



## Building Northern Territory Industry Participation

# Building Northern Territory Industry Participation (BNTIP) Policy

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## Foreword

The continued growth of the Northern Territory economy is providing more scope for local business and industry development than ever before.

Territory businesses have consistently demonstrated that they can compete on price, quality and after sales service. Providing the highest quality and reliable services is vital to our local business and industry competing successfully in domestic and international markets.

Building Northern Territory Industry Participation has been developed as a direct response to business and industry development needs. It aims to increase local industry participation in projects through giving competitive Territory businesses the opportunity to contribute to the future growth of the Territory and enhancing Territory business and industry capability.

Industry Participation Plans are a key element of Building Northern Territory Industry Participation and the Northern Territory Government continues its commitment to use these in relation to Government purchasing and investment decision making.

Building Northern Territory Industry Participation will assist in the sustainable development of the Territory economy and commend it to all local businesses, project proponents and developers.

## Scope

The scope of Building Northern Territory Industry Participation is limited to:

- any form of preference to benefit small and medium enterprises
- measures for the health and welfare of Indigenous people
- measures for the economic and social advancement of Indigenous people.

## Objectives

The primary objectives of Building Northern Territory Industry Participation are to:

- give competitive Territory businesses the opportunity to participate in the future growth of the Territory
- enhance Territory business and industry capability.

In addition, Building Northern Territory Industry Participation should also:

- assist the growth and development of a vibrant private sector-led economy
- encourage increased research and development by the private sector in the Territory
- promote the use of local services and supplies
- strengthen the workplace availability of skilled labour
- foster strong regional economic development
- support greater Indigenous participation in the Northern Territory economy
- encourage major project proponents and developers to establish project offices and operations bases in the Territory
- provide major project proponents and developers with increased access to quality Territory businesses
- assist major project proponents and developers through reduced costs by building industry capability and capacity
- encourage more Northern Territory businesses to:
  - meet the highest international quality standards
  - utilise new technologies and materials
  - form alliances and clusters to increase their competitiveness.

## Partnership

The Government will work with the private sector to:

- support sustainable economic development in the Northern Territory
- encourage and promote the whole-of-life and long-term advantages of using locally based supplies and labour
- provide equitable opportunity for Indigenous Territorians to participate in economic growth, including adopting specifically targeted Indigenous employment and training strategies and pursuing joint venture opportunities with Indigenous businesses and organisations where feasible
- foster regional economic development with a focus on increased prosperity through achieving targeted outcomes from regional investment
- facilitate education and training opportunities that maximise local employability and workplace capability
- structure specifications, tenders and other project documentation to provide industry, business and labour the opportunity for maximum participation in the supply of goods and services
- support and promote the services provided by Industry Capability Network Northern Territory to identify suitable Northern Territory, Australian and New Zealand providers
- ensure that its business assistance programs are aligned with the needs of business.

## Local

The definition of 'local' in this framework covers the Northern Territory, Australia or New Zealand, so as to be in accord with the Australia New Zealand Government Procurement Agreement (ANZGPA) entered into by Australian State and Territory governments and the Governments of Australia and New Zealand.

## Principles

The following principles underpin Building Northern Territory Industry Participation:

**Value:** This will be the primary consideration in Government purchasing and supply decisions. It may encompass consideration of whole-of-life costings, including the costs and benefits to Government and the community, rather than a focus on the lowest purchase price.

**No Discrimination:** Consistent with international obligations, there will be no protectionism, subsidies or premiums on price.

**Competitiveness:** Local industry's ability to compete on a global scale should be strengthened and promoted.

**Full, Fair and Reasonable Access:** The Government's purchasing processes will be open, clear and accountable. Strong ethical work and business practices will be supported and competition will be full, fair and transparent.

**Territory-based Operations:** Major project proponents and developers will be encouraged to establish operations in the Territory.

**Territory Business Development:** Capability and capacity will be enhanced through business growth and development and businesses will be encouraged to enter into joint ventures, consortia and networks to strengthen competitiveness.

**Indigenous Economic Development:** The Government will work in partnership with project proponents, developers and contractors to identify and create opportunities for Indigenous economic development.

**Regional Development:** All project proponents, developers and their contractors will be encouraged to maximise opportunities for regional development, including establishing locally based operations and workforce where possible.

**Australian Standards:** The use of appropriate or equivalent Australian Standards for all project elements will be supported. In particular, specifications relating to cyclonic, tropical and arid conditions should be incorporated where appropriate. The engagement of local planners, designers, architects, engineers and project managers will be encouraged.

**Evaluation and Monitoring:** The Government is committed to evaluating and monitoring the effectiveness of Building Northern Territory Industry Participation.

## Elements of the Building Northern Territory Industry Participation

The Northern Territory Government has a commitment to provide competitive businesses the opportunity to participate in the future growth of the Territory. This commitment will focus on building business, industry and community capability through capacity building, education and training.

The Government acknowledges that major projects will be vital to the further development of a vibrant private sector-led economy. In particular, the Government has undertaken to maximise the opportunities for involvement by Territory businesses. This will include the requirement for project proponents and developers to prepare a statement of their commitment to local participation through an Industry Participation Plan.

An Industry Participation Plan will be a requirement for all Northern Territory Government assisted private sector projects that have an expected value in excess of \$5 million. It will also be a requirement for all Northern Territory Government tendered projects that have an expected value in excess of \$5 million and for Territory Public Private Partnerships (Territory Partnerships) which will provide opportunities for all sectors in the economy to contribute to the efficient delivery of infrastructure and services.

These initiatives, together with Government procurement and a partnership with the Industry Capability Network Northern Territory (ICN NT), are central to the Government's commitment to local participation.

## Industry Participation Plans

### Industry Participation Plans are intended to:

- assist project proponents and developers to maximise opportunities to utilise local suppliers, services and labour
- improve the capacity of businesses to compete globally
- assist decision making in relation to Government purchasing and investment where value will be the primary consideration.

### Opportunities for Territory suppliers and service providers:

Territory businesses that register their details and capabilities with ICN NT will benefit from an increased opportunity to bid for contracts on projects, and raised awareness of the capabilities of the supply and service sector.

In order to maximise competitiveness, Territory businesses are also encouraged to:

- increase knowledge of pre-qualification requirements

- match client perceptions of value through international and/or Australian quality and standards accreditation, a trained skilled workforce and quality control of product manufacture
- commit to achieving recognised accredited standards in workplace safety, industrial relations and environmental policies
- develop or acquire the capability and knowledge to meet the needs of projects in the Northern Territory, Northern Australia and the South East Asian region
- apply best practice approaches in employing, training and retaining Indigenous employees and securing joint venture opportunities with Indigenous organisations, where available.

A variety of government and industry-run programs are available to assist Territory businesses increase their competitiveness. This includes the facilitation of business consortia with other companies or contractors (including Indigenous and regional enterprises) and interstate and/or international companies. More details are available from the Department of Business.

### Developers, contractors and operators are encouraged to:

- purchase locally to contribute to significant whole-of-life cost savings such as lower inventory costs, reduced lead times, reduced exchange rate risks, no import tariffs or other duties, and improved opportunities for after sales support for the life of a project
- provide full, fair and reasonable opportunity for Territory companies where they are competitive on price, performance, quality, suitability and delivery
- adopt specifically targeted Indigenous employment and training strategies and pursue joint venture opportunities with Indigenous businesses and organisations where available
- structure specifications, tenders and other project documentation to provide local industry, business and labour the opportunity for maximum participation in the supply of goods and services
- incorporate an Industry Participation Plan into contracts entered into with any third party, particularly prime contractors and turnkey contracts, to provide services and supplies, with the expectation that they will pass this obligation on their sub-contractors and suppliers
- form consortia and networks to strengthen competitiveness
- establish locally based regional headquarters, operations and workforces.

### Key elements of an Industry Participation Plan

Element	Description
1) Project description	a) An outline of the project and its estimated value b) An outline of the Northern Territory Industry component.

Element	Description
2) How services, suppliers and labour will be utilised	<p>This should include an outline of:</p> <ul style="list-style-type: none"> <li>• what goods or services will be required</li> <li>• what goods or services industry can tender for</li> <li>• prequalification and tender criteria</li> <li>• how the NTICN will be engaged</li> <li>• opportunities for local participation through all tiers of the supply chain (ie include potential sub-contractors)</li> <li>• estimated local employment during construction and operation</li> <li>• proposed workforce operation in the Northern Territory.</li> </ul>
3) Enhancements to business and industry capability	<p>This should include an outline of proposed:</p> <ul style="list-style-type: none"> <li>• skills development</li> <li>• research and development</li> <li>• opportunities for networks and alliances</li> <li>• encouragement of international quality standards</li> <li>• use of proven emerging technologies and materials</li> <li>• integration of local industry into global supply chains.</li> </ul>
4) Regional economic development benefits	<p>This should include an outline of:</p> <ul style="list-style-type: none"> <li>• the estimated impact of the project on the immediate region</li> <li>• specific proposals to maximise regional involvement.</li> </ul>
5) Proposals for Indigenous participation	<p>This should include:</p> <ul style="list-style-type: none"> <li>• an outline of specific plans to maximise Indigenous participation.</li> </ul>
6) Communication strategy	<p>This should:</p> <ul style="list-style-type: none"> <li>• outline how the proponent will inform local industry about particular opportunities</li> <li>• include structural tender documents to ensure that local suppliers are provided the same opportunity as existing supply chain partners to participate in the project.</li> </ul>

Element	Description
7) Reporting methodology	<p>This should include an overview of reporting commitments and mechanisms, including:</p> <ul style="list-style-type: none"> <li>• a proposed framework for reporting against key elements of the Industry Participation Plan</li> <li>• a schedule of report submissions.</li> </ul>

Note: These elements are provided only as a guide and should be adapted as required for specific projects.

## How will an Industry Participation Plan operate?

An Industry Participation Plan should address how full, fair and reasonable opportunity for local businesses, industry and labour will be provided. It should apply to all stages of a project, including planning, design, initiation, development, tendering, construction, operation and, where appropriate, rehabilitation. It should also include all tiers of the supply chain, including subcontractors and suppliers.

Officers from the Department of Business are available to give advice in the preparation of plans. ICN NT and industry associations can assist with industry capability and business matching. Training Advisory Councils can provide skills capability and training information and advice.

An Industry Participation Plan should be developed in line with the Territory's national and international obligations, including the Australian Industry Participation Framework (AIPF) and the ANZGPA. See Appendix A for further information.

## Who should develop an Industry Participation Plan?

An Industry Participation Plan will be a requirement for all Northern Territory Government assisted private sector projects that have an expected value in excess of \$5 million.

An Industry Participation Plan will be a requirement for all Northern Territory Public Private Partnership projects.

Preselected tenderers will be required to submit an Industry Participation Plan for all Northern Territory Government tendered projects that have an expected value in excess of \$5 million.

An Industry Participation Plan will be actively encouraged for private sector projects that are not Northern Territory Government assisted private sector projects and have an expected value in excess of \$5 million.

## What is a Northern Territory Government assisted private sector project?

It is a project where the Northern Territory Government makes either a direct financial investment and/or an indirect quantifiable contribution beyond standard Government provision of regulatory and facilitative services.



## Appendix A

### Additional information

#### National and international frameworks

Building Northern Territory Industry Participation has been developed to be consistent with the Territory's national and international obligations, including the Australian Industry Participation Framework (AIPF) and the Australia New Zealand Government Procurement Agreement (ANZGPA).

Building Northern Territory Industry Participation has also been influenced by various other international and national policy initiatives. The Territory Government monitors and provides input into these policy initiatives which include:

- The World Trade Organisation (WTO)
- Australian National Competition Policy and other Commonwealth Legislation
- Other treaties and trade agreements.

#### Australian Industry Participation Framework

The AIPF has been signed by Australia's Industry Ministers and gives effect to their commitment to provide Australian industry will full, fair and reasonable opportunity to actively participate in investment projects.

The framework encourages all spheres of government to adopt a coordinated approach to maximising Australian industry participation in investment projects, both in Australia and overseas.

Information about various policies and programs is available in the Federal Government's Australian Industry Participation website at <http://www.aip.gov.au>

#### Australia New Zealand Government Procurement Agreement

The objectives of the ANZGPA are to create and maintain a single Australia New Zealand government procurement market to maximise opportunities for competitive Australia New Zealand suppliers and to reduce costs of doing business for both government and industry.

Further details are available at <http://www.apcc.gov.au>

#### Northern Territory Government Procurement Policy

Building Northern Territory Industry Participation will operate in accordance with Northern Territory Government procurement policy and guidelines.

Further details are available at <http://www.dob.nt.gov.au>

#### Enhanced Project By-Law Scheme (EPBS)

AusIndustry has responsibility for administering the EPBS. Project proponents seeking import duty concessions for eligible goods can lodge an application with AusIndustry. If the application and subsequent Implementation Report satisfies the Policy and Administrative Guidelines, including development and implementation of a satisfactory Australian Industry Participation Plan, AusIndustry will issue a determination to allow duty concessions on imports of eligible goods to be used in the project.

Further details are available at <http://www.ausindustry.gov.au>

## Tradex

The Tradex scheme provides relief to eligible exporting companies through an up-front exemption from customs duties and other taxes on imported goods, which are for re-export or to be used in making export goods.

Further details are available at <http://www.ausindustry.gov.au>

## Training and employment

Training in the Northern Territory is available through Charles Darwin University and various private sector specialists. Support is available to help fund the training or retraining of employees through grants and subsidies under a number of Commonwealth and Territory government programs.

Further details are available at <http://www.dob.nt.gov.au>, relevant industry associations or Training Advisory Councils.

## Business development programs

The Department of Business can provide further information regarding business development assistance, programs and seminars available for Territory businesses.

Further details are available at <http://www.dob.nt.gov.au>

## Contact details

The key contact point for information assistance in relation to Industry Participation Plans is:

### Department of Business

GPO Box 3200  
Darwin NT 0801

Development House  
76 The Esplanade  
Darwin NT 0800

Tel: +61 8 8982 1700  
Toll Free: 1800 193 111  
Fax: +61 8 8982 1725  
Website: <http://www.dob.nt.gov.au>

You can also obtain information at the Department's regional offices:

### Alice Springs

PO Box 9800  
Alice Springs NT 0871

67 North Stuart Highway (Peter Sitzler Building)  
Alice Springs NT

Tel: +61 8 8951 8524  
Fax: +61 8 8951 8533

### Tennant Creek

PO Box 9800  
Tennant Creek NT 0861

Shop 2 Barkly House,  
99 Peterson Street, Cnr Davidson & Paterson Streets  
Tennant Creek NT

Tel: +61 8 8962 4411  
Fax: +61 8 8962 4413

**Katherine**  
PO Box 9800  
Katherine NT 0851

Shop 1 Randazzo Building  
18 Katherine Terrace  
Katherine NT

Tel: +61 8 8973 8180  
Fax: +61 8 8973 8188

Further information is also available from:

**Industry Capability Network Northern Territory (ICN NT)**  
GPO Box 1882  
Darwin NT 0801

Suite 6B/1450 Stuart Highway (Corner Winnellie Road and Hickman Street)  
Winnellie NT 0820

Tel: +61 8 8922 9422  
Fax: +61 8 8922 9430  
Website: <http://www.icnnt.org.au>

**Chamber of Commerce NT (CCNT)**  
GPO Box 1825  
Darwin NT 0801

Unit 1/2 Shepherd Street  
Darwin NT 0800

Tel: +61 8 8982 8100  
Fax: +61 8 8981 1405  
Website: <http://www.chambernt.com.au>

**Master Builders NT**  
PO Box 37121  
Winnellie NT 0821

11/396 Stuart Highway  
Winnellie NT 0820

Tel: +61 8 8922 9666  
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