Northern Territory Chief Minister Marshall Perron says a report by rail operator Australian National vindicates his government's push for the completion of the Adelaide-Darwin rail link.

Mr. Perron said the report destroys the credibility of those who for 10 years had strangled the project which would deliver massive benefits to Territorians and South Australians in the first instance, and to the nation as a whole.

"It makes a series of telling points which damn those members of the Territory Labor Party who have supported Federal Labor's decision to stop the project ten years ago and to have done nothing since, except to snipe and backbite at every attempt by the Territory Government to breathe life into this project," he said.

Mr. Perron said the Australian National Report also destroyed the credibility of a 1984 inquiry conducted by Mr. David Hill, used by Labor to kill the project.

"The AN Report confirms for ever more on the public record that the Hill Report, which purported to be an economic inquiry, was nothing of the sort. It was a political hatchet job," he said.

Australian National says this of Mr. Hill's work:

• the Hill Report was fatally flawed
• it ignored or dismissed a range of potential development projects
• its comparative road and rail maintenance costs appear to be in error
• Hill attempted no comprehensive analysis of the economic viability of the rail project.
Mr. Perron, who received a copy of the report late yesterday from the Federal Transport Minister Senator Bob Collins, said it was now clear why the Senator had been tardy in providing the Northern Territory Government with a copy.

"Senator Collins has been doing his level best to undermine the Territory Government's efforts to get this project up and running. Now he must be seriously embarrassed."

The AN Report states unequivocally that the rail link will offer significant national benefits including:

• savings in the direct cost of transport within the Northern Territory
• providing a direct spur to international competitiveness of our traded goods sector through downward pressure on transport costs
• acting as a catalyst to the micro-economic reform process at Melbourne and Sydney ports through the provision of real competition
• making a marked regional economic development impact in the Territory by helping to unlock some of the mineral developments presently impeded by the lack of efficient, suitable transport infrastructure
• improving substantially the ability for the nation to service its expanding northern defence forces.

The AN Report, in addition to the economic valuation, undertook a financial analysis to determine the viability of the railway from a commercial perspective.

It concluded that the project will generate a $7.8 million operating surplus in its first year, and on the analysis an operating surplus every year.

One key benefit is the clawback effect, or the direct fiscal returns governments will earn from the railway.

In summary the AN Report says these are likely to amount to $221 million in taxes and budget savings from unemployment benefits. That's 23 percent of AN's estimated construction cost of $950 million making the net government outlay on the project some $729 million.
Mr. Perron said the AN Report's conclusion is clear:

- the railway will generate continuing surpluses on an operating basis over the life of the project and will hence not be a drain on future budgets
- construction of the rail link is a viable project worthy of consideration
- the project would have significant regional economic development impacts and stimulate mineral exports from the north.

Mr. Perron said he regarded Australian National's Review of Economic Benefits and Costs of the Adelaide to Darwin railway as an absolute endorsement of the actions his government had been taking.

"It will certainly strengthen the case we will be presenting to the Coalition's Ralph Committee because it shows that the project will serve the national interest and that it is viable."

"Territorians can now clearly see that their Labor representatives in Canberra have never been fair dinkum about this great project," said Mr. Perron.

Ends.