

# fuel future growth



and \$250 million over a 25-year period on the facility

## Chinese company splashes out \$500m in move Giles hails as key for Territory development



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A CHINESE-owned company has been awarded a 99-year lease on the Darwin Port for \$506 million in a deal Chief Minister Adam Giles has called the next step in fulfilling the northern development "dream".

The half a billion dollars in upfront cash will be used in part to pay down debt, with the rest committed to future infrastructure projects, Mr Giles said.

But he reiterated yesterday the biggest advantage was the private investment in the Port that would grow the NT's economy and open up better trade links with Asia for the future.

"This is one of the most strategic advances the Northern Territory could take. This is the investment that will connect the Northern Territory to Asia economically," he said.

"What we want to make sure is that it's about long-term jobs and investment in the Northern Territory."

Landbridge has pledged to spend \$35 million in the first five years to expand the Port and \$200 million over a 25-year period.

The company's Australian infrastructure director Mike Hughes said the group had the connections in China to increase trade, expand the Port and get shipping prices down through economies of scale.

"We believe we'll put Darwin on the map in China for Chinese businesses. We are the

right partner for the Northern Territory," he said.

"In the medium to long term, prices are going to come down because the Port is going to grow. We have a long-term prospectus so we're not driven by next week's earnings or next year's earnings. That means we're going to be prepared to invest to build capacity."

Conditions in the contract will also tie rent increases to no greater than the CPI, Mr Giles said, to avoid skyrocketing rents seen in Melbourne when that port was privatised.

Another term of the agreement will see the NT Government take in 15 per cent of any so-called "super profits" – revenue earned over annual pro-

**"We believe we'll put Darwin on the map in China for Chinese businesses"**

jections. The Government also sought to keep 20 per cent of the Port in Australian hands, for now with the NT Government. But Landbridge must find an Australian company to take the 20 per cent share within five years.

Mr Giles said the process to find the proper bidder for the Port was handled differently than the outright sale of TIO, which sold for \$424 million last year and caused protests in the streets.

This time, he "brought people along for the journey", he said, "in an open and transparent process" that saw a par-

liamentary select committee struck to examine port sales in other cities.

But the Maritime Union of Australia says Port workers were not consulted about the sale and have called on the Giles Government to ensure that current working conditions for public employees is enshrined in legislation for the term of the lease, not just until 2018. "It's a commitment like the one that was made to TIO and Bus Link workers who were pretty much thrown out the door as soon as the ink was dry on the paper," said MUA spokesman Thomas Mayor.

He added last week's protest at Port offices could be the first of more if workers were not protected.

"Today, there are a lot of pissed off port workers and that's what Giles risks if he doesn't deliver on these commitments," he said. "Talk is cheap."

Labor leader Michael Gunner called the lease a short-sighted "cash grab" that failed to seek private investment while maintaining control of the Port.

"The CLP has no mandate to sell or lease the Port," he said. "A decision of this magnitude should always be determined by the people. With an election now just 10 months away, there was time to take this route." Landbridge Group will assume the lease of the Port, the Darwin Marine Supply Base at East Arm and Fort Hill Wharf.

The NT Government will retain Stokes Hill Wharf, Fisherman's and Hornibrook's Wharves and Frances Bay facilities.

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**“** Shame on the nt government. Local jobs come second

– Damien Seubert

**“** Do we own anything, any more?

– Wendy Malcolm

**“** Great deal, hopefully the Port can now be upgraded to international standards and can be expanded to ensure greater employment and to ensure Darwin is a trade hub

– Lionel

**“** There goes another piece of Australia to over seas company even if it is a lease and that is only 5,600.00.00 per year cheap rent I think so

– Dianne Harding

**“** With inflation that's sounds a little on the low side... Maybe that "m" is really a "b"??

– Oli Rooke

**“** Is Giles just going to sell everything? Bring on the election

– Brad Fitzpatrick

**“** No problem with the sale, but they are selling too cheap. Should be more like a Billion Dollars, after all it is for 99 years

– Omexa of Palmerston

**“** I love the NT but being from WA, we lease wharfs out for billions of dollars, sad to say but the NT has just been routed

– Grant Lex Porebski

**“** Don't agree with much this government does, but this is a good decision. Government should never, ever manage infrastructure 'assets', all governments are very poor at it, so why not lease it out?

– Jenny

**“** I guess this is what the Libs meant by Australia open for business right? More like sold to the highest bidder

– Miki AsinMouse

## Government team offers land to lure luxury hotel investors

**ZACH HOPE**  
in China

THE Territory government will offer 9000 square metres of undeveloped land adjoining the deckchair cinema as the preferred site for Darwin's first six-star hotel.

In a major government

push for Asian capital, Business Minister Peter Styles and a trade delegation has been meeting in Beijing this week with potential hotel investors and will today open up expressions of interest at the Hotel Investment Conference Asia Pacific in Hong Kong.

Investors will be told the

Government envisions 50 to 80 rooms of a quality to attract the world's wealthiest businesspeople and travellers.

A key feature of the sales pitch is the offer of crown land around Darwin, but investors can propose alternatives.

The proposed site at Lot 10176 fronts the water at the

corner of Kitchener Drive and Jervois Rd, in between the deckchair cinema grounds and the waterfront area.

The winning bid will be announced in June next year and the hotel is expected to open some time in 2019.

Only 8 per cent of Darwin's total room stock is considered

high-end. The Government views a luxury hotel as meeting the expected increased demand as Asian investor interest turns southwards as part of the developing the north agenda.

The delegation's mantra this week has been "build it and they will come", although

it acknowledges other needed work such as a direct Darwin-China air route and more appealing flight times.

Mr Styles' delegation has been meeting with investors who talk in billions rather than millions and will continue on the sidelines of HICAP today and tomorrow.