

BENEFITS OF THE RAILWAY

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WHAT ARE THE BENEFITS?

The project over three years has provided substantial benefits to Australian and in particular NT and SA firms. During the construction phase:

- employment and training opportunities were boosted, with 1500 direct jobs (at peak) created during construction and many more in a flow-on effects to service and supply areas;
- more than \$1. billion worth of contracts have been let to Northern Territory and South Australian companies, with the consortium committed to spending 75% of the project's cost in the NT and SA. This has been more than achieved to date,
- stronger relationships have been built with local indigenous peoples, and
- major environmental works and preservation have been carried out.

Combined with the new East Arm Wharf at the Port of Darwin, once operations commence, 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 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 SA Steel and Energy province;
- 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 June 1999, Access Economics conducted an independent assessment of the economic impact of the railway. Based on a conservative estimate, with a low land bridge scenario, Access Economics forecast that during the operational phase from 2003/4 to 2024/5 National GDP will increase 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.

In October 1999 Booz Allen & Hamilton reported that the benefit/cost ratio for the railway project was 1.88. Economists suggest the creation of an efficient rail link will provide the impetus for increased regional investment and economic growth. The railway is a visionary infrastructure project of strategic national significance that has the potential to bring immense benefits to Australian businesses both at home and overseas.

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 have worked closely with Aboriginal communities affected by construction. 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) included commitments to provide 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 construction is complete.

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