The Northern Territory Government has called for expressions of interest from the private sector to develop 25 hectares of waterfront land in Darwin.

The Government has committed $100 million towards the project, which will include a Darwin Convention and Exhibition Centre.

The project will be a public/private partnership with the Government. The successful consortium will be expected to demonstrate experience in urban redevelopment, masterplanning, and financial management.

Acting Chief Minister Paul Henderson said submissions must also outline local industry participation plans, with local companies encouraged to submit, either separately or in partnership with local and nationally based companies.

“The successful consortium will be faced with the unique challenge of developing this 25 hectare site of prime waterfront into a world-class precinct with a convention and exhibition centre as its focus,” the Minister said.

“The development will need to emphasise our fantastic lifestyle, while acknowledging the immense historical and community significance of the waterfront site,” he said.

“The Northern Territory is entering an exciting era, based on the AustralAsia Railway and oil and gas developments, and has Australia’s fastest growing economy.

“Investors can see our potential and the Government has received considerable feedback that this is ideal timing for a visionary project that will underpin Darwin’s growth for the next two decades.”

A project team has been established within Government to manage the project. Mr Pat Coleman, of Savant, has been appointed project director and Ernst and Young has been appointed Probity Auditor. More advisers will be announced soon.

The Darwin office of environmental and engineering services company, URS has been awarded the contract for preparing an Environmental Impact Statement for the site, which is largely unused industrial land since commercial port activities moved to the new East Arm Wharf.

URS has worked on Territory resource and infrastructure projects since 1975, including environmental and specialist engineering services for the Darwin LNG plant, Bayu Undan subsea pipeline, the McArthur River Mine expansion and Alcan Gove proposed upgrade.

Expressions of Interest must be received by 20 October.

For more information or copies of the Expressions of Interest, see the website at www.waterfront.nt.gov.au or call 1800 006 282.
APIA CONVENTION HIGHLIGHTS TERRITORY SPECIAL PROJECTS

Reflecting the importance of Timor Sea gas projects, a record 250 delegates from across Australia and around the globe attended the Australian Pipeline Industry Association’s 2003 National Convention in August. Delegates were welcomed by Chief Minister Clare Martin at a reception where she stressed the importance of the Timor Sea gas projects to the future of the Territory.

The business side of the convention saw the group gather for a welcoming address by APIA president Jim McDonald, the former CEO of NT Gas. Mr McDonald touched on issues concerning the pipeline industry, including increasing Government regulation, the brain drain encountered when long time employees retire, and rising gas prices.

Executive Director of the Office of Territory Development, Dave Malone, offered the opening address on behalf of Business, Industry and Resource Development Minister Paul Henderson. He outlined the scope of the $5.5 billion Bayu Undan project, including offshore development, the 500 kilometre pipeline to Darwin Harbour and construction of the LNG plant on the Wickham Point site. Mr Malone also highlighted the prospective Blacktip gas project and 1000 kilometre pipeline from Wadeye to the Alcan minesite near Gove, where the company is considering a billion dollar upgrade. “This is a major boost for a Territory that has been very much service-driven in the past,” he said.

He outlined the NT Government’s legislation supporting the pipeline industry, including its amendment of the Pipeline Act and the standards set for submarine pipelines.

Northern Land Council CEO Norman Fry spoke about his organisation’s ongoing negotiations regarding land access for the Wadeye to Gove pipeline. He sees economic benefits flowing to the Indigenous landholders from the pipeline project, including improved infrastructure, health and housing facilities.

DARWIN BUSINESS PARK OFF AND RUNNING

After weeks of rigorous negotiations, the Darwin Business Park acquired a noteworthy foundation tenant at the terminus of the new AustralAsia Railway. Toll Holdings is Australia’s leading company in the transport and logistics sector and will be the first business to move to the $9 million Business Park.

Toll Holdings General Manager Property Michael Fox announced a $17 million state of the art consolidation distribution centre in the Darwin Business Park.

“This is a big vote of confidence from the private sector in the AustralAsia Railway, the Business Park and the Northern Territory,” Chief Minister Clare Martin said. “It demonstrates the opportunities available not only in servicing domestic freight, but also those international opportunities associated with the new AustralAsia Trade Route.

Toll will start work immediately, investing more than $17 million over four years in the development and operations of its Business Park project. Toll has agreed to maximise local industry participation in the development of this project.

The Business Park will be located next to the domestic freight yards of the Adelaide to Darwin Railway. Freight operations will start in January 2004, symbolising the creation of the AustralAsia Trade Route, linking Darwin’s East Arm Wharf with southern commercial capitals.

The Government will soon call for expressions of interest for the development of other rail frontage land in the park.

Above: Dave Malone, Executive Director, and Emma Stanton, Marketing Officer, of the Office of Territory Development at the Territory Government stand at APIA.
A number of mining projects is set to begin in the Tennant Creek area, the earliest before the onset of this year’s wet season.

Gold projects operated by Peko and Giants Reef will be the first off the blocks, with a manganese deposit at Bootu Creek, 120 kilometres north of Tennant Creek, scheduled for a late 2004 start.

Peko is working over a tailings area and will use an innovative bacterial method of separating the metal from the tailings. Environmentally appealing, the bacterial method has been tested over the past year.

Those tests have shown that the bacteria, which exist in the ore of that region, can recover the gold and possibly copper and cobalt. The bacteria is farmed and applied to the tailings dumps as a spray a metre at a time.

Giants Reef will redevelop the existing open pit at Chariot mine. Taking over the licence from Newmont Mining, Giants Reef will look at extracting half a million ounces, and is renovating the existing Warrego Mill to process the gold.

The surrounding area is also potentially rich. “There are a number of anomalies out there,” observes Ray Smith, Director of Minerals Processing at the Office of Territory Development. “Chariot South and Malbec are magnetic anomalies that look very similar to Chariot and may yield similar ore bodies.”

Combined, the Giants Reef and Peko developments should produce jobs for up to 100 workers.

Manganese will be mined at Bootu Creek if licence holder Bootu Creek Resources signs a Land Use Agreement with traditional owners and finalises all Government processes. The AustralAsia Railway is to play a major transport role. According to the plan, the ore will be mined at Bootu then trucked to the railhead at Tennant Creek. It will be shipped north to Darwin and loaded onto bulk ore carriers for sale in China.

In November last year, 101 exploratory holes totalling 8231 metres were completed, followed by a further drill program including paired diamond drilling in May. The purpose of these drill programs was to identify 10 years worth of reserves for the proposed operation.

The Groote Eylandt Mining Company (GEMCO) has entered into an agreement with Bootu Creek Resources to fully fund the third stage of drilling, about 10,000 metres at an estimated $700,000. This program is complete. In April GEMCO exercised its option to earn 25% interest in the licence as an unincorporated joint venture, with the expenditure of $2.3 million.
TERRITORY DEFENCE SPENDING ANNOUNCED

The Commonwealth’s Public Works Committee plans $85 million worth of capital investment in the Northern Territory over the next two years, bolstering the Australian Defence Force presence in the north. More than $500 million each year is already spent to support the Defence Force presence in the Territory, where Defence personnel and their families make up 8% of the population.

The funding includes $9.25 million to build a perimeter fence at RAAF Base Tindal and more than $78 million for new facilities for the 1st Aviation Regiment at Robertson Barracks.

Federal member for Lingiari, Warren Snowdon, said approval of the upgrades was great news for Katherine and Palmerston: “The size of Tindal, its proximity to Katherine, and the number of people who work on the base make it very important to the local economy,” Mr Snowdon said. “The same can be said of Robertson’s place in the Palmerston community.”

Local businesses are eager to compete for the Defence contracts. The aviation design consultancy contract has been won by Darwin company, Spowers Architects, headed by Ian Cally. Construction activity is due to start immediately and continue through 2004 and 2005.

Defence Support Minister Paul Henderson recently met with the company building the 17 armed reconnaissance ‘Tiger’ helicopters to be based in Darwin in an effort to see how Territory businesses could benefit from the $1.3 billion project.

Twenty-three Tiger helicopters are being built by Australian Aerospace as part of the Air 87 Defence Project, and 17 of these will be based at Robertson Barracks from 2005.

“Australian Aerospace intends to have basic and deeper level maintenance of the helicopters carried out in Darwin,” Mr Henderson said. “It’s estimated that, on average, maintenance of the helicopters will be worth about $55 million a year. My department’s Defence Support Division has already been working closely with Australian Aerospace, and has highlighted the capabilities and capacity of our aviation industry.”

The Defence Support Division was set up last year within the Department of Business, Industry and Resource Development to target and develop long-term job and economic opportunities in all defence-related projects. Further opportunities for Territory businesses will be created, with $75 million to be spent on the construction of facilities needed to accommodate both the helicopters and the relocation of 400-member 1st Aviation Regiment.

TERRITORY BUSINESSES VIE FOR DEFENCE ELECTRONICS CONTRACTS

Representatives from the Territory’s electronics industry met in Darwin recently to investigate ways to stake a claim in the lucrative Defence-related electronics industry.

Defence Support Minister, Paul Henderson opened the one-day workshop, which featured a range of local and national presenters.

“It’s estimated that between $15 and $19 billion in Defence capital acquisition will be spent on electronic systems integration over the next 10 years, and there is a great opportunity for Territory businesses to stake a claim in this market,” Mr Henderson said.

Over 30 industry members and interstate experts attended the workshop, which covered a range of topics including interstate experiences, training opportunities, and funding options.

The workshop was organised by the Australian Industry and Defence Network NT (AIDN-NT) as a follow-on from the Defence White Paper, Defence 2000: Our Future Defence Force.

“The Northern Territory is playing an increasingly important role in Defence operations and activities.

“I welcome this move by the AIDN-NT to work with our local industry to develop further economic opportunities for Territory suppliers,” said Mr Henderson.
ADELAIDE ENGINEERS SET UP IN DARWIN

Paul and Michael Iannella know an opportunity when they see it. Three years ago the brothers and their colleagues from Allied Engineering came to Darwin to display their wares at NT Expo, along with the South Australian Partners in Rail Group. They liked what they saw: the railway looked likely to get the green light and the idea of exporting their manufactured products to Asia from the new East Arm Wharf was attractive.

“But it was the Chief Minister’s announcement of the Wickham Point LNG plant earlier this year that was the real trigger to set up in Darwin,” recalls Paul Iannella, Director of Allied Engineering.

Allied Engineering is an Adelaide-based manufacturer and construction company of 38 years standing. A family business, Allied is a custom builder for the mining, gas and defence industries.

“Our main objective,” says Allied’s general manager Gary Finch, “is to counter the idea that everything for these major projects has to be manufactured overseas and shipped to Darwin. Our message is that we have the fabrication ability right here.”

Allied has set up in the Trade Development Zone by forming an alliance with PortBack Engineering and Labour Hire Services, a Darwin company which specialises in recruitment for mining, construction and civil engineering projects.

Allied approached PortBack earlier this year, later signing a Memorandum of Understanding followed by a Heads of Agreement.

TENDERS CALLED FOR RAILWAY INFRASTRUCTURE

Tenders worth $9 million for the construction of railway passenger terminals in Darwin, Katherine and Tennant Creek have been called. The tender for the Darwin segment of the rail terminal has already closed.

The development of the Darwin facility will proceed in conjunction with the Darwin Business Park in the East Arm development area.

The project involves the construction of a platform rail height of sufficient length to accommodate the full train, a passenger terminal with toilets, seating areas, storage of baggage trolleys, small office, first aid room and parking facilities for 70 cars, a public address system and floodlights for the train. Construction will start in September 2003 and finish by the end of January 2004.

Minister for Transport and Infrastructure, Kon Vatskalis, said construction of the two rail passenger terminals would provide an important injection into local industries in both towns.

The Katherine passenger terminal will be located at the site of the current sleeper factory and will be contained entirely in the railway corridor. There will be a platform to accommodate the full length of trains and a storage area for baggage trolleys. The terminal will include offices, seating facilities, toilets and a 20-car parking area.

In Tennant Creek, the terminal will be also located within the existing rail corridor and provide a 50 metre platform, with a portable car loading facility.

Construction of the Katherine and Tennant Creek railway stations will start in October 2003 and finish in January 2004, in time for the first passenger train to arrive in Darwin.
ConocoPhillips and Bechtel are committed to local participation with its Bayu-Undan and Darwin LNG projects, senior staff told a recent industry meeting in Darwin.

However, local contracts were not a “given”, they said. Businesses needed to be competitive, observe the companies’ tendering procedures, and demonstrate quality standards in areas such as business ethics and occupational health and safety.

The seminar, organised by the Department of Business Industry and Resource Development, attracted more than 250 businesspeople, interested in hearing how the project would benefit local industry.

Blair Murphy, ConocoPhillips’ Darwin Area Manager, outlined the progress of Bayu-Undan, saying the liquids stripping phase was 80% complete and Phase Two installation will be finished within two months.

Glen Gorton, ConocoPhillips’ Supply Chain Manager, based in Perth, said contracts to support the offshore operations included services and supplies. Darwin businesses could win repair contracts where location provided an advantage in quick turnaround times.

He said the company would issue a Vendor Assistance Kit through the NT Industry Search and Opportunities Office in September to explain the company’s expectations and prequalification procedures.

Contracts available for the recycle project include air, sea and road logistics, warehousing, operations, engineering and maintenance, fabrication, engineering design, training, medical response, laundry, stevedores, office space and accommodation.

Equipment for operations support included lifting equipment, scaffolding, well service and minor construction equipment, repairs and servicing, major shutdown equipment, laboratory and analysis and office equipment. Supplies included fuel, water, chemicals, paint, maintenance consumables and safety gear.

Glenn Nespeca, ConocoPhillips’ Pipeline Project Manager, outlined work on the 500 kilometre pipeline from the Bayu-Undan field to Darwin, saying a $US400 million contract had been awarded to Multiplex/Saipem.

Contracts available for the pipeline component of the project will include geodetic surveying and barge positioning, barge crews, catering, diving, pipe hauling, pipeline pigging and hydrostatic testing services, purging and drying, ocean-going anchoring and supply boats. The Darwin content is expected to be at least $40 million a year, including travel and accommodation, fabrication, helicopters, fuel and offshore vessels.

Pat Comstock, Bechtel’s construction manager, outlined the company’s approach to building the Darwin LNG plant and pipeline, which is a lump sum turnkey contract to procure, design, construct and commission the plant for ConocoPhillips.

The site will have a design capacity of 3.24 millions tonnes per annum (mtpa) and occupy a 66 hectare site. The tank will be the largest above ground tank of its kind in the world, with a capacity of 188,000 cubic metres and apex height of 50 metres.

The scope of the project includes:

- 700,000 cubic metres of earth moving
- 55,000 cubic metres of concrete
- 4500 tonnes of structural steel
- 85 kilometres of piping
- 650 kilometres of wire and cable
- 1.5 kilometre jetty
- a 36-month construction schedule
- peak employment of 1100 to 1200 people (2000 have registered with Bechtel’s employment facility at Palmerston and have been entered on a database according to their skills)
- a construction camp near Palmerston can house up to 800 workers.

Pat said engineering and major procurement would be conducted from Houston. Thiess has been subcontracted to conduct earthworks and build the jetty.

Two types of local procurement would apply, Pat said. Subcontracts, for services such as labour, and purchase orders for goods and services. About 9000 field purchases are expected, he said.

Bids would be by invitation, and many prospective suppliers are being sourced through the NTISO. Because of commercial sensitivities, Bechtel will not publish details of successful bids.
Of the 132 material requisitions required for the project, 56 have been awarded. The requisitions cover proprietary equipment (such as compressors), engineering items (generally designed by Bechtel), multi-project acquisition agreements, and bulk material, such as pipe, wire and cable (which has been awarded to Olex Australia).

Purchase orders would go to the “lowest priced, technically acceptable supplier who accepts the project’s terms and conditions of supply with the required delivery date,” Pat said.

There will be “no preferential treatment” for local suppliers, however “encouragement is given to bidders who must compete against worldwide competition. No work is awarded as a ‘given’ to local industry,” Pat said.

Subcontracts worth $230 million have been awarded to date, including Thiess, Sunbild (temporary warehouse), ATCO (temporary offices), Fleetwood (camp construction), Thiess (marine), Patricks (customs brokerage), Wagners (batch plants) and Panalpina (freight forwarding).

Future contracts worth an expected $A220/30 million will be awarded for asphalt paving, permanent buildings, non-destructive testing, heavy lifting transport, chemical cleaning, cryogenic insulation and fire-proofing.

TRAINING

Roger Bryett, the Director of Training and Employment Services with the Northern Territory Department of Education, Employment and Training, outlined the government’s reskilling and upskilling programs and Employment and Training Strategy, designed to ensure the Territory is well-positioned to meet labour needs with “job ready Territorians”.

Roger said that comprehensive labour market analysis has been conducted and funding increased for recurrent training and apprenticeships programs.

There had been a focus on specialist industry driven short courses, including welding to international standards, and support for Indigenous trainees, he said.

Quarry operations at Mt Bundy have begun to produce 400,000 tonnes of rock as the pipeline has to be trenched and buried. A fleet of Gulf Transport quadruple road trains will transport the rock the 105 kilometres from Mt Bundy between September and the middle of next year.

OPERATIONS PHASE

The operational phase of the Bayu Undan project will provide enormous opportunities for local businesses to support both onshore and offshore facilities, according to Ross Trevena, Director of Petroleum and Mining Support with the Department of Business, Industry and Resource Development.

“As an indicative operational expenditure of up to $150 million a year, for the duration of the project, represents significant opportunities for local businesses,” he said. “Given the performance of local companies with existing Timor Sea projects, they should be able to win a major share of this work.”

All companies interested in winning work on the project should ensure they are registered with the NTISO, Ross advised. ConocoPhillips will run regular briefings for local businesses throughout the project. Presentations from the latest forum are available from Blair Murphy at ConocoPhillips (blair.murphy@conocophillips.com) or ross.trevena@nt.gov.au.

PIPELINE CONSTRUCTION

The complexities of building a 500 kilometre subsea pipeline were outlined to the meeting by Glenn Nespeca.

The plate for the 26 inch diameter pipeline is being manufactured in Japan. After rolling and internal welding, bulk carriers transport the 292,000 tonnes of pipe to Kuantan in Malaysia for external concrete and anti-corrosion coating and internal coating to facilitate gas flows.

Shipments from Malaysia to Timor Leste and Darwin will start in September. Onshore pipeline work will start at Wickham Point next March.

Territory companies interested in winning contracts for the project should ensure they are registered with the NTISO. For more information call 08 8922 9422, fax 08 8922 9430, or email info.nt@ntiso.com.au.

THE OFFICE OF TERRITORY DEVELOPMENT

The Office of Territory Development in the Department of the Chief Minister facilitates major project investment in the oil and gas, minerals processing, AustralAsia Trade Route, and innovation sectors as well as coordinating special projects such as the waterfront redevelopment and marketing the Territory as a place to live, work and invest.

For more information on the Office of Territory Development, visit our website at www.otd.nt.gov.au or phone (08) 8946 9555.

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