



Australian Government

**NAIF**

Northern Australia Infrastructure Facility



# Indigenous Engagement Strategy Guideline 2023

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## Acknowledgement of Country

The Northern Australia Infrastructure Facility (**NAIF**) acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respect to Elders past and present.

Northern Australia is home to two unique Indigenous cultures, Aboriginal and Torres Strait Islander people, who have called our region home for tens of thousands of years. Our communities are home to some of the largest, culturally connected and diverse Indigenous communities in the country.

At NAIF, we believe that the success of our region is dependent on the inclusion of Indigenous people in the economic prosperity of northern Australia, and through our investment mandate, we are ensuring that our regions' Indigenous peoples can take advantage of opportunities that are generated directly through projects that we support.

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## 1. Purpose of the Guideline

This guideline, along with other resources, is designed to support proponents of the Northern Australia Infrastructure Facility (NAIF) in developing and implementing their Indigenous Engagement Strategy (IES). NAIF-financed projects vary in terms of sectors, locations, and local demographics, resulting in diverse Indigenous Engagement Strategies. Therefore, there is no one-size-fits-all solution.

The intent of the IES is to transform good intentions into a clear, culturally appropriate, locally contextual plan with tangible commitments. The IES may also aid in structuring engagement with the appropriate stakeholders who will be vital to the implementation of the strategy.

## 2. Why is it Important to Have an Indigenous Engagement Strategy?

Indigenous people have a significant presence in northern Australia and a strong connection to land and water. Approximately 78 percent of the northern Australia landmass is subject to either the *Aboriginal Land Rights Act (Northern Territory) 1976* or the *Native Title Act 1993*. In the NAIF footprint, Indigenous people make up at least 14 percent of the population, compared to the national Indigenous population of 3.2 percent captured in the 2021 Census. This figure has increased by 8 percent since 2016.

Harnessing the growing Indigenous population is crucial for driving the development of the Northern Australia Agenda. By providing equitable and sustainable development opportunities, Indigenous Australians can become a key part of the workforce. They can be supported through appropriate training and education, while also enabling significant Indigenous business participation in industry supply chains. The involvement of Indigenous businesses in supply chains has a positive social and economic impact on the communities in which they operate.

Many Indigenous peoples are eager to leverage their land and water rights to foster high-quality economic, social, and cultural outcomes. This approach supports the health and well-being of their communities and the region as a whole. Proponents seeking to undertake projects in northern Australia must possess a high level of acumen in engaging with Indigenous people. This engagement is crucial for the success of their projects.

NAIF recognises the importance of Indigenous engagement and is mandated that all proponents must provide an Indigenous Engagement Strategy to be eligible for NAIF finance. This requirement ensures that Indigenous perspectives and interests are carefully considered and integrated into the project planning and implementation processes. By promoting meaningful engagement with Indigenous communities, NAIF aims to create a more inclusive and sustainably developed environment in northern Australia where benefits are shared.

### 3. Indigenous Engagement Strategy (IES)

The NAIF Investment Mandate contains the following six (6) mandatory criterion that proponents are required to meet to be eligible for NAIF finance.

No.	Mandatory criterion
1	The proposed project involves development or enhancement of Northern Australia economic infrastructure.
2	The proposed project will be of public benefit.
3	The project is located in, or will have a significant benefit for, northern Australia.
4	The loan will be able to be repaid or refinanced.
5	<b>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
6	The equity or equity-like investment will generate a return to Government.

In making **Investment Decisions**, the NAIF Board must ensure that the proponent satisfies all mandatory eligibility criteria, including the Indigenous Engagement Strategy criterion. A satisfactory IES is one that offers suitable opportunities for participation, procurement, and employment that align with the characteristics, extent, and location of the project, as well as the proponent's capacity.

NAIF, through the **IES Criterion**, creates possibilities for Indigenous communities in northern Australia where NAIF-funded projects are situated. This includes supporting the establishment of new agreements or the improvement of existing commercial agreements.

Even in situations where there are no formal agreements in place with Traditional Owners or Indigenous stakeholders, the IES Criterion still applies. The IES requirement is applicable to all NAIF-funded projects, without any minimum threshold or exemptions available. Accordingly, it is not anticipated that this requirement would disqualify projects within the Indian Ocean Territories (IOT).

### 4. NAIF IES Process

The process of developing the IES with NAIF is engaging, iterative, and supportive. NAIF's approach emphasises early engagement with the proponent to discuss the IES Guideline and explore Indigenous participation, procurement and employment opportunities.

NAIF takes the initiative to offer advice, information, and relevant contacts to the proponent to assist in the development of the IES. This includes providing feedback on the IES drafts as they are being developed.

As part of its due diligence process, NAIF will consult stakeholders to gather information about the nature of the relationship between key Indigenous stakeholders and the proponent. NAIF seeks feedback indicating a positive and functional relationship that can effectively support the implementation of the opportunities outlined in the IES.

NAIF will also request the proponent to provide contact details for relevant Indigenous stakeholders and other stakeholders involved in the project and the IES, to facilitate the due diligence process.

**Table 1: NAIF Process**

1. Initial Review	2. Detailed Review	3. Execution	4. Reporting
<ul style="list-style-type: none"> <li>Initial introduction to the NAIF Indigenous Outcomes Team</li> <li>Proponent to identify existing and potential opportunities in IES.</li> <li>Input into Strategic Assessment Paper (SAP).</li> </ul>	<ul style="list-style-type: none"> <li>NAIF Indigenous Outcomes team link the proponent with supporting agencies.</li> <li>Proponent to develop IES.</li> <li>NAIF Indigenous Outcomes team conduct due diligence with Indigenous and government stakeholders.</li> <li>IES finalised ready to be reviewed by NAIF and Board as part of Investment Decision.</li> </ul>	<ul style="list-style-type: none"> <li>If the NAIF Board makes an Investment Decision to offer finance and there is no veto from the responsible Commonwealth Minister, the IES is implemented, and the proponents proceed through an execution process. Once executed, the IES reporting phase commences.</li> </ul>	<ul style="list-style-type: none"> <li>Proponents are obligated to report to NAIF on the performance of the IES. During the construction phase, reporting typically occurs every six months. During the operational phase and throughout the loan's lifespan, reporting is done annually.</li> </ul>

## 4.1. Early and Advanced Assessment

During the initial review phase, NAIF will evaluate the project against the mandatory eligibility criteria. If NAIF concludes that the project has the potential to meet these criteria, NAIF will undertake a Strategic Assessment and for eligible projects, NAIF will prepare a **Strategic Assessment Paper (SAP)** and present it to NAIF's investment review bodies.

In this phase, the Indigenous Outcomes team engages in an initial conversation with the proponent to evaluate their capability and identify opportunities for Indigenous participation, procurement, and employment that align with the Indigenous population in the region where the proposed project is located.

If the identified opportunities are deemed sufficient, the Indigenous Outcomes team will contribute to the SAP and endorse that the proponent has the potential to meet the mandatory criterion of the IES.

## 4.2. Due Diligence

During the due diligence phase, NAIF will undertake detailed project due diligence, including project, financial, and credit risk analysis, as well as a technical, environmental, and social risk analysis.

In this phase, the proponent and NAIF's Indigenous Outcomes team collaborate closely to finalise the IES. This iterative process allows the proponent to provide multiple drafts for input, while the Indigenous Outcomes team assists in connecting the proponent with appropriate resources.

The proponent is required to provide relevant contacts for key Indigenous stakeholders or organisations involved in the development of the IES or those who will assist in its implementation.

As part of the due diligence process, the Indigenous Outcomes team holds separate discussions with the provided contacts, excluding the proponent, to assess the nature of the relationship and address any concerns Indigenous stakeholders may have with the proponent or the project.

The IES is considered final once it is approved by both the proponent and the Indigenous Outcomes team.

### 4.3. Execution

If the NAIF Board makes an **Investment Decision** to offer finance and there is no veto from the responsible Commonwealth Minister, the IES is implemented, and the proponents proceed through an execution process. This includes the negotiation and execution of legal documentation and the satisfaction of any conditions to the NAIF financing required before a project can receive funding. Once executed, the IES reporting phase commences.

### 4.4. Performance Reporting

Proponents are obligated to report to NAIF on the performance of the IES. During the construction phase, reporting typically occurs every six months. During the operational phase and throughout the loan's lifespan, reporting is done annually. Proponents must consistently comply with the IES obligations in all material aspects.

The monitoring and reporting requirements will be mutually agreed upon with the proponents and will be incorporated into the Finance Documents. The IES Schedule of Obligations serves as a template for specifying deliverables and appropriate timeframes for their completion. This schedule is an integral part of the IES and is the basis against which proponents provide their reports.

The reporting will include relevant information such as:

**Details regarding the level of Indigenous employment, including:**

- Performance assessment against any employment targets (if applicable).
  - Number of full-time equivalent (FTE) Indigenous employees.

**Qualitative information on Indigenous employment strategies, policies, or initiatives aimed at attracting and retaining Indigenous staff and/or businesses.**

Identification of the types of roles filled, including any subcontractor positions within the supply chain.

Accreditations provided through employment initiatives.

Information regarding the level of Indigenous business procurement, including:

- Value of contracts (\$) awarded to Indigenous businesses.
- Percentage (%) of the total contract value awarded to Indigenous businesses.
- Engagement with relevant Indigenous business networks and/or Indigenous Chambers of Commerce.

Equity or co-investment opportunities partnering with Traditional Owners or local Indigenous stakeholders into the project.

- Value of community investment, including initiatives as such as:
  - Investment into local Indigenous community service providers.
  - Supporting local Indigenous business incubators, hubs and mentorships
  - Traditional Owner designs incorporated into infrastructure.
  - Co-design evaluation or performance frameworks with Traditional Owners or local Indigenous stakeholders measuring IES delivery.

For quality assurance purposes, the Indigenous Outcomes Team will periodically verify the contents of the reports with key Indigenous stakeholders and/or organisations that are relevant to the IES, the project, or the project's location.

## 4.5. Proponent Accountability

The Finance Documents include an IES clauses aimed at supporting performance. These clauses outline, among other things, the process to be followed in case of unsatisfactory IES performance. It entails discussions between NAIF and the proponent to gain an understanding of the challenges faced and provides an opportunity for the proponent to propose a revised IES if deemed appropriate.

If the outcomes of this process are still unsatisfactory to NAIF, there may be consequences for the proponent. These consequences can include increased interest rates on the loan and/or restrictions on equity distributions until the situation is rectified. The intention is to incentivise the proponent to address and improve the performance of the IES.

## 4.6. NAIF Public Reporting

NAIF will provide public reports on Indigenous outcomes for each project on a project-by-project basis. These reports will include, at a minimum, a case study for each project that has received an Investment Decision and/or reached Financial Close, which will summarise key commitments and outcomes. This information will be made available on the NAIF website.

It is important to note that the IES typically contains information that is commercially sensitive, culturally sensitive, or otherwise confidential. Therefore, when releasing information to the public, NAIF takes careful consideration to ensure that any publicly disclosed information is appropriate and respects these sensitivities.

NAIF reserves the discretion to update outcomes for each project on a more frequent basis, as deemed necessary. These updates may include information on performance against targets, progress made to date, factors contributing to success, and lessons learned.

## 5. Developing an IES

NAIF is committed to supporting the proponent in developing the IES by providing advice, information, and relevant contacts. This support extends to offering feedback on drafts of the IES during its development process.

The primary goal is to ensure that the IES is realistic, achievable, and considers any existing Indigenous engagement approaches employed by the proponent, and how these can be effectively applied to the specific project.

To further assist proponents, a toolkit has been created to facilitate the development and delivery of a satisfactory IES. This toolkit can be accessed and utilised by proponents for guidance and reference during the process. The toolkit can be found at the provided link; [IES Toolkit](#).

## 6. What Does an IES Look Like?

As NAIF-financed projects vary in sectors, locations, and local demographics, the Indigenous Engagement Strategies also exhibit significant variation, as there is no one-size-fits-all solution. Instead, NAIF seeks to ensure that the IES that is guided by the following principles:

1. Centring Aboriginal and Torres Strait Islander peoples, perspectives, priorities, and aspirations.
2. Striving for sustainable and meaningful outcomes.
3. Engaging early and effectively with Indigenous stakeholders.
4. Respecting the principle of Free Prior and Informed Consent.

5. Emphasising accountability and transparency.
6. Promoting value for regions and local communities through the "local first" principle.

The Indigenous Engagement Strategy consists of two main components:

- i. The written component, which encompasses detailed background information and outlines the strategies and methodologies that the proponent intends to employ in achieving Indigenous participation, employment, and procurement outcomes.
- ii. The Schedule of Obligations, which is attached to the main IES document as a table. This schedule presents clear commitments and timeframes that are highlighted in the IES. The Schedule of Obligations serves as a template, and the proponent will report on these commitments throughout the duration of the NAIF loan.

Both components work in tandem to ensure effective implementation and monitoring of Indigenous Engagement Strategies throughout the life cycle of the project.

## 7. Component One of IES – Main Body

### 7.1. Introduction

In the introduction, it provides an opportunity to introduce the proponent and highlight their experience in Indigenous engagement. Additionally, it allows for a brief overview of the project and the potential opportunities for Indigenous involvement. The introduction sets the context for the IES and emphasises the proponent's commitment to meaningful Indigenous participation.

### 7.2. Participation

The NAIF Investment Mandate contains a mandatory criterion that proponents are required to meet to be eligible for NAIF finance which states *“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 this section the proponent can begin to set out objectives for one of the pillars which is Indigenous **participation** and insert strategies of how the project will involve and engage Traditional Owners and/or Indigenous stakeholders.

Some strategies that may be included are as follows:

1. Adoption of principles of Free, Prior and Informed Consent when engaging with local Traditional Owners and relevant Indigenous stakeholders.
2. Outline any existing initiatives or relationships with Traditional Owners and/or Indigenous stakeholders, including formal agreements such as Memorandums of Understandings (**MOUs**), contracts, or agreements established through the *Native Title Act* and/or *Aboriginal Land Rights (Northern Territory) Act*.
3. Identification of partnership and/or co-design opportunities with Traditional Owners and/or Indigenous stakeholders throughout the project.
4. Development of an engagement plan to ensure effective and respectful engagement methods. This may involve establishing an Indigenous Working/Reference Group or formalising a MOU.
5. Implementation of strategies to enhance the proponent's cultural capability, such as undertaking cultural competency training provided by a local service provider or commissioning training facilitated by the Traditional Owner group for staff. It may also involve developing or enhancing a Reconciliation Action Plan (**RAP**).

*Early engagement between the proponent and Indigenous stakeholders is essential for the overall success of the project. Effective engagement requires significant effort, and the best outcomes are often achieved when there is a dedicated role or resource specifically focused on engagement.*

*To facilitate effective engagement, it is recommended that the proponent appoints a dedicated resource i.e., Indigenous Liaison Officer or Community Engagement representative, preferably from the community where the project is located. This individual would have a key role in the ongoing engagement and relationship building with Indigenous stakeholders. Additionally, they would coordinate the delivery of Indigenous Engagement Strategy obligations and reporting*

These strategies demonstrate the proponent's commitment to engaging and collaborating with Indigenous communities, ensuring that Indigenous perspectives, knowledge, and aspirations are respected and integrated into the project's planning and implementation processes.

### 7.3. Procurement

The second pillar of the Indigenous Engagement Strategy focuses on procurement. In this section, the proponent will outline strategies for involving and engaging Indigenous businesses and suppliers, as well as setting objectives for Indigenous procurement throughout the project/program, as defined by NAIF's Indigenous business definition.

Procuring goods and/or services from Indigenous businesses yields significant benefits for Aboriginal and Torres Strait Islander communities. It empowers Indigenous businesses, stimulates economic prosperity within Indigenous communities, and contributes to the growth of local and national economies. Notably, Indigenous businesses are over 100 times more likely to employ Indigenous workers compared to non-Indigenous businesses, fostering a positive cycle of social and economic empowerment.

Strategies in this section may include:

1. Identifying and creating an Indigenous business register that catalogues local businesses and their capabilities, aligning them with the requirements of the proposed project.
2. Setting an Indigenous procurement target, following the guidelines outlined in section 7.4.2 Calculation of Targets.
3. Identifying and establishing connections with relevant Indigenous business networks and/or Indigenous Chambers of Commerce to facilitate engagement and collaboration with Indigenous Businesses.
4. Implementing mandatory set-asides, where a portion of contracts or projects is reserved specifically for Indigenous businesses. Additionally, breaking down larger contracts into smaller, more accessible contracts can increase the opportunities for Indigenous business participation.
5. Organising "meet-the-buyer" sessions, where the proponent provides a platform for Indigenous Businesses to connect with procurement decision-makers and showcase their products or services.

By implementing these strategies, the proponent demonstrates a commitment to supporting and promoting Indigenous businesses. This approach facilitates economic growth within Indigenous communities, fosters stronger relationships between Indigenous businesses and the project, and contributes to the overall success of the Indigenous procurement objectives outlined in the IES.

### 7.3.1. Definition of an Indigenous Business

To ensure that Indigenous peoples and businesses truly benefit from the IES, it is essential to maintain a consistent approach to verifying the Indigeneity of businesses. For the purposes of this guideline, any reportable Indigenous business spend must meet the following criteria:

- **Ownership, management, and control:** The business must have at least 51 percent Aboriginal and/or Torres Strait Islander ownership and/or directorship and be operated for the benefit of Aboriginal and Torres Strait Islander communities<sup>1</sup>.
- **Business Structure:** “Business” is a general term which can include Aboriginal and/or Torres Strait Islander community-controlled organisations, charities, not-for-profit organisations, or entities incorporated under Commonwealth, state or territory legislation.
- **Registration:** The business may be listed on the public register maintained by the Office of the Registrar for Indigenous Corporations (ORIC).
- **Certification:** The business may be certified by recognised authorities such as Supply Nation or the Northern Territory Indigenous Business Network (NTIBN).
- **Joint ventures:** In the case of active incorporated Indigenous joint ventures, the joint venture must have at least 51 percent Aboriginal and/or Torres Strait Islander ownership and/or directorship and be operated for the benefit of Aboriginal and Torres Strait Islander communities.

It is the responsibility of the proponent or procuring official to ensure that any reported Indigenous Business procurement outcomes comply with this definition. By adhering to these guidelines, we can ensure that Indigenous businesses are accurately identified and supported, leading to meaningful Indigenous participation and economic benefits within the project.

## 7.4. Employment

The third pillar of the IES focuses on employment. In this section, the proponent will outline strategies for involving and engaging Indigenous employees, as well as setting objectives for Indigenous employment within the project or program. The strategies may include:

- Identifying specific Indigenous employment opportunities within the project or at the organisational level.
- Outlining recruitment and retention strategies aimed at attracting Indigenous staff.
- Engaging with Indigenous employment providers to facilitate recruitment.
- Creating opportunities across various levels, including entry-level, experienced, and specialised roles.
- Advertising job vacancies through Indigenous media channels.
- Conducting information sessions with the Indigenous community to inform them about job opportunities.
- Developing and maintaining an employment register to track Indigenous employment.
- Establishing and maintaining a culturally safe workplace environment.

By implementing these strategies, the proponent aims to promote Indigenous employment and create meaningful job opportunities for Indigenous individuals within the project or program. The objective is to foster a diverse and inclusive workforce while ensuring that Indigenous employees feel valued, supported, and safe in their work environment.

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<sup>1</sup> <https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/12-definitions>

### 7.4.1. How is an Indigenous job measured?

When measuring employment for the purpose of the IES, the proponent should utilise the full-time equivalent (**FTE**) methodology instead of head count. FTE means full time equivalent and can be estimated using 8 hours a day, five days a week or a total of 40 hours a week. Two part-time jobs, one that is two days a week, and another that is three days a week, would be reported as one FTE.

By using the FTE methodology, the proponent can accurately assess the level of Indigenous employment in terms of the equivalent number of full-time employees, taking into account different employment arrangements. This approach provides a standardised measurement that considers the hours worked by employees and allows for a fair and consistent evaluation of Indigenous employment outcomes.

### 7.4.2. Calculation of Targets

NAIF does not mandate any targets but strongly encourages the setting of targets to measure progress and drive performance. NAIF acknowledges that the projects it invests in are diverse. Instead of mandating a specific target, NAIF recommends that the target be aspirational, achievable, and reflective of the following considerations:

A place-based approach that takes into account local Indigenous businesses, employment, job seekers, working-age population, capability, and career pathway development opportunities.

Reflection of the scale and opportunities provided through the project.

Consistency with existing state or territory procurement policies and targets.

Targets can be tailored to the project and procurement opportunities. They can be expressed as a percentage or a specific figure. They can be "hard" targets with specific obligations or "soft" targets indicating that the proponent will "seek to achieve" the target. Targets can also be staggered by project phase or escalated over a defined time period.

It is important to note that the setting of targets should align with the specific project and take into consideration the unique circumstances and context in which it operates.

*One method for calculating participation targets as applied by the **Department of Infrastructure, Transport, Regional Development, Communications, and the Arts** "Indigenous Employment and Supplier-Use Infrastructure Framework" is outlined below.*



$$\frac{\text{Local Indigenous Working Age Population}}{\text{Local Total Working Age Population}}$$

**Example: 10,000 / 120,000 = 8% Participation Target**

*This target can be achieved through an employment component, procurement component or a combination of both (example below).*

*Employment 3% FTE (i.e., 1 FTE of 33 total FTE positions)*

*Procurement 5% total contract value (i.e., \$100,000 of \$2,000,000 awarded to Indigenous)*

### 7.4.3. Workforce Development and Career Progression

When designing a local workforce, it is important to factor things that reflect the location, including if they are in urban or remote areas, conducting research into the local community will help understand community context including key needs and aspirations; research the local workforce supply and demand; analyse relevant data relating to the local area and partner with key organisations that may be able to assist. It is important that employment opportunities are continually reviewed to ensure career progression throughout the project.

## 7.5. Community Development

The IES offers an opportunity to include commitments that extend beyond the three pillars of Indigenous participation, procurement, and employment. These additional commitments can contribute to broader community development and encompass various cultural heritage initiatives. Some examples of such commitments are:

- Formalising and implementing cultural heritage management plans.
- Supporting the preservation and conservation of culturally significant areas.
- Undertaking project rehabilitation activities.
- Assisting Indigenous ranger programs and initiatives focused on caring for country, including activities related to carbon reduction, biodiversity conservation, and cultural heritage protection.
- Sponsoring community events and supporting local sporting teams.
- Providing education scholarships.
- Supporting local Indigenous community initiatives.
- Offering secondment opportunities to Indigenous individuals.
- Providing business development assistance to Indigenous businesses.

By including these commitments in the IES, the proponent demonstrates a broader commitment to community development, cultural heritage protection, and supporting Indigenous initiatives beyond the core pillars of the strategy. These initiatives contribute to fostering sustainable and meaningful outcomes for Indigenous communities and their cultural heritage.

## 8. Component Two of IES – Schedule of Obligations

The [Schedule of Obligations](#), which is attached to the IES document, outlines the specific deliverables along with clear commitments and timeframes. The proponent will report on these commitments throughout the duration of the NAIF loan. The reporting requirements will be detailed in the Finance Documents, typically consisting of 6 monthly reports during the construction phase and annual reports during the operational phase.

The reporting period commences once the proponent reaches Financial Close. Reporting serves several purposes, including ensuring accountability and transparency but also identifying positive outcomes. Additionally, reporting helps identify any challenges or issues that may impact the delivery of IES commitments, such as wet season, Sorry Business, or project delays. In case the proponent encounters difficulties in meeting the IES commitments, NAIF will collaborate with them to mitigate the challenges and provide necessary support.

The [IES Progress Report](#) provides a structured format for reporting progress. As part of the reporting process, the Indigenous Outcomes team aims to hold meetings with the proponent for in-depth discussions on the report's outcomes, challenges encountered, and any assistance that NAIF can provide to support the proponent's efforts.

## 9. IES Guideline Review

This Guideline is subject to annual review, or more frequent review, if necessary, by the NAIF Executive to ensure its alignment with governing legislation and best practices. Material amendments to the Guideline are approved by the NAIF Board, and a comprehensive review is conducted at least every two years. The purpose of these reviews is to ensure that the Guideline remains up-to-date and continues to reflect the evolving needs and requirements of NAIF's operations.

### Document Version Control

Version ID	Date	Author	Remarks

### Document Review and Approval

Name	Position	Reviewer/ Approver	SIGNATURE (if Required)

## 10. Glossary

**Aboriginal Benefits Account** is a Special Account legislated under the *Aboriginal Land Rights Act (Northern Territory)* that receives and distributes monies generated from mining on Aboriginal land in the Northern Territory based on royalty equivalents to benefit Aboriginal people living in the Northern Territory.

**Aboriginal Land Rights (Northern Territory) Act** is an Act providing for the granting of Traditional Aboriginal Land in the Northern Territory for the benefit of Aboriginals, and for other purposes.

**Aboriginal Lands Trust** is a statutory board established under the *Aboriginal Affairs Planning Authority Act 1972 (WA)* with the role of managing the Aboriginal Land Trust estate in Western Australia.

**Black cladding** can be a subjective term, however NAIF's definition is that it is a practise where non-Indigenous businesses or individuals take an unfair advantage of an Indigenous business or individual with a purpose to gain access to Indigenous procurement or contract opportunities without genuine demonstratable equitable partnership and benefit.

**Board** means the NAIF Board of directors.

**Caring for Country** is a term many Aboriginal and Torres Strait Islander people use when referring to traditional land and sea management practices drawing on cultural customs and knowledge.

**Certified Indigenous Business** is either a sole trader, partnership, incorporated entity or trading through a trust that is at least 51 per cent owned by Aboriginal and/or Torres Strait Islander person(s) certified by a certifying authority such as the Northern Territory Indigenous Business Network and Supply Nation.

**Corporations (Aboriginal and Torres Strait Islander) Act 2006** is the Commonwealth law that establishes the role of the Registrar of Indigenous Corporations and allows a special form of incorporation for Aboriginal and Torres Strait Islander organisations.

**Country** is a term Aboriginal and Torres Strait Islander people often use when referring to specific land, waters and natural resources that they have cultural and spiritual relationship with based on ancestral custodianship. The term contains complex ideas about law, place, custom, language, spiritual belief, cultural practice, material sustenance, family and identity.

**Cultural Heritage Management Plan** is an agreement recognised by the relevant state or territory heritage legislation between a land user and a recognised Traditional Owner party over ongoing management of Aboriginal or Torres Strait Islander cultural heritage areas.

**Finance Documents** means the loan facility agreement, the securities and any other finance documents entered or to be entered into by or on behalf of the proponent in connection with any NAIF finance for the project.

**Financial Close** means the date on which all conditions precedent to the loan facility agreement have been satisfied or waived.

**First Nations People** is reference to Aboriginal and Torres Strait Islander peoples of Australia recognising over 500 different language groups or 'Nations' around the continent, with distinctive cultures, beliefs and languages.

**Free, Prior and Informed Consent** are principles which provide an avenue for Indigenous peoples to withhold or provide consent to a project that may affect them or their territories or agree to a

modified version of a project. FPIC is formally recognised by the international standard set by the United Nations Declaration on the Rights of Indigenous Peoples which provides further guidance.

**Future Act** is a proposed action(s) on an area of land that affect native title rights and interests defined under the *Native Title Act 1993*.

**IES Criterion** is the requirement that 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.

**IES Obligations** are the undertakings, commitments and obligations identified in the IES.

**IES Schedule of Obligations** is the template which is expected to be included in the IES listing all the IES Obligations.

**Indigenous Engagement Strategy** or IES is the strategy prepared by the proponent to address Mandatory Criterion Five in the NAIF Investment Mandate.

**Indigenous Land Use Agreement** is a voluntary agreement between a native title group and other about the use of land and waters' and allows people to negotiate flexible, pragmatic agreements to suit their circumstances.

**Indigenous Procurement Policy** applies to all non-corporate Commonwealth entities who are required to comply with the Commonwealth procurement policy to stimulate Indigenous economic development through mandatory inclusion requirements.

**Investment Decision** has the meaning given in the NAIF Investment Mandate.

**Investment Proposal** means the application for NAIF finance submitted by a proponent.

**Land Use Agreement** is an agreement process under the Aboriginal Land Rights Act 1976 (NT) that gives Traditional Owners an opportunity to consult, consider, develop terms and conditions and the right to consent or reject proposals on their land or waters.

**NAIF** or **we** refers to the Northern Australia Infrastructure Facility.

**NAIF Act** refers to the Northern Australia Infrastructure Facility Act 2016 (Cth).

**NAIF Investment Mandate** is made under the Northern Australia Infrastructure Facility Act 2016 and updated in 2021 to support amendment of the Act and guides the investment strategy of the Northern Australia Infrastructure Facility.

**Native Title Act** an Act about native title in relation to land or waters, and for related purposes

**Native Title claimant** is an applicant made for legal recognition of native title rights.

**Native Title determination** is a decision made by an Australian court or other recognised authority on whether native title does or does not exist in relation to a particular area of land or water.

**Northern Australia** has the meaning given in the NAIF Act.

**Project** means the project the subject of the proponent's Investment Proposal which incorporates northern Australia economic infrastructure.

**Proof of Aboriginality or Torres Strait Heritage**, a process that may be required in the provision of Indigenous-specific services or programs. The Australian Government usually defines Indigenous Australians as people who: are of Aboriginal or Torres Strait Islander descent; identify as being of Aboriginal or Torres Strait Islander origin; and are accepted in the community in which they live or formerly lived in.

**Proponent** or **you** is the entity responsible for the relevant project.

**Reconciliation Action Plan** is designed to assist entities through a framework supporting reconciliation outcomes.

**Representative Aboriginal/Torres Strait Islander Body** is a body recognised by the Commonwealth to perform various functions under the Native Title Act including to represent native title holders and to consult with Aboriginal and Torres Strait Islander person(s) within a specified area.

**Torres Strait Islands** is a region consisting of a cluster of islands between the tip of Cape York, Queensland and the southern borders of Papua New Guinea.

**Traditional Owner** is an Aboriginal and/or Torres Strait Islander person(s) who has directly descended from Aboriginal and/or Torres Strait Islander people who occupied a particular culturally defined area before European settlement and have cultural traditions, customs and beliefs of that area.

**United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)** is a set of international standards which are widely understood by the world's Indigenous Peoples as articulating the minimum standards for the survival, dignity, security and well-being of Indigenous Peoples worldwide.



Australian Government

# NAIF

Northern Australia Infrastructure Facility

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