

Question No: 261

Question: Agreements for Use of Government Equipment

Date: 17/11/92

Member: Mr BAILEY

To: MINISTER for TRANSPORT and WORKS

1. Does the Northern Territory government have an agreement with the owners of Bullo River Station, or persons associated with Bullo River Station, for the use of government equipment, for example, graders; if so -

- (a) what are the terms of the agreement;
- (b) can a copy of the agreement be provided;
- (c) when was it signed; and
- (d) who signed it.

2. Does the Department of Transport and Works have any such agreements referred to in question 1 with other pastoral properties, individuals or companies.

ANSWER

1. The Territory does have an agreement in place with the owners of Bullo River Station for the use of a departmental grader to perform maintenance grading of the Bullo River Station access road.

The agreement was entered into because it yields a financial benefit to the Territory taxpayer.

The Bullo River access road is on a pastoral lease and the NT government has a long-standing policy to maintain these roads. The access road is 72 km in length and traverses exceedingly rough and difficult terrain, including at least 2 severe climbing grades in both directions of travel, where road trains are forced to uncouple and where they require towing assistance. Major upgrading work would be prohibitively expensive. As a very minimum the access requires 1 full, and 1 running surface grade each year.

In 1988, an agreement was reached with the owners of Bullo River Station, that in return for the assignment to them for a 10-year period, of a surplus departmental grader awaiting disposal, the property owner assumed total responsibility for the routine maintenance grading of the access road.

This includes the provision of an operator, all fuel, repairs and maintenance, and registration and insurance of the machine. The conservative market value placed on that machine is expected to be returned in about 6 years under such an arrangement.

The agreement was signed on 21 March 1988 by the proprietor of Bullo River Station, Sarah Henderson, and the then Area Manager at Katherine, Keith Dipplesmann, who was empowered to execute such agreements on behalf of the Territory. It is a confidential contract document whose privacy should be maintained, and therefore, it is not appropriate for such a document to be released.

2. The department has no other such agreement in place, but where financial benefits are likely to accrue to the Territory through such arrangements, all options

will be fully explored.