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Aboriginal
Economic
Participation
Standard

contents

Emu Nest acknowledges the significant contribution that Aboriginal people and country have made to the economic prosperity of Australia

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1 Background

1.1 About Emu Nest

Emu Nest is an Aboriginal Family Trust that operates as an investment group. Our vision is to foster Aboriginal economic futures by creating nests of opportunity for people, family and Country. We were established to enable our beneficiaries to generate intergenerational wealth, overcome hardship and participate in the economy.

We invest in initiatives which provide a sustainable financial return and create environmental, economic, and social value. We foster economic partnerships with other Aboriginal families and communities because we believe we are stronger together and that wealth should be used to support people and Country.

Our investment principles include:



No Harm to People and Country

The investment must not provide products or services that are harmful to people and Country. We prioritise investments which combat climate change and address major environmental challenges.



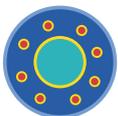
Financial Stewardship

The investment must provide a sustainable financial return over the medium to long term. We typically do not engage in short term investments.



Economic Participation

The investment must provide opportunities for our beneficiaries as well as other Aboriginal people to participate in employment, training, and supply chain opportunities. We consider investments that have a lower financial return if they can provide a higher economic impact to Aboriginal people.



Giving Back

The investment must donate money, expertise, products and assets to Aboriginal people and organisations who require support.



Stronger Together

We prioritise investments where there is ownership and participation from other Aboriginal shareholders.

We are committed to helping to create a future Aboriginal economy that is led and controlled by Aboriginal people, where wealth is connected and mobilised between individuals, families, clans and communities to care for people and Country and exercise our sovereignty and self determination.

1.2 Version and Author Details

Version Number	1.0
Author	Dr Blaze Kwaymullina
Review	This Standard is reviewed and updated every 2 years
Last Reviewed	20/04/2021
Authorising entity	This Standard is managed by Emu Nest. Copies of the standard can be downloaded from www.emunest.com.au

1.3 Purpose

Aboriginal Economic Participation refers to engagement by an organisation with Aboriginal people for economic opportunities in the organisation's workforce and supply chain in a culturally safe manner. This *Aboriginal Economic Participation Standard* ("The Standard") represents the codification of best practice for improving outcomes for Aboriginal economic participation.

By voluntarily adopting the Standard organisations affirm their commitment to providing a level playing field for Aboriginal people and Aboriginal Suppliers, strengthening Australian marketplaces, promoting competitive advantage and enabling economic sustainability in the communities the organisation serves and supports.

1.4 Applicability to Emu Nest Funding

Adoption of this Standard, in whole or in part, is a **mandatory requirement** in order to receive equity investment from Emu Nest. The whole version of this Standard is applicable to larger organisations with the sufficient scale and resources to implement the administrative requirements, particularly if they already have an ISO aligned Quality Management System. However, parts of this Standard are applicable to any organisation regardless of size and may be adapted to suit the needs and interests of the organisation.

Emu Nest collaborates with organisations that we partner with to identify the most appropriate methods to implement the Standard.

2 The Standard

2.1 Principles

There are four key principles that underpin the obligation to engage with Aboriginal people for economic opportunities in this Standard:

1. We recognise Aboriginal Sovereignty and Self-Determination

The primary obligation to engage with Aboriginal people for economic opportunities stems from the recognition of Aboriginal sovereignty and the right of Aboriginal peoples to be economically self-determining. Aboriginal people will be respected and acknowledged as sovereign and self-determining people who have economic rights over their country and need to be engaged as partners.

2. We accept our role in decolonisation

Aboriginal poverty is a historical product of colonialism. Aboriginal people helped build the prosperous economy that all Australians enjoy but were historically prevented from benefiting from the fruits of their labour by past policies and legislation.

This has meant Aboriginal people have not had the same opportunities to create intergenerational wealth. Part of addressing the colonial past in Australia requires this disparity to be acknowledged and addressed through the provision and support of economic opportunities.

3. We acknowledge sustainability in Australia is only possible with Aboriginal people

Every inch of Australia is marked by the songs, stories and culture of Aboriginal people who continue to practice the oldest continuous knowledge systems on planet earth. We acknowledge that Country can only be environmentally, culturally, and socially sustained in partnership with Aboriginal people. Economic opportunities are a key element in supporting Aboriginal people to continue to practice their knowledge systems and care for the country which sustains all Australians.

4. We contribute to Reconciliation and an inclusive future

The future of reconciliation between Aboriginal and non-Aboriginal people requires leadership and active participation. The future must be created through listening, working together, and carrying a good spirit forward in our relationships. Economic opportunities create relationships between Aboriginal and non-Aboriginal people that provide a vehicle for dialogue, relationships and change to occur to address the past and create the future.

2.2 Elements

1. Management Systems

The organisation shall embed Aboriginal Economic Participation into its management systems to ensure that it is planned, implemented, reviewed, and continuously improved.

2. Cultural Safety

The organisation shall develop and implement procedures for ensuring its Aboriginal Economic Participation is conducted in a manner which is culturally safe. A culturally unsafe organisation cannot sustainably implement Aboriginal Economic Participation.

3. Workforce Participation

The organisation shall maximise its Aboriginal employment through culturally safe practices that expand the organisations range of Aboriginal employment opportunities, invests in developing Aboriginal employee capability and increases their representation in decision making roles.

4. Supplier Participation

The organisation shall maximise its Aboriginal supplier participation through culturally safe procurement practices that expand the organisations range of Aboriginal suppliers across different expenditure categories and invests in developing their capability.

5. Capacity Strengthening

The organisation shall invest in capability strengthening programs to assist Aboriginal people, and Aboriginal suppliers, to overcome social constraints or gaps in capability that may otherwise preclude them from accessing economic opportunities in the organisation's workforce and supply chain. This includes the donation of cash, equipment, time and expertise to Aboriginal people and communities.

3 Standardised Output Measure

There is great difficulty in creating ‘like for like’ comparisons on Aboriginal Economic Participation due to the variability of different reporting frameworks and measures and the diversity of business services and models. This Standard recommends an output measure based on **direct economic impact** as it produces an output number that is easily quantified, audited, and represents a reasonably low effort and cost to configure for data collection and analysis.

An output measure for Direct Economic Impact for Aboriginal Participation is the sum of the total spend and effort by an organisation across the following **Three Dimensions**:

1. Total cost of wages and any associated training costs for Aboriginal employees
2. Total spend on Aboriginal suppliers and contractors
3. Total value donated to Aboriginal people or Aboriginal organisations in cash, time, equipment, or services. This includes the cost of funding any tailored Aboriginal capacity strengthening programs or community projects.

The sum of these activities represents the organisation’s total financial and resource contribution to Aboriginal economic development. This measure allows for variability in the type of organisation and the market conditions in which it operates.

Some organisations may have a higher output in labour and lower results in the supply chain or vice versa. In areas where there is very low capacity of the Aboriginal community to meet labour or contracting demands, the organisation may have a much heavier investment in capacity strengthening.

The three dimensions of economic activity work synergistically to achieve the purpose of Aboriginal Economic Participation.

3.1 Applying the Output Measure

1. The organisation should set minimum targets in each of the three dimensions of the Output Measure that are appropriate to the organisations’ opportunities and constraints. While the targets may be different for each dimension, activity in all dimensions is necessary due to the synergistic benefits.
2. The organisation should consider their needs and requirements in applying different levels of Aboriginal business definitions against the four dimensions (i.e Local, Traditional Owner).
3. The organisation may wish to consider how data across the three dimensions can also be captured and applied at a Project level for reporting and analysis for Aboriginal participation reporting on a project basis.
4. Consideration should be given to the proper internal auditing procedure to ensure that there is integrity in the data collected against the dimensions.

5. The organisation can use its annualised data from the Standard Output Measure to track its performance and identify improvements.
6. The organisation should consider making their annual Standardised Output across the three dimensions publicly available, or at the very least available to its identified Aboriginal stakeholders.

3.2 Example Application

Organisation	Company ABC
Year	2021

Dimension	Output
Total cost of wages for Aboriginal employees and any associated training	\$1,000,000
Total spend on Aboriginal suppliers and contractors	\$2,000,000
Total value donated to Aboriginal people or Aboriginal organisations in cash, time, equipment or services. This includes the cost of funding any tailored Aboriginal capacity strengthening programs or community projects.	\$600,000
Total Direct Aboriginal Economic Impact	\$3,600,000

part two | guidance

1. Management Systems

1.1 Business Case

The organisation shall develop a business case on the benefits and value of Aboriginal Economic Participation to the organisation. The business case should be endorsed by Top Management and where appropriate used as part of internal training and communication (See 1.13).

1.2 Understanding the Aboriginal Economic Participation Context

The organisation shall determine the external and internal issues that are relevant to Aboriginal Economic Participation. This determination must be conducted with input from Aboriginal stakeholders. An organisation cannot properly understand the context without input from Aboriginal stakeholders.

Note: *Understanding the external issues can be facilitated by considering issues arising from social and economic environment, cultural, education, legal and the needs and expectations of local Aboriginal people and communities.*

Note: *Understanding the internal issues can be facilitated by considering values, culture, knowledge, perception, history, education, racism, privilege, ethics and the needs and expectations of internal Aboriginal employees.*

1.3 Policy

The organisation's Top Management shall establish, implement and maintain an Aboriginal Economic Participation Policy and demonstrate a commitment to improving Aboriginal Economic Participation. The Policy shall:

- Be supported by a clearly stated Aboriginal Economic Participation business case (See 1.1);
- Be appropriate to the nature and scale of the organisation;
- Include the commitment to establish measurable objectives and targets to ensure continued improvement aimed at improving and maximising the positive impact upon Aboriginal stakeholders;
- Reflect the organisation's values, principles, objectives and goals;
- Align clearly and precisely with the organisation's policies and business strategy;
- Take into account the elements and principles of Aboriginal Economic Participation in this Standard;
- Include a commitment to comply with relevant legal and other requirements placed on the organisation;
- Be documented, implemented and maintained and communicated to all employees;
- Be available to interested parties; and
- Be reviewed periodically to ensure it remains relevant and appropriate to the organisation.

1.4 Determining Scope

The organisation shall determine the boundaries and applicability of Aboriginal Economic Participation to establish its scope. When determining the scope, the organisation shall consider:

- The external and internal issues;
- The compliance obligations;
- The principles of this Standard;
- Communities relevant to the area of the organisation's operations;
- The views and aspirations of Aboriginal stakeholders; and
- Aboriginal Economic Participation is required to function on an organisational level and not merely be limited to a specific project or function.

1.5 Roles, Responsibilities and Authorities

The organisation's Top Management shall ensure that roles and responsibilities and authorities for relevant roles are assigned and communicated within the organisation. Top Management shall define, document and communicate the areas of accountability and responsibility of all personnel involved in Aboriginal Economic Participation. Where contractors are involved, these areas of accountability and responsibility shall be clarified with respect to those contractors.

The organisation's Top Management shall appoint a specific management representative(s) who, irrespective of other responsibilities, shall have defined roles, responsibilities and authority for:

- Ensuring Aboriginal Economic Participation requirements are established, implemented and maintained in accordance with this Standard; and
- Reporting on the performance of Aboriginal Economic Participation to Top Management for review as a basis for improvement.

1.6 Leadership Commitment

Top Management shall demonstrate leadership and commitment with respect to Aboriginal Economic Participation by:

- Taking accountability for the effectiveness of Aboriginal Economic Participation;
- Ensuring the Aboriginal Economic Participation Policy and Aboriginal Economic Participation objectives are established and are compatible with the Aboriginal Economic Participation context;
- Ensuring the integration of Aboriginal Economic Participation with the organisation's management systems;
- Ensuring the resources needed for Aboriginal Economic Participation are available;
- Communicating the importance of effective Aboriginal Economic Participation and of conforming to Aboriginal Economic Participation requirements;

- Ensuring that Aboriginal Economic Participation achieves its intended outcomes;
- Directing and supporting personnel to contribute to the effectiveness of Aboriginal Economic Participation;
- Promoting continual improvement; and
- Supporting other relevant management roles to demonstrate leadership as it applies to their areas of responsibility.

1.7 Actions to Address Risks and Opportunities

When planning Aboriginal Economic Participation the organisation shall consider the issues examined when establishing the context, requirements, Aboriginal stakeholders and the scope of its Aboriginal Economic Participation and determine the risks and opportunities that need to be addressed to:

- Support other relevant management roles to demonstrate leadership as it applies to their areas of responsibility;
- Give assurance that the Aboriginal Economic Participation management system can achieve its intended outcome(s);
- Prevent, or reduce, undesired effects; and
- Achieve continual improvement.

When determining the risks and opportunities for Aboriginal Economic Participation and its intended outcomes that need to be addressed, the organisation shall take into account:

- Legal requirements;
- Obligations;
- Cultural and language differences;
- Social and economic constraints of Aboriginal stakeholders;
- Training and support requirements;
- Ongoing development; and
- Cultural Safety.

1.8 Compliance Obligations

The organisation shall:

- Determine and have access to the compliance obligations related to Aboriginal Economic Participation risks;
- Determine how these compliance obligations apply to the organisation, including through the use of subcontractors and suppliers
- Take the compliance obligations into account when establishing, implementing, maintaining and continually improving Aboriginal Economic Participation.

The organisation shall maintain documented information of its compliance obligations.

1.9 Aboriginal Economic Participation Objectives and Targets

Top Management shall establish, implement and maintain documented Aboriginal Economic Participation objectives and targets at each relevant function and level within the organisation. When establishing and reviewing its objectives, an organisation shall consider its legal and other requirements, its operational and business requirements and the views of Aboriginal stakeholders.

The objectives and targets shall be consistent with the Aboriginal Economic Participation policy, including the commitment to measuring and improving Aboriginal Economic Participation performance. In setting specific targets the organisation shall consider:

- Compliance obligations;
- The organisations Aboriginal Economic Participation policy
- Input and feedback from Aboriginal stakeholders; and
- The Standardised Output Measure of this Standard
- At a minimum the organisation shall have targets and performance indicators that relate to each of the Elements of this Standard as well targets for indirect Aboriginal Economic Participation.

1.10 Aboriginal Participation Plans

The organisation shall establish and maintain management plans for achieving its Aboriginal Economic Participation objectives and targets. They shall include:

- Take the compliance obligation into account when establishing, implementing, maintaining and continually improving the Aboriginal Economic Participation.
- A methodology to engage with Aboriginal people and Aboriginal suppliers in the organisation's workforce and supply chain
- Designation of responsibility and accountability for achievement of objectives and targets at relevant functions and levels of the organisation.
- Outlining the means and timeframe by which objectives and targets are to be achieved. Identification, analysis and categorisation of the main Aboriginal Economic Participation risks and how these risks will be controlled and mitigated.
- Identification of the major internal and external barriers to the achievement of objectives and targets and how they will be overcome.
- Procedures shall be established to ensure that current plans are reviewed, and if necessary amended to address such changes at regular and planned intervals, and wherever there are changes to the activities, products, or services of the organisation or significant change in operating conditions.

1.11 Direct and Indirect Aboriginal Economic Participation

Direct Aboriginal economic participation represents the direct relationship between the organisation and its Aboriginal employees and Aboriginal suppliers. Indirect Aboriginal Economic Participation occurs when the organisation has a direct relationship with a primary contractor / supplier that subcontracts with an Aboriginal supplier and employs Aboriginal people.

The organisation shall develop procedures for encouraging and capturing subcontractor Aboriginal economic participation performance that is directly related to the contractual relationship between the subcontractor and the organisation.

This can include, but is not limited to:

- Factor Aboriginal Economic Participation into the formulation of invitations to tender and tender evaluation of major contracts
- Apply weighting to performance of Aboriginal Economic Participation in tenders
- Ensure subcontractors are aware of the organisations Aboriginal Economic Participation objectives and targets
- Monitor the relevant Aboriginal economic participation performance of subcontractors under any contracts or agreements.
- Consider contract mechanisms that encourage subcontractors to improve their Aboriginal Economic Participation performance contracts
- External auditing of subcontractor reported Aboriginal economic participation

Where appropriate, it is recommended organisation's measure the performance of their subcontractors Aboriginal Economic Participation by asking them to report on the Standardised Output Measure of this Standard for the services / products they perform / deliver for the organisation.

1.12 Resources

Top Management shall identify and provide the resources required to implement, maintain and improve their Aboriginal Economic Participation. Resources include human resources and specialised skills, technology and financial resources.

1.13 Internal Communication

The organisation shall have procedures for ensuring that pertinent Aboriginal Economic Participation information is internally communicated. All communication will use culturally inclusive language.

The goal of internal communication is for the leadership team to define Aboriginal Economic Participation, how it will impact the organisation, and inform everyone of the policies and activities that will be implemented. Through effective communication employees will better understand the purpose and benefits of change; facilitate employee goal alignment resulting in less resistance in effectively executing the Aboriginal Economic Participation policy.

The organisation shall:

- Develop a company-wide awareness of Aboriginal Economic Participation through the promotion of Aboriginal Economic Participation initiatives via multiple vehicles, for example, annual report, brochures, newsletters and prominent web site placements;
- Disseminate information regularly internally on Aboriginal Economic activities and successes;
- Ensure information on the organisation's Aboriginal Economic Participation policy, procedures and activities is easily available to employees;
- Include the organisation's Aboriginal Economic Participation policy and commitment in employee induction and orientation processes; and
- Provide recognition internally for employees who meet and exceed expectations in supporting the organisation's Aboriginal Economic Participation.

1.14 External Communication

The organisation shall maintain methods of communication about the organisation's Aboriginal Economic Participation with their Aboriginal Stakeholders, Aboriginal Suppliers, Aboriginal workforce and other interested parties. All communication will use culturally inclusive language. The external communication shall:

- Keep Aboriginal stakeholders and relevant Aboriginal communities up to date on progress and upcoming opportunities in the organisation's workforce and supply chain;
- Solicit feedback where appropriate on employment and supply chain activities to assist with continuous improvement;
- Provide information on requirements and selection criteria in working with the organisation in order to increase entry success rates in employment and supply chain; and
- Participate in dialogue with other organisations on Aboriginal Economic Participation in order to continuously improve best practice.

1.15 Documented Information

The organisation shall establish, implement and maintain information, in a suitable medium such as print or electronic form, to:

- Describe the process and alignment of Aboriginal Economic Participation with the organisation's management system and their interaction;
- Ensure it is available and suitable for use, where and when it is needed;
- It is adequately protected;
- Provides direction to related documentation; and
- Is formally approved by Top Management.

1.16 Reporting

Appropriate procedures for relevant and timely reporting of information shall be established to ensure that Aboriginal Economic Participation is monitored and performance improved. Reporting procedures shall be established to cover the performance of Aboriginal Economic Participation against objectives and targets, including when the objectives and targets are applied to subcontractors.

1.17 Evaluation

The organisation shall monitor the Aboriginal Economic Participation objectives and targets and determine if targets are being achieved. The organisation shall establish, implement and maintain a process for evaluating compliance with the Aboriginal Economic Participation requirements (see 1.8).

The organisation shall:

- Determine the frequency and method(s) for the evaluation of compliance;
- Evaluate compliance and take action if needed;
- Maintain knowledge and understanding of its compliance status with legal requirements and other requirements; and
- Retain documented information of the compliance evaluation result(s).

1.18 Internal Audit

The organisation shall conduct internal audits at planned intervals of Aboriginal Economic Participation to ensure the organisation conforms to:

- The organisations own requirements for Aboriginal Economic Participation;
- The requirements of this standard;
- The organisation shall define in a document the audit process detailing, at least, the responsibilities, the auditing criteria, methods and scope that allow for the guarantee of objectivity and impartiality of the process and the results; and
- The organisation shall maintain documented information of internal audits.

1.19 Management Review

Top Management must review their organisations Aboriginal Economic Participation at least annually to ensure its correctness and efficiency, through follow-up indicators and the elaboration of continuous improvement plans. The information provided for this review will at least include:

- The Aboriginal Economic Participation Policy;
- External and internal issues that are relevant to the Aboriginal Economic Participation management system.

- The needs and expectations of Aboriginal Stakeholders
- The extent to which Aboriginal Economic Participation objectives and targets have been met
- Management of Aboriginal Economic Participation risks.
- Internal Audit results
- Main results of the engagement process with stakeholders
- Input and recommendations for improvement from Aboriginal stakeholders

1.20 Nonconformity and Corrective Action

When a nonconformity occurs, the organisation shall react to the nonconformity and, as applicable:

- Take action to control and correct it;
- Evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere, by:
 - Reviewing the non-conformity;
 - Determining the causes of the nonconformity;
 - Determining if similar nonconformities exist, or could potentially occur;
- Implement any action needed;
- Review the effectiveness of any corrective action taken; and
- Make changes to Aboriginal Economic Participation.

The organisation shall maintain documented information as evidence of:

- The nature of the nonconformities and any subsequent actions taken; and
- The results of any corrective action.

2. Cultural Safety & Stakeholder Engagement

2.1 Code of Conduct

The organisation shall embed acknowledgement and respect for Aboriginal people in its Code of Conduct or related staff behavioural frameworks.

2.2 Understanding the Needs and Expectations of Aboriginal Stakeholders

The organisation shall analyse the positive and negative impacts that its activity generates in relation to their Aboriginal stakeholders, trying to maximise the value generated with them. For this, the organisation shall:

- Identify Aboriginal stakeholder groups;

- Adopt a methodology to involve Aboriginal stakeholders in the development, implementation, review and improvement of the organisations Aboriginal Economic Participation;
- Design and prioritise action plans and communications with them; and
- Maintain evidence of the results of the developed actions.

2.3 Physical Environment

The organisation shall ensure the cultural safety is reflected in the physical environment where the organisation operates through:

- Internal areas and surrounds are welcoming, culturally sensitive, and create culturally safe environments for customers and employees;
- Signage that acknowledges local Aboriginal people
- Ensuring compliance to any legislative or regulatory requirements relating to cultural heritage sites of Aboriginal people

2.4 Cultural Awareness and Competence

The organisation shall develop procedures for cultural awareness and / or cultural competency training for staff and shall take into account:

- The organisation's Aboriginal Economic Participation policy and commitment;
- General knowledge of Aboriginal people, history and culture;
- Specific information on local Aboriginal people where operations occur;
- Training for specific roles which manage or interact with Aboriginal people, either as employees, suppliers or through community organisations, in execution of Aboriginal Economic Participation objectives and targets; and
- Where applicable the relationship between the organisations service delivery and Aboriginal customers or stakeholders receiving the service.

Training shall be led by Aboriginal people with appropriate knowledge, skills and experience.

2.5 Definition of Aboriginality

The organisation shall adopt the Commonwealth Government's working definition of Aboriginality whereby an Aboriginal person is defined as:

- A person who is of Aboriginal descent;
- Who also identifies as an Aboriginal person; and
- Is accepted as Aboriginal in the community in which they live or have lived.

Note: 'Aboriginal' in this Standard is used to inclusively refer to both Aboriginal and Torres Strait Islander people.

2.6 Identification and Definition of ‘Local’ Aboriginal Stakeholders

The organisation shall identify and define who their local Aboriginal stakeholders are on an organisational and project level. ‘Local’ should be defined in terms of what makes sense for a specific project or organisation and can be based on, but not limited to:

- Aboriginal people and communities who live or belong to areas where the organisations operational activities occur;
- the needs and values of the local Aboriginal community, including Aboriginal connections to land and country;
- Formal definitions such as local government area;
- Proximity to the project or organisations operations;
- Native title or Aboriginal Heritage agreements; and
- Compliance requirements that define specific Aboriginal stakeholders.

A rationale for this definition and the engagement approach forward should be clearly outlined in relevant management plans and Aboriginal Economic Participation documentation.

2.7 Opportunity Preferencing

The organisation shall preference employment and supply chain opportunities for Aboriginal people and Aboriginal Suppliers. The organisation shall determine the specification of this preference, and the degree to which opportunities are weighted in light of:

- The organisations performance against their Aboriginal Economic Participation objectives and targets
- Compliance requirements
- Local Aboriginal considerations (See 2.6) which may require preferencing to be scaled across different Aboriginal categories such as regional and local Aboriginal people and business

At a minimum the organisation shall utilise a preference approach that on a ‘like for like’ basis an Aboriginal person or Aboriginal supplier will secure the economic opportunity over a non-Aboriginal person or supplier.

2.8 Aboriginal Stakeholder Verification

The organisation shall, in partnership with Aboriginal stakeholders, develop a procedure for verifying if an Aboriginal person or supplier is confirmed as ‘Aboriginal’ or as ‘Local Aboriginal’ under the organisation’s definition in regard to the application of opportunity preferencing. This verification can take many forms and can include:

- A Statutory declaration;
- Confirmation of Aboriginality by an external organisation; and
- Membership in an organisation such as Supply Nation that has a process of verifying Aboriginality and Aboriginal ownership.

3. Workforce Participation

3.1 Demand-Side Analysis

The organisation, at appropriate intervals based on strategic planning cycles, project demands and compliance requirements, shall analyse current and future workforce requirements in developing and planning Aboriginal employment targets, strategies and methods. Demand analysis will consider:

- What does the organisation need from its workforce (capacity and capability) to deliver business outcomes now and into the future?
- Where does the organisation need its workforce to be located, and who are the Aboriginal stakeholders for these places?
- At what time points is the workforce needed?
- The risk profile associated with different roles which are forecast to be required
- What is the current internal Aboriginal employment profile?

3.2 Supply-Side Analysis

The organisation, at appropriate intervals based on strategic planning cycles, project demands and compliance requirements, shall analyse the potential capacity of the Aboriginal labour market to supply candidates in reference to the organisation's demand analysis. Supply analysis will consider:

- The capacity of the Aboriginal labour market (internal and external) to meet the organisations workforce demand, both in terms of volume (numbers of people) and capability (required levels of skills and qualifications); and
- The local Aboriginal working age demographics where the organisations workforce demands occur and their capability to meet potential job role requirements

3.3 Planning and Risk

The organisation shall bring together inputs from 'Demand Analysis' (3.1) and 'Supply Analysis' (3.2) in order to categorise risk to inform Aboriginal employment targets, objectives, targeted positions and locations and the required resourcing (associated with supply and risk) that may be required. An example of risk classification can include:

- Job roles that if sourced from available Aboriginal labour market would carry the highest risks to the organisation or project objectives;
- Job roles of negligible or low risk, i.e the Aboriginal labour market can satisfy requirements on a competitive basis; and
- Job roles that if sourced from Aboriginal labour markets carry some risks, but for which there is an imperative to employ Aboriginal people, or local Aboriginal people, and thus ways must be found to overcome these risks.

The level of risk accepted by the organisation in the setting of its Aboriginal Employment targets should be mitigated through partnering, programs and resources to ensure adequate skills and capability development occurs with Aboriginal employees (See Section 5 Capability Strengthening).

3.4 Identification and disclosure

The organisation shall have a procedure for employees to disclose that they identify as Aboriginal, and to track and report on data related to Aboriginal employees for the purpose of continuous improvement. The procedure shall:

- Detail the method by which employees can voluntarily formally disclose their Aboriginality;
- Detail to the Aboriginal employee how this information will be used and for what purpose; and
- Detail how the above is communicated to any potential employee who wishes to formally disclose their Aboriginality.

Where a position is not an 'Identified Position' (See 3.5) there is no requirement to ask an Aboriginal employee to verify their Aboriginality unless otherwise required under a Compliance obligation (See 1.8). Requiring verification of Aboriginality for an Aboriginal employee in a non-identified position can potentially give rise to a culturally unsafe environment and should be avoided unless it is a compliance requirement. If a compliance requirement then consideration must be given to how to implement this requirement in a culturally safe way.

3.5 Identified Positions

In achieving Aboriginal employment objectives and targets the organisation shall consider, in compliance with relevant legislation, identifying specific employment positions for the targeted recruitment of Aboriginal people. Targeted recruitment can involve:

- Reserving certain positions for Aboriginal applicants;
- Guaranteed interview schemes;
- Work placements, traineeships or mentoring programs;
- Engaging an Aboriginal recruitment service to hire trainees, graduates and fill other roles
In particular, the organisation shall consider identified positions in job roles that meet the following criteria;
 - A significant part or all of the position requirements are associated with the development, delivery and/or implementation of policies, projects or services relating to Aboriginal people; or
 - Knowledge of Aboriginal culture and/or community engagement is a requirement for the position; or
 - Depending on the requirements of identified Aboriginal positions, specific cultural knowledge and/or skills may also be required, and these should be reflected in the position description for the identified position.

Where Aboriginal people are recruited into Aboriginal identified positions, the organisation shall verify the Aboriginality of the applicants in accordance with relevant legislation and requirements through the recruitment process.

3.6 Non-Identified Positions

For non-identified positions the organisation shall encourage applications from Aboriginal people in its job advertisements.

3.7 Sourcing Channels

The organisation shall actively promote employment opportunities through Aboriginal community groups within the regions where it operates. In addition to conventional media, Identified positions will be advertised in dedicated Aboriginal communication and media channels. The organisation shall also consider partnering with Aboriginal owned recruitment firms that can assist with the recruitment and development of Aboriginal people in the organisation's workforce.

3.8 Merit Selection

For Identified Positions, it is preferred that an Aboriginal employee (or external representative where appropriate) chair the panel. Non-Aboriginal panel members should be required to have completed cultural awareness and / or competency training prior to commencing their panel responsibilities. Where there is a requirement for the incumbent of the position to provide services and advice to Aboriginal people, at least one reference shall be obtained from an Aboriginal referee for the preferred applicant/s. The reference should contain comments on their ability to meet the specific Aboriginal criteria. The organisation will provide Aboriginal employees with the opportunity and support to discuss, identify and progress self-determined career goals.

3.9 Cultural Leave Policy

The organisation shall consider implementing a Cultural Leave Policy to specifically address the cultural needs of Aboriginal employees by facilitating access to provisions designed to assist these employees to attend to cultural obligations and activities outside the workplace.

3.10 Exit and Termination

When Aboriginal employees exit the organisation an exit survey will be conducted and the data analysed in order to develop and implement strategies with the view to increase retention rates. Any exit interviews will be conducted in a culturally safe manner.

3.11 Capturing data for Improvement

The organisation shall consider capturing the following information to identify potential improvements:

- a) Number of Aboriginal people who apply for a role;

- b) Of the Aboriginal people who apply for the role, the number that progress to an interview;
- c) Of the Aboriginal people that progress to an interview the number that secure the job;
- d) Turnover rate of Aboriginal staff; and
- e) The reasons why Aboriginal people fall out of the process in b), c) and d).

4. Supply Chain Participation

4.1 Demand-Side Analysis

The organisation, at appropriate intervals based on strategic planning cycles, project demands and compliance requirements, shall analyse current and future supply chain opportunities in developing and planning Aboriginal procurement targets, strategies and methods. Demand analysis will consider:

- What is already being done in terms of Aboriginal supplier spend; and
- Identify potential opportunities for Aboriginal suppliers in the short, medium and longer term, taking into account existing risk profiles related to different categories of expenditure.

4.2 Supply-Side Analysis

The organisation, at appropriate intervals based on strategic planning cycles, project demands and compliance requirements, will undertake supply-side analysis in order to understand Aboriginal supplier capability, and where appropriate, local Aboriginal supplier capability. Considerations may include:

- The range of products or services available;
- Production capacity; and
- The Aboriginal supplier's experience in providing similar products or services, its ability to deliver on time, at competitive prices, with the right after-sales service and maintenance, to the right standards of quality, and with acceptable levels of health, safety and environmental performance.

Sources of information for Supply-Side analysis may include:

- The organisations existing Aboriginal supplier information;
- Aboriginal business directories;
- Aboriginal chambers of commerce;
- Local Aboriginal organisations;
- Preliminary pre-qualification processes;
- Selective Aboriginal supplier market benchmarking; and
- Market surveys.

4.3 Planning and Risk

The organisation shall bring together inputs from 'Demand-Side Analysis' (4.1) and 'Supply-Side Analysis' (4.2) in order to categorise risk to inform Aboriginal procurement targets, objectives, targeted opportunities and the required resourcing (associated with supply and risk) that may be required. An example of risk classification is included below:

- Categories of expenditure that if sourced from Aboriginal Suppliers would carry the highest risks to the organisation or project objectives (the cost, schedule or quality of a project would be materially compromised);
- Categories of negligible or low risk, i.e Aboriginal suppliers can provide the goods and services on a routine and competitive basis; and
- Categories where Aboriginal suppliers carry some risks, but for which there is an imperative to procure from Aboriginal suppliers, or local Aboriginal suppliers, and thus ways must be found to overcome these risks.

The level of risk accepted by the organisation will depend on their targets and objectives and compliance requirements. Where additional risk is accepted in generating improved Aboriginal supplier participation, consideration must be given to the controls and methods to mitigate this risk, including the potential requirement of additional resources (See Section 5 Capacity Strengthening).

4.4 Unbundling

Unbundling is an effective strategy where there is existing Aboriginal supplier capability and/or measures can be readily put in place to overcome gaps such that the organisation has the appetite to take on the risks involved:

The organisation shall consider unbundling of expenditure into smaller work packages where:

- Demand and supply side analysis has indicated that Aboriginal suppliers can satisfy the organisations demand at the right price, schedule, quality and quantity;
- The organisation wishes to have a clear visibility of potential interface risks and bottlenecks in its supply chain and thus have direct control over the delivery and quality performance of Aboriginal suppliers; and
- Where Aboriginal suppliers have skills and product capability gaps in competitiveness, however on the job support is sufficient to manage risks.

If the organisation is heavily dependent on lead contractors to undertake procurement on its behalf, then (if within the bounds of applicable competition rules) the procurement strategy for target categories may include a commitment to include flow-down provisions on unbundling within the contract terms for the lead contractors.

4.5 Sole Sourcing

The organisation should consider strategically sole sourcing work packages to Aboriginal suppliers as part of developing capability. If sole sourcing is utilised as a strategy the organisation should consider creating an internal criteria that guides when sole sourcing opportunities to Aboriginal businesses should be considered, taking into account competitiveness and value for money.

4.6 Panel Arrangements

Panels are generally established for goods / services that are purchased regularly. Panels provide an excellent opportunity to have a direct relationship with Aboriginal businesses within a framework that allows their goods / services to be easily benchmarked and grown over time. The organisation shall review existing panel supplier arrangements with a view to seeking to improve Aboriginal supplier representation on existing panels.

The organisation may also consider establishing an Aboriginal only supplier panel for goods or services where there is existing Aboriginal capability and a number of Aboriginal businesses who are competitive. This allows the organisation to unbundle works to grow Aboriginal capacity through direct sourcing, but also address issues of competitiveness through panel benchmarking against other Aboriginal businesses.

4.7 Bundling

The organisation shall use the leverage afforded by scale and repeat work to incentivise lead contractors to play a pivotal role in Aboriginal supply chain oversight and supplier development. Where the organisation bundles contracts and seeks to work with lead contractors to deliver indirect Aboriginal economic participation, the organisation shall make clear the purpose of the lead contractor with respect to supporting Aboriginal suppliers. This can include:

- Safeguard contract performance (e.g through additional quality controls, management supervision, third party inspections)
- Develop supplier potential (e.g enabling suppliers to achieve Australian quality standards, investing in joint ventures, facilitating long-term technology transfer or providing access to regional or national markets)
- Or some combination, as with long-term repeat contracts that facilitate a learning curve relevant to both immediate contract performance and future marketability.

4.8 Vendor Registration

The organisation shall consider creating a registration database where Aboriginal suppliers interested in working with the organisation can register their interest. Where the organisation undertakes major project work the register may be used to gauge interest and capacity of Aboriginal businesses to participate in the project.

4.9 Vendor pre-qualification

The organisation shall review its vendor pre-qualification process to remove barriers to Aboriginal suppliers. The organisation shall consider:

- **Selectivity**
The parts of the pre-qualification evaluation criteria that could be relaxed if the Aboriginal supplier can readily overcome gaps prior to submitting a formal tender, such as hiring specialist personnel or improving quality control systems
- **Contract execution to Australian Standards**
In answering the more challenging pre-qualification questions on health, safety, environment and quality control, assurances are given by the Aboriginal supplier that contract execution will be delivered to the required technical and quality standards on contract award. For example, through additional management supervision, training or quality control by the organisation or by another, more experienced, contractor providing support.
- **Contract award on a competitive basis**
Any relaxation at the pre-qualification or formal tender process must be addressed through a capacity building plan and additional contract management controls with the aim of developing the Aboriginal business to perform in the longer term on an equal competitive basis.

4.10 Measuring Value

The organisation shall consider how Opportunity Preferencing (See 2.7) shall be embedded into tender processes. The organisation shall also consider how economic impact and social value may form part of the calculation of value in tenders. Aboriginal businesses often generate greater social and local economic value due to:

- High Aboriginal and local employment;
- High use of other Aboriginal suppliers for goods and services; and
- Greater investment in social programs and Aboriginal capacity building.

Where Aboriginal businesses can demonstrate this greater value it should be taken into account where there is a differential in pricing competitiveness.

4.11 Guidance

The organisation, or their lead contractor, shall provide guidance to Aboriginal suppliers on:

- How to register as a vendor;
- How to be e-procurement ready;
- What industry standards will need to be met; and
- How to prepare bids and understand tender documents.

4.12 Feedback

The organisation shall commit to providing feedback to all Aboriginal suppliers on where they fell down in the selection process, with as much transparency as feasible on evaluation criteria.

4.13 Defining Aboriginal Suppliers

The organisation shall define an Aboriginal business as a business that is at least 50% owned by an Aboriginal interest. The only exceptions permissible under the Standard is where this definition is inconsistent with compliance obligations (See 1.8). Compliance obligations may require the usage of a different definition for a particular project. Verification of conformity to this standard will accept variations to this definition where the organisation can demonstrate a genuine compliance requirement.

4.14 Identifying Aboriginal Suppliers

The organisation shall develop procedures for identifying potential Aboriginal suppliers to match with identified opportunities. This can include:

- Utilising existing Aboriginal business directories;
- Establishing an internal database of Aboriginal suppliers;
- Contacting Aboriginal community organisations; and
- Attending Aboriginal business tradeshows.

The organisation will establish a procedure with local Aboriginal stakeholders where the organisation seeks to identify local Aboriginal suppliers specifically.

4.15 Supplier Identification and Disclosure

The organisation shall have a procedure for suppliers to disclose that they identify as an Aboriginal business, and to track and report on data related to Aboriginal businesses for the purpose of continuous improvement. The procedure shall:

- Detail the method by which Aboriginal suppliers can formally disclose their Aboriginality;
- Detail how the suppliers information will be used and for what purpose; and
- Detail how the above is communicated to any potential Aboriginal supplier who wishes to formally disclose their identity as an Aboriginal business.

Where the organisation has defined and created different categories of Aboriginal suppliers such as local, regional, State-based or National, the organisation shall take these categories into account when designing the procedure.

4.16 Verification of Supplier Aboriginality

The organisation shall establish a procedure for verifying that a business meets the definition of an Aboriginal business. The Aboriginality of a business against the organisations definition can be verified by:

- An external certifying entity such as Supply Nation. If the business is a Registered or Certified supplier with Supply Nation then this satisfies the verification requirement in this Standard
- If a business claims it meets the organisations definition of an Aboriginal business and is not certified as Aboriginal owned by a reputable independent certifying agency then the organisation must take steps to assure themselves that the business is 50 percent or more Aboriginal owned. This may include:
 - ASIC report to confirm shareholding
 - Confirming registration with an Indigenous Chamber of Commerce
 - Indigenous corporations registered with the Office of the Registrar of Indigenous Corporations can be considered as already verified
 - The supplier providing a statutory declaration or a letter of Aboriginality from an Aboriginal organisation confirming their Aboriginality

4.17 Verification of 'Local' Aboriginal Supplier

Where the organisation has identified and defined businesses owned by local Aboriginal stakeholders as a supplier category, the organisation shall develop a procedure to verify suppliers who wish to identify in this category. This procedure shall be developed in consultation with the appropriate local Aboriginal stakeholders.

4.18 Aboriginal Joint Venture Due Diligence

The organisation shall review the scope of Aboriginal joint venture entities to assess the materiality of Aboriginal participation in the arrangement. An effective and genuine Aboriginal joint venture arrangement is built upon the underlying principle of establishing Aboriginal business capability. An Aboriginal Joint Venture must be:

- At least 50% Aboriginal owned and demonstrate 50% Aboriginal involvement in the management and control of the joint venture
- a commercial arrangement that allows all Joint Venture parties to collect margin on input costs associated with participation activities and equally share the remaining profit between the Joint Venture parties
- Have in place a strategy to strengthen the capability of the Aboriginal partner
- Have an Aboriginal workforce plan

Where an Aboriginal joint venture tenders for a contract with the organisation, consideration should be given to requesting the tenderer submits a contract specific capability development plan that details how the Aboriginal party in the joint venture will grow and develop their capability due the contract award. This plan could include, but not be limited to:

- The financial outcomes in revenue and profit for the Aboriginal party from the contract

- The acquisition of any assets or infrastructure by the Aboriginal party that will occur due to the contract
- Any skills, mentoring or formal qualifications of the Aboriginal party that will occur due to the contract
- The timeline and milestones during the contract life at which these items will occur

Aboriginal joint ventures that do not build or strengthen the capability of the Aboriginal party in the joint venture pose a reputational risk to the organisation. This risk, along with appropriate controls (such as the ones suggested in Section 4.18) should be identified and controlled for by the organisation as part of their risk assessment (1.7).

An organisation may be exempted from this requirement in specific instances where it has entered into a Native Title Agreement or a contractual obligation for Aboriginal economic participation, that allows an Aboriginal Joint Venture to meet a lesser criteria (See 1.8).

4.19 Payment Terms

The organisation shall consider short terms of payment and related conditions for Aboriginal suppliers along with a reduced administrative burden in submitting invoices to be paid for work conducted.

4.20 Capturing data for improvement

The organisation shall consider capturing the following information to identify potential improvements:

- a) Number of Aboriginal businesses registered with the organisation as interested in quoting or tendering for work
- b) Number of Aboriginal businesses pre-qualified
- c) Number and percentage of pre-qualified Aboriginal businesses who are successful in securing work
- d) Quality and contract management issues that occur with Aboriginal businesses during operations
- e) The reasons why Aboriginal people fall out of the process in b) and c) and the kinds of recurring quality and contract issues that arise in d)

5. Capacity Strengthening

5.1 Constraints

Constraints in achieving Aboriginal Economic Participation occur in both the demand-side (the organisations that wish to engage) and the supply-side (the Aboriginal people and Aboriginal suppliers who wish to take up the opportunity). Demand-side constraints are broadly addressed within the Management System Standard (See Section 1) and the Cultural Safety Standard (See Section 2).

Supply-side constraints (which involve many elements outside of the organisation's control) require additional strategic planning, though aspects of them are addressed in the Workforce Participation Standard (See Section 3) and the Supplier Participation Standard (See Section 4). The organisation's workforce and supply chain supply-side analysis (See 3.2 and 4.2) will have identified constraints and associated risks for the organisation that may inhibit the achievement of its Aboriginal economic participation targets and objectives.

These constraints will vary widely depending on the maturity of the Aboriginal labour and supplier market, the type of job roles or supply chain opportunities the organisation is seeking to match, and how important place / localisation is. When drawing from Aboriginal labour markets and Aboriginal suppliers in regional and remote areas (or only from an Aboriginal group/s who have Native Title over a project area) the constraints on local capacity and capability may be far more pronounced and require different strategies to overcome.

5.2 Addressing Supply-side Constraints

In addressing supply-side constraints the organisation needs to consider:

- What are the organisation's targets and objectives?;
- How important is place / localisation? (this will cause the available supply-side pool to expand or retract depending on its importance and definition);
- Where localisation is important - what are the unique constraints that may manifest in the specific region / opportunity / project?;
- What specific job roles and areas of expenditure are strategically targeted and what specific gaps / constraints must be overcome to support Aboriginal people and Aboriginal suppliers to access those specific opportunities?;
- The different kind of approaches that may be required to ensure that not only are entry level opportunities provided, but a pipeline is also created to develop people and suppliers into more senior positions and larger contracts; and
- What additional resources may need to be budgeted.

When developing Aboriginal Economic Participation targets and objectives, an organisation should have a clear understanding of Aboriginal supply-side constraints. This will ensure a value for money investment by the organisation into realistic targets and specific programs that address constraints.

5.3 Types of Capacity Strengthening Programs

There are many types of capacity strengthening activities and programs an organisation can develop either on their own or through collaborative partnerships with other organisations. Some examples are included below:

- Work Readiness

- Pre-employment
- Supplier Development Programs
- Business Incubators
- Graduate Recruitment Programs
- Mentoring Programs
- Social investment programs

It should be noted that capacity strengthening initiatives by the organisation do not always have to be directly associated with a particular job or supply chain opportunity. Capacity strengthening can also include programs and investment with Aboriginal organisations to improve the social fabric of Aboriginal communities where this investment assists in overcoming a constraint that prevents the uptake of economic opportunity.

5.4 Partnering with Existing Programs

In developing capacity strengthening programs the organisation shall consider existing programs that are privately and government funded that are already in place to provide support services. The organisation should aim to avoid replication of services that already exist and instead reinforce the effectiveness of existing programs where feasible.

5.5 Facilitation of Partnerships, Alliances and Joint Ventures

Partnerships, alliances and joint ventures are one method to improve access of Aboriginal people and businesses to opportunities with the organisation bearing in mind considerations outlined in section 4.18. In developing capacity strengthening programs the organisation may consider:

- Providing guidance on any pre-qualification or tendering requirements the organisation creates around Aboriginal joint ventures criteria and structure;
- The hosting of any formal or informal meeting to introduce organisations to each other
- Support advisory services and programs which support Aboriginal businesses with advice on entering into Partnerships, Alliances or Joint Ventures; and
- Providing Aboriginal businesses access to the benefits of scale afforded to the organisation or through their major non-Aboriginal subcontractors. This can include access to the organisation's group purchasing arrangements, for example the purchase of assets or fuel and also access to finance.



blaze@emuenst.com.au | emunest.com.au

