Olsen hits at rail link knockers

By Political Reporter

MIRANDA MURPHY

Doubts over the viability of the proposed Alice Springs-Darwin rail link have been dismissed as "wrong" by the Premier, Mr Olsen.

Releasing State Government figures on the $1.6 billion project yesterday, Mr Olsen labelled criticism as "sour grapes" from the eastern States.

Doubts on the project's viability were led by the chief executive officer of NSW's State Rail Authority, Mr David Bevan, who oversaw calculations on the Alice-Darwin proposal under the Hawke Labor government in the 1980s.

"The figures were not commercially feasible when we did the economic inquiry 14 years ago and frankly I don't see the figures adding up now," Mr Bevan said.

His comments were echoed by the Opposition, the Australian Democrats and rail lobbyists, who said $100 million from the Federal Government - plus $100 million each from the SA and NT governments - was not enough incentive for the private sector.

But Mr Olsen said the project needed "no defence on viability".

"It doesn't surprise me that the knockers on the eastern seaboard are out on day one trying to pull this project down...they don't want to see regional development and decentralisation in Australia."

An economic report prepared for the Government by economist Roger Sexton, who headed the State Government's Asset Management Task Force, says the SA and NT Government would obtain a $1.27 return on every dollar spent on the project.

Dr Sexton said the international business community had been "banging on our door for the past eight months" to get details.

Dr Sexton said the overall proposal comprised $100 million in existing track from Tarcoola in SA, $400 million on the Alice Springs-Darwin track, which included $80 million in capital contributions.

The State Government's calculations differed from the 1985 Wrang report - which said the project was not viable - because interest rates had fallen, its modelling had used more conservative estimates on freight volumes, and other reports had not included the $800 million from federal and State governments.

In other developments yesterday:

- PROMOTERS of the planned $1 billion Melbourne-Darwin rail link said they would continue with their proposal and expressed interest in bidding as part of a consortium to build the Alice Springs-Darwin link.

- GREAT Southern Railways, the front-running bidder for Australian National operations in SA, confirmed it would look at the rail link proposal if successful with AN.

- THE Prime Minister, Mr Howard, described as "hypocritical" Opposition calls for a $200 million increase in federal funding, saying Labor had failed to provide any assistance for the project while in office.

- THE Opposition Leader, Mr Bevan, maintained that the $100 million was insufficient, being about one-fifth of the amount which former Labor prime minister Bob Hawke offered to the NT Government in the 1980s.

- MR OLSEN said he believed native title arrangements relating to the line would be resolved by the Federal Government but did not rule out bashing compulsory acquisition.

- FEDERAL Labor's transport spokesman, Mr Lindsay Tanner, accused Mr Howard of "hopping" - by promising the $100 million - to shore up the Liberal Party's electoral fortunes in the forthcoming SA and the NT elections.

PAGE 10: Atchison's view