19/158 Aboriginal and Torres Strait Islander Procurement Policy

Summary of impacts

- Improve the health and wellbeing of Aboriginal and Torres Strait Islander people.
- Support the economic independence of Aboriginal and Torres Strait Islander people.
- Stimulate procurement opportunities for Aboriginal and Torres Strait Islander Enterprises.
- Increase income for Aboriginal and Torres Strait Islander Enterprises.
- Increase employment for Aboriginal and Torres Strait Islander people.
- Support Aboriginal and Torres Strait Enterprises including small business.
- Improve the skills, training and development of Aboriginal and Torres Strait Islander people.
- Stimulate economic activity from Aboriginal and Torres Strait Islander Enterprises.
- Reduce government procurement barriers for Aboriginal and Torres Strait Islander Enterprises.

Key to impacts: Red – negative, Blue – neutral, Green – positive.

Social

Community and individual	 At the February 2018 Council of Australian Governments (COAG) meeting, leaders noted that having a job or being involved in a business activity contributes to economic and social outcomes for Indigenous families and communities. 	
	 The policy thus may have the potential of improving equity in health and wellbeing outcomes of Aboriginal and Torres Strait Islander people through increased economic and employment opportunities. 	
Indigenous and multicultural	 The policy is intended to promote the economic independence of Aboriginal and Torres Strait Islander people by enabling equitable outcomes for Aboriginal and Torres Strait Islander Enterprises. 	
Disadvantaged and vulnerable	• The policy aims to increase the capacity for Aboriginal and Torres Strait Islander people to participate socially and economically through increased employment income levels.	

Economic

Income levels and distribution	 Income levels are likely to increase for Aboriginal and Torres Strait Islander Enterprise owners and may have a flow on positive effect to the income of employees.
Employment	 The policy is unlikely to have a significant impact on overall employment levels; however, there may be an increase in employment for Aboriginal and Torres Strait Islander people if there are more procurement opportunities for Aboriginal and Torres Strait Islander Enterprises.
	• This is because Aboriginal and Torres Strait Islander Enterprises are more likely to hire Aboriginal and Torres Strait Islander employees.
Small business impact	• The policy is likely to have a positive impact on Aboriginal and Torres Strait Islander Enterprises, including small businesses.
	 The known Aboriginal and Torres Strait Islander Enterprises in the Canberra Region are all small to medium enterprises with approximately 87 per cent having under nine employees.
	 Aboriginal and Torres Strait Islander Enterprises in particular can benefit from the policy's exemption from the quotation threshold.
	• The policy is likely to have a small negative impact on non-Indigenous small businesses, however, which may be excluded from opportunities. This is because, where it is anticipated that for those opportunities (predominantly in the value range up to \$200,000) where a better social and overall procurement outcome would be delivered through a direct approach to Aboriginal and Torres Strait

	enterprises, those requests would be sent directly to Aboriginal and Torres Strait Islander enterprises through a select process.
Skills and education	• The policy may indirectly help to increase skills, training and development for Aboriginal and Torres Strait Islander people.
	• This may occur through an increase in employment opportunities as more potential procurement opportunities are provided by the policy.
	• It also occurs through the growth of Aboriginal and Torres Strait Islander Enterprises, as employees take on more complex and specialised roles.
Investment and economic growth	 Increased Aboriginal and Torres Strait Islander Enterprise procurement opportunities may lead to a greater level of economic activity in the Territory from Aboriginal and Torres Strait Islander people.
	 Target addressable spend will increase annually by 0.5 per cent from financial year 2019-20 to 2012-22 – therefore, the level of economic activity by Aboriginal and Torres Strait Islander people is intended to increase accordingly.
Procurement	 The policy will impact on procurement practices in terms of reducing barriers to government procurement encountered by Aboriginal and Torres Strait Islander Enterprises.
	• The policy is unlikely to significantly impact on efficiency, effectiveness or costs; however, it will require education and training for procurement officers and the reporting of results.
	• Aboriginal and Torres Strait Islander Enterprises (under the policy) that have an office in the Canberra Region against their ABN, will be listed publicly on the Canberra Region Aboriginal and Torres Strait Islander Supplier list, where Territory purchasing officers and external head contractors can find Enterprises to engage in opportunities, therefore the policy is likely to help support the growth of SMEs in Canberra.

Environmental

Nil impact.