

Communique

Cape York Region Package Sub Working Group

June 2016

The Cape York Region Package (CYRP) Sub Working Group (SWG) met on the 13th May 2016 and focused on the following areas:

- 1) Progress to date
- 2) 2016 Works Program – tender and procurement process
- 3) Cape Indigenous Mayors Alliance priorities
- 4) Communication and information sharing
- 5) Role of CYRP SWG and Taskforce going forward.

Overview

Since the previous SWG meeting in August 2015 and the CYRP Taskforce meeting in October 2015, the project has moved into the implementation stage.

The Department of Transport and Main Roads (TMR) and the Department of Infrastructure and Regional Development (DIRD) have undertaken considerable work in finalising the arrangements for the delivery of works across the Peninsula Developmental Road (PDR) itself, as well as transport and non-transport related community infrastructure in Indigenous local government areas, in line with the priority projects identified and agreed to through the Cape Indigenous Mayors Alliance (CIMA).

Outcomes

The package is being delivered with strong commitment from all involved parties to not only maximise value for money, with any project savings to be reinvested in the package, but also to seek to elevate Indigenous and local employment, training and business outcomes.

At the end of 2015, an additional 34.4km of road had been sealed at four locations on the PDR:

- Mein Deviation, north of the Archer River (18.9km of 29km)
- South of Hann River (7km)
- Sourayas Hill (north of Coen Airport) (4.5km)
- South of Morehead River (4km).

As part of the five-year CYRP (2014-15 to 2018-19):

Total PDR km sealed to 30 April 2016 = 68.4km

Total PDR expenditure to 30 April 2016 (including planning, preconstruction and construction activities) = \$63.4million.

Recently, TMR and the Cape York Land Council won the Partnership Award, as part of the Queensland Government's Reconciliation Awards for their work in developing the Peninsula Developmental Road Priority Agreement to enable PDR works to progress in compliance with the *Native Title Act 1993* (Cth) and *Native Title (Queensland) Act 1993* (Qld) – acknowledging the current regional native title claim and working towards an Indigenous Land Use Agreement.

2016 PDR Works – Procurement approach

Project	Length	Tender Process
Coen South	22km	Open Tender two-stage (R2 – R5), minimum F15
Archer to Wolverton	13km	Restricted Tender two-stage (R1 – R3), minimum F10
Musgrave	12km	Sole Invitee (RoadTek)
Little Laura to Fairview	4.6km	Restricted Tender single-stage (R1 – R3)

Key Result Areas for the 2016-17 works are the same as for the 2015-16 works packages, including provision for incentivised payments:

- KRA 1 – Indigenous and non-Indigenous training and upskilling
- KRA 2 – Implementation of an Indigenous Economic Opportunities Plan
- KRA 3 – Local Industry participation.

Importantly, given the excellent performance of KRA2 in 2015-16, for 2016-17 PDR projects, on a without precedent basis, the percentage of Contract Direct Cost amount to be expended on local Indigenous businesses (KRA 2) will be mandated at 15 per cent for 2016-17 projects (an increase from 1.5 per cent from 2015-16). An incentive is to be applied pro-rata for performance above 15 per cent with the maximum incentive payable at 20 per cent for this KRA.

TMR informed the SWG it had received significant positive support from the CYLC, Traditional Owners and others involved in the delivery of project, cultural heritage advisors, trainees and employees, as well as community and business members. Outcomes against the KRAs and other anecdotal feedback will be considered in the future review of the procurement approach for 2016 PDR projects, in comparison with that adopted for delivery of the 2015 PDR projects, to inform future decisions regarding the procurement approach for remaining PDR works.

On 18 April 2016, work also resumed on Endeavour Valley Road after the wet season to upgrade and seal a 900m section of the road between Endeavour Falls and Paw Paw Gully. TMR has a Memorandum of Understanding with the Hope Vale Aboriginal Shire Council for the provision of road construction and maintenance services to assist in the delivery of the project.

TMR continues to support the Cape Indigenous Mayors Alliance (CIMA) in the planning, design and procurement phases for the delivery of projects in Cape communities. A delivery schedule of CIMA works is anticipated in the coming months.

Communication and review of Terms of Reference for CYRP SWG and Taskforce

The value of the CYRP SWG and Taskforce was acknowledged, with emphasis on the need for information flows to ensure the Cape community and businesses were across the processes and opportunities presented by the works programs, as well as providing information on the progress to date and outcomes from the project. The SWG noted that at the completion of the CYRP, half of the PDR would be sealed with approximately 200km left to seal and a further three bridges requiring construction/upgrading.

The Terms of Reference for the SWG will be reviewed in line with the CYRP moving into the implementation phase enabling the SWG to focus on tracking progress, providing feedback for future tender/procurement processes and promoting the good outcomes of the works delivery. A review of the 2016 procurement process, as well as the KRAs and incentive payment structures, in comparison to the 2015 processes, will be conducted by TMR once construction is complete on 2016 PDR projects.

RDA FNQ&TS reinforced the value of the CYRP in informing regional engagement approaches for future infrastructure and other major project investment across northern Australia.

Membership of the CYRP SWG: Department of Transport and Main Roads (Qld - TMR), Department of Infrastructure and Regional Development (Australian Government- DIRD), Department of Aboriginal and Torres Strait Islander Partnerships (Qld – DATSIP), Department of Prime Minister and Cabinet (Australian Government – DPM&C), Cook Shire Council, Cape Indigenous Mayors Alliance, Cape York Sustainable Futures and RDA FNQ&TS.

Next Taskforce meeting – afternoon, Thursday 11th August – Weipa

Next SWG meeting – October – Cairns (TBC)

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Further information:

TMR updates and information available here-

<http://www.tmr.qld.gov.au/Projects/Name/C/Cape-York-Region-Package-Peninsula-Developmental-Road>

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