BIS SHRAPNEL FIGURES

The Northern Territory is forecast to exhibit the strongest economic growth of all Australian states, according to the latest State Industry Prospects 2003 to 2008 issued by BIS Shrapnel. To quote from the report:

“Both Gross State Product (GSP) and State Final Demand (SFD) are forecast to average 4.5 per cent per annum, compared to the average annual Australian GDP growth of 3.3 per cent and national domestic demand growth of 3.2 per cent over the same period. The Territory’s economy will, however, continue to display its usual year-to-year volatility, with a –0.8 per cent decline in GSP forecast for 2003/04 (but a 7.7 per cent increase in SFD), followed by 8.1, 5.8, 9.4 and 0.3 per cent growth in GSP over the subsequent four years.

“Key drivers of this growth include a handful of major current and proposed resource investment projects leading to a further significant increase in the output of the dominant mining sector (mainly from major oil and gas projects), a recovery in inbound tourist numbers from the present slump and from an expansion in the transport sector after the Alice Springs-Darwin railway and upgraded international port become operational.

“The Northern Territory economy is presently dependent on a narrow base of industries, mainly mining, tourism, agriculture and government and defence spending. However, its economic base will broaden over the next five to fifteen years, with railway transport and downstream processing of oil and gas becoming significant industries. Meanwhile, growth in government and defence spending will ease, while agricultural output is expected to exhibit only modest growth.

“This optimistic output depends on our assumption of around $8.5 billion of major oil and gas projects proceeding over the next five years, in addition to the $2.6 billion stage one of the Bayu-Undan oil and gas project currently under construction.”

INVESTING BOOK

The Territory’s competitive advantage is based on the resource sector (including Timor Sea gas), its role as Australia’s Asian Gateway (www.australiasasiangateway.com.au), and the availability of land. Its prospects are bright based on tourism, resource development, agribusiness and, increasingly, gas-based industries and changes in global supply chain provision.

The government’s efforts to diversify the Territory’s economy are coming to fruition this year, with the completion of the AustralAsia Railway, ConocoPhillips’ LNG plant at Wickham Point, Timor Sea gas developments, the proposed expansion of Alcan’s Gove alumina plant, and the multiplier effect through the business and services sectors.

But most Australians (and overseas investors) know little about the Territory, its unique lifestyle, and the many opportunities arising from the development of this emerging region that covers one-sixth of the continent.

To fill the information gap, the Office of Territory Development, in the Department of the Chief Minister, has produced a booklet on Investing in the Territory. The booklet, a companion to Living in the Territory, is available from www.otd.nt.gov.au or by telephoning 1800 006 282.
EXPO RAILWAY SYMPOSIUM

The first freight train from Adelaide will arrive on 17 January next year and the first Ghan passenger train on 3 February, Minister for Business, Industry and Resource Development, Paul Henderson told a transport symposium at this year’s International Expo in Darwin.

The provision of freight and logistics services in the Territory has always been a challenge for the north, with the Territory relying predominantly on transport and sea freight and air freight servicing the higher value, time sensitive part of the market, he said.

However, new infrastructure such as East Arm Wharf and the AustralAsia Railway, will provide a north-south transport and logistics solution previously unavailable to domestic freight movement. This would open up trade routes for the movement of freight between Australia and the Asia-Pacific region, Minister Henderson said.

TERRITORY DELEGATIONS TO CEBIT

Northern Territory companies received a strong response to their participation in CeBit exhibitions in Hanover and Sydney recently. Minister for Communications, Dr Peter Toyne, led the delegations, with members drawn from local industry and the Australian Information Industry Association Territory chapter.

Growing export markets had been identified as a priority for the local Information and Communications Technology industry, Dr Toyne said, and the government is support local industry participation in such trade exhibition to help them establish networks and open new export market opportunities.

Below: The Territory delegation at the Sydney CeBit exhibition.

EXEL TARGETS DARWIN

The world leader in supply chain management has opened an office in Darwin, linking the Territory capital with 1600 other Exel offices around the globe.

A company boasting a workforce of over 67,000 worldwide, Exel is described by Darwin Station Manager Peter Likos as “an international freight forwarding company, a total logistics provider, and customs clearance company”. Some of Exel’s customers include Foxtel, Holden and major pharmaceutical companies.

CK Lee, Exel’s regional CEO in Singapore saw Darwin as a “critical key” to the Asian Region and began investigating the possibilities of opening an office last year. They sent Neil Johnson, Exel’s VP - Energy Sector, Asia Pacific located in Singapore to Darwin to review things on the ground and introduce the company to the Territory Government.

Exel, a company specialising in larger scale heavy shipments, already had two major clients in Darwin – Halliburton KBR and the Australian Defence Force – who were being serviced by an Exel agent. Both clients were putting pressure on Exel in Sydney to open a branch in Darwin, enabling them to utilise Exel’s internet tracking system that allows customers to track their shipments around the world.

Darwin’s increasing commercial importance in the region was a deciding factor in the move that occurred in February. “With the rail link coming in, the gas plant facilitating Timor Gas being developed, the Alcan upgrade, and other projects on the horizon – we had to be in the region,” says Mr Likos.

“We can now try to attract more airlines and shipping lines to Darwin … and promote Darwin as a hub for the rest of Australia.”

The company is already producing business above their expectations and service levels continue to improve. Where once Defence Force cargo sat on the docks awaiting Customs clearance for a month, their freight is now cleared in a week. Most clients can have their shipments cleared even before the freight arrives.

Below: Peter Likos, Darwin Station Manager of Exel
VENTURE CAPITAL

The Territory was on the verge of economic recovery and sustained growth, “making this an ideal time to seize innovative business opportunities”, Minister for Business, Industry and Resource Development, Paul Henderson, told a recent AVCAL conference in Darwin.

The Government wanted to attract new investment to the Territory to grow existing business and industry and stimulate new industries, the Minister said. To make the Territory attractive for investment, the Government was providing training, encouraging Indigenous economic development, identifying markets and research and development opportunities, and striving to make business as cost-competitive as possible.

Minister Henderson said the new Charles Darwin University is establishing an Institute of Advanced Studies to give higher priority to research which added value to the Territory economic and social infrastructure. The university has established partnerships with the Australian National University and Darwin’s Menzies School of Health, while the CSIRO, Menzies School of Health and Australian Institute of Marine Science have established the Arafura Research Centre. The Government has also contributed $10.5 million towards the Desert Knowledge Australia project.

Convenor of the Territory office of AVCAL (Australian Venture Capital Association Limited) Harley Paroulakaris, used the seminar to feature four Territory companies currently seeking venture capital funding:

• **Upstream Petroleum** – a company established in 1998 by former employees of BHP Logistics who loved the Territory lifestyle and saw the potential of Darwin as a base, even though 95 per cent of the company’s work is interstate, mainly Victoria. “We could have set up anywhere, but we like living in Darwin,” one of the company’s five directors, Greg Hogan, told the seminar. Greg said Upstream Petroleum, which now has 60 staff, sees great potential in Timor Sea developments. The company specialises in deep water field development. It offers contract operations and consultancy services, supervisory technical support, contract production operations, project management, well services and subsea engineering services. It helps customers develop and operate oil and gas assets, concentrating particularly on the Australian and South East Asian region where it has expertise in safety, environmental and regulatory systems. Greg said Upstream Petroleum has the technical ability and management skills to bring floating production systems to Australia as a production contractor and was looking at financing to invest in this “niche opportunity”. (www.upstreampetroleum.com.au)

• **Original IT** (www.original-it-investments.com) started as an incubator for information and communications technology companies three years ago with capital of $7 million. Original IT has helped establish several start-ups, including **Gecoz**, a salinity mapping company, which has won innovation awards for its geospatial information system and radar mapping business (www.gecoz.com). Original IT also supported **SoundSafety**, a workplace noise monitoring system developed by Al and Leslie Yonovitz, two audiologists working in Darwin. Sound Safety General Manager Ian Henderson showed the seminar a small clip-on personal noise badge which provides assessment of accumulated noise exposure. Linked with education on ear protection and tips on compliance in noisy environments, the relatively cheap device ($300 per unit) could save millions of dollars a year in compensation claims and lost productivity from noise-induced hearing loss. He said the product was now ready to go to the market. (www.sound-safety.com)

• **Trepang** – Phil Elsegood outlined a proposal by traditional Aboriginal people to develop a niche trepang business, capitalising on the pristine environment of Arnhemland. He said Aboriginal people had traded with Macassan trepangers for 400 years. Communities wanted to capitalise on the knowledge still retained by elders to develop hatcheries, nurseries and processing facilities on sea paddocks around Gove and Groote Eylandt to meet high demand in Asian markets. The project would provide jobs, a stronger financial future for Aboriginal communities, as well as training in the management of aquaculture ventures. “The technology is there, the research has been done, the time is right, they have experience, the right intertidal areas, and government support,” Phil said. “The older people say, ‘this is an opportunity to take young people back to the country’ and strengthen their ties to the land.” Phil is working with AusIndustry to lodge applications for further research and development and is looking for a partner.

• **Hosted helicopter tours** – William Massart of Choppertours outlined this niche hosted helicopter tours opportunity. The company operates turbine-powered Bell helicopters to take wealthier travellers to exclusive locations across the Territory, including scenic flights of Darwin, ‘ecodiscovery’ tours, and fishing and safari trips with qualified guides and gourmet catering. It is catering to the high end of the market, such as visiting businesspeople who want a unique Territory experience as close as 30 minutes from Darwin. It is seeking venture capital to expand its operations. www.choppertours.com

For more information, contact Harley Paroulakis on 08 8941 5538 or harley@paspalis.com.au.
GREAT PRODUCT - BUT WHERE’S THE MARKET?

An interview with Murray Hird, Director of Industry Development, Department of Business, Industry and Resource Development.

Territory food exports have had a chequered history of a few big hits and a number of heavy misses. It’s the job of Murray Hird and his Industry Development Group to attract investment in the Territory food industry … and he knows what investors want – a competitive edge.

“When you’re looking at investment in the food industry, you have to ask: What are the things that people can do here that’s going to deliver them an opportunity that’s not being taken up somewhere else in Australia or an export market that’s not easy to copy?

“Cattle and mangoes will develop according to market demand. They’re established. But we’ve got a citrus market a few people know about. It’s expanding and it’s a market that I think will see considerable investment. But people only invest in those things with which they feel comfortable. You need to find someone who understands the counter cyclical citrus industry and has money and is willing to take that risk.”

Q: What are they planting and where?

MH: “In the Top End near Darwin. Mainly pink grapefruit and some lemonade fruit. Lemonade fruit is a cross between a lemon and an orange. You peel and eat it. You rarely see them in a shop, because they’re just picked and sent south. Most NT food exports are really niche opportunities. In terms of investment in food, we’re going to need freight opportunities out of here and to get those opportunities we’re going to need volumes. We can only afford to fly very high value perishables out of here. And because we’re so far from markets we have to sell things that are pretty special. Mangoes to Singapore… rambutans to Japan. We’ve got that niche.”

CHIEF MINISTER’S TRIP

Opportunities, festivals, the business environment, a great lifestyle, economic growth on the horizon – these are just some of the reasons Territorians are passionate about where they live.

In August, to coincide with an investment mission to Sydney, the Northern Territory government will run a campaign to promote investment, career, lifestyle and travel opportunities in the Territory. The aim is to make interstate audiences aware of the Territory’s emerging economy, gas and railway developments, and to change perceptions about living and working in the north.

Using the Territory’s positioning statement of “the difference is opportunity” the campaign features television commercials with the Chief Minister Clare Martin and a series of brief testimonials from Territorians – who needed no prompting to enthuse about their home.

The campaign will also include advertisements in the financial press, banners during the cricket promoting www.theterritory.com.au and media coverage.

A working group including the Office of Territory Development, Tourism Top End, Darwin City Promotions, Defence, NT Tourist Commission and Darwin and Palmerston City Councils is looking at coordinated promotion of Darwin and information packs for new arrivals to the Territory. For more information, contact jane.munday@nt.gov.au
BARRA: A WINNER ON TWO CONTINENTS

Any Territorian who ever tucked into a slab of fresh barramundi would not be surprised that the Top End’s premier table fish would also became popular in the United States. Great taste defies borders. But they perhaps would be surprised that barra has taken off as a branded export – that is, a fish species where the name was recognisable in the eyes of American seafood consumers. Not only has the fish defied the tyranny of distance but also, in just 18 months, the product has gone from commercial obscurity to appearances on restaurant menus in New York, Chicago and Miami.

The strategy behind this marketing exercise came from Abel Gower Enterprises, an import, culinary marketing outfit comprised of husband and wife team, Barbara Connell and David Doepel – she an American and he an Aussie from Perth. The effort was timed to start in conjunction with the American campaign to save the declining Patagonian Toothfish. Mr Doepel’s positive message was: “Don’t serve Chilean seabass (toothfish) – substitute barramundi.” He surmised that such a substitution would be made easier because of a projected surplus in the Australian fresh farm-raised product.

Test tastings were held and the initial reaction by chefs to fresh barra was favourable. “Our vision,” explains Mr Doepel, “was to capture the imagination of eco-sensitive and forward-thinking fine dining chefs with a new exceptional fish product from some of the most pristine waters on earth.”

Research showed Americans eat only seven kilos of seafood a year and 60 per cent of that in restaurants, so the importers targeted the top end of the restaurant market. An American restaurant barra dish will cost over US$30 for both the importer and the business to make a profit. The exotic nature of the fish and the clean/green nature of its habitat appealed enough to warrant the high price.

With a background as integrated pharmaceutical marketeers, the pair began creating a market for barra in the United States. While not all press was favourable, the majority was positive. The Today Show, the New York Times, regional papers and food magazines ran segments and articles while celebrity chefs banged the barra drum. In the first year, Mr Doepel estimates Abel Gower imported 70 – 80 tonnes of fresh barra from Australian farms, most notably from Bob Richards and Humpty Doo Barramundi.

Taste Down Under initiated a partnership with the world’s largest culinary university, Johnson & Wales in Florida, boasting five campuses nationwide and 50,000 alumni. Together they ran a competition aiming for the best barra recipe. The comp was taken out by first year student chef, Adriel Martinetti, who won a trip to Australia for her ‘Blackened Barramundi and Plum Coconut Rice with Fruit-Infused Chutney and Lime-Yogurt Sauce’ recipe. The project was so successful that Johnson & Wales University will extend the competition to its other four campuses next year.

According to Abel Gower, the market for fresh barramundi in the USA has great potential for growth, especially if the price of live barra drops as the aquaculture technology improves. “If the price drops a buck a kilo, we’d double our sales,” says Mr Doepel. “Our modest goal is just 3 per cent of the Chilean seabass market of 10,000 tonnes. That’s 300 tonnes of barramundi.” www.tastedownunder.com

GLOBAL FREIGHT CONNECT 2004

An international freight symposium will be held on 9 and 10 February next year in Darwin to coincide with the start of railway operations on the AustralAsia Trade Route. Organised by the Office of Territory Development, in the Department of Chief Minister, the symposium will feature key national and international speakers and provide a forum to talk about freight trends and industry opportunities. For more information, call Desliens Conference and Event Management on 61 8 8941 0388 or visit the Office of Territory Development web site at www.otd.nt.gov.au

FreightLink’s Chief Executive Officer Bruce McGowan recently addressed a public forum in Alice Springs to explain FreightLink’s business and operational plans for the new transcontinental rail link. Bruce also discussed potential opportunities in Alice Springs arising from tourism and minerals developments. Jeff Stewart, from the Office of Territory Development, helped facilitate the forum, which completed a series of regional briefings by FreightLink and the Office of Territory Development. www.freightlink.com.au

Above: Brian O’Gallagher (at left), from the Office of Territory Development, Department of the Chief Minister, with FreightLink’s Chief Executive Officer Bruce McGowan in Darwin recently.
IN BRIEF (for more, see http://www.nt.gov.au)

BRADSHAW TRAINING FIELD
An historic agreement with traditional owners of the Timber Creek region has led to the signing of an Indigenous Land Use Agreement for the Bradshaw Field Training Ground. Construction works on the defence training site will include roads and an airstrip, worth about $50 million. Deputy Chief Minister Syd Stirling said Territory company Steelcon had built a new $6 million bridge over the Victoria River under a tender managed by the Northern Territory Government.

MOU WITH MALAYSIA
Darwin’s Rooney Shipping has signed a Memorandum of Understanding with the Malaysian trading group, the Asian Supply Base, which will provide a conduit for Territory suppliers to tender for contracts in Malaysia. The Asian Supply Base issues tenders for services and products as diverse as the acquisition of fire safety equipment and tools for oil and gas projects. Rooney CEO Graeme Lacey signed the MOU with Mr Harris Tan, CEO of the Asian Supply Base, witnessed by Asian Relations and Trade Minister Paul Henderson and Malaysia’s Deputy Chief Minister of Sabah, the Hon Datuk Wences Angang.

INTERNATIONAL MARKETING CAMPAIGN
Invest Australia has launched an international campaign to promote investment opportunities in Australia. Editorial supplements and advertisements have appeared in key magazines such as Business Week and are due to appear (in October) in London’s influential Financial Times. The campaign emphasises Australia’s strong economic performance, labour market reforms, low inflation rate, highly skilled and multicultural workforce, sophisticated IT and research and development infrastructure, competitive business environment and efficient regulatory environment. For more information see www.investaustralia.gov.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 at www.otd.nt.gov.au or phone (08) 8946 9555.

To subscribe to this monthly electronic newsletter, e-mail otd.info@nt.gov.au or register online.
Cricket Australia has confirmed another Test match for Darwin in July 2004, following the success of the inaugural Test at Marrara Oval against Bangladesh.

About 13,000 attended the Bangladesh match, and players and officials had nothing but praise for the facilities and the support of Darwin.

Australia will play Sri Lanka in Darwin in 2004, following a match between the Northern Territory Chief Minister’s XI and Sri Lanka at Marrara Oval.

International cricket looks certain to continue in Darwin beyond 2004, allowing the International Cricket Council to schedule out-of-summer games in Australia.

Right above: Australian cricket captain Steve Waugh is congratulated by fast bowler Jason Gillespie on reaching his hundred in the First Test against Bangladesh at Marrara Oval in Darwin.

Right below: The main grandstand at Marrara Oval on the first day of the First Test.