

From: s22(1)
To: s22(1)
Subject: RE: URGENT BY 11 am [SEC=OFFICIAL]
Date: Tuesday, 8 September 2020 10:47:25 AM
Attachments: [image008.png](#)
[image009.png](#)
[image010.png](#)
[image011.png](#)
[image012.png](#)

OFFICIAL

Hi s22(1)

See answers below – happy to keep working on it if needed. I have a call with s22(1) scheduled for 11.

Regards

s22(1)

From: s22(1)
Sent: Tuesday, 8 September 2020 10:03 AM
To: s22(1)
Subject: FW: URGENT BY 11 am [SEC=OFFICIAL]

OFFICIAL

s22(1),

As discussed, can you please provide some dot points describing:

- How the Serve Gate model works (remember to attribute statements back to ServeGate)

From the Servegate website (<https://www.servegate.com.au/>)

- o ServeGate describes itself as a collaborative gateway and facilitator for Small & Medium Enterprises (SMEs) to access Government & Industry contract
- o ServeGate regularly receives Requests For Quotation (RFQ) and Requests For Tender (RFT) from Australian Government departments, agencies and the Corporate sector.
- o ServeGate works with member subcontractors to complete responses to RFQs or RFTs;
- o All compliant responses submitted as ServeGate responses for evaluation by the customer;
- o If selected by the customer, ServeGate manages the contracting paperwork;
- o ServeGate manages large projects and regularly liaises with the Customer on all projects to ensure that it is being delivered on time, on budget and on specification;
- o The subcontractor submits their invoice to ServeGate after the customer has provided their approval for the deliverable(s);
- o ServeGate ensures invoices are compliant with the purchase order;
- o ServeGate submits a corresponding invoice to the customer;
- o On receiving payment from the customer ServeGate retains its margin and pays the balance to the member subcontractor within the shortest practicable time;
- o Follow-up of delayed invoices is conducted by ServeGate

- What we do and don't know about the model – i.e. to what extent is the subcontracting going to indigenous businesses?

The IPPRS provides sub-contracting data for MMR contracts (to IBs) only. As I understand it ServGate have not secured any MMR contracts.

From the Guardian article (<https://www.theguardian.com/australia-news/2020/sep/05/scott-morrison-friend-his-indigenous-charity-and-the-millions-in-defence-contracts>)

- o 'The company, ServeGate Australia, subcontracts the work out to conventional, **almost entirely non-Indigenous** consultancies and uses the profits to pay Coleman and other staff's salaries so they can provide mentoring to a small number of Indigenous businesses. Two of the businesses being helped are run by ServeGate's Aboriginal shareholders'.
- o 'The Indigenous businesses that have been helped under the model give Coleman good

reports. Daniel Browne, the public officer of the Sydney-based plant hire company Koori Cartage, says Coleman has given the business both spiritual and practical advice, and mediated contract negotiations with big companies such as Lendlease, after being introduced to ServeGate by the government agency Indigenous Business Australia’.

- How the model fits into the IPP.

The model followed by ServeGate is not black cladding. Brokering for government contracts and then sub-contracting the implementation is a legitimate business model.

From Jame’s draft response last Friday (in relation to Saturday Paper journalist enquiry):

- o The IPP policy is structured to stimulate Indigenous entrepreneurship and provide greater access for Indigenous businesses to government supply chains.
- o the IPP only provides an Indigenous business with the **opportunity to quote first**, it does not guarantee their selection for a tender. The Indigenous business, like all other businesses, must still demonstrate they are able to deliver the required good or service on a value for money basis.
- o It **does not** seek to influence or prescribe the operations of individual businesses.
- o Leveraging the expertise of other businesses is one way for an Indigenous business to increase their capability or capacity.

I will call s22(1) and ask for anecdotal feedback.

Regards

s22(1)

From: s22(1)

Sent: Tuesday, 8 September 2020 9:49 AM

To: s22(1)

Cc: s22(1)

Subject: URGENT BY 10:30 am (please prioritises) A formatted template with all the ServeGate contracts listed. [SEC=OFFICIAL]

OFFICIAL

Hi s22(1)

- For the Prime Minister’s Office can you please create a formatted Word template that lists **all contracts awarded to ServeGate** since the IPP commenced.
- The template should include date, awarding department, value, description, start and finish date,
- Please filter by date.
- Please be careful with formatting and spelling and ensure consistency with capital letters etc. You will likely need to do minor fixes to the description if it is poorly written (obviously try to minimise change – but it needs to reads OK).
- Please have a third set of eyes read over it for formatting issues before sending to me for clearance by 10:30.

Thanks

s22(1)

s22(1) | Director

Indigenous Procurement Policy | Business and Economic Policy Branch

Economic Policy and Program Group | National Indigenous Australians Agency

p. s22(1) | m. s22(1)

Charles Perkins House, 16 Bowes Place Phillip ACT 2606

w. niaa.gov.au | w. indigenous.gov.au

Released under the FOI Act by the
National Indigenous Australians Agency



From: [NIAA Media](#)
To: "Media"; [NIAA Media](#)
Subject: RE: Lines on ServeGate [SEC=OFFICIAL:Sensitive]
Date: Wednesday, 14 October 2020 12:56:50 PM
Attachments: [image017.png](#)
[image018.png](#)
[image019.png](#)
[image020.png](#)
[image021.png](#)
[image022.png](#)
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

OFFICIAL:Sensitive

Thanks s22(1), that is a help, but I'd like to discuss a little deeper given the links between ServeGate and the PM.

I can see it being a line of attack for us and Defence during Estimates so want to align with whomever is leading on the issue from Defence's side.

Could you please put me in touch with the best person to discuss sensitivities and risks?

Thanks

s22(1)

Strategic Communications Adviser to the CEO
National Indigenous Australians Agency

p. s22(1) m. s22(1)

Charles Perkins House 16 Bowes Place Phillip ACT 2606 | PO Box 2191 CANBERRA ACT 2601

w. niaa.gov.au w. indigenous.gov.au



The National Indigenous Australians Agency acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past, present and emerging.



Note to media: Unless otherwise agreed, the information contained in this email is for background only and not for attribution.

From: Media

Sent: Wednesday, 14 October 2020 11:33 AM

To: NIAA Media

Cc: Media

Subject: RE: Lines on ServeGate [SEC=OFFICIAL:Sensitive]

OFFICIAL: Sensitive

Hi s22(1)

Thanks for your email.

The below/attached response and background was provided to the Saturday Paper last month.

The journo's questions can be found in the email attached. We hope this helps!

//

The following statement can be attributed to a Defence spokesperson:

ServeGate Australia Pty Ltd is a Supply Nation registered Indigenous Business. Defence contracts awarded to ServeGate Australia Pty Ltd are counted towards Defence's Indigenous Procurement Policy (IPP) targets. Although any resultant contract is between Defence and ServeGate Australia

Pty Ltd, it is a contractual requirement that ServeGate Australia Pty Ltd make available upon request the names of any subcontractor(s) engaged by them in respect of the contract. For contracts awarded under the Defence Support Services Panel, subcontractor information is provided in the Request for Quote and their Indigenous status is recorded.

Contracts are executed between the Commonwealth (Defence) and ServeGate Australia Pty Ltd as the legal entities. However, ServeGate's model is to bid for work and, if successful have their member subcontractors deliver the work. The Department of Defence instructs officials to check the Supply Nation or the Office of the Registrar of Indigenous Corporation databases when it is expected that a procurement will be delivered in a remote area; or where the estimated value of the procurement is between \$80,000 to \$200,000 (GST inclusive) as it is the most effective way to identify Indigenous businesses for the purposes of the IPP. Defence officials may also check whether an Indigenous business is available and capable to provide goods and services outside of the Mandatory Set Aside requirements at their discretion.

The number of subcontractors that are registered Indigenous businesses or certified businesses under the Supply Nation rules is unable to be provided within the requested timeframe.

//

On background:

- Defence's commitment to *Closing the Gap* is outlined in our Defence Reconciliation Action Plan (D-RAP) 2019-2022 which contains 61 targeted actions to support Indigenous businesses, community engagement, recruitment and retention.
- Defence is playing a vital role in supporting and enhancing Indigenous entrepreneurship and business development through the Commonwealth Government's Indigenous Procurement Policy (IPP).
- Defence continues to exceed Australian Government targets under the IPP. Since the introduction of the IPP in 2015, over \$2 billion of Commonwealth Government contracts have been awarded to Indigenous businesses. Of this, Defence has awarded over \$1 billion in contract value to Indigenous-owned businesses.
- In line with the D-RAP, Indigenous businesses will continue to be supported through Defence's commitment to increasing the number of contracts awarded and establishing value-based targets. For example:
 - The D-RAP includes targets to increase Aboriginal and Torres Strait Islander supply chain to support improved economic and social outcomes by promoting the Commonwealth Indigenous Procurement Strategy in Defence.
 - Our aim articulated in our Reconciliation Action Plan, is to award one per cent of the total value of eligible Defence contracts to Indigenous enterprises from July 2019, increasing to 1.5 per cent by 2021.
- Defence remains committed to developing strong inclusion and procurement strategies, which will directly enhance capability, improve Indigenous employment and drive socio-economic outcomes.

//

Kind regards,

s22(1)

Defence Media | Department of Defence

Canberra ACT 2600

E: media@defence.gov.au

Defending Australia and its National Interests
www.defence.gov.au



IMPORTANT: This email remains the property of the Department of Defence. Unauthorised

communication and dealing with the information in the email may be a serious criminal offence. If you have received this email in error, you are requested to contact the sender and delete the email immediately.

From: NIAA Media <Media@niaa.gov.au>
Sent: Wednesday, 14 October 2020 10:45 AM
To: Media <media@defence.gov.au>
Subject: Lines on ServeGate [SEC=OFFICIAL:Sensitive]

⚠️ EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe. ⚠️

OFFICIAL:Sensitive

Good morning team

We're preparing for Estimates and have some lines on alleged black-cladding. One of the more contentious companies is ServeGate Australia which has a number of contracts with Defence and was the subject of media reporting in early September.

Has Defence prepared lines around contracts with ServeGate that you can share with us, so we are aligned with our evidence?

Thanks,

s22(1)

Strategic Communications Adviser to the CEO
 National Indigenous Australians Agency

p. s22(1) m. s22(1)

Charles Perkins House 16 Bowes Place Phillip ACT 2606 | PO Box 2191 CANBERRA ACT 2601

w. niaa.gov.au w. indigenous.gov.au



The National Indigenous Australians Agency acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past, present and emerging.



Note to media: Unless otherwise agreed, the information contained in this email is for background only and not for attribution.

IMPORTANT: This message, and any attachments to it, contains information that is confidential and may also be the subject of legal professional or other privilege. If you are not the intended recipient of this message, you must not review, copy, disseminate or disclose its contents to any other party or take action in reliance of any material contained within it. If you have received this message in error, please notify the sender immediately by return email informing them of the mistake and delete all copies of the message from your computer system.

From: [Media](#)
To: s22(1)
Cc: [Media](#)
Subject: RESPONSE - Indigenous Procurement / ServeGate Australia [SEC=OFFICIAL]
Date: Thursday, 24 September 2020 7:31:21 PM
Attachments: [image001.png](#)

OFFICIAL

Good afternoon s22(1),
 Thank you again for your enquiry and ongoing patience.
 //

The following statement can be attributed to a Defence spokesperson:

ServeGate Australia Pty Ltd is a Supply Nation registered Indigenous Business. Defence contracts awarded to ServeGate Australia Pty Ltd are counted towards Defence's Indigenous Procurement Policy (IPP) targets. Although any resultant contract is between Defence and ServeGate Australia Pty Ltd, it is a contractual requirement that ServeGate Australia Pty Ltd make available upon request the names of any subcontractor(s) engaged by them in respect of the contract. For contracts awarded under the Defence Support Services Panel, subcontractor information is provided in the Request for Quote and their Indigenous status is recorded. Contracts are executed between the Commonwealth (Defence) and ServeGate Australia Pty Ltd as the legal entities. However, ServeGate's model is to bid for work and, if successful have their member subcontractors deliver the work. The Department of Defence instructs officials to check the Supply Nation or the Office of the Registrar of Indigenous Corporation databases when it is expected that a procurement will be delivered in a remote area; or where the estimated value of the procurement is between \$80,000 to \$200,000 (GST inclusive) as it is the most effective way to identify Indigenous businesses for the purposes of the IPP. Defence officials may also check whether an Indigenous business is available and capable to provide goods and services outside of the Mandatory Set Aside requirements at their discretion. The number of subcontractors that are registered Indigenous businesses or certified businesses under the Supply Nation rules is unable to be provided within the requested timeframe.

//

On background:

- Defence's commitment to *Closing the Gap* is outlined in our Defence Reconciliation Action Plan (D-RAP) 2019-2022 which contains 61 targeted actions to support Indigenous businesses, community engagement, recruitment and retention.
- Defence is playing a vital role in supporting and enhancing Indigenous entrepreneurship and business development through the Commonwealth Government's Indigenous Procurement Policy (IPP).
- Defence continues to exceed Australian Government targets under the IPP. Since the introduction of the IPP in 2015, over \$2 billion of Commonwealth Government contracts have been awarded to Indigenous businesses. Of this, Defence has awarded over \$1 billion in contract value to Indigenous-owned businesses.
- In line with the D-RAP, Indigenous businesses will continue to be supported through Defence's commitment to increasing the number of contracts awarded and establishing value-based targets. For example:
 - The D-RAP includes targets to increase Aboriginal and Torres Strait Islander supply chain to support improved economic and social outcomes by promoting the Commonwealth Indigenous Procurement Strategy in Defence.
 - Our aim articulated in our Reconciliation Action Plan, is to award one per cent of the total value of eligible Defence contracts to Indigenous enterprises from July 2019, increasing to 1.5 per cent by 2021.
- Defence remains committed to developing strong inclusion and procurement strategies, which will directly enhance capability, improve Indigenous employment and drive socio-economic outcomes.

//

Kind regards,

s22(1)

Defence Media | Department of Defence

Canberra ACT 2600

E: media@defence.gov.au

IMPORTANT: This email remains the property of the Department of Defence. Unauthorised communication and dealing with the information in the email may be a serious criminal offence. If you have received this email in error, you are requested to contact the sender and delete the email immediately.

From: s22(1)**Sent:** Thursday, 3 September 2020 7:51 AM**To:** Media**Subject:** Indigenous Procurement / ServeGate Australia

EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe. .

Hi all,

I am writing a news feature for The Saturday Paper about a number of contracts awarded to ServeGate Australia Pty Ltd, a registered Indigenous business with Supply Nation. Part of the piece is looking at where these contracts actually end up, as I am sure the Department is aware that ServeGate Australia is a procurement brokerage service and does not actually deliver the work itself. It bids for contracts on behalf of other small and medium enterprises. To be clear, there is nothing untoward about this in itself (in fact, it is quite common across government) but I am interested about how this affects or does not affect the Indigenous Procurement Policy outcomes for the Department.

I can start off broadly and ask:

Does each contract awarded to ServeGate Australia Pty Ltd count as a contract that meets the threshold for an IPP target?

In each case, is the Department aware of who the subcontractor is? For example, if ServeGate Australia bids on behalf of another SME, does the Department work with that subcontracted entity and does it record their Indigenous status as a business?

There are (by my count) 43 contracts awarded to ServeGate Australia with contract publish dates between 2018 and present. How many of these were executed by subcontractors?

Of these, how many of the subcontractors are Registered Indigenous Businesses or Certified businesses under the Supply Nation rules?

Given the reporting requirements, I suspect this information is recorded and easily pulled. In general, does the Department of Defence check Supply Nation for relevantly qualified suppliers in all or most cases when seeking to fulfill contracts, or only when it is required under the Mandatory Set Aside rules?

If it helps, I have listed the CN-ID for each of the contracts since the beginning of 2018 below. Ideally, I would like the Department to give me the information separately for each CN-ID as follows:

Counts toward Indigenous procurement target (Y/N)

Subcontracted firm(s) is Supply Nation registered (Y/N)

Name of subcontracted company(ies)

Of course, I am happy to chat about any of this. I am on s22(1)

I would appreciate a response by **COB (5pm) today**.

Here is the contract list:

CN3714161

CN3714143
CN3711791
CN3710939
CN3709591
CN3709555
CN3689228-A1
CN3704305
CN3664748-A1
CN3650098-A1
CN3690605
CN3690440
CN3607160-A2
CN3687268
CN3675483
CN3674812
CN3629967-A3
CN3671799
CN3671391
CN3666455
CN3623559-A1
CN3628224-A2
CN3626612
CN3620238
CN3619558
CN3613852
CN3609504
CN3550864-A1
CN3601152
CN3599375
CN3499527-A2
CN3564089
CN3563946
CN3557136
CN3554531
CN3553021
CN3499764-A1
CN3548232
CN3548231
CN3537767
CN3527405
CN3490218
CN34799758

--

s22(1)

Senior Reporter

s22(1)



[Listen to 7am](#), a daily news podcast
from the publisher of *The Monthly* and

The Saturday Paper.

—

Level 1, 221 Drummond St
Carlton, Victoria, 3053

s22(1)

schwartzmedia.com.au

Released under the FOI Act by the
National Indigenous Australians Agency

3.10 Indigenous Procurement Policy (IPP) inc. black cladding – Economic Policy and Programs Group

Key Points

- NIAA is aware of accusations of 'black cladding' in the Indigenous business sector.
 - NIAA has clear eligibility criteria for Indigenous businesses under the IPP.
 - Businesses are eligible for contracts under the IPP if they are 50% or more Indigenous owned (and SME where exemption 16 is used – see background).
 - NIAA has controls in place to ensure this eligibility test is met, including additional controls placed on Joint Ventures (since July 2019) these include:
 - 50% Indigenous ownership
 - 50% Indigenous control
 - demonstration of commercial independence
 - strategies in place to:
 - increase capability of the Indigenous business partner; and
 - grow Indigenous workforce.
 - Checks are undertaken to ensure compliance with these controls. Supply Nation has undertaken 3,056 reviews in the last 12 months. In September 2020 alone, Supply Nation carried out 243 reviews on:
 - 176 investment reviews (triggered by a change to ASIC registry details).
 - 61 recertification audits (annual audit to confirm Indigenous Business status).
 - 6 joint venture (JV) audits.
 - Of the 243 reviews conducted in September there were 224 passes and 19 failures (no failures for JVs). The main reason for failure is or being struck off or deregistered by ASIC (10 businesses in September).
 - In the same period (September) there were 77 new applications, 4 of these were declined due to insufficient Indigenous ownership.
 - When assessing applications Supply Nation checks:
 - the business name against ABN/ASIC to confirm company name and current registration
 - ownership documents to identify owners and the percentage of their ownership

- the Indigeneity of owners (vast majority via a confirmation of Aboriginality documents – around 97%).
- Since February 2018, eight formal claims of disingenuous business arrangements ('black cladding') by the public have been made. Supply Nation investigated all claims and determined all to be unfounded.
- NIAA reviews Supply Nation activity monthly to confirm the number of audits that have been undertaken, the outcomes of registration processes and complaints processes.
- Annual site visits include the review of a random sample of Indigenous businesses to confirm Supply Nation has evidence of:
 - Indigeneity and business ownership
 - a completed joint venture interview
 - a complaint management process
 - a continuous improvement plan for the Indigenous Business Directory (IBD) with appropriate audit triggers in place.

- s22(1) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1) [REDACTED]

[REDACTED]

- s22(1)

- s22(1)

- The issue of black cladding is well known. However, the perception does not appear to be backed up by reality. Since February 2018, no allegation of black cladding (8) to Supply Nation by members of the public have proven to be unfounded.

- s22(1)
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

○ s22(1)

If asked: are you concerned with the model being used by Indigenous business ServeGate Australia, which seeks to secure Commonwealth contracts on behalf of other SMEs (which are Indigenous and non-Indigenous)?

- The model used by ServeGate Australia is legitimate and one that is used by Indigenous and non-Indigenous businesses.
- Leveraging the expertise of other businesses is a reasonable way for an Indigenous business to increase their capability or capacity to be competitive for contracts.
- The IPP is structured to stimulate Indigenous entrepreneurship and provide greater access for Indigenous businesses to government supply chains.
 - It does not influence or prescribe the operations of individual businesses.
- The IPP only provides an Indigenous business with the opportunity to quote first for Government contracts.
 - It does not guarantee their selection for a tender.
- As with all businesses, an Indigenous business must demonstrate they are able to deliver the required good or service on a value for money basis.

s22(1)

○ s22(1)

s22(1)

General Manager Ryan Bulman	Division	Office Phone	Mobile Phone
Branch Manager Simone Persson	Branch Business and Economic Policy	Office Phone	Mobile Phone
Drafted by s22(1)	Branch Business and Economic Policy	Office Phone	Mobile Phone s22(1)
Consultation:			

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

December 2020

s22(1)



s22(1)



s22(1)



s22(1)



Released under the FOI Act by the
National Indigenous Australians Agency

■ s22(1)

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

More recently media attention around the issue of black-cladding, and in particular the matter of **ServeGate** Australia Pty Ltd, highlighted the lack of transparency around income flows demonstrating benefit to Indigenous owners of its business, s22(1)

[REDACTED]

■ s22(1)

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

Released under the FOI Act by the
National Archives and Records Administration

s22(1)

[REDACTED]

[REDACTED]

s22(1)

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

[REDACTED]

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

s22(1)
)

[REDACTED]

Released under the FOI Act by the
National Indigenous Australians Agency

s22(1)

s22(1)



s22(1)





Australian Government
National Indigenous
Australians Agency



NIAA

Grant Design Backpocket Branch Manager Pack

OCTOBER 2020

Working with Aboriginal and Torres Strait Islander peoples

Contents

■	s22(1)	
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
■		
13.	Media Coverage	44

Pages 3-44 have been intentionally excluded due to S 22(1) redactions.

13. Media Coverage

s22(1)

- o non-indigenous organisations benefiting from government procurement processes ('Black Cladding') ; and
- o s22(1)

s22(1)

- s22(1)

- FOI/2122/011

s22(1)

- s22(1)

[REDACTED]

- s22(1)

[REDACTED]

- The Guardian, 4 September 2020, Margaret Simons, 'The unconventional Charity run by Scott Morrison's 'dear friend' Leigh Coleman', https://www.theguardian.com/australia-news/2020/sep/04/the-unconventional-charity-run-by-scott-morrisons-dear-friend-leigh-coleman?CMP=Share_AndroidApp_Other

- This article highlights relationship between the Prime Minister, Scott Morrison's mentor and founding CEO Leigh Coleman of charity company, ServeGate Australia, receiving more than \$43m in government contracts since 2015 as an IPP / Supply Nation registered Indigenous business, while being a registered charity helping Indigenous businesses with advice.
- The article mentions that shortly after ServeGate became a registered charity February 2019, it engaged two Indigenous shareholders, which qualified them for the company for preferential treatment under IPP that set targets for contracts awarded to Indigenous businesses and mandate preferential treatment for small contracts and those in remote

FOI/2122/011

- The figure consists of three horizontal bar charts, each representing a different group. The y-axis for each chart lists categories, and the x-axis represents the percentage of respondents, ranging from 0% to 100%.

Group 1 (Top): The categories are s22(1), s22(2), s22(3), s22(4), s22(5), s22(6), s22(7), s22(8), s22(9), s22(10), s22(11), s22(12), s22(13), s22(14), s22(15), s22(16), s22(17), s22(18), s22(19), s22(20), s22(21), s22(22), s22(23), s22(24), s22(25), s22(26), s22(27), s22(28), s22(29), s22(30), s22(31), s22(32), s22(33), s22(34), s22(35), s22(36), s22(37), s22(38), s22(39), s22(40), s22(41), s22(42), s22(43), s22(44), s22(45), s22(46), s22(47), s22(48), s22(49), s22(50), s22(51), s22(52), s22(53), s22(54), s22(55), s22(56), s22(57), s22(58), s22(59), s22(60), s22(61), s22(62), s22(63), s22(64), s22(65), s22(66), s22(67), s22(68), s22(69), s22(70), s22(71), s22(72), s22(73), s22(74), s22(75), s22(76), s22(77), s22(78), s22(79), s22(80), s22(81), s22(82), s22(83), s22(84), s22(85), s22(86), s22(87), s22(88), s22(89), s22(90), s22(91), s22(92), s22(93), s22(94), s22(95), s22(96), s22(97), s22(98), s22(99), s22(100). The bars are colored in shades of gray.

Group 2 (Middle): The categories are s22(1), s22(2), s22(3), s22(4), s22(5), s22(6), s22(7), s22(8), s22(9), s22(10), s22(11), s22(12), s22(13), s22(14), s22(15), s22(16), s22(17), s22(18), s22(19), s22(20), s22(21), s22(22), s22(23), s22(24), s22(25), s22(26), s22(27), s22(28), s22(29), s22(30), s22(31), s22(32), s22(33), s22(34), s22(35), s22(36), s22(37), s22(38), s22(39), s22(40), s22(41), s22(42), s22(43), s22(44), s22(45), s22(46), s22(47), s22(48), s22(49), s22(50), s22(51), s22(52), s22(53), s22(54), s22(55), s22(56), s22(57), s22(58), s22(59), s22(60), s22(61), s22(62), s22(63), s22(64), s22(65), s22(66), s22(67), s22(68), s22(69), s22(70), s22(71), s22(72), s22(73), s22(74), s22(75), s22(76), s22(77), s22(78), s22(79), s22(80), s22(81), s22(82), s22(83), s22(84), s22(85), s22(86), s22(87), s22(88), s22(89), s22(90), s22(91), s22(92), s22(93), s22(94), s22(95), s22(96), s22(97), s22(98), s22(99), s22(100). The bars are colored in shades of gray.

Group 3 (Bottom): The categories are s22(1), s22(2), s22(3), s22(4), s22(5), s22(6), s22(7), s22(8), s22(9), s22(10), s22(11), s22(12), s22(13), s22(14), s22(15), s22(16), s22(17), s22(18), s22(19), s22(20), s22(21), s22(22), s22(23), s22(24), s22(25), s22(26), s22(27), s22(28), s22(29), s22(30), s22(31), s22(32), s22(33), s22(34), s22(35), s22(36), s22(37), s22(38), s22(39), s22(40), s22(41), s22(42), s22(43), s22(44), s22(45), s22(46), s22(47), s22(48), s22(49), s22(50), s22(51), s22(52), s22(53), s22(54), s22(55), s22(56), s22(57), s22(58), s22(59), s22(60), s22(61), s22(62), s22(63), s22(64), s22(65), s22(66), s22(67), s22(68), s22(69), s22(70), s22(71), s22(72), s22(73), s22(74), s22(75), s22(76), s22(77), s22(78), s22(79), s22(80), s22(81), s22(82), s22(83), s22(84), s22(85), s22(86), s22(87), s22(88), s22(89), s22(90), s22(91), s22(92), s22(93), s22(94), s22(95), s22(96), s22(97), s22(98), s22(99), s22(100). The bars are colored in shades of gray.

Pages 49-60 have been intentionally excluded due to S 22(1) redactions.

From: [Mitchell, Debbie](#)
To: s22(1)
Subject: RE: QTB urgent clearance - IPP [SEC=OFFICIAL]
Date: Thursday, 2 September 2021 10:22:28 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

OFFICIAL

cleared

From: s22(1)
Sent: Thursday, 2 September 2021 10:22 AM
To: Mitchell, Debbie
Subject: QTB urgent clearance - IPP [SEC=OFFICIAL]

OFFICIAL

Debbie

House of Representatives Standing Committee on Indigenous Affairs (HORSCIA) report on Indigenous Participation in Employment and Business

- On Monday 30 August 2021, the HORSCIA delivered its report on Indigenous Participation in Employment and Business. In relation to the IPP, the report recommended:
 - an increase in audits of Indigenous businesses awarded IPP contracts to curb any incidence of black cladding; and
 - that the definition of Indigenous business be reviewed to better ensure that awarding IPP contracts benefits Aboriginal and Torres Strait Islander communities.
- The Government will consider the report's recommendations and respond in due course.
- Since February 2018, Supply Nation has received eight written complaints about black cladding. All formal complaints were investigated and the businesses confirmed as meeting the IPP's definition of an Indigenous business (50 per cent or more Indigenous owned).
- One new allegation of non-compliance is under preliminary review. It would be inadvisable to comment on specific instances while a matter is under investigation. A media article by ARN on 1 September 2021 outlines that Indigenous ICT business Dreamtime Supply Company has been ordered by the ACT Supreme Court to pay profits in equity to the tune of \$1.18 million to Canberra-based Steadfast ICT Security after three

Released under the FOI Act by the National Indigenous Australians Agency

former employees breached their contracts.

s22(1)

Executive Officer to Debbie Mitchell PSM

A/g Deputy Chief Executive Officer

National Indigenous Australians Agency

P: s22(1)

Charles Perkins House 16 Bowes Place Phillip ACT 2606

w. niaa.gov.au w. indigenous.gov.au



The National Indigenous Australians Agency acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.



From: s22(1)
To: [Merriman, Julianne](#)
Subject: RE: Steadfast ICT Security Pty Ltd v Peak [SEC=OFFICIAL]
Date: Monday, 6 September 2021 9:59:26 AM
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

OFFICIAL

Hi Julianne,

I think it would be worth us discussing the Steadfast case. It was in the media again over the weekend ([ABC](#)). We'll need to brief you for senate estimates but it would be good to have you across it earlier in case it blows up. It also highlights some of the key tensions in the IPP. I'll put some time in your diary.

Case outline

- Dreamtime Supply was >50 per cent owned by an Indigenous Australian, Christopher Goldsmith, who was also a director. Dreamtime Supply was regularly obtaining Commonwealth Government contracts under the IPP and subcontracting to Steadfast ICT Security under an outsourcing agreement. The company appears to be the brainchild of non-Indigenous ICT professionals. The court found:

“ The Australian government’s IPP was a policy by which majority Indigenous owned companies were encouraged to apply for government opportunities. Mr Joy raised with Mr Glavonjic the idea of creating a new company to capitalise on the IPP. Mr Glavonjic introduced Mr Goldsmith to Mr Joy as part of that proposal. The point of the arrangement was to insert a majority Indigenous owned company between non-Indigenous service providers and the Commonwealth, thereby permitting access to Commonwealth contracts through the IPP and allowing the owners of the Indigenous company to make money even though the services that the company provided were sub-contracted to non-Indigenous companies.”
- As a result of a falling out between the directors of the two companies, Mr Glavonjic, a director of Dreamtime, and a key employee, Mr Peak, devised and executed a plan to effectively transfer the business of Steadfast to Dreamtime. The court found that Mr Goldsmith was aware of the plan.
- The court found Dreamtime liable for damages. Profit from contracts awarded by the Commonwealth Government under the IPP are explicitly used in the calculation of that profit, including Indigenous Business Australia, Department of Parliamentary Services and the Department of Agriculture.
- The case continues, as the Judge invited further submissions from the parties in relation to the relief to be granted against the other defendants (Mr Glavonjic etc).

Key issues for us

- The company is still operating and winning contracts (as late as June of this year at least). Nine contracts worth just over \$1 million are still on foot. The company still appears in Supply Nation’s database (but appears to have been removed from the public facing website pending investigation).
 - Dreamtime have not contravened any provisions of the IPP; however, Supply Nation may be able to remove Dreamtime from the IBD on the basis that they’ve violated Supply Nation’s code of conduct.
 - We are reluctant to include a broad ‘suitability/character’ requirement for the IPP specifically, as the Indigenous business should not be subject to more stringent

conditions than non-Indigenous businesses when it comes to contracting with the Commonwealth.

- The case highlights the practice of subcontracting through Indigenous businesses to non-Indigenous businesses. It is a legitimate business model, providing the Indigenous shareholder is getting a reasonable share of the profits from the arrangement. We do not propose to curtail these arrangements. But those who think the IPP should be more about skill development and employment might see the practice as 'black-cladding'.

s22(1) | Director

Indigenous Procurement Policy and Targets | Business and Economic Policy Branch
Economic Policy and Programs Group | National Indigenous Australians Agency

p. s22(1)

Charles Perkins House, 16 Bowes Place Phillip ACT 2606

w. niaa.gov.au w. indigenous.gov.au

s22(1)

NIAA C-19 signature block updated



The National Indigenous Australians Agency acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past, present and emerging.



2.11 Indigenous Procurement Policy (IPP) – Economic Policy and Programs Group (EPPG)

1. How many instances of Black Cladding have there been under the Indigenous Procurement Policy (IPP)?

2. Should the eligibility criteria for the IPP be tightened?

s22(1)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Black Cladding

- Since February 2018, Supply Nation has received eight written complaints about 'black cladding'. Each business in question was investigated and confirmed as meeting the IPP's definition of an Indigenous business (50% or more Indigenous owned).
- A JV must be 50% Indigenous owned, and controlled, and have a plan demonstrated to increase the capability of the Indigenous business partner and grow the Indigenous workforce.
- NIAA contracts Supply Nation to maintain and regularly review a registry of Indigenous businesses. Over 2900 reviews were conducted in 2020-21.
- Indigenous ICT business Dreamtime Supply Company has been ordered by the ACT Supreme Court to pay \$1.18 million in damages to its subcontractor Steadfast ICT Security. Three former Steadfast employees breached their employment contracts, 'stealing' Steadfast's business for Dreamtime.
- Supply Nation determined that Dreamtime has breached their code of conduct and removed Dreamtime from the Indigenous business directory.
- While not central to the facts of the case, the judge observed that 'the point of the arrangement was to insert a majority Indigenous owned company between non-Indigenous service providers and the Commonwealth, thereby permitting access to ... the IPP.'
- The IPP does not prevent Indigenous businesses subcontracting to non-Indigenous businesses. Subcontracting can be an important way of

building capability and enabling Indigenous businesses to take on bigger contracts than they could otherwise deliver.

Eligibility criteria

- A very simple definition of “Indigenous Business” has meant registration with Supply Nation is not complicated or burdensome for new businesses.
- Flexibility within the IPP eligibility criteria is important to create opportunities for Indigenous businesses across the business lifecycle.
- A recent inquiry of the House of Representatives Standing Committee on Indigenous Affairs recommended a review of the IPP eligibility criteria. NIAA will provide advice to the Government on its response to the inquiry’s report.

s22(1)

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

s22(1)

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

Group Manager	Division	Mobile Phone	Date Cleared
Ryan Bulman			
Branch Manager	Branch	Mobile Phone	Date Cleared
Julianne Merriman	Business and Economic Policy		
Drafted by	Position/Branch	Mobile Phone	Date Drafted
s22(1)	Advisor Business and Economic Policy		
Consultation:	Supply Nation		