

**The Hon Paul Henderson MLA
Chief Minister
Opening address for
SEAAOC and NT Resources Week
10 September, 2009**

Acknowledgements

- * Secretary of State for Natural Resources for Timor Leste, Mr Alfredo Pires
- * His Excellency, Ambassador Heyward, Australia's Ambassador to Timor Leste
- * Ministerial Colleagues – Minister Vatskalis
- * Distinguished guests, ladies and gentlemen

Welcome

Thank you John Hartwell for that kind introduction.

And thank you Alison Mills for the welcome to country.

Thank you to the sponsors ConocoPhillips, our Platinum sponsor MEO Australia and Eni Australia, our gold sponsors. We also welcome on-board INPEX as a new sponsor to this event.

Welcome to NT Resources Week and in particular, to the combined South East Asia Australia Offshore or SEAAOC Conference ... and the Mining the Territory Conference.

This is a great initiative between the Northern Territory Government, the NT Resources Council, and IIR.

I particularly welcome those of you who are visiting from interstate and overseas.

I want to talk to you today about jobs.

I want this to be the focus of my talk because I believe it is at the very core of what we are all trying to do.

When I see a new mine open or a new processing plant – I think about the jobs they will create.

Each job has its own story.

It gives a young man a chance to buy his first car.

It gives a couple the opportunity to buy a house and start a family.

It gives those a little older the ability to set up for life after work.

Most of you wouldn't know that I started out as a marine fitter ... I followed in the footsteps of my father.

I know the value of a hard day's work and what it can do for you.

It's one of the reasons I love going out to mine sites and workshops and meeting the young apprentices trying to get ahead in life.

It's also a good reality check – they are optimistic about their future and the future of the Territory.

And so they should be ... there is much to be optimistic about.

Australia has avoided the worst of the impact from the Global Financial Crisis and the Territory economy has fared much better than the rest of Australia, particularly in relation to employment.

This is not to say that we have been immune to the impacts – exploration in the resources sector has probably been affected most of all.

Large petroleum and mineral projects in the production phase have continued production relatively unabated but have felt the pain of lower prices.

The Northern Territory's mineral exploration and mining industry has remained resilient during the downturn with exploration data for the last financial year showing the Territory increased its share of Australian exploration expenditure.

There is some confidence now, that the worst is over ... the substantial recovery in commodity prices ... improving availability of finance and equity ... and exploration activity provide considerable comfort.

This does not mean that the road ahead is without the odd bump, pot hole or detour.

Throughout the crisis, the Territory economy and employment have remained resilient and business confidence has remained high.

A significant underpinning factor for this resilience and confidence is the continued operation and development activities of the Territory's major mining and energy projects.

This includes the progression of INPEX and Total's Ichthys LNG Project towards Final Investment Decision.

ConocoPhillips is another example. The company now employs 250 people onshore in the Territory, a significant increase from just a few years ago.

Territory Economy

The Territory Economy has been robust during recent events. In 2008/09 the NT recorded growth in State Final Demand of 6.2%, the highest of any jurisdiction and more than double the national increase of 2.5%.

Retail trade grew 13.5% in the year to June 2009, three times the national increase of 4.7%.

In July, our trend unemployment rate was 4.2% compared to 5.8% nationally. Over the course of the year our employment growth was 5.1% while nationally there was no increase in jobs.

I'll repeat that – I think it's that important.

Over the course of the year our employment growth was 5.1% while nationally there was no increase in jobs.

We actually had the number of people with jobs grow.

That's men and women getting pay cheques every week to make the most of their lives.

Between July 2007 and July 2009, more than 10,000 new jobs were created.

The Federal Government's stimulus packages, the Territory Government's strong financial management and the confidence in our future shown by you – all helped to make that happen.

In the Access Economics June quarter 2009 Business Outlook publication, the Territory's gross state product is forecast to have grown 4.9% in 2008/09 and is expected to grow an average 2.2% per annum for the five years to 2012/13.

It should be noted the Access forecasts do not factor in the Ichthys LNG project ... a project worth more than US \$20 billion and creating more than 2000 direct jobs onshore during construction and 300 during operations.

Mining is an important industry for the Territory ... important because it is the single most significant contributor of Gross State

Product ... accounting for an estimated \$6.7 billion in 2008-09 and directly employing an estimated 4,600 people.

If you consider the petroleum industry as well, mining and petroleum make up about 28% of GSP – and growing making both industries vital to the development of the Territory into the future.

The Territory, indeed the companies that many of you represent, have a range of committed, probable and potential resource development projects that will boost future economic activity and the potential is huge ... and I thank you for that.

Every project means more jobs for Territorians – more apprenticeships – more opportunities.

For every \$1 million invested in the mining sector in the Northern Territory, \$770 396 of output is created in the rest of the Northern Territory economy.

For every 100 jobs created in the sector, 184 jobs are created in the rest of the Northern Territory economy.

My Government is ensuring as many Territorians as possible can take advantage of new employment opportunities.

Late last year, we reached our first target of 10,000 new apprentices and trainees.

We immediately set ourselves a second target of 10,000 over the next four years. Many of those apprentices could be employed in the mining and gas industries and associated supply businesses.

We have also enhanced the prospects of our secondary students by expanding the Year 12 leaving certificate to incorporate and recognise training as a legitimate qualification for school leavers.

We have a thriving tertiary institution – the Charles Darwin University – which offers a range of courses to support the mining and gas industries ... including Vocational Education and Training courses, engineering and science.

Developments

Much of our mineral provinces are highly prospective although under explored and our offshore gas potential is well recognised.

The list of new and emerging developments is far too extensive for me to go through now.

However, it is worth highlighting that while the development of Blacktip in the Joseph Bonaparte Gulf is winding down, there is strong interest in development of the nearby Petrel, Tern and Frigate fields for floating LNG ... with the recent announcement of Santos forming a strategic partnership with GDF SUEZ.

John Anderson, Vice President WA/NT of Santos will provide you with more on that later today.

While floating LNG may not deliver the benefits during construction that might be derived from onshore construction, the Territory Government recognises those are commercial decisions.

It's fair to say I will be working very hard to push the Territory as the natural supply base for the Santos / GDF Suez development.

Ladies and gentlemen, while the SEAAOC part of NT Resource Week may be an offshore conference by name, we have always acknowledged onshore oil and gas production as an important part of the Territory's petroleum sector.

As I mentioned earlier, the mining and mineral processing industry in the Territory is emerging from the shadow of the global financial crisis, which has slowed economic growth and decreased demand for, and subsequently the price of, commodities.

However, the Territory's mining and energy sector appears to have withstood the most severe impacts of the global financial storm. In 2008-09, total Territory exports increased by 38.7 per cent to \$6.3 billion.

Our main export destinations are Japan, China and Europe.

The largest contributor to growth in Territory exports was liquefied natural gas exports, which contributed \$2.3 billion of total Territory exports

The outlook for the sector depends somewhat on the growth of the Chinese economy in the short term and on growth in the major world economic blocks of Europe and North America in the longer term.

So it was with some amazement I read the comments of Nationals Senator Barnaby Joyce yesterday.

Bizzarely, Senator Joyce thinks we should turn our backs on China

He doesn't want Chinese investment in Australia.

Well I want foreign investment – and I'm sure all of you do too.

Senator Joyce has gone back to the bad old days of reds under the beds.

He is lost in a different era.

Australia – and in particular the Territory will not turn its back on foreign investment – the Territory is open for business.

We're looking to the future.

We still have world class deposits and mines at Jabiru, Gove, Groote Eylandt, McArthur River and in the Tanami. At these mines it has been largely business as usual – which has meant the engine house of our mining industry continues to employ 6000 people.

In a place where the population is just over 220,000 – 6000 jobs has even more significance than it may have down South.

But, of course, our industry is bigger and much more diverse than just these operations and the lifeblood of future expansion of our industry is exploration and we're seeing more of it in the Territory.

The Territory Government is supporting exploration and mining development through the four year, \$14.4 million, minerals investment attraction strategy, *Bringing Forward Discovery*.

This includes a new initiative to generate new geoscience information by co-funding selected greenfields drilling and geoscience studies in remote parts of the Territory.

I am happy to report that two projects that were casualties of the global financial crisis are about to recommence mining, and recommence hiring.

Crocodile Gold Australia is re-opening gold operations in the Pine Creek area, creating 200 direct jobs ... and Sterling Resource is recommencing mineral sands mining on the Tiwi Islands.

Furthermore, Hunan Non-Ferrous Metals Corporation and Compass Resources are working towards restarting the Browns polymetallic project at Batchelor.

On top of this, we have Minemakers working away on its Wonarah Phosphate Project. Production is scheduled to commence by mid to late 2010.

Importantly, this project has the potential to create up to 300 new direct jobs in the Barkly and Tennant Creek regions of the Territory and we have afforded it major project status to help it to deliver this outcome.

Arafura Resources continues to work up its Nolans Bore rare earths and phosphate project. Exploration results are encouraging on a number of fronts, many of which, I'm sure, we will hear during the next two days.

Ladies and gentlemen, in these projects and others there are two trends of growing importance to the mining sector in the Territory – foreign investment and logistics for bulk minerals.

The Territory Government welcomes overseas investment in exploration for and development of the mineral and petroleum resources within our region. In reality, this is a continuing trend that has a long history, not only in the Territory but across Australia.

My Government has encouraged these investments. We have promoted the opportunity to invest in the Territory's resource sector

via a number of overseas investment attraction missions, in partnership with the mining industry.

We are, in fact, the only jurisdiction with dedicated mineral investment attraction strategies in China and Japan.

The other growing trend referred to is bulk mineral logistics. The establishment of the A\$1.3 billion Australasia Railway and our \$200 million investment at the Port of Darwin have enabled the development of bulk mineral resources along the rail corridor and potentially further afield.

The Territory Government continues to fund further expansion in the current year and the Australian Government has allocated \$50 million in funding from the Australian Infrastructure coffers. To the Australian Government I say thank you – but the job's not finished.

There is no doubt that further development of the bulk mineral trade will require considerable further investment in infrastructure at the Port of Darwin, along the Australasian Railway and elsewhere.

This week, you will learn of other new development and expansion plans.

Ladies and gentlemen I have talked about developments in our region in the oil and gas sector, and in the mining sector.

These are truly significant sectors of the Northern Territory economy in their own right, and represent a significantly greater percentage of economic activity in the Territory than in all of the other Australian jurisdictions.

The impact of these industries is felt not only in the onsite activity and employment but also more widely in the supply and service industries across the Territory that support the sector.

These industries and the businesses that comprise them are a focus of NT Resources Week.

We are talking here of a sector servicing not only the Territory, but a region that spans across northern Australia, and into the near Asia-Pacific region, meaning hundreds of new skilled jobs for the Territory.

There are many examples of Northern Territory-based companies that have gone to the next level of capability and capacity through either investment in new technology and infrastructure or partnering with global companies.

These companies have, in many cases, then gone on to win work against competition from across the country and the rest of the world.

A good example is RANms, which is now part of the global Wood Group and is winning maintenance contracts against worldwide competition.

Monadelphous, which has invested in new infrastructure and is currently completing construction of the Blacktip onshore gas plant, has its eyes set on a wide range of construction projects in the future. This company employs about 300 people on sites around the Territory on the Blacktip project alone.

Logistics companies such as Toll and Shorelands ... both whose staff are participating at this conference ... have recently invested heavily in new premises and view the future with great optimism.

These companies are only the tip of the iceberg – investment continues at a great pace throughout Darwin in the petroleum and mining service and support sectors as the confidence in our ability to compete on the world stage grows.

If you can also see the potential and need more information come and talk to the people manning our stands in the exhibition hall.

The Northern Territory Government, its agencies and particularly the Northern Territory Industry Capability Network can help. There is a dedicated group within my Department that is charged with promoting supply and service opportunities for the resource sector and they are attending this conference.

The Northern Territory Government recognises the value and potential of the supply and service industry to strengthen and diversify our economy and create jobs.

We have been working to foster the industry's development.

For example, we will be leading another Territory trade mission to the Mining Indonesia Conference in Jakarta during October – a market where many of our supply and service companies have already started to win business.

In the last year we have opened a 20 hectare Common User Facility in the Darwin Business Park which will allow lay down, fabrication, assembly of modules for marine load out, and transport and logistics functions for remote petroleum and mineral projects this work is underway as we speak.

Darwin's established capability as a centre for offshore marine supply and service along with its location relative to the petroleum activity in the Bonaparte and Browse Basins provides a compelling case for expansion of our role as a regional supply and service centre for the offshore marine supply and service sector.

To support this end, the Government is examining the potential to establish a dedicated marine supply base at East Arm.

We expect that private sector investment will play a key role in this development opportunity and we will be consulting with industry via an Expressions of Interest process. The offshore supply and service industry is estimated to be worth \$150 million per year, with strong prospects for expansion.

Ladies and gentlemen, I think you will agree that the future is indeed bright for the petroleum and mining industries and the companies that supply and service them. These industries are major employers in the Territory economy and will drive and support future job creation.

We have a good track record of working with resource companies and we will continue to provide certainty of process to resource projects.

The future of the Northern Territory's mining and gas industries is definitely one of growth, expansion and optimism.

I wish you all a very successful conference. My Ministerial colleagues and I look forward to meeting with some of you at the dinner tonight

Thank you.