

**Question No: 105**

**Question: Trade Development Zone**

**Date: 12/05/92**

**Member: Mr PARISH**

**To: MINISTER for INDUSTRIES and DEVELOPMENT**

1. How many people, other than Zone Authority staff, are currently employed at the Trade Development Zone.
2. Was the 1990 prediction of the former Minister for Industries and Development that there would be 920 jobs in the zone by 1991 achieved; if not, why not.
3. What was the basis for the former minister's prediction.
4. Which companies involved with the prediction have not established operations in the Trade Development Zone.
5. Why have these companies not established operations in the Trade Development Zone.

**ANSWER**

1. As at 29 July 1992 the number of employees at the zone, other than Zone Authority staff, was 80.

Questions 2 to 5 are answerable together -

Forecasts of likely employment growth in the Trade Development Zone (TDZ) made by the former Minister for Industries and Development in 1990 preceded the unfortunate events that year which effectively discouraged further investment in the TDZ by companies from Hong Kong and China.

As a result of investigations into certain employment conditions at the 2 Hengyang factories in the zone, the Tripartite Negotiated Agreement (TNA) under which foreign skilled workers were to come to Darwin, was cancelled by the federal Minister for Immigration.

This meant that the previously agreed conditions under which a number of companies had planned to invest in the zone were void.

Before the TNA was cancelled, the following plans had been announced by various companies -

Hengyang proposed expansion involving employment for at least another 200; the China-based SZ Australia Group planned a 3-stage investment, involving the employment of 800 by 1996. Its first-stage factory was initially due to open in December 1990 with a work force of 200, and it will be recalled that the SZ Group had equipment valued at more than \$2m landed on the wharf in Darwin for this purpose. The TNA cancellation was significant in SZ's decision to no longer proceed with the TDZ investment; and the Hong Kong-based PDL Group had announced plans for 15 factories in the zone with the first 2 factories employing at least 300.

Thus, the former Minister for Industries and Development was doing no more than echoing plans announced by companies for zone investment. The fact that these plans did not eventuate is a consequence of the TNA cancellation and lack of support

from the federal government.