

Territory Benefit Policy

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Acronyms	
The following acronyms are used in this document	
Acronyms	Full form
NT	Northern Territory
AIP	Australian Industry Participation
ICNNT	Industry Capability Network Northern Territory
EPC	Engineering, Procurement and Construction

Definitions	
The following terms are used in this document	
Term	Definition
Territory Benefit Plan	Project proponent's plan detailing their commitments to enhancing the local benefit outcomes achieved from their project
Australian Industry Participation Plan	Project proponent's plan to meet requirements of Australian Industry Participation Framework and <i>Australian Jobs Act 2013</i> (Cth)
Project Control Group	The cross-agency working group formed to drive delivery of a project
JSC COORD	The Jobs Standing Committee of COORD comprising select government Chief Executive Officers
In-kind Contributions	A non-cash contribution including a good, service or asset (including land)
NT Major Project Status	Awarded to private sector initiated projects that are significant, complex and have strategic impact (refer to section 3.1 for more information)
Territory Enterprise	An enterprise operating in the NT, with a significant permanent presence in the NT and employing NT residents
Shared Value Approach	Working collaboratively with local communities to deliver positive social outcomes which create value for both the project and community
Private sector project	Projects undertaken by a commercial business that are not owned by the government

Strategic Direction: Developing Industry and Attracting Investment
 Responsible Business Unit: Economic and Industry Development
 Responsible Director: Director Economic and Industry Development
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1 Policy Objectives

The primary objective of the Territory Benefit Policy is to maximise the contribution to the NT economy by private sector projects in the NT. Project proponents articulate in a Territory Benefit Plan how they will achieve their commitments and strategies, and how they will engage with, and communicate to, local stakeholders on their plan and achievements.

2 Policy Context

The NT Government is focused on building and sustaining a strong, diverse economy for all Territorians.

The NT Government recognises that private sector entrepreneurship and investment is the driver of growth in the NT economy. The NT Government seeks to facilitate projects that leverage private sector investment and support project proponents to maximise the local benefit of these projects during all project phases, including outcomes in:

- local workforce development and employment
- regional and Aboriginal economic and community development
- local business participation and small to medium enterprise capability development
- economic, industry and social infrastructure investment.

The majority of project proponents understand the importance of establishing and maintaining their 'social licence to operate' in the region in which they are based. This is often achieved by committing to and delivering outcomes that local communities value (for instance jobs, purchasing of local services and materials, sponsorship and community support, enhanced infrastructure). Project proponents should adopt a 'shared value approach' prioritising outcomes that align business with community interests. The Territory Benefit Policy has been designed to support project proponents with this important process for new NT based private projects.

The Territory Benefit Policy encourages proponents to deepen their understanding of the NT industry's capacity and capabilities to meet the needs of their project. This policy challenges proponents to consider what strategies they may adopt to enhance the local benefits their project delivers, while realising the long-term advantages of having locally-based, capable suppliers and labour.

Project Proponents are expected by the community, industry and government to maintain open and transparent communication with key stakeholders, including the local community, throughout the life of their project. Sharing information about the project and communicating key local benefit commitments is necessary for proponents to build and maintain strong, collaborative relationships. A communication and reporting strategy for the Territory Benefit Plan provides a mechanism for proponents to engage with local industry about their commitments and strategies to maximise project opportunities for Territorians and Territory Enterprises.

The Territory Benefit Policy is consistent with the objectives of the Australian Industry Participation (AIP) National Framework. One of the key principles of the Framework is to encourage project proponents to maximise Australian industry participation in investment projects by providing Australian industry a full, fair and reasonable opportunity to participate. The Territory Benefit Policy also considers obligations proponents may have under the *Australian Jobs Act 2013* (Cth) and *Australian Jobs (Australian Industry Participation) Rule 2014* including the potential to gain an exception from the Act's AIP plan requirement by using a compliant Territory Benefit Plan.

3 Policy Scope

The Territory Benefit Policy replaces the Building Northern Territory Industry Participation Policy. The Territory Benefit Policy does not apply to Government procurement. The NT Government procurement framework will be revised to include guidance on the replacement of the industry participation plan required for government procurement in excess of \$5 million.

This policy guides local benefit planning for all NT-based projects and businesses and specifically defines the Territory Benefit planning requirements that apply to:

- 3.1 Private sector projects awarded NT Major Project Status that are required to have a Territory Benefit Plan under the NT Major Project Status Policy Framework
- 3.2 Private sector projects where the NT Government provides support valued at or greater than \$500 000
- 3.3 Projects where a Territory Benefit Plan is specified as a condition of a NT Government agreement

4 Policy Statement

- 4.1 Local benefit outcomes planned, committed to and achieved from projects are to be demonstrated through the development, implementation and reporting of a Territory Benefit Plan.
- 4.2 A Territory Benefit Plan must outline the project proponent's commitment to contributing to creating and sustaining a strong, vibrant economy for all Territorians. It must provide and encourage full, fair and reasonable opportunity for Territorians and Territory Enterprises to compete for work based in the NT. It should aim to create value for the Territory throughout and beyond the project's lifespan. A Territory Benefit Plan will be prepared early in the project's lifecycle with consideration of the key elements for inclusion outlined at **Attachment A**.
- 4.3 A Territory Benefit Plan must address all phases of the project's life. For lengthy projects with multiple project phases, the plan can be revised or amended as the project progresses to a new phase.
- 4.4 A Territory Benefit Plan must be developed, implemented and reported upon for Major Projects referred to in section 3.1.
 - 4.4.1 The lead NT Government agency will be responsible for the negotiation of the Territory Benefit Plan for a Major Project and will oversee the implementation of the plan. The plan will be submitted to JSC COORD for approval.
- 4.5 A Territory Benefit Plan must be developed, implemented and reported upon by all private sector projects receiving NT Government support valued at or greater than \$500 000, referred to in section 3.2.
 - 4.5.1 The value of the support includes financial or in-kind contributions and/or where NT Government foregoes revenue.
 - 4.5.2 The requirement for the Territory Benefit Plan will be confirmed in the written agreement confirming the support provided.
 - 4.5.3 The NT Government agency with which the agreement is executed will be responsible for the negotiation and approval of the Territory Benefit Plan (subject to consideration of section 4.7) and will oversee the implementation of the plan. The NT Government may seek feedback from advisors (e.g. Buy Local Industry Advocate) during this process.

- 4.6 A Territory Benefit Plan that is specified as a condition of an NT Government agreement referred to in section 3.3, will be negotiated and approved (subject to consideration of section 4.7) by the agency issuing the agreement. The issuing agency will oversee the implementation of the plan.
- 4.7 JSC COORD may determine that commensurate with the size, scale and nature of the project, Territory Benefit Plans identified in sections 4.5.3 and 4.6 need to be approved by JSC COORD.
- 4.8 A Territory Benefit Plan may provide the basis for an exception from the requirement for an Australian Industry Participation (AIP) plan under the following circumstances:
- 4.8.1 Major projects (\$500 million or more) under the *Australian Jobs Act 2013* (Cth).
To be eligible for an exception, project proponents must liaise with the AIP Authority regarding major project notification and lodgement of their Territory Benefit Plan. The AIP Authority will assess the Territory Benefit Plan based on criteria in the *Australian Jobs Act 2013* and its Rule.
- 4.8.2 Large infrastructure projects where Australian Government funding (\$20 million or more) is provided through state and territory governments.
The Australian Government funding agency will need to be notified by the recipient NT Government agency that the Territory Benefit Policy will be applied to the project through the development of a Territory Benefit Plan.
- 4.9 Proponents are encouraged to prepare a Territory Benefit Plan in preference to an AIP Plan where applicable.
- 4.10 Proponents must demonstrate the processes undertaken to understand local capabilities when preparing a Territory Benefit Plan. Consultation with the Industry Capability Network of the Northern Territory (ICN NT) or equivalent is strongly recommended.

5 Related Documents

- 5.1 [Major Project Status Policy Framework](#)¹
- 5.2 [Australian Jobs Act 2013 \(Cth\)](#)²
- 5.3 [Australian Industry Participation](#)³
- 5.4 [Australian Jobs \(Australian Industry Participation\) Rule 2014 \(Cth\)](#)⁴

¹ <https://business.nt.gov.au/business/publications/policies/major-project-status-policy-framework>

² <https://www.legislation.gov.au/Details/C2016C00165>

³ <https://www.industry.gov.au/regulation-and-standards/australian-industry-participation>

⁴ <https://www.legislation.gov.au/Details/F2014L00125>

Key elements for inclusion in a Territory Benefit Plan

1. Project Overview

Description of the project, including:

- a) Project name and location
- b) Key contacts and project website address
- c) Project proponent/s and overview of corporate structure
- d) Project description, including estimated project value
- e) Proposed staging of work, timelines and major milestones
- f) Proposed procurement and contracting methodology (e.g. owners team, EPC, head contractors)
- g) Project scope/s to be covered by the Plan (e.g. planning, construction, commissioning, operations, decommissioning and/or rectification/rehabilitation)
- h) Proposed workforce requirements for all phases of the project in the NT, including any specialised workforce requirements from interstate or overseas

2. Territory Benefit Commitments and Strategies

Detail the project's specific local benefit commitments and the strategies that will be employed to achieve those commitments. Key elements to be considered in this section include, but are not limited to, components outlined in the **Appendix**.

Commitments made in other regulatory processes or approvals (e.g. Indigenous Land Use Agreement, Environmental Management Plans, or Mine Management Plans) and other agreements (e.g. contributions to local infrastructure or service delivery) should be reflected in the Territory Benefit Plan.

3. Communications and Reporting Strategy

Detail the methods that will be used to communicate key commitments made in, and report on the outcomes achieved by, the Territory Benefit Plan to identified stakeholders (including the public, local industry and NT Government). This must include:

- a) identification of key stakeholders
- b) mechanism to publicly release the key commitments made in the Territory Benefit Plan
- c) methods to communicate with local stakeholders on project opportunities
- d) reporting mechanisms and schedule to update all identified stakeholders on progress against commitments
- e) if relevant, details of the methodology to capture and aggregate local benefit outcomes achieved from cascading requirements with sub-contractors

Examples

Structure of publicly available reports (eg on company website)

- the number and value of contracts awarded and the location of the successful businesses (e.g. international, Australian, NT or local region)
- the number and value of contracts awarded to Aboriginal businesses
- local employment outcomes
- Aboriginal employment outcomes
- workforce development initiative outcomes
- community benefit and shared value outcomes

Methods to communicate to local stakeholders on project opportunities

- advising suppliers of processes to register interest, including pre-qualification requirements
- advertising work packages and job opportunities currently available and anticipated for the future
- communicating employment and training opportunities to local Aboriginal communities, NT residents and any specific workforce-diversity target groups

Appendix

Territory Benefit Commitments and Strategies Considerations

The policy recognises that every project is unique and each Territory Benefit plan will be different.

Project proponents are encouraged to consider the seven desired outcome areas detailed in the table below. The commitments and strategies provided are examples and should be adapted to reflect specific project requirements. Commitments can be defined as a target or as a commitment to implement a process. Proponents should tailor their plan to achieve the maximum project opportunities for Territorians and Territory Enterprises.

Desired Outcomes	Things to Consider	Example Commitments	Example Strategies
Workforce Development	<p>What workforce skills and qualifications are required for the project?</p> <p>Can the project create a workforce legacy that generates benefits to the local community beyond the life of the project?</p> <p>Consider transferable skill set and upskilling opportunities for local communities.</p>	<ul style="list-style-type: none"> • List of all occupations and qualification requirements for each project stage provided during the planning phase • Job ready training program delivered • X apprenticeships available • X traineeships available • X scholarships available for Territorians to gain a relevant Higher Education or VET qualification • Skills training program, targeting the local community's workforce development needs beyond the scope project 	<ul style="list-style-type: none"> • Engage with an industry advisory body such as the Industry Skills Advisory Council NT or contract a consultant to: <ul style="list-style-type: none"> ○ undertake workforce skills and qualification requirements audit ○ undertake strategic workforce capacity plan ○ develop a workforce development strategy • Partner with NT-based training providers to deliver training programs to meet skills and qualification gaps identified in the audit • Develop and implement job ready program • Develop and implement apprenticeship and traineeship programs with local training providers • Work with schools to develop programs to support the development of a future workforce • Fund a pre-apprenticeship training program to support the supply chain workforce • Support activities or programs that build skills in the local community (beyond those directly related to the project)

Desired Outcomes	Things to Consider	Example Commitments	Example Strategies
Employment	How will local employment be targeted through all phases of the project?	<ul style="list-style-type: none"> • x% of construction workforce sourced locally • x% of operational workforce sourced locally • All employment opportunities advertised locally initially 	<ul style="list-style-type: none"> • Develop a local employment plan • Create a job portal • Enlist the services of a local recruitment agency • Structure HR systems to facilitate reporting on NT and local region-based employee numbers
	How will fly in, fly out (FIFO) workforces be minimised?	<ul style="list-style-type: none"> • Less than x% FIFO workforce 	<ul style="list-style-type: none"> • Relocation packages or incentives for employees to be based in the NT • Drive in, drive out/ fly in, fly out only offered to workers living in other locations in the NT • Investment in housing and other accommodation, and community infrastructure and services designed to attract and retain local employees • Implement strategies to support local employment opportunities for spouses
	What are the key challenges in attracting and retaining a workforce to the project location (e.g. transport, housing, childcare)?	<ul style="list-style-type: none"> • Park and ride facility established to assist employees getting to site • Support provided to local childcare centres to increase available childcare places for employees • Housing or other accommodation provided for Territory-based workers 	<ul style="list-style-type: none"> • Workforce development and local investment initiatives tailored to address key workforce attraction challenges

Desired Outcomes	Things to Consider	Example Commitments	Example Strategies
Aboriginal Employment	How will Aboriginal employment opportunities be maximised throughout the life of the project? How can you develop business models and collaborate with the community to develop opportunities for Aboriginal employment?	<ul style="list-style-type: none"> x% of Aboriginal employment Aboriginal Employment and Training Plan developed and implemented at each project stage Specific positions identified for 'special measures' recruitment processes (e.g. where Aboriginal candidates are assessed prior to non-Aboriginal candidates being considered) 	<ul style="list-style-type: none"> Implement an Aboriginal Employment and Training Plan Deliver cross cultural awareness programs for all project workers Structure HR system to facilitate reporting on Aboriginal employee numbers
	How will local Aboriginal communities be engaged to identify community members interested in working on the project?	<ul style="list-style-type: none"> Engagement plan developed and implemented at every phase of the project Project employment information sessions delivered in local communities Workplace familiarisation tours available to potential Aboriginal employees x% of Aboriginal employment sourced from host community 	<ul style="list-style-type: none"> Partnership established with local community development provider Career information days delivered in a manner to enhance participation (e.g. engaging demonstration, using an interpreter, delivered in partnership with local stakeholders) Project-specific workforce development officer employed
	Are there any key challenges faced by Aboriginal people seeking employment?	<ul style="list-style-type: none"> Driver education program delivered to increase pool of potential employees with drivers licences On-the-job training and/or paid pre-employment external training offered to Aboriginal employees without essential qualifications (e.g. first aid) 	<ul style="list-style-type: none"> Develop a mentoring/ buddy support program Workforce development and local investment initiatives tailored to address key Aboriginal workforce attraction challenges
Diverse Workforce	How will workforce diversity be promoted to support an inclusive work culture (e.g. those with limited work experience, workers with a disability, all genders, ethnicities etc)?	<ul style="list-style-type: none"> x% female workforce Specific positions identified for candidates with limited work history or workers with a disability 	<ul style="list-style-type: none"> Linking project ready training programs to specific roles Implement workforce diversity program Fund a pre-apprenticeship training program to support a disadvantaged group to gain employment

Desired Outcomes	Things to Consider	Example Commitments	Example Strategies
Local Suppliers of Goods and Services	<p>How will local businesses be given opportunities to register interest and compete for project work?</p> <p>How will work packages be structured to provide greater opportunity for local businesses (e.g. smaller work packages)?</p> <p>How will your local service and supply commitments be cascaded to all sub-contractors?</p> <p>How will you ensure your pre-qualification and tender processes are fair and accessible and do not disadvantage local businesses?</p> <p>What approaches could you take to develop a new industry or support a new supply chain?</p>	<ul style="list-style-type: none"> • x% of contracts awarded to Territory Enterprises • x% of contracts awarded to business based in the project's local region • Information sessions regularly conducted to inform local businesses of upcoming work, pre-qualification requirements and the process to register interest in project opportunities • All work packages listed on the ICN NT Gateway along with pre-qualification requirements • Local service and supply commitments cascaded to contractor and sub-contractor contracts • Work packages are structured to a size and scale which provides local business with a full, fair and reasonable opportunity to compete for work based in the NT • Provide prequalification requirements to enable business to understand the projects minimum requirements 	<ul style="list-style-type: none"> • Engage ICN NT to source local capability mapping and procurement packaging services • Develop a local procurement strategy which includes structuring work packages to reflect local capacity • Design the project to Australian standards and engage early with local suppliers on innovative solutions • Oblige prime contractors/ EPC to create and implement a Territory Benefit Plan with commitments that cascade to their contractors and sub-contractors • Structure procurement systems to facilitate reporting on contract numbers and value delivered by Australian, NT and local-region suppliers • Align prime contractor / EPCs reporting requirements to facilitate aggregate reporting of contract number and values delivered by local suppliers • Promote to contractors the whole- of-life advantages of having locally-based, capable suppliers and labour • Deliver programs to support local businesses to enhance their capacity to tender for work on the project • Support local businesses to form partnerships and/or collaborations to tender for work • Develop weighting criteria for NT local suppliers in tender processes or reserve specific contracts for local businesses - this is not applicable to major projects (\$500 million and above) per Australian Jobs (Australian Industry Participation) Rule 2014 • Offer detailed feedback sessions to unsuccessful local suppliers including referrals to suitable support programs • Membership registered with a peak industry association such as Chamber of Commerce NT or other local industry body that is relevant to the project, for local business support, advice and information sharing

Desired Outcomes	Things to Consider	Example Commitments	Example Strategies
Aboriginal Suppliers of Goods and Services	How will Aboriginal businesses be given opportunities to compete for project work?	<ul style="list-style-type: none"> • X Aboriginal businesses supported to improve capabilities • x% of contracts awarded to Aboriginal businesses 	<ul style="list-style-type: none"> • Partner with Supply Nation and/or NT Indigenous Business Network to identify potential Aboriginal Businesses • Deliver programs to support Aboriginal Businesses to enhance their capacity to tender for work on the project • Opportunities for joint venture partnerships for Aboriginal businesses identified • Develop weighting criteria for Aboriginal Businesses in tender processes or reserve specific contracts for local businesses
Local Investment in and contribution to the shared value in the local community	<p>What opportunities are there to collaborate with the local community and leverage other activities and projects in the community?</p> <p>How will the project support the local community?</p> <p>How can the project leverage corporate assets to address a specific social need in the local community?</p> <p>Can headquarters/ regional offices be located in the NT?</p>	<ul style="list-style-type: none"> • Company success linked to local community success • Local community support/sponsorship/investment program established • \$x invested in research and development • \$x invested in local infrastructure • Company headquarters relocated to local community • Regional offices established • Number of personnel relocated to the NT 	<ul style="list-style-type: none"> • Local infrastructure developed to support community needs, leverage local business prospects or support new private sector development • Develop and deliver programs to address health and well-being issues being experienced by residents living in the project area • Local investment initiatives tailored to address key workforce attraction and retention challenges • Research and development program to increase NT industry capability established • Strategy to identify market opportunity to establish headquarters in the NT and share this information with other interstate/international suppliers

Larger projects should consider including an analysis of the 'stretch targets' they aim to achieve through the implementation of strategies in their Territory Benefit Plan and how these targets exceed the 'business as usual' outcomes that could otherwise be expected.

Social value commitments and strategies are strongly encouraged, especially those that support collaborations that provide a broader shared value.