Construction work to get underway

Pre construction work on the Alice Springs to Darwin section of the Adelaide to Darwin railway will get underway almost immediately Northern Territory Chief Minister Denis Burke said today.

This follows today's signing in Adelaide by Northern Territory Chief Minister Denis Burke and South Australian Premier John Olsen of an agreement with the Asia Pacific Transport Consortium on the commercial terms to build, own and operate the AustralAsia Railway from Alice Springs to Darwin.

Pre Construction work includes:
- Water supply drilling
- Soil testing
- Sleeper plant preparations
- Clearing of some sites
- Bridge site investigations
- Site clearing for workshops, construction depots
- Establishment of the Construction Project Office in Darwin

Chief Minister Burke said today's signing was exciting news for industry in both the Northern Territory and South Australia.

He said financial close is now targeted for November 30 with construction starting immediately after that.

"The railway is not only an integral part of the Territory's future development but also to South Australia," Chief Minister Burke said.

"We are capitalizing on Darwin's unique location, on the doorstep of Asia, to create a new trade route to Southern Australia.

"Earlier this year, the new $100 million East Arm Port was opened in Darwin. By the time the railway is completed in 2003, we will have completed the second stage, worth nearly $100 million, including a railway embankment and intermodal container terminal.

"This is a particularly exciting time for Darwin, with the development of defence, major oil and gas ventures in the Timor Sea, mining and agribusiness.

"The railway will complete the picture and allow the Territory, after 140 years of false starts, to finally realize its true economic potential."
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 the November 30 Financial Close target date.

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 now that the consortium had in principle approval for funding sights were firmly set on financial settlement so that construction of the railway could get into full swing.

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

“I expect it will be the same in South Australia’s iron triangle.”

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.

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 was 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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