

UPPER SPENCER GULF INDUSTRY PARTICIPATION POLICY

DSD Fact Sheet

Frequently Asked Questions

The Cabinet has declared the Upper Spencer Gulf an Economic Participation Region under the IPP. Below is a summary of what this means.

What is the South Australian Industry Participation Policy?

The South Australian Industry Participation Policy (IPP) is designed to deliver greater economic benefit to the State through more jobs, supply opportunities and investment arising from Government's expenditure in procurement, grants, capital works and maintenance.

The IPP does this by promoting contracts that deliver:

- Employment for residents of South Australia,
- Investment and capital expenditure that builds capacity in the South Australian economy, and
- Use of businesses and supply-chains that employ South Australian residents and invest in the State.

The new IPP provides grounds to declare an Economic Participation Region.

What is an Economic Participation Region?

An economic participation region is designed to stimulate economic activity and investment and support employment in the area, and to address economic conditions such as the transition of an economy, e.g. to reduce reliance upon a single large employer or a declining industry. When a region is established, key features can include that projects and procurements within the area should expressly be designed to benefit the region, for example it can be designed to:

- a) provide a long-term pipeline of projects for the region, and
- b) carry an increased industry participation weighting assessing economic contribution to the region as a critical criterion in selection of contractors to perform government contracts.

What does the declaration provide for Upper Spencer Gulf?

All new South Australian Government construction projects and infrastructure to be delivered in the Upper Spencer Gulf will ensure that wherever possible, the responsible Government Agency uses prequalification lists in a manner that promotes economic activity in the Region, and carry a 20 percent industry participation weighting for contracts above \$220,000. This includes projects which are contracted by the South Australian Government in the Region utilising Commonwealth funding.

What is boundary of the Upper Spencer Gulf Region?

The Region is the Port Pirie Regional Council, Port Augusta City Council and the Corporation of the City of Whyalla.

Contact

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What is the scope of this pipeline of projects?

The South Australian Government has identified \$145 million of Government capital investment projects that will occur in the Upper Spencer Gulf over the coming 4 years, with around \$56 million already underway or scheduled in 2017-18. This project pipeline will provide clear opportunities for local small businesses to be involved.

There will be opportunities with building upgrades, maintenance, housing including both new builds and maintenance and with roads and civil contracting.

Most of the key trades will be involved and interested trades people should look at the ICN Portal page and DPTI Facilities Management for details including how to pre-qualify.

<http://www.icn.org.au/content/south-australia/upper-spencer-gulf-economic-participation-region>

https://dpti.sa.gov.au/facilities_management

Does the declaration affect already ongoing contracts?

On the \$56 million of construction and maintenance already underway most will already be contracted for. In those cases, the Department of State Development will still work closely with agencies and head contractors to encourage the use of businesses from the Upper Spencer Gulf.

DPTI Facilities Management already has a high success rate in using local trades people across the regions.

How long does the declaration last for and what will happen in future as new projects and maintenance are approved?

The Region will operate for four years and the declaration may be renewed if this is required at the end of the four year period.

Each budget cycle there are new projects and maintenance approved. When these fall within the Upper Spencer Gulf Region the new approach will apply and the project pipeline will be updated.

Is the Solar Reserve Aurora project under the Economic Participation Region?

While the Solar Reserve project predates the designation of the Upper Spencer Gulf as an Economic Participation Region, Government supply chain development programs will still be available to businesses interested in working on the Aurora solar thermal plant.

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Web site: <http://www.icn.org.au/content/south-australia/upper-spencer-gulf-economic-participation-region>

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