

Supplementary statement in response to request for declaration

North Queensland Export Terminal (NQXT)

Declaration request from QCoal Pty Ltd and Byerwen Coal Pty Ltd (QCoal Users)

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Date: 12 June 2026

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A. Introduction

I, Mark Bradley Smith, General Manager, North Queensland Export Terminal Pty Ltd of Level 9, 120 Edward Street, Brisbane, QLD, 4000, say that:

- 1 I am the General Manager of North Queensland Export Terminal Pty Ltd (**NQXT**), and I am authorised to make this statement on NQXT’s behalf. NQXT is the sub-lessee of the North Queensland Export Terminal at the Port of Abbot Point in Queensland (**Terminal**).
- 2 I have prepared this statement on behalf of NQXT in response to the Queensland Competition Authority’s (**QCA**) draft recommendation that the coal handling service provided by the Terminal not be declared for the purposes of third party access under Part 5 of the Queensland Competition Authority Act 1997 (**QCA Act**) (the **Draft Recommendation**).
- 3 This is the second statement I have made to the QCA in connection with its review of a request from QCoal Pty Ltd and Byerwen Coal Pty Ltd (together referred to as **QCoal Users**) that the QCA recommend declaration of the coal handling service at the Terminal.
- 4 My first statement is dated 22 August 2025 (**First Statement**). Unless otherwise specified, capitalised terms have the same meaning as in the First Statement.
- 5 The matters set out in this statement are based on my own knowledge of NQXT’s operations, information available to me from NQXT’s books and records and my experience in the coal industry over the past 20 years.
- 6 Where I refer to documents in this statement, I identify those documents by their annexure number.
- 7 Where I state that information has been provided to me for the purpose of this statement, I believe that information to be true after due enquiry.

B. Update on negotiations with users since First Statement

8 Section H of my First Statement details [REDACTED]
[REDACTED]
[REDACTED]

9 As I explain in my First Statement:

- (a) NQXT’s New Access Agreement is [REDACTED]
[REDACTED]
[REDACTED]

[Redacted]

(b) [Redacted]

(c) [Redacted]

(i) [Redacted]

(ii) [Redacted]

(iii) [Redacted]

(iv) [Redacted]; and

(v) [Redacted]

10 The following section provides an update on [Redacted]

B.1 Legacy Users

(a) [Redacted]

11 [Redacted]

12 [Redacted]

13 [Redacted]

14 [Redacted text block]

15 [Redacted text block]

(a) [Redacted text block]

(b) [Redacted text block]

(c) [Redacted text block]

16 [Redacted text block]

17 [Redacted text block]

18 [Redacted text block]

19 [Redacted text block]

(b) [Redacted text block]

20 [Redacted text block]

21 [Redacted text block]

22 [Redacted text block]

23 [Redacted text block]

(c) [Redacted text block]

24 [Redacted text block]

25 [Redacted text block]

26 [Redacted text block]

27 [Redacted text block]

(a) [Redacted text block]

(b) [Redacted text block]

(c) [Redacted text block]

28 [Redacted text block]

29 [Redacted text block]

(d) [Redacted text block]

30 [Redacted text block]

31 [Redacted text block]

32 [Redacted text block]

[Redacted]

33 [Redacted]

34 [Redacted]

B.2 [Redacted]

35 In section G.2(a) of my First Statement, I set out details of negotiations that I have had on behalf of NQXT with [Redacted]. In the following sections, I provide an update of these negotiations since my First Statement.

36 [Redacted]. Consistent with my usual approach, as outlined in my First Statement and summarised in paragraphs 8 to 10 above, [Redacted].

(a) [Redacted]

37 [Redacted]

38 [Redacted]

(b) [Redacted]

39 [Redacted]

[Redacted text block]

40

[Redacted text block]

(c)

[Redacted text block]

41

[Redacted text block]

42

[Redacted text block]

43

[Redacted text block]

44

[Redacted text block]

45

[Redacted text block]

B.3 [REDACTED]

46 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

47 [REDACTED]
[REDACTED]
[REDACTED]

C. Capacity constraints on the Newlands and GAPE rail systems

48 In my First Statement, I addressed the significant below-rail capacity constraints on the Newlands and GAPE rail systems at paragraphs 142 to 144. I also refer in this statement to several instances where negotiations with potential or renewing users have been impeded by the ability for those users to secure sufficient below-rail capacity. I reiterate and expand upon those matters below in light of the Draft Recommendation's discussion of the Newlands System capacity constraints (at paragraphs 186 to 190 of the Draft Recommendation).

C.1 Current capacity and the ECD

49 The Terminal has a nameplate capacity of 50 mtpa. However, there is currently insufficient below-rail capacity for that amount of coal to be delivered to the Terminal.

50 The Deliverable Network Capacity (or **DNC**) of the Newlands System has been independently assessed at approximately 38 to 41 mtpa by the Independent Expert under Aurizon's UT5 Undertaking. The most recent QCN Annual Capacity Assessment Report for 2026 (**2026 ACAR**) identifies current maximum system capacity across the Newlands and GAPE rail systems as 39.8 mtpa. This reflects only a modest increase from the 2025 ACAR, driven primarily by an assumed increase in available train consists, reversing a prior downward adjustment.

51 The Aurizon Network access undertaking technically does not allow contracts for below-rail access to be entered into where there is an ECD, that is, where the gap between the theoretical installed capacity (50 mtpa for the combined GAPE and Newlands systems) and the DNC means that Aurizon Network's current contractual commitments already exceed the deliverable capacity of the system. The 2026 ACAR reported that, as at 1 June 2026, committed capacity of 7,468 train paths exceeds the DNC of 6,120 train paths, resulting in an ECD of 1,348 train paths.

52 On that basis, there is a current ECD of at least 8.7 mtpa, and an ECD is expected to remain on the Newlands / GAPE Systems until at least FY2031.

C.2 Resolution of the ECD

53 As I discuss in paragraph 143 of my First Statement, the ECD can only be resolved through:

- (a) non-renewal or relinquishment of contracted capacity by existing access holders; and/or
- (b) expansions or improvements in rail capacity or network operations by Aurizon Network.

54 While the QCA has recently approved some spending by Aurizon Network to reduce the deficit, this is only likely to increase capacity to approximately 45 mtpa, still below the Terminal's nameplate capacity of 50 mtpa.

55 In my view, even that outcome is uncertain, as it is contingent on incremental expansion projects that require user funding and support. Under this framework, the cost of expanding capacity on the Newlands / GAPE Systems is borne by the funding parties, with the expectation that those costs will over time be socialised downward as the expanded capacity is utilised more broadly. However, the existence of the ECD disrupts that mechanism. That is because the normal incentive structure, under which funding parties can expect their costs to reduce over time through socialisation, does not operate effectively where contracted entitlements already exceed deliverable capacity. The ECD therefore places a substantial disincentive on potential funding parties to fund expansion to provide for additional capacity.

56 There is no apparent intention by Aurizon Network to materially expand capacity on the Newlands System over the next decade. As I stated in my First Statement, the projected improvement in the ECD over time is expected to result from a gradual reduction in contracted entitlements (as the Legacy User Agreements expire) rather than any physical expansion of rail capacity.

C.3 Response to the Draft Recommendation

57 I note the Draft Recommendation acknowledges the ECD on the Newlands System and observes that (at paragraph 190) "*in principle, we consider that the fact the Newlands system is currently capacity-constrained is not an enduring constraint on future development of tenements and mine expansions, as below-rail capacity would likely be developed in response to customer demand*". While I accept that the constraint may ease over time, the practical reality for NQXT, as at the date of this statement, is that the ECD remains substantial and there has been no material infrastructure investment by Aurizon Network to address it.

58 NQXT's core position remains that Aurizon Network should deliver 50 mtpa of rail capacity to NQXT to enable further utilisation of the Terminal. The market for below-rail services, operating

independently of NQXT, has effectively dictated the operating capacity of the Terminal. NQXT has no ability to control the level of rail capacity that Aurizon Network makes available, nor the allocation of that capacity among access holders.

D. Independence of NQXT within the Adani Group

59 In the Draft Recommendation, the QCA invites submissions about the “*ability of NQXT’s directors to take into account the interests of the broader Adani Group, and the circumstances in which it is not permitted to do so*” (at page 56).

60 I understand this invitation is directed at whether NQXT has the ability or incentive to restrict access to the Terminal in circumstances where doing so might be said to benefit another entity within the broader Adani Group. I address this below by reference to the corporate structure of the Adani Group within which NQXT operates, NQXT’s governance arrangements and Board composition, and my own experience as General Manager over the past five years.

D.1 The Adani Group

61 On 23 December 2025, Adani Ports and Special Economic Zone Limited (**APSEZ**) completed its acquisition of NQXT. APSEZ is a publicly listed company on the Indian stock exchange and is a commercial ports, logistics and transport operator. It is the sole shareholder of NQXT. APSEZ’s Board comprises 10 directors, of whom five are independent directors.

62 APSEZ is part of the Adani Group, which comprises a number of separately listed public companies operating across distinct portfolios. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

D.2 NQXT’s Board and governance

63 At paragraphs 38 to 51 of my First Statement, I discuss NQXT’s governance arrangements, including the composition of the NQXT Board and NQXT’s independence within the Adani Group.

64 Although I am not a director of NQXT, I am familiar with the way the Board operates [REDACTED]
[REDACTED], and I am familiar with NQXT’s governance arrangements.

65 As at the date of this statement, NQXT’s Board is constituted by the following directors:

(a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED];

(b) [REDACTED]
[REDACTED]
[REDACTED] and

(c) [REDACTED]
[REDACTED]
[REDACTED].

66 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]).

67 As General Manager of NQXT [REDACTED]
[REDACTED]. I am principally responsible for NQXT's commercial dealings with
users and prospective users of the Terminal, including access terms, pricing and negotiations.
[REDACTED]
[REDACTED]
[REDACTED]

68 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

69 [REDACTED]
[REDACTED].

70 By reason of my role, I have direct visibility of both NQXT's day to day commercial decision
making and the matters considered by the Board. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

71 [REDACTED]
[REDACTED]

[REDACTED]

72

[REDACTED]
[REDACTED]
[REDACTED]. That objective is what drives my day to day role. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

73

In my experience, that commercial conduct is not consistent with any practical strategy of withholding or restricting access in order to benefit another Adani Group entity where that would not also benefit NQXT. Consistently with that, although NQXT has been part of the Adani Group throughout the period of my involvement with the Terminal (and in the 15 years since the Terminal was acquired by the Group), I am not aware of any instance in which NQXT has used its position to discriminate in access or misuse user confidential information in order to advantage another Adani Group business. The Adani Group has always been involved with various aspects of Queensland's coal supply chain during this period. As I state in my First Statement, to the best of my knowledge NQXT has also never received any allegation of discrimination or self-preferencing.

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A copy of the [REDACTED]
[REDACTED]



Signature

12 June 2026

Date

Mark Bradley Smith, General Manager