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HD **MTR consortium wins Australian railway contract**
BY Chim Sau-wai sauwai.chim@scmp.com
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HK **firm** will take the **lead** role in operating the North West Rail Link in Sydney from 2019 as it expands abroad amid a drop in property profit

MTR Corp and its consortium partners have won a A\$3.7 **billion** (HK\$26 **billion**) contract to deliver and operate Sydney's North West Rail Link, Australia's largest public transport project, which is worth A\$8.3 **billion** in total.

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The contract awarded to the consortium by the government of the state of New South Wales was an "**operations**, trains and systems contract" and was the largest of the three delivery contracts for the railway project, MTR and other partners of the Northwest Rapid Transit consortium said on Tuesday.

"MTRC will invest and take the **lead** role in railway **operations**, commencing from 2019," the **firm** said in a statement. But the rail operator is not involved in other contracts including tunnelling and viaduct building.

MTR won an HK\$18.5 **billion** contract to run the Crossrail train line in London in July. The Sydney rail line is 36km long, much shorter than the 118km London line.

The rail operator has been expanding into rail-related businesses outside **Hong Kong** as its profit from property development at home declined. Profit from property development fell 54.6 per cent year on year to HK\$203 **million** in the first half of this year.

"The [Australian] federal government's objective is to catalyse A\$125 **billion** in new infrastructure spending by the end of the decade," said Marcelino Fernandez Verdes, executive chairman and chief executive of Leighton Holdings, an Australian construction and engineering **company** that is one of the five partners in the consortium.

Other partners include Australian engineering services providers John Holland Group, UGL Rail Services and infrastructure projects investor Plenary Group. MTR is the only **Hong Kong company** in the consortium.

It will operate and maintain the rapid-transit network upon completion, together with John Holland and UGL. It is also a member of a four-way joint venture with John Holland, Leighton and UGL to deliver the infrastructure and rail systems. Plenary Group will act as the financial sponsor and capital manager of the consortium.

"**Equity** financing will come from three of [Northwest Rapid Transit's] consortium members, MTRC, Leighton Contractors and Plenary Group," Plenary Group said in a statement. There will also be **equity** investment from other parties such as Palisade Investment Partners.

The consortium's financing would include three major banks in Australia – ANZ, National Australia Bank and Westpac – as well as international banks such as Standard Chartered, HSBC Holdings, ING, Plenary Group said.

The Sydney contract is a public-private partnership covering the major parts of the design, construction and financing of the North West Rail Link, between Rouse Hill and Chatswood, and the operation and maintenance of the new line for 15 years.

Fares for the rail line will be set and controlled by the New South Wales government, in line with those for the rest of Sydney.

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