

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Treasurer:

Financial Management

1. Debt to Revenue is forecast to hit 320% by 2029/2030 according to the Interim Report of the Plan for Budget Repair. Under CLP it got down to 27% (TAFR 2015/2016). At what point will the Territory be unable to get bonds away. Have you started preparing for such an eventuality? If not, why not?
2. Page 6 of the Interim Report states that “borrowing to fund infrastructure can be fiscally and economically prudent in circumstances where the assets deliver long term economic returns to the Territory in excess of financing costs”. This can only be ascertained if a cost benefit analysis projection has been done. Is a cost benefit analysis part of the infrastructure investment program? If not, why not? Can you see any advantages to conducting a cost benefit analysis before infrastructure investments? When have you done any? Please provide specific details of those undertaken.
3. The Fraser Institute survey of mining investment for 2019 is a concerning read showing the Territory is losing competitiveness and attractiveness for mining investment. Is the Department concerned that 80% of respondents believe that approvals have slowed considerably in 2018?
4. Page 16 of the Interim Report states that over the next 30 years the Territory population is set to grow by over 30%. Where is this figure coming from and what modelling underpins it? What is the sociodemographic make up of these additional people?
5. Similarly, in the NT News on 24 June 2019, the population projection for 2046 according to Treasury and Finance, is 350,000. Please explain the underlying factors and methodology.
6. How will a 50% renewables target affect the cost of generation? How will it affect the cost of electricity? What affect will it have on the T-Gen business model and ongoing funding requirements?
7. Please advise the Treasury definition of a recession.