



Speech by

## Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 5 June 2007

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### MINISTERIAL STATEMENT

#### Coal Industry

**Hon. PD BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.42 am): My government recognises the vital importance of coal to the Queensland economy. That is why last week I announced that the state government and the Queensland Resources Council would appoint a third party to undertake an independent review of the coal freight network in central Queensland. Today I am pleased to announce that, in consultation with the Queensland Resources Council, Mr Stephen O'Donnell has been jointly appointed by the transport minister, Paul Lucas, and the Queensland Resources Council to undertake an independent review of the Goonyella coal chain. That will be funded on a fifty-fifty basis.

The Queensland government and the Resources Council have also agreed that Mr O'Donnell will work with a steering committee comprising two representatives of government and two representatives of the Resources Council. We look forward to the report of Mr O'Donnell supported by that steering committee. They will ensure a focus on the entirety of the coal supply chain from the time it is dug up to the time it leaves on a ship.

Mr O'Donnell's background establishes him well to undertake this position. I am advised that his appointment has the agreement of all the Goonyella coal chain participants. Mr O'Donnell worked for DuPont for 15 years prior to taking up the position of executive general manager of MIM Mount Isa from 1995 to 2000. He also worked with Pasmenco for two years. Most recently, Mr O'Donnell spent four years as the CEO of rail freight operator Pacific National.

With major increments of port and rail capacity being brought on stream in the next three years, it is essential that all users have a realistic expectation of what system capacity will be achievable, when this capacity will be available and how the system might best operate to realise this capacity. Mr O'Donnell will review the overall performance of the Goonyella system, which incorporates rail and port facilities in central Queensland. His task will be to clarify the key determinants of system performance, provide realistic throughput targets that have been agreed by all parties and map out future system improvements. He has been asked to make a series of recommendations focused on improving transparency, system throughput and confidence in forecast capacity in the short, medium and long term.

Reliability is paramount and Queensland recognises the importance of its international customers and the value they place on Queensland's reliability as a major coal supplier. Customers can be assured that Mr O'Donnell's appointment reflects the weight the government gives this matter. We want to ensure that we are at the forefront of efficiency at every level in terms of coal production and transport.

Coal exports from Queensland are worth nearly \$18 billion. New capital investments underway in GOC owned rail and port facilities are currently worth \$2.3 billion. I want to underline that: new capital investments underway in GOC owned rail and port facilities are currently worth \$2.3 billion. That is a lot more than the \$1.5 billion we received last year in royalties from the mineral industry.

In addition, well over \$1 billion is being spent on the Dalrymple Bay coal terminal. It is essential that the coal chain functions at best practice. I would like to thank the Resources Council and my ministerial colleague Paul Lucas and the Treasurer, Anna Bligh, for the constructive role they have all played in commissioning this important review. I emphasise the need to work collaboratively on this for the benefit of all individual participants and the state of Queensland. The minister and I will keep the House informed.