

Question on Notice

No. 813

Asked on Tuesday, 5 June 2007

MR SEENEY asked the Minister for Transport and Main Roads (MR LUCAS)—

QUESTION:

With reference to the \$274.4m allocated in the 2006-07 Budget towards new coal locomotives, coal wagons, and the upgrade of existing coal locomotives—

- (1) How many coal locomotives have been built and commissioned?
- (2) How many coal wagons have been built and are in use?
- (3) How many coal locomotives have been upgraded?
- (4) What amount of expenditure has been incurred on the construction and/or upgrade of coal locomotives and coal wagons (reported separately)?

ANSWER:

The State Government recognises the vital importance of coal to the Queensland economy. In 2005-06 Queensland coal exports totaled 143 million tonnes (Mt) and were worth more than \$17.8b. Tonnes of coal hauled by Queensland Rail (QR) have increased dramatically from 91MT in 1996-97 to 162Mt in 2005-06. Capital investment by QR on coal infrastructure (including locomotives and wagons) has kept pace with this tonnage increase, rising from \$153m in 1996-97 to \$373m in 2005-06. QR has committed investments of \$1.9b in its coal business, comprising rail network expansions of \$830m and rollingstock investments in excess of \$1.1b. This investment will enable QR's track capacity to increase to 229Mtpa by March 2008 and rollingstock capacity to increase to 208Mtpa by July 2008.

New capital investments underway in GOC owned rail and port facilities are currently worth approximately \$2.3b. In addition, well over \$1b is being spent on Dalrymple Bay Coal Terminal. This Government is developing additional capacity where it's needed most to bolster the foundations of Queensland's multi-billion dollar export industries.

Queensland's world-class transport infrastructure and rollingstock is proving a solid platform for the continued strong growth of coal, minerals and other export industries.

Specific answers to the questions asked are below.

I am advised that the \$274.4m 2006-07 budget allocation included procuring 20 x 3800 class locomotives and 15 x 4000 class locomotives. The typical lead time for locomotive procurement ranges from 20 months for an approved design to three years for a new design. The delivery of the 3800 class locomotives, which were ordered in March 2006 and are a new design, is expected from June 2008 to January 2009 and the delivery of the 4000 class locomotives, which were ordered in February 2006 and are an existing design, is expected from September 2007 to May 2008.

During the 2006-07 financial year to 30 June 2007, 532 wagons were built and put into service under the Additional VCA Coal Wagons project. This will add to the 6276 coal wagons available to QR at 30 June 2006, up from 5172 wagons at 30 June 1997. It is also important to note that the coal wagons in 1997 had a lower carrying capacity than the current fleet. Wagon deliveries are progressing on schedule.

QR advises that several upgraded locomotives were completed in 2006-07. These included three 3700 class locomotives, which incorporated a significant upgrade in technology and power-tractive effort, with the three locomotives replacing five of the original locomotives. Production is underway on the upgrade of a further 60 locomotives to 3700 class, with the first two locomotives currently undergoing testing and commissioning.

In addition, six 3600 class locomotives, eight 3900 class locomotives and eight 2250 locomotives were upgraded.

Year to date expenditure (as at 31 May 2007) totals \$172.3m on new and upgraded locomotives, and \$100.6m on new wagons. QR forecasts total expenditure in 2006-07 of approximately \$297.7m. This increase in expenditure is attributed to the transfer of \$29m of overhaul works from operational expenditure to capital expenditure, to comply with the International Financial Reporting Standards.

The Coal Electric Locomotive Fleet Upgrade project also includes the expenditure of an additional \$8.2m in 2006-07 on infrastructure work associated with the upgrade of 3700 class locomotives.