MEDIA RELEASE

MINISTER FOR THE RAILWAY
HON BARRY COULTER, MLA

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Latest independent studies prove the Adelaide to Darwin Rail Link would be economically and financially viable, according to a document tabled today in the Northern Territory Legislative Assembly.

Railway Minister Barry Coulter tabled the Railway Project Summary while delivering a statement updating progress on recent railway developments. The document was given last week to a wide range of Federal Ministers, the Opposition, the Australian Democrats and industry organisations.

A financial analysis conducted by Symonds Travers Morgan showed the rail project was economically viable, with a base case Benefit Cost Ratio of 1.27. In fact, higher freight scenarios put the BCR at 1.46.

A financial assessment by Booz-Allen and Hamilton showed the project was financially viable, with an after-tax Internal Rate of Return of 20.6%.

“These independent studies should put to rest any lingering doubts that the Adelaide to Darwin Rail Link can perform without public subsidy,” Mr Coulter said.

The Minister outlined the process to begin the railway project if and when the Federal Government gives the green light to infrastructure investment support.

He said expressions of interest would be invited, nationally and internationally, from corporations or consortia in building, financing, owning and operating the railway.

From those expressions of interest, the Northern Territory and South Australia would select pre-qualified tenderers to whom the Project Brief would be issued.

The successful tenderer would then be chosen by the Northern Territory and South Australia, through the project management vehicle, the AustralAsia Railway Corporation.

“This process has been streamlined for action,” Mr Coulter said. “Once a green light is given, it would take around 10 and a half months from the calling of expressions of interest to a project agreement with the successful tenderer.”

The Minister outlined 11 steps which had been completed or started to bring the project to the point where it was ready to be launched.
1. Centre line pegging was finished in June last year, completing one of Australia’s great survey jobs of modern times.

2. An Environmental Impact Statement will be completed within weeks following final consideration by the Commonwealth, which sought a 28-day public display process in the Northern Territory. This was accomplished.

3. The route has received sacred sites clearance with a 15-year certificate issued by the Northern Land Council for all of the northern half of the Territory. The Central Land Council has similarly cleared 90 per cent of the southern half.

4. An engineering study was completed by BHP Engineering in June last year.

5. About 62 per cent of the rail corridor has been acquired, and a further 18 per cent is planned to be acquired by the end of next month.

6. Land-Use Objectives were declared in October last year.

7. The inter-governmental agreement between the Northern Territory and South Australia was signed in November last year.

8. Legislation to establish the AustralAsia Railway Corporation is all but finalised.

9. A comprehensive Project Brief has been prepared with the assistance of Clayton Utz for distribution to pre-qualified tenderers, and - significantly - for the enlightenment of the Prime Minister when it is presented to him soon by the Territory Chief Minister and the South Australian Premier.

10. The latest freight study taking into account recent major project developments has been completed by Symonds Henderson.

11. A comprehensive financial analysis was commissioned by the SA Development Council and the NT Government and completed by Booz-Allen and Hamilton in December last year.

ENDS

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