MINISTERIAL STATEMENT
Update on Adelaide to Darwin Rail Link

Mr COULTER (Railway): Mr Deputy Speaker, this year of 1997 is the year which will determine the fate of the north Australian railway project - a year which will bear critically, one way or another, on the saga of what I heard described recently as the longest-running news story in the Northern Territory. Recent events have brought the crunch time forward, and the decisions which will press acutely on the immediate future of the project are close at hand. I seek, therefore, to update honourable members on these recent events and on progress towards the culmination of the project. I do so in the cooperative spirit which has existed for some time between honourable members on both sides, in the secure knowledge that all of us here want the project to happen and in the ultimate security that the overwhelming majority of Territorians want it to happen.

Strictures of the parliament do not allow me to conduct my customary multimedia presentation in association with this ministerial statement. However, I will table, for the benefit of honourable members, a very recent publication, *The AustralAsia Railway Project Summary*, which reports on the project in considerable detail. This document was distributed widely in Canberra and other places just last week. I will come to that story shortly.

We have become accustomed over the passage of time to describing this project as the Alice Springs to Darwin Railway. That title is no longer appropriate because it does not reflect the strength and the quality of the partnership between the people of the Northern Territory and South Australia in our joint efforts to bring this project to fruition. Rather, it deserves to be called the Adelaide to Darwin rail link because that properly describes its function and suitably demonstrates the equality of firm commitment to the project of both governments and the people they represent. Both governments have undertaken to commit capital grants of $100m to the project. Both governments have worked hand-in-hand to prove the project's economic viability. Both have produced legislation to provide for the AustralAsia Railway Corporation,
the management authority which will oversee the vital steps to come. The South Australian bill was debated in the House of Assembly on 13 February, just one week ago, and it was passed and forwarded for consideration by the Legislative Council. I understand the council sits next week. However, I am not sure of the program and when it will pass through both Houses of the South Australian legislature. As a result of the passage of the South Australian bill, a minor amendment to our own legislation will be necessary. The effect of this will be to responsibly limit the liability of the Northern Territory government and the AustralAsian Railway Corporation.

All this means the rail link terminology must and certainly should change. It is no longer valid, in February 1997, to talk about the railway project as a gleam in the eye or a visionary's dream. It is now a story about iron pegs and engineers, internal rates of return, freight capacities and cargo integration. I remind honourable members of these solid facts.

- Centre line pegging was finished in June last year, completing one of Australia's great survey jobs of modern times.
- An environmental impact statement will be completed within weeks, following final consideration by the Commonwealth which sought a 28-day public display process in the Northern Territory. This was accomplished.
- The route has received sacred sites clearance with a 15-year certificate issued by the Northern Land Council for all of the northern half of the Territory. The Central Land Council has similarly cleared 90% of the southern half. We started negotiations on all Aboriginal land aspects last November in good faith with the eventual aim of securing the terms and conditions for a lease arrangement, and letters have been exchanged to establish procedures. The land councils understand and acknowledge that we will not move to the next stage of discussions - those involving considerations of Aboriginal land and native title - until all sacred site matters have been finalised.

• An engineering study was completed by BHP Engineering in June last year.
• About 62% of the rail corridor has been acquired and a further 18% is planned to be acquired by the end of next month.
• Land-use objectives were declared in October in this parliament last year.
• The inter-governmental agreement between the Northern Territory and South Australia was signed in November 1996.
• Legislation to establish the AustralAsia Railway Corporation is all but finalised.
• A comprehensive project brief has been prepared with the assistance of Clayton Utz for distribution to prequalified tenderers and, significantly, for the enlightenment of the Prime Minister when it is presented to him soon by the Territory Chief Minister and the South Australian Premier.
• The latest freight study, taking into account recent major project developments, has been completed by Symonds Henderson.
• A comprehensive financial analysis was commissioned by the South Australian Development Council and the Northern Territory government and completed by Booz-Allen and Hamilton in December 1996. Most importantly- and I report this to the Assembly for the first time - this analysis shows a base-case internal rate of
return for the project of 20.6%, which puts to rest any lingering doubts about economic viability.

What we seek now from the Commonwealth is the transfer of the Tarcoola to Alice Springs section of the line, which was completed in 1980 at a cost of $414m and which has been promised faithfully to us. We want access to the national rail network, we want coordination of the project with other Commonwealth rail initiatives and we want some sort of incentive recognition of the value of private-sector investment in the project. After all, this was a Commonwealth government responsibility. It took back the Northern Territory of Southern Australia, as it was known at the turn of the century, on the basis that it would build 2 railways - one travelling east-west and the other transcontinental, travelling north-south. Some sort of incentive recognition of the value of private-sector investment in the project, which is a Commonwealth responsibility, is surely not too much to ask. We have in mind the application of infrastructure bonds or a genuine alternative arrangement such as capital grants.

We have almost completed all the possible efforts we can make to pave the way for the railway. No step has been left untaken that is within the capacity of the Northern Territory and South Australia. Further, I doubt whether we could possibly have been more diligent in our efforts to educate, inform and enlighten those persons in Australia who will be most influential in making the railway a reality. Last week, for example, I attended 25 meetings in Canberra, Sydney and Hobart with ministers, opposition spokespersons and leaders of industry, trade unions and interest groups. In other rooms in other places, officers of the Territory and South Australian governments had at least as many meetings with bureaucrats, departmental heads and industry. All those we met with have received copies of The AustralAsia Railway Project Summary which I have tabled here today.

It may be of benefit to honourable members for me to list those people I met specifically with on the railway. They were: the Deputy Prime Minister and leader of the National Party, Mr Tim Fischer; the Minister for Environment, Senator Robert Hill; the Minister for Employment, Education and Training, Senator Amanda Vanstone; the Minister for Defence, Ian McLachlan; the Minister for Foreign Affairs, Alexander Downer; the Minister for Resources and Energy, Mr Warwick Parer; the Minister for Aboriginal Affairs, Senator John Herron; the Minister for Transport, Mr John Sharp, and his parliamentary secretary, Mr Michael Ronaldson; the parliamentary secretary to the Prime Minister, Mr Nick Minchin; the Minister for Administrative Services, Mr David Jull; the federal member for the Northern Territory, Mr Nick Donadas; Senator for the Northern Territory, Senator Grant Tambling; the chairman of the Transport and Regional Development Committee, Mr John Tierney MP; advisers to the Prime Minister, Mr Grahame Morris and Mr Arthur Sinodinos; the Leader of the Opposition, Mr Kim Beazley; the shadow minister for transport, Mr Lindsay Tanner; the shadow minister for primary industries and opposition spokesperson in the Senate on transport matters, Senator Bob Collins; the leader of the Australian Democrats, Senator Cheryl Kernot; the deputy leader of the Australian Democrats, Senator Meg Lees; the chairman of the committee inquiring into National Rail, Democrat Senator John Woodley; Democrat Senator Andrew
Murray; the secretary of the Department of the Prime Minister and Cabinet, Mr Max Moore-Wilton; the Cabinet secretary, Mr Michael L'Estrange; and the chairman of ATSIC, Mr Gatjil Djerrkura.

I also met, briefly and fortuitously, with the president of the ACTU, Ms Jenny George. We agreed that I would see her again soon so that she could receive a complete briefing on the project. Relationships with the ACTU on the railway have always been good. In earlier days, Mr Martin Ferguson and Mr Bill Kelty were fully acquainted with the project and its requirements.

Without wishing to compromise the views and opinions of the important people I have listed, I feel comfortable in suggesting that the Adelaide to Darwin rail link enjoys a high level of strong support among a great many of them. It is worth mentioning that Mr Fischer has always been, and remains, a very strong supporter. It would be a photo-finish between his support and that of the Leader of the Opposition, Mr Beazley. I discovered too last week that Senator Kernot is a supporter of the project. It is also meaningful that 4 Cabinet ministers and a parliamentary secretary to the Prime Minister are from South Australia, which naturally means they have a keen understanding of the huge support the project receives from the people they represent.

At the officer level, discussions were held in Canberra with the Department of Prime Minister and Cabinet, Treasury, Finance, Transport and Regional Development, ATSIC, the Bureau of Transport and Communications Economics, the Office of Asset Sales, the Department of Industry, Science and Tourism and the Development Allowance Authority. Officials from the Territory and South Australia also held discussions in Melbourne with the Australian Competition and Consumer Commission and the National Competition Council.

The importance of the Darwin hub project was made clear in all our discussions. Honourable members will recall that we debated fully the Darwin hub report at the last sittings of the Assembly. The railway, together with the new port under development, is a key feature of the Darwin hub, with contributions from the project to a closer engagement in trade with Asia and much-needed competition at home. Fortunately, this dovetails neatly with Australia's plans to further its trade relations with the strong and emerging nations of Asia.

Six days ago, the federal Treasurer announced that no new applications could be lodged under infrastructure borrowing arrangements. At the same time, he said other arrangements would be considered to replace infrastructure borrowing arrangements for infrastructure investment. Specifically, Hon Peter Costello said: 'In the budget context, the government will consider a number of alternative arrangements for continuing our support for genuine infrastructure investment while eliminating abuse'. The Treasurer's announcement has obvious implications for the railway project, given that it was well known that we would be seeking this form of investment support as part of the project's viability package. Indeed, as late as 29 January, in the federal government's response to the Wran report, John Sharp mentioned infrastructure borrowing in his response on how the railway could be built. It would not be wise for me at this time, nor would it benefit the project, were I to conjecture what might result
from the Treasurer's considerations. Having been a treasurer myself, I know it is never good practice to attempt to forecast the decisions of treasurers. However, I have received certain assurances that the Adelaide to Darwin rail link is definitely viewed in most places in Canberra as a genuine infrastructure investment project, and that it will undoubtedly come under consideration when the federal budget is framed. Obviously, the federal budget is important to the project.

Another important milestone will be the meeting between the Chief Minister, the Premier of South Australia and the Prime Minister, specifically on the future of the Adelaide to Darwin rail link. The Chief Minister wrote to the Prime Minister just 3 days ago, stating his intention to seek the previously-agreed meeting next month.

When these most significant Commonwealth events have transpired, and if the resolutions are satisfactory, we could then move to the vital process stage of the project. This involves, firstly, inviting expressions of interest nationally and internationally from corporations or consortia in building, financing, owning and operating the railway. This is necessary to separate the wheat from the chaff - or the tyre-kickers, as I like to call them. Unfortunately, railways seem to attract well-meaning people and organisations who do not have remotely the capacity to undertake the task that we envisage. From those expressions of interest, the Northern Territory and South Australia will select prequalified tenderers to whom the project brief will be issued. The successful tenderer will then be chosen by the Northern Territory and South Australia through the project management vehicle, the AustralAsia Railway Corporation. This process has been streamlined for action. We estimate that, once given the green light, the whole process would take 10½ months from the calling of expressions of interest to conclusion of a project agreement with the successful tenderer.

Honourable members will recall past advice of the strong interest in the project shown by the Daewoo Corporation, which had an exclusivity arrangement with the Northern Territory government until July 1996. Daewoo did not submit a pre-emptive proposal and thus the exclusivity lapsed. However, the keen interest of this internationally-renowned corporation has not diminished. Daewoo has continued to work earnestly on its studies to determine the viability of the project. I expect Daewoo to meet easily the stringent preselection criteria which would see from it a detailed BOOT submission. Daewoo has devoted considerable resources to the project since April 1995 when it signed a memorandum of understanding with the government. It approaches the next vital stages with a deep and detailed knowledge of what is required to become a successful tenderer.

I restate my belief that there is no task that we have either not completed or not started to complete. We cannot be more ready than we are. The people of the Northern Territory and South Australia are also ready. Newspoll found, in December 1995, that over 80% of Territorians and South Australians supported the railway. Indeed, Newspoll reported that 70% of all Australians supported it. We have cleared all the economic hurdles placed in the path of the project. We have studies from independent analysts of the highest repute which show the project has a base-case benefit-cost ratio of 1.27. In fact, higher freight scenarios have put the BCR at 1.46. We now have
similar studies showing that the project is financially viable, with an internal rate of return after tax of 20.6%. This is a railway that can operate without public subsidy. Unlike other Australian railways, it can live without being a constant burden on the taxpayer. It can cut shipping times drastically between Asia and the southern and eastern seaboard. Together with our new port, it can give a huge impetus to Darwin's future as an important regional transport hub. It can provide lifeblood to the South Australia economy. It is a nationally important project, providing 2000 jobs in construction and 200 jobs in operation. Perhaps now its time has finally arrived.

Mr Deputy Speaker, I move that the Assembly take note of the statement.

Mrs HICKEY (Opposition Leader): Mr Deputy Speaker, what can I do but endorse absolutely and 100% what the honourable minister has said on this matter? As he well knows, the opposition also has a firm commitment to this project. I think the most telling facts were contained in his last remarks. It is that information with which he has so ably lobbied other parliamentarians in other places and business and industry over the last few years to bring them to realise that this is a project which will benefit, not only the Northern Territory, but also South Australia and the nation generally, and will bring Australia closer to South-East Asia. It will provide jobs, it will provide security and it will not be a burden on the public purse. It is viable and it is timely.

That, of course, is why there is concern over the infrastructure bonds. That cloud is hanging over our heads. The document that the minister has produced today was printed, obviously, on the premise that the federal government would abide by the late commitment that it made and has suddenly withdrawn. Under Commonwealth commitments, it lists 'taxation incentives for investments in rail facilities to private-sector investors in eligible projects through infrastructure borrowings'. We can only hope and pray that whatever the federal Treasurer, Peter Costello, comes up with is equally attractive if not better, because much of the work done has been predicated on the availability of infrastructure borrowings against infrastructure bonds. As I said yesterday, I shall be writing to the Prime Minister expressing my concern, giving the firm commitment of the opposition to this project, and urging him and his Treasurer to bear in mind that any backward step from the commitment is a backward step, not just for the Northern Territory and South Australia, but also for the nation. As the Minister for the Railway said, we have firm support from people across the political spectrum. The leader of

the federal opposition provided that support in terms of a monetary commitment. Of course, it is easy to do that in opposition. We can only hope that the federal government will come to the party also.

I guess this document, *The AustralAsia Railway Project Summary*, is for dissemination. It goes with the presentation the minister has made available to me and to many others. Obviously, the visual presentation cannot be done in the Chamber, but this document encompasses, in very clear terms, what this project is all about, who is involved, who is likely to be involved, the timing, the status of the project and the extension of it in terms of the Port of Darwin and our move into the South-East Asian
area in terms of regional trade. It is a document that I will be showing to those who are interested in the project. Unfortunately, I think that, while people agree that it is a great project, there is still a level where people say that it would be great for the Territory, we would like to have it and it will provide jobs - and certainly, in my home town of Tennant Creek, people are mighty interested in it because our area is poised to become a hub for that eastern freight link - but that, in terms of the project nationally, they still wonder whether it will be taken on board by the federal government because it is seen really as something that would affect only the north. I think that what the minister has said today and what is contained in this document gives the lie to that. It is very clear that what we are doing here will benefit the whole nation, that the project will have long-term as well as short-term benefits, and that it will provide a legacy for future generations in this area and in the nation generally.

It is not very often that we have the opportunity to participate in schemes of this kind. Projects, such as the Snowy Mountains scheme, are not embarked on very often any more. This is a visionary scheme - although 'visionary' is perhaps a dangerous word because people associate it with airy-fairy, nebulous schemes. This project is practical to its bootstraps. It is viable - that has been proven over and over now - and it becomes more so with every month and year that passes. The project is ready and it has to be up and running before long. If it is not, I believe that we will have done a disservice to the future of Australia. Clearly, this railway is needed.

I commend the minister for the work that he has undertaken on this project and for the lobbying he has done in Canberra. He must have been awash with coffee after seeing all the people he spoke with there. It behoves all of us in this House, at every opportunity that we have, to promote a project that I think all Territorians can be proud of, promote and look forward to seeing realised.

We will all look forward to the federal budget with great interest. Indeed, when he returns from his joint meetings with the South Australian Premier and the Prime Minister, if the Chief Minister is able to give at least some level of assurance to this parliament that the alternative arrangements will be advantageous to us, I think that news will be welcomed by this House. I hope that he will be able to make at least some announcement in that regard because people are anxiously awaiting further information.

I commend the minister's statement and again indicate the support of the opposition for this project.

Mr MANZIE (Mines and Energy): Mr Deputy Speaker, I congratulate the minister on the job that he has done to date in progressing this great construction feat. I believe the Leader of the Opposition hit the nail on the head when she likened it to projects of the magnitude of the Snowy Mountains scheme or the Ord River scheme. This is a project which will provide infrastructure for our nation's future development. She said also that Territorians and South Australians are convinced of the merit of the proposal, but that those in decision-making areas in the south-east do not always see the importance of the rail link. Referring to it as the Adelaide to Darwin rail link certainly puts it into perspective, but I often think and talk about it as the missing link
between Adelaide and Singapore.

The construction of the railway will provide the impetus to change the way that freight is distributed in this country. The information provided by the minister includes detail on the sorts of time savings that will be available, using Darwin as a hub and using the rail link as a means of moving freight from South-East Asia through to the south-east of Australia. For example, the trip from Tokyo to Adelaide will be shortened by 12 days. Moving freight from Melbourne through Darwin to Surabaya will take 12 days. From Adelaide to Singapore, there is a saving of 7 days. In this day and age, with improvements in technology and communications, transport also has to be able to provide rapid service. Time savings of that kind demonstrate why it is important that this link should proceed. Our nation cannot continue to ignore what is happening to its north. I believe this infrastructure is vital to the health of the economy of our entire nation.

The minister has produced a project summary, which encapsulates the size of the project in terms of the dollars involved. It is a project to build a rail link of 1410 km at a cost of $1000m. The fact that this project will take 4 years to complete and will employ up to 2000 people on its construction shows what a significant impact it will have simply in terms of employment and wealth generation during that process. What is more important is that, once such a rail link is created, psychologically it will give all Territorians and South Australians a great boost to their faith in and optimism about their future. As a result of this project getting the go-ahead, I can see so much being generated in the way of industries and spin-offs.

The experts and the economic rationalists have cast their eyes over the project. A variety of interpretations of its value have been made over time. I think the saddest came probably from the Wran committee on Darwin, which seemed to ignore some of the basic information available and was more than sceptical in its application of that information. Since that time, the Northern Territory government has been using Australian Bureau of Statistics figures and others from both government and non-government organisations. The economic viability of this project has been shown to be absolutely outstanding. Every time the experts look at it, the report that emerges is even more optimistic about the benefit-cost ratio and the internal rate of return, which has now been quoted at 20%. For attracting private investment, that certainly augurs well.

I took a deep breath when I saw the announcement in the media that infrastructure bonds as we know them would be discontinued. The minister has made it very clear that, for this project to be viable for private-sector development, there must be tax incentives. I was very pleased to learn next day that the announcement was made because there had been a cheapening of the use of infrastructure bonds. They were initiated to encourage infrastructure development of a major type, but presumably tax experts had been able to utilise them in relation to more and more projects and the original concept was being lost. The Treasurer gave an undertaking that there would be tax incentives for projects of major
strategic value to Australia. There can be no doubt in anyone's mind that the Adelaide to Darwin rail is one such project. It would be probably one of the most significant projects in the 100-year history of our nation.

I must make special mention of the hard work that has been put into this project by the Minister for the Railway. He took on the responsibility of getting this project going some years ago at a time when it was becoming, in some areas, something of a joke. Some people thought it was a pie-in-the-sky scheme that would never be realised. The minister has approached his task most diligently and on a number of fronts. He has worked overtime at showing the benefits of the project to politicians and industry leaders throughout our country, as well as providing information to all those people in the Territory who may have been sceptical or who were looking optimistically at the possibility of the project taking off. He has been diligent, he has travelled widely and he has talked to the best financial organisations and the best operators available. He has sought interest from major international construction groups. The Daewoo Corporation's involvement made a number of major players, not only in Australia but throughout the world, look again at what was going on here. At the same time, he has worked very hard to keep a lid on over-optimistic press comments and media hype that tend to devalue these sorts of projects. I think he has done that extremely well.

What we have before us shows there is still some way to go. However, all the building blocks have been put in place for the next and most important step, the visit by the South Australian Premier and the Chief Minister to Canberra to put to the Prime Minister the package that has been developed, and to learn what taxation incentives will be provided to those private sector groups that wish to proceed with this project. It certainly will provide a great impetus to our port, to our industry, to South Australian industry and also to Victorian and New South Wales industry because all those groups are linked via the national rail network to the line at Tarcoola. The obvious advantages, in terms of freight time, are laid out very clearly.

I remember when a railway operated from Larrimah to Darwin. I also remember that it was not the most efficient of railways. Trains came off the rails pretty regularly and the speed that could be maintained was very low indeed - about 20 km/h. Quite a large accident occurred at the railway yards in 1970 or 1971 when 2 fully-loaded freight trains pulled by 4 diesel locomotives had a head-on collision. One was stationary and the crew of the other bailed out near the McMinn Street bridge when they realised it was not possible to stop their train. The collision made a tremendous mess, but luckily no one was hurt. I think one fellow who was asleep in a guard's van got a bit of a surprise. I can remember too some fatal road accidents, caused because people ignored stop signs. I also remember the number of people who worked on the railway, from straight-out repair work on the line through to the engineers in the workshops. There was certainly a great deal of activity. Just the sight of a train, laden with iron ore or with dry goods, gives a sense of something happening. I believe that, when this project is finally under way, we will see growth in this part of the world unmatched at any previous time in its history.
I congratulate the minister on the time and effort he has put in, the perseverance he has shown and the really first-class job he has done. When this project is on the go, it will be a great monument to his attitude. I commend the statement.

Mr BELL (MacDonnell): Mr Deputy Speaker, the railway between Alice Springs and Darwin, or the continuation of the line from Adelaide, whatever we choose to call it, is an important symbol for the Northern Territory. There is no doubt in my mind about that. Only yesterday, I had the opportunity to discuss with Lady Kearney her comments in the Wran committee report on the importance of the railway as a symbol for the Northern Territory.

I feel constrained, however, to express my concern about the information placed before the Assembly as to the financial viability of the project. The minister talks about an internal rate of return of 20% and he says that that figure is based on the Booz-Allen and Hamilton 1996 report. I would like that report to be tabled in the Legislative Assembly. I want to see how those figures stack up and I want to look at them pretty carefully. I would not be doing my job as a member of this Assembly if I did not sound a note of caution about that. This government made a financial mess of the Yulara development. Over the last 10 years, this government has notched up $2200m-worth of public debt. With this project, it is talking about a further $100m, and presumably more in interest bills on top of that.

If, in the last days of the South Australian Labor government, Premier Lynn Arnold had come up with a big-spending promise, what would the reaction of the media have been? I suggest he would have been laughed out of parliament. It never ceases to amaze me how the Country Liberal Party administration is able completely to escape invigilation from an otherwise critical financial press over the build-up of public debt in this jurisdiction over the last 10 years. We do not have anything to show for that $2200m-worth of public debt.

Mr Adamson: $8000m-worth of infrastructure.

Mr BELL: I am glad you can add that up. They are exactly the figures that I want to see. You make that broad-brush statement. Let us hear you in this debate, since we are talking about a big commitment of dollars.

It is so easy with these mighty projects, great symbols that they are. They are steeped in the culture of the industrial revolution, the culture of the opening-up of the west in the United States and the spread of railways across Europe. I know the history of it. I am caught up with it. I love trains at least as much as the next person. I love train travel. I like talking to people who work on railways and feel strongly about them. However, I am a member of the Legislative Assembly of the Northern Territory and I have been for 15 years. I have seen many governments get themselves into hock over that time, and the Country Liberal Party administration is one of them. I am not prepared to see uncritically the public purse of the Northern Territory further encumbered without seeing the dollar figures and the long-term commitment. Let us remember that Yulara started off as a $120m commitment and ended up being about a $700m commitment, and every year the interest bills increase. Now the government pats itself on the back, saying that the rate of increase of the interest bills is slowing. As I said during the budget debate, that is about equivalent to the minister's son
congratulating himself for reducing his speed down the Stuart Highway from 220 km/h to 200 km/h - not a hell of a big improvement.

I am sceptical about the finances of this project. I would not be providing service to the Northern Territory if I were not to say that. I have seen it before. I am not prepared to sit here, pick up a glossy prospectus and take it at face value. I am a little too canny for that.

**Mr Coulter:** Do you think the Prime Minister will?

**Mr BELL:** I will be interested to see. Whether it is the Northern Territory government's decision or the South Australian government's decision or the Commonwealth government's decision, or the decision of all 3, I think it should be made with our eyes wide open about the projected costs. One of the problems with Yulara was that it was very difficult to know the financial projections in the early 1980s when the project started. That has been one of the huge difficulties in assessing the relationship between that project and our public debt.

I think I have said enough to indicate that I want more information on the table about the projections provided in this report. It has been regarded as a *fait accompli* but I remain to be convinced about the financial viability of the project. I note that, in his statement, the minister is talking of an amendment to the *AustralAsia Railway Corporation Act* to limit the liability of the Northern Territory. It will be interesting to see who does bear the risk with this project. Perhaps we could put a few bob out of the Legislative Assembly Members' Superannuation Trust Fund into it. Let us see who is doing that and who is bearing the risk. It may be a matter of putting our money where our mouths are.

I want to see tabled in this Assembly the Booz-Allen and Hamilton study. I think that is the absolute minimum.

**Mr Coulter:** We have better means than you do for scrutiny, I can assure you.

**Mr BELL:** I am sure that is the case. I make no bones about my lack of accounting expertise. I have none whatsoever. However, I do think that, when reports of that kind are produced for the government, they should be studied by members of this parliament as well as by Cabinet. I want to see it.

The second point I want to make relates to the excellent cooperation, evidenced in the minister's statement and the report he has tabled, between the Aboriginal land councils and the Country Liberal Party administration. I think the minister is to be congratulated on his positive approach in this regard. I am sure that the surveying exercise and the planning exercise do him credit in terms of his capacity to work closely with the otherwise demonised land councils. I point out to him and to other Country Liberal Party members of this Assembly that the minister's approach in that regard is in stark contrast to the ranting and raving and the divisive comments that we have heard time and time again, and so offensively in the last few weeks, from the
Chief Minister. I suppose the member for Palmerston is rather relieved that he did not get up as Chief Minister. The party would have been calling on him to make the same sort of offensive comments. I do him the credit of imagining that he might have found it too distasteful, too high a price to pay for being Chief Minister of the Country Liberal Party. He might have been prepared to conduct an election campaign on another basis. I shall stick this down the government’s throat every time it comes up. Every time that it suits it to have positive relationships with the land councils, it buries the fact at the end of a statement.

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However, in their high-profile comments when backbenchers are on the doorstep, they say: ‘The land councils are dreadful. We cannot work with them. They are threatening civilisation as we know it’. Members opposite cannot have it both ways.

The member for Sanderson was talking nostalgically about the old Darwin to Larrimah railway. I had no personal experience of it, although it was still running when I came to the Territory and visited Darwin for the first time in the mid-1970s. I commend to honourable members who may not have read it Xavier Herbert’s excellent book *Capricornia*, which uses the construction of much of the railway as part of the narrative background. That is, of course, a novel that speaks for itself. I raise the subject of the Larrimah line because its tragic closure occurred under the Fraser government in the era of the Fraser-Lynch expenditure review committee.

**Mrs Padgham-Purich:** He was really one of your mob.

**Mr BELL:** Who?

**Mrs Padgham-Purich:** Fraser.

**Mr BELL:** Oh, really? You are disowning him, then? I will remember that. What about the late Phil Lynch?

**Mrs Padgham-Purich:** He was not much better.

**Mr BELL:** He was no better, okay. But you all voted for him. You were all quite happy to have him stamping around and supporting you when you were standing as candidates in the 1970s. You were quite happy to have him there, turning the first sod for the Yulara tourist village and so on.

It was the Fraser-Lynch expenditure review committee that closed that railway. I suggest that a few serious steps backward were taken by a conservative government. Thus, I wonder really what the commitment of the current Commonwealth government would be to the project. The minister made reference to the cost of the Tarcoola to Alice Springs line. Who committed the federal government to the Tarcoola to Alice Springs all-weather railway? The evil Gough Whitlam. Some of the great infrastructure projects in this country have been federal Labor initiatives - the Snowy Mountains scheme in particular, and the Ord River scheme which appears to
be starting to come good after 30 years.

**Mr Coulter:** That was Sir Robert Menzies.

**Mr Bell:** Absolutely, Sir Robert Menzies. I am not seeking to be partisan about this. Indeed, Malcolm Fraser made his maiden speech about the Ord River scheme. Malcolm Fraser comes from that edge of the Liberal Party with which I would have expected the member for Nelson and the member for Palmerston to have more sympathy because, in fact, it comprised rural socialists.

I believe that these important, symbolic projects have to be taken on on a national basis. However, one must cut one's clothes according to one's cloth. I remain to be convinced that the Country Liberal Party administration can afford its contribution to this project.

**Mr Stone (Chief Minister):** Mr Deputy Speaker, I support the Minister for the Railway's statement on the Adelaide to Darwin rail link. There can be little doubt that this is one of the most important projects in the history of the Northern Territory. Shortly we will be commemorating - not celebrating but commemorating - 100 years since the initial promise was made to build this railway. That in itself is a tragedy because it represents opportunity lost.

The greatest argument that I have heard against building the railway has been reduced to raw political terms. I have heard federal politicians from both sides make statements to the effect that really they are talking only about one federal seat. I have heard others pose the question as to why they should do this for the Territory. The simple fact is that they should not do this merely for the Territory; they should do it for the nation. This is an important national infrastructure project. It requires the imagination, the spirit and the commitment that was most evident in Australia in its early years and which saw the development of great projects like the Snowy Mountains scheme. It requires leadership with vision for a federal government to make the commitment to put this important infrastructure in place and to do it for Australia.

Certainly, the Territory will benefit - and why not? We are, after all, part of Australia. Darwin is lauded as one of the gateways to Asia. Our prowess in engaging the Asia-Pacific region has been recognised by successive governments. We have had inquiries. We have been lauded. We have been feted. We are told that we are people with great vision and commitment to where this nation may be going in the time ahead. However, if we are to fulfil our potential, not just as the Northern Territory but as the seventh state of Australia, and if Australia is to fulfil its potential and destiny as a country, then it is essential to have this important type of infrastructure in place.

This is a definitive ministerial statement by my colleague. It comes together with a railway project summary. I compliment my colleague on the tremendous work that he has done to date. I think shortly he celebrates almost 10 years of responsibility, in one form or another, for this project. While there will always be sceptics and cynics who
heave anguished sighs of, 'Oh no, not the railway!'. I want Territorians to know that the CLP government will maintain faith and belief in this project, and we will go forward in a very single-minded and determined fashion.

Members have already made reference, as did the Leader of the Opposition last night, to the loss of the infrastructure bonds. I too share the disappointment over the new policy direction. However, I draw some hope from what was stated by the Treasurer and what was conveyed subsequently to me in conversation with the Minister for Finance, Hon John Fahey, that the federal government is prepared to look at other ways in which important infrastructure projects might be supported. For the record, I table a copy of a letter I wrote to the Prime Minister on 18 February following the announcement by the Treasurer in relation to infrastructure bonds. This does not detract from the agreement that I have already with the Prime Minister that he will meet with me, together with the Premier of South Australia, Hon John Olsen, to discuss a range of issues. Included on that agenda will be guaranteed access to some form of financial encouragement and support.

Let me make it very clear that we are not looking for handouts. We have worked assiduously to develop this project to stand on its own 4 wheels, 6 wheels or 8 wheels, as the case may be. We are looking to talk with the Prime Minister about the free transfer of the Tarcoola to Alice Springs line to the private-sector consortium that will undertake the project, and we are looking to determine access to the national rail network and the coordination of the project with other Commonwealth initiatives in rail. Those are just some of the matters that we will be looking to discuss with the Prime Minister when we meet in, I understand, approximately a month's time.

While I welcome the recent support of the federal Leader of the Opposition, Hon Kim Beazley, which was set out in a press release and referred to by the Leader of the Opposition last night in the adjournment debate, may I slip a little into the mode of the sceptic? It happens on both side of politics. When in opposition, great promises are always made. When it comes to government, it all becomes a bit more problematic. Not being one to bite the hand that might ultimately feed us, I am sure that the Minister for the Railway shares with me the view that we welcome all support, regardless of whether it is from government or from opposition. I hope that, on both sides of politics in this country, there will be a recognition that this is an important infrastructural project for the nation. I hope members of parliament put politics to one side and recognise that, in the context of the future development of not only the Territory but the whole nation, there should be a commitment to support of this project.

A significant development to date is the commitment of the South Australian government which remains undiminished under the new Premier, John Olsen. We signed that breakthrough intergovernmental agreement with South Australia on 13 November last year with the then Premier, Dean Brown. The other important factor is the continuing support of the Australian people. The desirability of this rail link is recognised by the Australian public. It is worth recalling that Newspoll reported in
November 1995 that over 80% of Territorians and South Australians, and over 70% of all Australians, supported the railway. The project offers some 2000 jobs in the construction phase and 200 in operation. It offers big steel orders for Whyalla and a reduction of freight shipping times between Asian ports and the southern and eastern seaboard of Australia, using the new integrated port, the rail link between Darwin and Adelaide and Adelaide's existing and planned hub developments. Those facts are recognised by ordinary Australians in the street who can see for themselves the obvious and clear economic benefits of this project. When one talks in terms of 2000 jobs in construction and 200 jobs once the railway is operating, very few projects can offer such employment opportunities. The only other one that I can think of that is being considered in the Territory is the LNG plant, which is similar in terms of expenditure - some $1500m - and which would involve 1500 to 2000 people in the construction phase. These are important considerations, not only for Territorians but also for Australians generally.

I congratulate the minister on his statement. I congratulate him on his untiring efforts to secure this project, at times in the face of disappointments that have occurred along the way. As I remarked before, it is now almost 10 years since he was first charged with responsibility for pursuing this dream.

Mrs Padgham-Purich: It goes back to Paul Everingham.

Mr STONE: Yes, but the current minister is almost ready to celebrate one decade of hard work, and he is to be congratulated on that. It has not been easy. It has been very hard to find the true believers on both side of federal politics. It is absolutely essential that we present a united front in our commitment to the railway, in the same way that we have been able to work collaboratively with our colleagues in South Australia. It is worth noting that, in South Australia, we have been able to forge that bipartisan approach between the current Premier, John Olsen, and the Leader of the Opposition, Mike Rann. I support the statement.

Mr ADAMSON (Casuarina): Mr Deputy Speaker, in light of the comments by the Chief Minister on unity, I will be very interested when we vote on this motion to see whether members of the opposition vote on party lines or are allowed a conscience vote. I say that because the Leader of the Opposition came out and wholeheartedly supported the concept, but then we heard the member for MacDonnell ...

Mr Toyne interjecting.

Mr ADAMSON: ... spend 10 minutes raising all sorts of concerns. If the member for Stuart wishes to interject, it would be nice to be able to hear him.

The fact is that the member for MacDonnell spent 10 minutes basically bagging, not only the concept and the government’s position, but also his own leader's position. With that in mind, it will be interesting to see the vote. I think it is important that we make a united stand, as I believe exists - almost. I say to people like the member for MacDonnell, it is okay to push a political line occasionally. There are legitimate
reasons for that. However, on something of this nature, I urge members opposite to back up their leader. The Leader of the Opposition supported the concept unreservedly. The member for MacDonnell then took an entirely different tack. I am calling on the member for MacDonnell to support his leader on this matter. If one of the members of the government had stood up and taken a tack like that, all hell would have broken loose. The opposition would have been justified in saying there was a split in the ranks. The fact was, the member for MacDonnell stood up ...

Ms Martin interjecting.

Mr DEPUTY SPEAKER: Order!

Mr ADAMSON: Here is a chance for members of the opposition to show unity in their support for this. Where do they stand? Are they supporting the Leader of the Opposition, or do they support the member for MacDonnell's position in relation to the railway?

Members interjecting.

Mr ADAMSON: I note that there are interjections supporting the Leader of the Opposition, but no support is voiced for the member for MacDonnell.

I think it is now agreed in most quarters - although probably not all at this stage - that the railway is economically viable. Support is growing on that basis, apart from the railway being regarded simply as a good thing. Historically, railways in Australia do not have a very good reputation. There have been stories over the years of trains and carriages being lost between cities. I noted a recent television report on the Indian Pacific railway and the cost of that service. Even though it now provides a far more efficient service, David Hill, a former head of railways in New South Wales, commented that, if every passenger who travelled on that railway were given a taxi fare to drive from Sydney to Perth, it would be cheaper. As the Minister for the Railway noted, the simple rule we should observe is to avoid carrying any livestock, or indeed anything that has legs. Certainly, a passenger service has extra problems.

I believe railways should be treated like roads. We talk all the time about the bottom line, about how much a service will cost and whether it will make a profit. When a kilometre of bitumen is laid, the returns are not direct returns, but they certainly are there. We should treat the railway as we treat other infrastructure, not only in the Northern Territory but in Australia generally. A railway should be regarded in the same way as a road, a series of power poles, a hospital or a school. I think that fact is lost sometimes on some people when they talk about whether or not a railway is a good thing in the 1990s.

Without wishing to sound terribly jingoistic, I believe Territorians are justified in saying we deserve to have a rail link built between the Alice and Darwin. I thinkTerritorians should feel equally entitled to say that there should be federal support for
this project, regardless of whether or not it has been acknowledged in the past that the federal government has a responsibility. Certainly, there is an extensive track record of federal assistance to state rail systems. I believe Territorians have an overwhelming case for saying there should be assistance. It is disappointing that all federal governments over the years, both of a Coalition flavour and of a Labor flavour, have not given stronger support to the concept of a railway.

This is not just talk. As the minister has pointed out, much work has been done already. There are obviously 1 or 2 significant hurdles still to be tackled and overcome, but the fact is that this is not simply speculation. The railway is a real possibility, and we are closer to it today than we were 3 or 4 years ago. In addition to the straight-out fact that we deserve a railway, the question of support should be put in the context of the centenary of federation and even the debate on whether or not Australia should be a republic. If we are talking about how we see ourselves as a nation, there are 1 or 2 projects in the Northern Territory that I believe are really significant and that are literally nation building projects. The 2 obvious ones that come to mind are in the area of statehood and the railway. In debating a republic, how can Australia consider itself fully a nation if one-sixth of its landmass is not seen in the same light as the rest of the country? I believe that the railway should be seen in similar terms. It is a grassroots, nation-building project that will provide economic benefits to Australians generally.

It has been pointed out to me by the member for Greatorex that the Minister for the Railway and the then Minister for Transport and Works performed a symbolic launching of the project with the laying of the first sleeper in the Top End. While that was a symbolic gesture, I think it went deeper. That launch took place some 8 to 12 months ago at the new port site. I know the member for Greatorex is keen for a similar ceremony to take place at the other end of the line, at Alice Springs. While it is symbolic, I think it is also an important way to focus ourselves on this important project. I am confident that the Minister for the Railway, who has had so much to do with this project, will not have a grey beard by the time it reaches fruition.

He was a young man when he started work on the project. When ultimately it is constructed, if he is not at the throttle of the engine, I trust that he will be aboard the train somewhere ...

Mr Coulter: Probably under the wheels!

Mr ADAMSON: ... or under the wheels as the case may be. At least there will be wheels and that is the important point. However, as I said, I hope he will not by then have a long, flowing, grey beard.

As for the comments of the member for MacDonnell, I urge him to support his leader. There is no doubt that he took an entirely different position from that espoused by the Leader of the Opposition. Certainly, he is entitled to his own view. However, if the aim is to be unity, not only in this parliament but also within one's party, by no stretch of the imagination can we believe that it exists among members opposite. I invite all
members to support the minister's statement. As I said, it will be interesting to see
whether the members of the opposition will vote on this motion along party lines or
whether each member will vote according to his ...

Mr Bell: Mr Deputy Speaker, I wish to make an explanation of my speech under
standing order ...

Mr DEPUTY SPEAKER: Order! The honourable member for Casuarina is still on
his feet.

Mr ADAMSON: Mr Deputy Speaker, that is typical of the behaviour we see from the
member for MacDonnell. He pretends to have a reasonable grasp of both standing
orders and the dictionary. It is unfortunate that he should attempt to interrupt the
debate unhelpfully simply by rising to his feet and pursuing his own agenda.

Ms Martin: He thought you had finished.

Mr ADAMSON: It would be hard to interpret my behaviour in that way. I was still
on my feet and had not even finished the sentence that he interrupted.

He may argue about the context and quality of what I was saying. That is fine and that
is the nature of political debate. The member for MacDonnell is forever reminding the
House of the length of time he has been a member of the Assembly. It might be
expected that he would be familiar with the difference between the words of a
member who is calling a point of order and that of a member who is speaking in
debate. If the member for MacDonnell wishes to make an explanation of his speech,
that is fine. I simply called on him to support the concept of the railway. He has some
reservations about it in economic terms. He outlined those, and at no stage did he
indicate any level of support for the railway or for his leader. It is completely
legitimate for him to question the economic viability of the project and to question
debt. All of that is fine and I have no problem with it. However, without pre-empting
what he may wish to say, I do not believe that I have misrepresented what he said.
Firstly, he did not at any stage support his leader. Secondly, at no stage did he express
support for the concept of the railway. Thirdly, he questioned the viability of the
project. It is his right to do those things but, when he goes on the record as saying that
and does not support his leader, I am led to question the unity of members of the
opposition.

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I wholeheartedly support this project. I believe Territorians are entitled to expect that
it will proceed. We need federal support, and we are entitled to expect that federal
support. I believe it is virtually our right. I look forward to the day when we receive
that cooperation from Canberra - cooperation that I believe is long overdue.

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Mr BELL (MacDonnell)(by leave): Mr Deputy Speaker, I wish to make an explanation of my speech in this debate because it has been both misquoted and misunderstood.

Mr Adamson: I did not quote you.

Mr DEPUTY SPEAKER: Order! I am advised ...

Mr Bell: It has been ...

Mr Adamson: I did not quote you.

Mr SPEAKER: Order! There is a question before the Chair at the moment. You can make your personal explanation once the question has been decided.

Mr BELL: Mr Deputy Speaker, if you have standing order 54 in front of you, you will see that it says: 'A member who has spoken to a question may again be heard to explain himself in regard to some ... but shall not introduce any new matter ...'

Mr DEPUTY SPEAKER: My apologies, you are correct. Please proceed.

Mr BELL: Mr Deputy Speaker, I will be very brief, to allay the concerns of the member for Casuarina. There are a number of things that I could say in addition, but I will restrain myself. I will merely adumbrate that his was a Gilbertian contribution. It must be very comfortable to follow the policy of the captain of *HMS Pinafore*, who always voted his party's call. It must be very comfortable, from the point of view of an electorate like Casuarina, to contemplate the prospect of laying another $100m-worth of debt on the public purse of the Northern Territory. From the point of view of somebody who represents an electorate with poor housing, poor roads, poor health status and a desperate lack of infrastructure, I am a little cautious about these things. I will say no more about that.

Mr Adamson: Do you support the railway?

Mr BELL: Oh, goodness me! I have said all ...

Mr DEPUTY SPEAKER: Order!

Mr BELL: Peter, I listened to you in silence.

Mr DEPUTY SPEAKER: Order!

Mr Adamson: You were not here.
Mr BELL: I remind the honourable member that there is an excellent electronic broadcast system in the Legislative Assembly building. I was, in fact, listening to the debate upstairs. I heard what he had to say.

Mr ADAMSON: A point of order, Mr Deputy Speaker! The honourable member knows perfectly well he may not refer to the absence or presence of a member ...

Mr Stirling: He is talking about himself. Come on!

Mr DEPUTY SPEAKER: There is no point of order.

Mr BELL: I will be brief, Mr Deputy Speaker ...

Members interjecting.

Mr DEPUTY SPEAKER: Order! I ask honourable members to allow the member for MacDonnell to complete his explanation without further interjection.

Mr BELL: Mr Deputy Speaker, I will say no more about that. I do not think that the Minister for the Railway, who was here throughout my comments, would be in any doubt about my support for the broad concept of the project. I spoke at length about the importance, as a symbol, of a railway in the Northern Territory. I did support the railway, if that is all the member is interested in. Apparently, in the mind of the member for Casuarina, it is quite acceptable to question the economic viability, and that is what I did. I did both those things. I support the concept of the railway, and I have questions about the economic viability of the project. I have serious questions about the figure in the report, quoted in the minister's speech, about the internal rate of return of 20%. I want to see that substantiated.

I support a railway. I think it was a dreadful shame that the Fraser government closed down the Larrimah railway and I would like to see another one. However, I do not want to see it done by lumbering the Northern Territory public purse with even greater debt and an ever-expanding interest bill ...

Mr ADAMSON: A point of order, Mr Deputy Speaker! The honourable member is claiming that he has been misrepresented. Certainly, I called on him initially to clarify his position, but it appears now that he is continuing with the debate. This has nothing to do with whether he has been misrepresented or in any way misquoted. He has simply resumed his contribution to the debate in the areas where his first attempt was lacking. This is not a personal explanation.

Mr DEPUTY SPEAKER: My understanding is that he is talking about issues that he raised and that others have raised during the debate, and he is explaining his speech. There is no point of order.

Mr BELL: Mr Deputy Speaker, I am not introducing new material. I want to say absolutely no more about it. However, I hope that I will not be confronted with a litany from
Country Liberal Party ministers and backbenchers suggesting that I do not support the general idea of the railway when I raise serious questions. I said that this morning.

Ms MARTIN (Fannie Bay): Mr Deputy Speaker, in case there is any uncertainty on the government benches about the opposition's stance on the railway, I will say very firmly that the member for Barkly, the member for Wanguri, the member for Nhulunbuy, the member for Arnhem, the member for Stuart, the member for Arafura, the member for Fannie Bay and the member for MacDonnell firmly support this railway.

Mr Adamson: So it is not a faded dream?

Ms MARTIN: The 'faded dream', which the member for Casuarina mentions, was spoken of in the context of what happened in 1983, when we had our very best chance for a railway. There was a show of petulance by the then Chief Minister, Paul Everingham ...

Mr Finch: Petulance!

Ms MARTIN: A show of petulance, absolute petulance.

Mr Finch: Get out of it!

Ms MARTIN: I was here and I watched a show of petulance that ...

Mr Finch interjecting.

Mr Bailey: The minister may not have been here at that time.

Ms MARTIN: No, but I certainly was. That offer was refused in a show of petulance, saying the Commonwealth should give all or nothing. It was a show of petulance, and it has been an uphill battle ever since.

I congratulate the member for Palmerston on the enormous effort he has put in. The member for Palmerston has shown that building an Adelaide to Darwin railway is not about making irresponsible comments to the public. It is not about building false hopes about what is an extraordinarily complex project. I think the member for Palmerston has demonstrated that. I do not want to sound too much like a member of his fan club, but he has done the work painstakingly. His electorate of Palmerston is to be changed as a result of the current redistribution. For his sake, I hope the railway will be constructed before there is a further redistribution that might see him become the member for a completely different seat.

I want to tackle the issue that the member for Casuarina raised. This Territory will not move ahead if, every time there is an issue to do with development, everybody must get down on bended knee and proclaim themselves as a believer without any kind of rational debate. The member for Casuarina will soon be a little clone of the member for Katherine, who holds up the development icon ahead of any rational debate and
who maintains that those who do not fully support development at any price are obviously unTerritorian. The member for Katherine has problems with any kind of questions about development, whether it be on what the community wishes or the level of environmental impact. That is the kind of attitude we see now from the member for Casuarina. He does not discuss the issue, does not question the figures given and does not say anything except to offer support for the railway. To say that supporting the railway and working towards the railway bars one from discussing the issues and looking at the positives and the negatives is mindless twaddle. I am embarrassed to hear it from the member for Casuarina.

I have stood firmly behind the railway because I have 2 children who will want jobs when they grow up. Labor fights for jobs, and it always will. Jobs and economic prosperity are the future of the Territory, and that is what I, and Labor, are all about. We certainly support the railway.

Mrs PADGHAM-PURICH (Nelson): Mr Deputy Speaker, I have lost count of the number of statements, brochures, briefings and papers that we have seen about the proposed railway, dating back to the time of Paul Everingham. It started out as a dream then but, somewhere along the line - well, we know why it foundered. As the member for Fannie Bay said, the then Chief Minister, Paul Everingham, and the Cabinet refused to accept the terms offered to them by the federal Labor government. In hindsight, of course, we all know that was a very unwise decision. That is the kindest thing to say about it.

If I may repeat an old cliché, everything comes to him who waits. I only hope, with a little cynicism, that I am still alive when the railway reaches Darwin. Looking at it less cynically and a little more optimistically, that time does appear to be getting somewhat closer. The train is coming across the flat now and at any minute it will come properly into view. We are all waiting for the whistle to blow and the train to pull into the station.

When I put up a notice in my office that copies of the papers showing the railway route through the rural area were available to anybody who wanted them, I was quite surprised by the numbers of people who showed a genuine interest. Many whom I would not have expected to be interested - the route does not go near their property - were genuinely keen to know about it. Many more people than we believe, ordinary people, are really interested to see the finalisation of the project. I believe it has general public acceptance because of this enthusiasm, in my area anyway.

I have not read the railway project booklet, but I think it will bear closer examination. I will certainly make it available in my office for constituents who would like to learn more about the progress to date.

Mr Hatton interjecting.

Mrs PADGHAM-PURICH: I know what my constituents want. They want to know what is happening. If I can help them to know what is happening, I will.
Mr Coulter: I went there on Sunday and explained to half your constituents what is happening. You were not doing too good a job.

Mrs PADGHAM-PURICH: You went out and explained what was happening about the school buses. I must say I was disappointed on that occasion because I thought I would be referee for a pretty good fight.

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Mr Coulter: You stirred it up. You were the one encouraging it. Your chairmanship skills have deteriorated.

Mr DEPUTY SPEAKER: Order! I am about to warn the Leader of Government Business. First, however, the member is digressing from the matter before the Chair.

Mrs Padgham-Purich: I didn't start it - he did.

Mr DEPUTY SPEAKER: I have just finished it.

Mrs PADGHAM-PURICH: Mr Deputy Speaker, I thought my chairmanship at that meeting was very good. It was as the public wanted it.

Any project of this magnitude will attract criticism as well as support. I believe that we owe it to the work that has been put in on this project to engage only in constructive criticism and not to criticise it simply because the CLP government is proposing it. I do criticise the CLP government's policies from time to time. However, I also concede that it is doing some good work around the countryside. This is one of the projects on which it should be congratulated.

One question I ask is whether we can look forward to a reduction in our transport charges. As everybody knows, transport charges on many goods brought into the Territory are rather high. I would like to see some figures on the modus operandi of the road transport system during the build-up to the establishment of the railway and after the railway is established. We do not want to establish a railway transport system to the gross detriment of the road transport system, although I think people will be pleased, from different points of view, to see less heavy traffic on the roads. Our roads will not need as much maintenance. It may be that more small vehicles will travel on the roads when there is no longer the worry of encountering the big transport vehicles. Nevertheless, it is a viable industry that is worth a great deal of money to the Territory. I think consideration must be given to the future of the road transport industry.

Mr Deputy Speaker, I support the minister's statement.

Mr STIRLING (Nhulunbuy): Mr Deputy Speaker, there is an old saying - I am not sure how it goes - that you can be the brightest person around, the most intelligent, the most creative, have the greatest management skills and marketing skills, the strongest leadership skills, sense of discipline and all the rest, and you can still fail. You can
still fail with a project if you lack one essential ingredient - persistence. That is why I commend the member for Palmerston. It has been with great persistence that he has been able to get the project to the stage that he has.

I remember speaking a few years ago with a very good friend of the minister's, Otto Alder. We were working on a committee together for which Otto was a consultant. We talked about the fact that a number of reports had been done on the railway by consultants from a number of different areas. It appeared to me, as I was explaining to Otto, that they were simply gathering dust on shelves. They had not been collated, they had not been considered together and analysed so that the strongest bits could be pulled out and put together. They were not being monitored to see whether facts had altered to make the case stronger or that the figures had changed with the passage of time. Some time after that - I imagine it was after the member for Palmerston was given special responsibility as Minister for the Railway - action started again.

I think it is probably the only matter on the member for Palmerston's books that has kept him in this House until now and that will take him probably beyond the forthcoming election. The previous Chief Minister, the former member for Fannie Bay, sought a big issue, I think, to have beside his name when he went out of politics. He came up with euthanasia. I hope that the member for Palmerston succeeds with the railway project, and I hope his name goes down as the single greatest contributor to the project. Of the 2 ideas, euthanasia on the one hand and the rail on the other, I know which I would sooner have beside my name.

Mr COULTER (Railway): Mr Deputy Speaker, may I start with the honourable member for MacDonnell? I think I have been somewhat betrayed by him here today. For anybody to call me over before making his contribution to the debate and ask me what 'IRR' meant, and then get up 10 seconds later and give us an economic accountant's view of the feasibility and financial analysis of this project is, I think, cheeky to say the least.

I assure members that the Booz-Allen and Hamilton report - these people, of course, are internationally renowned consultants in this field - is before the eyes of some of Australia's best financial analysts as we speak. I heard the request of the member of MacDonnell to have this document placed before him. People such as Ted Evans, the head of federal Treasury, and Arthur Sinodinos, an economist and former Treasury employee who works for the Prime Minister, have copies of the Booz-Allen and Hamilton report. Staff of the Bureau of Transport and Communications Economics, who comprised the think-tank that provided the basis on which the Wran report was analysed, will also no doubt have access to this document in the near future. Discussions have been held with them. I will let the fate of the project rest with those people - not with somebody who calls me over before he gets to his feet, wanting to know what 'IRR' - internal rate of return - means. I will say no more than that, but I do feel somewhat betrayed by the honourable member for MacDonnell in that regard.
Many people will look at that document and examine the financial analysis. The project will not get up unless it is an economically viable proposition that can keep its face clean and does not need ongoing subsidisation and assistance from the taxpayer. I point out that the Leader of the Australian Labor Party, Mr Beazley, shows more faith and confidence in the project than does the member for MacDonnell. He has offered not only the Tarcoola to Alice Springs line, but also capital grants to the value of $300m for this project. That is his commitment to the project. That is his faith in the project, bearing in mind some of the financial details and the briefings that he has obtained over a long period of time. I have been talking with him now for over 12 months and he has been a constant supporter of the project. Or the member for MacDonnell may like to go to Mr Rann in South Australia, the Leader of the Opposition there. Mr Rann is, of course, also a big supporter of this project. Those Labor leaders do not simply have blind faith in the project. They want to see the economics of it. They want to see whether it stacks up, as do officers of Treasury and the Bureau of Transport and Communications Economics, as does the Prime Minister and a range of other people - and, in particular, the banks. There is not a bank in Australia, or an international bank or consortium, that will touch the project unless it believes that it stacks up economically.

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I thank the member for his offer, but he will need to do a great deal of work on his economic skills before he gives me the confidence to hand over to him a document such as the Booz-Allen and Hamilton report.

Mr Bell: You are not going to make it public?

Mr COULTER: Not to you.

In answer to the member for Nelson, the freight charge has been worked out at 3.5¢ per net tonne per kilometre. I think she will find that the truckie price is around 7¢ per net tonne per kilometre, thus it is about half. The trains are 1.6 km long and travel at 115 km/h. We may not see too many of them in the first few years of the project, although I hope we will. I hope there is one every hour, but it is a long process of building up. Hopefully, those savings in charges will be passed on to consumers in the Top End. It is believed that 1.2 million tonnes of domestic freight will travel on the railway between Alice Springs and Darwin.

I thank honourable members for their confidence in me and for the kind remarks that have been expressed, from the Chief Minister and the Leader of the Opposition on down. This has not been the Barry Coulter Show. This has been a huge effort by a large number of people over many years. The member for Nhulunbuy mentioned just one of them, Otto Alder, who worked on the project for a long time. Dr Conn, of course, now the Administrator of the Northern Territory, from the 1970s through to when he left Treasury just a few months ago spent probably 15 years or more of his working life on this railway project, and is to be congratulated on that. Sharon Mulholland, in my office, has been working on the project for almost 10 years. I pay particular tribute to Paul Tyrrell, the current CEO, and all members of the Railway Executive Group, especially Larry Bannister, who has been untiring in that group and
who has provided good advice to government. I also pay particular respects to Mr 
Neville Walker who has spent untiring hours and a great deal of his own money and 
corporation money from the Henry Walker Group to make this project a reality.

We are not there yet. We still have a long way to go. The point I am seeking to make 
here today is that we are about to complete almost every step that it is possible for the 
Northern Territory and South Australian governments to undertake to make this 
project a reality. It is really up to the Commonwealth government now. If it wants the 
project to proceed, if it wants to honour the commitment of past Commonwealth 
governments, then it has to provide some incentive for the private sector to become 
involved in this project, whether that is by way of capital grants or infrastructure 
bonds or whatever other arrangements the Treasurer intends to announce in the May 
budget, or that the Chief Minister and the Premier of South Australia can get 
undertakings on from the Prime Minister. The ball game changed as of 12 o'clock, 
Canberra time, on 14 February when Mr Costello stopped any additional 
infrastructure bonds being issued. I look forward to whatever alternative will be put 
forward to make this project a reality. It will need that. Of course, the internal rate of 
return takes into account the $200m capital grants and also the effects of 
infrastructure borrowings on that internal rate of return. We are doing sensitivity 
studies at the moment on the basis that infrastructure bonds are not available to the 
extent that was calculated into the work that Booz-Allen did.

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I thank the Leader of the Opposition for her assistance, and the many people who 
have been involved with bringing the project this far. We are getting there, but we still 
have a long way to go. We will need the constant effort and support of everybody 
involved to ensure the project becomes a reality. I thank honourable members for their 
contributions today.

EXPLANATION OF SPEECH

Mr BELL (MacDonnell) (by leave): Mr Deputy Speaker, I feel constrained to make 
an explanation of my speech in this debate which the minister himself has apparently 
misunderstood. He certainly misquoted me as well as misunderstanding me.

Mrs Padgham-Purich: Everybody is always misquoting you, aren't they?

Mr BELL: Yes. Contrary to what the minister said in summing up, I did not purport 
to give an economic accountant's view or whatever of the report. I did inquire of him 
what 'internal rate of return' meant. It is a very reasonable inquiry by anybody looking 
at what is very much a summary report. I still do not know the answer, but I will find 
out. It is expressed as being subject to certain assumptions here. What is involved in 
that would take, on my part, a considerable amount of study.

The minister has no cause to feel that I have cheated him. He purported, in briefings 
he has given the opposition, to be putting his cards on the table in respect of the 
project. It is a matter of great concern to me to hear him say, in summing up, that he
will not make available the economic projections on which this summary report is based. That served, in the terms of the member for Casuarina, to raise questions in my mind in a context of - and I will say it loudly so that everybody hears it - support for the railway. However, I want to know what the terms of that support are. The summing-up we have just heard from the minister was pretty unconvincing.

Motion agreed to.