Mrs HICKEY (Opposition Leader): Mr Deputy Speaker, I move that this parliament unanimously calls on the Liberal National Federal Coalition to include a replacement for infrastructure bonds in the federal budget, to be delivered on 13 May, in order to enable the AustralAsia (Darwin-Alice Springs) railway to proceed.

Over a year ago, in February 1996, the Minister for the Railway addressed this Assembly and stated: 'We have a stronger commitment to the railway project today from both major political parties than we have had for more than a decade'. He went on to say that both major parties supported the project in principle and that, after the election, the major task would be to convert that support in principle to support in practice. The minister acknowledged the bipartisan support that existed for the railway project, not only in the Northern Territory, but also in Canberra and South Australia. Regrettably, the Liberal National Coalition government has not maintained that spirit to date. In fact, the Coalition government, elected on 2 March 1996, has lagged behind the commitment shown to the project by the former federal Labor government. I could only respect the frankness of the Minister for the Railway when he said that. He went on to say: 'We were fools not to accept the Hawke offer of 60:40 funding. It was a matter of pride in that we said it was the Commonwealth's responsibility to fund it 100%. In my opinion, that was the worst mistake we have ever made'.

That was the first major failure by this government in relation to the railway project. The second major failure was the inability of this government to consummate a deal with Daewoo. A heads of agreement was signed in April 1995 between the Northern Territory government and Daewoo Corporation, to further the financing, design and construction of the railway project. In February 1996, the Minister for the Railway confirmed to this Assembly that Daewoo would facilitate $500m in private sector funding subject to Commonwealth government participation in the project. Subsequently, after one extension of the exclusivity arrangement with Daewoo, it was terminated. Admittedly, the Daewoo negotiations were not entirely within the responsibility of the Northern Territory government. Commonwealth governments of both political persuasions have insisted that, if the Commonwealth government is to participate in the project, an international expression of interest process would be required, effectively precluding any exclusivity arrangement with Daewoo or anybody else.

The third lost opportunity occurred in relation to the infrastructure bonds. Because I and others in this Assembly were concerned about accessing infrastructure bonds for the railway project, I wrote to the Prime Minister, Mr Howard, following the Commonwealth Treasurer's announcement on 10 September 1996 that he had directed the Development Allowance Authority (DAA) not to accept further applications for infrastructure borrowing certificates until 30 June 1997. As with the Premiers Conference deliberations, which the Chief Minister and I referred to yesterday, the correspondence between myself and the Liberal National Coalition government is instructive not only for its content, but also for its delivery. The Prime Minister's reply of 28 October 1996 to my letter states:

The DAA has held discussions with representatives from the Northern Territory government concerning a draft application for infrastructure borrowings for the
north-south rail link. However, as no formal application was received prior to the Treasurer’s announcement, the DAA is unable to consider granting infrastructure borrowing certificates for the project. At this stage, that said, the Treasurer's announcement does not stop the DAA accepting further applications after 30 June 1997.

Subsequently, on 14 November, I wrote again to the Prime Minister, urging him to consider a mechanism under which the AustralAsia railway project could gain a form of interim DAA endorsement prior to July 1997. Among other things, I suggested that approval for the project under the infrastructure bonds taxation scheme or a form of interim approval was one means of providing a government contribution to the project in recognition of the public benefits that it would provide that are external to benefits that would be captured by private sector developers. Subsequently, on 14 February 1997, the federal Treasurer announced legislation, effective from that date, to prevent: the lodging of any new infrastructure borrowing applications; the issue of any further infrastructure borrowing certificates, except where, prior to that time, DAA gave a written undertaking to issue a certificate; and re-engineering, including amendment, in respect of existing certificates, to increase tax benefits.

Later still, in a letter, dated 14 April 1997, the Treasurer reiterated that, in the budget context, his government would consider a number of alternatives to provide appropriate government support ‘for genuine infrastructure projects while eliminating abuse’. Unfortunately, the federal Treasurer advised: ‘At this stage, the details of these alternative arrangements have not been determined, but the government will consider all options ... the government will endeavour to have these alternative arrangements introduced and operating as soon as practicable after the budget’. In other words, a replacement for infrastructure bonds and a commitment to the AustralAsia railway will not be available in the federal budget of 13 May. He is talking about this occurring ‘as soon as practicable after the budget’.

Just as unfortunately, the Treasurer’s letter effectively precludes the argument that a government capital contribution to this project would recognise the public benefits that the project will generate. Instead, the Treasurer states that his government supports private sector investment in infrastructure projects. The government recognises that private sector infrastructure projects, such as the north-south rail link, can generate higher sustainable economic growth and international competitiveness for the nation through fully commercial operations and practices. What this means is that no capital grant will be provided by the Liberal National Coalition government to the AustralAsia rail project. In short, there will be no infrastructure bonds, no capital grant and still no debt facilitation instrument to enable the project to proceed. In fact, the only unequivocal public commitment that the Liberal National Coalition government has made to the AustralAsia railway project has been to confirm the commitment by the previous Labor federal government that the Tarcoola to Alice Springs railway will be transferred to a consortium, building, owning and operating the Alice Springs to Darwin railway. The present federal government has excluded the Tarcoola to Alice Springs line from the sale of Australian National Rail assets. By contrast, in addition to transferring the Tarcoola to Alice Springs line at no cost, the federal Labor Party is committed to provide $300m as a capital grant to the project.

Mr Coulter: Hear, hear!

Mrs HICKEY: Indeed!

It was the previous Labor government that contributed funding towards completing the route survey between Alice Springs and Darwin. Similarly, it was the previous federal Labor government that contributed $11m from the Better Cities Program towards the cost of the new port at East Arm.

The Tarcoola to Alice Springs line was completed in 1980 at a cost of $414m in 1986 dollars. If this line is valued at its construction cost, the value of commitments from the federal Labor Party to support the AustralAsia railway amounts to about $730m. By contrast, not only has the Liberal National
Coalition government abolished infrastructure bonds, but it refuses also to recognise the social and economic benefits of the railway project to the community. The immediate challenge now confronting the Territory government is to secure from the Liberal National Coalition government a debt facilitation instrument that will enable the finance required for the project to be committed, allowing the project to proceed. The second challenge remains to secure capital funding from the private sector or the national government which, at the very least, matches the commitment of $100m from each of the Northern Territory and South Australian governments. The third challenge relates to the Australian Inland Railway Express Group proposal, and I will mention that briefly. In a media statement on 11 April, I pointed out that plans for another trunk railway between Darwin and Melbourne, via New South Wales and Queensland, showed once again that the Northern Territory government needed to push hard to ensure that the federal budget included real support for the AustralAsia railway project. A spokesman for the Minister for the Railway was subsequently reported in the Centralian Advocate as having said:

Plans for a railway between Melbourne and Darwin via Queensland do not affect the Alice Springs to Darwin railway. The proposed $10 000m project was at a preliminary planning stage and would be reliant on the Alice to Darwin line being completed before it could proceed.

Yesterday, the Minister for the Railway was himself reported as having said that the AIRE proposal to build a railway from Melbourne to Darwin via Queensland has no cost estimates, no feasibility studies, no timetable for construction, no route surveys and no finance plans. Commentators who are familiar with the technical literature on this alternative proposal might well put a different emphasis on some of those matters. Having said that, I certainly agree with the minister that the AustralAsia railway project has very significant advantages over the AIRE project. In fact, the minister's statement to this Assembly on 20 February is an excellent summary of those advantages, and he should attach a copy of that statement to his next media release because it outlines the advantages in very clear form.

It is also significant to note that, unlike the AustralAsia project, the proponents of the AIRE have stated they will finance their project without requiring capital grants from government. That has to be seen as something that would interest governments in terms of support or otherwise for a project. However, both projects require tax expenditure from the Commonwealth government. In any event, we would be foolish to be complacent about the potential of this alternative proposal because the AIRE proposal is clearly not dependent on the Darwin to Alice Springs railway being completed before it can proceed. This proposal could itself go to Darwin, Katherine or Tennant Creek. Secondly, the AustralAsia railway and the AIRE proposal would compete for freight traffic from Port of Darwin and for bulk mineral haulage from mining projects in the Northern Territory. Thirdly, the proposals would be competing for specialised private funding available for very large infrastructure projects. Fourthly, to the extent that the Coalition government may be prepared to facilitate either project, there are clearly limits to its potential tax expenditure to assist these projects. The federal Treasurer has said so himself, and that is why he abolished infrastructure bonds.

The real question about these 2 railway projects is not simply the extent to which they are mutually competitive, but whether they are complementary in some respects. Every member of this Assembly knows the potential benefits that the AustralAsia railway project will bring, not only to the Northern Territory but also to South Australia and other states as well. Every member also values the efforts of the Minister for the Railway. It is now well and truly time for the Coalition government to make a substantial practical commitment to the AustralAsia railway project in the federal budget on 13 May. We do not need more ambiguous words or more statements that effectively preclude the practical commitment that the governments of the Northern Territory and South Australia need to bring this project to completion. What is needed is a commitment to the project in the federal budget that will be an effective replacement for infrastructure bonds. I believe that is the unanimous aim and desire of all members of this Assembly. In moving this motion, my aim is to send an unequivocal message to the
federal government that this matter is earnestly desired by the Northern Territory and by South Australia for the benefit of all in this country. I commend the motion to the Assembly.

Mr COULTER (Railway): Mr Speaker, I have an amendment that will be circulated in a moment.

What a pity the ALP did not listen to me when I pleaded with it in December 1995, and in January and February 1996, to give the government strong support for the railway. We obtained some support to finish the survey and a few other things - to the tune of some $3m. Had it said, at any time before March 1996, that there was - and I think the words are - 'up to $300m in capital grants available to the project', I am sure the ALP would be in a better position than it is today, particularly in South Australia and perhaps even in the Northern Territory, in terms of its representation in the House of Representatives and perhaps the Senate. However, it saw fit not to take my advice and subsequently - less than 6 months ago in fact - said that the $300m is in capital grants. In fact, I was asked by the federal Leader of the Opposition, Mr Beazley, whether or not we would take the infrastructure bonds or the capital grant. I said that we would take the capital grant every time. It was lucky that I said that because, on 14 February, the infrastructure bonds disappeared under the Coalition government.

However, I have some advice for honourable members that was forwarded to the Chief Minister on 21 April in the form of a letter from the Prime Minister. As honourable members are aware, and indeed the Leader of the Opposition has pointed it out quite clearly, infrastructure bonds disappeared on 14 February, largely because of the abuse of the tax aggressive nature of the infrastructure bonds and what tax advisers were doing to minimise taxation for certain investors in infrastructure projects throughout Australia. Indeed, many of those projects would have proceeded with or without infrastructure bonds. The bonds were not crucial to their going ahead and for private moneys to be spent on public infrastructure. However, we can derive some hope from the words of the Prime Minister in his letter to the Chief Minister in reference to the Treasurer's announcement of 14 February:

I would note that the Treasurer's announcement in no way means that the government does not recognise the importance of private investment in infrastructure projects. The Treasurer's announcement that the government will be considering a number of alternative arrangements for continuing support for genuine infrastructure, whilst eliminating abuse, is an illustration of this. At this stage, the details of these alternative arrangements have not been developed. However, once these arrangements have been announced and take effect, the Alice Springs to Darwin railway, if eligible, will be able to apply.

It is the 'if eligible' that causes me some doubt and some concern. We really need to know from the federal government whether or not it considers the Alice Springs to Darwin railway a genuine infrastructure project that is deserving of the support of infrastructure bonds. In fact, the head of the Chief Minister's Department is in Canberra today. We have been talking to a number of people in Canberra in relation to this project and, hopefully, we will obtain some good advice on that before 13 May and perhaps even before our own budget is brought down next week. The 'son of infrastructure bonds' is on the drawing board and I believe that it will be announced and that the railway must qualify as a genuine infrastructure project.

However, there is no doubt that the announcement by the federal Treasurer on 14 February 1997, that infrastructure bonds would no longer be available for new projects, was disappointing to say the least. As I said in the Assembly during the February sittings: 'The federal Treasurer's announcement has obvious implications for the railway project, given it was well known we would be seeking this form of investment support as part of the project's viability package'. I went on to say that the federal budget 'is important to the project'. The intention of the infrastructure borrowings taxation concession was to encourage private sector participation in publicly-accessible infrastructure. There was recognition that
major infrastructure projects had a long lead time before they were completed, and consequently it was some time before income was earned on these investments.

Mr Deputy Speaker, I will circulate my amendment to provide honourable members with the benefit of reading it while I am speaking. At the conclusion of my speech I will move:

that all words after `unanimously' be omitted and that the following words be inserted in their stead:

(1)supports the federal government's recognition of the importance of private investment in infrastructure projects whereby it will consider in the budget a number of alternative arrangements for continuing support for genuine infrastructure projects such as the Adelaide to Darwin railway; and

(2)applauds the steps taken by the federal government to prevent abuse of the infrastructure borrowings taxation concession instituted by the Labor government which, if left unchecked, would have posed a major threat to revenue.

Mr Stirling: You are an apologist?

Mr COULTER: That is one thing that I am not, Syd.

In order to encourage this type of investment, the Commonwealth government decided to introduce the infrastructure bonds program that had the effect of bringing forward in time the taxation concession available to investment projects. Rather than the borrower being able to treat interest payments on income earned as a tax deduction, which would occur only some time into the project's life, this facility was transferred to the lender, and the interest received by the lender was tax free. This enabled the lender to offer finance to the group investing in the infrastructure at lower interest costs than those available in the marketplace. I might add that, at the time when Daewoo made its offer, we were looking at a capital grant from the Commonwealth. Daewoo said that, if South Australia, the Northern Territory and the Commonwealth put up half the money, it would find the other half. It was looking at capital grants at that time.

The principle behind the infrastructure scheme was an admirable one, and the Labor government should be congratulated on it. Although a number of inappropriate projects got through the hoop, it was an excellent attempt to attract private money to public infrastructure. Nevertheless, the Territory government was aware that the Commonwealth government had been concerned for some time that the objectives of the arrangements were not being met nationally. This was underlined last September when the federal Treasurer directed the Development Allowance Authority, the agency administering infrastructure bonds on behalf of the Commonwealth government, not to accept further applications under the arrangements for the remainder of the current financial year. The Commonwealth government had received a flood of applications in the July/August 1996 period, totalling 71 proposed projects and some 5 times that certified by the DAA between 1992 and 1996. Half of the 71 applications were received on the eve of the budget last year. The program was put on hold while a review was undertaken. I understand the review involved the federal Treasury, the Australian Taxation Office and the DAA. The result of the review was announced in February. The Commonwealth government concluded: 'The transfer of tax benefits, as originally intended under the legislation, is not working. Most of the benefits are being captured by financiers and tax planners'. That was what the federal Treasurer said on 14 February 1997. In short, the
arrangements were being rorted by greedy, financial arrangers and, in effect, their actions have killed the goose that laid the golden egg. Australian taxpayers were paying for this greed.

While infrastructure bonds are no longer available for new projects, the government is encouraged by the federal Treasurer's announcement, also in February, that the Commonwealth recognises the value of promoting private investment and infrastructure projects. He went on to say: "In the budget context, the government will consider a number of alternative arrangements for continuing our support for genuine infrastructure investments whilst eliminating abuse". The Territory government has been involved in detailed discussions with the Commonwealth government over the last 2 months and I am confident of a favourable outcome from those discussions. I ask the opposition to remain patient until the outcome of the discussions is known. I believe it will be known to us when the budget is brought down in a few days time.

With regard to the alternative rail proposal, I have written to Mr Compton with a few concerns that I have had about the way in which he has promoted his project over the north-south project. I wrote to him, seeking that he correct some of the literature that had been brought to my attention. For the benefit of honourable members, I table that correspondence to Mr Compton asking him to get it right when he is talking about the Adelaide to Alice Springs railway. It is interesting to note that this alternative proposal was around even before 1945 when Sir Harold Clapp advised the Curtin/Chifley government about the prospects of building such a line. Indeed, a pastoralist in the Northern Territory and northern New South Wales proposed the line as long ago as 1932. In those days, it would have cost $4m to develop that railway project. It was to connect with the Northern Territory railway which, according to the map, ran as far south as Birdum in those days.

Whilst I am on my feet, I will take the opportunity to bring honourable members up to date. Obviously, the next move from the Commonwealth over the next 20 days will be vital to the railway and where we go from here. The land acquisition process is progressing nicely. Almost 70% of the corridor has been purchased. Last week, I received a report from the Central Land Council on the sacred sites clearance for the southern section of the line. Consultants were in Tennant Creek last week examining some sacred site issues there. Only 2 areas remain to be cleared - a valley near Alice Springs and the Devil's Marbles - which involve considerable concerns that need to be ...

Mrs Hickey: The Darwin rural area.

Ms Martin: The rural area.

Mr COULTER: There will always be problems in the rural area. I have said that in this House on many occasions. Neville Walker was one of the staunchest advocates of the railway, but he found that his property at Noonamah had been dissected by the railway line passing through there. I said that, from Acacia Hills onwards, there would be problems with land for the railway. In the rural area, Mr Duncan McKenzie has been very vocal and has raised many concerns. I recall when that property was for sale. At that time, it was owned by Jock Bremner. That was before the government of Brunei bought it. This is going back 6 years before the company, of which Mr McKenzie is an employee, gained ownership of the property. Jock Bremner was complaining about the prospect of having tyres punctured by the survey pegs because they were not sticking very far out of the ground. In that instance, it was a case of buyer beware. It was not something that happened overnight. Everybody knew that one of the proposals for the railway line would take it through that property. If that is what you are talking about ...

Ms Martin: No, I just wanted your response on the entire issue.

Mr COULTER: If I were you, I would not get too excited about it.
A number of smaller property owners are involved, particularly the owners of 20-acre blocks. Bear in mind that we are acquiring a corridor at least 50 m wide and it is pretty hard to get a 20-acre block much bigger than 100 m by 200 m. These people are in considerable trouble as a result of this. Some people have poured a slab etc and there are a number of people, such as Fawcett Cattle Company, which actually acquired the old railway corridor and built sheds on it. That is exactly where we want to put the railway through again. One cannot feel anything other than a great deal of sympathy for people in situations of that kind. However, we are working our way through those issues. People will be upset by the compulsory acquisition processes that will be put in place. The negotiation process is a very emotional and stressful time for many people in that area. The same kind of stresses are involved around Katherine. The owner of Springvale Station is not terribly happy and, of course, Mr Hickey is not happy about the acquisition of land there for the railway line. However, as I said, those processes are happening and they are going very well.

Some 20% of the remaining corridor runs across Aboriginal land. We have entered into discussions with the Central Land Council and the Northern Land Council with the aim of entering into a long-term leasing arrangement. I think we have asked for 90 years, and that will be negotiated for access across the remaining 20% of the land. Those discussions have commenced. The next matter will be any native title that may exist along the corridor, and that has to be negotiated as well.

Other than that, there is a requirement for an enforceable agreement which South Australia asked for in the AustralAsian Railway Corporation papers and the legislation which both governments have entered into. We need to come up with that enforceable agreement and to address the risk management. When I summarised where the railway project was at in the February sittings, the member for MacDonnell was concerned to know how risk management is to be handled. The South Australian representative was in Darwin on Sunday and Monday and I believe the process of developing the enforceable agreement and the risk management strategy is now almost complete. That should be approved by the respective Cabinets within the next 10 days or so.

It is a very exciting time for the railway. It is almost make or break. We have to make up our minds. Hopefully, the federal government will recognise the project in the next fortnight or so, particularly with regard to an alternative to the infrastructure borrowings. In closing, I move:

that all words after `unanimously' be omitted and that the following words be inserted in their stead:

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(1)supports the federal government's recognition of the importance of private investment in infrastructure projects whereby it will consider in the budget a number of alternative arrangements for continuing support for genuine infrastructure projects such as the Adelaide to Darwin railway; and

(2)applauds the steps taken by the federal government to prevent abuse of the infrastructure borrowings taxation concession instituted by the Labor government which, if left unchecked, would have posed a major threat to revenue.

Mr STIRLING (Nhulunbuy): Mr Deputy Speaker, this is an important motion as it stands and it deserves the support of all members of this Assembly in the terms in which it was moved by the Leader of the Opposition. I would like to think that the motion will be passed by this Assembly with a unanimous vote.

I cannot support the words in the second part of the amendment moved by the minister. In his own speech, he applauded the former federal Labor government for the infrastructure borrowings taxation
concession, and he gave us some details about the rorting of the scheme by smart tax agents and lawyers that meant that the federal government had to do away with it. However, his amendment refers to the scheme having been 'instituted by the Labor government which, if left unchecked, would have posed a major threat to revenue'. That suggests that it is all the fault of the Labor government that the scheme remained in operation even though, in his contribution to this debate, he did not blame the Labor government at all. In fact, he applauded and commended it. If he is prepared to withdraw the second paragraph in his amendment, we could probably live with the amendment and an amended motion could be accepted unanimously by the Assembly. I will come back with a form of words in that regard. If we are able to reach some agreement and all get behind the motion, that will preserve and strengthen the bipartisan approach of this Assembly in relation to the railway. The government's most positive move in recent times to get the railway project going was to give ministerial responsibility to the member for Palmerston who has been consistent and persistent in this regard. When we finally do have a railway running between here and Alice Springs, much of the credit will belong to the member for Palmerston.

As the Leader of the Opposition pointed out, there have been 2 occasions when the railway appeared very close. The first was when the Hawke government offered the 60:40 funding that was rejected by the Northern Territory government. It probably loomed very close again with the exclusivity arrangements struck with Daewoo throughout 1995-96 when it appeared that it might come up with some $500m, subject to federal government participation. Unfortunately, that did not proceed and the exclusivity deal lapsed. The latest cost I saw in relation to the railway was $1200m, with $100m from the Northern Territory government and $100m from the South Australian government. Of course, the big question mark remains over the remaining $1000m required. The Northern Territory really has committed expenditure with the relocation of the port facilities to East Arm. I believe that stands at about $80m to this time. That represents a real commitment by the Territory government to the railway concept of probably closer to $200m than the $100m that is on the table now. Presumably, following the Treasurer's statement today about the possible sale of Ayers Rock Resort and the Trade Development Zone even more funding may be available to put towards the railway project.

That commitment by the Northern Territory and South Australian governments has not been matched at this point by the federal Coalition, and the initial freeze on further applications for infrastructure borrowing certificates until 30 June 1997 would have left us out in the cold for more than a year. In fact, the only contribution from the Coalition until now is the commitment to the previous government's decision to transfer the Tarcoola to Alice Springs railway line free to whoever owns and builds the Alice Springs to Darwin railway. The previous Labor federal government contributed funding towards the cost of surveying the railway route and contributed also to the cost of the new port. It made a direct commitment and contribution to the railway in the same way that the Northern Territory government has done.

I have read the letter from the federal Treasurer to the Leader of the Opposition in response to her letter of last November to the Prime Minister on this matter of infrastructure borrowing. The federal Treasurer went to considerable lengths in his letter to explain the reasons behind the decision to prevent the lodging of any new infrastructure borrowing applications, and I accept those reasons. He stated that tax concessions were not achieving their objectives because benefits from the concessions were being captured increasingly by financiers and high marginal tax rate investors, in some cases in disturbing ways. Tax aggressive financing schemes were being proposed that would have resulted in an unacceptable cost to taxpayers. No one should support the rorting of legitimate tax breaks offered to support investment in worthwhile projects and we certainly do not support rip-offs of the nature that the Treasurer suggested were occurring.

However, the federal Treasurer stated also that he acknowledges that his government's decision affects funding options for infrastructure projects that do not use tax aggressive financing structures. Apparently, the federal parliament had attempted previously to prevent certification of borrowings utilising tax aggressive schemes by amending the infrastructure borrowing legislation, but those amendments proved subsequently to be ineffective. This leaves the Northern Territory between a rock
and a hard place until another scheme is introduced to replace the infrastructure borrowings concession - a scheme capable of eliminating and withstanding the abuse to which the Treasurer referred. The federal Treasurer says the Coalition government is to examine alternatives that will allow the provision of appropriate government support for genuine infrastructure projects while being able, at the same time, to withstand those tax rorts. The government will endeavour to have such alternative arrangements introduced and operating as soon as possible after the budget. That is the current state of play in relation to financing the railway above the commitment from the Northern Territory and South Australian governments.

The federal Treasurer's response must be taken also as being indicative of support and commitment to the railway by the federal government. The Prime Minister stated, in the last line of his letter to the Leader of the Opposition, that he recognised the importance that the residents of the Northern Territory attach to the proposed north-south rail link. I think it is a bit cute for the Prime Minister to paint the railway as being important only to Northern Territory residents. It suggests to me that the Minister for the Railway needs to explain to the Prime Minister and the Treasurer the very real economic benefits that will accrue to the nation as a whole from the project to ensure that he has a very clear picture of what we are about with this railway. The Prime Minister may well be captive of the hearts and minds of those in the southern capitals who probably fear the Alice to Darwin railway link and the potential for Darwin to establish itself as a major Australian shipping port ahead of the trade that they bring in and out themselves. However, until the Prime Minister and the federal Treasurer are convinced of the need for this railway and its benefits, I do not think that we will get very far. We need the replacement scheme for these infrastructure bonds to be announced in the federal budget on 13 May. That is essential to enable the Alice to Darwin railway to proceed to formal, international expressions of interest, to determine a final consortium to build, own and operate the railway, and to undertake the detailed design and construction of the entire project. It is not good enough to have to put everything on hold until such time as the federal Treasurer comes up with a new scheme.

Every member of this Assembly should support this motion and I believe the Speaker should convey it to the federal parliament. The opposition has joined with the government of the Northern Territory in bipartisan support for the railway. The minister has outlined the state of readiness that the railway project has now attained. What is now needed is the commitment to the project in the federal budget on 13 May by an effective replacement for infrastructure bonds. The failure of the federal Coalition to come to grips with the financing difficulty that the Northern Territory government now has is one thing but, if it continues to fail to come up with a replacement scheme, we will begin to question just how rosy the relationship between the CLP administration and the federal Coalition really is. Maybe life under federal Labor, as a conservative government in the Northern Territory, was not quite as tough and as hard as ministers opposite would have us believe. That judgment is premature, but we cannot afford to wait too long for the Coalition to support us.

I commend the motion to the Assembly. In relation to the amendment moved by the Minister for the Railway, if all words after 'concession' in the second paragraph were deleted, that paragraph would read: 'applauds the steps taken by the federal government to prevent abuse of the infrastructure borrowings taxation concession'. Members on this side would support that and we would have a motion that has the support of all members of this Assembly.

Mr Coulter: Hear, hear! We accept that.

Mr STIRLING: Mr Deputy Speaker, I move that the amendment be amended by omitting all words after 'concession'.

Mrs HICKEY (Opposition Leader): Mr Deputy Speaker, I thank honourable members for their contributions and the Minister for Railway for bringing us up to date with the latest developments on the railway and likely moves by the federal government. I guess that the member for Palmerston feels that what we have from the federal government at the moment is slightly cold comfort. He will be as
relieved as members on this side when something concrete is received from his federal colleagues in this regard. Certainly, the letter I received from the federal Treasurer, dated 14 April, did not give me that comfort. Although he stated that the federal government will consider, in the budget context, a number of alternatives to the infrastructure borrowings concession, he went on to say: `At this stage, the details of these alternative arrangements have not been determined, but the government will consider all options'. Interestingly, he invited suggestions: `Any proposals for the replacement program which you consider should be examined by the government would be gratefully received'. I suppose that points at least to an openness on his part to consider options. I imagine that the Minister for the Railway and his department have been providing relevant suggestions to the federal government.

The federal Treasurer concluded his letter by stating: `The government will endeavour to have these alternative arrangements introduced and operating as soon as practicable after the budget'. However, the Minister for the Railway is suggesting that we will probably hear something of this matter before our own budget is brought down. I certainly hope that is the case. Any pressure that we can bring to bear on the federal government, any voice that we can add to others in support of the railway and support for an alternative to the infrastructure scheme, will be of value. I concur with my colleague that we would feel able to support the amendment to this motion, provided the last 3 lines were omitted.

Mr Coulter: I am prepared to omit the entire second paragraph.

Mrs HICKEY: That is good. The opposition will accept that. I move that the amendment be amended by omitting the paragraph (2).

It is very important, as my colleague said, that the motion is agreed to unanimously. There would be no point to it if that were not the case. We would have been wasting our time this afternoon. From that perspective, I thank members for their comments and their support for the motion as it is to be amended.

Amendments to the amendment, by leave, withdrawn.

Paragraph (2) of amendment, by leave, withdrawn.

Amendment, as amended, agreed to.

Motion, as amended, agreed to.