

17 April 2024

To: Ann Jones
Program Manager
Queensland Competition Authority

Dear Ann

NECAP 2024 – Confirmation of Capital Expenditure

Dalrymple Bay Infrastructure Management Pty Ltd (**DBIM**) refers to section 12.10 of the DBCT 2021 Access Undertaking (**AU**) under which DBIM is required to incur NECAP expenditure as necessary to ensure that the Terminal complies with Good Operating and Maintenance Practice, and that DBIM complies with its obligations under the Port Services Agreement (**PSA**).¹

In respect of the Financial Year commencing on 1 July 2024, Capital Expenditure of \$21,778,915 (**NECAP 2024**) was incurred by DBIM on NECAP works completed up to 31 March 2024, as summarised in Attachment 1. In accordance with s.12.10(b)(1), DBIM confirms that NECAP 2024 falls within the definition of Capital Expenditure in the AU. DBIM also confirms that:

- NECAP 2024 is not (and has not been) expenditure recovered through HCF or HCV (as those terms are defined in the Standard Access Agreement);
- all projects in NECAP 2024 (other than the NQ02 Project) were unanimously approved by all Access Holders pursuant to s.12.10(b)(2)(A);
- the NQ02 Project was approved by all Access Holders except one which has confirmed in writing it does not object to NQ02 as NECAP;
- the Operator has recommended in writing the incurrence of NECAP 2024;
- the NECAP 2024 works were completed and handed over to the Operator prior to 31 March 2024; and
- an allowance for Interest During Construction (**IDC**) is included.

In respect of NECAP 2024, the following documentation is available to the QCA for review if required:

- Project Briefs, including details on the nature of Capital Expenditure for each project;
- Operator Recommendations for each NECAP Series;
- Access Holder Approvals for each NECAP Series;
- Evidence of no objection to relevant expenditure (NQ02); and
- Certification of handover of completed works to the Operator.

Given the above, DBIM requests that the QCA confirms that it is reasonably satisfied that the expenditure falls within the definition of Capital Expenditure in the AU.

If you require any further information, please do not hesitate to contact me.

Yours sincerely



Jonathan Blake
Chief Commercial & Sustainability Officer
Dalrymple Bay Infrastructure Management Pty Ltd

¹ Capitalised expressions in this letter have the meaning given in the AU, unless otherwise defined.

Attachment 1: NECAP 2024 Compliance with the Definition of Capital Expenditure

The following definition is extracted from Schedule F (Definitions & Interpretation) of the DBCT 2021 AU.

Capital Expenditure means expenditure (incurred by DBIM) which:

- (a) relates to replacement or expansion of any part of the Terminal;
- (b) relates to refurbishment or upgrade of any part of the Terminal which can reasonably be expected to extend the life of the relevant part beyond its original useful life or is undertaken for environmental or safety reasons;
- (c) otherwise relates to the refurbishment or upgrade of Terminal plant and/or infrastructure which is reasonably expected to improve whole of life cost, or is incurred with the agreement of the Operator; or
- (d) is ancillary or incidental to paragraphs (a), (b) or (c),

but not expenditure recovered through HCF or HCV (as those terms are defined in the Standard Access Agreement).

Actual Costs for NECAP 2024

ID	Project	Project Manager	Expenditure	Relevant paragraph of definition of Capital Expenditure
NK01	New Stacker ST1A	DBIM	56,193	Paragraph (a) replacement of part of the terminal (Stacker 1)
NK04	Minor site works	DBIM	249,149	Paragraph (d) ancillary to Paragraph (a) replacement of Stacker 1
NK06	Critical spares	DBIM	641,973	Paragraph (d) ancillary to Paragraph (a) replacement of Stacker 1
NP03	Pile wrapping – phase 6	DBIM	162,998	Paragraph (c) upgrade of terminal infrastructure (offshore piles) to improve whole of life cost
NQ02	3D Mapping & Automation System	DBIM	4,424,738	Paragraph (c) upgrade of terminal plant (yard machines) to improve whole of life cost
NQ03	Pile wrapping – phase 7	DBIM	422,804	Paragraph (c) upgrade of terminal infrastructure (offshore piles) to improve whole of life cost
NQ04	Stockyard anti-collision upgrade – phase 2	DBIM	1,048,455	Paragraph (b) upgrade of part of the terminal (yard machines) undertaken for safety reasons
NQ05	SL1 Collision Avoidance	DBIM	65,286	Paragraph (b) upgrade of part of the terminal (shiploader SL1) undertaken for safety reasons
NQ06	Vessel Drift Detection	DBIM	159,861	Paragraph (b) upgrade of part of the terminal (berths) undertaken for safety reasons
NQ07	MCC Replacement Project - Phase 1	Operator	957,238	Paragraph (a) replacement of parts of the terminal (motor control centres) due to end-of-life
NQ08	Offshore Grease Catchment Upgrade - Phase 1	Operator	359,630	Paragraph (b) upgrade of part of the terminal (offshore conveyors) undertaken for environmental reasons
NR01	Arc flash mitigation - phase 1	Operator	277,657	Paragraph (b) upgrade of part of the terminal (substations) undertaken for safety reasons
NR04	L15 Gallery Sheeting	Operator	414,591	Paragraph (b) upgrade of part of the terminal (offshore conveyor galleries) undertaken for environmental reasons
NR05	RRP dust mitigation	Operator	184,895	Paragraph (b) upgrade of part of the terminal (rail receival pits) undertaken for environmental reasons
NR06	ID drying slab	Operator	55,799	Paragraph (b) upgrade of part of the terminal (industrial dam coal collection pit) undertaken for environmental reasons
NS03	Offshore pile wrapping - phase 9	DBIM	7,459,917	Paragraph (c) upgrade of terminal infrastructure (offshore piles) to improve whole of life cost
NS04	SP1 Alimak Lift Replacement	DBIM	1,334,666	Paragraph (a) replacement of parts of the terminal (sample plant lift) due to end-of-life
NS07	Site wide GTU safe isolation access	Operator	1,176,583	Paragraph (b) upgrade of part of the terminal (conveyor GTUs) undertaken for safety reasons
NV03	Offshore Pile Wrapping - Phase 10	DBIM	1,062,089	Paragraph (c) upgrade of terminal infrastructure (offshore piles) to improve whole of life cost
Total construction costs			20,514,523	
Interest during construction			1,264,392	
Total			21,778,915	