



Mr Charles Millstead
Queensland Competition Authority
Level 27, 145 Ann Street
BRISBANE QLD 4000
www.qca.org.au/submissions/

Aurizon submission on QCA Discussion Paper on the Queensland Rail 2025 Draft Access Undertaking

5 February 2025

Dear Charles,

Thank you for the opportunity to provide a submission in response to the Queensland Competition Authority (**QCA**) Discussion Paper on the Queensland Rail 2025 Draft Access Undertaking (**DAU3**).

Aurizon is Australia's largest rail operator with its operations extending across Australia, including the large scale bulk haulage of coal and iron ore, integrated supply chain services for other bulk products and the operation of inter-city containerised freight services. Aurizon's operations extend across most of Queensland Rail's (**QR's**) rail systems, and the ability to efficiently secure 'fit-for-purpose' access to QR's network is critical to Aurizon's ability to offer attractive rail haulage services to its customers.

This submission is limited to issues associated with West Moreton access terms, where Aurizon is the only operator of coal services, and the major operator in the West Moreton System (**WMS**). Aurizon has worked closely with the Rail Operators Group (**ROG**) in considering DAU3, and our views on all other issues are reflected in the ROG submission.

Aurizon acknowledges the QCA's position that it does not consider it appropriate to include a West Moreton coal reference tariff in the DAU3 unless this reflects a consensus view between QR and the coal producers, and that the QCA strongly encourages the parties to negotiate an agreed outcome.

As highlighted by the QCA, an important factor influencing progress to an agreed outcome is achieving an improved understanding of the capacity of the WMS to deliver coal services. The QCA commissioned a report from Arcadis examining the operational capacity of the WMS and the key levers QR has to influence capacity outcomes to sustainably deliver increased coal demand.

Aurizon appreciates the contribution this work makes to the on-going regulatory process and offers the following observations in the spirit of common understanding and forward momentum.

In developing its capacity analysis, Arcadis has undertaken a thorough assessment of the maximum theoretical capacity of the WMS, confirming the maximum theoretical capacity of 168

paths per week. Arcadis has then estimated the deliverable capacity for coal services by applying simplified assumptions regarding:

- the impact of possession hours on available paths;
- the proportion of paths lost due to all other operational factors, including network reliability, weather related impacts, rollingstock availability, crewing impacts and demand variability;
- the impact of preserved (non-coal) paths on deliverable capacity for coal; and
- the impact of Metropolitan System operational constraints on coal services.

While we understand Arcadis' rationale for applying these simplified assumptions given the available time and defined scope of works, Aurizon considers it is likely the assumptions have resulted in a conservative estimate of deliverable coal capacity.

Acardis recognises that potential amplification of path losses may result from the scope of its work not including analysis of pit to port capacity for coal services.

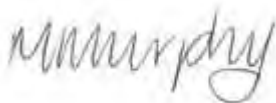
Arcadis also notes that numerous elements of input data have not been reviewed or formally documented by QR for some years although QR has stated the condition of the network has changed in recent years.

Aurizon agrees with Arcadis' view that there is significant opportunity to update and enhance the analysis it has presented. A more refined analysis is likely to support a higher coal throughput at a given assumption on possession hours, particularly if further consideration is given to:

1. the likely impact of QR's actual possession regime and Metropolitan System constraints on the available paths;
2. detailed analysis of expected operational losses having regard to actual operational losses that applied during periods where the WMS was operating at high volumes, factors that will have impacted operational losses since that time (such as Cross River Rail and 2032 Olympic infrastructure works), and the expected impact of QR's planned capital expenditure program – both in terms of additional possession hours to undertake and in reducing network related operational losses once complete; and
3. further assessment of the effect that preserved (non-coal) paths have on deliverable coal capacity.

QR's possession program will undoubtedly have a major impact on deliverable coal capacity, particularly given the large capital expenditure program expected over the AU3 period. Along with refinement of network performance data, we consider it critical that QR provide greater transparency around its expected network closures, so that stakeholders can more clearly understand the impact that this will have on available capacity during the AU3 period.

Kind regards,



Mariese Murphy
Manager Commercial Development & Integration
Coal Customers