Question: Darwin to Alice Springs Railway

Member: Mr PALMER
To: CHIEF MINISTER

Information:
The Chief Minister recently attended meetings in Tokyo in relation to the Darwin to Alice Springs railway. Can he advise the House on the outcome of those meetings?

ANSWER

Mr Speaker, in previous statements that I have made in this Assembly on the railway, I have confirmed this government's commitment to this project. That commitment stands. The government, the vast majority of Territorians - and I would hope the opposition as well - want to see the railway built, and built as soon as possible. I do not need to explain to honourable members that the railway is a very difficult and complex project. In a strict commercial sense, it is ahead of its time. The government strategy has been to bring forward a project which will have a great benefit to Territorians and which will serve as a major catalyst for substantial growth and development rather than to simply wait for however long it takes for the project to be judged a commercial proposition by prospective investors. The focus of the government's approach through Railnorth has been to explore ways in which to achieve the project in the shortest possible time, in particular through the expertise which the private sector participants in Railnorth have. The company has been very active in this regard. It has made contact with a range of organisations within Japan and elsewhere and the level of interest in our railway project continues to be very high.

I felt that it was time for me as Chief Minister to meet with the principals of our Japanese Railnorth partners to assess progress and to agree on the next steps. In that regard, the visit was productive and worth while. The Japanese partners have confirmed their strong commitment to the railway and their continued willingness to use their contacts and their expertise to bring this giant project to fruition. In particular, the visit gave me an opportunity to agree with our Japanese partners on the direction which the company should take over the next few months and the areas which need to be progressed. The visit also provided an opportunity for all parties to outline the main issues which need to be overcome before a start could be made on this project.

The Japanese partners indicated to me their view that the project could not be put together at this time without government financial support. They have not indicated how much support might be required but this is something which I expect will emerge over coming months. I have made no commitment of government funds to the project and will not do so until and unless I am confident that the government funding is necessary and affordable. In the event that government funds are required, an approach will be made to the federal government for assistance. After all, it promised Territorians that it would fund the project 100% just a few years ago.

There is no doubt in my mind that the railway will be built. The contribution it will make to the Northern Territory will be enormous. No other section of the national rail network in Australia has been expected to cover the capital costs of construction as well as its operational costs. If it had, the line to Alice Springs or the national line to Western Australia would never have been constructed. It is hardly surprising that the project is taking a long time to develop and to negotiate. We intend to continue the present course because it seems to us that it provides the best prospects for
the earliest possible commencement of the project. I will continue to keep honourable members of this House informed of progress.