Department of Infrastructure and Planning

Coordinator-General's Report Surat Basin Rail project

December 2010

REPORT SUMMARY

The Coordinator-General has recommended that the Surat Basin Rail project proceed, subject to the recommendations and conditions proposed in his report.

This document summarises the report and includes background information, assessment of and conclusions about the environmental effects of the project, associated mitigation measures and recommendations.

What happens now?

The Coordinator-General has made recommendations and imposed conditions requiring SBR to undertake further work on the environmental impacts of the project and to develop mitigation measures, in consultation with relevant regulatory agencies, before development approvals can be granted.

A copy of the report will be provided to the approving agencies and to the advisory agencies that participated in the environmental impact statement (EIS) process.

Background

Surat Basin Rail Pty Ltd (SBR), as agent for and on behalf of the Surat Basin Rail Joint Venture (SBRJV), is the proponent for the SBR project. The SBRJV is a joint venture between ATEC Dawson Valley Railway Pty Ltd (a subsidiary of Australian Transport and Energy Corridor Limited (ATEC)), Xstrata Coal Surat Basin Rail Pty Ltd (a subsidiary of Xstrata Coal Queensland Pty Ltd) and QR Surat Basin Pty Ltd (a subsidiary of QR National Limited (QRN)).

SBR proposes to develop 210 kilometres of new rail infrastructure, connecting the Western Railway system near Wandoan (230 kilometres north-west of Toowoomba) with the Moura Railway system near Banana (130 kilometres west of Gladstone). The rail infrastructure will provide open-access arrangements to multiple users and includes a single narrow gauge track with up to eight passing loops, which is capable of accommodating trains up to 2.5 kilometres in length. Most of the rail infrastructure corridor will be approximately 60 metres wide, with wider sections at passing loops and at significant cuttings and embankments.

The project, often referred to as the 'Southern Missing Link', would deliver a transport solution from the Surat Basin region through to the proposed Wiggins Island Coal Terminal at the Port of Gladstone, enabling approximately four billion tonnes of thermal coal reserves to become a potentially viable economic resource for export.

Construction is expected to commence in the 2011-12 financial year and be completed in the 2014-15 financial year. The estimated capital cost of the project is $1 billion and it is expected to create up to 1000 jobs during the 33-month construction period. Up to 44 jobs would be created over the 50-year operational life of the project.

Surat Basin Infrastructure Corridor State Development Area

The rail infrastructure corridor is located wholly within the proposed Surat Basin Infrastructure Corridor State Development Area (SBICSDA). However, several components of the project will not be located within the proposed SBICSDA.

Development within this area will be assessed by the Coordinator-General under the development scheme for the proposed SBICSDA. However, development approvals covering environmentally relevant activities will be assessed by the Department of Environment and Resource Management under the *Sustainable Planning Act 2009.*

For those components of the project not located within the proposed SBICSDA, development applications will be assessed either by the Western Downs Regional Council or the Banana Shire Council, depending on the location of the particular project components. These assessments will be made under the relevant planning scheme.

Key issues

The report includes a general evaluation of, and conclusions about, the environmental effects of the project and the associated mitigation measures. Material that has been evaluated includes: the EIS, public submissions, comments and advice from advisory agencies and other entities, and technical reports.

In a number of areas, including erosion and sediment control, animals and plants, hydrology and water, air quality, noise and vibration, waste, traffic and transport, construction material and equipment, and cultural heritage, SBR will be required to provide further detail or undertake further investigations.

Noting the preliminary stage of the project design and the information contained in the EIS and the supplementary environmental impact statement (SEIS), the environmental effects of the following areas of the project have not been not evaluated:

- temporary construction camps
- quarry material
- concrete batching
- blasting
- radio repeater stations.

SBR has acknowledged that the areas listed above could not be fully defined at the time the EIS and SEIS were released. It has further acknowledged that additional detailed investigations will be undertaken during the detailed design phase of the project (following completion of this report) to support the various development approvals required.

The recommendations and conditions set out in this report cover:

- land and soil
- terrestrial and aquatic ecology
- water management
- air quality
- noise and vibration
- waste management
- traffic and transport
- social impacts
- cultural heritage
- greenhouse gas emissions.

The recommendations and conditions require SBR to undertake further work on the environmental impacts of the project in consultation with relevant regulatory agencies before the necessary development approvals can be granted. The recommendations and conditions also set release limits, specify mitigation and management measures, and mandate monitoring and reporting arrangements for the project.

Coordinator-General's conclusions

The main environmental issues considered in the report are summarised below.

Land and soil

The impacts on private landowners' properties will be addressed through the negotiation of landowner interface agreements between SBR and individual landowners.

Given the linear nature of the project, it is accepted that some impact on good quality agricultural land is unavoidable. Noting the preliminary stage of the project design, SBR will be required to provide the Department of Environment and Resource Management with additional information on the area of good quality agricultural land impacted by the project.

The additional information will support the strategies proposed to reduce the impacts on good quality agricultural land and ongoing agricultural activities resulting from the division and isolation of properties, as well as the relocation of project infrastructure, as part of future approvals processes.

Further detailed soil and geotechnical information is also to be provided to the Department of Environment and Resource Management to support the project's proposed erosion control measures. The additional investigations are required to identify soil types and stability, soil sodicity and soil salinity, before construction work commences.

Nature conservation

Based on the advice of the Department of Environment and Resource Management and the Department of Employment, Economic Development and Innovation (Fisheries Queensland), further surveys and investigations are required to support future approvals with respect to vegetation habitat, animal movement corridors, threatened plant, wetlands and aquatic values and terrestrial and aquatic species. Recommendations have been made in relation to these matters.

Water resources

While SBR has discussed, in general terms, the water required for the project, additional detailed hydraulic modelling is required to determine the potential impacts on the water sources of the proposed water take. A number of recommendations have been made to address these potential impacts.

Air quality

While SBR undertook predictive modelling of the potential air emissions from the project including coal dust, it did not propose mitigation measures on the basis that coal dust emissions are a whole-of-network issue. A number of recommendations have been made to protect air quality and address air emissions, including coal dust.

Noise and vibration

The Coordinator-General notes Queensland Health's comments that the noise emissions of the rail operations may exceed the noise criteria for sleep disturbance, as specified in the *Environmental Protection (*Noise*) Policy 2008* (EPP (Noise) 2008) at certain residential dwellings' sensitive receptors.

Given this is a new rail infrastructure development in a rural area which has low background noise levels, further predictive modelling is required and the results are to be assessed against the acoustic quality objectives set out in the EPP (Noise) 2008. Other recommendations dealing with noise and vibration resulting from the construction and operation of the project have also been made.

Waste

Western Downs Regional Council and the Department of Environment and Resource Management have advised that more detailed waste generation information is required to assess the impacts of waste on the environment.

Recommendations have been made that require SBR to establish appropriate mitigation measures and waste management and handling strategies in order to address the potential impact, before construction commences. The recommendations also specify that SBR shall enter into agreements (including funding arrangements where necessary) with Western Downs Regional Council and Banana Shire Council as necessary, to accommodate waste disposal requirements for the project, where SBR seeks to use council-owned or operated waste disposal facilities.

Transport and traffic

The SEIS stated there had been a marked reduction in the number of proposed level road/rail crossings due to revisions incorporated by SBR in the currently preferred rail infrastructure corridor alignment. This will improve the safety of the railway by reducing potential traffic conflicts.

Additional information about potential road impacts related to the project and associated impact mitigation strategies is required. Therefore, a number of conditions have been imposed to address these potential impacts.

Cultural heritage

The Coordinator-General agrees with SBR's assessment that the project has a low probability of causing harm to places of Indigenous cultural heritage. SBR has acknowledged that additional field inspections will be required as construction progresses and where the currently preferred rail infrastructure corridor alignment deviates from the alignment assessed in the EIS. The report includes a recommendation to this effect.

Social impacts

While the project's benefits to the regional economy are noted, the benefits regarding employment opportunities and business services and supplies are temporary in nature as they relate primarily to project construction. Similarly, the socio-economic impacts of the project are largely temporary in nature.

It is acknowledged that construction activities (including the construction camps, loss and fragmentation of agricultural land and arrival of new rail infrastructure in a rural, agricultural environment) are likely to result in noticeable impacts on the community, particularly those members situated close to construction activities.

In recognition of the potential adverse impacts of rail infrastructure construction on the community, the Coordinator-General has imposed conditions establishing various community groups, a complaints management process and an incidents management process to address the social impacts of the project.

Greenhouse gas emissions

While SBR has estimated the greenhouse gas emissions from the construction and operational phases of the project, further studies on greenhouse gas emissions during the project's construction phase are required. Recommendations have been made requiring SBR to prepare a greenhouse gas management plan to mitigate the carbon footprint of the project and address potential greenhouse gas emissions.

Conclusion

It is considered that there is a need for the project to help address coal export infrastructure constraints in central Queensland—in particular, delivering a potential solution to a missing link of rail infrastructure in Queensland.

The project is one element of the broader coal export supply chain system in central Queensland and does provide an entire solution to coal transport constraints through central Queensland. However, the value of the project to the Queensland rail network will be enhanced by integrating it with several other major rail and port infrastructure projects that should become operational during the predicted construction period for this project.

The Coordinator-General has evaluated the environmental effects of those components of the project on which information was provided in the EIS and the SEIS. In carrying out the environmental evaluation, the Coordinator-General notes that further information will be provided following the completion of this report to support the relevant development applications required for the project.

Due to the conceptual nature of the project and the preliminary level of the information provided, the Coordinator-General has made recommendations and imposed conditions. These are appropriate for the preliminary nature of the assessment at this stage and recognise that further detailed information will need to be provided as part of the detailed development approval processes required before construction commences.

It is recommended that the project concept, as described in the EIS and the SEIS and summarised in section 2 of the report, may proceed subject to:

- the recommendations and conditions set out in the report
- further design development
- finalising the detailed environmental management plans, which SBR has committed to completing in consultation with the relevant regulatory agencies as part of obtaining the necessary development approvals for the project.

More information

For a full copy of the Coordinator-General's report, visit www.dip.qld.gov.au/suratbasinrail

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