ORD STAGE 3 EXPANSION - SPIRIT HILLS

REQUEST FOR PROPOSAL
THE OPPORTUNITY

The Northern Territory Government (NTG), with the agreement of the Northern Territory Land Corporation (NTLC), is seeking proposals from suitably qualified private sector proponents to develop the Spirit Hills Pastoral Lease to facilitate the Ord Stage 3 Agricultural development.

Ord Stage 3 is an extension of the iconic Ord Irrigation Scheme (Stages 1 and 2 located in Western Australia). Stage 3 is located wholly in the Spirit Hills Pastoral Lease in the Northern Territory, adjacent to the Western Australia border. It will provide up to 14,500 hectares of new arable farming land (subject to agreement with the native title holders) by constructing irrigation channels in the NT.

Ord Stage 3 provides investors with the opportunity to develop premium crops for global markets, while providing economic and employment opportunities in the region, including for the Miriuwung Gajerrong native title holders.

This is an opportunity to work with key stakeholders to extend the Ord Irrigation Scheme and shape and develop a new and exciting irrigated agricultural precinct in the Northern Territory.

The successful proponent will enter into a five year Development Agreement with the Northern Territory Government and the NTLC. During this phase, the successful proponent will develop a detailed plan for the future use of the Pastoral Lease, including the delineation of the project and areas of the Pastoral Lease for other future uses. The successful proponent will negotiate an Indigenous Land Use Agreement with native title holders for its detailed development plan, and secure key environmental approvals required for the project.

Once this has occurred, a Development Lease will be granted, with associated conditions for the project. Final tenure will be issued for the project following completion of all development conditions.

The Northern Territory Government will provide support to the proponent throughout these phases, given the project has been awarded major project status.
The NT’s vision for Ord Stage 3 is a thriving irrigated agricultural precinct.

OUR VISION

The NTG and NTLC’s vision for Ord Stage 3 is a thriving irrigated agricultural precinct which consolidates the region’s already strong reputation as a top quality food producer, while developing regional and remote economies and creating training, job and business opportunities.

The agricultural precinct will complement and seamlessly connect the existing Ord Stage 1 and 2 irrigation areas and the Knox Plain development in Western Australia, and will contribute to agriculture development in northern Australia.

The NTG and NTLC are seeking a proponent with the capacity, skills and experience to deliver:

1. Innovative and efficient development of the Spirit Hills Pastoral Lease area which incorporates:
   a) a thriving agricultural project to support and expand the existing food supply chain, which should seamlessly connect the existing Ord Stage 1 and 2 irrigation areas and the Knox Plain development in Western Australia. The successful proponent will be required to obtain and comply with all regulatory approvals for the development of the project.
   b) Utilising the remainder of the Pastoral Lease to:
      i) extend the Keep River National Park;
      ii) declare the Pretlove and Boombi Community Living Areas;
      iii) if required, provide a land corridor to enable a water supply channel for proposed developments on the Legune Pastoral Lease;
   iv) to the extent possible, provide ongoing access to Keep River recreational fishing and camping areas; and
   v) other future uses as agreed in the detailed development plan.
   c) Ensuring the continuation of existing agistment and stocking arrangements until development occurs in accordance with the agreed detailed development plan.

2. Sensitive negotiation of native title and sacred site matters with the Miriwigung Gajerrong people through an Indigenous Land Use Agreement and Aboriginal Areas Protection Authority clearances which enable the project to proceed.

3. A commercial offer to the Territory that accounts appropriately for land values, identified commercial opportunities, as well as the risks and benefits to be delivered by the project.

4. A project structure that ensures delivery of the project objectives, appropriately secures the Territory’s interests and provides an acceptable allocation of risk.

5. Delivery of economic benefits including employment and contract opportunities for Northern Territory residents and businesses, in particular local Indigenous communities.
The Spirit Hills Pastoral lease (Perpetual Pastoral Lease No. 1200) is owned by the NTLC for the purpose of expanding the Ord River Irrigation Scheme into the Northern Territory and for the expansion of the Keep River National Park.

The Spirit Hills Pastoral Lease is approximately 3,766.30 kilometres square (376,630 hectares) in size and includes the following land:

- NT Portion 1584;
- NT Portion 1586;
- NT Portion 3221;
- NT Portion 5774;
- NT Portion 5775; and
- NT Portion 5776.

The NTLC is a corporate body set up under the Northern Territory Land Corporation Act. The function of the NTLC is to acquire, hold and dispose of interests in real property in accordance with the Act. The NTLC is not an agency of the Northern Territory Government.

The NTLC has entered into three license agreements to ensure the effective management of the Pastoral Lease.

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Sandalwood plantations and crops including chia, chick peas, sorghum, bananas, pumpkins, melons and mangoes are currently produced in the Ord Irrigation Scheme. The Ord Valley farming community is vibrant and active, and they are considered leaders in northern Australian agriculture.

Work to manage the flow of water from Western Australia’s Ord River began in 1959. A series of construction projects and dams followed, transforming cattle country into productive agricultural land.

The Kununurra Diversion Dam was completed in 1963 followed by Lake Argyle in the 1970s. Constructed as a storage reservoir, Lake Argyle is the largest freshwater body in Australia measuring 18 times the size of Sydney Harbour.

In the late 1990s, the Wesfarmers Marubeni consortium made plans to extend the Ord River Irrigation Scheme into what is now known as Ord Stage 2 (Western Australia) and Ord Stage 3 (Northern Territory). Recent investments of over $500 million by the Commonwealth and Western Australian Governments in infrastructure for Ord Stage 2 have brought the irrigation channels within approximately six kilometres of the Northern Territory border. These investments were made possible due to native title settlements with the Miriuwung Gajerrong people.

Approximately 7,500 hectares in the Goomig Farm area (within Ord Stage 2) has been cleared, levelled and partially planted. Crops grown in 2015 include chia, millet and sorghum. It is understood that a range of new crops will be trialled in 2016.

Planning work is underway to develop the Knox Plain which is adjacent to the Northern Territory and West Australian border and contains approximately 6,000 hectares of agricultural land.

**THE ORD**

Constructed as a storage reservoir, Lake Argyle is the largest freshwater body in Australia, measuring 18 times the size of Sydney Harbour.
The NTG and NTLC invites interested parties to submit proposals which demonstrate a clear understanding of the NTG’s and NTLC’s vision and address the following elements:

- Legal, technical, financial and commercial capacity to undertake the project
- Proponent’s understanding of the native title issues associated with the project, a realistic strategy and a demonstrated capacity for resolving those issues
- A proposal that is realistic and achievable and demonstrates the proponent’s ability to deliver a commercially and technically sound agricultural and ancillary business concept within an acceptable timeframe.
- Proponent’s understanding of and approach to managing, risks arising from the project
- Financing solutions which are realistic and achievable and provide sufficient security and flexibility to respond to project risks
- A proposal that demonstrates how the broader economic benefits outside of the agricultural development of the Pastoral Lease will be achieved
- A proposal that maximizes benefits to Northern Territory businesses, regional Indigenous employment, training and business opportunities.

The indicative timeframes for this Request for Proposal process are as follows:

- **Proposal lodgement date**: 27 May 2016 4pm CST
- **Evaluation and assessment**: Mid June 2016
- **Negotiations with preferred Proponent/s**: June/July 2016
- **Execution of Project Agreement**: end July 2016
REGISTER FOR THE RFP AND ENQUIRIES

Additional information about the RFP and project will be made available to interested parties which have registered to receive the information.

Interested parties can register through dcm.nt.gov.au/ordstage3 and will also be able to log process enquiries through the same link.

Interested parties will need to complete and lodge their proposals by no later than 4pm ACST 27 May 2016.