'Visionary' rail link may be a white elephant

By DIANE STOTT
in Canberra

The Federal Government has come under fire over its plans to spend $160 million on a railway linking Darwin to Alice Springs with fears the project could become a white elephant.

Senior bureaucrats have raised doubts about whether the 1,410 kilometre line will be viable, and whether it will require future government subsidies.

Advertisements are due to appear on Wednesday in national and international media seeking expressions of interest to build, own and operate the line. No firm private proposals have yet been received.

The Opposition transport spokesman, Mr Lindsay Tanner, said the $100 million pledged would not be enough to guarantee the project - first proposed in 1911 - gets off the ground.

"Whilst we welcome the Government's belated commitment to this important national project a year after Labor pledged its support, there is a serious question mark over whether $100 million will ensure that the project proceeds," he said.

The Prime Minister, Mr Howard, announced his Government's decision at the weekend to commit $100 million of the $1 billion Federation Fund, set aside to celebrate Australia's anniversary as a Federation. The South Australian and Northern Territory governments had asked for $300 million from the Commonwealth.

The decision to back the project comes on the eve of the Territory election on August 30, with an election soon to be called in South Australia.

But the Treasurer, Mr Costello, yesterday denied accusations of pork-barrelling, describing the project as "visionary".

"This is not related to the elections. This is related to building something for the centenary of Federation," Mr Costello told the Nine Network.

Mr Howard said the project would create 2,000 jobs during the four-year construction phase and a further 200 permanent jobs.

The South Australian Premier, Mr Olsen, announcing the new AustralAsia Railway Corporation Board to oversee the development of the railway, said the rail link could open up vast mineral resources in the north of the State as well as tourism.

The Territory's Chief Minister, Mr Shane Stone, said the railway would have a major impact on the Territory, saying the planned Melbourne to Darwin railway was also possible.

"It completes the destiny of the Northern Territory as Australia's gateway into the Asia-Pacific region," he said.