

Background – Central Queensland Integrated Rail Project

QR National has advised it is evaluating the potential to develop an integrated rail network from the Galilee Basin to the ports in the state's east, in particular Abbot Point.

The proposed Central Queensland Integrated Rail Project (CQIRP) would service the growing needs of the Central and South Galilee Basin providing the Basin's mines with access to the ports of Central Queensland (Abbot Point, Dalrymple Bay, Hay Point and Gladstone). QR National states the project will also provide enhanced access to Abbot Point for the expanding and new mines of the Bowen Basin.

On 12 September 2011, QR National provided the office of the Coordinator-General with a draft Initial Advice Statement (IAS) for the proposed CQIRP.

With the draft, QR National expressed an interest in applying to the Coordinator-General under Part 4, Division 2 (Significant project) of the *State Development and Public Works Organisation Act 1971* (SDPWO Act) for consideration of designating CQIRP as a significant project requiring an Environmental Impact Statement (EIS).

On 5 October 2011, QR National provided its finalised IAS to the Coordinator-General, requesting the CQIRP be declared as a significant project.

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IAS extracts:

1.3 Galilee Basin

Significant mining operations have yet to be established in the Galilee Basin, but multiple mines are proposed. A number of these projects include the intended construction of dedicated rail lines. With at least four separate lines currently being proposed to service the Galilee Basin (Figure 1), it is clear that there is both a need and an opportunity to consider the connection of the rail infrastructure into the existing Central Queensland Coal Network in order to:

- reduce overall environmental impacts
- minimise impacts to the community
- optimise use of existing infrastructure
- significantly reduce potential greenfield corridor(s) footprint
- provide an interconnected network for greatest flexibility
- leverage off the existing network through the use of operational and technical innovations
- provide for future growth and entry of new players to the market
- provide flexibility of export gateways i.e. ports
- utilise existing operational and technical experience.

1.4 Project Overview

QR National recognises that, unlike the evolution of rail networks for Queensland's pioneer coal networks built from the 1960s, the Galilee Basin is an opportunity to design a world-class supply chain solution to haul coal from mine to port as efficiently as possible.

The proposed solution offers the advantages of a greenfield railway with the benefit of a consolidated corridor. It is designed to deliver flexibility and adaptability in response to customer demands.

QR National's integrated rail solution will be designed as a safe, reliable, cost effective solution for resource customers in the Galilee and Bowen Basins seeking to be part of an efficient mine-port export chain. In addition to the primary function as a rail corridor, options for co-location of other services will also be considered for parts of the corridor.

An area of interest has been identified by QR National and is shown in Figure 2. This area is referred to in this IAS as the Central Queensland Integrated Rail Project Study Area. A number of corridor options within the Study Area are being considered.

The project leverages off the existing brownfield rail corridor from the Port of Abbot Point through the Newlands coal system to a junction leading to a new greenfield corridor to serve mines and customers in the Central and South Galilee as shown on Figure 3.

Through this proposed solution, QR National forecasts it will be able to reduce the need for a totally new greenfield rail corridor in this region by up to a third, or a minimum 200km, when compared to the rail corridors being proposed by some proponents.

Timing of projects as well as the sequencing of projects will have a significant impact on the final scheme proposed by QR National.

1.5 Economic, Environmental and Social Benefits

It is estimated that the project will require a capital investment of at least \$2 billion and is expected to occur over a 5-10 year period. There will be approximately 2,500 people employed during construction. The railway will employ approximately 800 permanent operational staff and will operate 24 hours a day, seven days a week.

QR National has identified a range of opportunities to consolidate corridors and to reduce the environmental and social impacts of developments in the Galilee Basin. By consolidating along existing rail corridors, QR National plans to minimise disruption to current land holdings, and as a result, reduce environmental and community impacts. Where there are impacts, mitigation, compensation or offset measures will be developed and implemented during the design, construction and operation phases so that any residual impacts are deemed acceptable. In this regard, project development will conform to the environmental and social safeguard requirements of the State and Federal governments of Australia.

3.1 Scope of the Project

The Central Queensland Integrated Rail Project is an integrated heavy haul rail project that proposes to provide access for multiple mine owners to a reliable and efficient rail transport network between the Galilee and Bowen Basins and the ports of Central Queensland (Abbot Point, Dalrymple Bay, Hay Point and Gladstone). It will also provide connections to the existing rail infrastructure and thereby enable access to alternative end destinations serviced by the rail network.

The project considers the potential customers, growth areas and anticipated mine growth demand from the Galilee and Bowen Basins to provide an integrated rail solution. This solution delivers the required levels of service through the utilisation of QR National's rail corridor, minimising environmental impacts through the consolidation of proposed corridors.

The Central Queensland Integrated Rail Project, as illustrated in Figure 3, leverages off the existing, brownfield rail corridor from the Port of Abbot Point through the Newlands coal system to a junction leading to a new, greenfield corridor to serve mines and customers in the Central and South Galilee.

Upgrades of the existing Newlands/Goonyella to Abbot Point/Western and Northern Goonyella rail systems, apart from major deviations, are not included in the scope of this project and are proposed to be managed through a separate process as part of the normal expansion of existing Goonyella and Newlands networks. The EIS will, however, take into consideration the downstream impacts of the existing networks in evaluating the infrastructure options required for this project.

FIGURE 1 EXISTING RAIL INFRASTRUCTURE AND SEPARATE PROPOSED RAIL LINES

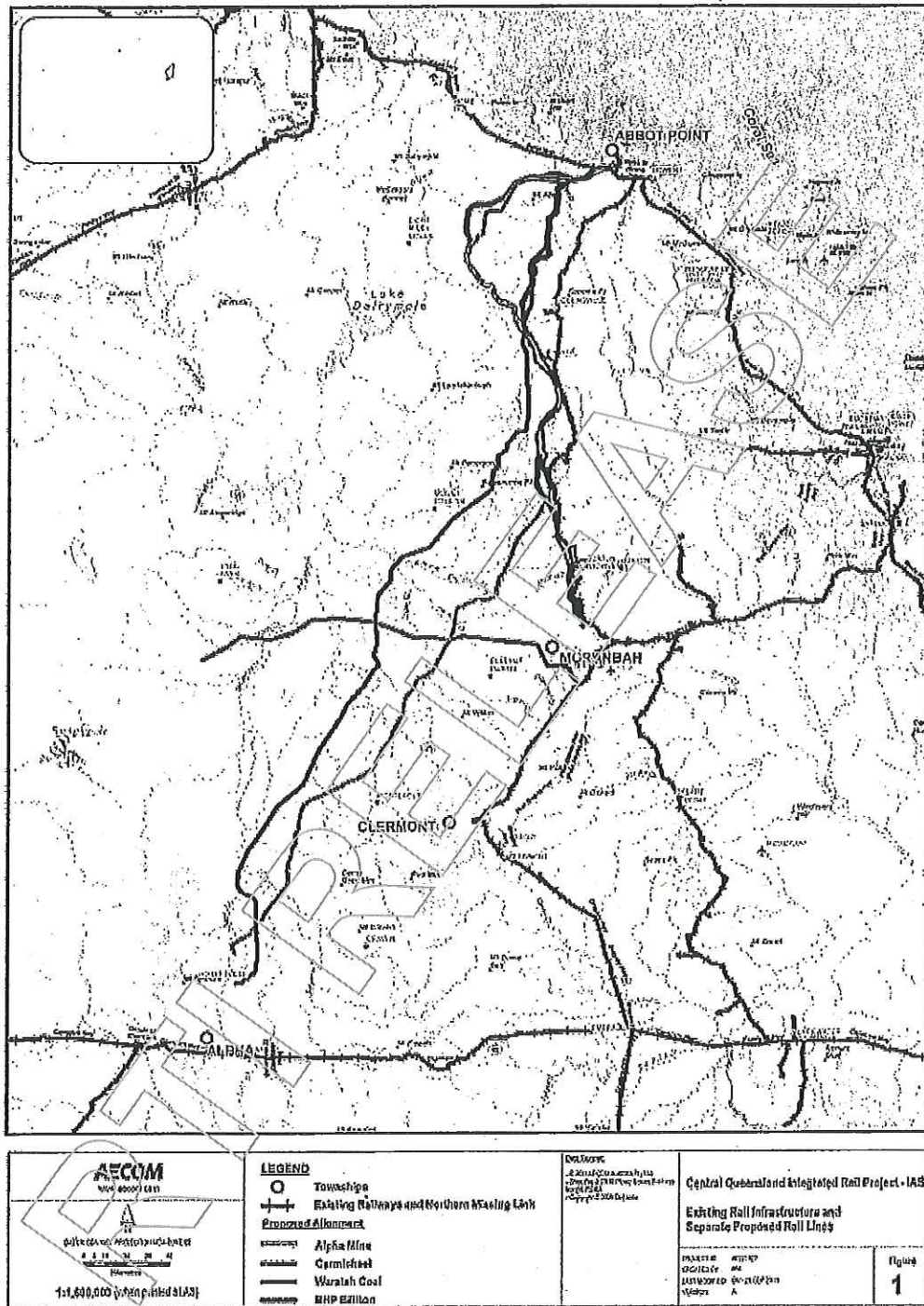


FIGURE 2 LOCATION OF STUDY AREA

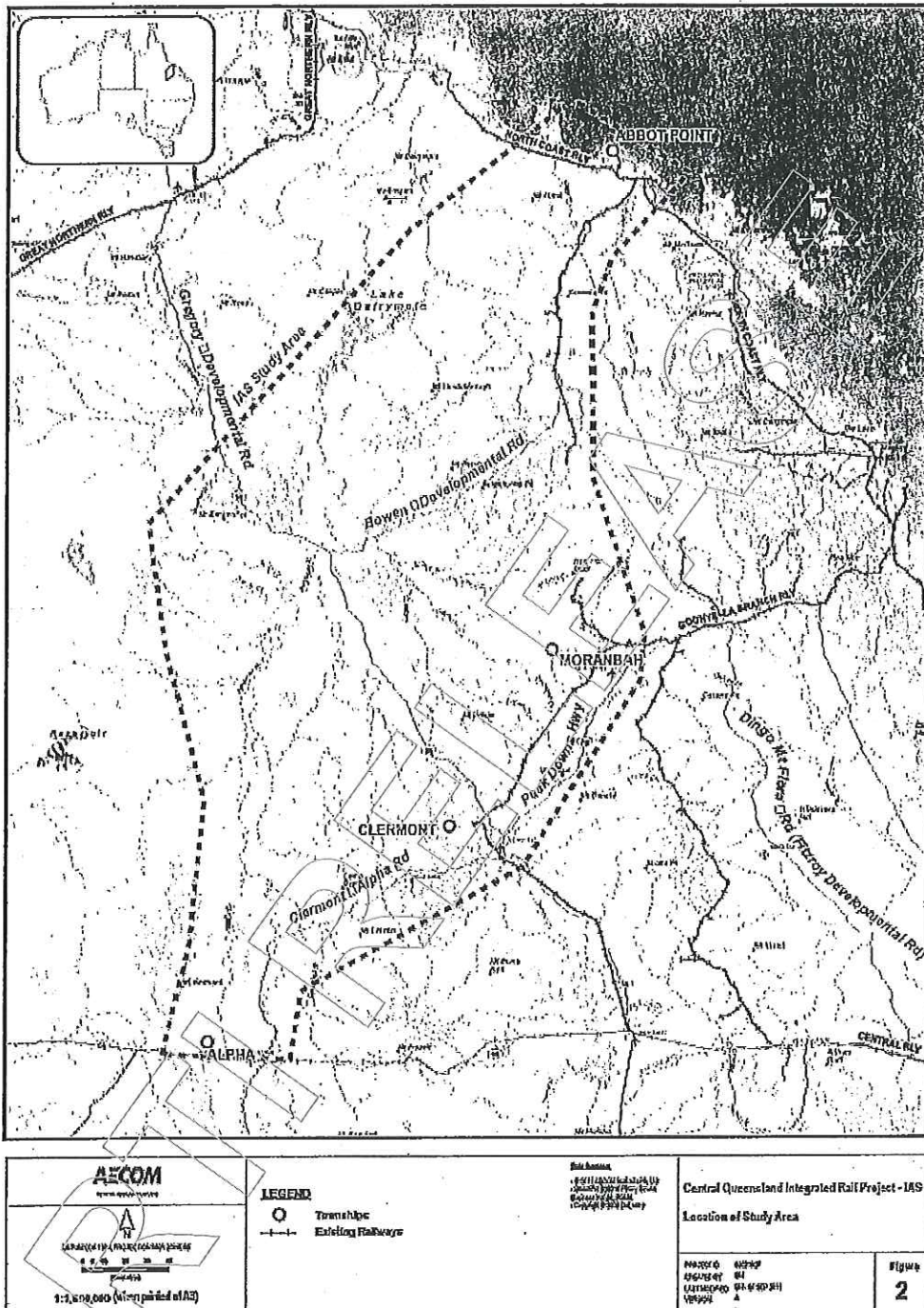
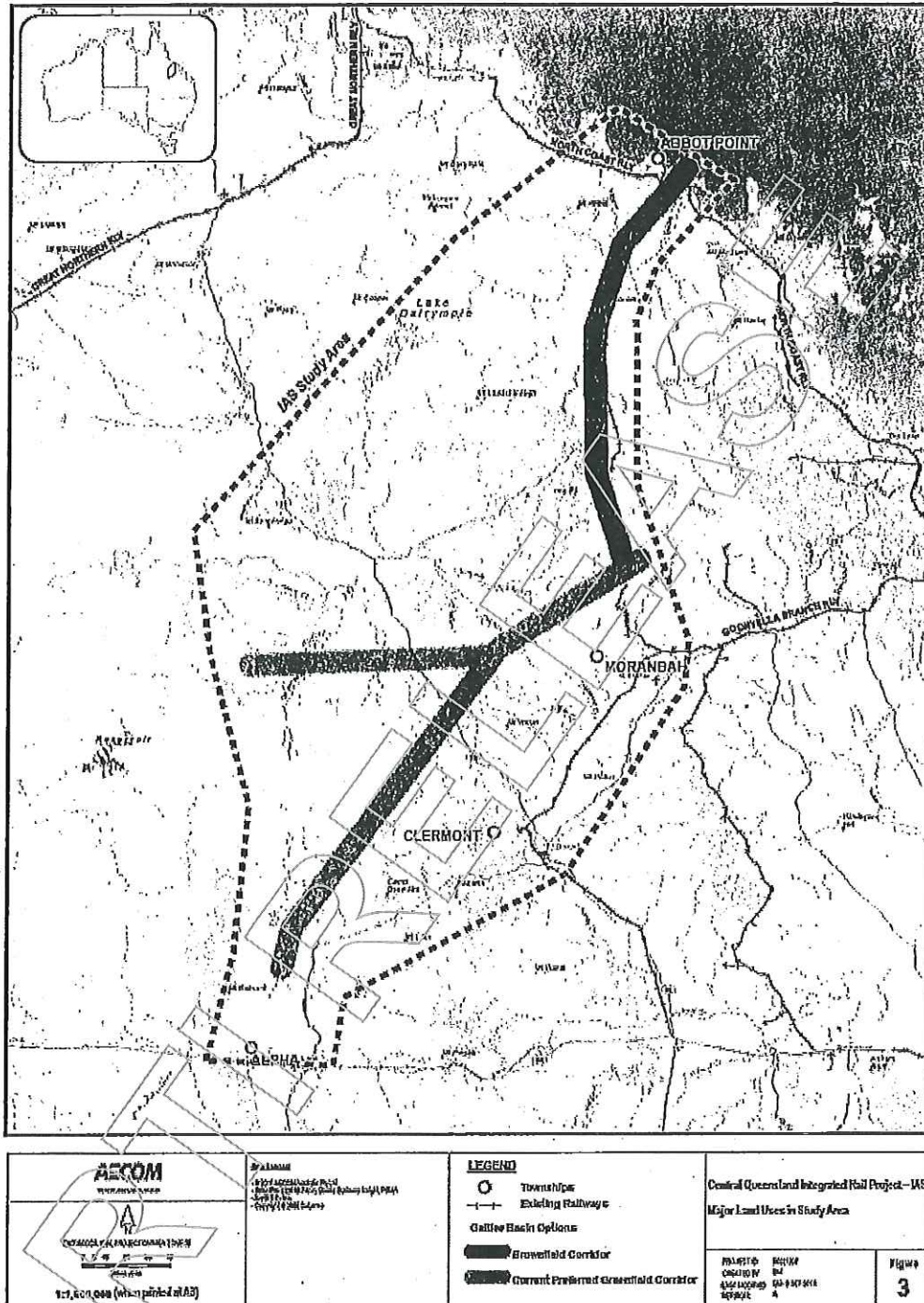


FIGURE 3 MAJOR LAND USES IN STUDY AREA



Galilee Basin and Related Projects – Status as at 11 November 2011

General Government Action			
Industry Projects	Components	EIS Status	Upcoming Milestone
<p>Alpha Coal Project Hancock Coal Pty Ltd</p>	<p>Mine, privately owned railway to Abbot Point.</p>	<p>SEIS comment period closed 10/10/11, further supplementary reports on flood modelling due from Hancock 8/11/11 and 18/11/11.</p>	<p>CG Report likely Feb 2012.</p>
<p>Hancock Railway IFS</p>	<p>On 30/9/10, the Hancock railway was reconsidered and approved by the Governor in Council as an Infrastructure Facility of Significance (IFS). Notification of the approval appeared in the Government Gazette on 1/10/10, and was tabled in Parliament on 5/10/10.</p>	<p>N/A</p>	<p>Assessment and decision related to application to the CG for an Investigators Authority.</p>

Galilee Basin and Related Projects – Status as at 11 November 2011

Project	Components	EIS Status	Upcoming Milestone
Kevin's Corner Hancock Galilee Pty Ltd	Mine (will utilise Alpha project railway).	EIS released for public comment from 31/10/11	Public comment period due to close 12/12/11
Galilee Coal Project Waratah Coal Pty Ltd	Mine, and privately owned railway to Abbot Point.	EIS released for public comment.	Consultation period extended until 19/12/11.
Waratah Railway IFS	On 1/7/11, Waratah Coal lodged an application with the Coordinator-General for the rail component of its project to be considered as an Infrastructure Facility of Significance.	N/A	Calls for submissions from affected landholders and the public closed on 28/10/11. Approximately 9 submissions (including 2 possible submissions yet to be received) will soon be forwarded to Waratah, who will be asked to provide their comments on the issues raised.
Carmichael Coal Mine and Rail Adani Mining Pty Ltd	Mine, railway to Moranbah, then via QR National line to Dudgeon Point, will also want to utilise a railway from another proponent to Abbot Point.	EIS in preparation.	Draft EIS to be submitted to OGG Jan 2012 for review.

Galilee Basin and Related Projects – Status as at 11 November 2011

Project	Components	EIS Status	Upcoming Milestone
<p>South Galilee Coal – AMCI JV</p>	<p>Mine, and approx 30 km rail spur connecting to another proponent's railway to Abbot Point. Energy: AMCI will set up power company with multiple other proponents as co-signees for Powerlink supply</p>	<p>EIS in preparation</p>	<p>Draft EIS to be submitted to OCG Q1 2012.</p>
<p>Degulla Coal Project Vale</p>	<p>Mine, will utilise a railway from another proponent to Abbot Point</p>	<p>Yet to apply for significant project declaration.</p>	<p>N/A</p>
<p>MacMines Coal Project MacMines</p>	<p>Mine, considering utilising project Boomerang Corridor to deliver coal to Abbot Point.</p>	<p>Yet to apply for significant project declaration</p>	<p>Application for significant project declaration likely before end of 2011.</p>

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Galilee Basin and Related Projects - Status as at 11 November 2011

Project	Components	EIS Status	Upcoming Milestone
Goonyella to Abbot Point Rail Project BHP Billiton Metcoal Holdings Pty Ltd	Rail only, connecting BHP Bowen-Basin coal mines near Morambah to Abbot Point	CG approved significant project declaration, gazetted on 24/10/11 via extraordinary gazette	Draft terms of reference being prepared.
Central Queensland Integrated Rail Project QR National	Rail only	Made a formal application for significant project declaration.	Letter to be sent from CG requesting a more defined corridor and information about customers.

Galilee Basin and Related Projects – Status as at 11 November 2011

Project	Components	EIS Status	Upcoming Milestone
<p>Multi-User Multi-purpose Infrastructure Corridor East West Line Parks Pty Ltd</p>	<p>Infrastructure Corridor from Galilee Basin to Abbot Point to deliver feedstock and products. This Corridor is one subset of the parent Project Iron Boomerang. The other subsets are at the concept/idea stage of the development continuum. The Proponent will not be the owner operator of all aspects of the parent project.</p>	<p>Application for Significant project consideration will be lodged in November 2011 following finalisation of engineering design for route.</p>	<p>Significant project consideration in November/December 2011</p>