Mr B. COLLINS (Opposition Leader): Mr Speaker, in rising to support the motion of the Chief Minister, I indicate that I intend to move an amendment to it.

Mr Speaker, I move that paragraph 2 of the motion be amended so that, after the words 'Northern Territory government', the words 'and opposition' be inserted. The motion will then read: 'endorses the South Australian and Northern Territory government and opposition submissions to the Hill Inquiry'.

Mr Speaker, the reason that I move the amendment without hesitation is because the Chief Minister quoted yesterday from the opposition submission to the Hill Inquiry. For that reason, I have no doubt that the government is fully cognisant of the submission and what it contains. There may be some honourable members who may not be so familiar. Certainly, I do not want to go through details of the submission itself but I will simply quote from the opening which is entitled, 'The Scope of this Submission'.

This submission does not attempt to duplicate work being done by the committee of inquiry in establishing the relevant costs and benefits associated with the construction of a railway and an all-weather road to national highway standard linking Adelaide with Darwin. The submission's purpose is to highlight what it considers to be key primary and secondary benefits of the railway option over the all-weather road option.

The submission proceeds to do precisely that and indeed, in general terms, the submission is supportive of the government's submission to the Hill Inquiry.

Yesterday, the Chief Minister quoted from press statements I was alleged to have made. Unfortunately, once again, I was selectively quoted. The thrust of what I said related to the discrepancies between the information contained in the Hill Report and that contained in the Northern Territory government's submission - and, as we have now discovered, the discrepancies between the Northern Territory government's submission and the original joint Northern Territory-federal government report on the railway are quite significant. It was necessary to examine both documents carefully in order to try to reconcile these very severe discrepancies between the conclusions. I repeat again, and this is available for any honourable member to read, the Northern Territory Parliamentary Labor Party's submission into the Hill Inquiry was completely supportive of the Northern Territory government's submission. In fact, from memory, I think that members of my staff who worked on this did so in cooperation with officers of the Northern Territory government.
However, the Hill Report throws some new light on the long-running rail debate. For any Territorians who have a real interest in the railway debate as such, I can do no more than commend to them a reading of Ian Stevenson's book 'The Line That Went Nowhere'. Not only is it an immensely readable and entertaining book, it contains extraordinarily interesting historical information about the 100-year battle for the Alice Springs to Darwin railway link. Among other interesting titbits, it contains the fascinating information that one of the contractors on the line that ran from Adelaide to Government Bore - I think that was the name of the original start of the link that eventually ended in Alice Springs was Malcolm Fraser's grandfather who was famous for all sorts of other things as well, I might add.

Mr Speaker, so far as the Hill Report is concerned, the Chief Minister made a number of criticisms which, to a great degree, can be borne out by examination. There are a number of things I do not agree with however. First, there are the Chief Minister's attacks on Mr Hill personally. After the inquiry brought down its findings, the comment was made that he is just a hatchetman for the Labor government. I do not think any reasonable person who takes the trouble to have a look at his record, where he has been and what he has done, could make that statement. If the Hill Report had come down in favour of the railway, the Chief Minister would not have been quite so critical of Mr Hill personally. Indeed, Mr Hill is a more than competent economist. That has been acknowledged even by people who disagree with him so far as his economic philosophy is concerned. He is in charge of the largest state rail authority in New South Wales, an authority which has run for years and is still running at horrific annual losses. Indeed, the New South Wales rail system began over 150 years ago. One of the major reasons for the massive annual losses that that rail system has incurred is the extremely over-ambitious rail construction projects that were mounted in New South Wales. The current government is having to wrestle with the problem of dealing with those uneconomic services. In fact, Hill has been remarkably successful.

I have spoken to people on both sides of the political fence about this. He seems to be respected everywhere for his extraordinary administrative capacity and skill as a manager. He has curtailed, as no one else has, at least some of the losses that the New South Wales rail system has been incurring. Indeed, he has found himself in considerable trouble with some sections of the community for doing so. Therefore, I really do not think that the criticism can be sustained.

There were 112 submissions to the Hill Inquiry and only 3 of those submissions were in opposition to the railway. As I said before, the opposition's submission was in fact in support of the proposal. Of the 3 who were opposed to it, one was from the Queensland government. It not only opposed it but threatened to sue the federal government under section 99 of the constitution if it gave a penny to the Northern Territory for the railway. One of the other opposing submissions was from the Australian tourist industry. I cannot remember whom the third one was from. The other 112 were in favour.

I have already discussed the Queensland government submission so I will not go over that ground again. But I want to make a point which I have made before. I have made it in this Assembly in respect of other submissions that the Northern Territory government has made to the federal government. Yesterday, the Chief Minister levelled a lot of criticism at the Hill Report, some of which, on our initial appraisal, can be justified. He complained about the lack of methodology attached to Hill's conclusions. At the same time he said that, by comparison the Northern Territory's submission was a model of squeaky cleanliness. Even a casual perusal of the Northern Territory government submission shows that it is nothing of the sort. In fact, all of the criticisms which the Chief Minister levelled at the Hill Inquiry can be directed just as forcefully at the Northern Territory government's submission. I have made this point in respect of other matters. We are under constant attack in the Territory - an attack which any one with half an eye will see to be increasing every day in the extent to which we are funded federally. Every time I raise this matter in the Assembly, the troglodytes on the other side get up and say: 'Oh, he is
embarrassed about the amount of money we are getting'. I am not saying we are getting too much. Have a look at the national press. Have a look at the editorials in the Financial Review. Have a look at the behind the scenes minutes that flow from the Department of Treasury.

Page 289

All I am saying is that the Northern Territory government has a responsibility, in view of the entrenched and increasing opposition to giving money to the Territory, money to which we are entitled, to make as tight a case as possible when it is asking for funds from the federal government and not to embark, as it has done in its submission to the Hill Inquiry, on absolutely fanciful claims which can be knocked apart in 10 seconds. I will just cover a few. Unfortunately, we have not been able yet to go right through all of this paperwork. There are 600 pages of it covering both submissions. We are still working through it. Our work has been complicated as a result of the Chief Minister sacking 2 senior members of my staff immediately after the election, one being my economist. It is a little difficult for us to proceed with the same speed that we used to in these matters.

However, let us have a look at some of the points that I am talking about. The purpose of my contribution to the debate is this: if the Territory government is going to resubmit all these things to the federal government, as it says it will, then it needs to clean up the submission and omit some of the nonsense contained in it for the sake of the Territory and for the sake of the railway being built. The Northern Territory government's own appraisal of the Hill Report says:

Forecasts of freight demand is a fundamental issue in assessing the transport requirements of the Northern Territory and must necessarily be made in order to make judgments about the future.

I have no argument with that. The assessments of the freight tonnages are crucial. They form the absolute underpinning of the case for the railway. I would not dispute that - no one would. But, in making projections of future freight demands, the Northern Territory government report isolates numerous industries, industry sectors and individual enterprises. I want to draw attention to a few areas.

Volume 1, page 59, talks about freight demands derived from broad acre cropping in the Northern Territory:

The Northern Territory does not have an established field crop industry. Development has been hindered by isolation and lack of technology infrastructure and farmers with appropriate managerial skills.

Mr Speaker, this is an area of the Northern Territory's development and economy that I know a little bit about. So far as freight is concerned, it is absolutely clear that dry land, broad acre cropping is the area which involves the maximum amount of potential freight. The Northern Territory government's submission agrees with that. It is interesting that, when it talks about the problems of dry land broad acre cropping in the Northern Territory, it talks about lack of technology, infrastructure and farmers with appropriate managerial skills. No mention has been made of the major problem that has always been there - and this is referred to in the book I have just mentioned - that of the climate in the Territory. In fact, the problem was mentioned in an answer to a question this morning by the Minister for Primary Production in respect of the ADMA farmers.

Page 290

The Northern Territory submission goes on:
ADMA’s role is, firstly, to facilitate the establishment of agriculturally-based farming systems in the Douglas-Daly areas and, secondly, to provide a range of marketing services including grain receival depots and the operation of grain marketing schemes. Stage 1 of the scheme is due for completion by 1985 with 6 project farms already operational.

The submission goes on to state that 80 000t of freight will be generated by this industry in 1992. It says that 73 000 t of freight will be generated by the horticultural industry by 1992.

I have no hesitation in saying this on the public record: as far as I am concerned, any estimate of 80 000 t of freight generated by broad acre cropping, that is dry land farming, in the Northern Territory - particularly when it is based, as it is, on the 6 ADMA farmers who are down there - is frankly laughable. It simply cannot be sustained; it is fanciful and it is quite extraordinary that this comes from a government that is quick to condemn the Hill Report for lack of methodology. Nowhere in the government submission is there any indication of how it reached this extraordinary figure. It is interesting that the government prepared its submission just after it had all the trouble with 4 of the farmers not wanting to sign new contracts. The minister himself referred to the wet weather this morning. They have already had one bad season. Weather is an important consideration in the problems of Northern Territory agriculture and that is not mentioned at all in the report.

The submission also talks about 'the effect on freight of a fully-integrated cement works on Quarantine Island'. Page 63 of the submission contains a photograph of a fully-integrated cement plant under construction and the report talks about that. The fact is that it is not a fully-integrated cement works. It is a clinker crushing plant and that is very significant in terms of the freight potential that is generated. A fully-integrated cement plant produces its own cement; it produces its own clinker in other words. The cement works does not do that. Not only is the statement in the Northern Territory government's submission patently false, inquiries that I have made in the industry indicate that the best estimate that can be placed on when it is likely to be a fully- integrated cement plant producing its own cement is the year 2010. It is described in the Northern Territory submission as being a fully-integrated cement plant; it is nothing of the sort. The government's own inquiry will demonstrate that the difference between a clinker crushing plant and a fully-integrated cement works in terms of freight potential is quite considerable. That needs to be fixed up.

It goes on to say that the likely market in respect of this plant is the Argyle diamond mine. A decision was taken in June last year, which received national publicity - and this was before the submission was written - that a township at Argyle would not be built. In fact the operators, and experience in the Northern Territory has demonstrated how useful it is when you can do it, will operate on a fly-in fly-out basis. Workers will be accommodated at the nearest major town and flown in to the mine. That decision was taken in June last year. On top of that, Ready Mix has installed a plant at Argyle to take care of the cement demands the actual mine itself will make. Thus, the prospect for the Northern Territory to be manufacturing enormous amounts of cement for Argyle is a phantom hope that is proposed as a solid fact, supposedly, in this submission. That needs to be fixed up.

Page 291

Page 90 of the Northern Territory government's submission deals with 168 000 t of freight to be generated by the Frances Creek iron ore deposit. The government neglects the fact that iron ore prices are at an all-time low and, according to all of the industry reports, are likely to remain so for some considerable period of time. That is why Frances Creek is a non-operational mine. There is a world oversupply of iron ore, much to the comfort of the Japanese, I can assure you.

The submission argues strongly that the railway will provide competition for road-based transport services. This is interesting because the government's own freight inquiry shows that 17 independent
freight operators are currently using the central road corridor across to Queensland and down to South Australia. If that is not competition, I do not know what is. In fact, the freight inquiry also bore out the fact that those truck operators are not overcharging in their freight rates.

On page 112 of the submission under 'remoteness from southern sources' it argues that the Northern Territory relies for virtually all its requirements on southern sources and this results in increased costs to consumers by way of additional freight, handling, forwarding and distribution charges. This is all information from the Northern Territory's own freight inquiry which indicated that in fact only 5% of the additional costs generated in the Territory are caused by that particular factor.

Volume 2 of the government's submission contains more information on specific projects. Again, Frances Creek iron ore deposits are mentioned in section 2.28. The iron ore mine operated at Frances Creek between 1967 and 1975. I hope that I get an extension of time. I am the lead speaker from this side in this debate.

Mr SPEAKER: Order! The honourable member's time has expired.

Mr LEO (Nhulunbuy): Mr Speaker, I seek an extension of time for the Leader of the Opposition.

Leave denied.

Mr MANZIE (Community Development): After reading the Hill Report, I felt extremely despondent. Obviously, an appropriate name was chosen for this report because it is 'independent' of the information that was made available by both the Northern Territory government and the South Australian government. Also, many assumptions were made independently of accepted methods of projection.

Mr Speaker, I wish to address my comments to 2 aspects only of the inquiry, the first being the population-dependent, non-bulk freight. The Northern Territory government submission projected that 307 000 t of population-dependent non-bulk freight would be travelling on the railway. This was based in part on survey data of the recent past which shows a clear trend towards the use of the central corridor and supports the assumption that 60% of the freight would travel on the central corridor by the 1990s. Actually, the recent freight inquiry report tabled in this Assembly shows that 68% of our total freight travels on the corridor and 90% of that 68% actually travels on the railway. About 50% of our total freight component actually travels on that central corridor.

The inquiry claimed that the current upgrading of the Barkly and Landsborough Highways in Queensland will reduce this proportion to 50% but in no way was this supported in the inquiry's report. The inquiry's illustrative projection reduced the Northern Territory estimates in this case to about 220 000 t and included in that figure a 15% loading on mining which was intended to cover the general cargo component of mining. The latter assumption was made after previously arguing that the general cargo requirements for mining - that is, explosives and reagents - are a part of the non-bulk, population-dependent requirements of the Territory which was clearly an incorrect assumption.

Tourist requirements were completely ignored in this respect. Projections for tourist numbers were supplied by the Northern Territory Tourist Commission. They were based on a 5% growth to 1986-87 and a 7.6% growth from 1986-87 through to 1992-93. They were based on a travel survey that was carried out last year which showed that there were 146 890 tourists travelling through the Territory. Their average stay was 14.8 nights. The projection showed that, by June 1993, there would be 12 066 tourist years or tourists staying for the whole year. I do not know how the inquiry ignored this aspect. I do not know whether Hill thinks that tourists still work out of a tucker box up here as they did many years ago. Obviously, they could not be expected to carry 14 days' supplies with them. However, the Hill Inquiry seems to think that insignificant.
The second aspect that I want to look at is the mining industry freight. This is an area where the inquiry's forecast was most grossly underestimated and unjustified. The project analysis of the technical and economic data provided by relevant mining companies provided the Northern Territory government with the information to conclude that the expected freight to be generated by the mining industry in this north-south corridor would be 733,000 t. Full details of the methodology and expected inputs and outputs is provided in the Northern Territory government's submission. The inquiry, however, selected 2 substantially lower tonnages: 478,000 t and 578,000 t. It did not provide details of the methodology used and it did not justify the estimates.

Some of the reasons for the misjudgments of the inquiry could possibly be that, firstly, the inquiry took the view that some 158,000 t of the mining inputs included by the Northern Territory government as general stores in 1992 were really population-dependent, non-bulk freight. This is incorrect, Mr Speaker. General stores referred only to the material inputs used directly in the mining operation; for example, the supplies of explosives, drill bits, reagents, lubricants etc. It did not include food and drink and consumables that would be used by populations of mining towns. The Territory's case was supported by the action of the inquiry actually raising the population-dependent, non-bulk freight component for projected mining operations by 15%.

The inquiry ignored the expected freight contribution by a number of projects which have proven viable. The Territory estimated that these projects would total 405,000 t in 1992. Obviously, the Jabiluka and Koongarza deposits were completely ignored and this drops the freight estimate down by 87,000 t in 1992. That is an area that cannot be ignored. The uranium mining will have to go ahead. At this stage, we do not know exactly when but I consider that it will be in the next 10 years. Other current and expected developments that were discredited by the inquiry were the reduction of 12,000 t from the Argyle diamond mine, the Woodcutters lead zinc mine - 30,000 t was missed out there - the Enterprise Gold Creek gold mine, the Peko Wallsend Tennant Creek operation, the Mataranka limestone venture and a number of others. Ignoring these cut down the tonnage to a significant extent. Yet the inquiry quite arbitrarily added another 150,000 t to cover bulk mine outputs, which it considered were from some of the above mines and some future mining. Even the Territory's most optimistic outlook could not see much extra in future mining but obviously Mr Hill decided that he knew better.

There was an inference that the existing and future projects that the Territory listed would soon exhaust their reserves. With the exception of the Koongarza and Warrego Gecko mines, all the other major mining concerns considered in the Territory government's submission have proven or inferred reserves adequate for operation beyond the year 2000 - that is at forecast production rates. The deposits could be much larger, but I do not think any mining company seeks to prove reserves if it has 20 years' reserves at present.

Another thing that I found very upsetting was the inquiry's rejection of the Frances Creek iron ore mine. One reason laid down by the inquiry was that it considered that iron ore was all of the one quality right throughout the country and that the ore being supplied from the Pilbara would do the job everywhere. I think that the ore available at Frances Creek is a specialist type of ore and examples of that were quite evident in the Territory government's submission. The other reason why the inquiry said that Frances Creek was not viable was that the bulk-loading facilities at the port were inoperable. It said that they were ruined by the cyclone. However, I think that that is indicative of Mr Hill's approach to this whole operation. He ignored anything that might support the concept of this railway. Actually, I think that is a good example of how poorly he has looked into facts in the Territory.
According to the Territory government submission, there is quite a steady demand from a number of small steelmakers for ore with the particular characteristics of the Frances Creek material. One of the problems has been economic transport from the mine to Darwin. On page 131, the Hill Report lays out the tonnages that were carried on the old narrow gauge railway. In 1973-74, it was 791 000 t. If you go back to 1970-71, there were over a million tonnes carried on the railway line. So the tonnages that are there are extremely significant. Possibly that was one of the reasons that Mr Hill did not wish to go into that particular area.

The inquiry also rejected road-rail transportation for Dorisvale Mine. It decided that Dorisvale Mine could be serviced by road. This was despite previous unsuccessful attempts to truck the ore to Darwin using single-axle trailer units. The alternative is not road transport directly from the mine to Darwin, as suggested by the inquiry, but rather rail-road transport. Obviously, a single trailer would be hauling the ore over 100 km to the highway, then linking up to road trains of probably 60 t or 70 t capacity which would freight to Darwin and then be brought into the wharf area 2 or 3 trailers at a time. That would involve considerable cost - 7 road trains travelling about 175 000 km a year each, plus truck interchanges and additional port unloading facilities. The road-rail system worked with the Mt Bundy mine. It worked quite successfully where the ore was transferred to a rail head and then it was taken directly to the port and the port stacker was used to bulk load ships.

Page 294

Mr Speaker, as I said, I was rather disappointed in the Hill Report. I think it is indicative of the fact that the people who carried out the inquiry were not interested in trying to promote a Northern Territory railway. It needs imagination and vision to see that it would be of great benefit to the Territory both socially and economically. I am sure the people who carried it out were not very far sighted. I think the Leader of the Opposition pointed out that there had been problems in New South Wales with uneconomic rail use. I think that Mr Hill may have had a phobia regarding past planning in New South Wales. This caused an over-reaction by him. The result is the report that is with us today. I would like to commend the Chief Minister's motion, Mr Speaker.

Mr BELL (MacDonnell): Mr Speaker, I rise in this afternoon's debate to support both the motion and the amendment. The Hill Report is one of many reports into the viability of the north-south rail link. The 1980 Northern Territory-Commonwealth submission is the most recent prior to the independent economic inquiry. The Chief Minister makes much of a commitment by the erstwhile Fraser government to build the Alice Springs to Darwin rail link by 1988. Malcolm Fraser was dragged kicking and screaming into that particular decision and it is worth noting that, as the Chief Minister enjoys saying so frequently, $10m was granted for survey work on the railway line by the erstwhile Prime Minister in 1980. However, by the time of the 1983 federal election, that amount was underspent by half. The incoming Hawke government, supported by the federal Minister for Transport, Mr Peter Morris, allocated $5m to be spent in the 1983-84 financial year to complete the preliminary design work. In one year Labor has allocated as much money as Mr Fraser spent in the previous 7 years. Mr Hawke made an unequivocal commitment to the railway and the expenditure of that $5m showed the federal Labor government's commitment. Mr Hawke was willing to maintain funding for the planning stage while Treasury fought to contain a $9600m deficit, the product of 7 years of irresponsible financial management by the Chief Minister's colleagues.

By the time the Labor Treasurer, Mr Keating, brought down his mini-budget in the middle of last year, it was clear to all that the mess Labor had inherited from the Fraser government would cause big problems for the implementation of Labor's election platform. Not only would the new government have to reconsider the north-south rail link but tax cuts could not be made and new revenue sources had to be found. However, Mr Speaker, rather than dismiss the Northern Territory rail link out of hand, the federal government proposed an independent inquiry into the Territory's transport needs to give Territorians, South Australians and anyone else who had an interest an opportunity to participate in the great railway debate.
Mr Speaker, 112 submissions were received. The Leader of the Opposition and the member for the Northern Territory in the House of Representatives, Mr John Reeves, argued for the rail link. The Labor member for Gray, which contains the city of Whyalla, argued for the rail link. The Labor government of South Australia argued for the rail link. Mr Chris Hurford, the federal Minister for Construction, argued for the railway. Mr Hurford, of course, is a Cabinet minister. Even with all of that, Mr Speaker - 5 Labor members of parliament, a Labor Premier and a Labor Cabinet minister arguing for the line's construction - the recommendation from Mr Hill was that the line should not proceed at this stage.

Page 295

Mr Speaker, there were only 3 submissions opposed to the railway line and one of those was a submission from the Queensland government. Another came from the Australian tourism industry. Members may recall the euphoria that was generated last July when the Queensland Premier, Mr Bjelke-Petersen, suggested that he would build a rail link from Mt Isa to Darwin, with spur lines to Borroloola and Alice Springs. Members may also remember the joint press conference between Mr Bjelke-Petersen, the Chief Minister and Mr Olsen, the South Australian Liberal leader, who all proudly announced the construction of the Mt Isa-Darwin standard gauge link.

Mr Speaker, at the time, the Territory Labor Party expressed its concern at the potential that this political grandstanding had to destroy the Alice to Darwin link. However, this did not deter the Chief Minister. He embraced the Bjelke-Petersen plan with both hands. Having thus worked his way into the great rail debate, the Queensland Premier proceeded to show his real colours. He was not proposing a railway line at all, as time has demonstrated. Mr Bjelke-Petersen's promises were election gimmicks.

Quoting from the Queensland submission to the Hill Inquiry, we find that not only did Mr Bjelke-Petersen oppose the Alice to Darwin link, he was willing to bash the Commonwealth with the constitution if it funded it. I quote from the Queensland submission to the Hill Inquiry, page 5, section 7.1:

If the development of a central corridor is to proceed, Queensland will be severely disadvantaged. Development of a central corridor should be concurrent with the eastern corridor. Queensland would argue for some form of compensation for the loss of trade through Queensland and the lack of social and economic equality for the people of north Queensland brought about by the Commonwealth assistance in the development of the Northern Territory.

We have more of it, Mr Speaker, in section 7.2: 'Section 99 of the constitution specifically states the Commonwealth shall not give preference to one state over another'.

Again, from section 7.3 of the Queensland submission:

Similarly, fiscal equalisation is another principle long-enshrined in Commonwealth-state relationships. The primary objective of this policy of fiscal equalisation has been to enable states to carry out their responsibilities and provide services at a standard equal to that prevailing in other states.

However, Mr Speaker, the real punch line comes in paragraph 8.3 which reads:

Development of a central corridor will severely disadvantage Queensland unless development of the eastern corridor is undertaken at the same time. Without the concurrent
development of the eastern corridor, Queensland would need
to seek compensation for the loss of trade and for the
social and economic inequality generated by the
preferential treatment given to the Northern Territory
government.

Page 296

One is tempted to say that, if one has friends like that in Queensland, one hardly needs enemies
in Canberra. If the Alice to Darwin rail link were completed, Queensland, in these terms, would hit the
Commonwealth for compensation. The Chief Minister should be spending more time looking at the
damage his friends and allies in Queensland are doing to the cause of the railway and the damage they
are both doing to that cause we hear so frequently trumpeted from the other side of the Assembly: the
great cause of northern development.

All Territorians are well aware of the problems of dealing with the federal Treasury. We have to
fight hard for every cent we get out of the Commonwealth. We need to counter a massive institutionalised
prejudice against northern development and against the Territory in particular. To Treasury, the Territory
is overfunded and largely unaccountable for its expenditures. The Financial Review, as the Leader of the
Opposition said, has been a constant critic of the Northern Territory government. I remind members of the
scathing editorials published during the Northern Territory election and earlier this year. Because of this
institutionalised prejudice, Territorians are being asked to argue their case for greater funding with greater
care and precision. That is the nub: Canberra knows how the Northern Territory government wastes
money on self-government celebrations, lobbyists in Canberra and unnecessarily enlarging the size of
this Assembly. It pays close attention to Territory government requests for more money, especially in view
of the budget deficit. That is why it was vital that the Northern Territory government submission argue our
case not only strongly, not only copiously but logically as well. Although 112 submissions were received
by the inquiry, the most important and the most weighty of those submissions was that of the Northern
Territory government.

Mr Speaker, in 1977, the Bureau of Transport Economics' study into the Northern Territory's
transport needs made the salient point that the viability of a north-south railway is heavily dependent on
freight volume. Freight volume or freight tonnage is the key to the economic argument for the railway. The
non-economic argument for the railway is often put by the Chief Minister himself: that the railway is a
national act of faith in the Northern Territory. Members should be aware by now that the Northern
Territory government submission ran to 3 volumes of about 300 pages. It was a lengthy document
containing photographs, graphs, tables and computer projections - a document that, above all other
submissions, carried the flag for the railway.

That submission came under close scrutiny and, in that light, the sheer size of the discrepancies
between the Northern Territory government's submission and the 1980 joint Northern Territory-
Commonwealth report are startling to say the least. The difference between the Northern Territory
government submission and the Hill Report is stunning. Reference has already been made to the
extraordinary exaggerations contained in the Northern Territory government submission: the iron ore,
broad acre cropping, cement factories, sustained growth rate of 5% per annum for 50 years etc. The
Northern Territory government estimated savings in road maintenance costs in 1983 to be $12.7m; the
independent inquiry calculates the figure to be $1.1m. The Northern Territory government estimated the
average freight haul distance at 1273 km; the inquiry suggested 972 km would be a more accurate
estimate. In view of the fact that nearly all of the major mining and agriculture projects are within 600 km
of Darwin, one is certainly left questioning the Northern Territory estimates. In 1993, the Northern
Territory submission suggests a freight tonnage of some 1 250 000 t, more than
double the figure produced in the 1980 joint Northern Territory-Commonwealth report which gave growth rates for the period 1993 to 2003. The 1980 joint Northern Territory-Commonwealth report projected a 1.1% growth rate. The government now suggests this figure should be 5%. Using its exaggerated freight tonnages, the Northern Territory government produced a projected national saving of $400m. It produced an internal rate of return in one case of 13.7% over 40 years.

Mr Speaker, if all of these factors were accurate, we would find it impossible to believe that the Northern Territory government would not undertake to build the line itself under the cost-sharing arrangement first proposed by the Commonwealth at a cost of $230m. The Northern Territory government suggests it can save $400m and yet does not go ahead and build the line because the government does not accept its own figures. The government suggests that the rail link will provide more competition along the central corridor. Mr Speaker, that competition already exists. Some 17 separate operators provide a highly-competitive freight service, as the Northern Territory Freight Inquiry Report shows. The government suggests large - up to 15% - savings in freight costs if the line is introduced. The Northern Territory Freight Inquiry puts the freight component of prices in Darwin at 5.8% of the cost difference between Adelaide and Darwin prices - not an excessive charge.

Mr Speaker, the Northern Territory's Freight Inquiry Report clearly does not argue for a railway. As I have said, the Territory is coming under closer scrutiny in Canberra, specifically the bureaucrats in Treasury and the financial press are joining forces against the Territory. Therefore, it is up to us to argue our case for our railway or university or, in time, our free port, with care and consideration. We all know that care and consideration has been sadly and consistently missing in the case of the university submission and certainly it is not to be seen in the Northern Territory government's submission on the railway.

If the Northern Territory government's submission is a correct assessment of the railway, if the government's technical assessment is correct, then it would seem to be irresponsible and negligent of the Northern Territory government not to go ahead with the railway under the 60:40 funding arrangement. After all, ANR will pick up the bill for the running costs. The government has focused its attack entirely upon the Hill Report, making that document the object of its anger. It should be looking at itself and its relationship with the Commonwealth and its way of operating to get round the institutionalised prejudices against the Territory.

Mr Speaker, as an example of the Northern Territory government's belligerent attitude, let us just consider its attitude to the August federal budget. We need go no further back than that. There was a 17% increase in funds to the Northern Territory government and the promise of a $96m airport, both amounting to massive investments in the Territory. On both points, the Territory government delights in claiming the Commonwealth is cheating the Territory. All the Northern Territory government ever wants out of the Commonwealth is money. It is not prepared to be responsible for its own financial affairs.

The lack of responsibility is shown in several ways. Wasteful expenditure and inadequate documentation of the government's affairs is one example. The present NTEC and TIO and past NTDC problems are all examples of inadequate information and bad administration. The Northern Territory budget papers do not compare well with the detailed documents that are presented in the federal government budget papers. In many cases, the lack of information and documentation accompanying important government papers and statements serves only to weaken the government argument and leads to misrepresentations by the government, all serving to damage the credibility of the Territory.

Mr Speaker, the Prime Minister promised the railway and the Labor Party in the Territory believes he should honour that promise. Where we differ from the government is that we accept that the line will run at a loss and there is no point in denying that. Bogus claims of future developments and ludicrous
exaggerations that are contained in the Northern Territory government's submission serve only to
damage the Territory further. The Hill Report does not condemn the railway forever. Its recommendation
is that the expenditure cannot be justified at present. Absence of the railway will not destroy the Territory's
growth potential. If the government wants to get the Territory moving now, it should be working in 3 areas.
Firstly, it should ensure that the free port submission is sound, presenting the submission first with a
discussion paper inviting wide public input and accepting critical comments. Secondly, it should develop a
Territory bank to help develop Territory resources. Thirdly, it should develop a better relationship with its
senior public servants to ensure the quality of government services is raised. Mr Speaker, knocking the
Commonwealth government will not get the Territory anywhere.

Mr HATTON (Nightcliff): Mr Speaker, before I start, I should respond to an incident that occurred
yesterday. The Leader of the Opposition alluded to it in his speech. In his speech yesterday, the Chief
Minister said: 'The Leader of the Opposition said that the findings of the Hill Report confirmed what most
realistic people knew about the project, namely, that the railway could not be justified'. He went on to say
that the report was the first exhaustive independent inquiry on the project.

I have a copy of the press release from the Leader of the Opposition dated 21 February 1984,
and, to clarify this matter, I should read it. It says: 'Labor leader, Bob Collins, says the findings of the Hill
Report into the economic viability of an Alice Springs-Darwin rail only confirmed what most realistic
people knew about the project. It is disappointing to the Territory but an economic reality that the
expenditure of an anticipated $1000m by the year 2000 on the railway could not be justified against the
economic advantages of developing the road infrastructure of the Territory'. It goes on to say: 'This report
must be taken seriously as it is the first exhaustive economic independent inquiry undertaken and was led
by Australia's foremost rail administrator, David Hill, who also is respected as an economist'. Mr Deputy
Speaker, if the Leader of the Opposition wants to deny subsequently what he has said in his press
releases, I would urge him to ensure they are not in writing. They are quite clearly in conformity with what
the Chief
Minister said yesterday afternoon.

Dealing briefly with a couple of the points that were made today, it was mentioned that Mr Fraser
was brought screaming to the altar of the railway. We agree with that statement and it is evidence of the
fact that this side of the Assembly is prepared to stand up to people on our side of politics when the
interests of the Territory are at stake. The question arises whether people on the other side of the
Assembly have the intestinal fortitude to do the same.

We heard again from the member for MacDonnell this afternoon the story about the budget
deficit. It is about time we laid to rest the fallacious argument perpetrated by the federal government and
its colleagues. It claims that it was left with a $9600m budget deficit last year. The fact is the budget deficit
last year was $5700m. Certainly, that is higher than the projection but nowhere near the propaganda
statements that have been made. Further, this government, which is so concerned about budget deficits,
by its own actions increased the budget deficit by a net $1600m according to economists. It is wrong of
the opposition and wrong of the federal government to keep perpetrating the view that they can get out of
everything simply on the basis of a fanciful $9600m deficit.

Mr Speaker, I propose to talk today on the technical evaluation of the Hill Report. In present value
terms and with a real rate of return of 7% per annum, the Territory government estimates the project to
have a positive net benefit of $340m in 1984 prices. This contrasts with the Hill Inquiry which estimated a
net loss of $370m. The difference of some $700m is chiefly attributable to 3 major deficiencies in the
inquiry's analysis: firstly, forecast of freight demand and assumptions relating to growth in demand;
secondly, an assessment of the project on a corridor basis alone rather than a national basis; and, thirdly,
an incorrect application of costs for the project and an inadequate documentation of the assumptions on
which the costs are based. The reduction in net benefits which results from these 3 deficiencies is
multiplicative and not additive so the overall reduction is much greater than would at first appear.

First, I will deal with the deficiencies in the forecast. The fact that the Hill Inquiry chooses to call
its forecast 'illustrative' is a clear indication of the approach of the inquiry to this key area. The forecast of
freight demand is a fundamental issue in assessing the transport requirements of the Northern Territory
and necessarily must be made in order to make judgments about an uncertain future. Equally, such
forecasts must be cautious in approach so that, where judgments are made, responsibility is exercised in
order to avoid excessive optimism or pessimism. The above approach was adopted by the Northern
Territory, with its forecasting methodology clearly and comprehensively documented in its submission.
With the resources available to the inquiry, it is surprising that the Hill Report does not document
adequately the methodology used in producing its forecasts but chooses to report tonnages only.
Furthermore, the inquiry places an apparent heavy emphasis on the Territory's own forecasts, something
that is flattering to the Territory and rather contradictory to what the 2 previous opposition spokesmen said
today. Indeed, it should be said that, in the absence of the inquiry's own work, the Territory's forecasts of
transport demand in northern Australia are the most current and thoroughly documented in Australia. In
short, they represent the best available knowledge on economic activity and consequent transport
demands onwards to the end of this century. Therefore, it is difficult to comprehend why the inquiry has
chosen to revise downwards the Territory forecast in an apparently arbitrary manner and to do so without
prior consultation with the Northern Territory government.

The Hill Report has based its case on a freight tonnage 32% lower, in its illustrative projection
one, than the Territory government's own estimate of rail freight generated by specific projects. We reject
the Hill Inquiry's illustrative projections as it has failed to use the quantifiable techniques necessary to
estimate with any degree of certainty the freight to be generated by Territory projects.

Mr Deputy Speaker, the Northern Territory government's projection of 307 000 t, of population-
dependent non-bulk freight is based in part on survey data of the recent past, which shows a clear trend
towards use of the central corridor and supports the assumption that 60% of freight will travel by the
central corridor by the 1990s. The inquiry's claim that the current upgrading of the Barkly and
Landsborough Highways in Queensland will reduce this proportion to 50% is unsupported in the report.

The Hill Inquiry's illustrated projection reduces the Territory's estimate, in this case 220 000 t, and
that includes a figure of 15% loading on the mining intended to cover the general cargo component of
mining operations. This latter assumption derives from the previous argument that the general cargo
required for mining, like explosives and reagents, is part of the non-bulk population-dependent
requirements of the Territory clearly a wrong assumption. It almost goes without saying that the tourist
requirements are also ignored.

Mr Deputy Speaker, the mining industry freight forecasting is the area where the inquiry's
forecasts are most seriously underestimated. Only after a rigorous, project-by-project analysis of technical
and economic data provided by the relevant mining companies did the Territory government conclude that
the freight expected to be generated by the mining industry on the northsouth corridor in 1992 would be
733 000 t. Full detail of the methodology, expected inputs and outputs is provided in the Territory
government's submission. The inquiry, however, selected 2 substantially lower tonnages for its analysis:
478 000 t and 578 000 t. The inquiry has not provided details of its methodology and has not justified its
estimates.

What are the reasons for the misjudgments of the Hill Inquiry? The inquiry took the view that
some 158 000 t of mining inputs included in the Northern Territory government's submission as general
stores in 1992 were really population-dependent non-bulk freight. Its claim was that this was double
counting. This is incorrect. As discussed earlier, general stores refers only to material input used directly
in the mining operations; for example, the supply of new equipment and commodities such as explosives, drill bits, reagents and lubricants. It does not include food, drink and consumables used by the population of mining towns.

The inquiry has ignored the expected freight contribution of a number of projects which have proven viability. The expected freight generated by these projects totals 405 000 t in 1992. For example, does the inquiry have any reason, other than federal Labor politics, to exclude developments of the Jabiluka and Koongarra deposits? That omission alone reduces the expected freight rate by 87 000 t in 1992. It would be interesting to the people at Woodcutters to hear that Mr Hill obviously knows more about their freight requirements than they themselves know. Yet the inquiry has arbitrarily added, without any justification, a tonnage of 150 000 t in 1992 to cover bulk mine outputs from some of the above mines, including future exploration for petroleum products, the proposed Alice Springs oil refinery and inputs to the future Darwin cement works. I will discuss that later.

Strangely, the inquiry made no comparable forecast for mine inputs even though such a system is relatively simple to persons having a reasonable understanding of the economic geology of the Territory and of mining markets. With the exception of the Koongarra and Warrego- Gecko mines, all other major mining concerns considered in the Territory government's submission have proved or inferred reserves adequate for operation beyond the year 2000 at forecast production rates. By normal mining standards they are exceptionally large reserves indicative of the quality of resources available for discovery in the Territory. Undoubtedly, the deposits are larger than their indicated reserves. The operators have no need to spend money today to prove resources which will not be mined for 20 years or more.

Typical of the subjective nature of the Hill Report is its rejection of the view that the Frances Creek iron ore mine can be reopened. The inquiry makes the mistake of believing that all iron ore is of one quality and hence should be supplied from the Pilbara. It also said that Darwin's bulk-material port loading facilities are inoperable. As we have already heard this afternoon, the port facility was damaged in Cyclone Tracy but repairs were effected several years ago. It is amazing that the Hill Inquiry did not know that.

Mr Smith: Perhaps the Northern Territory government's submission did not tell it that.

Mr HATTON: On the other issue, there is a steady demand from a number of small steel makers for ore with the particular characteristics of the Frances Creek material. However, even with the premium prices offered, the problem has been to arrange economic transport from the mine to Darwin.

To answer the member for Millner's interjection earlier, the mine closed when the Whitlam government dramatically increased the rail freight charges to the port of Darwin. That led to the closure of the mine.

The Hill Inquiry decided that the Dorisvale Mine should be serviced by road. This was despite previous unsuccessful attempts by the owners to truck the ore to Darwin using single-axle trailer units.

Mr Speaker, in the first instance, the Territory government's growth rates were derived from a rigorous assessment of planning projects. After 1992, the high growth rates will be less dependent on planned projects but will reflect the Territory's underdeveloped state and potential for a long period of rapid development. There is also a discontinuous jump in demand initially with the railway impacting on the regional economy, as recognised by the Territory government and the inquiry.
Mr Speaker, a second area of fundamental importance to the assessment of requirements and investments in Territory transport is whether to treat transport in the Territory as part of the national transport system or merely to assess its worth within the Territory alone. The terms of reference clearly state that the inquiry was required to examine the implications for Australia of major investment in the Territory's transport system. Not only does this include the impact on the national economy during construction and operation, quite obviously it includes the direct national transport implications. The Territory argues that costs and benefits attributable across the national transport system should be taken into account when assessing transport developments in a single corridor or component of that system. It is a fact accepted by both the inquiry and the Territory that there are substantial savings to be achieved from long-haul freight where long-haul freight is carried by rail rather than road. An example from the Hill Inquiry is line haul costs for bulk freight. Here the inquiry states that rail involves less than 60% of road costs.

Another example is the carriage of refrigerated containers where the inquiry estimates rail would be just over half the road costs. It is equally accepted by both parties that there is a substantial shift in load from road to rail or from road-rail to rail. Once the Alice Springs to Darwin railway is in place, Mr Hill's report states that rail will capture 76% of total freight demand compared to the Northern Territory's estimate of 80%. This shift occurs well before the freight arrives in or leaves the Territory since it is unlikely that a shipper will change his mode of transport once the freight is committed to a mode. Therefore, in ignoring this substantial shift in mode to rail across the national transport system, the inquiry has deliberately underestimated the substantial and direct benefits available to Australia with the rail in place.

Mr Speaker, I now turn to the question of the application of costs to the project. It is difficult to comment in detail since the inquiry, unlike the Northern Territory, does not provide any documentation of the derivation and application of its cost assumptions. Nevertheless, the following criticisms may be inferred from the report.

The Hill Inquiry made no attempt to convert ANR's financial costs to resource costs except in the case of fuel where a direct conversion appears to have been made. Failure to apply the technique consistently to all elements of railway operating costs disfavoured the rail link by more than $40m in its estimate of construction costs alone. Hill has not explicitly addressed the question of conversion to resource costs anywhere in his report nor has he attempted to report the Northern Territory's assumptions which are stated in appendices C, D and E of the Northern Territory submission.

Further, Mr Speaker, whereas the Northern Territory incorporates the cost of advertising, rolling stock, paint and equipment into our operating costs, Mr Hill has kept them separate. Either method is acceptable and there appear to be no grounds to object to Mr Hill's results except that, again, he has failed to recognise the difference between financial costs and resource costs. Applying a resource cost conversion factor of 0.95 would reduce the net project value of rolling stock and other capital costs by $1.5m and that was for freight operations only. The Hill Inquiry has generously disregarded the operating loss of passenger services on the grounds that the fares plus the subsidy which would be necessary might together equate with the cost of an equivalent service. However, the cost of passenger rolling stock remains at a net cost to the project and, at $41m, represents a significant proportion of the total claim negative net project value of $373.7m.

The economic analysis should not include rail passenger operations. The method in the analysis is to select commodities and goods which can be attracted to rail due to lower costs. Since the justification of the passenger service is not economic in nature, it does not seem logical to include its costs among those of economically viable freight services.
Mr Speaker, by confining its analysis to the Alice Springs-Darwin corridor and heavily discounting the NT estimates of future demand, the inquiry has reduced the freight line haul savings alone by $347m to $124m in present value terms. Failure to apply resource costs to construction costs and the inclusion of passenger rolling stock costs reduces the benefits of a railway by just under $100m. Other assumptions related to the cost of transport operations that are biased against rail operations complete the erosion of the benefits provided by the railway as identified in the NT submission.

The Northern Territory reiterates its argument that, in economic terms alone, the railway is justified and must be strongly supported on national, social and environmental grounds. Using economic resource costs and generally conservative assumptions, investment in the rail link would yield a real rate of return of at least 7% with the high likelihood that it would be even greater.

Mr Speaker, there was a brief mention of the 1977 Bureau of Transport Economics study. That study specifically said the rail would not be economic before 600 000 t.

Mr Speaker, this report is best described as a malicious joke, a travesty of research methodology and a tragedy for the Territory. However, the report does have a value; as compulsory reading for economic students on how not to carry out an economic analysis and as background reading for political science students on how to manipulate the system to evade election promises.

Mr SMITH (Millner): Mr Speaker, the member for Nightcliff has a cute way with figures. I refer to his remarks about the so-called deficit of $9600m which he attempted to discredit. He knows as well as I know that that $9600m deficit was a deficit that would have occurred if the spending patterns that the Fraser government had incurred had continued. It is to the credit - not the discredit - of the Hawke government that it was able to reduce the budget deficit to $5700m and it is a credit to the Hawke Labor government that it was able to reduce the overall deficit for this financial year to $8000m, which is quite a considerable saving of $1600m over the $9600m.

Of course, as a result of its successful attempts at reducing the budget deficit, the Labor government has been able to tackle effectively inflation, unemployment and interest rates. Mr Speaker, we very well know that that has gained the appreciation of business organisations like the one by which the member for Nightcliff was previously employed.

Mr Speaker, I was interested in the member for Nightcliff's comments about shifting transport modes and I have some basic agreement with him. I accept that it is realistic that, if goods start on a train in Melbourne, they will go all the way through to a terminal in Alice Springs and, when we get the railway, right through to Darwin by that transport mode. That is a good argument and one that we support. But, it is not the argument that this government used in that important part of its submission that dealt with the land bridge - the land bridge meaning that the port of Darwin would act as a conduit for goods to come by ship to Darwin and be transported by rail to other parts of Australia. That argument, of course, is contrary to the argument that was presented by the honourable member for Nightcliff and I hope that that will be recognised.

Mr Speaker, already some mention has been made of the shoddy presentation of parts of the Northern Territory government's report. I will come to that in a little more detail in a moment. I want to provide illustration via one photo at this stage. This photo is located on page 111 and depicts the Yuendumu store. Underneath is written: ‘Yuendumu store. Typical of large, modern community stores which can expect to benefit through more efficient transport services’. Mr Speaker, we all know that the turn-off to Yuendumu is about 25 km north of Alice Springs. Yuendumu itself
200 km off the highway. How the community of Yuendumu, featured so prominently in this publication, is going to benefit from an extension of the railway line to Darwin, I do not know. That is a typical example of the shoddy approach that this government has adopted to the Hill Inquiry and it is one of the reasons why this government has not done very well in front of the Hill Inquiry.

Mr Hatton: It is a spin-off.

Mr SMITH: It is a pretty big spin-off.

Mr Hatton: Why don't you talk about the report?

Mr SMITH: If you did not sidetrack me with irrelevant comments of your own, I would.

Mr Speaker, there is no doubt that the Hill Report and the other reports on the railway line only serve to increase the institutional prejudice against the Territory in the south. My colleague, the member for MacDonnell, has already mentioned the institutional prejudice that we face from Treasury in Canberra. We have all seen great evidence of that under both the Fraser and the Hawke governments. It is also evident in newspaper editorials, particularly those of the Financial Review.

It is clear that the Territory has to learn to counter this destructive institutionalised Territory bashing. One way we can counter this is to become more responsible in our own affairs by providing better information and more accurate reporting on the Territory's fiscal management and by producing a more accurate flow of information on the social structure of the Territory and on the ways we can begin to educate people in Canberra, Sydney and Melbourne.

We have already heard mention of the Northern Territory government's submission to Canberra for an instant university. It was laughed at, Mr Speaker. The numbers used in it were exaggerated and the principles of analysis were shoddy. The Northern Territory government's submission to the Hill Inquiry shares some of the same faults. As other speakers have mentioned, the Northern Territory government's submission clearly overstates the freight loads to be carried by the rail link. The report speaks of hundreds of tonnes of freight to be generated through the Douglas-Daly scheme and horticultural projects, and hundreds and thousands of tonnes of freight that would be generated by a cement works. The report predicts growth rates of 5% for the next 50 years. It is interesting to compare the freight tonnages projected in the 1980 joint report - that is 600 000 t. The best case considered by the Hill Report produces an annual freight task of 949 000 t which is in itself 50% higher than the 1980 projection. But, the Northern Territory government's submission argues for a freight task of some 1 250 000 t per annum.

Mr Speaker, wild assertions and obvious inaccuracies are only one aspect of the Northern Territory government's submission. There are more. Page 124 of volume 1 of the submission carries a model split; that is, whether the railway or road will be the preferred way of travelling for tourists. It contains an interesting footnote which refers to tabulated information. The footnote says: 'These estimates were prepared before relevant Australian National Rail data was received'. Without the relevant data from Australian National Rail, the Northern Territory government included bogus numbers instead of accurate numbers from the experts.

The so-called technical evaluation of the Hill Inquiry, which we heard 3 times this afternoon from 3 different speakers, is merely a defence of the Northern Territory government's exaggerated submission. Because it seeks to defend the Territory submission, it makes major errors. Firstly, it includes the Plenty
River project in its freight task assessments. It is already on public record that the Plenty River project is no longer in operation. It is now on a care-and-maintenance basis. This state of affairs results more from world prices for its concentrates than from transport problems.

Mr Speaker, the technical assessment focused upon Frances Creek and it stated: ‘Typical of the subjective nature of the Hill Report is its rejection of the view that the Frances Creek iron ore mine can be reopened’. Clearly, the author of this statement knows very little about the international market for iron ore. Nothing short of an absolute miracle will bring the Frances Creek iron ore mine back into production.

Here are some facts about the Frances Creek iron ore deposit. In the years 1967 to 1974, the mine produced approximately 6,000,000 t of high grade ore of 62% iron content. However, the mine closed due to a contracting world market and escalating energy prices. By mid-1974, the federal government had paid subsidies to the Frances Creek operators of over $2m and an additional $1.2m indirect subsidy due to rail losses on the rail link from Frances Creek to Darwin. A further $115,000 was paid on another indirect subsidy due to losses incurred by the Port Authority in the loading of the ore. Mr Speaker, there is a large stockpile of ore at the moment, some 500,000 t according to the Northern Territory government. Australia currently has in excess of 5 million tonnes of iron ore stockpiled at Mount Newman and at Yampi. This stockpile is of 64% iron content. The iron content at Frances Creek is around 62% to 63%. If it is such a good submission from the Northern Territory government, it certainly has not spelt out the special qualities of this iron ore at Frances Creek and who exactly will use this iron ore. That is not clear in the report at all. The current world price for such ore, from information supplied by BHP, is US$22.27 per tonne and BHP cannot sell its product at that price. In 1975, the price faced by Frances Creek was less than $14 per tonne and this price was too low to encourage continued mining. That was only 10 years ago.

To further underscore the argument against the technical assessment in the area of iron ore, in early 1983, as a result of one of the Chief Minister's off-the-cuff comments on the prospects for establishing a steel foundry in Darwin, a study was commissioned by the development corporation. It was entitled 'A Study Into the Feasibility of Establishing a Foundry in Darwin'. The document argued the case for the establishment of a steel foundry in Darwin but it is interesting to note that nowhere in that report is there any mention whatsoever of the iron ore deposit at Frances Creek. Instead, the development corporation proposed a feedstock of scrap iron.

Mr Speaker, as we have said constantly, the case for the railway is clear. The Territory Labor Party supports the construction of the railway but we do not argue, as the government argues, that the line will be an instant success; that it will instantly move hundreds of thousands of tonnes of produce from the Douglas-Daly or haul hundreds of thousands of tonnes of iron ore from Frances Creek. The case for a railway is to be found in its employment-generating potential and in its social benefits. To present a report such as that produced by the Northern Territory government is to debase the case for the railway because it destroys the credibility of the Territory government.

The Chief Minister asserted yesterday that the Northern Territory government's submission was, and I quote, 'a comprehensive and professional assessment of the economic resultants and social effects of the construction of the railway in which all assumptions of future effects were clearly spelt out'. If that is the case, how does he account for the major discrepancies between his government's submission and the joint 1980 NT-Commonwealth submission? In the document headed 'An Evaluation of the Report of the Independent Economic Inquiry into Transport Services to the Northern Territory', the Chief Minister points to later documentation in the Hill Report. The Chief Minister said: 'With the resources available to the inquiry, it is surprising that its report does not document adequately the methodology used in producing its forecast, choosing rather to report only'. Nowhere in the Territory's submission is there any justification for the probabilities that are ascribed to individual projects, like the 80% probability ascribed to
the likelihood of the Frances Creek ore deposit, and the 40% probability that the mine itself will be reworked.

The Chief Minister further accuses the inquiry of failing to use the rigorous techniques of the NT inquiry. The report by the Northern Territory government was an unnecessary exercise in trying to mislead not only Territorians but Australians, those people who would be footing the bill for this railway. It is now 5 years since self-government and the government still has not learnt how to conduct itself in Canberra. If the government cannot become more responsible, the Territory will lose out.

The government has referred on numerous occasions to a report that it is producing for a free port. I would join the honourable member for MacDonnell and ask the government to be very careful in the preparation of that report and to make it available as a public document in a draft form so that the bugs that will inevitably be in it can be ironed out before it gets to Canberra and so that everybody can be guaranteed that the best possible case is being put forward. That way everybody in the Northern Territory, of whatever political persuasion, can get behind it and support it as far as possible. By now the government should be aware of the institutional problems faced by the Territory. Only by cool, honest and open debate can the Territory case be advanced.

Other speakers have referred to the Queensland government's submission to the inquiry and all members present will remember the simultaneous press conferences called by the honourable Chief Minister and the Queensland Premier. Territorians are entitled to ask what has happened to that promise to conduct a feasibility study into a railway line from Mt Isa. More than this, the Chief Minister should seek a meeting with Mr Bjelke-Petersen to clear up the matter of the Queensland government's threat to use section 99 of the constitution to oppose the rail link. He should clear up the matter of the Queensland government's threat to seek financial compensation from the Commonwealth in this matter.

Mr Speaker, the independent economic inquiry received 112 submissions and only 3 opposed the rail link. Obviously, the great majority supported it. The Labor Party supported the railway and the Northern Territory government supported the railway. The difference between our position and that of the government is that we do not consider that the policy of wild exaggerations and bogus claims, as exemplified by the Territory government's submission, enhances the case of the Territory. Mr Speaker, it serves only to compound the difficulties we have already.

Mr VALE (Braitling): Mr Speaker, I rise to support the motion of the Chief Minister. It is somewhat ironical that the man chosen to do the bidding of the Prime Minister and prepare a report on the proposed Alice Springs to Darwin rail link comes from a Labor state and presides over a rail authority with Australia's worst record of financial mismanagement. It is hardly any wonder that, with few exceptions, Territorians view cynically the findings of the Hill Report. Mr Speaker, if the inquiry's views had prevailed in years past, the Tarcoola to Alice rail line, the Indian-Pacific rail link, the Stuart Highway between Darwin and Alice Springs and many other national projects in Northern Australia would never have been commenced.

The Hill Report is purely and simply an exercise to bury an embarrassing election promise broken by the Hawke government. An opinion seems to be held in some quarters that the Hill Report sounds the death knell of the Alice to Darwin railway. But I and many thousands of Territorians would hope that this is not the case. I would like to point out that inquiries in the past have been held and brought down findings which have been in error. Indeed, a royal commission in the 1960s inquiring into the collision at sea between 2 Royal Australian Navy ships, the Voyager and the Melbourne, found that Captain Robertson of the Melbourne was at fault. However, after much public and parliamentary debate, a second royal commission found that the fault was not Captain Robertson's on the Melbourne, but lay in a navigational error on the bridge of the Voyager. Mr Speaker, if royal commissions can and do make mistakes, then logic suggests that a one-man inquiry can also make mistakes.
A former Premier of South Australia, the late Sir Thomas Playford, said several years ago that South Australia would receive tremendous economic benefits as a supplier state if mineral and tourist projects were to proceed in Western Australia and the Northern Territory. The boost to supplying industries in South Australia during the construction stage of this rail line would be of tremendous benefit, over an extended period of time, to industry generally but, in particular, to cement companies constructing rail sleepers and the steel town of Whyalla in providing the thousands of tonnes of steel for the rail line.

Mr Speaker, the Tarcoola to Alice line, which is much shorter than the Alice to Darwin line, used a massive 75,000 t of steel in its construction. I bet that Whyalla would like to obtain another order for that quantity of steel, let alone an order to supply the Darwin line which is almost twice the length.

The highly-trained men who worked on the Tarcoola line and the sophisticated machinery used for its construction are now being used temporarily in Western Australia. This equipment is the most expensive and sophisticated ever used in rail construction in the world. However, Australian National Rail cannot be expected to keep it sitting idle in rail yards for ever and a day. If it is not put to work in Australia, it will have to be sold overseas. This equipment and the men who operate it must be returned, and returned at an early date, to the Northern Territory to start work on the 'national act of faith': the Adelaide to Darwin rail line. Mr Speaker, we are a patient people in the Territory, we of the 'never ever', and whilst we all had high hopes of a rail completion date of 1988, to celebrate the bicentennial with the rest of Australia, that hope is fast fading. However, I am certain that all Territorians would now accept a slower or more protracted construction period to provide the federal government with an extended payment period. This factor must also be considered when taking into account the vast amounts of money already spent on route survey work and the evaluation of water and gravel proposed for use in construction. That money will have been wasted if the line is not to proceed.

Mr Speaker, all members will remember the so-called energy crisis in the 1970s and, whilst Australia escaped that shortage with minor bruising, in terms of the energy supply, the cost penalties associated with the energy crisis when crude oil soared from $2.08 a barrel to $34 a barrel was a major factor in the economic recession that occurred in Australia and the rest of the western world. If we believe that we have come through the energy crisis then we delude ourselves. I firmly believe that, given the fact that the world economy is now starting to come out of the recession, the world price of crude oil is again set to start climbing and it will rise dramatically. Some experts predict that the world price could double within a few months and Hill has completely ignored this major factor in his findings. Given that rail freight is not necessarily efficient in terms of speed, in terms of the cost of fuel consumption, it is by far and away the most efficient and effective method of moving vast tonnages of freight overland on long hauls. For many years, the Central Australian Line, as it was known, from Oodnadatta to Alice Springs, was the only line in Australia which operated at a profit. But the heavy rains from 1966 on put paid to that line.

However, the new Tarcoola to Alice line has experienced an incredible increase in freight and passengers carried. It shows clearly that predictions about rail performances can be overly pessimistic, as with Hill. On the Tarcoola line in the first 6 months, passenger figures increased by an impressive 269%, requiring a second Ghan service. Freight figures are equally impressive and goods trains to Alice carried 329,500 t, an increase in 1980-81 of 93% on the previous year. Piggyback traffic of trucks and trailers carrying freight increased by a staggering 469%. These figures alone clearly show that Mr Hill has not done his homework, and it must also be noted that the unknown factor or factors can play a major role in determining or assisting economic development. Who knows what future mineral discoveries are yet to be made elsewhere in the Territory?
The Alice Springs oil refinery, whilst proposing to market in the Alice Springs to Tennant Creek area, could quite easily extend its markets further north and south, given a reliable rail link and a less expensive method of transporting large quantities of fuel across the Territory.

The federal government has made much play about a road or rail but not both. Someone should remind the Hawke government that the south road construction, the Stuart Highway in South Australia and the Northern Territory, is being funded by the Australian motorist under the bicentennial road fuel levy. Hawke and his cohorts must keep their grubby little hands off this vital road construction project.

Mr Speaker, Territorians have waited - and waited patiently - for over 70 years for the Adelaide to Darwin line to be built, and it will be built with or without the help of a Labor Party in the Territory or Canberra. The question now is: when will construction commence and when will it be completed?

Mr DALE (Wanguri): Mr Speaker, major discrepancies in the Hill Report already covered have been in the areas of estimates of freight, the attribution of costs, the errors in methodology and the like. The blatant subjectivity of these does not need to be reiterated. I would like to home
in on the social benefits angle discussed by the report. In endeavouring to identify a concept of social audit to be applied to this study and required within its terms of reference, the inquiry chose to use as a reference the Australian Labor Party platform and statements made by the Commonwealth Minister for Transport. If the inquiry had followed those guidelines with an objective approach, we would have had a quite different report. However, on page 186, the report states: 'The social audit cannot determine the truth about judgments made by others because all of these arguments are partly subjective'. As I said earlier, this inquiry's attitudes to arguments are all subjective and hence the result handed down.

The 1980 joint report concluded that social benefits added substantially to the case for the railway. The Hill Report states, in an attempt to knock that on the head: 'To what extent the social benefits are already measured by the direct benefits of the project: as shown in chapter 11 of this report, many of the so-called social benefits are already partly or fully accounted for in the measurements of direct benefits'. But, by turning to chapter 11, it is quite easy to see that this is not the case. Of the 19 isolated benefits cited, only 5 are already included in direct costs. Several are partly covered, one is largely covered and another can best be described as a possible.

Another spurious statement is on page 81: 'It is readily apparent that the overwhelming majority of submissions explicitly addressing the subject were in favour of the accelerated upgrading of the Stuart Highway'. However, only 18 out of the 112 submissions addressed the question. The other 94 submissions did not address themselves to the question at all. Compare that with the fact that 102 of the 112 supported the construction, only 3 were against it and 7 offered no opinion.

It is simple to go through the report in this way and discredit it further. The discrepancies are glaring. Let us look at some of the benefits not included in direct costs. One of the benefits is national pride and confidence. This is seen as being of benefit to the nation. The report itself states: 'It is possible that other projects could create a degree of national pride and confidence. However, the transcontinental railway from Adelaide to Darwin has a specific significance for the people of the Northern Territory and for many if not all Australians'. Is it not tragic that this positive statement is watered down in the final evaluation of the report to: 'Considerable weight could be placed on this factor'. So subjective was the attitude of the inquiry that, in the final result, it would appear that no weight at all was placed on it. Why not? Mr Speaker, for things like the Advance Australia Campaign, big dollars are being spent to build up confidence in ourselves as a nation and particularly through our involvement in national sporting activities and our Australian-made products. I do not know if the America's Cup was an economic success for Bond, but I do know that it was a social benefit goldmine for Australia.
We see in some of the TV ads promoting national pride that near enough is not good enough. A picket fence would never have been good enough for the Great Wall of China and an upgraded highway will never be good enough to take the place of a railway that genuine Australians with a vision for the future and for the nation have seen as a vital aspect for most of the past century. By the way, the report does not state that social costs are small. The underlying theme of this report is that the road will do the same job as the railway for less money. I do not accept that. But, my understanding is that we would have been given the road anyway. This business of its being an and-or situation is a result of the Hawke government's soft-shoe shuffle of broken promises. The deal he wants is for us to sell out the Territory so far as the railway is concerned and our jelly bean for being good boys is a road a few years early.

The social audit was conducted by the inquiry; it was a cost-benefit analysis. The Hill Report eventually decided: 'Taking together the results of the investment analysis and the social audit, the railway represents a poor investment choice'. The missing disclaimer in that statement is: 'a poor investment choice based on the figures and logic of the Hill Report'. By using the Hill Report figures, the railway will not make a profit. But even if that is correct - and this government just simply will not wear that - we must remember that the current Commonwealth Minister for Transport is quoted at page 183 of the report as saying: A social audit 'improves the functioning of the market, costing all elements in the provision of a service. It does more than this, for it takes into account all economic, environmental and social benefits associated with a service, hence widens the calculation of benefits beyond the narrow concept of profit alone. Thus services to country people, other disadvantaged regions and many passenger services, which are not profitable in a narrow commercial sense, will be valued according to their wider social benefits'.

The Hill Report simply has not done this. In an earlier speech, the honourable minister said:

Social audit would determine the most socially optimal system to fulfil each task. It is regrettable that, at present, the transport system chosen tends to be selected on the criteria of what yields the highest short-term return.

How two-faced can you be? If every major project in Australia was based on the criteria which yield the highest short-term returns, we would have none. Why does the minister oppose this railway? Let me quote another prominent federal ALP member, the Hon C.J. Hurford. This is also in the report:

One of the lessons of history is that it is easy to underestimate the potential volume of traffic on a new transport link. For example, consider the trans-Australia railway between Port Augusta and Kalgoorlie, born of government agreements at federation, built in the early part of the century and funded by a fiduciary issue when the population of Western Australia was less than 300 000. That undertaking must have seemed to many to have been the height of folly. A year after completion, the total annual tonnage conveyed on that railway was 120 000 t. Now, 65 years later, the railway link serves a total population of 1.3 million and carries 1.25 million tonnes a year, over 70% of the land transport task on the Port Augusta-Kalgoorlie corridor. It has become a most important element in the Australian National Rail network, and operates profitably in competition with road transport operations on modern
sealed highways.

My point, of course, is that none but the most visionary could have seen this development prior to the railway's construction. This proves little but that cost-benefit analysis is easier in retrospect, but it does indicate the care that is needed to ensure that analysis leads to the right conclusion.

What a crying shame for the Territory and Australia that, in this case, the required conclusion led to the analysis which makes up this report. All Territorians must reject it totally as a sham. It is simply another talon of the Hawke - the Hawke hell-bent on bringing this Territory to heel.

I have never in my public life quoted from the Bible but I do so now because the impact of this report on the people of the Northern Territory is best summed up in the Book of St John, chapter 11, verse 35. I quote it in its entirety: 'Jesus wept'.

Mr FINCH (Wagaman): Mr Speaker, after a short but very pleasant trip down the road, I would like also to take the opportunity to put in my tuppence worth on the so-called independent economic inquiry into rail transport. Like many others, I have not had time to study and fully comprehend the report from cover to cover. My conservative engineering background would lead me normally to make a detailed, digested analysis before providing critical comment. However, I would not like to miss out on this final opportunity to put forward at least my personal overview.

Much has already been said about the details of the report in relation to its contents and also to the methodology used and many other aspects. It is not my intention to elaborate on those details although I will take the opportunity later in the discussion to take up a few points put forward by other honourable members. Whilst the details of the report have been justifiably criticised, my main concern is that the report misses out on some fairly basic and fundamental points. It is acknowledged in major engineering projects of this kind that we need to undertake careful and comprehensive detailed planning prior to making decisions. This report, however, is both short and narrow-sighted and falls well below my expectations. Some criticism has been levelled at the Northern Territory government as to the extent of details submitted but, if you put it into perspective, in 4 months, we were expected to comment on a project which would have had ramifications well past the turn of the century. It would be rather optimistic to expect the submission to be totally comprehensive. Despite these shortfalls, I believe that there was sufficient evidence to justify the project on its own short-term viability. By 'short-term', we mean about 10 or 20 years and whether we talk about plus and minus 10% on population growth, on mining development potential and all sorts of other factors that have been considered really is insignificant. What we need to do is to stand back and look at the whole potential of the railway in full perspective.

My concern is that we should evaluate the railway project in toto. The railway is of national and long-term significance. It is not only a rail corridor that we should consider nor is it only the Northern Territory that we should consider, but the nation-wide economic effects, both outwards and inwards. It is not just the assessment through to 1987 or 2002 or any other year in what I would call the short term to which we should be addressing ourselves but the implications far into the future. We need to look at the cost, not only what the total cost would be to Australia, but the short-term cost in perspective and compare it to such projects as the Sydney Opera House, the Snowy Mountains Scheme or even the national deficit. We can see that $300m-$400m is a relatively insignificant figure.
I would also like to point out that there is probably no better time to proceed with a major civil construction project. Construction costs, through tender systems in recent times, have been as low as they are ever likely to be relative to the state of the economy. We have roadworks tenders coming in at 40% and 50% below reasonable current estimates. In a recent contract let at the new power station for steel fabrication, the figures were some 40% below what the tender estimate might have been. That is a reflection of the current state of the construction marketplace. To take advantage of the depressed market would be of benefit to Australia as a whole.

Further, I guess there is great merit, in these times of financial constraint and unemployment, in spending funds on what I see as a project that will have direct, immediate and long-term benefits to the Northern Territory and to Australia as opposed to spending money on those weedpulling-type projects we referred to the other day. Almost every dollar spent on the railway project itself would go directly or indirectly back to the Australian public and alleviate some of the hardship caused by the present unemployment. That money would also provide a catalyst for and help to promote further development, particularly within the steel industry.

Aside from the total cost of the project, we need to ask ourselves: what is the total long-term benefit to the nation? It is not just the identifiable cheaper freight and it is not just those social benefits that we heard of earlier. More importantly, the railway will act as a catalyst for the recovery and future development of the nation's economy. The total future development which might result from this catalytic action should be credited on the plus side of the equation for the viability of the project as a whole. We should not be looking just at those immediate short-term and predictable assessments. Although we cannot see in our magic crystal ball what the long-term developments might be, we can all rest assured that they are there. Whilst we are not able to add those quantifiably to the equation at the moment, at least they should be accepted on the plus side.

Whilst, in the immediate term, the Australian National Railway will have some difficulty in showing a profit, particularly if full or substantial capital costs are taken into account in its expected balance sheet, there is no doubt, however, that Australia as a whole will benefit financially. It is total-in versus total-out. Every project that is developed directly or indirectly as a result of construction of the railway will be of 100% benefit to the nation's economy. We all acknowledge that north Australia and central Australia have tremendous untapped resources. I am quite sure there are many as yet unidentified resources as well. The Leader of the Opposition commented on the limitations of dry land farming. I am sure we can all recognise that there will be many other potentially viable crops that will be identified and developed as time goes by. In the mining area, people certainly will not be tempted to prospect or dig into their investment pockets until the basic infrastructure for realising a profit on their investments is there. Once again, that basic infrastructure, in this case, is the railway. Tourism and the development of technology-based industries will also play an important part in our future and the development of the Northern Territory.

In relation to agriculture, we have been told that much of the water capacity throughout southern and eastern Australia is already utilised fully. In some cases, the current water resources are over-utilised to the extent where soils are deteriorating. In fact, techniques are currently being developed for the re-use of water. As mentioned the other day, the northern half of Australia has approximately 50% of Australia's surface run-off of water and we are utilising probably only 1% of that identifiable yield. Therefore, it is obvious where one of our future potentials for agricultural development in Australia will lie.

I ask honourable members if they can imagine trying to develop the major sugar cane industry in north Queensland at the turn of the century without some basic rail transport system. As for mining and industry, we are likely never to find out what ultimate potential exists unless we first have a rail system which will provide that necessary infrastructure to encourage those prospectors and investors to get out.
into the field. It is not just a matter of projecting, as the report does, the production of the known and established mines. There is a great unknown out there which will remain a great unknown until there is some realistic incentive to find out.

The honourable member for Millner mentioned limitations on the Plenty River and Frances Creek mines. They are simply temporarily suspended due primarily to current marketability. I'll bet that, before my toes turn up, mines will be rejuvenated. One has only to look at what is happening at Pine Creek where developments in mining technology and marketability have rejuvenated mining. I am sure there will be many other examples of this. The completion of the rail transport link will be vital to the long-term development of the resources of this rich country.

The Leader of the Opposition mentioned the potential contribution of the cement industry. In regard to the Argyle Mine, for example, the provision of accommodation and infrastructure would make no difference. In fact, accommodation provided in a neighbouring town would be of a higher standard than in any temporary mining village that might be provided on site.

Further, he referred to the establishment of a ready-mix concrete company. Just for the record, I would like to enlighten the honourable Leader of the Opposition on the difference between cement and concrete. There is no way that a ready-mix concrete company can do other than use approximately 20% of raw cement in its product. Raw cement, as a matter of interest, is manufactured by a 2-stage process. Only the last of those 2 stages has been mentioned and that was the mixing of clinker and gypsum to produce the final product. Clinker itself is manufactured primarily from limestone. One of the reasons that Northern Cement Pty Ltd is not fully manufacturing cement, aside from the size of the market, is the non-availability of suitable limestone. I understand from information from the company that it is well down the line towards finding suitable deposits of limestone.

Not only would a railway increase its markets, it would provide also a suitable transport system to deliver limestone to Darwin for the manufacture of full cement products. The plant has been designed, I understand, to take into account full kiln production. The layout can be extended should suitable products and suitable markets become available. It is of interest to know that already Northern Cement has exported to Queensland and Western Australia. In fact, it had trouble maintaining the supply requirement to Mt Isa during the recent Queensland floods.

Three honourable members mentioned that only 3 submissions were opposed to the rail project. Two of those had parochial and vested interests. The main opponent may very well be off the rails with his heavy-handed approach. Just the same, there is no doubt that, in the long term, a link also to his state and to the west would be desirable Australia-wide.

Australia will not advance until it develops greater entrepreneurial skills. As any successful business entrepreneur will tell you, first you do your homework on the identifiable markets to see if you are in the right ball park. But, you do not expect to see any long-term potential until you have provided the basic facilities. It is a matter of putting the horse before the cart. As a transport operator, the honourable member for Nhulunbuy would appreciate that there is no point sizing up how much freight to put in the cart until you have bought the horse. In our case, the railway is the horse.

In conclusion, federal governments, and particularly the current federal government, have been big on reports such as the independent economic inquiry. But this government is not so big when it comes to action. It is very easy for governments to divert from their true and proper direction by calling for more reports. We need men of vision to lead the way. We do not need them with tunnel vision and closed minds.
Mr EVERINGHAM (Chief Minister): Mr Speaker, it is a shame that the Opposition's contribution to the debate today has centred not so much on the Hill Report but on the Northern Territory government's submission. Of course, the opposition discredits itself by seeking to discredit the Northern Territory government submission because the opposition spokesman on transport, the honourable member for Millner, who is now so critical of the Northern Territory government...

Mr Smith: You can't even keep up with what responsibilities we have.

Mr EVERINGHAM: I am terribly sorry but is it even worthwhile keeping up to date with what responsibilities they have? In any event, Mr Speaker, if the honourable member for MacDonnell is now the opposition spokesman on transport matters, the opposition spokesman on transport at the time of the Hill Inquiry was the honourable member for Millner who, in fact, endorsed the Northern Territory government's submission to the inquiry. Now he seeks to discredit it and, in so doing, discredits only himself.

This afternoon, the Leader of the Opposition sought an extension of time and said that there had been an arrangement between the government and the opposition that lead speakers may have an extension of time. Mr Speaker, as soon as the opposition gets all the arrangements back into full play that were in existence before the last election, then arrangements that suit the opposition will come back into operation as well. When the opposition whip starts to cooperate with the government whip in organising the order of debate and all the rest of it, then the government will commence to cooperate again with the opposition.

Mr Speaker, the various points raised by the Leader of the Opposition were only designed to discredit the Northern Territory government's submission to the Hill Inquiry. As far as I heard, the Leader of the Opposition did not comment on the Hill Report itself at all. Obviously, the Leader of the Opposition did not read even the Northern Territory's evaluation of the Hill Report which was attached to it when it was tabled yesterday and when he bucketed the proposal for the Frances Creek iron mine to reopen, the ADMA tonnages and the cement plant. Apparently, the Leader of the Opposition goes down the road with Mr Hill - the so-called 'independent' Mr Hill. We have heard the opposition repeating 'independent inquiry'. There was absolutely no vestige of independence about Mr Hill. Mr Hill has the biggest vested interest in Australia.

Mr B. Collins: Why did you agree to it?

Mr EVERINGHAM: We did not agree to Mr Hill. The Prime Minister forced Mr Hill on us without consultation. The very day Mr Hill was appointed, I said that Mr Hill would be seeking to cook the books, and Mr Hill has cooked the books. He has not even made a good job of cooking them. He has not used any published methodology. He has flown in the face of Bureau of Transport and Economics methodology and he has ignored the fact that there is a market for Frances Creek iron ore at premium prices, which of course the opposition refuses to recognise.

The Leader of the Opposition dismisses the ADMA scheme because it has had one bad season. The Leader of the Opposition says this tonnage will not eventuate from ADMA. Of course, it is not just a tonnage. All that the opposition has done this afternoon is seek to get its Canberra colleagues off the hook. This is the reason why the people of the Northern Territory cannot trust the opposition. It is not just small untruths, small fabrications, like the member for MacDonnell's statement that I held a joint press conference with Mr Olsen and Mr Bjelke-Petersen in respect of the railway from Mt Isa to Darwin. It is not just small fabrications like that the opposition reads into the record - things that never happened and it knows they never happened. The reason that the people of the Northern Territory will continue to withhold their confidence from the opposition is that it will not face the fact that it has to stand up and fight
for the Northern Territory and leave politics out of it. It has to push against its federal colleagues. The people on this side of the Assembly are prepared to fight against their federal colleagues at any time that it is needed where the interests of the Northern Territory are more important. Mr Speaker, this afternoon we have seen a pathetic display - nothing more than partisan politics under a veneer of attacking the Northern Territory government's submission. Those pathetic people over there will continue with attacks on the Northern Territory government saying that it wastes time and that it spends too much money on self-government celebrations.

Mr Speaker, I think the Northern Territory government's record of expenditure on self-government celebrations over about 5 years would add up possibly to about $300 000. It has been said that the Northern Territory government wastes money on brucellosis and tuberculosis eradication and the Northern Territory government's insurance office ran at a loss. We are dreadful people, Mr Speaker. The Territory Insurance Office ran at a loss in the same year that the South Australian government insurance office and the New South Wales government insurance offices ran at enormous losses. Mr Speaker, unfortunately, this has not been a debate on the Hill Report by members on the other side of the Assembly; it has been an attempt to justify the reneging by their federal colleagues on their solemn commitment and the people of the Northern Territory just will not stand for it.

Amendment agreed to.

Motion, as amended, agreed to.