Major Project Status Policy Framework

For more information contact:
Department of the Chief Minister
Office of Major Projects, Infrastructure and Investment
P: (08) 8999 6465

Effective: July 2015
1. INTRODUCTION

Major projects are significant contributors to the economic development of the Northern Territory.

The efficient delivery of major projects has benefits for the Northern Territory and the complicated nature of such projects often requires whole-of-government coordination.

Major Project Status is awarded to projects which meet specific criteria.

Major Project Status is generally sought by private sector proponents as confirmation of Northern Territory Government support for the project.

Since 2001, the Northern Territory has adopted a case management approach for projects that have been awarded Major Project Status.

2. WHAT IS A MAJOR PROJECT

When considering whether to award Major Project Status, the NT Government will consider if the project has one or more of the following characteristics:

- **Significance.** This includes consideration of:
  - the capital expenditure (typically >$50M) required for the project;
  - the proportion of capital and operational expenditure which will be invested in the Northern Territory;
  - direct and indirect construction and operational workforce requirements; and
  - the proportion sourced from within the specific locality or the Northern Territory.

- **Strategic Impact.** Consideration will be given to, among other things, the opportunity to leverage additional investment such as growth in the supply and service sector; benefits of the resultant infrastructure to other industries and future projects; and whether additional economic development opportunities may be unlocked by the project.

- **Complexity.** Consideration will be given to, among other things, the regulatory approval requirements (that is, the number and diversity of licenses, authorisations, permits required; and project impacts (environmental, economic or social) beyond the project footprint.

3. WHAT OTHER MATTERS WILL BE CONSIDERED

In addition to being required to meet the characteristics of a major project, in considering an application for Major Project Status, the NT Government will also assess the following:

- **Project Feasibility.** An applicant will need to clearly outline the scope of the project and demonstrate project feasibility. At minimum, pre-feasibility studies should have been undertaken which clearly demonstrate that the project is sustainable based on available information. Such pre-feasibility studies are expected to demonstrate that
consideration has been given to financial, environmental, social and land tenure issues as relevant.

- Applicant’s Capacity to Deliver. The Applicants will need to demonstrate expertise and previous experience in the development and delivery of similar projects. The applicant will also be required to demonstrate its approach to project financing and detail how funding is proposed to be secured.

4. PROCESS TO APPLY FOR MAJOR PROJECT STATUS

An application for Major Project Status is required to contain project and company details as outlined in Attachment A.

The completed applications for Major Project Status should be addressed to:

Major Project Status Application
Office of Major Projects, Infrastructure and Investment
Department of the Chief Minister
GPO Box 4396
Darwin NT 0801

The process for consideration of applications for Major Project Status is outlined in Attachment B.

5. DURATION OF MAJOR PROJECT STATUS

Generally, Major Project Status ceases when the project reaches a pre-agreed milestone or commences operation.

The maximum term of a Major Project is generally three years. An extension to the term of Major Project Status may be granted on a basis to be negotiated between the NT Government and the project proponent.

There will be circumstances where Major Project Status is terminated before the pre-agreed milestone is reached or the expiration of the three year term. For example, if the:

- project proponent enters into liquidation, receivership or administration; or
- scope of the project materially changes such that the project no longer delivers the significant or strategic impact required of a major project.

6. PROJECT FACILITATION AGREEMENT

Following the decision to award Major Project Status, the project proponent and the NT Government may negotiate a Project Facilitation Agreement.

A draft PFA is provided at Attachment C. The Project Facilitation Agreement would generally include:

- objectives of the parties
- commitments of the parties
• detail around the project scope
• project milestones and deliverables
• term of Major Project Status and the triggers for cessation.

7. GOVERNANCE OF MAJOR PROJECTS

Each designated major project will generally be supported by:

• a Project Facilitation Agreement
• an NT Government Project Taskforce which is comprised of representatives from NT Government Agencies able to facilitate project delivery
• a dedicated case manager who will:
  o be the primary point of contact to assist in coordination of regulatory approval processes
  o facilitate the identification of relevant approvals, authorisations etc.
  o coordinate meetings of the Project Taskforce
  o provide regular project updates to the NT Government.

Representatives of the project proponent may be required to participate in NT Government Project Taskforce meetings as necessary.

8. CONFIDENTIALITY

All applications for Major Project status are confidential.

No public statements will be made by either party until a Project Facilitation Agreement has been finalised.
ATTACHMENTS
ATTACHMENT A

INFORMATION TO BE SUBMITTED IN SUPPORT OF AN APPLICATION MAJOR PROJECT STATUS

1. PROPOSAL INFORMATION
   1.1. Title {What is the project to be called}
   1.2. Proponent Details
       Company details {Business Registration Number; Business Name; Registered Street Address and Mailing Address}
       Contact Person – Position – Contact details
       Previous Experience in Delivering Similar Projects
       Financial Capacity/Capability {ASX announcements; Annual Reports; financial summaries etc., if relevant}
   1.3. Description of Proposal
       1.3.1. Project Scope {What activity is to be undertaken}
       1.3.2. Infrastructure and Service Requirements – {type; quantity}
       1.3.3. Project Costs
       1.3.4. Outputs – {type; quantity}
       1.3.5. Waste(s) – {type; quantity} {Include air emissions as well as waste products arising from the process}
   1.4. Novel/New or Innovative elements of the project
   1.5. Draft Project Timeline {include development, construction and operational timeframes}
   1.6. Utilities and Service requirements {Quantity/Specification}
       1.6.1. Water {Source e.g. town water; aquifer, surface water; Volume required; has source been identified and availability confirmed}
       1.6.2. Power {also indicate provider e.g. self, or 3rd party provider; Where self-generated source of energy e.g. gas/ diesel other}
       1.6.3. Other {e.g. gas/sewerage/diesel (projected volumes – whether discussions have commenced with providers etc.)}
   1.7. Infrastructure {How inputs/outputs to be brought to site – who is to provide – if new specify notional distance, include map}
   1.8. Project Status {At what stage of project development is the project Concept development/Pre-FEED/ FEED/ FID/Construction; what approvals have been identified as being required and indicate which have been acquired to date}
   1.9. Alignment with Major Project definition - Statement regarding how the project aligns with the Territory’s definition of a major project.

2. LAND DETAILS
   2.1. Site Location {the geographic location of the project including map}
   2.2. Current Tenure and Ownership {What is the underlying tenure e.g. pastoral lease, crown lease, freehold – identify lot number, ownership; including where relevant current mining/petroleum tenure and whether you have or need to apply for a mining lease/production license}
   2.3. Land Zoning {Current zoning and whether land is suitably zoned for he proposed activity}
2.4. Native Title/Aboriginal Land Rights (Northern Territory) Act (Identify whether the land may be subject to Native Title interests or is on land subject to the Aboriginal Land Rights (Northern territory) Act. Has process commenced to secure appropriate agreement)

2.5. Other – tenure required (Does the proponent need a different form of tenure e.g. currently pastoral land and requires a higher form of tenure to satisfy finance requirements)

3. APPROVALS REQUIRED FOR THE PROJECT (Considering the nature of the development and its location, what approvals, authorisations, permits have been identified as being required)

4. POTENTIAL IMPACTS/ISSUES
   4.1. Environment (Are there any identified areas of environmental sensitivity at this time, or rare/endangered/listed species known in location – Note this is not dependent upon the proponent having started their environmental assessment process, it is seeking to identify what is already known.)
   4.2. Community (what communities may be affected by the project and how e.g. traffic, noise, cultural issues etc.)
   4.3. Economic Impact of Project (for example capital expenditure ($m (gross)); operational expenditure ($m/annum); employment – construction, operations, direct and indirect; any assessment of proportion that may be captured in region/NT.

4.4. Other

5. CONSULTATION TO DATE (Has there been public engagement on this project; what consultation has been held across Government)
Major Project Status Application Process

1. Proponent lodges application for Major Project Status

2. Major Project Infrastructure and Investment Taskforce (MPII) reviews Applications (in consultation with relevant Agencies) and drafts recommendations

3. MPII Taskforce considers recommendations

4. MPII Taskforce recommendation Accepted / Rejected

5. Taskforce Endorsed Recommendation to Chief Minister and Cabinet

6. Taskforce recommendation of Major Project status accepted / review and revision required

7. Proponent advised that Major Project status has been granted

8. Terms of Project Facilitation Agreement negotiated

9. Project Facilitation Agreement Signed by Parties

10. Public announcement of Major Project Status

Effective: July 2015
NORTHERN TERRITORY OF AUSTRALIA

PROJECT FACILITATION AGREEMENT

NORTHERN TERRITORY OF AUSTRALIA

AND

[INSERT COMPANY/BUSINESS/PROPONENT REGISTERED NAME HERE]

-DRAFT-

THIS DOCUMENT HAS BEEN PREPARED FOR DISTRIBUTION PURPOSES ONLY AND IS SUBJECT TO APPROVAL

Effective: June 2015
NORTHERN TERRITORY OF AUSTRALIA
PROJECT FACILITATION AGREEMENT

This AGREEMENT is made the day of 2015.

BETWEEN

NORTHERN TERRITORY OF AUSTRALIA care of the Department of the Chief Minister, Level 14, NT House, 22 Mitchell Street, Darwin in the Northern Territory of Australia (the “Territory”)

AND

XXXX (ABN XXXXXXX) XXXADDRESSXXX (“the Proponent”)

BACKGROUND
A. The Proponent intends to [insert a short descriptor of the project].
B. The Territory recognises the significance and the potential benefits of the Project for each of the Proponent and the Northern Territory.
C. The Proponent and the Territory have agreed to work in the spirit of co-operation to achieve the timely, efficient and effective development of the Project and to maximise the economic and community benefit for the Northern Territory.
D. The Parties’ commitments are set out in this Agreement.

THE PARTIES AGREE

DEFINITIONS AND INTERPRETATION

Defined Terms [Vary from project to project though some generic terms are provided]

1. In this Agreement, unless the contrary intention appears, the following definitions apply:

   a) “Community Benefits Plan” means the Proponent’s plan to provide social and economic benefits to communities in accordance with a condition (if any) imposed by the Minister for Mines and Energy pursuant to s37(3)(c) of the Mining Management Act.
b) “EIS” means the Proponent’s Environmental Impact Statement prepared for the purposes of assessment of the proposed Project in accordance with the *Environmental Assessment Act (NT)* and the *Environment Protection and Biodiversity Conservation Act 1999* (Cth);

c) “ESIA” means an Economic and Social Impact Assessment undertaken by the Proponent in accordance with the guidelines issued by the NT Environment Protection Authority; and

d) “IPP” means a Northern Territory Industry Participation Plan developed in accordance with clause 7;

e) “Party” or “Parties” means, depending on the context, the Territory, the Proponent, or both;

f) “Project” means the design, approval, development and operation of:

i) [insert relevant description here as an itemised listing which aggregates common elements]; and

g) “Taskforce” means the cross-agency working group for the Project referred to in clause 0.

**DESCRIPTION OF PROJECT [NAME]**

2. [insert relevant description here as an itemised listing]

**COMMITMENT**

3. The Parties agree:

a) to work together in order to:

i) achieve the timely, efficient and effective development of the Project; and

ii) maximise the economic and community benefits for the Territory;

b) share information relevant to the achievement of the matters set out in clause a) in a timely manner;

c) allocate appropriate resources to the facilitation process contemplated by this Agreement; and

d) that this Agreement will operate until the earlier of:

i) the Proponent notifying the Territory of its commencement of operations; or
ii) three years from the date this Agreement is signed by both parties; unless the parties agree to an earlier termination of the Agreement.

OBJECTIVES

4. The Proponent’s objectives in entering into this Agreement are:
   a) To work cooperatively with the Territory to identify opportunities arising from the Project that benefit both the Territory and the Project; and
   b) to receive all reasonable and appropriate assistance from the Territory in co-ordinating the relevant assessment of applications and determinations for granting or issuance of approvals, permits, licences or other authorities necessary for the Project in accordance with relevant statutory requirements and timeframes.

5. The Territory’s objectives in entering into this Agreement are:
   a) to facilitate the final investment decision to undertake the Project by the Proponent;
   b) to provide a coordinated response to the needs of the Project:
      i) through the operation of the Taskforce;
      ii) by providing and reviewing information in a timely manner on issues relating to development of the Project;
      iii) by assisting to identify legislative requirements for the Project, including the obtaining of approvals, permits, licences and other authorities necessary for the Project; and
      iv) by co-ordinating timeframes for government processes to ensure Project proposals are assessed and determinations are made in an appropriate and timely manner;
   c) to continue to grow and diversify the economy within the Northern Territory through public and private investment in the infrastructure needed to drive developments in Northern Australia, particularly in regional and remote locations;
   d) maximising outcomes for local industry participation in the Project through the negotiation of an IPP which specifically addresses but is not limited to business opportunities, local employment, training and Indigenous development opportunities; and
   e) to leverage synergies between the Project and other projects in the region in order to maximise investment in infrastructure to drive the developing Northern Australia agenda.
LEGISLATIVE AND ADMINISTRATIVE REQUIREMENTS AND APPROVALS

6. The Proponent will comply with all legislative and administrative requirements applicable to the Project.

7. Where, in accordance with clause 8 the Proponent has made a request to the Territory to consider a change to a legislative or administrative requirement, the Proponent acknowledges that:
   a) the Territory agrees to discuss the request with the Proponent; and
   b) the Territory, in its sole and absolute discretion, will decide whether to make any legislative or administrative change.

8. Where the Proponent identifies a legislative or administrative requirement that it considers to be a barrier to investment in the Project and the applicable legislation grants the Territory a discretion in respect of that requirement, the Proponent may request in writing that the Territory consider that requirement and such a request is to provide:
   a) a detailed explanation of the practical or financial impact of compliance with the requirement on the Project;
   b) details of any alternative means of meeting the requirements considered by the Proponent and an explanation as to why those alternatives are not preferred by the Proponent; and
   c) a proposal addressing alternative means of meeting the requirement, detailing the anticipated financial impact to the Proponent and any other person resulting from the alternative proposal.

9. The Proponent acknowledges and agrees that nothing in this Agreement is intended to fetter the exercise of any power or function contained in the laws of the Territory by a Minister, appointed officer or a delegate.
10. The Territory has formed the Taskforce to facilitate development of the Project across the agencies of Government administering the various legislation relevant to the Project.

11. The Taskforce reports to, and can be directed by, the Coordinator-General of the Office of Major Projects, Infrastructure and Investment.

12. The purpose of the Taskforce is to:
   a) work with the Proponent to identify, clarify and resolve key issues relating to the Project;
   b) co-ordinate the activities of the agencies of the Territory to ensure a whole of government approach to the Project, efficient engagement between the Territory and the Project, and provision of appropriate responses to the Proponent.
   c) assist in the facilitation and coordination of engagement with the Commonwealth and state governments as required.

13. Membership of the Taskforce by agencies of the Territory may vary over time depending upon the issues identified by the Proponent or the Territory but is anticipated to include representatives from the following Agencies:
   i) Department of the Chief Minister;
   ii) Department of Land Resource Management;
   iii) Department of Primary Industry and Fisheries;
   iv) Department of Lands, Planning and the Environment;
   v) Department of Business;
   vi) Department of Transport;
   vii) Northern Territory Environment Protection Authority; and
   viii) Department of Attorney-General and Justice.

14. The Taskforce will meet at regular intervals or as agreed between the respective agencies.

15. The Taskforce is to report to the Territory and the Proponent, at a minimum, within one week after each taskforce meeting.

ENVIRONMENTAL ASSESSMENT [WHERE APPROPRIATE]

16. The Proponent is preparing [has prepared] a process to identify the necessary environmental approvals, permits, licences, authorisations or consents to proceed for the Project.

17. The Proponent is aware that the recommendations made by the Environment Protection Authority (NT) and the relevant Commonwealth Agencies will be provided to and inform
the [Responsible Minister(s)] about environmental matters relating to the issues of relevant approvals, permit, license, authorisation, or consent to proceed.

18. The Territory is committed to ecologically sustainable development of the Northern Territory, and will facilitate the Proponent’s communication with the EPA to support the Project’s environmental compliance.

NORTHERN TERRITORY INDUSTRY PARTICIPATION PLAN

19. The Proponent acknowledges the Territory is committed to the participation of the Northern Territory and Australian industry, business and labour force in development projects within the Northern Territory.

20. The Proponent agrees to prepare an IPP in line with the Building Northern Territory Industry Participation Policy.

21. The Proponent acknowledges the IPP is to ensure businesses based in the Northern Territory have ample opportunity to bid for and win contracts for the Project during construction and operation of the Project.

ACKNOWLEDGEMENTS BY THE PARTIES

22. The Proponent acknowledges that:
   a) the benefits associated with the Territory contributing to the Project through project facilitation are over and above the standard provision of regulatory and facilitative services;
   b) the Territory’s responsibilities under this Agreement are subject to:
      i) the Proponent having complied with all legislative requirements;
      ii) legislative timeframes including public, third party or other consultation periods required by legislation;
      iii) the Territory giving due and proper consideration to all applications and other legislative instruments lodged by the Proponent in accordance with the relevant legislation;
      iv) the Territory’s responsibilities under the National Competition Policy and related agreements and policies; and
      v) factors which are outside of the Territory’s reasonable control; and
   c) the Territory, prior to the development of this Agreement, has worked constructively with the Proponent towards achieving the objectives of this Agreement.

23. The Territory acknowledges that the decision to proceed with the Project is at the Proponent’s absolute and sole discretion.
COMMUNICATION

24. The Parties will develop and agree upon:

   a) a communication strategy to ensure that all stakeholders are kept informed about the Project;
   
   b) briefings by the Proponent for Territory Ministers on the Project;
   
   c) a project description, including statistics relating to the Project for use by the Parties; and
   
   d) the procedures applicable to the Project and the Territory agency or authority responsible for administering those procedures.

PUBLICITY

25. A Party will not, without the prior written consent of the other Party, make or publish any media release, press statement or public announcement (“Publication”) regarding the terms of this Agreement except where:

   a) the Territory deems the Publication to be in the public interest or the Publication is required by legislation; or
   
   b) in relation to a Publication made by the Territory, the Publication relates wholly to activities of the Territory in relation to the Project; or
   
   c) the Publication is required to be disclosed by law or the rules and requirements of a stock exchange; or
   
   d) in relation to a Publication made by the Proponent, the Publication relates wholly to activities of the Proponent in relation to the Project.

CONFIDENTIAL INFORMATION

26. Each Party must hold all confidential information of the other Party in confidence and must not make any use of it, except for the purposes of performing the matters or things contemplated by this Agreement and must not disclose or permit or cause the confidential information of the other Party to be disclosed to any person without the prior written consent of the other Party, except:

   a) to its employees or contractors, to the extent needed to allow them to perform the matters or things contemplated by this Agreement;
b) which is required to be disclosed by law or the rules and requirements of a stock exchange;

c) where such information has otherwise come into the public domain through no breach of either Party’s confidentiality obligations; and

d) to the Parliament, the Administrator, Cabinet, a Minister or any Parliamentary, Ministerial or Cabinet Committee of the Territory.

TERMINATION

27. The joint participation of the Taskforce and this Agreement will terminate:

a) when the Proponent has made a final investment decision to proceed with the Project or an alternative project (including an alternative development option or location for the Project), or at a time otherwise notified by the Proponent;

b) if the Proponent becomes bankrupt, insolvent, is wound-up or has a receiver, manager or administrator appointed on behalf of debenture holders or creditors, or goes into liquidation;

c) if the Proponent has a change in control that would negatively impact its ability to proceed with the Project;

d) if the Proponent behaves in a way that may bring the Proponent or the Territory into disrepute; or

e) by written notice of the Territory to the Proponent if the Territory considers it appropriate to do so in its absolute discretion.

STATUS OF AGREEMENT

28. This Agreement is not intended to create legally binding and enforceable rights and obligations.

29. The Proponent and the Territory acknowledge the benefits associated with working together on the Project and agree to work co-operatively to achieve the objectives set out in this Agreement.

AMENDMENTS

30. Alterations, additions or amendments to this Agreement may only be made in writing signed by each of the Parties.
EXECUTED by the Parties.

SIGNED by THE HONOURABLE ADAM GILES MLA, for and on behalf of the NORTHERN TERRITORY OF AUSTRALIA in the presence of:  

SIGNED by [NAME, POSITION] for and on behalf of [COMPANY BUSINESS] in accordance with section 27 of the Corporations Act on in the presence of:  

Name of Witness