

Foundational document - Aboriginal Procurement Strategy

In 2021, the South Australian Government implemented a new procurement framework to simplify tendering, promote the participation of local businesses and in 2023 enabled direct engagement with Aboriginal businesses for goods and services up to \$550,000 (GST inclusive).

These existing policies, practices and procurement pathways support positive outcomes across government. The Aboriginal Procurement Strategy is intended to build on this foundation by further strengthening Aboriginal enterprises' participation in tender processes and government contracts, ensuring their strengths are fully recognised and leveraged for shared success across South Australia.

These reforms have created important pathways for Aboriginal enterprises (which includes businesses, not-for-profit and Community Controlled Organisations) to demonstrate their strong cultural knowledge, innovation and community connections. Building on this progress and some positive outcomes already being achieved, there remains an opportunity to further strengthen Aboriginal enterprises' participation in tender processes and government contracts, ensuring their strengths are fully recognised and leveraged for shared success across South Australia.

In 2024-25 Aboriginal enterprises were awarded \$114 million in contracts, representing 2.25% of all contracts the SA government executed that year.

To identify ways to increase the participation of Aboriginal enterprises in government procurement, a series of engagement processes have been undertaken with Aboriginal enterprises and stakeholders, including through the Not-for-Profit Funding Review.

This provided an opportunity for Aboriginal enterprises, people and communities to share their understanding of:

- issues that impact how government buys for them and from them, and
- opportunities for improvement.

This information has been organised into **factors** impacting participation and **priority areas** for ongoing action.

This forms the Foundation Document for a South Australian Aboriginal Procurement Strategy, which recognises that increasing the participation of Aboriginal enterprises in government spending will support greater independence and prosperity for Aboriginal communities, generating economic empowerment, self-determination, community wellbeing and positive intergenerational impact. It also acknowledges the importance of individual choice in service delivery, ensuring procurement approaches reflect and respond to the needs and preferences of Aboriginal people and communities.

To develop the Strategy, we must first confirm our understanding of the factors impacting participation and determine the priority areas, to define the desired future state.

Six factors impacting participation

What it looks like under current conditions.

1. Awareness	Government processes don't always make it clear when opportunities are available for Aboriginal enterprises to supply goods and services. Current ways of engaging don't always provide clear ways for Aboriginal people and communities to share what they need and where it can come from.
2. Process	Government buying processes can be complex and take a lot of time and effort, making it difficult for Aboriginal enterprises to take part, particularly if they have never done so before. Current consultation methods don't always feel culturally safe or comfortable for Aboriginal people and communities to share what to buy and who to buy from.
3. Systems	Government departments buy things in different ways, making it hard for Aboriginal enterprises to know how to submit an offer. Variations in how different parts of government engage with Aboriginal people and communities creates uncertainty and can cause confusion about how to share needs and priorities.
4. Cost	Preparing and submitting offers for government procurement can involve significant costs, especially for smaller and not-for-profit Aboriginal enterprises. Sharing community needs with government can also require considerable resources, which can present additional challenges for regional, rural and remote communities.
5. Cultural	The way government shares information and communicates is not always tailored and culturally appropriate. This can make people and communities feel unsafe, unwelcome, or discouraged from participating.
6. Partnership	Aboriginal enterprises don't always have access to business groups or networks that share government opportunities or provide support. This makes it harder to connect and take part.

Six priority areas for ongoing action

What it will look like if each priority area is addressed successfully.

1. Awareness priority <i>By making sure everyone in government knows about the positive impact of Aboriginal procurement:</i>	• government will actively seek opportunities to work with Aboriginal enterprises and communities • government will build stronger relationships and accountability with Aboriginal enterprises, people and communities • government will partner with Aboriginal stakeholders to monitor progress of the strategy and improve results
2. Growth priority <i>By supporting the continued growth of Aboriginal enterprises:</i>	• long-term contracts with ACCOs and ACCHOs will support sustainable growth in the sector • Aboriginal enterprises will be able to be part of small-scale and major government contracts, with diverse contract models • Aboriginal enterprises will continue to build capability and confidence to sell to government
3. Access priority <i>By adjusting the way government goes about buying things:</i>	• Aboriginal enterprises will know who in government is buying what • Aboriginal enterprises will be able to tell government what they sell and be the first supplier the government approaches • Aboriginal enterprises will be able to sell to government all or part of what they need
4. Readiness priority <i>By adjusting the way government works with Aboriginal enterprises:</i>	• Aboriginal enterprises will be better included and have time to participate when the government is buying things • Aboriginal people and communities will help government identify Aboriginal enterprises • Aboriginal enterprises will have a reduced need to give the same information to different parts of government
5. Participation priority <i>By strengthening relationships between government and Aboriginal enterprises:</i>	• more contracts and sub-contracts will be entered into with Aboriginal enterprises and employment opportunities created • more Aboriginal people will have the choice to receive services from Aboriginal enterprises • existing contracted services that can be transitioned to ACCOs or ACCHOs will be identified
6. Collaboration priority <i>By partnering with Aboriginal enterprises, people and communities:</i>	• Aboriginal enterprises will be able to influence how the government buys from them • Aboriginal leadership will be part of the process of buying for and from Aboriginal people and communities • Aboriginal lived experience and vision will be part of making decisions about what to buy and where from • contracts will focus on creating culturally appropriate outcomes for Aboriginal people and communities