

Economic Investment

Darwin Waterfront Development

Stage 1 of the \$1.1 billion Darwin Waterfront Development is under way and is due for completion in 2008. It includes:

- the Darwin Convention and Exhibition Centre, with seating for 1500 people and 4000 square metres of exhibition space;
- public buildings and spaces such as the sea wall, wave pool, swimming areas, public promenade, parklands and picnic areas; and
- connection of the waterfront by the 'Avenue of Honour' via Smith Street Mall to Darwin's central business district, providing easy access to the parks, barbecues and picnic areas, beach and swimming pools, bike and walking tracks, promenade and sea wall.

The foundation pad for the Darwin Convention and Exhibition Centre is now complete and construction of the building will continue in 2006-07, with the first of 400 steel reinforced concrete piles already in place.

More than 340 metres of the sea wall is now in place. The wall will create a 4 hectare permanent water body for water recreation activities and provide a scenic walking trail along its length.

Benefits for Local Business

The development will create significant opportunities for businesses in the civil, marine and construction areas and also in the supply, services and architectural design areas.

Most of the consortium partners are Territory companies that have worked on major Territory infrastructure projects.

Local capabilities are being boosted by the use of local suppliers, workers and through Indigenous participation.

One of the largest steel fabrication contracts ever awarded in the Territory was won by local company M&J Welding. The contract, to supply 1100 tonnes of structural steel for the Darwin Convention and Exhibition Centre, will result in large subcontracts and work flowing on to other Territory businesses.

Business Impact:

- **Construction Industry**
Stage 1 will see \$300 million injected into the local economy and create 1000 jobs. The project agreements guarantee that 85 per cent of work will be carried out by local contractors and suppliers.
- **Tourism Industry**
The Darwin Convention and Exhibition Centre will attract tourists, conventions and support businesses. Tourism expenditure is estimated to increase by \$190 million over 20 years. The Centre is expected to create 160 tourism jobs for Territorians by year 4 of its operation, growing to more than 200 new jobs by year 10.
- **City Business**
A new population base in the city centre, pedestrian access between the Darwin Waterfront and the Smith Street Mall and an increase in cruise ship visitors and other tourists will see stronger demand for inner city shopping, hospitality and entertainment facilities.



Gas Industry and Timor Sea Petroleum

The positive economic effects of gas onshore are continuing. The Wickham Point LNG plant is being commissioned, with the first consignment of gas sent to Japan in February 2006. During construction, the workforce peaked at about 2350, with nearly half the tradespeople being Territorians. More than 8900 purchasing activities were issued to over 430 Territory vendors and 250 major subcontracts were awarded to Territory companies.

A \$33 million helium plant, the first in the southern hemisphere, has been proposed to extract this valuable gas from the LNG vent gas stream. It is expected to start construction in mid 2007, generating more local business and job opportunities.

Gas

The Power and Water Corporation has entered into Heads of Agreement with Eni Australia for the purchase of gas from the Blacktip field in the Bonaparte Gulf via Wadeye. There are also negotiations with the Australian Pipeline Trust to transport the gas to power stations in Darwin, Katherine, Tennant Creek and Alice Springs and some smaller centres via a new pipeline connecting Wadeye with the existing Amadeus Basin to Darwin pipeline.

Contracts with both companies are expected to be signed in the next few months, with the proposed new pipeline planned for construction during the 2008 dry season. These arrangements will create significant business and job opportunities for Territorians, including the construction of another gas pipeline and production infrastructure worth around \$700 million.

The gas is expected to meet the Power and Water Corporation's forecast gas fuel needs for 25 years from 2009, providing assured and reasonably priced electricity supply for Territory businesses and residential consumers until at least 2034.

Defence Support Hub

In February 2006, the Territory Government announced the release of 60 hectares of land close to Robertson Barracks for the development of an Industrial Park and Defence Support Hub, offering prime contractors and small to medium sized businesses access to land to build on and operate from.

Previously, much of the through life support and heavy maintenance work for defence equipment and technology was carried out interstate.

The development of a Defence Support Hub creates opportunities for local businesses to move into the defence support industry and, working in partnership with existing prime contractors, develop industry-specific knowledge and skills.

The arrival of 41 of the Army's new Abrams tanks at Robertson Barracks from 2007 will provide an ideal platform for a new era of local participation in defence-related work in the Territory.

Defence Support Division

Defence-related contracts continue to play a major role in the economy, with Territory-based businesses winning a significant number of defence contracts in recent years. The Defence Support Division in the Department of Business, Economic and Regional Development identifies opportunities to expand defence-related businesses and activities in the Territory. Through defence industry seminars and workshops, businesses receive practical information on bidding for contracts in this growing market.

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Shiploader at the Port

The design and construct contract for the shiploader and associated conveyors at East Arm Wharf was awarded to Techint-SEMF Australia Pty Ltd, which has since sought tenders for the civil works and the fabrication of the wharf gallery and feed conveyor steelworks.

The shiploader and associated conveyors form Stage 2 of the bulk material handling facility at the port. Its completion in December 2006 will increase the port's bulk materials export capacity.

Alcan G3 Refinery Expansion

Alcan's \$2 billion G3 expansion of its alumina refinery at Gove is proceeding on schedule. Construction began in November 2004 and the expanded facilities are expected to be operational by late 2006. A peak construction workforce of 1700 people is expected in May 2006, with flow-on effects for the local economy.

The refinery currently provides employment for a workforce of more than 1100 people and, once fully operational, the expanded refinery will provide employment for up to 120 additional workers onsite.

AustralAsia Trade Route

The AustralAsia Trade Route continues to grow, with FreightLink reporting a 6.4 per cent increase in total tonnage movements in 2005 to 557 400 tonnes. Highlighting the growth of the trade route was FreightLink's decision to begin a regular Melbourne rail link to and from Adelaide six times a week from July 2005,

to hook up with the existing service five times a week to and from Darwin.

A regular monthly shipping service between Shanghai in China and Darwin began in January 2006 with the single largest shipment of cargo ever delivered to Darwin. Two thirds of the cargo was distributed across the country by rail, the other third by road.

The Government is spending \$20 million on bulk loading facilities at the port with interim shiploading arrangements. The permanent radial stacker shiploader will be completed by December 2006.

The Darwin Business Park, adjacent to East Arm Wharf, is quickly attracting clients of all sizes, with implications for local business and employment. Toll Holdings

has opened a state of the art consolidation and distribution facility, VOPAK has built the \$55 million Darwin Fuel Industry Terminal, and Natural Fuels' new \$70 million bio-diesel plant will be completed by late 2006.

Darwin Port Corporation

The Darwin Port Corporation (DPC) has a key role in the Government's vision for the further development of Darwin as a transport hub and regional supply and service centre for the defence, mining, and oil and gas sectors. Working to achieve these objectives, the DPC is:

- continuing to establish bulk materials handling infrastructure to enable export of ore from the developing minerals sector;
- allocating \$1.0 million for upgrading of the container crane electrical control system to improve reliability and work flow; and
- establishing an interim quarantine waste disposal facility at East Arm Wharf to replace the existing Fort Hill Wharf facility at a cost of \$0.35 million.



Katherine Freight Centre

The FreightLink joint venture proposal will develop the Katherine Freight Centre in 2006, clustering major freight forwarders and transport operators, and establish new cold and general cargo stores at the rail terminal to directly support agricultural industries in the Katherine, Douglas/Daly and Ord River regions.

The Katherine Freight Terminal experienced a 65 per cent increase in container movements in 2005. This included a significant increase in horticultural produce at the peak of the mango season.

Transport

The road network provides important economic infrastructure across the Territory. It includes three national highways and consists of more than 35 000 kilometres of road. The Government continues to upgrade and improve roads, including further sealing the Mereenie and Litchfield loops, a priority for 2006-07. Tenders have been called for the \$43 million Mereenie loop project. When complete, it will encourage more tourists to the area and promote increased economic, business diversification and commercial activities. Other major road projects include:

- the Sandover Highway with \$500 000 for selective forming and gravelling to improve access for pastoral industries;
- rural arterials with \$800 000 to reconstruct pavement on poor sections of road – includes selected sections of the Arnhem and Buntine highways; and
- urban arterials with \$750 000 to reconstruct pavement on poor sections of the urban arterial network – includes Stott Terrace in Alice Springs, McMillans Road in Darwin and urban sections of the Stuart Highway in Darwin and Palmerston.

As part of the AusLink program, work on the Victoria Highway totalling \$29 million will include upgrading the highway to improve flood immunity in the Victoria River flood plain and construction of the Victoria River, Joe Creek, Sandy Creek and Lost Creek bridges. Roads to Recovery will allocate \$4 million for projects targeting selected parts of local roads including works at Santa Teresa, Mulga Park and Larrimah / Western Creek. These major works target existing 'trouble spot' locations to improve roads servicing the pastoral, tourism and mining industries, and increase year-round access. The Outback Way project of \$2 million will upgrade selected pavement sections on the Plenty Highway in the vicinity of the Plenty and Marshall rivers in the Alice Springs region.

Remote Area Telecommunications Infrastructure

The Territory Government has lodged a bid with the Australian Government for \$265 million to improve telecommunications in the Territory. The majority of the bid is for regional and remote infrastructure and services and includes:

- \$68 million for telecommunications network infrastructure that would provide broadband services into 60 remote Territory communities;
- \$30 million for supported online access centres to support communities in accessing financial, government and social services through the internet; and
- \$70 million for a competitive fibre optic cable linking Darwin to Adelaide or another interstate destination. This would lower the cost of interstate traffic, making telecommunications services cheaper for business and the public.

The installation and upgrade of telecommunications network infrastructure is essential for businesses operating or seeking to work in remote areas.



ICT Development in Remote Areas

Government's new desktop contract to outsource its information technology (IT) requirements includes an industry development component to improve maintenance and service of IT equipment in remote communities, both for government agencies and for the community.

By leveraging the Government's information and communication technology (ICT) investment, the new contract will provide more timely services to communities at no additional cost to the community. This will help minimise the effect of one of the barriers to the uptake of ICT in remote communities – costly and lengthy delays for the service and repair of ICT equipment – and will benefit remote businesses.