



## AUSTRALIAN RAIL TRACK CORPORATION LTD

Media Statement – David Marchant, CEO of ARTC

### **INCREASED CAPACITY FOR THE GUNNEDAH BASIN**

Demand for the transport of coal from the Gunnedah Basin to Newcastle Port is expected to continue to increase over time and ARTC's strategy to meet that demand is conditioned on three major considerations:

- The single line between Muswellbrook and Narrabri has been, or will be, constrained by the lack of suitable length crossing loops and the signalling system;
- The grade constraints and the single line tunnel at Ardglen where the line crosses the Liverpool Ranges; and
- The contracted demand which will be required to be serviced and the available port capacity to serve that demand.

This work is part of the \$580 million the Australian Government committed as equity to the ARTC for the Hunter Valley Capacity Program.

This forms part of ARTC's \$1.2 billion Hunter Valley Capacity Program.

The final option for the Liverpool Ranges will require coal miners commitment on commercial terms for the capacity expansion.

The Liverpool Ranges is characterised by steep grades (1:40) either side of the Range together with a single line tunnel which limits both train size and the number of trains.

ARTC has undertaken studies to develop an alternative alignment and initially considered, with the coal miners, four options with extensive tunnels and two surface alignments with improved grades.

These working assessments with the coal miners have been recently completed resulting in two preferred alignments being selected.

The alignments are the Eastern High tunnel which would cost >\$700M and create capacity over the Range of >200 million tonnes; and the Borambil Creek surface alignment which would cost >\$400M and create capacity over the Range of >90 million tonnes.

Demand forecasts for the Gunnedah trains do not currently exceed 60 million tonnes per annum in the next 10 to 15 years based on existing mines and mines with either development applications approved or with exploration licences.

Therefore ARTC with the coal miners is undertaking a further study which will focus on duplication of the existing alignment in stages over the Liverpool Ranges to generate capacity of 60 million tonnes per annum (30 trains each way each day).



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As I indicated earlier this week, of the three (3) options miners have provided a preliminary preference for the duplication option; however, this will be assessed with the other two options over the next 4 months with the coal industry before a final decision on the scope of work is taken.

ARTC is continuing to work with the coal miners and prospective coal miners to conclude the option they wish to pursue.

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