



GOVERNMENT OF  
WESTERN AUSTRALIA

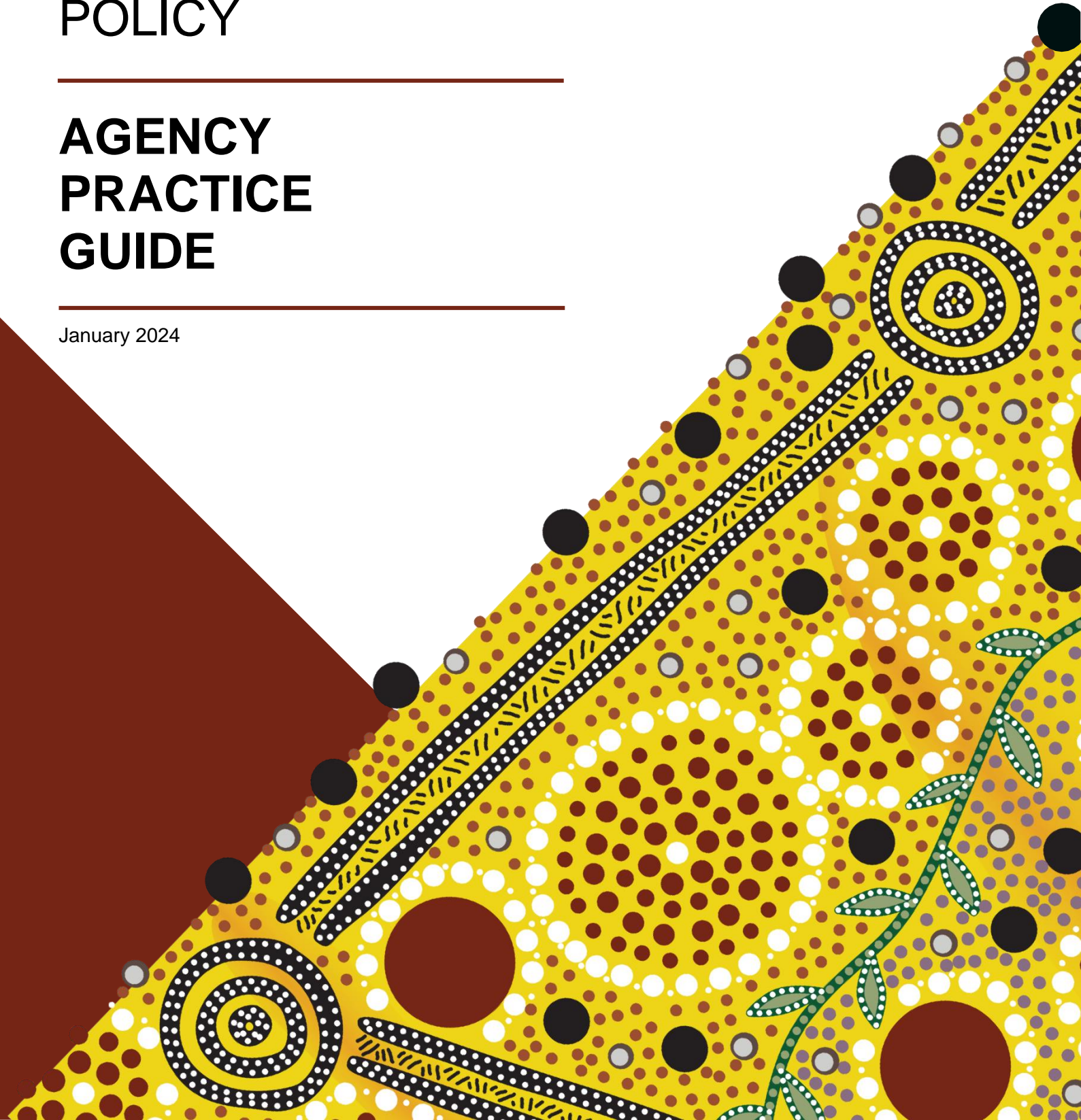
# ABORIGINAL PROCUREMENT POLICY

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## AGENCY PRACTICE GUIDE

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# Contents

- Purpose ..... 1
- Section 1: Agency contracting targets ..... 2
  - 1. Key details ..... 2
  - 2. Reporting ..... 5
  - 3. Strategies for success..... 7
- Section 2: Aboriginal participation requirements..... 11
  - 1. Key details ..... 11
  - 2. Reporting ..... 15
  - 3. Maximising Aboriginal participation ..... 16
  - 4. Frequently asked questions ..... 22
- Section 3: Achieving Aboriginal Procurement Policy outcomes ..... 27
  - 1. Executive support ..... 27
  - 2. Aboriginal business price preferences and qualitative criteria ..... 27
  - 3. Aboriginal engagement officers..... 27
  - 4. Cultural awareness training..... 28
  - 5. Communicate the Policy ..... 28
  - 6. Further support ..... 29

## Purpose

The Aboriginal Procurement Policy Agency Practice Guide (the Guide) assists Western Australian (WA) State agencies<sup>1</sup> to meet the targets set out in the [Aboriginal Procurement Policy](#) (the Policy).

The Policy mandates progressive targets for the award of WA Government contracts to registered Aboriginal businesses and, as of 1 December 2023, Aboriginal Community Controlled Organisations (ACCOs). The Policy applies to all contracts valued \$50,000<sup>2</sup> and above. Information relating to State agency targets is included in Section 1.

From 1 January 2022, the Policy also requires suppliers to meet Aboriginal participation requirements on certain government contracts valued \$5 million and above. Further information about the requirements is set out in Section 2.

Section 3 includes general information to assist State agencies to achieve Aboriginal procurement outcomes.

This Guide should be read in conjunction with the [Aboriginal Procurement Policy](#) and the [Delivering Community Services in Partnership \(DCSP\) Policy](#). The [WA Procurement Rules](#) and other procurement directions continue to apply.

Additional information for other stakeholders is also available in the [Aboriginal Procurement Policy Guide for Aboriginal Suppliers](#) and [Aboriginal Procurement Policy Aboriginal Participation Requirements Guide](#).

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<sup>1</sup> 'State agency' as defined in the *Procurement Act 2020*, section 5. The Policy is intended to apply to Government Trading Enterprises.

<sup>2</sup> The total contract value includes GST and all extension options.

## Section 1: Agency contracting targets

Since 2018, all State agencies have been required to award a certain number of contracts to registered Aboriginal businesses according to progressive targets. From 1 December 2023, State agencies can also count the number of contracts awarded to Aboriginal Community Controlled Organisations (ACCOs) towards Policy targets.

### 1. Key details

#### *Registered Aboriginal business*

For the purpose of the Policy, an Aboriginal business is considered to be any organisation or entity that is owned or run by an Aboriginal interest, including not-for-profit organisations.

To be counted towards the achievement of the State agency contracting targets defined in the Policy, a business must be registered on a suitable directory which provides government with the confidence that a registered business is a minimum of 50 per cent owned by an Aboriginal interest.

The Department has determined both the [Aboriginal Business Directory Western Australia](#) and Supply Nation's [Indigenous Business Direct](#) to be suitable directories.

State agencies are not required to determine the Aboriginality of business owners or interests. This will be determined via the business' registration on a suitable Aboriginal business directory. However, if a State agency has concerns about the Aboriginality and/or the lack of Aboriginal control of a registered business, they are strongly advised to contact the relevant directory to investigate further and to inform the Social Procurement team.

If an Aboriginal business is not registered on either of these directories, in the first instance State agencies should encourage the business to register. The process of registration is free and simple. If a business is unwilling to do so, a State agency can note contracts with this business in supplementary reporting (see 2. Reporting for further details).

#### *Aboriginal Community Controlled Organisations*

Please refer to the [Delivering Community Services in Partnership \(DCSP\) Policy](#) for the definition of an ACCO.

## Targets

Each State agency is accountable for achieving the targets.<sup>3</sup>

Targets are to be achieved by the end of each financial year, as follows:

Financial year	Agency contracting target
2021 – 2022	3 per cent of the number of awarded contracts
2022 – 2023	3.5 per cent of the number of awarded contracts
2023 – 2024	4 per cent of the number of awarded contracts

The achievement of targets is calculated on the percentage of contracts with registered Aboriginal businesses and ACCOs awarded in each financial year. If the term of a contract extends beyond that financial year, the contract will only be included in the first financial year.<sup>4</sup>

### *Calculating the achievement of targets*

State agencies must publish all contracts valued \$50,000 and above on Tenders WA to ensure contracts awarded to registered Aboriginal businesses and ACCOs are considered in the calculation of targets.

The number of contracts awarded by a State agency to registered Aboriginal businesses and ACCOs that are published on Tenders WA will be divided by the total number of contracts awarded by the State agency for that reporting period. If a State agency does not award any contracts valued \$50,000 and above in the financial year the targets will not apply.

### **Example of calculating achievement of targets for 2021-2022**

The target for 2021-2022 is three (3) per cent of the number of contracts awarded.

The State agency awarded 150 contracts valued at \$50,000 and above in the 2021-2022 financial year and five of these contracts were awarded to registered Aboriginal businesses.

The percentage of contracts with registered Aboriginal businesses is calculated as follows:  $(5 \div 150) \times 100 = 3.33\%$

The State agency has awarded 3.33 per cent of contracts to registered Aboriginal businesses and exceeded the 2021-2022 target of three per cent.

### *Contracts that contribute to the target*

Contracts with registered Aboriginal businesses and ACCOs where the value is \$50,000 and above that are published on Tenders WA will be considered when measuring the achievement of the targets.

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<sup>3</sup> With respect to works contracts awarded by the Minister for Works, the responsible State agency is the State agency that provides the majority of the funding

<sup>4</sup> The Department of Finance will continue to audit contracts published on Tenders WA to identify inappropriate use of short-term contracts to achieve the targets.

This includes:

- Collaborative arrangements, such as joint ventures, if the arrangement is with an ACCO or a registered Aboriginal business (i.e. the arrangement must be at least 50 per cent Aboriginal owned).
- Panel arrangement<sup>5</sup> contracts, which include a registered Aboriginal business or ACCO.<sup>6</sup>

In the case where a panel of suppliers is awarded, the contract with each supplier on the panel will count as one contract in the calculation of the achievement of the target.

#### Example of counting contracts on panel arrangements

If the State agency awarded a panel arrangement for catering services to ten suppliers, this arrangement will count as ten contracts when calculating the achievement of the target irrespective of whether the business is actually awarded work under the panel arrangement.

If three of the suppliers on the panel arrangement are registered Aboriginal businesses, three contracts will count towards the achievement of the target, and seven contracts will count towards the State agency's total number of contracts awarded to non-Aboriginal businesses.

Purchases made under a panel arrangement will only be counted if the purchase is valued \$50,000 and above and is required to be published on Tenders WA according to the buying rules of the arrangement or contractual obligations.<sup>7</sup>

Similarly, purchases made under a Common Use Arrangement will only be counted if the purchase is valued \$50,000 and above and is required to be published on Tenders WA according to the buying rules of the arrangement or contractual obligations.

#### *Contracts that will not contribute to the State agency targets*

Some contract types are excluded from the measurement of targets because they are not currently reported on Tenders WA as outlined in the table below.

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<sup>5</sup> A panel arrangement is a contract with more than one supplier to supply goods and/or services and may be awarded as:

- A standing offer: An agreement that is used when a public authority has an ongoing, repetitive requirement for products and/or services over a specified period, but the exact volume of products or services is not known.
- A customer contract for each supplier: The volume of products or services to be purchased from the suppliers is known and the estimated value of the customer contract with each supplier can be identified.

For reporting purposes, all contracts that have appointed more than one supplier are referred to as panel arrangements, irrespective of the contract structure.

<sup>6</sup> The Department of Finance will encourage registered Aboriginal businesses and ACCOs to notify Social Procurement if a State agency develops a practice of awarding registered Aboriginal businesses or ACCOs to panel contracts and the businesses do not receive meaningful work.

<sup>7</sup> This will only apply when the buying rules of a panel arrangement require that all purchases with Aboriginal business and non-Aboriginal businesses under the panel arrangement are published on Tenders WA.

Type of contract	Notes
<b>Contracts valued below \$50,000</b>	Contracts valued less than \$50,000 will not be considered towards the achievement of targets, even if the contract is reported on Tenders WA. Including these contracts would significantly increase the administrative burden for agencies.
<b>Subcontracting arrangements</b>	Subcontracts with registered Aboriginal businesses and ACCOs will not contribute to the State agency targets.
<b>Contracts awarded on Tenders WA by a third party on behalf of Government</b>	For contracts to contribute to the targets, contracts must be awarded on Tenders WA in the State agency's name. Contracts awarded on Tenders WA in the name of a third party, such as a facilities manager, will not contribute to the target.
<b>Variations to awarded contracts</b>	Variations to contracts awarded in a previous reporting period will not be considered in the calculation of targets. This includes the instance where a contract is varied to include a registered Aboriginal business or an ACCO. However, if a contract is varied using a competitive process that is advertised on Tenders WA, the contract will be counted towards the achievement of targets.

## 2. Reporting

The Department of Finance provides live reporting to the Minister for Finance on the progress and achievement of the Policy targets through a dashboard reporting data from 2021-2022 onwards. State agency performance for 2018-19 to 2020-21 is reported publicly on [WA.gov.au](http://WA.gov.au) in annual Performance Reports.

### *Tenders WA data*

A State agency must publish the details of contracts valued \$50,000 and above on [Tenders WA](#) no later than 30 days after the successful Supplier has been notified.<sup>8</sup>

The Department of Finance will provide Tenders WA data to State agencies to verify that all contracts have been published on the system as part of the annual Who Buys What and How process.<sup>9</sup> State agencies will be required to provide verification within one month of the data being issued.

Note that only one State agency is recognised per awarded contract for the Policy's reporting purposes. If two agencies are funding a contract, the procurement is reported against the entity recorded as the client agency in Tenders WA. If a co-funding entity would like acknowledgement for its contribution to the contract, it can provide details through the supplementary reporting process.

<sup>8</sup> This is a requirement of the WA Procurement Rules.

<sup>9</sup> The Department of Finance will confirm that suppliers were registered as an Aboriginal business at the time of contract award to ensure data accuracy for reporting.



State agencies should monitor progress towards the achievement of the Policy targets throughout the year. The Department of Finance manages dashboards using data from Tenders WA. The dashboards may enable agencies to identify the number of contracts awarded to registered Aboriginal businesses. Contact the [Business Intelligence and Analytics](#) team to request access or for assistance with an State agency specific dashboard.

#### *Supplementary reporting*

State agencies are encouraged to provide a supplementary report to the Department of Finance to provide details of contracts valued below \$50,000 and other relevant contracts that support Aboriginal engagement and economic outcomes.

Supplementary reporting of contracts with registered Aboriginal businesses will be noted in the report to the Minister for Finance but will not contribute to a State agency's achievement of the targets. Supplementary reporting will be used to inform future development of the Policy and also allows a State agency to demonstrate engagement with the Aboriginal business sector in addition to any contracting activity.

The Department of Finance acknowledges that it may be difficult for smaller agencies that do not award many contracts to registered Aboriginal businesses. It is recommended that these agencies provide supplementary reporting to demonstrate alternative ways they have engaged with the Aboriginal business sector.

#### *Minister for Finance reporting*

The Department of Finance provides live reporting to the Minister for Finance on the progress and achievement of the Policy targets through a dashboard reporting data from 2021-2022 onwards.

The report includes the targets for each State agency and for the whole-of-government.

For each State agency, the report to the Minister for Finance will include:

- the number of contracts awarded to registered Aboriginal businesses and ACCOs in the reporting period that contribute to the target.
- the percentage of contracts awarded to registered Aboriginal businesses and ACCOs in the reporting period that contribute to the target.
- the value of contracts awarded to registered Aboriginal businesses and ACCOs in the reporting period that contribute to the target.
- if provided, an overview of State agencies' supplementary reporting ([refer to Supplementary Reporting](#)).

The accuracy of the Minister's report relies on the accuracy of data entered by State agencies into Tenders WA. While the Social Procurement team will undertake spot checks for errors and may contact agencies to correct Tenders WA, it is ultimately the responsibility of agencies to ensure the accuracy of Tenders WA data.

### *Publication of the achievement of targets*

The Department of Finance has published the achievement of targets for the 2018-19, 2019-20, and 2020-21 financial years in annual performance reports on the WA.gov.au website for access by government, the Aboriginal business sector and the general public.

Reporting for the 2021-22 financial year and onwards will be available on WA.gov.au as an infographic.

### *Non-compliance with the Policy targets*

State agencies will be notified by the Department of Finance if the target is not achieved.

The Department of Finance will provide advice to the State agency to assist in complying with the target in the next reporting period.

### *Exemption from the Policy targets*

Agencies cannot seek exemptions from the Policy. As the Aboriginal business sector is diverse and businesses and ACCOs are located throughout Western Australia, it is anticipated that the majority of State agencies will be able to achieve the targets.

The Department of Finance will work with State agencies to develop strategies to achieve the targets.

## **3. Strategies for success**

The Department of Finance has reviewed State agency performance against the Policy targets and strategies used by each State agency to increase their contracting with registered Aboriginal businesses and ACCOs and overall achievement of targets. The following initiatives, which are proven to be effective, may assist other agencies to meet the Policy targets.

### *Direct engagement of registered Aboriginal businesses*

When procuring goods, services, community services and works under the *Procurement Act 2020*, the WA Procurement Rules allow agencies to directly engage a registered Aboriginal business to any value, as long as value for money can be demonstrated. This also applies to goods, services and works that are covered by a mandatory Standing Offer (Common Use Arrangement or agency-specific panel).

State agencies do not need to seek a formal exemption from the Department of Finance but should follow internal approval processes and document justification for decision making.

When using the direct engagement option, State agencies must still comply with the minimum approach to market requirements (e.g. the Aboriginal business must still respond to a Request and a written contract formed for all purchases above \$50,000).

When awarding contracts to meet the Policy requirements, State agencies must ensure that contracts comply with existing legislation, policies, and internal obligations.

Where applicable, State agencies must also involve the Department of Finance if the purchase is valued \$250,000 or above.

View more information about purchasing directly from a registered Aboriginal business in the [WA Procurement Rules](#) or [WA.gov.au](#).

View more information about directly engaging ACCOs in Section four, Procurement Arrangements, of the [DCSP Policy](#).

#### *Identifying opportunities to contract with registered Aboriginal businesses and ACCOs*

The Aboriginal business sector is diverse and includes large, medium and small enterprises. Aboriginal businesses provide goods, services, community services, and works across a wide range of industries.

It is recommended that State agencies consider the following when identifying opportunities to contract with registered Aboriginal businesses and ACCOs and achieve the Policy targets:

- Implement procedures in the procurement and purchasing planning process to ensure registered Aboriginal businesses and ACCOs are considered.
  - Include a question or prompt in budget approval templates to confirm that a registered Aboriginal business or ACCO has been considered.
  - Include a section or prompt in Business Case and Procurement Plan templates to ensure market research is undertaken to identify whether the requirements could be provided by a registered Aboriginal business or ACCO.
  - Consider directly engaging a registered Aboriginal business or businesses as allowed in the WA Procurement Rules.
  - Consider directly engaging an ACCO or ACCOs as permitted by the DCSP Policy.
  - For large-scale projects, consider whether there is an opportunity for small and medium sized registered Aboriginal businesses and/or ACCOs to tender for specific parts of the project without the involvement of a head contractor.
  - Consider cultural sensitivities when consulting or engaging the Aboriginal business sector or ACCOs. Cultural awareness training can assist with this.
  - Consider whether there is an opportunity to add a registered Aboriginal business or ACCO to a panel arrangement during a 'refresh' process.
  - Consider whether there is an opportunity to award a replacement contract to a registered Aboriginal business or ACCO when undertaking a contract review of existing contracts.
- Review State agency purchasing history to identify opportunities to purchase from a registered Aboriginal business or ACCO.
  - Identify the number of contracts purchased each year to estimate the number of contracts that are likely to be awarded in the Policy reporting period.

- Calculate the number of contracts that need to be awarded to registered Aboriginal businesses and ACCOs to achieve the target in the reporting period.
- Identify contracts that could be awarded to a registered Aboriginal business or ACCO in the reporting period. Collate information into a forward procurement plan which identifies procurements that may be suitable for delivery by a registered Aboriginal business or ACCO.
- Undertake market research to identify specific registered Aboriginal businesses or ACCOs that can meet the contract requirements.
  - Research businesses listed in Supply Nation's [Indigenous Business Direct](#) and the [Aboriginal Business Directory Western Australia](#).
  - Consult ACCO peak body organisation [Council of Aboriginal Services Western Australia \(CASWA\)](#) when undertaking market research of potential ACCOs.
  - Review information available in the Aboriginal Procurement Policy Performance Reports, published on the WA.gov.au website (the reports include a list of Aboriginal businesses that were awarded contracts in each financial year reporting period between 2018-19 and 2020-21). A reporting infographic is available for reporting periods between 2021-22 onwards.
  - Research businesses on Tenders WA, to determine whether there are registered Aboriginal businesses or ACCOs that have been awarded contracts for similar requirements.
  - Attend networking events with the Aboriginal business sector, including Aboriginal business expo events held by the Department of Finance.
  - Contact relevant businesses or ACCOs to confirm their capacity and availability for the contract requirements as part of the market research stage of contract planning.
  - Contact other State agencies with contracts with registered Aboriginal businesses and ACCOs for recommendations. Noting agencies' existing Aboriginal business contracts may be identified in the Aboriginal Procurement Policy Performance Reports and contracting data on Tenders WA.
  - Participate in relevant forums and networks to gain insight into the Aboriginal business and ACCO sectors.
  - Consult the Department of Primary Industries and Regional Development's [Local Content Advisors](#) for information about Aboriginal businesses operating in the regions.
- Consider including Aboriginal participation requirements if not mandatory under the Policy (see Section 2: Aboriginal participation requirements). Research should be undertaken to examine the capability and capacity of the Aboriginal business sector and Aboriginal workforce to ensure that targets are feasible and meaningful.

### *Issuing a Request for Quote or Tender to an Aboriginal business or ACCO*

To ensure registered Aboriginal businesses and ACCOs have the best opportunity to demonstrate value-for-money, State agencies should consider the following when issuing a Request for Quote or Tender:

- Issue an Early Tender Advice (ETA) for upcoming tender opportunities to provide businesses or ACCOs with adequate time to understand the State agency's requirements and prepare a response. Ensure Request for Quote and Tender requirements, including qualitative requirements, are appropriate for the level of risk (that is, usually low value, low risk contracts do not require onerous or extensive qualitative requirements).
- For Requests for Quote for the procurement of goods and services, it is recommended that State agencies use the Very Simple Purchase Order or Quote template for simple purchases up to \$50,000 in value, and the Written Quotes template suite for simple purchases valued between \$50,000 and \$250,000. Both templates are available on the [WA.gov.au website](http://WA.gov.au).
- State agencies can consider publicly advertising written Requests for Quote on Tenders WA in order to reach a wider range of Aboriginal suppliers in addition to those identified during the procurement planning stage.
- State agencies should consider including shorter payment terms in Requests for Quote or Tender, particularly when inviting small or medium sized businesses to submit a response. Shorter payment terms can provide more stability for small and medium enterprises. It is noted that shorter payment terms may not be an option for all agencies due to payment systems and contractual obligations.
- Consider capturing information about a business' Aboriginal engagement in a criterion in the Request for Quote or Tender. This could include the number of Aboriginal people employed by the business and any initiatives the business has to benefit the Aboriginal community.
- Invite identified registered Aboriginal businesses and ACCOs to submit a Quote or Tender. Provide businesses with as much notification as possible to ensure there is suitable time to develop and submit a response.
- Consult the Department of Primary Industries and Regional Development's [Local Content Advisors](#) to assist with identifying businesses in regional locations.
- Organise a tender briefing to help businesses or ACCOs understand the specification, requirements and qualitative criteria.
- State agencies should aim to complete the procurement process within an efficient timeframe. Should a procurement process become delayed, it is recommended that the State agency provide an update to the businesses and/or ACCOs that responded.
- When an Aboriginal business or ACCO is not awarded a contract, State agencies are encouraged to offer a debrief to provide feedback on the Offer's strengths and areas for improvement. This will assist in building the tendering capability of Aboriginal businesses and ACCOs.

### *Consideration of social benefits in a value-for-money assessment*

- If social benefit is demonstrated in an Offer, it can be considered as part of the value-for-money assessment. Complying with the Policy targets should not be used as the primary justification for awarding to a business.
- When evaluating offers from an Aboriginal business or ACCO, consider the social value that engaging the business may provide. For example, Aboriginal businesses and ACCOs may seek to increase employment of Aboriginal people or take on additional Aboriginal apprentices. During evaluation, consider the value in supporting Aboriginal economic development through procurement, particularly where a purchase may have the capacity to generate a positive impact (e.g. where a large number of employment opportunities will arise on the contract). Further information on strategies State agencies may use to formally acknowledge Aboriginal engagement through the evaluation process are available in section 2.
- The [Social Procurement Framework](#) and accompanying [Guide](#) provide further guidance on how to incorporate consideration of social value when making a value-for-money assessment.

## **Section 2: Aboriginal participation requirements**

Starting from 1 January 2022, suppliers will be required to meet minimum Aboriginal participation requirements on certain contracts. The requirements mean suppliers must award a certain percentage of the contract value to Aboriginal business and ACCO subcontractors or employ a certain number of Aboriginal people in the delivery of the contract. State agencies must include a contractual condition for Aboriginal participation requirements in all applicable contracts.

By including these requirements, the WA Government seeks to use procurement to achieve social outcomes, by using its purchasing power to influence the broader supply chain to also contribute to Aboriginal economic development.

### **1. Key details**

As the requirements only apply to certain contracts, the following information will help State agencies determine whether they apply to a procurement.

#### *Applicable contracts*

Aboriginal participation requirements must be included in all contracts that:

- are advertised on or after 1 January 2022
- have a pre-tender estimate valued at \$5 million or above (GST inc.); and
- are for services:
  - in one of the four following industries:
    - community and social services
    - education and training

- public administration and finance services
- construction and maintenance, or
- being delivered predominantly to Aboriginal people or target the specific needs of Aboriginal people. For example, any services being delivered to remote Aboriginal communities or provision of health services specific to Aboriginal people must include the requirements.

Where a contract is for services in one of the above industries and consists of one or more of the UNSPSC codes in the table below, it is subject to the Aboriginal participation requirements.

Industry	UNSPSC class
<b>Construction and maintenance</b> (includes all contracts under UNSPSC Segment 'Building and Facility Construction and Maintenance Services')	7210 - Building and facility maintenance and repair services 7211 - Residential building construction services 7212 - Non-residential building construction services 7214 - Heavy construction services 7215 - Specialized trade construction and maintenance services
<b>Education and training</b>	8610 - Vocational training 8611 - Alternative educational systems 8613 - Specialized educational services 8614 - Educational facilities
<b>Community and social services</b>	N/A – all contracts delivered under the <a href="#">Delivering Community Services in Partnership Policy</a> (DCSP Policy).  The Aboriginal participation requirements will also apply to Preferred Service Provider (PSP) processes formalised through a Request process. The requirements will not apply to PSP processes that are formalised through a Service Agreement Variation process.
<b>Public administration and finance</b>	9315 - Public administration and finance services

State agencies can identify potential applicable contracts through their [Strategic Forward Procurement Plan \(SFPP\)](#) process and State agency report. Agencies can use the value of procurement and by UNSPSC Group and UNSPSC Title columns to assist with planning which procurements will potentially need Aboriginal participation requirements applied.

If a contract is being awarded to multiple suppliers, the participation requirements will only apply if the value of a contract awarded to an individual supplier is \$5 million or above. The requirements do not apply to Standing Offers where contract spend is not known at the time of contract award (for example, panel arrangements or a whole-of-government Common Use Arrangement).

If it is unclear whether the requirements should be included for a specific contract, please contact [Social Procurement](#) for further guidance.

### **Panel arrangements and the participation requirements**

Consider the following examples.

#### **Example 1: Standing Offer**

A State agency is establishing a standing offer for breakdown repair and planned maintenance works. The amount awarded to each individual supplier is not known at the time of contract award, and any Customer Contracts awarded under the standing offer are capped at \$1 million. The requirements would not apply.

#### **Example 2: Panel contract with a large number of suppliers**

A State agency is establishing a panel arrangement for Community Resource Network Services. The total estimated value of the contract exceeds the \$5 million threshold, however the State agency anticipates that a large number of suppliers will be appointed to deliver the contract in different locations. It is therefore very unlikely that the value of each contract awarded to a supplier would exceed \$5 million. The requirements would not apply.

#### **Example 3: High value panel contract with smaller number of suppliers**

A State agency is establishing a contract for the reseal and maintenance of roads across two regions. The total estimated value of the contract is approximately \$10 million. From market research, the State agency is aware there are likely a maximum of three suppliers that have the required capability to deliver on the requirement. It is likely that the value of a contract awarded to one supplier exceeds \$5 million. The requirements would apply and should be included in the Request.

### *Participation targets*

If the above criteria are met, and participation requirements are to be included in the contract, suppliers will be required to meet one of two targets. The supplier may choose whether to pursue an Aboriginal business or ACCO subcontracting target **or** an Aboriginal employment target and must disclose their target of choice in their Offer.

1. Aboriginal business or ACCO subcontracting target

The subcontracting target aligns with State agency targets for contracting with Aboriginal businesses and ACCOs, but applies as a percentage of the total contract value as follows:

<b>Financial Year</b>	<b>Target (per cent of total contract value)</b>
2021-22	3 per cent
2022-23	3.5 per cent
2023-24	4 per cent

The supplier must meet the subcontracting target by the expiry of the contract.



## 2. Aboriginal employment target

The employment target applies as a percentage of the total number of workers directly employed on a contract (contract labour force). This encompasses full-time, part-time, casual employees, apprentices and trainees,<sup>10</sup> workers engaged through labour hire arrangements and other employer supported employment initiatives such as cadetships and internships, with a minimum of one hour's paid work per week.

Targets vary based on contract delivery location(s), to reflect significant differences in population demographics:

Target (per cent of total contract labour force)	Regions (contract delivery location(s))
2 per cent	Perth metropolitan area; South West, Great Southern, Peel; Wheatbelt and all state-wide contracts
5 per cent	Gascoyne, Mid West, Goldfields-Esperance
10 per cent	Pilbara and Kimberley
Varied	Multiple regions Where a contract will be delivered across multiple regions, the lowest applicable target applies (i.e. for a contract that will be delivered across the Gascoyne and the Pilbara, a five per cent target applies). Suppliers should carefully read Request documentation as the target will be clearly stated.

The employment target must be met annually (by each anniversary of the contract commencement date).

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<sup>10</sup> Apprenticeships and traineeships include those directly employed by the supplier and any that are indirectly employed via a registered Group Training Organisation (GTO). See the Department of Training and Workforce Development [website](#) to find the most up to date list of GTOs.

### Example of calculating Aboriginal participation targets

A State agency needs to release a Request for planned maintenance services in buildings across the Pilbara, Gascoyne and Mid West regions, with a pre-tender estimate of \$10 million. The Request will be advertised in March 2022.

#### Subcontracting target

As the Request will be advertised in the 2021-22 financial year, the percentage target is three per cent.

Using the pre-tender estimate as an example, the target would be three per cent of \$10 million, or \$300,000. The final target will depend on the price set out at Contract Award.

#### Employment target

The Pilbara has a ten per cent target, while the Gascoyne and Mid West regions both have a five per cent target – therefore a five per cent target applies in each year of contract delivery. If the supplier employs 40 workers on the contract in the first year of the contract, this equates to a target of two Aboriginal workers for that year. The final target for each year of the contract will depend on the total number of employees employed to deliver the contract for that year.

State agencies should note that these are the **minimum** requirements – a State agency may, where appropriate, include additional obligations and/or higher participation targets if it is important to the outcomes of the contract.

#### *Contractual condition*

Where the participation requirements apply to a procurement, State agencies must include a contractual condition in Request document. If the requirement relates to the above industries and there is a possibility that offers may exceed the \$5 million threshold (e.g. if the estimated contract value is close to \$5 million) the condition should also be included.

The condition has been included in relevant sector wide goods, services and community services templates, and in all works procurements managed by the Department of Finance. Where a State agency has responsibility for works procurement, the condition must be incorporated in equivalent approach to market documentation. Model clauses are available on [WA.gov.au](http://WA.gov.au).

## 2. Reporting

Reporting on outcomes achieved under the Aboriginal participation requirements will be required through Tenders WA. Suppliers are required to report on registered Aboriginal business or ACCO subcontracting arrangements and Aboriginal employment information periodically as specified in their contract.

The information must include:

- Subcontracting arrangements with registered Aboriginal businesses and ACCOs valued at \$50,000 and above (note that suppliers may voluntarily report on subcontracts awarded to Aboriginal businesses and ACCOs valued less than \$50,000, however contracts valued less than \$50,000 will not count against achievement of the target), where subcontractors have been engaged directly by the head contractor (e.g. Tier 1 only).

- The number of Aboriginal employees, apprentices and trainees employed in the delivery of the contract, both by the head contractor and its direct subcontractors.

Agencies may have internal requirements for more frequent or detailed reporting, this is at the discretion of individual agencies.

### **3. Maximising Aboriginal participation**

While the participation requirements outlined in this guide are mandatory for applicable contracts, they are minimum requirements and State agencies have the discretion to set higher targets. State agencies should consider strategies for maximising Aboriginal participation in the procurement planning and contract formation stages. Sound contract management practices are also key to ensure State agencies can monitor and support suppliers to achieve participation targets.

State agencies should note that general procurement principles, requirements under the WA Procurement Rules and any internal State agency procurement requirements still apply – with the considerations outlined below being additional to these requirements.

#### *Procurement planning*

If a procurement is required to include Aboriginal participation requirements, it is important that the State agency includes the condition in the Request document.

Agencies are encouraged to consider maximising opportunities for Aboriginal participation, particularly where research demonstrates greater benefits could or should be achieved.

It is also important to consider at the planning stage the reporting and other contract management mechanisms that will provide adequate data on supplier performance against the targets, while not imposing an onerous administration burden on the supplier.

#### Planning an approach to market

Consulting with relevant areas in your State agency or other State agencies may be a helpful starting point to gather insights and any lessons learned from previous projects that may have included similar Aboriginal participation requirements. This could include previous innovative approaches to Aboriginal subcontracting and/or employment that were incorporated in the contract or implemented during the contract management phase.

Taking a collaborative approach with industry and other stakeholders can also be helpful in identifying opportunities to apply Aboriginal participation requirements. Agencies should consider including an indication to industry via an Early Tender Advice that the procurement will include participation requirements, enabling industry time to consider and plan to meet the requirements.

### *Case study: planning for enhanced Aboriginal participation outcomes*

The Department of Biodiversity, Conservation and Attractions managed the Kalbarri Skywalk project to redevelop the Kalbarri National Park. An important aspiration of the project team was to engage with the local Nanda people through all stages of the project.

On two of the roadworks projects, a Provisional Sum of the total contract value was used to provide a financial incentive to suppliers to employ and train Aboriginal people. An Aboriginal price preference was applied during contract evaluation and award to further incentivise suppliers, however to ensure suppliers delivered on their commitments to employ Aboriginal people, approximately 4 per cent of the contract value was held by the project team in a Provisional Sum and only released to the supplier once they fulfilled their employment and training commitments. As a result, the two suppliers on the roadworks projects exceeded the commitments made at the time of tender. One contract employed 12 Aboriginal workers over the term of the \$4 million project. This example illustrates that the use of stakeholder engagement during procurement planning, led to innovative procurement strategies with long term employment opportunities for the Nanda people.

#### Contract management strategy

State agencies should ensure adequate resources are allocated for contract management and this should be outlined in the contract.

Where appropriate, State agencies should consider inclusion of relevant Key Performance Indicators (KPIs) regarding Aboriginal participation as a way to assist in active management of progress towards the targets in contracts.

While suppliers are required to report on Aboriginal employment and subcontracting activities periodically, State agencies may wish to include other mechanisms to capture information and verify supplier's claims of registered Aboriginal business or ACCO supplier use or Aboriginal employment that are explicitly included in contract management requirements in the contract. For example, some State agencies may already request information from suppliers regarding local content as part of the monthly payment cycle. Additional information may be included as part of this process to capture supplier performance with regard to Aboriginal employment or subcontracting.

If during the planning stages of a procurement a State agency develops concerns about the feasibility of including participation requirements in a contract, contact [Social Procurement](#) for advice and guidance.

#### *Developing Requests*

##### Contractual condition requiring minimum levels of Aboriginal participation

A contractual condition with the minimum levels of Aboriginal participation must be included in all applicable contracts required to include Aboriginal participation requirements under the Policy.

- Goods and services contracts

The condition has been included in applicable Request templates, with accompanying drafter's instructions.

- Community services contracts

The condition has been included in applicable Request templates, with accompanying drafter's instructions. This includes Requests for Preferred Service Providers, which will need to include Aboriginal participation requirements where applicable. Preferred Service Provider processes that are executed through a Service Agreement variation will not be required to include Aboriginal participation requirements.

- Works contracts

An Aboriginal participation model clause that can be adapted for applicable works tenders is available on [WA.gov.au](http://WA.gov.au).

#### Aboriginal participation as a qualitative criterion

While not a mandatory requirement under the Policy, State agencies may wish to consider including Aboriginal participation as a qualitative criterion when developing a Request. This may be suitable in certain procurements where Aboriginal participation is important on a project, for example where there is a high proportion of Aboriginal people living in the area where the contract is being delivered. Including a criterion will ensure that a supplier's ability to meet Aboriginal participation requirements or demonstrate Aboriginal engagement informs the evaluation outcome. An Aboriginal participation criterion could seek information on a supplier's actions towards reconciliation, for example their existing employment of Aboriginal people, training provided for Aboriginal people, existing relationships and engagement of Aboriginal businesses. If you need further support or examples of criteria that have previously been used by agencies contact [Social Procurement](#).

#### Applying an Aboriginal supplier and employment tendering preference

Some State agencies have established price preferences for Aboriginal businesses and ACCOs, where the offer from a registered Aboriginal business or ACCO (or the portion of the offer that will be delivered by registered Aboriginal business or ACCO subcontractors or Aboriginal employees) is reduced, usually by 10 per cent, for evaluation purposes. These preferences operate in a similar manner to preferences under the Western Australian Buy Local Policy 2020. While inclusion of a price preference is not a mandatory requirement under the Policy, State agencies are welcome to incorporate preferences where suitable.

#### Including mechanisms for reporting, and verifying Aboriginality of subcontractors and employees

Agencies may wish to include additional reporting requirements for suppliers to report on a more frequent basis. For example, on works contracts operating on a monthly payment cycle, agencies may request that suppliers submit Aboriginal business or ACCO subcontracting or employment information monthly.

With regard to verification of claims regarding subcontracting with registered Aboriginal businesses and ACCOs, agencies may determine whether suppliers have listed the registered Aboriginal business by checking business names on [Supply Nation's Indigenous Business Direct](#) or [ABDWA](#). Information regarding verification of employee Aboriginality is the responsibility of suppliers and provided in the [Aboriginal Procurement Policy Aboriginal Participation Requirements Guide](#).

#### Encouraging Aboriginal subcontractor participation on Tenders WA

There is an option on Tenders WA to list all potential respondents (including contact details) who download the specification documentation. This will allow potential Aboriginal business subcontractors or ACCOs to approach potential respondents to enquire about subcontracting opportunities. Further information is available on [Tenders WA](#) in a guide titled '*Record Specification Documents Issued and Publish Specification Document Recipients*.'

#### *Evaluating offers and awarding contracts*

State agencies should record whether the supplier intends to pursue the Aboriginal business or ACCO subcontracting or Aboriginal employment target during evaluation.

#### Departures from the Aboriginal participation contract condition

Where a supplier declines to accept the Aboriginal participation contract condition, it is at the State agency's discretion whether or not to accept the supplier's position. If a supplier proposes a departure from the Aboriginal participation contract condition, State agencies should work with the supplier to determine an appropriate Aboriginal participation target (ideally as close to the targets set out in the Policy as possible).

#### Assessment of Aboriginal participation

Where Aboriginal participation has been incorporated in the contract solely through inclusion of a contractual condition and disclosure regarding the supplier's choice of employment or subcontracting target, this should be assessed in the same way as any other condition of contract or disclosure. Agencies should use their discretion when deciding whether to exclude a supplier from further evaluation on the basis of any departure from the Aboriginal participation requirements.

### *Case study: incorporating Aboriginal participation requirements as part of evaluation*

Main Roads managed a project to upgrade the Great Northern Highway between Maggie Creek and Wyndham. As Aboriginal and/or Torres Strait Islander people make up 32.7 per cent of the population of the Wyndham Shire, it was a primary objective of the project to engage with and provide employment opportunities for Aboriginal people.

Early consultation with local Aboriginal businesses and communities provided the project team with an understanding of the Aboriginal businesses and Aboriginal people's capabilities in the region, which informed the decision to include both mandatory and stretch Aboriginal engagement targets in the contract. Aboriginal engagement was included as a key criterion in the Expression of Interest, which gave head contractors the opportunity to form partnerships during the tender phase and begin developing methodologies to maximise participation. The criterion was maintained with the same high weighting in the Request to drive the outcomes. By identifying the business and available skillset prior to tender, it is feasible to include a high weighting for Aboriginal engagement. This led the team to identify those major construction contractors who were genuine about engaging local Aboriginal businesses and people for the works. Those achieving high scores demonstrated good Aboriginal engagement strategies and initiatives, which provided Main Roads with confidence that the successful supplier would achieve mandatory targets and have the ability to achieve stretch targets.

Ultimately the contractor WBHO Infrastructure, in collaboration with Aboriginal business Dadaru, recorded that 32.5 per cent of the total hours worked on the project was carried out by local Aboriginal workers. This outcome demonstrates that by placing suitable weighting on Aboriginal engagement in the qualitative criteria, where it is important to the project, results in positive economic and social outcomes for Aboriginal people.

#### *Contract management*

It is important that contract managers monitor supplier compliance with Aboriginal participation requirements throughout the life of the contract and take steps to work with the supplier where they are not meeting or are not on track to meet their target.

#### Monitoring compliance

Contract managers should note information provided in the supplier's Offer regarding their anticipated workforce and spend with registered Aboriginal business or ACCO contractors and monitor the supplier's progress towards these commitments. This is particularly important where the supplier has chosen the employment target, as they must meet the target in each year of the contract.

Keeping suppliers on track to meet the targets may require active contract management, and contract managers are encouraged to discuss progress towards the targets and any relevant strategies used by the supplier at regular contract management meetings.

#### Varying Aboriginal participation targets

Where issues have been identified, and the supplier is genuinely having difficulty meeting the target after taking affirmative action to try and improve their performance, it may be appropriate to determine a new target percentage or type in collaboration

with the supplier where there is a genuine reason for non-compliance with the existing target and vary the contract accordingly.

Executing the contract variation must be in line with policies and other requirements (such as internal approvals). The contract manager must also update Tenders WA to ensure the new requirements are captured for reporting purposes. Revised Aboriginal participation requirements can only commence on the anniversary of the contract commencement date. For example, if a contract commenced on 1 January 2023, variations should only take effect from 1 January of the relevant year.

### Collaborating with suppliers

While achievement of the participation requirements is ultimately the supplier's responsibility, contract managers can assist suppliers to meet targets by, for example, co-hosting supplier forums to introduce Aboriginal businesses to the supplier or ensuring mechanisms are in place to support Aboriginal subcontractors and employees. There is further information available for suppliers regarding available support in the [Aboriginal Procurement Policy Aboriginal Participation Requirements Guide](#).

#### *Case study: effectively managing participation requirements throughout the contract*

The Public Transport Authority (PTA) awarded a \$36 million contract to John Holland to redevelop the Claremont Station as part of the METRONET program.

The contract included a target for the award of three per cent of the contract value to Aboriginal business subcontractors, and for three per cent of the total work hours on the contract to be completed by Aboriginal employees. Approximately sixteen months into the contract, John Holland had achieved 4.45 per cent of total hours worked on the project completed by Aboriginal employees and 2.9 per cent of contracts valued at \$50,000 and above awarded to Aboriginal businesses.

The way that PTA managed the contract is an important factor that is supporting positive outcomes regarding Aboriginal participation. Regular monthly meetings were held with PTA's Aboriginal Engagement Coordinator. Forward planning meetings were also held every six months. In addition, there were fortnightly, monthly and quarterly reporting requirements to monitor performance.

While such an intensive approach to reporting and contract management may not be appropriate for all projects, State agencies should ensure that the participation requirements are actively managed appropriate to the scale of the contract.

### Post contract reviews

Post contract reviews should be performed as soon as the supplier's final report is received. Contract managers should encourage suppliers to review their own performance against Aboriginal participation requirements to determine lessons learned and understand success factors for future contracts.



## 4. Frequently asked questions

Common questions relating to the implementation of the Aboriginal Procurement Policy and Aboriginal participation requirements are listed below, with further detail provided in relevant sections of the guide where required.

### Aboriginal Procurement Policy

#### Can I directly engage an ACCO for non-community service contracts?

- Yes, but they must be a registered Aboriginal business and engaged under clause C4.2 under the WA Procurement Rules.

### Aboriginal participation requirements

#### What are Aboriginal participation requirements?

- Aboriginal participation requirements are contractual obligations for suppliers to award a specific percentage of the contract value to registered Aboriginal business or ACCO subcontractors or to employ a certain percentage of Aboriginal people in the delivery of the contract.

#### When will Aboriginal participation requirements come into effect?

- Aboriginal participation requirements must be included in applicable contracts that are advertised on or after 1 January 2022.

#### Will the Aboriginal participation requirements apply to all WA government contracts?

- No, Aboriginal participation requirements will only apply to contracts that meet specific criteria (applicable contracts). Further information about which contracts the requirements apply to are on p.12.
- Aboriginal participation requirements must be included in all contracts that:
  - have a pre-tender estimate valued at \$5 million or above (GST inc.); and
  - are for services:
    - in one of the four following industries: Community and social services (includes all contracts delivered under the DCSP Policy); Education and training; Public administration and finance services; Construction and maintenance; or
    - that will be delivered predominantly to Aboriginal people or targets the specific needs of Aboriginal people. For example, any services being delivered to remote Aboriginal communities or provision of health services specific to Aboriginal people must include the requirements.

### Employment targets

#### How were the employment participation targets derived/chosen?

- The targets are based on Labour Market Analysis data about the Aboriginal workforce in WA, where an average percentage of the Aboriginal workforce in the four industries was calculated for each region.
- The employment targets acknowledge regional variation of the Aboriginal workforce.

### **How will the employment target be calculated?**

- If a supplier chooses the employment target, the target will apply as a percentage of the total contract workforce (the total number of employees involved in delivering the contract) and will apply in each year of contract delivery.
- For example, on a contract that is being delivered in Broome (Kimberley region, 10 per cent target applies), the supplier notes that 50 employees will be involved in the delivery of the contract. The requirement on the supplier would be to employ five Aboriginal employees on the contract in each year of contract delivery.

### **Why has a definition based on headcount rather than FTE been used for employment?**

- The headcount definition has been used as it is more inclusive and recognises that Aboriginal workforce participation varies. This definition also aligns with that used under Western Australian Industry Participation Strategy.
- Agencies may choose to include more onerous employment requirements on an individual contract basis, including using a definition of employment based on FTE. If so, Agencies must be able to convert these figures into a head count figure when reporting to the Department of Finance under the Policy.

### **How will the Policy support retention of Aboriginal employees?**

- While employee retention is not directly within the scope of the Policy, taking steps to support employee retention not only benefits the employee but also the organisation. Employers are strongly encouraged to provide fair and equitable work opportunities to Aboriginal employees.
- Employers will also be encouraged to access employment and training initiatives offered by the Department of Training Workforce and Development where more support is required.

### **Subcontracting targets**

#### **How were the subcontracting targets derived/chosen?**

- A value-based target for subcontracting recognises that some suppliers may enter into an arrangement with one registered Aboriginal business or ACCO with a large value while others may enter into many contracts with Aboriginal businesses – cumulatively both would meet the value target.

#### **Why are the subcontracting targets the same across WA?**

- It is acknowledged that there is variation in the number and availability of suitably experienced registered Aboriginal businesses and ACCOs across the state. Therefore, to take a granular approach where unique targets are set for each individual project is not feasible at a whole of government level.

#### **How will the subcontracting target be calculated?**

- If a supplier chooses to meet participation requirements through the subcontracting target, the target will be calculated as a percentage of the price at Contract Award. For example, for a contract advertised in the 2020-21 financial year (3 per cent target), where the price at Contract Award was \$12 million, the subcontracting

target would be \$360,000. If subsequent contract variations are executed, as the target is based on the contract value at Contract award, the subcontracting target value will remain the same unless parties negotiate otherwise as part of the variation. See p.13 and 14 for more information about calculating the participation requirement targets.

### **Which subcontracting arrangements will count towards the subcontracting target?**

- Only contracts awarded directly by the supplier to its immediate subcontractors, that are registered Aboriginal businesses or ACCOs, will count towards the targets. A registered Aboriginal business means a business that is registered on either the Aboriginal Business Directory of WA, or Supply Nation's Indigenous Business Direct.
- Subcontracts valued at \$50,000 and above must be reported towards the subcontracting target. Suppliers may voluntarily report subcontracts valued less than \$50,000, however subcontracts valued less than \$50,000 will not count towards achievement of the subcontracting target.

### **Including appropriate targets**

#### **I am not sure if my contract meets the definition of delivery predominantly to Aboriginal people, or will targeting the specific needs of Aboriginal people?**

- If the contract will be delivered in a location where the population is predominantly Aboriginal, the requirements should be included. Further information is available on p.12.

#### **Is there an exemption available where the contract is very specialised, or where there will be limited employment on the contract?**

- The participation requirements allow for flexibility in that suppliers may choose to pursue either a subcontracting target or an employment target. In the instance where there is a lack of registered Aboriginal business or ACCO subcontractors, the supplier may choose the employment target.
- Agencies may approach the Department of Finance for advice regarding contracts where it may not be feasible to include the requirements.

#### **Do the Aboriginal participation requirements include price preferences for use of Aboriginal business subcontractors or employment of Aboriginal people?**

- Some agencies have established their own price preferences for Aboriginal businesses, where the offer from an Aboriginal business (or the portion of the offer that will be delivered by Aboriginal business subcontractors or Aboriginal employees) is reduced, usually by 10 per cent, for evaluation purposes.
- This is not a mandatory requirement under the Policy as the impact of price preferences is dependent on State agency requirements and characteristics of individual contracts.
- Agencies may continue to apply price preferences or other evaluation mechanisms on all procurements or on specific contracts where this is suitable and likely to deliver benefits. Further information is available on p.18

## **Panel contracts and standing offers**

**I am advertising a contract that is likely to be awarded to multiple suppliers, and am unsure if any one supplier will be awarded a contract that exceeds \$5 million, do I need to include the contract condition?**

- If it is likely that any one supplier will be awarded a contract valued at \$5 million and above (for example, if the contract is very large, or the value of contract delivery in one region is likely to exceed \$5 million), then the requirements should be included. Where a customer contract eventuates that is valued at less than \$5 million then the State agency has discretion to negotiate with the supplier to remove the participation requirements.

**Do the participation requirements apply to standing offer contracts?**

- The requirements will only apply if the estimated total contract value will be known at the time of contract award. Where a contract will be awarded to multiple suppliers, but the value of the portion awarded to any supplier is likely to exceed \$5 million, the requirements must be included.

## **Evaluation**

**Does the Policy mean I have to seek quantitative or qualitative data from suppliers about numbers of Aboriginal employees or Aboriginal business subcontracting at time of tender?**

- No, the Policy requires suppliers to commit to meeting either the employment or subcontracting requirement over the contract term through a contract disclosure at time of tender. The Policy does not require disclosure or evaluation of how the supplier will deliver their selected Aboriginal participation requirement. However, agencies may still choose to include price preferences or other evaluation mechanisms to support Aboriginal economic outcomes.

**The supplier is seeking a departure from the Aboriginal participation requirement clause. Is it acceptable to negotiate alternative targets with the supplier?**

- It is expected that the flexibility afforded to suppliers in their ability to choose the employment or subcontracting target should alleviate the need for suppliers to seek any departures on this term.
- Where possible, it is preferred to include the targets as set out in the Policy. However, if suppliers do seek an alternative arrangement, agencies are advised to use their own discretion when negotiating with the supplier. Further information is available on p.20-21.

## Verifying claims from suppliers

How can I confirm whether a supplier is genuinely employing Aboriginal people or subcontracting to registered Aboriginal businesses and/or ACCOs?

- State agencies can verify whether the businesses listed in a supplier's Offer are registered Aboriginal businesses by searching on [Supply Nation's Indigenous Business Direct](#) or [ABDWA](#) .
- State agencies can verify an ACCO listed in a supplier's Offer by referring to the definition of an ACCO in the DCSP Policy.
- Verification of claims about Aboriginal employment are the responsibility of the supplier, further information is provided for suppliers in the [Aboriginal Procurement Policy Guide for Aboriginal Suppliers](#).

## Compliance

How will achievement against the targets be assessed?

- Achievement against subcontracting targets will be assessed at contract expiry, but will be monitored throughout the contract. Further information is available on p.19.
- Achievement against employment targets will be assessed annually on the anniversary of the contract's commencement. Further information is available on p.19.

The supplier is having issues meeting their target or is not on track to meet the target. What steps can I take to assist them to do so?

- In the first instance, contract managers should seek to understand the reasons for the supplier's non-compliance. Where a supplier is genuinely not able to meet the target, it may be appropriate to renegotiate an appropriate target for the remainder of the contract. Further information is available on p. 20 and 21.
- State agency contract managers may approach [Social Procurement](#) for advice in these circumstances.

Will supplier achievement of targets be reported publicly?

- Achievement against participation targets will be publicly reported at State agency level.
- Additional detail regarding supplier performance at the individual contract level will be provided to the Minister for Finance.

## **Section 3: Achieving Aboriginal Procurement Policy outcomes**

The following section provides a guide to additional factors to be considered by a State agency to assist with achieving outcomes under the Policy.

### **1. Executive support**

Executive support for the Policy is integral to driving cultural change within State agencies and ensuring the Policy's effectiveness.

It is recommended that State agencies establish or update their departmental plan or strategy for implementing the Policy that is endorsed by the State agency's Accountable Authority. This may form part of a broader Aboriginal business engagement strategy. It is beneficial to involve the Aboriginal business community in the development of such strategies to ensure it is meaningful and beneficial.

It is recommended that oversight of the Policy is assigned to a directorate or team within the State agency to monitor its adoption throughout the State agency.

### **2. Aboriginal business price preferences and qualitative criteria**

Some State agencies may wish to include registered Aboriginal business or ACCO price preferences or qualitative criteria to maximise Aboriginal participation outcomes. Further information is provided on p.18 noting that these initiatives may be used on any contract (i.e. not just on contracts where the participation requirements apply).

### **3. Aboriginal engagement officers**

Several State agencies and GTEs have established dedicated positions to support engagement of Aboriginal businesses, identification of Aboriginal business subcontractors for Tier One contractors and engagement of Aboriginal employees on major contracts. These positions are often occupied by Aboriginal people and provide expert advice and support to the State agency staff to assist them to improve their Aboriginal participation outcomes. State agencies that have adopted this approach have noted significant success and improvement in contracting with Aboriginal businesses.

This approach is unlikely to be suitable for all State agencies depending on the State agency's contracting profile. However, dedicating responsibility for achievement of Aboriginal engagement outcomes to an officer or team may encourage increased contracting with Aboriginal businesses and employment of Aboriginal people on government contracts.

#### **4. Cultural awareness training**

State agencies are encouraged to undertake cultural awareness training to develop a greater understanding of Aboriginal culture and communities and engagement principles.

It is recommended that cultural awareness training is undertaken widely throughout an agency, including by executive and procurement decision makers. The Aboriginal business directories are a good place to start in identifying potential businesses to provide these services.

#### **5. Communicate the Policy**

It is important that the Policy requirements are effectively communicated throughout the State agency. Strategies to promote the Policy within a State agency include:

- Publish an article about the updated Policy on departmental intranet, websites, newsletters, and other resources.
- Publish details of successful contracts with registered Aboriginal businesses and ACCOs and case studies of positive outcomes on departmental websites or newsletters.
- Promote suitable registered Aboriginal businesses and ACCOs (i.e. businesses that are likely to have the capability to deliver on State agency requirements) to agency staff on a regular basis.
- Share details of successful contracts with registered Aboriginal businesses and ACCOs with other State agencies to promote the Policy.
- Organise site visits with registered Aboriginal businesses and ACCOs to help State agency staff understand the capacity, capabilities and the breadth of services available from Aboriginal businesses.
- Refer to the Policy and the benefits of contracting with Aboriginal businesses and ACCOs as part of the staff induction and other internal training programs.
- Invite registered Aboriginal businesses and ACCOs to present at State agency forums or meetings to provide an opportunity for businesses to demonstrate the goods and services available and meet staff within the State agency.

## 6. Further support

Social Procurement is available to provide support and advice regarding the Policy and engagement of registered Aboriginal businesses. State agencies may contact Social Procurement for advice about the following:

- any queries related to the Policy (e.g. calculation of targets, reporting and State agency performance against targets)
- directly engaging registered Aboriginal businesses
- inclusion of alternative mechanisms to support Aboriginal participation in procurement processes (for example qualitative criteria and price preferences)
- how to identify relevant Aboriginal businesses or opportunities to engage Aboriginal businesses based on State agency contracting data
- the status of businesses registered on the directories (the team is able to provide feedback directly to directory owners regarding ownership concerns or whether a listed business is not active).

Unfortunately, Social Procurement cannot comment on the capability or capacity of individual businesses or ACCOs. There are organisations that provide capability assessments on a fee for service basis, for example [ICN Gateway](#), as the owners of ABDWA, provides this service for businesses listed on the directory.

Contact Social Procurement for further information and advice:

Email: [socialprocurement@finance.wa.gov.au](mailto:socialprocurement@finance.wa.gov.au)

Phone: (08) 6551 2475

For further information and advice on directly engaging ACCOs through the DCSP Policy, please contact the Community Services Procurement Policy team:

Email: [cspp@finance.wa.gov.au](mailto:cspp@finance.wa.gov.au)

Phone: (08) 6551 1515



