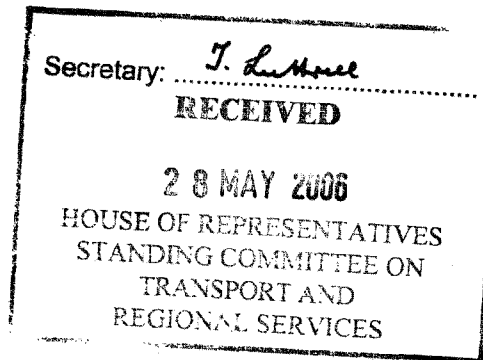




Hon. Paul Lucas MP

Our ref: MC22451

28 MAY 2006



Minister for  
Transport and Main Roads

Mr Paul Neville MP  
Chair  
House of Representatives Standing  
Committee on Transport and Regional Services  
PO Box 6022  
Parliament House  
Canberra ACT 2600

Dear Mr Neville

**Re: Standing Committee on Transport Inquiry into Integration of Regional Road  
and Rail Networks and their Connectivity to Ports**

I refer to the recent hearings in Brisbane of the House of Representatives Standing Committee on Transport Inquiry into Integration of Regional Road and Rail Networks and their Connectivity to Ports, attended by several senior officers from my portfolio.

These officers, Mr Daniel Hunt, Mr Ken Beattie and Mr Renny Phipps, have advised that during the course of the evidence the Committee members present sought advice on a number of issues.

The purpose of this letter is to provide you with this information in satisfaction of the undertakings given by my officers.

**Queensland Transport's contract with Queensland Rail - rail infrastructure services**

The Transport Service Contract (Rail Infrastructure) [TSC(RI)] is a formalised agreement which provides the basis for delivering the Government's rail transport outcomes for Queensland. The TSC(RI) provides funding support for approximately 70% of Queensland's rail network that in its own right is not commercially viable and serves low volume markets. Under the contract, Queensland Rail (QR) Network Access is responsible for the provision of infrastructure services and management of the track, including the implementation of capital projects approved by Queensland Transport.

The contract runs for a period of seven years from 1 July 1999 to 30 June 2006. Key elements of the TSC (RI) include:

- Defined service – Government purchase of defined rail corridor solutions;
- Defined performance regime;
- Budgetary certainty;
- Environment for targeted investment to address transport outcomes;
- Provide services to regional Queensland;
- Transparency;
- Meets the objectives of the State's Rail Network Strategy;
- Funding for efficient costs;
- Forecast model over seven years;
- Capital funding framework;
- Output performance regime with financial consequences; and
- Annuity funding over 30 years for full economic cost of assets (provides Government with budgetary certainty).

The below rail contract TSC(RI) purchases specific infrastructure standards and outcomes and a regime of performance Base Service Levels (BSLs) for each track section. The TSC(RI) performance regime has:

- BSLs including:
  - Overall Track Condition Index;
  - Temporary Speed Restrictions;
  - Below Rail Delays; and
  - Below Rail Track Availability
- Quarterly and Annual reports
- Output Focus

The contract consists of approximately 6900km of track and 82 track sections. These are categorised by line type and by region. Line types are suburban, main line, secondary line and branch line.

Regional networks align with QR's network management arrangements as follows: South West, Central West, Central East, North Coast Line, Metropolitan and Northern. These networks are independent systems in terms of the services they provide. The predominant TSC supported networks for export grain are the South West system which operates through the western secondary line from Rosewood to Toowoomba and then west to Charleville and south west to Goondiwindi (which joins the suburban network through to the Port of Brisbane) and the Central West system through Emerald to Longreach. The Central West system joins the commercial coal network at Emerald. (Emerald - Rockhampton - Gladstone is commercial network.)

The remaining networks are commercial networks which are managed in accordance with QR's current Access Undertaking. These networks include Moura, Blackwater, North Coast Line (Blackwater) Goonyella, Newlands and the Mount Isa Line.

Network detail for the TSC(RI) regions applicable to the major Southern and Central Queensland export grain routes are contained in Attachment 1.

### **The Outback Highway**

Committee member Mr Barry Haase requested a progress report on the upgrade of the Queensland section of the Outback Highway. The Outback Highway runs from Winton to Laverton in Western Australia. The Federal Government has approved \$10m funding for work on essential improvements contingent on matching contributions from Western Australia, Queensland and Northern Territory Governments. The Queensland Government has committed \$11.7m to the overall Queensland portion of the Outback Highway (which exceeds the Australian Government's matching commitment requirement of \$3m) as part of the Roads Investment Program, and is currently in the process of seeking approval from AusLink Strategic Regional Program funding.

I trust this information is sufficient for your purposes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Lucas', with a long horizontal stroke extending to the right.

**PAUL LUCAS MP**  
**Minister for Transport and Main Roads**

Enc (1)

Attachment 1

REGION	TSC REGION DEFINITION (refer map)
Metropolitan	<p>Rail lines extending from Central/Roma St to:</p> <ul style="list-style-type: none"> <li>• Ferny Grove</li> <li>• Nambour Sth</li> <li>• Cleveland</li> <li>• Robina</li> <li>• Rosewood East</li> <li>• Shorncliffe</li> </ul> <p>(excludes Standard Gauge network).</p>
South West	<p><u>Rail Network West of Rosewood East:</u></p> <ul style="list-style-type: none"> <li>• Rosewood to Charleville</li> <li>• Charleville to Cunnamulla</li> <li>• Charleville to Westgate to Quilpie</li> <li>• Toowoomba to Warwick to Wallangarra</li> <li>• Toowoomba to Warwick to Dirranbandi</li> <li>• Dalby to Glenmorgan</li> <li>• Tyncanba to Jandowae</li> <li>• Miles to Wandoan</li> <li>• Wyreema to Millmerran</li> </ul>
Central West	<p><u>Rail Network West of Blackwater:</u></p> <ul style="list-style-type: none"> <li>• Burngrove to Emerald</li> <li>• Nogoia to Springsure</li> <li>• Emerald to Blair Athol Mine Jct</li> <li>• Emerald to Jericho</li> <li>• Jericho to Longreach</li> <li>• Longreach to Winton</li> <li>• Winton to Hughenden</li> </ul>