



Mandatory Set Aside (MSA)

Indigenous Procurement Policy

The Mandatory Set-Aside (MSA) provides Indigenous small and medium businesses with the opportunity to demonstrate value for money before the Commonwealth Government approaches the market.

What is the MSA?

Commonwealth procuring officials must first determine whether there is an Indigenous small or medium enterprise (SME) that could deliver the required goods or service on a value for money basis. They must do this before going to market or using an existing panel arrangement (coordinated procurement arrangements are the only exception).

When does the MSA apply?

The MSA applies to:

- all remote procurements; and
- all other procurement wholly delivered in Australia where the estimated value of the procurement is between \$80,000 - \$200,000 (GST inclusive).

When doesn't the MSA apply?

The MSA does not apply to:

- procurements which are otherwise exempt from Division 2 of the Commonwealth Procurement Rules (CPRs); and
- procurements made through a mandated coordinated procurement arrangement.

Remote procurements

To determine whether a contract will be a remote procurement the procuring official needs to identify whether the delivery point(s) for the majority of the goods and services (by value) is in a remote area. To assist, a detailed map is available at www.niaa.gov.au/ipp. For the purposes of the IPP, the definition of 'remote' includes the following regional centres: Darwin, Alice Springs, Geraldton, Kalgoorlie, Esperance, Whyalla, Port Augusta, Port Lincoln, Mt Isa and Broome.

Applying the MSA in practice

To satisfy the MSA requirement:

- Procuring officials must conduct a search for suitable Indigenous SMEs on Supply Nation's Indigenous Business Direct.
- If a suitable Indigenous SME is identified and value for money is determined, the procuring official must purchase the required goods or service from the Indigenous SME.

If no suitable Indigenous SME is identified, the procuring official must document the outcome of the search and then follow ordinary procurement practices.

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