



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 11 May 2004

MINISTERIAL STATEMENT

Bauhinia Rail Project

Hon. P.D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.38 a.m.): There is another great development in Queensland's export coal development that has been unveiled with last week's signing of contracts for the construction of the Bauhinia rail project. The 110-kilometre line from Kinrola, south of Blackwater, to Xstrata's Rolleston mine is the longest piece of rail to be built in this state since the Newlands-Collinsville to Abbot Point line was completed in 1983. In all, more than 400 jobs, most of them for local central Queenslanders, will be on offer as Queensland Rail readies this \$230 million project.

Mr Johnson interjected.

Mr BEATTIE: This line is planned to be operational by November next year. You know, Vaughan, great electorate and great government. I seek leave to incorporate further details in *Hansard*.

Leave granted.

In a bonus the line offers a multi-user option for southern Central Highlands' grain growers.

For the first year of operation it is planned to haul up to 3.2 million tonnes of coal with that growing to an annual eight million tonnes a year by 2008.

QR was selected by Xstrata to supply rail construction and haulage for the development in an open tender process against private sector competition.

Xstrata Coal's Bauhinia development means that extensive network upgrading will be required to increase capacity of QR's Blackwater system.

Plans are well advanced for this duplication of up to 30kms of track costing \$60 million.

The Bauhinia/Rolleston project is not just a boost for Central Queensland's coal development, but another major plus for the port of Gladstone and its excellent record.

Queensland Rail will construct, own and operate the new 110km line—Rolleston Mine will be charged a fee under a 20-year contract for access and use of the new line.

Additional gains for all of Queensland from the total Bauhinia project include:

- 150 construction jobs at the \$291 million Rolleston mine;
- About 150 long-term jobs in direct employment growth;
- About 100 jobs from the flow-on effect in the region;
- Export revenue of nearly \$300 million a year;
- Royalties of about \$20 million a year to the State;
- About \$15 million in wages to boost the local economy;

- An upgraded, more secure electricity supply for the district with a new 130-kilometre, 132kv powerline from Blackwater to the mine.

The Rolleston Project is located 16 kilometres west of Rolleston and 275 kilometres due west of Gladstone but 424 kilometres by rail.

The Rolleston coal is low-emission and high quality thermal coal, adding to Queensland's international reputation as a source of some of the world's cleanest coal.

The water needs of the Rolleston mine will also be minimised, because the very low ash content of Rolleston coal means it can be exported without the need for a wash plant.

Xstrata Coal owns 75% of the Rolleston Project, with partners Sumitomo and Itochu each holding a 12.5% interest.