

Indigenous Employment Provisional Sum Public Accounts Committee Hearing 25 September 2025 Questions on Notice

Question on Notice #1

Could you elaborate on how many contractors and contracts were involved in the \$48.8m that was paid prior to the suspension of the scheme?

Of the \$60.8 million that was claimed and paid against the IEPS, \$48.8 million (80%) was paid prior to the suspension of the scheme. This \$48.8 million was paid to 133 contractors against 387 contracts. These claims were all audited to identify potential fraudulent activities.

Question on Notice #2

In terms of Aboriginal employment, does that apply to bringing Indigenous people from interstate onto contracts here, or do they have to be local Indigenous people?

The Aboriginal Procurement Policy, the Procurement Framework and the Value for Territory assessment framework all refer to employment for Aboriginal Territorians. FIFO employees do not meet this requirement.

Their indigeneity certification can be from an interstate entity and must be provided to the employer, but they need to be a Territorian, that is, residing in the NT.

Question on Notice #3

In terms of verification, you talk about ICN – Industry Capability Network, Northern Territory. What are the other ones? Is it Supply Nation? Who do you use as a verification of Indigenous business?

The Aboriginal Procurement Policy Guidelines assist NTG agencies, and their personnel, and any NTG body that is required to comply with the *Procurement Act 1995*.

The Aboriginal Procurement Policy and Guidelines mandate that any business must meet the criteria and must be certified by one of the three certifying authorities.

The NT Indigenous Business Network is recognised by the NT Government as the peak body for Aboriginal Business Enterprises in the Northern Territory and the primary certifying body.

Other approved certify authorities are Supply Nation and Office of the Registrar of Indigenous Corporations (ORIC).

Question on Notice #4

In relation to training in management plan requirements, risk management and fraud awareness, how often is this type of training provided to departmental staff and what qualifications or skills are required of staff involved in contract management?

The Northern Territory Government has developed online training to staff including:

- Introduction to ICAC and Mandatory Reporting – this essential training is mandatory for all public sector officers and must be completed within the first three months of commencement and refresher training to be renewed every three years
- Code of Conduct – this essential training is mandatory for all public sector officers and must be completed within the first three months of commencement and refresher training to be renewed every three years
- Fraud and Corruption Awareness – designed to help employees identify fraud and corruption and reduce the chances of fraud and corruption occurring within NTPS.

In addition to this training, DLI developed an online workplace induction program that must be completed by all DLI employees within the first two weeks of commencement with the department. This training includes information on risk management and fraud awareness.

DLI enforces these training principles and content through agency specific procurement training courses, focusing on educating department staff on risk mitigation, scope development, construction contract management, conflicts of interest and evidence-based decision making. The programs are delivered face to face and attendees are provided a completion certificate.

The department is investing \$100,000 per annum on this targeted training for contract managers and project staff.

Course Name	Duration	Commenced delivery	Staff completions
Construction Contract management	2 full days	May 2023	323
Scope development and risk mitigation	1 day	February 2024	269
Tender Assessment	1 day	September 2024	180
		To end June 2025	772

DLI specific 'Scope Writing and Risk Mitigation' program includes:

- Develop and apply the Procurement Activity Plan and Roadmap to reflect operational and risk mitigation requirements of your project.
- Comply with the new Risk Management Framework to identify and manage risk during all project stages.
- Incorporate operational risk considerations into the design of the RFT (specifications /preliminaries, evaluation criteria), and performance monitoring strategies.
- Identify NTG resources for specification development, and opportunities to apply continuous improvement /lessons learnt.

DLI contextualised 'How to undertake a tender assessment' outcomes include:

- responsibly participate in an assessment panel.
- conduct a logical, consistent and transparent assessment.
- differentiate between respondents' offers.
- perform effective assessment of Value for Territory.
- ensure objective assessment is free from bias or perception of bias.
- document evidenced and defensible decisions.
- understand individual responsibilities and required processes.

'Construction Contract Management' 2 full day program includes:

- Identify NTG policy and resources relevant to the management of construction contracts.
- Understand key roles and responsibilities and be proactive in their performance.
- Ensure VFT via managing performance + contract compliance.
- Apply robust documentation and recordkeeping practices to support effective performance management and dispute resolution.
- Perform key contract administrative tasks including payment claims, variations, record keeping.
- Perform contract management tasks including start up, dispute resolution, risk management.

DLI's Contactor Compliance Unit delivers training to staff relating to contract management plans and audits. This training is provided several times a year and is delivered in person or via Teams to all DLI offices, including remote offices. The Contractor Compliance Unit delivered seven training sessions across the department in 2024 and six training sessions in 2025 to date.

Project management staff are required to have a relevant qualification awarded by an Australian institution, or equivalent, or relevant experience in a field of technical work closely related to the duties of the position.

Question on Notice #5

How many contractors voluntarily provided additional information to verify claims and how many did not? What was the total value of those contracts?

A total of 146 contractors submitted claims across 453 contracts against the IEPS. There were multiple claims received per contract (e.g. one contractor submitted over 200 claims for a single contract). DIPL only requested information from contractors where claims were missing substantiating documentation. The process for requesting additional information differed depending on whether the contract was current or finalised. The focus on current claims was to verify claims against the Conditions of Contract prior to the release of payment whereas the focus of auditing claims paid prior to the suspension of the scheme was to detect potential fraudulent documentation submitted at the time the claims were received and paid.

For current contracts, all claims were verified against the Conditions of Contract prior to payment being released. DIPL received 879 claims for payment totalling \$13.9 million from 87 contractors across 148 contracts and these claims were all subject to the verification process. Claims totalling \$12.4 million required further information. For these claims, DIPL liaised with the contractor explaining what information was required and provided the contractor with the opportunity to either: produce documentation to substantiate the claim; revise the claim; or withdraw the claim. In total, DIPL conducted 1822 reviews on the 879 unpaid claims which included 1002 reviews where further information was required from contractors. The 1002 reviews included several communications with the contractor requesting further information to verify the claims. Those contractors who did not provide the required documentation did not receive payment for their claim. Of the \$13.9 million claimed, DIPL verified and paid \$12 million.

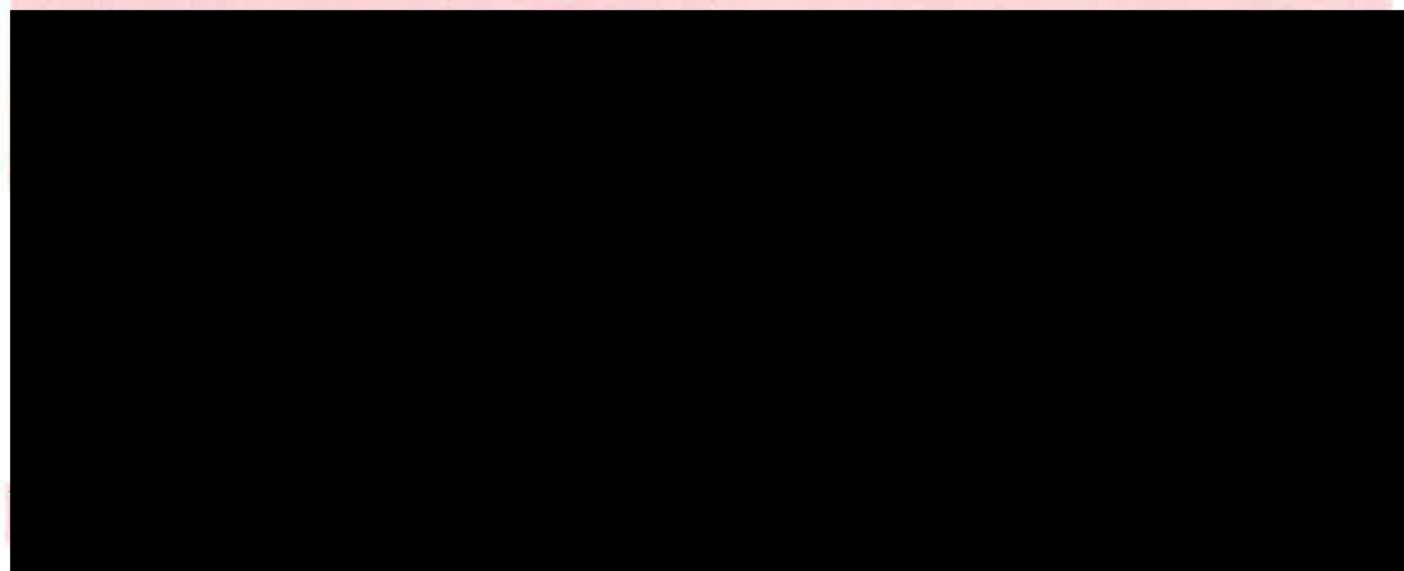
For finalised contracts, the focus was on auditing the documentation provided prior the suspension of the scheme. If a potential overpayment was identified, DIPL requested further documentation to substantiate the claim. DIPL did not develop a register to record the number of instances where additional information was requested or the value of each claim (as was done with the verification process for unpaid claims). However, all communication requesting documentation from contractors and all responses received from contractors is captured in the record management system.

To step back and retrospectively review all communications with the 146 contractors to determine how many times DIPL requested documentation, how many instances where the contractor did or did not provide information, and the value of those contracts would be a very significant administrative undertaking. The amount of administrative effort required to respond to this question would result in undue diversion of resources from service delivery. The instances of contractor's not providing requested information was extremely minimal and as the investigation into potential fraudulent activities was based on information already provided, these instances had no impact on the fraud investigation.

Question on Notice #6 – In confidence/commercial deed signed

The committee understands that DIPL engaged with an expert determiner to resolve a dispute with one contractor in relation to an identified overpayment. What was the value of that overpayment?

IN CONFIDENCE – Strictly not to be published

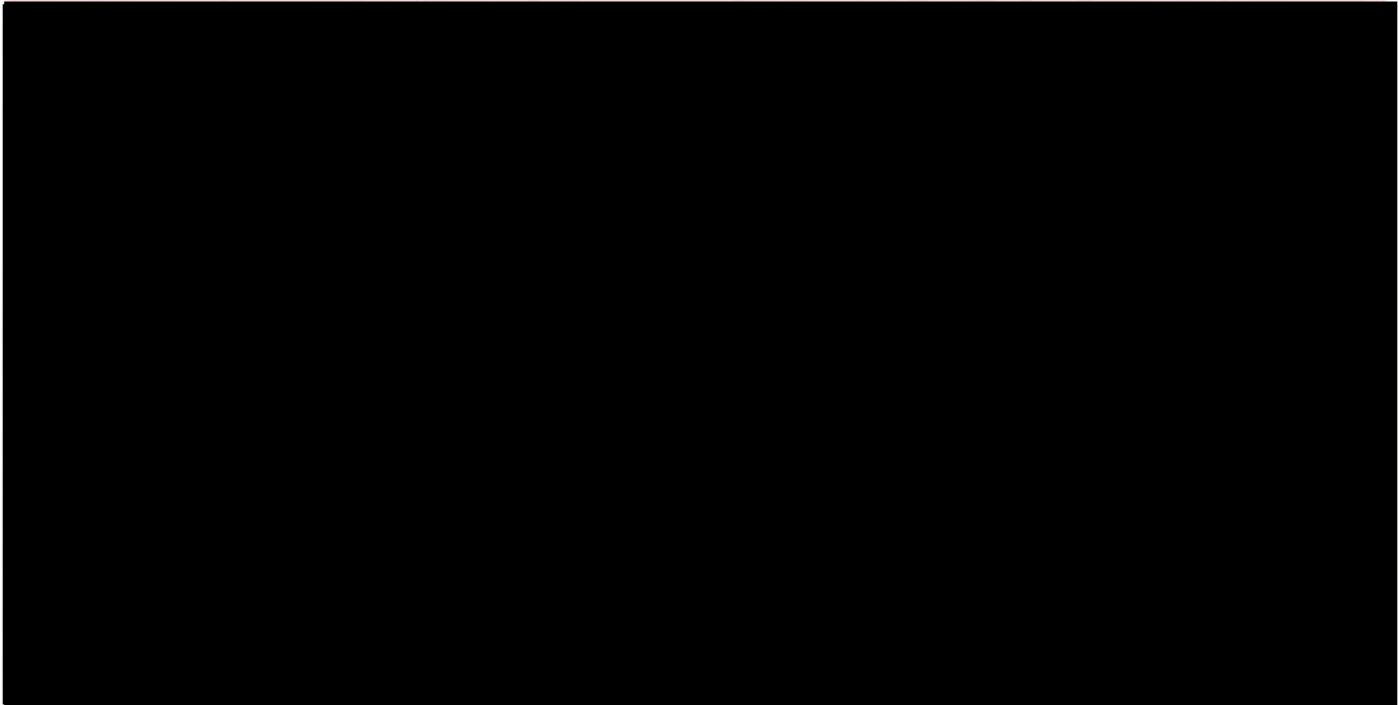




Question on Notice #7

How often does the department require contractors to provide confirmation of Aboriginality in relation to their employees? Has the department given any consideration to mandating confirmation of Aboriginality? If not, why not?

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Contractor Performance Scorecard Reporting Policy

Department of Infrastructure, Planning and Logistics

Commitment

The Department of Infrastructure, Planning and Logistics (DIPL) is committed to the implementation of a DIPL Contractor Performance reporting process that aligns with the *Procurement Act 1995* directions with respect to the Procurement Principles and Rules for evidence-based reporting with our service providers. This is referred to as Contractor Performance Scorecard reporting (CPS) and applies to contractors and consultants.

DIPL is responsible for integrating long term best practice planning into its services and functions to ensure they contribute to the Territory's future economic and community development, whilst delivering safe, inclusive and sustainable outcomes.

CPS is an essential mechanism to inform best practice contract delivery, planning and to provide accountability of DIPL contractors.

Purpose

The establishment of this policy will ensure DIPL's deliverables and processes include the use of the CPS.

The purpose of this policy is to:

- monitor projects that require CPS, as mandated in the conditions of contract.
- review and assess as complying with CPS requirements; and
- measure contractor performance against contractual obligations to achieve 'Value for Territory'.

Target

DIPL to complete a CPS on projects within appropriate procurement tiers and associated conditions of contract.

DIPL to aim for a 100% completion of CPS compliance at practical handover or if required, at the end of a defect or service period.

Policy Statement

To demonstrate our commitment in applying the Contractor Performance Scorecard reporting (CPS) function, DIPL will:

- ✓ Implement a performance measurement and management program that includes the assessment of all types of contracts in respect to CPS.
- ✓ The CPS will be completed in line within the conditions of contract.
- ✓ To align with the Northern Territory Government Procurement Framework.
- ✓ Promote a culture of continuous improvement and to promote a healthy and safe work environment.
- ✓ Deliver services that are accessible, agile, and that respond to the emerging needs of industry and the community.
- ✓ Provide a CPS compliance reporting function for DIPL's executive and agencies.
- ✓ Build partnerships to work collaboratively with industry by improving contractor accountability.
- ✓ The CPS will be used as an evidence-based past performance measurement for future procurement assessments.



Andrew Kirkman

Chief Executive
4 June 2024