

# Central Queensland Coal Network System Rules

2022 Consultation Report  
29 August 2022

## Introduction

In accordance with clause 7A.7.4(b) of the 2017 Access Undertaking (**UT5**) Aurizon Network must review the System Rules at least once per year and where required, identify Proposed Amendments.

Unless otherwise defined, capitalised terms in this report have the meaning given to those terms in UT5.

The purpose of this Consultation Report is to summarise the outcomes from Aurizon Network's 2022 review of the System Rules which commenced in May 2022 and has to date involved multiple stakeholder engagements including:

- The release of a consultation draft System Rules with prospective amendments to Train Operators on 18 May 2022;
- Direct one-on-one engagements with Train Operators and other Affected Persons regarding the consultation draft System Rules throughout May/June 2022;
- The release of Proposed Amendments to the System Rules (incorporating feedback received) to Affected Persons on 14 June 2022;
- A System Rules group forum with Affected Persons on 24 June 2022;
- A follow-up System Rules group forum with Affected Persons on 8 July 2022;

- Additional direct one-on-one engagements with Affected Persons (where required) and the Independent Expert throughout July 2022; and
- An extension of time for Affected Persons to provide written submissions regarding the Proposed Amendments to 25 business days. A total of six written submissions were received (copies of which have been provided to the QCA).

Aurizon Network carefully considered the feedback received from stakeholders and as a result, proposes a number of variations to the Proposed Amendments (**Variations**).

The Variations are displayed via tracked changes to the Proposed Amendments and are appended to this Consultation Report.

The Proposed Amendments included both general amendments and Integrated Rail Planning (**IRP**)-specific amendments which are discussed in further detail below.

## Proposed Amendments - General

The Proposed Amendments include a number of general amendments which reflect practical changes and improvements in planning activities since the approval of UT5, most of which were consulted on during Aurizon Network's 2019 review of the System Rules. These are discussed in further detail below.

## Form of Communications

### Purpose of Amendment

The current System Rules specifies communications between Aurizon Network and other stakeholders are to occur via email and/or phone. The Proposed Amendments modify all references to communications to occur electronically or in the format advised by Aurizon Network. The intent of this amendment is to allow the form and method of communication to be updated to align with changes in business processes, systems and technology and to support the administrative efficiency of the scheduling and planning process.

### Stakeholder Response

One stakeholder expressed concern that this amendment undermines the consultative approach that has historically been undertaken in relation to the System Rules.

### Aurizon Network Assessment

Clause 1.4 requires Aurizon Network to consult and seek agreement from stakeholders prior to implementing a change in the form and method of communication required by the System Rules.

## Requirement for Mine Capability Statements

### Purpose of Amendment

Aurizon Network does not currently require Access Holders to annually provide mine capability statements and considers this to be a redundant requirement within the System Rules. In addition, capability of a mine load out represents a System Operating Parameter that will be subject to periodic review.

### Stakeholder Response

One stakeholder raised a number of queries regarding load point capabilities and how mine loading slots are determined.

### Aurizon Network Assessment

Aurizon Network does not consider this information to be within the scope of the System Rules and commits to resolving these queries outside of this review.

## Addition of Reference to Schedule G

### Purpose of Amendment and Stakeholder Response

The Proposed Amendments note that ‘for the purpose of clause 8.2(c)(i)(A) of Schedule G’ changes made outside of 24 hours prior to the day of operation will not result in Train Service Entitlement (TSE) consumption. The purpose of this addition is to provide additional clarity and alignment with UT5.

No stakeholder was opposed to this amendment.

## Schedule Alterations

### Purpose of Amendment and Stakeholder Response

The current System Rules include arrangements that provide for a Port Operator or operator of a loading facility to request emergency alterations to the Schedule.

Aurizon Network notes that there are other circumstances where a Port Operator may seek a schedule alteration for other reasons such as a change in the yard operations. The Proposed Amendments include additional provisions for the Port Operator or operator of a loading facility to make a schedule alteration request either directly to Aurizon Network (in the case of an emergency) or via the relevant Train Operator (in all other instances).

No stakeholder was opposed to this amendment.

## Variations of the DTP from ITP

### Purpose of Amendment and Stakeholder Response

Section 4.2 of the current System Rules refers only to alterations to the schedule arising from possessions. This contrasts with the scope of clause 5.4(c)(iv) of Schedule G, which can include the impact from the addition or removal of a temporary speed restriction prior to the finalisation of the Daily Train Plan (DTP) which will affect the times a train service operates. The Proposed Amendments aim to achieve consistency between Schedule G and the System Rules.

The Proposed Amendments also include additional wording to clarify that any changes to the plan due to the application or removal of a temporary speed restriction once the DTP has been finalised are reflected as deviations from the DTP (and not variations to the DTP).

No stakeholder was opposed to this amendment.

### Redundant References to Four-Hourly Phone Hookup

#### Purpose of Amendment

There are numerous references to consultation occurring at the four-hourly hookup that are now redundant as in practice the consultation referenced occurs as required outside of these forums.

Replacing the fixed interval approach with an as-needed approach allows Day of Operations to better respond and engage with the supply chain when appropriate.

#### Stakeholder Response

One stakeholder noted that agreement with Train Operators on this Proposed Amendment should be reached before being implemented. Another stakeholder raised concern that, as a result of removing references to the four-hourly hookup, there is no other time commitment within the System Rules for resolving causation of train delays and cancellations.

#### Aurizon Network Assessment

Aurizon Network confirms that no Train Operator or Port Operator was opposed to this amendment.

The Proposed Amendments still include an obligation for consultation between Aurizon Network, Train Operators and Port Operators. Removing references to the four-hourly hookup simply provides supply chain participants the flexibility to manage Day of Operations (DoO) issues via different processes where appropriate.

Aurizon Network notes that the four hourly hookup will also still remain in place until an alternate approach is agreed between supply chain participants.

### Various Minor Amendments to Align with UT5

#### Purpose of Amendment and Stakeholder Response

The Proposed Amendments include a number of minor amendments to align with UT5 within the following sections of the System Rules:

- Preamble;
- Section 1.1 – Context
- Section 1.3 – Key Interfaces
- Section 3.0 – Daily Train Plan
- Section 4.0 – Schedule Alterations

No stakeholder was opposed to these amendments.

### Additional Amendments - General

#### Confusion Around References to Access Holder

##### Purpose of Amendment

Multiple stakeholders noted the System Rules' definition of Access Holder was confusing and did not align with UT5. Aurizon Network agrees with this feedback and has removed this definition and, where appropriate, replaced references to Access Holder with Train Operator as reflected in the Variations.

### IRP-Specific Amendments

The Proposed Amendments predominately include IRP-specific amendments. The purpose of these amendments is to reflect the significant integrated planning improvements that have been operating as a pilot for planning and scheduling the CQCN since April 2021. The IRP process supplements the build of the weekly Intermediate Train Plan (ITP) and whilst the Proposed Amendments make participation in the IRP process mandatory, acceptance of the IRP outcomes remain voluntary.

Feedback on the IRP-specific amendments fell into a number of key themes which are discussed in further detail below.

#### Participation

##### Purpose of Amendment

The Proposed Amendments make it mandatory for coal Train Operators to provide relevant planning inputs each week to ensure the IRP is modelling complete information.

### **Stakeholder Response**

Stakeholder feedback indicated there is general support for participation in the IRP process to be mandatory for coal Train Operators.

## **Preservation**

### **Purpose of Amendment**

The Proposed Amendments 'preserve' IRP train cycles that are accepted by the corresponding Train Operator in order to protect the value generated by the IRP in terms of plan and schedule performance.

### **Stakeholder Response**

Whilst Train Operators generally supported the inclusion of the preservation principle throughout the consultation, multiple stakeholders opposed the inclusion of the principle on the basis that it:

- May encourage the IRP to be accepted by Train Operators even if it is 'sub-optimal' to the Access Holder;
- May negatively impact a Train Operator's right to use Contested Train Path (CTP) principles during the ITP; and
- May act as a performance barrier for smaller Train Operators.

### **Aurizon Network Assessment**

Aurizon Network believes preservation is a valuable principle of the IRP as it protects the operational benefits derived in the IRP result. However, noting the stakeholder feedback received and considering the pilot has operated successfully without preservation in place, Aurizon Network has removed this principle as reflected in the Variations and proposes that supply chain participants can reconsider this in a future System Rules review.

## **Preferences**

### **Purpose of Amendment**

The Proposed Amendments allow Train Operators to express demand assumptions by modifying their inputs to occur at or below the Aurizon Network tiered contract position.

The Proposed Amendments also make it voluntary for Train Operators to accept the IRP for each system.

The purpose of this principle is to allow Train Operators the flexibility required to support their commercial arrangements with Access Holders whilst also prioritising demand to promote fulfillment of below-rail contracts.

### **Stakeholder Response**

Stakeholder response to the Preservation principle showed general support for the principle of allowing Train Operators the choice to accept the IRP result or not accept the IRP result and present Train Orders accordingly.

Access Holders provided feedback that they would like more transparency on how the overall demand and demand preferences (provided by Train Operators as inputs to the IRP) reflect the demand that they as Access Holders provide their Train Operators.

Access Holders also provided feedback that they would like more transparency on how the IRP planning inputs impact the overall system capacity in the planning period.

### **Aurizon Network Assessment**

Aurizon Network acknowledges that it has the opportunity to lead and coordinate improvement in the supply chain and proposes to lead a conversation with Train Operators on how their demand inputs to the IRP might be shared with Access Holders.

Aurizon Network also proposes to produce routine system-level reporting on the impact of planning inputs and constraints through the IRP process to enable continuous improvement in supply chain performance.

Aurizon Network would also support an audit process of the optimiser parameters if requested by stakeholders.

The above items relate to general transparency around the IRP process and are not within the scope of the System Rules drafting. Accordingly, no changes to the Proposed Amendments are required.

## Tiering

### Stakeholder Response

Multiple stakeholders noted there is no mention of Train Service Entitlement (TSE) tiering within the Proposed Amendments.

### Aurizon Network Assessment

TSE tiering is one specific decision-making metric of the IRP tool. Aurizon Network considers TSE tiering (and all other specific decision-making metrics) to be too detailed for inclusion within the System Rules drafting.

Aurizon Network has proposed additional drafting to confirm that Train Operators may prioritise their demand assumptions to occur at or below the Aurizon Network tiered contract position (which, similar to the Contested Train Path principles contained in Schedule G of UT5, is based on factors such as year to date and/or month to date contract utilisation) as reflected in the Variations.

## Train Cycle Definition

### Purpose of Amendment

The current System Rules refer to the allocation of Train Paths, however the IRP allocates Train Cycles and is able to apply the CTP principles to the entire Train Cycle requested for use within the ITP (in the case of conflicts). As such a new Train Cycle definition was drafted in the Proposed Amendments.

### Stakeholder Response

Multiple stakeholders queried the change from Train Paths to Train Cycles and suggested this may have the potential to cause confusion.

### Aurizon Network Assessment

The allocation of Train Cycles and the ability to apply the CTP principles to the entire Train Cycle (in the case of conflicts) are key components of the IRP. Aurizon Network addressed this feedback in the System Rules group forums and has included additional drafting within the Preamble to draw readers' attention to the Train Cycle definition as reflected in the Variations.

## Confirming Acceptance of IRP

### Stakeholder Response

One stakeholder queried the requirement for Train Operators to inform other Train Operators whether they accept the IRP for each system.

### Aurizon Network Assessment

Informing Aurizon Network and other Train Operators whether the IRP for each system is accepted is an important step in achieving a deconflicted outcome. Removing this requirement means the ability for Aurizon Network and Train Operators to work collaboratively may be lost, causing unnecessary conflicts.

## IRP Timeframes

### Stakeholder Response

Multiple stakeholders noted the timeframe for Train Operators to review and accept the IRP for each system is tight.

### Aurizon Network Assessment

Aurizon Network acknowledges that these are tight timeframes and will continue to improve tools and processes to provide more time for consideration and ongoing improvements to the quality of plans and schedules. As improvements are achieved, Aurizon Network aims to relax these timeframes by consensus with IRP participants.

Aurizon Network notes that the IRP pilot has operated successfully with these timeframes in place.

Additional wording has been added to the IRP Timeframes within section 2.1 to enable earlier publication of the IRP for each system where possible, as reflected in the Variations.

## Impact to Non-Coal

### Stakeholder Response

One stakeholder queried how Preserved Paths are treated in the IRP process, and whether non-coal Train Operators are required to participate in the IRP.

## **Aurizon Network Assessment**

There is no change in the way Preserved Paths are managed within the planning and scheduling process. Non-coal traffic is considered and accounted for in the pathing process before the IRPs are prepared.

Participation in the IRP process only applies to coal Train Operators.

## **Conclusion**

In accordance with clause 7A.7.4(e)(iii)(D) of UT5, Aurizon Network does not consider that the Proposed Amendments and Variations will have any negative impact on the delivery of each Affected Person's Train Service Entitlements.

The purpose of the Proposed Amendments and Variations are to reflect practical changes and improvements in planning activities since the approval of UT5 and to reflect the significant integrated planning improvements that have been operating as a pilot for planning and scheduling the CQCN since April 2021.