



An empty northbound coal train emerging from the Ardglen tunnel at the top of the existing route over the Liverpool Range.

# Liverpool Range New Route Selection Study

ARTC is undertaking a study to determine a potential new route across the Liverpool Range in the vicinity of Ardglen. This information sheet sets out the background and purpose of the study.

## What is ARTC?

The Australian Rail Track Corporation (ARTC) controls the interstate rail network between the Queensland border near Brisbane and Kalgoorlie in Western Australia, plus the NSW Hunter Valley rail network.

ARTC commenced a 60-year lease of the NSW part of the network in September 2004. It also manages the balance of the NSW country regional network on behalf of the NSW Government, but does not control any of the network used for electrified services for commuters.

ARTC is a Corporations Law entity whose shares are owned by the Australian Government. It operates on a commercial basis and does not receive any recurrent funding from Government.

#### Why is a study being done?

The grades of the current railway over the Liverpool Range at Ardglen represent a barrier to efficient rail operations.

Schemes to relieve these grades have been proposed for at least 80 years.

Current forecasts of growth in coal volumes transported by rail over the Liverpool Range (see next page) suggest that the time may now be approaching when a new alignment would be justified. ARTC is undertaking the current study to ensure it is well prepared to respond to the actual growth in rail traffic.

### What will the study cover?

The principal purpose of the study is to determine with confidence the conditions under which a new alignment would be justified.

A key input to this assessment will be the estimated cost of the new route.

To sensibly cost the new route, it is necessary to have a firm view of an alignment. A key task for the study is therefore to identify a preferred alignment. This has the added benefit of making ARTC well placed to proceed quickly with the project when the conditions are right.

The study will only identify a *preferred* alignment. A *final* alignment would only be determined as part of the process of gaining environmental approvals. This is not part of the current study, and ARTC would only seek such approvals when the need for the project was imminent.

### What are the route options?

ARTC does not have any preconceived views about the best alignment. That will be determined by the study.

However, the grade that the new alignment will avoid extends from just north of Murrurundi to Chilcotts Creek, 4 km south of Willow Tree. It is highly unlikely that a new alignment would extend far past the extent of the grade at either end.



Forecast increases in rail coal traffic to the Newcastle export ports and Hunter Valley and Central Coast power stations, based on coal industry producers' forecasts.

Accordingly, the principle focus of the study is the area shown in the map on the next page.

This map also shows, in broad terms, three alternative routes that have been proposed in the past.

The new alignment may or may not include a new tunnel, and the existing track may or may not be retained.



A southbound grain train (left) waiting for an empty coal train (right) to pass it at Ardglen, near the top of a steep climb for loaded trains from Chilcotts Creek.

# When would the line be built?

ARTC would build the new alignment when the project satisfied reasonable commercial criteria.

In simple terms, new alignment would be built when the value of future savings in train operating costs exceeded the project's capital cost.

At this stage ARTC does not know whether or when this condition is likely to be met.

## Will the line open up the

## Gunnedah Basin coal deposits?

ARTC will need to use the train operating cost savings from the new alignment as the basis for funding the capital cost of the project.

Accordingly, in the short to medium term the coal producers will not gain any significant net saving in the cost, to them, of moving coal to the port.

This means the growth in coal exports from the Gunnedah Basin will need to occur independent of whether the new alignment proceeds.

In the longer term, a new alignment will offer some savings as the initial cost of the project is paid off, especially if coal volumes exceed the forecasts made at the time the project is approved.

Whether the new alignment proceeds or not, ARTC will ensure that sufficient rail capacity is available on its network for the movement, on commercial terms, of all Gunnedah Basin coal that producers wish to export.

## When will the study's findings be released?

The study is expected to be completed at the end of June 2006.

The results will be made public once the ARTC Board has had the opportunity to review and consider the findings.

## Further information:

Any questions in relation to the study should be directed to James Moor, Strategic Planner, ARTC on (02) 8259 0757 or e-mail <u>imoor@artc.com.au</u>.



Murrurundi station, looking west to the Liverpool Range.





The study area, showing the existing route and three alternative routes identified in earlier studies, two of them with long tunnels.