



Australian Government



Northern Australia Infrastructure Facility

# NAIF– Indigenous Engagement Strategy Guideline

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# Introduction

Schedule 1 to the Northern Australia Infrastructure Facility (NAIF) Investment Mandate, issued by the Minister for Resources, Energy and Northern Australia under subsection 9(1) of the *Northern Australia Infrastructure Facility Act 2016* contains the following mandatory criterion that project proponents are required to meet to be eligible for NAIF finance:

Mandatory criteria	Description
<b>7. Indigenous engagement strategy</b>	The Project Proponent must provide a strategy which sets out objectives for Indigenous participation, procurement and employment that reflect the Indigenous population in the region of the proposed Project.

In making investment decisions, the NAIF Board must be satisfied that the project proponent has met all mandatory eligibility criteria including the Indigenous Engagement Strategy (IES) criterion.

This guideline outlines how the IES criterion can be applied in a practical way when NAIF is assessing project proposals. It can also be used to develop material to provide to proponents to assist in preparing and implementing their IES.

## Assessment framework checklist

This checklist below provides a guide of what the NAIF Board and Executive may look for when assessing the appropriateness of an IES. Some of these considerations may be demonstrated through other Indigenous Agreements such as an Indigenous Land Use Agreement. As appropriate Proponents can leverage these other Agreements to support their IES. Any State and Territory requirements in relation to employment, participation and procurement may be used to support a proponent's IES.

This checklist is not an exhaustive list of requirements however includes some key elements which NAIF consider as matters required to be included in the IES.

NAIF should consider all of the components as provided for in Mandatory Criterion Seven and consider each IES on its merits. The assessment framework checklist below (Table 1) has identified elements that may be relevant to each component of Mandatory Criterion Seven. NAIF may also satisfy itself on each component in ways other than contemplated below.

Table 1: Assessment framework checklist

Component	What to look for	Benchmark
<b>Overarching</b>		
<b>The IES identifies and engages with the correct stakeholders</b>	Engagement with local land councils, native title related corporations, Indigenous business owners, Indigenous Affairs, Department of Prime Minister and Cabinet, State and Territory Governments	Supported through cross-checking with the Commonwealth and State or Territory Government Departments or with community or other groups such as Land Councils.
<b>The IES is based on sound data</b>	Research into local employment, participation, capacity and other matters	Data is supported through cross-checking with the Commonwealth and State or Territory Government departments or with local

		councils, Regional Development Australia or community groups. Independent experts have been engaged to assist in compiling and assessing data.
<b>The IES identifies existing community issues and commits to not further exacerbate (or to improve) these issues</b>	Culturally sensitive identification of key local issues	Data is supported through cross-checking with the Commonwealth and State or Territory Government departments or community groups. Includes evidence of action plans to work with community/ies to address existing issues.
<b>The IES reflects local cultural protocols</b>	Early engagement with local Indigenous authorities  Engagement approaches that are tailored to local protocols  Commitment to understanding indigenous culture through cross cultural awareness	Local leaders are key partners in the IES
<b>The IES seeks opportunities to work with local communities to realise project benefits</b>	Early engagement with local Indigenous leaders or authorities  Leveraging resources and Commonwealth and State/Territory programmes to support objectives (e.g. Commonwealth Working in Partnership Programme)	Evidence of mechanisms to monitor and update IES
<b>Community development principles</b>	Commitment to community development. This may include commitment to improve social justice or other issues noted in the baseline data  Commitment to living standard improvements for local communities. Infrastructure development undertaken as part of the project might be included in the IES as an offset or co-benefit/externality of the project	Literacy and / or other education programmes  Health programmes  Funding or participation in local schools and community organisations  Leadership development and cultural strengthening programmes  Financial assistance for local activities or foundations  Employment and training initiatives and programmes

Component	What to look for	Benchmark
<b>Participation</b>		
<b>The IES is based on best practice engagement</b>	Engagement started early in the development process  Adequate time has been given for community members to consider issues and engage productively  Financial support for community members to engage adequately	Structured, documented engagement practices that 'close the loop' with communities  Evidence of best practice engagement principals e.g. respect and integrity, commitment, accountability,

	Compliance with statutory consultation requirements	inclusion, clarity, working together
	Consideration of language and cultural differences when negotiating and consulting	
<b>The IES commits to ongoing engagement</b>	A forward plan for regular meetings to discuss development status and any issues that may have arisen	Local Indigenous representatives within governance structures
	Mechanisms for closing the loop and following up on engagement outcomes	Key performance indicators or monitoring mechanism
<b>Indigenous interest in the project</b>	Indigenous organisations having a pecuniary or decision-making interest in the project	Land Council or Traditional Owners body providing capital or co-investment
		Local Indigenous leaders and/or communities involved in decision-making processes and/or governance structures
<b>The IES has local community support</b>	Engagement started early in the development process	Evidence of local community consultation and buy in
	Local community provide endorsement of the IES	

Component	What to look for	Benchmark
<b>Employment</b>		
<b>The IES commits to viable, sustainable employment targets</b>	Details of the proponent's existing Indigenous workforce	Long-term opportunities, apprenticeships and traineeships are prioritised
<b><i>Note that targets may be negligible if the local Indigenous workforce/population is nil or not significant</i></b>	Identification of skills needed and numbers of positions the local Indigenous population might fill for these requirements – these targets reflect the local Indigenous population	The proponent has engaged with relevant government agencies to leverage existing programmes
		Literacy and other 'employment ready' initiatives in place
<b>The IES includes appropriate recruitment practices</b>	Recruitment that targets local Indigenous populations, for example preferential opportunity for local Indigenous employees. Recruitment processes that provide fair and equal opportunity for local Indigenous employees	Work ready programmes
	Working through existing networks including employment services providers for Jobactive, Australian Government Community Development Programme, VTEC, or participation in the Employment Parity Initiative.	
<b>The IES commits to career and skills development for Indigenous employees</b>	Structured support mechanisms for Indigenous employees (e.g. Indigenous recruitment advisers)	Mentoring and corporate champion programmes
		Trade UP programmes

Identified career paths for Indigenous employees

Cultural awareness programmes

Educational scholarships or cadetships

Component	What to look for	Benchmark
<b>Procurement</b>		
<p><b>The IES commits to viable, sustainable procurement targets</b></p> <p><i>Note that targets may be nil if local Indigenous businesses/population is negligible or not significant</i></p>	<p>Giving preference to suppliers who demonstrate Indigenous engagement and / or ownership</p> <p>Targets for a certain per cent of goods and services to be procured from local Indigenous businesses</p> <p>Commitment to bind subcontractors to the terms and conditions of the IES</p>	<p>Giving preference to suppliers that are Aboriginal owned, engage Aboriginal businesses (including native title groups) or provide other benefits to Aboriginal communities (employment, training)</p> <p>Targets set at an equivalence of the local Indigenous population</p>
<p><b>The IES commits to enterprise development</b></p>	<p>Business development assistance</p> <p>Assistance to access existing business support programmes</p> <p>Business mentoring</p>	<p>Business start-up support, including referral to Indigenous Business Australia, assistance to meet industry accreditation requirements, and ensuring that industry briefing and tender proactively inclusive</p> <p>14 day payment terms to Indigenous businesses</p>
<p><b>The IES commits to viable, sustainable local content targets</b></p> <p><i>Note that targets may be negligible if local Indigenous businesses/population is nil or not significant</i></p>	<p>Fair and preferential opportunity for local Indigenous businesses and suppliers</p>	
<b>Other</b>		
<p><b>Identification and recognition of the importance of cultural heritage protection</b></p>	<p>Identification of key local cultural heritage issues (e.g. sacred sites)</p> <p>Commitment to protect local cultural heritage</p> <p>Guarantees for Indigenous participation in these activities</p>	<p>Specific initiatives to protect cultural heritage, including initiatives that research and record local heritage</p> <p>Dedicated cultural heritage teams which include local Indigenous leaders</p>
<p>Where environmental protection activities are a component of the project, <b>Indigenous participation</b></p>	<p>Indigenous inclusion in planning for environmental protection activities, including offsets or rehabilitation plans</p>	<p>Programmes for improving local environmental issues</p>

<b>in environmental protection activities</b>	Programmes for environmental protection, offsets or rehabilitation include direct Indigenous employment, or contracting to Indigenous businesses and groups, such as Indigenous ranger groups
<b>Commitment to action</b>	Statements of intent to recording the results of the plan and regularly publish or report on these
	A dedicated website or section of their annual report to provide public updates
	Methods to capture outcomes of the IES

## Meeting existing regulatory requirements

Clause 15 of the NAIF Investment Mandate requires project proponents to obtain all relevant regulatory, environmental and Native Title approvals and arrangements before provision of finance. It may be appropriate that the IES references relevant items associated with obtaining these necessary project approvals, for example any required land use agreements, or state and/or territory development approvals. However it is expected that a NAIF IES would go beyond the requirements for engagement under the relevant approval processes such as Native Title or environmental approvals that proponents must meet to access NAIF facility.

## Monitoring implementation

A condition of a NAIF facility will be that the proponent agrees to maintain compliance with the IES. Reporting requirements will be agreed with proponents. Compliance may look different for each project and monitoring of compliance will be part of the normal business reporting processes, e.g. through annual reports or other means as decided by the Board.

## Review

This Guideline will be reviewed by the Board six months after its initial endorsement. It will then be reviewed as required, at least on an annual basis.