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Ms Julia Knight
Committee Secretary
Public Accounts Committee
Department of the Legislative Assembly
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Dear Ms Knight

Public Accounts Committee Inquiry into the Darwin Ship Lift Project

The Department of Trade, Business and Asian Relations (DTBAR) welcomes the opportunity to provide a submission to the inquiry into the Darwin Ship Lift Project.

DTBAR was established in September 2024 and has a vision to shape a competitive environment that activates industry and business, attracts investment and drives growth to sustain a vibrant Territory economy and lifestyle. We are a key agency to help deliver on the Northern Territory Government's recently released Rebuilding the Economy Strategy 2025 (the Strategy).

Critical to achieving the Strategy is supporting private sector investment to improve our economic outlook, which is forecast to enter a period of moderate growth following the cessation of construction activity associated with the Barossa gas project. There are a number of private sector and defence projects that can help achieve the Strategy's priorities, and delivering the Ship Lift Project (the Project) in Darwin is a key enabler to develop the Territory's maritime logistics capability to support these projects to proceed, and to maximise local operational benefits. As a port city, Darwin has historically had a maritime capability, but strengthening this capability with the Project is a key enabler to unlocking new opportunities associated with servicing new long-term demand from defence, oil and gas and other clients.

Projects of significance include development of the Beetaloo Sub-Basin, Nolan's Rare Earths and SunCable's Australia-Asia PowerLink. These projects, combined with increased Defence activity driven by the Royal Australian Navy's future fleet and the Australian Army's light-littoral combat fleet, will necessitate infrastructure and maritime services to operate out of the Territory. This includes delivering the Marine Industry Park, the Middle Arm Development Precinct and the Project.

Economic and Strategic Benefits

Darwin is now firmly established as a strategic hub for marine services and supply, supporting the operations of the Australian Defence Force and its allies, the Australian Border Force, offshore oil and gas, commercial fishing, tourism, and the broader maritime sector.

The Project and Marine Industry Park will be crucial for accommodating these vessels and the industry to support it. Future activity will place a demand for maritime services to be ready and available, further underscoring the need for sufficient infrastructure and workforce capacity to support the impact increased Defence activity will have on maritime services in the region. The Project will also provide infrastructure to support the continuing efforts to develop a superyacht provisioning and maintenance industry in the Territory.

The Territory's maritime industry contributed \$184 million of direct value added and 980 direct full-time employees in 2019-2020. With completion of the Project and growth in defence and export activity, the maritime industry could increase in size by close to 50%, reaching an estimated Gross Value Added of \$347 million and supporting around 1,490 full-time jobs by 2030-31.

The Project is expected to catalyse further investment across the sector, enhancing service delivery for key industries of oil and gas, defence, and agriculture, and unlocking future potential in high-value sub-sectors like superyacht servicing, marine-based tourism (including cruise and/or expedition ships), and coastal freight.

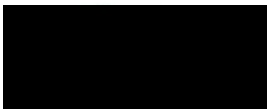
Opportunity Costs and Regional Impact

A recent mapping analysis conducted by DTBAR found no significant capability gaps in the Territory's maritime industry, reflecting a strong baseline built on decades of diverse vessel operations, including Defence patrol boats, tugboats, livestock carriers, platform supply vessels, and commercial fishing fleets.

However, industry stakeholders, consulted in 2024, raised concerns about the supply chain's ability to scale with growing demand. A consistent challenge identified is workforce shortages at all levels, highlighting the urgent need to develop and retain skilled labour to fully leverage existing capabilities and capitalise on emerging local and international opportunities. Establishment of the Office of Workforce Development within DTBAR is a key initiative by the Northern Territory Government to help overcome the skilled labour shortage being experienced across different sectors in the Territory.

Should you wish to discuss any aspects of this submission, please contact Mr Thomas Philip, Director Strategic Policy and Coordination in DTBAR, on telephone [REDACTED] or by email at [REDACTED]

Yours sincerely



Hayley Richards
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