MEDIA RELEASE

MINISTER FOR THE RAILWAY
HON BARRY COULTER, MLA

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EAST COAST INLAND RAIL PROPOSAL ATTACKED

Northern Territory Railway Minister Barry Coulter today denounced a $10 billion inland rail proposal brought up for mention at the Australian Transport Council, a national conference of transport ministers, in Cairns.

Mr Coulter told the ministers from the Commonwealth, States and Territories the nation should not be distracted from the Adelaide to Darwin rail project by railway proposals which have not yet met any standards of economic or financial credibility.

He reminded the conference that the Adelaide to Darwin project had been subjected to critical independent economic and financial analysis, was now widely recognised as viable on both counts, and was ready to proceed to the market place. It would generate 2000 jobs in construction, another 200 in operation and orders for 155,000 tonnes of rolled steel rail, equivalent to two years of production.

In contrast, the inland proposal by Mr Everald Compton and others only had substance as a lobby group discussion paper. It was at such a preliminary stage that the Commonwealth had been asked for funding assistance for the proposal’s first feasibility study.

Mr Coulter said a preliminary analysis of the Compton proposal using the financial models developed for the Adelaide to Darwin railway showed a rail link from Melbourne to Darwin via the east coast would need to charge more than six times the current road freight rate to approach economic viability. It would have to charge freight rates more than eight times that of an Adelaide to Darwin railway running through Alice Springs.

The east coast proposal had not so far been supported by any adequate freight forecasts or financial appraisals. Some financial analysis had been provided for the Compton first priority, a link between Melbourne and Brisbane, but this had only been presented in terms of cost savings using an inland route instead of the existing coastal route.

Mr Coulter said the Territory and South Australia were wholly committed to Adelaide to Darwin rail project and would not be diverted by an alternative scheme which had extensive preparatory work in front of it before it could even be given consideration.
He said Adelaide to Darwin project would be placed before the Prime Minister by the NT Chief Minister and the SA Premier on June 6 with a view to attracting funding through the recently announced Federation Fund. If that was successful, the project would proceed to the market place immediately.

"The way has been prepared for that critical meeting with the Prime Minister," he said. "I met yesterday with Federal Transport and Regional Development Minister John Sharp on the requirements for Federation funding and on the parameters of the Commonwealth’s revised infrastructure borrowings arrangements.

"That meeting was positive and constructive and I am greatly encouraged that our railway meets the criteria for Commonwealth support."

Following Mr Coulter’s address, the Australian Transport Council simply noted the discussion paper on the inland rail proposal.

ENDS
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