

# Aboriginal and Torres Strait Islander Procurement Strategy



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## Acknowledgement of Country

Mission Australia acknowledges the traditional custodians of this Country, and we pay our respects to Elders past and present for they hold the memories, the culture and dreams of Aboriginal and Torres Strait Islander peoples.

We recognise and respect their cultural heritage, beliefs and continual relationship with the land, and we recognise the importance of the young people who are our future leaders.

## Our Vision for Reconciliation

Our vision for reconciliation is that Aboriginal and Torres Strait Islander people of this country will be restored to a place of equity, dignity and respect. We aspire to the healing of our national soul and for Aboriginal and Torres Strait Islander cultures to be fully valued, with broken relationships restored and social inequalities eradicated.



## Introduction

Mission Australia recognises the task of reconciliation as an essential aspect of our Christian work, and wholeheartedly strives for reconciliation with First Nations people through recognition, empowerment and service.

First Nations businesses play a significant role in promoting and enhancing long-term social and economic development within their communities. They enrich the social, cultural and economic life of Aboriginal and Torres Strait Islander people and provide cultural connection, as well as economic and developmental opportunities that benefit all Australians.

The Opportunities pillar of Mission Australia's Reconciliation Action Plan (RAP) sets out commitments to establishing and embedding procurement processes that support Aboriginal and Torres Strait Islander businesses.

By purchasing from Aboriginal and Torres Strait Islander businesses, Mission Australia is providing an opportunity for the thoughts, ideas, concepts and dreams of current and aspiring First Nations business owners to prosper. This means that more people can find meaningful employment, businesses are encouraged to grow and innovate, and local communities are supported and valued.

This Aboriginal and Torres Strait Islander Procurement Strategy (the Strategy) aims to create opportunities for Aboriginal and Torres Strait Islander businesses to partner with Mission Australia to deliver real value and diversity across our supply chain.

This Strategy must be read in conjunction with the Procurement Policy, Strategic Procurement (Tender) Procedure and Simple Procurement (Quotation) Procedure.

Please note that all references to Aboriginal and Torres Strait Islander businesses in this Strategy have the same meaning as Aboriginal or Torres Strait Islander businesses.

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*The Aboriginal and Torres Strait Islander Procurement Strategy is established to encourage and empower Mission Australia staff in taking action to foster a positive and sustainable Indigenous business sector*

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# Benefits of Supporting Aboriginal and Torres Strait Islander Businesses

## *Did you know that<sup>1</sup>:*

***For every \$1 of revenue, Certified Suppliers generate \$4.41 of social return.***

That means a dollar is working 4 times harder when it is spent with Indigenous businesses.

***Indigenous businesses are 100 times more likely to employ other Indigenous people.***

Indigenous employment is a key indicator of strong economic development so procuring from Indigenous businesses is an investment in sustainable communities.

***Indigenous people make up around 3% of the population but only own around 0.06% of Australia's businesses.***

Those businesses are growing at 12.5% per annum! Imagine the impact on the Australian economy if Indigenous businesses were proportionally represented in the business landscape?

## Identifying if a Supplier is Aboriginal and Torres Strait Islander Owned

For the purposes of this Strategy, an Aboriginal and Torres Strait Islander business is one that:

- is 50% or more Aboriginal and Torres Strait Islander owned;
- is operating as a business, including companies, incorporated associations, sole traders, partnerships, trusts and social enterprises or registered charities if they are operating as a business in Australia; and
- is registered with a certifying authority as meeting the definition, such as Supply Nation or an Indigenous Chamber of Commerce.

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<sup>1</sup> Supply Nation

# Strategy Objectives

The objectives, actions and outcomes detailed in this Strategy support achievement of the nine commitments made by Mission Australia in its Innovate Reconciliation Action Plan (2022-2023), outlined below. Each commitment is aligned to one or more of the guiding principles.

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## Mission Australia's RAP Commitments

1. Develop and implement an Aboriginal and Torres Strait Islander Procurement Strategy  
**Education + Empowerment + Engagement**
2. Manage ongoing Supply Nation membership **Education**
3. Develop and communicate opportunities for procurement of goods and services from Aboriginal and Torres Strait Islander businesses to staff **Education**
4. Review and update procurement practices to remove barriers to procuring goods and services from Aboriginal and Torres Strait Islander businesses **Empowerment**
5. Develop commercial relationships with Aboriginal and/or Torres Strait Islander businesses **Engagement**
6. Maintain content on intranet page related to communicating Supply Nation membership and resources including a list of Aboriginal and Torres Strait Islander businesses that can be used to procure goods and services **Education**
7. Utilise Aboriginal and Torres Strait Islander catering during NAIDOC Week and National Reconciliation Week events wherever possible **Engagement**
8. Consider the opportunity for Aboriginal and Torres Strait Islander supplier involvement in locally based procurement in addition to centralised procurement **Empowerment**
9. Exceed Indigenous participation and procurement targets set out in government tenders **Engagement**



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This Strategy is a living document that will be reviewed and updated as required to reflect and support Mission Australia's evolving commitment to achieving reconciliation.

## Guiding Principles

Staff play a pivotal role in achieving true equity for Aboriginal and Torres Strait Islander businesses within Mission Australia's supply chain. To enable meaningful change requires three key actions, which form the guiding principles of this Strategy: **Education** of the importance of change; **Empowerment** to enact change; and **Engagement** to accelerate change.



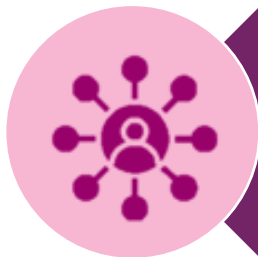
### Education

builds an understanding of our shared commitments and opportunities



### Empowerment

breaks down barriers and creates a culture that aspires to make a meaningful difference



### Engagement

builds a collaborative network that fosters like-minded relationships delivering significant value



### Equity

provides opportunities for traditionally under-represented businesses, resulting in positive social outcomes built on trust and respect

## Education



Education creates an understanding of our shared commitments and opportunities.

It is a catalyst to building awareness and sparking a shared desire to make change happen.

### Objectives:

- Maintain membership with Supply Nation and communicate benefits and opportunities to all Mission Australia staff
- Enable staff to easily identify Aboriginal and Torres Strait Islander businesses
- Develop and communicate opportunities for procurement of goods and services from Aboriginal and Torres Strait Islander businesses to staff
- Maintain content on Procurement intranet site communicating Supply Nation membership and details of contracted Aboriginal and Torres Strait Islander businesses

### Actions:

- Investigate Supply Nation membership options and invest in membership that best enables Mission Australia to meet its procurement objectives
- Create “critical thinking” resource to identify Aboriginal and Torres Strait Islander businesses
- Investigate options to consult with alternative advocacy groups, including state based Indigenous Chambers of Commerce and/or other state bodies
- Identify categories of goods and services which present genuine opportunities for staff to engage with Aboriginal and Torres Strait Islander businesses
- Develop an internal catalogue of “preferred” and/or “contracted” Aboriginal and Torres Strait Islander businesses
- Provide ongoing coaching and support to staff on the community and social benefits of procuring from Aboriginal and Torres Strait Islander owned businesses

### Desired Outcomes:

An increase in staff awareness of:

- how to identify Aboriginal and Torres Strait Islander businesses, e.g. via the Supply Nation Indigenous Business Directory, Mission Australia internal catalogue or other database;
- the economic and social benefits that supporting Indigenous businesses provides; and

- how to identify meaningful opportunities that respect the culture, creativity and intellectual property of Aboriginal and Torres Strait Islander people
- Refresh the Indigenous procurement intranet page with information updated periodically on topics such as, key goods/service categories, industry spotlights, new supplier updates, good news articles, etc

## Empowerment



Empowerment breaks down barriers and creates a culture that aspires to make a meaningful difference. It enables and inspires confidence that the decisions made are responsible and beneficial.

### Objectives:

- Review and update procurement practices to remove barriers to procuring goods and services from Aboriginal and Torres Strait Islander businesses
- Consider the opportunity for Aboriginal and Torres Strait Islander supplier involvement in locally based and centralised procurement
- Develop resources that enable staff to feel incentivised, inspired and confident to approach Aboriginal and Torres Strait Islander businesses and regularly consider them when sourcing goods and services
- Encourage staff to take responsibility for implementation of this Strategy in their business unit.

### Actions:

- Promote use of the Supply Nation Member Opportunity Board
- Remove the requirement for multiple quotes for purchases up to \$75,000 when an Aboriginal and Torres Strait Islander business can demonstrate value for money – see Appendix 1
- Consult with staff on an ongoing basis, both formally (via education sessions and/or questionnaires) and informally (via individual/small group discussions)
- Encourage and consider all feedback for future strategy improvement opportunities

### Desired Outcomes:

- Positive feedback received from staff regarding the process of identifying Aboriginal and Torres Strait Islander businesses

- Staff express that they feel comfortable and confident to engage with Aboriginal and Torres Strait Islander businesses as a preferred option
- Informative feedback received for consideration on future iterations of this Strategy

## Engagement



Engagement builds a collaborative network that fosters like-minded relationships that deliver significant value

Ongoing engagement must occur internally, amongst staff, and externally, between buyers and suppliers for real change to occur

### Objectives:

- Identify opportunities to develop meaningful and effective commercial relationships with Aboriginal and Torres Strait Islander businesses
- Increase the total number of Aboriginal and Torres Strait Islander businesses Mission Australia engages with
- Promote Aboriginal and Torres Strait Islander business at key awareness and celebratory events throughout the year
- Exceed Indigenous participation and procurement targets set out in government tenders

### Actions:

- Develop and implement a communication strategy to challenge status quo bias and promote opportunities to engage with businesses beyond traditional offerings
- Identify opportunities to participate in relationship building initiatives such as Supplier Diversity September
- In formal tender opportunities, when possible, assign weighted evaluation criteria to the achievement of social benefit, e.g. provision of an Indigenous Participation Plan and relevant policies and procedures, and, when possible, preference procurement outcomes from suppliers with RAPs (Reconciliation Action Plans)
- Ensure procurement is an ongoing contributing member of the RAP Reference Group
- Conduct an annual baseline analysis to measure and assess changes in actions and behaviour
- Identify opportunities to reduce unnecessary requirements (such as levels of insurance, restrictions on IP, etc), which may create barriers with a business, from tender opportunities

**Desired Outcomes:**

- Annual increase in the value of contracts and purchases with Aboriginal and Torres Strait Islander business, using FY2023 as a baseline
- Annual increase of Aboriginal and Torres Strait Islander business engaged by Mission Australia, using FY2023 as a baseline
- Increase in page visits to the Indigenous Procurement intranet page
- Positive stories/information ready for insertion into Government tender opportunities

**Equity**

Equity provides opportunities for traditionally under-represented businesses, resulting in positive social outcomes built on trust and respect

Mission Australia's annual procurement spend and national footprint provides a significant opportunity, and a social obligation, to support Aboriginal and Torres Strait Islander owned businesses, resulting in strengthened relationships and mutually beneficial social and economic benefits.

We are locally grounded and nationally supported



## Monitoring and Evaluation

Mission Australia Procurement, in consultation with key stakeholders, will conduct an annual review of this Strategy to:

- evaluate implementation;
- identify potential improvements;
- monitor progress toward the commitments;
- adjust the Strategy if necessary; and
- assess the effectiveness of the Strategy and its impact on Mission Australia and Aboriginal and Torres Strait Islander businesses.

## Future Aspirations

The objectives, actions and outcomes specified in this Strategy are closely aligned to the commitments to achieving reconciliation that Mission Australia has made in its RAP. As Mission Australia's approach to reconciliation develops over time, so too shall this Strategy.

Future aspirations may include, but are not limited to:

- establishment of spend and supplier engagement targets.
- recognising spend with second tier suppliers (i.e., our supplier's suppliers)
- developing an Aboriginal and Torres Strait Islander spend reporting dashboard.
- identification of Indigenous procurement champions across the organisation

## Support and Further Information

This Strategy is owned and administered by Mission Australia Procurement, in consultation with the RAP Reference Group and RAP Knowledge Group.

Mission Australia values the thoughts, ideas and contributions of its staff and stakeholders. Going forward, Procurement will undertake a considered and consultative approach with staff, seeking constructive feedback that ensures this Strategy and its commitment to Aboriginal and Torres Strait Islander businesses remains relevant and effective and provides staff with a nourishing and meaningful approach to social procurement and achieving reconciliation.

## External Advocacy Groups

A number of advocacy groups operate across Australia with the purpose of supporting and promoting Aboriginal and Torres Strait Islander businesses. Several of these organisations maintain databases of verified businesses in their State/Territory or local area, and are detailed below.

Organisation	Location	Member Database
<b>Supply Nation</b> <a href="https://supplynation.org.au/">https://supplynation.org.au/</a>	National	Yes
<b>Canberra Indigenous Business Network</b> <a href="https://cibn.net.au">https://cibn.net.au</a>	ACT	No
<b>Goldfields Aboriginal Business Chamber</b> <a href="https://gab.org.au">https://gab.org.au</a>	WA	Yes
<b>Kinaway Chamber of Commerce</b> <a href="https://kinaway.com.au">https://kinaway.com.au</a>	VIC	Yes
<b>Noongar Chamber of Commerce and Industry</b> <a href="https://www.ncci.com.au">https://www.ncci.com.au</a>	WA	No
<b>Northern Territory Indigenous Business Network</b> <a href="https://ntibn.com.au">https://ntibn.com.au</a>	NT	Yes
<b>NSW Indigenous Chamber of Commerce</b> <a href="https://nswicc.com.au">https://nswicc.com.au</a>	NSW	Yes
<b>Pilbara Aboriginal Business Chamber</b> <a href="https://kdcci.com.au/pibng">https://kdcci.com.au/pibng</a>	WA	Yes
<b>South East Queensland Indigenous Chamber of Commerce</b> <a href="https://seqicc.com.au">https://seqicc.com.au</a>	QLD	No

# Roles and Responsibilities

Role	Responsibilities
Executive, Corporate Services	<ul style="list-style-type: none"> <li>• Approval of changes to this Strategy</li> <li>• Ownership and administration of this Strategy</li> <li>• Provision of advice and support to Business Units in connection with this Strategy</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Evaluating implementation and monitoring/reporting ongoing performance, including an annual baseline analysis</li> <li>• Liaising with other Business Units to promote the Strategy and deliver key objectives</li> </ul>
RAP Reference Group RAP Knowledge Group	<ul style="list-style-type: none"> <li>• Provision of advice to Procurement in the development and ongoing operation of this Strategy</li> <li>• Liaising with Business Units to promote the Strategy and deliver key objectives</li> <li>• Assistance with the facilitation of knowledge sharing and collection of information as required</li> </ul>
All Mission Australia Staff	<ul style="list-style-type: none"> <li>• Familiarisation of the Strategy</li> <li>• Consideration of Aboriginal and Torres Strait Islander businesses when procuring goods and services</li> <li>• Provision of feedback to Procurement</li> </ul>
Business Units <sup>2</sup>	<ul style="list-style-type: none"> <li>• Implementation of business processes within their respective areas to ensure compliance with this Strategy</li> <li>• Management of all risks associated with locally based procurement</li> <li>• Ensuring appropriate engagement with Procurement and other stakeholders to ensure understanding and compliance with this Strategy</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>• Receive, review and provide feedback on performance of this Strategy</li> </ul>

<sup>2</sup> Refers to all divisions across Mission Australia, including Service Delivery and Enabling Functions

## Appendix 1 - Assessing Value for Money

Value for money is the achievement of a desired procurement outcome at the best possible price – *which may not be the lowest price* - based on a balanced judgement of financial and non-financial factors relevant to the procurement.

Any supplier wanting to do business with Mission Australia needs to make a competitive offering and must be able to provide the product or service to the specified quality.

Whilst there is no single method for assessing value for money, consideration should be given to the following factors:

### Financial

- Is the procurement aligned with Mission Australia's strategic requirements?
- What direct/indirect financial benefits will the procurement offer?
- Is the good/service procured fit for purpose?
- Is the cost commensurate with budgeting and financial goals?
- Have the transaction costs associated with acquisition, use/holding, maintenance and transaction/re use/recycle costs related to disposal been considered and deemed appropriate?

### Non-financial

- Are all stakeholders involved in the procurement satisfied?
- Will the procurement have a positive effect on community/client participation?
- Have resources been used efficiently so as to maximise customer service levels, minimise lead times, and, if applicable, optimise inventory levels?
- Will the procurement have a positive environmental impact?
- Is there an adequate level/quality of service being offered?
- Is there an adequate level of support being offered?
- Is there an opportunity to create innovation through supplier diversity?

## The importance of supplier diversity in assessing Value for Money

Mission Australia operates within a broad, diverse society. In determining value for money, staff should also consider the relationship Mission Australia has, and the reputation it fosters, with people and businesses in the communities we serve.

In addition to considering the financial and non-financial aspects of their procurement requirements, staff should consider the value of the impact their decision may have for Aboriginal and Torres Strait Islander businesses. In doing this, consider that Aboriginal and Torres Strait Islander businesses<sup>3</sup>...



(SROI – Social Return on Investment)

<sup>3</sup> The Sleeping Giant - A Social Return on Investment Report on Supply Nation Certified Suppliers