

# Indigenous business

## What is the Indigenous Procurement Policy?

To help Indigenous businesses to grow the Government requires Commonwealth agencies to meet a purchasing target from Indigenous businesses from 1 July 2015.

In addition, for the following two types of procurements, the Commonwealth will need to consider whether an Indigenous business can deliver the required goods or services on a value for money basis before approaching the market more generally:

- procurements where the majority of goods or services will be delivered in a remote area;
- procurements valued between \$80,000 - \$200,000.

## Why is Supply Nation's Indigenous Business Directory important?

For the procurements above Commonwealth buyers' first point of call should be Supply Nation's Indigenous Business Directory.

Buyers should check the Directory which will quickly and reliably show whether there is an Indigenous business that can provide goods or services on a value for money basis.

## What is an Indigenous business?

An Indigenous business is any business that is 50 per cent or more Indigenous owned.

## How can I get started?

### Register with Supply Nation

You should consider registering your business with [Supply Nation](http://www.supplynation.org.au). This is one of the best steps Indigenous businesses can take to gain exposure to Commonwealth buyers. Registration is a free, easy and straight forward process see [www.supplynation.org.au](http://www.supplynation.org.au)

The register of Indigenous businesses that Supply Nation maintains is regularly checked by Commonwealth government and non-government buyers. The Commonwealth and Supply Nation hold events throughout the year to raise the profile of Indigenous businesses with buyers.

### Tips for Indigenous businesses

- Develop a clear business profile
- Ensure your business's communications look professional
- Update your business's web page regularly
- Know your product
- Know your customer and market
- Understand the quoting process
- Understand the procurement and contracting rules
- Watch for opportunities
- Attend networking events
- Build relationships
- Follow up on potential contracting leads
- Be proactive, market your goods and services

- Make sure you deliver value for money
- Ask for feedback
- Keep your Supply Nation profile current.
- Keep a list of key procurement contacts
- Consider becoming a Commonwealth government panel member
- Register with an Indigenous Chamber of Commerce.
- For further information go to the Department of Finance's website at [www.finance.gov.au/](http://www.finance.gov.au/)

### How can I find contracting opportunities?

- Register your business on [AusTender](http://AusTender) ([www.tenders.gov.au](http://www.tenders.gov.au))
- Create a business profile for automatic notification of opportunities
- Search for opportunities and contracts relevant to your business
- Monitor and watch Annual Procurement Plans
- Meet potential Commonwealth buyers at "Meet the Buyer" events and make sure your business is well known.
- Review the events and factsheets on the Indigenous [Procurement Policy page](#) at [www.dpmc.gov.au](http://www.dpmc.gov.au)

### For more information

Questions about the Indigenous Procurement Policy can be sent to [IndigenousProcurement@pmc.gov.au](mailto:IndigenousProcurement@pmc.gov.au)

### Where can I get help to build my business?

[Indigenous Business Australia](#) may be able to help you with a business loan or other support to help your business grow and win Commonwealth contracts see [www.iba.gov.au](http://www.iba.gov.au)

Your local Indigenous Chamber of Commerce may also offer support to help you gain the skills necessary to win government contracts. For more information see the [department's](#) website [www.dpmc.gov.au](http://www.dpmc.gov.au)

### How does the Indigenous Procurement Policy apply to Indigenous businesses?

The Indigenous Procurement Policy commenced 1 July 2015. It is designed to use the Commonwealth's billion dollar procurement spend to drive demand for Indigenous businesses and employees in three ways. It requires that:

- Commonwealth agencies to meet annual purchasing targets from Indigenous businesses. By 2020, three per cent of new domestic Commonwealth government contracts will be awarded to Indigenous businesses.
- Indigenous businesses who can show value for money are considered first for all Commonwealth government contracts:
  - delivered in remote Australia and
  - for all contracts valued between \$80,000 and \$200,000. (This is called

the mandatory set aside process).

- Commonwealth contracts valued at \$7.5 million and above, where the majority of the goods and services will be delivered in one of the following sectors, require that contractors meet minimum Indigenous employment and/or supplier use targets.
  1. Building, construction and maintenance services
  2. Transportation, storage and mail services
  3. Education and training services
  4. Industrial cleaning services
  5. Farming and fishing and forestry and wildlife contracting services
  6. Editorial and design and graphic and fine art services
  7. Travel and food and lodging and entertainment services
  8. Politics and civic affairs services

A detailed list of services that fall within each of these sectors can be found at the [department's](http://www.dpmc.gov.au/ipp) webpage [www.dpmc.gov.au/ipp](http://www.dpmc.gov.au/ipp)

### **What is a small to medium enterprise (SME)?**

An SME is defined by the Department of Finance as an Australian firm with fewer than 200 full-time equivalent employees.

### **Do the rules allowing the Commonwealth to directly contract an Indigenous business only apply to contracts between \$80,000 and \$200,000?**

No. The rules that make it easy for a Commonwealth buyer to purchase directly from an Indigenous business can be used for contracts of any size and value.


This provides Indigenous businesses with a big advantage - they do not need to complete costly tender processes. Indigenous business must still demonstrate value for money, but this can be done through a simpler quote process. For more information on [Exemption 17](#) please see the factsheet at [www.dpmc.gov.au](http://www.dpmc.gov.au)

### **Does the new policy benefit large as well as small Indigenous businesses?**

Yes. The Government's objective is to grow the Indigenous business sector – helping small businesses win their first Commonwealth contract and established businesses to expand.

All contracts with an Indigenous business can count towards the target, regardless of value.

Commonwealth buyers must offer all contracts between \$80,000 and \$200,000, and all contracts in remote areas regardless of value, to Indigenous businesses before approaching the market. Access to



these contracts will help the  
Indigenous business sector to grow,  
particularly in remote areas.

