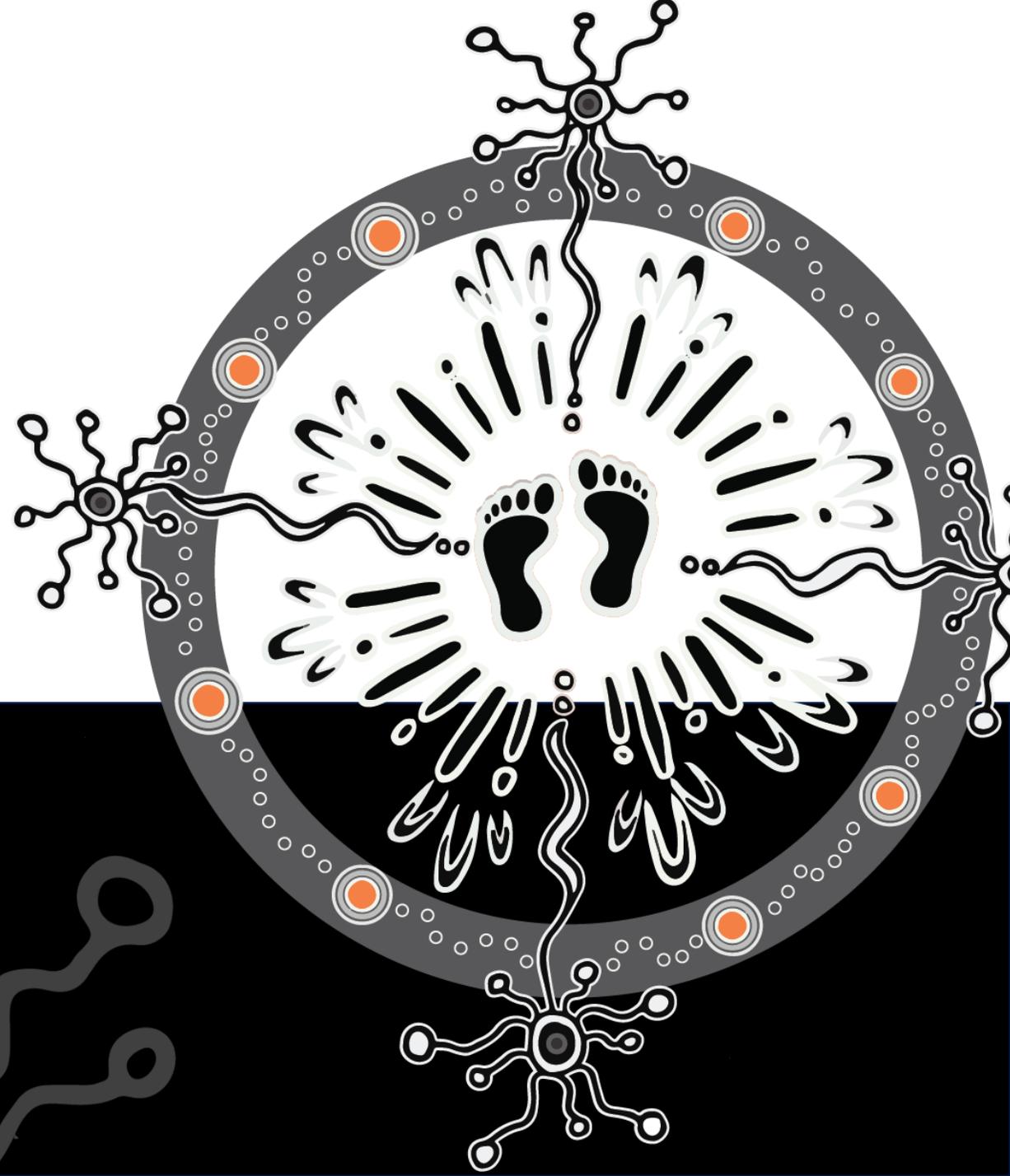




# THE NSW DEPARTMENT OF Planning, Industry & Environment

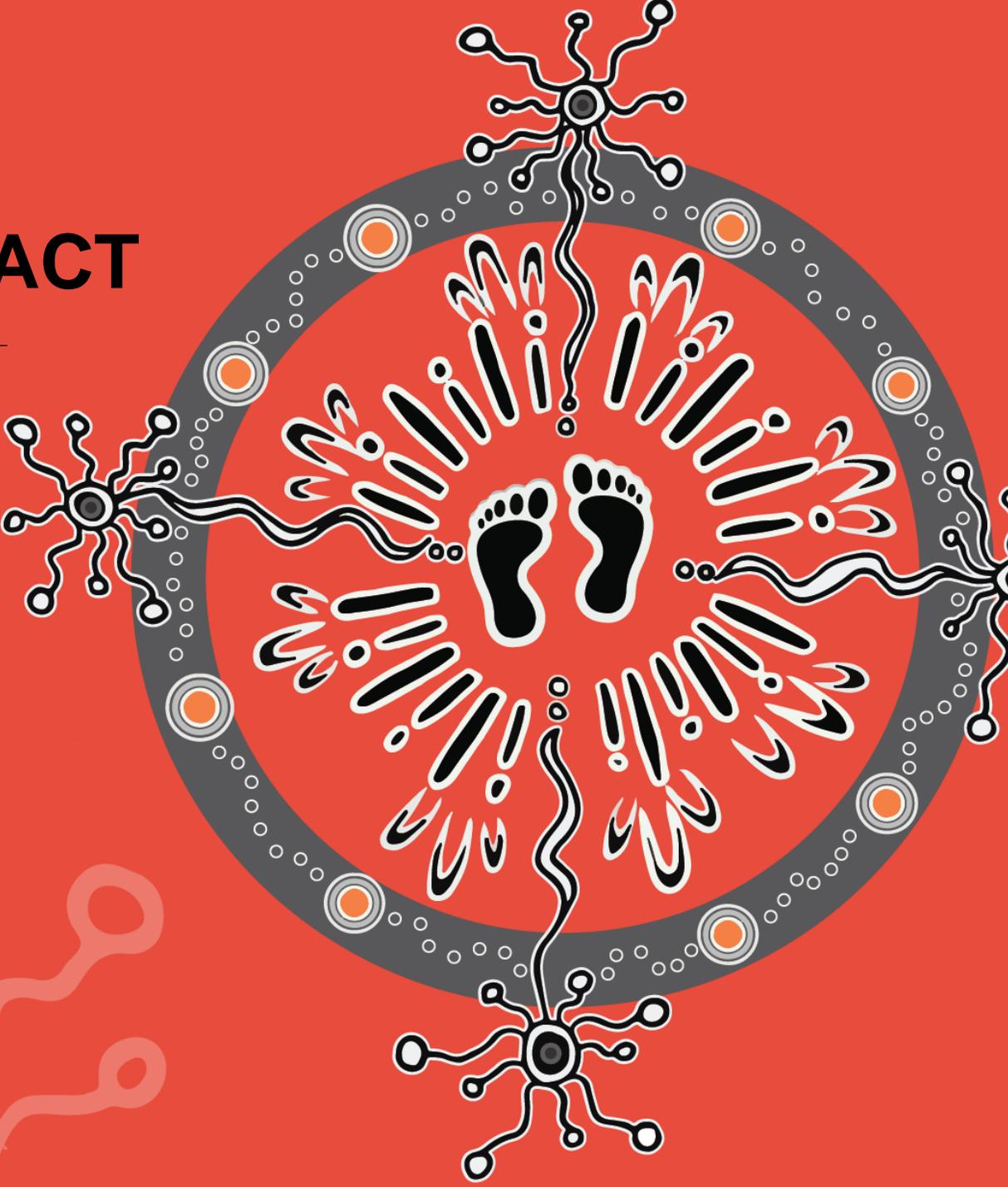
ABORIGINAL PARTICIPATION STRATEGY  
2019-2021

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# CREATE, CONSULT, CONTRACT

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# ACKNOWLEDGEMENT

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The Department of Planning, Industry and Environment acknowledges that it stands on Country which always was and always will be Aboriginal land. We acknowledge the Traditional Custodians of the land and waters, and we show our respect for elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

# SECRETARY'S MESSAGE

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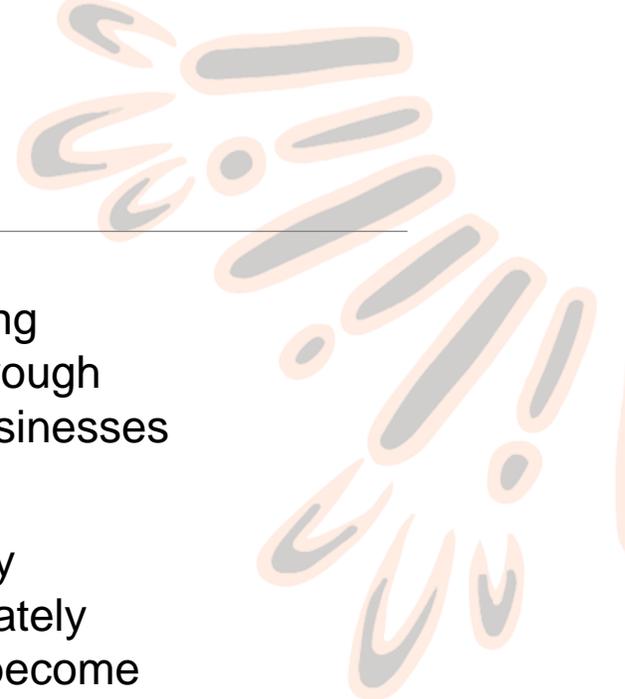
This Strategy represents the Department of Planning, Industry & Environment's strong commitment to leadership in the area of Aboriginal procurement and employment through our supply chain, and recognises that improving the opportunities for First Nation businesses and people ultimately benefits the whole community.

Our commitment is to consult with Aboriginal businesses, communities and advocacy groups, create opportunities for Aboriginal businesses in our supply chain, and ultimately increase the number of contracts we have with Aboriginal businesses – we want to become an Aboriginal business Department of choice.

Finally, this Strategy represents the combined conversations and wisdom of many people. I would like to thank and acknowledge those who contributed to its development, and more importantly, those who will contribute to its implementation and support.

**Jim Betts**

**Secretary**



# WHY AN ABORIGINAL PARTICIPATION STRATEGY?

## THE NSW ABORIGINAL PROCUREMENT POLICY (APP)

The APP states:

- The Aboriginal Procurement Policy (APP) will aim for Aboriginal owned businesses to be awarded at least 3% of the total number of domestic contracts for goods and services issued by NSW Government agencies by 2021. Note that this Strategy is only for Goods and Services.
- In conjunction with the existing Aboriginal Participation in Construction (APIC) policy, the APP will aim to support an estimated 3,000 full time equivalent employment opportunities for Aboriginal people through NSW Government procurement activities by 2021.

An Aboriginal owned business is one that is considered to be an Aboriginal owned business through recognition by an appropriate organisation, such as:

- NSW Indigenous Chamber of Commerce (NSWICC)
- Supply Nation



# WHY AN ABORIGINAL PARTICIPATION STRATEGY?

## THE NSW ABORIGINAL PROCUREMENT POLICY (APP)

The APP requires Agencies to:

- AP1 Provide a public commitment that the agency will work with Aboriginal owned businesses to grow the First Economy of NSW.
- AP2 Identification of upcoming Aboriginal participation opportunities for procurements of goods and services over \$10 million (excl.GST).
- AP3 Explain how the agency is working with Aboriginal owned businesses to identify and develop business and employment opportunities.
- AP4 Set measurable targets for Aboriginal participation that the agency or cluster will adopt including, where appropriate, targets for specific categories of procurement and Aboriginal workforce strategies.
- AP5 Report the outcomes that have been achieved and actions taken where targets have not been achieved.

# THE STRATEGY AT A GLANCE



# STRATEGY VISION

The Department is fully committed to being a leader in the implementation of the APP across government agencies.

Therefore our vision is:

*“To meaningfully engage with Aboriginal businesses in order to contribute and support the sustainable development of the First Nation sector for future generations”.*

# STRATEGY OBJECTIVES FY19-21

Under this Strategy, the Department aims to:

- Meet its requirements under the Aboriginal Procurement Policy to encourage spend and employment with Aboriginal businesses
- Assist with the development of procurement practices that support and encourage the use of sustainable Aboriginal businesses
- Assist with the development of communication strategies to effectively communicate project supply opportunities to Aboriginal businesses
- Participate in capability development initiatives that assists Aboriginal businesses increase their capacity and capability to supply to the Department
- Up-skill staff with Aboriginal Awareness Training to increase their ability to engage with Aboriginal businesses

# STRATEGY GOALS

## CREATE

- Ensure that the way we do business encourages Aboriginal business participation
- Incorporate Aboriginal businesses into the supply chain
- Set targets for Aboriginal participation

AP3

AP4

## CONSULT

- Work with Aboriginal businesses and advocates to look at pipeline activity for sourcing and employment opportunities
- Become an Aboriginal business Department of choice

AP2

AP3

## CONTRACT

- Contract with Aboriginal businesses
- Track and report how the Department is doing in contracting with Aboriginal businesses

AP5

# DEVELOP: CREATE

CREATE OPPORTUNITIES	OVER \$10M	The Department is not expecting many sourcing opportunities for goods and services over 10m, however will follow all requirements in terms of tendering and reporting
	\$250K TO \$10M	The Department's Procurement Strategy requests information from buyers on potential suppliers. Guidance on how to liaise with the NSWICC / Supply Nation will be included
	<\$250K	Buyers are able to purchase under \$250k without reference to procurement team. Knowledge about how to liaise with NSWICC / Supply Nation will be included on the intranet and <u>MyProcure</u>
Review of sourcing documentation to ensure suppliers are aware of their APP responsibilities		

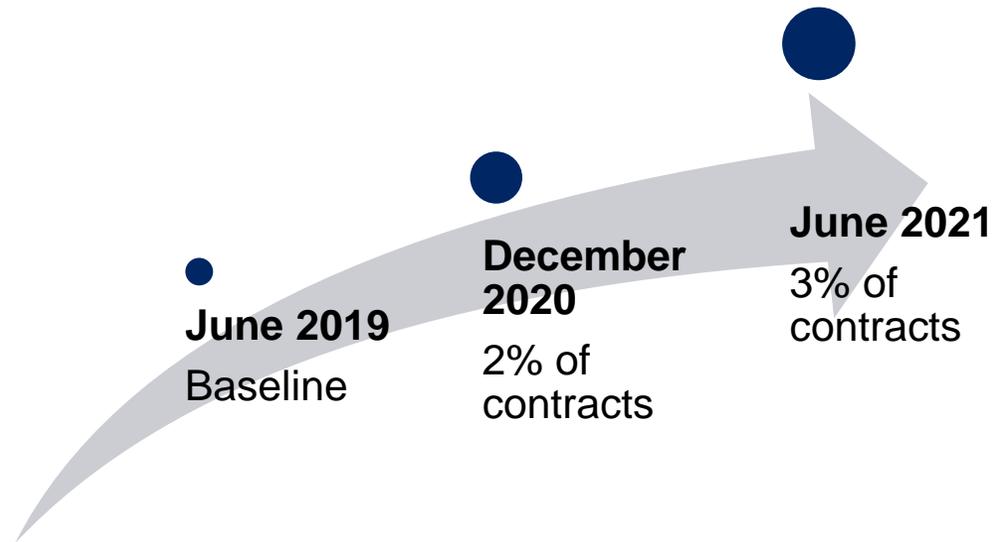
FY19/20: The Department will investigate ways of promoting Aboriginal businesses and examples of contracts through the intranet and MyProcure, and promote this Strategy through its procurement business partners.

# DEVELOP: CREATE

## CREATE: TARGETS AND OPPORTUNITIES

In order to provide a quantifiable baseline from which to measure progress against the APP and Strategy targets, a baseline spend analysis was undertaken. The spend analysis is shown in the next few slides.

Based on this analysis, the following is the overall procurement targets for contracts to be awarded to Aboriginal businesses set by the Department until 2021:

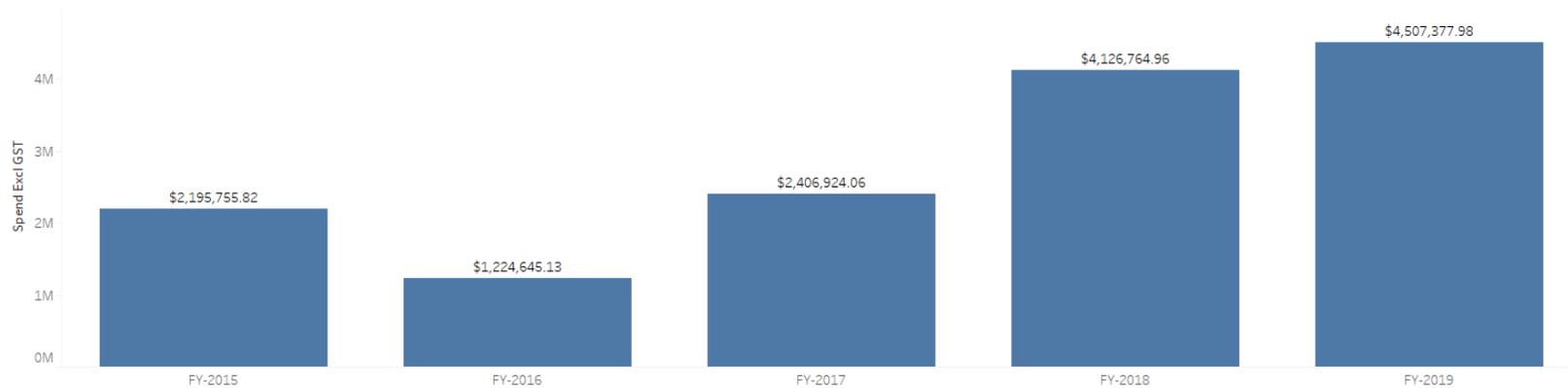


# Spend with Aboriginal Vendors by Financial Year and PO Count



Strategic Procurement Group  
Procurement Analytics

NSW Department of Planning, Industry and Environment Spend



Category	POs Created	Spend Ex GST
Agency Specific Expense	75	\$1,104,690.18
Courier Services	2	\$556.29
Facility management	80	\$3,202,064.62
Human Resources	66	\$2,042,104.14
Industry Specific	6	\$52,198.22
Information Communications & Technology	86	\$182,571.52
Information Services (Credit Research & Information Sources)	4	\$17,947.30
Marketing/Advertising	54	\$1,405,827.73
Medical	0	\$250.00
Office Supplies and Services	55	\$290,162.76
Other	60	\$1,324,766.98
Professional Services	124	\$4,821,656.10
Travel and Transport	12	\$16,672.11
<b>Grand Total</b>	<b>473</b>	<b>\$14,461,467.95</b>



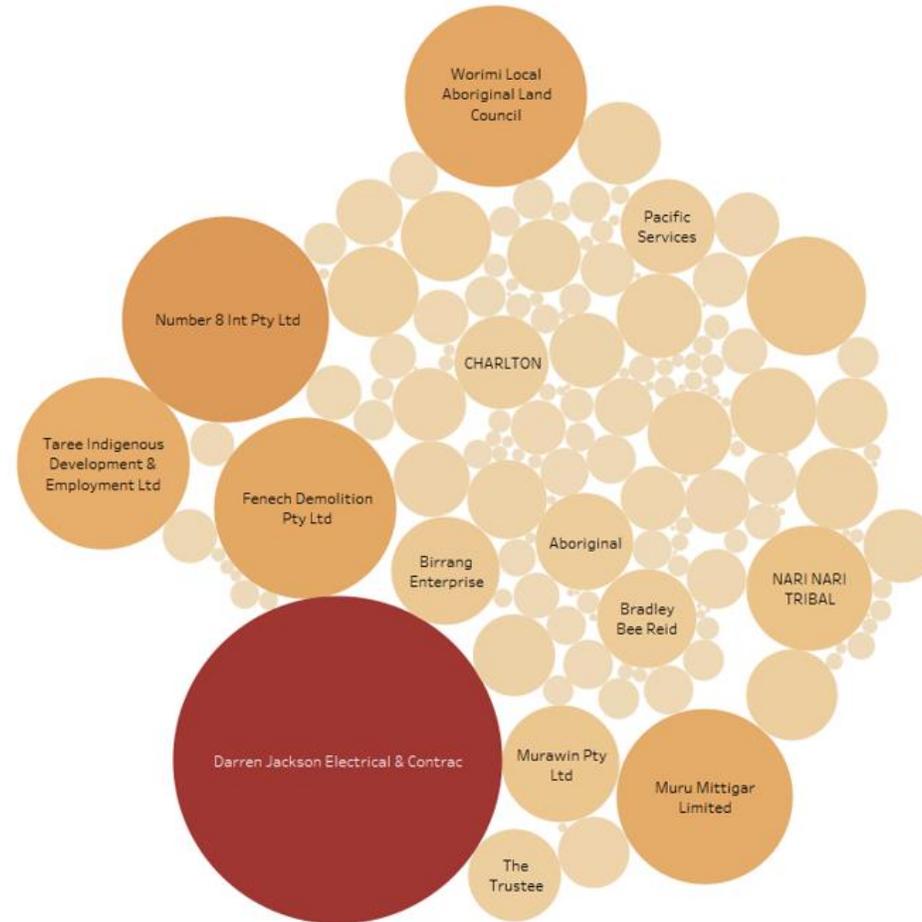
# Relative spend with Aboriginal Vendors



Planning,  
Industry &  
Environment

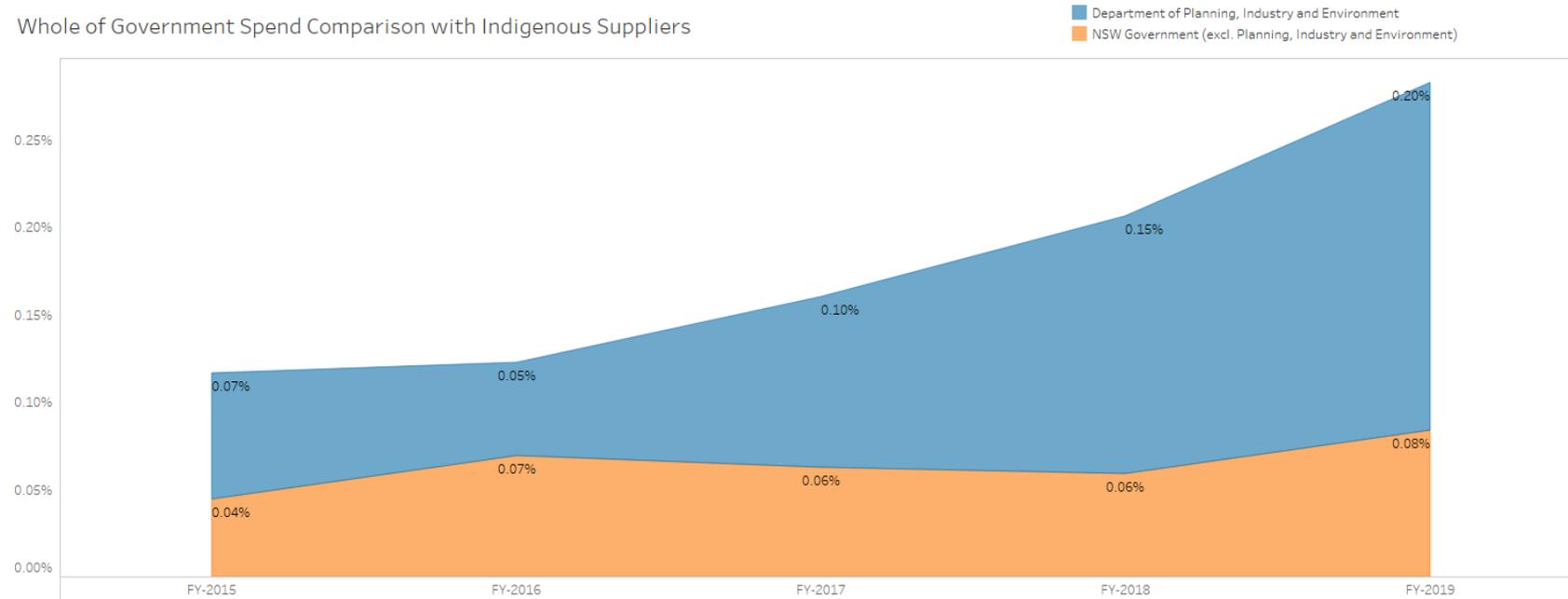
Vendors

Strategic Procurement Group  
Procurement Analytics



# Spend with Aboriginal Suppliers

Whole of Government Spend Comparison with Indigenous Suppliers



By Value

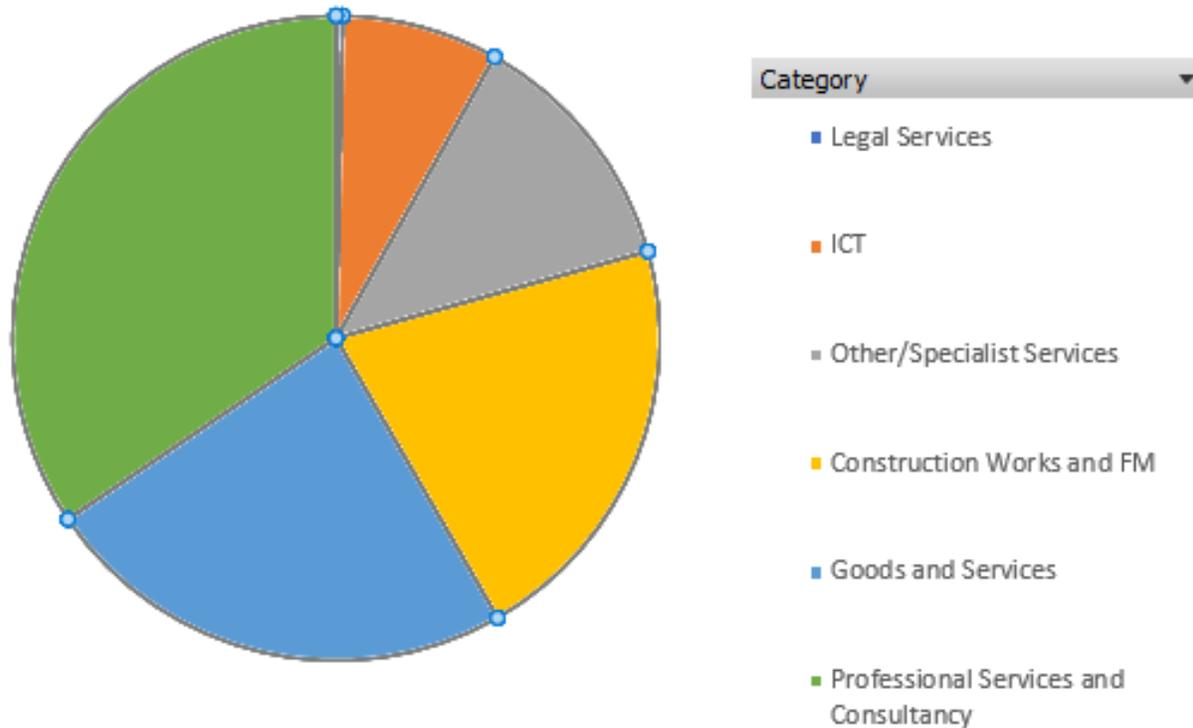
By Financial Year

	By Value		By Financial Year											
	Department of Planning, Industry and Environment	NSW Government (excl. Planning, Industry and Environment)	Department of Planning, Industry and Environment					Total	NSW Government (excl. Planning, Industry and Environment)					Total
	FY-2015	FY-2016	FY-2015	FY-2016	FY-2017	FY-2018	FY-2019		FY-2015	FY-2016	FY-2017	FY-2018	FY-2019	
Indigenous Suppliers	\$14,461,467.95	\$89,194,582.94	0.07%	0.05%	0.10%	0.15%	0.20%	0.11%	0.04%	0.07%	0.06%	0.06%	0.08%	0.07%
Non Indigenous Suppliers	\$12,880,277,675.53	\$136,549,188,593.87	99.93%	99.95%	99.90%	99.85%	99.80%	99.89%	99.96%	99.93%	99.94%	99.94%	99.92%	99.93%

# DEVELOP: CREATE

## CREATE: TARGETS AND OPPORTUNITIES

The Department will use its current categorisation of spend to set targets for contracts across the categories to be awarded to Aboriginal businesses:



# DEVELOP: CONSULT

CONSULT: WHAT ARE THE OPPORTUNITIES AND HOW DO WE LET ABORIGINAL BUSINESSES KNOW?

## Locating and Accessing Contract Ready Certified Aboriginal Suppliers

- NSW Aboriginal Business Portal (Maintained by the NSWICC)
- NSWICC Aboriginal Procurement Helpline Team
- Supply Nation Indigenous Business Direct
- NSWICC Aboriginal Business Tailored Business Pitches
- NSWICC New Aboriginal Business Alerts

# DEVELOP: CONSULT

## **Assistance to identify and promote opportunities for Spend with Aboriginal Suppliers:**

- Email Alerts to Aboriginal Businesses listed on the NSW Aboriginal Business Portal and Indigenous Business Direct
- NSWICC Aboriginal Procurement Communication Unit Promotes direct to Businesses with match capabilities
- Partnership with the NSWICC, Supply Nation and other local groups to promote planned procurements through events, seminars and workshops.
- NSWICC Aboriginal Business Help Line provides 24 hour service to match procurements for Departments
- Regional networks

# STRATEGY OBJECTIVES FY19-21

## FY 19/20:

- The Department's Annual Procurement Plan will form the basis of the long-term pipeline analysis and consultation for Aboriginal business opportunities
- Focus will be on identifying the processes already in place and the data available
- Focus will be on tracking procurement opportunities only
- How to track employment opportunities will be developed for implementation in FY20/21

## FY 20/21

- Employment targets (via the supply chain) will be introduced into the tracking process
- Work with NSW Procurement to get data on number of contracts as well as spend

# DEVELOP

## CONTRACT:

- **Contracts greater than \$150,000** will be captured via the GIPA disclosures in NSW e-tendering
- **Contracts less than \$150,000** will be tracked via purchase orders (POs):
  - A quarterly review of POs against the database of Aboriginal businesses
  - One PO will equal one contract
  - These outcomes will be reported in a quarterly report

# IMPLEMENT

The Department is committed to enabling staff through the following key areas of support:

- Cultural Awareness
- Strategy Awareness
- Education and Training on APP and APIC
- Access to relevant Information, Resources and Networks (see Develop)
- Access to Contract Ready Certified Aboriginal Suppliers (see Develop)
- Assistance to identify and promote opportunities for spend with Aboriginal Suppliers (see Develop)
- Access to ongoing Sector Guidance and Mentoring

# SUPPORT

## Cultural Awareness and Context

The Department will increase awareness of Aboriginal Peoples Culture, History and Current Circumstance and provide insight into the need for Aboriginal Procurement Policy in NSW. The aim is to provide relevance and commitment for the Strategy.

- Group / Team Training
- Resources
- Ongoing Mentoring and Advice (Linkages)

# SUPPORT

## Strategy Awareness

The Department will engage all its people in the Strategy's successful implementation through widespread promotion and leadership commitment. The Department recognises that the successful implementation of this Strategy is influenced by staff commitment and actions.

- An executive briefing
- Procurement training / briefing
- Official launch
  - Internal communication
  - Procurement Governance Group
  - Intranet



# SUPPORT

## Education and Training on APP and APIC

The Department will maximise procurement from Aboriginal Suppliers and employment of Aboriginal people by first ensuring staff are knowledgeable and skilled in implementing the APP and APIC. APP and APIC Competency will be achieved through training on the:

- NSW OCHRE Plan;
- Economic Prosperity Framework;
- Aboriginal Procurement Policy (APP); and
- Aboriginal Participation in Construction Policy (APIC).

# SUPPORT

## **Access to ongoing Sector Guidance and Mentoring**

The Department will look to the NSWICC and Supply Nation for ongoing sector advice on updates to the implementation of Aboriginal Procurement Strategies, APP and APIC across government

Successful Aboriginal Businesses can contact the NSWICC for mentoring for:

- Implementing a successful contract into their business
- Managing reporting requirements

# MONITOR

The following governance structure has been put in place to monitor the implementation and reporting against the Strategy:



# REPORTING ON PERFORMANCE (1)

ACTION	TARGET	MEASURES	TIMING
Consult	Quarterly meetings NSWICC and SPG	Number of meetings held	Quarterly
Create	Number of opportunities created for Aboriginal businesses to participate	Number of opportunities identified (from procurement strategies over \$150k)	Quarterly
Contract	2% of contracts in FY 19/20	<ul style="list-style-type: none"><li>• Number of Aboriginal business who won contracts</li><li>• Reporting progress against targets</li></ul>	Quarterly

# REPORTING ON PERFORMANCE (2)

ACTION	TARGET	MEASURES	TIMING
Growth	Overall spend with Aboriginal businesses FY19/20	<ul style="list-style-type: none"><li>• Total \$ amount spent with Aboriginal businesses</li><li>• Total % of overall spend with Aboriginal businesses</li><li>• Total \$ amount spent with Aboriginal businesses per category</li><li>• Total % of overall spend with Aboriginal businesses by category</li></ul>	Quarterly

# REPORT

WHO	WHAT	WHEN
Secretary	High-Level Dashboard	Quarterly
Executive	High-Level Dashboard	Quarterly
Procurement Governance Group	Quarterly Performance Report	Quarterly
workplace@facebook	Good news stories	Quarterly
Procurement Intranet page	Quarterly Performance Report Good news stories	Quarterly
NSW Procurement	Revised Strategy based on Review process	Annually

# REVIEW

It is important to review the Strategy yearly to ensure that our Strategy remains on target, appropriate and measurable. Our strategy review has a three pronged approach:

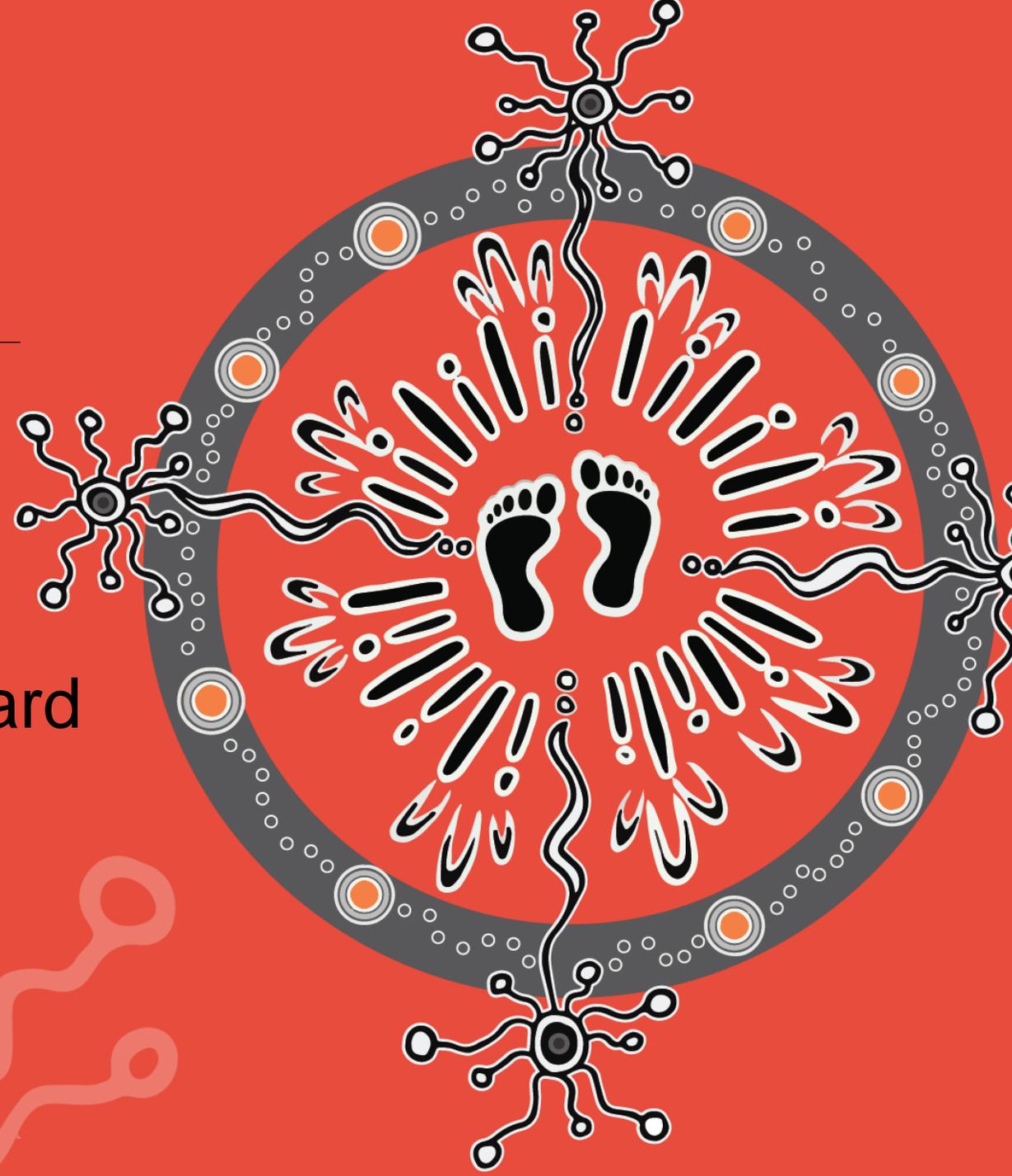


To allow a full year's data analysis, the next review will be conducted in July 2020.

# ATTACHMENT ONE

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## Indigenous Spend Dashboard



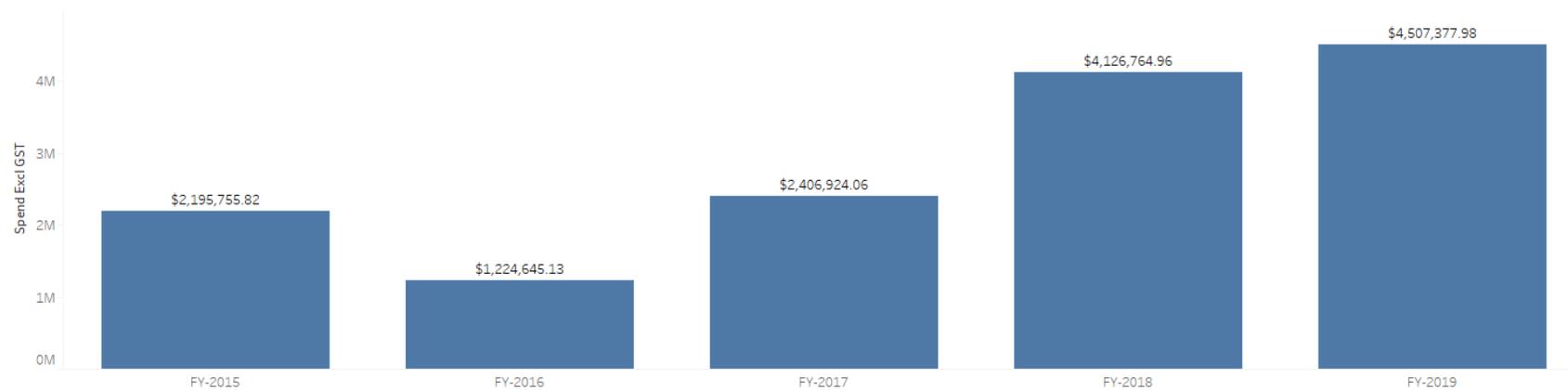
# DPIE Spend with Aboriginal Vendors by Financial Year and PO Count



Strategic Procurement Group  
Procurement Analytics

DOI Category 1  
All

NSW Department of Planning, Industry and Environment Spend

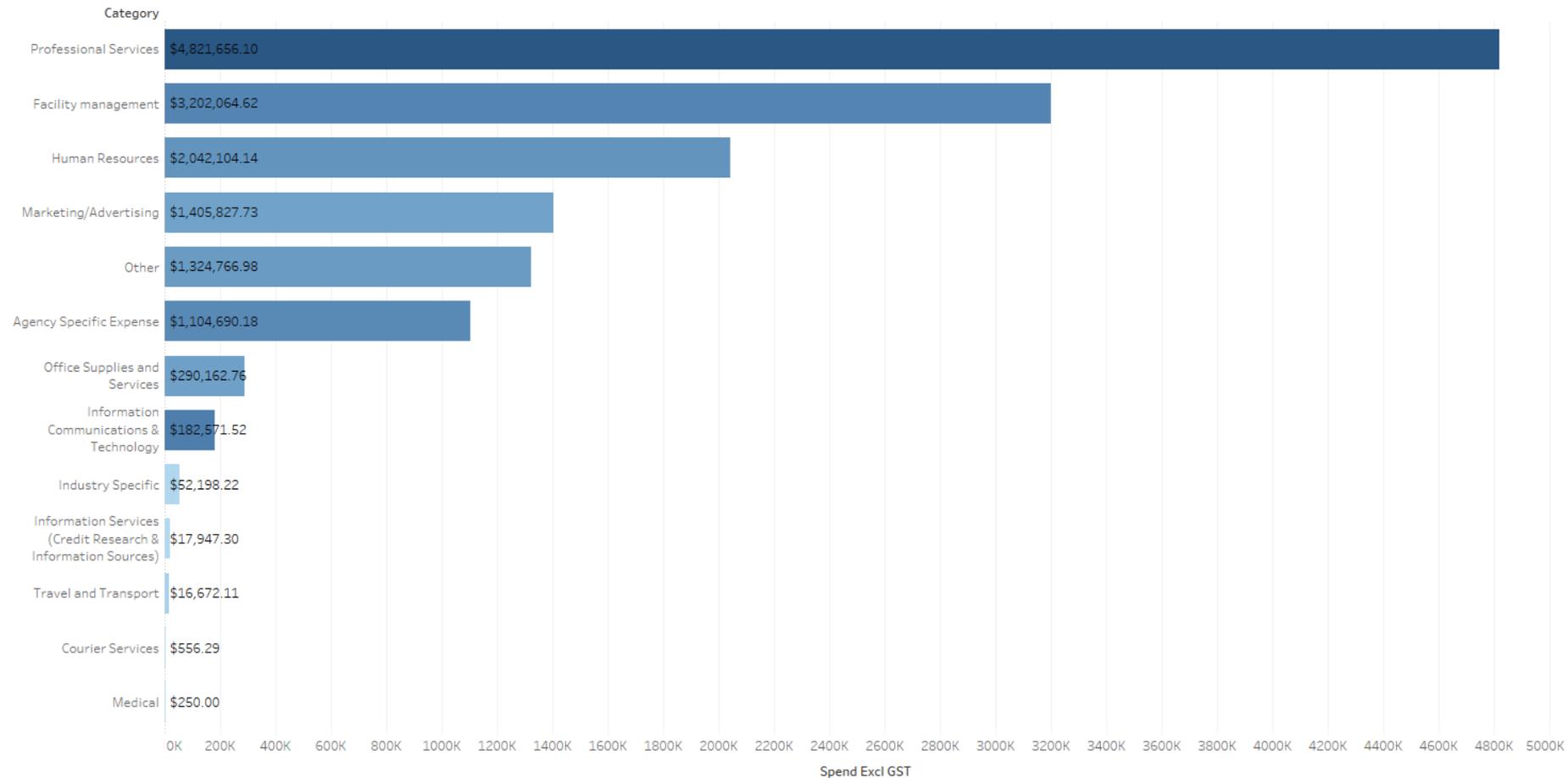


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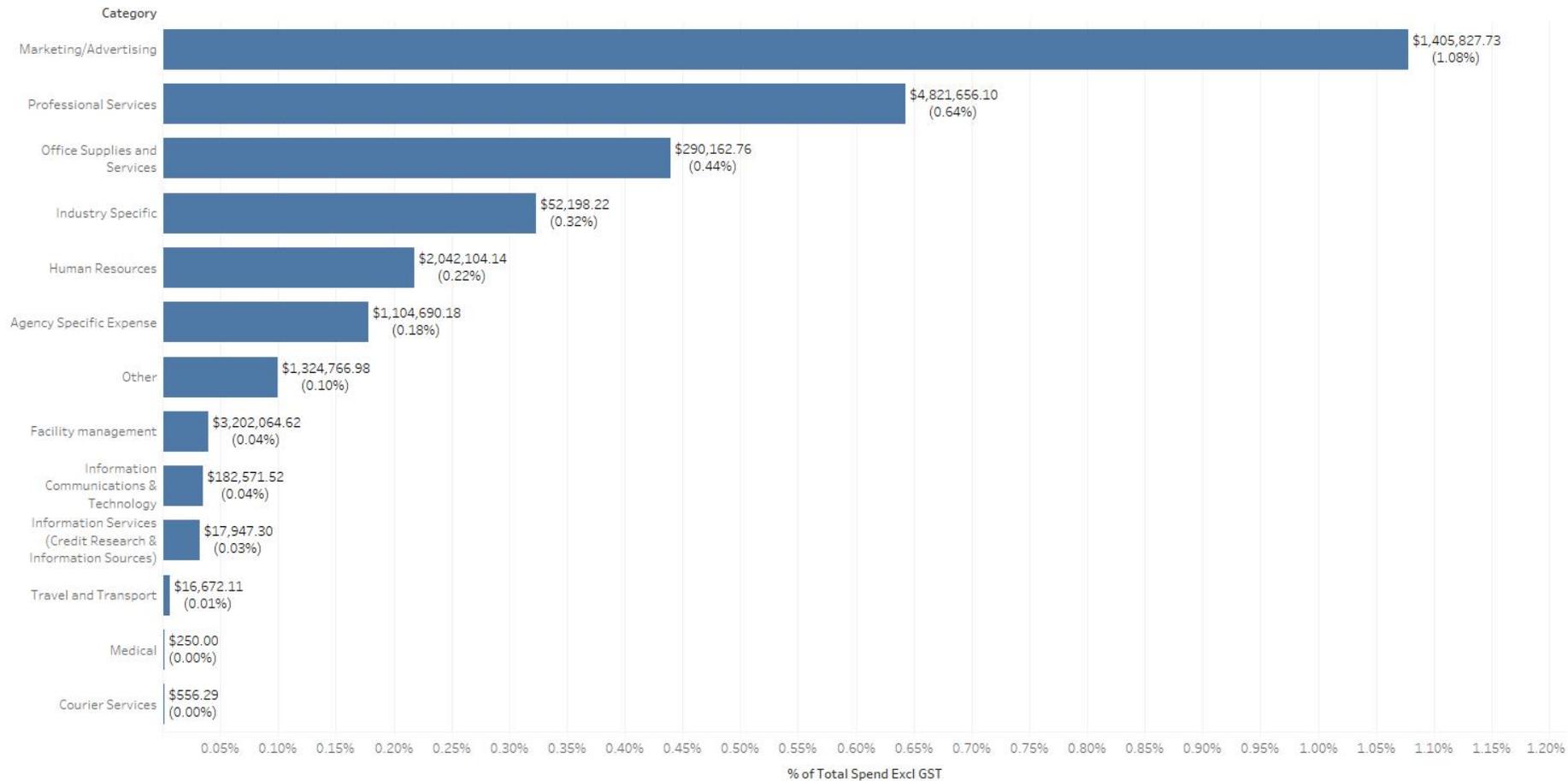
# DPIE Spend by Category

## Top Categories



# Top Categories by % of Total Category Spend

Top Categories by % of total Category Spend



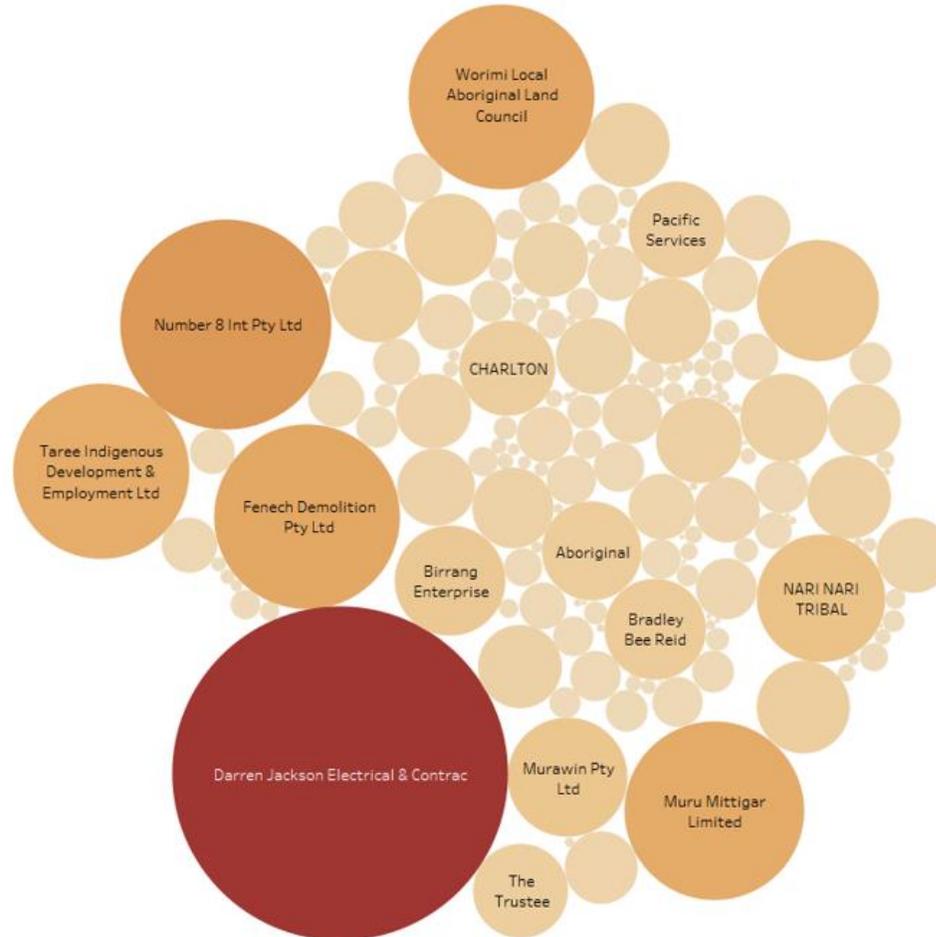
# SPEND BY VENDORS



Planning,  
Industry &  
Environment

Vendors

Strategic Procurement Group  
Procurement Analytics

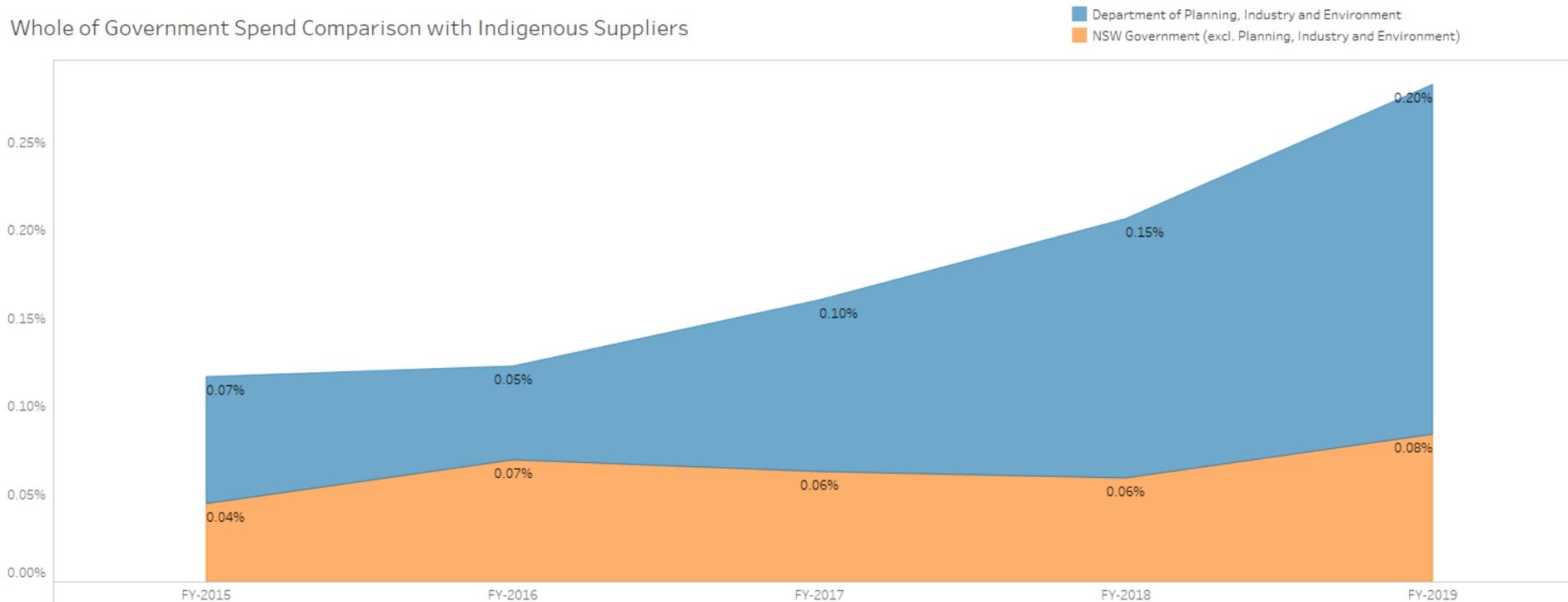


# DPIE Spend against Whole of Government Spend



Strategic Procurement Group  
Procurement Analytics

Whole of Government Spend Comparison with Indigenous Suppliers



By Value

By Financial Year

	Department of Planning, Industry and Environment	NSW Government (excl. Planning, Industry and Environment)	Department of Planning, Industry and Environment					NSW Government (excl. Planning, Industry and Environment)						
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# Data Analytics Caveats

- Spend data included from FY2014 -2019 YTD Q3 inclusive
- Data sourced from GL systems, Purchase Cards and categorised by Treasury
- Count of engagements based on PO
- Filtered on Goods and Services spend only
- Excludes construction spend across all graphs
- Indigenous Vendors ABN information provided to by Treasury, who receive their registered lists from Supply Nation and the NSW Indigenous Chamber of Commerce
- Purchase Card spend. Unfortunately, the card providers cannot currently provide Vendor ABN data, at this point in time Purchase Card spend with a registered Indigenous Vendor will not be captured

