

North of 26° south and the security of Australia

Views from *The Strategist*, Volume 13



Acknowledgements

ASPI would like to thank the Northern Territory Government for its support of the Northern Australia Strategic Policy Centre, without which the 'North of 26 south' *Strategist* series would not be possible. Sincere thanks also to *The Strategist's* editorial team for their hard work in publishing the articles and to the individual authors for taking time out of their busy schedules to contribute to the series.

This report was produced with funding support from the Northern Territory Government.

About ASPI

The Australian Strategic Policy Institute was formed in 2001 as an independent, non-partisan think tank. Its core aim is to provide the Australian Government with fresh ideas on Australia's defence, security and strategic policy choices. ASPI is responsible for informing the public on a range of strategic issues, generating new thinking for government and harnessing strategic thinking internationally.

ASPI's sources of funding are identified in our Annual Report, online at www.aspi.org.au. ASPI remains independent in the content of the research and in all editorial judgements. It is incorporated as a company, and is governed by a Council with broad membership. ASPI's core values are collegiality, originality & innovation, quality & excellence and independence.

ASPI's publications—including this paper—are not intended in any way to express or reflect the views of the Australian Government. The opinions and recommendations in this paper are published by ASPI to promote public debate and understanding of strategic and defence issues. They reflect the personal views of the author(s) and should not be seen as representing the formal position of ASPI on any particular issue.

About Compendiums

Compendiums are a curated aggregation of substantial insights from diverse strands of analytical perspective into a single structured resource.

Important disclaimer

This publication is designed to provide accurate and authoritative information in relation to the subject matter covered. It is provided with the understanding that the publisher is not engaged in rendering any form of professional or other advice or services.

© The Australian Strategic Policy Institute Limited 2026

This publication is subject to copyright. Except as permitted under the Copyright Act 1968, no part of it may in any form or by any means (electronic, mechanical, microcopying, photocopying, recording or otherwise) be reproduced, stored in a retrieval system or transmitted without prior written permission. Enquiries should be addressed to the publishers. Notwithstanding the above, educational institutions (including schools, independent colleges, universities and TAFEs) are granted permission to make copies of copyrighted works strictly for educational purposes without explicit permission from ASPI and free of charge.

First published June 2026

Published in Australia by the Australian Strategic Policy Institute

ISSN: 3083-2578 (Online), 3083-2586 (Print)

ASPI

Level 2

40 Macquarie Street

Barton ACT 2600

Australia

Tel Canberra + 61 2 6270 5100

Email enquiries@aspi.org.au

www.aspi.org.au

www.aspistrategist.org.au

 [Facebook.com/ASPI.org](https://www.facebook.com/ASPI.org)

 [@ASPI_org](https://twitter.com/ASPI_org)

Cover image: Defence image library, [online](#).

Contents

Foreword	2
Senator the Hon Nita Green	
Part One: Sovereignty and Strategic Resilience	
Unacceptable: Chinese ambassador threatens as Australia reviews Darwin Port lease	3
John Coyne and Justin Bassi	
National security will suffer if Defence keeps cutting northern presence	4
John Coyne	
Resilience under fire: how US's WWII airfield upgrades back Taiwan	5
Rowan Allport	
Part Two: Building the North	
Needed: massive computing power in the Northern Territory	7
John Coyne	
Policy needs to keep pace with northern ambition	8
Anna Alexander	
Subnational diplomacy underpins Australia's Pacific engagement	9
Anna Alexander	
Darwin Port: stop picking over the past and move forward	10
John Coyne	
Fixing the architecture: governance reform for northern Australia's universities	11
Anna Alexander	
Creating a northern hybrid zone to turn ambition into action	13
John Coyne	
Part Three: Critical Minerals and Economic Security	
Northern Australia is where economic security is tested	15
John Coyne	
In this month's budgets, treat economic decisions as national-security decisions	16
John Coyne	
How to build a northern Australia economic hybrid zone	17
John Coyne	
Part Four: Indigenous Partnership and Agricultural Security	
Northern Australia needs an elite First Nations crisis capability program	18
Roland Houareau and Nigel Browne	
One year on: Food security preparedness is just beginning	20
Andrew Henderson and John Coyne	
About the authors	20

Foreword

Senator the Hon Nita Green

Assistant Minister for Northern Australia; Assistant Minister for Tourism; Assistant Minister for Pacific Island Affairs

Northern Australia is where our nation's future will be shaped. Its geography, infrastructure and industries place it at the centre of Australia's national security, economic resilience and international engagement. At a time of increasing global uncertainty, the north can no longer be viewed simply through the lens of regional development. It is now central to how Australia strengthens supply chains, supports defence readiness, secures energy and critical minerals, and deepens engagement across the Indo-Pacific.

This 13th volume of *North of 26° South and the Security of Australia* reflects that changing environment. The essays in this compendium examine how northern Australia contributes to Australia's capacity to respond to disruption, build sovereign capability at home, and maintain stability across our region. Collectively, they reinforce that sovereignty is not defined by isolation, but by preparedness, resilience and the capacity to act with confidence.

Many of the issues shaping Australia's future are felt most acutely in the north. Challenges such as fuel security, logistics, workforce capability, infrastructure resilience and climate adaptation are not abstract policy questions for northern communities; they are lived realities. The north has long demonstrated an ability to adapt, innovate and respond under pressure, and those experiences carry lessons of national significance.

The Australian Government's 2026 National Defence Strategy puts Australia on a path to strengthen its self-reliance; it reinforces the industrial foundations needed for National Defence; and it situates Australia firmly within a network of trusted regional partnerships. Northern Australia is fundamental to delivering that approach. Investments in infrastructure, industry, energy and enabling capability across the north are strengthening Australia's readiness while also creating long-term economic opportunities for regional communities.

Economic resilience and regional development are also vital to national security. Northern Australia is home to many of the resources and industries that will underpin the global economy in the decades ahead, including critical minerals, renewable energy and advanced manufacturing. It is also helping to grow the future-focused workforce needed to support these ambitions.

Building sovereign capability in these sectors means ensuring that Australia is not only supplying resources to the world, but also developing the skills, infrastructure and industrial capacity needed to create greater value here at home.

The Northern Australia Infrastructure Facility (NAIF) plays an important role in supporting this effort, already delivering A\$4.5 billion in commitments to support northern economic development. Providing access to finance on workable terms is critical to developing sovereign capability in a region where distance, scale and infrastructure needs can make projects harder to deliver, even when their long-term value is clear. Commitment to extend NAIF's investment period to 30 June 2036, the facility will continue to provide finance for projects and support jobs and development across northern Australia for another 10 years.

This work must continue to be shaped by partnership. First Nations peoples, regional industries, local governments and communities across the north are essential contributors to Australia's security and prosperity. Enduring capability can only be built through approaches that are collaborative, sustainable and grounded in respect for people and place.

Across this volume, a consistent message emerges. Northern Australia's strength lies not only in its resources or geography, but in its connections – between communities and industry, between strategy and delivery, and between Australia and its neighbours and allies.

At a time of growing uncertainty, strengthening northern Australia is ultimately an investment in Australia's capacity to shape its own future. I welcome this volume and its contribution to the national conversation on resilience, security and opportunity in the north.

Part One: Sovereignty and Strategic Resilience

Unacceptable: Chinese ambassador threatens as Australia reviews Darwin Port lease

John Coyne and Justin Bassi



Image: iStockphoto/John Carnemolla.

China's ambassador has chosen a public platform to apply pressure on Australia, shape domestic debate and threaten retaliation over a sovereign national-security decision. With this, Beijing has transformed a policy review on Chinese control of Darwin Port into a test of diplomatic norms—just as it has done with Australian decisions, including 5G telecommunications and foreign interference laws.

'If anything happens like the port will be taken back by...forceful measures, then we have an obligation to take measures to protect the Chinese company's interests,' the ambassador, Xiao Qian, told his annual press conference in Canberra on 28 February.

His remarks come as the federal government weighs options for unwinding a 99-year lease on Darwin Port to China's Landbridge Group. The Northern Territory government signed the lease a decade ago under strategic assumptions that no longer reflect today's geopolitical situation.

Even acknowledging that the rules-based order is fraying and that the United States' role in the world has changed, Australia more than ever needs to ask how it wants to engage with great powers. Should it do so through reciprocal respect and clear boundaries, or through suffering public intimidation backed by economic threat? Strategic autonomy doesn't mean choosing sides reflexively, but it does require choosing standards of behaviour we're prepared to defend.

Some will argue the speech should be ignored, written off as routine rhetoric or dismissed as inconsequential. Others will point to Australia's economic reliance on China and warn against overreaction. A familiar chorus will criticise Canberra's response as predictable, influenced by hawkish thinking or driven by Sinophobia rather than strategy.

None of these arguments withstand scrutiny.

Ignoring the remarks would mistake naivety for restraint. Writing them off as inconsequential ignores both the setting and the intent. Pointing to economic interdependence as a reason for silence confuses submission with cooperation. And dismissing legitimate national-security decision-making as ideological avoids engaging with the substance altogether.

Many were concerned about the lease in 2015, though Defence leadership wasn't among them. Now few argue that Australia shouldn't revisit, or at least review, control of Darwin Port. The strategic environment has shifted decisively.

Reassessing a foreign lease over a strategically significant commercial port operation is not radical; it is overdue. Since the lease was signed, China has weaponised trade against us, used supply chains as a tool of coercion and interfered with our democratic institutions. Infrastructure-control once regarded as neutral is now understood as leverage, and conflict over Taiwan or arising from accidents in the South China Sea are credible.

The idea that Australia should ignore these changes to avoid upsetting Beijing isn't economic prudence. It is denial of our strategic circumstances.

Darwin is astride critical sea lanes, near key defence facilities and at the centre of Australia's northern military deployment. The issue isn't whether the leaseholder has complied with contractual terms, but whether the arrangement still aligns with Australia's national interest. Security threats combine capability and intent and, if the capability is there, all it takes is a moment for intent to change.

The ambassador's warning of economic consequences is especially revealing. The message was blunt: if you proceed with reassessing Darwin Port, you'll pay a price. That framing strips away any pretence that this is merely a commercial disagreement. It's an assertion that Australia's sovereign security decisions should be constrained by fear of retaliation.

That should be rejected outright.

So should claims cancellation of the lease would undermine Australia's investment reputation. In fact, it would show what is acceptable. Sovereign risk isn't created when governments act transparently in defence of the national interest. It's created when strategic risks are ignored until crisis forces abrupt and disorderly action.

There's also asymmetry in this. Would an Australian enterprise be allowed to buy or lease a strategically significant Chinese port? Obviously not. China tightly controls foreign access to its critical infrastructure, particularly assets with potential military relevance. It has that sovereign right—and so do we.

For too long, Chinese ambassadors in Canberra have exercised a degree of public licence that would be inconceivable in Beijing.

Open criticism of host-government decisions, warnings of economic punishment and attempts to shape domestic debate are not freedoms extended to foreign diplomats in China. An Australian ambassador delivering a similar speech in Beijing would not be tolerated.

Reciprocity is a basic principle of diplomacy, so calling in the ambassador wouldn't be escalation.

None of this ignores Australia's deep and enduring trade ties with China. They matter and should be managed carefully. But economic interdependence doesn't justify tolerating coercive diplomacy.

Prime Minister Anthony Albanese is right to acknowledge that control of Darwin Port remains an open question. He's also right to signal his personal commitment to ensuring it is resolved in Australia's national interest.

If Australia backs away now, under public threat, it will not stabilise the relationship. It will signal vulnerability—and the signal would be clearly received, not just in Beijing but elsewhere. As the government frequently says, Australia should cooperate with China where it can, disagree where it must, and engage in the national interest. Reassessing the future of Darwin Port does exactly that.

Published on 5 February 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/unacceptable-chinese-ambassador-threatens-as-australia-reviews-darwin-port-lease/>

National security will suffer if Defence keeps cutting northern presence

John Coyne



Image: Campbell Latch/Department of Defence.

Since the 2023 Defence Strategic Review, the government has spoken often and loudly about the strategic importance of northern Australia. The language has been consistent: a more dangerous region, a need to operate from Australia's north, and a requirement for a network of hardened, resilient bases able to support sustained operations alongside allies.

That framing was reinforced in the 2024 National Defence Strategy, which placed northern Australia at the centre of Australia's deterrence posture and emphasised forward presence, logistics, sustainment and resilience. We now await the next National Defence Strategy, expected in April, which will again test whether strategic intent is being translated into an enduring posture.

For those living and working in the north, particularly in the Northern Territory, there's genuine appreciation for the economic opportunities that have flowed from this focus. The US Force Posture Initiatives, expanded exercises, and base hardening have delivered visible construction activity. Local firms have invested, skills have been built and businesses have aligned themselves with Defence's long-term signals.

But beneath that activity, a quieter pattern has emerged, one that sits uneasily with the strategy Canberra says it's pursuing.

Territorians still recall the largely unheralded withdrawal of tanks and armoured vehicles from Darwin in 2017. The decision may have made sense within Defence's internal force-structure calculus, but it had lasting effects on local sustainment capability and business confidence. Critically, meaningful engagement occurred only after the decision had effectively been taken.

We saw much the same with Army Aviation. Defence repeatedly assured the territory that the army's Tiger helicopters wouldn't leave Darwin. That statement was technically accurate, but strategically misleading. What mattered to the north was helicopters, not a specific platform. When the Tigers are retired, and their replacement consolidated in Townsville, the business and job opportunities in the Top End will change overnight. Again, consultation followed the decision rather than informing it.

In both cases, local businesses were explicitly and implicitly encouraged to maintain confidence and continue investing in people, facilities and capability. Those investments were substantial, often irreversible, and made in good faith. When decisions shifted, the risk wasn't shared; it was localised.

These episodes show how strategy is actually experienced on the ground. In northern Australia, strategy isn't abstract; it's reflected in payrolls, apprenticeships, supply chains and the retention of skilled labour.

This matters because Defence isn't a marginal presence in the Northern Territory economy. It accounts for about 10 to 12 percent of the territory's gross state product. Defence's primary responsibility is, and must remain, national security. But when an institution of that scale reshapes its footprint, the consequences are systemic. With scale comes a responsibility to act as a disciplined and predictable economic stakeholder, particularly in a small, remote economy where shocks are magnified rather than absorbed.

History offers a caution. When central economic pillars in the territory weaken, the effects aren't just absorbed; they re-emerge later as fiscal liabilities for the federal government through transfers, interventions and ad hoc support. Strategic incoherence today becomes a budget problem tomorrow.

Against that backdrop, there are reports that the patrol boat fleet home-ported in Darwin may be halved, with crews increasingly flown in and flown out on rotation. This should concern more of Australia than just the north. If confirmed, it wouldn't be an administrative tweak but another step away from a permanent, scalable defence presence where strategy says it's most needed.

Three issues sit at the heart of this trajectory. First, the steady erosion of permanent military presence in Darwin undermines readiness. Rotations matter, but they don't substitute for resident forces when it comes to familiarity, responsiveness and endurance.

Second, these decisions weaken the local industrial base that Defence relies upon in a crisis. Sustainment ecosystems cannot be paused and restarted at will. Once skilled workers leave and specialised firms fail, rebuilding capacity is slow, expensive and uncertain.

Third, and most critically, this trend risks hollowing out the very resilience and scalability Australia's own strategic documents identify as essential in an era of heightened uncertainty.

There is also a harder, less comfortable truth. A Defence organisation can't expect to keep attracting the focus of an industrial base if it cannot provide companies with genuine sustainment certainty and if it repeatedly revises or withdraws promised workloads and basing decisions. Customer-of-choice status isn't guaranteed; it's earned through predictability and trust. Historically, that status has delivered Defence exceptional service in day-to-day sustainment and, critically, during surge or short-notice crises. Erode that trust, and the system will still exist, but it'll be thinner, less responsive and far less forgiving when Australia needs it most.

This isn't an argument against change nor a plea to freeze force structure. It's a call for coherence. If northern Australia is central to Australia's defence strategy, then basing, capability and sustainment decisions must reflect that reality, and engagement must occur before confidence is sought and capital committed.

Published on 9 February 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/national-security-will-suffer-if-defence-keeps-cutting-northern-presence/>

Resilience under fire: how US's WWII airfield upgrades back Taiwan

Rowan Allport



Image: ASPI created with Atlist/Canva.

In World War II, the United States built a western Pacific airfield here, another there, and more elsewhere, each intended to bring more Japanese targets into range. Now the abundance of old bases is becoming a resource for resilience: several are being brought back into service as places to disperse aircraft and to maintain operations even as other airfields are knocked out.

While major exercises using these facilities are not explicit rehearsals for such a war, they closely align with the US's projected operational requirements. They reflect an effort to ensure that, in the event of a Taiwan crisis or another regional emergency bringing Washington and Beijing into conflict, the US and its allies can move forces into the theatre, fight as a coalition and sustain operations even under conditions of contested access and degraded infrastructure.

This underlying idea is intended not to guarantee a short war, but to shape an adversary's calculations by reducing its confidence that it can decisively accomplish its goals.

Tinian is part of the US territory of the Commonwealth of the Northern Mariana Islands in the western Pacific and is best known for its Boeing B-29 bomber bases used against Japan late in WWII. The greatest of these, North Field, was abandoned at war's end but is now being reactivated as a potential dispersal and logistics site to make it difficult for China to target US forces with decisive effect.

This aligns with the US Air Force's Agile Combat Employment concept—dispersed, mobile air operations designed to survive and fight under attack. It also fits the requirement to sustain operations under an assumption of contested logistics, where supply lines and bases are under constant threat. Multiple smaller forward operating locations are more survivable than large central hubs and complicate an opponent's targeting calculations.

The 2024 awarding of a rehabilitation contract for North Field builds on previous USAF clearance work and looks set to deliver a multi-runway base suitable for surge operations. Additionally, the capacity of Tinian International Airport, on the site of the former West Field B-29 base, is being expanded to make it a diversion

airfield in case the main regional field, Andersen Air Force Base on Guam, is disabled. The airport should be able to support sustained operations.

Peleliu, an island of Palau southwest of that country's main island, has seen its old WWII airstrip [recertified](#) for use, and improvements are being made to locations in the Philippines to which the US has access, most notably Cesar Basa Air Base, which was also built in the war.

Australia is also receiving attention. RAAF Tindal, another airfield dating to WWII and now the Royal Australian Air Force's main northern operational base, is being upgraded to better support US aircraft, in part at US expense. Australia played a critical basing role throughout WWII and has a comparable contemporary role. It sits outside the densest coverage of most Chinese regional strike systems but is close enough to support sustained coalition operations, offering greater depth, redundancy and recovery capacity than more exposed forward bases.

Tinian and Tindal, therefore, reflect different elements of the WWII basing system: the former forward, contested operating locations, and the latter deeper rear-area bases for regeneration and sustainment.

At the centre of this preparation lies the fate of Taiwan. As discussed in my [book](#), *War Plan Taiwan*, the island has long been part of US military planning in the Pacific. Despite the Trump administration's attentions being diverted to the Western Hemisphere, the December 2025 US [National Security Strategy](#) gave the intention to 'deny any attempt to seize Taiwan or achieve a balance of forces so unfavourable to us as to make defending that island impossible.' The January 2026 [National Defense Strategy](#), while not naming Taiwan, called for the US to 'erect a strong denial defense along the First Island Chain', of which Taiwan is a part.

The most recent major exercise to test this concept was Resolute Force Pacific. The USAF exercise [took place](#) in July-August 2025 and saw more than 400 aircraft and 12,000 personnel deployed to over 50 dispersed locations in the western Pacific. The logistics of the deployment of assets from the US was rehearsed through exercise [Mobility Guardian](#), which saw support aircraft and other assets deployed in a manner reflecting the Agile Combat Employment concept in a contested logistics environment. Both exercises are part of a series in which several are integrated as a drill for a broader operational deterrence scenario. Exercise [Talisman Sabre](#)—led by Australia and the US—also ran in July-August 2025 and rehearsed coalition warfighting.

No publicly known exercise or basing initiative is explicitly framed as a Taiwan war rehearsal. Nevertheless, taken together, they reveal an emerging operational model that aligns closely with the requirements of a Taiwan contingency.

Published on 26 February 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/resilience-under-fire-how-uss-wwii-airfield-upgrades-back-taiwan/>

Part Two: Building the North

Needed: massive computing power in the Northern Territory

John Coyne



Image: Pawsey Supercomputing Research Centre/Facebook.

Australia lacks secure, onshore computing power capable of training defence algorithms, running classified simulations or supporting the advanced capability agenda under the AUKUS partnership. Addressing this shortfall requires the government and industry to move decisively to establish a sovereign computing zone linked to Northern Australia's emerging energy capacity, new digital corridors and national fibre upgrades.

In the 21st century, national power is increasingly derived from computing power that can train AI models, power complex simulations and integrate data from sensors into real-time military decision-making. States that control such computing capacity accelerate innovation. States that lack it are at risk of strategic stagnation.

Global developments show how quickly the landscape is shifting. The United States and China lead the world in frontier computing capabilities. Japan, South Korea and Britain have launched major initiatives to build national AI clouds and sovereign high-performance computing facilities. Australia's domestic position is far more modest. Pawsey Supercomputing Research Centre's Setonix system, the country's most powerful machine, ranks 58th in the world in terms of computing speed, with a capacity of 27.15 petaflops. For comparison, the leading system globally, Lawrence Livermore National Laboratory's El Capitan, is capable of 1,742 petaflops. The scale difference is overwhelming, and Australia feels that strategic gap acutely.

A sovereign computing zone in the Beetaloo and Barkly area in the middle of the Northern Territory offers a credible way to close this gap. It's one of the few regions in the country where abundant energy, land availability, climate suitability, natural security features and emerging digital corridors converge. Gas from the Beetaloo Basin can provide the firm, continuous power required for high-performance computing. The Barkly renewable

precinct has the potential to supply large-scale solar generation that is suited to next-generation computing loads. Together, these energy sources could support an ecosystem underpinned by national research, defence simulation, trilateral collaboration, commercial artificial intelligence development and sovereign surge capacity during crises.

This proposal is far more ambitious than a conventional data centre. It's the foundation for a national reserve of computing capacity: a secure, government-backed, high-powered asset designed for resilience, sovereignty and collaboration with trusted partners. Such a facility would include isolated secure partitions for classified work; sovereign environments for university and industry research; and reserve capacity available during cyberattacks or global cloud disruptions.

Nonetheless, building infrastructure compatible with exascale computers—the most powerful—is a demanding task. High-performance computing at scale requires integrated power systems, specialised cooling plants, sovereign cyber architecture, trained personnel and robust data-sovereignty frameworks. The physical challenge is illustrated by the experience of Sandia National Laboratories in New Mexico, where, I've been told by someone familiar with the incident, engineers had to open the roof during benchmarking tests because the cooling system couldn't cope with the thermal load. A 10-year development timeline is achievable, but only through deliberate planning, governance and sequencing.

The Northern Territory's regulatory, social and environmental context also requires careful attention. Land access processes, long-term emissions management for firming gas generation, Indigenous engagement, water requirements and the distribution of local community benefits must be addressed transparently. These issues don't diminish the strategic logic.

The digital infrastructure situation in the Top End is also more positive than often assumed. Darwin is emerging as a digital gateway to the northern hemisphere. New and upgraded subsea routes, including the Darwin to Jakarta and Singapore corridor, are planned for international connections under the Territory Energy Link program. Additional regional cables now under active development are providing Darwin with levels of redundancy, capacity and latency performance that were previously unimaginable. The Territory Energy Link corridor also incorporates terrestrial fibre, providing a high-quality domestic backbone that supports both energy and data transmission. Telstra's national fibre upgrade adds further connectivity.

Australia's fiscal pressures mean that new capabilities cannot rely solely on traditional budget allocations. The long-term financial demands of Australia, Britain and the US—including submarines, missile defence, the energy transition and social policy commitments—limit the scope for direct government expenditure.

A sovereign computing zone would require blended finance, with contributions from government, industry, allied partners and institutional investors, such as the superannuation sector.

Australia already has the institutional mechanisms in place to support such an approach. The Northern Australia Infrastructure Facility can finance enabling infrastructure across energy, transmission, fibre and storage. The Clean Energy Finance Corporation and the Australian Renewable Energy Agency can support renewable-integrated high-demand loads. Export Finance Australia can co-finance strategically aligned projects under the US–Australia Critical Minerals and Clean Energy Framework, as well as future trilateral capability cooperation. Allied partners, including Japan, South Korea, the US and Britain, have investment agencies already active in Australian strategic industries.

A public–private partnership model similar to that used for the National Broadband Network could also be employed, with sovereign partitions controlled by the federal government and commercial infrastructure funded by private capital. Australia’s superannuation pool, now exceeding \$3.5 trillion, has both the scale and appetite for long-term strategic infrastructure investments.

A sovereign computing zone in the Beetaloo and Barkly corridor would reinforce Australia’s national strategy. It would harden defence posture by providing secure, onshore capacity for advanced capabilities. It’d accelerate national competitiveness by giving industry and researchers access to frontier-class systems. And it’d strengthen sovereignty by ensuring that Australia’s most critical digital infrastructure is powered by Australian energy, connected through Australian cables and protected by Australian law.

If the Northern Territory option doesn’t advance, the strategic case remains. The Pilbara, North Queensland or Tasmania could also host sovereign computing infrastructure if energy, land and cable capacity align. The Northern Territory is the strongest candidate today, but not the only one.

Published on 1 December 2025. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/needed-massive-computing-power-in-the-northern-territory/>

Policy needs to keep pace with northern ambition

Anna Alexander



Image: Henrique Felix/Unsplash.

Northern Australia is primed for growth. Businesses and communities are stepping up, investing in new capabilities and pursuing opportunities in such sectors as energy, defence, agriculture, aviation and advanced manufacturing. Yet, ambitious efforts are hampered by funding systems that are slow, rigid or short-sighted. That’s a symptom of policy that has not kept pace with the realities of northern delivery.

The government plays a catalytic role in the north, shaping priorities, unlocking private capital and funding critical enablers—especially in thin markets where risk is high and scale is hard-won. But policy execution is a weak link. When programs are structured around narrow timelines, prescriptive criteria or centralised control, they fail to keep pace with community needs. Costs include missed opportunities, stranded potential and lost confidence in the system.

This is particularly acute in the north, where timing matters and context is everything. Programs designed for east coast markets rarely fit regional delivery realities. Grant criteria that privilege scale or short-term outputs can overlook initiatives that are catalytic in nature. This is especially true for those addressing the complex, systemic challenges that federal policy aims to solve.

Indigenous workforce participation is one such challenge. While First Nations communities in the north are brimming with talent and aspiration, representation remains low in future-focused sectors such as aerospace. Long-term, fit-for-purpose investment is needed alongside motivation.

Raising Horizons illustrates the challenge well. Delivered by *Gunggandji Aerospace*, a First-Nations-owned company, it was an experiential, aspiration-raising program delivered in partnership with industry to First Nations students from remote communities in Queensland. Nationally recognised for its innovation, it demonstrated what can happen when capability, culture and opportunity align.

The model is scalable, but it only received funding for a year's trial, risking the loss of its momentum after a pilot cycle. Led by First Nations teams, that work possesses added strength that is grounded in local knowledge, relationships and trust. Many such initiatives across the north continue to face structural barriers.

This program, like many that tackle aspiration building, doesn't fit neatly into one portfolio. Raising Horizons wasn't funded under a northern Australia program, but through an industry funding stream, highlighting the interconnection of regional priorities. Investing in new, place-based models led by organisations such as Gunggandji represents a low-cost, low-risk way to tackle long-term workforce and participation challenges. Its trajectory reflects a broader pattern in northern policy delivery: short-term programs often succeed on their own terms but lack a pathway to sustainability once initial funding ends. It's a design flaw that limits how regional innovation scales.

The 2024 [audit](#) of the Growing Regions Program concluded that implementation was generally effective, but highlighted that milestone management and program timelines could be improved, especially in regional settings. Meanwhile, one of the few targeted business grant programs for the region, the [Northern Australia Development Program \(NADP\)](#), was discontinued after just two rounds despite being significantly oversubscribed.

The [Northern Australia Infrastructure Facility \(NAIF\)](#) continues to support large-scale projects through loans, but it isn't designed to meet the needs of mid-tier or grant-dependent businesses. This creates gaps, particularly for smaller firms and initiatives requiring sustained support that don't fit standard program templates. The cumulative effect is a system that struggles to accommodate regionally specific, high-impact ideas.

The government can point to the Northern Australia Action Plan and a headline figure of more than \$30 billion in investments. But as John Coyne and Ian Satchwell noted in an [ASPI report](#), much of this is embedded in national frameworks, not new, northern-specific funding streams. Another [report](#), led by professor Allan Dale, warns that while early financing is in place, the 'investment pipeline lacks coherent place-based finance brokerage and infrastructure planning', meaning many projects risk stalling before they get off the ground.

Yes, funding exists. But when it's wrapped into centrally decided national programs, regional realities will be overlooked, with funding arriving too late or not at all.

The north also contends with unique complexity: vast geography, cross-jurisdictional fragmentation and thin markets that demand tailored solutions. Businesses operating across Queensland, the Northern Territory and Western Australia must navigate three policy regimes plus federal and local layers. In this environment, federal investment isn't just helpful; it's essential to achieving coordination, equity and scale.

Small and medium enterprises are the backbone of Australia's economy and vital to regional growth. In northern Australia, they drive employment, innovation and supply chain capability. If we

want to realise our national objectives in the north, we must build systems that support them. That means accessible programs, responsive policy and funding mechanisms calibrated to their scale and context.

Northern Australia doesn't need more statements about its potential. It needs funding programs that land, processes that move, and decisions that keep pace with the ambition already in motion.

Published on 3 December 2025. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/policy-needs-to-keep-pace-with-northern-ambition/>

Subnational diplomacy underpins Australia's Pacific engagement

Anna Alexander



Image: [Mayor Amy Eden/Facebook](#).

A greater emphasis on subnational diplomacy, particularly regional Australia's links to the Pacific, presents a significant opportunity for Australia's regional foreign policy.

When Papua New Guinea's Prime Minister James Marape met with Cairns Mayor Amy Eden in December 2025, the public focus was on the practical agenda: aviation links, labour mobility, sport, education and cultural exchange. Yet what is not often understood is the power that these relationships hold, and how deeply they are valued by our Pacific counterparts.

Given the depth and breadth of those links, Australia would be wise not to rest on federal-government diplomacy alone in promoting its credibility and influence in the Pacific.

Sister-city arrangements and mayoral visits are often dismissed as symbolic or ceremonial. Especially in times of tighter budgets and increased costs of delivery. In northern Australia, that assumption no longer holds. Cities such as Cairns are not peripheral actors; they sit at the frontline of Australia's engagement with the Pacific, connected by geography, trade, aviation routes and deep people-to-people ties forged through long-established diaspora communities.

The discussions between Marape and Eden illustrated what this looks like in practice. Improved aviation connectivity, workforce pathways and education partnerships are not abstract policy ideas: they translate directly into access to jobs, training, health services and mobility for communities on both sides of the Torres Strait and Coral Sea. These are outcomes that matter locally and resonate nationally.

The engagement between local Cairns leaders and PNG national leaders highlighted a growing awareness that local partnerships can complement Australian federal-government efforts. While it remains early to assess long-term impact, the meeting underscored the practical potential of subnational diplomacy to support Australia's broader regional objectives.

Australia's domestic political environment adds another layer of complexity. Indeed, a shift in domestic politics could complicate Australian consensus on regional policy, threatening the continuity of Australia's regional engagement. For Australia's Pacific neighbours, such developments are not insignificant. Regional partners watch Australia closely, not just for policy settings but for signals about stability, values and reliability. In the Pacific, where relationships are built on trust and continuity, tone matters as much as policy.

This is where subnational engagement provides strategic ballast. Deepening relationships beyond Canberra acts as a hedge against political volatility. City-to-city partnerships, education exchanges, labour mobility programs and cultural initiatives create multiple points of connection that endure beyond electoral cycles or leadership changes.

Local governments are particularly well placed to do this work. They manage the infrastructure that enables engagement, including airports, ports, training institutions, housing and community services. They work directly with employers, service providers and diaspora communities. And they operate with a level of proximity and practicality that national governments, by necessity, often cannot.

Cairns, Townsville and Darwin already function as regional connectors. With the right support, they can become diplomatic anchors, reinforcing Australia's presence and reliability.

The proposal to expand air links between PNG and Cairns highlights this. Aviation connectivity is not just commercial; it is strategic. It supports tourism, trade, health access and emergency response, while reducing distance between societies. Northern hubs can support a Pacific mobility network that aligns local development with national goals.

Labour mobility tells a similar story. While it is central to Australia's Pacific engagement, its success depends on local implementation. Regional cities host workers, employers and services. Proposals for orientation centres for PNG workers in Cairns reflect a model grounded in community. Done well, these programs could support both workforce and social outcomes.

Soft power also matters. Plans for a PNG boarding school in Cairns linked to elite sport offer a platform for education and identity-building. Friendship gardens and public art embed Pacific presence in Australian spaces—visible signs of shared commitment.

If subnational diplomacy is to succeed, it needs structure. This includes recognising city diplomacy as a core tool of foreign policy. That means increasing the engagement by the Department of Foreign Affairs and Trade with local governments, including by funding partnerships with measurable outcomes and developing shared success metrics.

Traditional connections remain vital, but they are no longer sufficient. In a volatile era, Australia must diversify the sources of its trust and influence.

Subnational diplomacy offers that depth. Cities such as Cairns are building connections that endure beyond election cycles and geopolitical shifts. These relationships may prove to be among Australia's most enduring strategic assets.

Published on 9 January 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/subnational-diplomacy-underpins-australias-pacific-engagement/>

Darwin Port: stop picking over the past and move forward

John Coyne



Image: NT Independent.

Security concerns drove the Australian government's 2025 decision to bring Darwin Port, currently leased to Chinese company Landbridge, back into the control of Australian or trusted partners. So it should now be backed by the public and private sectors coming together to identify, debate and implement the best solution.

Australia has a habit when confronting difficult strategic choices of picking over the carcass of past decisions. Critics use hindsight to prosecute their case. Those who approved the original call often continue to defend it regardless of subsequent developments. Neither instinct helps the country make the right decision, or to do so as a united force, today.

The 2015 decision to lease Darwin Port to Landbridge now sits squarely in that cycle. Some voices argue the government should

leave the lease alone as it is a legal contract or because ending it would upset China. Others propose simplistic options such as immediate termination without an alternative or complicated workarounds such as building another port. Both responses miss the real point.

The geopolitical environment has changed since 2015 and so has what we know. The lease was undertaken as a purely economic matter and the initial post-lease debate focused largely on espionage. That issue dominated headlines in 2015 and shaped the political reaction.

But spying, though concerning, didn't represent the core strategic risk. The threat—as with other critical infrastructure such as 5G telecommunications—relates to control.

Darwin hosts Australia's most important deep-water port in the north. Defence cooperation with the United States continues to expand across northern Australia. Allied logistics and maritime access increasingly rely on infrastructure across the Northern Territory. That trajectory will accelerate as deterrence and force posture evolve across the Indo-Pacific.

Against that backdrop, the central question looks simple: should the future development of our most strategically important northern port sit in the hands of a foreign commercial entity whose interests may not align with Australia's?

No responsible government can answer 'yes'. Perhaps that should have been the case in 2015 but it is now certainly so, particularly since China and Russia formed their 'no limits' partnership in 2022.

Ending the lease will test Australia's relationship with Beijing. But sovereign governments must retain the ability to determine who controls critical infrastructure.

Comments this month by former Northern Territory treasurer Dave Tollner have illustrated why the debate still struggles to engage with the strategic reality. Tollner criticised what he described as the federal government's politicisation of an ageing facility that was 'literally sinking into the harbour' when Landbridge leased it. He also argued Darwin was a 'tiny little port' and suggested the idea it could support large-scale military operations sounded 'absolutely ludicrous'.

Those comments miss the point.

The issue never concerned the port's condition in 2015, nor does the debate centre on whether Darwin currently handles large-scale military operations. The real issue concerns the future development of the port and the strategic role it will play in northern Australia.

Darwin's geography matters. The port sits closer to Southeast Asia than any other major Australian harbour. Allied military cooperation continues to deepen across the north. Logistics networks and sustainment capabilities will expand alongside that cooperation.

Tollner's advocacy of building another port rather than revisiting the lease collapses under scrutiny. Ports require enormous capital investment, decades of development and substantial commercial

demand. Northern Australia does not offer the scale of trade that supports multiple competing deep-water facilities.

Sunk costs also matter. Governments cannot wish away the financial realities of infrastructure development. Starting again would impose extraordinary costs on taxpayers while delivering little strategic advantage.

The decision has already been made. Tollner would have been better served by simply saying that he still stood by the 2015 decision but recognised that the times and threats had changed in the 10 years since.

The federal government has determined that Darwin Port should return to Australian control because the lease no longer passes the test of today's strategic environment and the potential for future conflict and disruption. The fact there is bipartisan support for the return of the lease is also important—the return should be seen as a national interest matter above politics, even if there can still be debate on the best policy approach.

Australia can now plan, invest and develop Darwin Port so it can sustain the economic development of northern Australia and support our defence and national security needs long into the future.

Published on 13 March 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/darwin-port-stop-picking-over-the-past-and-move-forward/>

Fixing the architecture: governance reform for northern Australia's universities

Anna Alexander



Image: James Cook University/X.

The 2025 senate inquiry into university governance laid out the scale of the problem. Vice-chancellor remuneration has quadrupled in real terms since 1985. Casual and sessional staff now make up 49 percent of the university workforce. More than 40 percent of universities have spent most of the past five years in deficit.

This has played out differently in each of Australia's northern universities: James Cook University (JCU), Charles Darwin University (CDU) and Central Queensland University (CQU). However, all three

share common patterns: international revenue dependence, an infrastructure-first mindset, executive incentive misalignment and reactive cost-cutting that has eroded capability.

In northern Australia, where one university might be the only option for hundreds of kilometres, that confusion has real consequences: jobs lost, courses cut and fewer people trained for the jobs that industry demands and communities need.

Australia's public universities are created by state laws but funded by the federal government. These are publicly funded institutions. Government revenue, by and large, underpins their operations and subsidises much of their infrastructure investment. Universities also operate with significant autonomy over how they spend, what they build and who they hire. Unlike commercial entities, they don't bear the full cost when strategies fail, because ultimately, they are public goods. Unlike government agencies, no one sets their priorities. The result is autonomous decision-making with socialised risk.

The [Universities Accord \(Australian Tertiary Education Commission\) Bill 2025](#) establishes a new body, the Australian Tertiary Education Commission (ATEC), to negotiate mission-based compacts with every university. Compacts offer a framework to align institutional strategy with public purpose, link funding to performance, and differentiate missions across the sector. On paper, this is the right mechanism.

But the senate committee inquiry into the bill heard compelling evidence that the compact framework, as currently drafted, may not deliver on this promise. The commission would have just three commissioners to negotiate compacts with 37 universities. Its staff would be appointed at the discretion of the secretary of the Department of Education. It would need ministerial approval to publish its own advice. Several universities and the National Tertiary Education Union told the inquiry this does not look like independence.

The [Tertiary Education Quality and Standards Agency](#) has its own problems. [Education Minister](#) Jason Clare has acknowledged the regulator has a 'sledgehammer and a feather, and not much in-between'. In a city such as Darwin or Townsville, where one institution serves an entire region, heavy-handed intervention or no intervention at all are both bad options.

A compact framework designed around the operating assumptions of large metropolitan universities will not address the structural conditions facing CDU, JCU or CQU. Northern universities operate in thin markets with small student catchments, limited labour mobility and disproportionate infrastructure risk. Their missions span higher education and vocational training, Defence workforce development, First Nations participation, and health workforce pipelines for communities with some of the worst health outcomes in the country. The compact framework needs to be designed with that reality in mind.

That means compacts must reflect regional mission, not just sector-wide priorities. A compact negotiated with CDU should account for the fact that Darwin is the only city in a jurisdiction larger

than France and Spain combined, serving communities across one of the most remote regions on earth. Generic performance metrics designed for universities with 50,000 students will not capture what matters in these contexts.

It also means the state-federal accountability gap has to be addressed directly. ATEC should be required to consult with state and territory governments on compact content, and compacts should clarify which level of government bears responsibility when institutional strategy fails. At the moment, state-legislated institutions pursue Commonwealth-funded strategies with minimal coordination between the two. The compact framework could resolve that, but only if it is designed to.

Compacts should also require coordination across institutions that share the same regional markets. Northern Australia does not need three universities independently pursuing international expansion, duplicating program offerings, or competing for the same thin domestic market. In Darwin, CDU now delivers its own [Menzies Medical Program](#) alongside the [Flinders University Northern Territory Medical Program](#). The result is two programs competing for the same small pool of clinical placements and supervisors in a jurisdiction that struggles to retain the doctors it already trains.

And compact design must account for dual-sector complexity. CDU and CQU deliver both higher education and vocational training. Their vocational-training obligations are funded, regulated, and accredited through entirely different frameworks. A compact that addresses only the higher education mission will miss half the picture and half the risk.

The ATEC legislation represents a genuine opportunity to get this right. If mission-based compacts are designed with regional institutions in mind, they could provide the accountability and coordination that northern Australia's universities have lacked. If they are designed generically, they will simply layer new compliance over the same structural tensions.

The senate inquiry opened the door. The compact framework is the mechanism. The question is whether the architecture will be built to fit.

Published on 24 March 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/fixing-the-architecture-governance-reform-for-northern-australias-universities/>

Creating a northern hybrid zone to turn ambition into action

John Coyne

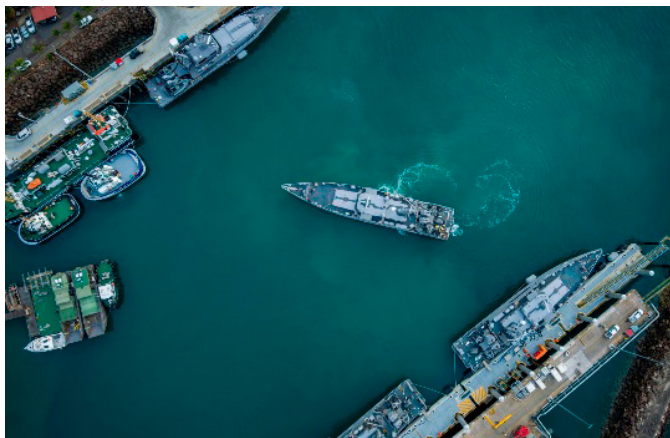


Image: Leo Baumgartner.

Washington and Manila have moved from intent to design, announcing plans for a 4,000-acre (16 square km) economic security zone to anchor allied supply chains in the Philippines. That move should inspire Australia's approach to northern development and industrial policy. Canberra and Darwin should establish a Northern Territory hybrid zone, combining economic security discipline with the streamlined processes of special economic zones (SEZs) to convert strategic advantage into enduring industry.

Supply chains sit at the centre of geopolitical competition. Governments that organise markets will capture value; those that rely on markets alone will supply inputs. The United States–Philippines initiative signals the direction: define a geography, align incentives, concentrate infrastructure and embed resilience. The model does not provide an automatic guarantee, but it sets a clear benchmark for action. It would also help democracies adapt to China's intervention in the market, which has involved its own form of SEZs. Beijing has designated such areas since the early 1980s to attract foreign investment and technology through subsidies, preferential tax policies and market-orientated regulations.

Australia's economic problem isn't its resources but the absence of a system that converts them into power. The Northern Territory sits closer to Indo-Pacific markets than any southern capital, hosts expanding defence infrastructure and holds access to critical minerals and energy. Yet Australia continues to export raw inputs while higher-value processing and manufacturing concentrate offshore. ASPI's 2025 report, *Northern Australia: securing a developing economy to secure a developed nation*, captured that reality.

That gap carries consequences. Australia shouldn't copy China's model of state intervention. But without government involvement, we will miss the next industrial shift.

There is an important distinction between globally unfair state intervention that intentionally creates monopolies to leverage coercive power, and necessary government involvement in supply

chains to incentivise and facilitate local industries that are critical for national and regional economic security.

The solution has been visible for years. Advocates, including Australians for Northern Development and Economic Vision, have argued for differentiated policy settings in northern Australia, lower costs, simpler regulation and targeted incentives to attract capital and people. Australia has debated these ideas for more than a decade and chosen not to implement them. Today's strategic environment has removed the option of continued delay.

A hybrid zone provides the mechanism, combining two ideas that Australia has considered separately. SEZ tools reduce difficulty through statutory approval timelines, coordinated infrastructure and competitive investment settings. Economic security tools ensure resilience through priority access to energy and fuel, disciplined investment screening and domestic capability requirements to prevent value leakage offshore. Growth without resilience creates fragility. Resilience without growth creates stagnation.

Design needs to move beyond generalities. The government should legislate a Northern Territory Zone Authority with joint federal–territory powers and clear primacy over approvals within the zone. The authority should hold final decision-making power within defined statutory timelines to accelerate projects without lowering standards. The zone should centre on Darwin and Middle Arm, with corridors linking regional nodes across the territory to integrate production, processing and logistics.

The system should guarantee enabling inputs. Energy reliability, fuel security and logistics capacity should be treated as priority services within the zone, backed by dedicated infrastructure and allocation frameworks. Defence demand should function as an anchor tenant, providing a baseline of activity that de-risks private investment and embeds the zone within Australia's broader strategic posture.

Workforce policy needs to sit inside the system, not alongside it. Housing, skills and migration pathways should be core inputs, coordinated through the Zone Authority. Projects will stall without labour. Infrastructure will underperform without people. The system must function as one.

Critics argue that SEZs belong in developing countries. This ignores both global practice and northern Australia's operating conditions. Advanced economies now deploy targeted zones to solve strategic bottlenecks in semiconductors, energy and defence production. Northern Australia exhibits frontier characteristics: high costs, thin markets and exposure to disruption. Policy settings designed for dense southern economies do not translate north.

Northern Australia has earned a reputation as a graveyard of big ideas because governments have failed to sustain alignment between policy, infrastructure and investment. A hybrid zone will fail if it becomes just another announcement without authority, funding or discipline. It will succeed if governments maintain clear rules, meet timelines and back commitments with infrastructure and capital.

As Minister for Resources Madeline King told ASPI's *Stop the World* podcast during last week's Darwin Dialogue, Australia and fellow democracies such as Japan and South Korea may be behind the eight-ball, given China's interventionist policies. But it isn't too late. Australia has great advantages, including its natural environment and resources and its status as a trusted partner with strong investment credentials. The Northern Territory's abundance of power through its gas reserves can place it at the centre of Australia's efforts to capitalise on that credibility.

The strategic environment rewards those who act. Allies are diversifying supply chains. Capital is seeking stable jurisdictions with integrated policy settings. The US has signalled its intent through its partnership with the Philippines. Australia can complement that effort by building a northern industrial node that connects resources, processing and allied markets. This should be a key element of many of Australia's critical mineral agreements, including one such deal signed with the US in October 2025.

Australia has reached one of the most consequential moments in northern development since federation. As described in the 2026 National Defence Strategy, northern Australia's geography is a decisive aspect of national security. The question is no longer whether the Northern Territory can develop. The question is whether Australia is prepared to design the system required to make it happen, or to accept a future in which others capture the value from our resources while we absorb the risk.

Published on 29 April 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/creating-a-northern-hybrid-zone-to-turn-ambition-into-action/>

Part Three: Critical Minerals and Economic Security

Northern Australia is where economic security is tested

John Coyne

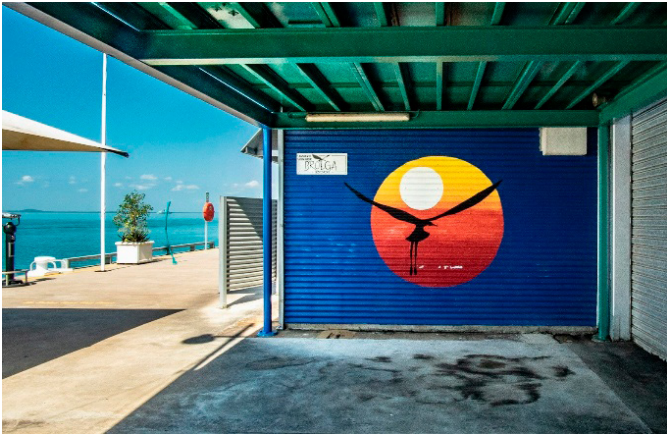


Image: Harry Down/Unsplash.

Northern Australia is where economic security stops being a slogan and starts being tested. What sounds abstract in Canberra becomes brutally practical in Darwin, Tindal and the Barkly, where distance, infrastructure, workforce and sustainment constraints collide. If Australia is serious about economic security, it must treat northern Australia as an integrated national system and commit to the long-term investment discipline needed to make it work.

This is not an abstract concept, nor another exercise in strategic navel-gazing. With a new National Defence Strategy due for release in April, Australia is again articulating what it says it must be prepared to defend, deter and sustain. Northern Australia is where those ambitions will either translate into credible capability or expose the gap between strategy and delivery.

The scale of the challenge is structural, not rhetorical. Northern Australia covers around 53 percent of Australia's landmass but is home to only about 1.4 million people, roughly 5.2 percent of the national population. Indigenous rights and interests extend across approximately 78 percent of that landmass. This isn't a marginal policy consideration; it's the operating environment in which Australia's defence posture, energy security, logistics resilience, workforce availability and industrial capacity must function under stress. Economic security in the north, therefore, depends on alignment across portfolios, funding cycles and delivery systems.

Australia routinely speaks about resilience, sovereignty and preparedness, but northern Australia is where those ambitions encounter physical reality. Fuel must be stored and distributed. Power must be generated and stabilised. Ports, roads and runways must absorb surge demand. Skilled workers must be locally available, housing must be available, communications must

be secure and sustainment supply chains must function when conditions deteriorate. These aren't abstract debates; they're practical capability tests.

Defence planning increasingly reflects this reality. The government has committed \$14 billion to \$18 billion between 2020 and 2030 to enhance bases from the Cocos (Keeling) Islands through Darwin and Tindal to Royal Australian Air Force Base Scherger in far north Queensland. This investment is strategically important, but it also highlights a persistent policy gap. Hardened and dispersed bases cannot deliver security on their own. Without parallel investment in enabling infrastructure, energy, logistics, workforce pipelines, housing, maintenance and local industry depth, base enhancement risks becoming a standalone capability rather than part of a resilient system.

The alliance dimension reinforces the point. The Marine Rotational Force–Darwin, the US Marine unit based in the Northern Territory, has matured into a repeatable and operationally credible presence involving more than 2,000 personnel. Sustaining that force depends on northern Australia's ability to generate, move and support capability at scale. Hosting allied forces isn't just a defence success; it's a real-world test of whether Australia's northern systems can operate reliably under pressure.

There's also a historical reality Australia has never fully reconciled. The starting pistol for developing northern Australia was fired at the same time as for the nation's southern capitals. Yet the intensity of planning commitment and sustained investment never matched that applied to Brisbane, Sydney, Melbourne or Adelaide. The north was also unable to leverage successive commodity booms as Perth did, supported by scale, infrastructure depth, labour markets and capital flows that compounded growth over time. This divergence wasn't inevitable, but rather a cumulative effect of policy choices that prioritised short-term efficiency over long-term strategic geography.

Developing northern Australia has always been, and will remain, a multi-decade undertaking. That isn't a weakness; it's the typical timeline for nation-building across large, sparsely populated regions. What matters is consistency. Long-horizon investment, durable policy settings and confidence that commitments will persist beyond electoral cycles are what allow private capital, workforce pipelines and community partnerships to form. Stop-start development does the opposite: it erodes confidence, inflates costs and delays outcomes.

From an economic security perspective, inertia is expensive. Underinvestment in enabling infrastructure and industrial depth doesn't avoid cost; it defers and amplifies it. When regional economies fail to mature, governments are forced into reactive spending, emergency support, ad hoc subsidies, crisis

infrastructure upgrades and fiscal backstopping when shocks occur. Strategically, this is the worst outcome: paying more later with fewer options and higher risk exposure.

As Australia prepares to release its next National Defence Strategy, northern Australia should be treated not as a supporting chapter, but as a central test case. Economic security will only be credible if it can be delivered where geography is hardest, systems are stretched and strategic stakes are highest. If it works in the north, it works nationally. If it doesn't, no amount of strategic language will compensate.

Published on 12 February 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/northern-australia-is-where-economic-security-is-tested/>

In this month's budgets, treat economic decisions as national-security decisions

John Coyne



Image: Joshua Hoehne/Unsplash.

The Northern Territory still struggles to convert opportunity into sustained economic growth because workforce shortages, weak enabling infrastructure and slow approvals continue to choke investment. With the May budgets in Darwin and Canberra fast approaching, governments should align spending decisions to remove those constraints and treat them as core national security priorities, not just economic ones.

Canberra has already shifted its strategic posture north. The Australian government's response to the 2023 Defence Strategic Review prioritises a force capable of operating from northern bases and projecting power across the Indo-Pacific. Investment continues across key sites, including the Royal Australian Air Force's Darwin and Tindal bases and Robertson Barracks. At the same time, US Marine Rotational Force–Darwin deployments deepen alliance integration. Defence has moved. The economy that must sustain that posture has not kept pace.

Military capability does not exist in isolation. Defence planners increasingly recognise that northern capability depends on the civilian system that surrounds it. Skilled workers build and maintain bases. Freight corridors move fuel, munitions and equipment. Local

firms deliver engineering, logistics and sustainment. Weakness in any of those inputs degrades military effectiveness. Strength in them multiplies it.

Industry voices across the territory now tell a consistent story. Mining, pastoral, construction, hospitality and property leaders all point to the same three constraints: workforce shortages; gaps in enabling infrastructure; and slow, uncertain approvals. Those constraints do not sit neatly inside economic policy silos. They sit at the centre of Australia's ability to generate and sustain military power in the north. The upcoming budgets provide a forcing function to confront them directly.

Workforce remains the most immediate pressure point. The Northern Territory Chamber of Commerce reports that only seven percent of territory employers consider themselves adequately staffed and estimates that the territory will require around 14,000 additional workers over the next five years. Labour shortages already slow construction timelines, limit hospitality operations, constrain mining output and cap agricultural expansion. Housing shortages, migration settings and thin training pipelines compound the problem. Defence infrastructure projects draw from the same labour pool as private industry. Every shortage delays both economic growth and military readiness. Budget decisions on migration, housing supply and skills investment will determine whether that gap closes or widens.

Infrastructure is the second constraint and the most obvious opportunity for dual-use investment. Northern supply chains rely on fragile and often inefficient freight links. Mining operators point to the need for stronger east–west and north–south corridors linking the Kimberley, Tennant Creek, Mount Isa and Darwin into national supply chains. Pastoral groups highlight road upgrades that would improve freight efficiency and safety. Property and energy stakeholders call for more resilient power systems that can withstand wet-season disruptions. Each gap imposes costs on industry while constraining defence logistics. May's budget allocations to transport corridors, ports and energy resilience will determine whether those vulnerabilities persist.

Approvals reform is the third constraint. Territory businesses increasingly describe regulatory pathways as slow, complex and unpredictable. Chamber data shows that 95 percent of businesses experience significant delays, while nearly 90 percent report unclear requirements. Capital hesitates when approval timelines stretch into years, and when decision-making lacks transparency. Defence capability depends on speed: speed to build, speed to scale and speed to adapt. A slow approval system undermines that requirement at its foundation. Budget-linked reform tied to clear performance metrics should become a priority.

Some progress exists. Charles Darwin University launched a technical and further education institution in 2023 to strengthen vocational training and skills development in the Northern Territory. Defence continues to invest heavily in northern bases and supporting infrastructure. Those efforts matter, but they operate within a fragmented policy framework. The May budgets should

consolidate them into a coherent strategy that links economic development directly to defence capability.

A systems view clarifies the problem. Economic capacity and defence capability move together. Construction workers, engineers and trades determine the pace at which bases expand and infrastructure upgrades occur. Freight corridors determine how quickly fuel, equipment and supplies move across northern Australia. Local industry capability determines whether sustainment occurs in theatre or relies on long, fragile supply chains from the south. Weak systems create vulnerability. Strong systems create resilience and operational advantage.

Budgets provide the mechanism to act. Governments in Darwin and Canberra should treat workforce, infrastructure and approvals as a single integrated system rather than three separate policy problems. Workforce policy should align migration, housing and training settings to meet both industry and defence demand. Infrastructure investment should prioritise corridors and energy systems that deliver commercial returns while strengthening military logistics. Approvals reform should set clear timelines, streamline processes and provide certainty to investors operating in strategic sectors.

Dual-use investment offers the clearest path forward. A stronger freight corridor lowers costs for mining and agriculture while enabling faster military mobilisation. A larger, better-trained workforce accelerates housing delivery and supports defence construction. A resilient power grid supports industry operations and ensures that bases can function during periods of stress. Each investment delivers both economic growth and national security.

Northern budgets sit on the strategic frontline. Decisions taken in the coming weeks will shape whether Australia can translate northern geography into credible capability. Governments can continue to address these constraints incrementally, accepting slow growth and a constrained defence posture. Or they can use the May budgets to remove structural barriers and build the economic capacity that national security demands.

Published on 5 May 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/in-this-months-budgets-treat-economic-decisions-as-national-security-decisions/>

How to build a northern Australia economic hybrid zone

John Coyne



Image: Ichthys LNG Project

Northern Australia is often described as constrained by distance, workforce and cost. That framing misses the point. By any other definition, it's a greenfield industrial system, with abundant energy, world-class mineral endowment, available land and proximity to Asian markets.

Deciding in 2012 to go ahead with the enormous Ichthys gas project in the Timor Sea, Japan's Inpex demonstrated that global capital would invest in northern Australia and deliver at scale.

The question isn't whether development is possible. It's why it hasn't been repeated.

The answer is systemic. Inpex succeeded despite the regulatory and finance system, not because of it. It internalised infrastructure, coordination and risk at a scale most investors cannot replicate. That model doesn't scale. Without shared infrastructure corridors, predictable approvals and integrated financing, each new project must solve the entire system. Most cannot.

This is an economic security problem.

Energy, critical minerals, logistics, data infrastructure and industrial capability are now the foundations of national power. In Northern Australia, they're physically co-located. So the north is one of the few places where Australia can deliberately build an integrated economic security system.

That is the logic of creating an economic hybrid zone – a strategically coordinated operating environment where economic policy, industrial policy, infrastructure, defence capability, energy systems and sovereign resilience are deliberately integrated into one national framework.

A northern Australia hybrid zone wouldn't be a traditional industrial precinct. It would be a system that integrates defence posture, industrial capability, energy production, logistics and digital infrastructure into a single operating environment. Creating it would recognise that markets, national security and infrastructure are no longer separate domains.

That system sits on land that isn't empty. The land is owned, managed and lived on by First Nations communities whose

rights, interests and economic futures are directly tied to how development proceeds.

That reality isn't a constraint on development. It's a design condition.

Past models in northern Australia have too often treated Indigenous engagement as a compliance step: consultation after decisions have been made, benefits negotiated at the margins. That approach has led to delays, contestation and, ultimately, weaker outcomes for both communities and investors.

A hybrid zone won't work on that model.

It must instead treat First Nations participation as a core system input. That means early co-design of corridors and precincts, clear land-use pathways, equity participation where appropriate, local employment pipelines and transparent benefit-sharing mechanisms tied to long-term production, not one-off agreements.

Done properly, this isn't just about fairness. It's about certainty. Projects that embed local ownership and participation move faster, face fewer disputes and build enduring social licence. In a system built on speed and coordination, that is a strategic advantage.

Defence adds another dimension. As Australia expands its northern posture, it will rely on land access, logistics, workforce and local partnerships. Integrating First Nations communities into that system through infrastructure, services and economic participation strengthens both capability and resilience.

This is where the debate on special economic zones in Australia has gone wrong. It focuses on tax concessions and fears of governments picking winners. That focus is misplaced. A Northern Australia Economic Zone wouldn't be about incentives. It would be about orchestration and speed.

Speed isn't declared. It's designed. It comes from pre-defined corridors, sequenced approvals, standardised conditions and a single operational interface that aligns decisions across government and with landholders. It doesn't remove safeguards. It removes duplication, delay and uncertainty.

Modern economic zones succeed because they reduce friction. They align approvals, coordinate infrastructure, sequence investment and present a single, predictable interface to capital. In northern Australia, those functions are the minimum conditions for markets to operate at scale.

Critics argue that the government shouldn't pick winners. That argument fails in the north. Markets don't build multi-user infrastructure across vast, underdeveloped regions with thin labour markets and high upfront costs. They underinvest by design.

The choice is between coordinated systems and guaranteed underinvestment.

The role of government is to pick systems, to back corridors, energy networks, logistics spines and industrial nodes that unlock multiple industries at once. The discipline comes from structure: staged investment, multi-user infrastructure and corridor-based optionality that allows different sectors – energy, minerals, defence and digital – to scale together.

Without that approach, the pattern holds. Resources are extracted, value is realised elsewhere, and national returns are diluted by underinvestment in local productive capacity. That is a national loss in productivity and security.

The failure of the Darwin Trade Development Zone, set up in 1985, reinforces the lesson. The idea of a zone wasn't the problem. Execution was. It targeted the wrong industries, lacked infrastructure alignment, faced workforce constraints and did not provide investors with credible certainty.

You cannot compensate for weak systems with incentives.

Any zone must align with northern Australia's real advantages, energy, critical minerals, logistics, defence and emerging digital capability, and be structured around corridors that connect them.

Traditional special economic zones rely on density. Northern Australia doesn't have it. That constraint defines what needs to be done.

Northern Australia requires a corridor-based hybrid zone.

Corridors concentrate infrastructure, reduce distance and create predictable pathways for investment. They turn geography from a constraint into a system advantage, linking basins, ports, bases and industrial nodes into a single network.

But infrastructure alone won't deliver legitimacy. Legitimacy comes from inclusion, participation and shared outcomes.

No legitimacy, no delivery.

The climate contest must also be addressed directly. The Beetaloo gas sub-basin and Middle Arm industrial precinct at Darwin will be challenged as a fossil-fuel lock-in. The only credible response is optionality. Gas supports domestic energy security and early-stage industrial development. At the same time, the same corridors enable firm renewables, hydrogen, carbon capture and energy-intensive industries such as processing and computing infrastructure.

The remaining task is execution.

The Northern Territory has built the authority for an economic hybrid zone. It now needs to operationalise it as a system.

That means moving from project-by-project coordination to a defined, system-wide delivery model. It means publishing a single corridor map, sequencing infrastructure and approvals in advance, integrating Commonwealth financing into investment packages, and presenting a single front door to capital and communities.

It means using the Territory Coordinator not just to intervene, but to orchestrate a hybrid zone that integrates defence, industry, infrastructure and First Nations participation.

Northern Australia is entering a convergence moment. Energy, critical minerals, defence posture, logistics and digital infrastructure are all moving at once. Without coordination, that convergence becomes congestion. With coordination, it becomes a multiplier.

Published on 21 May 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/how-to-build-a-northern-australia-economic-hybrid-zone/>

Part Four: Indigenous Partnership and Agricultural Security

Northern Australia needs an elite First Nations crisis capability program

Roland Houareau and Nigel Browne



Image: Victoria Daly Regional Council

Each wet season, Northern Australia and the wider Oceania region are reminded that climate stress is no longer episodic. Cyclones, floods, extreme heat, infrastructure failure and displacement arrive with uncomfortable frequency. And they are becoming more destructive, stretching emergency response systems that were designed for a different era.

As Australia looks to boost the north's defence posture, infrastructure investment, population growth and deeper regional engagement over the coming decades, it must rethink how it builds crisis-response capability. In a serious crisis, such as flooding or a pandemic, especially in remote or austere environments, the Northern Territory will often be resource constrained. Distance, limited surge capacity, workforce scarcity and complex terrain mean that help may not arrive quickly or in sufficient scale.

Australia needs to build the right capability in the right place and use all available A-grade people to deliver it. For this, it must consider Aboriginal people not just as participants in community life, but as holders of elite capability critical to national resilience.

When Aboriginal and Torres Strait Islander policy is discussed, the focus is mostly on programs that assist those most in need, such as employment pathways, social services and training initiatives designed to lift baseline outcomes. These programs matter and must continue.

But no highfunctioning system, whether in sport, business, defence or emergency management, relies solely on lifting the average. Performance under pressure depends on a small number of people who are exceptionally skilled, trusted and capable of operating in

ambiguity. Elite athletes win games. Elite professionals stabilise complex systems when they begin to fail. Elite responders buy time when time is running out.

This isn't about privilege or exclusion; it's about how responsibility is carried. Every successful organisation knows this intuitively. Yet Aboriginal policy lacks programs that are explicitly designed to identify, develop and deploy highpotential Aboriginal capability for missioncritical roles.

The result is a persistent mismatch. Aboriginal people, particularly in Northern Australia, possess deep strengths in environmental and terrain knowledge, climate adaptation, endurance, language, cultural navigation and remote operations. But we continue to treat these strengths as incidental or informal, rather than as a foundation of national capability that could be built upon.

Crisis response is unpredictable, demanding different skills through phases of anticipation, response, stabilisation and recovery. It requires strengths in logistics, judgement, coordination, communication and the ability to operate without immediate reinforcement. Many responses to crises fail, as when evacuation efforts are inadequate, because the right people are not present early enough, close enough or long enough.

To address this challenge, Australia should establish an elite First Nations crisis capability program based in the north. It should be a deliberately limited, highstandard development pathway focused on crisis operations.

The program could be set up across three locations in the region, each with up to 20 participants, offering three years of training and assessment. If continued over 12 years, each location could train four cohorts. Participation would be voluntary and competitive, with the program absorbing direct costs. It would attract ambitious individuals who see it as an opportunity for self investment.

This approach would complement existing social programs. It would contribute to a robust system that both supports those in need and develops those keen to carry responsibility for others.

The First Nations crisis capability program should collaborate with highreliability organisations such as the Australian Defence Force, as well as similar programs in the ASEAN nations and the United States. The program's architects could learn how such organisations plan, decide, adapt and lead when information is incomplete and consequences are real.

Participants should also be embedded in defeneceled crisis management environments, allied forces and Northern Territory essential services, so that they can learn how to command and coordinate under pressure. This could be conducted through annual immersive modules held over three to four days.

Critically, many crises occur in geographically and culturally challenging environments. Aboriginal Territorians' deep understanding of the terrain, seasonal patterns, local communities and language offers a clear operational advantage. As Andrew Warton, commissioner of the NT Fire and Emergency Services and former station leader in Antarctica, observed, 'Targeted, voluntary development pathways that build advanced crisis response skills designed with Aboriginal leadership and aligned to existing emergency management arrangements are worth exploring for the north'.

In the 2030s, Australia will likely need to respond to a humanitarian crisis beyond its borders, driven by climate stress, natural disasters or political instability. To be prepared, strategic planning for Northern Australia's defence, resource, energy, infrastructure and regional engagement should prioritise speed, competence and credibility.

Imagine Australia deploying into a foreign crisis an Aboriginal special crisis team based in northern Australia. The first face seen, the first voice heard, the first hand extended in another country's hour of need would belong to an Australian of Aboriginal descent – calm, capable and caring.

When policymakers speak about resilience, regional leadership and the future of the north, this is what success looks like: carefully constructed capability, visible excellence and the ability to act when it matters most. Australia has the opportunity and arguably the obligation to establish such a team before the next crisis strikes.

Published on 20 May 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au/northern-australia-needs-an-elite-first-nations-crisis-capability-program/>

One year on: Food security preparedness is just beginning

Andrew Henderson and John Coyne

Last month marked twelve months since ASPI released the National Food Security Preparedness Green Paper. It argued that Australia's food system carried strategic vulnerabilities that national-security policy hadn't properly confronted, and that governments needed to act before a crisis rather than during one.

The past year has reinforced that argument with uncomfortable clarity. The first direct Iran–Israel missile exchange rattled global energy markets and exposed how quickly geopolitical instability can flow into domestic supply-chain pressure for a country as import dependent as Australia. Disruption around the Strait of Hormuz then pushed a long-discussed vulnerability into the real world. Diesel prices rose sharply, but the more important problem emerged elsewhere. The issue wasn't whether Australia held fuel nationally in aggregate. The issue was whether fuel could reach farms, freight operators and regional distributors fast enough to preserve continuity where and when it was needed.

That distinction is critical because modern food security no longer rests simply on production. Australia may grow more than enough food to feed itself, but the harder question is whether the systems that move, power and sustain food can continue functioning when pressure arrives simultaneously across the economy.

Diesel sits at the centre of that challenge because it acts as the switch that keeps large parts of Australia's food system operating. Once fuel availability tightens at the regional level, the gap between normal operations and serious disruption narrows quickly. Livestock welfare, refrigeration, harvesting, freight movement and irrigation all compress into the same operational problem. In parts of regional Australia, a delayed diesel delivery during harvest is not an inconvenience. It can mean stranded crops, failed freight schedules, animal welfare pressure and cascading financial losses across entire communities. In some systems the window between continuity and failure is measured in days rather than weeks.

Modern food security has to be understood in terms of food continuity – the ability of the systems that produce, process, manufacture and distribute food to keep working when pressure arrives across the economy. In practice, food continuity means three things: people can still afford to eat, farms and supply chains keep operating, and Australia can keep being a reliable food supplier to the region even under pressure.

Under normal conditions those goals line up comfortably. Under severe stress they can pull apart. A country can keep supermarket shelves looking full while quietly degrading production capacity or cutting back exports its neighbours depend on. What really matters is whether fuel, freight, labour, finance, storage and energy can still be coordinated when they are all under pressure at once.

That explains why the National Food Supply Chain Assessment announced by Agriculture Minister Julie Collins carries strategic weight. The Interim Assessment completed in April reportedly identified the core near-term risk clearly: not a national shortage of diesel in absolute terms, but the risk that available fuel, credit and logistics could fail to translate into continuity across the food supply chain when stress intensifies.

This is as much a coordination problem as a supply problem. The response reflects that reality by focusing action against four pillars; keeping fuel and credit moving, building regional storage buffers, reducing dependence on imported diesel while at the same time investing in more sovereign fuel and energy capability over the longer term. Crucially, the pillars are designed to move together rather than sequentially.

There is also a risk in thinking severe system stress will be solved by a single technological fix. New technologies – from cleaner fuels to smarter logistics and more controlled farming environments – will help over time, but none of them removes the near-term reality that food continuity still depends on fuel, freight, labour, storage and coordination working together.

Australia does not need to turn its back on global markets or chase full self sufficiency. It does, however, need a clearer view of where concentrated dependence creates strategic exposure, and where

a modest amount of targeted investment will make the difference between the system bending and breaking in a crisis.

Food continuity also cannot be separated from broader national resilience. Defence has already begun adjusting its own fuel posture in response to a more contested strategic environment. Yet the wider civilian systems that sustain the population, support industry and underpin force generation have only recently begun attracting comparable attention. Food, fuel and freight continuity aren't secondary economic issues during a prolonged crisis. They become preconditions for domestic stability, economic endurance and regional credibility. Australia's food system also supports regional food availability and broader Indo-Pacific resilience at a time when global supply chains are becoming more contested and less predictable.

Food continuity cuts across agriculture, transport, energy, finance, emergency management and national security. Responsibilities are split across different levels of government and much of the infrastructure is privately owned. When a harvest window, fuel squeeze and freight bottleneck collide, they do not wait for interdepartmental coordination cycles.

Australia has made significant progress over the past year. The Green Paper helped push food-system resilience into mainstream strategic discussion, and recent events have accelerated that shift.

The risk now is complacency. Australia is unlikely to run out of food. The real strategic risk is discovering too late that modern food security depends on systems that governments and industry still cannot coordinate fast enough under severe stress.

Published in June 2026. For print readers, the original article with live links is at: <https://www.aspistrategist.org.au>

About the authors

Anna Alexander is an ASPI fellow and a nationally recognised leadership strategist and program designer. She has developed and delivered award-winning leadership development programs across government, industry and community sectors.

Rowan Allport is a deputy director at the Human Security Centre, a London-based foreign policy think tank.

Justin Bassi is the executive director at ASPI.

Nigel Browne is the chief executive officer at Aboriginal Investment.

Francesca Ciuffetelli is coordinator of ASPI's National Security Programs.

John Coyne is director of ASPI's National Security Programs.

Andrew Henderson is a senior fellow at ASPI.

Roland Houareau is executive director at Aslan Professional Services.

Raelene Lockhorst is the deputy director of National Security Programs at ASPI and has extensive experience in planning complex defence infrastructure and capability acquisition projects.

AI contributed no ideas to this report.



25
YEARS
2001-2026