Foreword

Hon Ben S WYATT LLB MSc MLA

I am proud to introduce the Aboriginal Procurement Policy that implements one of WA Labor’s election commitments. The Aboriginal Procurement Policy sets mandatory targets for contracting with Aboriginal businesses and seeks to drive change in government procurement practice.

The State Government is a major employer, capital investor, asset manager and purchaser of goods and services in Western Australia and can leverage these roles to provide opportunities for contracting with Aboriginal businesses.

The Aboriginal Procurement Policy includes progressive targets for contracting with Aboriginal businesses and aims to achieve three per cent of contracts awarded to these businesses in 2021. These targets will compel State Government agencies to prioritise Aboriginal businesses when procuring goods, services, community services and works. Reporting on the achievement of these targets will be undertaken to monitor compliance.

The benefits of contracting with Aboriginal businesses can extend beyond the successful delivery of contracts by also improving the economic prosperity of not only the Aboriginal people involved but also the broader Aboriginal community. Contracting with Aboriginal businesses is also expected to provide new employment opportunities for Aboriginal people throughout the state.

The Aboriginal Procurement Policy will support the economic participation of Aboriginal people and presents exciting opportunities for those in business, or seeking to establish a business and we look forward to the entrepreneurial growth of this sector.

Hon Ben S WYATT LLB MSc MLA
Treasurer; Minister for Finance; Energy; Aboriginal Affairs
December 2017
Purpose

The Aboriginal Procurement Policy (the Policy) sets targets for the number of government contracts awarded to registered Aboriginal businesses and seeks to develop entrepreneurship and business opportunities for the Aboriginal community.

Commencement

The Policy is applicable to contracts awarded from 1 July 2018.

The Policy will be reviewed following the monitoring of first year targets.

Policy Details

The Policy applies to each state government agency. Agency means the following:

- An agency as defined in the Financial Management Act 2006, section 3 other than a university listed in Schedule 1 to that Act.

Agencies are required to award three per cent of the number of government contracts to registered Aboriginal businesses by end of June 2021. The targets apply to all contracts for goods, services, community services and works. With respect to works contracts awarded by the Minister for Works, the responsible Agency is the agency that provides the majority of the funding.

Targets will apply to each financial year as per the table below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Targets</th>
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<tr>
<td>2018-2019</td>
<td>One (1) per cent of the number of awarded contracts</td>
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<tr>
<td>2019-2020</td>
<td>Two (2) per cent of the number of awarded contracts</td>
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<tr>
<td>2020-2021*</td>
<td>Three (3) per cent of the number of awarded contracts</td>
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* It is envisaged that from 2020 the three per cent target will remain constant for future years.

The targets will be measured on contracts awarded in each financial year. If the term of a contract extends beyond that financial year, the contract will not be included in the following years.

1 An Aboriginal business must be registered on a suitable directory, as determined by the Department of Finance, to meet the requirements of this Policy.
Contracts Awarded to Registered Aboriginal Businesses

The following contracting arrangements, when published on Tenders WA, will be considered when measuring compliance with the targets:

- Contracts with a registered Aboriginal business where the value is $50,000\(^2\) or above.
- Collaborative arrangements, such as joint ventures, that include a registered Aboriginal business\(^3\).
- Panel arrangements that include a registered Aboriginal business.

Reporting

Where the awarded contract value is $50,000 or above, an agency must publish the contract details on Tenders WA after the successful bidder has been notified.

An agency may provide a supplementary report to the Department of Finance for information purposes that captures contracts awarded to registered Aboriginal businesses that are valued at less than $50,000. This contracting information may inform future versions of the Policy.

Other Relevant Policies

An agency must ensure that contracts comply with existing legislation, policies, and internal obligations when implementing the Policy.

Specifically, public authorities (within the meaning of the State Supply Commission Act 1991) must comply with the State Supply Commission (SSC) procurement policies where applicable.

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\(^2\) All contract values articulated in this document are based on the total estimated value, including any extension options, and are inclusive of GST.

\(^3\) Information on collaborative arrangements and joint ventures is provided in the Aboriginal Procurement Policy Implementation Guide.
Accountability

The Department of Finance is responsible for:

- administering the Policy and guidelines;
- providing advice to agencies in implementing the Policy and achieving targets;
- providing advice to the Aboriginal business sector on working with government;
- monitoring the achievement of targets; and
- reporting the achievement of targets to the Minister; and
- reporting the achievement of targets on the Department of Finance website annually.

An agency is responsible for:

- compliance with the Policy; and
- compliance with reporting contracts with registered Aboriginal businesses on Tenders WA.

Policy Support


The Department of Finance Social Procurement Initiatives Team is also able to provide information and advice: 6551 2475 / spi@finance.wa.gov.au.
The State Government is excited by the opportunity for new working relationships with the Aboriginal business sector that this policy presents.