

BENEFITS OF THE RAILWAY

Updated 25 February 2003

WHAT ARE THE BENEFITS FOR THE NORTHERN TERRITORY AND SOUTH AUSTRALIA?

Combined with the new East Arm Wharf at the Port of Darwin, the railway will:

- Create a new AustralAsia Trade Route between the 500 million people to our north and the economic heartlands of South Eastern Australia;
- Provide cheaper freight and competitive freight options for the growing industrial base in the Territory and provide another option for cattle movements;
- Boost regional development and support the growing agribusiness developments in the Territory and SA food and wine exports;
- Support mineral exploration along the corridor by providing a cheaper transport options for high bulk freight (which reduces the cut off rate for mining). This could include the Carpentaria Basin, the Tanami area around Tennant Creek, the Wonarah fertiliser plant on the Barkly, and the South Australian Steel and Energy province;
- Boost employment and training opportunities, with 700-800 direct jobs expected to be created during construction in the Territory and many more in a flow-on effect to service and supply areas;
- Boost local industry, with the consortium committed to spending 75 per cent of the project's cost in the Northern Territory and South Australia. This has been more than achieved to date;
- Bring new capabilities to the Territory and South Australia;
- Support Defence needs, by providing a means of moving troops and equipment (this would have been invaluable during the East Timor response and will in future allow for large defence movements to training grounds in the Territory).

In [October 1999 Booz Allen & Hamilton](#) reported that the benefit/cost ratio for the railway project was 1.88.

WHAT ARE THE BENEFITS OF THE RAILWAY FOR ABORIGINAL PEOPLE?

The Northern Territory Government has paid \$8.4 million to Aboriginal clans whose land is crossed by the railway corridor and has worked closely with the Northern and Central Land Councils and Aboriginal Areas Protection Authority to identify and protect sites of significance to Aboriginal people.

Asia Pacific Transport and ADrail are working closely with Aboriginal communities affected by construction and have employed Aboriginal liaison officers. The contractor sponsor members have provided \$5million in equity to Aboriginal people to ensure ongoing involvement in the project and financial benefit for the life of the railway. A Local Industry and Aboriginal Participation Plan (LIAPP) which includes commitments to providing jobs and contracts to Aboriginal people in the communities along the railway corridor. Skills development should provide a legacy of skills that can be used on other projects when the railway is complete.

ARE THERE ANY BENEFITS FOR THE REST OF AUSTRALIA?

In [June 1999, Access Economics](#) conducted an independent assessment of the economic impact of the railway.

Based on a conservative estimate, with a low landbridge scenario, Access Economics forecast that as a direct result of the project:

- During the three-year construction phase National Gross Domestic Product (GDP) will increase by \$660 million, SA Gross State Product (GSP) will increase by \$360 million and NT GSP by \$200 million.
- National employment will increase by at least 7100 jobs, SA employment will increase by 2600 jobs and NT employment will increase by at least 1300 jobs.
- During the operational phase from 2003/4 to 2024/5 National GDP will increased by \$4.5 billion, SA GSP will increase by about \$3 billion and NT GSP will increase by about \$3 billion.

These forecasts highlight a shift in economic activity towards the regions of Northern Australia from the eastern seaboard. The estimates do not include multiplier effects.

For Further Information contact the AustralAsia Railway Corporation Telephone 89469595 www.aarc.com.au