Rail project facing collapse: Burke

By ROD MCGUIRK and CAMDEN SMITH

The Gunlom to Alice Springs railway project could collapse if a deal was not finalised within the next two weeks, Chief Minister Denis Burke said yesterday.

And he claimed the consortium could be taking advantage of an election year by squeezing governments for more money.

Mr Burke said he was not convinced the Asia Pacific Transport Consortium was “on the up and up” after it announced last week a funding shortfall due to US investors, the John Hancock Group, pulling out.

Acting Opposition Leader Syd Stirling said the Government should “come clean” on the terms that surrounded the deal.

The shortfall is estimated at $1.5 billion.

Mr Burke said the NT, federal and South Australian governments — who have already pledged $400 million to the $1.23 billion project — had yet to interrogate the consortium on the extent of the financial need.

He told ABC radio: “They could be bluffing you: they could be squeezing three governments — particularly two (the Federal and NT) that are going to an election — and saying: ‘Right, let’s squeeze a bit more out of them’.”

Crucial 2 weeks

Mr Burke said the project could collapse if the impasse were not finalised within two weeks.

He said: “If they can’t get it going in the first quarter of this year — full construction — we have a major problem and probably a collapse.

“Therefore, I will be pressing the people who are negotiating for us (Australian Railway Corporation) and I’ll be pressing the political leaders if they need to get involved, this thing needs to be tied up real quick.”

Funds

“We are going to assist that project with additional funds if needed and my job for Territorians is to make sure the other partners, South Australia and the Commonwealth, contribute equally the additional funds as required.”

The Federal and NT governments each committed $155 million to the project, SA, which goes to the polls by early next year, has contributed $160 million.

The Territory and federal governments will go to the polls this year and SA is expected to vote next year.

Mr Stirling said he waited answers to the question why the Government bought the Katherine to Darwin transmission line from NT Power.