



The Indigenous Procurement Policy Reform Consultation Outcomes Report

Acronyms and Definitions

Acronyms

ACRONYM	ACRONYM DESCRIPTION
ACCO	Aboriginal Community Controlled Organisation
CPF	Commonwealth Procurement Framework
CPR	Commonwealth Procurement Rules
IPP	Indigenous Procurement Policy
MMR	Mandatory Minimum Indigenous Participation Requirements
MSA	Mandatory Set Aside
NIAA	National Indigenous Australians Agency
ORIC	Office of the Registrar of Indigenous Corporations
PCP	Procurement Connected Policy
SME(S)	Small to Medium Enterprise(s)

Definitions

KEY TERM	KEY TERM DEFINITIONS
BUYERS	Those looking to acquire the services of a supplier.
CAPABILITY	Ability or skill of an individual, organisation, or system to perform tasks, achieve objectives or deliver outcomes.
CAPACITY	Level of output, activity, or workload that an organisation or system can handle within a timeframe.
COMMONWEALTH PROCUREMENT FRAMEWORK	Sets out the basic rules for all Commonwealth procurements and governs the way in which entities undertake their own processes.
COMMONWEALTH PROCUREMENT RULES	The core of the procurement framework, (which also includes tools, guidance materials and templates) governing how entities buy goods and services and are designed to ensure the government and taxpayers get value for money.
INDEPENDENT ASSURANCE	The process of obtaining a third-party evaluation or validation of a business’s operations, financial statements, compliance with regulations, or adherence to specific standards or criteria.
INDIGENOUS ENTERPRISES	Businesses that meet the current definition of an Indigenous Enterprise as set out in the IPP, ‘an organisation, operating a business, that is 50 per cent or more Indigenous owned’ ¹
NON-INDIGENOUS BUSINESSES	Businesses that do not meet the definition of an Indigenous Enterprise as set out in the IPP.
PANELS	A structured arrangement where agencies can source goods or services from a pre-approved list of suppliers without needing to openly advertise each procurement.
PROCUREMENT CONNECTED POLICY	Policies that the Australian Government has agreed to implement as part of Commonwealth procurement activities and which Commonwealth agencies must consider during a procurement process.
PROCUREMENT OFFICIALS	Responsible for overseeing and managing the acquisition of goods, services, and works required by government entities.
SUPPLIERS	Those looking to supply goods, services or equipment to buyers.
VERIFICATION	The process aimed at ensuring that Indigenous Enterprises meet the criteria established by government agencies or organisations to access benefits.

Black cladding is an umbrella term for disingenuous or unlawful conduct aimed at taking advantage of Indigenous Enterprises and people, or misleading buyers, where businesses seek to benefit from policies not intended for them (like the IPP) to access markets. Throughout this report we will be avoiding the use of the term ‘black cladding’ for reasons later covered. In place of this term, we will interchangeably use ‘unlawful conduct, misleading conduct, fraudulent conduct, harmful conduct, problematic conduct’ based on the situations and events to which the participants, writers, and survey respondents.



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Acknowledgement of Country



We acknowledge the Traditional Owners and Custodians of the lands across Australia and thank them for their past and enduring connection to country, waters, and community. We extend our respect to the Ngunnawal and Ngambri people, the Traditional Custodians of the land on which those who authored this report work and live, to the Aboriginal and Torres Strait Islander peoples who contributed to this report through the consultation methods, as well as to all Aboriginal and Torres Strait Islander peoples reading this report, acknowledging their ancestors' ongoing influence on Country that stretches back over tens of thousands of years.

We recognise the significant roles that Aboriginal and Torres Strait Islander people continue to play within their communities and across Australia.

Always was, always will be Aboriginal and Torres Strait Islander Land.

Executive Summary

The Australian Government is considering options to reform the Indigenous Procurement Policy (IPP) to address issues that have been identified for consideration by the National Indigenous Australians Agency (the NIAA). The identified issues and proposed reform options to the IPP were outlined in the [Indigenous Procurement Policy Reform Discussion Paper](#) (the discussion paper) published by the NIAA on 18 December 2023 for the purposes of consultation.

The primary purpose of the IPP is to stimulate Indigenous entrepreneurship, business, and economic development, providing Aboriginal and Torres Strait Islander people with more opportunities to participate in the economy. The IPP applies to all non-corporate Commonwealth entities subject to the Commonwealth Procurement Rules (CPRs). Other entities are encouraged to adopt the IPP as best practice. The IPP aims to increase the Commonwealth’s Indigenous procurement in three ways:

- 1. Annual targets for the volume and value of contracts to be awarded to Indigenous Enterprises by the Commonwealth and each Portfolio.
- 2. A Mandatory Set Aside (MSA) to provide Indigenous Enterprises the opportunity to demonstrate value for money before a general approach to market. The MSA applies to all procurements to be delivered in remote Australia and for all other procurements wholly delivered in Australia with an estimated value from \$80,000 to \$200,000 (GST inclusive).
- 3. Indigenous participation targets to be mandated in high value contracts wholly delivered in Australia valued at \$7.5 million or more in specified industry categories, known as the ‘Mandatory Minimum Indigenous Participation Requirements’ (MMR).

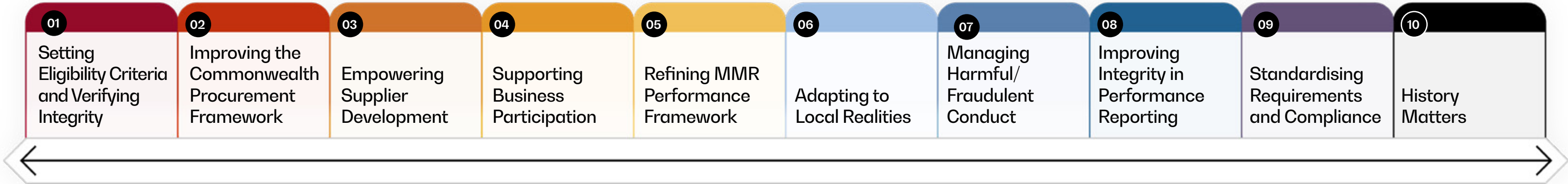
This document is the Indigenous Procurement Policy Reform Consultation Outcomes Report (the report). It communicates the insights gained through the consultations and is intended to support further policy consideration within Commonwealth Government.

This report has been independently prepared by Gurugun Pty Ltd for the NIAA. Gurugun applied objective processes to analyse information gathered through three methods:

- 1. Facilitated online sessions with identified cohorts of stakeholders;
- 2. An online First Nations business survey available through the NIAA website; and
- 3. Public submissions uploaded through the NIAA website or sent to the NIAA consultation email address.

The feedback from the consultations, conducted by Gurugun between December 2023 and March 2024, supports the need for reforms to the IPP, within the Commonwealth Procurement Framework (CPF), to increase opportunities for Indigenous Enterprises.

Gurugun’s analysis of the content from all three consultation methods revealed the following themes:



Introduction

Purpose

The primary purpose of the IPP is to stimulate Indigenous entrepreneurship, business, and economic development, providing Aboriginal and Torres Strait Islander people with more opportunities to participate in the economy. The IPP aims to increase the Commonwealth's Indigenous procurement in three ways¹:

1. Annual targets for the volume and value of contracts to be awarded to Indigenous Enterprises by the Commonwealth and each Portfolio.
2. A MSA to provide Indigenous Enterprises the opportunity to demonstrate value for money before a general approach to market. The MSA applies to all procurements to be delivered in remote Australia and for all other procurements wholly delivered in Australia with an estimated value from \$80,000 to \$200,000 (GST inclusive).
3. Indigenous participation targets to be mandated in high value contracts wholly delivered in Australia valued at \$7.5 million or more in specified industry categories, known as the MMRs.

Context

The IPP operates within the context of the CPF. Procurement in this context is the process of acquiring goods and services. It begins when a need has been identified and a decision has been made on the procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, and the awarding and reporting of a contract. An important point to note is that contract management activities are different from procurement processes and this report references these as related but distinct activities with procurement being the primary focus.

The CPRs are the core of the CPF. The CPRs are issued by the Minister for Finance (Finance Minister) under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and must be applied by Officials from non-corporate Commonwealth entities and prescribed corporate Commonwealth entities listed in the *Public Governance, Performance and Accountability Rule 2014* when performing duties related to procurement. The CPF is a subset of the Resource Management Framework related to the procurement of goods and services and includes:

1. Web-based guidance, developed by the Department of Finance (Finance) to assist entities to implement the procurement framework;
2. Resource Management Guides, which advise of key changes and developments in the procurement framework; and
3. Templates, such as the Commonwealth Contracting Suite, which simplify and streamline processes, creating uniformity across Commonwealth contracts to reduce the burden on businesses when contracting with the Commonwealth.

¹ Indigenous Procurement Policy | NIAA Indigenous Procurement Policy | National Indigenous Australians Agency (niaa.gov.au)



The IPP is a Procurement-Connected Policy within the CPF that seeks to support government policy objectives through the Commonwealth Government’s procurement activities. The IPP is issued by the Minister for Indigenous Australians and administered by the NIAA. Accountable Authorities within relevant Commonwealth entities are responsible for ensuring compliance with the IPP. The NIAA is responsible for monitoring and reporting entities’ performances against the requirements of the IPP. The success of the IPP is assessed using two key performance indicators:

- 1. The extent to which there is an increase in the number of Indigenous Enterprises contracted to the Commonwealth; and
- 2. The extent to which there is an increase in the volume and value of contracts awarded to Indigenous Enterprises.

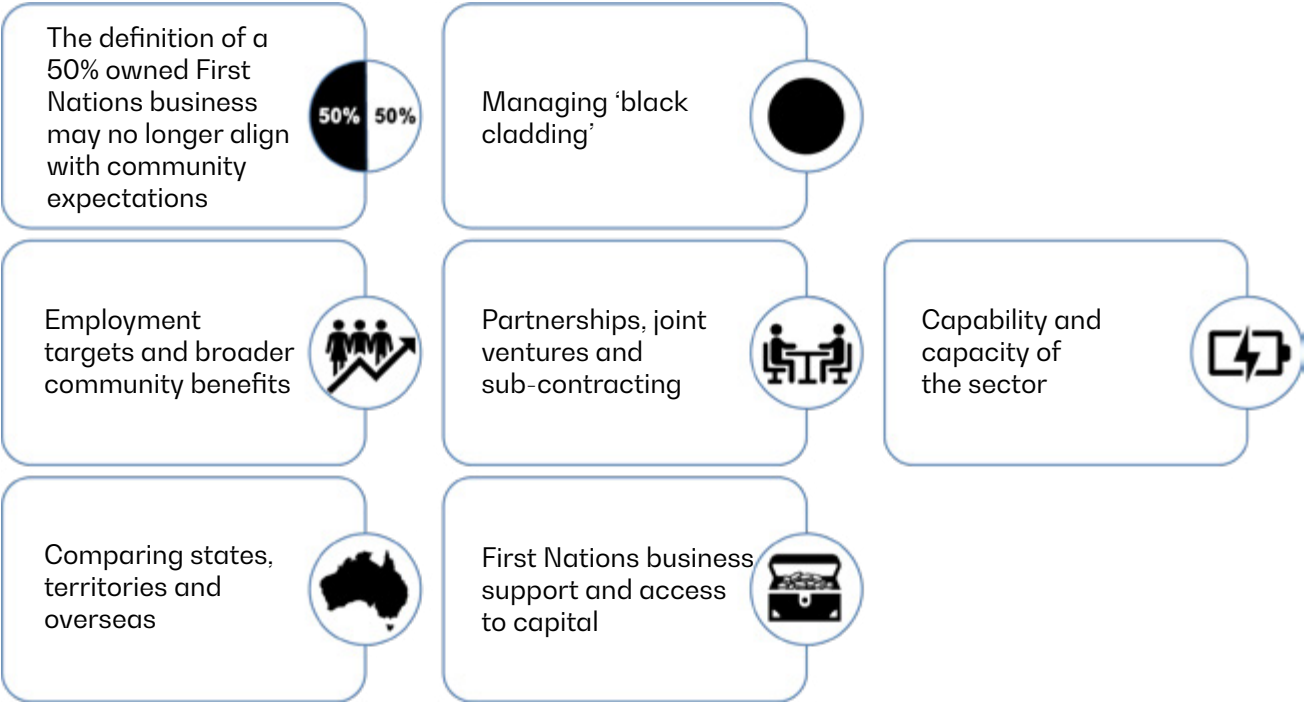
See [Commonwealth Procurement Framework](#) on the Department of Finance website and [Indigenous Procurement Policy](#) on the NIAA website for more detail.

Reform Issues

The Australian Government is considering options to reform the IPP to address issues that have been identified for consideration by the NIAA. The identified issues and proposed reform options were outlined in the [Indigenous Procurement Policy Reform Discussion Paper](#) (the discussion paper) published by the NIAA on 18 December 2023 for the purposes of consultation. The purposes of the proposed reforms are:

- 1. to create more opportunities for First Nations businesses through Commonwealth procurement processes
- 2. to contribute more meaningfully to the outcomes set out in:
 - a. The National Agreement on Closing the Gap; and
 - b. The government’s Buy Australian Plan.

The identified issues for consideration are:



Proposed Reforms

The reforms that the NIAA have proposed aim to:

- **Expand opportunities by significantly increasing the number and quality of procurement opportunities available to First Nations businesses within government procurement processes; and**
- **Drive meaningful contributions by ensuring that the IPP reforms contribute substantively to the objectives of the National Agreement on Closing the Gap and support the ethos of the Buy Australian Plan, thereby aligning Indigenous economic participation with broader national economic and social goals.**

The proposed reforms are:

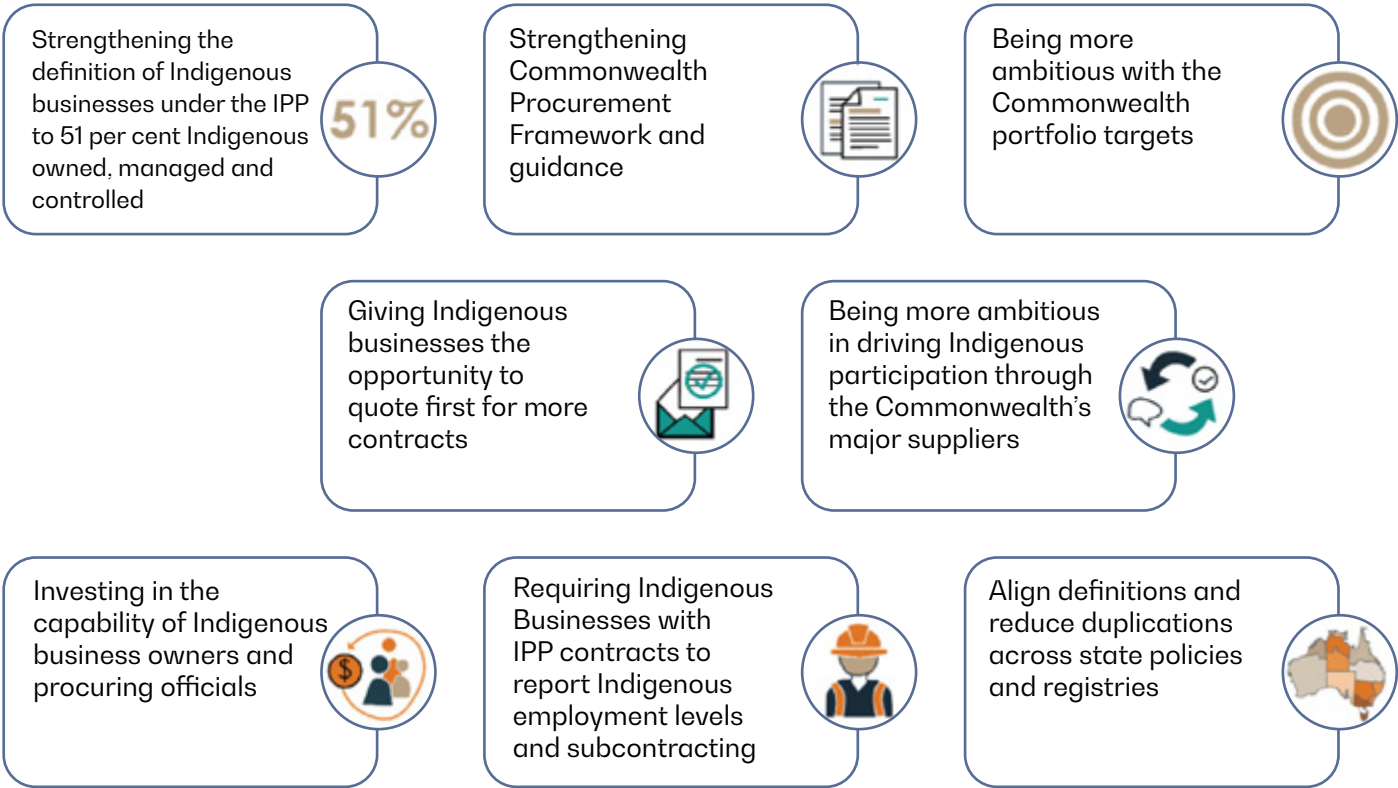


Figure 2: Proposed Policy Reform Options in the Discussion Paper

The Report

The report, written by Gurugun, captures a wide array of perspectives gathered through facilitated online sessions, a First Nations business survey available through the NIAA website, and public submissions. It serves as a foundational document to guide policy considerations and adjustments within the CPF. The insights presented are structured into several thematic areas, each addressing distinct aspects of procurement and business processes that impact Indigenous Enterprises. This structure not only reflects the diverse input from participants across the board but also outlines the nuanced challenges and opportunities within the existing procurement framework.

The themes in this report are reflections of real-world instances and participant testimonials, providing a narrative that conveys the depth and breadth of the online sessions, survey responses and public submissions. The insights and themes are general across all of these inputs, ensuring not to favour one view over the other, consolidating and identifying the main themes that arose across all platforms. This approach ensures that readers gain a comprehensive understanding of the potential impacts of the proposed IPP reforms on Indigenous entrepreneurship and the broader procurement landscape, as well as ensuring a fair interpretation of the results and sentiments that arose.



Theme 1: Setting Eligibility Criteria and Verifying Integrity

SUMMARY INSIGHTS

- Standards and definitions matter to buyers: A single standard definition that reflected contemporary buyer and community expectations would help buyers to identify and engage Indigenous Enterprises
- Assurance of supplier claims matter: Independent assurance processes are critical for confirming supplier claims, particularly concerning compliance with MMRs and other procurement criteria
- Accurate verification of businesses against eligibility criteria matter: Verification processes are vital to maintaining integrity of suppliers against clear criteria, with those criteria being the definitions of an Indigenous Enterprise
- Create a single source of truth: A single reference point for buyers to validate all potential suppliers as Indigenous Enterprises would increase confidence in the sector

Insights

Standards and definitions matter to buyers

Participants reported a need for a single, standard definition of a business owned, managed, and controlled by Aboriginal and Torres Strait Islander people across Commonwealth entities. This unified standard should reflect contemporary buyer and community expectations, ensuring cultural sensitivity and alignment with current social norms. While there was broad support for such a standard, participants reported disagreement over specifics, such as the emphasis on ownership percentages and the inclusion of management and control criteria. Flexibility in the criteria was suggested to account for diverse business models and operational realities. Despite these differences, it was reported a unified definition would greatly aid buyers in confidently identifying and engaging legitimate Indigenous Enterprises.

Participants identified the following considerations:

1. Commonwealth entities use diverse terminologies² and definitions to classify businesses owned by Aboriginal or Torres Strait Islander persons, leading to confusion and uncertainty in the marketplace. This inconsistency, along with the use of non-contemporary language – more on this in the next point - negatively affects the ability of officials to verify if suppliers meet the intended eligibility criteria and fails to align with current community expectations. Participants reported that updating the language to better reflect cultural sensitivity and contemporary standards would help mitigate this issue.

² Indigenous business, Indigenous enterprise, First Nations Business, Indigenous Corporation, Indigenous-owned business, First Nations-led organisation, Aboriginal and Torres Strait Islander business, Aboriginal Business, Aboriginal Business Enterprise, Indigenous owned and operated business, Aboriginal or Torres Strait Islander-owned business, Aboriginal-owned business.



2. The with the diverse terminologies, terms like ‘black cladding’ stand out as particularly problematic. Participants reported that this term not only carries racially charged connotations, but also detracts from the legitimacy of Indigenous Enterprises. The term ‘black cladding’ was reported by participants as outdated and inappropriate, reflecting a broader issue of racial insensitivity in terminology used in official contexts. Participants reported the need to eliminate culturally insensitive terms to enhance the clarity of procurement processes and align with contemporary social standards.
3. The current emphasis on ownership percentage and Office of the Registrar of Indigenous Corporations (ORIC) registration is seen as insufficient to meet the objectives of the IPP. This approach does not sufficiently prevent scenarios where businesses meet these criteria on paper but fail to deliver tangible benefits to the Aboriginal and/or Torres Strait Islander owners. Participants reported support for the inclusion of management and control in the definitions, asserting that true Indigenous Enterprises should actively participate in both managing and controlling their businesses. This adjustment would better align with the expectations of buyers, Indigenous Enterprises, and the community, enhancing IPP effectiveness by ensuring that Aboriginal and/or Torres Strait Islander business owners genuinely influence their businesses’ strategic directions and daily operations. Such changes are expected to promote equitable practices and real economic empowerment within Aboriginal and/or Torres Strait Islander communities.
4. Participants reported that considerations must be made for small family-owned businesses, particularly those operated by ‘mum-and-dad’ teams where one partner is Aboriginal and/or Torres Strait Islander. The proposed increase to a 51% ownership requirement could disproportionately affect these small enterprises, potentially excluding them from being recognised under the IPP if they cannot meet the new ownership threshold. Participants reported a need for flexibility in the criteria to account for the diversity of business models and operational realities, ensuring that these businesses are not inadvertently precluded.
5. There is a need for uniform application of definitions and verification processes across all procurement activities (state, territory and private sector processes). Current practices that permit suppliers to self-certify compliance via declarations pose risks of deceptive practices. Participants reported discrepancies between the eligibility criteria applied by different entities and called for more rigorous verification processes. They reported that some community-driven initiatives have already started to adopt a 51% ownership, management, and control standard, indicating a shift towards higher integrity in supplier markets, yet this is not consistently reflected or required in governmental and private sector policies. Participants reported the importance of these eligibility criteria in ensuring that the benefits of procurement policies are accurately distributed.
6. Noting that the consultations were focused on Commonwealth Procurement, participants reported that the current system’s reliance on varied definitions and verification processes across different jurisdictions and organisations complicates the engagement of Indigenous Enterprises in procurement opportunities. This variance leads to inefficiencies where businesses might have to undergo multiple verification processes, imposing significant operational burdens. Participants reported that this scenario places an undue administrative and financial strain on Indigenous Enterprises and deters new businesses from entering the procurement market.

Assurance of supplier claims matters

Participants reported that independent assurance processes are critical for confirming supplier claims, particularly concerning compliance with MMRs and other procurement criteria. However, there were varied views regarding the effectiveness and focus of these assurance processes. While many participants supported the need for independent assurance to maintain buyer confidence and integrity, there were differences on whether these processes address the main risks or merely shift focus away from more critical issues. Concerns were also raised about the lack of accountability and transparency, especially in shared ownership structures.

Participants identified the following considerations:

1. The recognition of independent assurance of supplier claims of eligibility is crucial for maintaining buyer confidence and uplifting integrity within markets, particularly for Indigenous Enterprises. Participants reported that while this assurance aims to validate business compliance with procurement criteria, it remains uncertain whether this focus properly addresses the main risks or hurdles in meeting IPP objectives. The practice of relying solely on contract management activities for the independent assurance of supplier claims and reports, such as meeting MMRs, is not uniformly adopted, leading to reported gaps in the assurance processes currently in place.
2. There are very few accountability measures placed on shared ownership businesses. The likelihood of being found to be engaging in fraudulent conduct and the absence of consequences for individuals and businesses engaging in such conduct presents an opportunity for significant benefit with low risk. Participants reported that independent assurance of suppliers would be improved by examining ownership structures beyond the business owned by Aboriginal and/or Torres Strait Islander people and that transparency of business arrangements should go further than disclosing ownership.

Accurate verification of businesses against eligibility criteria matters

Participants reported that verification processes are vital to maintaining integrity of Indigenous Enterprises against clear eligibility criteria, with those eligibility criteria being the definitions of an Indigenous Enterprise. However, there were concerns about the effectiveness and fairness of these processes. There were differing views on the best approaches to strengthen verification while minimising the burden on Indigenous Enterprises, highlighting the need for a balance between oversight and practical implementation.

Participants identified the following considerations:

1. When verification processes are conducted by non-government organisations, they heavily depend on information provided by suppliers, with some data from Australian Government sources. Participants reported concerns about the reliability of information and highlighted the existence of more robust data from independent sources, such as the Australian Tax Office, Australian Securities and Investments Commission, and other relevant agencies. Although Supply Nation provides verification services, participants reported that fraudulent and harmful conduct persists.
2. The financial burden of participating in these verification activities falls mainly on the Indigenous Enterprises, with significant direct and indirect costs involved, such as time, documentation, interviews, lost productivity, and opportunity costs. Participants reported a lack of financial support for Indigenous Enterprises to offset these costs, which disproportionately affects the very businesses the IPP aims to support. The necessity to meet varying eligibility criteria across different government markets further escalates these costs, increasing the barriers for Indigenous Enterprises and highlighting the need for standardised assurance processes across jurisdictions. Participants also reported that the accountability levels for harmful and deceptive conduct within these assurance activities is low, with suppliers exploiting weaker systems—a practice referred to by participants as 'verification shopping.' Participants reported a need for tighter controls, better resourcing for assurance providers, and stronger disciplinary measures to address harmful and deceptive conduct.



Create a single source of truth

Participants reported that, currently, there is not a single registry of all businesses owned by Aboriginal and Torres Strait Islander people across Australia. A single reference point for all buyers to validate all Indigenous Enterprises, provided by Australian Government to government and non-government buyers, would increase the opportunity for transparency within procurement processes and reduce the opportunity for fraudulent and misleading conduct. While the need for a single registry was unanimously reported, it was noted that not all Indigenous Enterprises may want to publicly register.

Participants identified the following considerations:

1. Currently, there is a lack of a single registry of all Indigenous Enterprises. Participants reported that this absence hampers both government and non-government buyers in confidently identifying and engaging with legitimate Indigenous Enterprises, subsequently elevating the risk of harmful and problematic conduct. This absence also reportedly undermines the credibility of the procurement process and lessens the effectiveness of policies made for support. Participants reported that the creation of a more coordinated, better funded, single registry and verification framework would streamline the verification process, enhance transparency, and increase confidence among both buyers and suppliers. Most participants advocated for this system to be maintained, and funded by the Australian Government, involving Aboriginal and Torres Strait Islander communities in its development, with some reporting support for the single registry being led by Aboriginal and Torres Strait Islander peoples.
2. Participants emphasised that the current system makes it hard for buyers to confidently engage with Indigenous Enterprises, leading to oversights and missed opportunities. Standardised verification criteria across all states and territories would simplify the process, making it easier for buyers to verify and engage with legitimate Indigenous Enterprises. This would reduce administrative burdens, eliminate inconsistencies, and lower the barriers for Indigenous Enterprises to participate in procurement opportunities.



Theme 2: Improving the Commonwealth Procurement Framework

SUMMARY INSIGHTS

- Lowering barriers to market entry: Barriers to entry and costs to participate in Commonwealth procurement activities inhibit direct engagement with Indigenous Enterprises
- Improve policy connectedness: Stronger representation of the IPP within the CPRs would make it easier for buyers to understand and apply these policies consistently
- Guidance ought to be user-friendly: Providing clear, practical guidance and establishing a dedicated advisory service are key to supporting procurement officers in applying the IPP
- Improve procurement capability: Improved procurement and cultural learning and development resources would support buyers to apply the IPP

Insights

Lowering barriers to market entry

Participants reported that barriers to entry and costs to participate in Commonwealth procurement activities inhibit opportunities for buyers to directly engage with Indigenous Enterprises. There were varying views of the extent of these barriers and the best ways to address them, with most participants supporting the need for improving early engagement, simplifying compliance requirements and adjusting expectations to better match capacities of Indigenous Enterprises.

Participants identified the following considerations:

1. Government procurement officials often require suppliers to demonstrate significant previous delivery experience as a risk assessment measure³. While this is beneficial for managing procurement risks, this high threshold restricts new suppliers from accessing opportunities that could allow them to grow and gain relevant experience. Participants reported that improving early engagement with Indigenous Enterprises during the procurement process would help officials develop a more accurate understanding of the Indigenous Enterprises' actual risk profiles, potentially reducing missed opportunities for both parties.
2. The CPF's compliance requirements and perceived biases within procurement panels are seen by participants as significant barriers for Indigenous Enterprises. Participants reported that simplifying these requirements and addressing biases could lower entry barriers. Training programs for procuring officials and reforms to reduce compliance burdens were also noted by participants, with reports leaning towards enhancing direct engagement opportunities for these Indigenous Enterprises.



3. Existing procurement procedures within government frequently prioritise high-value contracts, which exceed the capabilities of many smaller, Indigenous Enterprises, thus restricting their access to substantial opportunities required to grow. This disparity between procurement officials' expectations and the true capacities of these Indigenous Enterprises not only curtails their growth but also reinforces a cycle of constrained scalability. Participants reported that procurement officials often have unrealistic expectations, assuming that smaller Indigenous Enterprises should be able to handle large-scale contracts despite their limited resources. Additionally, participants reported that once procurement officials identify an Indigenous Enterprise, they consider their job done under the IPP. Instead of seeking more potential Indigenous Enterprises, participants feel that a 'one and done' approach is often adopted, with officials expecting a single business to be able to manage any and all procurement challenges. When these smaller enterprises cannot meet such extensive demands, it frequently results in dissatisfaction of both parties.

Improve policy connectedness

Participants reported a perception that because the IPP is not a core part of the CPF, it makes government priorities unclear. It is often uncertain whether to prioritise Indigenous Enterprises, environmental sustainability, or other factors in tender processes. Participants felt that mandatory panels frequently override the IPP, prioritising procurement efficiencies over direct engagement with Indigenous Enterprises. Stronger representation of the IPP within the CPRs would clarify priorities and improve opportunities for direct supplier engagement.

Participants identified the following considerations

1. It was reported by participants that the connection and referencing of the IPP within the broader CPF is weak and it is unclear how the two policies interface with each other. This ambiguity raises questions about how the IPP interfaces with other procurement strategies and regulations, such as Whole of Australian Government Arrangements, Coordinated Procurement Arrangements, departmental panel arrangements, and specific departmental procurement policies and rules. The lack of clarity makes it difficult to understand why the IPP is categorised as a Procurement Connected Policy (PCP) and how such policies are meant to interact with the broader procurement strategies. This uncertainty leads to inconsistencies

in applying the IPP across different departments and activities, which can dilute the intended impact of the IPP on improving procurement practices. Participants reported a need for clearer definitions and guidelines regarding the integration of the IPP into the broader CPF.

2. It was reported that there are limited accountability mechanisms for procurement officials who do not correctly apply the IPP within the CPF. Participants reported that procurement officials often apply the process that presents the lowest personal risk. It was reported that a possible cause could be the complex relationship between the CPRs and the IPP which leads to confusion among Indigenous Enterprises and procurement officials. Participants reported that this complexity permits officials to prioritise other procurement strategies, like the Whole of Australian Government Procurement Arrangements, over the IPP.

Guidance ought to be user-friendly

Participants reported that the information provided to procurement officials is focused on core procurement policy and there is little information available to procurement officials on when to apply the IPP and how to apply the IPP within the CPF and departmental procurement arrangements. There were varied views on this issue, reflecting differing levels of support across participants. Most participants reported support for improving guidance and educational resources, however there was some disagreement regarding the best approach to achieving this. There were varying reports on the necessity and implementation of these changes, with some favouring more extensive reforms and cultural shifts, and others being cautious about moving away from established procurement practices.

Participants identified the following considerations:

1. Participants reported experiences with failures by procurement officials to effectively apply the IPP, attributing these issues to the complexity of the CPF, coupled with insufficient guidance materials and inadequate learning resources on the application of PCP's and the IPP's intended goals. This deficiency leads to inconsistencies and inefficiencies in policy implementation, with participants reporting the need for enhanced educational resources and clearer guidelines to support procurement officials in understanding and applying the IPP accurately.



2. Participants reported observing a risk-averse culture within Australian Government procurement teams, which favours adherence to the core elements of the CPR over the extended elements of the CPF, which includes the IPP as a PCP. This conservative approach often limits the application of broader, potentially more innovative procurement strategies that the IPP aims to encourage, with participants reporting a need for cultural shifts within procurement towards more balanced risk management.
3. The IPP advocates for direct sourcing from businesses that demonstrate value for money through quality of goods and services, and fitness for purpose via their proposal. However, the general principle of ‘value for money’ under the CPRs, is intended to encourage competition and be non-discriminatory^{4,5}. This discrepancy creates conflicts in the design of procurement processes, with the IPP focusing on direct engagements and the CPRs advocating for broader competition. Participants reported a need to revisit the procurement processes to better align the practical application with the IPP directives, ensuring that both practices are fair and effectively aligned with policy intentions.

Improve procurement capability

Participants reported that the capability of procurement officials is an important factor influencing outcomes. Procurement officials are expected to have strong capability to work within the CPF as well as the responsibility to inform themselves of the policies that apply to specific procurement. Within this, they are also expected to be transparent about their decision making, and act in an ethical manner at all times⁶. However, there were varied views on the best ways to enhance the capabilities and awareness of procuring officials, with some participants reporting the need for extensive training and awareness programs, and others reporting the need for more incremental improvements.

Participants identified the following considerations:

1. A critical success factor for the effective application of the IPP is the expertise of the procurement officials involved. There exists a wide variation in individual capabilities within procurement, with reports that this subsequently leads to divergent outcomes. Participants reported that technical understanding of the CPF, CPRs and the IPP was key to creating opportunities to engage Indigenous Enterprises.
2. Participants reported a perceived low awareness among procurement officials regarding the reasons for the IPP’s implementation, its intent, and its potential benefits to the broader Australian economy. Participants reported that greater awareness corresponds with a more effective application of the IPP. It was reported that the importance of informed implementation was paramount, regardless of the procurement outcomes. Participants reported the need for comprehensive awareness campaigns and educational programs to better inform officials about the IPP’s objectives and expected economic impacts.
3. Suppliers reported that buyers and procurement officials often lack sufficient knowledge and understanding. While deep cultural appreciation wasn’t expected, officials were expected to recognise and appreciate the historical, social, educational, and economic disadvantages affecting contemporary Aboriginal and/or Torres Strait Islander people. Participants reported on instances with their and other businesses, where limited economic participation was wrongly blamed on Aboriginal and/or Torres Strait Islander people themselves, such as the low number of Indigenous Enterprises in certain categories and regions, difficulties in finding skilled Aboriginal and/or Torres Strait Islander workers, and Indigenous Enterprises’ inability to finance business growth. Participants reported that there was a lack of awareness among procurement officials that the onus of performance rests with government Major Suppliers.



Theme 3: Empowering Supplier Development

SUMMARY INSIGHTS

- It is difficult to be seen: Improved buyer awareness of suppliers and supplier capability would increase opportunity for direct engagement
- Building robust corporate governance: Effective corporate governance improves supplier capability, improves buyer perceptions, and reduces delivery risk
- Up-lift commercial acumen and capability: Improved levels of commercial acumen would reduce the opportunity for targeted unlawful conduct and unfair business to business arrangements
- Equitable expectations for community contributions: While ACCOs are an important part of the community, prioritising ACCOs and imposing regulations was not widely supported

Insights

It is difficult to be seen

Participants reported that improved buyer awareness of Indigenous Enterprises and supplier capability would increase opportunity for direct engagement. However, there were mixed views on the best ways to improve this awareness and the associated challenges, with some participants reporting the needs for support programs and financial aid, and others reporting the needs for incremental changes and engagement strategies.

Participants identified the following considerations:

1. The design of the CPF limits the effect of targeted marketing and restricts direct marketing to procurement officials. The result is that marketing activities are expensive because they need to have broad and sustained effort to compete for attention against larger businesses with larger marketing budgets. Participants reported that support programs that improved market awareness and engagement with procuring officials, either as individual suppliers or as a sector, would improve the competitive outlook and create more opportunities for Indigenous Enterprises.
2. Smaller businesses often do not have the same financial resources as larger enterprises, placing them at a disadvantage in several areas, including marketing, outreach, and overall capacity to compete in government procurement. This disparity not only limits their visibility but also restricts their ability to effectively participate in and benefit from government contracts. It was reported by participants that addressing these budgetary constraints through recognition, targeted financial support or scaled engagement strategies could improve their competitive position, ensuring a more equitable procurement environment.

4 Commonwealth Procurement Rules - 13 June 2023 (finance.gov.au)
5 Indigenous Procurement Policy (IPP) | Department of Finance
6 Commonwealth Procurement Rules - 13 June 2023 (finance.gov.au)



Building robust corporate governance

Participants reported that effective corporate governance improves supplier capability and buyer perceptions and reduces delivery risk. However, there were differing opinions on the best approaches to achieve effective governance, with some participants emphasising the need for mentorship and advisory programs, and others reporting incremental access to corporate governance advice.

Participants identified the following considerations:

1. Developing and maintaining corporate governance systems requires specialist skills and experience that is difficult to access or acquire. Strong corporate governance assists Indigenous Enterprises to establish and manage business arrangements with greater awareness of benefits, risks, and consequences of such decisions. Participants reported that it was more likely that Indigenous Enterprises are party to agreements that unfairly balance benefit and risk of business arrangements where business owners had limited corporate governance skills, experience, and access to advice.
2. Navigating the complexities of corporate governance presents significant challenges, particularly for new or growing Indigenous Enterprises. This difficulty can disadvantage these suppliers, potentially preventing them from accessing the opportunities necessary for growth. Participants reported the need for a mentorship and advisory program that offers general guidance on governance practices as well as tailored advice to meet the unique needs, challenges, and opportunities faced by Indigenous Enterprises.

Up-lift commercial acumen and capability

Participants reported that improved levels of commercial acumen would reduce the opportunity for targeted fraudulent and misleading conduct and unfair business to business arrangements. Participants were supportive of the need for improving commercial acumen and reported varied methods of addressing this need. Concerns were raised by many participants about the practical challenges and the need for tailored support to address specific governance issues faced by Indigenous Enterprises.

Participants identified the following considerations:

1. Indigenous Enterprises often face unique challenges in the market, including barriers to accessing commercial training that could enhance their business operations and strategic positioning. Enhancing understanding can reduce vulnerabilities to disingenuous arrangements. Participants reported a need to develop and provide targeted training programs to the specific needs of Aboriginal and/or Torres Strait Islander business owners.
2. Access to financial management and resources is often limited for smaller Indigenous Enterprises, hindering their ability to excel in procurement and secure equitable business arrangements. This limitation is especially critical for Indigenous Enterprises in complex sectors who may lack the skills and experience required for effective financial operations, posing high risks in commercial arrangements and credit assessments. Participants reported that business support programs improving commercial financial management capabilities (e.g. legal, financial, strategic and management training, workshops and educational programs) would reduce risks for procurement officials and MMR suppliers and improve the growth and stability of Indigenous Enterprises. Empowering Indigenous Enterprises with knowledge, tools, and partnerships with financial institutions can further enhance their commercial capabilities and market access.
3. There is a recognised need to create and facilitate support networks that enable Indigenous Enterprises to share best practices, experiences, and learnings related to commercial operations. Such networks can offer valuable platforms for learning, collaboration, and mutual support, promoting an environment where Indigenous Enterprises can thrive collectively. Participants reported that the establishment of these networks could be integrated into existing business associations or chambers of commerce. This integration would provide a structured framework for Indigenous Enterprise networks, enhancing the accessibility and effectiveness of these support mechanisms. It was reported that through these networks, Indigenous Enterprises can gain insights, access mentorship opportunities, and build relationships that are critical for navigating the complexities of commercial environments and enhancing their operational capabilities.



Equitable expectation for community contributions

Participants reported that while Aboriginal Control Community Organisations (ACCOs) are an important part of the community, prioritising ACCOs and imposing regulations was not widely supported. Concerns were raised about potential negative impacts on other Indigenous Enterprises and the need for fair treatment across all businesses. Some participants reported a need for policy adjustments that recognise the socio-economic contributions of ACCOs without imposing disproportionate expectations on them compared to other businesses.

Participants identified the following considerations

1. During direct questioning regarding the proposed reforms, participants reported that while ACCOs are important in delivering community benefits due to their inherently community-oriented roles, these organisations should not automatically be prioritised over other Indigenous Enterprises that contribute to community welfare in diverse ways. It was pointed out that expectations for ACCOs regarding community outcomes should not extend to all Indigenous Enterprises under procurement policies, especially when similar expectations are not required for non-Indigenous businesses. Participants reported that this recognition is crucial to prevent any biased presumptions about the roles and responsibilities of Aboriginal and Torres Strait Islander business owners.
2. The consultations revealed concerns about the potential negative impact of imposing specific regulatory obligations solely on ACCOs. Participants reported that procurement policies should facilitate community contributions from all businesses, regardless of ownership, thereby ensuring a level playing field. The discussions called for policy adjustments to not only recognise the socio-economic contributions of ACCOs but also to ensure that expectations for community contributions are standardised across all businesses engaged in government contracting, not just Indigenous Enterprises.



Theme 4: Supporting Business Participation

SUMMARY INSIGHTS

- Empower business growth and market integration: Empowering Indigenous Enterprises to overcome common barriers would allow them to grow and participate in the broader market
- Support business with the cost of working with government: Reducing the effective costs of participating in direct government procurement would increase the Indigenous Enterprise and MMR supplier base
- Boost access to essential finances: Improved availability of appropriate credit arrangements would enable capability and capacity growth

Insights

Empower business growth and market integration

Participants reported that empowering Indigenous Enterprises to overcome common barriers would allow them to grow and participate in the broader market. However, there were differing opinions on the most effective strategies for achieving these goals. Some participants reported the need for improved government outreach and engagement activities, while others reported on the importance of tailored support and recognition of the diverse needs of Indigenous Enterprises.

Participants identified the following considerations:

1. Indigenous Enterprises have limited ability to demonstrate capabilities to procuring officials, and these procuring officials have limited ability to discover Indigenous Enterprises' capabilities. The effect of limited engagement activity reduces the likelihood of procurement officials identifying Indigenous Enterprises in turn reducing the likelihood of engaging them. Participants reported increased awareness of Indigenous Enterprises and understanding of their capabilities would lead to improved opportunities for both buyers and suppliers.
2. Every Indigenous Enterprise's service offering is different; product and service categories, capabilities and experience, capacity and growth, strategies and markets, and maturity levels vary. These differences between Indigenous Enterprises matter and interface with market forces differently. Currently, government procurement processes lack nuance that recognises constraints and opportunities that naturally accompany the government's supplier diversity goals. Participants reported that improved understanding of buyer and Indigenous Enterprises' contexts, established through genuine engagement between procurement officials and Indigenous Enterprises, would improve opportunities for both procurement officials and Indigenous Enterprises.



3. Government procurement activities require suppliers to demonstrate previous delivery experience working with government, at large scale, or in similar organisational contexts as a means of assessing supplier risk⁷. Indigenous Enterprises that intend to grow to meet the needs of procuring officials (noting not all suppliers have increasing scale as a growth strategy) have limited opportunities to work with government to develop the experience that would then enable them to demonstrate capability and capacity in a way that meets the procurement officials' risk requirements. Participants reported that procurement processes requiring Indigenous Enterprises to demonstrate having completed work at scale and following risk assessment processes reduce the likelihood of proper engagement.

Support business with the cost of working with government

Participants reported that reducing the effective cost of participating in direct government procurement would increase the supplier base. Differing opinions were reported about the solutions on how to balance financial barriers and governance needs effectively. Some participants advocated for streamlined processes and financial support to lower barriers, while others emphasised the importance of maintaining robust governance controls to prevent fraudulent practices and ensure accountability. Concerns were raised about the risks associated with fewer controls and the potential exploitation of Indigenous Enterprises in less regulated procurement environments.

Participants identified the following considerations:

1. Procurement officials operate under the CPF, which embeds crucial governance controls and processes. These controls are most effective when there is direct engagement between buyers and Indigenous Enterprises, without intermediaries acting as contract managers. However, in procurement processes like those involving MMR-related contracts where buyers are utilised, the set-up tends to be simpler due to fewer controls and more flexible governance requirements. While this arrangement is reportedly easier for Indigenous Enterprises to participate in, it also increases the risk of fraudulent and misleading conduct. Participants reported that this is particularly true as the effectiveness of controls diminishes with the addition of sub-contract layers, with participants reporting significant exploitation of Indigenous Enterprises and greater opportunities for fraudulent practices by MMR suppliers, which also represent an exploitation of procuring officials when procurement and contract management controls are weakened.
2. Participants reported high costs to Indigenous Enterprises for participating in government procurements processes, particularly panel arrangements, in addition to high uncertainty of return on investment. The costs and risks of participating in government procurement processes limits the ability of Indigenous Enterprises to enter the market for direct engagement which then limits the direct engagement supplier base and introduces inefficiency in the market. Participants reported that reducing the barriers to enter the direct engagement market with government would increase the Indigenous Enterprise base for MMR suppliers and improve return on investment for Indigenous Enterprises.

⁷ Commonwealth Procurement Rules - 13 June 2023 (finance.gov.au)



3. The procurement processes used by procuring officials, whether the IPP is applied or not, take time to complete and add costs to MMR suppliers and Indigenous Enterprises beyond the expected contract value. Participants reported that procuring officials are better resourced to undertake procurement processes that have high compliance requirements, but Indigenous Enterprises see these costs as risks through tender processes and as overheads through contract management activities. Where participants discussed the costs of working with government, they unanimously reported that relief from some aspects of government procurement processes or financial support to meet the costs of the government procurement process would increase opportunities for MMR suppliers and Indigenous Enterprises and provide better outcomes from procurement processes.
4. The costs of participation in government procurement processes are high but risks are comparatively well controlled making direct engagement more effective at achieving intended IPP outcomes. The costs of participation in MMR supplier procurement processes are comparatively low but governance and risk management processes associated with achieving IPP outcomes are also comparatively low. The costs, return on investment and benefits of government and MMR supplier procurement processes vary widely and affect both Indigenous Enterprise experience and IPP outcomes. Participants reported that improved governance and reduced costs would create more and better opportunities for Indigenous Enterprises and improve outcomes for government.

Boost access to essential finances

Participants reported that improved availability of appropriate credit arrangements would enable capability and capacity growth. However, there were varying reports from participants on whether commercial finance or enhanced government support would be the more effective solution.

Participants identified the following considerations:

1. Indigenous Enterprises require investment capital to grow and access to capital is limited. Participants reported that many current Australian Government funding programs are insufficient to meet the needs of Indigenous Enterprises and that commercial finance is preferred because of responsiveness of commercial processes but that commercial finance attracts additional costs and risks. Participants reported that responsive and affordable access to investment capital would reduce costs and improve responsiveness to capacity demands by procurement officials.
2. Indigenous Enterprises have very limited access to working capital prior to contract award and very limited time to make investments after contract award. Participants reported instances of larger businesses that have capital using the imbalance to develop commercial terms that may not favour the smaller Indigenous Enterprises, leading to unfair contracting terms and potential exploitation of Indigenous Enterprises throughout procurement and contract management activities. Participants reported that support programs that delivered better access to capital would reduce the opportunity for exploitation and improve negotiating positions for Indigenous Enterprises.



Theme 5: Refining MMR Performance Framework

SUMMARY INSIGHTS

- Refining MMR goals and measures: Employment and supplier spend targets under MMR arrangements are simplistic and achievement is easily and commonly misrepresented
- Follow the flow of money: Improved transparency and awareness of financial flows would provide better understanding of actual achievement of IPP objectives
- Assigning clear responsibility to government and major suppliers: The burden of achieving targets flows through sub-contracts and places costs and constraints on Indigenous Enterprises

Insights

Refining MMR goals and measures

Participants reported that under current MMR arrangements, employment and supplier spend performance measures are quite simplistic and often prone to distortion and falsification. Participants reported and widely agreed that the current focus on quantitative measures and minimal compliance does not effectively support the IPP’s broader goals of Indigenous economic participation and growth.

Participants identified the following considerations:

1. Currently, there are issues around a misalignment between the performance goals stipulated by the MMR framework and the intended policy objective. Specifically, the MMR framework requires Indigenous Enterprises with contracts over \$7.5 million in 19 specific industries to demonstrate certain workforce and/or supply targets⁸. This framework is designed to stimulate Indigenous entrepreneurship, business, and economic development, providing Aboriginal and/or Torres Strait Islander persons with more opportunities to participate in the economy. However, participants reported that the actual performance goals under the MMR do not effectively align with those broader objectives of enhancing Aboriginal and/or Torres Strait Islander economic participation, suggesting that the framework, while well intentioned, may not be set up in a way that truly or effectively supports the growth of Indigenous Enterprises as intended.

⁸ Indigenous Procurement Policy | National Indigenous Australians Agency (niaa.gov.au)



2. The MMR framework focuses on quantitative measures of achievement of the IPP objective which enables suppliers to have a ‘tick-box’ or minimum viable performance culture. The culture is reinforced by the use of the term ‘minimum’ in the IPP and removes any incentive for suppliers to deliver quality outcomes, such as employment security or supplier capability development, that would provide a more accurate representation of achievement of the IPP. Participants reported that quality-based metrics across a broader range of performance areas would encourage suppliers to deliver more meaningful outcomes to employees, Indigenous Enterprises, and the broader community.
3. The MMR framework requires MMR suppliers to report achievement of targets during the term of the contract through a system called the Indigenous Procurement Policy Reporting Solution⁹. Suppliers source and report performance information with a view to ensuring achievement of contract terms and this may be presented with little or no supporting evidence, including correctly identifying whether employees are Aboriginal or Torres Strait Islander people. Participants reported that suppliers report performance information that is known to be incorrect for the purposes of satisfying MMR targets.
4. The MMR framework does not encourage the market to identify strategies that achieve the IPP objectives. Market forces affect suppliers and contracts differently and the static performance framework based on total workforce deployed on projects (FTE) and supply chain spend (\$AUD) limits the incentive and ability of suppliers to identify the best way to achieve the IPP objectives within the context of commercial, geographic, and demographic considerations. Participants reported that a wider range of performance measures (e.g. cultural competence and confidence and quality of employment among others), and inclusion of qualitative performance measures with assurance of supplier performance reporting would allow suppliers to innovate ways to support the IPP objectives while improving integrity of the performance reports.

⁹ IPP Systems | National Indigenous Australians Agency (niaa.gov.au)

Follow the flow of money

Participants reported that improved transparency and awareness of financial flow would provide better understanding of actual achievement of IPP objectives. Some participants reported a need for comprehensive reforms to enhance financial transparency and accountability, while others suggested more incremental improvements to existing processes like ownership structures and transparent operational flows.

Participants identified the following considerations:

1. The percentage of business ownership is not indicative of the level of control over financial decisions. There are many ways that business arrangements are set up in order to create a perception that there is a benefit to Aboriginal and Torres Strait Islander people, Indigenous Enterprises, or the broader economy. Participants reported that the actual distribution of benefits and risks may be inconsistent with the expectations Indigenous Enterprises set with buyers and there are many mechanisms that non-Indigenous parties use to ensure the unequal sharing of benefits, risks, and costs.
2. Ownership structures and corporate governance arrangements may be designed to provide the appearance of a high integrity supplier while providing significant control, including financial control, to non-Indigenous owners. Instances of this type of misleading conduct may be part of complex business arrangements and shareholder ownership arrangements designed to reduce transparency. Participants reported that larger businesses in shared ownership arrangements have the resources to design business arrangements that maximise their benefit and minimise their risk.
3. There are very few transparency measures placed on shared ownership businesses. The low threshold for meeting the IPP definition of a ‘First Nations business’¹⁰, coupled with low transparency of business operations and financial flows, creates a system readily available for exploitation by people seeking to engage in misleading conduct. Participants reported that shared ownership arrangements were more likely to create opportunities for misleading and deceptive conduct, particularly where there is a power imbalance between owners.

¹⁰ Indigenous Procurement Policy | NIAA



4. There are very few accountability measures placed on shared ownership businesses. The likelihood of being found to be engaging in harmful, misleading and fraudulent conduct and the absence of consequences for individuals and businesses engaging in this type of conduct present an opportunity for significant benefit with low risk. Participants reported that verification of suppliers would be improved by examining ownership structures beyond the 'Indigenous Enterprises' definition and that transparency of business arrangements should go further than disclosing ownership.

Assigning clear responsibility to government and major suppliers

Participants reported that the burden of achieving targets flows through sub-contracts and places costs and constraints on Indigenous Enterprises. This arrangement often leads to conflicts of interest, limits the ability for long-term investments, and increases the risk of fraudulent and unlawful conduct. Most participants reported that improving transparency and awareness of financial flows is crucial for understanding the true achievement of IPP objectives. While there was general agreement on the need for these improvements, there were differences regarding the best approaches to implement changes, particularly in balancing immediate practicalities with long-term strategic goals.

Participants identified the following considerations:

1. Suppliers with MMR obligations carry significant responsibility for achieving Australian Government social policy objectives through Indigenous participation. Participants reported that MMR suppliers primarily operate to achieve their own financial goals rather than the Australian Government's social policy goals (like the IPP) which may create a conflict of interest. Participants reported that it was not clear that relying on large commercial businesses was the most effective way of achieving IPP objectives.
2. Suppliers with MMR obligations commonly rely on sub-contractors to deliver the outcomes. The transfer of obligations through sub-contract arrangements increases costs and constrains sub-contractors to commitments made by the primary supplier. Participants reported that sub-contractors often demonstrated lower levels of commitment to IPP targets, preferencing their own financial goals rather than the Australian Government's social policy objectives. Participants also reported that this may be related to the increased likelihood of deceptive and fraudulent conduct within sub-contracting arrangements.
3. The needs of Aboriginal and/or Torres Strait Islander people and the challenges Indigenous Enterprises face in delivering entrepreneurship, business and economic development outcomes vary across sectors and categories. The current system of transferring responsibility for achieving outcomes from government to Indigenous Enterprises through individual contract MMR targets provides limited ability for MMR suppliers to make longer term investments that may deliver better outcomes over time. Participants reported that contract-based targets, rather than organisation-based targets, limits the incentive for MMR suppliers to make longer term investments – contracts come and go but suppliers tend to stay around.



Theme 6: Adapting to Local Realities

SUMMARY INSIGHTS

- Sectors and categories matter: The ability to deliver meaningful outcomes differs by category with workforce skills significantly limiting some sectors
- Geography and demography matter: Supplier and workforce availability and capability varies across Country and tailoring performance measures for geographic and demographic considerations would improve outcomes

Insights

Sectors and categories matter

Participants reported that the ability to deliver meaningful outcomes differs by category with workforce skills significantly limiting some sectors. Participants reported that addressing these skill gaps is essential, but opinions differed on the best approaches to tackle this issue. There was broad agreement on the need for targeted training programs to bridge skill gaps, but views differed on implementation.

Participants identified the following considerations:

1. The ability for suppliers to achieve IPP business participation targets varies across sectors and categories with some industries having higher levels of workforce capability and capacity, or a more viable pathway to developing workforce capability and capacity. The focus on employment and supply spend reduces the ability of MMR suppliers to tailor entrepreneurship, business, and economic development programs to the constraints within their sector or category. Participants reported that a primary focus on employment targets disincentivises MMR supplier investment in other initiatives such as training programs and workforce development initiatives. Participants also reported that any misleading or fraudulent conduct was more likely in sectors and categories where MMR suppliers faced significant challenges in meeting IPP targets.



2. In certain sectors (e.g. building and construction sector and land development), a significant shortfall in local workforce skills greatly limits the capacity to achieve meaningful outcomes as stipulated by the IPP. These skill deficiencies can hinder the effectiveness of measures designed to meet specific objectives, especially in fields that demand specialised knowledge or technical expertise. Participants reported the critical need to bridge these skill gaps to bolster sector-specific competencies and ensure that suppliers are equipped to fulfill both the immediate and future goals of the IPP. Furthermore, it was reported that targeted training and development programs, specifically designed to address the skill shortages in these constrained sectors, could significantly improve the ability of suppliers to meet their commitments and contribute to broader economic development goals.

Geography and demography matter

Participants reported that supplier availability and capability varies across sectors and categories and tailoring performance measures for geographic and demographic considerations would improve outcomes. However, there were some mixed reports about the practicality of implementing these changes. Concerns included the complexity of developing region-specific metrics and the potential administrative burden on Indigenous Enterprises, MMR suppliers and procurement officials.

Participants identified the following considerations:

1. The varied availability and capabilities of Indigenous Enterprises across different regions, influenced by local infrastructure, skills, and economic conditions, mean that standard performance measures that do not accurately reflect these regional disparities result in unrealistic expectations. Participants reported a need for tailoring performance measures to align with geographic realities, advocating for regional analyses to better understand specific capabilities and limitations. Participants also reported that this approach could lead to more equitable arrangements and achievements, ensuring that performance measures are sensitive to geographic differences and better match local supplier capabilities.
2. Generic support programs often fail to address the unique challenges faced by Indigenous Enterprises in diverse regions, such as the access issues of remote locations or the competitive pressures in urban areas. This gap in tailored support hinders participation in procurement opportunities. Participants reported the importance of crafting support initiatives that are sensitive to local market conditions, supply chain logistics, and regional economic contexts. By implementing such measures, government and procurement entities can provide more relevant and effective assistance, potentially boosting supplier engagement and success in procurement activities.
3. Local Indigenous Enterprises, with their in-depth understanding of regional needs and challenges, are often overlooked in favour of larger, non-local competitors, diminishing their opportunities to leverage their local knowledge. Participants reported a preference for procurement practices that, where feasible and reasonable, prioritise local Indigenous Enterprises. This approach not only enhances economic development and creates local employment opportunities but also leads to more responsive and culturally aligned service delivery. Specifically, there is a focus on land development projects where local Indigenous Enterprises could mitigate potentially negative community impacts, suggesting that integrating local Indigenous Enterprises into procurement practices could lead to more community-focused and beneficial outcomes.



Theme 7: Managing Harmful/Fraudulent Conduct

SUMMARY INSIGHTS

- **Fraudulent conduct is predatory and exploitative:** Fraudulent conduct is often the result of financial and social power imbalances being exploited by non-Indigenous people
- **Marketing strategies are causing confusion:** The marketing strategies used by non-Indigenous suppliers blurs the market for Indigenous Enterprises
- **Substance matters more than appearance:** Current conditions create a focus on marketing intent rather than demonstrating effect
- **Perception is reality:** Buyer perceptions of Indigenous Enterprises is a critical factor and improved buyer confidence in the sector is essential

Insights

Fraudulent conduct is predatory and exploitative

Participants reported that predatory and exploitative practices often arise from financial and social power imbalances, with non-Indigenous businesses exploiting these disparities to the detriment of Aboriginal and/or Torres Strait Islander communities and Indigenous Enterprises. Participants reported a need for educational campaigns to raise awareness of the harmful impacts of fraudulent practices on Indigenous Enterprises, and for improved reporting mechanisms to address exploitation effectively. Clear and consistent disciplinary measures for fraudulent conduct are needed, along with incentives for honest reporting and public accountability measures.

Participants identified the following considerations:

1. There is a significant gap in the inclusion of Aboriginal and/or Torres Strait Islander communities and leaders in the verification processes of Indigenous Enterprises. Participants reported a need for the active involvement of these communities in developing and implementing these processes to address power imbalances and ensure that verification criteria and methods genuinely protect Indigenous Enterprises and reflect their interests. This involvement was reported to be crucial in addressing the root causes of 'black cladding'.
2. There is a notable deficiency in understanding the impacts of fraudulent practices on Indigenous Enterprises, perpetuating ignorance that allows these predatory behaviours to continue unchecked, thereby damaging the cultural and economic wellbeing of Indigenous Enterprises and Aboriginal and/or Torres Strait Islander communities. Participants reported the need for educational campaigns aimed at

both Indigenous Enterprises and the broader market. Such initiatives would highlight the harmful effects of these unscrupulous and harmful practices and promote a collective stance against such exploitative behaviours, thereby helping to protect the integrity of the market.

3. Current mechanisms for reporting and addressing suspected exploitative practices are inadequate, limiting the ability of Indigenous Enterprises to challenge and rectify exploitation. This deficiency contributes to a non-equitable business environment. Participants reported the need to create straightforward and readily accessible channels for reporting suspected fraud and exploitation. Improving these reporting mechanisms is crucial for empowering authentic Indigenous Enterprises to protect their interests and promote fairness within the marketplace.
4. Currently, there is ambiguity and insufficiency in the disciplinary measures and consequences for suppliers who engage in fraudulent reporting and harmful conduct. The repercussions for such behaviour are often not well-defined or consistently applied, which disadvantages businesses, erodes trust, and damages relationships between suppliers, procurement officials, and end users. Participants reported strong support for the development of clear, transparent frameworks that outline penalties, including steps for investigation, criteria for determining fraud, and specific consequences. Furthermore, there is a reported need for educational programs that highlight the importance of ethical reporting and transparency. Individuals may not fully understand the implications of fraudulent reporting or may feel compelled to engage in such practices due to financial or competitive pressures. Participants also reported the need for incentives for accurate and honest reporting to encourage suppliers to adhere to ethical and moral standards, alongside advocating for public accountability measures to identify those engaged in fraudulent, exploitative, and deceptive conduct.

Marketing strategies are causing confusion

Participants reported how non-Indigenous suppliers used marketing strategies that blurred the line between true Indigenous Enterprises and opportunistic suppliers, creating confusion in the market and disadvantaging Indigenous Enterprises. Participants reported that this not only affects cultural authenticity but also creates unfair competition with Indigenous Enterprises, harming their economic sustainability. Moreover, confusion between certification, verification, assurance, and registration of suppliers worsens the problem, as some non-Indigenous suppliers take advantage of this uncertainty.

Participants identified the following considerations:

1. There is a significant gap in the regulatory framework regarding the use of Aboriginal and/or Torres Strait Islander cultural elements in marketing. It was reported that this gap allows non-Indigenous businesses to inappropriately use Aboriginal and/or Torres Strait Islander cultural motifs and symbols, often leading to cultural appropriation and misleading representations. Participants reported that such practices not only compromise the authenticity of Aboriginal and/or Torres Strait Islander cultures but also unfairly compete with genuine Indigenous Enterprises, thereby impacting their economic viability and cultural integrity.
2. There is confusion due to unclear differences between certification, verification, assurance, and registration of suppliers in the market, with some suppliers taking advantage of this confusion. Without widespread and clear guidelines, buyers and procurement officials struggle to understand the authenticity of claims, impacting Indigenous Enterprises trying to compete in the market. Participants reported the need for clear guidelines and education initiatives to clarify the differences between certification and verification.



Substance matters more than appearance

Participants reported that the focus often shifts towards marketing narratives rather than the actual effectiveness and impact of the services or products offered. This creates a market environment where the substance of a supplier's offering is overshadowed by superficial promotional tactics. Participants reported the need for procurement processes that prioritise tangible impacts and develop outcome-based evaluation metrics. This shift would involve direct engagement with Indigenous Enterprises to assess the quality of their work, necessitating training for procurement staff to evaluate real-world outcomes effectively.

Participants identified the following considerations:

1. The current procurement landscape overly emphasises how suppliers' market themselves, focusing more on the narrative and visual representation a supplier can create, rather than focusing on their actual impacts and contributions. This emphasis on marketing narratives poses a risk of prioritising superficial qualities – such as appealing graphics and cultural symbols – over contributions, potentially creating an environment where appearances are valued more than genuine engagements and outcomes. Participants reported a need for procurement processes that prioritise tangible impacts over marketing narratives to ensure that genuine contributions prevail, thereby reducing opportunities for deceptive practices.
2. Current evaluation metrics in procurement often rely on input-oriented or process-based criteria, which can obscure the actual outcomes and true contributions of Indigenous Enterprises to procurement objectives. There was a reported need among participants for procurement officials to develop and implement evaluation frameworks that focus on outcome-based measures. This approach would involve directly engaging with Indigenous Enterprises to assess the quality of their work, thereby providing a clearer picture of their real-world contributions. This shift may necessitate training for procurement staff to enable them to effectively assess and prioritise these real-world outcomes.

Perception is reality

Participants reported that the perceptions held by buyers about the authenticity and reliability of Indigenous Enterprises are crucial. Enhancing buyer confidence in the authenticity and capability of Indigenous Enterprises is essential for improving their market participation and success. Participants reported frustration and concern over the misuse of Aboriginal and/or Torres Strait Islander branding by non-Indigenous businesses and the lack of transparency in the private sector, which undermines Indigenous Enterprises. Participants reported a need for stricter protections and clearer, independent evaluations to ensure that procurement processes genuinely reflect the contributions and capabilities of Indigenous Enterprises.

Participants identified the following considerations:

1. The competition for government contracts has created a market for non-Indigenous businesses seeking to influence procurement officials' evaluation by leveraging a positive association with Aboriginal and/or Torres Strait Islander people. There is an emerging set of brands that are available to non-Indigenous businesses for marketing use through paid memberships of organisations that represent the interests of suppliers. The use of these brands by non-Indigenous businesses creates confusion for procurement officials and other buyers and may mislead procurement officials about the true nature of these organisations' association with Aboriginal and/or Torres Strait Islander people. Participants reported that brands and marketing identifiers used to identify suppliers should be protected from misuse by non-Indigenous businesses.
2. Participants reported that there is very little transparency within private sector and there is limited independent information available to procurement officials to objectively assess past performance against supplier claims. The absence of historic performance information creates the incentive for non-Indigenous suppliers to leverage marketing strategies rather than evidence to demonstrate past performance. Participants reported that it was common to see non-Indigenous suppliers make unsubstantiated claims about their association with Aboriginal and/or Torres Strait Islander people to procuring officials through procurement processes.



Theme 8: Improving Integrity in Performance Reporting

SUMMARY INSIGHTS

- **Simplistic performance measures create low fidelity reporting:** Lack of granularity in performance measures creates opportunities for harmful conduct
- **Direct engagements enable better governance:** Direct source contracts where government is the buyer reduces opportunity for inaccurate reporting
- **Complex contract arrangements reduce visibility:** Inadequate oversight and assurance during contract management can significantly diminish visibility
- **Lack of reporting during the contract lifetime leads to low assurance:** Contract management phase activities have very low independent assurance of supplier performance claims, particularly within the MMR framework

Insights

Simplistic performance measures create low fidelity reporting

Participants reported that the lack of detailed granularity in performance metrics creates loopholes that can be exploited, compromising the accuracy and integrity of reports. Participants reported a mix of sentiments, including frustration with the current system’s inadequacies and the need for improvements. There were varying opinions among participants about the best approaches to address these issues.

Participants identified the following considerations:

1. Current performance measures often lack the depth and granularity needed to capture the scope and impact of supplier engagements, with people relying on simplistic metrics. These metrics can result in low-fidelity reporting, where the true value and effectiveness of supplier contributions are not accurately represented, with those who deliver qualitative value not being captured by basic quantitative metrics. To address this, participants stated that procurement agencies should collaborate with industry experts and stakeholders to develop nuanced performance metrics.
2. Currently, participants reported that there is an over-reliance on quantitative metrics to evaluate performance. This model is often insufficient for accurately measuring performance as these metrics often miss the broader context and depth of supplier contributions. Qualitative insights are essential for a more holistic and accurate evaluation of performance. Participants reported a need for the integration of qualitative assessments into performance evaluation frameworks used by procurement agencies, enhancing the overall accuracy and usefulness of performance evaluations.

3. The absence of clear guidelines for performance reporting can result in oversimplified and potentially misleading reports. Accurate and detailed performance reporting is critical for maintaining transparent and effective procurement governance. Participants suggest that procuring agencies should establish and widely disseminate clear guidelines for performance reporting. These guidelines should specify the expected level of detail and incorporate other measures to ensure comprehensive and reliable reporting.

Direct engagements enable better governance

Participants reported that implementing direct source contracts, where the government directly interacts with suppliers, minimises the layers of communication and reduces the chances of inaccurate reporting, leading to better governance outcomes. Participants reported a need for revising procurement policies to prioritise direct engagement and streamline processes to make direct contracts more common and accessible. However, participants also expressed concerns about potential risks such as reduced competition and favouritism.

Participants identified the following considerations:

1. Direct procurement, which participants reported facilitates fewer intermediaries between procurement officials and Indigenous Enterprises, is currently underutilised and often perceived as cumbersome and restrictive. Utilising direct contracts can enhance governance quality by reducing the potential for inaccuracies in reporting. To make direct source contracts more common and accessible, participants reported a need for a revision of current procurement policies and strategies to prioritise and promote direct engagement wherever feasible. Additionally, participants reported a need for government procurement agencies to streamline the processes involved in establishing direct contracts which could involve reviewing existing procedures to identify and eliminate unnecessary red tape and potentially developing a dedicated portal for direct contract applications, thereby lowering barriers to entry for more direct engagements with government entities.

2. While direct source contracts offer numerous benefits, there's a risk of reduced competition and favouritism without proper mechanisms in place. Making sure that direct source contracts are used appropriately and effectively requires a framework for monitoring how contracts are awarded and implemented, which may help safeguard against misuse of the procurement process and ensure direct engagements are conducted in an appropriate manner. Participants expressed support for the implementation of measures such as publishing details of direct source contracts, including rationale, use and outcomes achieved, that is applied to all businesses and not at the cost of Indigenous Enterprises. Participants reported that MMR suppliers do not have the same transparency requirements as procurement officials.

Complex contract arrangements reduce visibility

Participants reported that inadequate oversight and the complexity of contractual arrangements significantly diminishes visibility, hindering effective assurance and accountability in contract management. Participants reported a desire for simplified contract structures and enhanced oversight mechanisms to improve visibility, compliance, and accountability in contract management. They also reported a need for sufficient resources to support these improvements and ensure effective implementation.

Participants identified the following considerations:

1. Current contract arrangements can be excessively complex, leading to decreased visibility and understanding. Complexity often results in inadequate oversight and can obscure accountability, making it difficult to assess performance and identify issues. Participants reported that efforts should be directed towards streamlining contract structures which could involve identifying unnecessary complexities. Efforts could include standardisation, contract templates, reducing bureaucratic procedures and ensuring the use of clear language.



2. The management of contracts currently lacks oversight and assurance mechanisms which creates gaps in monitoring and enforcement. Without oversight, there is a risk of non-compliance, and fraudulent and harmful activities going undetected. Participants reported that the implementation of more robust oversight and assurance mechanisms involving a multi-faceted approach throughout the contract lifecycle may be able to decrease the risks of non-compliance. However, there were also reports of a lack of resources within the contract management and procurement spaces, and without the resources, enforcement and oversight were not possible.

Lack of reporting during the contract lifetime leads to low assurance

Participants reported that the reporting of contract management phase activities has very low assurance of supplier performance reports. Participants reported a need for standardised protocols for independent reviews and continuous, transparent reporting to improve the credibility of supplier assessments and ensure compliance, however, there were varied opinions on the best methods to enhance oversight and accountability without overburdening Indigenous Enterprises.

Participants identified the following considerations:

1. The current inadequacies in performance evaluations may compromise the credibility of supplier assessments, disadvantaging Indigenous Enterprises who fulfill their contractual obligations but lack the means to objectively demonstrate compliance or excellence. Participants reported the necessity of implementing standardised protocols for independent third-party reviews of supplier performance. Such measures would help mitigate bias and ensure a fairer, more credible evaluation process.
2. Participants reported that the current lack of continuous and transparent reporting throughout the contract lifecycle undermines assurance in procurement processes, creating more instances of misleading and harmful conduct. This gap in oversight allows entities to falsely report meeting set eligibility criteria or targets, with reports from participants indicating deceptive cases within contexts involving reporting the number of employees (FTE). There are reports of companies temporarily hiring and then dismissing Aboriginal and/or Torres Strait Islander people to merely qualify for IPP opportunities. Participants reported the need for a continuous reporting system that is accessible to all stakeholders. Such a system would help verify compliance with procurement standards continuously, deter deceptive practices, and ensure that performance evaluations contribute constructively to the overarching goals of procurement policies.



Theme 9: Standardising Requirements and Compliance

SUMMARY INSIGHTS

- **Quality of requirements matter:** Compromising on the quality of requirements means compromising on the quality of results
- **Requirements do not equal empowerment:** Excessive requirements for Indigenous Enterprises is leading to negative outcomes for those suppliers
- **Equitable standards:** Discrepancies in standards across different areas lack clear explanations, which result in doubts about equitable oversight

Insights

Quality of requirements matter

Participants reported that compromising on the quality of requirements directly impacts the quality of results, underlining the importance of high standards in practices for achieving desired outcomes. They reported the need for dynamic and adaptive frameworks that reflect market conditions and involve Indigenous Enterprises in the development process, with any changes to frameworks needing transition periods. There were mixed reports regarding the balance between necessary oversight and the potential burden on Indigenous Enterprises, as well as differing opinions on how to best maintain high standards while ensuring policies are practical and supportive of Indigenous Enterprises.

Participants identified the following considerations:

1. The market and its conditions are constantly evolving, and static frameworks can become ineffective or obsolete because of the rate of evolution. Such outdated frameworks may compromise the quality of outcomes for intended beneficiaries by failing to adapt to changing conditions. Participants reported a need for a dynamic system that regularly reviews and adapts standards to ensure they remain effective and relevant, thus maintaining the quality of results in a shifting market environment. It was also reported that any changes that come with a dynamic system need to consider the potential implications of the change, with participants reporting a need for adequate transition periods.
2. Requirements are often created by entities detached from the everyday realities faced by Indigenous Enterprises, leading to standards that may not accurately reflect on-the-ground conditions or address specific needs effectively. This disconnect can result in requirements that compromise both relevance and quality of outcomes. Participants highlighted the importance of involving Indigenous Enterprises directly in the development process. Such involvement ensures that standards are not only based on real market experiences but also enhance the effectiveness and quality of practices.

Requirements do not equal empowerment

Participants reported that excessive requirements for Indigenous Enterprises can have detrimental effects, leading to negative outcomes rather than empowering the businesses the requirements are meant to support. They stressed the need for a balanced approach that aligns with the practical realities of compliance, ensuring that requirements genuinely empower Indigenous Enterprises without imposing unnecessary burdens. There were differing reports about the disconnect between oversight bodies and the suppliers they oversee, with participants reporting a need for enhanced transparency, communication, and support mechanisms.

Participants identified the following considerations:

1. Current measures, while intended to empower, often lead to negative outcomes by imposing overly ambitious and impractical requirements. For instance, it was reported that employment targets meant to uplift Aboriginal and/or Torres Strait Islander participation inadvertently become barriers themselves. Participants reported the need for a balanced approach that genuinely empowers Indigenous Enterprises by aligning with the practical realities of compliance. This means not overburdening Indigenous Enterprises, but rather ensuring that requirements are meaningfully applied to enforce accountability among all businesses, especially those that have historically bypassed these standards.
2. Currently, a disconnect is perceived to exist between oversight bodies and the suppliers they oversee, leading to challenges in understanding and compliance. There is a reported need for transparent communication regarding the objectives and requirements to facilitate proper implementation. Participants stressed the need for oversight bodies to enhance transparency and communication, clearly outlining the intentions, requirements, and benefits of policies. Additionally, it was reported that the provision of support mechanisms, such as explanatory documents, workshops, and advisory services, would help Indigenous Enterprises navigate and meet requirements effectively.

Equitable standards

Participants reported discrepancies in standards across different geographical areas, which lack clear explanations, resulting in doubts about equitable oversight. They reported the need for harmonising frameworks to ensure uniform application of laws and policies. While there was broad support for this harmonisation, some participants reported concerns about the practical challenges and potential resistance from various jurisdictions. Differing reports were noted on the best approaches to implement consistent standards and the balance between maintaining local flexibility and achieving nationwide uniformity.

Participants identified the following considerations:

1. Currently, there are notable discrepancies in verification standards across different sectors and regions, raising concerns about equitable oversight and application. These inconsistencies can lead to a perceived lack of fairness, disadvantaging specific groups and sectors. Participants reported the need for harmonising frameworks to ensure that laws and policies are applied uniformly. Such efforts would support Indigenous Enterprises across various markets by providing a level playing field, thereby promoting an environment where all can excel without being hindered by uneven practices.
2. The variability in eligibility and the inconsistent enforcement of requirements and policies across different authorities contribute to perceptions of inequity and undermine trust in oversight bodies. Participants reported scepticism of the motivations behind the inconsistent enforcement of requirements and advocated for the establishment of uniform standards. Implementing consistent requirements is essential for upholding fair practices and ensuring equality before the law, which is crucial for maintaining credibility and trust in oversight institutions.



Theme 10: History Matters

SUMMARY INSIGHTS



→ The legacy of colonisation is still present with reduced Aboriginal and Torres Strait Islander populations and low trust in government affecting outcomes. Historical injustices impact social, cultural, and economic outcomes, stressing the need for policies that are not only inclusive but are collaboratively developed and genuinely empower people.

Insight

History matters

Participants identified the following considerations:

1. Current policies and decisions frequently overlook the profound historical context of colonisation and its ongoing cultural, social, and economic impacts. This historical oversight is the cornerstone to the contemporary disparities and injustices faced by Aboriginal and Torres Strait Islander communities. A genuine acknowledgement and recognition of this painful history is crucial not only for understanding these disparities but also for crafting policies that honour and respect the deep scars left by past atrocities. Participants reported a need for policymakers to embed a recognition and understanding of these historical contexts into the development and implementation of all policies and decisions, moving beyond superficial acknowledgments, to achieve truly transformative change.
2. While there are efforts to include Aboriginal and Torres Strait Islander perspectives, the actual burden of participation disproportionately burdens these communities, often compelling them to address issues they did not create, without appropriate compensation for the emotional and cultural toll this can impose. Participants reported that participation frequently demands significant time, resources, and emotional investment from these communities, which can exacerbate existing challenges rather than alleviating them. Genuine involvement demands a fundamental shift in how participation is asked for and facilitated. Participants reported a need for the government and relevant bodies to proactively support and ease this participation, making it a process of empowerment rather than mere obligation, recognising the historical roots of the reason policies like these exist.



3. The IPP is designed to support Aboriginal and Torres Strait Islander businesses owners, specifically those that require assistance to flourish, rather than being broadly applicable to any entity seeking benefit under the policy or ease of procurement. The critical concern here is the potential dilution of the IPP's impact if it is too widely applied, diverting resources and attention from the intended beneficiaries. Participants reported that the selectness of the IPP is necessary for its effectiveness and for directing support to businesses that genuinely need and stand to benefit the most from it. Businesses that do not need the specific support the IPP offers might be occupying spaces that could otherwise enable genuine growth for those it aims to help. A lack of careful targeting risks reducing the IPP's effectiveness, failing to meet its promises, and potentially leading to exploitation of the policy. Participants reported the necessity of such caution, given that the prevailing systems were originally established without considering the inclusion or empowerment of Aboriginal and Torres Strait Islander people.
4. Participants reported a deep-seated distrust among Aboriginal and Torres Strait Islander communities towards government policies, rooted in a long history of unmet needs and exploitation. To rebuild this trust, it is crucial that policies are not only inclusive but are led by and collaboratively developed with Aboriginal and Torres Strait Islander peoples. Such an approach not only ensures that the policies are beneficial but also that they are perceived as legitimate and respectful, acknowledging past wrongs, and fostering sustained positive impacts. This participatory approach is essential in addressing historical abuses and moving towards a future where policies truly reflect the needs and rights of Aboriginal and Torres Strait Islander communities, enabling economic and social empowerment.



Connecting Themes with Potential IPP Reforms

Figure 4 describes the interactions between the potential IPP reform options and the major themes identified in the report

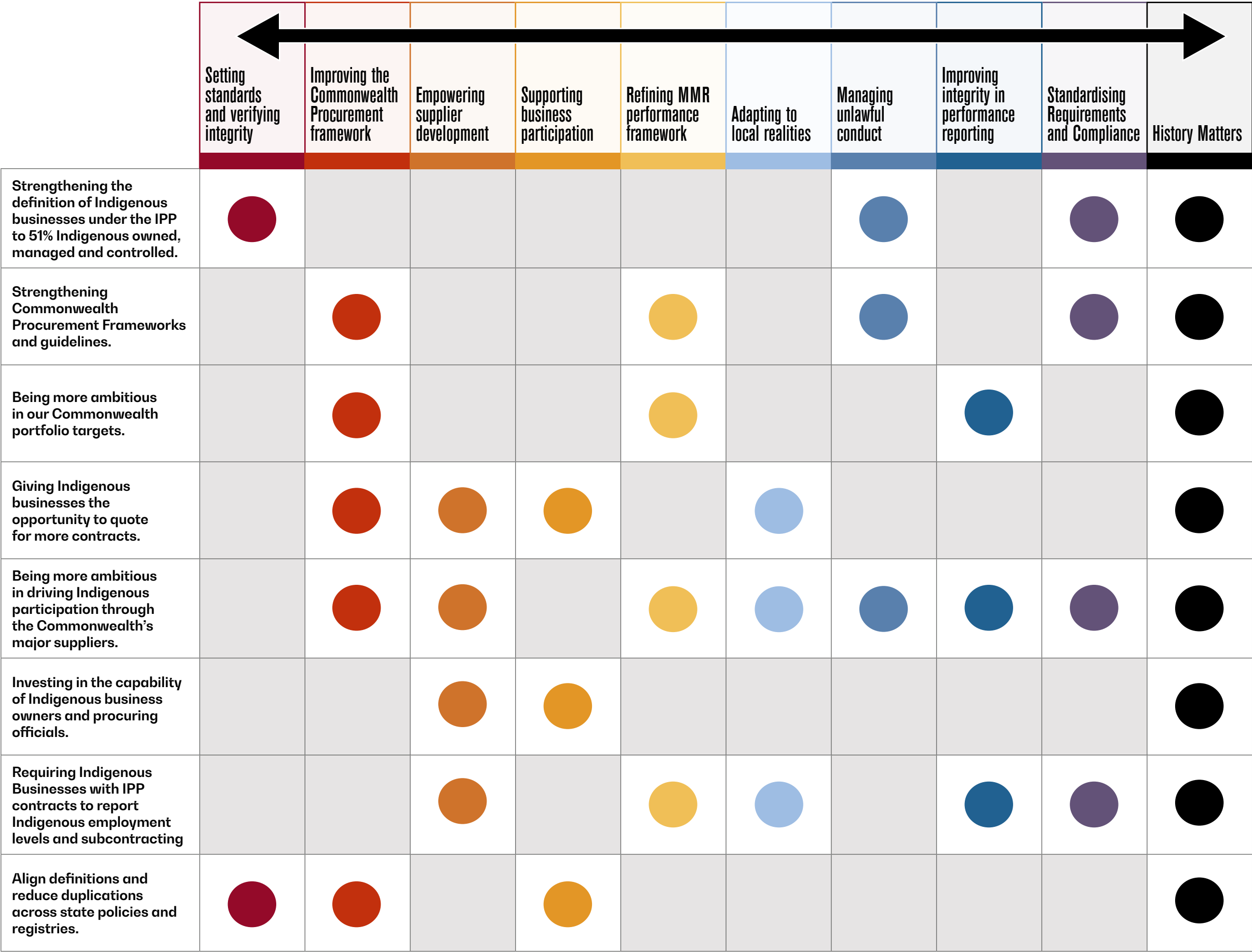


Figure 4: Relationships between potential IPP reforms and themes

Methodology

Online sessions

Between December 2023 and March 2024, the NIAA and Gurugun hosted 16, 2-hour long online sessions. These sessions were offered at different times during and outside business hours (i.e. morning, middle of the day, afternoon and 5pm-7pm AEST) to accommodate differences in time zones and business constraints. These online sessions offered a platform for key groups – listed in the [participants](#) section below – identified by the NIAA to voice their experiences with the IPP, and views on the proposed reforms.

Below is the process Gurugun used to execute and analyse the inputs from the online sessions:

- 1. Active Participation and Note-Taking:** The Gurugun team embraced a proactive role in every session, deliberately avoiding interfering in the direction of the discussions. Instead, the goal was to absorb and fully understand each contribution. Gurugun captured every aspect of the conversation in real time, creating a detailed record that included not only the spoken words but also the nuances and context behind them. These comprehensive notes, supported by audio recordings and transcripts¹¹, set the foundation for a comprehensive post-session analysis.
- 2. Review and Verification:** Following the sessions, the team reconvened to replay the recordings, cross-checking against their notes. This verification process was crucial; it was about ensuring fidelity to the original discussions, ensuring no insight was overlooked.

- 3. Independent Quality Assurance:** To add another layer of objectivity to their analysis, Gurugun enlisted an additional reviewer. This individual explored the session recordings with a fresh perspective, creating independent conclusions. These were then compared with the team's notes and the facilitator's feedback, providing a triangulated view that strengthened the reliability of the final analysis.
- 4. Compilation and Thematic Analysis:** With all the preliminary work complete, Gurugun set about the detailed task of thematic analysis. This involved organising all the notes, feedback, and observations and sorting them for recurring patterns, common threads, and emerging themes. This process was both methodical and innovative, looking beyond the obvious to group similar ideas and discern subtle connections. The outcome was a nuanced, multi-dimensional understanding of the session content, revealing the core themes that defined the discussions.

¹¹ Sessions were recorded for transcription with explicit consent from participants, in strict adherence to the Privacy Act 1988 and Privacy Act 2014.



Survey responses

In addition to the online sessions, the NIAA also launched an online First Nations Business survey which was open from December 2023 to March 2024, inviting Indigenous Enterprises to share their insights, experiences, and suggestions about the IPP. The survey received 58 responses from Indigenous Enterprises across the country, representing a diverse mix of industries including consultancies, construction, and the creative sector, among others.

To understand the survey responses and incorporate them into the report, three key steps were followed by Gurugun:

- 1. Data Aggregation:** Initially, Gurugun consolidated the data, laying the groundwork for a quantitative analysis. This step involved examining the distribution and patterns of responses across various questions and categories to derive valuable insights.
- 2. Qualitative Analysis:** The focus then shifted to analysing qualitative data, including comments and long-form responses. Through thematic analysis, Gurugun identified recurring themes, closely examining the language and narratives used by participants to gain a deeper understanding of their experiences and views on the IPP.
- 3. Comparative Analysis:** The final step involved comparing the survey findings with the outcomes of the consultation sessions. This comparison was crucial in assessing the consistency and alignment of sentiments across the different datasets, revealing strong similarities, and ensuring the findings were reflective of the broader discussions.

Public submissions

The Public submissions portal was open to the public to comment on the reform options from December 2023 to March 2024, garnering 53 submissions. The analysis of submissions was conducted in a systematic way to make sure that all the feedback was reviewed and considered. The process involved several steps, including:

- 1. Compilation:** All public submissions were compiled into a single database, allowing for easy access and review of the feedback received.
- 2. Categorisation:** The feedback in the submissions was categorised based on their content, allowing for the identification of common themes and concerns across all submissions.
- 3. Thematic Analysis:** A detailed thematic analysis was conducted to identify recurring patterns and insights within the submissions. This involved a close examination of the language used and the sentiments expressed, enabling the construction of a detailed understanding of the perspectives of the public.
- 4. Cross-Verification:** The insights and themes identified through the analysis of submissions were cross-verified with the data collected through the consultation sessions and survey responses. This comparative analysis was crucial for evaluating the consistency and alignment of sentiments across the different data sets.



NIAA Participant Engagement Methods

The NIAA actively promoted the consultations via its regional networks, direct emails to numerous stakeholders/stakeholder groups, information was made available via the NIAA website and social media platforms (e.g. LinkedIn, Facebook, Instagram) across Indigenous.gov.au channels including a paid social media push during the consultation to reinforce the messaging.

To collect a list of Indigenous businesses across the country interested in participating in the online sessions, the NIAA invited Supply Nation and the Indigenous Chambers of Commerce as part of the National Indigenous Business Chambers Alliance to nominate First Nations businesses to participate.

To ensure effective outreach and participation, the NIAA utilised various communication and engagement channels:

- **Social media campaigns:** The NIAA’s social media data is detailed in the table below:

SOCIAL MEDIA ANALYTICS	REACH (PERSONS)
LinkedIn (NIAA) post 19 December 2023	4.8k
Facebook (Indigenous.gov) post 19 December 2023	2.2k
LinkedIn (NIAA) post 19 February 2024	2.4k
Facebook (Indigenous.gov) post 19 February 2024	6.8k

In addition to the initial campaign, NIAA worked with Supply Nation to send a second social media push¹² urging First Nations businesses to attend the consultations. A link was provided in the social media messaging and detailed a list of meeting times/dates for First Nations businesses to register their attendance.

¹² Text from Supply Nations second social media push: Are you an Indigenous business owner and want to have a say on changes to the Commonwealth Government’s Indigenous Procurement Policy? The Government is holding virtual consultation sessions over the next 2 weeks for you. Please check out the available sessions [here](#) and register your attendance.

- **Subscription emails:** Interested parties also had the option to subscribe to the NIAA’s Campaign Monitor account. Three communications on 17 January; 13 and 21 February 2024 were sent out via this channel to the 107 subscribers. These communications urged subscribers to participate in the consultations and have their say on the IPP reforms.
- **Announcements:** Announcements were made through Procurement Official Outreach, a platform which brings together government officials in the procurement and contracting space to collaborate and receive updates on government procurement policies, systems, and tools.
- **Direct emails:** Correspondence was initiated with the NIAA-identified key stakeholders e.g. IBA, Supply Nation, chambers, service providers, Commonwealth procurement officials and committees: i.e. Commonwealth Government’s Buy Australian Plan Steering Committee, IPP Cross Agency Working Group. These emails provided detailed information on the consultation scope, timeline, and mechanisms for submitting feedback.
- **Invitations for online consultations:** Direct invitations to participate in the online consultation sessions were sent to businesses, APCC, BCA, Coalition of Peaks, CFMMEU and entrepreneurs via Supply Nation and the National Indigenous Business Chambers Alliance.
- **Academics:** The NIAA invited academics known for their interest and/or focus on the Indigenous business sector. The NIAA also approached Universities Australia for suggestions on who to invite to participate in the consultations.

These engagement steps laid the foundation for an inclusive consultation process, aimed at gathering a comprehensive understanding of the current landscape, challenges, and opportunities within the Indigenous business sector, with regard to the IPP.

Participants

GROUP	DESCRIPTION
Academics and Other Interested Parties	Scholars and researchers specialising in Aboriginal and Torres Strait Islander studies, entrepreneurship, and economic development.
Business Chambers	Regional and national Indigenous chambers of commerce, representing the collective interests of Indigenous businesses.
Commonwealth Government Entities	SMEs within the Commonwealth that interact with or impact procurement.
Indigenous Businesses	Suppliers across various sectors, offering firsthand experiences and impacts of current policies.
Indigenous Industry Bodies	Organisations that represent and support Indigenous Enterprises and entrepreneurs.
Indigenous Unions	Labour organisations that represent the interests and rights of Aboriginal and/or Torres Strait Islander workers.
Northern Australia Indigenous Reference Group	A consultative body providing expert advice and perspectives from Suppliers.
Service Providers	Organisations offering support services to suppliers including legal, financial, and advisory services.
State and Territory Government entities	SMEs operating within specific states and territories.
Supply Nation	The leading directory of verified suppliers, playing an important role in connecting these enterprises with procurement opportunities.
Tier 1 Suppliers with MMR contracts	Major suppliers that are significant in the supply chain and have the potential to partner with suppliers under the IPP.



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Gurugun Pty Ltd

- ▶ Email: hello@gurugun.au
- ▶ Address: Tenancy 4, 14 Wormald Street, Symonston 2609

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Gurugun collected the personal information of those in the consultation sessions where it was reasonably necessary for or directly related to the performance of the stated functions or activities. Providing the requested information was voluntary. The Privacy Collection Notice within the IPP Reform Discussion Paper applied to all consultation sessions.

Appendices

Appendix 1: Cohort specific findings (confidential)

