Date: 26/02/98  Question No:

Question: Alice Springs to Darwin Railway

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Member: Mr BALCH
To: MINISTER for AUSTRALASIA RAILWAY

Status: Questions

Information:
My question relates to expectations of a short list of consortiums being announced in the near future to make detailed submissions to build, own and operate the Alice Springs to Darwin railway. When will this matter be finalised? When will the successful consortiums be announced and what happens next?

ANSWER

Madam Speaker, the AustralAsia Railway Corporation expects to recommend to the Northern Territory and South Australian governments that they invite somewhat fewer than 5 consortiums to make detailed submissions to build the Alice Springs to Darwin railway. The Territory government is awaiting those recommendations from the AustralAsia Railway Corporation board. It meets on 4 March to finalise its report to the 2 governments. Following that, the board will place its recommendations to the Northern Territory and South Australian governments on the basis of which consortiums should proceed to the next stage in the bidding process.

As honourable members would be aware, expressions of interest closed on 1 December 1997. It was my original intention to have those submissions analysed and put to the government by January. Fortunately for us, over 30 submissions were received from combinations of 60 national and international corporations. It has taken the AustralAsia Railway Corporation some time, along with its financial and legal advisers, to sort through those submissions to select the short-listed consortiums. It is hoped that the Northern Territory and South Australian governments will have the recommendations of the AustralAsia Railway Corporation next month, after its meeting on 4 March, and that we can then agree on the short-listed consortiums that will be given the right to become involved with due diligence and more detailed submissions to the corporation some 5 months after that. By the end of this calendar year, hopefully, we will have the opportunity to be involved on a contractual basis with the successful consortiums. The Northern Territory and South Australian governments have undertaken to underwrite the losing bidders in those finally selected for the short list.

We have some outstanding issues with regard to access to the corridor. The length of the corridor required is 1410 km. So far, the Northern Territory has acquired 950 km. There are 3 landholders who will appear before the Lands Acquisition Tribunal on 2 March. They will be dealt with within that tribunal. That will make it 100%. All of the land that the Northern Territory can acquire will have been acquired by 2 March. There will be an outstanding issue then of 270 km which is Aboriginal land. We are entering into very detailed and delicate negotiations with the land councils about the terms and conditions for a 99-year lease, with the option to renew for 99 years.

The land councils also put in a sunset claim on an additional 170 km last June. It resulted from the sunset clause of the Aboriginal Land Rights Act. It was their last opportunity to make claims, and it has locked that land up. Much of that land is owned by the Northern Territory Land Corporation. We believe that, in a court case, we would be successful in defending that land against the claim by the land councils. That matter is being negotiated at the moment as well.

There is also the issue of native title. Section 29 notices were sent out and these are expected to be back in by 28 March from those people who believe that they have a native title claim along certain sections
of the corridor. The most outstanding issue will be the magnitude of compensation. That will be an interesting negotiating period for us. Basically, the railway corridor is on track, other than the land which the Northern Territory has no power to acquire compulsorily. Under the Aboriginal Land Rights Act, the Northern Territory cannot acquire that part of the corridor.

I wish to pay particular tribute to the Northern Territory's negotiating team which is within days of wrapping up 100% of the corridor that is within the power of the Northern Territory government to acquire. It is not an easy task to buy a strip of Australia 1410 km long. We cannot really move into stage 2 until we have security of the corridor. The outstanding matters are those pertaining to Aboriginal land in the Northern Territory.