

# Territory Benefit Policy

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Acronyms	Full form
AIP	Australian Industry Participation
Australian Jobs Rule 2014	The Australian Jobs (Australian Industry Participation) Rule 2014
CEO COORD	Chief Executive Officer (of COORD) committee
Cth	Commonwealth
NT	Northern Territory

## 1. Policy objectives

The primary objective of the Territory benefit policy is to maximise the contributions made by private sector projects to the Northern Territory (NT) economy and community.

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 and the general public.

## 2. Policy context

The NT Government is focused on building and sustaining a strong, diverse economy for all Territorians. The 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. The policy encourages consideration of positive outcomes in:

- local workforce development and capability development;
- local employment;
- local Aboriginal employment;
- workforce diversity;
- local suppliers of goods and services;
- local Aboriginal suppliers of goods and services;
- local investment in and contribution to shared value in the local community.

The majority of project proponents understand the importance of establishing and maintaining their social licence to operate in the region in which their project is based. This is often achieved by committing to and delivering outcomes that local communities value (for example jobs, purchasing local services and materials, sponsorship and community support, enhanced infrastructure).

Project proponents should adopt a shared value approach, prioritising outcomes that align business interests with community interests. The Territory benefit policy is 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 workforce and industry's capacity and capabilities to meet the needs of their project. The 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, innovative and capable suppliers and labour.

The intent of the Territory benefit policy is to encourage proponents to use their best endeavours to meet the commitments they make in the Territory benefit plan. It is not the intent of the policy to penalise proponents for not meeting an agreed commitment, or to insist they utilise local goods, services or workers regardless of price or quality. Rather, the policy aims to encourage proponents to consider local workers, suppliers and community benefits that are feasible, reasonable and mutually beneficial.

Project proponents are expected to maintain open and transparent communication with key stakeholders, including the local community, throughout the life of the project. Sharing information about the project and communicating key local benefit commitments is necessary for proponents to build and maintain strong, collaborative relationships with the local community, local suppliers and local workforce.

A communication and reporting strategy for the Territory benefit plan details the mechanism(s) proponents will use 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 AIP National 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 project 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 requirement for an AIP Plan by using a compliant Territory benefit plan.

### 3. Policy scope

The Territory benefit policy is mandatory and must be applied to private sector projects:

- 3.1 awarded major project status under the NT Major Project Status Policy Framework;
- 3.2 receiving NT Government support valued at or greater than \$500,000; or
- 3.3 where a Territory benefit plan is specified as a condition of an NT Government agreement.

For private sector projects not matching the criteria above, the policy guides local benefit planning for projects and businesses that voluntarily choose to apply the policy to their project.

The Territory benefit policy does not apply to NT Government procurement or NT Government grant funding programs.

### 4. Policy statement

- 4.1 Local benefits planned, committed to and achieved from projects are demonstrated through the development, approval, implementation and reporting of a Territory benefit plan. The NT Government project manager assigned to support the project will work with the proponent throughout the process and will provide referrals to organisations available to assist with information and advice.
- 4.2 The Territory benefit plan must outline the project proponent's commitment to contributing to a strong, vibrant economy in the NT. It must provide and encourage full, fair and reasonable opportunities 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.
- 4.3 The Territory benefit plan must consider opportunities for Aboriginal suppliers of goods and services and Aboriginal workforce in alignment with the Aboriginal Economic Participation Framework.
- 4.4 The Territory benefit plan should be prepared early in the project's lifecycle with consideration of the essential elements that must be included, as outlined [in the guide](#) and at **Attachment A**.
- 4.5 The Territory benefit plan must be produced and ready for consideration by the NT Government by the time the final investment decision for the project is reached.
- 4.6 The Territory benefit plan must address all phases of the project's lifecycle. For lengthy projects with multiple project phases, the plan can be revised or amended as the project progresses to a new phase.

- 4.7 A Territory benefit plan must be developed, approved, implemented and reported against for major projects as referred to in section 3.1.
- 4.8 A Territory benefit plan must be developed, approved, implemented and reported against by all private sector projects receiving NT Government support valued at or greater than \$500,000, as referred to in section 3.2.
- 4.8.1 The value of the support includes financial or in-kind contributions and/or where the NT Government forgoes revenue.
- 4.8.2 The requirement for the Territory benefit plan will be confirmed in the written agreement confirming the NT Government support being provided.
- 4.9 A Territory benefit plan that is specified as a condition of an NT Government agreement referred to in section 3.3 must be developed, approved, implemented and reported against by the project proponent.
- 4.10 The NT Government project manager assigned by the agency supporting the project will work with the project proponent to ensure the Territory benefit plan meets the essential requirements of the policy and will submit the final draft to the CEO COORD for consideration and approval. The NT Government project manager will work with the proponent to oversee implementation of the approved Territory benefit plan commitments.
- 4.11 Implementation by the proponent of agreed Territory benefit plan commitments will be tracked by the NT Government project manager.
- 4.11.1 The commitments will be reviewed at intervals agreed by both parties (minimum of annually).
- 4.11.2 Where commitments are unable or unlikely to be achieved, for any reason, the parties will negotiate amendments to the Territory benefit plan and the NT Government project manager will seek approval of the amended plan from CEO COORD.
- 4.12 A Territory benefit plan may provide the basis for an exception from the requirement for an (AIP) Plan under the following circumstances:
- 4.12.1 Major projects (\$500 million or more) under the *Australian Jobs Act 2013*.  
To be eligible for an exception, project proponents must liaise with the AIP Authority regarding major project notification and lodgement of the Territory benefit plan. The AIP Authority will assess the Territory benefit plan based on the criteria in the *Australian Jobs Act 2013* and the *Australian Jobs Rule 2014*.
- 4.12.2 Large infrastructure projects where Australian Government funding of \$20 million or more is provided through state and territory governments.  
The Australian Government funding agency must 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.
- 4.13 Proponents must demonstrate the processes undertaken to understand local capabilities when preparing a Territory benefit plan. Consultation with organisations including but not limited to the Industry Capability Network of the NT and NT Indigenous Business Network or equivalents is strongly recommended.
- 4.13.1 The NT Government project manager supporting the proponent will provide information on a range of organisations available to assist with information and advice for the Territory benefit plan. This information is also available in the Territory benefit plan guide available on the [Territory benefit policy and planning website](#).

## 5. Roles and responsibilities

### 5.1 Private sector project proponents

Proponents of projects where a Territory benefit plan is mandated (as outlined in section 3) are responsible for:

- 5.1.1 liaising with NT organisations available to assist with identifying local suppliers; skills; workforce training needs; and opportunities for improving social outcomes; building local capability; and investing in local economic, industry and community infrastructure;
- 5.1.2 working with the NT Government project manager to negotiate and agree on the content of their Territory benefit plan (a customisable template is available in the [Territory benefit plan guide](#));
- 5.1.3 communicating agreed Territory benefit plan commitments to local stakeholders and the general public, as outlined in the communications and reporting strategy which forms part of the Territory benefit plan;
- 5.1.4 reviewing implementation of Territory benefit plan commitments at intervals agreed with the NT Government project manager (minimum annually) and amending commitments if required;
- 5.1.5 publicly reporting implementation of Territory benefit plan commitments;
- 5.1.6 reporting on implementation of Territory benefit plan commitments to the NT Government project manager at agreed intervals.

### 5.2 NT Government project managers

The NT Government agency supporting the project will assign a project manager to work with the proponent throughout the process of developing, approving, implementing and reviewing the Territory benefit plan. The NT Government project manager is responsible for:

- 5.2.1 communicating the NT Government's expectations for the Territory benefit plan to the project proponent;
- 5.2.2 providing information and referrals to assist the proponent with developing the Territory benefit plan;
- 5.2.3 negotiating the content of the Territory benefit plan with the proponent;
- 5.2.4 updating the Department of Industry, Tourism and Trade (DITT) on progress for recording on the Territory benefit plan register and to inform annual DITT reports to CEO COORD;
- 5.2.5 arranging approval of the Territory benefit plan through CEO COORD;
- 5.2.6 overseeing implementation of agreed Territory benefit plan commitments;
- 5.2.7 reporting progress with implementing agreed Territory benefit plan commitments – at least annually – to DITT to inform annual reports to CEO COORD;
- 5.2.8 working with the proponent to review implementation of Territory benefit plan commitments at agreed intervals (minimum annually);
- 5.2.9 updating DITT on the outcome(s) of reviews for recording on the Territory benefit plan register and to inform annual reports to CEO COORD;

- 5.2.10 documenting the reasons why benefit plan commitments were successful or unsuccessful, for the purposes of informing future Territory benefit and business and workforce planning; and
- 5.2.11 contributing to the review of the policy.

The NT Government agency supporting the project must notify DITT of any project requiring a benefit plan, as well as their assigned project manager, for inclusion on the Territory benefit plan register.

### 5.3 Policy administrators

DITT administers the Territory benefit policy and is responsible for:

- 5.3.1 maintaining the Territory benefit plan register of existing and prospective Territory benefit plans;
- 5.3.2 maintaining the step by step toolkit and online training module for NT Government project managers;
- 5.3.3 maintaining the Territory benefit plan guide and templates for project proponents and NT Government project managers;
- 5.3.4 administering the Territory benefit policy website;
- 5.3.5 maintaining a suite of templates to streamline processes for project proponents and NT Government project managers;
- 5.3.6 implementing an ongoing awareness raising campaign about the Territory benefit policy across the NT Government;
- 5.3.7 reporting annually to CEO COORD on the development, approval and implementation of Territory benefit plans;
- 5.3.8 reviewing the policy every three years; and
- 5.3.9 responding to general enquiries about the Territory benefit policy.

## 6. Useful links

- 6.1 [Territory benefit policy website](#)
- 6.2 [NT Aboriginal Economic Participation Framework 2022-23](#)
- 6.3 [NT Major Project Status Policy Framework](#)
- 6.4 [Australian Jobs Act 2013](#) (Cth)
- 6.5 [Australian Industry Participation Authority](#)
- 6.6 [Australian Jobs \(Australian Industry Participation\) Rule 2014](#)
- 6.7 [Buy Local Plan](#)
- 6.8 [NT Procurement Framework](#)

## Attachment A

### 7. Essential elements for inclusion in a Territory benefit plan

The NT Government project manager will communicate the NT Government's expectations for the Territory benefit plan and will work with the proponent throughout the plan's development to negotiate and agree its content.

The Territory benefit plan guide and templates for project proponents is available on the [Territory benefit policy web portal](#). The guide includes example commitments and lists some of the organisations available to assist with information and advice for the Territory benefit plan. The guide includes a Territory benefit plan template and progress monitoring template. Use of the templates is voluntary. The template can be customised to suit the unique characteristics of each project.

The following elements are essential and must be included in a Territory benefit plan:

#### 7.1 Project information

The project information section of the Territory benefit plan must contain:

- a) Name of the project.
- b) Description of the project.  
*Meaningful description of the project including industry classification.*
- c) Location of the project.  
*Include the region (i.e. Central, Barkly, Top End, Arnhem etc) and local government area, if known.*
- d) Company name.  
*Legal entity name.*
- e) Overview of corporate structure.
- f) Location of the company's headquarters.  
*City, state/territory, country.*
- g) Project proponent contact details.  
*Name, telephone and email of key contact(s).*
- h) Website address for the project.  
*Website where project opportunities and agreed Territory benefit plan commitments will be published.*
- i) Estimated project value.  
*Include total projected project investment, proponent's contribution and if applicable, contributions from partners/investors. Provide a breakdown of expected capital and operational expenditure.*
- j) Project scope(s) covered by the Territory benefit plan.  
*For example planning, construction, commissioning, operation, decommissioning, rectification/rehabilitation.*
- k) Proposed workforce requirements for the project scope covered by the Territory benefit plan.



*Provide a breakdown of expected direct and indirect full time equivalent positions in each workforce category and include specific skillsets/qualifications required for each workforce category and if applicable, provide proposed workforce requirements for future phases of the project.*

- l) Proposed total workforce sourced locally.

*Estimate the total workforce you will source locally if your workforce development, attraction and retention strategies are successful.*

*Include categories such as local workforce (from the community in which the project operates); local Aboriginal workforce; NT workforce; NT Aboriginal workforce; and diverse workforce (age, gender, disability etc).*

*Include an estimation of expected workforce numbers for each workforce category.*

- m) Proposed supply and service requirements.

*Supply / service requirements for all phases of the project in the NT, including for the project scope(s) covered by the Territory benefit plan.*

- n) Proposed total work package allocated to local suppliers and service providers.

*Estimate the total work package you will allocate to local suppliers and service providers, including as a percentage of the total supply and service requirements for the project scope covered by this Territory benefit plan. Where possible, identify Aboriginal suppliers and service providers.*

- o) Proposed staging of work, timelines and major milestones.

*Detailed milestones and timelines for each stage of the project covered by this Territory benefit plan.*

- p) Proposed procurement and contracting methodology.

*Detail the procurement and contract methodology you will employ, including contractual requirements you will impose on subcontractors.*

## 7.2 Territory benefit plan commitments and strategies

Territory benefit plan commitments should be defined as a target or a commitment to implement a process or initiative.

Commitments should be specific, achievable, measurable and reportable. Where possible, your Territory benefit plan should include timeframes for achieving set milestones.

While recognising every project is different and the Territory benefit plan commitments will reflect the particular opportunities and challenges of each project, the plan must include detail on the strategies used by the proponent to identify opportunities to:

- a) develop local workforce skills so that local workers (including local Aboriginal workers) have full, fair and reasonable opportunities to be employed on the project;
- b) enhance local supply and service capability and competitiveness so that local suppliers and service providers (including local Aboriginal suppliers and service providers) have full, fair and reasonable opportunities to competitively bid for work on the project;
- c) support and enhance workforce diversity on the project;
- d) improve social outcomes in the local community; and
- e) invest in local infrastructure or economic development initiatives that could have a lasting beneficial impact beyond the life of the project.

The Territory benefit plan must also detail:

- a) the strategies that will be employed to achieve the commitments;
- b) the metrics that will be used to measure success; and
- c) the intervals in which progress in implementing the agreed Territory benefit plan commitments will be reported publicly.

### 7.3 Communications and reporting strategy

The Communications and reporting strategy must detail how agreed Territory benefit plan commitments will be communicated to the local community and the general public. This includes regular public reports on progress implementing the commitments and the outcomes of (minimum annual) reviews of the Territory benefit plan commitments.

The Communications and reporting strategy must contain:

- a) a stakeholder analysis identifying key stakeholders and their relationship to the project; stakeholder expectations of the project; the engagement method you will utilise to ensure stakeholders are well informed; and the mechanisms you will use to update the stakeholder analysis, including how often this will occur;
- b) the website address where Territory benefit plan commitments; progress reports on implementing the commitments; and the outcomes of annual reviews of the Territory benefit plan will be published;
- c) reporting schedule, aligned to key milestones for Territory benefit plan commitments, for regular public updates on progress implementing agreed Territory benefit plan commitments;
- d) detail on how and where suppliers and workers can register interest in participating in the project;
- e) detail on how project opportunities will be communicated to local and broader NT workforce and businesses;
- f) detail on how project opportunities will be communicated to NT Aboriginal workforce and businesses;
- g) the metrics to be used to ensure success in implementing the Territory benefit plan commitments; and
- h) if relevant, detail on how local benefit outcomes will be achieved from cascading requirements with sub-contractors.

Strategic Direction:	Grow local capacity
Responsible Business Unit:	Industry Strategy and Facilitated Projects
Responsible Director:	Director Industry Strategy
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