



Mandatory Minimum Indigenous Participation Requirements (MMRs)

Indigenous Procurement Policy

The Australian Government sets mandatory minimum requirements to support Indigenous participation in the delivery of high-value Commonwealth contracts.

What are MMRs?

MMRs are targets for Indigenous employment and supply use that are included in all Commonwealth procurement contracts that are:

- wholly delivered in Australia;
- valued at \$7.5 million (GST inclusive) or more; and
- where more than half of the value of the contract is being spent in one or more of nineteen specified industry sectors.

When don't they apply?

MMRs do not apply to:

- Contracts relating to international peace and security, human health, essential security interests and national treasures; and
- Some industry sub categories, including financial and defence services (a full list is contained in Appendix B of the IPP policy).

What are the targets?

Generally the target is 4% Indigenous participation, or higher in remote areas.

The application of the target is flexible. Suppliers can choose to set their target against employment, supply use or a combination of the two.

They can also choose to set the target against the contract itself (including sub-contractors engaged by the supplier), or their organisations' Australian footprint.

Why are the MMRs important?

The MMRs create Indigenous employment and subcontracting opportunities. Smaller Indigenous businesses may not have the capacity to tender for large contracts directly so the MMRs ensure that Commonwealth suppliers are looking to engage them in their own supply chains. Through its role as a purchaser, the Commonwealth is influencing private sector practices. Ultimately, every significant Commonwealth supplier should have a clearly articulated and measurable approach to employing Indigenous Australians and using Indigenous businesses.

Compliance

Commonwealth entities are required to manage MMR within each stage of the procurement process and determine whether the supplier has met the MMRs at the end of the contract.

Approach to market documents – require tenderers to develop an Indigenous Participation Plan and declare their level of compliance with any past contracts that included MMRs.

Tender evaluation – Commonwealth entities must: consider past MMR compliance; plans to increase Indigenous participation and; ability to achieve significant Indigenous participation outcomes for contracts with a remote component.

Track performance against targets – Suppliers are required to report progress against Indigenous Participation Plans quarterly. Suppliers performance will be evaluated at the end of the contract.

More information on the MMR visit www.niaa.gov.au/ipp