

Dennis Walsh

Program Director, SEQIPRAIL



FIDIC
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Who is QR?



- QR – owned by Queensland government
- \$2.5 billion a year business
- Suburban and intra state passenger service
- National freight operations
- Network construction and management
- \$660 million infrastructure spend in 2006
- Each day:
 - 1,000 train services
 - 650,000 tonnes of freight
 - 160,000 passengers



What is SEQIP?

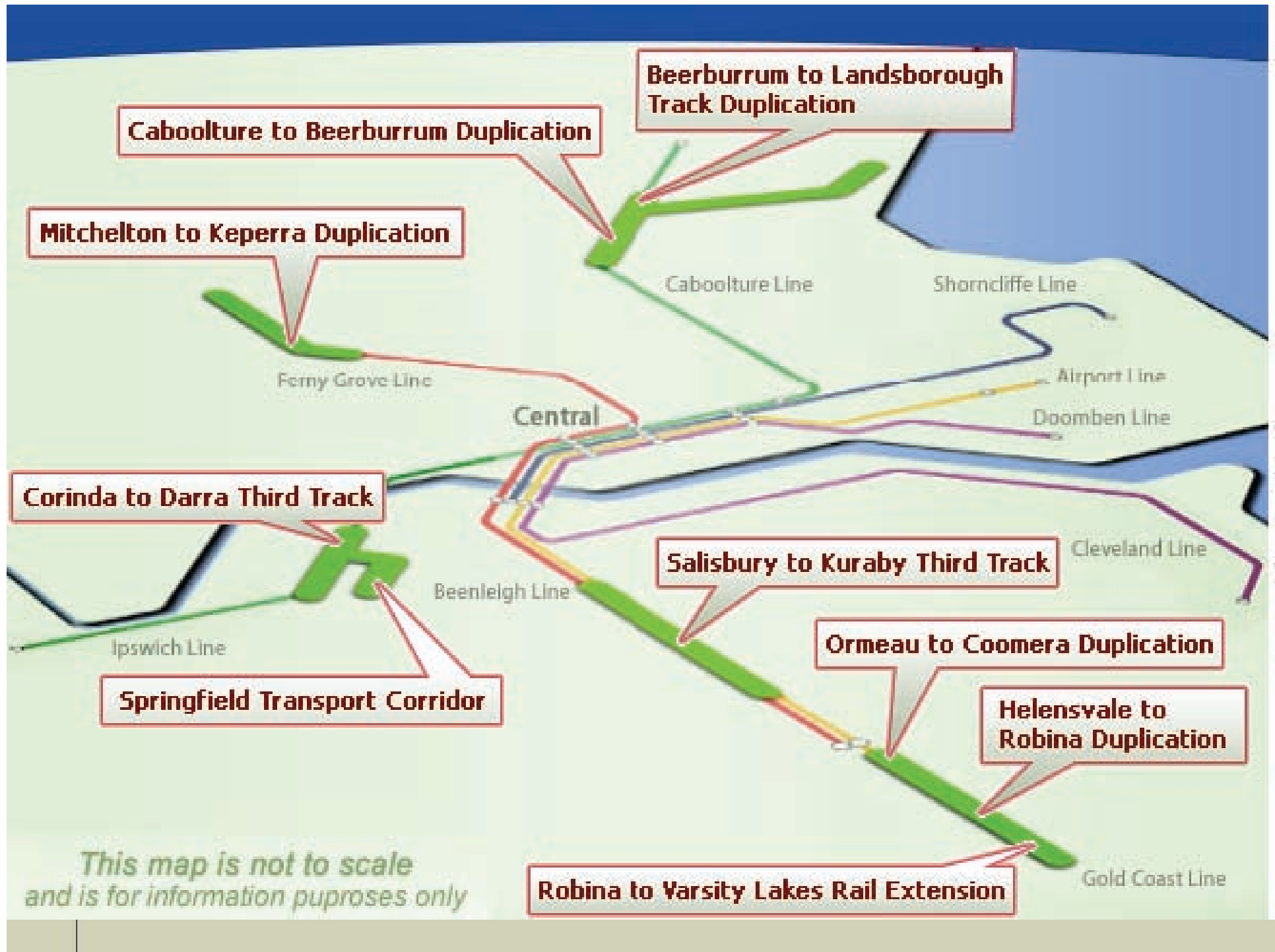
- State Government Infrastructure Plan for South East Queensland
 - Announced April 2005, updated annually
 - \$82b, 20 year blueprint for SE Queensland
 - \$50b road & public transport
 - \$8b social & community infrastructure
 - \$7.5b water infrastructure
 - \$16b energy networks (up to 5 yrs)



SEQIPRAIL

- \$7 billion over 20 years for rail upgrades in South East Queensland
 - Duplications / triplications of current lines
 - New extensions
 - 44 new trains
 - 28 projects
 - 144km new track
 - Up to 8 new stations
 - Upgrade up to 12 stations





Caboolture to Beerburrum Duplication

Beerburrum to Landsborough Track Duplication

Mitchelton to Keperra Duplication

Corinda to Darra Third Track

Springfield Transport Corridor

Salisbury to Kuraby Third Track

Ormeau to Coomera Duplication

Helensvale to Robina Duplication

Robina to Varsity Lakes Rail Extension

This map is not to scale and is for information puproses only

Around \$1.4 billion in rail infrastructure already underway

	Km	\$m	Timing
Corinda to Darra third track	5.2	110	2006-2009
Robina to Varsity Lakes extension	4.1	75	2006-2009
Caboolture to Beerburrum duplication	13.7	275	2006-2009
Beerburrum to Landsborough Duplication	17	275	2008-2012
Springfield Transport Corridor	13	320 rail 470 road	2007-2011
Salisbury to Kuraby third track	9.3	194	2005-2008
Mitchelton to Keperra Duplication	2.5	38	2006-2008
Ormeau to Coomera & Helensvale to Robina Duplications	22.9	85	2006-2008



Around \$4.3 billion
in future rail projects
to 2026

	\$m	Start year
Darra to Redbank third track	192	2009
Gowrie to Grandchester rail line	1,200	2015
Keperra to Ferny Grove duplication	21	2009
Lawnton to Petrie third track	30	2015
Coomera to Helensvale additional track	43	2008
Kuraby to Kingston additional track	194	2008
Salisbury to Park Road additional track	169	2008
Varsity Lakes to Elanora extension	246	2008
Elanora to Coolangatta extension	550	2015
Landsborough to Nambour	550	2007
Camcos rail: Beerwah to Maroochydore	1,100	2007



How was QR to deliver?

- 2005 – QR established the **SEQIPRAIL** office as the vehicle to deliver the program



QR Market Research

- Buoyant market with a large program of major infrastructure projects in SE Queensland
- Programs of interstate rail upgrades
- Limited design and construction resources –real concern of industry capacity
- Risk allocation
- QR's ongoing \$3.5b coal expansion program



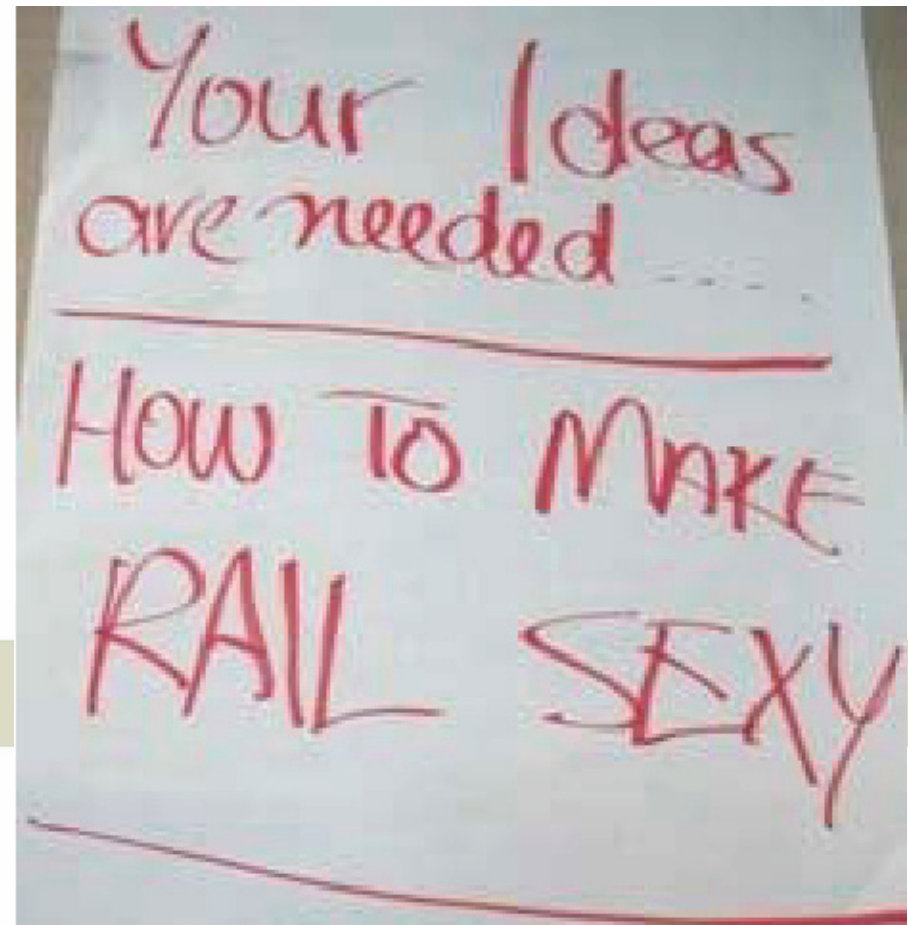
Delivery Conclusions

- Traditional delivery where appropriate
- Alliance-style delivery when:
 - Low level of design completeness
 - Numerous and unpredictable risks
 - Many and complex interface issues
 - A high level of QR participation
 - Industry climate is suitable



The Development

- **SEQIPRAIL** established in new premises
- Decision made to deliver via alliances
 - What model?
 - What strategy?
 - How?
 - When?

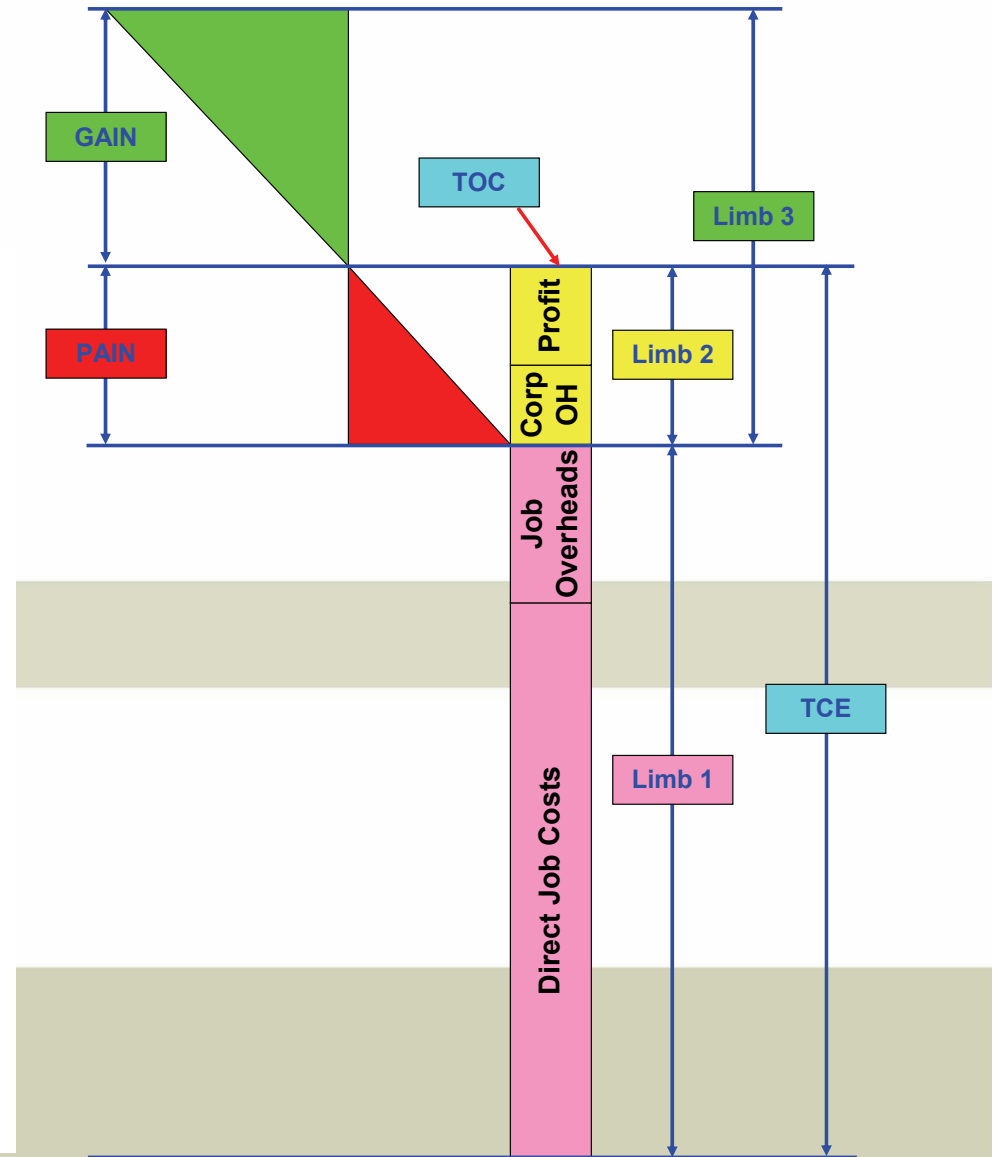


Risks of a Program Alliance to QR

- Inexperience in alliance-style (program alliance) delivery
- QR resource availability
- Competing demands across QR for track closures and isolation
- Separate selection of constructor and designer and their integration with QR's team
- Succession planning for key people and roles over the life of the alliance
- General demand on design and construction resources in SEQ region to support other major projects
- Demonstrating value for money to State Government Ministers and Queensland Treasury

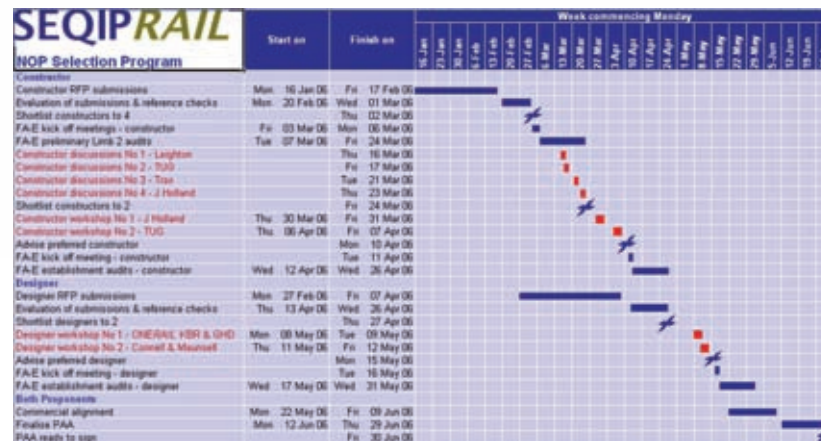
What Model?

- Pure, competitive TCE or hybrid?
- IAA and PAA
- Direct job costs + fee + gain/painshare
- Pain share cap
- Gain share threshold
- Gain share cap
- Industry reinvestment
- Governance hierarchy
 - ALT, AM, AMT, SMT, WPT



When?

- Early lead
- Industry credibility
- Self-imposed fixed date program
 - 14 Dec 2005 – Industry Briefing
 - 16 Jan 2006 – Constructor RFP
 - 27 Feb 2006 – Designer RFP
 - 10 Apr 2006 – Preferred Constructor
 - 15 May 2006 – Preferred Designer
 - 30 Jun 2006 – PAA execution

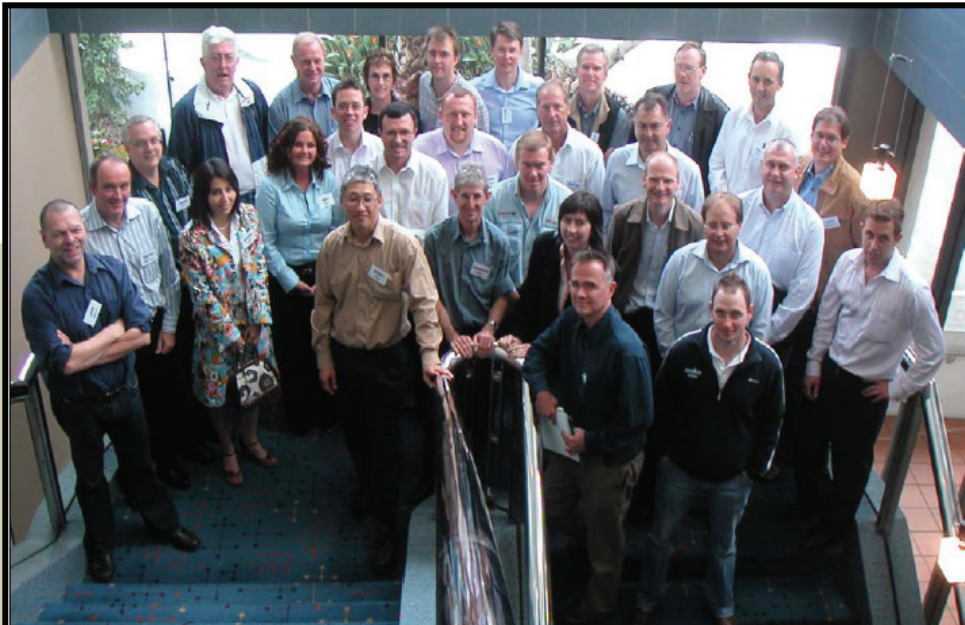


TrackStar Alliance

- QR
- Thiess United Joint Venture
- Maunsell Australia
- Connell Wagner



Four projects
\$1 billion



But....



The Springfield Challenge



The Springfield Challenge

- Springfield Transport Corridor
 - 13km new rail
 - 11km new road (four lanes)
 - Two new railway stations
 - Greenfield
- \$790m
- Political imperatives
- New partner selection process



- QR
- John Holland
- GHD
- KBR



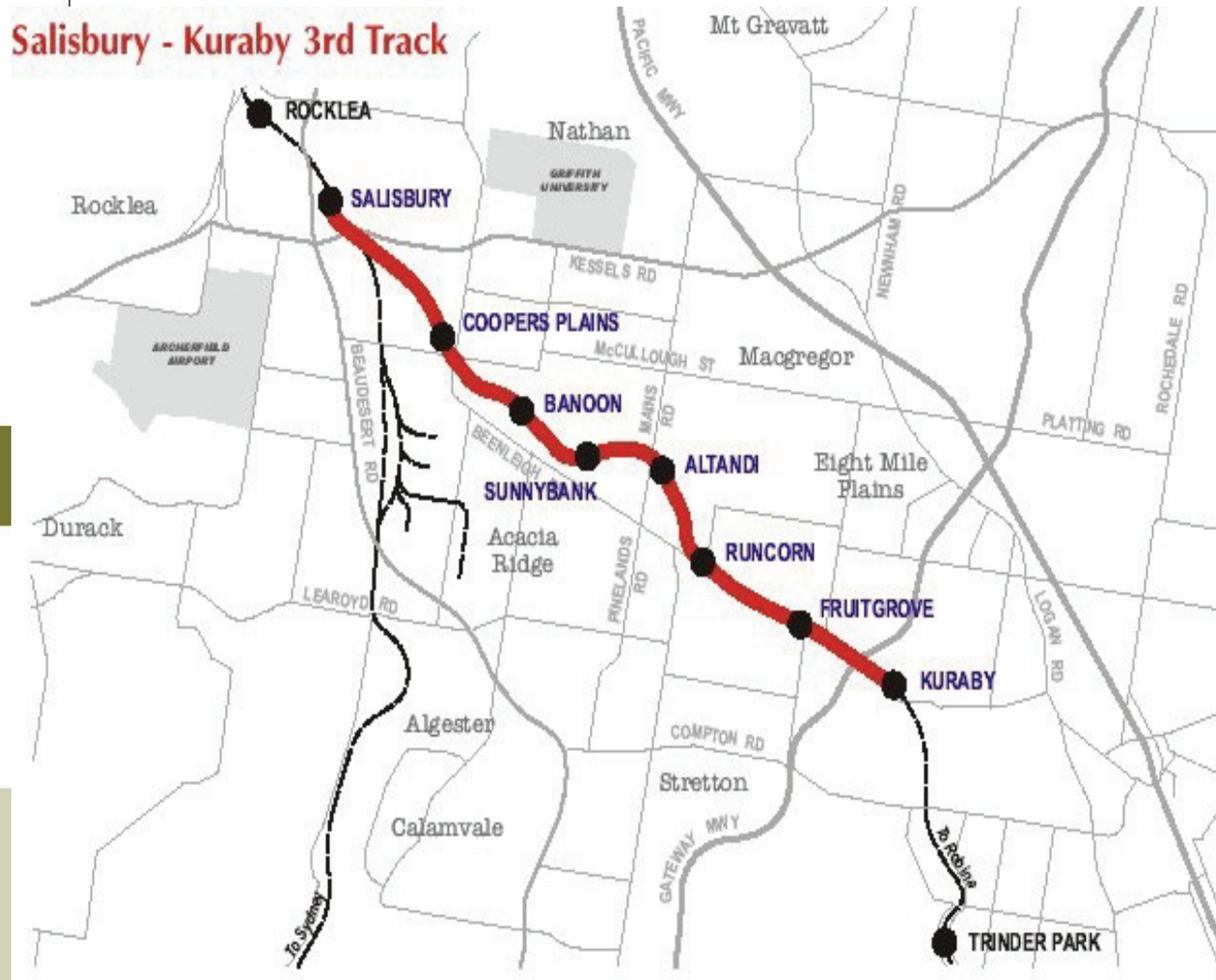
But....



The Salisbury to Kuraby Challenge



The Salisbury to Kuraby Challenge



Start: Sep 2006
Finish: Nov 2007
9.5km third track
7 station upgrades

New platforms
Carparks
Security
Footbridges
Disabled access
5 new station buildings

2 new rail bridges

Approx \$150m
construct only

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South East Queensland Infrastructure Plan



The Salisbury to Kuraby Challenge

- Originally a lump sum construct contract
- Two constructors short-listed to tender
- Both constructors unable to submit conforming tenders
- Delivery changed to a construct only alliance
- Abigroup selected through a facilitated workshop process





Salisbury to Kuraby Rail Upgrade

- QR
- Abigroup



SEQIPRAIL
South East Queensland Infrastructure Plan

- New rollingstock



- 44 new trains (132 carriages) on order
- That's a 30% increase in QR's fleet
- 1st undergoing acceptance testing

How we are *tracking*

- 800 people employed
- By June next year – 1600
- All projects on time
- Spend rate per month \$50+ million/month
- Next year \$75–80 million/month
- Minimal disruption to general public

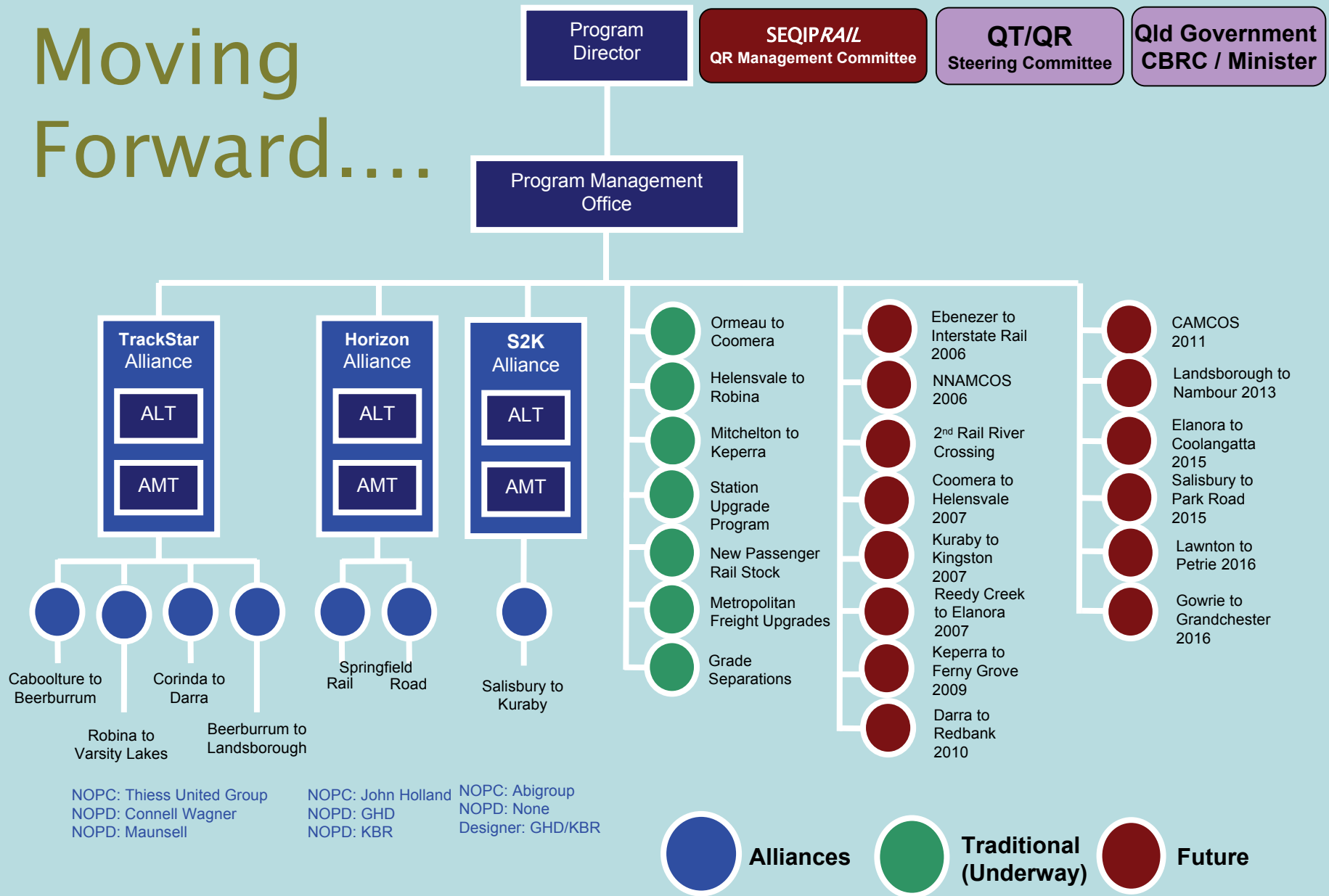


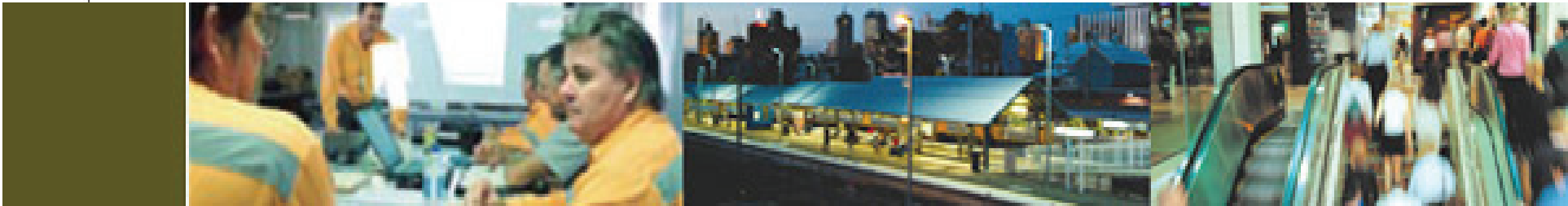
Twelve months on

- Any other delivery strategy would not have worked
- Program approach being adopted by other government agencies tasked with delivering SEQIP infrastructure projects
- Reporting framework being adopted by other agencies



Moving Forward....





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South East Queensland Infrastructure Plan

