



Submission to the Joint Standing Committee on Northern Australia

Inquiry: Preparing for Emerging Industries Across Northern Australia

Submitted by: Dexus, Infrastructure Owner – Port Hedland International Airport (PHIA)

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Image: Port Hedland International Airport



Executive Summary:

This submission responds to the Joint Standing Committee's inquiry into preparing for emerging industries across Northern Australia, focusing on areas where our expertise in real asset investment, development, and infrastructure management can provide substantive, evidence-based insights. Specifically, we address workforce attraction and retention, regional connectivity, First Nations participation, and enabling infrastructure—all critical foundations for the region's economic transformation.

Our recommendations centre on practical, implementable solutions: enabling modern methods of construction to address accommodation affordability; modernising border facilitation frameworks to restore sustainable international aviation services; establishing a Northern Airport Connectivity Fund to support essential regional routes; embedding First Nations co-design and procurement targets in airport precinct development; and supporting integrated port-air logistics to strengthen supply chain resilience for emerging industries.

As joint owner and manager PHIA, Dexus is deeply invested in the Pilbara's future and the broader development of Northern Australia. Our ongoing investment at PHIA directly supports workforce mobility, liveability, and economic growth across the region. Since securing a long-term lease in 2016, we have delivered a \$35 million terminal upgrade, established a renewable energy microgrid, and facilitated record passenger growth of 41.9%. We are actively working to restore international services and expand worker accommodation infrastructure to meet the evolving needs of existing and emerging industries.

PHIA operates on Country and recognises the deep and ongoing connection of the Kariyarra, Ngarla, and Nyamal peoples to this land. We are committed to partnering with First Nations communities, government, and industry to deliver infrastructure that strengthens regional prosperity, enhances community wellbeing, and positions Northern Australia as a globally competitive hub for sustainable growth.



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1. Background:

Dexus's vision is to strengthen communities across Australia by creating vibrant, connected places that support growth and opportunity. We apply our multi-sector capability to essential infrastructure, including airports and transport assets, ensuring they evolve to meet the needs of the people and communities they serve.

In 2016, we secured a long-term lease of Port Hedland International Airport (PHIA) with our co-investor, leveraging our combined presence in Western Australia and expertise in transport assets. Our success in securing the long-term lease was driven by:

- Value for money for the Town of Port Hedland (the Town)
- A commitment to invest in the airport
- A willingness to share passenger upside with the Town
- Relevant experience
- A commitment to the community in which we are stewards of infrastructure assets

This investment marked our first in the Pilbara and is now one of several in Western Australia, providing the opportunity for Dexus to actively contribute to a more resilient and connected Pilbara region. Under the stewardship of Dexus and our co-investor, together with PHIA management, we have:

- Delivered an upgraded \$35m terminal with ability for domestic services to swing to international services
- Overseen record passenger numbers that have increased 41.9% since our investment
- Supported resumption of PHIA's international operations to Bali, engaging with several airlines, the WA State Government, Australian Border Force, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, to help improve liveability in the region
- Invested in a microgrid sustainably powering the airport, reducing our reliance on local power generation
- Supported development of on-airport worker accommodation
- Developed a plan for activation of the remaining land bank, with a view to supporting local projects; and
- Supported deeper engagement with the local community, facilitating local school excursions, sporting club sponsorships, local 'RU OK' day events as well as supporting Port Hedland Emergency Services and the RFDS.

PHIA has also been recognised by the Australian Airports Association with two recent awards in 2023 for Regional Airport of the Year and Emerging Airport Leader of the Year for Hayley Vale, CEO, Port Hedland International Airport.

These initiatives reflect our commitment to strengthening the communities we serve, and we see significant opportunity to do more. We are investigating opportunities to invest in projects that enhance regional resilience and long-term growth, including desalination, cold storage and logistics, renewable energy developments, road infrastructure, additional accommodation solutions, and support for local airstrips drawing on PHIA's aviation expertise.



2. Dexus and PHIA: Enabling Pilbara Growth

Dexus is Australasia's leading real asset manager, with a growing infrastructure portfolio and a strong commitment to sustainable regional development. PHIA is a critical gateway for the Pilbara, underpinning the mining and energy sectors and supporting the region's long-term economic resilience. Together, Dexus and PHIA are delivering targeted investments that enhance liveability, operational capacity, improve sustainability and strengthen workforce support.

- Resumption of international services

Prior to COVID, Virgin Australia and previously SkyWest, operated a weekly service from Port Hedland to Bali. This route was popular with residents across the Pilbara and facilitated transit for Bali domiciled FIFO workers. Dexus is actively supporting PHIA management in its applications to resume international services to an area of vast economic importance. Increasing connectivity immeasurably improves liveability of a region, this is true for Port Hedland and the Pilbara. International services in Port Hedland will also play a role in facilitating attraction of skilled migrant workers to support one of the most economically important regions in Australia.

- Terminal and landside transformation

Completed in 2023, this upgrade expanded terminal capacity from approximately 300,000 to over 1 million passengers, introduced modern check-in, arrivals and departures facilities, and enhanced security screening capability. Landside improvements upgraded ground transport connections, car rental facilities and pedestrian access, improving the overall passenger experience.

- Renewable energy microgrid

Commissioned in 2025, PHIA's 1.2 MW solar array and 600 kW / 2.8 MWh battery system are delivering substantial energy savings and meaningful emissions reductions, while also reducing reliance on locally generated electricity. The system currently displaces approximately 90% PHIA's existing electricity requirements and provides a meaningful contribution to progressing 2030 net zero targets. The system installed is modular and will allow expansion if the needs of the airport require, as well as providing a model for other regional facilities, including communities that are seeking to reduce emissions and reliance on diesel generation for power needs.

- Worker accommodation expansion

PHIA is progressing feasibility work to connect its workers accommodation precinct to mains utilities, enabling future accommodation development and supporting workforce attraction and retention for key regional industries.



3. Alignment with Committee Term of Reference

Dexus's submission focuses on the inquiry areas where our expertise in real asset investment, development, and funds management can add the most value. As a leading Australian property and infrastructure group, we have chosen to respond only to the terms of reference that align with our core capabilities and where we can provide substantive, evidence-based insights. Rather than address all eleven terms of reference, we have concentrated on those most relevant to our operational experience and market knowledge and where we believe we can meaningfully inform the Committee's consideration of emerging industries and future economic opportunities in Northern Australia.

a) Workforce: Attraction, Retention and Training

PHIA is central to workforce mobility in the Pilbara, enabling FIFO and charter operations for major resource projects.

Emerging projects in the region also utilise PHIA. Prior to final investment decision many of these projects use PHIA as an entry point for their staff arriving from Perth before driving to their projects to complete environmental studies, feasibilities and similar activities.

FIFO remains a critical element of the mining sector's operations, as the well as underpinning growth opportunities including in critical minerals. As demonstrated through COVID, PHIA and the FIFO model underpins the resilience of Australia's resources sector in a increasingly competitive global market. The ability to offer FIFO employment remains as essential elements of mining operations.

b) Liveability: Housing, Connectivity and Affordability

PHIA's precinct planning prioritises reliable, affordable transport and accommodation. The airport's accommodation precinct has feasibility studies underway to connect accommodation developments to essential utilities.

Improved ground transport facilities at the airport enhances customer experience for visitors needing vehicle access to projects in the wider Pilbara.

Regional flights to and from Perth remain expensive for Pilbara residents, despite the ongoing economic activity in the region. The WA Government has supported a program for Pilbara residents to remove some of the burden of travel costs. However, flight costs remain high meaning that where residents require specialist medical care or need to return to Perth on a regular basis for compassionate reasons costs can be burdensome.

The cost of new housing in the Pilbara is a multiple of the cost relative to Australian capital cities and would be potentially seen by some as cost prohibitive. Many trades that service construction industries operate in direct competition with trades required by mining and resources companies. Encouragement and enhancement of industries able to supply cost effective prefabricated and modular housing solutions under standardised approval frameworks will significantly benefit all Australians and particularly regional Australians.

Housing and affordability are essential to developing regional centres like Karratha and Port Hedland into larger town centres with the ability to attract essential workers (healthcare, police and teachers etc) into roles that support local communities.

c) Connectivity: Domestic and International Flights drive Tourism

Domestic and international aviation connectivity is vital for the Pilbara, enhancing liveability by enabling residents across the region to access interstate and international destinations directly.



This avoids the additional cost and time associated with transiting through Perth, delivering a significant benefit to local communities.

International travel options will also benefit the region by enabling FIFO arrangements for workers who reside overseas and by providing access to international holiday destinations, thereby supporting workforce retention for employers.

It also allows major projects in the Pilbara to access skilled workers internationally where shortages in domestic markets exist. In the case of major projects requiring international expertise, it will allow those workers direct access to the area in which they will be working.

PHIA is progressing towards re-establishing scheduled international services, with modern terminal facilities and engagement with Australian Border Force.

The airport connects Port Hedland to Perth, Broome, Karratha and Newman.

d) Supporting First Nations

PHIA operates on Country and recognises the deep and ongoing connection to the First Nations people of the land, in particularly the Kariyarra People and across the broader town of Port Hedland region, the Ngarla and Nyamal people.

In practice, PHIA undertakes ongoing consultation and collaboration so First Nations voices are heard and considered in decision-making relating to airport development and initiatives, alongside creating employment and training opportunities for all staff, promoting Indigenous culture within the airport environment (e.g showcasing artwork, hosting cultural events and educational material). PHIA actively seeks procurement opportunities from First Nations owned businesses for all existing and future precinct developments.

e) Leveraging Infrastructure Capabilities

PHIA's ongoing investment in renewable energy, utilities connections and property activation positions the airport as a resilient, sustainable hub for emerging projects and industry in the region. Dexus is actively investigating ways in which it can bring its expertise to bear in assisting projects with logistical support and by investing in non-process infrastructure.



4. Recommendations:

4.1 Sustainably addressing accommodation requirements and affordability

Recommendations:

a) **Enable and incentivise Modern Methods of Construction (MMC) and modular accommodation solutions**

Modern Methods of Construction, including modular and prefabricated builds, provide an opportunity to address housing construction costs, in regional areas particularly those where competition for skilled workers is high. By integrating MMC into housing and accommodation planning, regions can potentially reduce new housing costs, improve liveability and affordability and create pathways for permanent settlement, not just temporary workforce housing.

Supporting MMC for workforce accommodation would enable faster deployment of accommodation projects aligned to major project cycles, reduce onsite labour requirements and improved safety and consistency in cyclone-prone environments. This approach also helps to lower costs for residents looking to build a home, while strengthening regional communities. Where such products are capable of relocation this would also improve long term viability of these assets for project proponents and reduce waste. Applications of this style of construction would extend to areas such as disaster relief and low-cost social housing among others.

Incentives such as grants, streamlined approval or MMC-ready design standards would accelerate delivery of essential accommodation and ensure that housing solutions contribute to broader regional development goals.

Impact:

Lower cost housing in regional areas improves liveability and affordability. It provides a meaningful opportunity to attract workers to the region, including essential service workers.

4.2 Modernise Border Facilitation for Regional International Airports

International connectivity would give Pilbara residents and workers direct access to overseas destinations, improving quality of life, family connection, cultural exchange and workforce retention.

PHIA is ready to resume scheduled international flights. In doing so, it will create new opportunities for business growth, supply-chain resilience and improved access to skilled workforces. However, current border agencies operating models can be optimised to support regional airports sustaining international services to unlock benefits for the broad communities that they service.

Recommendations:

The current framework applies metropolitan-scale regulatory expectations to all airports, regardless of size, demand profile or community role. This creates a structural barrier for large regional airports like PHIA, which may support only one or two international routes, yet are required to meet the same border-agency resourcing, infrastructure and cost-recovery thresholds as major capital city airports operating dozens.



A fit for purpose approach would recognise the scope of services of a large regional airport and adopt a risk based approach that is scalable based on its circumstances. Such an approach would be modern and present viable international connectivity in Northern Australia.

An updated framework should:

- Introduce a regional airport stream that recognises the much lower route volumes and intermittent, project-linked demand typical of remote areas.
- Scale regulatory requirements to match realistic operational profiles, not the assumptions of a multi-route metropolitan hub.
- Account for public-interest benefits of connectivity in remote regions (workforce retention, liveability, Indigenous tourism, emergency response, small business access to markets).
- Provide a clearer, lower-burden pathway for achieving and sustaining international port-of-entry status for regional airports, while managing the relevant border related risks.
- Enable border agencies to adopt flexible, scalable resourcing models so regional gateways are not forced to absorb unsustainable fixed costs.

Modernising the framework in this way would ensure regional communities are not disadvantaged by policy settings designed for a completely different operating environment. It would allow airports like PHIA to sustain limited but essential international routes, unlocking liveability, workforce and economic benefits for the Pilbara and broader Northern Australia.

Impact

Modernising border settings will allow regional airports like PHIA to sustain the limited international routes their markets can support, rather than meeting requirements designed for major hubs.

Restoring international services would significantly improve liveability by reducing travel time and cost for residents, supporting small business access to overseas markets, and enabling targeted tourism opportunities. It would also strengthen workforce retention and improve emergency responsiveness during cyclones and medical events.

By removing structural barriers to international connectivity, these reforms will help keep the Pilbara globally connected, economically resilient and an attractive place to live and work.

4.3 Establish frameworks to support Northern Australian airports

Air connectivity is essential for workforce mobility, emergency response, community access and economic development across Northern Australia. Yet route development is often constrained by high operating costs, low passenger volumes and fluctuating demand tied to project cycles. These constraints limit the ability of remote communities to stay connected, attract workers, support local businesses and participate fully in national and global markets.

Importantly, the WA Government has already recognised the strategic importance of regional airports through its 'Strategic Airport Asset and Financial Management Framework,' developed under the Regional Airports Development Scheme (RADS). This framework provides a structured community-aligned approach to planning and funding regional airport infrastructure. A national fund should build on this leadership to ensure consistent support across all Northern jurisdictions.

Recommendations:

- a) Create a dedicated fund to co-invest in new and expanded regional airline routes serving Northern Australia.**
A targeted fund would help bridge the commercial viability for regional airlines operation in remote regions. Co-investment should prioritise routes that deliver clear community benefit, including improved access to health services, education, tourism and essential supply chains. This ensures air connectivity supports not only industry needs but also the broader social and economic wellbeing of regional communities.
- b) Structure grants as performance-based, tied to reliability, community outcomes and alignment with major project pipelines.**



Performance-based funding would incentivise airlines to maintain reliable, frequent and affordable services. Criteria should include on-time performance, community access, workforce mobility outcomes and alignment with major project timelines (e.g. mining, renewable, defence). This ensures public investment delivers measurable benefits for both local residents and project proponents.

c) Prioritise support for routes that connect remote communities, enable FIFO operations and strengthen regional tourism.

Funding should focus on routes that provide the greatest community uplift-including those linking remote towns, supporting FIFO workers, enabling Indigenous tourism and improving access to regional attractions. Strengthening these routes enhances liability, cultural exchange, local business growth and regional resilience.

Impact:

A Northern Airport Connectivity Fund will improve the reliability and affordability of regional air services, support timely delivery of major projects, and enhance liveability, mobility and economic participation for communities across Northern Australia. Aligning this approach with the WA Government's existing framework ensures a consistent, community-centred model that can be scaled nationally.

4.4 Embed First Nations Co-Design and Procurement Targets

First Nations participation is essential for sustainable regional development and for ensuring that airport precincts reflect the identity, aspirations and cultural heritage of the communities they serve. PHIA and Dexus have already seen the value of partnering with Indigenous organisations on renewable energy and community initiatives, demonstrating how collaboration can deliver both social and economic benefits.

Recommendations:

a) Require airport precinct projects to include First Nations co-design panels

Establishing formal co-design panels ensures that local First Nations voices guide planning, design and decision-making from the outset. This approach strengthens cultural legitimacy, supports place-based design outcomes and ensures that development aligns with community priorities, heritage values and long-term aspirations

b) Set clear procurement targets for engaging Indigenous businesses and workforce

Embedding procurement targets creates predictable, meaningful economic opportunities for Indigenous enterprises and workers across construction, operations, maintenance and service delivery. This supports local business growth, builds long-term capability and ensures that airport precinct development contributes directly to regional economic participation.

c) Support cultural awareness and training for all airport staff and partners

Providing ongoing cultural awareness training helps build respectful, informed relationships between airport operators, contractors and First Nations communities. This fosters a culturally safe environment, strengthens partnerships and ensures that airport precincts operate in a way that honours local knowledge, traditions and community expectations.

Impact:

These measures will create meaningful economic opportunities for First Nations people, strengthen community relationships and ensure that airport precinct development reflects local culture, priorities and long-term community aspirations. They also help build a more inclusive, resilient and community-aligned regional aviation sector.

4.5 Support Integrated Port-Air Logistics

The Pilbara's long-term growth relies on efficient, integrated supply chains that can support established resource industries and rapidly emerging sectors. The Lumsden Point expansion, which if combined with PHIA's industrial precinct, presents a practical example of where the tie-in between port and airport may be achieved. This will create a coordinated gateway that will strengthen regional competitiveness while delivering direct benefits to local communities.



Integrated port–air logistics would streamline logistics for the import of renewable-energy components and also create local jobs, improve service reliability, reduce logistics costs and support broader regional development.

Recommendations:

- a) **Prioritise Commonwealth and State investment in infrastructure that links port and airport logistics precincts**
Strategic investment in connecting infrastructure including roads designed for heavy vehicles, utilities, digital systems and freight-handling capacity, will enable seamless movement of goods . This integration supports local businesses, emerging industries and community access to essential goods, while improving the resilience of Northern Australia’s supply chains.
- b) **Encourage joint planning between port, airport and major project proponents**
Coordinated planning ensures that infrastructure, workforce needs and freight flows are aligned across major resource, renewable and defence projects. This collaboration strengthens regional resilience, reduces duplication, and ensures that supply-chain decisions reflect community priorities and long-term economic opportunities.
- c) **Support pilot projects that demonstrate the benefits of integrated logistics for emerging industries**
Pilot initiatives such as renewable-component import hubs or shared logistics platforms, can showcase the efficiency gains and community benefits of integrated port–air operations. These projects help attract investment, build local capability and position the Pilbara as a testbed for next-generation supply-chain innovation.

Impact:

These measures will reduce bottlenecks, lower costs and improve reliability across the Pilbara’s supply chains. They will also create local jobs, support emerging industries and position the region as a global leader in resource and renewable-energy logistics, strengthening long-term community prosperity.

**Conclusion:**

Dexus remains steadfast in its commitment to fostering sustainable growth, resilience, and opportunity across Northern Australia. The transformation of Port Hedland International Airport stands as a testament to the power of strategic infrastructure investment, enabling workforce mobility, strengthening liveability, and driving economic development for the Pilbara and beyond.

As emerging industries reshape the region's future, Dexus is ready to partner with government, industry, and First Nations communities to deliver practical solutions that address local needs and unlock new possibilities. By prioritising airport-adjacent workforce precincts, modernising border facilitation, embedding First Nations co-design, and supporting integrated logistics, we can accelerate the delivery of safe, affordable, and resilient infrastructure that benefits all stakeholders.

We commend the Committee for its leaderships and sustained focus on strengthening Northern Australia's economic, social and infrastructure foundations, an agenda that is essential to unlocking the region's full potential. We welcome continued collaboration to ensure Northern Australia remains vibrant, connected, and globally competitive. Together, we can build a future where communities thrive, industries innovate, and regional prosperity endures.



About Dexus:

Dexus (ASX: DXS) is a leading Australasian real asset group managing a \$50.1 billion portfolio across real estate and infrastructure. The Dexus Platform comprises the \$14.5 billion listed portfolio—spanning office, industrial, retail, healthcare, infrastructure, and alternatives—and a \$35.6 billion funds management business that provides third-party capital with access to high-quality, sector-specific and diversified real asset products.

With more than 40 years of expertise, Dexus has a strong track record in investment, funds management, asset management and development, underpinned by disciplined capital and risk management. Guided by its purpose to *unlock potential, create tomorrow*, Dexus focuses its sustainability efforts on Customer Prosperity, Climate Action and Enhancing Communities.

Dexus is also a long-term, multi-sector investor in Western Australia, with significant holdings across industrial, office, healthcare and airport infrastructure, including ASCEND Industrial Estate at Jandakot Airport and Port Hedland International Airport.