Aboriginal Economic Participation Framework - Local Government Councils

30 May 2022

# Aboriginal Economic Participation Framework

Aboriginal people represent approximately 30% of the Territory’s population, and own or have other rights and interests in a substantial portion of the Territory’s landmass and most of its coastline. These factors make Aboriginal Territorians key drivers and partners in the Territory’s economic future.

A key barrier in realising the full extent of this potential has been the lack of a whole-of-government framework to grow Aboriginal employment and participation in the broader economy.

The Aboriginal Economic Participation Framework (AEP Framework) is a whole-of-government approach with the vision to maximise opportunities for participation of Aboriginal Territorians in the NT economy through new and existing initiatives.

The AEP Framework was developed using a co-design approach that involved extensive stakeholder consultation and participation from Traditional Owners, Aboriginal and non-Aboriginal businesses, industry and non-government organisations from across the Northern Territory.

The AEP Framework has been approved by Government and will be launched along with the Aboriginal Procurement Policy (APP) on 31 May 2022 and commence on 1 July 2022.

Local Government Councils will have many opportunities under the AEP framework to continue their important work for the community and, all organisations (including Local Governments) that employ Aboriginal people and use and support Aboriginal Business Enterprises (ABEs) in their supply chain will benefit from preferencing in open tenders under the Aboriginal Procurement Policy.

The AEP Framework focuses on increasing the opportunities for ABEs and Aboriginal Community Controlled Organisations (ACCOs).

# Aboriginal Procurement Policy

The APP is a key element of the AEP Framework and is a targeted approach to increase the opportunities for ABEs, ACCOs and Aboriginal Territorians to participate in government procurement activities.

The APP mandates whole-of-government targets for the award of NT Government contracts to registered ABEs and applies to all contracts with an estimated value of $15,000 or greater (including GST). The targets for the 2022-23 are 5% of the total number and 5% of the total value of government contracts to be awarded to ABEs.

Implementation of the APP is in accordance with the [Procurement Framework](https://nt.gov.au/industry/procurement/how-procurement-works/procurement-framework) and the [Buy Local Plan](https://nt.gov.au/__data/assets/pdf_file/0004/537700/buy-local-plan.pdf). There are no new contractual requirements currently being implemented as part of the Aboriginal Procurement Policy. Existing obligations remain unchanged under:

* [Indigenous Participation on Construction Projects Policy](https://dipl.nt.gov.au/industry/indigenous-participation-in-construction-projects)
* [Indigenous development plan](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiemNbngIb4AhUsR2wGHcoJBEkQFnoECBAQAw&url=https%3A%2F%2Fdipl.nt.gov.au%2F__data%2Fassets%2Fword_doc%2F0003%2F492123%2Findigenous-development-plan-guidance-idp.DOCX%23%3A~%3Atext%3DThe%2520IDP%2520must%2520provide%2520project%2Cto%2520Indigenous%2520persons%2520or%2520businesses.&usg=AOvVaw2qMRHhGPBHtg24Sxg4gyRP)
* [*Our communities. Our future. Our Homes*](https://ourfuture.nt.gov.au/)– Remote Housing Framework

Where applicable, in open and competitive tenders, agencies will determine whether preferencing Aboriginal participation and/or remote community participation is a desired outcome of the procurement activity. Preferencing Aboriginal participation in tenders may consider the following:

• Training and development opportunities for Aboriginal Territorians

• Work performed by Aboriginal Territorians

• Aboriginal Business Enterprise involvement as subcontractors and supply chain.

Existing contracts will not be affected by this policy and there are no changes to the Procurement Framework and the Buy Local Plan. The Aboriginal Procurement Policy is designed to complement existing procurement frameworks.

# Value for Territory Assessment Framework

The [Value for Territory Assessment Framework](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjCh8zfhYb4AhUhaGwGHTFWD38QFnoECBAQAw&url=https%3A%2F%2Fnt.gov.au%2F__data%2Fassets%2Fword_doc%2F0018%2F1021653%2Fvalue-for-territory-assessment-guide.docx%23%3A~%3Atext%3DValue%2520For%2520Territory%2520(VFT)%2520is%2Cthan%2520just%2520the%2520best%2520price.&usg=AOvVaw1aGgV6zNcauyLDx4qQB_Za) has been implemented across government to assist agencies to identify the best approach to assessing quote and tenders, and in particular how local content should be assessed in an objective and transparent way. There is no change to the Value for Territory Assessment Framework.

# Definitions

The AEP Framework provides a definition of ABEs and ACCOs, which is:

**ABE**

 An Aboriginal Business Enterprise requires that the business or community organisation must:

* be 51% or more Aboriginal owned
* operate as a business, including companies, incorporated associations, sole traders, partnerships, trusts and social enterprises or registered charities if they are operating as a business
* demonstrate that Aboriginal and Torres Strait Islander people are involved in the daily operation and have effective control at least equal to the degree of ownership, and
* be registered with a certifying authority.

**ACCO**

An Aboriginal and/or Torres Strait Islander people Community Controlled Organisation (ACCO) delivers services, including land and resource management, builds capability and empowers Aboriginal and Torres Strait Islander communities and people; and:

1. is incorporated under relevant legislation, and is registered and operates as a not-for-profit organisation
2. is constituted and operated by members who are recognised in their community as Aboriginal or Torres Strait Islander people
3. originates from, or has a material and ongoing connection to and/or with the community, or communities, in which the services are delivered
4. is governed by a body constituted in the majority by Aboriginal or Torres Strait Islander people
5. is independent from and is not controlled to any extent by any sphere of government (except to the extent that an organisation receives funding, and under a formal agreement is accountable to such governmental body for the receipt and expenditure of the funding).

These definitions are consistent with and supports the NT Government’s commitments under the National Closing the Gap Agreement.

Local Government Councils are not incorporated into the definition of ABEs and ACCOs.

# Aboriginal Grants Policy

The Aboriginal Grants Policy is the other key element of the AEP Framework and is under development. It will also be a targeted approach to increase the opportunities for ABEs, ACCOs and Aboriginal Territorians.

Grants currently administered specifically for the local government sector and specifically focused on the core operational business of councils will not be affected by the Aboriginal Grants Policy.

Other NT Government grant programs, such as in the areas of health and community can, where appropriate, preference ACCOs.

# Further information

[Office of Aboriginal Affairs](https://aboriginalaffairs.nt.gov.au/)

[NT Government procurement](https://nt.gov.au/industry/procurement)

If you have questions regarding the Aboriginal Procurement Policy please contact Procurement.NT@nt.gov.au