Alice Springs-Darwin rail to become reality

Federal, SA and NT governments to put up $480 million

THE long-debated Alice Springs to Darwin railway will begin construction next year in what Prime Minister John Howard describes as a nation-building project as significant as the Snowy Mountains scheme.

Mr Howard said last night that the Federal, South Australian and Northern Territory governments had agreed to contribute $460 million over three years, covering 60 per cent of the railway's capital cost.

"We believe this project is essential to the economic development of the Northern Territory and Central Australia. The railway will provide a vital link to the rest of Australia and improve access to international markets," Mr Howard said.

The $750 million project would be met by preferred tenderers, the Asia Pacific consortium.

The 1410km railway would generate an estimated 7000 jobs during its three-year construction and would connect with the new port in Darwin.

Mr Howard told the Regional Australia Summit that the Federal Government had promised initially to contribute $100 million. But because the continuing costs of running the railway would be met by private companies, the Federal Government added another $55 million.

"It will enhance Australia's trade position, open up new opportunities for Australian industry and have enormous significance not only to South Australia and the Northern Territory but to the nation as a whole," Mr Howard said.

"It will also encourage significant infrastructure projects in Australia and be a fitting project to mark the centenary of Federation."

Westfarmers chief Michael Chaney told the summit that rural Australia must speed up economic reform to survive.

He tackled the issue of competition policy and the new competition policy.

Mr Chaney convened an argument over the National Farmers Federation, which welcomed his new competition policy.

Mr Chaney's proposal was to replace the old system of public and private competition with a new system of public and private competition.

The debate came as Deputy Prime Minister John Anderson announced the Government would contribute to $1 billion to a philanthropic foundation to support rural and regional development.

Mr Chaney said companies such as Westfarmers were likely to contribute to the foundation out of enlightened self-interest.

Earlier, he told the summit that the period in which national competition policy was applied had coincided with poor performance in rural Australia, including cyclically low commodity prices.

Rapid technological change resulting in the closure of bank branches, added to fears in rural Australia that competition and globalisation were causing the problem.

NFF president Ian Dintenfass said processes and regulatory reviews of competition policy were complex, often opaque and the full technical detail was not understood by many users.

Mr Anderson said competition policy would be refined but it would still have the essential goal of creating a more competitive environment for businesses and exporters.

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Road policy hits jobs

By Wendy Pryer

THE WA Opposition and country people claim the Liberal Government's privatisation of Main Roads maintenance work will result in more job losses and the collapse of rural businesses.

Labor transport spokeswoman Marah MacTear yesterday the $1 billion of Main Roads maintenance and minor construction work would be awarded to big private companies within the next six weeks.

Ms MacTear attended a meeting of angry Narrabri business people recently at which the Government's privatisation policy was attacked.