

Turnbull warned of 'corrupt' indigenous business tenders



PM Malcolm Turnbull, left, and his department secretary Martin Parkinson.

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- Amos Aikman

A policy designed to reward indigenous business owners with easier access to government contracts is instead exposing taxpayers to fraud and corruption, including serious misconduct by public officials, whistleblowers warn

In a letter to the head of the Prime Minister's department, a group of concerned public servants say the indigenous procurement policy is enriching a few "already privileged and wealthy" indigenous businesspeople, allowing large corporations to escape competitive tendering through "sham joint ventures" and allowing departmental staff to commit "a form of corruption" by handing lucrative work to close friends.

"We have watched with growing alarm as it has become clear that the IPP has failed in its objective to grow the indigenous business sector," the letter states.

"We are concerned that the IPP is contributing to the development of a toxic culture within your department, where officials ... engaging in high-risk activities nevertheless feel obligated to award contracts where those officials know that they are not getting value for money." The letter, addressed to Department of Prime Minister and Cabinet head Martin Parkinson, makes specific allegations about development of the yet-to-be-announced indigenous business sector strategy, which is understood to deliver on a Coalition election commitment.

The writers claim a senior departmental official, whom *The Weekend Australian* has chosen not to name, caused hundreds of thousands of dollars worth of work to go to companies associated with close friends.

“Using your position as a commonwealth official to promote the business interests of close friends is corrupt. It does not change that your friends are indigenous,” the letter states. “This is corruption dressed up as indigenous engagement. It is hard to avoid the conclusion that years spent socialising with ... are paying lucrative business dividends.”

The whistleblowers say the IPP encourages “cosy arrangements” to flourish in an environment with “insufficient controls ... to prevent mismanagement of public - resources”.

The named official referred inquiries to the department’s media team, which responded that it “takes all public-interest disclosures seriously” but declined to discuss the specific issues raised.

Inside Policy chief executive Natalie Walker confirmed her company was invited to tender for and later won a contract — valued by the government’s procurement information system at \$320,000 — for consultation around the IBSS.

Ms Walker confirmed she knew the official named in the letter but denied the association influenced her bid: “I didn’t have any involvement with (the official) during the selection process.”

Representatives of two other organisations confirmed they also were involved with the IBSS as the letter described, but denied relationships with the official, who led the IBSS’s development, influenced their ability to win work.

A spokeswoman for PricewaterhouseCoopers indigenous Consulting said it had won IBSS-related work through a competitive bid process.