

31 August 2023

George Passmore
Queensland Competition Authority
Via email: george.passmore@qca.org.au

Dear George,

Summary

In its Concept Study presentation dated 11 August 2023, Aurizon Network (AN) has proposed a scope of study work (principally outlined on page 9) aimed at increasing Newlands-GAPE capacity by addressing the longest section of single-track in the Newlands System between the Birralee passing loop and the duplication section from Almoola to Briaba. This will specifically include (alongside other suggested initiatives) the following potential Transitional Arrangements:

- NG3 Collinsville Passing Loop Extension (Day Time Operations)*
- NG4 Collinsville Passing Loop (24 hours)*
- NG5 Coral Creek Passing Loop*
- NG5A Coral Creek Passing Loop + Collinsville Passing Loop (Day Time Operations)*

Subject to the comments included below, the Independent Expert (IE) endorses the proposed AN scope and **recommends that the QCA approve** AN's commencement of the proposed activities forthwith.

Issues regarding shortfalls in capacity against committed capacity in the Newlands-GAPE systems have been known for over a decade. There are a variety of contributing factors underlying the issue and affecting solutions to the capacity issue.

It will be important that the output of the concept study provides stakeholders with a clear basis for any preferred solution(s) proposed by AN, including by outlining as far as possible the costs, capacity, timeframes and risks associated with both the selected and rejected alternatives considered. AN has indicated their alignment with this objective.

Given the current lack of clear stakeholder consensus on the way forward, it will also be important for AN to ensure that the study and selection of capacity improvements is made based on the objective of the Transitional Arrangements, that is the restoration of Committed Capacity in an efficient and effective manner, rather than being unduly influenced by the operational or commercial objectives of any of the many stakeholders involved.

There are a complicated set of technical, regulatory and community issues, both historical and contemporary, against which an assessment of the efficient and effective nature of potential Transitional Arrangements must be considered before any implementation proceeds. It is therefore crucial that the study process, including at the concept study stage, sufficiently addresses the many facets of the current and historical issues involved in increasing Newlands-GAPE capacity.

Collinsville Passing Loop

The existing Collinsville passing loop has two major advantages in providing a capacity solution for Newlands-GAPE:

- Although it would require lengthening, most of the required infrastructure exists, with only additional track extension and signalling augmentation required
- It lies close to halfway between the adjacent passing loops at Almoola and Birralee making it close to the optimal location to provide the most capacity benefit from passing trains.

Unfortunately, as highlighted in AN's scope proposal, Collinsville suffers a number of shortcomings:

- The loop is too short for 84-wagon trains and requires lengthening
- It is located within the town of Collinsville and might cause increased disruption to road traffic and potentially increased noise levels depending on the infrastructure design and operational usage.

The proposed AN Concept Study scope includes assessment of the effectiveness and cost of noise mitigation options and for assessment of broader community concerns and associated risks. The IE has proposed that AN include assessment of a range of noise mitigation measures.

Subject to that consideration the IE considers the inclusion of study activities concerned with the Collinsville Loop warranted.

Coral Creek Passing Loop

The potential development of a passing loop at Coral Creek to address a recognised shortfall in capacity in the Newlands-GAPE Systems was first put forward by AN in 2012.

The underlying benefits of the project remain much as they were:

- A location sufficiently removed from the population of Collinsville to allow 24-hour passing of trains between Almoola and Birralee.

As always, the benefits of the Coral Creek location do not come without challenges:

- The capital cost of a full new passing loop is likely to be considerable
- The location is further to the south of the midpoint between the Almoola and Birralee passings reducing the capacity benefit
- The proximity to the Sonoma mine raises the potential for issues with ingress and egress from the mine. The IE appreciates the scope amendments made by AN to include several alternative locations in the general proximity of Coral Creek to consider the various factors at play.

As such, the IE considers the scope of the Coral Creek passing loop (including alternative locations) study activities to be appropriate.

Yours sincerely,



Timothy Renwick
Chief Executive Officer