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### **Chamber of Commerce NT: Submission to Inquiry into Facilities to Support Naval Operations in the North**

On behalf of the Chamber of Commerce NT (CCNT), thank you for the opportunity to provide comment to your inquiry.

The Chamber of Commerce NT was established in 1957 and provides wide-ranging benefits to increase business efficiency and enhance business opportunities. The Chamber is a foundation member of the Australian Chamber of Commerce and Industry (ACCI).

The Northern Territory is a vast area of 1.35 million square kilometers, sparsely populated with 238,000 people. The Chamber's five regions – The Top End, Central Australia, The Barkly, Katherine and East Arnhem – together encompass the whole Northern Territory. The Chamber Regional Committees in each region provide input to the Chamber on local issues, with offices in all regions except Tennant Creek, which is serviced by our Alice Springs office. These regional offices have a high profile with Regional managers and Committee members being an integral part of, and voice for, their local business community. They represent their members on local committees and exercise a crucial voice in lobbying government and influencing decisions.

As the largest employer organisation within the Northern Territory, with approximately 1300 company members, the Chamber is well placed to advocate the views of the Territory business community.

Our firm view is that Defence and the development of our Defence Industries in the North continues to be of strategic importance nationally and a critical component of our local economy.

As the geo-political dynamics in our neighboring Asian region change, the Northern Territory continues to play an important role in the safety and security of Australia. And a strong defence capability in the north is best served by a competitive and sustainable local industrial and technological base. Critical to this is a defence industry policy that supports local industry development.

Complementing the strategic and sizeable Airforce and Army presence in the Northern Territory are the strategic naval facilities at Larrakeyah which are critical for forward deployments and border security operations.

The Chamber was pleased to receive a recent briefing from the ADF and its prime contractors regarding the proposed upgrades to the Larrakeyah Defence Precinct – and on behalf of the business community lends it full support towards these upgrades proceeding as soon as possible.

In our discussions, we emphasised the need to maximise local industry participation in the delivery of these upgrades and openly offered to work with the ADF and its prime contractors to ensure that local business are afforded the fullest opportunity to participate. This included the offer for the Chamber in partnership with the Industry Capability Network, the Master Builders Association and other relevant industry associations to facilitate Local Industry Briefings on local procurement opportunities.

We urged that the size of contract packages issued by the prime contractors be designed to maximize local industry participation.

The Chamber raised the issue high contractual risk and disincentives being placed on small companies through unrealistic Liquidated Damages Clauses – which may be appropriate for large Primes but not for local SMEs. We gave examples of how some of our companies have previously addressed this issue by also submitting a range of non-compliant bids that better distribute this risk and consequently offer a lower delivery price.

In summary, the Chamber of Commerce NT is fully supportive of the proposed upgrades to the Larrakeyah Defence Precinct and will work collaboratively with the ADF and the prime contractors to maximise local industry participation.

Yours sincerely,



Greg Bicknell  
Chief Executive Officer

26 April 2018