NORTHERN TERRITORY GOVERNMENT REPRESENTATIVES

• Rear Admiral (Retd) Mark Purcell AM
  NT Strategic Defence Advisory Board member
  Previous role as the Head Maritime Systems
  within Royal Australian Navy

• Ms Anne Tan
  General Manager Strategic Infrastructure and Projects
  Department of Trade, Business and Innovation

• Mr Tony Stubbin
  Chief Executive Officer
  Land Development Corporation

• Mr Jason Schoolmeester
  Executive Director DefenceNT
  Department of Trade, Business and Innovation
THE MOST EFFECTIVE LOCATION FOR OPV SUSTAINMENT IS IN NORTHERN AUSTRALIA’S MARITIME INDUSTRIES HUB

- Sustainment of the Offshore Patrol Vessels is integral to the SEA 1180 ship building program for the Australian Navy
- The most effective and strategic location as Darwin is the centre of the Northern Australia Maritime security threat Area of Operation (AO)
- Six OPVs confirmed home ported at HMAS Coonawarra
UPGRADES TO HMAS COONAWARRA WILL ENHANCE FORWARD OPERATING SUPPORT FUNCTIONS

Supporting naval infrastructure investment includes:

- $260m - Facilities to Support Naval Operations in the North (new outer wharf and enhanced fuel installation) (N2238)
- $311m - Offshore Patrol Vessels (Batch 1) (N2263)
The proposed new Wharf is 250 metres long, 25 metres deck width, two berthing dolphins, a mooring dolphin.

It will be a piled structure with a quay line nominally 55 metres from the shoreline with 32 metres and 42 metres long approach bridges spanning between the wharf and the proposed hardstand.
OPV SUSTAINMENT IN DARWIN HAS SIGNIFICANT BENEFITS

- Enables forward support base as close to AO as possible – increasing effective mission patrol times

- Other OPV associated organisations: Fleet Support Unit (FSU) North; Joint Logistics Unit North (JLU-N); HMAS Coonawarra

- Robust Defence maritime industry in Darwin with a number of high technology companies sustaining the current Armidale Class Patrol Boats (Navy) and Cape Class vessels (Navy and Australian Border Force)
DARWIN PROVIDES THE MOST EFFECTIVE LOCATION FOR INDUSTRY SUSTAINMENT OF THE OPV

• Maritime industry strategically located in Darwin as a pivotal support for Defence and border protection

• Co-location with other major maritime industries such as oil and gas sector and commercial shipping allows for rapid transferral of technical skills

• Darwin offers significant strategic benefits to Defence and the successful contractor in terms of operational availability and reduced logistics costs

• For example, steaming to either Singapore or Perth for sustainment involves a return journey of up to 2,400 nm and 10 days (@10 knts)
DARWIN IS NORTHERN AUSTRALIA’S MARINE SERVICE, LOGISTICS AND SUPPLY HUB
DEFEENCE PRESENCE IN THE NORTHERN TERRITORY

Darwin
- Home to Armidale Class Patrol Boat Fleet and Cape Class Patrol Vessels
- Army’s 1st Brigade
- Future home of Six Offshore Patrol Vessels

RAAF Base Tindal
- Home to FA18 Hornets
- Future home of Joint Strike Fighter and Triton unmanned surveillance aircraft

US Force Posture Initiatives
- Home to Marine Force Rotational – Darwin, 6 month training deployment
- Focus of Enhanced Air Cooperation, including significant infrastructure investment
DARWIN IS STRATEGICALLY LOCATED AS THE REGIONAL DEFENCE HUB IN NORTHERN AUSTRALIA

- Strategic location for Defence basing, operations and exercises
- Future regional defence hub to service South East Asia
- Strong growing economy
- Closest major city and port to the OPV’s primary area of operations
- NT maritime industry is capable of supporting sizable Navy, Border Force, oil and gas and commercial sectors
Darwin provides modern facilities and a great lifestyle for workers and their families

- Darwin is a thriving capital city – with a rich and sophisticated culture
- All the conveniences required for industry employees and their families including modern health, shopping and education facilities
- Informal vibrant tropical lifestyle

Links:
https://nt.gov.au/industry/defence-support/welcome-to-the-territory
Maritime sustainment is a strength of the NT Defence support industry

Capacity is demonstrated by current sustainment of Armidale Class (Navy) and Cape Class (Navy and Australian Border Force)

The Northern Territory’s Defence support sector is one with considerable experience in sustainment across several industry sectors - driven by decades of oil and gas and resource industry growth and expertise

The Northern Territory Defence maritime industry is characterised by a broad range of businesses such as welding, engineering, fabrication, mechanical, electrical and logistics
DARWIN IS A BUSY NAVAL PORT IN
WITH MARITIME ACTIVITY SET TO INCREASE

• Australia’s most northern port
• A busy naval port as well as significant commercial traffic
• Support and service hub for 3 LNG projects requiring significant maritime support of offshore assets
• Significant private sector investment in port infrastructure underway
AUSTRALIA’S DEFENCE WHITE PAPER IDENTIFIES INVESTMENT IN NORTHERN AUSTRALIA AS A HIGH PRIORITY

• Strategic pivot to northern Australia – The Defence White Paper and its supporting documents identified infrastructure investment in Northern Australia (particularly Darwin and RAAF Base Tindal) as a high priority

• $20 billion on Defence infrastructure to be spent in the Northern Territory in the next 20 years, including $8 billion in the next decade

• Major developments already underway include $500 million of infrastructure improvements to HMAS Coonawarra and $470 million for Joint Strike Fighter infrastructure at RAAF Tindal

• The Territory already has a significant Defence presence and hosts major Australian and joint international Defence Force training exercises, such as Exercise Pitch Black an Air Force combat readiness exercise and the Navy’s Exercise Kakadu

• The Territory also plays a significant role supporting Operation RESOLUTE, a Commonwealth Government effort to protect Australia’s borders from maritime security threats
The 2018 Northern Territory Defence and National Security Strategy is a refreshed roadmap for Defence and National Security support in the Northern Territory.

- Supported by the appointment of a NT Defence and National Security Advocate and an expanded NT Strategic Defence Advisory Board.
- Promotes Northern Territory capability and capacity to support Defence contracts and encourages Defence prime contractors to develop long term supplier relationships with NT businesses.

The Northern Territory is expanding its role and capability in Defence and National Security.
Strategic Engagement and Communication
1. National policies, decisions and investments reflect the importance of the Northern Territory to Defence and national security.
2. More opportunities for Northern Territory industry to compete for defence and national security work, including trade in defence-related services and supplies.
3. Increased engagement with regional neighbours and international allies, including through training.

Strategic Infrastructure
1. Infrastructure in the Northern Territory supports the ongoing and future needs of Defence, national security agencies, local industry and the community, including the capacity to meet surge demand.

Innovation, Research, and Partnerships
1. Northern Territory businesses increasingly commercialise research and innovation related to Defence and national security.
2. New specialised research and training activities are led from the Northern Territory.

Business Capability
1. Northern Territory businesses continue to have the capability and capacity to compete for defence and national security work.
2. More Northern Territory businesses qualify to tender for defence and national security work, and to participate in national and global supply chains.
3. Defence, national security agencies, prime contractors and major subcontractors choose Northern Territory businesses for their service and supply needs.

Workforce Capacity
1. Northern Territory businesses continue to have access to a flexible and skilled workforce that meets the current and future requirements of Defence, national security agencies, prime contractors and major subcontractors in the Northern Territory.
2. Higher level skills and education training relevant to the workforce supporting Defence and national security are delivered from the Northern Territory.

Defence Community
1. The Northern Territory is a posting of choice for Australian Defence Force and national security personnel and their families.
2. Ex-serving Australian Defence Force and national security personnel and their families choose to live and work in the Northern Territory.
THE DEFENCE SPEND IN THE NORTHERN TERRITORY IS SUBSTANTIAL

**GROSS STATE PRODUCT**
The Defence spend in 2016/17 represented 7.3% of GSP

**Annual Components**
- Salaries
- Operational
- Weapons
- Other

**Comparisons**
- Construction GSP: $2.8B, 11.2%
- Mining and manufacturing GSP: $4.4B, 16.8%
- Defence GSP: $1.9B, 7.3%
- Tourism GSP: $1.2B, 4.6%

Annual Defence Spend in the Northern Territory 2002-2017

Source: Department of Treasury and Finance, ABS, unpublished
NT GOVERNMENT AND INDUSTRY CAPABILITY NETWORK-NT (ICN-NT) ARE THERE TO SUPPORT INDUSTRY

- Strategic industry planning through ICN-NT
  - Map industry capability through supply chain analysis
  - Industry gap research
  - Identification of required core capabilities
- Government support to local business
  - Business Growth programs
  - Innovation Support
  - Indigenous business and employment support programs
- Potential upskilling programs for local industry at OPV contractor’s site

Link:
Statement of Capacity: Marine Services Industry in the Northern Territory
A combination of government and private sector investment has and is continuing to deliver key maritime infrastructure.

Significant Defence and commercial maritime infrastructure under development including the Marine Industry Park and the Ship Lift facility, capable of lifting the future OPVs.

Target financing mechanisms available to support further private infrastructure investment:
- North Australia Infrastructure Facility (NAIF), $5b established by the Australian Government
- Northern Territory Infrastructure Development Fund (NTIDF), $200m seeded by the Northern Territory Government
THE NORTHERN TERRITORY GOVERNMENT HAS BEEN DEVELOPING NORTHERN AUSTRALIA’S MARITIME INDUSTRIES HUB SINCE 2000

- **East Arm Wharf Stage One**
  - 2000

- **East Arm Wharf Extension Stage Two**
  - 2006, capex $200m

- **Darwin Marine Supply Base**
  - 2012, capex $110m
  - Operated by ASCO

- **Multi User Barge Ramp Facility**
  - 2016, capex $16m
  - Co-funded by NTG and Defence, Barge Ramp and Common User Area jointly managed as Common User Facility

- **Alice Springs to Darwin Railway Extension**
  - 2001, capex $1.2b

- **Vopak Fuel Terminal**
  - 2006

- **Common User Area Stage One**
  - 2010, capex $4m
  - 2 hectares common use hardstand

- **Common User Area Stage Two**
  - 2015, capex $6m
  - 7 hectare extension to common use hardstand

- **Darwin Business Park**
  - 2003 – ongoing, capex $320M
  - Part of the East Arm Logistics Precinct
  - More than 100 businesses, including large international operators such as Cummins, MTU Detroit Diesel, Austal. Supply bases for INPEX (Ichthys LNG), ConocoPhillips (DLNG) and Shell Prelude

- **Common User Ship Lift Facility**
  - 2021
  - NTG commitment $100m

- **Common User Area Stage 1**
  - 2019, capex $8m

- **Marine Service Area Stage 1**
  - 2020
THE LAND DEVELOPMENT CORPORATION IS THE NORTHERN TERRITORY GOVERNMENT’S STRATEGIC LAND DEVELOPER

- Strategic industrial and residential land developer
- Operates in a commercial manner
- Competitive neutrality (taxes, dividends)
- Private partnerships
The Northern Territory Government has committed $100 million to the development of a common user ship lift facility.

- **Preferred Proponent appointed in July 2016:**
  - Northern Ship Support Pty Ltd (a subsidiary of the Paspaley Group of Companies)
  - Project Development Agreement has been signed
  - Key partners/contractors include KBR, SMEC, BAM Clough, Brohl, Mott McDonald (NT Owner engineer)

- Common user facility – independent price and access regulatory framework if privately operated

- Remainder of FEED phase includes: FEED design, Geotechnical, Constructability, Environmental – NOI submission, MetOcean, Navigation, EPC preparation

**Timeline:**
- **9 month phase**
  - commenced 1 September 2017
  - completed mid-2018

- **15 month phase**
  - includes environment

- **12-18 month phase**
  - operational by 2021
SHIP LIFT FACILITY WILL BE CAPABLE OF LIFTING THE OFFSHORE PATROL VESSELS

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Initial Concept Specifications</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship Lift length</td>
<td>85m</td>
<td>Accommodates Offshore Patrol Vessel (OPV) and Platform Support Vessels (PSV)</td>
</tr>
<tr>
<td>Ship Lift beam</td>
<td>26m</td>
<td>Accommodate OPVs and PSVs – oversized</td>
</tr>
<tr>
<td>Ship Lift capacity</td>
<td>4000t</td>
<td>Support heavier vessels such as PSV’s</td>
</tr>
<tr>
<td></td>
<td>70t MDL</td>
<td>Increased MDL is to accommodate tugs (which have high point loads due to irregular hull shape) as well as some heavier vessels like PSV’s</td>
</tr>
<tr>
<td>Wharf expansion</td>
<td>One wharf extension</td>
<td>Expansion of one of the narrow ship lift finger wharf to crane capable wharf structure</td>
</tr>
<tr>
<td>Maintenance building</td>
<td>Semi enclosed structure</td>
<td>A demountable (fabric) walled enclosure for hull blasting and painting as interim until enclosed building can be delivered</td>
</tr>
</tbody>
</table>

Subject to outcomes of FEED process
THE NORTHERN TERRITORY GOVERNMENT IS KEEN TO WORK WITH BIDDERS FOR THE SUSTAINMENT OF OFFSHORE PATROL VESSELS

- The NT Government is:
  - creating a register of local businesses wanting to participate
  - investing in enabling infrastructure to support maintenance of the OPV

- The NT Government is keen to work with bidders to:
  - through the Land Development Corporation, identify land requirements
  - work through DefenceNT, determine workforce development requirements

- Working arrangements can be established through a Memorandum of Understanding
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