Overseas group leads rail bid

BY PHILLIP COOREY

A United States-Canadian consortium which had recently transferred "several billion dollars" into Australian banks was emerging as a leading bidder for the Alice Springs-Darwin rail link, the Premier, Mr. Olsen, said yesterday.

Speaking after a whirlwind tour of the US and Canada, Mr. Olsen said he was "very pleased to see the interest" from the consortium which would be willing to contribute.

The consortium, which is called the "Northern Territory Development Corporation" and is led by George Naas, a wealthy businessman from the US, is bidding for the Alice Springs-Darwin rail link project in partnership with Mr. Shane Stone.

The consortium plans to construct the rail line and operate it for 25 years, with an option to extend the contract for a further 25 years.

The project, which includes the construction of a new rail spur from Alice Springs to the Northern Territory town of Edithvale, is expected to cost $1.5 billion.

The consortium is expected to contribute $300 million to the project, while the Government is expected to contribute $500 million.

The project is expected to create 5,000 jobs during construction and 1,500 jobs during operation.

Economic viability of link questioned by NSW expert

A 1994 economic assessment of the Adelaide to Darwin rail link calculated a $2 billion loss in its first 10 years of operation.

The report, commissioned by the NSW Rail Link Study Group, concluded that the project was not financially viable.

A 1996 report by the Northern Territory Department of Railways estimated the cost of the rail line to be $1.5 billion, with an operating deficit of $100 million per year.

The Australian National Railways Commission (ANRC) has estimated the cost of the rail line to be $1.2 billion.

The Australian Government has indicated that it is willing to contribute $500 million to the project, while the Northern Territory Government has indicated that it is willing to contribute $250 million.

Mr. Shane Stone, left, and Mr. John Olsen sign the historic agreement yesterday.

Picture: PAT MANNAGAN