



Policy Brief | 17 July 2025

The Landbridge lease of the Port of Darwin

Foreign Affairs, Defence & Security section

Issue

The 99-year Port of Darwin lease to a Chinese subsidiary in 2015 has proven to be one of the most contentious decisions in recent Australian foreign policy. Despite government reviews finding no national security reasons to terminate the agreement, intensifying global and regional strategic environments have renewed debate. At the 2025 federal election, both the government and the Opposition advocated discontinuing the lease.

Key points

- Landbridge Group has portrayed Darwin Port as part of China's global Belt and Road Initiative.
- Security assessments of the lease arrangements have found no national security concerns.
- A government review following the 2022 federal election concluded it was not necessary to vary or cancel the lease.
- During the 2025 federal election campaign, both major parties promised to return the port to Australian control.
- Chinese Government officials have publicly opposed any moves to terminate the Landbridge lease.

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Context

The Northern Territory (NT) Country Liberal Party [returned to power](#) in 2012 with a policy to consider privatisations. In [early 2014](#) it hired [Flagstaff Partners](#), which reportedly advised that a long-term lease would be the best option to expand and develop the Port of Darwin.

Also in 2014, the Chinese company [Shandong Landbridge Group](#) established an Australian presence when its subsidiary [Landbridge Energy Australia](#) purchased Queensland coal seam gas operator [Westside Corporation](#). Landbridge Group's chairman, YE Cheng, became a [member of the 12th Chinese People's Political Consultative Conference Committee](#) in 2013 and participated in its [National Committee](#) sessions in March 2016 and [2018](#). Other state linkages to Landbridge are outlined by the [Australian Strategic Policy Institute](#).

The NT Government introduced [legislation to privatise the Port of Darwin](#) in November 2014. A [Select Committee](#) investigated the issue and [published its report](#) in April 2015, with the [Bill passing](#) shortly after. Landbridge was one of 33 companies that [registered interest](#) in leasing the port. In July, the [NT Government advised Landbridge](#) that it had been shortlisted and in [October](#), [Landbridge was announced](#) as the successful bidder, having agreed to pay \$506 million. However, the NT Government would retain a [20% share](#) until Landbridge found an Australian buyer to purchase it. According to the [Chinese Minister for Resources](#), the deal sent a message to Chinese companies that the Northern Territory is a place to do business.

Expanding connections

Following the Port of Darwin lease, the NT Government's enthusiasm for links with China continued. This included signing an [Agreement on Economic and Trade Cooperation and Exchange with Rizhao City](#) and an [MOU of Mutual Respect](#) between Rizhao City and Darwin in mid-2016. Later that year, the NT Government and Landbridge [jointly announced](#) development of an Industry and Logistics Park within the East Arm Logistics Precinct in Darwin. In 2018, Landbridge also received planning approval for a [\\$200 million luxury hotel](#) and residential complex on the Darwin foreshore and announced its intention to [double the size](#) of Darwin Port.

In supporting such connections [NT Chief Minister Andrew Giles](#) stated, 'The Landbridge investment in Darwin is consistent with China's Maritime Silk Road Strategy and consolidates Darwin's position as a natural gateway between Australia and China'. Darwin's role as a 'maritime silk road' node was further underlined when Landbridge Group acquired Panama's largest port, Margarita Island, also in 2016. [Landbridge Group declared](#):

Landbridge's three ports – Landbridge Port in Asia, Darwin Port in Oceania, and Margarita Port in the Americas – are interconnected to form an important fulcrum of maritime cooperation for the Belt and Road Initiative, and they will actively build a "maritime economic corridor" so that the achievements of the Belt and Road Initiative can benefit a wider regional space.

Landbridge eventually lost its Panama port when the Panama Maritime Authority [revoked Landbridge's concession](#) in June 2021.

In September 2023, the [Darwin and Shenzhen ports](#) entered into ‘a friendly non-binding MOU in order to establish a closer relationship’. Then in December, the [Chinese state-owned Hubei Port Group](#) signed a comprehensive [strategic cooperation framework agreement](#) with Darwin Port and Westside Corporation (both under Landbridge). The agreement centred on engagement in and promotion of China’s Belt and Road Initiative.

Darwin Port has also been working with Australia’s largest rail freight operator Aurizon on its land-bridging concept after [Aurizon](#) announced exploratory plans in July 2023 to begin land-bridging services out of Darwin to each capital city. As part of this, Aurizon was awarded a stevedoring licence at Darwin Port in late 2023 and [Aurizon officials accompanied the Landbridge delegation](#) to China when the agreement between Darwin and Shenzhen ports was signed.

Landbridge also appears to have had other aspirations in Australia. In [September 2017](#), Landbridge officials reportedly met with retiring South Australian (SA) Trade and Investment Minister Martin Hamilton-Smith, SA Government officials and Chinese diplomats to discuss a stake in SA’s Flinders Ports. Some experts expressed concerns about any such moves, given the proximity of Flinders Ports to a major naval shipbuilding precinct.

Continuing doubts

Landbridge consulted with Australia’s Department of Defence prior to the lease decision, which did not express any concerns. Some of the [department’s considerations](#) were later published through [FOI requests](#). However, the US was not so sanguine. During the [APEC summit](#) in November 2015, US President Barack Obama reportedly told Prime Minister Turnbull of ‘dismay in Washington about the US not being consulted about the decision’.

In February 2016, a [Senate inquiry’s interim report](#) into the Australian foreign investment review framework included a chapter on the [Port of Darwin lease](#). Later that year, Treasurer Scott Morrison announced Australia was tightening foreign investment rules through the [Foreign Acquisitions and Takeovers Amendment \(Government Infrastructure\) Regulation 2016 \(Cth\)](#).

In mid-2019, Deputy Chair of the Joint Standing Committee on Foreign Affairs, Defence and Trade, [Nick Champion](#), became the first federal politician to call for the Chinese lease of Darwin Port to be scrapped, and for the port to be brought back under Australian control. The Labor Opposition [reportedly suggested](#) this could be achieved through the Coalition’s proposed foreign veto powers. The [local MP representing Darwin](#), Luke Gosling, supported subjecting the lease to [Australia’s Foreign Relations \(State and Territory Arrangements\) Bill 2020](#), while [Senator Fierravanti-Wells](#) and former [prime minister, Kevin Rudd](#), both advocated a review.

In September 2020, [Defence Minister Linda Reynolds](#) reasserted that the lease was not a national security risk. However, [continuing debate](#) led the National Security Committee [to task the Defence Department](#) in May 2021 with providing updated security advice on the lease arrangements. The [Defence review](#), published in December 2021, found no national security reasons to reverse the lease, although the Opposition requested a [full briefing on its findings](#).

Upon Labor's return to government following the May 2022 election, [Prime Minister Albanese announced a further review](#) into the lease. The Department of the Prime Minister and Cabinet [released the review](#) in October 2023 and concluded that it was 'not necessary to vary or cancel the lease' – advice the government accepted.

What next?

During the 2025 federal election campaign both the [government and Opposition proposed](#) ending foreign control of the Darwin Port. In response, Landbridge claimed the lease was being treated as a '[political football](#)', while Chinese officials [warned against](#) 'overstretching the concept of national security' and China's ambassador, XIAO Qian, has [actively opposed](#) any premature termination of the lease.

Since the election, continued reports suggest the [government is exploring potential purchasers](#) of the port lease, including [US company Cerberus](#). Other reports suggest that the government would [prefer an Australian buyer](#).

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