MEDIA RELEASE

MINISTER FOR THE RAILWAY
HON BARRY COULTER, MLA

Ref: C-0419-97 Date: Tuesday 14 May 1997

Federal Budget: Adelaide to Darwin Railway

Northern Territory Railway Minister Barry Coulter said last night the Adelaide to Darwin railway project met all eligibility criteria for Commonwealth national infrastructure initiatives announced in the Federal Budget.

He said the railway clearly fitted into requirements for the $1 billion Federation Fund and the new infrastructure borrowings tax rebate scheme.

The Budget spells out that the Federation Fund is for major projects which generate construction jobs and make a contribution to the national economy.

The new tax rebate scheme is specifically set up for new road and rail infrastructure investment.

Mr Coulter said the Adelaide to Darwin railway was uniquely qualified for Commonwealth assistance on all counts.

"The Territory will be seeking urgent confirmation from the Federal Government that the north-south railway fits the bill," he said. "This should be done at the highest level in meetings between the Prime Minister, the South Australian Premier and the NT Chief Minister.

"Then we can put the project out to the market place."

That would involve expressions of interest in building, owning and operating the railway being sought nationally and internationally.

From that process, pre-qualified bidders would be chosen by the Northern Territory and South Australian governments. They would receive the railway project brief and be required to tender for the complete project.

Mr Coulter said he expected a successful bidder to emerge as a consortium of companies expert in various components of railway construction, financing and operation.
“Typically, I would expect, one company would build the new section of the railway from Alice Springs to Darwin and another would operate the line once it was built,” he said. “Still others would be involved in the financing components.

“We would hope this would be in place by early 1998.

“Almost all of the preparatory work has been done,” he said. “It has been demonstrated that a high-speed freight-only railway can operate viably linking with Darwin’s new port.

“The NT and SA governments have each committed $100 million to the project and the Commonwealth has agreed to award the Tarcoola to Alice Springs section of the line to the successful bidder.

“The route has been fully surveyed, the railway corridor has been largely acquired and we are moving to complete clearances for Aboriginal sacred sites in co-operation with the Northern and Central land councils.”

Mr Coulter said the Adelaide to Darwin rail project would provide a dynamic boost to the Whyalla-based BHP steel industry in South Australia.

He said the project was likely to source its supply of steel from BHP Whyalla, and this would amount to an order for 155,000 tonnes of rolled steel rail - equivalent to two years of production from that plant.

Further orders of 3,500 tonnes of structural steel would be forthcoming, and if steel sleepers were used in construction, another 170,000 tonnes of steel would be required.

“At a time when BHP has announced it will be cutting 2500 jobs from its steel work force, we are ready to give BHP Whyalla one of its biggest and best steel orders,” Mr Coulter said.

“The Adelaide to Darwin rail project will create 2000 jobs directly in construction and a further 200 jobs in operation.”

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