Aurizon says a lack of contracted customers has forced it to drop its bid for a federal concessional loan to build a common-user rail line that would have served Adani’s Carmichael mine.
The rail freight company announced yesterday it would withdraw its application to the Northern Australia Infrastructure Facility for funding to help it build a rail link for the Galilee Basin development.

The Liberal National Party has said the Queensland government’s lack of support for the Adani mine and uncertainty around NAIF applications scared investors away.

Aurizon’s withdrawal comes after months of pressure on Premier Annastacia Palaszczuk, who during last year’s state election campaign vetoed a loan for a similar application from Indian conglomerate Adani and promised no taxpayer funds would go towards supporting the mine.

At the time she said the decision to reverse a commitment to facilitate the loan was because of a conflict of interest relating to her partner’s work on Adani’s NAIF application. Later she cited a previous election commitment.

After the election, anti-Adani protesters sought to pressure the government into vetoing the Aurizon application.

Aurizon managing director and chief executive Andrew Harding said the company would continue to support the basin’s development but could not continue with its plan because of the lack of progression on contracts.

“When developed, it has the potential to provide a major boost to the national economy and create thousands of jobs in regional Queensland,” he said. But while negotiations continued with several parties, there were no definitive contractual arrangements.

The company would revisit developing a rail solution to serve the Galilee Basin “if market circumstances change” and commercial arrangements are made.

Ms Palaszczuk did not comment on the decision yesterday.

Minister for Resources and Northern Australia Matt Canavan said he was disappointed but not surprised by the withdrawal given Labor’s lack of support: “To get big investments away you really do need bipartisan support to give investors confidence over the long term.”

Deputy LNP leader Tim Mander blamed government “uncertainty” and “roadblocks” for creating sovereign risk and “jeopardising Queensland’s economic future”.

Last week, federal opposition spokesman for Northern Australia Jason Clare said no taxpayer money should go towards building the rail line.