The $2.2 million tender for the construction of the Katherine Rail Passenger Terminal has been awarded to a Territory building company.

The Minister for Transport and Infrastructure Minister Kon Vatskalis today congratulated Norbuilt Pty Ltd.

"This is great news - a Territory company helping to build a better Territory," Mr Vatskalis said.

"It is anticipated that at least 50% of the work will be subcontracted to Katherine suppliers and contractors.

"Work will start in mid-October with the project expected to be completed in late January 2004, in time for the arrival of the first passenger train."

Mr Vatskalis said already $6.5 million worth of rail tickets have been sold.

"It’s estimated the Territory will welcome an extra 30,000 tourists every year thanks to the railway.

"Great Southern Rail predicts many rail passengers will use Katherine as a get-off point, exploring the region before travelling north to Darwin."

"While railway freight will provide the long-term benefits to the Territory, it will be passengers travelling on the Ghan that will have an immediate impact when the first train arrives early next year."

Mr. Vatskalis said the terminal will consist of a 1,000-metre rail platform and a building providing undercover seating, an air-conditioned lounge, ticketing office, baggage receipt and handling areas, staff facilities and public toilets and showers.

"The passenger terminal will be built just south of the former concrete sleeper factory to maximise the use of existing infrastructure such as the rail passenger loop, access roads, power and water supplies," Mr. Vatskalis said.

"A carpark will hold 27 cars and taxis and a bus transfer facility will allow for eight coaches at once to pick up or drop off passengers."