



Government of **Western Australia**
Department of **Finance**

Aboriginal Procurement Policy First Year Performance Report

1 July 2018 – 30 June 2019



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Foreword



Hon Ben S Wyatt LLB MSc MLA

I am proud to release this report outlining the success of the first year of the inaugural Aboriginal Procurement Policy introduced by the McGowan Labor Government.

At the State level, 4.77 per cent of contracts, worth over \$167 million, were awarded to registered Aboriginal businesses.

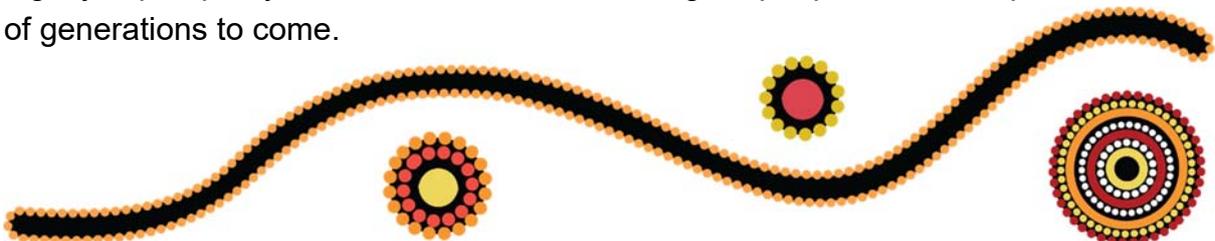
In achieving this figure, 33 Western Australian Government agencies have demonstrated their commitment to engaging Aboriginal businesses by achieving or exceeding the first year target of one per cent. This has resulted in 92 Aboriginal businesses engaged, which directly supports the economic prosperity of Aboriginal people in business and their families.

Importantly, the Aboriginal Procurement Policy also highlights those government agencies that have not met the target, not so that we can condemn but so we can use this clear transparency to ensure more effort is made.

As the Aboriginal Procurement Policy targets increase over the next two years, Western Australian Government agencies will provide new contracting opportunities to Aboriginal business which will ensure continued growth of the sector.

The Department of Finance will provide ongoing reporting on the impact of the Aboriginal Procurement Policy and the success achieved by the Aboriginal businesses as they participate in greater levels of State Government service delivery.

I look forward to the ongoing and increasing success of this Policy as it generates a legacy of prosperity for Western Australian Aboriginal people that will improve the lives of generations to come.



Executive Summary

The Aboriginal Procurement Policy (the Policy) commenced on 1 July 2018 and mandates progressive targets for the award of contracts to Aboriginal businesses.

WA Government agencies were required to award a minimum of one per cent of contracts to Aboriginal businesses in the 2018-19 financial year.

The Department of Finance (the Department) is committed to monitoring and measuring the impact of the Policy's introduction, and detailing the contracting success of the Aboriginal business sector.

The data contained within this Report relates to contract award information extracted from Tenders WA (unless otherwise specified) for the period of 1 July 2018 to 30 June 2019 and is subject to the accuracy of that information.

Following analysis of this data, the evidence suggests government agencies responded positively to the Policy initiative and significantly increased contracting with Aboriginal businesses.

At the State level, 4.77 per cent of contracts were awarded to registered Aboriginal businesses during the first year of the Policy.

Prior to the introduction of the Policy, data indicates government agencies awarded in the range of 50-65 contracts to Aboriginal businesses per annum across 8-14 agencies, roughly equivalent to one to two per cent of total contracts awarded¹. The Policy has clearly driven the desired behavioural change with the number of contracts almost tripling to 179 contracts across 33 government agencies.

The opportunity to contract with the WA Government has never been greater for Aboriginal businesses and the sector has demonstrated its ability to respond with 92 Aboriginal businesses awarded contracts across a variety of industries.

The immediate impact of the Policy is evident, yet further gains by the Aboriginal business sector are expected as the Policy targets increase and government agencies provide new contracting opportunities.

¹ These figures are indicative only as data has not been subjected to the same verification process.

First Year Performance Key Findings



1. Introduction

The Aboriginal Procurement Policy was a McGowan Labor Government election commitment that aimed to leverage the WA Government's role as a major purchaser to support the economic participation of Aboriginal people.

The Policy mandates progressive targets for the award of WA Government contracts to Aboriginal businesses and applies to all contracts valued at \$50,000 and above. The targets apply to all WA Government agencies² when purchasing goods, services, community services and works and is intended to apply to Government Trading Enterprises (GTE).

Each agency (and GTE, where applicable) is accountable for achieving the Policy targets³ by the end of each financial year, as follows:

| Financial Year | Target |
|----------------|---|
| 2018-19 | One per cent of the number of awarded contracts |
| 2019-20 | Two per cent of the number of awarded contracts |
| 2020-21 | Three per cent of the number of awarded contracts |

The achievement of targets is calculated using the number of contracts awarded in each financial year with contracts awarded on or after 1 July each year included.

2. Purpose of the Performance Report

The Minister for Finance committed to providing public reporting to ensure transparency in the WA Government's performance and to demonstrate the impact of the Policy.

² An agency as defined in the *Financial Management Act 2006*, section 3 other than a university listed in Schedule 1 to that Act.

³ With respect to works contracts awarded by the Minister for Works, the responsible agency is the agency that provides the majority of the funding. As such, contract award information is reallocated to the major funding agency.

This report provides an overview of the achievement of the Policy targets within the first financial year, from 1 July 2018 to 30 June 2019, as well as contracting success achieved by the Aboriginal business sector.

As a result of information provided through the Supplementary Reporting process, spending with entities identifying as members of the Aboriginal community or Aboriginal business sector extends beyond those engagements identified as part of the Policy reporting. This data demonstrates an additional \$8 million of WA Government spend above the \$167 million associated with the Policy outcomes. The submission of Supplementary Reporting was a voluntary process and relates to contracts excluded⁴ from the Policy, as such this information has not been verified by the Department. Further information is available at Appendix 1.

Limitations of the data contained within this Report are outlined at Appendix 2.

Subsequent reports will include further data to compare financial year findings including:

- the average percentage of contracts awarded to Aboriginal businesses;
- a cumulative total of the number of contracts awarded to Aboriginal businesses; and
- a cumulative total of the contract award value of contracts awarded to Aboriginal businesses.

Further information relating to the reporting parameters is available within the [Aboriginal Procurement Policy \(Implementation\) Guide](#).

3. Registered Aboriginal Businesses

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 targets, a business must be registered on a directory that requires a minimum of 50 per cent ownership by an Aboriginal interest.

⁴ For information relating to contracts that contribute to the Policy targets, refer to the Aboriginal Procurement Policy Implementation Guide.

Both the [Aboriginal Business Directory WA](#) and Supply Nation's [Indigenous Business Direct](#) are considered suitable directories.

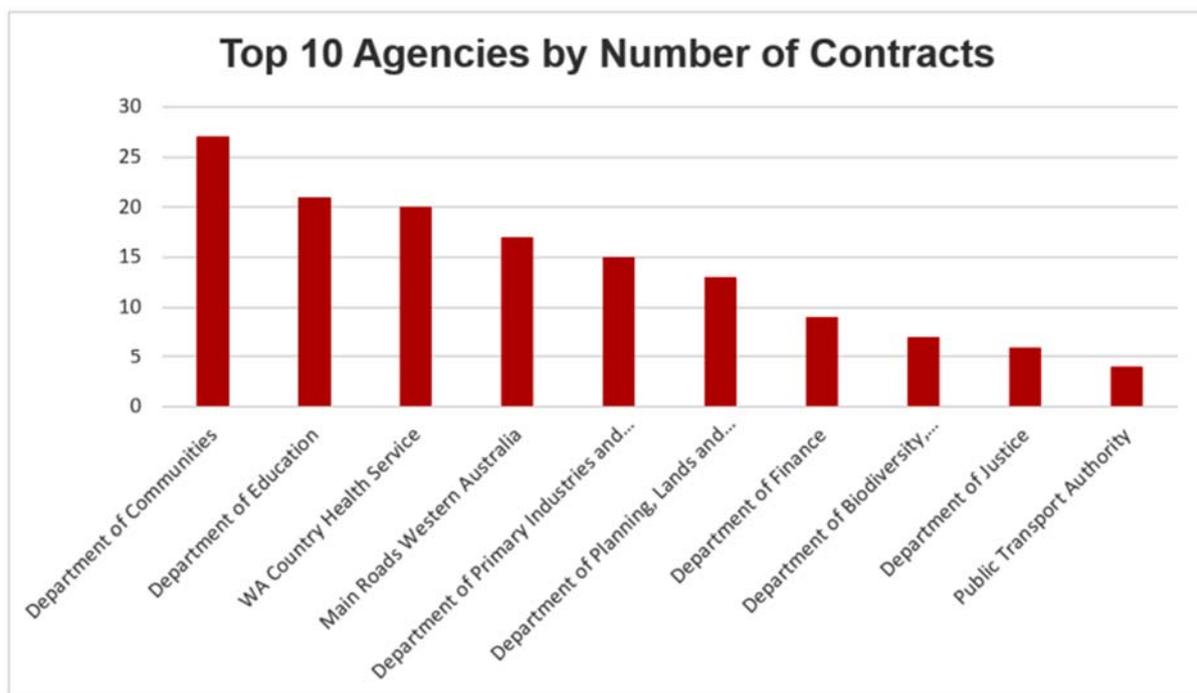
The Department has agreements in place with both directories to provide directory registration information that allows the Department to verify those businesses which are identified as Aboriginal business on Tenders WA are in fact on one of the directories.

Only Aboriginal businesses registered on these directories are included in this Report (excluding Supplementary Reporting information).

4. Achievement of Policy Targets

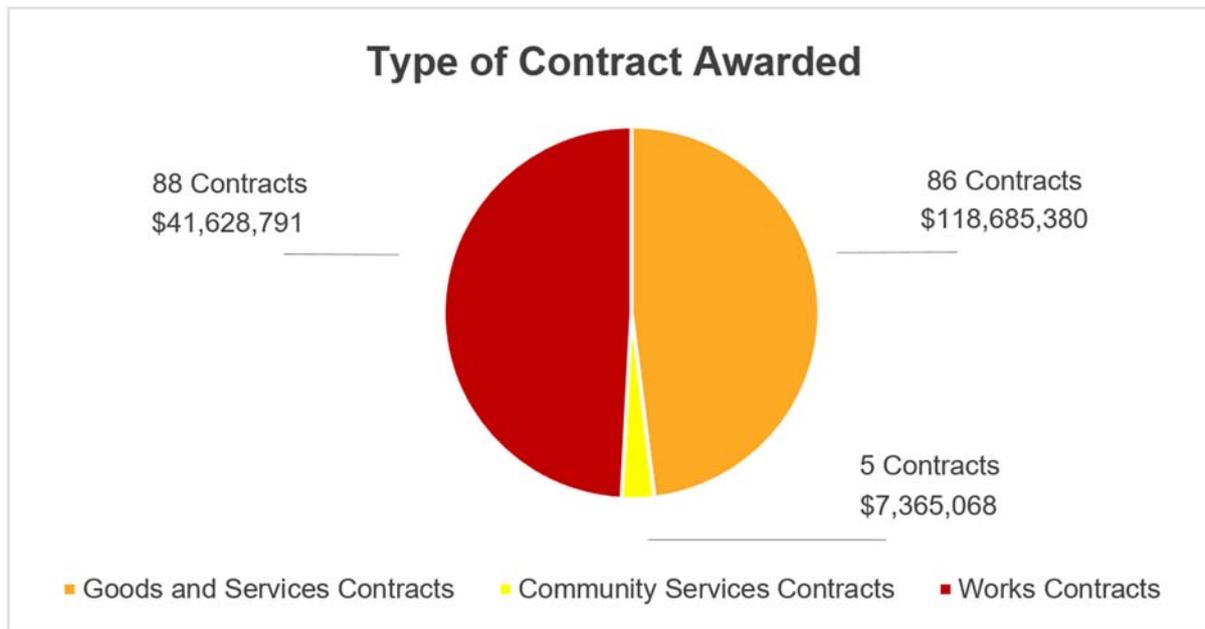
In the period 1 July 2018 to 30 June 2019, a total of 33 government agencies have awarded contracts to an Aboriginal business and met the first year target.

During the 2015-16 and 2016-17 financial years, eight and 14 agencies respectively had awarded a contract to an Aboriginal business. As such, there has been a significant increase in the number of agencies contracting with Aboriginal businesses.



Graph 1 (above) shows the government agencies that have achieved the greatest number of contracts awarded to Aboriginal businesses.

Contracting is generally categorised as goods and services, community services and works, as such, the following graph shows the distribution of contract types awarded to Aboriginal businesses:



Graph 2 (above) represents the number of contracts awarded via each category and the total value of those contracts (excluding values associated with panel contracts).

The Department sought information from the top three performing government agencies regarding their efforts in engaging Aboriginal businesses:

- Department of Communities awarded the most contracts overall and had the second highest total contract award value; and
- Department of Education had the second highest number of contracts and third highest total contract award value.
- WA Country Health Service (WACHS) had the highest total contract award value and third highest number of contracts;

This information highlighted the importance of considering Aboriginal business as part of all procurement processes, researching the market and actively engaging with providers to understand how they can meet the needs of government. The full information is available at Appendix 3.



Government agencies that have achieved the Policy target during the 2018-19 financial year

| Agency | Number of Contracts Awarded to Aboriginal Businesses | Number of Other Contracts | Total Number of Contracts Awarded | Percentage of Contracts Awarded to Aboriginal Businesses |
|---|--|---------------------------|-----------------------------------|--|
| Child and Adolescent Health Service | 1 | 52 | 53 | 1.89 |
| Department of Biodiversity, Conservation and Attractions | 7 | 127 | 134 | 5.22 |
| Department of Communities | 27 | 128 | 155 | 17.42 |
| Department of Education | 21 | 535 | 556 | 3.78 |
| Department of Finance | 9 | 164 | 173 | 5.20 |
| Department of Fire and Emergency Services | 3 | 70 | 73 | 4.11 |
| Department of Justice | 6 | 112 | 118 | 5.08 |
| Department of Local Government, Sport and Cultural Industries | 1 | 30 | 31 | 3.23 |
| Department of Planning, Lands and Heritage | 13 | 135 | 148 | 8.78 |
| Department of Primary Industries and Regional Development | 15 | 115 | 130 | 11.54 |
| Department of the Premier and Cabinet | 1 | 32 | 33 | 3.03 |
| Department of Training and Workforce Development | 2 | 44 | 46 | 4.35 |
| Department of Transport | 4 | 154 | 158 | 2.53 |
| Department of Water and Environmental Regulation | 1 | 64 | 65 | 1.54 |
| East Metropolitan Health Service | 1 | 89 | 90 | 1.11 |
| Forest Products Commission | 3 | 25 | 28 | 10.71 |
| Government Employees Superannuation Board of WA | 1 | 9 | 10 | 10.00 |
| Landgate | 1 | 20 | 21 | 4.76 |

| Agency | Number of Contracts Awarded to Aboriginal Businesses | Number of Other Contracts | Total Number of Contracts Awarded | Percentage of Contracts Awarded to Aboriginal Businesses |
|--------------------------------------|--|---------------------------|-----------------------------------|--|
| Lotterywest (Lotteries Commission) | 1 | 29 | 30 | 3.33 |
| Main Roads Western Australia | 17 | 200 | 217 | 7.83 |
| Mental Health Commission | 1 | 10 | 11 | 9.09 |
| Metropolitan Cemeteries Board | 4 | 8 | 12 | 33.33 |
| Metropolitan Redevelopment Authority | 2 | 21 | 23 | 8.70 |
| North Metropolitan TAFE | 1 | 26 | 27 | 3.70 |
| North Regional TAFE | 2 | 6 | 8 | 25.00 |
| Pilbara Development Commission | 2 | 1 | 3 | 66.67 |
| Public Sector Commission | 1 | 12 | 13 | 7.69 |
| Public Transport Authority | 4 | 383 | 387 | 1.03 |
| South Metropolitan TAFE | 1 | 21 | 22 | 4.55 |
| South Regional TAFE | 1 | 15 | 16 | 6.25 |
| VenuesWest | 1 | 35 | 36 | 2.78 |
| WA Country Health Service | 20 | 126 | 146 | 13.70 |
| Western Australia Police Force | 3 | 159 | 162 | 1.85 |

Note: Data listed above relating to the Department of Finance excludes any purchases undertaken by Building Management and Works, a business unit within the Department, where contracts have been awarded on behalf of client agencies. Building Management and Works was responsible for awarding an additional 35 contracts to Aboriginal businesses on behalf of the Minister for Works, with those contracts re-allocated to the client agency that provided the majority of funding.

Government agencies that did not achieve the Policy targets in the 2018-19 financial year

A total of 36 government agencies did not achieve the Policy target in the period 1 July 2018 to 30 June 2019.

For agencies with specialised requirements, or those who award less than 10 contracts in a year, the Department acknowledges it may be challenging to

meet the Policy targets irrespective of their willingness to embrace the Policy requirements. This is due to these agencies having either limited opportunities to engage Aboriginal businesses or because they contract for goods or services that Aboriginal businesses currently do not provide.

The Department will continue to support government agencies that have not met the target to undertake effective planning and research activities to increase Aboriginal business contracting and meet the target in subsequent years.

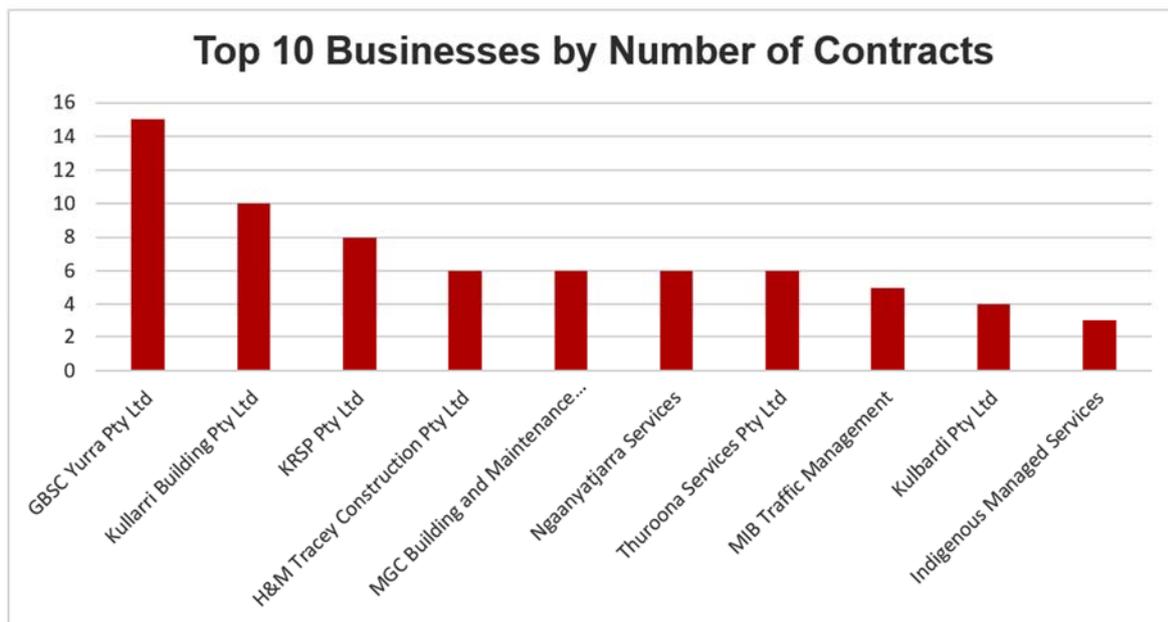
| Agency | Number of Contracts Awarded to Aboriginal Businesses | Total Number of Contracts Awarded | Percentage of Contracts Awarded to Aboriginal Businesses |
|---|--|-----------------------------------|--|
| Animal Resources Centre | Nil | 2 | Nil |
| Burswood Park Board | Nil | 3 | Nil |
| Central Regional TAFE | Nil | 23 | Nil |
| ChemCentre | Nil | 18 | Nil |
| Corruption and Crime Commission of WA | Nil | 12 | Nil |
| Department of Health | Nil | 29 | Nil |
| Department of Jobs, Tourism, Science and Innovation | Nil | 40 | Nil |
| Department of Mines, Industry Regulation and Safety | 1 | 185 | 0.54 |
| Department of the Registrar, WA Industrial Relations Commission | Nil | 5 | Nil |
| Department of Treasury | Nil | 18 | Nil |
| Economic Regulation Authority | Nil | 6 | Nil |
| Gascoyne Development Commission | Nil | 1 | Nil |
| Health Support Services | Nil | 75 | Nil |
| Insurance Commission of Western Australia | Nil | 5 | Nil |
| Legislative Assembly (WA) | Nil | 1 | Nil |
| Minerals Research Institute of Western Australia | Nil | 1 | Nil |
| North Metropolitan Health Service | Nil | 48 | Nil |
| Office of the Auditor General | Nil | 5 | Nil |

| Agency | Number of Contracts Awarded to Aboriginal Businesses | Total Number of Contracts Awarded | Percentage of Contracts Awarded to Aboriginal Businesses |
|--|--|-----------------------------------|--|
| Office of the Director of Public Prosecutions for WA | Nil | 8 | Nil |
| Office of the Information Commissioner | Nil | 1 | Nil |
| Office of the Inspector of Custodial Services | Nil | 3 | Nil |
| Parliamentary Services | Nil | 1 | Nil |
| PathWest Laboratory Medicine WA | Nil | 40 | Nil |
| Perth Theatre Trust | Nil | 3 | Nil |
| Public Trustee | Nil | 4 | Nil |
| Queen Elizabeth II Medical Centre Trust | Nil | 2 | Nil |
| Racing and Wagering Western Australia | Nil | 6 | Nil |
| Road Safety Commission | Nil | 1 | Nil |
| Small Business Development Corporation | Nil | 6 | Nil |
| South Metropolitan Health Service | Nil | 46 | Nil |
| South West Development Commission | Nil | 1 | Nil |
| WA Planning Commission | Nil | 1 | Nil |
| Western Australian Electoral Commission | Nil | 3 | Nil |
| Western Australian Museum | Nil | 1 | Nil |
| Western Australian Treasury Corporation | Nil | 5 | Nil |
| WorkCover Western Australia | Nil | 12 | Nil |

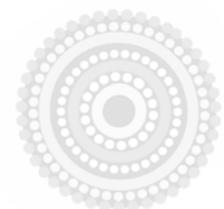
Note: Data listed above relating to the Department of Health excludes the Health Service Providers; North Metropolitan Health Service, South Metropolitan Health Service, East Metropolitan Health Service, WA Country Health Service, Child and Adolescent Health Service and Health Support Services. As each accountable authority is responsible for achieving the target, they have been reported separately.

5. Aboriginal Business Contracting Success

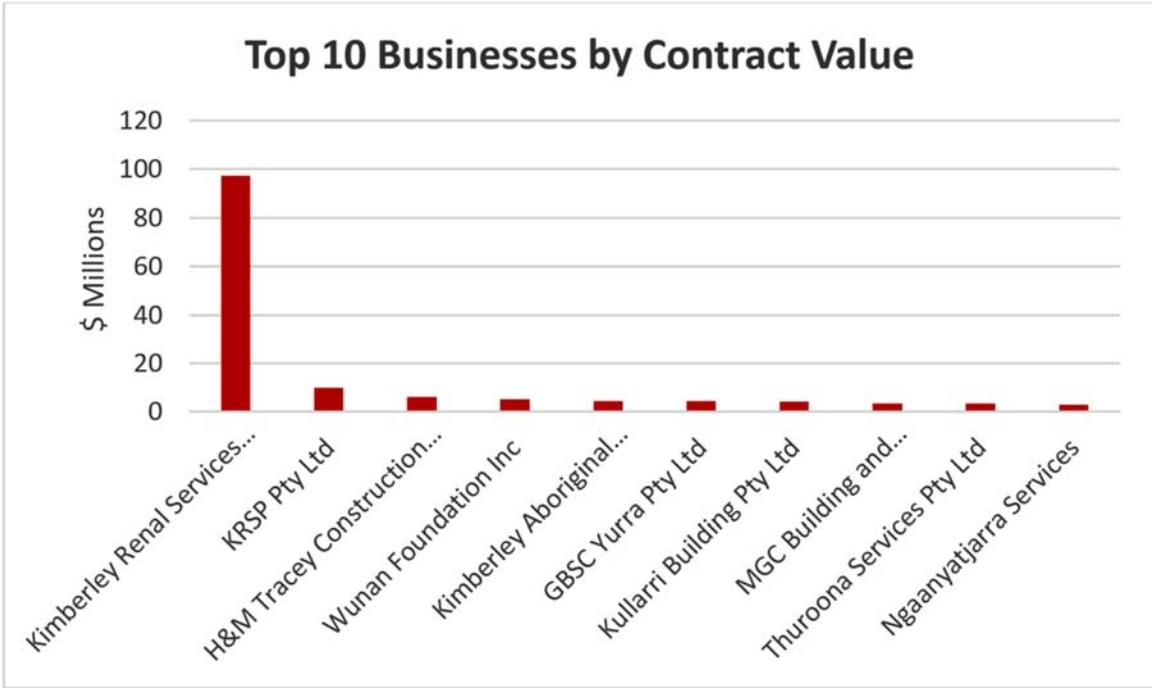
In the period 1 July 2018 to 30 June 2019, a total of 179 contracts were awarded to 92 Aboriginal businesses with a total value in excess of \$167 million. Whilst the total number of contracts includes those awarded as part of a panel arrangement,⁵ the value of a panel contract is unknown at the time of award and not reflected in the total value. As such, the actual value of contracts awarded to Aboriginal business is expected to be higher.



Graph 3 (above) shows the top 10 Aboriginal businesses in terms of the number of contracts awarded.



⁵ Further information relating to the structure of panel arrangements is available at Appendix 2 – Data Limitations.



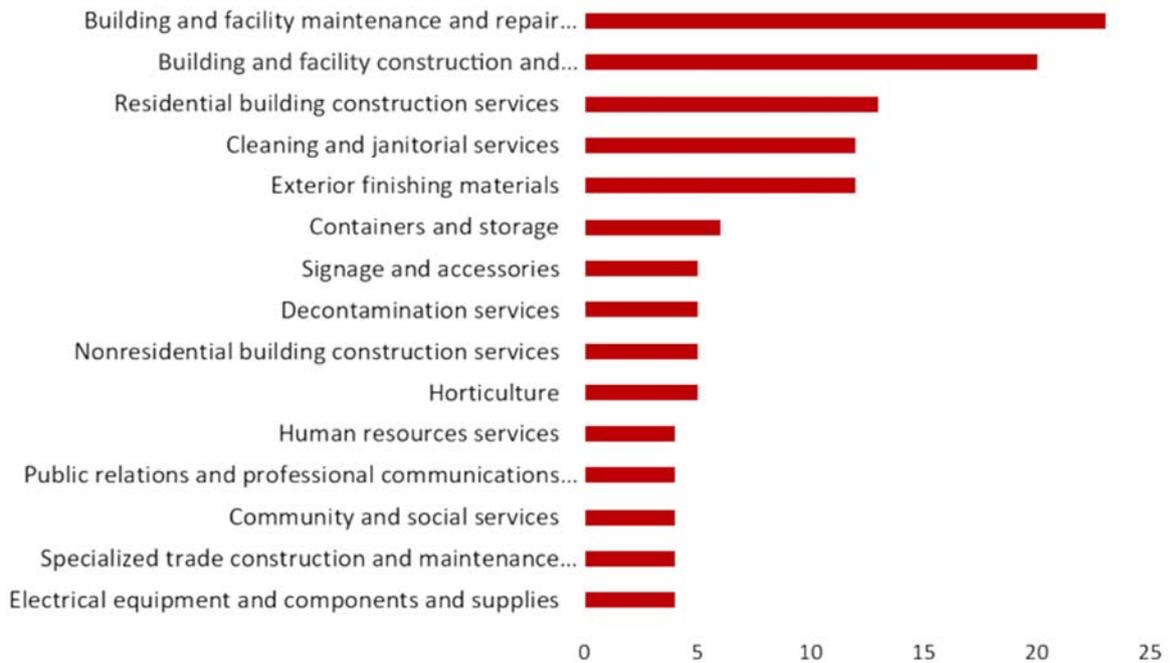
Graph 4 (above) shows the top 10 Aboriginal businesses in terms of the value of awarded contracts, excluding contract values associated with panel arrangements. Note: The WA Country Health Service contract awarded to Kimberley Renal Services Pty Ltd for \$97 million, can be considered an outlier when compared to other contracts. This contract has significantly increased the total value of contracts with Aboriginal businesses.

The following graph demonstrates the top categories of contracts awarded to Aboriginal businesses as categorised by United Nations Standard Products and Services Codes (UNSPSC).

The Department will undertake further analysis of information relating to WA government major purchasing categories to assist the Aboriginal business sector to identify future contracting opportunities.



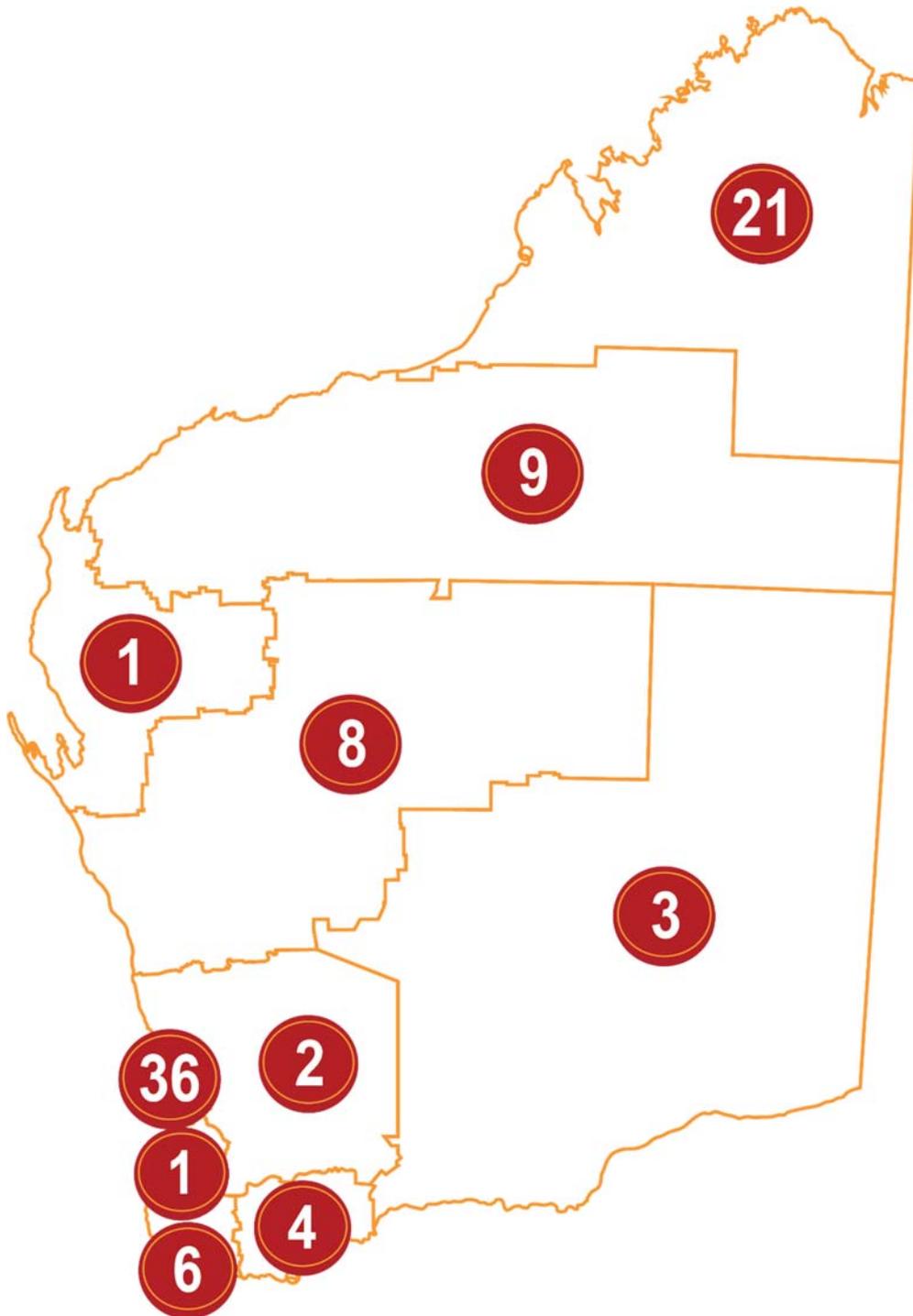
Top 15 UNSPSC Categories



Graph 5 (above) shows the top 15 categories of contracts (as per UNSPSC categories), awarded to Aboriginal businesses. Note that government agencies categorise their own contracts, as such this information has not been validated.



Of the contracts awarded to Aboriginal businesses, 99 per cent of these are Western Australian businesses based in the following locations.



The map (above) shows the distribution by location of the Aboriginal businesses based on the address registered with the Aboriginal Business Directory WA or Supply Nation. One business was located outside of WA.

Aboriginal Business Contract Data

The following table outlines all Aboriginal businesses that were awarded a contract in the period 1 July 2018 to 30 June 2019, the region the businesses is located and the agency or agencies they are contracted to.

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|--|---------------------|----------------------|--|
| ABC Foundation Ltd | 1 | Gascoyne | Department of Education |
| Aboriginal Health Council of Western Australia | 1 | Perth | WA Country Health Service |
| Aboriginal Productions and Promotions | 1 | Perth | Department of Transport |
| Albany Travel and Cruise | 1 | Great Southern | WA Country Health Service |
| Asphalt Solutions | 1 | Wheatbelt | Public Transport Authority |
| Black Forrest Resources | 1 | Goldfields-Esperance | Department of Primary Industries and Regional Development |
| Black Pepper WA Pty Ltd | 1 | Mid West | Department of Primary Industries and Regional Development |
| Black Stump Resources Pty Ltd | 2 | Mid West | Metropolitan Cemeteries Board |
| Brida Pty Ltd | 1 | Pilbara | Department of Education |
| Building and Construction South West | 1 | South West | Department of Biodiversity, Conservation and Attractions |
| CareyMC | 2 | Perth | Department of Planning, Lands and Heritage, Metropolitan Cemeteries Board |
| Codee Cleaning Services | 2 | Perth | Department of Communities, Department of Local Government, Sport and Cultural Industries |
| Cole Workwear | 2 | Perth | Department of Water and Environmental Regulation, Forest Products Commission |

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|--|----------------------------|------------------------|---|
| Dijun Klean Pty Ltd | 2 | Kimberley | Department of Communities, North Regional TAFE |
| Enigma Indigenous Peoples | 1 | QLD | Public Sector Commission |
| Eon Protection | 1 | Perth | Department of Planning, Lands and Heritage |
| Esperance Tjaltjraak Services | 2 | Goldfields-Esperance | Department of Primary Industries and Regional Development |
| FenceWright Pty Ltd | 1 | Perth | Department of Primary Industries and Regional Development |
| Gantheaume Bay Electrical | 1 | Mid West | Department of Education |
| GBSC Yurra Pty Ltd | 15 | Mid West | Department of Communities, Department of Education, Department of Finance, Department of Fire and Emergency Services, Department of Justice, Main Roads Western Australia, Western Australia Police Force |
| Geoffery Ian Littlefair | 2 | Mid West | Department of Finance, Forest Products Commission |
| Gija (Aust) Pty Ltd | 1 | Kimberley | WA Country Health Service |
| Gnoweran Spraying and Environmental Services | 1 | Great Southern | Department of Primary Industries and Regional Development |
| Go Cultural Aboriginal Tours and Experiences | 1 | Perth | Metropolitan Redevelopment Authority |
| Grant Simpson Rural Fencing Contractor | 1 | Mid West | Department of Primary Industries and Regional Development |
| Gundi Consulting | 1 | Perth | Department of Transport |
| Gundi Contracting Pty Ltd | 1 | Perth | Public Transport Authority |

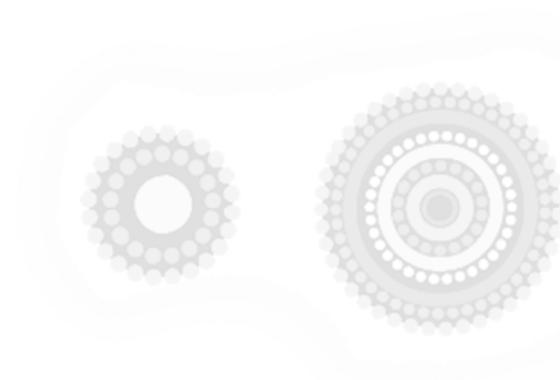
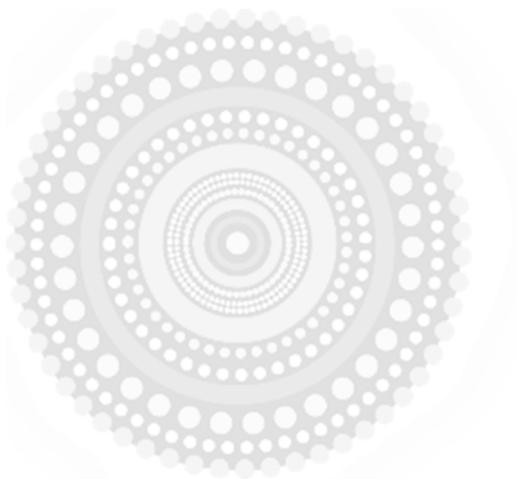
| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|--|----------------------------|------------------------|---|
| H&M Tracey Construction Pty Ltd | 6 | Kimberley | Department of Biodiversity, Conservation and Attractions, Department of Communities, Department of Training and Workforce Development, Mental Health Commission, North Regional TAFE, WA Country Health Service |
| IBN Services | 1 | Pilbara | Department of Planning, Lands and Heritage |
| Impact Services | 2 | Great Southern | Main Roads Western Australia, South Regional TAFE |
| Indigenous Construction Resource Group Pty Ltd | 1 | Perth | Main Roads Western Australia |
| Indigenous Managed Services | 3 | Peel | Department of Fire and Emergency Services, Department of Transport, Government Employees Superannuation Board of WA |
| Indigenous Professional Services | 1 | South West | Landgate |
| Indiya Geospatial | 1 | Perth | Department of Planning, Lands and Heritage |
| IPSA Holding Australia Pty Ltd | 1 | Perth | Public Transport Authority |
| Julyardi Aboriginal Corporation | 1 | Pilbara | Pilbara Development Commission |
| Jungardie Contracting Services | 1 | Kimberley | WA Country Health Service |
| Kajarinya Pty Ltd | 1 | Pilbara | Department of Primary Industries and Regional Development |
| Kambarang Services | 2 | Perth | Department of Planning, Lands and Heritage, WA Country Health Service |
| Keip Filtration | 1 | South West | WA Country Health Service |
| Kimberley Aboriginal Medical Services Limited | 1 | Kimberley | WA Country Health Service |

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|--|----------------------------|------------------------|--|
| Kimberley Kool Refrigeration and Airconditioning Pty Ltd | 1 | Kimberley | Department of Education |
| Kimberley Renal Services Pty Ltd | 2 | Kimberley | WA Country Health Service |
| Koormal Contracting | 2 | South West | Department of Education, WA Country Health Service |
| Koya Aboriginal Corporation | 1 | Perth | Child and Adolescent Health Service |
| KRSP Pty Ltd | 8 | Kimberley | Department of Communities, Department of Education, |
| Kulbardi Pty Ltd | 4 | Perth | Department of Mines, Industry Regulation and Safety, Department of the Premier and Cabinet, Department of Transport, South Metropolitan TAFE |
| Kullarri Building Pty Ltd | 10 | Kimberley | Department of Communities, Department of Education, Department of Finance, Department of Justice, Department of Training and Workforce Development, Main Roads Western Australia |
| Lalgardi Enterprises Pty Ltd | 3 | Kimberley | Department of Justice, WA Country Health Service |
| Maarli Services Pty Ltd | 2 | Perth | Department of Primary Industries and Regional Development |
| Mainland Security Protection Pty Ltd | 1 | Great Southern | Department of Primary Industries and Regional Development |
| Mallard Contracting Pty Ltd | 1 | Perth | Main Roads Western Australia |
| Mallee Mungart Fencing | 1 | Wheatbelt | Department of Primary Industries and Regional Development |
| Mamabulanjin Aboriginal Corporation | 1 | Kimberley | Department of Communities |
| Marawar | 1 | Perth | Metropolitan Cemeteries Board |

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|---|----------------------------|------------------------|--|
| Marra Worra Worra Aboriginal Corporation | 2 | Kimberley | WA Country Health Service |
| Meta Maya Construction Pty Ltd | 3 | Perth | Department of Biodiversity, Conservation and Attractions, |
| Meta Maya Group Pty Ltd | 3 | Perth | Department of Biodiversity, Conservation and Attractions, Department of Communities |
| MGC Building and Maintenance Pty Ltd | 6 | Kimberley | Department of Communities, Department of Finance |
| MIB Traffic Pty Ltd | 5 | Pilbara | Main Roads Western Australia |
| Minbaringu Services Pty Ltd | 1 | Pilbara | Department of Finance |
| Minjardahyo Gardening Service | 1 | Kimberley | WA Country Health Service |
| Moorditj Industries and Technology | 1 | Perth | Department of Planning, Lands and Heritage |
| Naanda Australia Pty Ltd | 1 | Pilbara | Department of Education |
| NBC Aboriginal Corporation | 1 | Kimberley | Department of Finance |
| Ngaanyatjarra Services | 6 | Perth | Department of Communities, Department of Education, Department of Finance, Western Australia Police Force |
| Ngadju Conservation | 2 | Perth | Department of Primary Industries and Regional Development, Forest Products Commission |
| Ngala Boodja - Aboriginal Landcare | 1 | Perth | Department of Planning, Lands and Heritage |
| Ningham Billy Aboriginal Business Enterprise Pty Ltd. | 1 | Mid West | Department of Primary Industries and Regional Development |
| North West Alliance | 1 | Pilbara | WA Country Health Service |
| Nyoongar Patrol Outreach Service | 1 | Perth | East Metropolitan Health Service |
| Ochre Workforce Solutions | 1 | Perth | North Metropolitan TAFE |

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|--|----------------------------|------------------------|---|
| Paupiyala Tjarutja Aboriginal Corporation | 1 | Goldfields-Esperance | WA Country Health Service |
| Pilbara Training Services | 1 | Perth | Pilbara Development Commission |
| Pindari WA | 1 | South West | Department of Education |
| Robyn's Eco | 1 | Perth | Lotterywest |
| RooForce Facility Services Pty Ltd | 1 | Perth | Metropolitan Redevelopment Authority |
| Sampro Contracting Pty. Ltd. | 1 | Kimberley | Department of Planning, Lands and Heritage |
| ServeGate Australia WA | 2 | Perth | Department of Planning, Lands and Heritage, Main Roads Western Australia |
| Sonography Assist Pty Ltd | 1 | Kimberley | WA Country Health Service |
| South West Aboriginal Medical Service Aboriginal Corporation | 1 | South West | WA Country Health Service |
| Thuroona Services Pty Ltd | 6 | Perth | Department of Education, Department of Planning, Lands and Heritage, Main Roads Western Australia |
| Tjallara Building Company Pty Ltd | 3 | Kimberley | Department of Education, Department of Justice |
| WA Landscapes Pty Ltd | 1 | Perth | Department of Communities |
| Wattnow Electrical | 2 | Kimberley | Department of Education, Department of Planning, Lands and Heritage |
| Western Mulga | 1 | Mid West | Department of Primary Industries and Regional Development |
| White Springs Demolition & Asbestos Pty Ltd | 1 | Perth | Main Roads Western Australia |

| Business | Number of Contracts | Business Region | Contracting Agency or Agencies |
|------------------------------------|---------------------|-----------------|--|
| Wilco Electrical (WA) Pty Ltd | 3 | Perth | Department of Finance, VenuesWest |
| Winun Ngari Aboriginal Corporation | 1 | Kimberley | Main Roads Western Australia |
| Wunan Foundation Inc | 2 | Kimberley | Department of Education |
| Yunga Foundation | 1 | Perth | Public Transport Authority |
| Yurra Pty Ltd | 2 | Pilbara | Department of Communities, Department of Education |



6. Department of Finance Support

To support the introduction and application of the Policy, the Department has undertaken a number of initiatives as outlined below. These initiatives have ensured government agencies could effectively apply the Policy and the Aboriginal business sector was able to respond to the contract opportunities presented.

Advice and Guidance

The Department:

- developed guides for both the Government and Aboriginal business sectors;
- provided advice and support to government in applying best practice procurement strategies to achieve the Policy targets; and
- provided advice and support to the Aboriginal business sector on contracting with the WA Government.

Education and Training

The Department:

- provided an education and training program to over 500 attendees from government and the Aboriginal business sector, in Perth and 10 regional locations, to support the introduction of the Policy in 2018;
- delivered a revised program to the Aboriginal business sector throughout the State during 2019. This program was designed to increase the understanding of government procurement processes, practices and systems, as well as ensuring businesses are prepared, 'contract ready' and able to market to government; and
- awarded a State-wide contract for capability building services to further support the development of the Aboriginal business sector. Three Aboriginal businesses were awarded contracts to provide capability building services to emerging and established Aboriginal businesses (including not-for-profit organisations) located throughout Western Australia.

Stakeholder Engagement

The Department:

- delivered an Aboriginal Business Expo in 2018 that saw more than 60 Aboriginal businesses showcase a range of quality goods and services available to government;
- planned a second Aboriginal Business Expo for early 2020;
- engaged with key stakeholders to encourage collaboration on initiatives relating to Aboriginal business economic development; and
- provided ongoing support to a broad range of stakeholders involved in Aboriginal business economic development.

Measuring Outcomes

The Department:

- committed to regular reporting to the Minister for Finance on agency progress towards and/or achievement of the Policy targets in order to monitor and measure the impact of the Policy's introduction; and
- committed to analyse findings and make recommendations in order to inform future Aboriginal economic development initiatives.



Appendix 1 – Non-Tenders WA Contracting Data

Contract award information not published on Tenders WA compromises the public transparency and accountability of procurement decision-making as the Department is unable to verify the accuracy of that information. As such, this contract award information has not been included in the data that informs the Policy outcomes outlined in the Report.

The Department manages data not published on Tenders WA as outlined below.

Vocational Education and Training (VET) Contracts

The Department of Training and Workforce Development (DTWD) regularly procures under the Vocational Education and Training Act 1996 (VET Act) and is not required to publish this contract award information on Tenders WA. The Department and DTWD agreed that contracts awarded under the VET Act would be reported separately following validation of the data by DTWD internal auditors.

For the reporting period, DTWD did not award any VET contracts to Aboriginal businesses.

Government Trading Enterprise (GTE) Contracts

The Department has sought to engage major GTEs in the application of the Policy, however, most GTEs do not use Tenders WA to report contract award information. As such, the Department requested that each GTE submit contract award information following validation of the data by their own internal auditor.

Of the nine GTEs that agreed to apply the Policy, eight returned contract award information. Data indicates that four GTEs have met the target and awarded at least one per cent of contracts to a registered Aboriginal business.

Pilbara Ports Authority and Horizon Power also returned supplementary data. These GTEs operate in the regions, and reported additional contracts valued less than \$50,000, as well as commitments to Aboriginal employment outcomes made by non-Aboriginal businesses.

VET and GTE Contract Data

| Entity | Number of Contracts Awarded to Aboriginal Businesses | Number of Other Contracts | Total Number of Contracts Awarded | Percentage of Contracts Awarded to Aboriginal Businesses |
|---------------------------|--|---------------------------|-----------------------------------|--|
| DTWD (VET contract data) | Nil | 25 | 25 | Nil |
| Fremantle Ports | Nil | 50 | 50 | Nil |
| Horizon Power | 1 | 96 | 97 | 1.03 |
| Kimberley Ports Authority | 1 | 14 | 15 | 6.67 |
| Landcorp | 1 | 259 | 260 | 0.38 |
| Midwest Ports Authority | 1 | 91 | 92 | 1.09 |
| Pilbara Ports | Nil | 247 | 247 | Nil |
| Southern Ports Authority | Not applicable – no contract award information submitted | | | |
| Water Corporation | 7 | 796 | 803 | 0.87 |
| Western Power | 8 | 169 | 177 | 4.52 |
| Grand Total | 19 | 1747 | 1766 | 1.62 |

Supplementary Reporting

Government agencies were invited to provide supplementary reporting to demonstrate other Aboriginal economic outcomes achieved. Supplementary reporting was optional as the information does not contribute to an agency's achievement of the targets.

Supplementary reporting sought information relating to contracts valued below \$50,000; grant agreements; contracts with non-registered Aboriginal businesses (who identify themselves as Aboriginal businesses); sub-contracting arrangements with registered Aboriginal businesses; variations to current contracts; as well as contracts that included Aboriginal employment outcomes, economic initiatives, and agency-based initiatives.

Supplementary reporting findings indicate that an additional \$8 million was spent with entities identifying as members of the Aboriginal community or Aboriginal business sector.

Note that this information relates to contracts not covered under the Policy, and as such, has not been verified by the Department and is excluded from findings relating to achievement of targets.

| Agency | Number of Purchases | Total Spend \$ |
|--|---------------------|----------------|
| Animal Resources Authority | 4 | 29,680.00 |
| Central Regional TAFE | 12 | 7,324.07 |
| Department of Biodiversity, Conservation and Attractions | 53 | 209,891.24 |
| Department of Communities | 228 | 1,791,399.13 |
| Department of Education | 1 | 149,947.00 |
| Department of Finance | 44 | 46,850.62 |
| Department of Health | 2 | 287,828.00 |
| Department of Jobs, Tourism, Science and Innovation | 22 | 88,489.03 |
| Department of Planning, Lands and Heritage | 31 | 389,176.84 |
| Department of Primary industries and Regional Development | 3 | 50,630.00 |
| Department of the Premier and Cabinet | 13 | 2,746,947.85 |
| Department of the Registrar - Western Australian Industrial Relations Commission | 1 | 45,920.00 |
| Department of Training and Workforce Development | 46 | 525,116.61 |
| Department of Water and Environmental Regulation | 19 | 304,940.67 |
| Forest Products Commission | 5 | 155,600.00 |
| Great Southern Development Commission | 1 | 2,533.30 |

| Agency | Number of Purchases | Total Spend \$ |
|--|---------------------|---------------------|
| Landgate | 4 | 65,293.54 |
| Main Roads Western Australia | 53 | 533,066.44 |
| Metropolitan Cemeteries Board | 4 | 18,406.14 |
| North Regional TAFE | 6 | 111,106.68 |
| Office of the Director Public Prosecutions | 4 | 4,907.45 |
| Public Sector Commission | 1 | 49,830.00 |
| South Regional TAFE | 1 | 2,500.00 |
| Western Australia Police Force | 65 | 444,947.24 |
| WorkCover WA | 1 | 27,589.49 |
| Grand Total | 624 | 8,089,921.00 |

Some government agencies also identified other initiatives implemented to support Aboriginal engagement and economic outcomes, with examples including:

- price preferences for tenders that may be from an Aboriginal business;
- establishing Aboriginal employment targets for works contracts;
- engaging Aboriginal advisers to develop internal engagement strategies; and
- establishing training programs to build the capability of Aboriginal businesses, Aboriginal not-for-profit organisations, and/or Aboriginal people.

Appendix 2 – Data Limitations

The Key Findings in this Report use Tenders WA information from the date range 1 July 2018 to 30 June 2019 (unless otherwise specified).

The Department sought agency verification of Tenders WA data after the close of the financial year period. As such, the data contained within the report is considered to be accurate at the date of extraction, 9 October 2019.

The Tenders WA information was manually filtered to reflect the types of contracts applicable to the Policy targets.

Data Disclaimer:

- data is reliant on the accuracy and availability of information uploaded to Tenders WA;
- contract values are GST inclusive;
- data represents contracts with an award value at and above \$50,000 only;
- contract award values do not include:
 - any contract variations; and
 - the contract value for individual contractors awarded to a panel arrangement when the panel has been awarded as a standing offer.⁶

As such, the true value of contracts awarded to Aboriginal businesses may be less than reported.

⁶ 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.

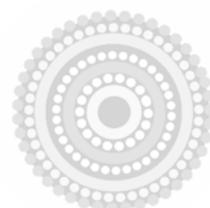
For the purpose of this report, all contracts that have appointed more than one supplier are referred to as panel arrangements, irrespective of the contract structure.

Data Exclusions:

- any contracts not awarded on Tenders WA, including contracts where the release of the contract details presents a significant operational risk, such as the potential to compromise security;
- any contracts awarded during 1 July 2018 to 30 June 2019 but loaded on Tenders WA after the date of the data extraction; and
- any contracts that do not contribute to the achievement of Policy targets, including:
 - contracts valued below \$50,000;
 - sub-contracting arrangements;
 - Common Use or Group Buy Arrangement contract award information. (Note: contract purchasing information is included, where the buying rules stipulate the need to publish the contract award on Tenders WA);
 - contracts awarded by a third party, such as a facilities manager;
 - grant agreements; and
 - Joint Venture arrangements where the entity is not a registered Aboriginal business.

Non Tenders WA Data:

- Reporting of non-Tenders WA data was provided by GTEs and the Department of Training and Workforce Development to the Department of Finance after being audited by internal auditors;
- Data is reliant on the accuracy and availability of information provided by the agency or GTE.



Appendix 3 – Top Agencies Aboriginal Engagement

Department of Communities – Highest number of contracts awarded and second highest total value of contracts awarded to Aboriginal businesses

The Department of Communities (Communities) exceeded the targets of the Aboriginal Procurement Policy in the 2018-19 financial year and has awarded contracts to registered Aboriginal Businesses totalling more than \$24 million in value. The majority of the businesses were engaged either through open competitive processes or through quotation.

Communities has utilised a number of strategies, especially in the works area, to embed Aboriginal economic development into its business and procurement processes. These strategies have resulted in an expansion of local skilled Aboriginal workforces; contributed to the creation of more Aboriginal-owned sub-contracting businesses; and led to an increase in the capacity of Aboriginal head contractors to contract with government.

Communities' success is a result of the culmination of over 11 years investment in programs with mandatory Aboriginal employment targets in construction contracts, specific programs targeting apprenticeship outcomes, and intentional engagement with Aboriginal head contractors, especially in the Kimberley and Pilbara regions.

A number of positive outcomes are being realised as a result of these efforts. One example is the engagement with Kununurra based MGC Building and Maintenance (MGCBM). The Aboriginal-owned building company was awarded five contracts in 2018-19 with an aggregate value of \$3.2 million.

Since being engaged via a Panel of three Aboriginal businesses head contractors, MGCBM has had one apprentice successfully transition to become a qualified tradesperson, with an additional three expected to finish their apprenticeships in November 2019. In addition, Aboriginal people comprise the majority of the workforce on MGCBM contracts.

MGCBM was recently recognised at the 2019 Master Builders-Bankwest Building Excellence Awards with two of its Aboriginal apprentices winning awards. Among the five categories that MGCBM won were Best Carpentry Apprentice, Best Direct Indentured Apprentice, Employer Trainer of the Year Award and Best Indigenous Building and Construction Apprentice.

Department of Education – Second highest number of contracts awarded to Aboriginal businesses

The Department of Education (Education) is acutely aware of the benefits Aboriginal businesses can bring to its state-wide operations, particularly in remote communities. Since the introduction of the Aboriginal Procurement Policy, Education has actively promoted contracting with Aboriginal businesses ensuring all procurement processes consider prospective Aboriginal businesses.

Key to Education's success has been the identification that a number of Aboriginal businesses were well placed to deliver key regional services, such as cleaning, gardening and maintenance in schools. Education has proactively sought for these businesses to tender for its contracts, often through an exemption process via the Aboriginal Business Initiative.

Education seeks to support Aboriginal businesses and is taking steps to ensure Aboriginal businesses are able to respond to Education's opportunities.

Education's contract managers have had positive experiences with these businesses and have found them to be very proactive, responsive and focussed on continuous improvement, ensuring the satisfaction of all parties. This positive outcome has encouraged others to seek out Aboriginal businesses to deliver similar services in other regional areas. One of Education's highlights has been with Brida Pty Ltd, an Aboriginal business contracted through an open tender process to deliver gardening services at a number of primary schools in Karratha. The company has provided high quality services and was recently awarded the 2019 Indigenous Business of the Year award, a national award presented by the Aboriginal Enterprises in Mining, Energy and Exploration Organisation.

WA Country Health Service – Largest value contract awarded to an Aboriginal business

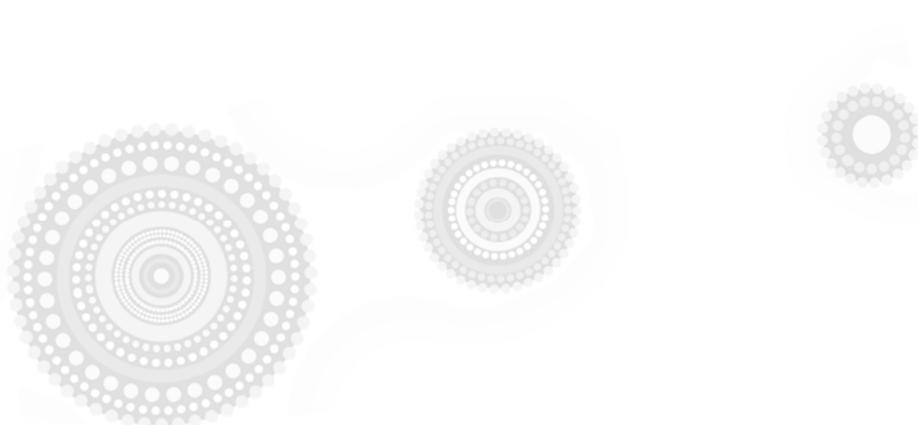
WACHS20192622 Kimberley Satellite Renal Dialysis Services at Broome & Kununurra and Renal Support Services for the Kimberley Region – Kimberley Renal Services Pty Ltd

The WA Country Health Service (WACHS) is fully committed to implementing the State Government's Aboriginal Procurement Policy and continues to engage with Aboriginal businesses across the State and explore opportunities to procure contracts with Aboriginal businesses.

WACHS has a longstanding relationship with the Kimberley Aboriginal Medical Service and the Kimberley Renal Service for the delivery of a number of services to Aboriginal communities across the Kimberley. WACHS is proud of its recent achievement in awarding a contract with Kimberley Renal Service for the provision of satellite renal dialysis and support services for the people of the region. This contract is worth up to \$97 million and is expected to support an additional 28 patients to return to the Kimberley from Perth, with scope for a further 27 should that be required.

The awarding of this significant contract to Kimberley Renal Services supports the WACHS Mission to deliver and advance high quality care for country WA communities and its Vision to provide services that enable country people to receive care closer to home.

WACHS is extremely proud of its achievements to date and will continue to strive to be a leader in Aboriginal procurement in Western Australia and continue to pursue more contracts with Aboriginal businesses across the State.





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