Australian National railway consultants are in Katherine this week to discuss route options for the proposed Alice Springs to Darwin railway, Member for Katherine Mike Reed said today.

Mr Reed said the Australian National railways consultants would examine an option to re-route the proposed railway line away from the existing rail corridor through the town centre.

"The Australian National representatives are examining whether the new railway should follow the old North Australia Railway alignment through Katherine, or whether it could in fact be re-routed away from the town," Mr Reed said.

"I have previously raised concerns that use of the existing alignment would restrict development in Katherine, cause disruption to traffic and reduce the amenity of the Railway Terrace area."

Mr Reed said a review of the Katherine Land Use Structure Plan in 1991 highlighted the disadvantages of the existing route, and prompted consideration of alternative routes west of the town centre.

One route option would involve deviating the railway line to the south of Tindal. This option is being explored by AN in conjunction with the Department of Lands Planning and Environment and the Department of Transport and Works.

"While deviating the railway around Katherine would result in additional costs to construct a new bridge over the Katherine River, this may be partly offset by the fact that the proposed new alignment is about 5km shorter."

"Australian National representatives are now working on the difficult task of finding an alternate route for the line, and at the same time, minimising the impact on landholders."

Mr Reed said an alternative route west of Katherine could deviate to the south of Tindal, cross the Victoria Highway near the abattoir, the river near Springvale Homestead, and Florina Road near Rowlands Dairy and then lead back to the old rail alignment north of Katherine.