Boosting Our Economy Contracts Rolling Out

The Northern Territory Government’s Boosting Our Economy stimulus package has started paying dividends for local businesses.

IN March, the government committed $53.5 million to the Department of Education’s 2015-16 Capital Works Program, and a further $5 million to the 2015-16 Repairs and Maintenance program, for works to be undertaken on facilities across a number of Government schools.

This was part of the $100 million ‘Boosting Our Economy’ Package

Executive Director of Building Services, John Harrison said by the start of last week 48 tenders with an estimated value of more than $42 million had closed and have been or are currently being assessed.

“Of this, $8.5 million in tenders have been already awarded to local businesses,” he said.

“The Buy Local 25 per cent weighting has been applied to these tenders. All subsequent tenders have the new Department of Infrastructure local content weighting of 30 per cent added."

The work awarded to date includes a new $240,000 upper primary playground for Alawa Primary School, a $272,000 repant of Tennant Creek Primary School, a $350,000 repant of Numbulwar school and $1.7m for Sanderson Middle School to replace the chiller compressor and associated works.

The works consisted of $32.5 million for building, $10 million for air-conditioning and $8 million for hydraulics. They are in response to the aspirations of School Councils.

Mr Harrison said there are still six tenders to be released to the marketplace, totalling about $3 million. He said they were expecting to have awarded 40 of the tenders by early June.

Accelerating the release of $53.5 million in tenders for the Department of Education has unearthed potential efficiencies in the overall procurement process.

Mr Harrison said in order to meet the objectives of the stimulus package, successful contractors were working more closely with designers from the outset.

This more flexible process is due to short timeframes for the projects, which are being done in response to school requests and in an effort to support small business.

“Getting early contractor involvement with designers is a model we could continue with,” he said.

There are some challenges during tender assessment as there is more to consider, however we expect to see efficiencies as a result of reducing red tape which will see projects completed earlier.”

Home Improvement Scheme

Registrations continue to pour in for the NT Government’s $20 million Home Improvement Scheme announced in last week’s budget.

The scheme gives home-owners a voucher of up to $2,000 to go towards minor home improvements, repairs and maintenance with the homeowner contributing at least the same amount.

The vouchers are only available for work undertaken using small local businesses which satisfy the definition of a Territory Enterprise at the date of Budget Tuesday’s announcement.

Registrations are open for Territory businesses wanting to participate, and more than 370 have already completed applications.

Darwin electrician Thor Dewar, said the scheme would ensure more continual work flow for his business, DAS Electrical NT.

“Things have pulled right up this year, people are saying it across the board. Normally we get a full period after Christmas which cleans itself up around March, but it’s been extended this year,” he said.

People are doing the ‘have-to-stuff, not maintaining their places, and that’s what you really need to do up here,” he said. He said the Home Improvement Scheme announcement came at an opportune time for local businesses.

“Talking to the wholesalers in general, this time last year there were bigger contracts and people were buying more. This is the best thing for Darwin - it’s what we’ve needed for a long time,” he said.

Mr Dewar said the requirement to use local businesses was a double win – not only for local operators but also for homeowners.

“Often people from outside the Territory come in and do work cheaper, then the owner-occupier isn’t covered by warranties because they cut corners on installation,” he said.

The added benefit of this scheme is that it will encourage homeowners to use local tradespeople who are licensed here, which is better because you’re getting registered operators.”

It is estimated the $20 million spend could generate as much as $67 million in direct and flow-on economic activity, providing a boost to small, construction-related businesses and sole traders over the next year.

Territory businesses with 20 employees or less are eligible and are encouraged to do so before Sunday June 5, when territory owner-occupiers will be able to get quotes and apply for a voucher for their home improvements.

To register or find out more visit homeimprovement.nt.gov.au

Thorn Dewar, owner and director of DAS Electrical NT

homeimprovement.nt.gov.au

NTNE01Z01MA - V1