

Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

Infrastructure and Transport

Question no.: 87

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Divisions Train Movements in the Hunter Valley

Proof Hansard Page/s: 55 (18/10/11)

Senator WILLIAMS asked:

Senator WILLIAMS: Do you know offhand the number of coal and non-coal movements on that Hunter Valley line? Is that difficult to find out?

Mr Fullerton: I could get that for you. Obviously it is dominated by coal, both domestic and, primarily, export.

Senator WILLIAMS: Could you take that on notice and give us a break-up of the coal and non-coal movements on the Hunter Valley line? Could you also give me the excess capacity currently of the line? In other words, there is so much coal being moved and so many non-coal movements; is there any capacity there for more? As I say, hopefully it will be a bumper wheat crop where there will be a lot of grain shifted. I just have some concerns about the Hunter line being able to manage not only the coal but the grain and the other things as well, as you mentioned.

Mr Fullerton: I will just make one comment about that. The declared capacity for coal is about 135 million tonnes per annum, and we are currently running at just above 100 million tonnes per annum actual.

Answer:

For the period 2011 YTD, coal train movements in the Hunter Valley (travelling in either direction) have been equivalent to an average of 88 per day. Non-coal train movements have been an equivalent of 103 movements per day.

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Question no.: 88

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: ARTC Net Finance Costs

Proof Hansard Page/s: 57 (18/10/11)

Senator BACK asked:

Senator BACK: I have one other question. It goes to net finance costs or income. It is addressed in note 5 on page 71. It relates to the fact that in the previous financial year there was a \$78.4 million surplus, whereas in the financial year ending 30 June 2011 it reversed to a \$11.7 million loss. The explanation refers to:

Finance Costs comprised: interest remitted by/(payable) to ATO applicable to grants related income tax assessments ...

Can somebody just give me an explanation as to how that position went from an \$81 million, I imagine, interest remitted by the ATO in the previous year to a nil figure in the year-end report. Can you just explain to me the significance of that and what it means.

Mr Fullerton: I might need to take that question on notice...

Answer:

The 2009/10 Finance Income of \$81m related to the reversal in 2010 of an accrual that had been taken up in the 2008/09 Financial Accounts of interest payable to the ATO on a matter that was under dispute. The ATO dispute was resolved during the 2009/10 year and no interest was in fact payable, hence the reversal of the accrual.

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Supplementary Budget Estimates October 2011

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Question no.: 89

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: China Shenhua negotiations

Proof Hansard Page/s: Written

Senator Rhiannon asked:

During questioning in the Rural Affairs and Transport Committee hearing on Tuesday 17 October 2011, Mr Fullerton of the ARTC declined to answer a number of questions in regard to China Shenhua and the ARTC on the grounds of confidentiality.

The Clerk of the Senate advises in regards to confidentiality at estimates:

The terminology “public interest immunity” is significant. The Senate has made it clear that a claim that particular information should not be produced must be based on a particular ground that disclosure of the information would be harmful to the public interest in a particular way. A statement that the holder of information does not wish to produce it, or that the information is confidential, is not a proper claim for public interest immunity.

It is open to the Senate to determine that any risk of harm to the public interest by disclosure of information is outweighed by the benefit to the public interest in the provision of the information.

The Clerk also advises that a claim on the grounds of “commercial confidentiality” must “be based on specified potential harm to commercial interests”.

Mr Fullerton has not given a specific reason why he is unable to answer the questions due to confidentiality. I believe that this does not meet the criteria set by the Senate for an agency to refuse to answer a question at a hearing, particularly one that is ultimately controlled by the Commonwealth Government.

Further, as indicated in the ARTC Annual Report, it is a Commonwealth funded body, which received \$409.3 million from the Commonwealth on 21 July 2011.

With this in mind, I would like the ARTC to consider the following questions on notice and provide more complete answers than those provided at the hearing.

1. Documents released by the Greens in the NSW Parliament detail monthly meetings between China Shenhua and ARTC about plans to move coal from the Liverpool Plains to Waratah Port. What topics or issues do these meetings cover?
2. Have you had any discussions with China Shenhua or NSW Government agencies about:
 - a. China Shenhua missing the August 2010 coal nomination deadline for an allocation to export coal from Liverpool Plains through the Newcastle coal loader?

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- b. Potentially moving coal from Liverpool Plains to Newcastle Harbour by truck?
3. Did China Shenhua make a port nomination in the August 2011 process?
4. Has China Shenhua made any payments to your department?
Are you aware if China Shenhua is pursuing the private construction to the north west of the PWCS Carrington Coal Loader on land owned by Newcastle Port Corporation that is leased to Buildev?

Answer:

Under the terms of the Hunter Valley Coal Network Access Undertaking accepted by the ACCC, ARTC is under a legal obligation not to disclose confidential information provided to it by coal producers. This is necessary to protect the interests of ARTC, as well as the interests of its customers. Shenhua has engaged in the negotiation process under the Access Undertaking and is able to obtain the benefit of the confidentiality covenants set out in the Undertaking.

With this in mind, the following responses to the questions are provided:-

1. ARTC has held meetings with Shenhua and other coal producers in relation to capacity planning for the network between the Gunnedah basin and the Port of Newcastle.
2. No.
3. Nominations for port capacity are made directly to the terminal operators.
4. No

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Question no.: 90

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Divisions Train Movements in the Hunter Valley

Proof Hansard Page/s: Written

Senator Williams asked:

Can you please provide a break-up of the coal and non-coal movements on the Hunter Valley line?

Answer:

See Question 87.

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Question no.: 91

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Concrete Re-sleepering

Proof Hansard Page/s: Written

Senator Williams asked:

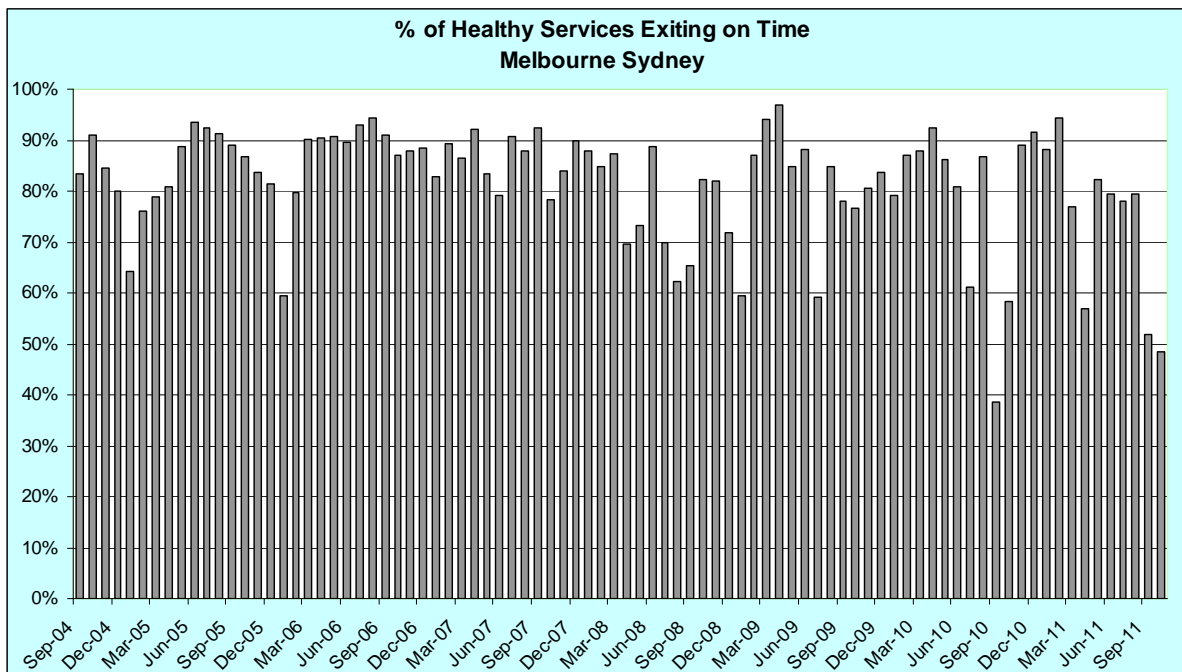
Can you provide an update on the concrete re-sleepering efforts on the Melbourne-Sydney track?

Do you have any figures on the percentage of on-time train movements along the line? Is the trend increasing or decreasing?

Answer:

The concrete re-sleepering project along the Sydney Melbourne corridor has been completed.

ARTC use the metric of the percentage of services exiting the network on time. The graph below provides the performance since 2004.



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Question no.: 92

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Train Partings

Proof Hansard Page/s: Written

Senator Williams asked:

Do you have any updated figures on train partings (cars decoupling) since the last estimates on the main north-south line?

Answer:

The attached graph shows the trend relating to train partings.

92 – Attachment A

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Question no.: 93

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Speed Restrictions

Proof Hansard Page/s: Written

Senator Williams asked:

Have speed restrictions changed since the last estimates hearings? If, so have speed restrictions been relaxed or tightened?

Answer:

Speed restrictions have stabilised and are at the same level as previously.

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Question no.: 94

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: ATSB Investigation

Proof Hansard Page/s: Written

Senator Williams asked:

Have you undertaken any process changes in light of your consultations with the ATSB? If so, please give details.

Answer:

ARTC's interaction with the ATSB to date has been to meet with them and also provide written material at their request.

We are also facilitating track inspections for them.

They have made no specific recommendations to date.

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Question no.: 95

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Mud Holes

Proof Hansard Page/s: Written

Senator Williams asked:

How are you addressing the mud hole issue?

Answer:

ARTC is undertaking a range of work to rehabilitate the ballast along the Sydney to Melbourne rail track. The work includes the removal of fouled ballast beneath the track and replacing with new ballast. It involves drainage works along the corridor to improve the flow of water away from the track structure and shoulder ballast cleaning using a specialised machine. In addition tamping and the distribution of new ballast is being undertaken to improve track geometry and allow speed restrictions to be progressively removed.

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Question no.: 96

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: ATSB Investigation

Proof Hansard Page/s: Written

Senator Williams asked:

- a) The ATSB has recently released its preliminary report into the Melbourne-Sydney track. Do you have comment on that?
- b) What actions have you taken to address the concerns raised by relevant parties?
- c) What consultation have you had with the ATSB as they prepare this preliminary report and the final report? When did this occur?

Answer:

- a) The preliminary report issued by the ATSB on 29th September 2011 is a concise explanation of the issues about which the ATSB will report at a later date and ARTC has no specific comments to make on the report as published.
- b) ARTC is undertaking a range of works to rehabilitate the ballast along the Sydney to Melbourne rail track. The work includes the removal of fouled ballast beneath the track and replacing with new ballast. It involves drainage works along the corridor to improve the flow of water away from the track structure and shoulder ballast cleaning using a specialised machine. In addition, tamping and the distribution of new ballast is being undertaken to improve track geometry and allow speed restrictions to be progressively removed.
- c) ARTC met with Senior ATSB staff in the week after the inquiry was announced.

Since then the ARTC have met or communicated on a regular basis and provided information requested by the ATSB and will provide further information as requested.

ARTC is also facilitating ATSB inspections of the track.

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Question no.: 97

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Track Upgrades

Proof Hansard Page/s: Written

Senator Williams asked:

1. What is the total cost of the line upgrades on the Melbourne-Sydney track? Is this higher than anticipated? If so, why?
2. Would that also reflect the total cost of the re-sleepering works on the line or are other upgrades being undertaken as well?

Answer:

1. Since 2004 the total cost of the line upgrades on the Melbourne to Sydney track as at September 2011 is \$987.5m. The cost of line upgrades to date is within the funding provided via Commonwealth and Victorian Government initiatives and Shareholder equity injections.
2. Re-Sleepering (excluding program management costs) accounts for \$335.6m of the line upgrades on the Melbourne to Sydney track as at September 2011. The line upgrades also included passing lanes upgrades (\$170.0m), the Wodonga Bypass (\$147.8m), North East Gauge Conversion (\$92.8m), Rerailing (\$75.2m) and other improvement projects.