

## Developing the North key messages

### Northern Australia fact sheet



## Developing the North – a stronger Australia, stronger together

Developing resilient, diverse and stronger Northern Australian economies is critical to Australia's future security and prosperity and the Territory Government is committed to the Developing the North agenda.

Northern Australia contributes 10.7 percent of Australia's GDP, or \$187 billion in 2016-2017.

Northern Australia offers the greatest opportunity the nation has to increase productivity and economic output. It is in our nation's long term interest that our North has the population, modern connected infrastructure, logistics, industry and business to strengthen and sustain our engagement in the Indo-Pacific region.

Northern Australia's contribution to the Australian economy can be significantly increased with the right enabling infrastructure to support private investment.

The Territory differs significantly in its infrastructure needs and objectives from other jurisdictions. This is driven by its remoteness, low population density, low infrastructure base, untapped resource potential and substantial socioeconomic disadvantage, particularly in Aboriginal communities.

Much of the infrastructure required in Northern Australia is new, enabling infrastructure such as roads, power systems, water and telecommunications. This infrastructure serves the dual purpose of supporting private investment and addressing social needs.

Two key facilitators of the Developing the North agenda are:

- Infrastructure Australia's (IA) Assessment Framework
- Northern Australia Infrastructure Fund (NAIF)

### Infrastructure Australia's (IA) Assessment Framework

IA is mandated to prioritise and progress nationally significant infrastructure. It is therefore critical that the appraisal framework used by IA accommodates the assessment of projects in Northern Australia and remote areas. The limitations of IA's current appraisal framework can be seen in the prominence of urban congestions projects in the current priority and high priority project list, which does not accurately reflect the social and economic opportunities in remote and regional Australia that could lead to an important step change in national productivity and output.

The Territory considers that the IA appraisal framework should specifically consider the economic, productivity benefit and long term strategic impact of nationally significant enabling infrastructure investment for remote and regional Australia. The Territory Government would like to see a more flexible approach to ensuring assessment tools for fit-for-purpose having regard to the nature of the project and project outcomes.

Such an appraisal framework needs to be able to recognise that infrastructure investment decisions are multi-faceted, and capture the broader social, environmental and economic costs and benefits more effectively than the current CBA-driven approach.

## Northern Australia Infrastructure Fund (NAIF)

To date the NAIF has made 2 investment decisions in the Territory: Humpty Doo Barramundi Farm and Ayers Rock, Connellan Airport; and 1 conditional approval: NT Airport Expansion. In addition, NAIF has provided an indicative term sheet that has assisted Verdant Minerals' Ammaroo Phosphate project with securing project financing from private sources. NAIF is continuing to consider key Northern Territory projects for financing such as the Darwin Ship Lift, Project Sea Dragon and Charles Darwin University (CDU) relocation.

The Territory considers that NAIF can continue to position itself in a more strategic role to:

- Draw attention to prospective private sector projects in Northern Australia
- Crowd-in private investment for highly prospective projects prior to a final investment decision.
- Manage the unique challenges and risks of developing the new projects and industries that will support the long-term economic development of Northern Australia.

## A Strong North – New 5 Year Northern Australia Development Plan

The Territory strongly supports the development of a Northern Australia Development Plan and welcomes the recent Northern Australia Strategic Partnership (NASP) commitment to a new five year plan to build on what has been delivered under the White Paper, while expanding the Northern Australia development agenda. The Territory Government is working closely with other jurisdictions to shape the Plan in preparation for the 4<sup>th</sup> Ministerial Forum on Northern Development which will be held in Katherine 11-12 December.

## More information

- Our Future, Our North: White Paper on Developing the North (2015)
- Developing Northern Australia Implementation Report (2018)
- [www.industry.gov.au/strategies-for-the-future/northern-australia-agenda](http://www.industry.gov.au/strategies-for-the-future/northern-australia-agenda)
- [www.infrastructureaustralia.gov.au](http://www.infrastructureaustralia.gov.au)

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