The Federal Coalition has signalled that it will consider applying special beneficial tax arrangements to the Alice Springs to Darwin railway project.

The Territory Treasurer, Mr Barry Coulter, said today the detailed documentation of the Hewson taxation and economic reform package specifically mentioned the Territory railway as a large long-term project deserving special consideration.

The document says (Chapter 3, Page 34):

*Two major tax reviews will be undertaken by the Coalition in government.*

*A review of the tax treatment of large projects (eg the Very Fast Train and the Alice Springs to Darwin rail link).*

Mr Coulter said Territory Labor claims that the Hewson package would damage the railway's viability were false and misleading.

He said it was silly to argue that the abolition of fuel excise would swing the economic balance in favour of road transport.

"Obviously, getting rid of fuel excise would also favour the operations of a diesel train service," he said.

"Account must also be taken of the increased volume of freight as a result of the export incentives drive in the Hewson package, and business cost reductions that will apply as much to a railway project as any other method of transport.

"The railway construction and running costs could well be cheaper than under the current taxation system because of the removal of seven big taxes by the Coalition.

"As well, Dr Hewson said in his announcement that Australian National Railways will be re-organised on a strictly commercial basis, and our early view is that this will also impact favourably on the Territory project."

ENDS

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