

**Response to Supplementary Question:**

**Procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales –  
Post-hearing responses – 25 June 2024**

1. In relation to 'black cladding', to what extent is this a problem in current NSW Government procurement and what, if any, further steps would you recommend be taken to address 'black cladding' in NSW Government procurement?

**Response to supplementary question:**

The NSW Aboriginal Land Council has heard from Local Aboriginal Land Councils that there are infrastructure projects such as the Coffs Harbour bypass and Renewable Energy Zone projects where planned Aboriginal procurement targets have not been met. The issue of black cladding appears to be common with many joint ventures, whereby a non-Indigenous business partners with an Aboriginal business to win contacts under the NSW Aboriginal Procurement Policy. However, it seems in several of the joint ventures the decision making and most of the actual work is undertaken by the non-Indigenous business partner. The primary issue in these cases appears to be a lack of accountability, with few repercussions for those businesses that misrepresent themselves and who do not honour their commitments to sub-contract to Aboriginal businesses or employ local Aboriginal people. To provide greater accountability, businesses that fail to meet local employee targets or are found to not be a genuine Aboriginal business should face financial consequences, such as a fine or a ban on applying for government contracts for a period of time.