

Email Submission from: Department of Finance

Date: 27 February 2020

Good afternoon

On behalf of Ms Jodi Cant, Director General, thank you for the opportunity to provide feedback on the Western Australian Government's Aboriginal Empowerment Strategy (the Strategy). The Department of Finance's (Finance) overall view is that the Strategy comes across as well-considered and sincere.

Finance has had a long-standing Aboriginal business and employment tendering price preference for works procurement, which provides a notional reduction in tender price, for evaluation purposes only, for Aboriginal businesses and tenderers subcontracting to or employing Aboriginal businesses or people.

Over the last few years, Finance has increased its efforts to encourage the participation of Aboriginal businesses in delivering government works contracts and increase opportunities for Aboriginal businesses to bid, through direct approaches to Aboriginal businesses, invitations to tender, regional and Aboriginal business engagement plans and careful management of prequalification requirements for Aboriginal businesses.

The Government's introduction of the Aboriginal Procurement policy was a strong impetus to either initiate or renew focus on these measures. There are strong synergies between the discussion paper and the objectives of the Aboriginal Procurement Policy.

While progress has been made – as evidenced, for example, in works procurement meeting, or exceeding, the procurement targets set in the policy – there are clearly further opportunities for procurement to achieve more in supporting the economic and social advancement of the State's Aboriginal people.

As an example, building upon the success of the Aboriginal Procurement policy, Finance expects there are more opportunities for agencies to apply similar approaches below the \$50,000 threshold where small remote businesses are more likely to win work.

There are also opportunities for Service WA to improve services in remote communities through the one-stop-shop approaches and service consolidation. The example in New South Wales demonstrates some of the benefits that can be achieved through this type of approach.

With regard to the specifics outlined in the proposed Aboriginal Empowerment Strategy, the Department's activities could have the most impact against the following strategic elements:

1. Putting culture at the centre

Finance implements the Percent for Art scheme in its capital works projects. The program includes examples of Aboriginal artists being commissioned to produce work on sites that connect users of the building or asset with the local culture – Honeywood Primary School and Katanning Health Service being recent examples. This is a relatively small but significant step towards making Aboriginal people who engage with the buildings and the services within them feel a sense of belonging. The Department could certainly consider ways to increase its use of this program as a tool to support Aboriginal culture.

As noted in the response to (2) below, involving Aboriginal stakeholders in project development and delivery will also contribute to creating more culturally relevant environments.

Finance currently has a contract for Ngaanyatjarra Services to deliver breakdown repairs and routine maintenance to the Ngaanyatjarra community. This contract has been considered a success story, as the community sees services being delivered to it by a business from within that community.

2. Bringing decisions closer to communities through empowered engagement and agreement-making

Finance's works function is responsible for managing works procurement and contracting for client agencies. As a general rule, it expects those agencies will involve relevant stakeholders in the development and design of works projects to foster ownership and to ensure the outcome meets the needs of the end users. Finance's view is that agencies could be more strongly encouraged to consider Aboriginal community involvement in project design, development and delivery. Finance could also work more closely with client agencies to ensure this happens.

5. Boosting economic opportunities across all areas of Government activity

As noted above, Finance has introduced measures through its works procurement function to maximise opportunities for Aboriginal businesses, to encourage procurement officers to first consider Aboriginal businesses in contract delivery, and to encourage head contractors to consider Aboriginal businesses for joint venture, subcontracting or supply arrangements.

Finance chairs the Works Agency Council, whose members comprise senior representatives from the six major works agencies and Government Trading Enterprises. Members have previously shared information on initiatives to support Aboriginal businesses and discussed what more could be done. Two key points arose from this discussion:

- the importance of agencies' Aboriginal liaison officers in enabling connections between procurers and contractors, and for providing cultural advice and support; and
- the need to ensure ongoing programs of work for Aboriginal businesses and communities, which could be achieved through coordinated approaches to infrastructure planning and projects.

While the Finance's works procurement function has experienced some successes with the engagement of Aboriginal businesses, progress is slow due to the need for cultural change and the difficulty of accessing information about the capability and capacity of Aboriginal businesses. Work is being done to address these shortcomings:

- Finance has created a new regional and Aboriginal business liaison position that will, among other things, lead the breaking down of internal preconceived ideas about the capability of Aboriginal people and businesses; and
- Finance is establishing a register of Aboriginal businesses interested in participating in construction work undertaken by Finance, which will make it easier for departmental staff to identify suitable suppliers.

Other Feedback on Elements of the Strategy Not Directly Related to Finance's Role

The desire to shift investment and focus toward early intervention and away from punitive after-the-fact remedies is a sound and welcome approach. However, it may be worth reconsidering some of the language in relation to the "demand" for downstream "services" where measures for Children in Care and Adult Prison Population are used (pages 18-19).

Another practical step could be to quarantine positions on graduate programs for Aboriginal graduates in agencies which have a mission relevant to the tertiary courses being undertaken by the graduates. Finance would support this approach and has managed to attract Aboriginal graduates as part of its own program. Alternatively, this could be done at a whole-of-government level with the potential consolidation of a single graduate program under the Public Sector Commission.

Finally, and as a general observation, there would appear to be a crossover between the objectives of the Aboriginal Empowerment Strategy and those of the Buy Local Policy and the Western Australian Industry Participation Strategy, both administered by the Department of Jobs, Tourism, Science and Innovation (DJTSI). While DJTSI will no doubt note this in its response, Finance would like to note the potential for these measures to be harnessed in implementation of the strategy.

Whichever policies and initiatives eventuate, it will be important for metrics to be designed at the planning stages, so baseline measures can be recorded and to ensure mechanisms exist for gathering data that will effectively gauge success. Too often policies are developed without these considerations. It would be good to get early indications of what metrics are being considered and what data might be used to report on those metrics, to evaluate how best Finance could assist and contribute.

Kind Regards

Executive Officer to the Director General