

Aurizon Network's system rules – daily rolling plan trial

2 May 2024

The Queensland Competition Authority has approved proposed amendments to the Central Queensland coal network system rules to provide for a trial of a daily rolling plan in accordance with cl. 7A.7.5(b) of Aurizon Network's 2017 access undertaking (UT5).

The system rules will come into effect on or before 1 July 2024.

On 7 March 2024, Aurizon Network submitted proposed amendments to the Central Queensland coal network (CQCN) system rules. The amendments provide for a 7-month trial of a daily rolling plan and include additional reporting metrics, a voting process (for voting on whether the trial should be discontinued) and an appendix containing existing processes to allow reversion (if required).

On 21 March 2024, we published Aurizon Network's proposal, along with the supporting information it provided, and asked stakeholders to comment. We received 4 submissions in response, that highlighted that significant uncertainty remains around the operation of the trial and the possible outcome of the changes more generally.

Accordingly, we required Aurizon Network to revise its proposal, to provide end users with the additional protection of being able to call for a vote on whether to stop the trial (through the Chair of the Rail Industry Group, at the request of a special majority of users).

On 19 April 2024 Aurizon Network provided a revised proposal consistent with our required amendments. We published this proposal and requested comments. We received 1 submission in response, that supported the revised proposal, and reiterated the previous comments made by other stakeholders concerning ambiguity around aspects of the trial's operation and measurement.

We are satisfied that Aurizon Network's amended proposal is consistent with UT5, is in line with our required amendments and is appropriate to approve having regard to the matters listed in s. 138(2) of the QCA Act.

Aurizon Network anticipates that adopting a daily rolling plan will facilitate better scheduling and planning and should improve the operation of the network and the ability of access holders to use their access rights. However, some adjustments may be required to existing practices and processes (across the system) to realise the full benefits of this new approach.

There is some uncertainty around the outcome of the new approach – and we consider the net effect will be better understood by the parties and at a system level once sufficient information becomes available. We accept that affected parties are likely to incur some additional costs under the new arrangements, but are satisfied that they are well placed to manage these (including winding the costs back, should the trial prove unsuccessful and the arrangements not continue).

We consider that changing the system rules to provide for the new arrangements to be trialled before they are implemented is in the interests of Aurizon Network, access holders and access seekers, and broader supply chain participants. We are satisfied that:

- the new reporting requirements will provide greater transparency about the operation of the new arrangements during the trial, including observed benefits and costs
- the voting process (with included amendments)¹ and mechanism provides a reasonable opportunity for all participants to have their views on the operation of the new arrangements heard, while providing adequate protections against possible adverse impacts.

To the extent that the arrangements are ultimately intended to apply across the CQCN, we consider it reasonable that the focus remains on outcomes at the CQCN level. It is not evident that the trial process, in itself, will advantage any one access holder (or group of access holders) over others. However, it is possible that the net impacts of the new approach may vary between different users (or systems). We consider that additional user- and system- level reporting (currently being developed) will provide useful insights in that event – including identifying any disproportional adverse impacts (should these occur).

We note that stakeholders contributed to the development of the proposed amendments. They also had the opportunity to provide their views as part of the formal consultation on Aurizon Network's initial and revised proposals, where multiple submissions were received. We have had regard to the matters raised in those submissions, including Aurizon Network's responses.²

We consider a starting date on or before 1 July 2024 is appropriate in these circumstances given the necessary delay between when planning and scheduling commences and when trains run. In this way, planning under the new system rules would commence on 24 June 2024 (for trains services commencing 1 July 2024). Notably, Aurizon Network has committed to continue to engage with stakeholders over the coming months, including widely and clearly communicating the commencement date as soon as it has been determined.

Aurizon Network's amended proposal, stakeholder submissions we have received and Aurizon Network's responses are available on our [website](#).

¹ Under the amended arrangements, parties will be asked to vote at 2 scheduled times (at least 3 months and then 7 months after the trial starts) or at any other time during the trial period as determined by Aurizon Network or by the chair of the Rail Industry Group (on request by a majority of end users).

² This includes additional advice from Aurizon Network regarding the proposed starting date of the new arrangements.