



PRIME MINISTER

FOR MEDIA

19 July 1983

The attached letter has been sent to the Chief Minister of the Northern Territory, Mr Everingham, today.



PRIME MINISTER

CANBERRA

My dear Chief Minister

Thank you for your recent correspondence concerning the Alice Springs to Darwin railway and your request that I meet with you again to discuss this issue.

In your correspondence you have rejected the Commonwealth's offer in respect to the construction of the Alice Springs to Darwin railway and our proposal that an independent economic evaluation be held into the road and rail options for providing a high standard all-weather transport link to Darwin.

I must say that I find this advice somewhat at odds with the recent announcement by yourself that you will join the Premier of Queensland in funding a feasibility study into rail links between Mt Isa, Alice Springs and Darwin. I have noted your statement that the Queensland Government would be prepared to meet the cost of building such a project.

My communications with you on this matter have been made in good faith, in an attempt to find a solution in the interests of the Australian people, and particularly of economic development in the Northern Territory. Despite your initial rejection of it, I consider my offer for the Commonwealth to fund completely an independent economic inquiry into the interstate transport links of the Northern Territory to remain open. However, if you confirm your commitment to the proposal you announced today, to fund jointly with Queensland a feasibility study of the Mt Isa-Tennant Creek-Alice Springs-Darwin railway, this would seem to represent an irreversible rejection of interest in the inquiry. Given the continued interest of my own Government, and of other parties including the South Australian Government, in carefully evaluating the proposal, the Commonwealth will need to keep its own options open even if you adopt this position.

For the record, I repeat that your rejection of the Commonwealth's offer on the railway would not represent the end of our commitments to improvement of Northern Territory transport links. The Commonwealth would honour the undertaking it gave to you of ensuring that a high standard all-weather land transport link was provided through the Northern Territory to Darwin. This would be achieved by completing the upgrading of the Stuart Highway between Alice Springs and Darwin by 1987 and providing

additional rail infrastructure in respect to the Alice Springs rail service. As I have previously advised you, these works would involve additional Commonwealth grants of \$50 million over this period.

I am afraid that it will be impossible to meet you over the next two weeks, when the demands of budget preparation, including meetings of the Budget Cabinet, are added to the normal demands of my office. However, I have asked my Minister for Transport, Mr Peter Morris, to make himself available to meet with you on this matter as soon as a mutually satisfactory time can be arranged.

Yours sincerely

R.J.L. Hawke

The Hon. Paul Everingham, MLA
Chief Minister of the Northern Territory
DARWIN NT 5790