NAIF– Indigenous Engagement Strategy Guideline

April 2018

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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
7. Indigenous engagement strategy	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 in other ways including through documents such as an Indigenous Land Use Agreement or Reconciliation Action Plan. As appropriate, Proponents can leverage these other documents 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
Overarching		
The IES identifies and engages with the correct stakeholders	Engagement with Land Councils, Native Title Representative Bodies, Prescribed Body Corporates, Registered Native Title Body Corporates, Indigenous business owners, the Indigenous Affairs division of 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, Native Title Representative Bodies, and Registered Native Title Body Corporates. Documentation demonstrates consultation with appropriate Indigenous stakeholders

The IES is based on sound data	Research into regional employment, participation, capacity and other matters Proponents take a broad approach to the regional context of the population including consideration of neighbouring regions where appropriate.	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 may be engaged to assist in compiling and assessing data.
The IES identifies existing community issues and commits to not further exacerbate, or considers ways to improve these issues	Culturally sensitive identification of key regional 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.
The IES reflects appropriate cultural protocols	Early engagement with local and regional Indigenous authorities Engagement approaches that are tailored to local or regional cultural protocols Commitment to understanding Indigenous culture through cross cultural awareness training	Local and regional leaders are key partners in the IES Cross cultural awareness training carried out by local Indigenous organisation
The IES seeks opportunities to work with local and regional communities to realise project benefits	Early engagement with appropriate Indigenous leaders or authorities Leveraging Commonwealth and State/Territory resources and programmes to support objectives	Evidence of mechanisms to monitor and update IES
Community development principles	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 and regional 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 and / or governance development and cultural strengthening programmes Financial assistance for local activities or foundations Employment and training initiatives and programmes
Component	What to look for	Benchmark
Participation		
The IES is based on best practice engagement	Engagement started early in the development process	Structured, documented engagement practices that ensure communication is clear and understood by all parties.

	Adequate time has been given for community members to consider issues and engage productively	Evidence of best practice engagement principals e.g. respect and integrity, commitment, accountability, inclusion, clarity, working together
	Financial support for community members to engage adequately	
	Compliance with statutory consultation requirements	Document any evidence of shared commitment to the project by community leaders.
	Consideration of language and cultural differences when negotiating and consulting	
The IES commits to ongoing engagement	A forward plan for regular meetings to discuss development status, any issues that may have arisen	Local or regional Indigenous representatives within governance structures
	Mechanisms for Indigenous representative support for inclusion in; and influencing of decision making	Key performance indicators or monitoring mechanism
	Communication is clear and well understood, including following up on engagement outcomes	
Indigenous interest in the project	Indigenous organisations having a pecuniary or decision-making interest in the project	Land Council or Traditional Owners body providing capital or co-investment
		Local or regional Indigenous leaders and/or communities involved in decision-making processes and/or governance structures
The IES has community support	Engagement started early in the development process with appropriate Indigenous community or regional representation	Evidence of local or regional community consultation and buy in
	Local community provide endorsement of the IES	

Component	What to look for	Benchmark
Employment		
The IES commits to viable, sustainable employment targets	Details of the proponent's existing Indigenous workforce	Long-term opportunities, apprenticeships and traineeships are prioritised
	Identification of skills needed and numbers of positions the regional Indigenous population might fill for these requirements – these targets reflect the regional Indigenous population	The proponent has engaged with relevant government agencies to leverage existing programmes
		Literacy and other employment ready initiatives in place
The IES includes appropriate recruitment practices	Recruitment that targets regional Indigenous populations, for example preferential opportunity for regional Indigenous employees. Recruitment processes that	Work ready programmes

	provide fair and equal opportunity for local and regional Indigenous employees	
	Working through networks including employment services providers for Jobactive, Australian Government Community Development Programme, VTEC, or participation in the Employment Parity Initiative.	
	Access to financial literacy program	
The IES commits to career and skills development for Indigenous employees	Structured support mechanisms for Indigenous employees (e.g. Indigenous recruitment advisers, access to financial literacy programs, retention plans)	Mentoring and corporate champion programmes
		Trade UP programmes
	Identified career paths for Indigenous employees	
	Cross-cultural awareness programmes	
	Educational scholarships or cadetships	
The IES considers employment retention planning	Retention plans	Employee retention program
	Access to financial literacy programs	Literacy and / or other education programmes
	Social support programs including mental health, disability and aged care	Health programmes, mental health, domestic violence and aged care initiatives and support
		Leadership development and cultural strengthening programmes
		Financial assistance for local activities or foundations
		Support for child care services including after school care

Component	What to look for	Benchmark
Procurement		
The IES commits to viable, sustainable procurement targets	Giving preference to the Industry Capability Network, Supply Nation and/or the Black Business Finder to source Indigenous businesses	Giving preference to suppliers that are Indigenous owned, or joint venture with an Indigenous business (including native title groups) or provide other benefits to Indigenous communities (employment, training)
	Targets for a certain per cent of goods and services to be procured from regional Indigenous businesses (including subcontractor arrangements) Commitment to bind subcontractors to the terms and conditions of the IES	Proponent develops preferred supplier panel arrangements utilising Indigenous businesses
The IES commits to enterprise development	Opportunities for Indigenous led development	Business start-up support, including referral to Indigenous Business Australia, assistance to meet industry accreditation requirements, and ensuring that industry briefing and tender
	Business development assistance	
	Assistance to access existing business support programmes	

	Business mentoring	papers proactively include opportunities for Indigenous businesses
		14 day payment terms to Indigenous businesses
The IES commits to viable, sustainable local content targets	Fair and preferential opportunity for local and/or regional Indigenous businesses and suppliers	

Component	What to look for	Benchmark
Other		
Identification and recognition of the importance of cultural heritage protection	Identification of key local or regional cultural heritage issues (e.g. sacred sites) Commitment to protect cultural heritage Guarantees for Indigenous participation in these activities Cultural heritage processes are compliant with, but are not limited to, State/Territory statutory approvals and regulatory processes, and are responsive to local or regional cultural heritage values and priorities	Specific initiatives to protect cultural heritage, including initiatives that research and record local or regional cultural heritage Dedicated cultural heritage teams which include local or regional Indigenous leaders Agreed and endorsed processes are documented by all parties as appropriate.
Where environmental protection activities are a component of the project, **Indigenous participation in environmental protection activities**	Indigenous inclusion in planning for environmental protection activities, including offsets or rehabilitation plans	Programmes for improving local or regional environmental issues Programmes for environmental protection, offsets or rehabilitation include direct Indigenous employment, or contracting to Indigenous businesses and groups, such as Indigenous ranger groups
Commitment to action	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 demonstrates a commitment to maintaining compliance with the IES. Monitoring and reporting requirements will be agreed with proponents and formalised in the facility documentation. 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. There will be mechanisms incorporated in the financing documentation designed to achieve proponent accountability for delivery of sustainable leadership and change in Indigenous participation, procurement and employment.

Review

This Guideline will be reviewed by the Board as required, at least on an annual basis.