

Indigenous Employment Provisional Sum (IEPS) Eligibility Criteria - effective 31 October 2017

Purpose

To provide a fee for service payment to Contractors to support Indigenous worker employment opportunities and build the capacity of Indigenous Business Enterprises to successfully share in the delivery of construction projects in the Northern Territory.

Scope

The Indigenous Employment Provisional Sum (IEPS) was included in Department of Infrastructure, Planning and Logistics Tier 4 (\$500 000 but less than \$2 million) and Tier 5 (\$2 million and greater) construction/works tenders awarded from 30 October 2014 to 4 August 2017. IEPS does not apply to contracts awarded after 4 August 2017.

Definitions and Interpretations

- Local Indigenous Person
 - A person of Australian Aboriginal or Torres Strait Islander descent who identifies themselves as Indigenous and is accepted in the community in which they live as an Indigenous person.
 - A local Indigenous person is a resident of the Northern Territory.
- Indigenous Development Plan (IDP)
 - A plan to develop strategies and protocols within the contract that support Indigenous enterprise and maximise employment and training opportunities for Indigenous Territorians on construction projects.
- Statutory Declaration
 - A statutory declaration is a legal document that you sign to state something is true.
 - Making a false statement in a statutory declaration is against the law, and you can be:
 - given a fine; and/or
 - a prison sentence of up to three years.
 - It can be signed in front of any witness who is 18 or older. [A Justice of the Peace (JP) or Commissioner for Oaths do NOT have to witness and sign a statutory declaration.]
- Termination Records
 - A kind of employee record that the employer must make and keep for 7 years as set out in the Fair Work Act 2009, Part 3-6, Division 3, Section 535(1), and Fair Work Regulations 2009, Regulation 3.40.
- Information Privacy Principles (IPPs)
 - A list of 10 rules for collecting and handling personal information that bind NT government organisations.
- Gross Pay
 - Gross pay is the amount paid to a PAYG worker before there are any deductions.
- Work hours directly engaged on project
 - Time spent directly engaged on the project as verified by a signed timesheets and daily worksite sign-on registers.
- Audit
 - A process to inspect the Contractor's records to determine their level of compliance.

Eligibility Criteria

To be eligible:

- Claims for IEPS payment for nominated workers must be available for verification based on the following records:
 - a) Indigenous Development Plan;
 - b) Individual worker employment contract;
 - c) Daily timesheets signed by the Indigenous employee for hours engaged on the project;
 - d) Daily worksite sign-on registers;
 - e) Declaration signed by the worker identifying themselves as a local Indigenous person;
 - f) Worker approval for release of information to DIPL of personal information in-line with IPP requirement; and
 - g) Payslips signed by the employee to verify payment to worker for hours directly engaged and claimed for IEPS.

Claims

The Contractor must complete and submit:

- Monthly Indigenous Employment Report;
- Declaration confirming that their employment report is accurate and verifiable;
- Daily timesheets signed by the employee for hours engaged on the project;
- Payslips signed by the employee to verify payment to worker for hours worked and claimed for IEPS;
- Declaration completed by each employee confirming their Aboriginal /Torres Strait Islander Status; and
- Termination records in lieu of signed payslips and timesheets for employees who are no longer engaged by the contractor.

Inclusions

The following activities/costs are allowable for IEPS claims by the Contractor:

- Gross Pay for work hours directly engaged on the project
 - Sole-traders operating under an ABN are capped at \$40 per hour
- Hours spent attending relevant training
- Hours travelling (in remote areas) for the purpose of the project
- Sub-contractor PAYG Indigenous workers can be claimed for IEPS payments by the Contractor when supported by relevant records

Exclusions

The following activities/costs are not allowable to be claimed by Contractors:

- Employer Superannuation Guarantee
- Public Holidays
- Sick/Personal Leave
- Annual Leave
- Payroll Tax
- Workers Compensation Insurance
- Off-site support such as yard work and mobilisation of equipment and materials to site
- Employment agency / broker fees
- Mentoring costs
- Accommodation
- Personal Protective Equipment (PPE)
- Business owners/directors who are not receiving wages as part of the PAYG taxation system
- Training expenses
- Travel expenses
- Labour costs associated with materials purchased for the construction project

Any activities/costs not stated in the above 2 categories will be treated as excluded.

Contractor Responsibility

- Claims for work hours directly engaged on project cannot be cumulative.
- Claim periods cannot exceed 5 weeks.
- Claims must be lodged on a monthly basis for certification and approval to pay.

Sub-contractor Arrangements

- The same IEPS eligibility criteria must be applied to Sub-Contractors.
- IEPS payments for Sub-Contractor's workers are to be passed on to the Sub-Contractor in full.

Audit

Audits of Indigenous Development Plans, including IEPS claims for payment, are conducted to verify conformance or non-conformance to Condition of Contract requirements including but not limited to:

- a) Incorrectly signed pay sheets or pay slips;
- b) Incomplete claims;
- c) Dual claims for hours worked;
- d) Unsubstantiated claims;
- e) Hours claimed without verification of attendance on-site;
- f) Contract commitment as per Response Schedule and approved variations;
- g) Overpayments;
- h) Underpayments; and
- i) Eligibility to claim IEPS based on self-identification of Indigenous heritage.

For further information or enquiries, please contact the Department of Infrastructure, Planning and Logistics, Contractor Compliance Unit on compliance.dipl@nt.gov.au or phone 8946 5063.