



# Economic Investment

## Darwin Port and AustralAsia Trade Route

The Port of Darwin will continue to play a key role in the development of Darwin as a transport hub and regional supply and service centre for the fishing, tourism, defence, mining, and oil and gas industries. Recent investments in port infrastructure capacity have been through:

- \$23.9 million to further develop bulk materials handling infrastructure for the export of Territory minerals;
- \$12.2 million for the first stage of the Darwin industry fuel terminal;
- \$1.1 million to complete the sheet pile wall at Fishermans Wharf;
- \$1 million upgrade of the container crane electrical control system to improve reliability and productivity, due for completion in 2007;
- \$1 million to dredge Fort Hill Wharf to improve access for larger cruise and defence force ships; and
- \$0.75 million towards creating an alternative deep water harbour entry.

The freight task of the railway continues to grow, with total freight movements since operations commenced in January 2004 totalling over 1.7 million tonnes. The year ending June 2006 saw Freightlink increase its tonnage carried by 100 000 tonnes to 663 000 tonnes. Estimates for the period ending June 2007 are nearly double that again.

Bulk mineral exports of manganese began from Bootu Creek (near Tennant Creek) in April 2006, adding 650 000 tonnes per annum to the rail freight task. Territory Iron operations at Frances Creek are expected to begin iron ore exports in mid 2007, adding a further 1.5 million tonnes of freight per annum. The Government is supporting commodity exports by improving bulk materials handling facilities at East Arm Wharf.

## Darwin Waterfront Development

Construction of the Darwin Waterfront Development is well under way and is on track for completion in 2008. The development continues to create significant opportunities for Territory businesses in the civil, marine and construction areas and also the supply and services areas.

Project contracts include local content targets of 85 per cent during construction. These targets have been exceeded, with contracts valued at more than \$100 million awarded to local companies to date, equivalent to more than 90 per cent of expenditure. Work opportunities for more than 1100 people have been created.

Construction on the project will continue throughout 2007-08, with a gradual shift of focus from structural elements to building fit out and finishes.

### Advanced Bookings

The Darwin Waterfront Development is already attracting new business to Darwin with five conferences already booked and another 30 pencilled in. The conferences alone will bring 1800 extra visitors to Darwin with significant flow-on effects for Top End retailers, tour operators and entertainment and hospitality businesses.



## Classified Goods Facility

Headworks will continue (\$3.5 million) in 2007-08 to service the classified (hazardous) goods facility at Hidden Valley, close to the Port of Darwin, in preparation for private sector construction and use of storage facilities for classified goods. The facility will service the import and export of classified goods for onshore and offshore mining operations and has the potential to increase containerised traffic through the port by an estimated 30 per cent. It will assist in securing new trade, stronger international shipping links and developing associated transport businesses at the Darwin Business Park.

## Gas

In June 2006, the Power and Water Corporation signed a Gas Sales Agreement with Eni Australia to purchase around 750 petajoules of gas from 1 January 2009 from the Blacktip gas field in the Bonaparte Gulf. This means the Territory has secure arrangements to provide clean, low greenhouse gas emitting energy to business and householders over the next 25 years.

Construction has commenced at the Wadeye site of the onshore gas processing facility, providing employment and economic opportunities to the community and local suppliers. Gas will be transported by pipeline from Wadeye to a point along the Amadeus to Darwin pipeline on Ban Ban Springs Station. Construction is due to start in mid-2008.

## Alcan G3 Refinery Expansion

Alcan's \$2.9 billion G3 expansion of its alumina refinery at Gove is due for completion by mid-2007. To date it is estimated that \$803 million has been spent locally on goods and services and a further \$675 million Australia-wide. The Territory Government will continue to work with Alcan to identify ways local industry can access opportunities provided by the expanded refinery and allied developments in Nhulunbuy. Once fully operational, the expanded refinery will employ up to 120 additional workers onsite. Increased spending in the retail and hospitality sectors will continue to benefit local businesses.

## Improving Telecommunications

The Australian Broadband Guarantee aims to ensure all Australians are able to access broadband services regardless of where they live. With industry, the Territory Government is seeking over \$70 million from Connect Australia, the Australian Government's telecommunications package, to fund an interstate fibre optic cable. Territory businesses will save on communications costs and be able to develop more innovative services for their clients. For example, as well as making telephone calls and text messaging, mobile phones would be able to access the internet and provide better and faster connectivity to business in regional and remote areas.

## Timor Sea Gas and Downstream Gas Industry

Significant progress has been made on developing Timor Sea gas reserves and associated onshore industry.

Establishment of downstream gas industries to enhance and diversify the economic benefits derived from Timor Sea gas through new business and employment opportunities, such as petrochemicals, fertilisers and liquid fuels, continues to be a high priority for the Government.

High level involvement includes the Chief Minister who has promoted the potential benefits around Australia and in South East Asia.

## IPPS

Industry Participation Plans (IPPS) provide information to major project proponents in the Territory on local capabilities to ensure local businesses are included in tender processes.

Total value of projects covered by IPPS to date is about \$4.8 billion and includes projects such as the Alcan G3 expansion, the Wickham Point LNG plant and the low security prison at Berrimah.