

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2012

Infrastructure and Transport

Question no.: 37

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Inland Rail Study

Proof Hansard Page/s: 7 (14/02/2012)

Senator Joyce asked:

Senator JOYCE: What work did you do in that \$15 million study between Coonamble and Narrabri? Did someone walk along the line or go for a bit of a wander around?

Mr Fullerton: I need to take that question on notice in terms of the detail but my understanding is that they took a view of all the geotechnical assessments and the alignment to come up with the preferred alignment. You do have some new connections between Narromine to Narrabri.

Senator JOYCE: Did one personnel ever go anywhere between Coonamble and Narrabri?

Mr Mrdak: I think the answer is "Yes" and I am happy to take on notice what was done there.

Answer:

A route via Coonamble was not considered as it would be longer than alternate routes and require new track construction. As such this would not be an economically optimal alignment due to it being higher a cost option with minimal transit time improvement benefits.

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Question no.: 38

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Melbourne – Sydney Track Speed Limits

Proof Hansard Page/s: 9 (14/02/2012)

Senator Joyce asked:

Senator JOYCE: How many sections do freight trains have to drop down to 10 kilometres an hour?

Mr Fullerton: I would need to take that away on notice. Generally that would be the exception rather than the rule. I think the best way to describe speed restrictions is "minutes lost".

Answer:

There are no temporary speed restrictions imposed on the Sydney Melbourne corridor requiring freight trains to reduce speeds to 10 kilometres per hour.

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Question no.: 39

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Southern Sydney and Hunter Valley Freight Lines

Proof Hansard Page/s: 10 (14/02/2012)

Senator Rhiannon asked:

Senator RHIANNON: Could you provide a breakdown of spending on this freight line—I was interested in maybe taking it on notice—by financial year and by spending category, and including their construction design and consultancy services? I was interested in having that understanding. Would it be best to take that on notice?

Senator RHIANNON: Maybe if you can take that on notice because I thought that what I had read is that the 49 trains set out on page 6 were actual trains, so I am trying to understand what the average train movements per day in the Hunter Valley are and why there has been any discrepancy; if you could take that on notice, please.

Mr Fullerton: It may also referring to return trains; the 49 trains might be loaded trains versus the 88 which could be trains in both directions, but I will check that for you.

Answer to question re: Southern Sydney Freight Line:

The estimated cost to construct the SSFL and the associated works is \$1,120.0m, with funding coming from ARTC, RailCorp, Health Infrastructure NSW and Sydney Water. ARTC's portion is \$1,043.5m.

ARTC's estimated costs are:-

Financial Year	Project Management/ Planning	Design	Service Relocations	Construction
2004/5	259			
2005/6	1,724	1,480		
2006/7	1,489	1,918		
2007/8	1,384	3,385		
2008/9	6,305	7,084	3,792	84,648
2009/10	21,492	7,669	39,204	147,528
2010/11	34,994	12,101	34,464	109,211
2011/12	41,477	12,159	4,328	207,835
2012/13	18,238	12,087		227,245
TOTAL	\$127,362	\$57,883	\$81,788	\$776,467
GRAND TOTAL				\$1,043,500

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Answer to question re: Hunter Valley:

The 49 trains per day refers to the number of loaded trains planned to operate given the declared capacity of the network.

The actual loaded trains per day averaged 44 for the year to date to October 2011. Therefore the total number of trains operated (loaded and empty returns) is 88 (44 x 2).

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Question no.: 40

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Train Control Reports

Proof Hansard Page/s: 11 (14/02/2012)

Senator Xenophon asked:

Senator XENOPHON: Given that the train control reports are the avenue in which train drivers report issues about the track, will the ARTC be investigating the claims that some drivers allegedly are not creating train control reports?

Mr Fullerton: Previously we were aware that some train controllers were not recording it and we took action to ensure that all train reports from drivers were entered onto the train control report.

Senator XENOPHON: On notice, could you provide details of what that action was; is there a culture of encouraging people to make reports; and to what extent is there a culture of encouraging the creation of reports where there is a problem?

Answer:

Safety regulations require that all conversations between drivers and network controllers are recorded. All Network Controllers are instructed to record all reports from drivers into the Train Control Report (TCR) system.

ARTC meets monthly with all of its customers to review operational and safety data, including the TCR system, to enable customers to follow up.

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Question no.: 41

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Train Control Reports

Proof Hansard Page/s: 11 (14/02/2012)

Senator Xenophon asked:

Senator XENOPHON: Is there a confidential mechanism by which they could report if they were so minded?

Mr Fullerton: I would need to take that on notice. We do certainly have driver reports coming through to ARTC.

Answer:

In addition to reporting issues to ARTC through the Train Control Report system, drivers can raise issues by directly contacting ARTC operations managers or raising the issue with train operator company management for discussion with ARTC at monthly meetings.

Drivers may also raise issues confidentially through their Union or the relevant Rail Safety Regulator.

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Question no.: 42

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Consultancy Arrangements with Mr Cantrell

Proof Hansard Page/s: 11-12 (14/02/2012)

Senator Xenophon asked:

Senator XENOPHON: If you could take that on notice because that is quite important. Mr Mrdak, I asked you some questions—I think it was the budget estimates in May 2011—about Mr Cantrell, one of the consultants for the ARTC. I asked whether Mr Cantrell has any commercial or financial arrangements, any consultancy with any entities that are involved in providing equipment for side insertion, or organisational entities that provide that. You said you would take it on notice. The answer on notice was:

Mr Cantrell has advised that he has not done any consultancy work for manufacturers of equipment that can be used in side insertion...

With the answer being 'no' does that cover, from your point of view, all the related matters that I asked in the question? It relates to manufacturers but does it relate to all those associated entities that may have a commercial interest?

Mr Mrdak: I think that information was provided through the ARTC. I might hand over to Mr Fullerton.

Senator XENOPHON: I asked you because it was a series of questions I put to you.

Mr Fullerton: My understanding of that response is that he has had no association with any entities that provide side-insertion equipment.

Senator XENOPHON: The answer, however, was 'has not done any consultancy work for manufacturers of equipment'. The question was somewhat broader than that. Perhaps you could take that on notice to confirm that.

Mr Fullerton: I will take it on notice.

Answer:

Mr Cantrell had no commercial or financial arrangements, nor any consultancy, with any entities that are involved in providing equipment for side insertion, or organisational entities that provide that service.

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Question no.: 43

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Sydney-Melbourne Rail Link.

Proof Hansard Page/s: 12 (14/02/2012)

Senator Xenophon asked:

Senator XENOPHON: Finally, in terms of issues of tracks—and again I am happy for you to take this on notice—with respect to mud-hole problems and the issue of the average speed of the Sydney-Melbourne rail link, could you advise what the number of complaints has been in the last 12 months compared to the previous 12 months, for instance, and I am happy for you to do it on a calendar or financial year basis, and also whether there has been an improvement in average speeds? Thank you, Chair.

Answer:

Mud hole problems are often reported as rough riding reports. The below table refer to the number of reports since January 2010.

Calendar Year	No. of Reports
2010	470
2011	392

The average speed of trains has remained the same over the past 12 months.

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Question no.: 44

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Melbourne – Sydney Rail Line

Proof Hansard Page/s: Written

Senator Heffernan asked:

1. Can you provide me with an update on the upgrades underway on the Melbourne-Sydney rail line?
2. I understand that \$134 million has been allocated to the Ballast Rehabilitation Program. Will this money be enough to completely fix the ballast issue or further funding be required?
3. This money has been accelerated. When was it originally due to be paid?
4. Has the completion date of the ballast rehabilitation been accelerated as a result of bringing forward the funding?
5. If so, when were the works originally due to be completed?
6. Given the changed funding arrangement, when is it expected that the ballast rehabilitation will now be finished?

Answer:

1. Almost all of the upgrades on the Melbourne-Sydney railway line have been completed with the exception of the Southern Sydney Freight Line which is scheduled for completion in early 2013. There are other minor works which will be completed this year.
2. The \$134 million is in addition to our normal maintenance expenditure and is targeted to restore the line to a condition consistent with the rest of the ARTC network.
3. The \$134 million includes \$83 million reallocated from other Productivity Projects with the balance funded by ARTC.
4. The Ballast Rehabilitation Program is a new project.
5. This is a new scope of works developed after conducting a detailed investigation into track condition in 2011.
6. Whilst the program is planned over five years the majority of the work will occur in the first 18 months

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Question no.: 45

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Southern Sydney Freight Line

Proof Hansard Page/s: Written

Senator Rhiannon asked:

1. What is the most recent cost estimate for completion of the Southern Sydney Freight Line?
2. Could you provide a breakdown of spending on the SSFL, by financial year and by spending category? Categories could include construction, design, consultancy services?

Answer:

See response to Question no. 39

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Question no.: 46

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: 2011-2020 Hunter Valley Corridor Capacity Strategy Consultation Document

Proof Hansard Page/s: Written

Senator Rhiannon asked:

ARTC has recently released its 2011-2020 Hunter Valley Corridor Capacity Strategy Consultation Document which outlines a strategy and a review of projects which will meet future capacity requirements. Their timing and approval are subject to confirmed demand and port capacity.

1. Can you confirm the total volumes that the ARTC is planning for in its capacity strategy, both projected and prospective volumes.
2. The reports states that, even taking prospective volumes into account, coal **volume** forecasts are down on previous estimates, by 36 million tonnes for 2013. Can you outline why this drop occurred?
3. Page 6 of the report states an increase in hunter valley coal train **capacity** from 207,035 tonnes in 2009 to 299,300 tonnes in 2011. Did this increase match your forecast from 2009? If it was higher, why did it increase?
4. On page 6 of this report it states that operations in the Hunter Valley equals 49 actual trains per day capacity in 2011, and said this was a significant increase from 2009. Yet at the last estimates, Mr Fullerton advised Senator Williams that in the 2011 year to date there had been an average of 88 train movements per day in the Hunter Valley. (QON No. 87) Can you explain this discrepancy?
5. Page 7 states that the infrastructure planned in this strategy does not include volume increases from the proposed fourth T4 Newcastle coal port. Can you clarify if the increased volumes from T4 are or are not included in the prospective volumes of 46mtpa in 2018?
6. If not, why did ARTC make the decision not to include T4 in its projections?

Answer:

1. The 2011-2020 Hunter Valley Corridor Capacity Strategy (Capacity Strategy) referenced plans for a total export volume of 209mtpa. This figure aligns to the planned Newcastle port expansions up to, but not including, T4. These planned port expansions are detailed on Page 7 of the Capacity Strategy.
2. In preparing the Capacity Strategy ARTC receives volume nominations for existing and prospective Hunter Valley coal producers. The total nominations received in 2013 were lower than previously advised, however, ARTC is unable to confirm why the nominations from coal producers were lower than those previously advised.
3. Investment in coal train capacity is undertaken by other participants in the Hunter Valley coal chain and ARTC does not seek to forecast what these future investment plans are. In order to develop the Capacity Strategy it is necessary to have detail of the existing fleet,

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however, it is assumed that for future years sufficient investment in coal train capacity will occur to meet coal producer investment plans.

4. See ARTC WQoN 49.
5. The Capacity Strategy does not contain details of the infrastructure that would be required to meet T4 volumes nor does the Capacity Strategy identify infrastructure to support the prospective volumes referenced in the question.
6. As noted on Page 7 of the Capacity Strategy at the time of finalising this document there remained considerable uncertainty over the volume and timing of coal that would utilise T4. As such it is not practical to identify infrastructure expansions to align with T4 until the related coal production plans are finalised.

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Question no.: 47

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Strategic Direction of ARTC Hunter Valley Operations Report

Proof Hansard Page/s: Written

Senator Rhiannon asked:

Strategic direction for ARTC Hunter Valley operations report

The report notes climate change policy as having a potentially positive impact for rail due to proportionally higher fuel costs for roads.

1. Why don't you identify the potentially negative impact of climate change policy on creating a medium or long term decrease in demand for coal, which will dramatically affect your strategy for coal rail development in the Hunter?
2. Who did you seek or receive advice from on climate change impacts or climate change policy to develop this strategy?
3. Do you regard the impact of climate change or climate change policy as a significant factor in the strategic direction of your Hunter Valley operations?
4. If so please outline your position.
5. If not, why not?

Answer:

1. ARTC has in place a contractual model, approved by the Australian Consumer and Competition Commission, that allows ARTC to require coal customers to enter into long term contracts to underwrite the cost of these investments. ARTC is protected through long term contracts against any decrease in export coal volumes that may arise for any reason outside of ARTC's control, including climate change policy.
2. ARTC did not seek specific advice, other than information that is generally available.
- 3, 4 & 5. See Question 1.

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Question no.: 48

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Moorebank Intermodal Project

Proof Hansard Page/s: Written

Senator Rhiannon asked:

The Moorebank Intermodal Project 2010/11 Assessment brief contains figures to be confirmed for capital cost by proponent and contribution sought by proponent.

1. Do you have these figures?
2. When will they be made publicly available?

The ARTC Statement of Corporate Intent 2011/12 states that the ARTC continues to be proactive in future developments of intermodal terminals.

3. How has the ARTC been proactive in the Moorebank intermodal project?

Answer:

1. The Department of Finance & Deregulation (Moorebank Project Office) is the responsible agency for the Moorebank Intermodal Project.
2. See Question 1.
3. ARTC identified the Moorebank Intermodal Terminal as a key enhancement to support the development of the interstate rail network in ARTC's 2008-2024 Interstate and Hunter Valley Rail Infrastructure Strategy. This Strategy formed ARTC's submission to Infrastructure Australia (IA) during the development of IA's recommendations to the Council of Australian Governments on National Infrastructure Priorities.

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Question no.: 49

Program: n/a

Division/Agency: (ARTC) Australian Rail Track Corporation

Topic: Train Movement in Hunter Valley

Proof Hansard Page/s: Written

Senator Rhiannon asked:

In your answer to QON No 87 last year you advised that there are the equivalent of 88 coal train movements per day in the Hunter. The 2011-2020 Hunter Valley Corridor Capacity strategy document says there are 49 trains per day. Even if the report is stating loaded train travel to the port, there is still a discrepancy. Can you explain the discrepancy?

Answer:

The 49 trains per day refers to the number of loaded trains planned to operate given the declared capacity of the network.

The actual loaded trains per day averaged 44 for year to date to October 2011. Therefore the total number of trains operated (loaded and empty returns) is 88 (44 x 2).