

Aboriginal Procurement Participation Strategy



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Produced by: NSW Ministry of Health

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The NSW Ministry for Health acknowledges the traditional custodians of the lands across NSW. We acknowledge that we live and work on Aboriginal lands. We pay our respects to Elders past and present and to all Aboriginal people.

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SHPN (SP) 220138
ISBN 978-1-76023-113-2

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www.health.nsw.gov.au

March 2022

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Acknowledgement of Country

NSW Ministry of Health acknowledges the people of the many traditional countries and language groups of New South Wales. It acknowledges the knowledge and wisdom of Elders who have passed, those of today and tomorrow and pays respect to Aboriginal communities of the land.

Introduction

The NSW Health Aboriginal Procurement Participation Strategy has been developed in line with the NSW Procurement Policy Framework and the value that the NSW Government places on the economic, social and cultural contribution of the Aboriginal community.

At NSW Health we recognise that our procurement activities provide an opportunity to increase Aboriginal skills and economic participation.

We can help close the gap on Aboriginal disadvantage by growing and strengthening our engagement and support of Aboriginal businesses and people.

Michael Gendy
Chief Procurement Officer, NSW Health

Being employed improves the health, living standards and the social and emotional well-being of individuals, families and communities. Employment not only brings financial independence and choice it also contributes to self esteem. Growing up in a household where one or both parents are employed gives children strong role models to shape their own aspirations.

Australian Government, Department of Prime Minister and Cabinet
–Closing the Gap Report 2016

The NSW Aboriginal Procurement Policy

The NSW Aboriginal Procurement Policy (APP) aims to grow NSW's First Economy by providing support through government procurement to increase skills and economic participation within State's Aboriginal communities.

The APP aim to support an estimated 3,000 full time equivalent employment opportunities for Aboriginal people through NSW Government procurement activities by 2021 has been achieved.

Key objectives of the APP are to:

- support employment opportunities for Aboriginal people
- support sustainable growth of Aboriginal owned businesses by driving demand via government procurement of goods, services and construction.

Targets for NSW Health

APP has specific targets for the number of contracts and addressable spend. For the period 1 July 2021 to 30 June 2022, the following targets will apply to NSW Health cluster:

Spend target (1% of addressable spend)

- Target: \$19,627,341

Number of contracts target

- Target: 66

Procurement at NSW Health

The NSW Health Strategic Priorities complement the State Health Plan and align with the NSW State Government and Premier's priorities of well-connected communities with quality local environments, and breaking the cycle of disadvantages. Procurement-owned objectives within the current Priorities are to 'Drive value in procurement' and to 'Deliver commercial programs'.

The NSW Health Procurement Policy is in alignment with the NSW Government Procurement Policy Framework and sets out requirements for all Health staff that undertake procurement or disposal of goods and services.

Key procurement functions within NSW Health include:

Ministry of Health: Supports the executive and statutory role of the Health cluster, including those related to procurement legislation and policy. Through its Strategic Procurement Branch, the Ministry has strategic oversight across the procurement of goods and services within the Health cluster.

HealthShare: Provides shared services to public health, including management of high value goods and services tenders and contracts. HealthShare supports Health entities with specialist procurement expertise and undertakes procurement of whole of government contracts devolved to NSW Health.

Health Infrastructure: Delivers NSW Health's major capital works (hospital building) program.

Local Health Districts (LHDs) and Specialty Networks: Provide health services supported by their own teams responsible for goods and services procurement and facilities management within a specified delegation. Generally, LHDs undertake low value low risk procurements on their own and get assistance from HealthShare for high value high risk procurements.

Our Commitment to the NSW Government Objectives for Aboriginal Procurement

NSW Health has a strong commitment to working with and supporting Aboriginal People and Communities. This includes working with Aboriginal owned businesses to grow the First Economy of NSW.

As well as a focus on specific Aboriginal health improvement targets, the NSW State Health Plan incorporates a number of key plans and strategies including the Aboriginal Health Plan (2013-2023) and the Aboriginal Workforce Strategy. These plans have prioritised, among other things, *'building respectful, trusting and effective partnerships between NSW Health and the Aboriginal communities...'*, *'Aboriginal Workforce Development'* and *'Building Cultural Understanding and Respect'*.

As a result of these priorities, a solid foundation has been built that supports the objectives of the Aboriginal Procurement Policies around engagement of Aboriginal businesses and people.

Notable Aboriginal Health and Workforce statistics related to these objectives include:

- NSW Health provided grant funding of over \$30.4 million during 2020/21 for the 45 Aboriginal Community Controlled Health and Health related organisations to deliver culturally safe and tailored health and medical services. The majority of these services are run and managed by the local Aboriginal Community and employ Aboriginal staff.
- As at 30 June 2021, NSW Health staff had completed Aboriginal Cultural Training: via eLearning over 132,000; and more than 94,800 via face to face programs.
- The NSW Government Aboriginal employment target is 3% of public sector non-executive grades between 2019 and 2025.
 - NSW Health continues to aspire to achieve the NSW Government target and by 30 June 2021 has reached 2.91% Aboriginal workforce overall, with strong strategies in place and more in development to support the achievement of 3% by public sector non-executive grade by 2025.

- NSW Government Leadership targets for Aboriginal people are established through the Secretary NSW Health. The target was originally set to double from 3 to 6, with a self-determined service stretch target of +/- 10.
 - By 30 June 2020, NSW Health had met its stretch target of 10.
 - A further stretch target was established in 2021 to aspire to 16 Aboriginal people in Leadership roles by 2025. By 30 June 2021, NSW Health had 11 Aboriginal people in Leadership roles.

Procurement measures supporting Aboriginal businesses

The NSW Health Procurement Policy includes guidance on Aboriginal Procurement through reference to the NSW Government Aboriginal Procurement Policy and buying considerations.

Prior to the commencement of each financial year all accredited NSW Government Agencies are required to publish a Procurement Plan on NSW eTendering website. NSW Health Procurement Plan and Tenders can be found on this site.

HealthShare provides contact details on the NSW eTendering web site for small businesses and Aboriginal businesses to obtain information or assistance in regard to tenders.

Since commencement of the Aboriginal Procurement Policy in 2018, *HealthShare* have included the requirement for Aboriginal Participation Plans with all goods and services contracts over \$10m (now \$7.5M in line with the revised APP) and other contracts. *HealthShare* establish preference weightings where practical.

Between 2015 and 2020 construction projects facilitated by *Health Infrastructure* contributed approximately \$235 million to Aboriginal participation, exceeding the Policy target of 1.5%. During this time, approximately 1170 FTE jobs related to these Projects were filled by Aboriginal people.

Our Priorities

Based on shared learnings and experiences, NSW Health has identified the following 3 key priority areas:

1. Supporting Aboriginal Business
2. Central Leadership
3. Enabling Systems and Reporting

1. Supporting Aboriginal Businesses

The Challenge	
<ul style="list-style-type: none"> • Helping Aboriginal businesses to access information and support to successfully engage with NSW Health and deliver their goods and services. • Developing knowledge, skills and trust to effectively identify, connect with and support Aboriginal businesses that can supply locally. 	
The Actions	Owner:
1. Leverage our Aboriginal Health and Workforce Communities to issue appropriate communications to inform and encourage Aboriginal businesses to register with Supply Nation, the NSW Indigenous Chamber of Commerce and with NSW Government Prequalification Schemes.	Ministry of Health
2. Support NSW Procurement to arrange regional events where Aboriginal owned Businesses can meet NSW Government buyers and decision-makers to showcase their goods and services and understand more about supplying to Agencies including Health.	Ministry of Health
3. Establish protocols for NSW Health to respond to requests for participation and support with tenders and/or contracts	HealthShare
4. Collaborate with NSW Procurement to <ul style="list-style-type: none"> • identify Aboriginal owned businesses in Government spend data • grow and identify Aboriginal owned businesses on pre-qualification Schemes 	Ministry of Health

2. Central Leadership

The Challenge	
<ul style="list-style-type: none"> • To create higher awareness and capability among key staff related to understanding and implementing the Aboriginal Procurement Policies and objectives. • Being able to see and share activity, initiatives and outcomes related to the Aboriginal Procurement Policies across NSW Health. 	
The Actions	Owner:
1. Provide guidance and awareness of the policies supporting procurement from the Aboriginal owned businesses across Health, leveraging <ul style="list-style-type: none"> • procurement forums • existing Aboriginal Programs 	Ministry of Health
2. Establish an Agenda item at procurement forums to discuss Aboriginal participation progress and outcomes	Ministry of Health

3. Enabling Systems and Reporting

The Challenge	
<ul style="list-style-type: none"> Identifying and reporting on Aboriginal owned businesses that have been contracted or engaged across NSW Health. Having reliable data to identify and manage opportunities for Aboriginal owned businesses. 	
The Actions	Owner:
1. Add a field to identify Aboriginal owned businesses when creating / updating vendors in the Vendor Master File	HealthShare / eHealth
2. Add a field to identify Aboriginal owned businesses when creating / updating NSW Health's Goods and Services Contract Management System to enable data capture and analysis to support opportunity identification and reporting	Ministry of Health HealthShare / eHealth
3. Capture Aboriginal participation details from Tier 1 suppliers and submit for annual reporting	HealthShare / Health Infrastructure
4. Maintain interim reporting while continuing to support NSW Procurement to develop the Aboriginal Participation Portal to provide accessibility and meaningful reports for all participants	Ministry of Health

Contact:

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