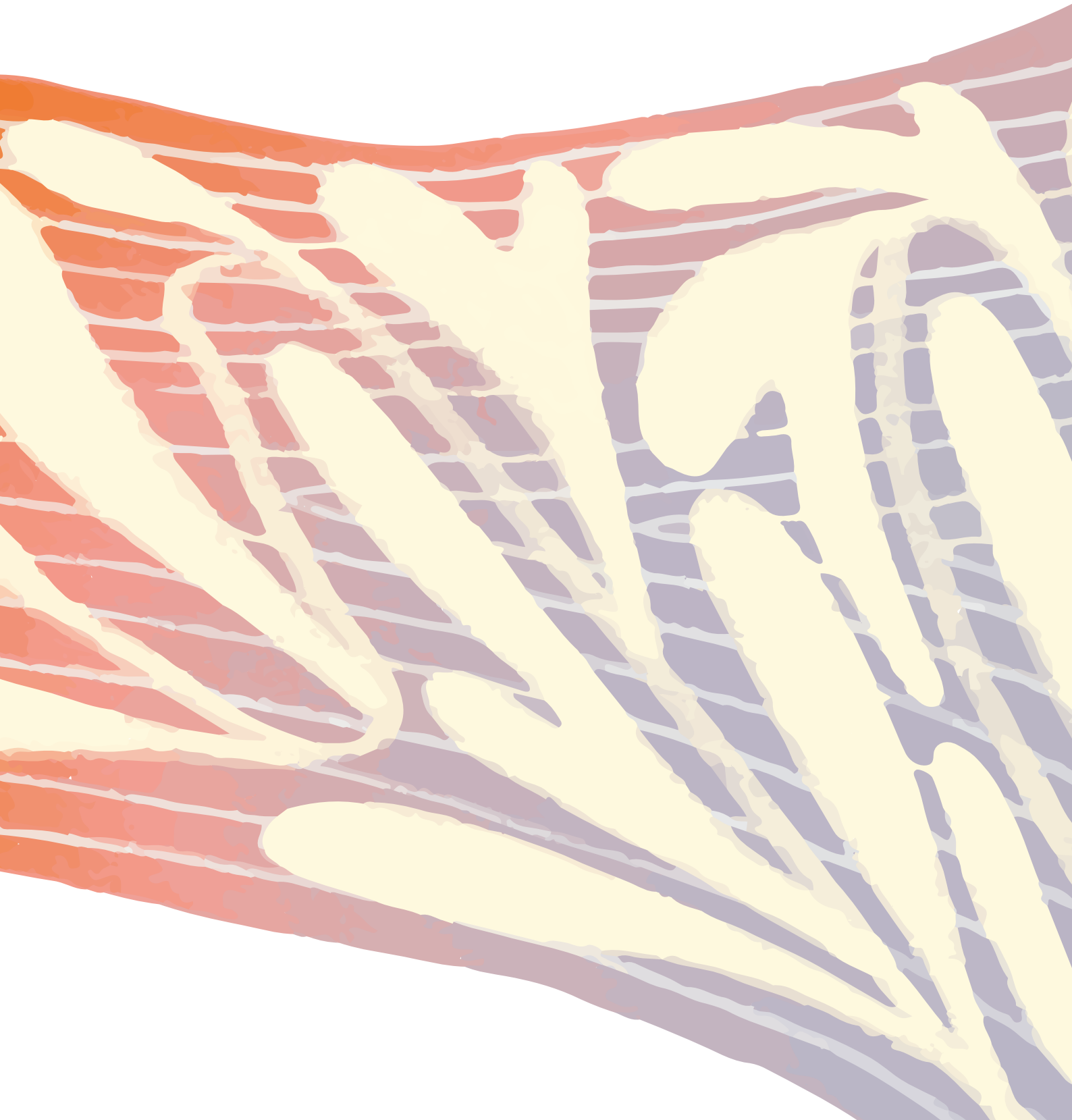


ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT STRATEGY



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The University of Newcastle RAP Artwork

Jasmine Craciun (Bachelor of Visual Communication, 2018)

Alumna Miikika Jasmine is a proud Barkindji, Malyangapa designer and artist with a passion for telling stories of, and communication to, diverse groups of people.

Artwork story: The creation of this work was inspired by a group discussion with the University of Newcastle's RAP working group and the thoughts they had about what reconciliation means to them and the University.

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the lands on which our campuses are located. The University of Newcastle has a presence on the lands of the Awabakal, Darkinjung, Biripai, Worimi, Wonnarua and Eora Nations.

We also acknowledge and pay respect to the other Aboriginal and Torres Strait Islander nations from which our students, staff, suppliers, and community are drawn.

We are proud of our record in Indigenous higher education, innovation and engagement, which has been driven by relationships with the Indigenous community and through the work of the Wollotuka Institute.

We are the sector leader in terms of Aboriginal and Torres Strait Islander student enrolments and the employment of staff, and commit to building on this strength and extending our collaboration and partnerships with Aboriginal and Torres Strait Islander peoples of our regions and beyond.

OUR COMMITMENT

We are guided by the Wollotuka Cultural Standards, expressed through our inter-institutional relationships. Our relationships are based on the principles of reciprocity, accountability and respect.

Through these principles, we commit to:

- Pursuing the highest rates of success of Aboriginal and Torres Strait Islander students across all disciplines
- Becoming the leading university for global Aboriginal and Torres Strait Islander comparative studies, research and educational approaches
- Being the preferred employer and partner university for Aboriginal and Torres Strait Islander people and communities
- Nurturing an environment where Aboriginal and Torres Strait Islander stakeholders are challenged to innovate in culturally affirming, globally aware ways.

Our activities will further be informed by the *Universities Australia Indigenous Strategy*, the *University of Newcastle Aboriginal and Torres Strait Islander Education and Research Framework* and our *Reconciliation Action Plan*.



DELIVERING OPPORTUNITIES AND OUTCOMES

4

THE UNIVERSITY OF NEWCASTLE

As a significant buyer of goods and services, the University of Newcastle (the University) strives to develop a strong and socially equitable supply chain. We recognise that we have an important role to play in supporting our local region, its people and its economy.

This Aboriginal and Torres Strait Islander Procurement Strategy is the first stage of a broader supplier diversity strategy aimed at identifying and promoting Equity, Diversity and Inclusion across the University's supplier base.

By considering Aboriginal and Torres Strait Islander businesses, the University has a valuable opportunity to promote the development of local communities, support job growth, strengthen the economy, and provide more opportunities for individuals and businesses to develop and prosper.

The strategy aims to create opportunities for Aboriginal and Torres Strait Islander businesses to partner with the University to deliver value and diversity across its supply chain.

A Supply Nation report¹ tells us that:

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

That means our dollar is working 4 times harder when we spend with Indigenous businesses.

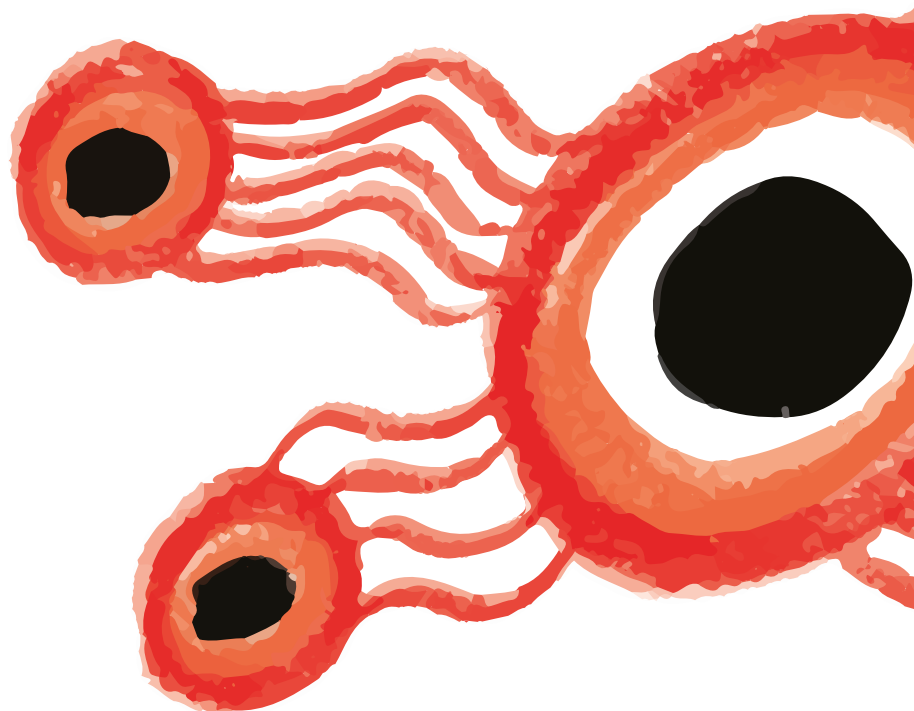
Indigenous businesses are 100 times more likely to employ other Indigenous people.

Indigenous employment is a key indicator of strong economic development so procuring from Indigenous businesses means we're investing 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.

The Aboriginal and Torres Strait Islander Procurement Strategy is designed to encourage University buyers in taking action to foster a positive and sustainable Indigenous business sector.



1 "Connecting corporate and government buyers with Indigenous businesses" Report by Supply Nation

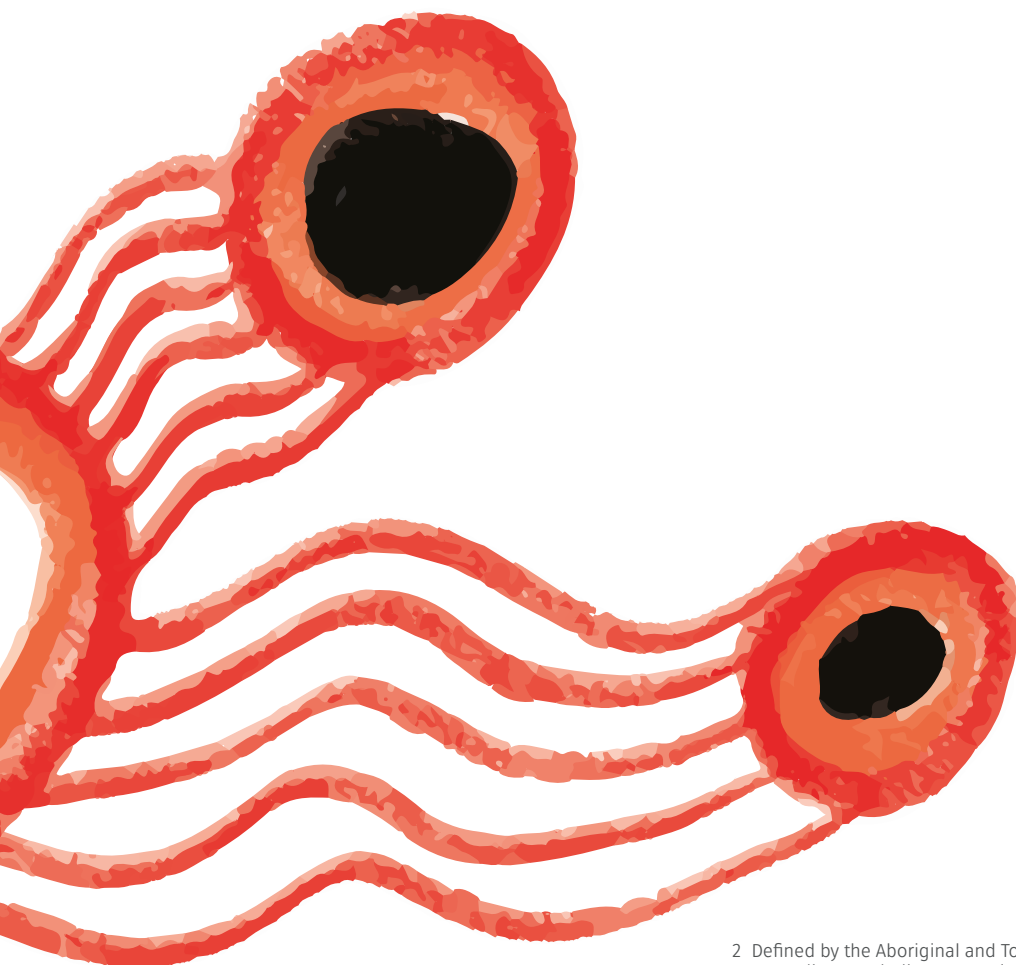
ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT STRATEGY TARGETS

All staff who purchase goods and services on behalf of the University can play a role in providing opportunities for Aboriginal and Torres Strait Islander businesses. In delivering the outcomes aligned to this strategy, each College and Division will seek to achieve the following targets:

- 1% of total addressable² procurement spend by value with Aboriginal and Torres Strait Islander businesses per annum.
- 3% of total addressable contracts³ by volume awarded to Aboriginal and Torres Strait Islander businesses per annum.
- 5% increase year on year in the total number of Aboriginal and Torres Strait Islander businesses contracted to the University.
- Payments made to small and medium sized Aboriginal and Torres Strait Islander businesses within 14 days of invoice date, compared to the University's 30-day standard terms.
- Provide ongoing training and awareness with University staff creating a culture that considers Aboriginal and Torres Strait Islander businesses in all procurement activities.

It is an aim of this Strategy to promote procurement opportunities with Aboriginal and Torres Strait Islander businesses equally across all Colleges and Divisions. All University buyers are encouraged to consider opportunities for achieving the above targets.

The targets will be reviewed on an annual basis and adjusted if/as required.



² Defined by the Aboriginal and Torres Strait Islander Procurement Strategy as "Addressable expenditure excluding categories where no Aboriginal and Torres Strait Islander businesses are available to supply goods or services, or where Aboriginal and Torres Strait Islander businesses are excluded due to market dynamics (e.g. where a monopoly or reduced competition is in place)". Addressable spend categories will be determined by Strategic Procurement in conjunction with the Office of the PVC Indigenous Strategy and Leadership.

³ A contract may be a formal agreement, purchase order, or a sub-contract of any value.

REPORTING

Progress towards targets will be included in the Financial Services Report that is provided to the Executive Committee on a bi-monthly basis, or as otherwise required, ensuring transparency and accountability. Tracking of progress towards targets will be reported at the College and Division level and will provide a breakdown of results by School and Unit. Targets will also be established within the University's Reconciliation Action Plan and reported to Reconciliation Australia annually.

To report on progress towards targets, data will be captured and verified in the following ways:

- **Addressable procurement spend by value awarded to Aboriginal and Torres Strait Islander businesses⁴** – This metric will be captured by comparing the spend with known Aboriginal and Torres Strait Islander businesses⁵ as a percentage of total spend during the period. Tracking of progress to target will be performed cumulatively throughout each 12-month period.
- **Total addressable contracts by volume awarded to Aboriginal and Torres Strait Islander businesses** – This metric will be captured by comparing the volume of contracts awarded to known Aboriginal and Torres Strait Islander businesses as a percentage of all contracts awarded during the period. Tracking of progress to target will be performed cumulatively throughout each 12-month period⁶.
- **Total number of Aboriginal and Torres Strait Islander businesses contracted to the University** – This metric will be captured by comparing the number of Aboriginal and Torres Strait Islander businesses the University engages with during the reporting period as a percentage of the total number of businesses engaged with. At the completion of each 12-month period, the total number of Aboriginal and Torres Strait Islander businesses engaged with will form the baseline for the next 12-month reporting period.
- **Payment terms with small and medium sized Aboriginal and Torres Strait Islander businesses** – This metric will be captured by comparing the number of invoices paid to applicable Aboriginal and Torres Strait Islander businesses within the agreed 14-day term as a percentage of the total number of invoices paid.
- **A minimum of four training and awareness sessions with University staff will be undertaken.**

IDENTIFYING AN ABORIGINAL AND TORRES STRAIT ISLANDER BUSINESS

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

- recognised through an appropriate organisation, such as Supply Nation or the NSW Indigenous Chamber of Commerce (NSWICC). These organisations maintain databases of Aboriginal and Torres Strait Islander businesses that have been verified to determine their eligibility; or
- one where it can be verified through alternative reputable sources to have at least 50% Aboriginal or Torres Strait Islander ownership (refer Appendix One).

4 Spend will be captured and reported at a tier one level, i.e. direct spend with Aboriginal and Torres Strait Islander businesses

5 Supply Nation provide to members a list of the ABN's of all registered and certified suppliers.

6 Purchasing Card spend will not be included in reporting outcomes at this time.



SUPPLY NATION

Supply Nation is a non-profit organisation that aims to grow the Aboriginal and Torres Strait Islander business sector through the promotion of Indigenous procurement in Australia and is part funded by the Federal Government.

Supply Nation owns and maintains Australia's largest database of verified Aboriginal and Torres Strait Islander businesses – Indigenous Business Direct. The database allows users to search its directory of registered Aboriginal and Torres Strait Islander businesses and provides the contact and company details of the registered business. Supply Nation does not provide information on whether an Aboriginal and Torres Strait Islander business has the capacity, capability or experience to perform the services required by the University. The staff member buying the goods or services will then need to ascertain the business' capability prior to engaging.

Staff purchasing goods and services can access the Indigenous Business Directory at supplynation.org.au. This is where staff can search for an Aboriginal and Torres Strait Islander business by entering either a business name, service, category or location and then use the filters to narrow the search results.



Supply Nation offers additional gated content to members including supplier qualifications, number of employees, business type and revenue. Access to this information requires a user to login. If, as part of the market analysis and supplier identification process, a staff member requires access to this information please contact Strategic Procurement – see details at the end of this document – to arrange login details.

INDIGENOUS BUSINESS OWNERSHIP

Supply Nation recognises two levels of Indigenous ownership: Registered and Certified.

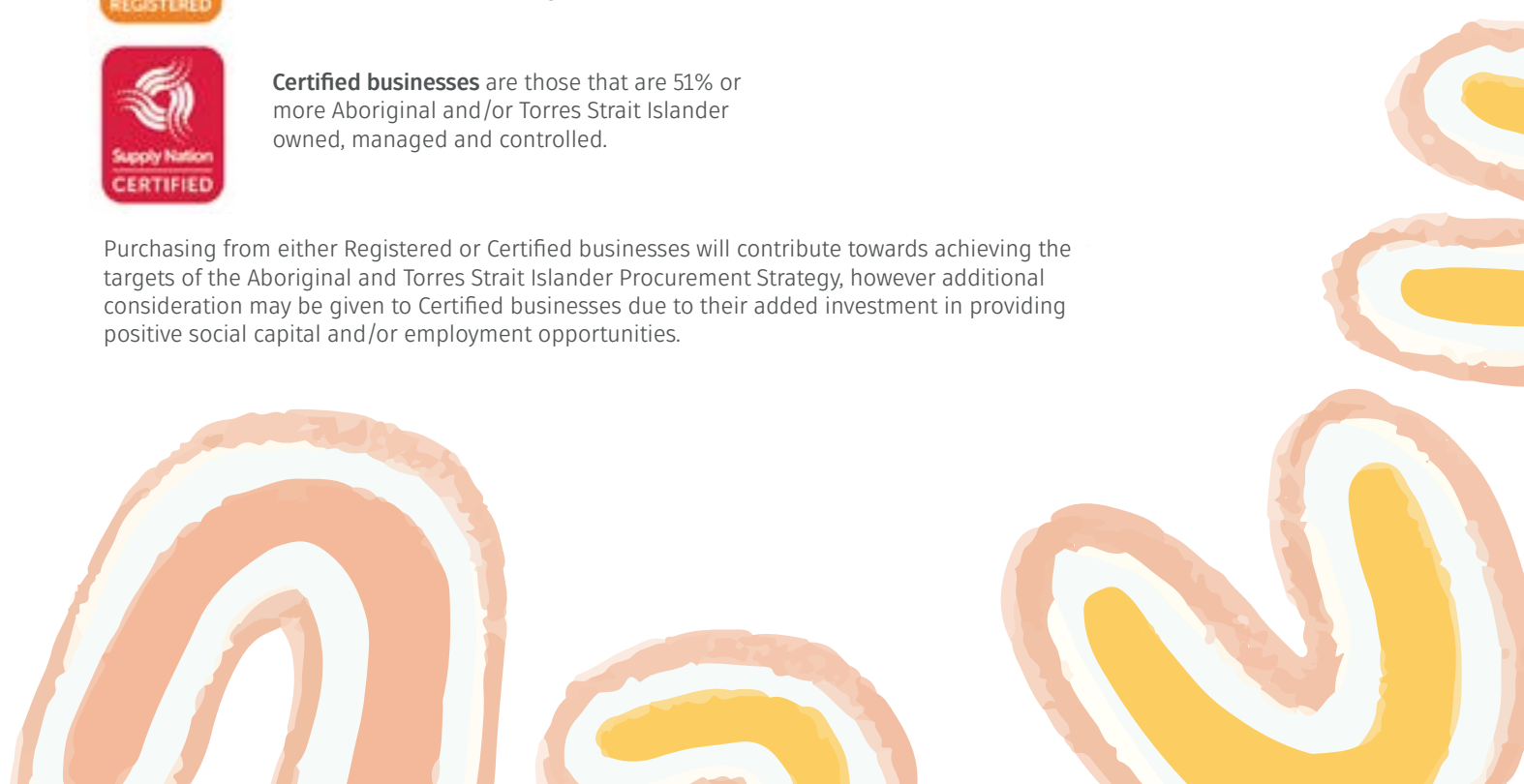


Registered businesses are those that are 50% or more Aboriginal and/or Torres Strait Islander owned (catering for equal partnerships with non-Indigenous owners).



Certified businesses are those that are 51% or more Aboriginal and/or Torres Strait Islander owned, managed and controlled.

Purchasing from either Registered or Certified businesses will contribute towards achieving the targets of the Aboriginal and Torres Strait Islander Procurement Strategy, however additional consideration may be given to Certified businesses due to their added investment in providing positive social capital and/or employment opportunities.



APPLYING THE ABORIGINAL AND TORRES STRAIT ISLANDER PROCUREMENT STRATEGY

The following section outlines how the Aboriginal and Torres Strait Islander Procurement Strategy is to be implemented based on the anticipated procurement value.

1. TOTAL VALUE OF THE PROCUREMENT IS <\$80,000 (EXC GST)

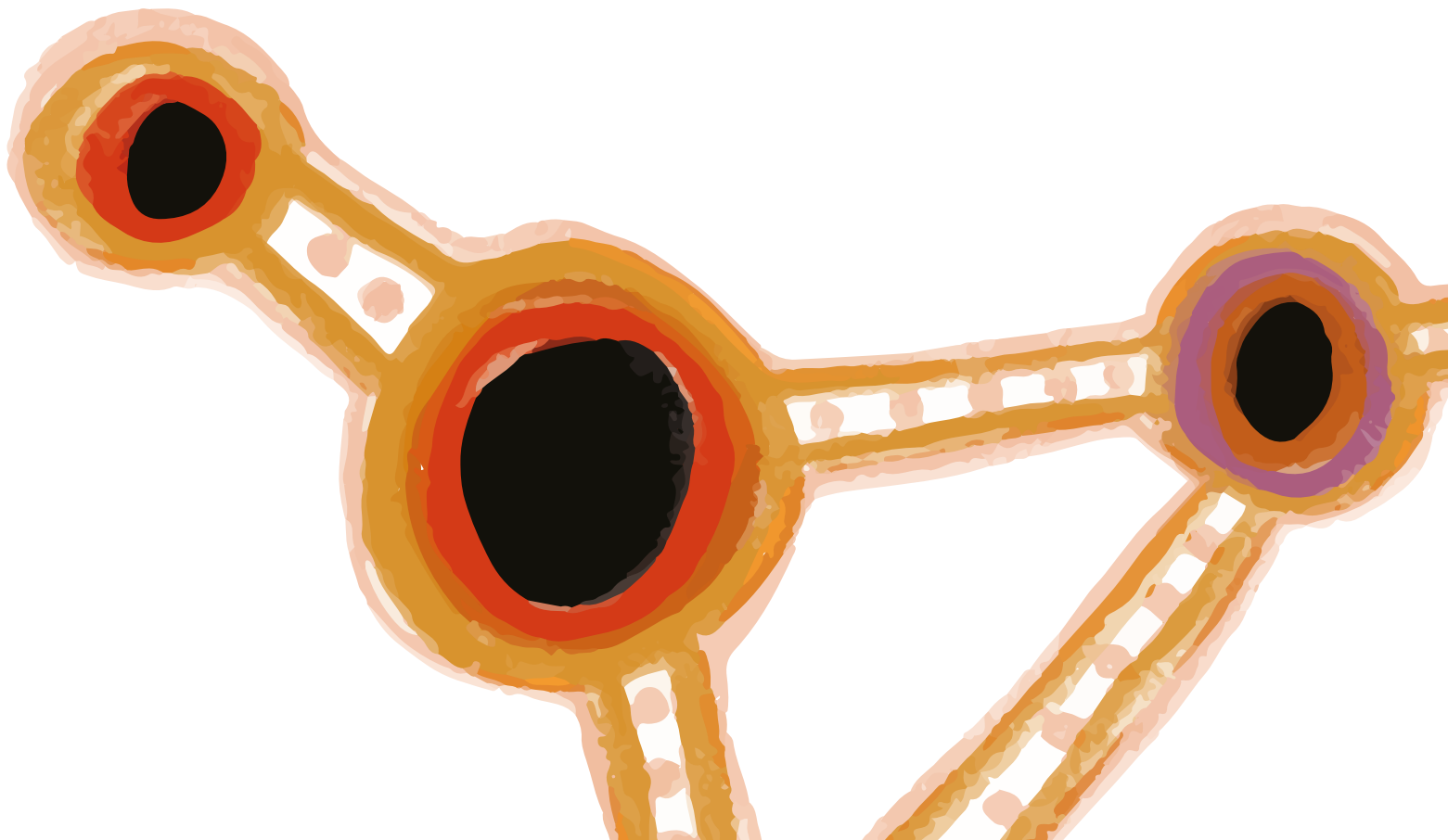
In line with Federal and State Government Procurement Policies a higher threshold for direct negotiation has been put in place by the University for Aboriginal and Torres Strait Islander businesses. Staff may directly negotiate with an Aboriginal and Torres Strait Islander business for all procurements up to \$80,000 (exc GST), even if there is an existing University non-exclusive contract⁷ or panel arrangement in place. The staff member must take steps to determine whether the Aboriginal and Torres Strait Islander business can deliver the required goods and/or services on a value for money basis⁸.

To satisfy the Aboriginal and Torres Strait Islander Procurement Strategy, the staff member must:

- Conduct a search for suitable Aboriginal and Torres Strait Islander businesses;
- Assess the business/es for suitability; and
- Document the outcome of that search.

If several suitable Aboriginal and Torres Strait Islander businesses are identified that could potentially deliver the goods and/or services on a value for money basis, the staff member must assess these in a manner commensurate to the scale, scope and risk of the procurement, and award the purchase/contract to the Aboriginal and Torres Strait Islander business that represents the best value for money. If the Aboriginal and Torres Strait Islander business that represents the best value for money declines the purchase/contract, the staff member should offer the contract to each subsequent Aboriginal and Torres Strait Islander business that met the value for money requirements. Where value for money cannot be achieved, the procurement must then be performed in accordance with the requirements and thresholds of the University Procurement Policy and Quotation Procedure.

A staff member may contract with an Aboriginal and Torres Strait Islander business regardless of whether the business is registered with Supply Nation. In this instance, the staff member must perform an assessment and document the outcome to prove that the business is at least 50 per cent Aboriginal or Torres Strait Islander owned to enable the purchase to be recorded toward the measurement of University targets. See Appendix One for guidance in determining if a business is 50 per cent or more Aboriginal or Torres Strait Islander owned.



2. TOTAL VALUE OF THE PROCUREMENT IS \geq \$80,000 AND $<$ \$250,000 (EXC GST)

In accordance with the University's Quotation Procedure, all procurement requirements with a value of \geq \$80,000 and $<$ \$250,000 (exc GST) must be competitively tested. In this instance the staff member purchasing the goods and/or services must seek a minimum of three written quotations via the University's formal RFQ process.

When selecting suppliers to participate in the RFQ process, staff are encouraged to consider Aboriginal and Torres Strait Islander businesses. If one or more Aboriginal and Torres Strait Islander business is identified with the capability of delivering the required goods and/or services on a value for money basis, this business/es should be invited to participate in the RFQ process.

To satisfy the Aboriginal and Torres Strait Islander Procurement Strategy, the staff member must:

- Conduct a search for suitable Aboriginal and Torres Strait Islander businesses;
- Assess the business/es for suitability; and
- Document the outcome of that search.

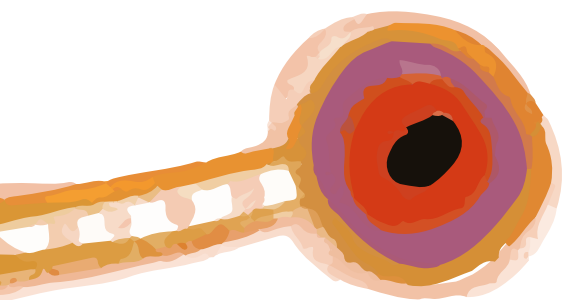
A staff member may contract with an Aboriginal and Torres Strait Islander business regardless of whether the business is registered with Supply Nation. In this instance, the staff member must perform an assessment and document the outcomes to prove that the business is at least 50 per cent Aboriginal or Torres Strait Islander owned to enable the purchase to be recorded toward the measurement of University targets. See Appendix One for guidance in determining if a business is 50 per cent or more Aboriginal or Torres Strait Islander owned.

3. TOTAL VALUE OF THE PROCUREMENT IS \geq \$250,000 (EXC GST)

In accordance with the University's Tender Procedure, all procurement requirements with a total value of \$250,000 or more (exc GST) must progress through a formal tender process facilitated by the Strategic Procurement team

To encourage Aboriginal and Torres Strait Islander business participation in the University's tender process the following actions will be implemented, where feasible and applicable:

- Inclusion of an Aboriginal and Torres Strait Islander participation schedule requiring tenderers to provide details such as their Aboriginal and Torres Strait Islander Participation Plans, Reconciliation Action Plans, etc. This is presently facilitated in the GC21 and MW21 template contracts and will be expanded across other relevant procurement documents.
- When feasible, for Contracts valued at \$5 million or more, a target Aboriginal and Torres Strait Islander participation outcome will be included in the tender documents, and a non-price weighting will be assigned to Aboriginal and Torres Strait Islander participation in the tender evaluation process.
- Inclusion of Aboriginal and Torres Strait Islander Participation Plans in agreements with the successful tenderer(s).
- University Contract Managers will be encouraged to conduct ongoing reviews with suppliers to track performance against Aboriginal and Torres Strait Islander Participation Plans. A final review of performance should be undertaken at the completion of the agreement.
- Provide constructive feedback to unsuccessful tenderers on their tender response. This feedback will be provided with a view to building the capability of Aboriginal and Torres Strait Islander businesses to apply successfully for future opportunities.



7 If the University is covered by an exclusive supply agreement, the staff member must procure as per the stipulations of the existing agreement. Please contact the Strategic Procurement office for more information.

8 See Definitions for advice on determining value for money.

SUPPORT

Support will be provided to buyers across the university to procure goods and services in accordance with the Aboriginal and Torres Strait Islander Procurement Strategy.

- The Procure to Pay team will offer ongoing training and support with regards to the purchasing and payment process aligned to this Strategy.
- The Office of Indigenous Strategy and Leadership will offer support with regards to the identification of Aboriginal and Torres Strait Islander businesses as well as advice relating to the University's Reconciliation Action Plan.
- It is an aim of this Strategy to identify and support champions within each school and unit to promote the benefits associated with Indigenous procurement within their respective department.

DEFINITIONS

Aboriginal and Torres Strait Islander business – a business that is 50 per cent or more owned by Aboriginal and/or Torres Strait Islander people.

Contract – A formal agreement, enforceable by law, between the University and a supplier to deliver goods and/or services in exchange for money, e.g. Formal Agreement, Purchase Order, Sub-Contract.

Contract Manager – The staff member responsible for the management and administration of a contract or agreement.

Staff member – A University of Newcastle employee who procures goods and/or services on behalf of the University.

RFQ – Request for Quotation

Value for money – The difference between the total benefit derived from a good or service against its total cost, when assessed over the period the good or service is to be used. Four key terms are used in defining Value for Money (Economy, Efficiency, Effectiveness and Equity). Below is a definition of each term:

- Value for money development should be economic: minimising the cost of resources used or required (inputs) – spending less.
- Value for money development should be efficient: the relationship between the output from goods or services and the resources to produce them – spending well.
- Value for money development should be effective: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
- Value for money development should be equitable: the extent to which opportunities are available to, and reach all, relevant suppliers – spending fairly.



FOR FURTHER INFORMATION

For further information relating to the application of the Aboriginal and Torres Strait Islander Procurement Strategy please contact the Strategic Procurement team.

E: StrategicProcurement@newcastle.edu.au.

Additional information can also be found on the Procure to Pay Sharepoint site.

For advice on approaching Aboriginal and Torres Strait Islander businesses please contact the Office of Indigenous Strategy and Leadership.

E: reconciliation@newcastle.edu.au.

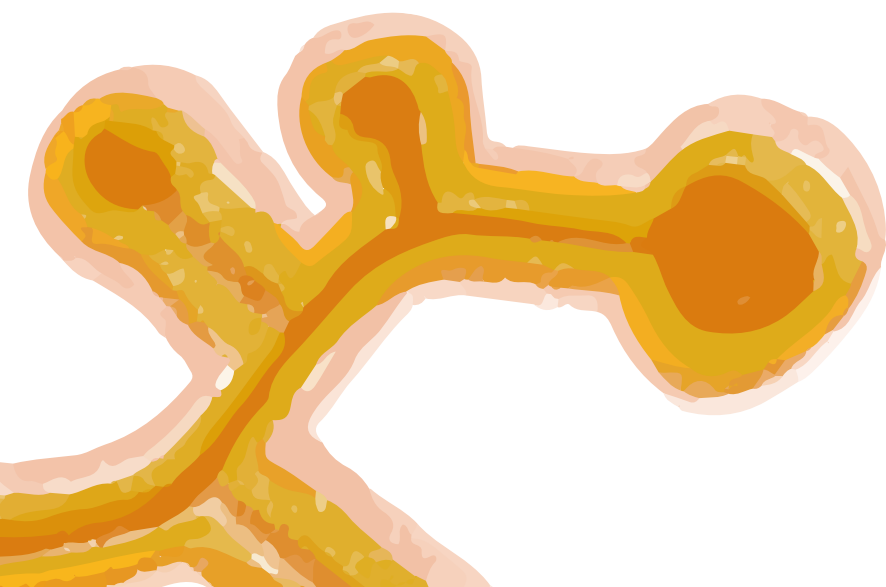
APPENDIX ONE

HOW TO CHECK IF A BUSINESS IS 50 PER CENT OR MORE ABORIGINAL AND TORRES STRAIT ISLANDER OWNED

While registration with Supply Nation is encouraged, for a variety of reasons some Aboriginal and Torres Strait Islander Businesses may not be registered with Supply Nation. In this instance, Indigeneity needs to be established at the time quotes are obtained.

If an Aboriginal or Torres Strait Islander Business is not registered with Supply Nation, the staff member buying the goods or services should take one or more of the following steps to be satisfied that the business is 50 per cent or more Aboriginal or Torres Strait Islander owned:

- Contact the Office of Indigenous Strategy and Leadership who can provide advice and support on identifying and confirming Aboriginal and Torres Strait Islander businesses.
- Checking whether the business is listed with an Indigenous Chamber of Commerce or another business list.
- Checking whether the business is listed with the Office of the Registrar of Indigenous Corporations available at oric.gov.au.





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