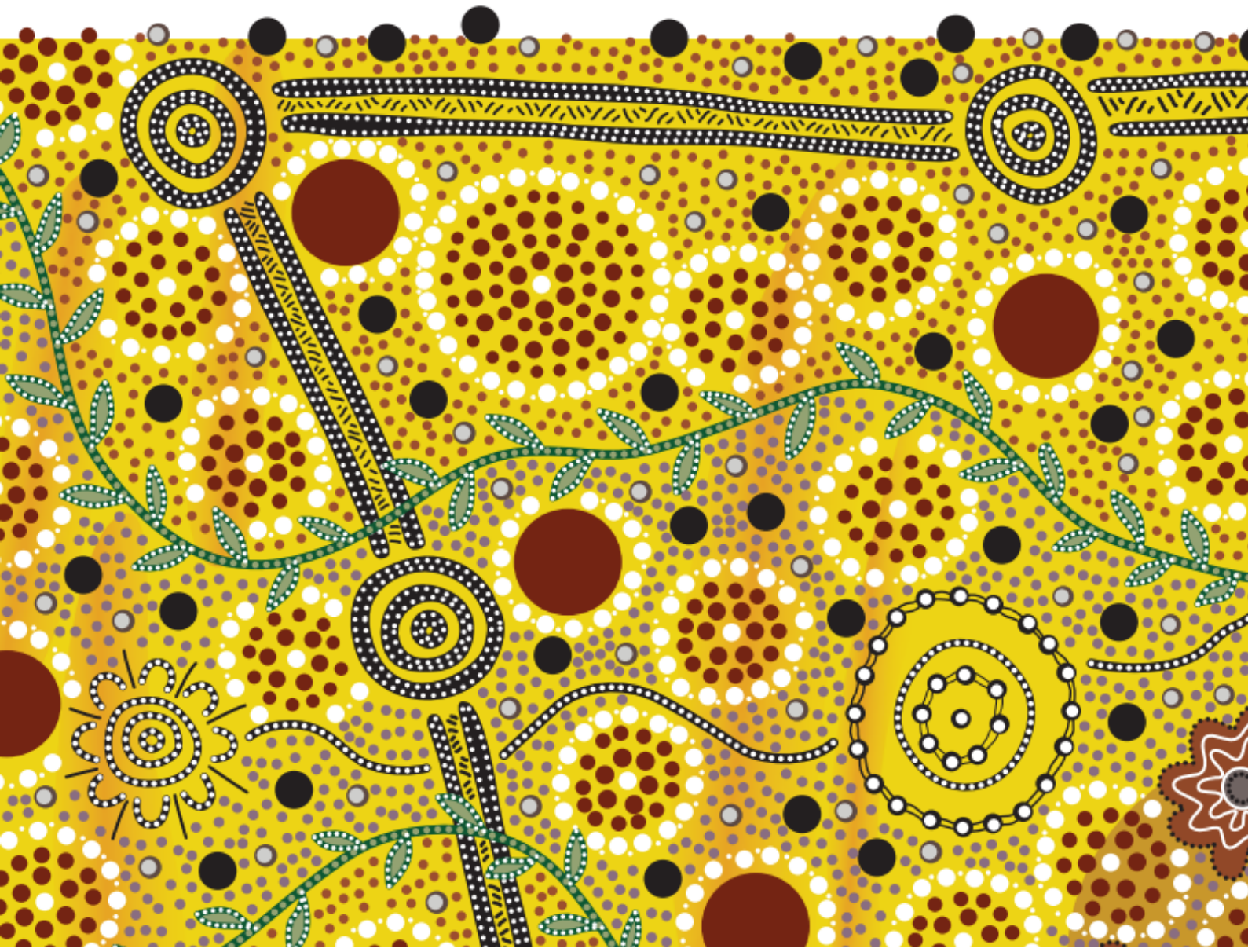


# Aboriginal Procurement Policy

December 2023



# GOVERNMENT OF WESTERN AUSTRALIA

## *Procurement Act 2020*

### **‘Aboriginal Procurement Policy’**

#### **Purpose<sup>1</sup>:**

To increase contracting opportunities for Aboriginal businesses and Aboriginal Community Controlled Organisations, therefore supporting employment and business opportunities for the Aboriginal community.

#### **General Procurement Direction: 2021/08**

#### **Scope of Operation and Timing:**

This procurement direction is issued by the Deputy Director General, Advisory Services, as delegate of the Minister for Finance.

This procurement direction is issued to all State agencies and applies on and from 1 July 2021.



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Kate Ingham

Deputy Director General  
Department of Finance  
as delegate of the Minister for Finance

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1 July 2021

Date

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<sup>1</sup> Purpose: the information under this heading does not form part of the direction.

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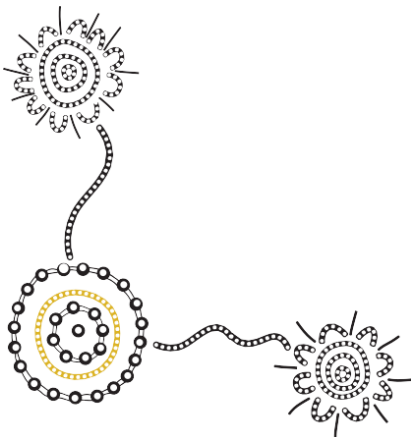
**Website**

[WA.gov.au](http://WA.gov.au)



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## Minister's foreword

The Aboriginal Procurement Policy (APP) is successfully increasing the representation of Aboriginal businesses contracting with the Western Australian Government. Introduced in 2018, the APP has seen targets exceeded over the first three years of application demonstrating how the WA Government is successfully using its buying power to support the Aboriginal business sector.

The second iteration of the APP builds upon the success of the initial period, setting higher targets and creating more opportunities for Aboriginal businesses. Broader outcomes are also anticipated with the inclusion of Aboriginal participation requirements on WA Government contracts.

The APP now seeks to provide employment pathways and subcontracting opportunities for smaller businesses to participate in the delivery of WA Government contracts as well as providing opportunities for Aboriginal businesses to contract directly with WA Government. The widening of the APP's application extends the responsibility and impact of Aboriginal economic development initiatives to State agencies and suppliers.

Aboriginal businesses have proven their capacity to respond to the increasing demand and I urge small Aboriginal businesses to use the new subcontracting opportunities to build their capability and



networks that further their capacity to directly contract with WA Government. I envisage that existing and emerging Aboriginal businesses will thrive throughout the next term of the APP.

Aboriginal people seeking employment will be able to take advantage of new opportunities throughout WA. By prioritising the creation of employment in contracts, the WA Government is seeking to positively impact the financial and economic security of Aboriginal people through increased employment.

Compliance with the APP will continue to be measured annually, with results made publicly available.

I encourage you to support the APP and eagerly anticipate the achievements to be made through this policy over the next three years.

**Hon. Dr Tony Buti MLA**  
**Minister for Finance**

September 2021



# Purpose

The Aboriginal Procurement Policy (the Policy) sets targets for the number of WA Government contracts awarded to **registered Aboriginal businesses** and **Aboriginal Community Controlled Organisations** (ACCOs) and mandates Aboriginal participation requirements for certain contracts.

This Policy seeks to support business and employment opportunities for the Aboriginal community.

# Commencement

Agency contracting targets (Part A) are applicable to contracts awarded from 1 July 2021.

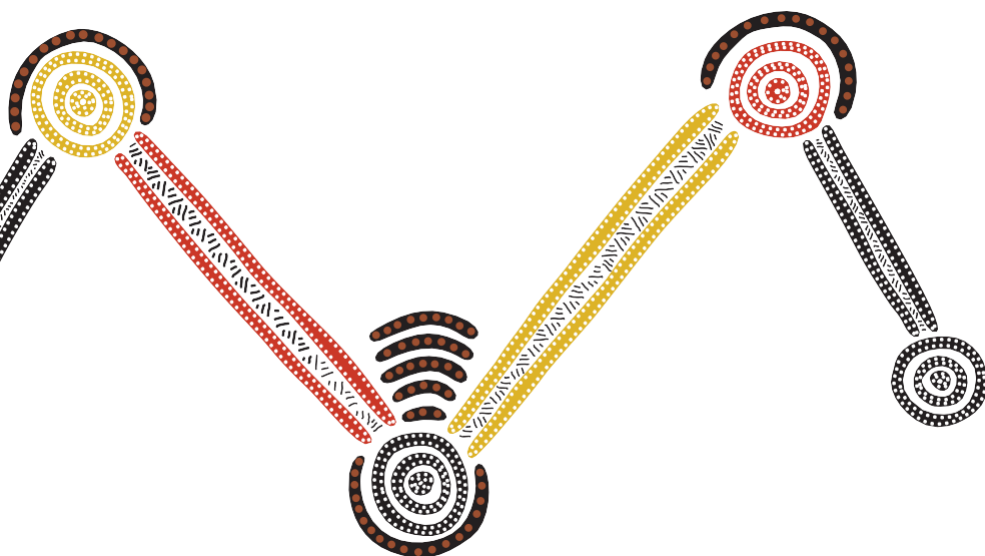
Aboriginal Participation requirements (Part B) apply to applicable tenders released on or after 1 January 2022.

The inclusion of contracts with ACCOs counting towards agencies' Policy targets is effective 1 December 2023. This aligns with the changes to the [Delivering Community Services in Partnership Policy](#) to enable direct engagement with ACCOs.

# Application

Agency contracting targets (Part A) apply to State agencies only.

Aboriginal participation requirements (Part B) apply to suppliers only, with State agencies responsible for including the condition in applicable contracts.





## Part A: Agency contracting targets

State agencies (as defined in the *Procurement Act 2020*, section 5) are required to award a specified percentage of their total contracts to **registered Aboriginal businesses and/or ACCOs** in each financial year. The State agency targets apply to all contracts for goods, services, community services and works. The responsible State agency for contracts awarded by the Minister for Works is the agency that provides the majority of the funding.

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

Financial year	Target
2021–22	3 per cent of the number of awarded contracts
2022–23	3.5 per cent of the number of awarded contracts
2023–24	4 per cent of the number of awarded contracts

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.

### Applicable contracts

The following contracting arrangements will meet the requirements of the State agency contracting targets:

- contracts with **registered Aboriginal businesses and ACCOs** where the value is \$50,000 and above (based on the total estimated value, including any extension options and GST)
- collaborative arrangements, such as joint ventures where the entity is a **registered Aboriginal business or ACCO** (information on collaborative arrangements and joint ventures is provided in the [Aboriginal Procurement Policy Agency Practice Guide](#))
- panel arrangements that include a **registered Aboriginal business or ACCO**.

## Agency reporting

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

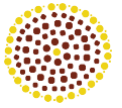
State agencies may provide a supplementary report to the Department of Finance for information purposes that captures contracts awarded to **registered Aboriginal businesses and ACCOs** that are valued at less than \$50,000. This contracting information may inform future versions of the Policy.

## Other relevant policies

A State agency must ensure that contracts comply with existing legislation, policies, and internal obligations when meeting the requirements of the Policy.







## Part B: Aboriginal participation requirements for suppliers

Suppliers to the WA Government are required to meet an Aboriginal business / ACCO subcontracting target or an Aboriginal employment target. The targets outlined below are the minimum requirements – State agencies may choose to set higher targets.

State agencies are required to include Aboriginal participation requirements in applicable contracts advertised on or after 1 January 2022.

### Applicable contracts

Aboriginal participation requirements apply to all contracts with an estimated contract value of \$5 million and above that are:

1. delivered in the following industries:
  - construction and maintenance
  - community and social services
  - education and training
  - public administration and finance, or
2. where a contract will be delivered predominantly to Aboriginal people or target the specific needs of Aboriginal people.

See the [Aboriginal Procurement Policy Agency Practice Guide](#) for further details.

### Supplier reporting

Where the Aboriginal participation requirements apply, suppliers must report on Aboriginal business / ACCO subcontracting or Aboriginal employment.

### Aboriginal business / ACCO subcontracting target

The Aboriginal business / ACCO subcontracting target requires suppliers to subcontract a certain percentage of the total contract value to **registered Aboriginal business(es) or ACCO(s)**.





Supplier performance against the target will be monitored throughout the contract. Compliance with the target will be measured at the expiry of the contract as per the table below.

Financial year	Target
2021–22	3 per cent of the total contract value
2022–23	3.5 per cent of the total contract value
2023–24	4 per cent of the total contract value

Only packages of work awarded to subcontractors contracted directly by the supplier will count towards the target.

## Aboriginal employment target

The Aboriginal employment target requires suppliers to engage a minimum number of **Aboriginal persons** in each year of contract delivery, calculated as a percentage of the total number of persons employed on the contract in each year.

Supplier performance against the target will be monitored throughout the contract. Compliance will be measured in each year of contract delivery (on the anniversary of contract commencement).

Targets vary depending on the contract delivery location as per the table below.

Regions (contract delivery location(s))	Target
Perth metropolitan area, South West, Great Southern, Peel, Wheatbelt and all state-wide contracts	2 per cent of the total number of the <b>contract labour force</b>
Gascoyne, Mid West and Goldfields-Esperance	5 per cent of the total number of the <b>contract labour force</b>
Pilbara and Kimberley	10 per cent of the total number of the <b>contract labour force</b>

Where a contract will be delivered across multiple regions, the lowest applicable target will apply.



## Part C: Accountability

The Department of Finance is responsible for:

- administering the Policy and guidelines
- providing advice to State agencies in achieving targets set by the Policy
- providing advice to industry on meeting Aboriginal participation requirements
- providing advice to the Aboriginal business sector on working with government
- monitoring the achievement of targets
- reporting the achievement of targets to the Minister, and
- reporting the achievement of targets on [WA.gov.au](http://WA.gov.au) annually.

A State agency is responsible for:

- complying with the Policy
- complying with reporting contracts with **registered Aboriginal businesses and ACCOs** on the Tenders WA website
- ensuring Aboriginal participation requirements are included in applicable contracts.

Suppliers are responsible for:

- meeting Aboriginal participation requirements as set out in individual contracts
- reporting information on Aboriginal business / ACCO subcontracting and Aboriginal employment.

## Policy support

For information on how to meet the requirements of this Policy, please refer to the suite of Aboriginal Procurement Policy guides for State agencies, Aboriginal suppliers, and Aboriginal Participation on [WA.gov.au](http://WA.gov.au).

The Department of Finance Social Procurement team is also able to provide information and advice. Email Social Procurement at [socialprocurement@finance.wa.gov.au](mailto:socialprocurement@finance.wa.gov.au).

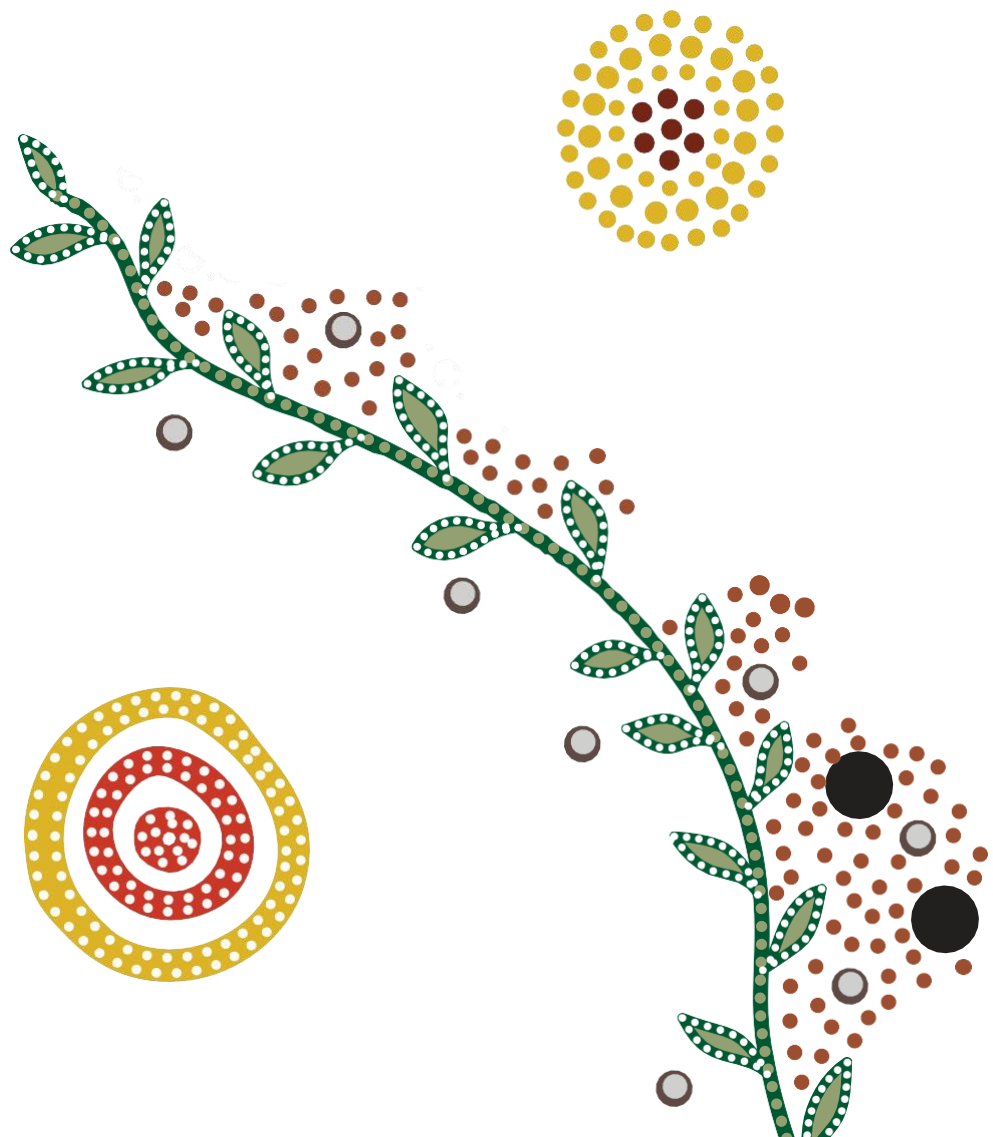
# Defined terms

**Aboriginal persons** means a person who is of Aboriginal or Torres Strait Islander descent, who identifies as such and is accepted as such by the community in which he or she lives or has lived.

**ACCO** means an Aboriginal Community Controlled Organisation as defined under the [Delivering Community Services in Partnership Policy](#).

**Contract labour force** includes full-time, part-time, casual employees, apprentices and trainees, employees engaged through labour hire arrangements and other employer supported employment initiatives such as cadetships and internships, that are directly involved in the delivery of the contract.

**Registered Aboriginal business** means a business that is registered on either the [Aboriginal Business Directory WA](#) or [Supply Nation's Indigenous Business Direct](#).





# Artwork

This painting is a representation of the Aboriginal Procurement Policy. It tells a story about setting targets awarded to Aboriginal businesses and seeking to develop entrepreneurship and business opportunities for the Aboriginal community.



The artwork was commissioned by the Department of Finance and created by YirraKurl. YirraKurl is a family-owned business operated by Aboriginal artists Deborah Newenham-Coertse and Melissa Spillman (mother and daughter). Their Aboriginal family name is 'Woods' and their Aboriginal heritage is from Gnowangerup, in Western Australia's South West region.

Learn more about the symbolic meaning of the [Aboriginal Procurement Policy artwork story](#).



