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NEW SNOWY CONTRACTS

Statement by the Prime Minister, the Rt. Hon. R.G. Menzies

The Commonwealth Government has approved of the Snowy Mountains Authority entering into three new contracts aggregating more than £20 million for projects within the next major stage of the Snowy Scheme. These projects are the 15-mile Eucumbene-Snowy Tunnel to connect the Snowy River at Island Bend with Lake Eucumbene; the Island Bend Dam, which will be used to divert the Snowy River into the tunnel system at Island Bend; and the Snowy Section of the Snowy-Geehi Tunnel.

Tenders for this work closed with the Authority on 4th September, 1961 and eleven large contracting organisations from Australia and overseas countries submitted tenders for one or more of the projects. It has now been decided that the three contracts will be awarded to a joint venture comprising Utah Construction and Engineering Pty. Ltd. and Brown and Root Sudamericana Ltd., at a total price of £20,887,000.

The world wide interest in these contracts, and the high reputation of contracting organisations, are a significant tribute to the standing of the Snowy Mountains Authority, and to the soundness and stability of the Australian economy. The competitiveness of tender prices is equally a source of satisfaction. These were substantially below the level suggested by past experience. This is a notable achievement standing to the credit of the Authority and the Australian Nation.

The Snowy Mountains Authority urged upon the Government the need, in determining the lowest suitable tenders, to give due weight to the experience and technical capacity of tenderers in relation to the particular type of large-scale engineering works involved. It stressed the critical importance of keeping to schedule if the Murray 1 Power Station is to be commissioned by 1966. Accordingly, the Authority recommended the acceptance of the tender of the Utah, Brown and Root joint venture, this being the lowest tender by those organizations which had demonstrated the capacity and ability to complete to schedule large-scale engineering works of the type specified in the contracts.

Work on the contracts, which have now been let, will proceed immediately. It will provide substantial additional employment in the area, and will involve large demands for raw materials, plant and equipment to the advantage of activity and employment in the supplying industries.

The letting of the present three contracts follows the completion, ahead of schedule, of the Snowy-Tumut Section of the Scheme. Under the Snowy-Tumut development which has accounted for the main construction work up to now, the waters of the Eucumbene, Tooma and Murrumbidgee Rivers have been diverted to the Tumut River for power development and for subsequent irrigation in the Murrumbidgee Valley. The Tumut 1 Power Station has been in operation since 1959 and Tumut 2 Station is now in the commissioning stage. When the latter station comes into operation shortly, the installed capacity of the Snowy Scheme will total 660,000 kilowatts.

The new contracts mark the first major stage of the Snowy-Murray Development. The contracts are only the first of a series of seven which will ultimately be let to form a chain of projects linking Lake Eucumbene on the eastern side of the Main Range with the Murray Catchment on the western side. Tenders have been called for a further two works. Tenders for the final two works in the chain will also be called shortly. These four additional contracts will involve an expenditure of a possible further £30-35 million. In all, three dams, over 31 miles of major tunnels, a large steel pressure pipeline and the Murray 1 Power Station, the largest of the Scheme, must be completed by early 1966 to help meet the growing demand for electricity in New South Wales

and Victoria. At the same time the waters of the Snowy River will be diverted to the Murray Catchment, thus making available an increase initially in the normal supply for irrigation in the Murray Valley of 450,000 acre feet per annum with consequent benefits to Victoria, New South Wales and South Australia.. The supply of water will be increased to 800,000 acre feet when the full Snowy-Murray Diversion including the Jindabyne Project is completed.

The overall programme will involve a total expenditure of the order of £115 million by the Authority during the next five years. Up to now the Commonwealth has made available more than £180 million for the construction of the Snowy Scheme.

CANBERRA,

15th October, 1961.