

Question on Notice

No. 869

Asked on Wednesday, 6 June 2007

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

QUESTION:

With reference to the third rail loop at Dalrymple Bay Coal Terminal—

What is the project's progress, major milestones, estimated date of completion and expenditure to-date?

ANSWER:

I have been advised that the Dalrymple Bay Coal Terminal (DBCT), owned by Babcock and Brown Infrastructure (BBI), is being expanded from 60 to 68 million tonnes per annum (Mtpa) capacity with scheduled completion by December 2007. Complementing this expansion, Queensland Rail (QR) is completing a third rail loop to service BBI's new third rail unloading pit. The rail loop will expand rail capacity by 16Mtpa to match the expanded coal terminal capacity of 68Mtpa by December 2007.

The DBCT third rail loop construction has been subject to unavoidable delays as a result of wet weather and delays in obtaining land development approvals from the Sarina Shire Council. Measures are in place to ensure that the third rail loop is completed in line with BBI's terminal expansion program and that the resulting capacity increases will be fully synchronized. QR and BBI continue to work closely together to achieve a seamless transition to the expanded capacity regime.

Major Milestones

Changes have been made to the power system substation at DBCT that will benefit the overall power system upgrade on the Goonyella rail system. These changes include the installation of the latest technology for standard electrical distribution applications. The new technology offers advantages by reducing the size of substations, minimising the occurrence of electrical faults and allowing better control over the impact of environmental factors which affected the reliability of older systems. These developments improve how the power system operates and significantly reduce the possibility of electrical failures.

QR and construction partner, Laing O'Rourke (contractor for civil and overhead electrification works) have increased resources to ensure completion dates are met. Progress to date is as follows:

- civil and earthworks approximately 75% complete;
- track works scheduled to commence end of July 2007;
- installation of the overhead electrification infrastructure is 20-30% complete; and
- onsite and offsite signalling works are nearing completion.

Estimated date of completion

The 2006 Coal Rail Infrastructure Master Plan initially nominated August 2007 as the expected completion date for the third rail loop. Due to the above mentioned construction delays, it is now expected the third rail loop will be partially operational (without remote signaling) by October 2007 and fully operational by November 2007.

Expenditure to date

Estimated cost of the project is \$109.6m. Of this, approximately \$12m relates to the power system upgrades which are being progressed alongside the works for the third rail loop.

The actual expenditure to 13 June 2007 is \$46.9m. Major expenditure to be incurred between now and project finalisation includes the laying of the track and the completion of the overhead electrification infrastructure.

Government initiative in expanding system capacity

In order to expand rail capacity and improve the efficiency of the Goonyella Coal Chain the Queensland Government and QR are progressing development of the Northern Missing Link (NML). The NML will provide access for North Goonyella mines to the export port of Abbot Point. The NML has the potential to add a further 35Mtpa of capacity to the Goonyella system. Development approvals have been obtained, the proposed rail alignment and corridor has been finalised, and all property owners with land required for the corridor have signed Agreements for Resumption. Acquisition of the corridor is now underway. Some additional slivers of land near Abbot Point (owned by Xstrata) will also be required for the project, and their acquisition is currently being progressed.

Further to this, QR is undertaking a major rollingstock expansion program and has committed \$1.1b on upgrading 63 electric locomotives and the purchase of 35 new locomotives and 870 new coal wagons. Part of this new fleet will be deployed on the Goonyella system to provide essential rail capacity to meet the projected strong growth in coal export demand.

The Queensland Government is taking the lead in infrastructure provision and is committed to ensuring capacity is provided in an efficient and timely manner.

Total exports through port of Hay Point, which services the Hay Point Services Coal Terminal (HP SCT) and DBCT increased from 70.7million tones (Mt) in 2001-02 to 81.6Mt in 2005/06. This represents a 15.42% increase over five years. Over the same period exports through DBCT increased from 40.2Mt to 50.3Mt (25.12%), while exports through HP SCT increased from 30.3Mt to 31.3Mt (2.29%).

Coal railings along the Goonyella system are forecast to increase from 87.3Mt in 2006-07 to 124.9Mt in 2011-12, representing a 43.07% increase over 6 years.