



Aboriginal Procurement Participation Plan

2021 - 2023

Sydney
WATER



Acknowledgement of Country

Sydney Water respectfully acknowledges the Traditional Custodians across Dharawal, Gundungurra, Darkinjung, Dharug and Eora nations where we work, live and learn.

Their lore, traditions and customs nurtured and continue to nurture the waters, both saltwater and sweetwater, in our operating area, creating wellbeing for all.

We pay our deepest respect to Elders, past and present. We acknowledge their deep connections to the land and waters.

We are committed to reconciliation and partnering with our Traditional Custodians, to ensure ongoing collaboration on Caring for Country now and into the future, learning from traditional and contemporary approaches, while maintaining and respecting cultural and spiritual connections.

Introduction

Sydney Water is committed to building and maintaining meaningful and respectful relationships with First Nations people of Australia made of Aboriginal and Torres Strait Islander people.

In our Procurement context:

- we value the economic, social and cultural contribution of Aboriginal and Torres Strait Islander people
- we recognise the social and economic challenges faced by Aboriginal and Torres Strait Islander people
- we are committed to addressing the gap between Aboriginal and non-Aboriginal Australians.

As Australia's largest water utility, we understand we have a unique opportunity to contribute to the NSW Government's strategic economic policy of **Growing NSW's First Economy**.

Sydney Water's Aboriginal Procurement Participation Plan (APPP) sets out how we can provide opportunities to increase skills and economic participation within the State's Aboriginal and Torres Strait Islander communities.





Objectives

- Support employment opportunities for Aboriginal and Torres Strait Islander peoples.
- Support sustainable growth of Aboriginal businesses by driving demand via our procurement of goods, services and construction.



Targets

By 31 December 2023

Spend: Direct 3% of the addressable spend to Aboriginal-owned businesses.

Contracts: Award 3% of the total number of goods and services contracts within addressable spend categories to Aboriginal-owned businesses.

Employment: Support an estimated 100 FTE opportunities for Aboriginal people through procurement activities (directly and through contractors).



Definitions

Aboriginal-owned business: An Aboriginal business is one that has at least 50 per cent Aboriginal ownership and that is recognised through an appropriate organisation, such as Supply Nation or the NSW Indigenous Chamber of Commerce.

Governance

Alignment with Sydney Water's Reconciliation Action Plan

APPP is aligned with our Reconciliation Action Plan. Where there are conflicting requirements, the requirements set out in our Reconciliation Action Plan take precedence over this APPP.

Procurement @ Sydney Water

The Procurement team is responsible for the administration, monitoring, and reporting of this APPP. This includes:

- providing guidance on how the APPP should be applied in procurement activities
- exempting or allocating specific requirements against individual procurement activities
- dealing with complaints about the application of the APPP
- conducting audits and reviews of the APP

Aboriginal businesses validation

Sydney Water is a member of Supply Nation, a non-profit organisation that works with procurement teams from government and corporations to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity.

Sydney Water has access to verified Aboriginal-owned business database and supplier diversity support and training through Supply Nation and the New South Wales Indigenous Chamber of Commerce.



Review of the APPP

The outcomes and effectiveness of the APPP will be reviewed annually.





Applying the APPP




The APPP applies to the procurement of goods and services by, for or on behalf of Sydney Water.

APPP can be applied throughout the Procurement lifecycle. APPP objectives are achieved by ensuring that the following guidelines (not limited to and where applicable) should be adhered to:

Plan	Source	Manage
<ul style="list-style-type: none"> ● Publish annual Aboriginal Procurement Participation Plan. ● Identify upcoming procurement opportunities for Aboriginal participation. ● Consider and document APPP requirements and targets in Procurement Strategy. ● Include Aboriginal participation as part of non-financial evaluation criteria. 	<ul style="list-style-type: none"> ● For procurement up to \$250K: <ul style="list-style-type: none"> – give first consideration to an Aboriginal-owned business in the Multiple Quotes Process, or – where feasible, directly negotiate with an Aboriginal-owned business. ● For procurement at \$250K or above, include one or a combination of the following requirements in market engagement activity: <ul style="list-style-type: none"> – at least 3% of the contract value to be subcontracted to Aboriginal-owned businesses – at least 3% of the contract’s Australian based workforce (FTE) that directly contribute to the contract to be Aboriginal peoples – at least 3% the contract value to be applied to the cost of education, training or capability building for Aboriginal staff or businesses directly contributing to the contract. ● Require tenderers to submit an Aboriginal Participation Plan during the sourcing process that sets out how the tenderer plans to meet the Aboriginal participation requirements. ● Provide constructive feedback to unsuccessful tenderers on their tender responses. The feedback should be provided with a view to building the capability of Aboriginal-owned businesses to apply successfully for future opportunities. 	<ul style="list-style-type: none"> ● Include the final Aboriginal Participation Plan in the contract requirements. ● Manage supplier’s compliance with the Aboriginal Participation Plan. ● Take reasonable steps to support suppliers to meet the requirements. ● Confirm claims made by the supplier in relation to Aboriginal participation and address any compliance or performance issues, should they arise.

Targets

Sydney Water will provide opportunity to increase skills and economic participation within the State's Aboriginal and Torres Strait Islander communities through achieving three targets set out below by 31 December 2023.

Target:	3% addressable spend	3% goods and services contracts	100 Aboriginal FTE employment opportunities
	<p>Sydney Water aim to direct 3% addressable spend to Aboriginal-owned businesses.</p>	<p>Sydney Water aim to award at least 3% of the total number of contracts for goods and services in addressable spend categories to Aboriginal-owned businesses.</p>	<p>Sydney Water aim to support an estimated 100 FTE employment opportunities for Aboriginal peoples through Sydney Water procurement opportunities.</p>
Current status			
	<p>Sydney Water spent \$11 million with Aboriginal-owned businesses in Financial Year 2019-2020. The spend represent 0.87% of addressable spend.</p>	<p>Sydney Water did not award any new contracts to Aboriginal-owned businesses in Financial Year 2019-2020.</p>	<p>There is currently no baseline data available for this performance indicator.</p>
How it will be measured and reported			
	<p>Sydney Water will use the Australian Business Numbers (ABNs) of verified Aboriginal-owned businesses to match against our procurement spend data. The procurement spend data will be inclusive of our Partner-4-Success (P4S)'s Regional Delivery Consortia's (RDC's) data.</p> <p>The progress will be reported on the Procurement Dashboard.</p>	<p>Sydney Water will use the Australian Business Numbers (ABNs) of verified Aboriginal-owned businesses to match against our contract data.</p> <p>The percentage will be measured against contracts awarded in addressable spend categories.</p> <p>The progress will be reported on Procurement Contract Management Dashboard.</p>	<p>Sydney Water will develop a reporting regime in order to obtain the relevant data from our suppliers. The information will be reported in the Procurement Dashboard.</p>

Actions

To deliver against the targets set in this APPP, Sydney Water has identified and will complete the following initial actions.

Action	Target Completion
Develop a performance dashboard to monitor progress against Aboriginal procurement targets	December 2021
Communicate future procurement opportunities through NSW Indigenous Chamber of Commerce and Supply Nation where appropriate	December 2021
Encourage Aboriginal-owned businesses to register their interest and complete pre-qualification process	March 2022
Draft and include special Aboriginal procurement conditions in goods and services contracts	June 2022
Update procurement documents to incorporate Aboriginal procurement requirements	June 2022

Our commitment is ongoing and we will continue to identify and complete appropriate actions to meet or exceed our targets.

Appendix



Addressable Spend

For the purpose of the APPP, Sydney Water has defined 'addressable' spend as a category of spend where there are opportunities for Sydney Water to engage Aboriginal-owned businesses.

Addressable spend has primarily been set based on categories of goods and services provided by Supply Nation.

'Non-addressable' spend is a category of spend where there are very limited opportunities for Sydney Water to engage Aboriginal-owned businesses.

It includes categories where there are no recognised Aboriginal businesses-owned able to supply to Sydney Water, spend on utilities, grants, and spend to other government entities, State-Owned Corporations, or Statutory Authorities.

Addressable spend categories are:

- Chemicals and Water Treatment
- Construction Services and Works
- IT hardware, Software, Services, Telecommunication
- Corporate Services
- Maintenance and Equipment
- Operation and Facility Management
- Civil Services

Non-addressable spend categories are:

- Property Acquisition
- Financial Services
- Payments to other government bodies
- Energy and utilities costs
- Outsourced operations
- Developer work payments



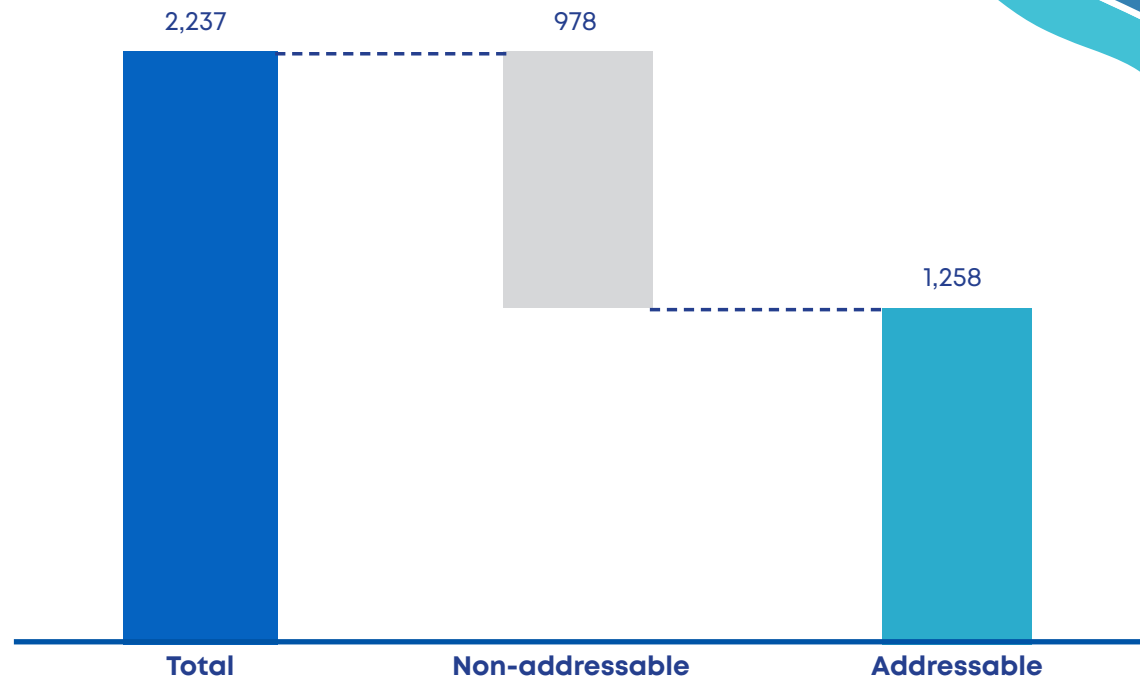
Addressable Spend

In financial year 2019-2020, Sydney Water spent \$2,237 million across 2,542 suppliers.

Out of the total spend, \$1,258 million are deemed addressable spend.

The spend with Aboriginal-owned businesses accounted for 0.87% (\$11 million) of addressable spend, which include:

- Brolton Group
- KJ Industrial Scaffolding
- Integrity Security
- Gilimbaa
- Message Stick Communications



Sydney Water spend in financial year 2019 – 2020 (\$ million)

Performance in spend categories and changes in opportunities across the categories will be reviewed annually.

Aboriginal Participation Checklist



1	[]	During tender sourcing and preliminaries ensure that Aboriginal participation requirements are included in all tender documentation.
2	[]	Assess the Aboriginal Participation Plan for evidence of engagement with Aboriginal-owned businesses, people and communities, value for money and intended outcomes.
3	[]	Assess the Aboriginal participation and engagement track record of each tenderer to help determine whether the firm has the skills and experience to make good on the claims in their Aboriginal Participation Plan.
4	[]	Ensure that the Aboriginal participation regular reporting requirement is included as part of the contract.
5	[]	Regularly review Aboriginal participation progress in the project and identify any issues or problems as soon as possible.
6	[]	In the event of Aboriginal participation challenges, work collaboratively with the contractor to identify a mutually acceptable resolution.
7	[]	In the event of an audit, seek feedback directly from Aboriginal participants if possible or practicable to gain access to their impressions about Aboriginal participation in the project.



