

Part 7A: Baseline Capacity

[Marked up against QCA's CDD amended Undertaking – excludes 7.A.1 and 7.A.2]

7A.3 Supply Chain coordination

- (a) Aurizon Network ~~must~~ will use reasonable endeavours to participate:
 - (i) in each Supply Chain Group in relation to:
 - (A) the coordination and effective performance of a relevant Supply Chain; and
 - (B) if applicable, the development of a Supply Chain Master Plan; and
 - (ii) in discussions with other service providers and participants in the Supply Chain, on request, with a view to the coordination of maintenance activities in the relevant Supply Chain.
- (b) Without limiting the nature of Aurizon Network's participation, if requested by a Supply Chain Group, Aurizon Network ~~must~~ will use reasonable endeavours to:
 - (i) participate in the development of and undertake regular reviews of that Supply Chain Group's master plan;
 - (ii) review options for the development of Capacity being investigated by the Supply Chain Group and advise if and how any option is likely to impact on the Network Management Principles, System Operating Parameters or System Rules for the relevant Coal System; and
 - (iii) if requested by the Supply Chain Group, investigate operational changes that could increase Capacity in the relevant Coal System, including by conducting a review of the relevant System Operating Parameters under **clause 7A.5**.
- ~~(c) Subject to the terms of this Undertaking, Aurizon Network must act in a way that:~~
 - ~~(i) facilitates an appropriate balance between cooperation between all elements of Supply Chains (in respect of which Access forms a part) to seek to maximise the performance of those Supply Chains and the other matters set out in **clause 2.2** of this Undertaking;~~
 - ~~(ii) ensures each Supply Chain is provided with a consistent level of service; and~~

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(iii) ~~all decisions made under this Undertaking are made in a manner that is consistent and does not unfairly differentiate in a material way between each Supply Chain or between Access Seekers, Access Holders or Customers within a Supply Chain.~~

(c) ~~Aurizon Network will not be obliged to make any binding commitment or to take any action as a result of its obligations under this **clause 7A.37A-3.**~~

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(d) ~~Aurizon Network must adopt any operational changes identified in each Supply Chain that could increase Capacity in the relevant Coal System, but only to the extent that the operational change does not adversely affect any existing Network Management Principles, System Rules or System Operating Parameters. For clarity, any dispute in relation to Aurizon Network's action (or decision) to not adopt operational changes under this **clause 7A.3(d)** will be dealt with in accordance with **Part 11.**~~

(e) ~~Aurizon Network will not be obliged to:~~

(i) ~~undertake any activity referred to in **clause 7A.3(a)** or **clause 7A.3(b)** if the reasonable cost of undertaking that activity is in excess of the amount that Aurizon Network is able to recover on the terms of this Undertaking; and~~

(ii) ~~make any binding commitment or to take any action as a result of its participation and discussions referred to in **clause 7A.3(a)**, except to the extent required in **clause 7A.3(d).**~~

7A.4 Capacity assessments

7A.4.1 Baseline Capacity Assessment

(a) Aurizon Network must:

(i) ~~undertake a Capacity Analysis and determine the a~~ Baseline Capacity ~~Assessment~~ for each Coal System; and

(ii) make the outcomes of the Baseline Capacity Assessment conducted in accordance with **clause 7A.4.1(c)(iii)**~~7A.4.1(c)(iii)~~~~7A.4.1(b)(iv)~~, including Aurizon Network's assumptions affecting Capacity and relied upon for the Baseline Capacity Assessment, (**Baseline Capacity Assessment Report**) available to the QCA,

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within six (6) Months (or such other period agreed during the consultation in **clauses 7A.4.1(c)(i)**~~7A.4.1(b)(i)~~ and **(b)(ii)**) after the Approval Date.

(b) ~~After a Baseline Capacity Assessment Report has been prepared under **clause 7A.4.1(a)**, Aurizon Network must review and replace~~

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that Baseline Capacity Assessment Report for each Coal System and make that review and replacement available to the QCA:

- (i) at least once in each Year of the Term (other than the first Year of the Term); and
- (ii) if the System Operating Parameters for that Coal System are varied in a way that Aurizon Network, acting reasonably, considers can be expected to materially decrease the Capacity in that Coal System.

Clauses 7A.4.1(c) to (h) will apply to that review and replacement as though Aurizon Network was undertaking a new Baseline Capacity Assessment and preparing a new Baseline Capacity Assessment Report.

~~(b)~~(c) The Baseline Capacity Assessment must include:

- (i) consultation by Aurizon Network with Access Holders (and its Customer and Train Operator, as applicable) for Train Services operating in each Coal System in relation to each Coal System;
- ~~(ii)~~ consultation with each Supply Chain Group for each Coal System;
- ~~(iii)~~(ii) consideration of the following factors:
 - (A) the terms of Access Agreements relating to Train Services operating in each Coal System; and
 - (B) the interfaces between the Rail Infrastructure and other facilities forming part of, or affecting, the relevant Supply Chain; and

~~(iv)~~(iii) subject to the outcome of the consultation in **clauses 7A.4.1(c)(i), 7A.4.1(c)(ii), 7A.4.1(b)(i) and (ii)** and any alternative matters agreed during that process as being matters to be addressed by the report, a Baseline Capacity Assessment Report that sets out:

- (A) ~~sets out~~ Aurizon Network's assumptions affecting Capacity and relied upon for the Baseline Capacity Assessment, including:
 - (1) operational, maintenance, construction and planning assumptions in each Coal System;
 - ~~(2) Possession Protocols;~~
 - ~~(3) Aurizon Network's methodology for calculating Train Service Entitlements in each Coal System;~~

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~~(4)(2)~~ Network Management Principles, System Operating Parameters and System Rules, if applicable, for each Coal System; and

~~(3)~~ all capacity, operational and planning definitions relied on for the development of the Baseline Capacity Assessment; and

~~(5)(B)~~ an assessment, based on those assumptions, of whether the Existing Capacity is sufficient to accommodate existing Train Service Entitlements for the period specified in the report.

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~~(B)~~ provides the following:

~~(1)~~ a waterfall analysis of Capacity, analysing the Absolute Capacity, Existing Capacity, Committed Capacity and Available Capacity in each Coal System;

~~(2)~~ the information provided under ~~paragraph (1)~~ converted (where possible) to monthly and annual:

- ~~•~~ number of Train Paths on each Coal System's branch lines and mainlines; and
- ~~•~~ tonnages on each Coal System's branch lines and mainlines; and

~~(3)~~ specified confidence intervals for the estimates provided in ~~paragraph (2)~~, reflecting the degree of reliability Aurizon Network ascribes to its capacity modelling outputs.

~~For clarity, Aurizon Network may agree during the consultation in **clauses 7A.4.1(b)(i) and (ii)** that the Baseline Capacity Assessment Report will provide different measures of Capacity, Absolute Capacity, Existing Capacity, Committed Capacity and Available Capacity to that set out above.~~

~~(e)(d)~~ If Aurizon Network has submitted the Baseline Capacity Assessment Report to the QCA, the QCA:

- ~~(i)~~ must publish the Baseline Capacity Assessment Report on its website (except that Aurizon Network may provide the QCA with a non-confidential version for publication that aggregates information regarding individual Access Seekers, Access Holders or Customers, if any, to avoid disclosing

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information that is sensitive to an Access Seeker, Access Holder or Customer);

- (ii) must assess the outcomes of the Baseline Capacity Assessment, including Aurizon Network's assumptions affecting Capacity and relied upon for the Baseline Capacity Assessment;
- (iii) ~~may~~ must (unless the QCA is satisfied the Baseline Capacity Assessment and the resulting Baseline Capacity Assessment Report properly reflects a collaborative approach and outcome developed by Aurizon Network with Access Holders (and their Customers and Train Operators, as applicable)) seek submissions in respect of the Baseline Capacity Assessment; and
- (iv) if deemed appropriate by the QCA, may engage an appropriately qualified and experienced expert to review the Baseline Capacity Assessment, in which case:

- (A) the expert must act independently; ~~and~~
- (B) the expert must give an undertaking to Aurizon Network to keep confidential and not use for another purpose all information and other matters coming to ~~their~~ its knowledge by reason of their appointment and performance of their review ~~which if disclosed or used for another purpose could constitute a breach of Aurizon Network's obligations under Part 3;~~ [Note: Disclosure or use for another purpose by the expert will never constitute a breach of AN's obligations under Part 3. For that reason the words in question have been deleted.]

~~(B)~~ (C) the expert must:-

- (1) have no interest or duty which conflicts or may conflict with its function as expert;
- (2) have regard to the provisions of this Undertaking and consider all submissions made to it by Aurizon Network or any Access Holder on a timely basis;
- (3) reach its conclusions on the basis of the application of Aurizon Network's capacity model and associated modelling methodology, and may request Aurizon Network to run any scenarios that the expert reasonably considers it necessary to assess;

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(4) provide a draft report to Aurizon Network in respect of the expert's assessment and discuss with Aurizon Network any disagreements between the expert's view and Aurizon Network's view in a good faith attempt to reduce any disagreement; and

(5) provide a final report to Aurizon Network in respect of the expert's assessment within a reasonable time after the expert's appointment;

(D) where the expert reasonably considers that Aurizon Network's assumptions used for the relevant Baseline Capacity Assessment are inconsistent with Good Engineering Practices and therefore inappropriate, the expert may develop substantiated assumptions that the expert considers are appropriate, provided that any such assumptions must be consistent with existing Access Agreements, all relevant Laws, this Undertaking (including the Network Management Principles), any relevant System Rules and operational practices current as at the effective date of Aurizon Network's Baseline Capacity Assessment;

(E) Aurizon Network will provide to the expert any information that is reasonably necessary for the expert to perform its assessment (and the disclosure of such information is required by this Undertaking and does not constitute a breach of **Part 3**); and

(F) Aurizon Network will run all scenarios requested by the expert under **clause 7A.4.1(d)(iv)(C)(3)** and provide the expert with transparency as to Aurizon Network's capacity model, the associated modelling methodology and the outcomes of all those requested scenarios.

(e) If the QCA agrees with Aurizon Network's Baseline Capacity Assessment Report, the QCA must publish a copy of the Baseline Capacity Assessment and a notice indicating the QCA's agreement.

(f) If the QCA disagrees with Aurizon Network's Baseline Capacity Assessment Report:

(i) the QCA may request Aurizon Network to make amendments to the Baseline Capacity Assessment Report; and

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- (ii) Aurizon Network will:
 - (A) make the requested amendments to the extent that Aurizon Network agrees with those amendments; and
 - (B) to the extent that Aurizon Network:
 - (1) amends the Baseline Capacity Assessment Report, re-submit the amended Baseline Capacity Assessment Report; and
 - (2) does not amend the Baseline Capacity Assessment Report in the way requested by the QCA, provide to the QCA a statement of the reasons why Aurizon Network has not done so.

(g) After Aurizon Network has complied with **clause 7A.4.1(f)(ii)**, the QCA must publish:

- (i) where **clause 7A.4.1(f)(ii)(B)(1)**~~7A.4.1(f)(ii)(B)(1)~~ applies:
 - (A) Aurizon Network's amended Baseline Capacity Assessment Report;
 - (B) if the QCA agrees with the amended Baseline Capacity Assessment, a notice confirming that agreement;
 - (C) if the QCA does not agree with the amended Baseline Capacity Assessment Report, a notice of that disagreement together with:
 - (1) a statement of reasons; and
 - (2) an alternative Baseline Capacity Assessment Report prepared by the QCA (**Alternative BCAR**) based on assumptions that are consistent with existing Access Agreements, all relevant Laws, this Undertaking (including the Network Management Principles), any relevant System Rules and operational practices current as at the effective date of Aurizon Network's Baseline Capacity Assessment; or

- (ii) where **clause 7A.4.1(f)(ii)(B)(2)**~~7A.4.1(f)(ii)(B)(2)~~ applies:
 - (A) Aurizon Network's statement of reasons provided to the QCA in accordance with **clause 7A.4.1(f)(ii)(B)(2)**; and

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- (B) if the QCA does not agree with the Aurizon Network's Baseline Capacity Assessment Report, a notice of that disagreement together with:
 - (3) a statement of reasons; and
 - (4) an Alternative BCAR prepared by the QCA based on assumptions that are consistent with existing Access Agreements, all relevant Laws, this Undertaking (including the Network Management Principles), any relevant System Rules and operational practices current as at the effective date of Aurizon Network's Baseline Capacity Assessment.
- (d) The QCA may approve the outcome of the Baseline Capacity Assessment only if the QCA:
 - (i) is satisfied Baseline Capacity Assessment and the resulting Baseline Capacity Assessment Report are consistent with this Undertaking or properly reflects a collaborative approach and outcome developed by Aurizon Network with Access Holders (and their Customers and Train Operators, as applicable); and
 - (ii) considers it appropriate to do so having regard to the matters listed in section 138(2) of the Act,
and must give notice to Aurizon Network of its approval.
- (e) If the QCA refuses to approve the outcome of the Baseline Capacity Assessment, then the QCA will give Aurizon Network a notice:
 - (i) stating the reasons for its refusal; and
 - (ii) requiring Aurizon Network to:
 - (A) amend:
 - (1) the Baseline Capacity Assessment; and/or
 - (2) any of Aurizon Network's assumptions affecting Capacity and relied upon for the Baseline Capacity Assessment,
to address the matters in the QCA's reasons; or
 - (B) submit additional information to address the matters in the QCA's reasons,
within thirty (30) days after the giving of that notice (or such other period as the QCA may in its absolute discretion determine).
- (f) The QCA may undertake a Baseline Capacity Assessment and determine the Baseline Capacity consistent with this Undertaking if:

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- ~~(i) — Aurizon Network does not submit a Baseline Capacity Assessment Report in accordance with **clause 7A.4.1(a)**;~~
- ~~(ii) — Aurizon Network does not resubmit the Baseline Capacity Assessment Report and any additional information requested by the QCA in accordance with **clause 7A.4.1(e)(ii)**; or~~
- ~~(iii) — the QCA refuses to approve the Baseline Capacity Assessment Report that was resubmitted in accordance with **clause 7A.4.1(e)(ii)**.~~
- ~~(g) — If the QCA undertakes a Baseline Capacity Assessment under **clause 7A.4.1(f)**, the QCA:
 - ~~(i) — may engage an appropriately qualified and experienced expert to undertake the Baseline Capacity Assessment, in which case **clauses 7A.4.1(c)(iv)(A)** and **7A.4.1(c)(iv)(B)** apply; and~~
 - ~~(ii) — must:
 - ~~(A) — publish the resulting Baseline Capacity Assessment Report on its website;~~
 - ~~(B) — invite persons to make submissions on the Baseline Capacity Assessment Report to the QCA within a reasonable time specified by the QCA; and~~
 - ~~(C) — consider any submissions it receives within the time specified.~~~~~~
- ~~(h) — When the Baseline Capacity Assessment Report has been approved by the QCA under **clause 7A.4.1(d)** or the Baseline Capacity is determined by the QCA under **clause 7A.4.1(f)**, Aurizon Network must publish the Baseline Capacity for each Coal System on the Website.~~
- ~~(i) — Aurizon Network must provide the Baseline Capacity Assessment Report for each Coal System, in accordance with this **clause 7A.4.1**, as a complete and transparent document:
 - ~~(i) — to the QCA on an unredacted basis; and~~
 - ~~(ii) — to stakeholders and when published on its Website:
 - ~~(A) — to the extent permitted by any confidentiality obligations it may have in relation to the information contained in the Baseline Capacity Assessment Report (and if those obligations permit disclosure if required by this Undertaking then Aurizon Network is required to disclose the information contained in the Baseline Capacity Assessment Report), on an unredacted basis; and~~~~~~

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- (B) ~~if complete disclosure is not permitted by Aurizon Network's confidentiality obligations:~~
- (1) ~~Aurizon Network must use all reasonable endeavours to obtain the consent of the relevant Third Party to disclose the information contained in the Baseline Capacity Assessment Report on an unredacted basis;~~
 - (2) ~~in respect of the information referred to in paragraph (i) or for which consent is obtained under paragraph (ii)(A), on an unredacted basis; and~~
 - (3) ~~in respect of the information that does not satisfy paragraph (i) or for which consent is not obtained under paragraph (ii)(A):~~
 - ~~to the extent possible on an unredacted basis but aggregated so as to avoid disclosing the information that is confidential and unable to be disclosed; and~~
 - ~~to the extent not possible, on a redacted basis.~~

~~(j)(h) Aurizon Network must not agree propose to any confidentiality obligations which prevent the disclosure of the information contained in the Baseline Capacity Assessment Report as or that does not permit disclosure of information required by this Undertaking.~~

~~7A.4.2 Capacity Assessment~~

- (a) ~~Aurizon Network must undertake a Capacity Analysis and determine the Capacity:~~
 - (i) ~~for each Coal System on each anniversary of the date the QCA approves the Baseline Capacity Assessment Report under clause 7A.4.1(d) or determines the Baseline Capacity under clause 7A.4.1(f); and~~
 - (ii) ~~for a Coal System if the System Operating Parameters are varied in a way that Aurizon Network, acting reasonably, considers can be expected to materially change the Existing Capacity in that Coal System.~~
- (b) ~~A Capacity Assessment must include:~~
 - (i) ~~consultation by Aurizon Network with Access Holders for Train Services operating in that Coal System in relation to that assessment;~~

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- ~~(ii) — consultation with any Supply Chain Group for the relevant Coal System;~~
- ~~(iii) — consideration of the following factors:

 - ~~(A) — the terms of Access Agreements relating to Train Services operating in that Coal System; and~~
 - ~~(B) — the interfaces between the Rail Infrastructure and other facilities forming part of, or affecting, the relevant Supply Chain; and~~~~
- ~~(iv) — a report that sets out Aurizon Network's assumptions (which must include those assumptions set out in the Baseline Capacity Assessment Report) affecting Capacity and relied upon for the Capacity Assessment.~~
- ~~(e) — Aurizon Network will promptly make the outcomes of a Capacity Assessment, including Aurizon Network's assumptions affecting Capacity and relied upon for the Capacity Assessment, (**Capacity Assessment Report**) available to the QCA, Access Holders, Access Seekers and, if applicable, Customers.~~
- ~~(d) — If, within thirty (30) Business Days after Aurizon Network makes a Capacity Assessment Report available in accordance with **clause 7A.4.2(c)**, either:

 - ~~(i) — the QCA; or~~
 - ~~(ii) — the Access Holders (or Customers):

 - ~~(A) — for at least 60% of the Train Paths in relation to a Coal System (as determined in accordance with **clause 7A.4.2(f)**); or~~
 - ~~(B) — representing in number 60% of the Access Holders (or Customers) with Access to the Coal System (as determined in accordance with **clause 7A.4.2(g)**);~~~~~~

~~notify Aurizon Network that they wish to have the Capacity Assessment in relation to that Coal System reviewed by an independent expert, then:~~

 - ~~(iii) — Aurizon Network will (acting reasonably) engage an appropriately qualified and experienced expert acceptable to the QCA or the Access Holders (or Customers) (if the review is triggered by the Access Holder or Customers) to review the Capacity Assessment and any assumptions including the assumptions listed in **clause 7A.4.1(b)(iv)**, as applicable to the Capacity Assessment;~~
 - ~~(iv) — the expert engaged by Aurizon Network must be approved by the QCA;~~
 - ~~(v) — the expert must act independently;~~

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- (vi) — without limitation to **clause 7A.4.2(d)(v)**, the expert must not be an employee of Aurizon Network or a Related Party of Aurizon Network;
 - (vii) — the expert must undertake, in writing, to keep confidential and not use for another purpose all information and other matters coming to their knowledge by reason of their appointment and performance of their review which if disclosed or used for another purpose could constitute a breach of Aurizon Network's obligations under **Part 3**; and
 - (viii) — Aurizon Network will promptly provide the expert's report to the QCA, Access Holders, Access Seekers and, if applicable, Customers after receiving the expert's report.
- (e) — An independent expert report undertaken in accordance with **clause 7A.4.2(d)** is binding on Aurizon Network.
- (f) — For the purpose of **clause 7A.4.2(ii)(A)**, the relevant Train Paths must be determined in a manner consistent with the following principles:
- (i) — the Train Paths for an Access Holder only include those Train Paths for the Access Holder relating solely to the relevant Coal System;
 - (ii) — the Train Paths must be calculated as at the date on which Aurizon Network receives a notice under **clause 7A.4.2(d)(Notice Date)**;
 - (iii) — subject to **clause 7A.4.2(f)(iv)**, the Train Paths must be determined (based on the Access Rights specified in that Access Agreement) for a 12 Month period starting on the Notice Date; and
 - (iv) — where:
 - (A) — the Access Agreement is due to expire less than twelve (12) Months after the Notice Date; and
 - (B) — there has been a Renewal in relation to the relevant Access Rights under that Access Agreement, the Train Paths must be determined (based on the Access Rights specified in the relevant Access Agreements) for a twelve (12) Month period starting on the Notice Date.
- (g) — For the purpose of **clause 7A.4.2(ii)(B)**, the number of Access Holders (or Customers) with Access Rights in the Coal System must be determined in a manner consistent with the following principles:
- (i) — an Access Holder who holds Access to the Coal System on behalf of more than one Customer it will have the number of votes equal to the number of Customers in that Coal System

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for which it holds the Access Rights under the relevant Access Agreements;

- (ii) if an Access Holder or Customer is a Related Party of another Access Holder or Customer in that Coal System, it will be counted once only;
- (iii) the number of Access Holders or Customers must be calculated as at the date on which Aurizon Network receives a notice under **clause 7A.4.2(d) (Notice Date)**;
- (iv) subject to **clause 7A.4.2(g)(v)**, the number of Access Holders or Customers must be determined for a twelve (12) Month period starting on the Notice Date; and
- (v) where:
 - (A) the Access Agreement is due to expire less than twelve (12) Months after the Notice Date; and
 - (B) there has been a Renewal in relation to the relevant Access Rights under that Access Agreement,

the number of Access Holders or Customers must be determined (based on the Access Rights specified in the relevant Access Agreements) for a twelve (12) Month period starting on the Notice Date.
- (h) Aurizon Network must provide, or make available in accordance with this **clause 7A.4.2**, the Capacity Assessment Report as a complete and transparent document:
 - (i) to the QCA on an unredacted basis; and
 - (ii) to stakeholders and when published on its Website:
 - (A) to the extent permitted by any confidentiality obligations it may have in relation to the information contained in the Capacity Assessment Report (and if those obligations permit disclosure if required by this Undertaking then Aurizon Network is required to disclose the information contained in the Capacity Assessment Report), on an unredacted basis; and
 - (B) if complete disclosure is not permitted by Aurizon Network's confidentiality obligations:
 - (1) Aurizon Network must use all reasonable endeavours to obtain the consent of the relevant Third Party to disclose the information contained in the Capacity Assessment Report on an unredacted basis;

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- (2) in respect of the information referred to in **paragraph (i)** or for which consent is obtained under **paragraph (ii)(A)**, on an unredacted basis; and
- (3) in respect of the information that does not satisfy **paragraph (i)** or for which consent is not obtained under **paragraph (ii)(A)**:
 - to the extent possible on an unredacted basis but aggregated so as to avoid disclosing the information that is confidential and unable to be disclosed; and
 - to the extent not possible, on a redacted basis.

- (i) Aurizon Network must not agree to any confidentiality obligations which prevent the disclosure of the information contained in the Capacity Assessment Report or that does not permit disclosure of information required by this Undertaking.

7A.4.37A.4.2 Capacity Deficit

(a) If:

(i) where there is no Alternative BCAR prepared under **clause 7A.4.1(g)** ~~7A.4.1(e)~~ for the relevant Coal System, a the Baseline Capacity Assessment; or

(ii) ~~or any Capacity Assessment where there is an Alternative BCAR prepared under clause 7A.4.1(g)~~ ~~7A.4.1(e)~~ for the relevant Coal System, that Alternative BCAR,

~~(a)~~ reveals that there is a deficit in the Capacity for that a Coal System (**Capacity Deficit**), then Aurizon Network must:

~~(i)~~ (iii) have regard to that Capacity Deficit prior to executing an Access Agreement that would increase the size of that Capacity Deficit and prior to constructing any relevant Expansion for that Coal System;

~~(ii)~~ (iv) within twenty (20) Business Days after the date a notice is published under **clause 7A.4.1(e)** or an amended Baseline Capacity Assessment Report or Alternative BCAR is published under **clause 7A.4.1(g)**, as applicable, submit a report to the QCA setting out:

(A) the QCA approves the Baseline Capacity Assessment Report under **clause 7A.4.1(d)** or determines the Baseline Capacity under **clause 7A.4.1(f)**; or

(B) of the Capacity Assessment Report,

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as applicable, submit a report to the QCA setting out:

~~(C)~~(A) the relevant Coal System and, if known, the location in that Coal System where the Capacity Deficit arises;

~~(D)~~(B) the ~~quantum details~~ of the Capacity Deficit (to the extent known);

~~(E)~~(C) the Access Holders and, if any, Access Seekers potentially affected by the Capacity Deficit; **Note:** A Capacity Deficit is not relevant to an Access Seeker. The existence of a Capacity Deficit indicates that there might be a risk of underperformance regarding contracted entitlements. An Access Seeker does not have contracted entitlements.

~~(F)~~(D) Aurizon Network's consultation plan (which, when followed, must satisfy the requirements of **clause 7A.4.2(c)(ii)** and **(iii)** ~~7A.4.3(b)(ii)~~ and ~~7A.4.3(b)(iii)~~);

~~(G)~~(E) Aurizon Network's preliminary views on solutions which could most efficiently address the Capacity Deficit; and

~~(iii)~~(v) within six (6) Months after the date a notice is published under **clause 7A.4.1(e)** or an amended Baseline Capacity Assessment Report or Alternative BCAR is published under **clause 7A.4.1(g)** as applicable, submit a report to the QCA showing the outcome of Aurizon Network's analysis of the Capacity Deficit and solutions which could address the Capacity Deficit such as:

(A) — the QCA approves the Baseline Capacity Assessment Report under **clause 7A.4.1(d)** or determines the Baseline Capacity under **clause 7A.4.1(f)**; or

(B) — of the Capacity Assessment Report,

as applicable, submit a report to the QCA showing the outcome of Aurizon Network's analysis of the Capacity Deficit and solutions which could address the Capacity Deficit and which includes:

~~(C)~~(A) the preferred changes to the operation and management of the Rail Infrastructure that can address the Capacity Deficit (including estimates of costs (if any) to implement those changes);

(D) — if relevant, evidence of Aurizon Network's consultation under **clause 7A.4.3(b)(ii)** that

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~~explains why changes to the operation and management of the Rail Infrastructure cannot address the Capacity Deficit;~~

~~(E)(B)~~ a shortlist of Expansions considered by Aurizon Network and through the consultation under **clause 7A.4.2(c)(iii)**~~7A.4.3(b)(iii)~~ (including estimates of costs to undertake each Expansion); and

~~(C)~~ any Expansion which Aurizon Network ~~and the affected Access Holders or Access Seekers have agreed~~~~considers~~ will address the Capacity Deficit.

~~(F)(b)~~ The QCA may publish any report provided by Aurizon Network in compliance with **clause 7A.4.2(a)**.

~~(b)(c)~~ In its analysis of a Capacity Deficit, Aurizon Network must undertake at least the following:

- (i) a review of the assumptions which it utilises in the operation and management of the Rail Infrastructure to identify if amendments to those assumptions would address the Capacity Deficit;
- (ii) consultation with Access Holders and Customers, if applicable, Train Operators, ~~Supply Chain Groups~~ and terminal operators to identify if there are alternative supply chain capacity options which could address the Capacity Deficit; and
- (iii) consultation with Access Holders and Customers to identify and consider options for Expansions which could address the Capacity Deficit.

~~(e)(d)~~ If Aurizon Network, ~~and~~ affected Access Holders ~~or affected Access Seekers~~ agree an Expansion will address ~~the a~~ Capacity Deficit, then **Part 8 will apply to that Expansion.**

- ~~(i)~~ **Part 8 will apply to that Expansion;**
- ~~(ii)~~ Aurizon Network must seek to agree with the affected Access Holders and affected Access Seekers, individually and as required, funding for the Expansion (but any Dispute regarding who will fund or the proportion will be determined in accordance with **Part 11** only if all parties agree to the Dispute being resolved in accordance with **Part 11**).

~~(d)~~ Aurizon Network must provide, or make available in accordance with this **clause 7A.4.3**, any information or report in respect of the Capacity Deficit as a complete and transparent document:

- ~~(i)~~ to the QCA on an unredacted basis; and

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- (ii) ~~to stakeholders and when published on its Website:~~
 - (A) ~~to the extent permitted by any confidentiality obligations it may have in relation to the information in respect of the Capacity Deficit (and if those obligations permit disclosure if required by this Undertaking then Aurizon Network is required to disclose the information in respect of the Capacity Deficit), on an unredacted basis; and~~
 - (B) ~~if complete disclosure is not permitted by Aurizon Network's confidentiality obligations:~~
 - (1) ~~Aurizon Network must use all reasonable endeavours to obtain the consent of the relevant Third Party to disclose the information in respect of the Capacity Deficit on an unredacted basis;~~
 - (2) ~~in respect of the information referred to in paragraph (i) or for which consent is obtained under paragraph (ii)(A), on an unredacted basis; and~~
 - (3) ~~in respect of the information that does not satisfy paragraph (i) or for which consent is not obtained under paragraph (ii)(A):~~
 - ~~to the extent possible on an unredacted basis but aggregated so as to avoid disclosing the information that is confidential and unable to be disclosed; and~~
 - ~~to the extent not possible, on a redacted basis.~~

(e) Aurizon Network must not ~~agree to propose~~ any confidentiality obligations which prevent the disclosure of the information in respect of the Capacity Deficit ~~or that does not permit disclosure of information as~~ required by this Undertaking.

(f) Nothing in this ~~clause 7A.4.27A.4.3;~~

- (i) ~~affects or limits Aurizon Network's obligations or liabilities in respect of an Access Agreement or any other agreement entered into in accordance with this Undertaking; or~~
- (ii) ~~creates any obligation:~~
 - (A) ~~to undertake, construct, permit or fund any extension, enhancement, expansion, augmentation, duplication or replacement of all or part of the Rail Infrastructure (including any Expansion, Customer~~

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Specific Branch Line, Connecting Infrastructure or Asset Replacement and Renewal); or

~~(f)(B)~~ to change the operation and management of the Rail Infrastructure.

7A.5 System Operating Parameters

- (a) Aurizon Network must ensure that System Operating Parameters are in place for each Coal System at all times.
- (b) In reviewing the System Operating Parameters for a Coal System, Aurizon Network will:
 - (i) notify the QCA (who may, if determined necessary by the QCA, publish the information provided on its website) and each of the following:
 - (A) Access Holders ~~and Access Seekers~~ (and Customers but only to the extent that the Access Holder ~~or Access Seeker~~ has given Aurizon Network those Customer contact details) whose Train Services will be affected by any amendments necessary as a result of such review;
~~(B) the applicable Supply Chain Group (if any);~~
~~(C)(B)~~ affected infrastructure providers for infrastructure forming part of the relevant Supply Chain (including, for example, the unloading facility operator that is the destination of Train Services operating in the relevant Coal System); and
~~(D) affected Infrastructure Service Providers; and~~
~~(E)(C)~~ affected Railway Operators,
 - of the relevant System Operating Parameters and the time in which to make submissions;
 - (ii) consider any submissions received in respect of the proposed System Operating Parameters or whether any variation of the System Operating Parameters is required (as applicable);
 - (iii) include and utilise Aurizon Network's assumptions affecting Capacity and relied upon for the most recent Capacity Assessment (or Baseline Capacity Assessment, as applicable); and
 - ~~(iv) ensure that any amendments to the System Operating Parameters:~~
 - ~~(A) do not conflict with any provision of this Undertaking; and~~

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~~(B) are appropriate having regard to the matters listed in section 138(2) of the Act; and~~

~~(iv)~~ respond (with reasons) to any such submissions within fifteen (15) Business Days of receipt of the submission (or such longer period approved by the QCA) including whether and, if so, how Aurizon Network has varied the proposed or existing System Operating Parameters (as applicable) in response to those submissions.

- (c) Without limitation to ~~clause 7A.5(b)~~~~7A.5(b)~~, Aurizon Network will review the System Operating Parameters for a Coal System as soon as practicable after:
- (i) Aurizon Network becomes aware that any sustained change has occurred, or will occur, to that Coal System that materially adversely affects the System Operating Parameters;
 - (ii) a new coal basin or port terminal is connected to the Rail Infrastructure;
 - (iii) the completion of a major Expansion; or
 - (iv) being requested by the QCA or by 60% of Access Holders (or its Customers) on the relevant Coal System.
- (d) If the QCA ~~undertakes a Baseline Capacity Assessment under clause 7A.4.1(f) and determines~~~~considers~~ that the System Operating Parameters for a Coal System ~~require amendment~~~~are not appropriate~~, the QCA may ~~publish its include the review~~~~reasons for reaching that conclusion~~ and the QCA's own version of ~~an amendment~~ of the System Operating Parameters ~~provided that the QCA's version must be based on assumptions that are consistent with existing Access Agreements, all relevant Laws, this Undertaking (including the Network Management Principles), any relevant System Rules and operational practices current as at the effective date of Aurizon Network's System Operating Parameters with which the QCA disagrees in its Baseline Capacity Assessment.~~
- (e) ~~Except to the extent required by the QCA as a result of it undertaking a Baseline Capacity Assessment, n~~Nothing in this **clause 7A.5** obliges Aurizon Network to vary the System Operating Parameters.
- (f) Aurizon Network must keep its most current System Operating Parameters available on the Website.
- ~~(g) Aurizon Network must provide the current System Operating Parameters as a complete and transparent document:~~
- ~~(i) to the QCA on an unredacted basis; and~~
 - ~~(ii) to stakeholders and when published on its Website:~~

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~~(A)~~ to the extent permitted by any confidentiality obligations it may have in relation to the information contained in the System Operating Parameters (and if those obligations permit disclosure if required by this Undertaking then Aurizon Network is required to disclose the information contained in the System Operating Parameters), on an unredacted basis; and

~~(B)~~ if complete disclosure is not permitted by Aurizon Network's confidentiality obligations:

~~(1)~~ Aurizon Network must use all reasonable endeavours to obtain the consent of the relevant Third Party to disclose the information contained in the System Operating Parameters on an unredacted basis;

~~(2)~~ in respect of the information referred to in **paragraph (i)** or for which consent is obtained under **paragraph (ii)(A)**, on an unredacted basis; and

~~(3)~~ in respect of the information that does not satisfy **paragraph (i)** or for which consent is not obtained under **paragraph (ii)(A)**:

- to the extent possible on an unredacted basis but aggregated so as to avoid disclosing the information that is confidential and unable to be disclosed; and
- to the extent not possible, on a redacted basis.

~~(h)(g)~~ Aurizon Network must not ~~agree to propose~~ any confidentiality obligations which prevent the disclosure of the information contained in the System Operating Parameters ~~as or that does not permit disclosure of information~~ required by this Undertaking.

~~(h)(h)~~ Aurizon Network will ~~exercise due care and skill in the development, and any review, of ensure that~~ the System Operating Parameters are consistent with Good Engineering Practices.

~~(h)(i)~~ On, or as soon as reasonably practicable after, the Approval Date, Aurizon Network will make available to ~~the QCA and to~~ each Access Holder (and its Customer, if any) and Train Operator, the System Operating Parameters (as at the Approval Date) relevant to that Access Holder or Train Operator.

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7A.6 Network Development Plan

- (a) Aurizon Network must develop a Network Development Plan and keep its most current Network Development Plan available on the Website.
- (b) The Network Development Plan must contain the following information:
 - (i) a detailed assessment of the Capacity (and the constrained Track sections) of each Coal System ~~broken down by Existing Capacity and Committed Capacity (in each case on the assumption of no Operational Constraints), utilising the most recent Capacity Assessment (or Baseline Capacity Assessment, as applicable);~~
 - (ii) ~~a progressive 5 year plan of Capacity, based on the most recent Capacity Assessment (or Baseline Capacity Assessment, as applicable) and including:~~
 - (A) ~~each likely and possible (to the extent to which Aurizon Network is made aware) change to the Supply Chain for each Coal System during that period;~~
 - (B) ~~a minimum of 3 growth scenarios within each Coal System associated with an optimisation project at a terminal in each port precinct connected to the Rail Infrastructure; and~~
 - (C) ~~assumed Expansions which would be required to support expansions at each port connected to the Rail Infrastructure, on the assumption that each port expansion would be sufficient to support an additional berth at the relevant port;~~
 - ~~(iii)(ii)~~ (ii) in respect of each Expansion being studied or investigated by Aurizon Network as a Concept Study, Pre-feasibility Study or Feasibility Study, the proposed scope, ~~standard and preliminary determination of the cost of the proposed Expansion study;~~
 - ~~(iv)~~ (iv) ~~the impact of Operational Constraints on Existing Capacity, Committed Capacity and Available Capacity;~~
 - ~~(v)(iii)~~ (iii) an overview of opportunities for increasing Existing Capacity to support expansions in each port precinct connected to the Rail Infrastructure, on the assumption that each port expansion would be sufficient to support an additional shiploading berth;
 - ~~(v)(iv)~~ (iv) a comparison of opportunities for increasing Existing Capacity for each Coal System; and

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~~(vii)~~(v) the studies and investigations that Aurizon Network is undertaking or expects to undertake to inform the next review and update of the Network Development Plan.

- (c) Aurizon Network will review and update the Network Development Plan annually or more frequently as it considers necessary, including:
- (i) if circumstances change in a way that Aurizon Network expects will materially affect the Network Development Plan;
 - (ii) if a new coal basin or port terminal is connected to the Rail Infrastructure;
 - (iii) at the completion of a major Expansion; or
 - (iv) where requested by the QCA or by 60% of Access Holders (or its Customers) on the relevant Coal System.
- (d) In developing or reviewing the Network Development Plan, Aurizon Network:
- (i) must ~~ensure the Network Development Plan has~~have regard to:
 - (A) the Network Management Principles;
 - (B) any:
 - (1) System Operating Parameters;
 - (2) Supply Chain Master Plan; and
 - (ii) must notify the QCA (who may, if determined necessary by the QCA, publish the information provided on its website) and each of the following:
 - (A) Access Holders and Access Seekers and its Customers (but only to the extent that the Access Holder or Access Seeker has given Aurizon Network those Customer contact details);
 - (B) affected infrastructure providers for infrastructure forming part of the relevant Supply Chain (including, for example, the unloading facility operator that is the destination of Train Services operating in the relevant Coal System);
 - ~~(C) affected Infrastructure Service Providers;~~
 - ~~(D)~~(C) affected Railway Operators; and
 - ~~(E)~~(D) other interested parties identified by Aurizon Network in relation to the proposed Network Development Plan;
 - (iii) must consider submissions received from any interested parties;

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- (iv) must have regard to:
 - (A) forecast changes in demand for Queensland coal exports;
 - (B) any relevant Access Applications;
 - (C) any relevant port terminal developments or development of other out-loading facilities;
 - (D) any relevant previous or current studies undertaken by Aurizon Network; and
 - (E) other developments or circumstances which in Aurizon Network's opinion are relevant to the Network Development Plan.
- (v) must make a draft Network Development Plan available to the QCA and each person identified in **clause 7A.6(d)(ii)** and provide twenty (20) Business Days for comments or submissions to be made by those persons before finalising the Network Development Plan for publication on the Website.

~~(e) If Access Holders, Access Seekers or its Customers (if relevant) notify Aurizon Network that they require a peer review to be conducted of the Network Development Plan, then Aurizon Network must cooperate with a consultant appointed to conduct that peer review by and at the cost of the Access Holders, Access Seekers and its Customers (if relevant), except that Aurizon Network is not obliged to cooperate with more than one consultant for a review contemplated under this clause.~~

~~(f) Any Dispute regarding the contents of the Network Development Plan must be determined in accordance with Part 11.~~

~~(g)~~(e) Neither anything in this ~~clause 7A.67A.67A.6~~ **clause 7A.67A.6** nor the development, review or notification of a Network Development Plan gives rise to any commitment, representation or obligation in relation to funding, constructing, permitting or otherwise implementing any aspect of the Network Development Plan.

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Part 12 Definitions and Interpretation

Absolute Capacity	The aggregate of all Committed Capacity and all Available Capacity.
Available Capacity	Capacity, excluding all Committed Capacity (other than where the circumstances in clause 7.3(d)(iii) or (iv) apply).
Baseline Capacity	The Capacity as approved by the QCA as a result of a Baseline Capacity Assessment conducted in accordance with clause 7A.4.1 .
Baseline Capacity Assessment	An assessment of The Capacity assessment undertaken in accordance with clause 7A.4.1 .
Baseline Capacity Assessment Report	The meaning given to that term in clause 7A.4.1(a)(ii) and includes a report for relating to the review of a prior Baseline Capacity Assessment Report under clause 7A.4.1(b) .
Capacity	The aggregate of all Existing Capacity and all Planned Capacity.
Capacity Analysis	<p>An static and dynamic simulation modelling assessment of the Available Capacity of the Rail Infrastructure, based on the relevant Access Seeker's Operating Plan and requested Access Rights of the Network Management Principles, System Operating Parameters, System Rules Train Operator's Operating Plans and any requested Access Seeker's Access Rights, to determine:</p> <p>(a) Available Capacity;</p> <p>(b) whether there is sufficient Available Capacity to accommodate Committed Capacity;</p> <p>(c)(a) whether there is sufficient Available Capacity to accommodate the requested Access Rights;</p> <p>(d) if there is not sufficient Available Capacity to accommodate Committed Capacity, the Expansions required to provide the Shortfall Capacity to accommodate Committed Capacity (and an indicative estimate of the cost of such works and timing for completion);</p> <p>(e)(b) if there is not sufficient Available Capacity to accommodate requested Access Rights, whether the Expansions are required to provide the additional Capacity to accommodate the requested Access Rights (and an indicative estimate of the cost of such works and timing for completion, if available); and</p>

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~~(f)(c)~~ the operational impacts of the requested Access Rights including the impact of the requested Access Rights on the, ~~Network Management Principles, System Operating Parameters, System Rules and Train Operator's Operating Plans,~~

and which provides a sufficient basis to enable Aurizon Network to finalise the relevant Train Service Entitlement, initial timetable, applicable Access Charges and associated funding arrangements (subject to other variations identified in the negotiation process).

Capacity Assessment

~~An assessment undertaken under clause 7A.4.2(a).~~

Capacity Assessment Report

~~The meaning given to that term in clause 7A.4.2(c).~~

Capacity Deficit

The meaning given to that term in **clause 7A.4.2(a)**~~7A.4.2(a)~~**7A.4.3(a).**

Committed Capacity

That portion of the Capacity that is required:

- (a) to meet Train Service Entitlements;
- (b) to satisfy Aurizon Network's obligations under **clause 7.3(d)** in respect of a Renewing Access Seeker;
- (c) to comply with any Passenger Priority Obligation or Preserved Train Path Obligation;
- (d) to provide Access Rights ~~to Access Seekers~~ where Aurizon Network has, in relation to those Access Rights, contractually committed to construct an Expansion; and
- (e) to provide Access Rights ~~for Access Holders~~ where Aurizon Network has, in relation to those Access Rights, contractually committed to construct a Customer Specific Branch Line.

Existing Capacity

~~The capability of Rail Infrastructure to accommodate Train Services~~~~All Committed Capacity and all Available Capacity,~~ after taking into account:

- (a) Aurizon Network's reasonable requirements for the exclusive or partial utilisation of the Rail Infrastructure for the purposes of performing activities associated with the maintenance and repair of the Rail Infrastructure, including the operation of work Trains; and

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(b) Aurizon Network's allowances for "day of operations" losses, speed restrictions and other operational losses or restrictions applicable to the Rail Infrastructure as set out in the System Operating Parameters; and

~~(e) Planned Capacity.~~ [Note: Aurizon Network proposes that "Existing Capacity" be changed to "Network Capacity" throughout UT4. While that change would not alter the affect of UT4, the term "Network Capacity" (not "Existing Capacity") is the term typically used in discussions with stakeholders. The change will avoid potential misunderstandings and is consistent with the terminology used in consultations.]

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Initial Capacity Assessment

A preliminary Capacity Analysis limited to:

- (a) an indicative assessment of whether there is sufficient Available Capacity to accommodate Committed Capacity and requested Access Rights; and
- (b) if there is not sufficient Available Capacity, to accommodate the requested Access Rights either:
 - (i) an outline of the Expansions required to provide additional Capacity to accommodate the requested Access Rights (and an indicative estimate of the cost of such works and the timing for completion); or
 - (ii) if Aurizon Network has not carried out the investigations required to provide the information in **paragraph (i)**, an outline of the requirements for an investigation into the works required to accommodate the requested Access Rights.

Planned Capacity

The increase in Existing Capacity that is expected to result from an Expansion that Aurizon Network is contractually committed to construct;

- ~~(a) that Aurizon Network is contractually committed to construct; and~~
- ~~(b) in respect of which construction has commenced.~~

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