

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Supplementary Budget Estimates 19-23 October 2015

Prime Minister and Cabinet Portfolio

**Department/Agency:** Department of the Prime Minister and Cabinet

**Outcome/Program:** Outcome 2: Indigenous

**Topic:** In relation to Recommendation No. 1 Paragraph 2.15 of the ANAO Report No. 1 2015-16

**Senator:** Senator Bridget McKenzie

**Question reference number:** 163

**Type of question:** Written

**Date set by the committee for the return of answer:** 4 December 2015

**Number of pages:** 1

**Question:**

Has PM&C reviewed the regional approach of the IOP and, as appropriate, provided advice to the Australian Government on potential alternative models by which the proposed minimum Indigenous participation requirements may be most effectively applied? If so, please outline those alternative models in order of effectiveness.

**Answer:**

In response to the ANAO's recommendation, the Government undertook extensive engagement with government entities. The regional approach that applied under the Indigenous Opportunities Policy (IOP) was carefully reviewed. As a result of this review, the Indigenous Procurement Policy (IPP) takes a new approach to achieve better procurement outcomes for Indigenous businesses and simpler administration for government entities. Under the new approach, all contracts in remote Australia are set aside for Indigenous businesses, together with all contracts valued between \$80,000 and \$200,000. The detailed IPP guidelines include clear guidance for agencies to assist them to determine whether a contract is in remote Australia and how to apply the policy.

The regional focus of the IOP has been replaced with minimum Indigenous participation requirements for high value contracts in eight key industry sectors known to have high Indigenous employment. Additionally, the IPP recognises an opportunity for additional Indigenous employment in remote areas, and includes requirements for suppliers delivering contracts in those areas.

The IPP will be reviewed at the end of the first year of operation. It will be fully evaluated at the end of three years to ensure that the policy intent is met.