

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. 2 Paragraph 3.18 of the ANAO Report No 1 2015-16

Senator: Senator Claire Moore

Question reference number: 164

Type of question: Written

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

Number of pages: 2

Question:

What are PM&C and Finance doing to better promote the Indigenous Business Exemption (IBE) and the exemption's potential contribution to broader Indigenous policy outcomes? What are they also doing to promote the Indigenous Procurement Policy itself? Please provide a copy of the strengthened promotion strategy if completed, if not, please advise of the completion or implementation date.

Answer:

The Indigenous Procurement Policy (IPP) uses Exemption No.17 of the Commonwealth Procurement Rules (Indigenous Business Exemption – IBE), to allow a Commonwealth agency to approach a small or medium Indigenous business directly for a quote for the provision of goods or services. The policy also includes a mandatory set-aside which exercises the IBE. The mandatory set-aside applies to procurements in a remote area and those valued between \$80,000 and \$200,000. This requires Government buyers to first check with Supply Nation to see if an Indigenous business can provide the goods or services on a value for money basis. The inclusion of the IBE within the IPP ensures that the IBE is better understood and fully utilised.

The Department of the Prime Minister and Cabinet (PM&C) actively promotes the IPP and administers strong reporting and public accountability requirements. Individual Government portfolios' progress against the IPP targets will be published annually on PM&C's website to drive and track performance.

Since the policy started on 1 July 2015, the Government has awarded 95 contracts to Indigenous businesses valued at nearly \$50 million (as at 7 December 2015). This is a conservative figure as these do not include contracts that portfolios will need to manually report to PM&C on a six monthly basis. This is approximately eight times the Government's spend in 2012-13, which was \$6.2 million.

PM&C promotes awareness of the policy to Government and non-Government entities, Indigenous businesses and peak bodies. This includes on-demand and tailored training, meet the supplier events, and monthly Indigenous business presentations. PM&C also manages an Indigenous Procurement mailbox for IPP questions. There is also an IPP website which includes a range of fact sheets, model clauses, information on upcoming events and a map of remote areas under the IPP.

The Department of Finance also provides information on the IPP and IBE as part of its 'Procurement for Projects' training for Commonwealth procurement officers. The training focuses on the application of the Commonwealth Procurement Suite which already incorporates the IPP.

A copy of the IPP is available on PM&C's website (www.dpmc.gov.au).