

Indigenous Participation on Construction Projects Policy

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Indigenous Participation on Construction Projects

1. Purpose

To provide employment opportunities and build the capacity of Indigenous businesses to successfully share in the delivery of construction projects in the Northern Territory.

2. Scope

Indigenous participation is a mandatory requirement for all tenders for Northern Territory Government construction contracts for Tier 4 (\$500 000 but less than \$2 million) and Tier 5 (\$2 million and greater) procurement activities.

Contractors make certain promises and commitments with regard to total number of Indigenous workers and the estimated number of days to be employed in the execution of the Works to be achieved by the Contractor as part of the construction contract.

To support Indigenous worker employment, skills development and retention opportunities on construction projects an Indigenous Development Plan (IDP) is mandated in all government contracts above \$500 000.

Consideration should also be given to the application of the Policy to all DIPL procurement activities.

The requirement for Indigenous participation will take effect within 30 days of the contract being awarded and remain fixed for 75% of the remaining contract period.

3. Definitions

Indigenous Business Enterprise (IBE) is defined as a business which has an ABN and is 50% or more indigenous owned.

For the purposes of this policy, a non- Indigenous business that employs at least 75% Indigenous workers may be treated as an IBE and may be subject to the same level of support.

Indigenous Person is a person of Australian Indigenous or Torres Strait Islander descent who identifies themselves as Indigenous and is accepted in the community in which they live as an Indigenous person.

Local Development is economic growth and human/workforce development for the Northern Territory. In the context of this policy, Local Development in the NT is the ongoing economic development of the Indigenous community both at the Indigenous Business Enterprise level and also individual Indigenous employees.

Value Adding is economic supply chain activities in the Northern Territory which add value to a product, service or project outcome. These activities aim to keep wealth in the Territory, which is also known as Territory content.

4. Policy Statement

The Department of Infrastructure, Planning and Logistics is seeking to improve opportunities for Indigenous wealth creation by maximising employment and business opportunities for Indigenous persons through:

- Increasing the number of tenders awarded to Indigenous Business Enterprises;
- Improving the participation rate of Indigenous employees, trainees/apprentices directly employed through Department issued contracts; and
- Equitably weighted assessment criteria for Indigenous participation.

Northern Territory Government contracts will provide employment and/or apprentices/trainee opportunities for local Indigenous persons especially in the delivery of works in remote locations.

5. Roles and Responsibilities

Department of Infrastructure, Planning and Logistics

The following procedures have been implemented to enable the Department to meet its policy objectives:

- Assess all quotes and tenders for Indigenous participation under the Buy Local (Local Content and Benefits) initiative;
- Promote Indigenous participation at the project planning stage;
- Identify Indigenous Business Enterprises (IBEs) for each region in which work will be located by undertaking market research;
- Where identified, support relevant IBEs to increase capacity to tender and participate in construction projects.

Contractors

To achieve an increase in Indigenous participation, Contractors will be required to provide proposals in the tender response schedule to allow for assessment of:

- Indigenous employees, including apprentices/trainees directly employed on the works;
- The intended use of group training schemes or recognised Territory Indigenous community organisations to deliver the proposed works;
- Nominated sub-contractors usage of Indigenous employees, including registered Indigenous apprentices or trainees.

Within fourteen (14) days of award of Contract, the Contractor shall submit a copy of the fully developed Indigenous Development Plan for approval.

Should the Contractor encounter difficulties in complying with contract requirements, reasons for non-conformance are to be provided in the in the form of a written report detailing the barriers to compliance and suggested solutions. The Principal may approve an exemption or partial exemption sought through the submission.

6. Compliance

Records

The Contractor is to retain records of:

- Self-identification of Indigenous heritage and acceptance in the community in which the worker lives as an Indigenous person.
- Hours worked directly on the construction project
- Accredited and non-accredited training undertaken.

Audit

The Representative of the Principal may conduct audits on compliance of tender and contract against the Indigenous Development Plan.

Contractor Performance

The Contractor will be required to provide a report on compliance (achievements against the contract requirements) with the Indigenous Development Plan within 30 days of the completion of the Contract. Contract performance outcomes may be taken into consideration for future construction project tender evaluations.

7. Review of the Policy

The Policy and associated documents will be reviewed six months following implementation and thereafter annually.

A review of the Policy will occur immediately following changes in the elements of the Procurement Framework that influence intended outcomes of the Policy.