

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PROCUREMENT FRAMEWORK

DECEMBER 2024



CITY OF MELBOURNE

Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land we govern, the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples of the Kulin and pays respect to their Elders past and present. We acknowledge and honour the unbroken spiritual, cultural and political connection they have maintained to this unique place for more than 2000 generations.

We accept the invitation in the Uluru Statement from the Heart and are committed to walking together to build a better future.

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December 2024

Disclaimer

This ESG Framework is provided for informational purposes only and does not constitute legal, financial, or professional advice. While efforts have been made to ensure accuracy, no guarantees are given regarding its completeness or suitability. Users should seek independent advice tailored to their circumstances and are responsible for decisions made based on this document. The authors accept no liability for any outcomes resulting from its use. This document may be updated periodically; ensure you reference the most current version.

INTRODUCTION

City of Melbourne aims to use our procurement processes to drive environmental, social and governance (ESG) outcomes. We want our buying power to make a difference beyond the financial value of the goods and services we purchase. We want to contribute to a fair, inclusive, environmentally and socially sustainable community for all through our suppliers and supply chains.

Our procurement policy defines a set of best practice principles:

- value for money
- social and environmental sustainability
- open and fair competition
- accountability
- risk management
- probity and transparency
- local economic benefits.

This document focuses on ESG outcomes in the City of Melbourne's procurement process. It details how we guide staff to embed ESG outcomes in their decision-making when we buy goods and services. The framework is iterative: We regularly update it to ensure it remains current with our priorities and the expectations of our community.

Our ESG priorities are:

Environmental

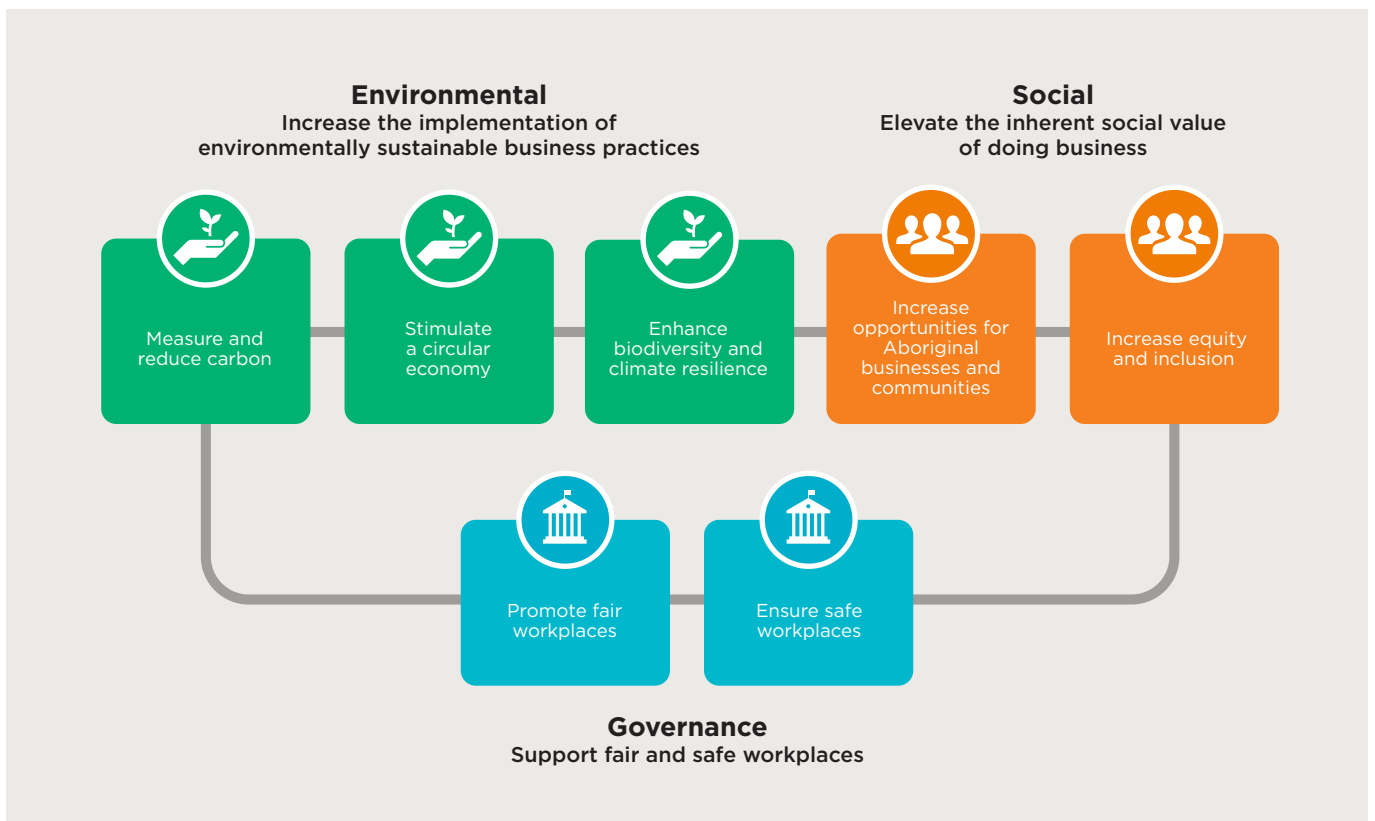
- Measure and reduce carbon
- Stimulate a circular economy
- Enhance biodiversity and climate resilience

Social

- Increase opportunities for Aboriginal businesses and communities
- Increase equity and inclusion

Governance

- Promote Fair workplaces
- Ensure Safe workplaces



What is the ESG Procurement Framework?

Our ESG Procurement Framework is a suite of guides and resources for City of Melbourne. It supports the strategic use of procurement to drive environmental, social and governance outcomes consistent with the United Nations Sustainable Development Goals.

It provides guidance for tenders and quotations. It helps make decisions throughout the contract lifecycle – on immediate value for money and strengthening longer-term social and environmental outcomes. It ensures we work with suppliers who comply with legislation and whose values align with ours.

The framework aligns City of Melbourne's procurement decisions with our ESG commitments, goals, targets and objectives by:

- Defining our key ESG priorities and objectives, as decided by the Council.
- Assisting purchasing decisions to ensure ESG outcomes through procurement is our business-as-usual.
- Ensuring the whole organisation consistently prioritises ESG outcomes through procurement.
- Encouraging buyers to think strategically about environmental and societal risks and opportunities and work more closely with suppliers.

Our ESG priorities

This framework contains seven priorities grouped under three areas: environmental, social and governance. To create a scalable approach and maximise value and outcomes, we don't expect all procurement to meet every priority or outcome. We aim for suppliers to identify and align with the most realistic and achievable priorities

Environmental

We aim to promote environmentally sustainable business practices by:

- Measuring and reducing carbon emissions in our supply chain.
- Stimulating a circular economy by collaborating with existing and new suppliers to improve environmental management and deliver long-term circular economy practices.
- Enhancing biodiversity and climate resilience by supporting healthy ecosystems and collaborating with organisations to address climate risks and build community resilience.

Social

We aim to elevate the inherent social value of doing business by:

- Increasing opportunities for Aboriginal businesses and communities to address inequality and strengthen their role in the Melbourne economy.
- Increasing equity and inclusion for marginalised communities.

Governance

We aim to work with suppliers whose business practices meet legislative requirements and whose principles align with ours by:

- Promoting fair workplaces, including gender equality, diversity, equal opportunities, and National Employment Standards.
- Ensuring suppliers support safe workplaces that comply with occupational health and safety, modern slavery and child-safe legislation.

ESG Specialist Working Group

We have developed a collaborative approach to ESG within procurement by forming a working group of subject matter experts throughout the City of Melbourne. This group has been instrumental in developing the guides and resources that make up this framework. Staff can contact them for support and guidance in applying specific priorities to achieve outcomes.

Alignment with the Sustainable Development Goals

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Achieving sustainable development is the most critical challenge facing our generation.

In 2015, the Australian Government and all United Nations member states committed to an overarching framework for global development. The framework set out 17 ambitious goals supported by targets and indicators designed to measure progress at a national level.

Although the targets and indicators are designed for national governments, two-thirds relate to cities. The goals can only be achieved with the support of city authorities. More than half the world's population lives in cities, and urban residents account for a disproportionate share of economic production, consumption, and associated waste. Our procurement policy and ESG framework directly support many of the goals.

ALIGNING ESG PRIORITIES TO SDG GOALS



MEASURE AND REDUCE CARBON

Goal 7 – Affordable and clean energy
Goal 8 – Decent work and economic growth
Goal 9 – Industry, innovation and infrastructure
Goal 11 – Sustainable cities and communities
Goal 13 – Climate action



STIMULATE CIRCULAR ECONOMY

Goal 9 – Industry, innovation and infrastructure
Goal 11 – Sustainable cities and communities
Goal 12 – Responsible consumption and production
Goal 13 – Climate action



ENHANCE BIODIVERSITY AND CLIMATE RESILIENCE

Goal 6 – Clean water and sanitation
Goal 7 – Affordable and clean energy
Goal 8 – Decent work and economic growth
Goal 9 – Industry, innovation and infrastructure
Goal 11 – Sustainable cities and communities
Goal 13 – Climate action
Goal 14 – Life below water
Goal 15 – Life on land



INCREASE ABORIGINAL OPPORTUNITIES

Goal 1 – No poverty
Goal 2 – Zero hunger
Goal 4 – Quality education
Goal 8 – Decent work and economic growth
Goal 10 – Reduce inequalities



INCREASE EQUITY AND INCLUSION

Goal 1 – No poverty
Goal 2 – Zero hunger
Goal 4 – Quality education
Goal 5 – Gender equality
Goal 8 – Decent work and economic growth
Goal 10 – Reduce inequalities



PROMOTE FAIR WORKPLACES

Goal 5 – Gender equity
Goal 8 – Decent work and economic growth
Goal 10 – Reduce inequalities
Goal 16 – Peace, justice and strong institutions



ENSURE SAFE WORKPLACES

Goal 5 – Gender equality
Goal 8 – Decent work and economic growth
Goal 16 – Peace, justice and strong institutions

OUR ESG PROCUREMENT PROCESS






The procurement process has five stages: planning, document development, evaluation, contract management, and reporting. We embed ESG outcomes at each stage.

Planning

Staff, with the help of the ESG Specialist Working Group and the procurement team, determine which priorities may be required for each procurement process.

Gender equity, occupational health and safety and employment standards are mandatory for each procurement. Similarly, where children are involved, or the sector is considered high risk for modern slavery – such as construction, textiles, cleaning and security services – these priorities must be included.

Depending on the size and nature of the contract, we may mandate one or more additional priorities. Staff determine the best way to achieve their goals by drawing on our guides to choose priorities and strategy options. Planning includes market analysis to identify potential suppliers, realistic priorities, and ESG outcomes that will contribute to the City of Melbourne’s goals.

PROCUREMENT STRATEGY OPTIONS	
	<p>Planning</p> <ul style="list-style-type: none"> • Set a minimum 10 per cent weighting for ESG. • Utilise the ESG specialist group for guidance and advice as required.
	<p>Targeted sourcing</p> <ul style="list-style-type: none"> • Where appropriate, direct sourcing to known social enterprises or Aboriginal businesses with demonstrated capacity and proven cost-effectiveness • Note: thresholds still apply and exemptions will be required.
	<p>Partnerships and subcontractors</p> <ul style="list-style-type: none"> • For large contracts, encourage larger organisations to partner with Aboriginal or social enterprises to deliver some of the requirements
	<p>Supplier management</p> <ul style="list-style-type: none"> • Use supplier relationship management processes to engage with suppliers to explore opportunities and sustainable considerations throughout the life of the contract
	<p>Bundle or unbundle</p> <ul style="list-style-type: none"> • Bundle smaller contracts to incentivise suppliers to deliver ESG outcomes options • Unbundle large contracts to enable smaller social organisations to apply

City of Melbourne’s procurement strategy options guide for staff

Document development

All City of Melbourne tender and request for quotation templates include detailed sections on ESG.

The working group's subject matter experts assist staff in developing documentation. We mandate a minimum weighting of 10 per cent for ESG, tailor evaluation criteria to ESG, and establish key performance indicators and measures for ESG outcomes. Our ESG specialists are available to guide staff in setting achievable indicators.

Evaluation

Staff must evaluate all procurements. An evaluation panel assesses each submission against a selection criterion and all members must complete conflict of interest declarations. We have developed tools to help staff evaluate and score submissions, ensuring we implement the mandatory 10 per cent weighting for ESG on all procurements. We provide guides for staff to guard against greenwashing and black cladding. Harmful industry declarations will also play a role in the evaluation and awarding of contracts, alongside other criteria relevant to procurement, including the consideration of ethical screening.



Harmful Industries

Our evaluation process prioritises reducing relationships with suppliers who engage with harmful industries – such as fossil fuels, deforestation, tobacco and related products, armaments, and gambling – ensuring that procurement decisions align with our ESG commitments, supporting a fair and inclusive community. More information on Harmful Industries can be found at melbourne.vic.gov.au

Greenwashing

Greenwashing is making false or exaggerated claims about a product or service's environmental friendliness to make it more appealing.

Evaluation panel members will look for:

- vague or misleading language
- unverified or irrelevant certifications
- lack of transparency about the company's practices.

City of Melbourne staff will conduct research and seek reliable sources to verify any eco-friendly claims.

Black cladding

Black cladding is the act of a non-Aboriginal business taking unfair advantage of an Aboriginal business to gain access to otherwise inaccessible Aboriginal procurement policies or contracts.

Evaluation panel members will look for:

- no Aboriginal people in senior management
- decision-making made by the non-Aboriginal part of the business
- services are not provided by Aboriginal people.

City of Melbourne staff will conduct research and seek reliable sources to verify any claims.

Contract management

ESG outcomes are part of our contract and supplier management frameworks. We review ESG key performance indicators and measures alongside other indicators. Our contract management guides assist staff in managing contracts to ensure ESG outcomes.

MANAGING ESG WITHIN A CONTRACT	
	<p>Reporting</p> <ul style="list-style-type: none"> • Report on ESG initiatives and outcomes related to contract delivery • Prepare quarterly or annual organisational social or environmental reports • Share your achievements.
	<p>KPIs and targets</p> <ul style="list-style-type: none"> • Agree KPIs and measure directly based on supplier submissions • Agree stretch targets • Review and refresh at regular intervals
	<p>Site visits</p> <ul style="list-style-type: none"> • Contract managers will conduct regular site visits to monitor supplier performance and assess agreed ESG outcomes.
	<p>Meetings</p> <ul style="list-style-type: none"> • Regular meetings will be scheduled to review achievement against targets • Where appropriate, separate ESG meetings will be held for larger contracts which may include ESG Specialists.
	<p>Supplier Relationship Management</p> <ul style="list-style-type: none"> • Use Supplier Relationship Management (SRM) tools and techniques • Create strong relationships with suppliers to support ESG outcomes.

City of Melbourne's guide to managing ESG outcomes within a contract

Reporting

Staff must report on the ESG outcomes of each contract. We celebrate success with our achievements reporting. Our reporting is regularly provided to the executive leadership team and the Council.





ESG PROCUREMENT PRIORITIES



Environmental

Increase the implementation of environmentally sustainable business practices

Under the *Local Government Act 2020*, public institutions must manage the long-term impacts of climate change on people, assets and infrastructure, and business operations. Our supply chain has a significant material impact on our sustainability performance.

We have committed to sustainability in many plans and strategies, including:

- Future Melbourne 2026 Plan
- Climate Change Mitigation Strategy
- Climate Change Adaptation Strategy
- Waste and Resource Recovery Strategy 2030
- Transport Strategy 2030
- Nature in the City Strategy
- Urban Forest Strategy
- our climate and biodiversity emergency declaration.

Measure and reduce carbon

City of Melbourne is dedicated to reducing carbon emissions across our operations and within the community. We are implementing innovative strategies to transition to renewable energy sources, enhance public transport, and promote energy efficiency. We aim to achieve net-zero emissions by 2040, aligning with global climate action targets.

City of Melbourne is a certified carbon-neutral organisation with the goal of achieving net zero emissions by 2040. As part of its carbon-neutral certification requirements, the City of Melbourne also manages an [Emissions Reduction Plan](#) that guides us in reducing emissions from all business

activities, including procurement.

We committed to reducing carbon emissions from our facilities and services with eight action priorities:

- host carbon-neutral events
- transition to zero-carbon buildings
- measure and minimise embodied carbon in design and construction
- purchase carbon-neutral goods and services
- use zero-carbon corporate transport
- move towards zero waste from City of Melbourne operations
- work with subsidiaries to reduce their emissions
- tell the City of Melbourne's climate change story.

Considerations and outcomes

We reduce carbon emissions in our supply chain by:

- Encouraging suppliers to reduce and offset carbon emissions, reduce pollution and minimise waste sent to landfill.
- asking suppliers to improve and pursue energy efficiency and purchase renewable energy.
- Encouraging suppliers to avoid the use of fossil fuels in the delivery of products or services to City of Melbourne where practicable, including by using electric vehicles and sustainable transport.
- Leveraging our purchasing power to ensure suppliers report emissions and environmental impact and voluntarily offset their emissions.
- Identifying opportunities to reduce embodied emissions in capital works, upgrades and maintenance works.

What we do

Reduce carbon emissions

We use contract provisions to require suppliers to provide emissions data via our standard-format reporting process. Where emissions from subcontractors are also material (big enough for the City of Melbourne to measure), suppliers must report them on behalf of subcontractors.

Reduce fossil fuel use

Wherever practical, and as a first principle, all new vehicle purchases or leases must be electric. We ensure contracts include specific measures to require the purchase of electric vehicles and the accurate reporting of any transport fuels. We work with suppliers to improve how they report on transport fuels from subcontractors.

Support staff with procurement

Our ESG Specialist Working Group has subject matter experts who:

- Help staff identify whether the contract or service is material in terms of carbon.
- Provide staff with emissions reporting information.
- Discuss carbon offsetting with staff or suppliers.
- Help to draft contract terms regarding emissions reporting or anything carbon-related.

Stimulate a circular economy

To promote sustainability, we are committed to stimulating a circular economy that minimises waste and maximises resource efficiency. This includes supporting local businesses in adopting circular practices, promoting recycling programs, and enhancing infrastructure for waste reduction. We aim to create a resilient economy that values sustainability.

One target in the [City of Melbourne's Waste and Resource Recovery Strategy 2030](#) is to support circular economy growth through procurement. We challenge suppliers to enhance environmental management and contribute to our key target of 90 per cent of waste diverted from landfill.

Considerations and outcomes

We aim to stimulate the transition to a circular economy by reducing or eliminating waste and minimising the use of resources, water and energy. We challenge new and existing suppliers to improve environmental management and collaborate on delivering long-term circular economy practices by:

- Minimising the use of resources throughout the supply chain.
- Selecting products and services that have a minimal effect on the depletion of natural resources or that regenerate natural resources.
- Reducing waste to landfill through the supply chain and increasing the use of materials that contain re-claimed resources.
- Encouraging suppliers throughout the chain to be transparent about their materials, metrics, practices and progress on circular solutions.
- Managing products and packaging across the entire lifecycle, from selecting materials and design to funding and managing product stewardship at the end of the product's life.

What we do

Start small

The transition to a circular economy requires systemic change. Challenging existing methodologies and principles takes work, so we encourage staff to start small, tackling one target or area at a time and documenting their process with key metrics so others can learn from it.

Find champions

Given the scale of change required, we encourage staff to find champions in the organisation to fight for better solutions, whether they are the subject matter experts involved in this framework or other employees.

Challenge ourselves

We recognise that our projects need to be conceived with sustainability in mind. Design teams must employ circular design strategies, procurement and project management must select sustainable solutions, and asset and waste management must consider product and service lifecycles.

Challenge our suppliers

We encourage staff to include circular procurement in the scope of service, such as:

- Require suppliers to use recycled content whenever possible when manufacturing goods or undertaking a service.
- Consider how goods will be disposed, and minimise waste sent to landfill.
- Assess the scope for avoiding excess carbon emissions, energy, water or resources, particularly through the use of virgin rather than recycled material.
- Select sustainable products and employ circular design strategies.
- Consider packaging, the degree of recycled content and recyclability after use.
- Seek options to extend the product's longevity via reuse, repair, upgrade or modification.
- Recycling or repurposing materials at the end of their lifespan.
- Establishing partnerships that promote circular economy outcomes.



Reduce resource use

We encourage staff to think of ways to make existing products and projects more efficient, such as reducing energy consumption, using fewer materials in construction, and making materials easier to recover for reuse. We aim to collaborate with designers and suppliers on new projects to adjust the brief to achieve the same goal with fewer resources. For example, the brief can specify functional rather than technical requirements, allowing suppliers to find the most efficient solution.

Reduce waste

For existing projects, we encourage staff to adopt 'material passports' or otherwise flag materials for reuse, remanufacture or recycling where appropriate. New projects can use these materials when they become available rather than sending them to landfill. Staff can find ways to reduce resource use, increase the amount of reused and recycled materials procured, and define how the materials should be disposed of when broken or otherwise no longer usable.

Increase the use of recycled materials

We stimulate sustainable business practices by favouring circular business models, recycled or recyclable content and responsible decommissioning. We want to create a low-risk environment for pioneers to experiment.

ReSOLVE framework

Where staff work on more generic projects, we recommend they consider the ReSOLVE framework:

- **Regenerate** – focus on projects and solutions that use renewable energy and materials.
- **Share** – find ways to increase the lifespan of products by sharing, reusing and prolonging their life before they are turned to scrap.
- **Optimise** – reduce resource use, increase efficiency and think of ways to leverage our information as an organisation to optimise our resources.
- **Loop** – keep materials in use, remanufacture old products to create something new, recycle materials and keep products away from landfill.
- **Virtualise** – find opportunities where it is appropriate to transition to digital services or amenities.
- **Exchange** – identify elements unfit for a circular economy and replace them with modern alternatives that can function in a better future.

Enhance biodiversity and climate resilience

We acknowledge the importance of enhancing the city's biodiversity and resilience to climate change. City of Melbourne is committed to supporting diverse, resilient, and healthy ecosystems that improve the environment and wellbeing of our community. We have declared a climate and biodiversity emergency and aim to work with

organisations that are aware of their climate risks and the required approaches to building community resilience.

The City of Melbourne challenges suppliers to recognise their products' and operations' biodiversity impacts and climate resilience as part of our [Climate Change Adaptation Strategy](#) and [Nature in the City Strategy](#).

Considerations and outcomes

We aim to challenge new and existing suppliers to:

- Increase the city's passive cooling efficiency – for example, by improving tree canopy cover.
- Implement innovative, nature-based solutions – for example, by using green infrastructure and water sensitive urban design.
- Protect and enhance the natural environment.
- Protect waterways by incorporating drainage, water storage and increased permeability into building retrofit designs.
- Connect people with nature.
- Consider supply chain impacts on biodiversity and change or demonstrate practices to reduce their biodiversity footprint.

What we do

Increase passive cooling

We encourage passive cooling design elements – such as trees and vegetation – that aim to create cool public spaces, travel routes and improved thermal comfort.

Increase permeability

We encourage permeable design solutions that reduce stormwater run-off by permitting rainwater to be absorbed into the soil. Passive irrigation and stormwater harvesting will also reduce the severity of flooding in heavy rainfall events.

Protect and enhance the natural environment and encourage new green spaces

We promote green infrastructure – such as trees, rain gardens, and green roofs and facades – which provides passive cooling, creates habitat for biodiversity, and reduces runoff during extreme rainfall. Green spaces also allow opportunities for recreation and connecting with nature.

We seek to protect and enhance existing habitats in the city – for example, remnant vegetation, parks, residential gardens and waterways – and improve the connection between these areas.

When designing green spaces to promote biodiversity, we encourage planting indigenous or native species where possible and integrating structurally complex vegetation, including understory habitat.

Reduce biodiversity footprint

We encourage efforts to mitigate supply chain impacts on biodiversity. Suppliers should detail the biodiversity impacts of their products and operations and procedures to reduce those impacts or comply with any biodiversity certification or standards.

Biodiversity footprint reduction efforts include:

- Cleaning – we choose cleaning services that use green, non-toxic concentrated formulas in recyclable or reusable packaging.
- Waste – we recycle construction and demolition waste, reduce domestic general waste collection to encourage organic waste disposal and minimise waste sent to landfill.
- Catering – we set our default catering options to vegetarian.
- Infrastructure – we examine where our sand and aggregate come from, seek to use them efficiently, and, where possible, substitute them with secondary materials.
- Water – we reduce water use, recycle water where possible and protect and improve water quality through conservation and reforestation.
- Office supplies – we prioritise certified, recycled, reusable and biodegradable alternatives and provide separated waste facilities in offices.
- Reducing local climate impacts – we implement permeable, green and heat-resilient infrastructure to reduce flooding and heat impacts.





Social

Elevate the inherent social value of doing business

Our municipality's diversity is one of its greatest assets. We are proud of Melbourne's diverse communities and recognise that we are all better off when everyone contributes and thrives. Everyone should benefit from participating in our city's social, economic, cultural, physical, and political life.

We aim to use our buying power to generate social impact above and beyond the financial value of the goods and services we purchase. We incentivise suppliers – and their supply chains – to adopt and maintain fair, inclusive and sustainable business practices. We want to create a more sustainable and equitable society that builds prosperity for all.

Under our social pillar, we prioritise inclusion for Aboriginal people, businesses, and people experiencing social or economic exclusion or disadvantage.

City of Melbourne recognises the critical importance of using fairer, more inclusive, and more accessible procurement practices for small, socially diverse, and Aboriginal businesses. By doing so, we envision a more competitive marketplace in which these organisations can build capacity and employment opportunities while having a positive and sustainable impact on their communities and the environment.

In our Inclusive Melbourne Strategy and aligned strategies focusing on specific parts of the community, we set out our ambition for economic growth and investment that ensures no one is left behind. Inclusive Melbourne sets three overarching priorities: an organisation, services, programs and places for all; a sustainable and fair recovery from COVID-19; and empowered, participatory communities.

We have also adopted several aligned strategies and action plans that guide our social procurement:

- Stretch [Reconciliation Action Plan 2024 – 2027](#)
- [Inclusive Melbourne Action Plan 2024-26](#)

Increase opportunities for Aboriginal businesses and communities

We recognise the significance of Aboriginal culture and knowledge in shaping our community. City of Melbourne actively engages with Aboriginal businesses and communities, ensuring their voices are heard in decision-making processes. We promote procurement practices prioritising Aboriginal-owned enterprises, fostering economic empowerment and cultural heritage.

City of Melbourne's Stretch Reconciliation Action Plan 2024 – 2027 aims to support the economic growth of local Aboriginal communities through our procurement processes. Engaging with local Aboriginal businesses can enhance their economic and social capacity while enriching our services and fostering cultural knowledge within our organisation.

What defines an Aboriginal business?

Aboriginal businesses must be at least 50 per cent Aboriginal-owned. As discussed earlier, we are aware of black cladding, in which non-Aboriginal companies or individuals take unfair advantage of Aboriginal businesses or individuals to secure otherwise inaccessible procurement contracts.

Considerations and outcomes

We partner with Aboriginal businesses and people to strengthen and build economic growth in local Aboriginal communities by:

- Recognising the value that Aboriginal businesses bring to the City of Melbourne.
- Training all employees in cultural awareness.
- Increasing procurement from Melbourne and Victorian-based Aboriginal businesses, in particular, those registered with Kinaway and Supply Nation.
- Growing employment for Aboriginal people by suppliers building capacity and skills within organisations that have appropriate support systems.
- Undertaking community engagement activities that support Aboriginal people.
- Establishing partnerships with Aboriginal organisations.
- Monitoring the success, growth and satisfaction of the City of Melbourne and Aboriginal suppliers via appropriate qualitative and quantitative reporting.

What we do

Increase procurement from Melbourne-based Aboriginal businesses

Kinaway and Supply Nation are membership-based entities that support and build Aboriginal business capacity and growth. Supply Nation has a national membership base, while Kinaway services Victorian Aboriginal businesses, many of whom are sole traders. We are members of both organisations and work with them to improve our knowledge of Aboriginal suppliers within the municipality and to share procurement opportunities with their members. We advertise tendered contracts directly on the Supply Nation portal.

Increase employment of local Aboriginal people by suppliers when appropriate

We strongly support and encourage their recruitment of local Aboriginal people by non-Aboriginal suppliers, where they demonstrate they have developed and implemented a robust Aboriginal employment plan and provide a culturally safe environment for Aboriginal staff.

Increase subcontracting of Aboriginal businesses

Many Aboriginal businesses, particularly small to medium-sized enterprises, offer cost-effective products and services as subcontractors. We encourage large or established suppliers to seek out suitable Aboriginal subcontractors. Being part of these contracts builds the experience and capacity of Aboriginal suppliers, improving their ability to seek larger-scale procurement contracts and opportunities.

Increase equity and inclusion

Inclusion is fundamental to a thriving community. We are committed to creating an equitable environment where all voices are valued. This includes initiatives aimed at enhancing accessibility, promoting diversity in leadership, and ensuring that marginalised groups can participate in civic life.

The Inclusive Melbourne Strategy aims to integrate social value into our contracts by supporting individuals facing social or economic exclusion, including people with disabilities, youth, the aging population, multicultural communities, LGBTIQ+ communities, women, trans and gender diverse individuals, and those experiencing homelessness. These groups often face significant barriers to employment, financial hardship, and housing instability.

Considerations and outcomes

We aim to increase opportunities for people experiencing social and economic exclusion and disadvantage by increasing our procurement from social enterprises, not-for-profits, and registered charities with social inclusion missions. Social enterprises trade to tackle social problems, improve communities, provide access to employment and training, or help the environment. Social Traders certifies social enterprises and ensures they adhere to impact standards that are aligned with our objectives.

Through our large contracts and tenders, we also facilitate the creation of new jobs and opportunities for people who need help finding work. For example, a large construction firm may set a meaningful target for diverse employment and suitably support the employees it recruits to meet this target. We manage this kind of social procurement on a case-by-case basis. It will likely involve our staff confirming the terms of such arrangements.

We want to work with various organisations that support people throughout the community, including:

- people with disability
- young people
- ageing population
- multicultural, refugee and migrant communities
- women
- LGBTIQ+ communities
- people experiencing or vulnerable to homelessness
- social enterprises, small businesses and sole traders.

What we do

Increase procurement from social enterprises and mission-aligned not-for-profits and registered charities

We encourage staff to increase procurement from social enterprises, not-for-profits and registered charities with missions that support employment for those experiencing social and economic exclusion. We work with Social Traders to help staff find appropriate suppliers for specific purposes.

Increase employment opportunities for those experiencing economic exclusion

We encourage procurement from businesses willing to provide employment opportunities and education for those experiencing social and economic exclusion.

Specifically, we encourage:

- Creating new jobs and sub-contractor opportunities for people who may be struggling to find work or facing social or economic exclusion.
- Increasing purchasing from sole traders, small businesses, social enterprises and B corporations.
- Improvements to buildings and software to meet accessibility standards.
- Inclusion and equality training programs for employees.
- Community engagement activities that support equity and inclusion.
- Increasing employment and skills through training, internships and apprenticeships.
- Tying mentoring with education through TAFE and university.
- Partnerships with social enterprises, not-for-profit or registered charities with a social inclusion mission.

Where appropriate and feasible, we support this outcome by setting employment targets in tenders and contracts. We do so carefully to ensure employers are well-equipped to help employees from various backgrounds and needs. For example, employees must feel culturally safe and have any accommodation needs met.



Governance

Support safe and fair workplaces

Safe and fair workplaces are essential for our workforce and our community. A person's health and wellbeing comprise everything that helps them lead a happy, fulfilled and meaningful life – including a sense of belonging, acceptance by others and the ability to express themselves.

We are committed to treating all people with dignity and respect and providing a work environment free from unlawful discrimination, harassment, sexual harassment, victimisation and racial or religious vilification. Further, we are committed to taking positive action to ensure fair treatment of all employees, volunteers and contractors, service providers, and those we procure products and services from, consistent with our organisational values and obligations under the *Equal Opportunity Act 2010* and the *Gender Equality Act 2020*.

Promote Fair Workplaces

City of Melbourne is committed to treating all people with dignity and respect and providing a work environment that is free from unlawful discrimination, harassment, sexual harassment and victimisation, and racial or religious vilification—ensuring that our supply markets remain diverse and vibrant.

Considerations and outcomes

We challenge new and existing suppliers on:

- Gender equality – suppliers must consider and promote gender equity in their services and products, in line with our obligations under the Gender Equality Act.
- Equal opportunity – suppliers must commit to fair treatment of all employees and align with our values.
- National Employment Standards – suppliers must adhere to workplace relations standards such as long service leave and workers' compensation.

What we do

Gender equality

City of Melbourne believes that everyone, regardless of gender identity, should have equal access to power, resources and opportunities and be treated with dignity, respect and fairness.

Under the Gender Equality Act, we must take positive action towards workplace gender equality and promote gender equality in our policies, programs and services. We are committed to delivering on the requirements under the Act by embedding gender equality in our work. The objectives of this Act are to:

- Promote, encourage and facilitate gender equality and improvement in the status of women.

- Support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities.
- Recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience based on cultural background, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes.
- Redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change.
- Enhance economic and social participation by persons of different genders.
- Further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

Women's safety and empowerment

City of Melbourne is well-placed to take an active role in preventing violence against women because we create public environments, develop community facilities, and provide health and community services. We can drive and embed positive cultural change and influence appropriate attitudes and behaviours towards women. We can demonstrate leadership by resourcing and coordinating strategies with partners, including suppliers. We can:

- Protect women's and children's rights to safety.
- Continue to make public our commitment to contribute to the prevention of violence against women.
- Display commitment and leadership.
- Empower female staff to make changes in their lives and society.
- Encourage male staff to act as allies and take action to prevent violence against women.
- Support staff affected by family violence.
- Focus on primary prevention and early intervention approaches.
- Coordinate, collaborate and partner with others to bring about change.
- Implement policies and procedures to promote gender equity to prevent violence against women.

Equal opportunity

We commit to making Melbourne a place where all cultures, backgrounds, genders, sexualities and abilities are welcomed, celebrated, and protected. We use suppliers with a diverse workforce who promote equal opportunity and comply with legislation.

National Employment Standards

We expect our suppliers to uphold labour standards and treat workers with respect. The International Labour Organisation promotes core standards relating to the elimination of all forms of forced or compulsory labour, the abolition of child labour, freedom of association and recognition of the right to collective bargaining, the elimination of any discrimination in employment and occupation, and the recognition of equal remuneration for work of equal value. The standards aim to promote opportunities for people to obtain decent and productive work in conditions of freedom, equity, security, and dignity.

The City of Melbourne's working conditions are established through the National Employment Standards and our enterprise agreement. We develop policies and procedures to support good governance and ensure employees understand our principles, rules, and guidelines.

Ensure Safe Workplaces

Considerations and outcomes

The City of Melbourne is committed to a safe and inclusive workplace for our employees and ensuring our suppliers meet the same high standards. As part of our ESG commitment, we prioritise health and safety through comprehensive protocols, mental health resources, and open communication. We also collaborate with suppliers to uphold strict safety practices and ethical standards, creating a resilient network that protects our workforce and contributes to a safer, more sustainable community for all.

We expect staff to challenge new and existing suppliers to the following standards:

- Occupational health and safety – suppliers must identify, assess, and manage issues before we enter procurement arrangements.
- Child safety – we embed Victoria's Child Safe Standards and Reportable Conduct Scheme within relevant contracts. Both the supplier and the City of Melbourne must meet legislative child safety requirements under the *Child Wellbeing and Safety Act 2005*. Suppliers must demonstrate a strong commitment to keeping children safe from abuse and harm.
- Modern slavery – suppliers must take reasonable action to prevent modern slavery in all its forms and protect and respect all human rights.

What we do

Occupational health and safety

We are committed to providing a safe and healthy workplace and environment for our staff, suppliers, contractors, volunteers, and visitors. We also aspire to provide safety leadership to the community and the local government sector. We meet our legal obligations under the *Occupational Health and Safety Act 2004* and Occupational Health and Safety Regulations 2017 and exceed them wherever possible.

City of Melbourne ensures our work areas and community spaces are safe. We also believe occupational health and safety are shared responsibilities. As such, we expect our suppliers to treat safety as their highest priority.

Child safety

As an applicable entity under the Child Wellbeing and Safety Act, we are legislatively required to comply with the Child Safe Standards and the Reportable Conduct Scheme. A child refers to a person under the age of 18.

City of Melbourne is committed to being a child-safe organisation and has zero tolerance for child abuse. We recognise our legal and moral responsibilities to protect children from abuse and harm and promote their best interests.

We expect staff, volunteers, and contractors to observe child-safety principles and behave appropriately toward and in the company of children. In partnership with community organisations, businesses, and all levels of government, we aim to create environments where all children are listened to, their views are respected, and they contribute to how we plan, design, and develop our services and activities.

Modern slavery

As part of our procurement process, we aim to ensure that modern slavery does not occur in any part of our supplier's business or supply chain. We aim to work with suppliers who:

- Are proactive in examining their supply chains to determine whether modern slavery is evident, from the acquisition of raw materials through to the shipment of products.
- Have processes to identify and mitigate risks in the production of goods or services.
- Produce the contracted goods or services under conditions that are compatible with the City of Melbourne's standards.
- Provide evidence of self-assessment of compliance, including how they and their key third parties comply with minimum social standards.

How to contact us

Online:

melbourne.vic.gov.au

In person:

Melbourne Town Hall - Administration Building
120 Swanston Street, Melbourne
Business hours, Monday to Friday
(Public holidays excluded)

Telephone:

03 9658 9658

Business hours, Monday to Friday

8.30am to 5pm

(Public holidays excluded)

Fax:

03 9654 4854

In writing:

City of Melbourne
GPO Box 1603
Melbourne VIC 3001
Australia



Interpreter services

We cater for people of all backgrounds
Please call 03 9280 0726

03 9280 0717 廣東話
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National Relay Service:

If you are deaf, hearing impaired or speech-impaired,
call us via the National Relay Service: Teletypewriter (TTY)
users phone 1300 555 727 then ask for 03 9658 9658
9am to 5pm, Monday to Friday (Public holidays excluded)

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CITY OF MELBOURNE