenous supplier will be preferred in a procurement or tender process provided the procuring officer and/or delegate is satisfied it is suitable in quality of product and service, technical ability, WH&S and value for money.

Provided the above criteria are met, the following price parameters shall apply:

1. For purchases under \$2,000, an Indigenous supplier can be contracted directly unless its price is not considered value for money;
2. For purchases of goods and services between \$2,000 and \$10,000, the Indigenous supplier's price is within 10% of the lowest comparable quote; and
3. For purchases of goods and services with a value between \$10,000 and \$400,000, the Indigenous supplier's price is within 5% of the lowest comparable quote.

Further Assessment Considerations - Contracts over \$400,000 (GST Exclusive)

1. Where there are multiple Indigenous suppliers competing for a tender, the assessor will ensure each supplier's Indigenous employment activities, including the number of Indigenous people it employs, is considered as a criterion in the assessment of the tender.
2. Where no suitable Indigenous suppliers have been identified, a non Indigenous supplier's level of Indigenous employment and commitment to addressing Indigenous disadvantage, such as a registered Reconciliation Action Plan, will be considered as a criterion in the assessment of the tender.

Indirect Indigenous Procurement

Where possible, ILC grant recipients will be encouraged to procure goods and services from Indigenous suppliers.

6. Implementation, Monitoring and Administration

The ILC Group will publically hold itself to account for performance under the Indigenous Procurement Policy and performance against its procurement targets will be publicised in its Annual Report.

Each ILC directorate and subsidiary will be responsible for implementing, monitoring and reporting on their progress against the ILC Group procurement targets to each meeting of the ILC Board.

Request for quote/tender and purchase order documentation shall address the information required to establish whether a supplier qualifies for favourable weighting.



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Supplier agreements that are contracted on the basis of Indigenous employment numbers may incorporate a requirement for the supplier to report on Indigenous employment statistics and provide the ILC with the right to audit this information if required.

7. Review

This Policy, including the ILC Group Indigenous procurement targets, will be reviewed prior to June 30 2017.

Approved at ILC Board Meeting 205, 19 October 2016.