

From:
Sent: Tuesday, 4 January 2011 10:51 AM
To:
Cc:
Subject: RE: Floods

I've been waiting the last few days to hear information about the potential losses in coal production resulting from the heavy rains. It's unclear as to how long the delays will continue, but estimates suggest that 98mtpa of met coal production capacity is under *force majeure*, equivalent to 73% of Queensland's coal exports.

'The latest news on the coal logistics situation in Queensland is mixed, following the heavy rain last weekend. At the time of writing, the 110mtpa Goonyella system is close to being back in operation one week after being closed by a derailment. As a result, the 75mtpa Dalrymple Bay Coal Terminal expects to recommence loading operations on 1st Jan. However, the Blackwater and Moura lines in Southern Queensland are expected to remain closed for at least another week, and with coal stockpiles at Gladstone port now under 1 million tonnes (less than one week), further disruption in this area is likely. We currently estimate that 98mtpa of met coal production capacity is under *force majeure*, equivalent to 73% of Queensland exports and 37% of global seaborne supply.' Macquarie Commodities Comment – 1/1/2011

With regard to your calculation Steve, I think a 1 month cumulative delay is reasonable (albeit it with upside risk) if you take into consideration the delays that occurred in November and the likelihood of further delays (<http://www.bom.gov.au/qld/warnings/>). But I think we should also factor in that 73% of Queensland coal is affected.

We'll get back to you shortly with comments on agriculture. We're also chasing up other minerals. At this stage, it might be worth just focussing on the impact on coal until we get a better read on the impact on other commodities (coal is still by far the largest mineral export from Queensland).

Regards

Siddharth

From:
Sent: Tuesday, 4 January 2011 9:59 AM
To:
Cc:
Subject: RE: Floods

AgForce is forecasting \$1b+ lost ag production (broadacre crops, sugar cotton, horticultural; livestock OK). P4 Australian

Steve
General Manager

Domestic Economy Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone:
mobile:
fax:
email:

From:
Sent: Tuesday, 4 January 2011 9:56 AM
To:
Cc:
Subject: RE: Floods

The agriculture number looks high. Looks like one or two percent of the area is under water <http://earthobservatory.nasa.gov/NaturalHazards/view.php?id=48319> , I think most of the damage is from the rain falling on fruit crops at the wrong time.

>

Queensland Farmers Federation chief executive Dan Galligan said it was too early to get damage estimates.

But he said that the state government's estimate of a \$400m loss in the agricultural sector was probably conservative.

>

From
<http://www.theaustralian.com.au/news/nation/counting-the-cost-the-bill-could-run-into-billions-warns-bligh/story-e6frg6nf-1225979671263>

From:
Sent: Tuesday, 4 January 2011 9:30 AM
To:
Cc:
Subject: FW: Floods

Paul/David

Should have also included you in this.

Cheers Steve

General Manager

Domestic Economy Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone:
mobile:
fax:
email:

From:
Sent: Tuesday, 4 January 2011 9:18 AM
To:
Subject: Floods

Leonie/Sid/Pourus

[This content has been redacted under Section 22]