The $1300m Alice Springs to Darwin railway, 1410 km long, will be among the 10 biggest infrastructure projects on the go anywhere in the world. That has not stopped the ALP from trying to tear the project down - especially the Leader of the Opposition and the doctor from La Trobe, the member for Stuart. Does the Treasurer have any indication on the likely impact of the project on the Territory’s economy?

Members interjecting.

ANSWER

Mr Speaker, ‘including Alice Springs’ says the member for Stuart, the feeble member for Stuart. Alice Springs will do very well out of this railway project. It will be, as it is at the head of the railway line presently, a major supply centre. There will be enormous opportunities for the construction industry in Alice Springs.

The amount of earthworks that will have to be undertaken, the vehicles to cart supplies to the construction bases as they move from place to place across the Northern Territory, are going to provide enormous opportunities for people in Alice Springs, Tennant Creek, Katherine and Darwin - all Territorians. What is it that you don’t like about success? Why can’t you be enthusiastic about something that Territorians have been fighting for for decades? Why can’t you recognise that this is a huge achievement? It’s not just a government achievement, it’s a Territory achievement. Territorians are proud of it.

Only 7 people in the Territory are putting the project down and I’m looking at them all, except one. Find a little of enthusiasm and recognise that this is a project that is going to accrue short-term and enormous long-term benefits for Territorians. I will demonstrate what some of those are.

The government commissioned Access Economics to undertake an independent, substantial and robust economic evaluation of the Darwin to Alice rail link. Access are widely regarded, as members would know - at least on this side of the House. Their modelling of the railway considered both the construction and operational phases of the project.

A member interjecting.

Mr REED: That’s true. Even your Labor man used them in Victoria.

In the construction phase, much of the investment expenditure -about 70% - will occur in the Territory, but much more of this expenditure will leap out of the Territory economy due to the importation of construction materials such as steel and concrete. Access estimate that the value of the Territory economy, as measured by GSP, will increase by $200m during the 3 years of the construction phase. That is going to have an enormous positive impact. Why can’t the Labor Party recognise that and say it is going to be a good thing?

The estimated total employment created during the construction phase is 7100 jobs nationally, of which employment in the Territory is estimated by the consortium to peak at around 2000 jobs.
In the operational phase, Access estimate the major impact on the Territory economy will be a lowering in the cost of conducting business in and through the Territory. That is a very important, tangible long-term benefit. Why can't you sing its praises? Why, as the Labor Party, can't you recognise it?

It will increase the competitiveness of Territory businesses on both the national and international stages, bringing long-term opportunities for business expansion and employment - jobs for Territorians into the future. Can't you get enthusiastic about that either? Why have you blank looks on your faces?

Improved competitiveness for Territory businesses will lead to higher demand for Territory-made products and services and higher levels of production in the Territory. Increased Territory production and exports will create further jobs in the Territory and attract migration into the Territory. Increases in Territory production will result in continually increasing private consumption in the Territory during the life of the project.

These are all positives. Can't you get excited about them? Why do you keep going on the radio being negative about the railway project? Why do you keep saying: 'It won't help Alice Springs. Nobody in the Territory will get a job. What are you doing to make sure that they will?' The evidence is here before you. This is an independent analysis by the same group that your Labor Premier in Victoria uses.

The benefits won't be instant, but they will increase over time. Access estimates that by 2025 GSP will be 2.5% higher per annum than it would have been without the railway. This equates to around $160m per annum in today's terms, a significant increase in our GSP.

Access also estimates that by 2025 employment will be 2.7% higher than it would have been without the railway. Importantly, the increased competitiveness of the Territory businesses in areas where traditionally they have not been competitive - a quantum leap forward for them - will result in a further diversification in job opportunities for Territorians. The Territory's proportion of total Australian employment and population will increase as a result of the railway.

Non-financial benefits will accrue in the form of less greenhouse gas emissions from the transport sector due to rail requiring less fuel per tonne of freight moved, lower road damage costs and costs attributable to road accidents.

If the Labor Party can't get excited about this project, if the Labor Party can't recognise opportunities for Territorians in this project and they can't get out there and sell it positively instead of whingeing about it, trying to scrape around and find a negative, then they'll never have the capacity to achieve government and they'll never have the capacity to represent Territorians as a government. They should be ashamed of their attitude towards this project. It will derive benefits to Territorians in every theme of their lives. There will be enhancement of growth and chances for our kids to get jobs, and all you can do is put it down.

This government is very proud of the achievement. We look forward to seeing the works commence next year and seeing the activity that will flow to all parts of the Territory, especially those regional sectors that can very much look forward to a substantial increase in economic activity.