

Question No: 43

Question: Trade Development Zone

Date: 13/08/91

Member: Mr BAILEY

To: MINISTER for INDUSTRIES and DEVELOPMENT

1. Has the minister established criteria that will determine the success or failure of the Trade Development Zone.
2. How much has the government or any government instrumentality paid to consultant K.K. Yeung since October 1988.
3. Have advances been paid to Mr K.K. Yeung for his services before the service was delivered.
4. How many times has Mr K.K. Yeung visited the Northern Territory in the government's employ since October 1988.
5. Has the Minister for Industries and Development met with Mr K.K. Yeung since the restructuring of the Trade Development Zone.
6. How many contracts does Mr K.K. Yeung currently have with the Northern Territory government.
7. Did the Minister for Industries and Development meet with Mr K.K. Yeung on his most recent trip to Hong Kong.
8. How often has the Trade Development Zone Board met since October 1988.
9. What level of union involvement is planned for the new TDZ Board.
10. Does the government intend to relocate Trade Development Zone Chief Executive Officer, Mr Bob Matthewson, to Hong Kong.
11. With reference to the Deputy Chief Minister's (Hon B. Coulter) press statement of 16 November 1989 in which he stated that Austrade representatives had said that Northern Territory government Expos at Hong Kong and Shenzhen were endorsed as outstandingly successful, can the Minister for Industries and Development report on any further endorsement for the TDZ by Austrade.
12. With further reference to the Deputy Chief Minister's (Hon B. Coulter) press statement of 16 November 1989 in which he stated that 'Most major proposals are being considered for placement in Darwin's Trade Development Zone. Some, however, involve agriculture, horticultural and fishing developments outside the zone', can the Minister for Industries and Development state whether or not any of these proposals are going to proceed.
13. If the answer to question 12 is no, why will the proposals not proceed.
14. With further reference to the press statement at question 12 and with reference to the following 'List of Project Types' -

- (a) \$5m investment in a knitting mill and embroidery factory at TDZ, employing about 120 people;
- (b) \$8.5m investment in TDZ factories producing fish netting, wool carding, plastic goods, latex gloves and leather shoes;
- (c) \$1m investment in TDZ denim wear factory;
- (d) substantial factory and smelting works at TDZ producing machinery parts for the mining industry;
- (e) from 1 province alone, proposals for 26 factories at the TDZ which would produce garments, towels, embroidery, cosmetics, gelatine, toothpaste, shoe polish, soap, lace, cable shielding, steel balls, beer cans, universal joints and rubber seals;
- (f) another province proposal for TDZ factories at the TDZ printing machinery, pumps, lathes, highway maintenance machinery, door locks, garments and knitwear; and
- (g) manufacture of cosmetics and medicine in the TDZ, can the minister advise if any of these projects actually proceeded.

15. If the answer to question 14 is no, or if some of the projects proceeded, has any follow-up work been done with the groups concerned since this announcement was made.

16. How many people are currently employed at the Trade Development Zone.

17. What will the Computer Company, Frances Bay Computers, manufacture in the TDZ.

18. What arrangements have been made for Computer Power to receive government preference and what is the value of that preference.

19. Does the government regard the Trade Development Zone as a manufacturing zone or a high technology zone.

20. How many people are currently employed at Color Set (NT).

21. Does the Northern Territory government have any contingent liabilities with Color Set (NT).

ANSWER

1. Statements by previous ministers responsible for the Trade Development Zone have, on numerous occasions, emphasised that the zone is a long term project for the Northern Territory. I fully endorse this view. The success criterion for the Trade Development Zone is the attraction and establishment of a range of manufacturing industry over a long term period.

2. The TDZA has paid a total of \$1 397 802 to K.K. Yeung Management Consultants since 1 July 1988.

3. An advance of \$120 000 was made to K.K. Yeung Management Consultants in 1987-88 against future success fees. This advance was fully acquitted when settlement was made with the representative to end his services in March 1991.

4. Mr K.K. Yeung has visited the Northern Territory twice in the employ of the government between October 1988 and 30 June 1991.

5. Ministers are not required to advise who they meet.
 6. The Northern Territory government has no current contracts with K.K. Yeung Management Consultants.
 7. See answer to No 5.
 8. There have been 22 board meetings of the Trade Development Zone since the beginning of 1988 until the end of June 1991.
 9. This is currently under consideration.
 10. Mr Bob Matthewson, Chairman of the TDZA, will visit Hong Kong on a regular basis. It is not proposed at this stage for Mr Matthewson to be permanently relocated to Hong Kong.
 11. No.
 12. One project has proceeded which arose from the Shenzhen Expo. This involves airborne remote sensing technology in conjunction with Northern Territory interests.
- None of the other proposals have proceeded as at 27 June 1991.
13. There is a variety of reasons for a number of proposals not having proceeded to date. These reasons include the cancellation of the Tripartite Negotiated Agreement, the non-feasibility of some projects, the inability to locate appropriate joint venture partners, and the unsuitability of a number of projects for the Northern Territory.
 14. None of the projects listed have yet proceeded.
 15. Follow-up work was undertaken with each of the inquiries received at the Shenzhen Expo. This comprised, at a minimum, an invitation to visit Darwin to further investigate prospects for investment. Other more substantive proposals received a high degree of follow-up work including detailed correspondence, research and introduction to potential joint venture partners.

16. Company Name No of Employees

E.A. Rocke Customs Service 10
 Darwin International Textile 50
 Colmice Pty Ltd 3
 Colmcill (The Colour Set) 10
 South Pacific Commodities Distribution
 Centre Pty Ltd 1
 Lunik Engineering Service Pty Ltd 1
 Frances Bay Computer Corporation 4
 Emertung Coating Pty Ltd 4

As at 20 June 1991 total number of employees - 83

17. Frances Bay Computer Corporation Pty Ltd, which is jointly owned by Computer Power Group Pty Ltd and IBM Australia, has no plans to manufacture at the TDZ. Rather, the business of the company is software and services. Typically, the company develops software applications and does applications programming, but will

also be involved in
computer education and other computing-related services.

18. Computer Power Group will not be receiving any government preference. The government has committed to purchase \$10.3m of work from the Frances Bay Computer Corporation Pty Ltd over 3 years on the condition that the company fulfils conditions for the satisfactory development of the business and the industry generally over the period.

An essential ingredient is the export of services. No individual government department or authority is obliged to use the company, which must win contracts for specific projects through the normal tendering process.

19. The Trade Development Zone was established as an export oriented manufacturing zone. It is not considered a high technology zone as defined by such zones in southern states but the government sees much advantage in attracting high technology enterprises to the zone.

20. As at 25 June 1991 Colour Set (NT) employed 10 people.

21. The Northern Territory government has no contingent liabilities in relation to the Colour Set (NT).