

Friday, 19 May 2017

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
Level 27
145 Ann Street
Brisbane Qld 4000

Submitted via QCA Internet Portal

Dear Mr Millstead

Pacific National Submission to the QCA in Relation to the Proposed Aurizon Network Central Queensland Coal Network System Rules

Pacific National welcomes the opportunity to make a submission to the Queensland Competition Authority (QCA) in relation to Aurizon Network's proposed single set of System Rules for the Central Queensland Coal Network (CQCN). This submission is public.

As identified in Aurizon Network's letter provided with its System Rules submission Aurizon Network has previously consulted with Pacific National on these proposed System Rules.

Aurizon Network's letter provided with its System Rules submission identifies changes made by Aurizon Network to the System Rules. Pacific National's comments on these changes are outlined below:

- Rolling development of the Daily Train Plan out to 96 hours in advance of the day of operation - Pacific National supports the extension of the rolling plan to 96 hours.
- 24 hour schedule finalisation for the purposes of Train Service Entitlement (TSE) consumption. Under the current approach a changes to the schedule requested within the 48 hour period may result in the consumption of a TSE. Aurizon Network is proposing to reduce this period to 24 hours – Pacific National recognises that this reduction reduces exposure to TSE consumption, however Pacific National continues to have concerns as to how this approach relates to Schedule G of the 2016 Access Undertaking. Schedule G does not specifically outline a TSE consumption rule, and in particular Schedule G does not make reference to instances where changes within either the 24 or 48 hours prior to the day of operations may result in TSE consumption. Additionally, as this proposed TSE consumption rule is inconsistent with contractual arrangements it has commercial implications for access holders. On the basis that access agreements represent contracted access rights as monthly TSE and take or pay is assessed annually, any TSE consumption rule applied should align with these contractual arrangements.
- A broadened diversion rule proposed to be extended to any coal service railed by the same rail operator, regardless if the access holder is an end user - Pacific National supports the broadened diversion rule. Pacific National believes that this flexibility is very important. In particular Pacific National believes that access holders and / or their nominated operator should be able to agree how paths are utilised regardless of whether they are contained within one single access agreement or across multiple access agreements. Any restriction that train services can only be diverted from one origin-destination to

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another origin-destination on the basis that they are contained in one access agreement does not align with the process relating to the over ordering and under ordering of train services as outlined in Schedule G of the 2016 Access Undertaking.

In addition to the above matters raised by Aurizon Network in its covering letter Pacific National also has concerns in relation to the fact that Aurizon Network Service Designers operate between 8am and 8pm. The proposed System Rules do not appear to contemplate the hours that the Aurizon Network Service Designers operate. For example, if there is a cancellation or diversion made between 8pm and 8am for a service it would not be actioned until 8am the following morning. By this time the service could be within the 24 hour period. And based on Aurizon Network's proposed TSE consumption rule this delay in actioning the cancellation or diversion may result in additional TSE consumption being incurred. Pacific National has previously raised this matter with Aurizon Network but it has not been addressed. Pacific National believes that this issue could potentially be addressed by actioning the cancellation or diversion the following morning (after 8am) but for the purposes of TSE consumption calculation the cancellation or diversion is treated based on the time the requested alteration was submitted to Aurizon Network.

If you wish to discuss this submission please contact me on 02 8484 8056 or Ying Yeung on 07 3002 3726.

Yours Faithfully

Stuart Ronan
Manager Access and Regulation
Pacific National