Create Advisory

Source: North Queensland Export Terminal

NQXT declaration review

Modelling of incremental capacity costs

Report prepared for Gilbert + Tobin

Commercial-in-Confidence

20 July 2026

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This Report is based solely on the information provided to us as at 20 July 2026. We reserve the right to amend the contents of this Report (if necessary), should any further relevant information become available.

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1 Key findings

Gilbert + Tobin, as legal advisors to North Queensland Export Terminal Pty Ltd, engaged Create Advisory to undertake modelling of the cost of providing port and rail capacity, through either the North Queensland Export Terminal (NQXT) or Dalrymple Bay Terminal (DBT), considering various scenarios where demand might include some or all of the coal export production of mines represented in the current DBT access queue.

We modelled the incremental cost of accommodating additional export coal demand through the alternative export pathways of either the Newlands/GAPE rail network to NQXT (NQXT option), or through the Goonyella rail network to DBT (DBT option). Our modelling used data from multiple sources, with adjustments to improve alignment or consistency, to construct scenarios relevant to an assessment of forward-looking costs under each of the NQXT option and DBT option.

Assuming a continuation of the current level of capacity contracting, any further increase in demand through the NQXT option would require, initially, expansion of the GAPE/Newlands rail network though otherwise could take advantage of approximately 7-8mtpa of available capacity at the existing terminal.

Alternatively, an increase in demand through the DBT option would require, initially, capacity expansion at DBT (in the form of an initial phase of the proposed 8X expansion), though could otherwise leverage approximately 5-6mtpa of available capacity in the Goonyella rail network.

Beyond those initial expansion pathways, further increases in demand would require (variously) both additional terminal and rail investment for each of the NQXT option (including the potential X60 expansion) and DBT option (including subsequent phases of the 8X expansion).

Our modelling shows that the least cost expansion pathway may comprise a combination of both NQXT and DBT capacity, depending on the scale and timing of future demand realisation.

2 Background and instructions

2.1 Background

The Port of Abbot Point, located to the north of Bowen, is owned by the State of Queensland through the North Queensland Bulk Ports Corporation (NQBP). North Queensland Export Terminal (NQXT) is a common-user coal export facility at the Port of Abbot Point. It is controlled and managed by North Queensland Export Terminal Pty Ltd under a long-term lease from the State which commenced from 1 June 2011.

The Queensland Competition Authority (QCA) received in June 2025 a request[1] from QCoal Pty Ltd and Byerwen Coal Pty Ltd seeking declaration of the coal handling service at NQXT. If granted, declaration would result in the QCA having jurisdiction to regulate price and non-price terms for access to the Terminal, under Part 5 of the Queensland Competition Authority Act 1997 (QCA Act).

The QCA in March 2026 published its draft recommendation that Terminal *not* be declared.[2] That recommendation was based on the QCA's assessment that certain of the access criteria set out in section 76(2) of the QCA Act were not satisfied, specifically criterion (a) and (d).

The QCA's draft report did conclude that criterion (b) – that the Terminal can meet total foreseeable demand over the declaration period at least cost, compared to any combination of two or more facilities – was satisfied. That assessment was based on a market definition which included demand from mines which connect directly to the Newlands system (including both the Goonyella to Abbot Point Expansion and Carmichael rail lines) as well as certain existing mines in the Goonyella system which had elected to use the Terminal. Expected demand in that "market" was assessed by the QCA to be approximately 44 million tonnes per annum (mtpa), below the Terminal's capacity of 50mtpa.

In response to the QCA's draft report, Aurizon Network provided a submission[3] challenging the QCA's assessment of criterion (b). Specifically, Aurizon Network contested that the applied definition of the relevant market was too narrow, as it excluded potential demand from expanding or new mines in the Goonyella system which may be unable to secure capacity at the Dalrymple Bay Terminal (DBT), controlled by Dalrymple Bay Infrastructure (DBI).

Aurizon Network's earlier submission[4] challenged whether a "non-socialised" expansion cost at Dalrymple Bay Terminal was in fact least cost for some or all or that potential demand, as represented by some or all of the mines which are in the current queue for access to DBT (understood to be in the order of 31mtpa).[5].

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1 https://www.qca.org.au/project/declared-infrastructure/declaration-request-north-queensland-export-terminal-at-abbot-point/

2 Queensland Competition Authority (2025), *North Queensland Export Terminal declaration review, Draft recommendation*, March 2026 https://www.qca.org.au/wp-content/uploads/2025/07/qca-nqxt-draft-rec-march-2026-redacted.pdf

3 Aurizon Network (2026), *Online submission – Draft Recommendation on Application for Declaration of Coal Handling Services provided by the North Queensland Export Terminal*, 12 June https://www.qca.org.au/wp-content/uploads/2026/05/aurizon-network-sub-on-nqxt-draft-rec-12-jun-2026.pdf

4 Aurizon Network (2025), *Re: Application for Declaration of North Queensland Export Terminal*, 28 August https://www.qca.org.au/wp-content/uploads/2025/07/aurizon-network-sub-application-for-declaration-of-nqxt-aug-2025.pdf

5 DBI (2026), *Investor Presentation – 2026 Macquarie Australia Conference*, p4

2.2 Instructions

Gilbert + Tobin, as legal advisors to North Queensland Export Terminal Pty Ltd, engaged Create Advisory to undertake modelling of the cost of providing port and rail capacity, through either NQXT or DBT, under various scenarios where demand might include some or all of the coal production of mines represented in the current DBT access queue.

A copy of our instructions is provided at **Appendix A**. In accordance with those instructions, we confirm that:

- we have read, and agree to be bound by, the Experts' Code of Conduct (as set out in Annexure B to the instructions) to the extent that it imposes duties and obligations on us relevant to our role as an expert in our assistance of the QCA
- the factual matters stated in our report are, as far as we know, true
- we have made all inquiries considered appropriate
- the opinions stated in the report are genuinely held by us
- the report contains references to all matters we consider significant
- we understand our duty to the QCA and we have complied with that duty.

3 Approach

3.1 Overview

Our assessment focused on estimating the incremental cost of accommodating additional export coal demand through the alternative export pathways of either:

- the Newlands/GAPE rail network, to NQXT (NQXT option)
- the Goonyella rail network, to DBT (DBT option).[6]

We compared potential alternatives using an indicative benchmark year of FY28. The assessment focused on comparing the incremental capital cost of alternative capacity options, presented in annualised[7] or per-tonne equivalent terms.[8]

Our modelling used data from multiple sources to construct assumptions and scenarios relevant to the assessment of forward-looking costs under each of the NQXT and DBT options. Where applicable, we sought to make reasonable adjustments to data to improve alignment or consistency, including for factors such as:

- indexation of data quoted at different dates to the benchmark year
- adjustment of costs expressed at different levels of 'certainty' (e.g. p50 vs p95).

3.2 Assumed export pathways

There are a range of factors that might impact the future timing and profile of demand for coal transport and export, from the economics of global coal export markets down to mine-specific factors such as coal quality or ore extraction and processing costs. Reflecting these factors, future demand scenarios could plausibly anticipate some combination of:

- decline or expansion of existing mines exporting through NQXT and/or DBT
- commitment or development of mines represented by volumes in the DBT access queue[9]
- commitment or development of mines not reflected in the DBT access queue.

Our assessment focused on alternative scenarios for accommodating potential incremental increases in demand, notionally representing activation of some or all or the current DBT access queue, noting that there is uncertainty regarding the likelihood and timing for commitment to specific 'steps' of demand.

We addressed that uncertainty by modelling a range of different demand increments, across each of the two alternative export pathways considered in our assessment, *vis*:

1. **NQXT option**: Origin | Goonyella mine(s) → Rail | GAPE/Newlands system → Destination | NQXT
2. **DBT option**: Origin | Goonyella mine(s) → Rail | Goonyella system → Destination | DBT

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6 Our assessment did not consider an export pathway through the Hay Point Coal Terminal (due to it not being open access) or through the Blackwater rail network to RG Tanna or WICET (due to considerably greater haul distances).

7 Annualisation was based on amortising capital cost as a fixed annuity, assuming a period of 20 years and an interest rate of 8.0% pa.

8 We sought to estimate potential incremental operating costs incurred with each expansion project or increment in demand, but data on these costs typically was less available and/or less reliable (including uncertainty regarding the applicable variable versus fixed nature of operating costs, when reported).

9 Information on the composition the DBT access queue is not publicly available. We have assumed it consists of existing or proposed mines geographically located within the boundaries of the Goonyella rail network.

3.3 Key sources

We generally have relied on publicly available data for our assessment, with some additional materials provided to us by Gilbert + Tobin. Key documents and sources referenced or relied upon in our modelling are listed at Table 1.

Table 1: Key assessment sources

Data type/category	Source	Document
DBT Access Queue	DBI	Investor Presentation – 2026 Macquarie Australia Conference, May 2026
NQXT capacity and expansion pathways	APSEZ	North Queensland Export Terminal, Financial Statements for FY-2025-26
	NQXT[1]	2018 preliminary feasibility for X60 expansion
	QCA	North Queensland Export Terminal declaration review, Draft recommendation, March 2026
DBT capacity and expansion pathways	DBI	Investor Presentation – 2026 Macquarie Australia Conference, May 2026
	DBI	Annual General Meeting Investor Presentation, 20 May 2026
	DBI	Master Plan 2023, Expansion Opportunities at Dalrymple Bay Terminal, 2023
GAPE/Newlands and Goonyella network	Aurizon[1]	Draft Network Development Plan FY2026
	QCA	Annual Capacity Assessment Report (ACAR26), Coal Network Capacity Co, 12 May 2026
	QCA	Decision notice, Transitional arrangements to address existing capacity deficits, 26 September 2024
	QCA	Decision notice, Transitional arrangements to address existing capacity deficits, 21 April 2023
	Aurizon[1]	Newlands and GAPE System Transitional Arrangement Concept Study, 3 May 2024
	QCA	Aurizon, Aurizon Network's Detailed Response to the Initial Capacity Assessment Report, 14 March 2022
	Aurizon	HY2026 Historical financials to 31 Dec 2025
Above rail (consists)	Media	Daily Mercury report: Aurizon purchase of 264 coal haulage wagons for $50m
	Pacific National	Website - Pacific National acquires new freight locomotives in line with ESG strategy (accessed July 2026)
	Bowen Rail Co	Website – rollingstock page (accessed July 2026)
	Aurizon	Website - $50m plus loco investment to support growth in high-demand commodities (accessed July 2026)
	Aurizon	HY2026 Historical financials to 31 Dec 2025
	Aurizon	FY2025 Results Presentation

Note 1: Source/document was included with our instructions from Gilbert + Tobin, and is not publicly available.

4 Assessment results

4.1 System capacity 'baseline'

To consider when a potential expansion to capacity may be required for either the NQXT option or DBT option, it was necessary to first establish a baseline level of system capacity, and utilisation of this capacity, for the benchmark year of FY28. These parameters are summarised in Table 2.

Table 2: Capacity 'baseline' assumptions

Expansion pathway/option		FY26	FY28	Comment
NQXT option	**NQXT**			
	Existing capacity	50.0mtpa	50.0mtpa	Contracting uplift to match increased capacity in the rail network
	Existing utilisation/contracting	40.0mtpa	42.4mtpa	
	GAPE/Newlands rail network			
	Existing capacity	40.0mtpa	42.4mtpa	Commissioning of Collinsville Passing Loop Signals Relocation project[10]
	Existing utilisation/contracting	40.0mtpa	42.4mtpa	
DBT option	**DBT**			
	Existing capacity	84.2mtpa	84.2mtpa	No change
	Existing utilisation/contracting	84.2mtpa	84.2mtpa	
	Goonyella rail network			
	Existing capacity	141.5mtpa	141.5mtpa	[redacted] (and ACAR26) identified ~5.3mt in available capacity[11]
	Existing utilisation/contracting	136.2mtpa	136.2mtpa	

In summary, these establish a 'baseline' for each option where:

- the NQXT option has approximately 7-8mtpa of available capacity at the terminal (NQXT), but no available capacity in the GAPE/Newlands rail network
- the DBT option has no available capacity at the terminal (DBT), but approximately 5-6mtpa of available capacity in the Goonyella rail network.

Essentially, assuming current contracting levels are persistent, any further increase in demand through the NQXT option would require, initially, capacity expansions in the GAPE/Newlands rail network. Alternatively, an increase in demand through the DBT option would require, initially, capacity expansions at DBT.

[10] *ACAR26* notes that estimates for the GAPE/Newlands DNC do not include the capacity impact of the Collinsville Passing Loop Signals Relocation project, [redacted]. The estimated capacity impact of approximately 2.4mtpa is sourced from the QCA's *Decision notice, Transitional arrangements to address existing capacity deficits*, 26 September 2024.

[11] [redacted] and *ACAR26*, p37.

4.2 Summary expansion options

Data on options for expansion of terminal or rail capacity was obtained from various sources. Where practical, we relied on expansion options which had progressed further in the concept development and investigation process over those which appeared to have been rejected by the applicable entity.

These options are summarised in the following sections.

4.2.1 NQXT option

[redacted]

This is illustrated in Figure 2, with more detail on the specific expansion projects provided in the following sections.

4.2.1.1 NQXT terminal expansion(s)

A single capacity expansion option was identified for NQXT, based on information provided to us in the letter of instruction.

[redacted]

X60 is a potential project to expand the capacity of NQXT to approximately 60mtpa. [redacted]. We indexed the estimated cost, applied an uplift to estimate an adjustment to a

p95-level cost[12] and added a further allowance to reflect estimated 'interest during construction' (IDC).[13]

4.2.1.2 GAPE/Newlands capacity expansion(s)

The Deliverable Network Capacity (DNC) of the GAPE/Newlands rail network is impacted by a range of factors other than just the installed below rail infrastructure and assets (e.g. maintenance schedules/coordination, average payloads, mine delays/cancellations, TLO and terminal inloader performance, etc). For our assessment, we have adopted the most recent estimate for DNC and assumed, on average, other capacity-impacting variables remain relatively consistent.

[redacted][14]. We have included the additional capacity expected to be provided by this project into our 'baseline' for utilised capacity for the NQXT option meaning that, as at FY28, the GAPE/Newlands system is still assumed to be capacity constrained.

Additional expansion projects identified by Aurizon for the GAPE/Newlands system are relatively low-cost for modest additional capacity at least sufficient to support full utilisation of existing (unexpanded) NQXT capacity. Additional options that would support an expanded (X60) terminal have not been fully developed by Aurizon, but an earlier (2022[15]) assessment of options identified a potential overall system upgrade to support Goonyella-length trains which would offer increased capacity broadly aligned to that provided through X60.

Table 4: GAPE/Newlands expansion options

Project/option	Capacity	Cost ($FY28)	Annualised
Coral Creek Passing Loop[1]	+2.6mtpa	~$29m	~$2.9m pa
Additional consists (~3)[2]	+<6.0mtpa	~$125m	~$14.8m pa
Pring Yard Additional Road	+~1.3mtpa	~$23m	~$2.4m pa
	+~9.9mtpa	**~$177m**	**~$20.1m pa**
Goonyella-length trains	+~10mtpa	~$148m	~$15.0m pa

Note 1: A partial alternative to this project is potential 24-hour operation of the Collinsville Passing Loop. We did not consider this potential alternative project as it appears to face significant community impact and objection challenges.

Note 2: This option was identified by Aurizon, despite the capital investment requirement being the responsibility of one or more above-rail service providers. We estimated the cost for up to three additional consists using a three locomotive + 84 wagon configuration – the requirement for three additional consists was estimated using the average net tonnes achieved on the system by existing consist, rounded up to the nearest whole consist.

12 The adjustment 'uplift' applied was estimated from the variation between p50 and subsequent p95 cost estimates developed by DBI for the 8X project.

13 IDC was estimated as a percentage increase on 'base' capital cost, with reference to reported IDC-to-cost ratios for recent DBI investment in NECAP – on p8 of DBI's *Annual General Meeting Investor Presentation* for FY25 $97.8m in NECAP was noted as being inclusive of $6.5m in IDC.

14 [redacted] and ACAR26, p25.

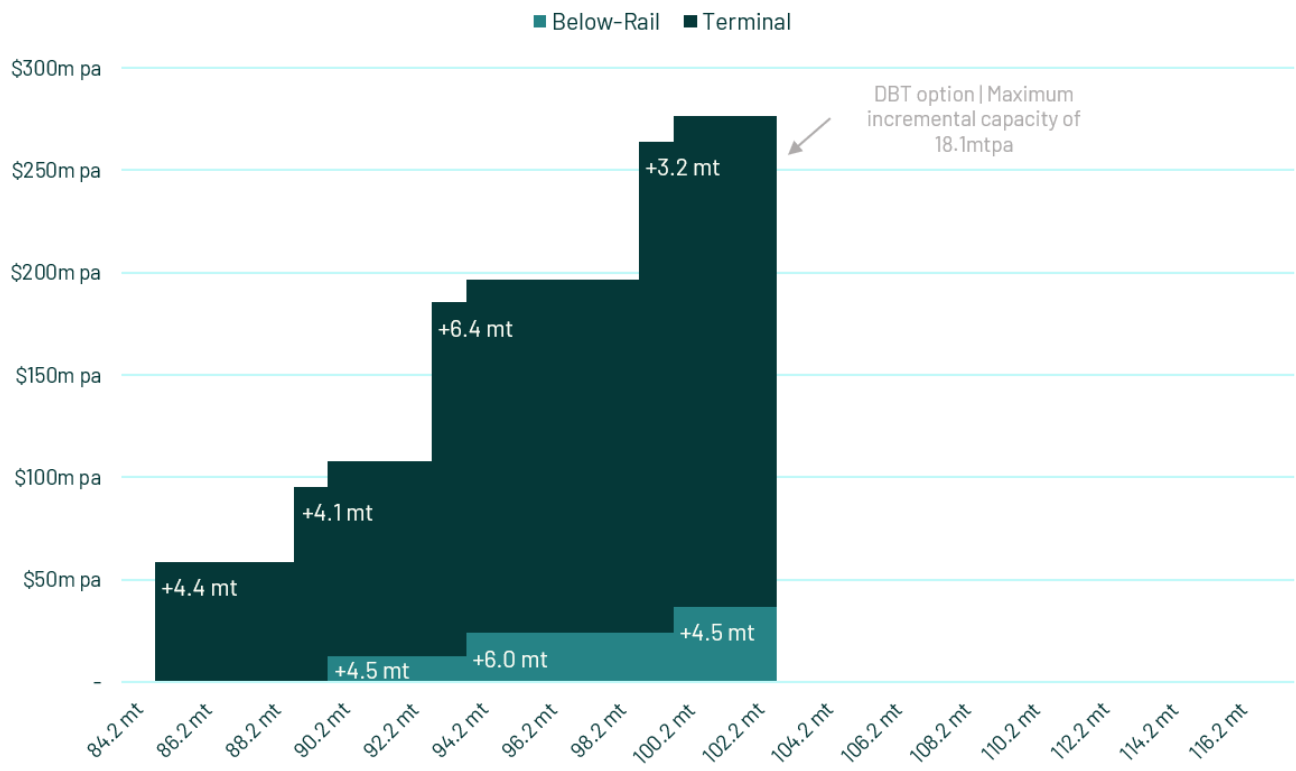
15 *Aurizon Network's Detailed Response to the Initial Capacity Assessment Report*, 14 March 2022, p23.

4.2.2 DBT option

Expansion pathways identified for the DBT option are estimated to have the potential to deliver additional coal export capacity up to approximately 14.9mtpa (assuming DBI's current three phase 8X project), or up to approximately 18.1mtpa with inclusion of the potential 8X 'future phase'. This would increase estimated capacity at FY28 of about 84.2mtpa to approximately 102.3mtpa. The cumulative capital cost (annualised) for the complete expansion pathway is estimated to be approximately $275m pa.

This is illustrated in Figure 3, with more detail on the specific expansion projects provided in the following sections.

Figure 3: Annualised capital cost of terminal and rail export pathways | DBT option



4.2.2.1 DBT terminal expansion(s)

The key expansion pathway for DBT is the 8X project. This project was originally conceived by Dalrymple Bay Infrastructure (DBI) as a four-phase expansion, but was recently revised to three primary phases, with the potential for an additional 'future phase'. In broader master-planning for DBT, a potential 9X project is identified as a possible option for future expansion beyond the capacity created by a completed 8X project, should this be supported by future market circumstances. The 9X project has not been investigated in detail by DBI, and has not been included in this assessment.

Table 5: DBT expansion options

Project/option	Capacity	Cost ($FY28)	Annualised
8X Phase 1	+4.4mtpa	~$576m	~$58.7m pa
8X Phase 2	+4.1mtpa	~$359m	~$36.6m pa
8X Phase 3	+6.4mtpa	~$761m	~$77.5m pa
	+14.9mtpa	**~$1,696m**	**~$172.7m pa**
8X 'Future phase'	+3.2mtpa	~$660m	~$67.2m pa

8X Phases 1 – 3

8X is a potential multi-phase project to expand DBT beyond the current capacity of 84.2mtpa up to approximately 99.1mtpa. The project was identified as a possible solution to potential demand from Goonyella system mines that was unable to secure access to the existing DBT. Although originally structured as a four-phase expansion, recent project refinement identified that a cumulative expansion to about 99.1mtpa could be achieved through just the first three phases (as re-structured).

A total cost estimate for the first three phases of approximately $1,583m has been developed by DBI to a p95-level, and inclusive of indexation to FY28[16]. However, this estimate excludes IDC and assumes a degree of cost efficiency from concurrent delivery of the three separate phases. Our estimate for cost has adjusted for assumed IDC[17], but has not increased costs for individual phases for any potential loss of efficiency in (non) concurrent delivery.

8X 'Future phase'

The original 8X phase 4 has been re-framed as a 'future phase' of the 8X expansion, should future demand and project economics support an additional expansion of capacity. DBI has been less active in recent development and investigation of this 'future phase' since electing to focus on the re-scoped Phases 1 – 3.

We developed an estimate for the potential capacity and capital cost for a possible 8X 'future phase' through reference to earlier DBI 8X materials,[18] with adjustments such as cost indexation and/or scaling derived from reported changes to costs for 8X Phases 1 – 3.

4.2.2.2 Goonyella capacity expansion(s)

As for the GAPE/Newlands system, the DNC of the Goonyella rail network is impacted by a range of factors. We have adopted the most recent estimate for DNC and assumed, on average, other capacity-impacting variables remain relatively consistent.

[redacted][19] We have assumed that all of this is accessible to potential demand wanting to access DBT (i.e. we have assumed no competition for this capacity from potential growth in demand for the HPCT). This means that, in theory, DBI could deliver the 8X Phase 1 expansion without requiring a corresponding investment in additional capacity in the Goonyella system. However, additional phases of the 8X project would require Goonyella system expansion(s).

Expansion projects identified by Aurizon for the Goonyella system are relatively capital intensive, for modest additional capacity. Due to the existing available capacity, potential expansion options have not been developed by Aurizon to a similar level as some of the expansion pathways for the GAPE/Newlands system.

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16 DBI (2026), *Investor Presentation – 2026 Macquarie Australia Conference*, p7

17 IDC was estimated as a percentage increase on 'base' capital cost, with reference to reported IDC-to-cost ratios for recent DBI investment in NECAP.

18 Adjusting 8X phasing capacity and cost changes identified in the DBI *Master Plan 2023, Expansion Opportunities at Dalrymple Bay Terminal* for the change from a four to three phase expansion focus, for subsequent indexation in 8X costs identified in DBI's *Investor Presentation – 2026 Macquarie Australia Conference.*

19 [redacted] and ACAR26, p37.

The same (2022) Aurizon assessment of expansion options we referenced to support the Goonyella-legth train option for the GAPE/Newlands system identified several projects designed to progressively expand capacity on the Goonyella system. A likely prioritisation of these projects by Aurizon was not clear, but the capacity impact and potential for staging of these projects supported indicative combinations of projects that could be approximately aligned to the capacity 'steps' for successive 8X phases.

Table 6: Goonyella expansion options

Project/option	Capacity	Cost ($FY28)	Annualised
Connors Range Track Stability Works	+2.0mtpa	~$83m	~$8.5m pa
Jilalan Additional Road	+2.5mtpa	~$41m	~$4.2m pa
Indicative projects supporting 8X Phase 2	**+~4.5mtpa**	**~$125m**	**~$12.7m pa**
Remove Balloon Loop Operating Restrictions	+1.0mtpa	~$30m	~$3.0m pa
Jilalan to Wotonga Crossovers (11x staged crossovers)	+5.0mtpa	~$81m	~$8.3m pa
Indicative projects supporting 8X Phase 3	**+~6.0mtpa**	**~$111m**	**~$11.3m pa**
Indicative projects to support 8X 'future phase'[20]	**+~4.5mtpa**	**~$125m**	**~$12.7m pa**

Note 1: Specific projects that might be required to support the incremental capacity of a DBT 8X 'future phase' were not identified. We adopted the estimated capacity and cost of the projects identified to support DBT 8X Phase 2 capacity as an indicative cost.

4.3 Assessment scenarios

Potential capacity expansion options that have been identified for each terminal and for rail delivery capacity increments of different scale, varying from approximately 2mt through to increments of 10mt. Projects associated with smaller increments can offer increased flexibility where the additional demand which has been committed, at a point in time, is limited. While there *may be* scale efficiencies associated with larger projects, these may be unrealised if only a small portion of the capacity increment created by these projects is 'taken up'.

Our assessment considered potential increases in demand associated with volumes in the DBT access queue, which collectively total around 25-30mt. However, the likelihood and staging/timing of mine expansion investments underpinning these volumes is not certain.

We considered two scenarios, reflecting alternative assumptions regarding the staging/timing of demand from the DBT access queue.

1. Staged commitment: Constituent mine projects/volumes in the DBT access queue are committed in progressive stages (with no certainty regarding future stages).
2. Full commitment: Substantially all of the DBT access queue is committed in one 'block'.

4.3.1 Staged commitment scenario

The Staged commitment scenario assumes that incremental demand for coal export capacity is committed (added) in increments of between 3-5mt. At each uplift, it is assumed that there is no certainty regarding the commitment or timing of further incremental demand. Accordingly, our modelling assumes that owners of rail and terminal infrastructure seek to identify the lowest cost

[20] Specific projects that might be required to support the incremental capacity of a DBT 8X 'future phase' were not identified. We adopted the estimated capacity and cost of the projects identified to support DBT 8X Phase 2 capacity as an indicative cost.

expansion that is most closely aligned (in capacity terms) to the immediately anticipated incremental demand.[21]

The prioritisation of expansion options within this scenario is illustrated in Figure 4, with costs expressed as an annualised capital cost per expansion (noting that some of these may span more than one staged 'tranche' of incremental demand).

[21] In this scenario, a project with a higher capital cost per tonne of added capacity may be preferred to a substantially larger project with a lower theoretical capital cost per tonne of added capacity, if only a small portion of the larger project capacity is expected to be utilised.

- [redacted]

4.3.2 Full commitment scenario

The Full commitment scenario assumes that substantially all of the incremental demand for coal export capacity represented by the existing DBT access queue is committed at once. This creates a scenario where there is relatively high confidence in the timing of demand for both expanded terminal and rail capacity.

Accordingly, our modelling assumes that expansion of terminal and/or rail infrastructure capacity is prioritised according to the least cost option measured as the cost per incremental tonne of capacity (on the assumption to each incremental tonne of capacity will be fully contracted/utilised when added).[24] Our estimated prioritisation for this scenario is illustrated in Figure 5, with costs expressed as an annualised capital cost per tonne of (fully utilised) incremental capacity.

[redacted]

[22] An expansion pathway for the NQXT option expansion beyond a total option capacity of approximately 60-61mt has not been identified for this assessment. [redacted]

[23] Additional demand beyond approximately 31-32mt, to approximately 34-35mt, could be accommodated through DBT 8X 'Future phase', plus additional Goonyella rail capacity.

[24] In this scenario, a project with a higher total capital cost may be preferred over a lesser cost expansion if it delivers greater incremental capacity – the higher capital cost is allocated across a greater volume of (utilised) capacity.

This scenario outcome is summarised below.

[redacted]

[25] Refer to footnote 22.

5 Appendix A – Letter of Instruction

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20 July 2026

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Declaration request to the Queensland Competition Authority – coal handing service at the North Queensland Export Terminal

1 We act for North Queensland Export Terminal Pty Ltd (**NQXT**) in respect of the Queensland Competition Authority's (**QCA**) investigation into whether or not it should recommend that the coal handling service at the North Queensland Export Terminal (**Terminal**) be declared under Part 5 of the *Queensland Competition Authority Act 1997* (Qld) (the **QCA Act**).

2 We wish to engage Create Advisory in relation to the QCA's investigation. As part of this engagement, we are seeking an expert report in relation to certain economic matters relevant to the QCA's investigation.

Background

3 The Terminal is a deep-water export terminal located within the Port of Abbot Point, approximately 25 kilometres north of Bowen in Queensland. The Terminal is a multi-user, open access facility used to export metallurgical and thermal coal extracted from central Queensland. The Terminal has a current nameplate capacity of 50 million tonnes per annum.

4 NQXT is the lessee of the Terminal. The Terminal is owned by the Queensland Government and is leased to NQXT under a 99-year lease acquired in 2011. The Terminal is operated independently from NQXT by Abbot Point Operations Pty Ltd (**APO**). APO manages the day-to-day running the Terminal under an Operating and Maintenance Contract.

5 On 13 June 2025, QCoal Pty Limited and Byerwen Coal Pty Limited (the **QCoal Users**) applied to the QCA to request that it recommend that the coal handling service at the Terminal (**Service**) be declared under Part 5 of the QCA Act. The requested declaration date is 1 July 2027 with a declaration period of 10 years.

6 On 26 March 2026, the QCA published a draft recommendation that the Service not be declared (**Draft Recommendation**). On 12 June 2026, NQXT, the QCoal Users and Aurizon Network (**Aurizon Submission**) each provided the QCA with submissions on the Draft Recommendation.

7 We draw your attention, in particular, to the Aurizon Submission which, amongst other things, submitted that any assessment of market demand for the purpose of the criterion in section 76(2)(b) of the QCA Act take into account all demand requests currently in the DBT queue.

8 The QCA has invited further submissions on these submissions, which are due to be provided to the QCA by 21 July 2026.

Instructions

9 We seek a report setting out your analysis and modelling of the cost of providing port and rail capacity through either the Terminal or the Dalrymple Bay Coal Terminal (**DBCT**) under various scenarios where demand might include some or all of the coal production of mines represented in the current DBCT access queue.

10 In preparing your report, please estimate the incremental cost of accommodating additional export coal demand through the alternative export pathways of either:

(a) the Newlands/GAPE rail network, to the Terminal; and

(b) the Goonyella rail network, to DBCT.

11 In providing your opinion, please assume that:

(a) In or around 2018, NQXT undertook preliminary, early stage study and feasibility works for a potential expansion of the Terminal known as the X60 Expansion.

[redacted]

[redacted]

12 Where you consider them relevant or helpful to your analysis, please also have regard to any submissions made to the QCA as well as the documents set out in **Annexure A** and publicly available data. Please set out in your report the key sources relied upon.

Expert independence

13 Although your report is not being prepared for use in court proceedings, we request that in undertaking this engagement you comply with the duties and requirements of an expert for court proceedings as set out in rules 429F and 429H of the *Uniform Civil Procedure Rules 1999* (Qld) (**UCPR**), as if those duties and requirements applied to these instructions. A copy of rules 429F and 429H and Schedule 1C of the UCPR (**Experts' Code of Conduct**) is attached as **Annexure B** to these instructions.

14 Your duties under the Experts' Code of Conduct duties provide that your obligation to act independently in assisting the QCA overrides any other obligations that you may have to any party or to any person who is liable for your fees and expenses.

15 Consistent with these requirements, we request that your report include written confirmation that:

(a) you have read, and agree to be bound by, the Experts' Code of Conduct to the extent that it imposes duties and obligations on you relevant to your role as an expert in your assistance of the QCA;

(b) the factual matters stated in the report are, as far as you know, true;

(c) you have made all inquiries considered appropriate;

(d) the opinions stated in the report are genuinely held by you;

(e) the report contains references to all matters you consider significant; and

(f) you understand your duty to the QCA and you have complied with that duty.

Confidentiality

16 You must not disclose or discuss any of our correspondence or instructions, or any of your work products, with any third parties. This duty of confidentiality will continue beyond the conclusion of your instructions.

17 Please ensure that you keep all documents (including electronic documents) relating to these instructions confidential and separate from your other files.

Yours faithfully
Gilbert + Tobin

[redacted]

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Annexure A Documents provided

1 [redacted]

2 [redacted]

Annexure B Experts' Code of Conduct

429F Duty of expert

(1) The expert has a duty to assist the court.

(2) The expert—

(a) is not an advocate for a party to the proceeding; and

(b) must not accept instructions from any person to adopt or reject a particular opinion.

(3) The expert must comply with the requirements under the code of conduct.

(4) However, subrule (3) does not limit any provision of this part.

(5) The expert's duties under this rule override any obligation the expert may have to—

(a) any party to the proceeding; or

(b) any person who is liable for the expert's fees or expenses.

…

429H Requirements for report

(1) A report prepared by the expert must be addressed to the court and signed by the expert.

(2) The report must include the following information—

(a) the expert's qualifications;

(b) all material facts, whether written or oral, on which the report is based;

(c) the expert's reasons for each opinion expressed in the report;

(d) references to any literature or other material relied on by the expert to prepare the report;

(e) for any inspection, examination or experiment conducted, initiated, or relied on by the expert to prepare the report—

(i) a description of what was done; and

(ii) whether the inspection, examination or experiment was done by the expert or under the expert's supervision; and

(iii) the name and qualifications of any other person involved; and

(iv) the result;

(f) if there is a range of opinion on matters dealt with in the report—a summary of the range of opinion, and the reasons why the expert adopted a particular opinion;

(g) if the expert believes the report may be incomplete or inaccurate without a qualification—the qualification;

(h) a summary of the conclusions reached by the expert;

(i) a statement about whether access to any readily ascertainable additional facts would assist the expert in reaching a more reliable conclusion.

(3) If the expert believes an opinion expressed in the report is not a concluded opinion, the report must state, where the opinion is expressed, the reason for the expert's belief.

Examples of reasons why an expert may believe an opinion is not a concluded opinion—

- insufficient research
- insufficient data

(4) The expert must confirm in the report that—

(a) the expert has read, and agrees to be bound by, the code of conduct; and

(b) the factual matters stated in the report are, as far as the expert knows, true; and

(c) the expert has made all inquiries considered appropriate; and

(d) the opinions stated in the report are genuinely held by the expert; and

(e) the report contains reference to all matters the expert considers significant; and

(f) the expert understands the expert's duty to the court and has complied with the duty.

Schedule 1C Code of conduct for experts

Part 1 Preliminary

1 Purpose of code

(1) The purpose of this code of conduct is—

(a) to state an expert's obligations under the following provisions of chapter 11, part 5—

(i) rule 429A;

(ii) rule 429B(1), (2), (5) and (6);

(iii) rule 429F;

(iv) rule 429H;

(v) rule 429K(1) and (2); and

(b) otherwise to state an expert's obligations in relation to an order made, or a direction given, by the court.

(2) In this code of conduct, the information included in square brackets after a rule heading is a reference to the comparable rule under chapter 11, part 5.

(3) The brackets and information do not form part of these rules.

2 Application of code

(1) This code of conduct applies to an expert who is appointed to give opinion evidence, whether orally or in a report, in a proceeding.

Note— Rule 429F requires the expert to comply with the requirements under this code of conduct.

(2) In a provision of this code of conduct that refers to a direction given under rule 428 requiring 2 or more experts to hold a conference and prepare a joint report, a reference to a joint report is a reference to a report about the conference that states—

(a) the matters, if any, on which the experts agree; and

(b) the matters, if any, on which the experts disagree and the reasons for any disagreement.

Part 2 Duty to comply with orders and directions

3 Duty to comply with court's orders and directions

(1) An expert must comply with an order made, or a direction given, by the court.

(2) Without limiting subrule (1), if the court gives a direction under rule 428 requiring 2 or more experts to hold a conference and prepare a joint report, the experts must hold the conference, and prepare the joint report, in compliance with the direction.

Part 3 Experts' conferences and joint reports

4 Application of part

This part applies if the court gives a direction under rule 428 requiring 2 or more experts to hold a conference and prepare a joint report.

5 Experts' conference and joint report

(1) In holding the conference and preparing the joint report, the experts—

(a) must exercise independent judgement; and

(b) must endeavour to reach an agreement on any matter on which they disagree; and

(c) must not act on any instruction or request to withhold or avoid reaching an agreement.

(2) Unless the court directs otherwise, the experts must—

(a) hold the conference in the absence of the parties or their agents; and

(b) prepare the joint report without reference to, or instructions from, the parties or their agents.

(3) The experts must give the joint report to the parties—

(a) if the court has given a direction about the period within which the report is to be given—as directed by the court; or

(b) otherwise—as soon as practicable after the conference has concluded.

(4) This rule is subject to rule 6.

6 Permitted communications between experts and parties

(1) Any of the experts may, in writing—

(a) ask the parties for information that may assist the proper and timely conduct or conclusion of the conference or preparation of the joint report; or

(b) inform the parties of any matter adversely affecting the proper and timely conduct or conclusion of the conference or preparation of the joint report.

(2) A communication mentioned in subrule (1) must—

(a) be made jointly to all of the parties; and

(b) state—

(i) whether or not all of the experts agree on the terms of the communication; and

(ii) if all of the experts do not agree on the terms of the communication—the matters on which the experts disagree.

(3) The experts must, within 2 business days after a request is made under rule 429B(4), give a progress report about the progress of the conference or the joint report.

(4) The progress report must state—

(a) whether or not all of the experts agree on the terms of the report; and

(b) if all of the experts do not agree on the terms of the report—the matters on which the experts disagree.

Part 4 Giving of evidence by experts and related matters

7 Duty of expert

(1) The expert has a duty to assist the court.

(2) The expert—

(a) is not an advocate for a party to the proceeding; and

(b) must not accept instructions from any person to adopt or reject a particular opinion.

(3) The expert's duties under this rule override any obligation the expert may have to—

(a) any party to the proceeding; or

(b) any person who is liable for the expert's fees or expenses.

8 Requirements for report

(1) A report prepared by the expert must be addressed to the court and signed by the expert.

(2) The report must include the following information—

(a) the expert's qualifications;

(b) all material facts, whether written or oral, on which the report is based;

(c) the expert's reasons for each opinion expressed in the report;

(d) references to any literature or other material relied on by the expert to prepare the report;

(e) for any inspection, examination or experiment conducted, initiated, or relied on by the expert to prepare the report—

(i) a description of what was done; and

(ii) whether the inspection, examination or experiment was done by the expert or under the expert's supervision; and

(iii) the name and qualifications of any other person involved; and

(iv) the result;

(f) if there is a range of opinion on matters dealt with in the report—a summary of the range of opinion, and the reasons why the expert adopted a particular opinion;

(g) if the expert believes the report may be incomplete or inaccurate without a qualification—the qualification;

(h) a summary of the conclusions reached by the expert;

(i) a statement about whether access to any readily ascertainable additional facts would assist the expert in reaching a more reliable conclusion.

(3) If the expert believes an opinion expressed in the report is not a concluded opinion, the report must state, where the opinion is expressed, the reason for the expert's belief.

Examples of reasons why an expert may believe an opinion is not a concluded opinion—

- insufficient research
- insufficient data

(4) The expert must confirm in the report that—

(a) the expert has read, and agrees to be bound by, the code of conduct; and

(b) the factual matters stated in the report are, as far as the expert knows, true; and

(c) the expert has made all inquiries considered appropriate; and

(d) the opinions stated in the report are genuinely held by the expert; and

(e) the report contains reference to all matters the expert considers significant; and

(f) the expert understands the expert's duty to the court and has complied with the duty.

9 Supplementary report following change of opinion

(1) Subrule (2) applies if the expert changes, in a material way, an opinion in a report prepared by the expert under chapter 11, part 5 (an earlier report).

(2) Unless the expert knows the proceeding has ended, the expert must, as soon as practicable after the change of opinion, give written notice of the change of opinion, and the reason for the change, to—

(a) if the expert is a court-appointed expert—the registrar; or

(b) otherwise—the party who appointed the expert.

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