

# Massive port capacity planned but coal-rail bottleneck still remains



Giant bulk carriers queue for coal off Dalrymple Bay Coal Terminal. September was the second-biggest month for exports in the terminal's history. PHOTO: WRICOR PHOTOGRAPHY

## Heavyweights set for round of blame game

By OWEN JACQUES  
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THE ships are back, patiently queued at Dalrymple Bay Coal Terminal (DBCT) south of Mackay.

Even after huge job cuts and an economic downturn some expected would rival the Great Depression, it was again a blame game between coal industry heavyweights.

Off the port of Hay Point, there were 81 ships lined up as of last night with the majority of those waiting to be loaded by DBCT rather than BHP Billiton's Hay Point Coal Terminal.

As the ships waited, it was the coal companies that were paying the price for the delays, with DBCT paid to export its capacity of 85 million tonnes a year, regardless of how much coal travels through the port.

Coal giants that use the port, including BHP Billiton, Rio

Tinto, Anglo Coal and Peabody must all pay fees as the giant resource carriers remain berthed off-shore.

DBCT general manager operations Greg Smith firstly emphasised the positive side of the queue, a world away from December last year when the line dropped to fewer than 10.

He said the port loaded almost 5.2 million tonnes of coal in September, an amount second only to the month before when it notched up six million.

If DBCT was at full running capacity, it could export beyond the seven million mark – so why isn't it?

"The issue is just getting (coal) from the mine to the terminal," Mr Smith said.

"Part of the time, coal companies accept nominations (loading contracts) above the contracted agreements and that assures there will be a queue.

"There was a hole in demand

earlier in the year so they're looking to make up for that."

In June, Isaac Plains Mine had three coal shipments delayed for a month, resulting in 169,000 tonnes not being exported for 30 days.

When Mr Smith was asked why the throughput wasn't at maximum, he said it was a question for Queensland Rail, not DBCT.

QR National Coal executive general manager Marcus McAuliffe said supply had nothing to do with coal ship queues, accusing DBCT of encouraging mines to order above their contracts.

"QR rejects the suggestion that it is responsible for the current queue of ships waiting to pick up coal at Dalrymple Bay," he said.

"In the last two weeks we have hauled in excess of two million tonnes each week – new highs for the Goonyella coal system."

## Port growth could jump

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new access seekers (new mining companies) and current mines.

"(The plan) is quite involved and it depends on environmental approvals, but it could be finished in four to five years."

Mr Smith would not say exactly how much the expansion would be worth, except to say "lots" but the project is understood to eclipse the \$3 billion mark and reach up to \$4 billion.

As part of the Port of Hay Point, DBCT and the BHP-owned Hay Point Coal Terminal export 130 million tonnes annually, making it by far the largest coal port in the world.

This expansion would push that to 190 million tonnes.

"We'd just be increasing the distance between us and Richards Bay (in South Africa) or Newcastle."

The expanded port would have seven berths, up from four; seven ship loaders, up from five; a second stockyard and five "in-loading stations", up from three.

The port will inevitably be handling coal from the almost-endless list of new mines and expansions in the northern Bowen Basin, including BHP's Caval Ridge and Daunia developments and the Aquila Resources Eagle Downs project, all west of Mackay.

DBCT owner Babcock and Brown Infrastructure (BBI) has become

well known for being riddled with debt.

But while Mr Smith describes the past 12 months as "an interesting time" for the company, he said the money for this project would come squarely from the coal companies that guaranteed DBCT would be paid – even if their exports slowed.

"It will be reliant on their support," Mr Smith said.

"We're talking billions of dollars but I'd prefer not to say how much exactly.

(The plan) is quite involved and it depends on environmental approvals, but it could be finished in four to five years.

– Dalrymple Bay Coal Terminal general manager operations Greg Smith

"I could say it's competitive compared to other export terminals, for instance Abbot Point and Wiggins Island."

For the expansion to go ahead, it must now get formal backing from the mining giants through export contracts, some of which may have already negotiated deals with other export ports.

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