The Northern Territory Government will invest $1 million over two years into feasibility studies for a potential new rail project linking Tennant Creek to Mount Isa.

“Budget 2015 invests heavily in infrastructure for the Territory’s future and a new 600 kilometre rail project linking these two centres has the potential to provide enormous economic opportunities, particularly in the resources industry,” Chief Minister Adam Giles said.

“This rail connection would provide a standard gauge rail link to the Port of Darwin from north western Queensland via the AustralAsia line, at the same time as opening up access to a broad new area of the NT.”

“Previous investigations indicated a number of mining companies in the Mt Isa area had an interest in shifting their exports of bulk materials through the Port of Darwin, instead of Townsville, if the cost of transport was right.”

Exporting minerals through Darwin could also alleviate shipping pressures in Far North Queensland.

“Linking northern and eastern markets would provide incentives to explorers and producers to invest in the NT, creating jobs and driving money into the economy,” Mr Giles said.

The Department of Defence has also expressed strong interest in this project.

“We’re investing $1 million to investigate the possible corridor acquisition and construction of the rail spur. This business case is expected to take two years to complete,” Mr Giles said.

“This is a project of national significance and the Australian Government will be asked to match this funding in line with its commitment to developing the North.”

The corridor has the potential to include a railway link, pipelines and telecommunications infrastructure. There are significant potential cost savings by focusing on a multi-purpose corridor rather treating these as individual projects.
“The proposed link may also provide the opportunity for a new rail experience for tourists if it could connect with existing passenger rail services such as ‘The Inlander’ in Queensland and ‘The Ghan’ here in the Territory,” Mr Giles said.

“This would be a long term project with a price tag in excess of a billion dollars but its benefits would be exponential to the Territory and I’m keen to explore whether it’s economically viable.”

If an initial business case proves positive, detailed environmental impact studies, geotechnical investigations, engineering design, sacred sites and heritage clearances would need to be done to refine the project, costings and construction plan.

Media Contact: Danielle Parry 0413 081 801