



Australian Government
**Department of Industry, Science,
Energy and Resources**

Australian Industry Participation Plans

User Guide for developing an AIP Plan

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1. Introduction

The Australian Industry Participation (AIP) Plan has been developed in accordance with the principles and strategic approaches of the AIP National Framework. The AIP National Framework provides a nationally consistent approach to maximising Australian industry participation in investment projects and significant public and private sector activity. The AIP National Framework was agreed between Commonwealth, state and territory governments in 2001 to promote, develop and maintain a sustainable Australian industry capability by encouraging competitive Australian industry participation in investment projects.

The key principle of the AIP National Framework is to provide Australian industry, especially small and medium sized enterprises (SMEs), with *full, fair and reasonable opportunity* to participate in major investment projects, in Australia and overseas.

The AIP National Framework does not mandate the use of Australian industry. It is about providing opportunity for capable and competitive Australian industry to participate in major projects.

The AIP National Framework supports AIP programmes and initiatives that aim to encourage industry to meet world's best practice through capability building; identifying early stage opportunities for industry participation both domestically and overseas; promoting Australian capability and integration of industry into global supply chains; and enhancing project facilitation and participation. The AIP National Framework is available at www.industry.gov.au/aip.

2. About this User Guide

The *Australian Industry Participation Plans: User Guide for developing an AIP Plan* (AIP Plans: User Guide) outlines the steps required to be taken by an organisation if they are required to provide an AIP Plan. It includes detailed descriptions of how to prepare an AIP Plan.

AIP Plans may be required for the Australian Government initiatives outlined in Section 3.

Organisations are encouraged to contact the Department of Industry, Science, Energy and Resources (Department) early in the process and use the template available at www.industry.gov.au/aip when preparing their AIP Plan.

The AIP Plans: User Guide should be read in conjunction with the *Australian Industry Participation Plans: User Guide for developing an Implementation Report* (Implementation Report User Guide). The Implementation Report User Guide, is available by emailing aip@industry.gov.au.

This User Guide may be updated from time to time. To ensure you are using the most up to date version you should visit the Australian Industry Participation website at www.industry.gov.au/aip.

3. Programmes incorporating AIP Plans

The Australian Government has a number of initiatives which give effect to the principles outlined in the AIP National Framework and in certain circumstances require organisations to develop an AIP Plan. These initiatives are outlined below with additional information available at www.industry.gov.au/aip.

3.1 Australian Government Grants and Loans

This initiative applies AIP Plans to large Commonwealth grants and loans of \$20 million or more where there are opportunities for Australian industry to supply goods and services, and where there is a potential Australian industry capability.

This policy applies to Australian Government agencies that are defined as 'non-corporate' Commonwealth entities under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

While this policy does not cover 'corporate' Commonwealth entities under the PGPA Act, these corporate Commonwealth entities may apply the policy to grants and loans valued at \$20 million or more.

3.2 Australian Government Procurement

This initiative strategically applies AIP Plans to large Commonwealth tenders (of \$20 million or more), by requiring successful tenderers or panellists to prepare and implement AIP Plans. This policy has applied from 1 January 2010.

This policy applies to Australian Government agencies that are defined as 'non-corporate' Commonwealth entities under the PGPA Act. For the purposes of section 23 (2) of the PGPA Act and section 18 of the *Public Governance, Performance and Accountability Rule 2014*, requiring successful tenderers or panellists to prepare and implement AIP Plans for Major Commonwealth Procurements is 'a policy of the Commonwealth'.

While this policy does not cover 'corporate' Commonwealth entities, these entities may apply the policy to procurements valued at \$20 million or more.

3.3 Australian Government payments to states and territories

This measure will apply AIP Plans to large infrastructure projects where funding of \$20 million or more is provided by the Commonwealth through state and territory governments.

To avoid duplication, the Australian Government will not require AIP Plans for projects funded by the Commonwealth, through payments to states and territories, if they are already subject to state or territory Local Industry Participation policies.

3.4 Clean Energy Finance Corporation (CEFC)

This measure applies AIP Plans to CEFC investments of \$20 million or more. The objective of AIP Plans is to ensure Australian industry is afforded full, fair and reasonable opportunity to participate in projects. The CEFC commenced operations on 1 July 2013.

3.5 Northern Australia Infrastructure Facility (NAIF)

This measure applies AIP Plans to NAIF loans of \$20 million or more. The objective of AIP Plans is to ensure Australian industry is afforded full, fair and reasonable opportunity to participate in projects. The NAIF commenced operations on 1 July 2016.

4. What is an AIP Plan?

An AIP Plan is a document which outlines an organisation's¹ actions to provide Australian industry with *full, fair and reasonable opportunity* to participate in the organisation's project. AIP Plans are specific to a project. **Organisations may apply a consistent approach across multiple projects, however, a project specific AIP Plan must be submitted for each project.** The objective of an AIP Plan is to:

- Demonstrate how the organisation will provide *full, fair and reasonable opportunity* to Australian industry to supply goods and services to the project; and
- Endeavour to maximise opportunities for Australian industry to participate in all aspects of the project.

The concept of providing *full, fair and reasonable opportunity* to Australian industry is the core principle of the AIP National Framework. The definitions are as follows:

Full – Australian industry has the same opportunity afforded to other global supply chain partners to participate in all aspects of a project (e.g. design, engineering, project management, professional services and IT architecture).

Fair – Australian industry is provided the same opportunity as global suppliers to compete on projects on an equal and transparent basis, including given reasonable time in which to tender.

Reasonable – tenders are free from non-market burdens that might rule out Australian industry and are structured in such a way as to provide Australian industries the opportunity to participate in projects.

AIP Plans must reflect planned events. This is best done by identifying *specific actions/strategies* that will be undertaken to encourage Australian industry participation.

An AIP Plan should describe the actions and policies that will guide procurement processes. If approaches differ for different goods and services, this should be clearly stated in the AIP Plan. The identified actions in an AIP Plan can be part of existing strategies or new strategies specifically created for the AIP Plan.

Consistent with Australia's international obligations, the requirements for AIP Plans do not mandate the use of Australian industry, but rather aim to provide Australian industry with the opportunity to demonstrate their capabilities and tender if they are able to meet the procurement specifications.

If an Approved AIP Plan is a condition of contract for a Commonwealth procurement, grant, loan or payment, all organisations, regardless of size, location or ownership structure, are required to develop an AIP Plan.

If you require guidance on AIP Plans, please contact the Department by:

Email: aip@industry.gov.au

Phone: +61 2 6213 6404

¹ Organisation - Means businesses in all sectors including, but not limited to, public, private, not-for-profit, small and medium sized enterprises

4.1 How to prepare an AIP Plan

An AIP Plan outlines the actions an organisation will take to provide Australian industry, especially SMEs, with *full, fair and reasonable opportunity* to participate in a project. The AIP Plan must meet the criteria outlined below.

For more detailed guidance on how to meet the AIP Plan criteria see *Section 5 Detailed AIP Plan Criteria*. Furthermore, a template for developing an AIP Plan is available at www.industry.gov.au/aip.

4.1.1 AIP Plan Criteria

Criterion 1: Organisation and project details

Provide detail on the organisation and the project to be undertaken.

Criterion 2: Opportunities for Australian industry

Where it is known, provide detail on the goods and services to be procured for the project, an indication of expected areas of opportunity for Australian suppliers, and an estimate of the percentage of Australian industry value added for the project.

Criterion 3: Communication strategy

Provide detail on the organisation's communication strategy that provides for the early identification of opportunities for Australian industry and the effective transfer of information on opportunities for Australian industry through all tiers of supply (e.g. along sub-contracting chains).

This must include detail on how the organisation will actively seek information on Australian industry capability and communicate opportunities to potential suppliers.

Criterion 4: Opportunities through all tiers of supply and in all stages of the project

Describe strategies to include Australian industry through all tiers of supply and all stages of the project (i.e. through design, procurement, construction, operation and whole-of-life support).

This must include information on the standards to be applied in the project and how AIP Plan commitments will cascade to tier 1 or Engineering, Procurement and Construction Management (EPCM) companies. This must also explain the process and criteria to assess potential suppliers (including any prequalification processes).

Criterion 5: Opportunities for longer-term participation

Describe opportunities for longer-term participation by Australian industry, including how the project will work with suppliers (and government programmes where applicable) to encourage capability development and integration into global supply chains.

Criterion 6: Procedures and resources

Describe the internal procedures, resources and systems in place to monitor the implementation of the AIP Plan.

4.2 How many actions/strategies should be included under each criterion?

In addressing each AIP Plan criterion, the organisation should have a number of different actions/strategies in place stating how it will provide *full, fair and reasonable opportunity* to Australian industry. The table below outlines a suggested number of detailed actions/strategies required against each criterion in the organisation's AIP Plan.

Table 1 Number of actions/strategies required for each AIP Plan criterion

Criterion	Number of recommended actions/strategies
Criterion 1: Project details	Mandatory questions
Criterion 2: Opportunities for Australian industry	Mandatory questions
Criterion 3: Communication strategy	Four to five actions/strategies
Criterion 4: Opportunities through all tiers of supply	Four to five actions/strategies (including the mandatory actions/strategies)
Criterion 5: Opportunities for longer term participation	Four to five actions/strategies (including the mandatory action/strategy)
Criterion 6: Procedures and resources	Two to three actions/strategies

4.3 What makes up an action/strategy?

An action/strategy should contain the following key components:

1. **What** action the organisation will undertake.
2. A statement outlining the **context** of when the action will be implemented.
3. **How** the action will be carried out.

All actions in the AIP Plan should be phrased in an active manner and should not include statements or words like *on an as needed basis, can, might or may*.

When drafting actions for an AIP Plan the key consideration should be whether the action will assist Australian industry in gaining knowledge of, or access to, an opportunity and how effective the action may be.

Table 2 provides an example of how to draft an AIP Plan action/strategy.

Table 2 Example of potential AIP Plan action

AIP Plan	Example action
Action	<p>Engagement with the Industry Capability Network (ICN):</p> <p>[Organisation] will engage with the Industry Capability Network (ICN) to nominate potential suppliers of goods and services relevant to the project.</p> <p>[Organisation] will provide the ICN with a list of goods and services which will be required to complete the project. These will be listed on the ICN Gateway website.</p> <p>[Organisation] will use ICN’s nominated suppliers to supplement our existing supplier database and these will be invited to respond for the provision of goods and services required to undertake the project.</p>

4.4 Submitting an AIP Plan

Draft AIP Plans can be submitted to the Department for feedback and approval by:

Email: aip@industry.gov.au

4.5 AIP Plan assessment and approval

Organisations must submit their AIP Plans to the Department to gain approval. The Department requires at least 10 working days from the date of receipt of an organisation’s draft AIP Plan to assess, approve and provide the approval documents. The assessment process may include providing feedback where AIP Plans require further development or clarification. Where feedback is provided, the timeframe for the approval process is dependent on how long organisations take to incorporate the feedback.

It is the sole responsibility of the organisation to manage the timeframes around the approval of the AIP Plan and ensure the minimum timeframe is provided. Organisations must take this timing into account when preparing their AIP Plan.

Once assessed as satisfactory, the Department will issue the organisation with the following:

1. A cover letter stating the AIP Plan is approved and detailing any limitations.
2. The Approved AIP Plan.
3. A Certificate of Approval.

4.6 Publication of AIP Plan executive summaries

The Australian Government requires executive summaries of AIP Plans to be published on www.industry.gov.au/aip. Organisations will be required to provide the executive summary to the Department which will work with organisations to ensure the executive summary is an accurate reflection of the AIP Plan. This should be undertaken in conjunction with the development of the AIP Plan which will ensure that the executive summary is finalised and ready for publication once a contract or grant notice is published, or when advised by the procuring/granting/lending agency that

a contract has been executed. The executive summary of the AIP Plan should not include any confidential material. Executive summaries can be updated or modified by organisations in consultation with the Department.

The executive summary of the AIP Plan will be published for each initiative at the following times:

Initiative	Timing
Australian Government grants	When the grant notice is published
Australian Government procurement	When the contract notice is published on AusTender
Australian Government payments to states and territories	Not centrally published

The executive summary of the AIP Plan should include details of actions under each of the AIP Plan criteria outlined in *Section 5 Detailed AIP Plan Criteria*, specifically incorporating:

- a description of the project
- how the company or project will actively seek information on Australian industry capability and communicate opportunities to potential suppliers
- details of expected areas of opportunities for Australian suppliers, including how the company/project will provide opportunities to Australian industry through all stages of a project and through all tiers of supply
- the process and criteria to assess potential suppliers (including any prequalification processes)
- how the company will work with suppliers (and government programmes where applicable) to encourage capability development and integration into global supply chains.

4.7 Record keeping and outcomes

To assist organisations to report on the implementation of their AIP Plans, it is important that organisations keep records of the actions and/or events demonstrating that the actions in the AIP Plan have been implemented. Organisations are strongly encouraged to have systems in place to collect this information and evidence (e.g. databases recording the number and a description of companies attending supplier information sessions). For further information see *Section 5.6 Criterion 6: Procedures and resources*.

For public reporting purposes an aggregate percentage of Australian industry value added will be published for each organisation/project as reported in the Implementation Report. This value will be published once the Implementation Report has been assessed as acceptable by the contracting agency.

4.8 AIP Plan Annual Report

The Australian Government will prepare an Annual Report on AIP Plans and outcomes. Information provided to the Department through AIP Plans and Implementation Reports will be incorporated into this Annual Report.

5. Detailed AIP Plan Criteria

This section provides additional detail on the information and types of actions required for each AIP Plan criterion.

5.1 Criterion 1: Organisation and project details

This criterion contains basic information of the organisation and the proposed project.

5.1.1 Organisation name, project name and project location

Organisations should provide their name, the project name (if applicable) and the main location where the project will be undertaken.

5.1.2 Organisation website address

If awarded a contract, a link to the organisation's website will be published on www.industry.gov.au/aip. Organisations should provide a website address that will link to the organisation's website.

5.1.3 Detailed project information

Organisations should detail the project information which will be included in the executive summary of the AIP Plan. This project information should provide enough information for Australian industry to determine if they are suitable to provide goods and services to the project.

5.1.4 Project/procurement officer's contact details

Organisations should provide contact details for the project/procurement officer so Australian industry has a central contact person. Alternately, if the organisation has general procurement contact details, this may be used.

5.2 Criterion 2: Details of potential opportunities for Australian industry involvement

This criterion examines where the opportunities may be available for Australian and/or overseas industry to supply goods and services that may be purchased by the organisation in undertaking the project. In addition, organisations are required to provide an estimate of the Australian industry value added in purchased goods and services that is expected for the project.

5.2.1 Potential opportunities for Australian industry involvement

Where it is known, organisations developing an AIP Plan should provide a breakdown of the key goods and services to be procured for the project, such as IT hardware/software, steel, steel fabrication, transport services, construction services, engineering services, processing equipment etc. Each key good and service should be listed, together with an indication of whether it offers opportunities for Australian and/or overseas suppliers. Where an organisation has indicated that goods or services cannot be procured in Australia, or via an Australian supplier (**Note:** an Australian supplier means an entity that has an ABN or an ACN), a short explanation of why the organisation has made this assessment should be included. The information provided in the table should be based on an initial assessment of the market. Material that is commercial-in-confidence will not be published however the organisation will need to make a case as to why it should not be published.

Table 3 below provides an example of the types of opportunities which can be listed.

Table 3 Example of expected opportunity for industry involvement in the provision of goods and services

Expected opportunity for industry participation	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Design services	Yes	No
Construction services	Yes	No
Engineering services	Yes	No
Information Technology – Hardware	No	Yes
Information Technology – Software	Yes	No
Transport Services	Yes	No
Electrical and computer cabling	Yes	Yes

*An Australian supplier means an entity that has an ABN or an ACN.

5.2.2 Estimated Australian industry value added in purchased goods and services

Estimated Australian industry value added in purchased goods and services is defined as: the estimated value of purchased goods and services less the estimated amount to be spent on imported goods and services. The latter includes all components, embedded software and design,

manufacturing, assembly and supply services used for, or in the supply of, those products or services.

This can be calculated by:

From the estimated purchase value of all goods and services for the project, subtract the estimated value of imported goods and services

When calculating estimated Australian industry value added in purchased goods and services, organisations should take into consideration where the process of transformation takes place or the service is delivered from, not simply the geographical location of the supplier. For example, a contract may be provided to an Australian company who then purchases the good from overseas. The overseas component should be included as an imported good in the calculation of Australian industry value added.

Table 4 below provides an example of how estimated Australian industry value added in purchased goods and services can be calculated.

Table 4 Example of calculating Australian industry value added in purchased goods and services

	Estimated Value	Per cent
Purchased goods and services	\$40 000 000	100%
Imported goods and services	\$15 550 000	39%
Estimated Australian industry-value added in purchased goods and services	\$24 450 000	61%

5.3 Criterion 3: Communication strategy

This criterion requires a communication strategy for the early identification of opportunities for Australian industry and effective transfer of information on opportunities for Australian industry, through all tiers of supply (e.g. along sub-contracting chains). This must include detail on how the organisation will actively seek information on Australian industry capability and communicate opportunities to Australian industry.

A communication strategy is essential in showing how an organisation will provide *full, fair and reasonable opportunity* for Australian industry to participate in the project.

Please note: this criterion will not be deemed to be ‘met’ if an organisation states it will only rely on pre-existing, closed supply chains and sub-contractors and does not intend to communicate opportunities more broadly. Organisations need to describe how they will identify and encourage new suppliers to participate in their project.

5.3.1 How the information will be communicated

An organisation should identify specific methods and/or mediums they intend to use to communicate how Australian industry can find out about available opportunities to participate in the project.

Australian industry must be given timely and adequate opportunities to participate. Therefore, an organisation’s communication strategy should be implemented as early as possible.

The following examples are strategies which could increase opportunities for Australian industry and may become part of an organisation’s communication strategy:

Web based activities

- Utilise or create a supplier portal dedicated to either the project or the organisation detailing the types of opportunities available to Australian industry and how they can respond to these opportunities.
- Proactively publicise a website which provides details on the types of opportunities available to Australian industry and how they can respond to these opportunities.

Liaison with industry bodies

- Consult with the relevant industry associations and Australian industry to help identify capable and competitive Australian industry suitable to supply goods or services to the project. These industry bodies can also distribute information to capable Australian industry. The distributed information should address all aspects of the project.

Liaison with the Industry Capability Network

- Consult with the Industry Capability Network (ICN) to help identify capable and competitive Australian industry suitable to supply goods or services to the project. Organisations should contact the ICN before submitting the AIP Plan to confirm that the ICN is able to assist.

Public information activities

- Hold public/industry briefings, conferences and/or workshops to communicate the types of opportunities available to Australian industry and information on how Australian industry can respond to opportunities, including how to pre-qualify.
- Publish media releases/statements through main stream media (e.g. newspapers, industry magazines and/or business journals) detailing supply opportunities and how Australian suppliers can respond to these opportunities.

Other activities

- Develop and distribute a Supplier Information Guide that details the organisation's expectations of Australian industry.
- Direct contact with Australian industry (e.g. letters or emails) inviting tender responses or informing about opportunities and how to respond to these opportunities.
- Where closed tenders cannot be avoided, tenders should be circulated in a manner that enables Australian industry to be informed of the project. If a closed tender will be used, explain how those invited to tender will be selected and why a closed tender process is required.
- If only companies who are pre-qualified will be invited to tender, explain how Australian industry will be given the opportunity to pre-qualify. This could involve information sessions on how to pre-qualify.

5.4 Criterion 4: Opportunities through all tiers of supply and in all stages of the project

When addressing this criterion an organisation should describe the proposed actions undertaken to identify and provide Australian industry *with full, fair and reasonable opportunity*. This can be achieved by providing access to opportunities through all tiers of supply (e.g. from prime contractors to lower tier suppliers) and the measures undertaken to encourage this in all stages of the project (e.g. through design, procurement, construction and whole-of-life support).

This must include information on the standards to be applied in the project and how AIP Plan commitments will cascade to tier 1 or Engineering, Procurement and Construction Management (EPCM) companies. This must also explain the process and criteria to assess potential suppliers (including any prequalification processes).

5.4.1 Mandatory Actions

Outlined in this section are actions that are required to be addressed:

Standards to be used in the project

This action outlines what standards will be applied in undertaking the project. Organisations should ensure design specifications take Australian industry capabilities and Australian standards into account and that Australian industry is not “designed out” of the project (i.e. tender documentation cites Australian standards or equivalent standards that Australian industry can meet).

In addressing this action, if the organisation is not using Australian standards it should indicate whether these standards can be met by Australian industry and what impact not using Australian standards may have on the ability for Australian industry to participate.

Potential supplier assessment process

Outline the process and criteria used by your company to assess a new supplier (and relevant contractors and sub-contractors) ensuring these processes do not disadvantage Australian suppliers and provide a level playing field. Alternatively, if this information is already publicly available on the organisation’s website, a link can be provided to this information.

For example:

- Develop product assessment and comparison processes to ensure full consideration of aspects such as whole-of-life costs and appropriate quality; and ensure performance indicators are incorporated into the assessment of all suppliers.
- Assess tenders from Australian and overseas suppliers on the same basis.
- Encourage Australian suppliers to pre-qualify for current tenders.

Flow down of AIP requirements through all tiers of supply

Where the organisation is using contracting/sub-contracting arrangements (including the use of EPCM companies), the organisation should ensure that contractors/sub-contractors commit to the AIP Plan (or are covered by the AIP Plan) and ensure that these contractors/sub-contractors are aware of the AIP Plan and how it impacts them.

Evidence should be provided to demonstrate how AIP Plan commitments will cascade down to tier 1 or EPCM companies including mechanisms to ensure that EPCM companies implement and provide evidence of AIP actions.

Examples of actions that can be undertaken include:

- Standard contractual arrangements with suppliers to outline their AIP requirements.
- Specify a requirement in tender documents that successful tenderers adopt specific AIP strategies.
- Establish reporting requirements which show how AIP strategies have been implemented.
- Include a requirement in tender documents that lead contractors and/or successful tenderers implement the organisation's AIP policies and/or adopt specified AIP strategies.
- Require EPCM companies, or the project management group, to engage with and involve Australian industry.
- Provide endorsement and communication of the AIP Plan and principles throughout the project (e.g. at supplier information seminars, on project websites or through public announcements).

5.4.2 Other actions

Outlined below are examples of other actions/strategies that organisations may further develop:

AIP policy

- Create, publish and distribute (within the company and/or to any potential or existing sub-contractors) a policy detailing your commitment to maximising the opportunities for Australian industry to participate in the project. If such a policy already exists, a copy of this policy should be provided along with details of the endorsement and how the policy operates.

Project design and management

- Promotion of Australian industry participation in the early stages of the project including prefeasibility, feasibility and cost benefits analysis.
- Ensure Australian industry is not disadvantaged when designing the project. For example:
 - Ensure Australian industry has been given the opportunity to tender for the management of the project.
 - Communicate the advantages of designing the project in Australia.
 - If design is undertaken overseas, ensure that consideration is provided to potential Australian suppliers.

Tender document structure

Structure tenders to ensure Australian industry are provided with the same opportunities to participate in the project as existing or global supply chain partners. For example:

- Make tender documents available to all possible suppliers at the same time.
- Allow equal and reasonable time frames for Australian and overseas industry to respond to tenders.

- Structure tenders for Australian and overseas industry on the same basis (i.e. do not include different standards between the Australian and overseas tender documents).
- Keep the cost of tendering as low as possible and in line with Australian industry norms.
- If procurement packages are only sought from overseas, an explanation should be provided as to why this decision was made.

5.5 Criterion 5: Opportunities for longer-term participation

By addressing this criterion organisations should provide detail on how the organisation's actions will assist longer-term participation by Australian industry, including how the organisation will work with suppliers (and government programmes where applicable) to encourage capability development and integration into global supply chains. Organisations can undertake the proposed activities at any stage of the project, for example, prior to approaching the market, once suitable suppliers are identified, or if Australian suppliers are unsuccessful.

5.5.1 Mandatory Action

Encourage capability development and integration of Australian industry into global supply chains

This action examines how the organisation will work with suppliers (and government programmes where applicable) to encourage capability development and integration into global supply chains and outlines how introductions will be made between Australian and international companies. This could be achieved by:

- Recommending companies to the Department's Entrepreneurs' Programme, which provides comprehensive advice and support to eligible Australian SMEs.
- Encouraging overseas suppliers to use Australian offices to provide information to Australian industry about international procurement requirements, the types of goods, services and capabilities registered in their supplier databases, and the criteria by which suppliers are assessed for inclusion in these databases.
- Introducing Australian suppliers to other global companies, including the organisation's customers and suppliers. This could include:
 - bringing procurement managers to Australia to showcase Australian industry capability
 - arranging for visits by Australian industry to the project proponent's overseas facilities
 - support for overseas demonstrations of Australian industry capability
 - communications with global supply chain managers and procurement agents about Australian industry capability.
- Provide market 'intelligence' to Australian suppliers, including knowledge of international market and price trends, international and domestic market potential and sources of raw materials.

5.5.2 Other actions

Outlined below are examples of other actions/strategies that organisations may further develop:

Supporting training and development

Support training and skills development in technology, standards, and qualifications. For example:

- Support Australian industry to adopt world's best practice standards and, where appropriate, to gain international accreditation. Simply requiring specific standards/accreditations is not sufficient; organisations should outline how they will assist Australian industry in adopting the specific standards/accreditations.

- Provide in-house training and certification that enhances the ability for Australian industry to obtain additional business domestically and overseas.
- Encourage adoption of International Organisation for Standardisation (ISO) requirements or Occupational Health and Safety (OH&S) qualifications.
- Transfer product and process technology, and organisational know-how, to Australian industry.
- Undertake technical consultation with Australian industry to assist in mastering new technologies.
- Introduce a development programme for capable Australian suppliers that actively seeks out new Australian suppliers and provides training and technology transfer.

Encouraging Australian suppliers to pre-qualify for future tenders

- Undertake a rigorous supplier audit and improvement initiative to benchmark and publicise best practice.
- Accredite suppliers to work in other regions, thus opening new markets.
- Conduct workshops that provide sector-specific information on how to prepare bids against tenders, including, if relevant, becoming e-procurement ready.

Research and Development

- Encourage Australian industry to undertake research and development and innovative activities.

Facilitating strategic partnerships

- Facilitate strategic partnering, consortia building, joint ventures and clustering activities amongst Australian companies and/or between Australian and international organisations. This could be achieved by:
 - making introductions between possible partners
 - arranging seminars to raise awareness of the benefits to Australian industry of entering into strategic alliances and how to enter into and manage such arrangements
 - making referrals to the ICN.

Feedback to suppliers

- Provide feedback to unsuccessful Australian suppliers to encourage improved performance in future tenders. This could include referring unsuccessful eligible Australian suppliers to the Department's Entrepreneurs' Programme.
- Provide feedback on performance to successful Australian suppliers used in the project and, where appropriate, provide information on strategies and activities they may undertake to be considered for future inclusion in global supply chains.

Promoting Australian industry capability

- Organise discussions with procurement managers to brief them on the capabilities and past achievements of Australian suppliers.

- Assist participation by Australian industry in local, regional, national or international trade fairs to build awareness of Australian capabilities.
- Provide strategic feedback to the Commonwealth on emerging trends.

5.6 Criterion 6: Procedures and resources

The intent of this criterion is to ensure that the organisation has the appropriate resources and procedures in place within the project to effectively implement the actions outlined throughout the AIP Plan. This should also include, where applicable, monitoring of lower tier AIP obligations. Organisations should describe the procedures and resources to implement the strategies to provide *full, fair and reasonable opportunity* to Australian industry and the internal procedures, resources and systems in place to monitor the implementation of the AIP Plan.

The AIP Plan and associated policies should be committed to at a corporate/executive level to increase the likelihood of achieving substantial outcomes. It is important that they are recognised and incorporated in all aspects of the project. This is more likely to be achieved if adequate resources and procedures are in place. Furthermore, this should also support the collection of evidence for the project's subsequent Implementation Report.

Outlined below are examples of actions/strategies that organisations may further develop:

5.6.1 Resources

- Nominate a suitable position(s) within the project to implement the principles and actions outlined in this AIP Plan. It is important that this position is involved in the procurement decision making process (e.g. supply chain or procurement managers).
- Allocate responsibility for specific activities described in the AIP Plan to specific positions.

5.6.2 Procedures

- Have a documented formal policy for Australian industry participation which addresses the preceding criteria. If this policy already exists, a copy of that policy should be provided along with details of the endorsement and how the policy operates.
- Develop and implement standard contractual arrangements with suppliers to give Australian industry opportunities to participate.
- Develop systems and processes which embed corporate Australian industry participation policies in planning and decision making throughout the project (e.g. by developing goals, implementation targets and key performance indicators linked to the implementation of AIP policies).
- Develop systems to monitor and report on the extent of Australian industry participation.
- Develop systems to identify inappropriate action under the AIP Plan and to monitor/record the corrective action taken.
- Have a system in place to identify and report any variations in AIP Plan activities internally and to the Department.

Please note: If, during the implementation of the AIP Plan, any changes need to be made to the AIP Plan or the strategies described, then the organisation must seek approval from the Department.

6. Implementation Reports

If an organisation is successful, they will be contractually required to implement their approved AIP Plan and report on its implementation through an Implementation Report.

An Implementation Report documents the actions and activities that have been undertaken to implement the AIP Plan. The Implementation Report should detail *how full, fair and reasonable opportunity* was provided to include capable Australian industry in the project.

The outcomes that were achieved as a result of these actions should be documented in the Implementation Report. Evidence of these actions and outcomes should be provided as an attachment to the Implementation Report. To assist organisations to prepare an Implementation Report, an Implementation Report User Guide and a template for developing an Implementation Report are available by emailing aip@industry.gov.au. Organisations can also develop a similar document.

The contracting agency will be responsible for ensuring the receipt of an adequate Implementation Report and will share information with and consult with the Department. On request, the Department will provide advice to organisations preparing Implementation Reports.

It is recommended that organisations contact the Department early after the award of a contract or grant. The Department can provide assistance/advice to assist in implementing and reporting on the AIP Plan.

If you require guidance on Implementation Reports, please contact the Department by:

Email: aip@industry.gov.au

Phone: +61 2 6213 6404

7. Related Programmes

7.1 Enhanced Project By-law Scheme

The Enhanced Project by Law Scheme (EPBS) is now closed to new applications (as of 7.30 pm on 3 May 2016).

For more information on EPBS please visit www.business.gov.au or call 13 28 46.

7.2 Entrepreneurs' Programme

The Entrepreneurs' Programme aims to improve the capabilities of small and medium sized enterprises to become more competitive and grow. With a national network of more than 100 experienced private sector advisers, the Entrepreneurs' Programme offers support to businesses through three streams, Business Management; Research Connections; and Accelerating Commercialisation.

Practical support for businesses includes; advice from people with relevant private sector experience; co-funded grants to commercialise new products, processes and services; and connection and collaboration opportunities.

Services are flexible, tailored and focussed on value-added advice and support. Some services can be accessed by all Australian businesses. Eligibility criteria apply for more targeted assistance and grants.

For more information, visit www.business.gov.au or call 13 28 46.

7.3 Industry Capability Network

The Industry Capability Network (ICN) works with project proponents to identify and match capable and competitive Australian suppliers with project opportunities. Project proponents can list their project opportunities through ICN who will distribute this information to Australian suppliers. Australian manufacturers and service providers can register their products, services and capabilities on ICN's national industry capability database. Contact details and further information on ICN's services is available at www.icn.org.au.

The ICN is a non-profit organisation that introduces Australian and New Zealand companies to the supply chains of major projects. The ICN will work with procurement and project managers to help them identify competitive Australian suppliers. At the same time, ICN opens up new opportunities to Australian and New Zealand suppliers within major projects both domestically and overseas.

7.4 Export Finance and Insurance Corporation (Efic)

Efic is the Australian Government's export credit agency. It provides tailored financial solutions such as loans, working capital guarantees or bonding facilities for export and export-related projects to help Australian businesses overcome financial barriers.

Efic can assist at the project level, and assist contractors or subcontractors to take advantage of supply-chain opportunities in major projects both in Australia, where the end product is exported, and in overseas projects. Efic draws on 50 years of export finance and industry expertise, contacts at financial institutions around the globe, and the strength of its AAA credit rating to assist projects.

Efic operates on a commercial basis and practises responsible lending and upholds social and environmental best practice in the transactions it supports. For more information visit:
<http://www.efic.gov.au/contractors>.

Attachment A

Abbreviations and acronyms

Abbreviation	Acronym
AIP Plan	Australian Industry Participation Plan
AIP National Framework	Australian Industry Participation National Framework
AIP Plans: User Guide	Australian Industry Participation Plans: User Guide for developing an AIP Plan
Efic	Export Finance and Insurance Corporation
ICN	Industry Capability Network
Implementation Report User Guide	Australian Industry Participation Plans: User Guide for developing an Implementation Report
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
SME	Small and Medium Sized Enterprises

Key Concepts and Definitions

AIP National Framework

The AIP National Framework encourages a nationally consistent approach to maximising Australian industry participation in major projects in Australia and overseas. Commonwealth, State and Territory Ministers signed the AIP National Framework in 2001. The AIP National Framework is available at www.industry.gov.au/aip.

AIP Plan requirement

An AIP Plan outlines the actions an organisation intends to take to provide SMEs with *full, fair and reasonable opportunity* to participate in the project. Section 4.1.1 AIP Plan Criteria provides the criteria that are to be met for an AIP Plan to be approved by the Department. In meeting these criteria, organisations should outline specific activities they will undertake to provide Australian industry including SMEs with *full, fair and reasonable opportunity*. Detailed guidance on how to prepare an AIP Plan is provided in Section 5 Detailed AIP Plan Criteria. A template for developing an AIP Plan is available at www.industry.gov.au/aip.

Approved AIP Plan

An Approved AIP Plan means an AIP Plan that has been approved by the Department in accordance with the AIP Plans: User Guide for a specific Commonwealth procurement, grant, loan or payment.

Implementation Report

An Implementation Report documents (by providing evidence) the actions and activities that an organisation (and where appropriate its sub-contractors) has taken to implement its AIP Plan and

the resulting outcomes. To assist organisations prepare an Implementation Report, more detailed guidance is provided in Implementation Report User Guide. A template for developing an Implementation Report is also available or organisations can develop their own document. The User Guide and template are available by emailing aip@industry.gov.au.

Small and medium sized enterprise (SME)

A SME, as defined by the Australian Bureau of Statistics, is a business employing less than 200 people². In this document all references to SMEs refers to Australian and New Zealand SMEs.

² ABS Small Business in Australia 2001 – 1321.0, p 1