

9 April 2025

To: Ann Jones
Director Business Performance
Queensland Competition Authority
GPO Box 2257, Brisbane QLD 4001

Dear Ann

NECAP 2025 – 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 2025, Capital Expenditure of \$23,644,074 was incurred by DBIM on NECAP works completed up to 31 March 2025 (**NECAP 2025**), as summarised in Attachment 1. In accordance with s.12.10(b)(1), DBIM confirms that NECAP 2025 falls within the definition of Capital Expenditure in the AU. DBIM also confirms that:

- NECAP 2025 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 2025 were unanimously approved by all Access Holders pursuant to s.12.10(b)(2)(A);
- the Operator has recommended in writing the incurring of NECAP 2025 pursuant to s.12.10(b)(3);
- the NECAP 2025 works were completed and handed over to the Operator on or prior to 31 March 2025; and
- an allowance for Interest During Construction (**IDC**) is included.

In respect of NECAP 2025, 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; 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 Blakey
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 2025 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 2025

ID	Project	Project Manager	Expenditure	Relevant paragraph of definition of Capital Expenditure
NQ04	Stockyard anti-collision upgrade – phase 2	DBIM	276,190	Paragraph (b) upgrade of parts of the terminal (yard machines) for safety reasons
NQ07	MCC replacement project - Phase 1	Operator	1,184,615	Paragraph (a) replacement of parts of the terminal (motor control centres) due to end-of-life
NR01	Arc flash mitigation - phase 1	Operator	380,845	Paragraph (b) upgrade of part of the terminal (substations) for safety reasons
NR05	RRP dust mitigation	Operator	71,352	Paragraph (b) upgrade of part of the terminal (rail receival pits) for environmental reasons
NR06	ID drying slab	Operator	45,319	Paragraph (b) upgrade of part of the terminal (industrial dam coal collection pit) for environmental reasons
NR07	MCC replacement project - Phase 2	Operator	2,101,367	Paragraph (a) replacement of parts of the terminal (motor control centres) due to end-of-life
NR08	Offshore grease catchment upgrade - Phase 2	Operator	407,521	Paragraph (b) upgrade of part of the terminal (offshore conveyors) for environmental reasons
NS04	Sample Plant 1 lift replacement	DBIM	199,752	Paragraph (a) replacement of part of the terminal (sample plant lift) due to end-of-life
NS07	Site wide GTU safe isolation access	Operator	1,534,364	Paragraph (b) upgrade of parts of the terminal (conveyor gravity take-ups) for safety reasons
NV03	Offshore Pile Wrapping - Phase 10	DBIM	7,877,263	Paragraph (c) upgrade of terminal infrastructure (offshore piles) to improve whole of life cost
NV04	Berth 1 Girder Strengthening	Operator	1,774,581	Paragraph (c) upgrade of terminal infrastructure (Berth 1 rail girder connections) to improve whole of life cost
NV05	L3 & L7 Conveyor SRECS Upgrade	Operator	1,651,594	Paragraph (b) upgrade of parts of the terminal (conveyor telemetry) for safety reasons
NW02	Control System SAN Switch Replacement	Operator	451,330	Paragraph (a) replacement of part of the terminal (control system infrastructure) due to end-of-life
NW06	L3 Gallery Structural Upgrade	Operator	1,857,720	Paragraph (b) upgrade of parts of the terminal (conveyor galleries) for life extension and safety reasons
NW07	Offshore Gallery Wrapping Pilot	Operator	2,199,120	Paragraph (c) upgrade of terminal infrastructure (offshore conveyor galleries) to improve whole of life cost
Total construction costs			22,012,933	
Interest during construction			1,631,141	
Total NECAP 2025			23,644,074	