Government of **Western Australia**
Department of **Treasury and Finance**

A Summary of the Review of the Aboriginal Procurement Policy 2024

What is the Review of the Aboriginal Procurement Policy?

In 2024, the former Department of Finance (Finance) completed its review of the Aboriginal Procurement Policy (APP) to:

- Assess State agency compliance with the APP targets;
- Identify to what degree the APP is achieving its aims;
- Provide recommendations to update the APP; and
- Incorporate the findings from the Office of the Auditor-General's Audit into the Effectiveness of the Implementation of the Aboriginal Procurement Policy tabled in Parliament on 21 November 2024.

What did we do?

The Review of the APP assessed:

- Agency compliance with the progressive contracting targets;
- The experience of State agencies and Aboriginal Suppliers in engaging with the APP; and
- Feedback and insights into the APP's operation and effectiveness from stakeholders, including Aboriginal Suppliers, State agencies and other relevant parties.

How did we do it?

The review used a mixed methods approach that was conducted over four phases between October 2023 and October 2024. Methods of data collection and stakeholder engagement that informed the review included:

- Surveys from State agencies and Aboriginal businesses.
- Semi-structured interviews with key stakeholders.
- Data analysis of State agency performance.
- Collaborative workshops with State agencies and Aboriginal Suppliers.
- Literature review to identify evidence-based policy development and implementation, best practice, and benchmarks.
- Comparative analysis of targets, outcomes, and impact of similar Aboriginal and Torres Strait Islander procurement policies and initiatives in other jurisdictions.

Who did we speak to?

- Aboriginal Businesses
- State agencies
- Finance's Aboriginal Business Capability Building Service Providers
- Peak bodies

What did we hear?

Feedback from stakeholder groups recognised:

1. Complexities in procurement processes and gaining access to information, support and resources are a challenge.
2. Engagement between State agencies and Aboriginal Suppliers needs improving.
3. There is a need for support and capacity building in both Aboriginal Suppliers and State agencies.
4. Issues of trust and perceived bias among government practices exist.
5. Continuous improvement of the APP would provide greater value than three-year reviews.
6. The effectiveness of the Aboriginal business directories needs improving.

What did we find?

The Review found that the APP has been successful at driving growth in contracting with Aboriginal Suppliers and that since the Policy was introduced, Western Australian Government has met or exceeded the targets each year.

Additionally, the Review found that:

1. The APP needs to shift from targets to include broader metrics to support State agencies and Aboriginal Suppliers with applying the APP.
2. State agencies would benefit from further training in using existing tools to identify Aboriginal Suppliers in their procurement portfolios.
3. State agencies could benefit from early planning and strategic coordination to identify Aboriginal Suppliers and opportunities for contracting with Aboriginal Suppliers.
4. Aboriginal Suppliers could benefit from business development supports that helps them win contracts with State agencies.
5. State agencies could benefit from capability building to improve cultural competency and better understand some of the barriers for Aboriginal Suppliers trying to engage with State agencies.
6. Work is needed to understand the link between the APP and new business creation as a means of growing the Aboriginal business sector.
7. Better communication of reasons regarding choice of supplier and improved communication of where the APP is working well is required.
8. Structural barriers and lack of trust impact Western Australian Government's positioning as a contractor of choice for Aboriginal Suppliers.

What are the Recommendations?

The Review made seven recommendations, in association with four key themes, to strengthen the APP, enhance its effectiveness, and promote more equitable opportunities for Aboriginal Suppliers.

Theme1 - Understanding our Impact

Recommendation 1 Agencies to develop an Agency Aboriginal Procurement Plan	Agencies will be required to develop an Agency Aboriginal Procurement Plan annually, with the first plans to be finalised by 30 June 2026. The Plan will help agencies to identify opportunities in their agency to contract with Aboriginal Suppliers and improve their engagement with Aboriginal Suppliers.
Recommendation 2 Strengthen supplementary reporting	Supplementary reporting is voluntary for agencies to report contracts awarded to Aboriginal Suppliers below the $50,000 threshold each year and does not count towards an agency's APP target. Finance will strengthen the supplementary reporting process by standardising how this information is received as part of the end of financial year reporting. This will capture a more complete picture of agencies achievements in contracting with Aboriginal Suppliers, create more opportunities for agencies to align their activities with the intended impact of the APP, and make this reporting process simpler and consistent across agencies.

Theme 2 – Focusing on outcomes

Recommendation 3 Moderately increase targets in 2025-26 and 2026-27 and then stabilise target until 2030-31.	Targets will increase progressively to five per cent by 2026-27 and then remain constant through to 2030-31. The revised targets will be implemented from July 2025.
Recommendation 4 Embed ongoing measurement, evaluation and learning	Finance will embed measurement, evaluation and learning processes, and commits to develop an outcomes measurement framework.

Theme 3 – Amplifying voices to inspire change	
Recommendation 5 Develop a Communications and Stakeholder Engagement (CSE) Strategy for the APP	Finance will develop a CSE Strategy to improve how Finance engages with Aboriginal Suppliers, peak bodies, community groups, State agencies, and other stakeholders.

Theme 4 – Making information more accessible	
Recommendation 6 Consolidate information, guidance and resources into an accessible ‘one-stop shop’ for Aboriginal Suppliers and State agency buyers	Finance will undertake work to consolidate information, guidance and resources into an accessible ‘one-stop shop’ for Aboriginal Suppliers and State agency buyers.
Recommendation 7 Work with Supply Nation and ICNWA to improve the Aboriginal business directories recognised for policy purposes	Finance will continue to work with Supply Nation and ICNWA to improve the usability and accuracy of the directories.

What are the next steps?

As a result of Public Sector Reform, from 1 July 2025 the Department of Treasury and Finance assumes the responsibilities of the Aboriginal Procurement Policy and will implement the Review’s recommendations with the aim of delivering on all recommendations by end of June 2027.

If you have any questions regarding this Review, please contact socialprocurement@dtf.wa.gov.au

