GREEN LIGHT TO BAYU-UNDAN GAS

It was a defining moment in Territory economic history. On 15 June ConocoPhillips announced the gas development plan for the Bayu-Undan project was approved by the Timor Sea Designated Authority. The project participants unanimously approved the gas development phase, declaring they, “will proceed immediately with the engineering, procurement and construction (EPC) for a three million tonne per annum Darwin LNG Project.”

The project will be the largest private investment ever made in the Northern Territory, and it follows years of cooperative work between Government and industry. “My Government has worked very closely with the operators of the gas field in the lead up to their final decision,” explained Chief Minister Clare Martin, “and we are investing almost $20 million in road works and infrastructure to Wickham Point to help deliver the project.”

Work began the next week on the LNG plant with Thiess starting the site clearing. That will be followed by the start of a 500 kilometre underwater pipeline from the Bayu-Undan offshore platform to the Wickham Point site. The value of the entire project is between $5 and $6 billion, depending on fluctuations in the exchange rate.

There will be up to 1300 jobs connected with the project in the construction phase, and enormous spin-offs for businesses in supply and maintenance.

The first LNG product will be exported to Japanese markets in 2006, with 3 million tones per year of LNG committed to the Tokyo Electric Power Company Incorporated and the Tokyo Gas Company.

Meanwhile, offshore work on the Bayu-Undan field is 85% complete, with the liquid extraction phase to start soon.

ALCAN TIMOR SEA GAS DEAL LAUNCHED

A Heads of Agreement has been signed between Woodside Petroleum and alumina producer, Alcan, to supply gas from the offshore Blacktip field to the proposed Alcan alumina expansion in Gove. Chief Minister Clare Martin welcomed the deal saying; “This is the first significant step in making this project a reality and is great news for the Territory. It sets the path for a new gas development in the Timor Sea and more jobs for Territorians, both in the pipeline construction and the $1.5 billion Alcan alumina refinery expansion.”

The 1000 kilometre pipeline is expected to employ at least 500 workers on construction teams, with work to be completed by 2007. The Alcan expansion will employ another 1200 workers during the construction phase.

The pipeline is set to cross Aboriginal land from Wadeye to Mataranka, then across Arnhem Land to Gove. The Government has been working with Alcan and the Northern Land Council to enhance opportunities for indigenous employment and associated developments.

The feasibility study of Alcan’s expansion is underway and is expected to be finalised by mid 2004. Subject to the finalisation of the feasibility study and environmental approvals, work on the Alcan expansion could commence in 2004, with completion expected in 2007.

Chief Minister Clare Martin, with Richard Yank, President Alcan Australia and Mark Hanna, Woodside.
LNG CONSTRUCTION HIGHLIGHTS

Bechtel Deputy Site Manager Pat Comstock gave an insight into the scale of the LNG construction project at a recent meeting in Darwin:

• Bechtel has been contracted by ConocoPhillips to build the 3.24 million tonne per year (mtpa) LNG plant and 1.5 kilometre jetty.
• Construction will take 36 months and covers a 66 hectare site;
• Construction materials include 4500 tonnes of structural steel, the installation of 85 kilometres of pipe, 55,000 cubic metres of concrete, and 2500-3000 tonnes of rebar steel.
• The LNG storage tank, to be built by Thiess, will be a 188,000 cubic metre double containment tank, the largest above ground storage tank in the world, which will be build horizontally to maintain a low profile. This tank will account for 40% of the project’s concrete.
• ConocoPhillips will use its environmentally clean Optimised Cascade LNG Process.
• A peak of 1100-1200 construction workers will be employed. Initially, civil construction trades will be needed for concrete work, then steel workers, then staff to install and align heavy equipment, electrical instrumentation and piping. They will work a six day, 56-hour week. Over 1000 people have registered for work at Bechtel’s Palmerston office – they will have to meet stringent selection criteria to be successful, with a strong emphasis on workplace safety.
• Bechtel will employ suitably qualified locals as much as possible and train others, but many workers will come from interstate and live in a Palmerston construction camp (800 capacity).
• Bechtel’s Field Procurement Manager Chris Chamberlain says there will be opportunities for Australian and Territory subcontractors and suppliers. Bechtel is working with the NTISO to identify companies with the capabilities to supply product and services. Bids are by invitation only.
• Local supply and service opportunities include consumables and catering for the construction camp, temporary facilities, construction support, utilities, waste and sewerage removal, rental equipment, tools, fuel and lubes, safety supplies, supply of uniforms, office equipment and supplies.
• Local subcontracts have been awarded already to Territory companies for clearing, construction of a temporary warehouse and geotechnical work. There will be 7000-9000 field material requisitions.

NORTHERN TERRITORY
CHIEF MINISTER OPENS SEAAOC

Chief Minister Clare Martin opened the ninth annual South East Asia Australia Offshore Conference (SEAAOC), the day after ConocoPhillips gave the green light to the new $5 billion LNG plant and pipeline project.

It was a happy coincidence that the project's lift-off coincided with this important conference that featured a record 230 industry delegates from across Australia.

“What a great moment it was yesterday to stand with ConocoPhillips representatives to announce the final go ahead for the biggest ever private investment project in the Territory,” the Chief Minister told the delegates.

“I want to emphasise that getting gas onshore from the Timor Sea has been one of my Government’s very highest priorities. It underpins all other developments we envisage for the Territory.”

The SEAAOC Conference is a joint venture between the Territory Government and conference organiser IIR. Besides the Chief Minister, speakers included Foreign Minister Alexander Downer, Timor Leste Secretary for Tourism, Investment and the Environment, Jose Teixiera and Barry Jones, Executive Director of the Australian Petroleum Production and Exploration Association.

Presenters delivered project updates from Methanol Australia, Osaka Gas, the PNG Gas Project, Woodside and Alcan Gove and a world-wide energy assessment from Ralf Dickel from the International Energy Agency in Paris.

Territory Chief Minister Clare Martin at the SEAAOC opening
BECHTEL DELUGED WITH JOB APPLICATIONS

Even before the green light was given to build the Wickham Point LNG Plant, the offices of American construction contractor Bechtel were jammed with job aspirants.

After the announcement, the numbers filling out applications swelled. The contractor believes at least 30% of the workforce can be recruited locally at its Palmerston recruitment centre, from the Territory workforce.

More than 1000 people will be hired during the three year construction phase of the project, building the $3 billion plant and 500 kilometre pipeline to Bayu-Undan’s Timor Sea site. Chief Minister Clare Martin believes the project will provide an enormous boost to local employment and business opportunities.

“Bechtel will now move quickly to build its workforce and start construction in order to meet the timeframe necessary to complete the plant by 2006,” she said.

The workforce initially will be made up of boilermaker/welders, concreters, electricians, pipe fitters, riggers and many other skilled trades. Application forms are available at the Darwin LNG construction employment facility, at 30 Georgina Crescent, Yarrowonga. Phone 8932 1111.

DESERT KNOWLEDGE MOVES INTO NEXT PHASE

On 1 July the Desert Knowledge Cooperative Research Centre officially came into existence, providing the central Australian project with a professional research arm. The CRC is a joint venture involves eight core partners, including the Northern Territory Government, with $94.5 million in funding for the next seven years.

The $20 million Commonwealth contribution to the project was decided late last year, underpinning the NT Government’s confidence in the project.

“The CRC has three main tasks: It’s a research program, it has an education and training role and it has a commercialisation role,” explains Elizabeth Ganter, the Office of Territory Development’s Principal Adviser on Research and Innovation, working with the CRC.

“The bulk of that effort goes into the four research themes looking at natural resource management, technical services for viable communities, governance, management and leadership for sustainable futures and regional integration.”

The CRC joins other wings of desert knowledge – the Desert Peoples’ Centre and the Desert Knowledge Precinct – under the umbrella of Desert Knowledge Australia, the business and commercial development agency soon to be incorporated as a statutory body.

DKA is designed to market desert innovations internationally and has already established business relationships with the Universities of Texas and Nevada.
THE OFFICE OF TERRITORY DEVELOPMENT’S RAILWAY REGIONAL ROADSHOW VISITS KATHERINE AND TENNANT CREEK

Brian O’Gallagher, director of Business Developments (AustralAsia Trade Route) and senior project officer Linny Thom visited Katherine and Tennant Creek, meeting with community groups to discuss local opportunities arising from the completion of the AustralAsia Railway early next year. It was a FreightLink/Government partnership aimed at giving FreightLink an opportunity to explain their operations directly to the communities involved.

As the project moves from the construction phase to the operational phase, the consortium held public forums attended by groups like the Barkly Blueprint Steering Committee, the Katherine Economic Development Committee and the local councils. Dave Rolland from the DIPE detailed plans for the Katherine Passenger Terminal and how local tourism can connect with it. The group also held discussions with regional cattle producers and mining representatives, regarding their special transport needs.

The FreightLink and Government reps then went on to Queensland where they met with 22 major importers and exporters to report on the rail project’s progress. They were also pleased to note real interest from business representatives from Holden and MYK Shipping, who have decided to visit Darwin as a result of the meeting.

RAILWAY TIMETABLE SET

The historic first train trip between Alice Springs and Darwin on the newly laid 1420 kilometre rail track will take place in January next year.

The inauguration of the railway will be marked by the official launch of the first FreightLink freight train to run from Adelaide on 1 January 2004, with community celebrations to take place in towns along the way, arriving in Darwin on 17 January.

The first freight train to operate on the line will comprise two locomotives painted in Indigenous colours and will coincide with the start of FreightLink’s commercial services, when Australia’s north will finally be linked to the south.

Celebrations in Darwin will be held at the Port of Darwin with a community open day at the FreightLink container terminal.

“While further details regarding the celebrations will be finalised in the coming months, Government has allocated $200,000 to ensure that – where possible – Territorians will be able to watch, enjoy and celebrate this historic event,” said Chief Minister Clare Martin.

Ms Martin said that construction was well ahead of schedule with tracklaying expected to be completed by October 2003.

“Once completed, the line will undergo commission tests before FreightLink freight operations begin in January 2004. Passenger services, on The Ghan, will commence shortly after the inaugural freight service,” she said.

Great Southern Railway has announced The Ghan will leave Adelaide on its inaugural journey to Darwin on Sunday 1 February 2004 – 126 years after the Great North-South line was first conceived.

Regular scheduled services will begin the following week on 8 February, with tickets already on sale. Great Southern Railway also announced the appointment of ‘The Crocodile Hunter’, Steve Irwin, as ambassador for The Ghan.

Mr Irwin will front a major advertising and publicity campaign for the epic outback journey throughout Australia and in key overseas markets.

Check the AARC website at: www.aarc.com.au

LAND DEVELOPMENT CORPORATION GOES AHEAD

Float in 2001 to help develop business and industry, the Land Development Corporation officially opened for business on 1 July. The Corporation will manage the proposed industrial sites at East Arm, and subsequently at Middle Arm and Glyde Point.

The concept of this commercially-oriented organisation is to put the Territory in the best position to take advantage of major industrial projects like the completion of the AustralAsia Railway, the completion of Stage Two of the East Arm Wharf, and oil and gas projects.

Minister for Lands, Planning and Environment Kon Vatskalis said: “It will provide local companies with a more sustainable and balanced platform to take full advantage of emerging projects which will shape the Territory’s social and economic future.”

The Minister said the Land Development Corporation will not be exempt from the NT Planning Act, and will be required to report back to the Minister.

The first area affected by the change is the Trade Development Zone at East Arm, which officially ended in July. It will be administered by the Land Development Corporation.

During the formative stages the Corporation will have an advisory Board, of which three members must come from the private sector. The Chair must also come from the private sector.

Advertisements will soon appear seeking applications for Board membership from those with skills and experience, including in the facilitation of major projects.
NT EXPO FEATURES
INTERNATIONAL SYMPOSIA

On Wednesday 9 July, NT Expo 2003 is set to throw open the doors on the Territory industry sector for five days. Last year the event, located at Darwin High School, drew over 20,000 people.

It’s the largest trade exposition of its kind in Australia, and with the AustralAsia Railway nearing completion, business people and investors will be looking for ideas on how to utilise the new transport facility to their best advantage.

This year’s NT Expo will, for the first time, feature two international symposia running in conjunction with the event – one on Information Communications Technology and another on the Transport and Shipping industry. The Optus IT&T Expo will take place on Thursday 10 July, with IT giant Singtel of Singapore presenting ‘Trends in Wireless Technology’.

The Transport / Shipping Symposium will be sponsored by the NT Government in an effort to gain an insight into investment opportunities. Speaking at the symposium will be Business, Industry and Resource Minister, Paul Henderson, Llew Russell (CEO of Shipping Australia), Bruce McGowan (CEO of FreightLink) and Indonesian Trade Minister, Mrs Rini Soewandi.

The symposium will be followed by a business luncheon to be addressed by Chief Minister Clare Martin. Another highlight of Expo 2003 will be Westpac Bank’s Economic Breakfast on Friday the 11th, when the guest speaker will be Westpac General Manager, Bill Evans.

For more information check the Expo website at: www.ntexpo.com.au

THE OFFICE OF TERRITORY DEVELOPMENT

The Office of Territory Development in the Department of the Chief Minister is the lead agency for the economic development of the Northern Territory.

The Office facilitates major project investment in the oil and gas, minerals processing, trade route and innovation sectors, as well as marketing the Territory as a place to live, work and invest.

For more information on the Office of Territory Development, visit our website or phone (08) 8946 9555.

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