Mr PARISH (Millner): Mr Deputy Speaker, firstly, I would like to make a quick correction. Earlier tonight, I provided a potted analysis of the reasons for the Northern Territory lacking legislative power to provide for the destruction of sacred sites. Somewhere, I have a QC's opinion to that effect. However, having had the matter drawn to my attention by the Minister for Industries and Development, I suspect that my chain of logic was not precisely correct in that the exclusion from the self-government powers is, as the minister advised, in relation to Aboriginal land rather than more broadly in relation to Aboriginal affairs. Because the act existed before self-government, I do not think it would be sufficient to override the broad and plenary grant of self-government for the peace, order and good government of the Territory. I suspect that the QC's analysis as to why the Territory lacked that constitutional power was somewhat more subtle than my brain is capable of comprehending at this time of the night. Nevertheless, I believe that the remainder of the analysis holds true. It is something that, in particular, ministers ought to have regard to in future situations like this.

Primarily, I would like to refer in this debate to the railway. I believe it is important to put this on the record. I do not believe that I will have sufficient time to complete my remarks and, therefore, like the member for Greatorex, it may be necessary for me to continue in other adjournment debates. It is probable that all members of the Assembly regard the railway as perhaps the crucial project that is needed to lift the Territory's economy. I suspect that all members understand why that is the case. However, I do not believe that that is true of many people in the community. Since this issue has been rekindled as a result of the publication of the Morrison Knudsen report, many members of the public have asked me why we carry on about the railway to such an extent. They realise that both major parties have to support it because it is somewhat like a motherhood proposition. However, they consider it to be a load of rubbish, something that will never happen and that is not really needed because railways are considered to be a thing of the past.

That attitude is of concern to me. If other honourable members are encountering similar reactions from the community, we need to start selling the proposal to people in our various electorates so that they can begin proselytising it to everybody whom they speak to. What many people envisage when they think about the railway - and I must admit that I shared the same view until I began to study the matter in depth - is the old red rattlers that ran from Sydney and Melbourne, which were archaic and never ran on time. People believe that that is all the railway can ever be. However, when one studies the subject, one discovers that railways, in particular freight railways, are playing an increasingly important role in world trade and transport. In relation to large continents like Canada, the transport of goods from Asia is better met by transshipping across the continent by rail than by shipping around the continent and through the Panama Canal. The savings are related primarily to time.

Precisely the same analysis holds true for the Territory. All of the reports, the most recent being that from Morrison Knudsen, indicate that there is a potential saving of 10 to 12 days on a trip to Sydney and Melbourne from Asian ports as compared with transport by ship. Shipping is our competitor and many members of the public do not understand that it is the time difference which is crucial. As time goes by, that time difference gives more advantage to the Territory as a result of the just-in-time inventory system that increasing numbers of companies are instituting. The Japanese were the first to introduce it and they have discovered that they can avoid the necessity of holding large inventories of parts by use of computerisation and last minute ordering. In that way, they avoid large overhead costs
and dead money which they cannot recoup until the goods are sold at some later date. Clearly, any time advantage is of major importance to somebody who is operating a just-in-time inventory.

The other factor that one needs to appreciate in order to understand why the railway is important and why it is becoming increasingly viable for the Territory is the fact that most shippers operate on a fob basis - that is, when the goods are loaded on the ship, the invoice is issued and the time within which to pay the account begins to run. The more quickly that the goods can be moved from their point of shipment to their point of destination, the greater the savings on the vendor's overdraft. It needs to be explained to all who will listen that that is why the railway is becoming increasingly viable.

It will happen. On one level at least, I agree with the Minister for Transport and Works that it requires some faith to realise that that is the case. However, it requires more than that. It requires a detailed analysis and a great deal of hard work to make the railway happen. In the time available to me, I cannot even begin to discuss the advantages to be found in the One Nation package announced by Prime Minister Keating. There has been much toing-and-froing in this Assembly about the relative merits of the One Nation and the Fightback packages. One would expect both parties to swear blindly that the other package is no good. I would expect that to continue because it is simply the nature of politics whatever the respective realities may be. However, I hope that, in the course of playing to the gallery, honourable government members will begin to appreciate the benefits of the railway contained in the One Nation package and will begin to undertake the hard work needed to re-jig the Morrison Knudsen assumptions and costings. We need to seize the moment and use this package to our advantage in terms of making the railway a reality.

There are a number of advantages in this package which, as the Leader of the Opposition indicated this morning, could amount to as much as $300m. In mentioning that figure, the Leader of the Opposition was working on costings that I had prepared. I do not claim to be an economist, nor do I have access to large and powerful computers or heavily staffed government departments. However, I have done a considerable amount of work on it and I intend to continue that work because I believe it is important. If any honourable members on the government benches read the Hansard report and find errors in my analysis, I hope they will point them out to me because it is important that we start to analyse this very constructively.

The accelerated depreciation allowances in the package are extremely important to enhancing the viability of the railway. It is clear from all of the reports over the years, most notably the Canadian Pacific Report, that the railway will be viable and will pay for itself, including beginning to amortise its capital after some 12 years. In the first 12 years, it will require a kick along, and that is precisely what the accelerated depreciation regime announced in the One Nation package is designed to do. Under the new regime, 20-year assets, which are presently depreciated over 11.1 years, will be depreciated over 7.5 years. On the stock in the Morrison Knudsen report, over the first 10 years of the railway's life, on $363m of equipment purchases, based on the present depreciation regime of 11.1 years for a 20-year asset - they will not all be 20-year assets, but most of them will be - there would be an annual tax deduction for depreciation of $33m per year under the present regime. Under the accelerated depreciation provisions of the One Nation package, there would be an annual tax saving on depreciation of about $48m per year, a net additional tax deduction of about $15m a year to the developers. That computes to approximately $112.5m over the 7.5-year life span of depreciating the asset out of existence for tax purposes. That is the first benefit that is available. I do accept that that is not creating a benefit that was not there. It is simply bringing it forward, but that is of crucial importance to the success of the railway project.

In respect of accelerated depreciation, I should point out that I have not taken into account any of the non-rolling stock, plant and equipment that is associated with the railway and the associated port development - generators, cranes, signalling equipment etc. Clearly, all such assets could be depreciated under this accelerated depreciation regime. If one takes account of those items, it is obvious that the potential tax advantages would be greater still. The advantage of this lies in the way the schedule is planned. It will probably require some considerable re-jigging of the Morrison Knudsen figures and their purchasing schedules to plan this to maximum tax advantage. It ought to be possible to achieve a situation whereby the operator will not have to pay any tax for a considerable number of
years and I would think that that should be a considerable advantage to the railway. Secondly, the
development allowance, which is somewhat like the old capital investment allowance, has been
reintroduced under this package for key infrastructure and tourism projects and, on my reading, it does
seem that the railway would qualify for that. I will continue tomorrow night.

Motion agreed; the Assembly adjourned.

Page 4339