Mr COULTER (Railway)(by leave): Mr Speaker, I move that:

The Legislative Assembly of the Northern Territory:

(1) reaffirms its commitment to the completion of Australia's national rail network and construction of the last link in that network, the Alice Springs to Darwin railway;

(2) requests the Commonwealth of Australia to honour its legislative and constitutional obligations to ensure completion of the rail link in the Northern Territory;

(3) urges the Commonwealth of Australia to:

(a) adopt a collaborative approach to developing the railway project, as recommended in the recent Report of the Committee on Darwin;

(b) recognise the need to capture the considerable savings for Australia available when existing long-distance freight is moved from road to rail along the central corridor;

(c) reject the notion that the railway will not produce any significant benefit in terms of

(i) northern development,
(ii) regional security, or
(iii) growth in international trade; and

(d) note that with determined effort the railway could be completed for the turn of the century; and

(4) that this motion, its result and associated debate be communicated as soon as possible to the Prime Minister of Australia.

Mr Speaker, in speaking to the motion, I seek and expect a bipartisan approach from members on this historically important issue. This is not unreasonable. We all agree that this
railway project is critical to the economic and social future of the Northern Territory. I hope we can all agree that scoring political points is not the best way to bring about completion of the project. To this end, it is my intention today to address this motion in terms which I hope will foster constructive bipartisan debate.

The motion is before us because of the Report of the Committee on Darwin and the general perception that the findings of the report were pessimistic about completion of the national rail link. Personally, I do not regard the committee's findings as unduly pessimistic at all. I believe the committee's 'not if, but when' conclusion about the railway is helpful to the cause and will prove to be a milestone in the long history of bringing the Commonwealth to the well. Let me put it in clear terms. The Committee on Darwin almost got it right. The report came up with a finding to build the railway at some time soon. That finding was based on an extremely conservative approach across the board, especially on freight projections, and without any real consideration of current private sector proposals for involvement.

The Northern Territory should not be disheartened by these findings. Rather, we should be considerably encouraged. The recommendations of the Committee on Darwin in relation the railway project must be accepted as a platform for further action. The report should be regarded as an advance because, firstly, it predicts viability for the railway, secondly, it recognises the public benefit of the railway and, thirdly, it recommends the further collaboration of the Territory, South Australia and the Commonwealth to develop the railway.

Any expectations that the report would propose in its first line that the Commonwealth should fund, wholly or partly, the railway's construction tomorrow were highly unrealistic. We all know that this is not the way that the Commonwealth beast lives and breathes. It does not allow the issue of a report that commits it to instant action of any kind, let alone construction of a project which has been contentious for 80 years. Thus, my considered opinion, as a veteran railway watcher and proponent, is that the Committee on Darwin has done us a good turn. It has progressed the logic in favour of the railway project and it has taken us a vital step closer to its realisation. We are, I believe, almost there. Even though some of the Commonwealth regime may have taken the report as grounds for a further deferral of the railway project, it is clear that the Commonwealth cannot escape its obligations to become a committed partner in a national venture involving the governments of the Northern Territory and South Australia, and a willing and still enthusiastic major private sector proponent. Remember that the Committee on Darwin says 'not if, but when'. With a genuine commitment from all parties, the 'when' factor could be as soon as tomorrow.

The report has neglected to include in its railway viability examination a number of freight considerations it was definitely entitled to consider. I will come to those shortly. A close study of the report and its background papers shows that the committee has found that, even on this most conservative approach, the cost to Australia of not having this railway is more than $40m a year. In other words, if the Commonwealth put a contribution of between $30m and $35m per year into the project, the nation would be better off and we would all emerge as winners. That would amount to a 10-year sum of $300m or $350m, and that is all the Commonwealth financial contribution that is needed to start construction at short notice. The project does not need this contribution from the Commonwealth in one lump sum. All it takes is a federal budget allocation of $30m to $35m a year. In Commonwealth budget terms, that is not a crippling amount.

Mr Speaker, for the benefit of honourable members, I table the Northern Territory Surrender Act 1907 which contains what the Commonwealth proposed to do. It has legislative backing. The Commonwealth proposed that it would build the railway in return for the many millions of dollars that were invested in the Northern Territory by the good people of South Australia. We are simply asking the Commonwealth to honour that legislative and constitutional commitment under section 52 of the Australian Constitution which states that property cannot be acquired on anything but fair and just terms. That will cost it $30m to $35m a year, with overall savings to Australia of $40m a year. It is not a bad deal that we are offering. In fact, it is a relatively minor contribution given the national benefits that will accrue from the carriage of domestic freight alone. Remember that we are talking also
about an integrated national transport concept involving a truly national railway network, a new freight handling container wharf in Darwin and fast shipping links to Asia, particularly Japan. In all, that will advance considerably Australia's trade competitiveness. We are talking about an integrated transport project, costing around $1200m, with the Territory committed to contributing $100m and South Australia $100m. The Commonwealth needs to contribute only $30m to $35m each year for 10 years and the private sector may well, we will discover soon, take up the remainder.

The Committee on Darwin found that savings attributable to the railway, from a significant transfer of freight from relatively-high road operating costs to low rail operating costs, totalled $465m. Furthermore, the report found additional savings of $101m resulting from the avoidance of accidents and other matters arising, making total savings of $566m. It is hard to dispute the benefits of the railway for Australians or to deny a contribution from the Commonwealth based on this figure alone. Savings in energy and environmental costs add further weight to the railway case. Ten years ago, a report by railway giant Canadian Pacific discovered fuel savings exceeding 2000 million litres over a 50-year period. This alone would pay for the cost of the project. There is also the related point that there would be a significant reduction in greenhouse gas emissions of in excess of 100 000 t annually, resulting from a switch in transport from road to rail.

The Committee on Darwin underestimated substantially the freight traffic which could be carried on the railway as part of the integrated transport concept. For example, the committee did not consider the landbridging concept that is vital to the whole scenario. It saw the railway simply as a track between Darwin and Alice Springs, and its freight viability test included only domestic freight. Even the official domestic freight figures quoted by the Committee on Darwin are under a cloud, with an ABS review suggesting that the figures could be underestimated by as much as 20%. The Committee on Darwin took no account of the Meekatharra minerals proposal in South Australia, which promises very substantial freight loads. This was despite 2 submissions by the proponent to the committee. We would like to subject the freight findings of the report to further scrutiny. So far, however, the working documents and assumptions of the Travis Morgan Study, undertaken by the Macquarie Bank on behalf of the committee, have not been made available to us despite repeated requests. We would like to examine closely the methodology used.

One of the more disappointing aspects of the Committee on Darwin's report was its failure to take into account the international trading role the railway would play. The committee's own consultants, Illawarra Technology Corporation, found that, even without the

railway, the Port of Darwin could attract 10 000 containers annually or more than 100 000 t. I am not sure, but I think that Australia's total container freight is only a little over 1 000 000 t, in which case we are talking about 10% of that container freight coming through the Port of Darwin. Railway project discussions have involved one private sector interest group which has already identified 20 000 containers annually or about 250 000 t. Thus, both the committee and our own discussions have demonstrated the viability of this trade which would enhance the railway. I should stress that we are not talking about large container shipments in the context of the Australian trade. These figures are extremely conservative but, at the same time, they underline the huge potential of the railway.

The complementary aspect of enhanced international trade is that northern development will occur. With the railway strengthening the infrastructure of Australia's central north-south corridor, the opportunity to compete in the transport of mining supplies to the Gulf of Carpentaria off a railhead at Tennant Creek, and agricultural supplies to the Kimberley off a railhead at Katherine, would undoubtedly be enhanced. I believe that the benefits to both these regional centres could be enormous.

For South Australia, there would be renewed economic activity as a warehouse for the development of the north, a role it has lost steadily to Queensland over the past decade and more. South Australia sees that it would once again consolidate its position as the principal supply base for northern Australia, expanding its market areas to take into account the regions from the Kimberley to Carpentaria. It would also take full advantage of the enhanced trade with South-East Asia, as highlighted in the recently-signed memorandum of understanding between the Chief Minister and the Premier of South Australia.

The view from Queensland, on international landbridge trade through Darwin and northern
development, is interesting. In its submission to the Committee on Darwin, the Queensland government opposed construction of the railway because it could see clearly that a north-south railway corridor would be a highly competitive alternative for mining supplies to the Gulf compared to poor Queensland roads and a narrow gauge and circuitous railway system. Darwin would provide vigorous competition with the Port of Brisbane for landbridge trade. Our rapidly expanding trade in live cattle exports, including cattle from Queensland, provides but one example of what can happen. The lesson for us is clear - it is not to expect any help from Queensland on this national project. Obviously, that state plans to protect its regional interests at the expense of national savings.

I should take a moment to explain to honourable members the parameters of the north-south railway project 1995-style. The story has changed markedly in recent years, and we are no longer talking simply about a freight train charging back and forth between Darwin and Alice Springs. The 1995-style project is shaped by very recent technology and trade opportunities. These include: the development of the very fast freight vessel - the wave-piercing ships which will transform sea trade in the next century; the successful introduction into Australia of road-rail vehicles, involving higher speeds and faster transfer of freight between road and rail, which are already being used by Australian National on the Adelaide-Perth service; the completion of the standard gauge rail link between Adelaide and Melbourne; access to the government rail track by private operators; and the construction of Darwin's new container port. The days of a bureaucratic public rail system with its well-known inefficiencies are over. Our 1995 concept for the north-south rail corridor - an integrated transport system - would attract the following benefits: a one-company operation, ensuring a seamless integrated service; dedicated customers on a guaranteed basis; a single origin and destination for very fast freight vessels; a large proportion of highly-rated refrigerated freight; a low southbound container weight bonus on a very fast freight vessel; a reduction in container leasing durations; and a premium rate for this fast service.

Critically, we have developed a concept based on the Asian-Australian freight transfer which would see big reductions in transit time. For example, transit time between the port of Nagoya in Japan and Adelaide would be reduced from 21 days to 6 days, between Nagoya and Melbourne from 19 days to 7 days, and between Nagoya and Sydney from 17 days to 8 days. I will do the arithmetic for honourable members. It means that we could reduce transit time to Adelaide by 15 days, to Melbourne by 12 days and to Sydney by 9 days. This would revolutionise trade between Australia and Japan.

The concept applies to any Asian country with a major modern port. Obvious contenders are Korea, Hong Kong, Bangkok, Singapore and Malaysia. The external benefits to Australia are readily apparent. The integrated transport system obviously would improve Australian competitiveness, enhance trade between Australia and Asia, and improve our balance of payments. It would attract savings by promoting self-sufficiency in northern Australia by reducing road costs and through savings in fuel. It would create many jobs for Australians. Construction of the railway alone would mean jobs for 2000 people over a 4-year period, and 250 jobs would be needed to operate and maintain the railway. It would generate substantial economic activity.

Construction of the rail project alone would involve earthworks totalling 14 million cubic metres, upgrading of 160 bridges and culverts, construction of 80 new bridges, and construction of buildings and workshops costing $40m. It would use 3500 t of structural steel and 100 000 m$^3$ of reinforced concrete. It would require the manufacture of 155 000 t of steel rail, 9.2 million spring steel fasteners and 2.3 million sleepers using 170 000 t of steel or 240 000 m$^3$ of pre-stressed concrete, 15 km of concrete culvert pipe and 2 million cubic metres of ballast. The integrated transport project would require 150 roadrailers, 150 bogies, 2 towing cranes, 4 locomotives, 2 port cranes and 1 very fast freight vessel. This adds up to a total new equipment cost of around $150m. What is exciting is that all of this is 100% Australian. We do not have to import any of this. This project can be completed using Australian resources manufactured by Australians. There is not another project in Australia that can boast those additional benefits. Any person who is unable to see the economic benefits in all that to the Northern Territory, to South Australia and to the nation as a whole must be, I respectfully submit, both visually and intellectually challenged.

Honourable members understand that a private sector component of this project is critical. They know
that, in April, the Northern Territory government signed a heads of agreement with the Korean Daewoo Corporation that gained Daewoo a 6-month exclusivity to examine the project with the aim of becoming centrally involved. That 6-month arrangement expires in October, and I believe it is premature to speculate in this debate on the outcome of Daewoo's deliberations. Thus, I do not propose today to deliver a step-by-step account of our discussions with Daewoo and the development of that company’s plans. I can report, however, that Daewoo’s initial enthusiasm for the project’s concept has not diminished. There is no reason for pessimism. If it can establish feasibility, Daewoo wants to take a lead role in constructing and financing the project. The company has ambitious global expansion plans, particularly as a coordinator of major infrastructure projects, and the integrated transport concept dovetails nicely with those plans. Interestingly, Daewoo has set itself the goal of becoming one of the top 10 construction corporations in the world by the year 2003. Having viewed Daewoo’s operations at first hand, I would not doubt it achieving that result.

The Territory government has made considerable recent efforts to facilitate promotion of the project and to give those working on the project a sharper focus. The various railway working groups have been revamped and restructured. Importantly, the Under Treasurer retains a lead role on the project as the government director on Railnorth Pty Ltd, providing advice to me on finance and external relations, including those with the South Australian and Commonwealth governments. This is in recognition of his long and valued experience on the project and comes by way of agreement with the Treasurer.

At the same time, I have moved to refocus the Railway Executive Group. With the agreement of the Chief Minister, the secretary of the Department of the Chief Minister has been appointed to chair this group which includes also the secretaries of the Departments of Transport and Works, Parks and Wildlife, and Lands, Planning and Environment. The Railway Executive Group has been asked to focus on matters related to the project within the Territory, such as the port masterplan, the route survey, environmental and sacred site clearances, and the land corridor for the railway. Our intention is to have the planning of the railway component of the project as close to finalised as possible in order that construction can commence quickly and efficiently once the project is given the green light.

As well, and most importantly, our efforts in this regard have been virtually mirrored in South Australia. I met with the South Australian Premier, Dean Brown, in Adelaide on 9 August specifically to discuss advancing the cause of the project, and the outcomes were most satisfactory. Also at the meeting was the Deputy Premier and Treasurer, Stephen Baker, Industries Minister, John Olsen, Transport Minister, Diana Laidlaw, and senior South Australian government officers. As a result, South Australia has set up its own Railway Executive Group and Diana Laidlaw has been appointed South Australian Minister Responsible for the Railway. The head of the executive group is the CEO of the Department of Transport, Rod Payze. Their working group will also include a Treasury nominee and will be supported by the South Australia Development Council and the Economic Development Authority.

The 2 Railway Executive Groups from South Australia and the Territory have pledged to work closely together. To that end, the first joint meeting of the 2 groups will happen in Darwin on 31 August. The Committee on Darwin urged collaborative efforts between governments, and this joint meeting is an excellent example of such collaboration. The Committee on Darwin recommended a collaborative approach by the 3 governments involved. The Chief Minister has called publicly for that to happen but, at this stage, no response has been forthcoming from the Commonwealth. In essence, that is where the debate still falters - at the Commonwealth stable. It will go down as one of the great ironies of the history of federation that this railway proposal has had to struggle so hard against the policies of a government that should be its strongest advocate.

We all know the legislative obligations of the Commonwealth government toward the railway and the way it has reneged on those obligations, particularly to the people of South Australia. What is even more ironic is that the Commonwealth's own National Transport Planning Task Force, in what was probably the last word on national transport for this century, said earlier this year that cost-benefit
analyses should be required generally for major rail investment proposals such as the One Nation Standard Gauge Program. However, as noted in the second volume of that comprehensive study, there are many circumstances where cost-benefit analysis is not used, such as for infrastructure announcements in the One Nation statement where the projects were 'of perceived overriding national or state importance'.

Without doubt, the Northern Territory railway has been the infrastructure project most scrutinised by the Commonwealth in a long time. Nowhere else has the government expected the level of scrutiny of performance that it has required for this project. It is, and has always been, a question of national political will. We are doing our best to bend that will in our favour, and I hope that this debate will add another small weight to the load of logic and evidence in support of this project. The goal of this Assembly should be for construction of the railway to start in time for it to be opened officially by the turn of the century. I seek the support of all honourable members for this motion.

Mr EDE (Opposition Leader): Mr Speaker, having just returned from observing the laying of the first length of rail for the railway, I have a few comments to make. The laying of that piece of rail was an interesting exercise in itself. The gauge was 3ft 6in, although I presume we will be talking about 4ft 8in for the standard gauge. It was a 60lb or 80lb line whereas I think the intended weight will be 120lb. As a consequence, the rail will not have simply to be widened, but taken up and replaced. Nevertheless, it was a good media stunt to attract a few people to have a look at the port development. Other people will see on television what is happening there, and that is a good thing. It was about the best stunt I have witnessed in the 12 or 13 years since Porky Everingham set up a competition to name a rail passenger service to connect with the Ghan in Alice Springs. A woman from the northern suburbs won it and her prize was to be a first-class trip on the first train to leave Darwin for Alice Springs. I was told that a number of other people had booked for that first trip. Mark Crossin told me that he is booked on it. I think we can be sure that we will not have to wait as long now to see the railway as that woman has been waiting for her ticket, and that is good.

I hope that the Minister for Transport and Works will not be involved in the laying of the rails. Some 15 takes were required to film his attempts. Perhaps he was simply trying to ensure that the television cameras obtained an action shot. However, I must hand it to the Minister for the Railway who drove the spike in with 2 blows of the hammer. The Minister for Transport and Works well and truly flattened a sleeper before he actually hit the spike. That will mean that, as well as both the rails, the sleeper will have to be replaced. Next time he is in Alice Springs, I will provide him with some firewood that he can use for practice before he applies for a job on the railway.

The people present were quite impressed with the development at the port and the rate at which is progressing. It is a month or so since I was last there and its size has almost doubled in that time. At the moment, I believe the project is ahead of schedule. That is not bad given

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the length of the last wet. The project has had some setbacks, but nonetheless it is ahead of schedule. That is good because the various projects involved must be viewed as a package. The Australia-Asia trade link involves the port and the railway. In the main, the Perron years were a period of hibernation in relation to this project, apart from the burst of action that gave us the Morrison Knudsen analysis which was based on totally unrealistic freight assumptions. I believe that set the cause back.

I am a little concerned about the mention of the Meekatharra minerals freight task in the minister's analysis. Despite the number of times that the chief executive of that project talks to us, to my mind there is no possibility that we will see coal from the Arkaringa coal deposit in South Australia being shipped through Darwin. To look at a simple analysis, at the rate that we have been talking about, the cost of moving coal over that distance is $40 per tonne. The f.o.b. price for coal of that calorific value is currently $35 per tonne. Thus, the total value of the coal would be swallowed up in the actual freight cost. We will not see that happen. The other possibility that has been aired is to combine it with the magnetite from Coober Pedy and, via a new process, produce a form of crude steel or sponge iron. Certainly, that would raise the f.o.b. price of this product to about $200 per tonne. It would then be much more likely to stand a freight rate of about $40 per tonne.
That remains very much an unknown. The process has moved beyond the laboratory into a very small project that produces a very small amount. A pilot project is being considered, and that is the next stage before larger-scale production. Certainly, it is difficult to envisage a scenario whereby it would be possible to factor 2 million to 2.5 million tonnes of slab steel per year into the equation this side of the turn of the century, which is the time referred to in this motion. Hopefully, that technology may prove to be the bee's knees. However, if the technology proves sound, there may be other deposits closer to the sea whereby coal and magnetite can be combined and which may get on the band wagon before the Meekatharra and Arkaringa deposits get moving.

Be that as it may, there is absolutely no doubt that the viability of the project has increased in recent years, mainly because of a number of national initiatives. At one time, the proposal was that the line would not continue beyond Adelaide because, to move freight at high speed with any efficiency, it would not be helpful to have to cope with different rail gauges. The change in the rail gauge between Melbourne and Adelaide has altered the economics of this proposal considerably if one accepts the concept of landbridging. In addition, there is the establishment of the National Rail Corporation and the Rail Freight Corporation, the managed national rail infrastructure, the changed attitude of various governments to private rail operators utilising the rail network, the specialised container transport that is now being examined and the first private interstate rail freight service in the country.

At the moment, only one freight train runs each week between Melbourne and Perth, but that situation will change very rapidly. The Hilmer reforms have ensured that all of these structures must open themselves to competition. Previously the rail service had such a bad reputation Australia-wide that, if you suggested to a business that it entrust its value-added product to any of the national rail schemes, it would have laughed in your face. However, with the growing commitment of various governments to the Hilmer reforms, the entire image of rail transport is changing. There are offsetting factors, such as uniform road laws, that are increasing the competitiveness of road as opposed to rail. That may reduce some of the freight advantages slightly but, by the same token, it will ensure that there are overall national gains.

The Committee on Darwin has surprised many with its conclusion that the north-south rail link is so close to a positive cost-benefit ratio even when it is based on conservative freight estimates. For the first time, people who previously said that it was a never-never project that people in the north continued to bleat about rather than getting on with something else have changed their thinking. The Committee on Darwin's report has sent the message that a committee, with ties to the federal government, has conducted an analysis of the project, using southern technocrats and experts, and has concluded that it will be viable, although not at this present moment. That will be of enormous assistance to our ability to sell the project and to focus people's minds on the various aspects that still require work to enable it to stack up. The viability of the project is very sensitive to variations in interest rates, freight and other estimates.

I was disappointed to note that the Committee on Darwin totally discounted landbridging freight because I believe that to be the key to the entire project. The analysis, which is the basis of why the committee did that, is included in the consultant's report. I believe the strongest arguments related to issues other than those that are cost related. I too have been concerned about these because I believe the cost-related issues will be resolved. I have said previously in the House that the aspect that concerns me most is one raised in discussions with manufacturers. They maintained that they would not send valuable freight via a railway from Victoria, through South Australia and through the Northern Territory for delivery into the hands of the people on the Darwin wharf where hopefully it would be loaded on a ship and taken to its destination. Even though Port Melbourne was congested and they were frustrated by the management of the port, once the freight was on board the ship, they were fairly certain it would reach its destination. That view was picked up by the Committee on Darwin.

A promotional effort is needed, and not only by us. The railways of Australia must sell themselves much better if they are to shatter people's old images of freight transportation. They need to make it clear that the bad old days are gone and that people now look at total freight concepts. Private operators are transporting freight on those lines, and that is achieving economies that were undreamt of before. It is necessary to emphasise that those economies are sufficient to overcome initial uncertainty about new
methods and that a new track record in getting goods to their destinations on time will be achieved. As that track record develops, the perceptions presently held by southern manufacturers should begin to be overcome.

The current trade in live cattle provides an indication of the potential for landbridging, although potential sources of supply are closer to Darwin than to any other significant port. The live cattle trade is not hampered by the existence of pan-Australia freight rates struck by the so-called conference lines with large international shipping cartels. That is another of the obstacles that we need to overcome in developing this concept. A shipper from Japan will have to differentiate between the rate to Darwin and the rate to Melbourne, given the significant time savings that will be achieved by going through Darwin. I am told that this is more likely to occur with new entrants to the trade who decide that they want to supply a certain product to the Adelaide market for example. It can be demonstrated that 2 ships through Darwin could achieve what would require 3 ships if the freight were to travel by sea to Adelaide. Such economies in terms of capital outlay will assist in encouraging such businesses to use Darwin.

I believe the Australia-Asia trade link will be viable in commercial terms. There are some figures in the Wran report that I am a little leery about. It referred, for example, to the volume of local trade generated out of Darwin. The Illawarra Technology Corporation Ltd's report stated: ‘Current and ongoing developments in the Trade Development Zone will see generation of between 1000 and 2000 TEUs within one year’. It expressed the hope that that would increase. I asked myself what product from the Trade Development Zone could generate traffic of that volume. The only existing one - and we are talking about ‘within one year’ - would be the brewery. When the government paid the freight charges for the brewery to transfer from Eumundi in Queensland, from reports provided to the House, we expected it to be in operation in June last year. It is over 12 months behind schedule at this stage. It may be that the Minister for the Railway is not the appropriate person to tell us how that project is progressing. Perhaps the Minister for Asian Relations, Trade and Industry will be able to tell us when he speaks in this debate. The government spent money on it and it is quite a substantial component of the locally-generated trade that is required to justify the railway project.

One of the surprising factors in this analysis is that it was able to withstand a 6% discount rate. That is pretty impressive. The federal government uses an 8% discount rate. On the cost-benefit analysis provided there, the project would not sustain that, but 6% is well within the ballpark. It is well beyond, for example, what the World Bank would require for development proposals. From memory, it uses 4% as its mark and 6% is used in Queensland. On that basis, it is very close.

I am concerned, however, at the knocking of the project by people who have not done their homework on what it all about and what it will stand. Sometimes, their remarks are well-meant, and I would put the people from Meekatharra into that category. They hope their project will proceed, but they have some basic questions to be answered before we can add in that tonnage. On the other hand, I am most disappointed to see the federal Coalition has issued a piece of total nonsense in relation to how it intends to treat the rail project in the lead-up to the federal election. It will create a fund of some kind containing a couple of billion notional dollars. It intends to peel off a few projects as means of exciting people into the belief that it is behind them without being tied to anything specific.

It upset me to note that 2 of the projects it has selected in this regard are the railway project, the Australia-Asia trade link, and Ernie Bridge’s pipeline. I have mentioned previously in the House what I think of Ernie Bridge's pipeline. It would be cheaper to tow icebergs from Antarctica, park them offshore from Perth and pump water from them than it would be to construct the great pipeline that Ernie would have running across Australia. Our railway has been placed in that category by the federal Coalition. It is like talking finance in Canberra. If you say that it is for a dream, a vision, they all reach for their shotguns - you know that you have lost it. Ernie Bridge’s pipeline is a dream. We certainly do not want our railway/port development included in the same category.

On our way back to town from the port today, I reflected on the minister's speech and realised that he had not explained the corporate structure under which this entire project is to
operate. The other day, we were told that Don Williams, who has the fast freight vessels concept, initially will be able to earn 5% in Railnorth and, by various means, increase that to 10% and then to 15%. Railnorth is a joint venture between the Northern Territory government and Henry Walker. On radio the other day, the minister was unable to indicate whether the 5%, 10% or 15% earned by Don Williams in Railnorth would come from the Territory government's proportion of shares or from Henry Walker's, or whether there would be a new issue of shares that would result in a dilution of the percentage of equity held by each of them. The minister needs to tell us a little more about this. Various parties are talking now about investing various amounts. In the vicinity of $100m has been spoken of. However, I will come back to that in a minute because it is a little unclear.

If we are investing $100m, and that is obtaining 50% for us at this stage, where will South Australia's $100m be reflected in terms of equity in the railway? What is Henry Walker investing to earn its 50%? Has it made a commitment to take up a parcel of the private equity in the project or is its 50% contingent on its being made an offer of that nature and taking it up? We have now progressed to a stage where we need to know what that framework is. Obviously, it will change over time. There are various ways in which it can be structured, but I would like to know what is proposed at this stage. We do not want to become locked into a position from which we are unable to extricate ourselves.

There was some negotiation earlier between myself and the minister on the wording of this motion. I proposed some amendments, all of which were taken up, although I see now that it includes a reference to constitutional and legal obligations of the federal government to...

Mr Coulter: Not `legal', legislative.

Mr EDE: The constitutional and legislative obligations of the federal government to construct the line. I hope not too much will be made of that. I understand that a minister sought to have the word `constitutional' included and, no doubt, he will tell us why. It is not in the Constitution. The closest reference to the Northern Territory in the Constitution is where it refers to `territories'. In another area, a description of the Commonwealth refers to `South Australia, including the northern territory of South Australia'. There has been no constitutional amendment to require the federal government to...

A member interjecting.

Mr EDE: But it is not constitutional. That is a legal requirement. The problem with the reference to a legal requirement on the Commonwealth to build the railway is that no time frame was placed on it. Thus, we are still waiting.

The other point that I wish to raise is that there are a number of areas in the minister's statement where it appears that his economic analysis has become mixed up with his financial analysis. For example, he cannot state that, on his cost-benefit analysis, the cost of the project is $1200m, the benefits are such and such and it does not stack up but that, if the federal government will put in $300m, that will reduce the cost thereby increasing the cost-benefit returns. Economics do not work like that. When looking at cash flows etc, those arguments can be introduced, but the 2 cannot be mixed together. I mention that because a paragraph in the motion requires that `this motion, its result and associated debate' be sent to the federal government ...

Mr Coulter interjecting.

Mr EDE: It was in the original. Has it been removed? If this debate goes to the federal government in this form, it will go straight to the finance people. If they find a hole like that in the minister's argument, he will have a real problem that could well become the focus of the argument. In fact, the current Minister for Finance is a strong supporter of the project and we do not want to give inaccurate information that might be used to spike his gun and those of other supporters federally. It is important to get it right when talking about the various figures.
Mr SPEAKER: Order! The Leader of the Opposition's time has expired.

Mrs HICKEY (Barkly): Mr Speaker, I move that the Leader of the Opposition be granted an extension of time to complete his remarks.

Motion agreed to.

Mr EDE: Mr Speaker, included in the committee's economic analysis is the transfer of the Tarcoola to Alice Springs line at no cost to the project. I recall hearing that discussed at Whyalla, but I did not think that it had been agreed on with Australian National or the federal government.

Mr Coulter: Wran recommends it.

Mr EDE: Yes, I am saying that he has recommended it, but I do not think that that has been agreed on, and that constitutes ...

Mr Coulter interjecting.

Mr EDE: Yes. It would constitute a gift in the vicinity of a $100m.

Mr Coulter: $50m. People argue about it - $50m to $100m.

Mr EDE: Yes. Let us say that it would be a $100m gift. Obviously, if that were to come from the federal government, it would increase the $300m being sought to $400m.

There is also no justification that I can find in the minister's statement for the remark that the cost to Australia of not having this railway is more than $40m per year. I presume that there is a basis for that statement somewhere in the documents, but I have been unable to find it. I recall that Otto Alder was working on some figures along that line, in terms of quantifying the costs involved with unemployment and other areas in relation to which it was believed that benefits would accrue to the federal government that would not be available to private sector investors. I suggested at the time that that would form the basis for an argument that the Territory could put to the federal government for its involvement with the project because it would demonstrate a return that the federal government would gain even if it did not become involved in the project as a shareholder. The Commonwealth government could put up $300m and leave it to sit there - no interest, no term - for ever and a day. If the project reduces unemployment in the Territory, reduces wear and tear on alternative forms of transport and helps with the national balance of payments, those are all benefits that accrue to the nation, and can be seen to be to the benefit of the federal government.

I thank the minister for his statement. I think we are closer now to seeing this project completed than we have been at any point in possibly the last 20 years. I hope the minister will continue to make statements that will keep the people of the Territory and the Assembly up to date with what is occurring. Hopefully, we will see this project completed before the turn of the century.

Mrs BRAHAM (Braitling): Mr Speaker, I rise to give my support to this motion. I agree with the minister that this project is critical to the future economic development of the Territory and Australia. The minister's vision has led him to make this very pro-active move for the introduction of a new national network. However, I do not think we can consider the effect simply in today's terms. We need to look to the long term. It is important that we have already some collaborative agreement between the South Australian and the Northern Territory governments. We hope the Commonwealth will soon support this move also. It will be a measure of the commitment of the Commonwealth government and the Prime Minister to the clever country if they give approval and financial support. I use the term 'clever country' because the Northern Territory has really demonstrated that it is clever. What I saw at lunchtime at the port facility is certainly part of that vision for the future and shows how courageous the Territory government has been to take decisions to proceed with such vast projects. The concept of
the rail and port corridor is a stroke of genius in planning, negotiation and courage.

The Australian Council for Infrastructure Development, in its response in May of this year to the Interim Report of the EPAC Private Infrastructure Task Force, stressed the need for frank assessment of the status of current infrastructure in Australia and the country's likely future needs. It said that failure to do this would be to risk Australia's future competitiveness and community wellbeing. It went on to say that anecdotal evidence of the problems with many aspects of Australia's present infrastructure related particularly to its age, operating condition and resulting uncompetitiveness, and deserves early remedial action. It was pushing very much for a strategic approach to this infrastructure and the need to develop long-term and better planning. According to the paper, it is desirable to ensure delivery of the most appropriate and efficient infrastructure needs of this country as part of a coordinated federal, state and community approach. We need to stress that. However, even though the paper emphasises that it should be a strategic approach, it stated also:

On the other hand, there needs to be room within such assessment processes for visionary projects which, while not immediately commercial, have some prospect of commerciality within the life of the asset. An historic example is the Perth to Kalgoorlie water pipeline last century which opened up the early goldmining developments in that area.

A current example might be the completion of the Darwin rail link. In its recent report, the Committee on Darwin, allowing for the assumptions used, found that a

rail link could achieve a positive benefit-cost ratio somewhere between the years 2000 and 2005 depending on which growth estimates are used. With the relatively long lead times for implementing projects of this type, 5 to 10 years is a short enough term for governments to seriously consider supporting such a project in the interests of nation building, with privatisation at a later date to secure cost recovery.

There needs to be a greater public commitment by governments to the central role played in national growth objectives and in effecting improvements to Australia's trade competitiveness by efficient and continuing infrastructure investment. These gains will truly improve Australia's economic and social wellbeing.

That report was released recently and it gives evidence and support for what we are trying to do. However, this project will have some ramifications for the road transport industry in the Northern Territory and will cause some repositioning of this existing industry. Whilst the road train has always been an icon that has been used to develop and advertise the Territory, I guess that, in the future, the road train may become a thing of the past.

The Northern Territory Road Transport Association has examined the proposition of the development of a rail link between Darwin and Alice Springs and its official stand is to support it. It recognises the benefits of a landbridge to Asia. It acknowledges the viability of the port facility. It sees benefits in establishing eastern and western links to the Territory. It recognises the possibilities of trade opportunities for the Territory and South Australia. However, the association realises also that, with the implementation of a concept of this kind, someone must pay and will be affected by this development, and it recognises that that 'someone' could be the Alice Springs transport industry. I understand that perhaps 25 to 30 operators, involving around 50 road trains, may be affected. This would amount to 65 direct jobs
and another 85 indirectly employed in services ancillary to the road transport industry. Rather than there being a loss of jobs to the economy, in the first instance a significant number of these jobs are more likely to gravitate to Tennant Creek, which will be the jumping off point for the road/rail services for mining and pastoral properties around the Gulf, and to Katherine which will be the railhead for rail services to the Kimberleys.

ABS census figures from August 1991 show that 7% of employment in central Australia is in the transport and storage industries. There are 137 businesses in these industries in the town and 127 of them employ fewer than 20 people meaning that they fall in the small business category. These figures would not include support services established for the supply of fuel, tyres, batteries, spare parts, truck repairs and so on. I understand that families and companies that have been established in the town for many years will be affected and will have to adjust or may have even to relocate. An example of such a company is McBrides, a locally-owned business run by long-term residents of Alice Springs. Its investment in this industry would be around $10m, and it owns and operates approximately 14 road trains and employs around 35 families. McBrides would not be the largest transport operator in town. Many interstate firms employ subcontractors - that is, drivers who own their own rigs and cart for the big companies. These owner-drivers are an important component of the trucking industry and will be among the local residents affected by the change. No doubt, a number of long-established Alice Springs families who work in the transport industry may not want to leave town. This is one aspect that I will be keeping a close eye on. Although they may be few in number, we need to ensure that they are able to adjust.

I have mentioned the downside of this project from the perspective of the transport industry in Alice Springs. I point out that we need to keep this matter in perspective in the context of the total concept. Assuming that 65 jobs are lost or transferred away from the road transport industry in Alice Springs, as a result of the advent of the railway, this will represent only 7% of employment in the transport and storage industry in Alice Springs, based on the latest figures available. This translates into about 0.5% of total employment in Alice Springs. That loss would be more than offset by the increase in economic activity that will result from the construction of the railway.

One initiative that will come in soon, and which will help the transport industry become more competitive, is the national heavy vehicle registration scheme. This will have the benefit of reducing costs for road trains coming through the South Australian section. At the moment, they are subject to South Australia's very high road permit and standards costs. With the introduction of the Australia-wide scheme, all states and territories will acknowledge each other's registrations and documentation. This will result in considerable savings for Territory operators and will allow their road trains to be even more competitive than they are at the moment.

There has always been considerable support in Alice Springs for the Darwin to Alice Springs railway. As long ago as 1983, a survey held by the Alice Springs Confederation of Industry and Commerce, as it was known then, was submitted to an independent economic inquiry into transport services to the Northern Territory. At that time, the Chamber of Commerce and Industry stated its support for the railway. It acknowledged the short-term benefits for Alice Springs as the line was built, and stated some of the advantages it could see from a commercial retailing point of view including, to name but a few, a regular timetable for freight - and perhaps not subject to the weather or driver fatigue as it is at the moment - greater volume capacity, quicker transit times, less damage to their goods and cleaner goods, and more imports coming through Darwin down the track. Bear the date of that survey in mind. I am not aware of any change to the chamber's acknowledgment that this proposal would be a great asset to the Territory.

It is accepted that there will be a large impact on the economy of the Territory during the construction phase, particularly in Alice Springs and, a little further down the line, in Tennant Creek. During construction, there will be direct employment on the railway of an additional 2000 people, many of whom will use Alice Springs as their home base and for recreational purposes. During operation, it is anticipated that an additional 250 people will be employed directly on the railway, perhaps half of whom will be based in Alice Springs. Furthermore, in its submission to the Committee on Darwin, the South Australian government estimated employment Australia-wide, both direct and indirect, during
the railway’s construction, at 6600 jobs. While it is difficult to be precise at this stage, between 500 and 1000 of those people may use Alice Springs as their base during that 4-year period. With expenditure of $1000m on the railway, a minor but nonetheless significant proportion will be spent in the local community during the construction phase. If locally-based engineering and servicing contractors receive only 5% of this work, it will still bring an additional $50m in direct expenditure into the town.

One aspect of this proposal that gives me some comfort is that it will occur over an extended period. Firstly, there will be the lead time before construction begins. Secondly, the construction period itself will give industry some time to adjust to the project. There is really no evidence at this time of the effect that this will have on the town and the road transport industry. It will have some benefits, but it could also have some adverse impact on the road transport industry. Naturally, this is a concern that I will be monitoring because it affects a major part of our town. I believe we should ensure that minimal disruption occurs during the transition. I cannot find an accurate survey that has been done to date that truly outlines the consequences of this project. I believe consideration needs to be given to the way in which it will impact on a small town like Alice Springs even though it may seem a very minor part of the whole project.

I would like to make some recommendations for the minister and the government to consider. I would like to see a study done on the anticipated impact on Alice Springs, with recommendations related to improving the economic benefits. A comprehensive and up-to-date assessment could be carried out in consultation with various industry groups such as the Northern Territory Road Transport Association and the Northern Territory Chamber of Commerce and Industry. Such a study would reflect more accurately the concerns of the transport industry and associated industries in central Australia, and seek solutions in the transition. For instance, the government might like to consider certain provisions. An example is that, once the railway has commenced to Tennant Creek, the government could consider providing incentives for local Alice Springs businesses to relocate. For those who wish to remain in the town, other options could be considered such as retraining or assistance in restructuring their businesses.

Like most people, I see significant benefits for central Australia from the railway going ahead. There is no doubt in my mind that the economy in our part of the world will gain considerable stimulus from this great national project and the benefits will be ongoing. I believe the minister should be commended for his enthusiasm and willingness to tackle this project head on. It is by no means small and it requires considerable vision if it is to come to fruition. The federal government should be looking seriously now at the support that it will give to the Northern Territory government in relation to this project. In the long run, it will benefit not only the Territory but Australia as a whole. I support the motion.

Mrs HICKEY (Barkly): Mr Speaker, as the Leader of the Opposition said, the opposition supports the motion and thanks the minister for bringing it on at this time and providing us with data that encapsulates in large part the reports that we have received through the Wran committee, together with details of other negotiations that the minister has been assiduously pursuing, not only recently but over many years. As he said, he has been a long-term observer of railways. There is no doubt that this issue is of great interest to Territorians and we are beginning to see at last that this interest is reflected nationally and that people in the states are not suggesting that it is simply a fond hope of South Australia and Northern Territory, but recognise that it will be of long-term national advantage. We need to grasp the moment now.

It is interesting to reflect on public perceptions about the railway. Many people in my area still believe that they will be able to hop on a train. As the minister pointed out to me a couple of years ago, things with legs are no longer transported on trains because it is

uneconomic. That discounts people, livestock and furniture. Cost-beneficial items, such as high-grade ore and frozen perishable goods etc, are those ...

Mr Coulter: We may have to reconsider that just to get you down to Tennant Creek.
Mrs HICKEY: Mr Speaker, it does not need a railway to do that.

We built a railway station in Tennant Creek not many years ago as a starting point in the rail corridor. It was built with high hopes and a party, but we waited in vain for the train to come. We hope now that we will see a train chugging its way up the track before too long.

The member for Braitling referred to railheads at Katherine, Tennant Creek and Alice Springs. Clearly, she has a particular interest in the Alice Springs component, as I do in the Tennant Creek component. In that regard, I believe a great deal of public hope is pinned on this project in terms of immediate benefits that can accrue from it to those areas. Katherine will be a point of entry for the west and for the Kimberley. Indeed, I imagine that, in years to come, the establishment of the railhead there will be beneficial to the expansion of Ord River production. Tennant Creek is a pivotal point for access to the east and for goods transiting to and from the eastern seaboard.

I visited Mt Isa recently when MITEZ, the Mt Isa-Townsville Regional Development Zone, was launched by Hon Brian Howe. Participants in that scheme spoke about the issues of landbridging, road transport and rail transport. Of course, their interest in transport across Queensland does not necessarily take into account the interests of the north-south link that we wish to foster. I had a look at the Endersby report on the concept of a very fast train route from Victoria through Sydney, up the eastern seaboard, across to Mt Isa and continuing through to Darwin. Professor Endersby acknowledges the vital importance of, and the potential to be realised from, the northern link from Darwin, but his concept is to take the railway from Mt Isa across country to the Daly Waters area, and then up to Darwin, and that is not necessarily an attractive scenario from our point of view. In terms of access to South-East Asian markets, it is of some benefit, but it leaves a large part of the Northern Territory out in the cold and denies the opportunity for the north-south link that the Territory and South Australia wish to foster. I do not know how viable the Endersby proposal is or whether a link around the eastern seaboard and up to Darwin could be sustained. Perhaps the minister could comment on the concept in his reply.

Certainly, if there is a competitive edge to be gained, it is incumbent on the Territory government, the South Australian government and the Commonwealth government to take on seriously the task of developing the north-south rail link. Clearly, there is a limited market and a limit to what can be gained through the railway. Naturally enough, we would like to capture that market, believing that we have a firm and advantageous situation in the marketplace because of our close proximity to South-East Asia, the links that we have developed, the port facility that we are developing and continuing to develop, and our connections in that region. We have a specific interest. We believe we have a foothold in that area and we want to see it expanded.

The viability of this project has increased in recent years, in many ways as a result of a range of national initiatives, not necessarily confined to the Northern Territory. The One Nation package ensured the establishment of a standard-gauge link between Adelaide and Melbourne, the creation of a national rail corporation to manage the national rail infrastructure, the use of the rail network by private rail operators, specialised container transport, and the first private interstate rail freight service to be established in 100 years. At present, only one freight train per week travels between Melbourne and Perth. There are other initiatives, such as the Hilmer reforms, uniform road laws etc, and the viability of the project is certainly there for us to grasp. Other speakers have mentioned the live cattle trade, and the various goods that might be transported on the rail link. I believe that, in many respects, the sky is the limit. We need to move along the path suggested by the minister in his motion.

I wish to take up a point with the minister in relation to paragraph 2 of the motion which states that this parliament ‘requests the Commonwealth of Australia to honour its legislative and constitutional obligations to ensure completion of the rail link in the Northern Territory’. We would have preferred it to read that this parliament ‘requests the Commonwealth of Australia to honour its legal obligations’. Whilst the constitutional issue is certainly part of history, it is not really a matter that is current. It is a long time since railways provided the only viable fast, secure and safe form of transport. At the time when the Constitution evolved, goods in the Territory were transported by camel. There were no
formed roads and no safe and secure means of transportation. Rail was the sole option, not one among
a number of options. The Territory has come a long way since that time and I do not believe our
argument should concentrate on that particular issue. It is a matter for the past. The minister knows that
and the federal government knows it. I believe the arguments we can put forward in the contemporary
marketplace stand on their own merits. To hammer the issue of what the founding fathers promised
South Australia and the Northern Territory is largely an irrelevance in this day and age. It is a nice
historical fact, but I do not think its promotion will advance our cause very far. I believe we should
concentrate on the issues that the minister has rightly put forward at this time.

The member for Braitling spoke about road transport. It is a very important issue because there is
obviously the potential for, if you like, a conflict of interest between road transport and the rail.
However, as the member said, there is room for both and we are looking at different freight
components and opportunities for each. Any measure that can reduce the transportation of heavy goods
via the north-south road will obviously be beneficial because the cost of maintaining national highways
is enormous and increasing each year. It makes sense for us to find alternative means of transport to
reduce heavy wear on the highways and to increase safety. Certainly, even in the time that I have been
in the Northern Territory, there have been some potentially very dangerous spills and rollovers on the
north-south highway. I imagine the safety factor is far greater when using rail and it would be desirable
for dangerous goods, such as chemicals, to be carried by rail. These are high-value products which are
used extensively in the mining and manufacturing industries.

This project is viewed with great interest by mining people, not only in South Australia but also in the
Northern Territory. When I was in Mt Isa, we talked of the opportunities to increase transport and
business connections between the eastern seaboard, Mt Isa and the Territory by developing a link
through Mt Isa Mines and McArthur River ...

Mr Coulter: It cannot be done that way. It would cost $3000m to go that way.

Mrs HICKEY: The Minister for the Railway interjects. I am not suggesting that that is the way to go.
Nevertheless, the concept of increasing business and interaction between the Queensland components
of the mining industry and those in the Territory should be fostered and the provision of further
transport opportunities and options in the Northern Territory will encourage that.

I welcome the minister's statement and congratulate him on what he has done. In company with other
members of the opposition, I wish him very well with this project. We hope to see trains chugging
through the Northern Territory before too long.

Mr SETTER (Jingili): Mr Speaker, in concluding his statement on the motion, the honourable minister
said: 'The goal of this Assembly should be for the construction of the railway to start in time for it to be
opened officially before the turn of the century'. I think that is a very worthwhile goal and we should all
continue to work towards achieving it. The minister pointed out that the report of the Committee on
Darwin had indicated that it was not a case of if the railway would be built, but when it would be built.
That statement is very positive, and it came hot on the heels of the Kirner report that was brought down
about 12 months ago. It also recommended construction of the railway.

The railway has been the subject of numerous debates in this House over the past decade or more. We
have stood in this House, vented our spleen and put forward what we considered to be sound
arguments, many of which have been rejected either by members opposite or by Canberra. We are
doing it again today and I think we should continue to do it until the day construction on the railway is
commenced. Let me remind members of a little of the Territory's history. The Wran committee alluded
to this at page 124 of the report:

The Northern Territory Acceptance Act of 1910 provided
that, as part of the agreement for accepting the
Northern Territory from South Australia, the
Commonwealth was to construct or cause to be
constructed a transcontinental railway between Adelaide
and Darwin. The Railway Standardisation
(South Australia) Agreement Act of 1949 authorised the execution of an agreement between the Commonwealth and South Australia under which the Commonwealth was to construct a standard gauge railway from Alice Springs to Birdum, and to convert to standard gauge the line that then ran between Birdum and Darwin. Neither act specified a deadline.

Thus, both were on the never-never. We are talking about 1910 and 1949 yet, in 1995, we are still debating exactly the same matter. So much for the Commonwealth's commitment to the railway.

We all remember that, when Paul Everingham was Chief Minister, he fought long and hard to have the Commonwealth agree to construct the railway because he believed that it was the Commonwealth's responsibility to fund construction of the railway.

Mrs Padgham-Purich: He slipped up badly.

Mr SETTER: I will come to that. You are talking about the 60:40 arrangement, aren't you?

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Mrs Padgham-Purich: As long as you are coming to it, because ...

Mr SETTER: Yes, I am coming to that.

Paul Everingham worked very hard at it. He went to Canberra on numerous occasions and lobbied Prime Minister Fraser and various ministers of the day, and full marks to him. Eventually, he had the Fraser government agree to it. In fact, in February 1983, the Fraser government committed itself to construct the railway. However, it was a little late because a federal election was looming and ....

Mr Bell: The Prime Minister did not know anything about it?

Mr SETTER: Of course, he knew something about it, but he did not expect to ...

Mr Bell: Be done like a dinner.

Mr SETTER: ... be defeated in March of that year. Sadly, he was. If the Fraser government had not been defeated at that time, it is likely that we would have the railway today. One would hope that, during its next term, the Fraser government would have continued to fund the project as it had indicated in February 1983 that it would do. Had that been the case, even if there had been a change of government at the following federal election, construction of the railway would have been so far down the track that the incoming government would have had no option but to continue with it.

We all remember the 1983 election campaign. It was very emotional. John Reeves was the Territory's Labor candidate for the House of Representatives and he was elected in March of that year. The late Ted Robertson was the Labor Party candidate seeking re-election to the Senate. It was a hard-fought election, probably one of the hardest that I have seen the Labor Party fight in the Northern Territory. As part of Labor's election campaign, it produced a newspaper called ALP Labor Now. In an issue, dated March 1983, there was an article headed 'What the NT gets under Labor'. It said:

Labor leader, Mr Hawke, says the Territory will receive special consideration because of its unique situation. 'The Whitlam government gave the Territory a fully-elected Legislative Assembly and made the first step towards the construction of the north-south rail line. We intend to do more'. In short, Mr Hawke said not enough had been done in the past 7 years to develop the north, to tap its resources and to help it achieve its true potential. 'Specifically', said Mr Hawke, 'the Labor government will ...
There followed a list of points that Labor had set itself as goals - dare I say it, as election promises. I will quote the first:

Construct the Darwin/Alice Springs rail line by 1988.
The Labor Party, which started the north-south line by funding the Tarcoola/Alice Springs link during the Whitlam years, is firmly committed to ending what it started.

Had Mr Hawke been true to his word, we would have the railway today, but sadly he was not.

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Senator Bob Collins, who was Leader of the Opposition in this Assembly at the time, believed that Mr Hawke meant what he said. An article on another page of that newspaper said, under the heading 'Labor committed to Territory development':

At talks with Territory Labor leader, Mr Bob Collins, in Canberra on 9 February, Mr Hawke said a federal Labor government would follow through with major development policies written into the party's national platform. These include the completion of the Darwin/Alice Springs rail link in the shortest possible time and a resolution of the problems facing intra-Territory air services.

There is no doubt that Labor was committed to construction of the railway. I have a copy of that newspaper. Some members will remember it. It is there for all to see. I am sure that it is available in the library. It is all there on the public record. What is also on the public record is that, shortly after being elected in March 1983, Mr Hawke began to back away from that commitment. In May 1983, when he had had a look at the big picture, so to speak, he found a number of reasons why the railway should not proceed. I suppose the reasons would have been financial in nature. He was faced with a deficit of $900m. That is something of a joke when we consider the budget deficit today and the nation's foreign debt. The problems of those days fade into insignificance when compared to the financial problems that the current federal government has. In May 1983, Mr Hawke backed off from the proposal for 100% Commonwealth funding and said that the federal government would find 60% of the cost of the railway if the Territory government would find the other 40%. Paul Everingham said that the railway is a federal government responsibility, that this is a territory of the Commonwealth, that it is the federal government's responsibility to fund the railway, and that the Territory would not accept the Commonwealth offer. In those days, of course, the Territory's budget was much smaller than it is today and the resources available to the Northern Territory government were nowhere near what we have today in dollar terms.

In hindsight, it was not a bad deal, and we should have grabbed it with both hands because, with the rejection of that offer by Chief Minister Everingham, Mr Hawke said that the federal government would initiate another inquiry. He arranged for Mr Hill to conduct a further inquiry - surprise, surprise - and, in February 1984, Mr Hill produced his report that stated that the Commonwealth should not fund the project at all. That left the Territory between a rock and a hard place. We had rejected funding of 60% a few months earlier and, in February 1984, we lost the offer of federal funding totally.

Since then, the Territory government has itself initiated a couple of inquiries, and I recall the Canadian Pacific Report. I do not recall the year in which it was produced but it would have been in the mid-1980s. That was followed a couple of years later by the Morrison Knudsen Report. They have all been tabled and debated ad nauseum in this House. However, regardless of debates on and the outcome of motions passed in this Assembly, and representations made to ministers of the federal government, no funding has been forthcoming.

What I have referred today are historical facts. I am aware that this is a bipartisan debate and I am not going out of my way to have a go at the Labor Party ...
A member: You have spent the last 10 minutes doing it!

Mr SETTER: I am not. If I were, I would have been much more severe than I have been.

Mr Bell: Heaven forbid!

Mr SETTER: What I have said is fact and it is all on the public record. Unless members opposite want to attempt to rewrite history, they will accept my words in the context that they are meant.

The terms of reference of the Wran committee indicate quite clearly that it should have looked at the landbridging concept, and I will quote from the terms of reference. The Wran committee was asked to examine ‘the feasibility and potential for Darwin to develop as Australia’s northern link to East Asia, and as a commercial centre from which Australia’s business and trade with the region can be enhanced’. The terms of reference refer to our trade relationship with South-East Asia, and using the Port of Darwin to enhance Australia’s trade with that region. They went on to refer to the ‘social and economic impediments to the realisation of Darwin’s potential to become a major commercial centre providing a business and trade interface with South-East Asia’. Once again, that is referring to trade. Further on, they refer to ‘strategies and policies to be adopted by the 2 governments to take full advantage of Darwin’s proximity to South-East Asia, particularly in the context of Australia’s national commitment to the strengthening of its trade and cultural relationships with the region’.

I am at a total loss to understand why Wran and his committee decided not to take the landbridging concept into consideration. The report says, at page 126, in the section on the railway:

The committee concluded that the rail link would carry mainly domestic traffic to and from Darwin and that landbridging prospects would be limited to a relatively small quantity of medium- to high-value, time-sensitive exports from South Australia.

‘High-value, time-sensitive exports from South Australia’ - that is a little insulting. What about exports and imports to and from places such as Victoria and New South Wales? What about those? This is absolute nonsense. This country faces a situation where all vessels carrying trade between Australia and South-East Asia and Europe go to the major southern ports. Included among those is Perth, Melbourne and Sydney and, to a lesser extent, Adelaide and Brisbane. It is common knowledge that, at the 2 major ports of Sydney and Melbourne, vessels come in from overseas, wait days for a berth and, when they obtain one, are faced with very slow handling practices. That applies to all ports in Australia, except Darwin, which is probably one of the best. Ports like Singapore and Hong Kong, or even some of the European ports, are so far in front of us in terms of the speed with which they handle containers that it is a joke. Our ports are very slow to unload, the containers are placed on the hard stand, and it may be another month before they are checked by the Quarantine and Customs authorities and the product released. In the course of all that, they may well have to endure an industrial dispute or 2 along the way.

Mr Coulter: It is 2 days faster if the cargo goes through Brisbane rather than Sydney.

Mr SETTER: That takes it from 5 weeks and 6 days to 5 weeks and 4 days to get product across the wharf.

Australian importers are finding their product, which they have already paid for f.o.b. port of supply, sitting on the wharf with all their money tied up in it. The cost of that is put on the end cost of the product which we all pay for on the shelves.

The Wran committee made a number of other recommendations. I note that the minister said that he was not too pessimistic about the Wran report because it suggested that the railway would be viable, if
not at the moment, certainly at the turn of the century. At least, I am encouraged by that. A range of 
other benefits would flow from that and, as the minister indicated, the concept of this integrated 
transport service, with virtually one operator operating and handling the product from a major source of 
supply, such as Sydney, Melbourne, Adelaide and so on in the south straight through to a major 
consolidation port in South-East Asia, be it Singapore or one of the others, has a great deal of merit. 
The intention that the railway would carry no passengers has considerable merit as well because, with 
this facility, we would be looking for speed and efficiency. We have spent in the vicinity of $20m on 
our port already and, by the time it is finished, something like $120m will have been expended on it. 
The Northern Territory government has shown confidence in the railway project to the point where it 
will be putting $120m into the port.

I urge the federal government to look at the big picture. This is not the Northern Territory's railway, but 
Australia's railway. I urge that it not allow political expediency in southern regions to divert attention 
from this project because it will contribute more to getting Australia back on the rails than any other 
project this country has seen for a long time.

Mr SPEAKER: I remind honourable members that it is incumbent on all members to maintain a 
reasonable standard of behaviour and dress in this Chamber. It is the accepted practice for all members 
to wear a minimum standard of dress - shirt, slacks and tie - in the Chamber. Jeans have never been 
acceptable, nor will they be acceptable whilst I am in the Chair. I am prepared to recognise the member 
for MacDonnell on this occasion, but I give him fair warning that he will not be recognised again while he 
maintains a substandard of dress.

Mr BELL (MacDonnell): Mr Speaker, I rise to address once again the matter of the Alice Springs to 
Darwin railway line. There are a few points that I would like to make in this debate. The first relates to 
this government's record with infrastructure projects and the second to the selective view of history that 
speakers on this subject so frequently employ. We have just heard the member for Jingili recounting an 
extraordinarily selective view of the history of public transport, and the railway in particular, the major 
transport artery of the Northern Territory, the lifeline carrying the flow of goods up and down the 
centre of the Territory. The third issue that I wish to talk about is the viability of the existing railway 
and the attention that government ministers, particularly the Minister for Transport and Works, the 
Treasurer and the Minister for the Railway, should be paying to problems with the existing Tarcoola 
corridor that runs through the centre of my electorate.

From listening to the contributions to this debate, it appears that the main issue relates to the 
extraordinarily selective view taken of history. I will not spend time on the transformation of the 
Hawke government's promise to build the railway into an offer of 40% funding or an 
accelerated Stuart Highway upgrade, except to point out that the member for Jingili completely ignored 
the question of accelerated development of the Stuart Highway. Many members drive up and down that 
highway on which there has been a huge expenditure of Commonwealth dollars. The member for 
Katherine drives repeatedly between Katherine and Darwin at speeds exceeding 160 km/h. He must 
give thanks for the donation of the Minister for Transport, Peter Morris, in terms ...

Mrs Padgham-Purich: It was taxpayers' money.

Mr BELL: ... of funds for the accelerated development of the Stuart Highway.

I do not propose to dwell on that at length. There is a far more important historical issue. Every time 
one of these debates occurs, the perfidy of successive Commonwealth governments, Labor and Liberal, 
is brought to the attention of members. The chief reason for that is the 1907 Northern Territory 
Acceptance Act. I do not know whether those members who dwell repeatedly on this legislation 
wander around their electorates and the Northern Territory generally with their eyes closed. If they 
would like to open them, they would see on Territory roads numbers of large things made of metal, 
with 4 wheels on them and engines at the front. These are capable of conveying people at substantial 
speeds, not only around the suburbs of Darwin, but also up and down the Stuart Highway. They are 
called motor vehicles - motor cars, trucks and road trains.
People who dwell on the 1907 Northern Territory Acceptance Act ignore the historical reality that, in 1907, the internal combustion engine was a recent invention. The date that sticks in my mind is 1904 when, in order for someone to drive a Daimler in the streets, a man had to walk in front of it with a red flag. People were not permitted to drive cars on public roads in 1907 because they might frighten the horses. In the age of the horse and carriage, the railway was the only practical alternative.

I am a railway buff - I love railways. In most years, I take a return trip south on the Ghan. It is an absolute pleasure. I am something of a sucker for the romance of the train. However, I am also something of a hardhead when it comes to history and public money.

Mr Coulter: Get it right - it was the Northern Territory Surrender Act of 1907, not the Northern Territory Acceptance Act.

Mr BELL: As I understand it, the Northern Territory Surrender Act was passed by the South Australian parliament and the Northern Territory Acceptance Act by the Commonwealth. If the minister wants to indulge in some legalistic fine distinctions, he is most welcome to do so. I really do not see that there is much to be gained in that regard.

The internal combustion engine was in its infancy. The Wright brothers, Wilbur and Orville, had managed barely 12 months before that to get their heavier-than-air machine off the ground in Missouri, USA. I think that was probably also in 1907. Some 12 years later, Kingsford Smith flew his plane from England to Australia. However, it was not until 1935 - nearly 30 years later - that there was anything like a regular aeroplane passenger and freight service. In fact, I noted in today's NT News a report about an 82-year-old ex-pilot who flew one of those first flights up and down the Territory. I mention in passing the pioneering aviation work of Eddie Connellan and I commend his biography to anyone interested in the subject. His pioneering work in Territory aviation some 30 years after the enactment of the Northern Territory Surrender Act deserves recognition in the railway debate when we are talking about the state of public transport in the Northern Territory. The selective view of history that government speakers promote in this regard really does not do our cause much good.

There is a further problem with their historical argument. I was not surprised that I did not receive an invitation to the laying of the first sleeper for the line. That was an absolute stunt if ever there was one. I understand that the sleeper used was from the North Australian Railway that Malcolm Fraser had ripped up in 1976.

I have a great deal of sympathy with the need for the government to provide appropriate infrastructure. The subject in which I am particularly interested is the live cattle trade into South-East Asia. It has been of considerable interest to me to observe the facilities that have been necessary to maintain that burgeoning trade in the last few years. While infrastructure deserves to be supported, it has to be sensible and must have some prospect of contributing. Given modern road transport on the Stuart Highway, I have a great deal of difficulty in accepting that the figures stack up. The reason I say that is because of the problems with the Tarcoola corridor. A decision was taken by the Whitlam government and an all-weather line was opened in 1980 between Tarcoola and Alice Springs. The economic viability of that line is questionable. The sealing of the South Road and the competition of road freight has thrown the economic viability of that line into some doubt. When government ministers speak on this issue, they need to be hard-headed about that. In this year in which we are celebrating the 50th anniversary of victory in World War II, it is important to remember that the sealing of the Alice Springs to Darwin road was an important infrastructure project at that stage, and that it happened very quickly.

Mr Coulter: It was built by the Americans.

Mrs Padgham-Purich: It was not.

Mr Coulter: Who were the engineers?
Mrs Padgham-Purich: The Australian army.

Mr Coulter: It is not true.

Mr BELL: I pick up that interjection from the member for Palmerston. It saddens me, as it will sadden many of the Australian servicemen who worked on the construction of the Alice Springs to Darwin road, that he repeats the myth that Australian effort did not go into the building of that road. There are a number of people ...

Mr Coulter interjecting.

Mr BELL: I simply point out that, because that project was carried out at a time of national emergency, it may be very easy to imagine that it was not a major infrastructure project but, of course, it was. It was of considerable assistance to transport for non-military purposes. For example, transport within the pastoral industry was enhanced significantly at that stage. I see the significant development of the transport system at that stage as of importance. I support infrastructure projects generally ...

Mr Coulter: But only when you get it wrong.

Mr BELL: ... but I am not prepared to cheer blindly for a railway when there are so many other competing demands for government dollars and services. This government has a disastrous history of involvement in infrastructure projects. The luxury hotel strategy was a financial disaster. This government has been very fortunate in that the Territory press has not taken it to task over that. However, that it was a disaster is a matter of record. However, it is pretty cheeky of it to demand that other governments and taxpayers elsewhere in Australia support its own dream outside of the national context and beyond what has a significant chance of achieving economic viability.

With those cautions, I indicate my views about the railway and the government's involvement in transport infrastructure. I think it is important to have these debates. I believe the government has a clear role to play in enhancing industrial and economic development in whatever area and in supporting it with appropriate infrastructure. Nevertheless, we have to be hard-headed about it and ensure that there is, at some time in the foreseeable future, a demand for those services that justifies that expenditure at least in part.

Mrs PADGHAM-PURICH (Nelson): Mr Speaker, in rising to speak to the motion by the member for Palmerston, the Minister for the Railway - I do not know whether that is facetious or not - I would like to say that I support the motion wholeheartedly.

Together with other members, I was a guest at the lunchtime gathering at the East Arm project. It was conducted with some pizzazz and lighthearted publicity, but the underlying importance of the project was very apparent. We saw the roadworks, hard pads, excavation work, reclamation work, dredging and construction drawings for the groynes, making them the primary building for the total development. We saw the enormous project that is planned and the immense amount of work that has been done already. I find it very exciting, and I do not usually become excited about these sorts of things.

What really pleases me very much about the project is that the Northern Territory government is not spending money on some dead-end welfare project as it does so often. We hear repeatedly about dead-end welfare projects on which it spends enormous sums. They get the government nowhere. I do not know whether it wins it any votes. I suppose that it does it all in the name of Christian charity. That is its only excuse for it, but it does not get the Northern Territory anywhere. A project like that at East Arm is one that can be seen happening and growing and, provided it is finished as expected, it will create enormous growth potential for the Northern Territory.

Normally, I can take or leave these projects. I have been to many mining projects where I have seen the same kind of activity. I recall seeing the Ranger Uranium Mine first when it had proceeded a little way
into the open cut. The same activity was to be seen. Trucks whizzed about 24 hours a day and they were watering the road. There were explosions and the ore was dropped in various places. Trucks picked it up and took it to a dump somewhere.

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It was all very exciting when viewed from a distance. However, in the case of the port, what is of more interest is to look at the projected works that will continue when this part is completed and what will be the final outcome of the whole project. We saw this illustrated with the extensive maps that were on display at lunchtime.

The East Arm development is the first part of a port/railway combination development. I know that the East Arm port has been designed to provide a port for loading and unloading material that crosses the Darwin wharves now. The noxious loads of sulphur and other industrial materials, the live cattle trade and similar activities will be transferred to East Arm. That makes me smile a little because, when the Wharf Precinct was first developed, it was supposed to allow tourists see a working wharf. It appears that the working aspect of the wharf is to be taken away and tourists will simply sit on a wharf where nothing much happens.

A close neighbour of the East Arm port is the Trade Development Zone. A little further away are the extensive new cattle yards. The Trade Development Zone will not use the railway to put its products on ships for export, but I believe the cattle yards will be a big user of the railway. Although the cattle come into the yards by road from different parts of the Territory and elsewhere in the Top End, more cattle will travel here by train when the railway is built. Once the railway is developed, there will be fewer cattle trucks on the road and generally less transport of goods by road. The road train operators are very astute business people; they have to be to stay in business. The more astute ones among them are making plans now for when the railway is developed. Like many others, I can see their businesses declining to some extent. The upside will be that, because there will be less traffic on our roads, there should be less road maintenance required. That will reduce costs to the Northern Territory taxpayer.

According to a comparison in the states between road and rail travel, the latter is slower but cheaper. We have heard it said repeatedly - and there has been no argument - that the railway will have to be economic in terms of carrying freight only. However, a great bonus will be the use of the railway by tourists and local people. The Northern Territory's tourism industry is moving ahead in leaps and bounds and I foresee very extensive and energetic use being made of the railway by the tourism industry. I do not believe this use by locals and tourists has been estimated, but I believe it will be substantial. I believe the railway will be used extensively also for defence purposes, especially with the build-up of defence personnel and establishments in the Top End. Coupled with the original concept of the railway for the transportation of freight, its use by the defence forces, local people and tourists will add to its attractiveness. Finally, the government needs to be bold in its thinking about the railway project but not foolhardy.

Dr LIM (Greatorex): Mr Deputy Speaker, I support the motion by the Minister for the Railway, and his request for bipartisan support for this national project.

Mrs Padgham-Purich: He has my support too. It is tripartisan!

Dr LIM: Tripartisan. We heard support for the motion expressed by the Leader of the Opposition and the member for Barkly, but not by the member for MacDonnell. He introduced motor cars and aviation into the debate to confuse the issue, and conveniently ignored the fact that, properly operated, the railway would offer the most efficient weight-to-cost ratio in the movement of freight.

The Alice Springs to Darwin railway was a 1911 promise of compensation that successive federal governments have failed to keep. That promise was renewed again as recently as the last decade. We heard the member for Jingili relate the history. It was one of Bob Hawke’s pre-election promises in 1983, but we know what the promises of the Labor Party are like. From what I have read, a feasibility
study undertaken by Canadian Pacific Consulting Services several years ago reported a 3- to 4-year construction period for the railway at a cost of $500m to $550m. Then David Hill, at the time the chief executive of New South Wales railways, later the ABC's director and now in charge of a football club - his career seems to be on the decline - estimated that it would take 7 to 9 years to construct at a cost of $650m. The recent Daewoo assessment put the cost at close to $1200m. Clearly, the longer we delay, the more it will cost. How long can we afford to wait?

I believe the development of an Alice Springs to Darwin rail link is the only way for the Territory to go, and the sooner it is constructed the better. In a speech in this Assembly at the first sitting in this new building in October last year, I projected myself 10 years into the future. Looking back, I saw the completed railway line and I said:

The railway link, the last of the 1600 km of the national rail grid between Alice Springs and Darwin, is completed following a change of government attitude. Manufactured goods are now railed to Darwin for shipment across the oceans. Live animal exports are similarly transported from across the nation to Darwin, arriving in much greater comfort and in better condition.

I believe there is a wish and a will in the Territory to have this railway. Those who speak against the line raise arguments such as that put by the Queensland government when it submitted to the Committee on Darwin that any Commonwealth contribution at all to the railway would be a misallocation of public funds. Others claim that the construction of the railway can be supported only if it is able to survive financially in its own right from the first day of operation, arguing that it should not require any federal financial assistance. That is a nonsensical argument. Part of the overview of the report delivered by the Committee on Darwin reads as follows:

At the relevant time, the rail will have to compete. It is a proposition difficult to argue with. If a dollar of Australian taxpayers' money invested in one project would produce a greater public benefit than in another, what choice can be made?

One critique of the report said:

In the case of this project, the consultants have reduced the value of assessed public benefit by removing every uncertainty. Who knows whether its benefits will actually be more or less than other opportunities?

The completion of the national rail grid should be considered as part of the national infrastructure. As happened with the Snowy Mountains scheme and the Ord River project, the Alice Springs to Darwin railway should be built as a mission for the future of this country. The benefits to this country, by way of the social good through additional infrastructure, employment during the building of the rail, and employment in the operation of the rail, are factors to which the consultants to the committee attributed nil value. Studies that I have looked at suggest that, during its building phase, the project would generate some 2000 jobs and, during the operational phase, 250 jobs.

Should we ignore the employment that this country desperately needs, the saving of millions of dollars each year in freight costs in the Northern Territory, or the cost of some $15m each year to maintain the Stuart Highway? Should we ignore the secure supply of ordnance and fuel, the defence savings and regional military mobility? We heard the Minister for the Railway discuss the benefits to the environment when we switch freight transport from fuel- and rubber-consuming trucks to the railway. The reduction in greenhouse gas emissions alone will be of significant benefit to the environment.
These benefits are difficult to quantify in absolute dollar terms, but they would be achieved nonetheless. This banking approach to financial assessment of public infrastructure results in federal government spending on major metropolitan buildings, suburban rail extensions and ring roads, the infrastructure items that receive support on the eastern seaboard. If one is cynical, it appears that the money is spent where the votes are, not where it is most needed for the national good.

I was disappointed that the committee chose to be, as it described itself, 'pragmatic'. It pandered to the federal political attitude of the day when it should have had, and could have had, vision. The consultants to the Committee on Darwin would not see landbridge traffic ever becoming viable. They dismissed short-haul freight outright as something that would not occur. Such a statement is debatable, particularly for freight for which advantage can be taken of specialised, customer-owned wagons, as would be the case with aviation fuel and limestone.

With State Ships losing its government subsidy, it is likely that goods shipped from Perth will be less competitive with goods brought by rail from Adelaide. As John Olsen of the South Australian parliament said, the Committee on Darwin omitted to take into consideration the shift of freight from shipping to rail, up the middle of the continent. It omitted to take into consideration the shift of freight from road to rail between Alice Springs and Darwin. Surely the presence of the railway will promote domestic growth.

I drive regularly between Alice Springs and Darwin to attend parliamentary sittings, and I drive between Alice Springs and Adelaide on 2 or 3 occasions each year. Like myself, others who drive regularly along the Stuart Highway will have noticed the great difference in density of road train traffic on the 2 sections - the southern section between Alice Springs and Adelaide, and the northern section between Alice Springs and Darwin. Driving for 12 to 14 hours between Alice Springs and Adelaide, one notices that road trains are few and far between. Last Saturday, I drove back to Alice Springs from Darwin. I lost count of the numbers of 3-bogie road trains I overtook. The only factor to account for the difference is that the southern section has a corresponding railway. It seems obvious to me that the trucking industry is using the rail to carry containers from Adelaide to Alice Springs, then driving them up to Darwin. I suggest that the trucking industry will utilise the rail if it is extended to Darwin.

Another problem with the Committee on Darwin's assessment was that its viability test counted only domestic freight - and it has been suggested that, even then, the committee underestimated the figure by nearly 20%. Surely it erred on the conservative side. If the committee had looked at a 4% growth rate, which the Northern Territory averaged through the 10 years from 1983, instead of the 3% that it accepted, it would appear that the viability of the railway would be assured by the year 2000. If the committee used the Queensland discount rate of 6%, instead of the Commonwealth discount rate of 8%, in assessing this project, the railway would be seen to be viable now. If the railway were up and running now, it is suggested that the national savings from its operations might be well over $40m per year. In the committee's own words, this nation will have to endure this loss of $40m each year for the next 10 years. That appears to be a shortsighted approach. If the railway were to open tomorrow, the committee admits that the nation would make savings of $40m by the end of one year. If that were the case, it would not take long for the federal government to recover, from the annual savings, the capital that it would provide for the railway line.

I was at the port today to look at the development there and to witness the ceremony performed by the Minister for the Railway and the Minister for Transport and Works. The earthworks being constructed there would easily convince any doubting Thomases of the Territory's determination to see the port and the railway developed to their full potential. It is an impressive sight. I invite those honourable ministers to repeat their symbolic gesture in Alice Springs by laying the first section of the Alice Springs to Darwin line there.

Returning again to my speech of October last year, at the first sittings in this Parliament House, I said: The Darwin port is now in the process of further expansion. As trade increases and more goods are railed through, Darwin continues to grow. More people move into Darwin for jobs around the port and the
railhead. Waterside work practices are exemplary. The railhead in Alice Springs has now contracted to a shunting facility, albeit greatly enlarged to cope with the increased movements of trains from south to north and vice versa. The shunting facility is moved to the south of the township, freeing up the railway land west of Telegraph Terrace for further urban development.

Let us imagine that the Alice Springs railhead has shifted to the Smith Street area of the town and that the link to Darwin is directed from the Smith Street area northwards. All that land that is now occupied by the railhead in the business district of the township will be available for conversion to another suburban development. That will bring the centre of Alice Springs truly into the CBD. With that area of land opened up to housing development, there will be no urgency to look for other land on the outskirts of the municipality. I continued:

The road transport industry is now rationalised. Operators have adjusted and restructured their operations. The railway line has opened up the country on each side of the line. The road transport operators now cater for the properties and the many mines hundreds of kilometres to the east and west of the rail line.

For a short time during the building of the railway, Tennant Creek took over as the railhead. The town boomed during those days and enterprising business people capitalised on that short period of activity. The copper and gold mines around Tennant Creek are reopened as technology in mineral extraction improves.

Undoubtedly, a completed railway line between Alice Springs and Darwin will help the mining industry in central Australia. Over all these years, the carting of ore from isolated areas of the Territory to ports has been a major stumbling block to greater development. Queensland enjoyed the opening up of great tracts of land for mining when its previous conservative government ensured development of rail lines to service the mines. It was one of the factors that changed Queensland from its backwater status to being one of the most successful states in terms of population and industry. However, I suggest that the rail will not only help with the extraction industries in the remote outback of the Territory, but will also encourage the opening up of land for agriculture. The transportation of fresh food will be less of a problem than it is now. Let me continue quoting from that futuristic speech that I made in October:

Horticulture in Katherine increases beyond expectations. In central Australia, particularly around Ti Tree, horticulture becomes a commercial reality. The rail makes transport of the harvest practicable. Water resources in central Australia are now well-defined. Property owners are advised and assisted with appropriate and sustainable horticulture.

I understand that the success of the railway will not be dependent on passenger traffic, but on the volume of freight moved. However, with the completion of the railway grid throughout the nation, train buffs from all over the world will flock to experience the ride of a lifetime, one that will equal any in the world and probably with greater comfort and personal safety. Later in that speech, I said:

We have thousands who come to Alice Springs now on the Ghan, a train journey like none other. Passengers experience the Mediterranean climate in Adelaide, where
they embark on their journey, then travel through to Alice Springs, an area of continental desert, and finally to Darwin in the sub-tropics. It has become a train ride of a lifetime. Train buffs from all over the world come to enjoy the experience. Among the train buffs is Tim Fischer, now the Deputy Prime Minister of the Coalition government in Canberra. The passenger terminal is now twice what it was in the early 1990s, still situated a little way from the main town centre. Due to the expansion of the rail traffic, both in goods and passenger numbers, Australian National has to increase its staff in Alice Springs again, reversing the trend of the early 1990s. The increase in tourism has been beneficial for central Australians. The ripple effect of increased tourism means increased numbers of jobs.

All these things can come to pass if this nation has the commitment to complete the railway. The Northern Territory will prosper and, along with it, the Commonwealth. The forefathers of this country had the vision to build the Snowy Mountain project and the Ord River Dam. New South Wales, Victoria and South Australia have all benefited from the former and now Western Australia and, in time the Northern Territory, will prosper from the latter. It is time for the rail to be completed, and all states and territories will benefit.

In the little time I have left, I would like to say something about the environmental savings that may occur as a result of this railway. Recently, we witnessed the damage that the Iron Baron did in Tasmania and, last year or the year before, we witnessed the catastrophe that the Exon Valdez caused in Alaska. Anybody who flies frequently over the Queensland coast will have noticed the many cargo ships that cruise along the Great Barrier Reef. If one of these oil tankers were to founder in the vicinity of the Great Barrier Reef, imagine the great environmental damage that would occur to the reef. It would spell the end of that area. How much safer it would be if all tankers came direct to Darwin and their cargo was then hauled along the landbridge to the rest of the country. This is one matter that very few environmentalists have taken into account and it is something that I ask the Minister for the Railway to consider. I support the motion.

Mr POOLE (Regional Development): Mr Deputy Speaker, I rise to support the motion. Obviously, as Minister for Regional Development and Minister Assisting the Chief Minister on Central Australia, I have a great interest in the impact of the railway on the Territory towns down the track. I understand that some 2000 people will be employed directly during the construction of the railway, and that many hundreds more will use Alice Springs, Tennant Creek and Katherine as a home and service base. Local businesses will provide food and accommodation, fuel, equipment maintenance and a range of social services to the employees and their families. It is estimated, as I think the member for Braitling said, that some 6600 people will be employed, directly and indirectly during the construction stage, and that 500 or more of these jobs will be in my home town of Alice Springs.

As has been the case with the construction of the new prison in central Australia, of the $27m that has been spent, some $20m in construction and fit-out has gone to local Alice Springs contractors. With the huge increase in expenditure, some $1000m on railway infrastructure, I envisage that, where possible, the Northern Territory government would look to maximise the local content contract arrangements and that Territory procurement policies would apply in most cases. Local engineering, surveying and construction firms could, and I hope would, all benefit from a project of this magnitude.

In the long term, the railway is vital for regional development. It would take 250 ongoing jobs to operate the railway. Half of those would be based in Alice Springs and many others would be required in the regional centres of Tennant Creek and Katherine. A week or 10 days ago, I attended a function in the railway yards at Alice Springs. When National Rail first started operating the freight train services out of Alice Springs, it took over from Australian National, and it now bases 10 drivers in Alice Springs. That involves not only the drivers and their families, who
moved to the Territory and live in Alice Springs, but a range of other expenditure as well. For example, they fly regularly to Tarcoola to pick up drivers who have come up the line from Adelaide, and to swap drivers around. Obviously, in view of the distance involved in moving people, a function of that nature may well be based in Tennant Creek, or perhaps in Alice Springs catering to the north as well. That point is quite interesting. Other side benefits will come to local areas as a result of the rail, even in the area of the aircraft industry.

As the Minister for the Railway pointed out in his statement, the regional centres of Tennant Creek and Katherine will benefit through increased business and services needed for a railhead/road link through to the Gulf to pick up the mining industry, and even out to the

Kimberley, where obviously the horticultural industry will become involved with rail freight. Hopefully, the lower cost of freight will affect prices generally. Household goods etc should cost less. Presently, Territorians suffer, as indeed I am sure honourable members are well aware, as a result of much higher prices in supermarkets and in stores generally in Darwin than exist in the rest of the country. I had an interesting experience of that today. At lunchtime today, I noticed, in one of the larger stores at Casuarina, some folding chairs that have been on special in Alice Springs. I believe they were $12.98 in the Alice and, in Darwin, they were $17.98. That is quite a big difference in the price asked by a national chain of suppliers which obviously buys goods in bulk lots. Presumably, the price difference reflects purely the freight cost. However, I digress.

Certainly, there will be increased business opportunities, and any towns situated on the railway route will have the potential for value-added industry such as manufacturing and processing plants etc. These developments are not beyond the scope of Territorians who usually seize any opportunity that comes along that offers a means of increasing the size and the turnover of their enterprises.

In one respect, I think we are very lucky in the Territory. In the Minister for the Railway, we have a man who has quite amazing vision for the Territory. He knows exactly what he wants to see emerge from the railway, and where he sees the Territory heading over the coming years. He should be congratulated on his vision for the Territory and the development of the railway. Undoubtedly, the railway will result in a substantial increase in our population. Certainly, we will have to supply additional services for additional employees. The multiplier effect of that will be quite tremendous for our small community.

Obviously, some structural changes will be necessary in the road transport sector of the Territory. Certainly, the member for Greatorex, the member for Braitling and I are well aware that some of the road train operators in Alice Springs have concerns and in all likelihood will be affected. The member for Braitling has outlined those concerns and therefore I will not dwell on them today. I believe the trucking industry will always be a vital part of the Territory and of our way of life. Undoubtedly, trucks will always be needed to unload and distribute goods within the towns and in our more remote communities. The net effect of the railway will not change the way of life for people at Imanpa or at Yuendumu or Docker River. The only difference will be probably that, instead of there being so many large trucks on the road, there will be a multitude of smaller trucks running shorter distances in some cases.

I endorse the comments of the member for Greatorex because I too have driven along the highway on numerous occasions. I have noticed the number of road trains that operate between Alice Springs and Darwin compared with the number operating on the Alice Springs to Port Augusta stretch of the highway. Certainly, there is a major difference. Indeed, on many occasions, I have observed the train entering Alice Springs through the Gap and it is quite staggering to note the number of road containers on the train that are being delivered to Alice Springs for shipment further north - I presume not only to Darwin but also to Tennant Creek and to Katherine. However, over the years, as the railway line and the service that the railway companies offer to the public have improved, road transport has become more competitive. A number of companies throughout our great nation are offering services now to Alice Springs that did not exist 10 years ago. The services are far more sophisticated and far more competitive. I envisage that the trucking industry will not vanish, but it will change
direction in certain areas and, in many respects, it will become more competitive. Undoubtedly, the truckies themselves will see that there is a need to be more competitive. They will have to work with the railway by providing complementary and alternative personalised schedules for their transport services.

I am told that the construction period itself could be at least 5 years, and that time will be available to trucking operators in which to redirect their energies in wider directions. I anticipate that a significant number of trucking firms will concentrate on road services in the interim from the new railhead at Tennant Creek. With a little vision, one can foresee far more freight activity from South Australia to the Territory on the train, travelling to Tennant Creek and either heading out into the Gulf country by way of truck, or competing for the very large market in the inland Queensland area from the railhead at Mt Isa. That, in itself, is quite interesting. There will be a major change in the market, certainly in the Darwin market. When I first came to the Territory, Alice Springs always seemed to be strongly in tune with the commercial markets of South Australia, and Adelaide in particular, whereas Darwin seemed to orient itself more towards Brisbane. Over the years, that trend became even more pronounced despite the sealing of the South Road and the standardisation of and improvements to the railway line. In fact, I think the Adelaide market lost a huge share of its business to the Darwin area. I am surprised by the number of firms that currently ship their goods into the Northern Territory from Brisbane. I suggest that will change. The clock will be wound back in effect and Adelaide and South Australia again will become increasingly the marketplace for the purchase of goods to ship to the Territory. That also is interesting.

With the expansion of the Ord River scheme, I am quite sure that we will see numerous road trains heading from the Kimberley to Katherine, bringing produce for shipment to Darwin for export north through the Port of Darwin or indeed to be added to container trains for shipment to the southern marketplaces. As the Ord scheme expands into the Northern Territory, and our horticultural industry becomes bigger and better, as it seems to be doing every year, I am quite sure that in itself will have quite an impact on the local population and on the trucking industry. I suggest Katherine is also destined to become a major transport centre and we will see a corresponding increase in jobs, equipment and infrastructure. This is not conjecture because, although it will be probably some 5 years before the railway becomes operational, certainly in the Top End, the immediate and the longer-term impact on the regional towns is being studied seriously already. My Department of Asian Relations, Trade and Industry funds consultants to work with local regional and economic development committees in formulating economic strategy plans for the various regions. The Arnhem regional plan, the most recently completed, was released in June this year. All of this is focusing increasingly on what the railway may mean or can mean for the regional economy. The member for Braitling recommended that we undertake a survey or a study involving the trucking operations and the Chamber of Commerce and Industry in Alice Springs. I note that the Alice Springs Town Council is currently organising the development of the Alice Springs Economic Regional Plan. I can assure members that the railway and its effects on the economy of Alice Springs is high on the council's agenda.

As the Minister Assisting the Chief Minister on Central Australia, I will be doing everything I can to ensure that this time is used to the best effect for the people of Alice Springs, Tennant Creek and Katherine. It may be that some of the Alice Springs companies that service the trucking industry - fuel outlets, tyre centres, mechanical workshops etc - may be affected by the shift in transport arrangements. Many of these companies will be kept busy by the rail construction activities alone, certainly in the short term and, in the longer term, it is an area that I will be keeping an eye on. Some drivers may not want to move in the new direction of the trucking industry but may wish to remain in Alice Springs. As a government, we would look at providing some services to facilitate retraining for those who wish to leave the industry. At this stage, it is early days and I will need to consult with my Cabinet colleagues if I am to respond to concerns as they arise. Any particular concerns about the impact of the railway on local trucking firms will be closely monitored, but we must keep it in perspective. There will be significant benefits for central Australia as a result of the railway going ahead. Obviously, there will be tremendous benefits for Darwin, for places between Darwin and Alice Springs and for the nation as a whole. I am very enthusiastic about the railway. I am sure all members are becoming a little impatient about it. We have been waiting since 1911 when the
Mr Hatton: 1897.

Mr POOLE: I am told it was 1897. Perhaps by the centenary year of the promise, something will be happening at last. Much of the discussion that has occurred in this House this afternoon has been, by its very nature, visionary. It is not beyond my vision, and I am sure other people's vision - and I say this with my background in tourism - that, in due course, we will see a luxury passenger train. I know that idea has been disregarded constantly in the equation of the rail service from Alice Springs to Darwin, but wouldn't it be tremendous if people had the ability to jump on a train in Sydney and travel through to Darwin? It would be truly one of the great railway trips of the world. The sight of a luxury passenger train of the standard of the Ghan pulling into Darwin once or twice a week could become a reality. It might begin as a combined goods and passenger service from Adelaide to Darwin, as is the situation with the present twice-weekly trip from Alice Springs to Adelaide. However, like the Minister for the Railway, many people in Alice Springs are visionaries. They believe that a new train service would have the ability to cater for tailored holiday packages with stopovers in Alice Springs, Tennant Creek or Katherine, depending on what the people want.

A long time ago, we spoke in this House about the growth in the fly/drive and the self-drive markets. That has become really noticeable only in the last couple of years. The type of holiday where people travel one way by car and the other way by train could become much more affordable. Many people wish to have their cars with them to explore the Red Centre and the Top End. However, the current price structure makes it expensive. In actual fact, car travellers tend to fly to the Northern Territory and hire a car on arrival. As a person who was formerly involved in car rental, I would hate to say anything that might cause concern to my friends in the car rental business. However, I think the great Australian holiday has always been undertaken in campervans or with the use of tow-trailers. Many people drive their cars and stay at motels or camp in tents. The ability to put a car on the train will give people in the south the ability to move around far more economically.

There is no doubt that the economy in our part of the world will gain considerably from this great national infrastructure. I support the motion.

Debate adjourned.