

**QUEENSLAND
COMPETITION
AUTHORITY**

File Ref: 204729/7-13-03

18 December 2007

Mr John Prescott
Chairman of the Board
Queensland Rail
GPO Box 1429
Brisbane QLD 4001

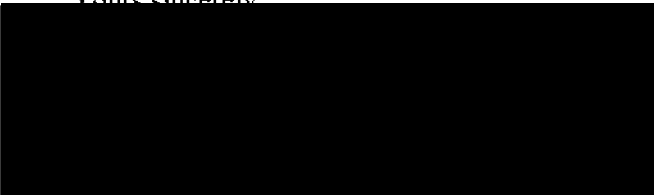
Dear Mr Prescott

QR's Capital Expenditure 2005-06

The Queensland Competition Authority (the Authority) today approved QR's application for the approval of \$134.6 million of capital expenditure commissioned in the central Queensland coal region during 2005-06 (see **Attachment 1** for more details).

In making this decision, the Authority noted that QR's application, dated 28 November 2007, was in response to, and consistent with, the Authority's draft decision on an earlier application from QR.

Yours sincerely,



Brian Parmenter
Chairperson

Attachment 1

Table 1: QR's capital expenditure, 2005-06

<i>Project</i>	<i>Estimated cost (\$m)</i>	<i>Estimated cost (\$m)</i>
Capacity enhancement		
Wallaroo-Tryphimia-Dingo duplication	40.2	
Windah-Grantleigh duplication	27.5	
Winchester passing loop	6.6	
Extension to second unloading loop at Gladstone	3.4	77.7
Customer specific		
Millennium spur	25.2	
Hail Creek spur	3.3	28.5
Asset replacement		
Balloon loop upgrades	7.1	
Autotransformers	4.8	
Formation strengthening	2.6	
Goonyella system rail upgrade	2.2	
Turnout upgrades	1.4	
South Gladstone yard upgrade	1.0	
Culvert replacements	1.0	
Other	2.1	22.2
Telecommunications		2.4
ISG return & corporate overhead		2.8
System wide		0.9
TOTAL		134.6*

* Numbers do not sum to total due to rounding