

NSW Aboriginal Procurement Policy: Implementation Assessment

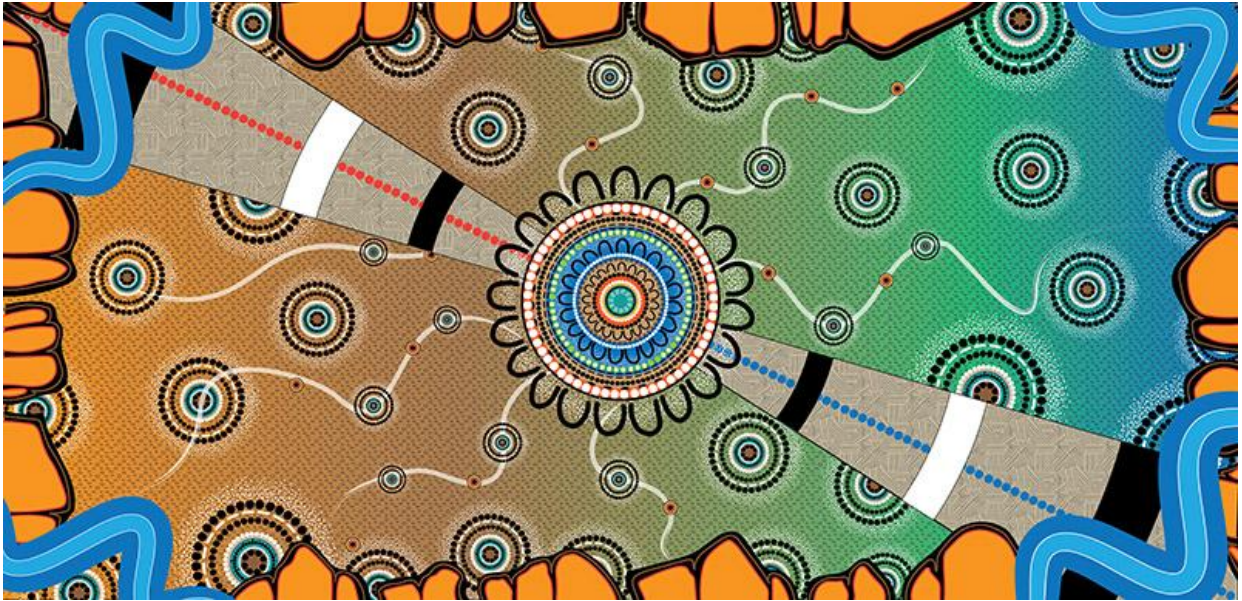
A special report under section 31 of the *Ombudsman Act 1974*



Pursuing fairness for
the people of NSW.

 **Ombudsman**
New South Wales

Cover artwork



'Journey Together' (2019) by Jasmine Sarin, a proud Kamilaroi and Jerrinja woman

This artwork depicts the way families, communities and organisations connect. We connect when we want to share knowledge, information, and strengthen relationships.

The centre of the artwork is reflective of a gathering that involves many family groups. This gathering is where elders and knowledge holders will pass on stories and song lines, discuss lore and trade.

These gatherings are essential to ensure clans and family groups are supporting each other and maintaining strong cultural ties and respecting each other and our mother earth.

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30 June 2026

The Hon Ben Franklin MLC
President
Legislative Council
Parliament House
SYDNEY NSW 2000

The Hon Greg Piper MP
Speaker
Legislative Assembly
Parliament House
SYDNEY NSW 2000

Dear Mr President and Mr Speaker

Pursuant to section 31 of the *Ombudsman Act 1974*, I present a report titled *NSW Aboriginal Procurement Policy: Implementation Assessment*.

I draw your attention to the provisions of section 31AA of the *Ombudsman Act 1974* in relation to the tabling of this report. I request that you make the report public forthwith.

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul Miller".

Paul Miller
NSW Ombudsman



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Acknowledgements

The NSW Ombudsman's Office pays tribute to Aboriginal Elders past, present, and emerging, acknowledging their ongoing connection to Country and their wisdom and rich cultural heritage. We express gratitude to all stakeholders and individuals who dedicated their time, energy, and expertise to supporting our work monitoring, assessing and reporting on Aboriginal programs.

We acknowledge the diversity of views within Aboriginal communities and recognise that our engagement with Aboriginal people, while meaningful, will not be representative of the views of all Aboriginal communities and people in NSW.

Statement on terms used

In this report, we use the terms 'Aboriginal', 'Indigenous', 'Aboriginal and Torres Strait Islander people' and 'First Nations' depending on context. This reflects the differing terminology used by First Nations communities we engaged with and within the NSW and Commonwealth policy and legislative context. We recognise that such terminology is complex, evolving and not universally agreed upon. All terms are used respectfully and with the intention of acknowledging and valuing the diversity of Aboriginal and Torres Strait Islander people in NSW.

In this report we use the terms NSW Government 'cluster' and 'agency group' interchangeably to describe major groupings of NSW government agencies. 'Cluster' is a legacy term used prior to machinery of government changes introduced in 2023. The NSW Aboriginal Procurement Policy now uses the term 'agency group' in place of 'cluster' to reflect these changes. The term 'portfolio' is also used to describe major groupings of NSW government agencies.

Executive summary

Introduction

Our office has a statutory function under Part 3B of the *Ombudsman Act 1974* (**Ombudsman Act**) to monitor and assess Aboriginal programs. These include OCHRE¹ and NSW government programs primarily directed to the health, or cultural, economic, educational or other wellbeing, of Aboriginal persons or communities. The Aboriginal Procurement Policy (**APP**) is one such program. This report sets out the results of our assessment of the implementation of the APP since its commencement in January 2021.

The APP is a NSW Government policy that operates within the NSW Procurement Policy Framework. The NSW Procurement Board (**the Board**) has statutory responsibility under Part 11 of the *Public Works and Procurement Act 1912* (**PWPA Act**) for developing and implementing procurement policies and monitoring compliance by government agencies. NSW Treasury supports the Board to achieve these outcomes, and the Secretary of Treasury has delegated the Chair of the Board role to the Deputy Secretary, Procurement Reform and Banking. The APP is mandatory for all NSW public sector agencies.² The APP does not apply to the NSW local government sector.

This report assesses whether the APP targets have been achieved and whether the requirements have been met. It also provides key observations from stakeholder consultation (and from our own assessment) to inform future improvements to the APP. This report does not seek to replicate NSW Treasury's review of the APP conducted in 2023³ – rather it builds on it through our own work.

We consulted with the NSW Coalition of Aboriginal Peak Organisations (**NSW CAPO**), NSW Coalition of Aboriginal Regional Alliances (**NCARA**), the NSW Indigenous Chamber of Commerce (**NSWICC**), Supply Nation, NSW Yarpa Hub, and the NSW Aboriginal Business Taskforce – to understand what is working well under the current policy framework and to identify any concerns around its implementation and operation. These stakeholders have unique experience and perspective, as well as access to a broad range of Aboriginal businesses, which provided valuable insights into the operation of the policy.

We shared key issues raised by these stakeholders with NSW Treasury to seek their response. We also engaged with Aboriginal Affairs NSW and Training Services NSW, and provided them an opportunity to respond to relevant issues raised in the report.

Findings

The NSW public sector has consistently exceeded the APP's spend and contract targets. The employment target was met in the first year (2021), with reporting on that target ceasing thereafter.

Despite the targets having been met or exceeded, the impact of the APP is constrained by inconsistent implementation across agencies, limited transparency, and concerns around compliance by agencies and head contractors.

¹ Section 25K of the Ombudsman Act – 'OCHRE program means the OCHRE (Opportunity, Choice, Healing, Responsibility, Empowerment) program launched by the Government in April 2013'.

² Section 176 of the *Public Works and Procurement Act 1912*.

³ NSW Treasury, Aboriginal Procurement Policy Review 2023: Stakeholder feedback report, September 2023, p. 35, https://www.info.buy.nsw.gov.au/data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf, accessed 15 June 2026.

NSW Treasury has failed to deliver on its commitment to publish a revised APP within the expected timeframe, following a review of the policy in 2023. This has resulted in uncertainty, loss of trust, and reduced confidence among the stakeholders we consulted that their engagements with government would lead to the changes promised in the review.

Neither NSW Treasury nor NSW Government agencies publish comprehensive data on Aboriginal participation plan results achieved against APP targets. This limits NSW Treasury's ability to demonstrate whether the APP is supporting Aboriginal employment and increasing Aboriginal participation in procurement and makes it more difficult to hold agencies and suppliers accountable for delivering Aboriginal participation outcomes. Despite a requirement to do so,⁴ agency groups are not currently publishing Aboriginal participation strategies.

Notwithstanding the above issues, stakeholders expressed strong support for the APP, viewing it as a critical lever to promote Aboriginal economic prosperity. They spoke positively about NSW Treasury's 2023 review of the APP, some noting that it set a benchmark for engagement.

NSW Treasury's subsequent failure to deliver a revised policy in the 3 years following that review – and its failure to provide any clarity around when and how this would happen – has, to a degree, undermined the goodwill engendered in that process.

In addition to the uncertainty caused by this delay and the subsequent impact on stakeholder confidence, several systemic issues currently limit the APP's effectiveness. These are discussed in more detail in the **key observations from stakeholder feedback and our own assessment** section of **chapter 2 – findings**:

- **Inconsistency in implementation:** Inconsistent implementation of the APP across agencies has reduced stakeholder confidence in the policy.
- **Capability and access gaps:** Limited cultural capability among procurement officers and insufficient regional engagement with Aboriginal businesses have restricted equitable participation.
- **Compliance and integrity risks:** There is a widespread perception among stakeholders that head contractors (non-Aboriginal owned businesses) inconsistently report Aboriginal participation. This, combined with limited auditing and unclear business verification processes, can give rise to 'black cladding' – an umbrella term for disingenuous or unlawful conduct aimed at taking advantage of Indigenous Enterprises and people or misleading buyers.⁵
- **Targets and measurement limitations:** Current targets set by the NSW Government appear to be too low, and focus on spend rather than meaningful outcomes such as capability development, Aboriginal business growth and long-term engagement.
- **Data and transparency gaps:** Insufficient visibility of regional outcomes and contract-level data limits the ability of Aboriginal organisations and Aboriginal businesses to observe industry activity, and make informed decisions around upcoming procurement opportunities.

The Local Jobs First Bill 2026 (**the Bill**) – alongside Commonwealth Indigenous Procurement Policy reforms and the 2024 NSW Legislative Council inquiry into the 'Procurement practices of government agencies in NSW and its impact on the social development of the people of NSW' – represents a significant proposed reform within the NSW procurement environment.

⁴ Clause 3.1 of the APP.

⁵ National Indigenous Australians Agency (NIAA), The Indigenous Procurement Policy Reform Consultation Outcomes Report, 2024, p.2, <https://www.niaa.gov.au/sites/default/files/documents/2025-11/The-Indigenous-Procurement-Policy-Reform-Report.pdf>, accessed 11 June 2026; Senator the Hon Malarndirri McCarthy, [Strengthening Indigenous Procurement Policy | Ministers' media centre](https://ministers.pmc.gov.au/mccarthy/2025/strengthening-indigenous-procurement-policy), 13 February 2025, <https://ministers.pmc.gov.au/mccarthy/2025/strengthening-indigenous-procurement-policy>.

While the Bill proposes new oversight, monitoring, reporting and enforcement mechanisms, it does not currently address how (if at all) it would interact with the APP or support Aboriginal businesses. The Bill may be relevant to future consideration of how the APP and Aboriginal businesses are supported in the broader NSW procurement framework.

Recommendations

Key reforms are required to strengthen and sustain the APP's impact. We make 8 recommendations to NSW Treasury and 6 recommendations to the NSW Government (see **chapter 3 – recommendations**) in the following areas:

- **Policy and governance:** Publish information on a new APP that takes into account the review recommendations and any new additions given some time has passed since the review, with a clear timeline for implementation. Rollout of a new APP should include guidance and training that ensures consistent implementation across agencies.
- **Compliance and integrity:** Strengthen reporting, auditing and verification processes, and establish clear definitions and enforcement mechanisms for practices such as 'black cladding' and other forms of misconduct (for example, the provision of misleading information). This would increase transparency and accountability, and provide greater confidence to Aboriginal businesses that the large suppliers being awarded large government contracts on the basis of Aboriginal participation plans are delivering those commitments.
- **Targets and outcomes:** Adopt more ambitiously achievable targets and shift to outcome-based measures, including employment growth, business development, and sustained engagement.
- **Data and procurement transparency:** Improve reporting processes and continue to develop public dashboards on outcomes of Aboriginal procurement at an agency level to enhance accountability and insights.

1. Introduction

Purpose and approach

This report provides an assessment of the implementation and operation of the Aboriginal Procurement Policy (APP), focusing on:

- whether its targets have been achieved and requirements have been met
- key observations from stakeholder feedback and from our own assessment about the administration of the policy
- the potential implications of anticipated policy and legislative developments.

We consider the APP is an 'Aboriginal program' for the purposes of section 25K of the Ombudsman Act.⁶ The APP expressly states that 'the APP supports the NSW Government Plan for Aboriginal Affairs, OCHRE, and is a key deliverable under the Aboriginal Economic Development framework'.⁷ The APP is also included by the NSW Government as an initiative in its Implementation Plans for Closing the Gap under Priority Reform 5, 'Education and Economic Prosperity'.

We have monitored and assessed the APP and its earlier iterations at various times since 2016.⁸

We consulted with government and key Aboriginal stakeholders directly connected with the APP to better understand what is working well under the current policy framework and to identify any concerns about the implementation of the policy, including barriers to participation, integrity and compliance risks, and any opportunities for reform.

Stakeholders we consulted were:

- **NSW Coalition of Aboriginal Peak Organisations (NSW CAPO):** A coalition of Aboriginal Community-Controlled organisations in NSW that advocates for Aboriginal people and partners with the NSW government to implement the National Agreement on Closing the Gap.⁹
- **NSW Coalition of Aboriginal Regional Alliances (NCARA):** NCARA is made up of representatives from each Aboriginal Alliance/Assembly. Aboriginal Alliances (sometimes known as Assemblies) are regional Aboriginal governance bodies with their own structures and priorities. They promote

⁶ An 'Aboriginal program' is defined in section 25K of the Ombudsman Act as '(a) the OCHRE program, (b) other Government programs primarily directed to the health, or cultural, economic, educational or other wellbeing, of Aboriginal persons or communities. OCHRE program means the OCHRE (Opportunity, Choice, Healing, Responsibility, Empowerment) program launched by the Government in April 2013'.

⁷ In April 2013, the NSW Government made a commitment in the OCHRE Plan to develop an Aboriginal Economic Development Framework (AEDF) that 'sets the strategic direction for NSW' and 'coordinates the activities across government to improve alignment, address duplication issues and identify gaps for future investment' (OCHRE Plan, 2013). In December 2016, the NSW Government published the Aboriginal Economic Prosperity Framework (AEPF) to satisfy this 2013 commitment. This framework has not been continued since the last targets were to be achieved in 2021. Recommendation 1(c) of our OCHRE 2024 report sought to clarify the NSW Government's intentions with respect to the AEDF/AEPF. We have yet to hear back from Government on their intention with respect to this program. NSW Ombudsman, OCHRE 2024 Current Issues <https://cmsassets.ombo.nsw.gov.au/assets/Reports/OCHRE-2024-Current-status-and-future-direction.pdf>, accessed 15 June 2026.

Aboriginal Affairs NSW, OCHRE Growing NSW's First Economy (Aboriginal Economic Prosperity Framework), December 2016, https://web.archive.org/web/20210804051252/https://www.aboriginalaffairs.nsw.gov.au/media/website_pages/policy-reform/AEPF-4ppv3.pdf, accessed 15 June 2026.

⁸ NSW Ombudsman, [Fostering Economic Development for Aboriginal People in NSW](https://cmsassets.ombo.nsw.gov.au/assets/Reports/Fostering-economic-development-for-Aboriginal-people-in-NSW_May-2016.pdf), May 2016, https://cmsassets.ombo.nsw.gov.au/assets/Reports/Fostering-economic-development-for-Aboriginal-people-in-NSW_May-2016.pdf.

⁹ NSW CAPO [NSW CAPO \(Coalition of Aboriginal Peak Organisations\) - NSW Aboriginal Land Council](#), accessed 15 June 2026.

community aspirations through Local Decision Making (LDM), which is an OCHRE initiative. There are 10 Aboriginal Alliances/Assemblies in NSW.¹⁰

- **NSW Indigenous Chamber of Commerce (NSWICC):** The peak body representing Aboriginal businesses in NSW and advocating for economic development.¹¹
- **Supply Nation:** A national organisation that verifies Aboriginal-owned businesses and connects them with procurement opportunities.¹²
- **Yarpa Hub:** A partnership between the NSW Aboriginal Land Council (NSWALC) and the Australian Government that provides a range of business support services to First Nations businesses and supports First Nations supplier participation in major supply chains and infrastructure projects.¹³
- **Aboriginal Business Taskforce:** An advisory group to the NSW Government contributing to policy development and implementation of Aboriginal business growth initiatives.¹⁴
- **NSW Treasury:** NSW Procurement sits within the Procurement Reform and Banking group of NSW Treasury, which is responsible for procurement policy oversight and implementation.¹⁵

We consolidated feedback collected from stakeholders and provided it to NSW Treasury for consideration. We also shared relevant parts of the draft report with stakeholders to confirm accuracy and ensure their views were appropriately reflected.

Our consultation did not include individual Aboriginal businesses, non-Aboriginal businesses, Tier 1 or 2 contractors, or NSW Government agencies other than those mentioned above.

(The project tier classification comprises 4 project tiers for projects with an estimated total cost over \$20 million, where Tier 1 encompasses projects deemed to carry the highest risk profile and Tier 4 the lowest risk profile. Tier 1 contractors are typically large contractors capable of delivering ‘mega’ projects potentially worth hundreds of millions or billions of dollars.)

Key background

NSW Government procurement policy aimed at supporting Aboriginal peoples and business has developed over several decades, and has been influenced by recommendations arising from national, state and territory reform efforts, including the Royal Commission into Aboriginal Deaths in Custody in 1991.¹⁶ A key outcome of the Royal Commission was its emphasis on national reconciliation between First Nations and First Nations peoples of Australia as a necessary foundation for addressing systemic disadvantage and achieving structural reform, including Recommendation 339, which called for

¹⁰ Aboriginal Affairs NSW, Local Decision Making in Aboriginal communities, 24 October 2025 (date based on metadata), <https://www.nsw.gov.au/departments-and-agencies/aboriginal-affairs-nsw/about-ochre/local-decision-making#toc-nsw-coalition-of-aboriginal-regional-alliances-ncara>, accessed on 26 June 2026. The number of Alliances is based on correspondence from AANSW to our office on 26 June 2026. This differs from the 8 alliances reported on the website for AANSW.

¹¹ NSWICC, About the NSWICC – NSW Indigenous Chamber of Commerce Inc, 10 October 2023, (date based on metadata), <https://nswicc.com.au/about-the-nswicc/>, accessed on 6 May 2026.

¹² Supply Nation, Our mission, <https://supplynation.org.au/about-us/our-mission/>, accessed 29 June 2026.

¹³ Based on correspondence to our office from Yarpa on 22 June 2026. See also: Yarpa, [About Us](https://yarpa.com.au/about/), 8 January 2026, (date based on metadata), <https://yarpa.com.au/about/>.

¹⁴ Aboriginal Affairs NSW, [NSW Aboriginal Business Taskforce](https://www.nsw.gov.au/departments-and-agencies/aboriginal-affairs-nsw/national-agreement-on-closing-gap/aboriginal-business-growth/nsw-aboriginal-business-taskforce), 15 April 2026, (date based on metadata), <https://www.nsw.gov.au/departments-and-agencies/aboriginal-affairs-nsw/national-agreement-on-closing-gap/aboriginal-business-growth/nsw-aboriginal-business-taskforce>, accessed 6 May 2026.

¹⁵ NSW Treasury, [NSW Treasury team and groups](https://www.nsw.gov.au/departments-and-agencies/nsw-treasury/about-us/our-team-and-groups), 6 March 2026 (date based on metadata), <https://www.nsw.gov.au/departments-and-agencies/nsw-treasury/about-us/our-team-and-groups>, accessed 6 May 2026.

¹⁶ Whilst the Royal Commission investigated Aboriginal deaths in custody, it made wide-ranging findings and recommendations aimed at improving the lives of Aboriginal peoples living in Australia addressing social, economic and institutional disadvantage. (View the report’s 339 recommendations at: Royal Commission into Aboriginal Deaths in Custody, National Report – Volume 5, in Royal Commission into Aboriginal Deaths in Custody (National Report, 1991), Australasian Legal Information Institute (AustLII), <https://www.austlii.edu.au/au/other/IndigLRes/rciadic/national/vol5/5.html#Heading6>), accessed 28 May 2026.

bipartisan political commitment to reconciliation. This helped establish the policy environment that informed subsequent NSW Government action.¹⁷ In 1997, the NSW Government reaffirmed its commitment to reconciliation through the Statement of Commitment to Aboriginal People, which set out a framework for justice and equality and strengthened the policy basis for Aboriginal social and economic development, including improved outcomes in economic development and employment.¹⁸

The 2001 Aboriginal Participation in Construction Implementation Guidelines (**APiC**) was the first NSW procurement policy relating to Aboriginal peoples. APiC was aimed at increasing the opportunities of Aboriginal peoples in the construction industry. It went through various iterations until 2018, when the last version was released.

The APP commenced in 2018 with the aim of expanding opportunities for Aboriginal businesses and peoples in NSW Government procurement. The current version of the APP was released in 2021. This involved a merger of the APP and APiC policies based on recommendations of the 2019 review of the APP and APiC.¹⁹

The APP has been included in each Implementation Plan for Closing the Gap in NSW under Priority Reform 5 (Education and Economic Prosperity),²⁰ including the latest 2025–2028 Closing the Gap Implementation Plan.²¹

NSW Treasury reviewed the APP in 2023. It published a timeline stating that it would release a revised version in July 2024.²² A revised version has not yet been finalised or published. Notwithstanding this delay, 5 agency groups have taken the initiative to create their own ‘stretch targets’ – agency-specific targets above the minimum requirements of the APP (namely 1% of addressable spend and/or 3% of goods and services contracts).²³

There have been some developments in the procurement policy landscape since the introduction of the current APP in 2021, that signal potential for future changes to the legislative and procurement policy environment in NSW. This included a NSW Parliamentary Committee inquiry into the social procurement practices of government agencies, a review of the national Indigenous procurement policy, and the introduction of the Local Jobs First Bill 2026 into NSW Parliament, which would potentially result in the implementation of additional oversight functions for NSW procurement. The Bill proposes to establish a

¹⁷ Royal Commission into Aboriginal Deaths in Custody, Volume 5, Recommendation 339: The Process of Reconciliation, <https://www.austlii.edu.au/au/other/IndigLRes/rciadic/national/vol5/5.html#Heading33>, accessed 26 June 2026.

¹⁸ NSW Government, The NSW Government Statement of Commitment to Aboriginal People, November 1997, Reproduced between pp 9-56 of ‘General Purpose Standing Committee No. 3, Inquiry into Reparations for the Stolen Generations in New South Wales, Supplementary Questions’, <https://www.parliament.nsw.gov.au/lcdocs/other/7878/Answers%20to%20supplementary%20questions%20-%20Minister%20for%20Aboriginal%20Affairs.PDF>, accessed 26 June 2026.

¹⁹ NSW Treasury, Aboriginal Procurement Policy & Aboriginal Participation in Construction 2019 Policy Review, December 2019, https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0006/607821/app_apic_policy_2019_review_accessible_pdf_1.pdf, accessed 12 May 2026.

²⁰ NSW Government and NSW Coalition of Aboriginal Peak Organisations (NSW CAPO), NSW Implementation Plan 2021-22 under the National Agreement on Closing the Gap, tabled in the NSW Legislative Council, 24 June 2021, <https://www.parliament.nsw.gov.au/lc/tabledpapers/Pages/tabled-paper-details.aspx?pk=80692&utm>, accessed 10 June 2026.

²¹ Aboriginal Affairs NSW, Closing the Gap 2025–2028 Implementation Plan, 31 October 2025, <https://www.nsw.gov.au/departments-and-agencies/aboriginal-affairs-nsw/resources/closing-gap-2025-2028-implementation-plan>, accessed 10 June 2026.

²² NSW Treasury, Aboriginal Procurement Policy Review 2023: Stakeholder feedback report, September 2023, p. 35, https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf, accessed 15 June 2026.

²³ NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the ‘update history’ on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

(a) Agency groups that created their own addressable spend target: Department of Education and Department of Customer Service

(b) Agency groups that created their own stretch addressable spend target, and contracts target: Premier’s Department and The Cabinet Office, Department of Planning, Housing and Infrastructure, and Department of Creative Industries, Tourism, Hospitality and Sport.

Jobs First Commissioner with responsibility to promote, monitor and report on the implementation of local procurement policies.

Core features of the APP

The APP is a NSW Government policy operating within the NSW Procurement Policy Framework. The NSW Procurement Board (**the Board**) has statutory responsibility under Part 11 of the *Public Works and Procurement Act 1912 (PWPA)* – relevantly, for developing and implementing procurement policies and monitoring compliance by government agencies. NSW Treasury supports the Board to achieve these outcomes, and the Secretary of Treasury has delegated the Chair of the Board role to the Deputy Secretary, Procurement Reform and Banking.²⁴ The APP is mandatory for all NSW public sector agencies, as stated by the policy itself and by the NSW Procurement Policy Framework.

Objectives and targets

The stated objectives of the APP are to:

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

The all-of-government targets of the APP – intended to be achieved by the end of 2021 – are:

1. That NSW Government clusters²⁵ direct 1% of addressable spend to Aboriginal businesses.
2. That NSW Government clusters aim to award 3% of all goods and services contracts to Aboriginal businesses.²⁶
3. That the APP support an estimated 3,000 full time equivalent (**FTE**) employment opportunities for Aboriginal and Torres Strait Islander peoples through NSW Government procurement activities.²⁷

Participation requirements

In addition to the above targets, the APP seeks to increase the level of participation of Aboriginal businesses and individuals in large procurement opportunities, particularly construction. The APP sets out the following rules:²⁸

- Agencies must publish an annual Aboriginal Participation Strategy that identifies and addresses upcoming procurement opportunities for Aboriginal participation, at a minimum for procurements valued at \$7.5 million or above.²⁹
- Agencies must include requirements for a minimum 1.5% Aboriginal participation in all contracts valued at \$7.5 million or above. Participation can include subcontracting to Aboriginal businesses,

²⁴ NSW Government, Government procurement governance, <https://www.info.buy.nsw.gov.au/buyer-guidance/get-started/governance>, accessed 29 June 2026.

²⁵ See the earlier section on 'Statement on Terms used'. In summary the term 'cluster' is a legacy term (used prior to the 2023 machinery of government change). 'Agency group' is the terms used by NSW Treasury to describe what was previously called clusters (and is used interchangeably).

²⁶ This target excludes construction contracts and non-procurement contracts (Clause 6 of the APP).

²⁷ NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

²⁸ NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

²⁹ Clause 3.1 of the APP.

employing Aboriginal or Torres Strait Islander peoples, and/or providing education, training or capability building for Aboriginal staff or businesses directly contributing to the contract.³⁰

- Suppliers are required to report quarterly on the progress against their commitments in the Aboriginal Participation Plan through the reporting.buy.nsw portal.³¹

Preferencing

Certain exemptions to other NSW Government procurement rules apply to procurement activities undertaken under the APP, including the following:

- Agencies should, whenever feasible, give first consideration to Aboriginal businesses for contracts valued up to \$250,000.³²
- Agencies may negotiate directly with an Aboriginal business for all procurements valued up to \$250,000, even if there is a mandated prequalification scheme or panel in place.³³

Figure 1. Core features of the Aboriginal Procurement Policy



³⁰ Clause 3.2 of the APP.

³¹ Clause 4.2 of the APP.

³² Clause 3.3 of the APP.

³³ As above.

³⁴ The 3% goods and services target exclude construction contracts and non-procurement contracts (Clause 6 of the APP).

Compliance and integrity measures

The APP includes compliance and integrity measures aimed at ensuring that the APP delivers its intended benefits and maintains confidence amongst Aboriginal businesses, communities and other stakeholders. Under the APP,³⁵ agencies must:

- support and assist in audits in line with the NSW Procurement Board's commitment to undertake a random audit of 5% of contracts annually
- conduct a final review of performance against the Aboriginal Participation Plan at the completion of the contract
- direct any remaining balance of Aboriginal participation spend to Training Services NSW within 3 months of the completion of the contract or earlier if the supplier confirms the Aboriginal participation targets will not be met.

³⁵ Clause 3.4 of the APP.

2. Findings

The NSW public sector has consistently exceeded the APP's spend and contract targets at a whole-of-government level

NSW Treasury publishes data tracking the progress of APP targets towards addressable spend and number of contracts from 2021 to present.³⁶ Based on that information, which is consistent with data provided to us by NSW Treasury, the NSW public sector has exceeded the APP's targets between 2021-22 and 2024-25 at a whole-of-government level for the:

1. 1% addressable spend target
2. 3% of all goods and services contract target.

Individual agency groups³⁷ have occasionally failed to meet annual targets. In 2024-25, NSW Health, NSW Treasury and Transport for NSW failed to meet their addressable spend targets; while NSW Health and NSW Treasury failed to meet their goods and services contracts targets. In 2023-24, NSW Health and NSW Treasury failed to meet their addressable spend targets.³⁸

NSW Treasury data indicates that the total spend by agency groups to Aboriginal businesses under the APP consistently exceeded the 1% addressable spend target between July 2021 to June 2025 (see **figure 2**). Over the 4-year period, the cumulative expenditure target was approximately \$868 million. The actual spend reached approximately \$1.6 billion, exceeding the target by \$741 million, or 85%.³⁹

The average spend per year across all agencies was \$402 million, compared with the annual target of approximately \$217 million.⁴⁰ This meant that, between July 2021 to June 2025, agencies exceeded the average annual target by \$185 million each year.⁴¹

³⁶ NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

³⁷ Formerly called 'clusters'.

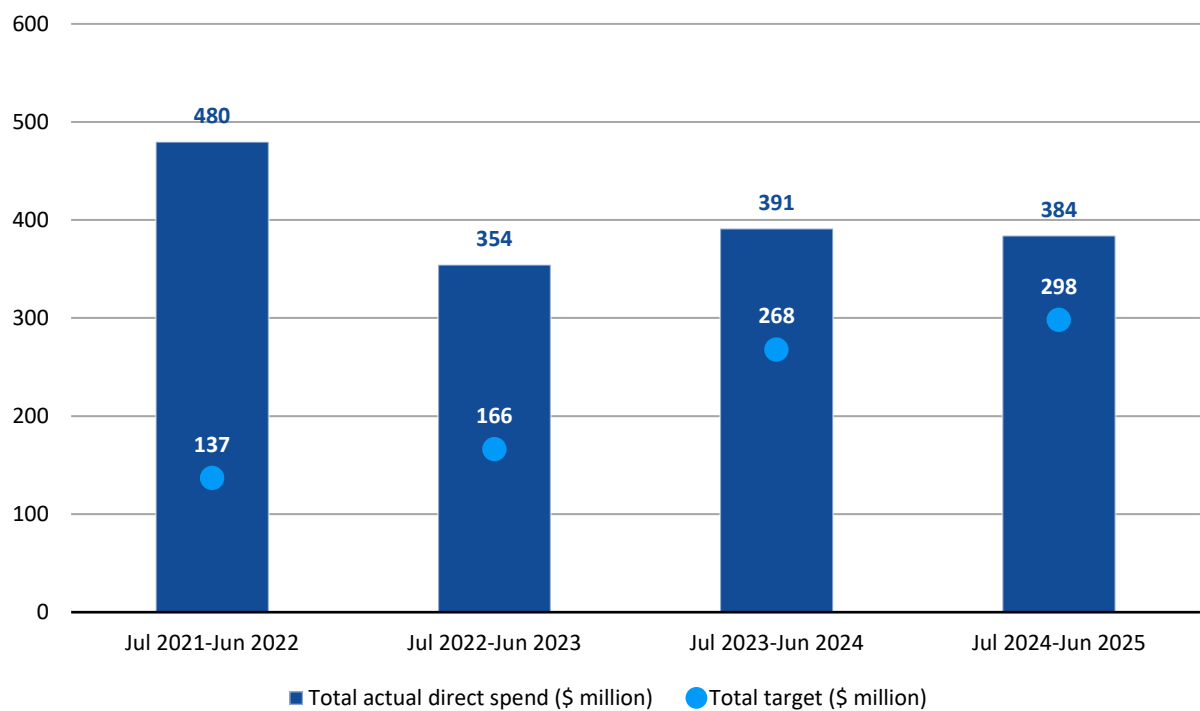
³⁸ Based on correspondence to our office by NSW Treasury on 29 June 2026.

³⁹ Calculation based on expenditure from July 2021 to June 2024. NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

⁴⁰ **Disclaimer:** Average spend calculations are illustrative only. The data on the APP website reflects a point-in-time published snapshot and may vary depending on updated machinery of government (MoG) structures, revised category mappings and improved methodology and data quality improvements (NSW Treasury correspondence to our office, 2 June 2026).

⁴¹ Calculation based on expenditure from July 2021 to June 2024 (as above).

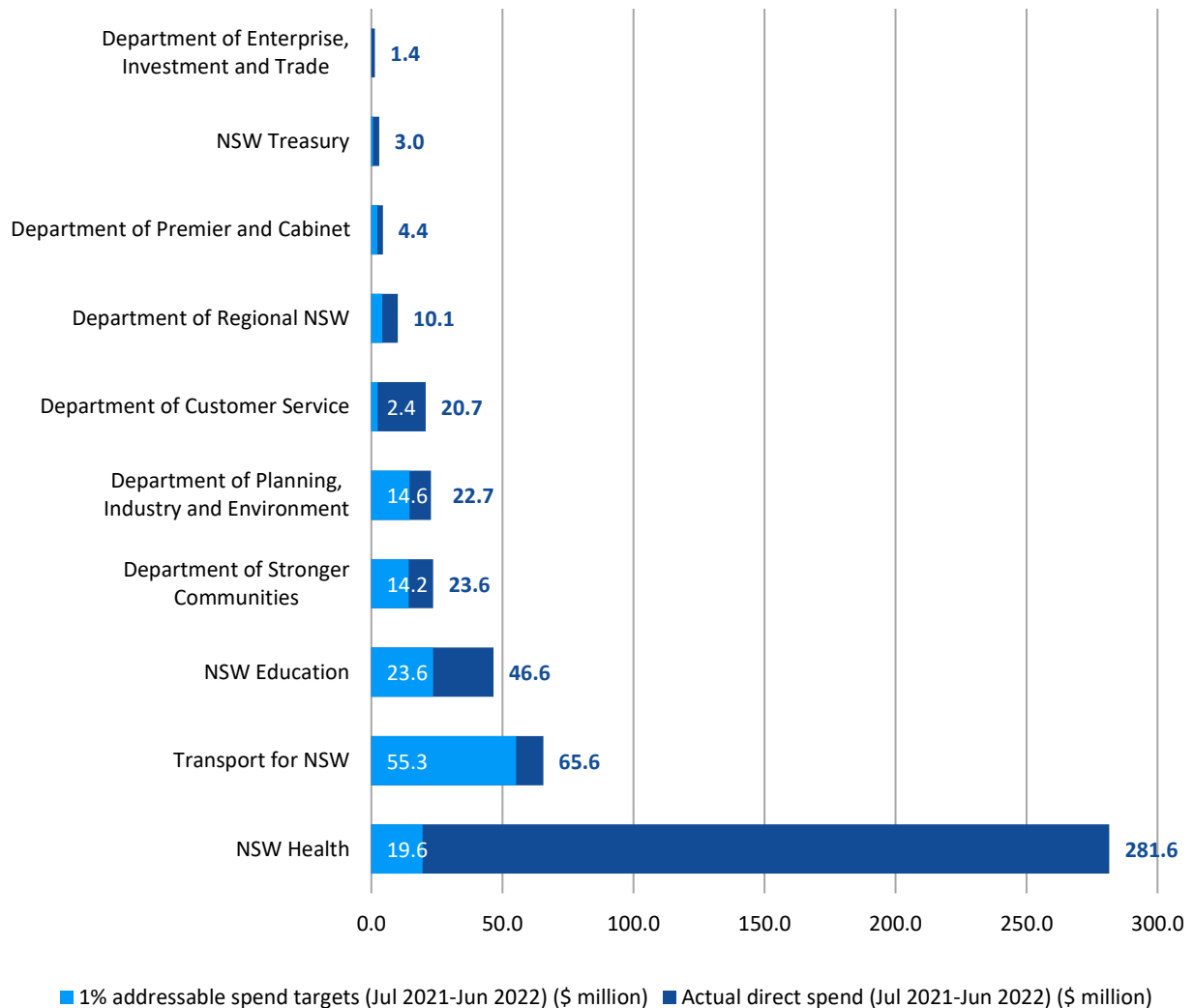
Figure 2. Total agency expenditure for the APP: Targets versus actual spend (July 2021-June 2025) ⁴²



⁴² Figure 2 was prepared by NSW Ombudsman based on data provided at NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the ‘update history’ on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 27 May 2026. **Disclaimer:** Figure 2 is provided as illustrative only. The data on the APP website reflects a point-in-time published snapshot and may vary depending on updated MoG structures, revised category mappings and Improved methodology and data quality improvements. The APP target is not calculated as 1% of a single year’s spend. Instead, it is based on 1% of the average addressable spend over the previous three financial years, and 1% of the average addressable spend over the previous three financial years, and Agency-submitted forward commitments.

The 1% addressable spend target was met and exceeded in the first year of the APP (2021-22) by all agency groups (see **figure 3**). In the case of NSW Health, the addressable spend was 14 times greater than the 1% target. NSW Treasury identified that the spike in spend in 2021-22 was driven by 2 major one-off NSW Health contracts related to COVID-19.⁴³

Figure 3. The 1% addressable spend target compared to actual spend by agency group (2021-22)⁴⁴



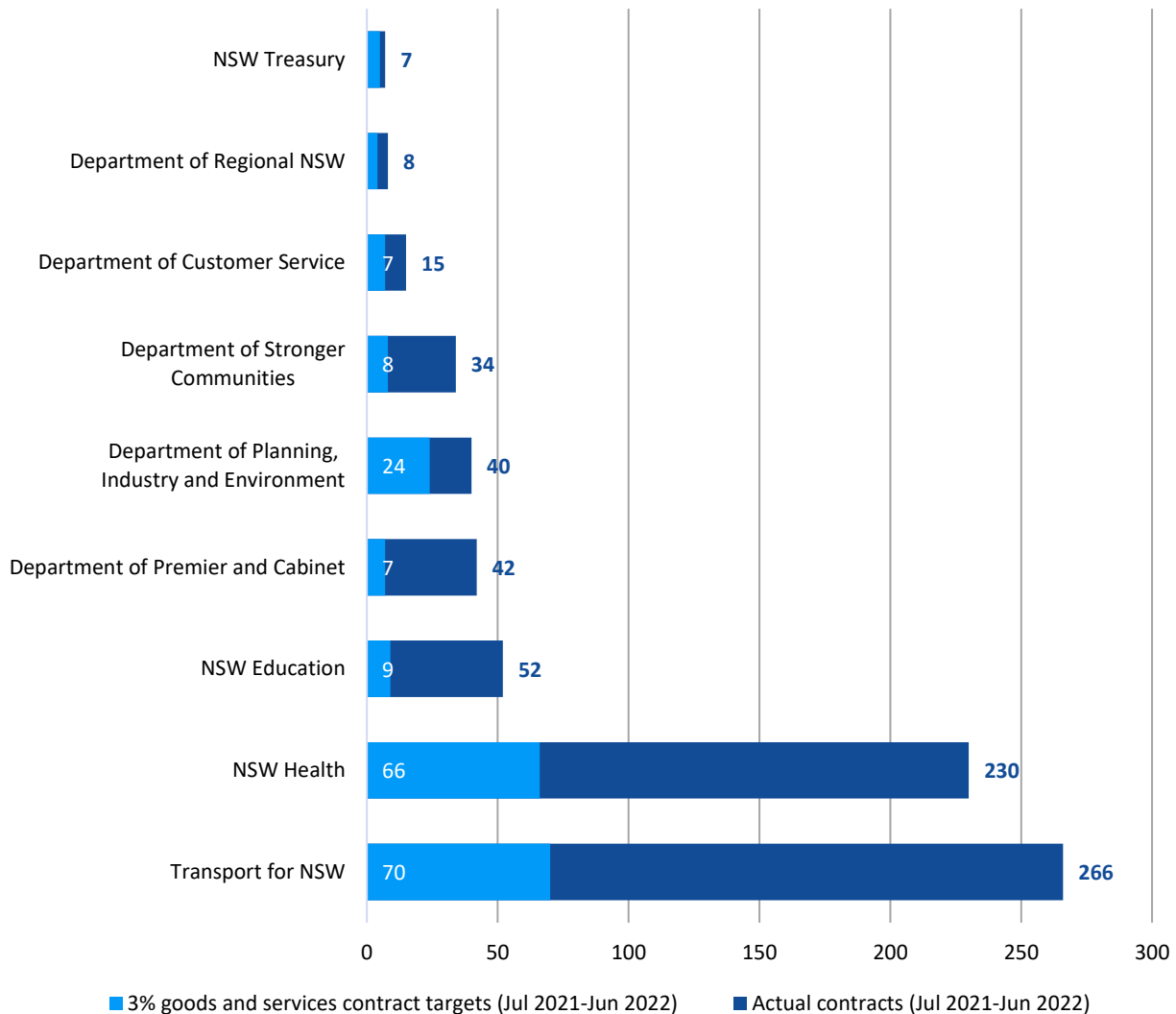
⁴³ APP tracking page, 'Table 1.2 Targets' at NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

⁴⁴ Figure 3 prepared by NSW Ombudsman based on data provided at NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026. **Disclaimer:** Figure 3 is provided as illustrative only. The data on the APP website reflects a point-in-time published snapshot and may vary depending on factors noted in the footnote associated with Figure 2.

Note: The Department of Enterprise, Investment and Trade was created in March 2022, therefore did not have APP targets for 2021-22.

The 3% of all goods and services contract target was met and exceeded in the first year of the APP (2021-22) by all agency groups (see **figure 4**). In the case of Transport for NSW, the addressable spend was 3.8 times greater than the 3% target, and NSW Health was 3.3 times greater than the 3% target.

Figure 4. The 3% contract target compared to actual number of contracts by agency group (2021-22) ⁴⁵



Stakeholders' response to the targets is summarised in the **key observations from stakeholder feedback and our own assessment** section below.⁴⁶

⁴⁵ Figure 4 prepared by NSW Ombudsman based on data provided at NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026. **Disclaimer:** Figure 4 is provided as illustrative only. The data on the APP website reflects a point-in-time published snapshot and may vary depending on factors noted in the footnote associated with Figure 2.

Note: The Department of Enterprise, Investment and Trade is excluded from Figure 4 as data was shown as 'n/a' on the APP website.

⁴⁶ Key observations from stakeholder feedback and our own assessment, see pages 18-24.

NSW Treasury has not reported on the APP's employment target since 2021

The annual 3,000 FTE employment target was first introduced in July 2018, with the expectation that it would be achieved by 2021.⁴⁷ The target was met in 2021, with 3,995 FTE opportunities supported. NSW Treasury ceased reporting against this target after this time.⁴⁸

While its APP webpage explains that progress on the FTE target is no longer reported annually, NSW Treasury has not given any public explanation for ceasing to report against the target. Ongoing reporting would have still been beneficial given that the policy had not been reviewed.

'You cannot credibly claim to support Aboriginal employment while choosing not to measure it. I would like to see the reinstatement of an employment target that is genuinely ambitious, regularly published, and directly connected to outcomes for Aboriginal individuals and communities, not a target that is met once and then quietly disappears.' – Aboriginal Business Taskforce member

Our understanding (based on Aboriginal businesses feedback provided to NSW Treasury in 2023 and on our own engagement with the agency) is that there was not a significant demand for the employment target to be continuously monitored. Nonetheless, when an agency changes how it reports against a publicly stated target – and in this case, ceases to report entirely – it should explain the reasons for that decision. One of the 2 stated objectives of the APP is to 'support employment opportunities for Aboriginal and Torres Strait Islander peoples'. Progress against the FTE employment target therefore remains relevant to inform assessment of whether the APP continues to achieve this objective.

NSW Treasury has failed to deliver on its commitment to publish a revised APP

Stakeholders expressed uncertainty about when a revised APP policy would be released and what substantive changes would be made. They expressed disappointment that a revised APP had not been released, despite NSW Treasury indicating that it would do so in July 2024.⁴⁹ Stakeholders also noted that there had been a lack of publicly available information explaining any reasons for the delay, and no clear timeline for publication of a revised policy.

NSW Treasury's failure to publish a revised APP as scheduled has resulted in prolonged uncertainty among Aboriginal business stakeholders. It also appears to be eroding the goodwill that NSW Treasury established in its conduct of the 2023 APP review. Aboriginal businesses and government agencies have expressed a need for clarity around future policy settings, targets and compliance requirements.

Aboriginal stakeholders have frequently expressed a sense of frustration and disillusionment at engaging with their time, expertise and energy when being consulted by government in supporting reviews and policy discussions, and then seeing nothing come of those efforts. NSW Treasury's continued delay in publishing a revised APP risks perpetuating this dynamic.

⁴⁷ NSW Government, Aboriginal Procurement Policy, May 2018, https://www.info.buy.nsw.gov.au/data/assets/pdf_file/0005/544838/app_policy_may_2018.pdf, accessed 30 April 2026.

⁴⁸ NSW Treasury, Aboriginal Procurement Policy Review 2023: Stakeholder feedback report, September 2023, p. 13, https://www.info.buy.nsw.gov.au/data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf, accessed 15 June 2026.

⁴⁹ NSW Treasury, Aboriginal Procurement Policy Review 2023: Stakeholder feedback report, September 2023, p. 35, https://www.info.buy.nsw.gov.au/data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf, accessed 15 June 2026.

NSW Treasury has advised that timing has been guided by broader Government priorities, including the development of the Local Jobs First Bill 2026. It indicated that, based on our feedback, it would consider publishing an update to clarify its approach.

NSW Treasury does not publish Aboriginal participation plan results achieved against the APP target

Agencies must include requirements for a minimum 1.5% Aboriginal participation in all contracts valued at \$7.5 million or above. Participation can include subcontracting to Aboriginal businesses, employing Aboriginal or Torres Strait Islander peoples, and/or providing education, training or capability building for Aboriginal staff or businesses directly contributing to the contract.⁵⁰

Suppliers are required to report quarterly on the progress against their commitments in the Aboriginal Participation Plan through the reporting.buy.nsw portal.⁵¹

Neither NSW Treasury nor NSW Government agencies publish comprehensive data on Aboriginal participation plan results achieved against APP targets. While the spend and contract targets provided information on agencies' direct procurement expenditure with Aboriginal businesses, they do not demonstrate whether large contracts (with non-Aboriginal head contractors) are delivering Aboriginal employment or training within the participation requirements.

The absence of consolidated reporting data on Aboriginal participation plans limits NSW Treasury's ability to demonstrate whether the APP is achieving its broader objective of supporting Aboriginal employment and increasing Aboriginal participation in government procurement. It also makes it more difficult to hold agencies and suppliers accountable for delivering Aboriginal participation outcomes through major contracts.

Agency groups are not currently publishing required Aboriginal participation strategies

Agencies must publish an annual Aboriginal Participation Strategy that describes how the agency will meet its obligations under the APP, according to clause 3.1 of the APP. The strategy should identify and address upcoming procurement opportunities for Aboriginal participation, at a minimum for procurements valued at \$7.5 million or above. Strategies may be written at a cluster or agency level and must be published on the cluster's website.⁵²

Despite this requirement, agency groups are not currently publishing Aboriginal participation strategies, directly linked to the APP.⁵³ For example, some agency groups did publish Aboriginal participation strategies initially after the APP was released but have ceased publishing them in recent years.⁵⁴

⁵⁰ Clause 3.2 of the APP.

⁵¹ Clause 4.2 of the APP.

⁵² NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

⁵³ The APP Aboriginal Participation Strategy is distinct from the recruitment of Aboriginal staff strategies which are sometimes called Aboriginal Participation Plans. The APP Aboriginal Participation strategy is based on procurement of any NSW Government contract over \$7.5 million.

⁵⁴ For example, Department of Planning, Housing and Infrastructure (DPHI), Aboriginal Participation Strategy, October 2024, <https://www.nsw.gov.au/sites/default/files/2024-10/dphi-aboriginal-participation-strategy.pdf>, accessed 19 June 2026; NSW Health, NSW Health Aboriginal Procurement Participation Strategy, 3 May 2022, <https://www.health.nsw.gov.au/assets/Pages/aboriginal-procurement-strategy.aspx>, accessed 16 June 2026, Stronger Communities Cluster, Aboriginal Participation Strategy 2020/2021, 2021 [developed for the

Key observations from stakeholder feedback and our own assessment

The APP has been well received, and the initial engagement for the APP review was highly successful

There is widespread support among stakeholders for the intent and objectives of the APP, providing a foundation of trust and goodwill to build upon. The APP is viewed by stakeholders as an integral lever for supporting the growth of Aboriginal businesses, Aboriginal employment opportunities, and encouraging economic prosperity within Aboriginal communities.

‘When government directs spending to genuine Aboriginal businesses, it is not merely ticking a policy box; it is creating real employment, building intergenerational wealth, supporting self-determination and backing Aboriginal business growth. That is reconciliation in practice... the APP is a practical instrument of reconciliation, not merely a procurement compliance framework.’ – Aboriginal Business Taskforce member

Stakeholders were also positive about the approach NSW Treasury took in conducting the 2023 review of the APP. Stakeholders widely regarded the 2023 review as highly effective and considered it a benchmark for community engagement.

‘I think the APP review was done very well. I think it wasn’t rushed by any means. It was comprehensive. There was a high amount of accountability in presenting the review back to community.’ – Aboriginal business stakeholder

Greater consistency in implementation of the APP across agencies would improve stakeholder confidence and outcomes

Stakeholders told us that anecdotal feedback from their members suggested that there was significant variation in agencies’ interpretation and implementation of the APP. For example, stakeholders noted that there appears to be some confusion among agencies around how ‘direct spend’⁵⁵ works. Direct spend allows agencies to ‘negotiate directly with an Aboriginal business for all procurements up to \$250,000, even if there is a mandated prequalification scheme or panel in place’.

Feedback indicated that some agencies did not understand how to utilise direct spend and were therefore not utilising it, reverting to the usual process of seeking multiple quotes, and relying on existing business relationships rather than investing time in building relationships with a broad range of Aboriginal businesses and directly purchasing from them.

‘Government needs to ensure that implementation of the APP is not creating monopolies. Smaller businesses are still struggling to get a foot in the door. There is an obligation that government procurement should benefit everybody, not just one or two people.’ — Shannon Mallison, Yarpa Hub

2021-22 financial year, p. 3] <https://www.sport.nsw.gov.au/sites/default/files/2021-09/Aboriginal%20Participation%20Strategy%20FY2021.pdf>, accessed 19 June 2026.

⁵⁵ As per Clause 3.3 of the APP.

There is inconsistency in how Aboriginal businesses are identified and verified

The definition of an 'Aboriginal business' varies across jurisdictions and verification bodies,⁵⁶ which has created confusion in the sector. For the purposes of the APP, NSW defines an Aboriginal business as a 'business that has at least 50 per cent Aboriginal ownership and that is recognised through an appropriate organisation, such as Supply Nation or the NSWICC'.⁵⁷ In contrast, under the Commonwealth Indigenous Procurement Policy (the IPP), the definition of an 'Indigenous business' has recently changed from a requirement of at least 50% Indigenous ownership to a requirement of at least 51% Indigenous ownership and control (effective from 1 July 2026).⁵⁸ In practice, this means that Indigenous⁵⁹ owners must hold a majority interest in the business with the addition of control – making it an active interest rather than merely equal ownership stake.

This means that the same business may be an 'Aboriginal business' for the purposes of the NSW APP, but not an Aboriginal business under the Commonwealth's definition. This generates confusion, which may be exacerbated for businesses operating across state borders.⁶⁰

'[We note] the importance of ensuring Aboriginal business owners participating in complex ownership or joint venture arrangements are appropriately supported to understand their governance, legal and financial responsibilities. Strengthening guidance and capability in this area will assist in protecting the integrity of the policy while reducing the risk of unintended governance or financial consequences for Aboriginal businesses.' – NSW CAPO

Stakeholders expressed a view that NSW should align with the IPP definition, with some noting the 51% threshold represents best practice within Australia and internationally. That said, some stakeholders also expressed a view that exceptions should be permitted for small family businesses (for example where a business is owned and operated 50:50 by an Aboriginal person and their non-Aboriginal spouse).⁶¹

There has, until recently, been a lack of guidance concerning the APP and potential fraudulent and unethical practices such as 'black cladding'. This is where suppliers mislead government by using Aboriginal businesses to leverage contracts without the benefit going substantially to the Aboriginal business, and where Aboriginal ownership technically meet a set threshold but is not reflected in the same degree of Aboriginal control and beneficial interest.⁶²

⁵⁶ Such as Supply Nation, NSWICC and ORIC.

⁵⁷ NSW Treasury, Procurement Policy Framework, Glossary, (This webpage was updated on 7 July 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was updated 13 December 2024), <https://www.info.buy.nsw.gov.au/policy-library/policies/procurement-policy-framework>, accessed 26 May 2026.

⁵⁸ Australian Government, National Indigenous Australians Agency, Indigenous Procurement Policy (IPP)—May 2026, May 2026 (date based on metadata), <https://www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policy-ipp>, accessed 1 June 2026.

⁵⁹ Using the language of the Commonwealth Indigenous Procurement Policy.

⁶⁰ For example, Victoria defines an 'Aboriginal business' as one '51% or more owned and operated by Aboriginal or Torres Strait Islander people' for certain grants purposes (see [Frequently asked questions \(FAQs\) for Victorian Aboriginal Business Investment Program | Business Victoria](#)) while both Victoria's and Queensland's procurement policies adopt a similar definition to NSW.

⁶¹ NSWICC advised that their formal policy position is that the NSW Government adopt a mandatory 51% Aboriginal ownership and control threshold without permanent exemptions. NSWICC advised that for genuine 50:50 spousal businesses, they propose time-limited transition pathways to assist the Aboriginal partner in achieving 51% control, rather than establishing a permanent exemption.

⁶² Eva, C, Who defines success? A critical analysis of the Indigenous Procurement Policy in Australia, Australian Journal of Public Administration, 9 October 2025; Binoy Kampmark, The Indigenous Procurement Policy: Battling the 'black cladding' phenomenon, The Mandarin, 16 June 2026, <https://www.themandarin.com.au/314714-the-indigenous-procurement-policy-battling-the-black-cladding-phenomenon/>, accessed 17 June 2026; ABC News, Multi-billion-dollar economic policy undermined by 'black cladding', 15 June 2026, <https://www.abc.net.au/news/2026-06-15/indigenous-procurement-policy-black-cladding-/106790390>, accessed 17 June 2026; Howe, J, Indigenous procurement (Policy Brief). Melbourne School of Government, The University of Melbourne, 2023, https://law.unimelb.edu.au/data/assets/pdf_file/0008/5312276/Indigenous-Procurement-Policy-Brief-for-publication-24-March-2023.pdf, accessed 17 June 2026.

‘Black cladding... directly harms genuine Aboriginal businesses by taking the opportunities, revenue and market access the policy was designed to create for them. It should not be treated as an administrative grey area. We need financial penalties or repayment obligations where Aboriginal participation commitments are not delivered. We need clear referral pathways for serious misconduct, including where conduct may amount to fraud or corrupt conduct. Without these mechanisms, the APP will continue to be at risk of exploitation by suppliers who meet participation requirements on paper while delivering nothing of substance to Aboriginal people.’ – Aboriginal Business Taskforce member

The 2023 APP review recommended that AANSW provide guidance on black cladding. AANSW engaged the NSW Indigenous Chamber of Commerce to develop and launch the *Buying on Country* program in 2026, to support agencies to understand how to identify an Aboriginal business and to be aware of the risk of black cladding.⁶³

There are gaps in cultural capability, perceived regional disadvantage and limited institutional partnerships between agencies and Aboriginal businesses

Gaps in cultural capability among procuring agencies

Stakeholders reported that some procurement officers have limited Aboriginal cultural knowledge and awareness, which can affect how they engage with Aboriginal businesses. This may include uncertainty about appropriate cultural engagement approaches and the diversity of Aboriginal business models.

Perception of regional disadvantage

Procurement-related decision making by some agencies tends to be centralised in metropolitan areas, and there is a perception among stakeholders that this may limit procurement opportunities for regional Aboriginal businesses. Stakeholders told us that local Aboriginal businesses had indicated that they had missed opportunities for major regional infrastructure works, with preference given to metropolitan-based suppliers.

Stakeholders expressed a perception that government agencies were particularly prone to preferencing Tier 1 and 2 suppliers with whom (it was assumed that) they had pre-existing relationships.

The APP is a State Government policy instrument that does not apply to the NSW local government sector. Whilst not the focus of our assessment, feedback from stakeholders articulated the consequence of this:

‘Local government plays a significant role in delivering infrastructure, services and procurement across regional New South Wales. Greater alignment between the Aboriginal Procurement Policy and local government procurement practices would create additional opportunities for Aboriginal businesses to participate in government supply chains, particularly for lower-value contracts where local businesses are well placed to deliver goods and services within their own communities.’ – NSW CAPO

⁶³ NSW Indigenous Chamber of Commerce, *Buying On Country: Equitable Procurement Practices*, <https://www.buyingoncountry.com.au/buying-on-country-e-learning/>, accessed 29 June 2026.

NSW Supplier Hub may limit visibility of opportunities in regional and remote areas

Given stakeholders' concerns, we checked NSW Supplier Hub to determine what contracts were upcoming for a location and when the work was to commence. We found that the location filter on NSW Supplier Hub was limited to identifying 12 regions in NSW⁶⁴ as opposed to specific township or suburb locations. If NSW Supplier Hub identified procurement at a township or suburb level, this would provide greater visibility of upcoming procurement opportunities for suppliers, rather than having them scroll through numerous contract opportunities that may be outside their area of operations.

Limited utilisation of existing peak Aboriginal business organisations by agencies

Most NSW government agencies do not access or have a relationship with key bodies that facilitate procurement opportunities for Aboriginal businesses and support development of cultural capability – including the NSW Indigenous Chamber of Commerce and Supply Nation. Stakeholders noted that access to these bodies can not only help agencies find Aboriginal suppliers, but can also provide cultural insights and guidance for procuring with Aboriginal businesses.

Further, LDM Regional Alliances may be able to assist in identifying Aboriginal businesses operating within their regions and provide acknowledgement that the businesses have community connections.

Stakeholders are concerned about compliance and integrity risks in the implementation of Aboriginal Participation Plan requirements

There is a widespread perception among stakeholders of increasing misuse of the Aboriginal Participation Plan requirements by large ('Tier 1' and 'Tier 2') non-Aboriginal suppliers, leading to a loss of trust in the system on the part of Aboriginal businesses – specifically:

Alleged false or misleading reporting by lead contractors

There was a perception among stakeholders that in some cases, Tier 1 and Tier 2 suppliers were misleadingly reporting actions undertaken pursuant to their obligations under the APP.⁶⁵ This concern was raised primarily in relation to various large-scale infrastructure projects.

For example, stakeholders noted that Tier 1 or 2 suppliers may state that they are going to engage an Aboriginal business or employ a particular number of Aboriginal people (and be successfully procured on that basis) but then fail to do so.

Stakeholders told us that some suppliers will later report to the agency that they met their Aboriginal participation plan, whether or not they have actually done so. Stakeholders told us that Aboriginal businesses aware of this mis-reporting do not report this to government authorities as they were fearful that this may result in them not being contracted for potential future work.

These types of issues may be reportable through agency complaints processes and public interest disclosures (PIDs).

⁶⁴ Those locations listed on NSW Supplier Hub are: Central Coast, Central West, Far West, Hunter, Mid North Coast, Murray/Riverina, North West, Northern Rivers, Northern Tablelands, South Coast, Southern Tablelands, and Sydney metro.

⁶⁵ The APP requires that suppliers submit an Aboriginal Participation Plan for all projects valued at \$7.5m or above with their tender documents. This plan is the supplier's commitment to Aboriginal participation on the project – see **Appendix C – definitions** for more information.

Insufficient monitoring and validation of outcomes under Aboriginal Participation Plans

The APP states that the NSW Procurement Board has a commitment to undertake random audits of 5 per cent of contracts valued over \$7.5 million each year to assess compliance with Aboriginal Participation Plans.⁶⁶ Despite this, there is a perception among stakeholders of a lack of rigorous oversight of procurement conducted under the APP. In particular, stakeholders raised concerns of insufficient auditing of Tier 1 and Tier 2 contractors to ensure they are adhering to their Aboriginal Participation Plans.

It is important to note that these perspectives reflect the experiences of Aboriginal businesses. Further verification, audit, or formal investigation would be required to substantiate the extent and validity of these concerns. However, the fact that these perceptions exist points to a need, at the very least, to allay those concerns and build confidence among stakeholders through more transparent compliance monitoring and demonstrable enforcement action where issues arise.⁶⁷

NSW Treasury has advised there is no standard audit requirement for auditors – even where a contract is selected for audit – to ‘directly contact a sample of third-party Aboriginal businesses or individuals’ who are reported as having been engaged by the supplier under its Aboriginal Participation Plan to verify reported participation plan outcomes. We were told that ‘auditors are expected to undertake reasonable and proportionate procedures to support their conclusions, having regard to audit scope, available evidence and any identified issue’.

‘The APP framework is sound. It’s ambiguous in places and there are elements that warrant tightening, but the foundations are there. The problem is enforcement. As new policies come into play, we need to address that either through policy harmonisation or by elevating the APP’s mandate, otherwise implementation will continue to stall. Regarding auditing, my understanding following the review was that the audit threshold was going to increase, and it needs to.’ – Luke McIlroy-Ranga, Aboriginal Business Taskforce member

There are limitations in the current targets and measurement of progress

The current ‘input targets’ appear to be too low

The 1% addressable spend target was intended to be achieved by the end of 2021. The target was achieved across all agency groups within the first year, and each subsequent year after that.

Aboriginal business stakeholders uniformly supported increasing this target. Some stakeholders suggested it be increased by between 3 to 5 percent of addressable spend. Other stakeholders suggested that the NSW Government align with increases being implemented by the Commonwealth IPP, which has a target for the volume (number) and total value of contracts that is set to increase from 3% in 2025-26, and 4% by 2029-2030.⁶⁸

The increase in Aboriginal employment opportunities target (3,000) is also clearly too low and, unlike the 2 annual spend/contract targets, essentially became redundant once met in 2021.

⁶⁶ Clause 3.4 of the APP.

⁶⁷ In response to a request for feedback on our draft report, NSWICC advised that they have proposed to NSW Treasury a strategic partnership model intended to support stronger compliance and integrity measures.

⁶⁸ National Indigenous Australians Agency (NIAA), [Indigenous Procurement Policy May 2026](https://www.niaa.gov.au/sites/default/files/documents/2026-05/IPP-Guidelines-12-May-2026.pdf), p. 11, <https://www.niaa.gov.au/sites/default/files/documents/2026-05/IPP-Guidelines-12-May-2026.pdf>, accessed 18 June 2026.

*‘A key criticism of the 2021 APP was that it was drafted and designed based on what they thought they could achieve rather than what their actual aspiration was.’
— Aboriginal business stakeholder*

The targets focus on amount of spend and number of contracts, rather than impact

Progress is measured at an agency level, rather than on impact to Aboriginal community and individuals. Greater opportunities could be realised if more comprehensive measures were developed around ‘impact targets’, for example employment growth, business development and long-term engagement of Aboriginal businesses.

‘[We consider] the success of the Aboriginal Procurement Policy should ultimately be measured by the tangible economic and community outcomes it delivers for Aboriginal people, Aboriginal businesses and Aboriginal communities, rather than procurement activity alone.’ – NSW CAPO

There are gaps in data collection and transparency of procurement

Stakeholders expressed a view that limitations in the collection and reporting of procurement data are reducing the transparency of the program, making it harder to identify inequities and track performance and limiting the ability of Aboriginal businesses to use data to inform decision-making. Stakeholders noted that these limitations also make it harder to tell whether the objectives of the APP are being met in terms of the level of employment opportunities and business growth for Aboriginal businesses.

Specific concerns raised included the following:

There is limited visibility of spend in metropolitan versus regional areas

Stakeholders provided examples of occasions where they had sought to obtain information from an agency about expenditure on Aboriginal businesses and community as a result of significant infrastructure work in regional areas, and were informed that information was not available.

Training Services NSW has not received any unspent funds from suppliers into the Aboriginal Participation Fund since inception

The Aboriginal Participation Fund was established by Training Services NSW ‘to receive payments when a supplier does not meet contracted Aboriginal participation requirements’.⁶⁹ The APP states that these funds will be used to ‘target skills and capacity gaps, education and capability building programs for Aboriginal peoples and businesses to enable Aboriginal participation requirements to be met for future NSW Government contracts’. Stakeholders told us they would like to know the amount in this fund, and that they would recommend greater involvement in the distribution of these funds.

We met with Training Services NSW who confirmed that no supplier transferred unspent Aboriginal Participation funds to the Training Services NSW Account since inception. It was noted that a few suppliers had reached out to commence the process but then never followed up. The absence of contributions to the fund by suppliers raises questions about how the Aboriginal participation requirements are being monitored and enforced in practice (especially given the significant sums of procurement involved, for example in major infrastructure projects), particularly given stakeholder concerns regarding the reporting and verification of Aboriginal Participation Plan outcomes.

⁶⁹ Clause 4.1 of the APP.

There is insufficient reporting on contract value, contract duration and repeat engagements

Whilst NSW Supplier Hub does provide a degree of transparency around open tender contracts, stakeholders found that there is less visibility when Tier 1 and Tier 2 suppliers are involved, particularly in relation to subcontracting arrangements, making it more difficult to track how Aboriginal participation commitments are being implemented in these cases.

The relationship between the APP and the Local Jobs First Bill is currently unclear

The Local Jobs First Bill 2026⁷⁰ proposes new oversight, monitoring and reporting arrangements in NSW procurement. This includes the establishment of the Local Jobs First Commission and the creation of a NSW Local Jobs First Commissioner to oversee the implementation of measures to support the growth of local NSW industry and create local jobs.

It builds on recent procurement reforms such as ‘if not, why not’ requirements, which require agencies to ‘assess opportunities’ with NSW suppliers before awarding contracts worth more than \$7.5 million.⁷¹ It proposes to add enforcement mechanisms, for example debarment for supplier misconduct.

While the Bill represents a significant proposed reform within the same policy environment that the APP operates in, it does not currently mention Aboriginal businesses or address how it will interact with the APP. The consultation draft Bill, consultation draft regulation, and explanatory statement for public consultation were silent regarding the APP and Aboriginal businesses.⁷²

During our consultations for this report, stakeholders expressed the view that the APP would benefit from a dedicated legislative framework. While the Bill does not currently address the APP or Aboriginal businesses, its focus on procurement oversight and accountability means it may be relevant to future consideration of how the APP and Aboriginal businesses are supported within the broader NSW procurement framework.

⁷⁰ Parliament of NSW, Local Jobs First Bill 2026, introduced 27 May 2026, <https://www.parliament.nsw.gov.au/bills/Pages/bill-details.aspx?pk=18912>, accessed 28 May 2026.

⁷¹ NSW Procurement Board, PBD 2024-02 Increasing opportunities for local suppliers to supply to government, 9 September 2024, <https://arp.nsw.gov.au/pbd-2024-02-increasing-opportunities-for-local-suppliers-to-supply-to-government>, accessed 29 May 2026.

⁷² NSW Treasury, [NSW Jobs First Commissioner](#), December 2025, <https://www.haveyoursay.nsw.gov.au/nsw-local-jobs-first-commissioner>, accessed 3 June 2026.

3. Recommendations

The NSW Ombudsman makes the following recommendations:

Policy and governance

1. NSW Treasury should publish an update on their website on the status of the 2023 review of the APP, including an indicative timeline for the finalisation and release of a revised APP.
This should be completed by 1 October 2026.
2. NSW Treasury should publish an updated guide on its website of the implementation of the APP to ensure consistent interpretation amongst NSW agencies that considers feedback provided by key stakeholders to our office.
This should be completed by 1 October 2026.⁷³

Compliance and integrity

3. NSW Treasury should support the Procurement Board to conduct periodic audits of agency groups – to ensure compliance with the APP – prioritising agency groups with the largest spend first.⁷⁴ This should include targeted reviews of key requirements of the APP, such as clause 3.1 (publication of an annual Aboriginal Participation Strategy).
The first periodic audit of an agency group should have started by 1 November 2026.⁷⁵
4. NSW Treasury should update guidance documents for external auditors to ensure that audits address supplier compliance with the Aboriginal Participation Plan and confirmation of engagement with Aboriginal businesses in tender applications. This should include independent verification activities, such as contact with Aboriginal businesses, where appropriate, to substantiate claims made in tender submissions and supplier reporting.
This should be completed by 1 October 2026.
5. NSW Treasury should conduct whole-of-government training on details of any revised APP, including any enhanced compliance and reporting mechanisms, prior to the commencement of a revised APP.
6. NSW Treasury should work with Aboriginal Affairs NSW, in consultation with Aboriginal verification bodies, to adopt a definition of an Aboriginal business and ‘black cladding’, that considers reforms made at a national level.
This should be completed by 1 December 2026.⁷⁶
7. NSW Treasury should seek amendments to procurement rules that require agencies to publish on their website how Aboriginal procurement monies are spent, including outcomes related to Aboriginal participation, and retain those details on the website for a period of at least 5 years.
This should be completed by 1 December 2026.
8. The NSW Government should outline how the APP will be impacted by, or supported through, the Local Jobs First Bill 2026.

⁷³ This recommendation is consistent with recommendation 7 of the 2023 APP Review and is consistent with recommendation 25(b) of our office’s OCHRE 2019 Report.

⁷⁴ Clause 8.1 of the APP provides that the NSW Procurement Board is responsible for audits of the policy. NSW Treasury would support the Board in this process.

⁷⁵ This recommendation is related to recommendation 25(e) of our office’s OCHRE 2019 Review.

⁷⁶ This recommendation is, in part, consistent with recommendation 10 of the 2023 APP Review.

Targets and outcomes

9. The NSW Government should adopt measurable outcome-based targets in a revised APP that reflect the policy objectives in the APP.

This should be completed by 1 February 2027.

10. The NSW Government should increase the 'addressable spend target', to better reflect the proportion of the Aboriginal people within the NSW population (3.4% as at the 2021 Census),⁷⁷ whilst also incorporating measurable impact outcomes.

This should be completed by 1 February 2027.⁷⁸

11. The NSW Government should increase the 'contract of goods and services target' to align with the national scheme, which is scheduled to increase progressively each year from 3% in 2025-26 to 4% by 2029-30.

This should be completed by 1 February 2027.⁷⁹

Data and procurement transparency

12. The NSW Government should enhance the buy.NSW Supplier Hub (public dashboard) to provide more:

- a. awareness of tender opportunities in regional and remote areas. Such actions could include improving the filter options on the NSW Supplier Hub dashboard to ensure procurement opportunities can be identified at a town or suburb level.

This should be completed by 1 October 2026.

- b. comprehensive reporting on procurement outcomes. Such actions could include details that provide greater insight into the number of Aboriginal businesses receiving a procurement benefit, the average amount businesses are receiving a benefit, the key industry areas receiving the benefit and the impact of the APP to regional areas.

This should be completed by 1 December 2026.

Monitoring implementation of recommendations

13. NSW Treasury should provide the NSW Ombudsman with a progress update on the implementation of recommendations 1-7 and 11 at least every 6 months from the publication of this report, until all agreed actions have been completed.
14. The NSW Government should provide the NSW Ombudsman a progress update on the implementation of recommendations 8-10 and 12, at least every 6 months from the publication of this report, until all agreed actions have been completed.

⁷⁷ The proportion of Aboriginal and Torres Strait Islander people in NSW was 3.4% based on the 2021 Census - Australian Bureau of Statistics, 2021 New South Wales, Census Aboriginal and/or Torres Strait Islander people QuickStats, Latest release, <https://www.abs.gov.au/census/find-census-data/quickstats/2021/IQS1>, accessed 13 May 2026.

⁷⁸ This recommendation is, in part, related to recommendation 1(a) of the 2023 APP Review.

⁷⁹ This recommendation is related to recommendation 2(d) of the 2023 APP Review.

Appendix A – Background

NSW procurement and business context

NSW Government agencies procure more than \$40 billion annually in goods, services and construction. In addition, the State's infrastructure program is projected to reach \$30.8 billion⁸⁰ in the 2025-26 financial year, demonstrating the substantial scale of procurement opportunities across NSW. There are currently 144 open tender contract opportunities listed on the NSW Supplier Hub that are open to any business regardless of business type.⁸¹ These procurement opportunities amount to a potential cumulative value of \$2 billion in current procurement opportunities with the NSW Government – noting this represents only a portion of a broader range of procurement pathways through which contracts can be awarded.⁸²

NSW's economy is predominantly driven by small and medium enterprises (SMEs), which constitute 99.8% of the 916,601 businesses registered in the state at 30 June 2025.⁸³ NSW Supply Hub has 84,463 businesses registered, of these 20,931 were listed as non-NSW based.⁸⁴

Aboriginal businesses represent a small but significant portion of the procurement landscape. Of the 1,313 Aboriginal-owned businesses registered on the NSW Supplier Hub, 76% are based in NSW, and 99% are classified as SMEs.⁸⁵

NSWICC case study⁸⁶

Based on data collected from 85% of NSWICC's membership, the NSWICC network generates a combined annual turnover of \$1.186 billion.

These businesses collectively employ 6,052 people, including 1,722 Indigenous employees.

38 NSWICC member businesses generate over \$10 million annually, and the network includes major employers across diverse industries.

Female entrepreneurship is a major driver of this growth, with 28% of member businesses (146 businesses) having at least one female Indigenous owner.

Aboriginal businesses are an important part of the NSW procurement landscape, contributing to economic development, employment and community outcomes across NSW.

⁸⁰ This should not be confused with addressable spend which is a portion of this amount.

⁸¹ NSW Government, buy.nsw, Supplier Hub, (NSW Government platform jointly developed by NSW Treasury and the Department of Customer Service), <https://buy.nsw.gov.au/suppliers>, accessed 11 June 2026. It is mandatory that all open tender opportunities (regardless of value) be published on NSW Supply Hub. Previously there was a minimum threshold exceeding \$150,000 (inc GST). See NSW Procurement Board, PBD-2025-04 Mandate for the publication of NSW Government open tender opportunities on buy NSW, 15 December 2025, <https://arp.nsw.gov.au/pbd-2025-04-procurement-board-direction-2025-04-mandate-for-the-publication-of-nsw-government-open-tender-opportunities-on-buy-nsw>, accessed 28 May 2026.

⁸² This figure does not include procurement conducted through prequalified supplier arrangements, direct dealing, selective procurement processes, or emergency procurement arrangements. See NSW Government, buy.nsw, Direct Dealing Guidelines, <https://www.info.buy.nsw.gov.au/resources/direct-dealing-guidelines>, accessed 11 June 2026.

⁸³ Based on our analysis of—Australian Bureau of Statistics (ABS), 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2021 to June 2025, Data cube 2, released 16 December 2025, <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>, accessed 13 May 2026.

⁸⁴ Based on our analysis of — NSW Government, buy.nsw, Supplier Hub, (NSW Government platform jointly developed by NSW Treasury and the Department of Customer Service), <https://buy.nsw.gov.au/suppliers>, accessed 27 May 2026. When rechecked on 11 June 2026, there were 85,357 suppliers.

⁸⁵ Based on our analysis of data of — NSW Government, buy.nsw, Supplier Hub, (NSW Government platform jointly developed by NSW Treasury and the Department of Customer Service), <https://buy.nsw.gov.au/suppliers>, accessed 27 May 2026.

⁸⁶ Based on information provided by NSWICC in response to a request for feedback on our draft report.

Legislative and policy context

NSW Government procurement is governed by Part 11 of the *Public Works and Procurement Act 1912*, which defines procurement processes and establishes the NSW Procurement Board. The NSW Procurement Policy Framework outlines the objectives of government procurement, including economic and social outcomes. The *Infrastructure NSW Act 2011* provides the foundation for long-term infrastructure planning and prioritisation.

The APP, introduced in 2018 and updated in 2021, aims to support Aboriginal employment and business growth through government procurement. A 2023 review of the APP proposed 17 recommendations to enhance the program, including improved targets, reporting, and support for Aboriginal businesses.⁸⁷

The APP sets targets around the value and volume of procurement opportunities, including directing 1% of addressable spend and 3% of goods and services contracts to Aboriginal businesses annually. It also seeks to support an estimated 3,000 full-time equivalent employment opportunities for Aboriginal and Torres Strait Islander peoples. Agencies are required to publish annual Aboriginal Participation Strategies and include a minimum 1.5% Aboriginal participation in contracts valued at \$7.5 million or above.⁸⁸

Historical and current Aboriginal procurement initiatives

The NSW Government has implemented various Aboriginal procurement policies since 2001, starting with the Aboriginal Participation in Construction Implementation Guidelines (**APIC**).⁸⁹ These policies have evolved to include broader objectives, such as economic empowerment, sustainable employment, and embedding Aboriginal businesses in mainstream supply chains. The OCHRE Plan, introduced in 2013, further emphasised using government spending to achieve social outcomes, including Aboriginal employment and economic participation.⁹⁰

Legislative developments and reviews

The Local Jobs First Bill 2026, currently before the NSW Legislative Council, seeks to establish a statutory framework for local procurement prioritisation and accountability.⁹¹ Key provisions include appointing a Jobs First Commissioner, requiring suppliers to prepare local procurement plans, and implementing a debarment scheme for supplier misconduct. The consultation draft of the Bill referred to tender weightings for procurements; focusing on local goods, services, and employment.⁹² While these provisions are not included in the Bill before Parliament, such weightings could be incorporated in regulations and might provide greater procurement opportunities for Aboriginal businesses.

⁸⁷ NSW Treasury, Aboriginal Procurement Policy Review 2023: Stakeholder feedback report, September 2023, https://www.info.buy.nsw.gov.au/data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf, accessed 15 June 2026.

⁸⁸ NSW Treasury, Aboriginal Procurement Policy, 2021 (This webpage was updated on 2 September 2025, (date based on metadata). This is despite the 'update history' on the webpage stating the last update was 23 September 2022), <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>, accessed 11 May 2026.

⁸⁹ NSW Government, Aboriginal Participation in Construction Guidelines, January 2001, <https://web.archive.org/web/20061005185616/http://www.cpssc.nsw.gov.au/docs/training/apic-ig.pdf>, accessed 2 June 2026.

⁹⁰ NSW Government (Aboriginal Affairs), OCHRE: Opportunity, Choice, Healing, responsibility, Empowerment, NSW Government Plan for Aboriginal affairs: education, employment and accountability, April 2013, <https://www.nsw.gov.au/sites/default/files/noindex/2024-06/OCHRE%20plan.pdf>, accessed 6 May 2026.

⁹¹ Parliament of NSW, Local Jobs First Bill 2026, introduced 27 May 2026, <https://www.parliament.nsw.gov.au/bills/Pages/bill-details.aspx?pk=18912>, accessed 28 May 2026.

⁹² NSW Government, Have your say Local Jobs First Bill 2025, December 2025 (date based on metadata), <https://www.haveyoursay.nsw.gov.au/nsw-local-jobs-first-commissioner>, accessed on 29 June 2026.

The NSW Legislative Council’s 2023-2024 inquiry⁹³ into procurement practices highlighted the need to strengthen Aboriginal procurement outcomes. Recommendations included enhancing training for Aboriginal businesses and ensuring alignment with the APP and Closing the Gap targets.⁹⁴

At the Commonwealth level, reforms to the IPP were announced in 2025, raising procurement targets and tightening eligibility criteria for First Nations businesses.⁹⁵

⁹³ NSW Legislative Council, Standing Committee on Social Issues, [Procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales](https://www.parliament.nsw.gov.au/lcdocs/inquiries/3014/Report%20no.%2064%20Procurement%20practices%20of%20government%20agencies%20in%20NSW%20and%20its%20impact%20on%20the%20social%20development%20of%20the%20people%20of%20NSW%20-%20Final%20report%20-%2011%20October%202024.pdf) Final Report, 11 October 2024, <https://www.parliament.nsw.gov.au/lcdocs/inquiries/3014/Report%20no.%2064%20Procurement%20practices%20of%20government%20agencies%20in%20NSW%20and%20its%20impact%20on%20the%20social%20development%20of%20the%20people%20of%20NSW%20-%20Final%20report%20-%2011%20October%202024.pdf>, accessed 15 June 2026.

⁹⁴ See [Closing the Gap targets and outcomes](https://www.closingthegap.gov.au/national-agreement/targets), <https://www.closingthegap.gov.au/national-agreement/targets>, accessed 12 June 2026.

⁹⁵ Australian Government, National Indigenous Australians Agency, Indigenous Procurement Policy (IPP)—May 2026, May 2026 (date based on metadata), <https://www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policy-ipp>, accessed 1 June 2026.

Appendix B – Comparison of Aboriginal procurement policies across Australia

Disclaimer: This comparison is not intended to provide a comprehensive analysis of the detail of every Aboriginal procurement policy operating across Australia. Rather, it highlights key features, similarities and differences between jurisdictions to illustrate how governments may use procurement as a mechanism to improve economic prosperity for Aboriginal people and communities.

All Australian jurisdictions, with the exception of Tasmania, have adopted policies or frameworks designed to increase Aboriginal and Torres Strait Islander participation in government procurement. However, the scope, targets and mechanisms vary considerably between jurisdictions. A list of relevant policies is provided in **Table 1**.⁹⁶

Some jurisdictions have adopted dedicated Aboriginal procurement policies, including the Commonwealth, the Australian Capital Territory (ACT), NSW, Victoria, South Australia, Northern Territory and Western Australia (WA). Queensland incorporates Aboriginal procurement objectives within a procurement framework rather than stand-alone Aboriginal procurement policies.⁹⁷

The following provides an overview of the various mechanisms jurisdictions use to fulfill the targets or objectives in their Aboriginal procurement policy or procurement framework:

- Addressable spend-based targets, which require agencies to direct a specified portion of procurement expenditure to Aboriginal businesses (eg ACT, NSW and Queensland). These range from static agency group targets like in NSW of 1%; or progressive targets in the ACT where the targets increase from 1% (2019-20) to 2.25% (2025-26); or a static 3% addressable spend in Queensland for the entire government.
- Contract number targets, which seek to increase the proportion of government contracts awarded to Aboriginal businesses (eg Commonwealth, NSW and WA). WA's model is progressively moving from 4% (2024-25) to 5% from 2025-26.
- Contract value targets, which establish minimum procurement expenditure for portfolios (eg Commonwealth).
- First consideration or set aside mechanisms, which encourage agencies to consider Aboriginal businesses before approaching the broader market (eg Commonwealth, NSW and ACT). NSW's direct procurement provisions exist for procurements up to \$250,000 and ACT's direct procurement provisions exist for procurements less than \$200,000.
- Major project participation requirements, which leverage high-value procurements to create Aboriginal employment, training and subcontracting opportunities (eg Commonwealth, NSW, and WA). NSW requires 1.5% Aboriginal participation plans for contracts greater than or equal to \$7.5 million; WA requires regionally scaled employment targets of 2% to 10% on contracts over \$5 million; Northern Territory aims for participation proportional with the Aboriginal population.
- Reporting and accountability, which monitor and publicly report performance against procurement targets or objectives (eg Commonwealth, NSW, WA and Victoria).

⁹⁶ National Indigenous Australians Agency (NIAA), Indigenous Procurement Policies by Jurisdiction, 2026 (year provided on metadata – no further detail), <https://www.niaa.gov.au/our-work/employment-and-economic-development/indigenous-procurement-policies-jurisdiction>, accessed 11 June 2026.

⁹⁷ NIAA (as above).

Across all jurisdictions, a common feature is the need to define and verify an Aboriginal business. While ownership and control thresholds are broadly consistent (typically 50-51% Aboriginal and Torres Strait Islander ownership and control), jurisdictions differ on their reliance on certification bodies (see **table 2**), which in turn differ on their certification methods (see **table 3**).

Table 1. A list of policies across Australia that expressly support Aboriginal and/or Torres Strait Islander businesses, whether the policy is named an Aboriginal procurement policy or not

Jurisdiction	Policy that expressly supports Aboriginal businesses	Guidelines or Related Policy	Reporting
ACT	Aboriginal and Torres Strait Islander Procurement Policy, May 2019	Canberra Region Local Industry Participation Policy, May 2019	
Cth	Indigenous Procurement Policy, May 2026		Indigenous Procurement Policy National Indigenous Australians Agency
NSW	Aboriginal Procurement Policy, January 2021		Aboriginal Procurement Policy buy.nsw
NT	Aboriginal Procurement Policy, 1 July 2022	Aboriginal Procurement Policy Guidelines, 25 June 2025	
Qld	Queensland Procurement Policy 2026, 1 January 2026	Procurement Assurance Model Framework, 1 January 2026	
SA	Aboriginal Economic Participation Strategy	Aboriginal Engagement Initiative	
Tas	Nil procurement policy referring to Aboriginal businesses		
Vic	Social Procurement Framework requirements and expectations, 30 April 2025	Victoria's Social Procurement Framework - Buyer Guidance, 1 September 2018 Yuma Yirramboi Strategy (Invest in Tomorrow) Priorities and initiatives 2022	
	Social and sustainable procurement objectives and outcomes, 23 June 2025		
WA	Aboriginal Procurement Policy, 1 July 2025	Aboriginal Procurement Policy - Agency Practice Guide, February 2026	

Table 2. Certifying bodies for an Aboriginal and Torres Strait Islander business in Australia

Jurisdiction	Jurisdiction	Detail	Specific target/requirements	Source
NSW Indigenous Chamber of Commerce (NSWICC)	NSW	First Nations controlled by NSWICC's Constitution	Assured Membership with NSWICC is open to any business or organisation that is at least 51% Indigenous-owned and controlled, and actively trading; or an ACCO with a constitution stipulating majority directors and/or members must at all times be Aboriginal and Torres Strait Islander Peoples.	NSWICC Constitution
Supply Nation (registration on Indigenous Business Direct)	All jurisdictions	First Nations controlled by practice (not a requirement of Supply Nation's Constitution)	On the website Supply Nation states that it recognises 2 levels of Indigenous ownership (registered and certified): To be 'registered', the business must be at least 50% Indigenous-owned and based in Australia. This is to meet the Commonwealth Government definition of an indigenous business (until changes come into effect on 1 July 2026). To be 'certified', the business must be 51% or more Aboriginal and/or Torres Strait Islander owned, managed and controlled. A Supply Nation certified business is consistent with cl 17.1 of Supply Nation's Constitution that refers to an 'indigenous business' as 'either wholly or majority owned (at least 51% equity)'. ⁹⁸	Supply Nation Constitution
Office of the Registrar of Indigenous Corporations (ORIC)	All jurisdictions	Australian Government regulator: responsible for administering the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> (CATSI Act)	5 or more members, 51% of the members must be Aboriginal and Torres Strait Islander persons; 2–4 members, all the members, or all but one of the members, must be Aboriginal and Torres Strait Islander persons; only one member, that member must be an Aboriginal and Torres Strait Islander person.	ORIC
Black Business Finder (BBF)	Qld	Industry body run by the Industry Capability Network Queensland (ICN Queensland)	A business that is 50% or more owned by Aboriginal or Torres Strait Islander people. An equal Joint Venture agreement with a majority owned Aboriginal or Torres Strait Islander business entity. Must have a physical base (location) in Queensland.	Gateway by ICN BBF

⁹⁸ Additional comments supported by correspondence between our office and Supply Nation on 16 June 2026.

Jurisdiction	Jurisdiction	Detail	Specific target/requirements	Source
Kinaway Chamber of Commerce (Kinaway)	Vic	First Nations controlled by practice (not a requirement of Kinaway's Constitution)	At least 51% owned and operated by Aboriginal and/or Torres Strait Islander people. Cl 2.1 and 59.2 of Kinaway's constitution refers to 'a business that is a minimum of 50% Aboriginal and/or Torres Strait Islander owned and operated'.	Kinaway Chamber of Commerce
Aboriginal Business Directory WA (ABDWA)	WA	Industry body managed by the Chamber of Commerce WA and Industry Capability Network WA	Be at least 50% Aboriginal-owned; be operated by an Aboriginal person or persons; be registered and operating in Western Australia; provide goods and/or services commercially.	Gateway by ICN ABDWA

Table 3. Aboriginal business verification

Approach	Jurisdiction	Specific target/requirements	Certification
Aboriginal business verification	ACT	>50% owned, involvement in daily operation, registered with a certifying authority	Certified by Supply Nation, ORIC or NACCHO
	NSW	50% owned	Certified by Supply Nation, NSWICC or ORIC
	Cth (from 1 July 2027)	51 per cent Indigenous ownership and control or registered with ORIC	ORIC
	Cth (2026-27) (transition period)	51 per cent Indigenous ownership and control or 50 per cent Indigenous ownership	Supply Nation's Indigenous Business Direct or Indigenous Business Register
Indigenous Joint Venture verification	Cth (from 1 July 2027)	Registered on the Indigenous Business Register to be established in 2026-27; and be 51 per cent indigenous owned and controlled. Strategies need to be in place to increase their Indigenous workforce and the capability of the Indigenous enterprise partner.	Indigenous Business Register (to be established)
	Cth 2026-27 (transition period)	Registered on Supply Nation's Indigenous Business Direct; or The Indigenous Business Register to be established in 2026-27; and meet either the 50 or 51 per cent indigenous owned and controlled. Strategies need to be in place to increase their Indigenous workforce and the capability of the Indigenous enterprise partner.	Supply Nation's Indigenous Business Direct or Indigenous Business Register

Appendix C – Definitions

Term	Definition	Source
Aboriginal business	Aboriginal business, for the purpose of the NSW Aboriginal Procurement Policy, refers to 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 (NSWICC). [Note this definition is a point of contention as this report identifies and varies depending on the verification organisation and procurement policy].	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Aboriginal Participation Plan	Aboriginal Participation Plan describes a supplier's commitments under the Aboriginal Procurement Policy, and how it will meet those commitments.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Aboriginal Participation Strategy	Aboriginal Participation Strategy describes how an agency is working with Aboriginal businesses to identify and develop business and employment opportunities and set measurable targets for Aboriginal participation, through goods and services procurement activities.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Addressable spend	For the purposes of the APP, 'addressable' spend is a category of spend where there are opportunities for agencies to engage Aboriginal businesses. Addressable spend has primarily been set based on categories of goods and services provided by businesses registered with NSWICC, Supply Nation or the Office of the Registrar of Indigenous Corporations (ORIC). The addressable spend for each cluster is the average of a cluster's total spend in the addressable spend categories over 3 previous financial years [See also non-addressable spend].	https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy
Black cladding	'Black cladding' is an umbrella term for disingenuous or unlawful conduct aimed at taking advantage of Indigenous Enterprises and people, or misleading buyers, where businesses seek to benefit from policies not intended for them to access markets. In place of this term, 'unlawful conduct, misleading conduct, fraudulent conduct, harmful conduct, problematic conduct' could also be used depending on the situations and events.	https://www.niaa.gov.au/sites/default/files/documents/2025-11/The-Indigenous-Procurement-Policy-Reform-Report.pdf

Term	Definition	Source
Cultural capability	Cultural capability is a broad term that encompasses cultural awareness , cultural safety , and cultural competence .	https://www.psc.nsw.gov.au/assets/pdf/documents/16319_NSW-PSC-Cultural-Capability-Guide-accessible.pdf
FTE	FTE is defined as the equivalent of one position, continuously filled, full-time for the reference period, and which consists of any combination of full-time, part-time, and casual positions. It is not a count of the number of employees (e.g., for a position where 37.5 hours each week is full-time, the FTE for paid ordinary time hours of 30.0 is 0.8 FTE and 37.5 hours is 1.0 FTE).	https://www.metadata.nsw.gov.au/item/12239/glossaryitem/full-time-equivalent-fte
Non-addressable spend	‘Non-addressable’ spend is a category of spend where there are very limited opportunities for agencies to engage Aboriginal businesses. It includes: • categories where there are no recognised Aboriginal businesses able to supply to government; • spend subject to mandated whole-of-government contracts; • foster care payments or jury costs; • spend on utilities; • grants spend to other government entities, State-owned Corporations or Statutory Authorities. [The NSW Government categorises its procurement spend in accordance with the United Nations Standard Products and Services Code (UNSPSC).] [See also addressable spend].	https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy
Prequalification schemes	Prequalification schemes, also known as Multi-Use Lists, Approved Lists or Procurement Lists, allow suppliers to apply to qualify for business opportunities with government agencies. The NSW Government’s Prequalification Schemes provide a more flexible procurement approach to meet the government’s sourcing requirements.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Procurement	Procurement refers to a process that begins with the basic 'make or buy' decision and then spans the 'whole life' of supplier/construction arrangements. It includes the definition of business needs, designing and implementing arrangements, monitoring and managing contract and supplier performance, and reviewing outcomes to assess the effectiveness of arrangements.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf

Term	Definition	Source
Social procurement	Social Procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured. The NSW Procurement Policy Framework's 5 th objective is 'economic development, social outcomes and sustainability'. [See also sustainable procurement].	https://www.buyingfor.vic.gov.au/social-procurement
Supplier	Supplier is an entity or person that provides or could provide goods or services to an agency.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Supplier Hub	Supplier Hub provides a single place for suppliers to register to sell to NSW Government, update their information, view procurement opportunities and share procurement-related information. It provides a complete list of all suppliers who have registered to do business with NSW Government. The list is filterable, searchable and surfaces meaningful supplier profiles.	https://buy.nsw.gov.au/suppliers
Sustainable procurement	Sustainable procurement focuses on spending public money efficiently, economically, and ethically to deliver value for money on a whole of life basis. Sustainable procurement extends the assessment of value for money beyond the sourcing process, considering benefits and risks to the organisation, the community, the economy and impacts on the environment. [See also social procurement].	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework_December-2024.pdf
Target	The APP sets out mandatory requirements for contracted suppliers (contractors) for contracts valued \$7.5 million or more, including developing and submitting an Aboriginal Participation Plan (Plan), directing a minimum of 1.5% of the project value towards Aboriginal Participation and providing quarterly reports.	https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0005/1315787/2023-Audit-of-contracts-with-APP-reporting-requirements.pdf

Term	Definition	Source
Tier classification (T1-4)	Tier-based classification of project profile and risk potential based on the project's estimated total cost and qualitative risk profile criteria (level of government priority, interface complexity, procurement complexity, agency capability and whether it is deemed as an essential service). For projects with an estimated total cost over \$20 million, the project tier classification is comprised of 4 project tiers, where Tier 1 encompasses projects deemed as being the highest risk and profile (Tier 1 – High Profile/High Risk projects), and Tier 4 with the lowest risk profile.	https://www.infrastructure.nsw.gov.au/media/ptafumpl/iaf_march-2026.pdf

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