

Question No: 147

Question: Australia Asia Trade Link

Date: 11/08/92

Member: Mr EDE

To: TREASURER

Has the Northern Territory government undertaken an assessment of the benefits provided to the Australia Asia Trade Link, consisting of the north-south railway and expanded Port Darwin development, in the One Nation statement; if so, when will this assessment be made available to the public.

ANSWER

The Northern Territory Treasury prepared a preliminary analysis of the measures in the One Nation statement on 27 February 1992, the day following the One Nation statement. The Treasurer described the effect of the new type of bond (Hansard 27 February 1992) as 'of marginal assistance to the railway project'.

Further detailed analysis, confirming this assessment, was completed by Treasury over the following week. This concluded that the issue of \$1000m infrastructure bonds would increase the internal rate of return on the integrated project by approximately 0.7% per annum, an improvement inadequate to stimulate sufficient private sector interest in the project.

Independently, but in close consultation with Northern Territory Treasury, the Corporate Banking Division on Westpac came to similar conclusions after extensive financial modelling of the project.

The finances of the project remain under continuous review as basic parameters such as interest rates, the rate of inflation and the required rate of return after tax for infrastructure projects changes. It does not seem either useful or informative to make the results of this departmental analysis public.