A program of capital works worth almost $20 million - to provide services for the Middle Arm Industrial Estate - has begun, Chief Minister Clare Martin said today.

Of that, $7.9 million has been budgeted for roadworks in the 2002/03 capital works program.

"The contract to construct a road to Wickham Point, the location of the Liquid Natural Gas plant proposed by Phillips Petroleum Australia, was awarded to Ostojic Transport Pty Ltd and work started last week," she said.

Ms Martin said that the Phillips LNG plant is a $3 billion project with potential to create over 3000 jobs nationwide and increase the nation's Gross Domestic Product by $17 billion over 25 years. Construction of the pipeline and LNG plant will start in 2003, for production in early 2006.

The project currently stands to employ 1200 people during the peak of the 36-month construction phase, and 100 people during the operational phase as well as supporting many contractors.

The gas for the LNG plant will come from the Bayu-Undan gasfield in the Timor Sea – the first phase of the Territory Government's strategy to bring gas onshore from the lucrative gasfields throughout the Timor Sea, including the giant Sunrise field, and several smaller fields.

The $6.7 million Ostojic contract will be carried out in 2 stages. The first stage, worth $4.5 million, will see drainage and earthworks completed with a working platform constructed over the mangrove area. Stage two, which begins in 12 months after initial work has settled into the mudflats, involves construction and sealing of the road pavement.

Another $770,000 has been spent to reinforce rocky embankments ahead of construction.

Ms Martin said that tenders have now also been called for the construction of three sections of water main, and that tenders would be invited for the final section this week. The initial work involves construction of a water main from Lambrick Avenue to Channel Island Road, the second section, from Roystonea Avenue to Wickham Point and the third section will take the water main across the Elizabeth River Bridge. A fourth tender to - be advertised next week - will extend the water main alongside the road to the gas plant.

"These contracts are expected to be awarded by Christmas, at an estimated value of $11 million," she said.

"This will also include a $1 million temporary substation and temporary 22kv powerline from Channel Island to Wickham Point.

"This money will provide a tremendous boost for the construction industry
over what is traditionally a quieter period in Darwin.

"Not only will the works provide services to the Middle Arm Industrial Estate and support the development of Phillips' LNG plant, but they will also be an essential part of the infrastructure required for the development of the future town of Weddell."

Ms Martin said the development of the Bayu-Undan field, which will supply the LNG plant via a pipeline, was progressing well.

"Drilling has begun and the first production of liquids from the field is expected in early 2004, subject to ratification of the Timor Sea Treaty which we remain optimistic will be resolved soon.

"While the future of Sunrise gas is more uncertain we remain confident of securing this resource onshore as well, for the benefit of Territorians.

"Onshore gas to Darwin is progressing well and these multi-million dollar tenders demonstrate the start of what will be an immensely valuable project for the Territory."

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