

Question on Notice

No. 945

Asked on Friday, 8 June 2007

MR HOPPER asked the Minister for Transport and Main Roads (MR LUCAS)—

QUESTION:

With reference to the increasing pressures on the handling capacity of all coal terminals in Queensland—

- (1) What is the progress of the proposed construction of the northern missing rail link between North Goonyella and Newlands?
- (2) What is the progress of the track upgrade works between Newlands and Abbott Point?
- (3) What is the progress of the train turning infrastructure for the Goonyella system?
- (4) What amount of expenditure has been incurred on each project to-date (reported separately)?

ANSWER:

The proposed Northern Missing Link will connect the existing Goonyella and Newlands coal rail systems in the Bowen Basin, and could open up the potential for a massive increase in Queensland coal exports. Completing the rail link, in conjunction with a potential expansion of the Abbot Point Coal Terminal to 50 million tonnes per annum capacity, would allow an additional 35 million tonnes per annum to be exported.

This means that Queensland could export at least 70 percent more coal through the Abbot Point terminal in the Bowen Basin, worth up to \$4 billion a year. This link will involve constructing more than 70km of track in a new corridor, and future electrification of the new and old sections, to create a continuous network of mines, rail and ports.

Specifically, in response to questions (1) to (4) I am advised that Queensland Rail (QR) has completed a draft feasibility study for the Northern Missing Link (NML) and a review with key stakeholders and potential users is currently underway. As part of this process QR held a workshop on 30 March 2007 with the mining companies interested in using the link. The workshop considered a potential staged development program and several below-rail pricing options. Miners were generally supportive of the approach, but at this stage cannot commit to using the NML until the final feasibility study is completed and complemented by commercial negotiations on coal haulage.

I am further advised that QR is developing a proposal to commence an Early Works Program, costing \$27m, to progress the NML project, and proposes to include development of the NML in the 2007 Coal Rail Infrastructure Master Plan and seek industry endorsement in August 2007. Following industry endorsement, QR would be in a position to develop a full business case and seek shareholding Minister approval for commencement of construction possibly in mid-2008 and targeting commissioning by the end of 2009.

The proposed rail alignment and corridor has been finalised, and all property owners with land required for the corridor have signed Agreements for Resumption. Acquisition of the corridor is now underway. Some additional slivers of land near Abbot Point (owned by Xstrata) will also be required for the project, and their acquisition is currently being progressed.

Included within Stage 1 of the NML is the upgrade of the track between Newlands and Abbot Point. Works consist of upgrading of all existing loops to 2.15km, the construction of two new passing loops at Almoola and Cockool, a second loop at Abbot Point and formation strengthening of the track. These upgrades are currently in concept phase with scope analysis being undertaken.

I have been informed that the planning for train turning infrastructure on the Goonyella system is in the initial scoping stage. Within the current scope of works it is expected mines at North Goonyella and Wotonga will require new loops, however a decision on these proposed works will be made when commercial negotiations between miners and QR to commit to construct the NML are finalised.

The expenditure on each project, to date, is as follows:

Northern Missing Link: Capital expenditure to complete the NML is estimated at \$765m. Total current commitment by Government on initial planning (e.g. civil engineering, signalling telecommunications and track design, Environmental Impact Statement (EIS) etc) and rail corridor acquisition totals approximately \$14.3m. Of this approximately \$5.3m has been expended to date on the initial planning and EIS development. Acquisition of the rail corridor land has commenced, but payments to landowners have not yet occurred.

Newlands to Abbot Point rail upgrade: Capital expenditure for the track upgrades between Newlands and Abbot Point is estimated at \$90m. However, no money has been expended to date pending the approval of the NML business case.

Train turning infrastructure:

No money has been expended to date.

The Northern Missing Link project is a testament to the State Government's drive to lay down the foundations for Queensland's growing coal export industry by adding additional capacity where it's needed.

Now that we are at the milestone stage of securing the corridor itself, the State Government is now calling on the mining industry to work with us to plan for the years ahead. The ball is now firmly in the court of the industry to determine the next step and mining companies now need to show they're willing to finance the rail infrastructure that will get their coal to the ports.

Ultimately the go-ahead for construction will depend on companies contracting with QR to use the infrastructure. To achieve this result, QR will soon commence discussions with mine owners on a staged construction program subject to commercial agreements.