Rail agreement signed on Wednesday

Northern Territory Chief Minister Denis Burke and South Australian Premier John Olsen will sign an agreement on Wednesday with the Asia Pacific Transport Consortium on the commercial terms to build, own and operate the AustralAsia Railway from Alice Springs to Darwin.

The agreement covers:

- the 50-year concession deed,
- a Government Works Deed,
- leases to operate at Darwin’s East Arm Port and intermodal container terminal,
- leases covering all land parcels along the corridor including Aboriginal and Crown land,
- and a lease for the existing corridor between Tarcoola in South Australia and Alice Springs.

The Consortium has approval in principle for funding and will now move to complete equity and debt financial documentation ready for Financial Close targeted for 30 November 2000.

In conjunction with the signing of the agreement Prime Minister John Howard will sign the Commonwealth Deed of Grant for the $165 million committed to the project from the Commonwealth’s Federation Funds.

Chief Minister Denis Burke said construction of the railway was due to begin after financial settlement in November.

“This will provide a major boost to the regions, with the construction of sleeper factories in Katherine and Tennant Creek,” Mr Burke said.

“The consortium has undertaken to spend 70% of the project’s $1.2 billion cost in the Northern Territory and South Australia, with about 1200 direct jobs on railway construction.”

The consortium established a design and construction office in Adelaide several months ago and has completed much of the pre-construction work between Alice Springs and Darwin, including survey work. The consortium’s construction arm, ADrail, will open an office in Darwin at financial settlement.

Construction will take place on four fronts, north and south of Katherine and Tennant Creek, and will be scheduled to take account of the northern Wet season.
The agreement this week will be signed by representatives of the AustralAsia Railway Corporation (representing the NT and SA Governments), the two Governments, the Asia Pacific Transport Consortium, and the individual consortium partners:

- Brown & Root Engineering and Construction Pty Ltd (Halliburton)
- Genesee & Wyoming Australia Pty Ltd
- Barclay Mowlem Holdings Limited
- John Holland Group Pty Limited
- Macmahon Holdings Limited
- PGA (Ventures) Pty Limited.

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