

# **Industry Participation Policy**

**Giving Opportunity to South Australians**

**Guidelines for developing  
Industry Participation Plans**

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## 1. Introduction

There has been a concern in both industry and Government over the tendency for major infrastructure and construction projects to source a significant proportion of manufactured components and capital equipment from interstate and overseas when local capability exists.

Competitive South Australian business sometimes find it hard to attract the attention of project developers, who often have national and sometimes international supply chains firmly established.

As a result of these concerns, the South Australian Government has released the Industry Participation Policy, which seeks to maximise local participation in major infrastructure and construction projects.

The South Australian Government recognises that local industry participation in infrastructure and major construction projects provides benefits to both the South Australian economy and to the project proponent through greater local value adding and project cost savings. There is an expectation that project proponents would support the achievement of these benefits.

Whilst recognising that investment decisions are made in a competitive global market, it is desirable to achieve the maximum level of local content in goods, services and labour where these are competitive as to price, quality, and delivery requirements.

These guidelines have been prepared to assist project proponents better understand the policy and to provide assistance and guidance in developing their Industry Participation Plans.

The key initiatives of the Industry Participation Policy are:

- A commitment to local industry being given a full, fair and reasonable opportunity to tender for major project work, using Australian Standards in project specifications whenever possible.
- A requirement for Industry Participation Plans for infrastructure and construction projects where the cost of acquisitions for the total life of the project meet the following thresholds:
  - Public sector projects in excess of \$5 million
  - Government Business Enterprise projects greater than \$5 million
  - Private sector and Government Business Enterprise projects receiving a Government contribution greater than \$2.5 million
- Promoting the role of the Industry Capability Network South Australia (ICNSA) in working with Government, project proponents and local industry.

- Support for local industry through the promotion of innovation, flexibility and best practice to increase industry's capacity to meet the needs of project proponents.
- Integration of this approach with training and skill development programs.

## **2. Full, Fair and Reasonable Opportunity**

Giving local industry full, fair and reasonable opportunity to tender for major projects is currently a requirement of the Australian Industry Participation (AIP) Framework, to which the South Australian Government is a signatory. Nevertheless, local suppliers are sometimes not given the same opportunities as overseas suppliers either inadvertently through an oversight in the project development process (eg project specifications or tender processes which favour overseas suppliers), or through a misplaced belief that local suppliers are more expensive and/or of inferior quality.

For the purposes of the Industry Participation Policy, the terms full, fair and reasonable are defined as follows:

*Full:* local industry has the same opportunity afforded to other national and global supply chain partners to participate in all aspects of an investment project (for example, design, engineering, project management, professional services, IT architecture).

*Fair:* local industry is provided the same opportunity as national and global suppliers to compete on investment projects on an equal and transparent basis, including being given reasonable time in which to tender; and

*Reasonable:* tenders are free from technical requirements that might rule out local industry and are structured in such a way as to provide local industries the opportunity to participate in investment projects. (These technical requirements do not refer to safety or environmental criteria).

Wherever possible, Australian standards and specifications should be used to ensure that local suppliers are not designed out of the market. If Australian standards are not specified, then the reasons for adopting this approach need to be explained.

## **3. Industry Participation Plans**

Local Industry Participation Plans must be prepared by the project proponent for infrastructure and construction projects where the cost of acquisitions for the total life of the project meet the following criteria:

- Public sector projects with a value greater than \$5 million.
- Government Business Enterprise projects greater than \$5 million.
- Private sector and Government Business Enterprise projects receiving a significant contribution from the South Australian Government (greater than \$2.5 million). This contribution may take the form of a direct grant, revenue

forgone, infrastructure provision, indenture agreement provisions or other in-kind support. It would include, for example, where the Government agrees to take out a significant tenancy in a new office building development.

Major private sector projects not receiving a significant Government contribution will be encouraged to adopt the policy and will be provided with guidance and support if they choose to do so.

The sort of public sector and Government Business Enterprise projects that the policy applies to are those that typically get listed in the State Budget's Capital Investment Statement. The type of private sector projects that the policy will apply to will depend on the economic opportunities that arise, but may include major resource development and defence related projects.

### Private sector projects

For private sector projects, the project proponent is the business entity that receives the "significant contribution" from the South Australian Government and enters into a formal development undertaking. As with public sector projects, when another entity is engaged as the prime contractor, that entity may be contracted to develop the Industry Participation Plan.

### Public sector projects

For public sector or Government Business Enterprise projects the project proponent is the entity funding the project, sometimes referred to as the project owner. However, where another entity is contracted as the project manager, such as Building Management, Department for Administrative and Information Services, the project proponent has the option of engaging that entity to develop the Industry Participation Plan for the project proponent.

In April 2005 the Government approved the State Infrastructure Plan and its 5 step process for the planning of public sector initiatives.

While there will be a range of ways in which infrastructure projects are contracted (including alliancing, design and construct, turnkey, etc), there are two key stages when Industry Participation Plans should be addressed.

- when the Business Case is being developed; and
- when the design is being developed and the specification is being prepared.

The Industry Participation Plan is defined as a clear statement of the project proponent's commitment to the Industry Participation Policy and an indication of how local industry participation will be maximised. The Industry Participation Policy nominates eight key criteria that should be considered in the development of an Industry Participation Plan. The key criteria are:

- Opportunities for competitive local suppliers;
- Opportunities for employment and workforce development, especially for young people;
- Support for regional development;
- Opportunities for value adding activity;
- Opportunities for participation by small business;
- Support for Aboriginal economic development;
- Opportunities for research, development and innovation; and
- Seek to be economically, environmentally and socially sustainable.

Attachment A provides further information on these key criteria, while Attachment B provides a sample Industry Participation Plan.

It is envisaged that not all criteria would be applicable to every particular project. For example, the regional development criteria will not be applicable for most projects in the metropolitan area, and not all projects will provide scope to support Aboriginal economic development. It is the responsibility of the project proponent to identify the criteria applicable to their project and the activities to be undertaken in support of the Industry Participation Policy. However, project proponents should not be limited by the listed criteria. If there are other opportunities to deliver on the objectives of the Industry Participation Policy, these should be incorporated in the Industry Participation Plan.

It is not intended that a one size fits all approach will apply to the development of Industry Participation Plans. Project proponents will have flexibility to determine how best to prepare their Industry Participation Plans. As the sample in Attachment B shows, Industry Participation Plans are brief but concise documents. However, for larger and more complex projects, there will be scope for the Plans to become more elaborate and detailed. As the project concept becomes more detailed so will the Industry Participation Plan. Initially, a Plan may list broad policy and principles to be applied in procurement. But as the project moves through funding approvals to final design and documentation phases, it is likely that the plan may identify possible local suppliers and detail measurable outcomes.

Industry Participation Plans should focus on the “contestable” part of the project. Contestable is defined as those parts of the project where local suppliers are capable of supplying, but may face competition from interstate and overseas suppliers.

If appropriate, information sessions should also be undertaken to inform potential participants of the opportunities available and the specific requirements of the project

proponent as well as educate them how to tender. The sessions may also provide an impetus for potential participants to pursue innovative supply arrangements, such as partnerships and joint ventures. They can also provide additional information to project proponents for developing their Industry Participation Plans.

Attachment C includes a flowchart showing the stages of developing and implementing an Industry Participation Plan, incorporating the steps further described in the sections that follow.

#### **4. Exemptions**

For those projects where the involvement of South Australian business and industry forms a significant proportion of the content of the total project, then it will not be necessary for the project proponents to develop an Industry Participation Plan. There will therefore be exemptions for projects where adhering to the policy will deliver either no or negligible benefits. These exemptions will need to be evidence based and agreed in advance with the ICNSA on a case by case basis.

Large projects are sometimes broken down into smaller contracts to aid their management. Rather than preparing a separate and discrete Industry Participation Plan for each contract, a single over arching Plan may be prepared, so long as it adequately covers the entire project and agreement is obtained in advance from the ICNSA. The breaking down of larger projects may also inadvertently aid the participation of South Australian suppliers, therefore contributing to the goals of the policy.

#### **5. Role of the Industry Capability Network SA**

The Industry Capability Network South Australia (ICNSA) is a business unit of the Department of Trade and Economic Development. ICNSA is responsible for supporting, promoting and assisting South Australian business to supply to major commercial and government organisations and projects. ICNSA is part of an Australia wide network of offices that provide industrial capability information on Australian manufacturing and service companies.

The key objective of ICNSA is to facilitate links, knowledge transfer and process capability in the supply chain to maximise local content and replace imports. It does this by:

- Identifying and documenting local business capabilities;
- Promoting the benefits of sourcing locally;
- Matching buyer requirements with supplier capabilities;
- Identifying capability gaps and technology transfer opportunities; and
- Improving local competitiveness through collaborative business structures.

The implementation of this Industry Participation Policy relies heavily on the ICNSA to support project proponents in finding competitive business to tender for work.

It is vital that ICNSA be contacted as soon as possible in the project development process.

In regards to this policy the ICNSA's role is to:

- Promote the principles and benefits of the Industry Participation Policy to all Departments, Agencies, Government Business Enterprises and private sector project proponents; and offer its specialised services to these Departments, Agencies, Enterprises, private developers, and their contractors and sub-contractors.
- Provide advice to project proponents or their agents, on the indicative capabilities and competitiveness of South Australian, Australian and New Zealand industry for the supply of goods, equipment and services.
- Provide advice, assistance and referrals to project proponents on the development of Industry Participation Plans for all projects, and provide services to prequalify local industry capabilities against specific project requirements.
- Identify to local industry the needs and opportunities to undertake innovation, research and development of technology required in major projects, and providing the referrals to relevant organisations which can provide assistance.
- Identify to project proponents the potential for local industry to uptake overseas technology; and work in cooperation with government agencies to facilitate opportunities for technology transfer.
- Contribute to the evaluation of Industry Participation Plans and monitor and report the benefits to South Australia from the Industry Participation Policy.

The ICNSA is a valuable resource for project proponents that can be utilised whether or not an Industry Participation Plan is required.

Further information on the Industry Capability Network can be found at [www.icn.org.au](http://www.icn.org.au).

## **6. Workforce Development**

A critical component of the Policy is the integration of workforce development into infrastructure and major construction projects. The South Australian Government supports proposals which enhance local employment demonstrated by workforce plans and a commitment to ongoing workforce and skills development, particularly through apprenticeships and traineeships.

Consistent with existing Government policy, businesses wishing to tender for South Australian Government works contracts and associated sub-contracts valued at \$250,000 or more need to be registered under the InSkill SA program. It enables

businesses to demonstrate a history of providing employment and training opportunities through:

- employment of apprentices and trainees;
- employment of tertiary or vocational graduates;
- employment of a qualified Staff Training Officer;
- providing unpaid work placement or work experience for students;
- employment of a person identified as belonging to a special needs group; and
- conducting and attending work-related training

Further information on the InSkill SA program can be found at [www.inskillsa.sa.gov.au](http://www.inskillsa.sa.gov.au).

In addition to InSkill registration, an agreement/commitment by the project proponents to do the following will also be seen as actively supporting workforce and skills development at the enterprise level:

- contact the relevant Industry Skills Board to obtain information on workforce planning tools and/or advice on workforce planning issues
- contact the Department of Further Education, Employment, Science and Technology (DFEEST) (or relevant Regional Employment and Skills Formation Network) to obtain information on available learning and work programs.

For very large projects, significant projects in regional areas or projects requiring unique skills, project proponents will be expected to identify opportunities for training and skills development in their Industry Participation Plan. DFEEST will be able to provide assistance and advice with this task. DFEEST will pursue innovative approaches to skill development, including partnership arrangements with project proponents and training providers.

In the context of the broader Workforce Development Strategy for South Australia the goal is to ensure that employment, training and skills development programs are responsive to the needs of industry so that high skill jobs and good employment opportunities are available to all South Australians, especially our youth, indigenous, women and older workers.

## **7. Assessment of Industry Participation Plans**

Completed Industry Participation Plans need to be provided to the ICNSA by the project proponent for assessment. The assessment process is intended to be as un-bureaucratic and streamlined as possible, with turnaround time of only a few working days.

For larger and more complex projects ICNSA may convene a small panel of persons with the appropriate expertise to assess Industry Participation Plans.

ICNSA will be able to provide assistance and advice so that any deficiencies can be quickly remedied. It is vital that this not hold up the project in anyway. While this stage is not linked to the project approval process, the project should not proceed until the Industry Participation Plan has received endorsement.

Agencies are free to provide drafts of their Industry Participation Plans to the ICNSA during the preparation stage to assist them identify and rectify any shortcomings.

## **8. Implementation**

When the project is put out for tender, the tender documentation will include a copy of the Industry Participation Plan. Tenderers will be informed about the Industry Participation Policy, and the benefits to both the South Australian economy and themselves, in terms of greater local value adding and potential project cost savings, will be highlighted.

Tenderers will be expected to give local suppliers full, fair and reasonable opportunity in preparing their bids and will be encouraged to contact the ICNSA about engaging the local capabilities identified in the Industry Participation Plan.

Although it will play no part in the tender evaluation process, tenderers must demonstrate in their tender response how their offer addresses each of the relevant criteria in the Industry Participation Plan.

To facilitate this, it is recommended that the following text be included in the tender documents:

*This project is subject to the South Australian Government's Industry Participation Policy, a copy of which is available at the following website:*

*[http://www.southaustralia.biz/PDFs/Industry\\_Participation\\_Policy\\_Jun05.pdf](http://www.southaustralia.biz/PDFs/Industry_Participation_Policy_Jun05.pdf)*

*The policy aims to provide benefits to the South Australian economy through providing opportunities for greater local value adding in major projects, and to tenderers through identifying potential project cost savings.*

*Tenderers are expected to give local suppliers full fair and reasonable opportunity in preparing their bids and are encouraged to contact the Industry Capability Network South Australia (ICNSA) about engaging the local capabilities identified in the attached Industry Participation Plan.*

*Although it will play no part in the tender evaluation process, tenderers must demonstrate in their tender response how their offer addresses each of the relevant criteria in the Industry Participation Plan.*

## **9. Monitoring and Reporting**

At the conclusion of the project, the prime contractor will be required to report actual project outcomes against the Industry Participation Plan to the ICNSA. Attachment D contains an example of what the report would look like.

This information will be used for future reviews of the Industry Participation Policy.

## **Attachment A**

### **Guide to Key Criteria for Preparation of an Industry Participation Plan**

This attachment contains the eight key criteria listed in the Industry Participation Policy. The key criteria have a number of activities listed that may be considered in developing Industry Participation Plans. These are provided as prompts, but it is unlikely that all criteria or suggested activities would be applicable to all projects. Project proponents should address those criteria and activities that are applicable to the project, however project proponents should not be limited by the listed criteria.

#### **Opportunities for competitive local suppliers**

In order for project proponents to maximise local content they should undertake the following activities:

- a) identification of potential imported equipment, components and services so as to permit full, fair and reasonable opportunity for local industry to participate in competitive supply;
- b) identification of specific opportunities for local industry to value add to imports which cannot be competitively supplied from local industry;
- c) seek opportunities for value added export of locally produced goods, equipment, services or technologies either directly, or indirectly related to the project;
- d) seek opportunities to establish long-term supply chain alliances between local companies, and overseas suppliers and contractors;
- e) seek opportunities for the transfer of overseas technologies intended for the project into capable local companies and support the processes to establish technology alliances between overseas and local companies;
- f) use the services of the ICNSA within the project management, and support the use of ICNSA by contractors and sub-contractors; and
- g) encourage contractors and sub-contractors to support the above activities in all tenders.

The report on local industry participation would detail the value of the South Australian industry component of the project cost.

#### **Opportunities for employment and workforce development, especially for young people**

Within the project, project proponents should seek to establish opportunities that encourage employment and workforce development by:

- a) identifying the skills required in the building, construction, equipment and services fabrication and supply, maintenance, operation and support to the project, for its design, construction, operation and maintenance phases;
- b) arranging timely training, and qualification arrangements to meet the needs of skills development to support all phases of the project;
- c) ensuring that training and qualification systems meet the requirements of the National Standards Framework;
- d) maximising the use of local employment to support all phases of the project.

The report on employment and workforce development would detail the types of skills developed, the number of courses and the number of people trained, including young people.

In developing a response to this criteria the Department of Further Education, Employment Science and Technology would be willing to assist with advice on local labour markets and government support programs.

### **Support for regional development**

For the purposes of this policy, regional South Australia is defined as those areas outside the Adelaide Statistical Division, as defined by the Australian Bureau of Statistics. For projects located in regional areas, project proponents should work with contractors and sub-contractors to ensure business and industry in the region are afforded every opportunity to gain maximum benefit from the project. To achieve this the project proponent could consider:

- a) holding a public briefing at ..... (place) .....which will provide timely information to the regional business and industry on the services, material supplies, skills, and commercial support requirements of the project in its planning, construction, operation, and maintenance phases;
- b) cooperating with the regional economic development bodies to facilitate the communication of the procurement and logistics requirements for goods, services, and commercial support between the project contractors suppliers;
- c) ensuring that procurement requirements are advertised in local media to provide timely and equitable access to supply opportunities; and
- d) encouraging contractors and sub-contractors to maximise the use of local business as sub-contractors when contracts are awarded outside the region.

The report on supporting regional development would detail the value of contracts placed with regional businesses.

### **Opportunities for value-adding activity**

The project proponent should recognise the benefits to industry development, skills development, and innovation of using local suppliers. However, some project requirements may only be able to be met through imported content. In these situations project proponents should seek to maximise local value-adding activity to imported content. This might include adapting imported content to suit local conditions or standards, and enabling local suppliers to undertake maintenance and servicing functions. These activities should not compromise project competitiveness. To support this key criteria project proponents should:

- a) work with contractors and sub-contractors to identify all supply requirements where there exists opportunities for local value adding; and
- b) use the services of ICNSA to provide information on the capabilities of local industry to add value to the project requirements.

### **Opportunities for participation by small business**

Small businesses are organisations employing less than 20 persons, typically independently owned and financially controlled by the owner. The project proponent and suppliers should work with contractors and sub-contractors to develop procurement strategies that will provide opportunities to small business. This could be achieved by:

- a) ensuring at the project design and tender preparation stage, that tenders are packaged in a manner that does not discriminate small business involvement without compromising project competitiveness;

- b) ensuring as far as practicable, contract packages are prepared having regard to the capabilities of South Australian industry to bid on all or part of the work;
- c) using the services of ICNSA and government to establish joint ventures between capable local businesses;
- d) giving full, fair and reasonable consideration to local joint ventures who bid on tender packages; and
- e) providing feedback on the competitive performance of local business, directly to local participants in the supply chain, and where appropriate to ICNSA and to Government.

The report on opportunities for participation by small business would detail the number of South Australian small businesses involved in the project and the value of the awarded contracts.

### **Support for Aboriginal economic development**

The project proponent and suppliers should work with contractors and sub-contractors to develop procurement strategies that will identify opportunities for Aboriginal people. This may include:

- a) opportunities for contracting businesses owned by Aboriginal people;
- b) opportunities for employing Aboriginal people; and
- c) opportunities for involving Aboriginal people in education, training and apprenticeships.

This criteria would be most appropriate for projects located in regional locations.

### **Opportunities for research, development and innovation**

Using content or processes that can only be sourced from overseas is a barrier to maximising local industry participation. However, this may present opportunities to introduce innovative services, products, processes or management practices to local industry. Such opportunities may include:

- a) putting in place a strategy which will ensure that local industry's ability to innovate is not 'designed out' or inadvertently overlooked;
- b) using the services of ICNSA and government technology diffusion agencies to identify local businesses able to innovate and adopt new technology; and
- c) proactively seeking opportunities to increase the capability of local industry through joint ventures, alliances, or technology licensing agreements with overseas companies.

The report on innovation would detail the benefits from the activity in terms of increased employment turnover and exports/import replacement etc.

### **Seek to be economically, environmentally and socially sustainable**

The Industry Participation Plan should highlight how elements of the project contribute to the attainment of the Government's environmental and social inclusive goals, especially if this involves local or innovative solutions and strategies.

## Attachment B Sample Industry Participation Plan

**Project:** .... *XYZ Infrastructure Project ..*

**Project Proponent:** .... *ABC Entity .....*

**Project Location:** .... *Port Augusta .....*

**Note:** *Private sector proponents are requested to complete the declaration, nominate the project manager and provide relevant project details.*

*Departments and agencies are not required to complete declaration.*

*All departments and agencies are bound by the provisions of the Industry Participation Policy.*

### 1 Policy

1.1 In support of the South Australian Government's Industry Participation Policy, "Giving Opportunity to South Australians", (*ABC Entity*) is committed to provide full, fair, and reasonable opportunity for South Australian industry to participate in the provision of goods, equipment, services and technology to the (*XYZ Infrastructure Project*).

1.2 (*ABC Entity*) will ensure that opportunities to maximise local industry participation, technology transfer, job creation, skills development, and regional development are provided by this project.

1.3 In particular, (*ABC Entity*) commits to:

- Utilise the resources of the Industry Capability Network SA (ICNSA) to identify those South Australian companies able to supply goods or services commensurate with the quality, safety, reliability and delivery standards and objectives of the project.
- Use Australian Standards and Codes in the formulation of specifications, tenders and the letting of contracts (except where it is unreasonable to do so).
- Provide timely information and facilitate project information briefings to South Australian industry so that local suppliers have adequate time to identify potential opportunities and to establish their competitive position.
- Ensure that South Australian design, engineering, manufacturing, construction and project management capabilities are considered when preparing workscopes to enhance South Australian industry opportunities, without impacting on safety, reliability, quality, cost or schedule.
- Evaluate tenders applying life cycle principles taking into account relevant elements such as environmental, quality, safety, reliability, delivery and on-going operational support considerations.
- Provide full and fair opportunity for South Australian industry to pre-qualify for tendering on all aspects of the project.

### 2 Responsibilities

(*Ms J.C Smythe, Procurement Manager*) is appointed as the Project Manager for the development and implementation of the policies and procedures contained within this Industry Participation Plan. The

Project Manager will be responsible for identification, assessment and selection as prescribed in the Industry Participation Policy. The Project Manager will also have responsibility for reporting on the outcomes from implementation of the Industry Participation Plan in qualitative and quantifiable terms.

### **3 Meeting the Key Criteria**

#### **Opportunities for competitive local suppliers**

*(In principle provide a broad commitment to support the Policy. At a macro level identify those goods and services that:*

- *can only be sourced from offshore;*
- *can only be sourced locally; and*
- *may be sourced locally or offshore.)*

This analysis has identified that listed work packages offer opportunities for capable local suppliers.

- Low pressure pipe fabrication
- Purlin and girts
- Hanging structures
- Coal Chute
- Cladding
- De-aerators
- Embedded steel & bolts
- Chemical feed systems
- Tankage
- Concrete structures

Fifty local suppliers have been identified and will be encouraged to tender for the above work packages.

#### **Opportunities for employment and workforce development, especially for young people**

A skills audit has identified the following need during the construction phase of the project: 50 steel fixers, 35 trade assistants in the following trades: boilermakers, welders, riggers, carpentry, electrical and plumbing trades.

The operational phase of the project has a requirement for 24 plant operators and 6 maintenance staff with the following skills with engineering and electrical competencies to the following level.

In conjunction with DFEEST the following skills development programs have been developed to increase the level training investment in the region. This will result in the employment of 38 local staff during construction phase and 30 permanent positions during the life of the facility.

The key to these key criteria is the flexibility that addresses the requirements of the project proponent and the region in which the construction is occurring and the plant will operate.

#### **Opportunities for regional development**

Due to the potential impact of the (XYZ Infrastructure Project) on the regional economy the project manager will hold a public briefing on business opportunities for regional and small business in the Port Augusta area prior to the release of work packages at Port Augusta in November 2005.

The project manager will liaise with the local chamber of commerce and the regional development board to identify cost effective communication methods to engage with regional and small business.

### **Opportunities for value adding activity**

(ABC Entity) has identified that South Australian industry has the potential to competitively supply 75% of the manufactured inputs into the project. Under this Industry Participation Plan the project proponent will seek to ensure that equitable opportunities are provided for these companies to participate at all levels in the project.

*The value of local content will be monitored during the life of the project.*

### **Opportunities for participation by small business**

(ABC Entity) will ensure that contractors are encouraged to develop processes that include opportunities for small business to participate in the project. Prime contractors will be encouraged to utilise the services of the ICNSA to identify competitive small businesses to participate in the supply opportunities for (XYZ Infrastructure project).

### **Support for Aboriginal economic development**

The project proponent has identified the opportunity to include up to 5 indigenous apprentices in the project as well as a number of local businesses in the construction industry owned by indigenous people.

### **Opportunities for research, development and innovation**

As a result of (XYZ Infrastructure project), (Jones & Son Pty Ltd) has signed a manufacturing agreement to produce a new range of engineering components for distribution in Australia and SE Asia. Estimated sales for domestic markets are \$100,000.00 per annum and \$500,000.00 for export sales.

Company HKK is currently negotiating a joint venture partnership with ..... to design and develop a ..... Market potential is estimated to be \$100, 000.00 per annum over the next five years.

### **Seek to be economically, environmentally and socially sustainable**

(ABC Entity) has a formal Environment Management System that addresses process and transport emissions including greenhouse gases, energy efficiency and waste, based on the 'avoidance first' hierarchy.

## **4 Performance Measurement & Reporting**

### **4.1 Performance Measurement**

(ABC Entity) has established a system to measure and report the actual level of local industry participation in this project. The project management will maintain the overall system for performance measurement and require contractors and suppliers to maintain records of their own commitments to local content. Specifically, the measurement framework will address:

- a) the total capital value of the project scope of work;
- b) the value of work that could reasonably be sourced from local industry;
- c) the value of work that was actually bid by local industry; and
- d) the value of work actually sourced from local industry.

### **4.2 Location of Supply**

*(As far as practicable, the measurement of industry participation will focus on the actual source of supply rather than the location through which the order is placed. The location in which services are provided, materials are manufactured or where value adding takes place is indicative of the actual source of supply.)*

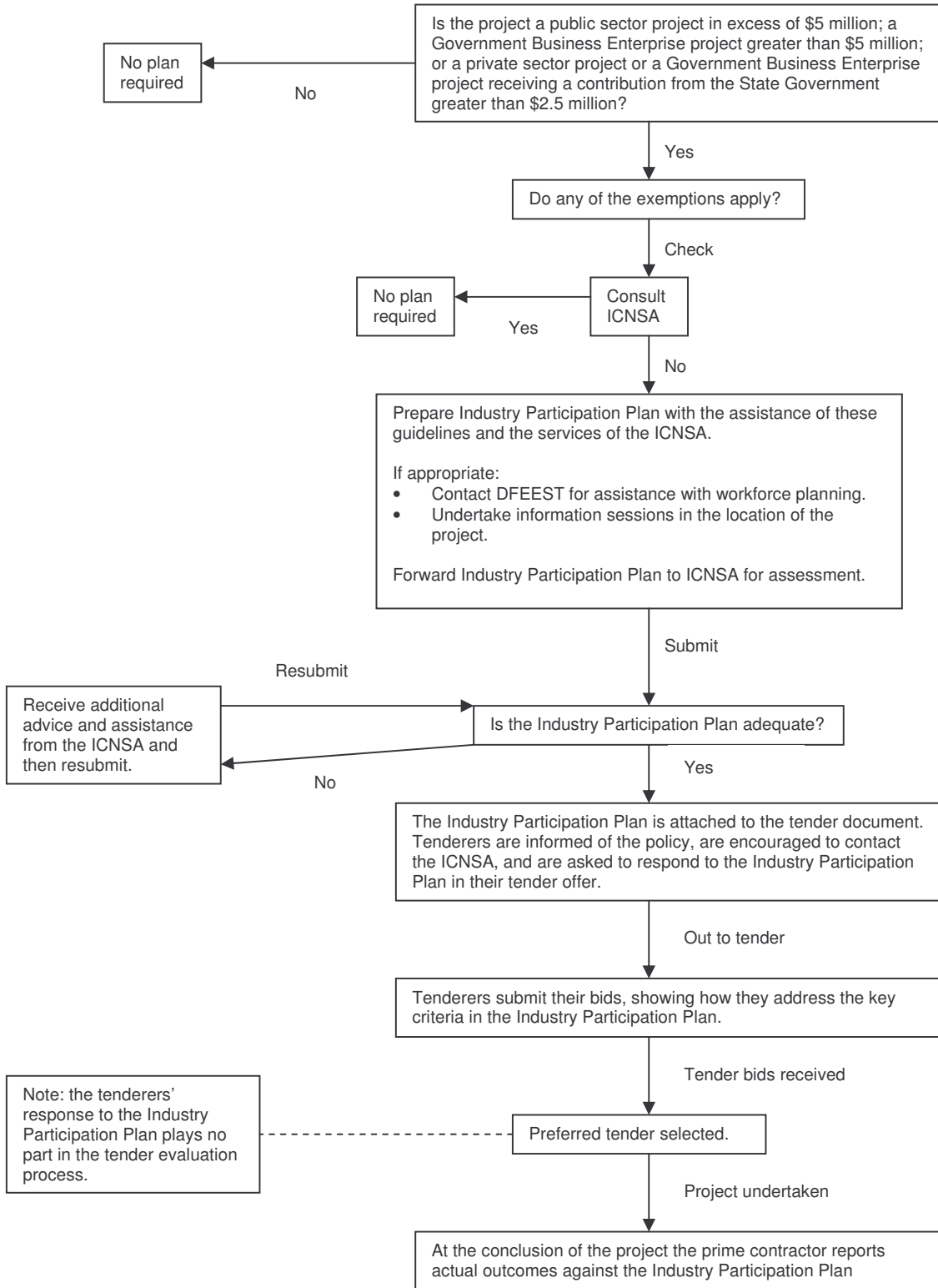
**4.3 Reporting**

(ABC Entity) will use Attachment D as a guide to calculating the local content and identifying the extent and value of local content. In addition, the project management will:

- a) request its contractors and sub-contractors to release to ICNSA the forecast of work packages expected to be sourced exclusively from local industry, as well as those packages intended for overseas competitive bidding;
- b) at the conclusion of the project, report to the ICNSA the outcomes in accordance with Attachment D; and
- c) request contractors and suppliers to inform the project management of the aspects of the contractor/local supplier interfaces that worked well and not so well.

.....  
(Name)                      (Appointment)                      (Signature)                      (Date)

### Attachment C Industry Participation Plan Flow Chart



**Attachment D  
Industry Participation Plan Report**

*(Project proponents should address only those criteria applicable to the specific project.)*

**Project:** .....

**Project Proponent:** .....

**Project Location:** .....

**Value of Contracts:** \$.....

**South Australian Industry Component of Project Cost:** \$.....

(Key criteria 1 & 4 refers)

**South Australian Industry Component of the contestable part of the project:** \$.....

(Key criteria 1 & 4 refers)

**Number of people trained as a result of the project:** .....

(Key criteria 2 refers)

**Value of Contracts placed with regional businesses:** \$.....

(Key criteria 3 refers)

**Number of small business involved:** .....

(Key criteria 5 refers)

**Involvement of Aboriginal people:** .....

(Key criteria 6 refers)

**Research, development and innovation:** .....

(Key criteria 7 refers)

**Environmentally and socially sustainable:** .....

(Key criteria 8 refers)

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