

Media Release

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Aurizon Network provides update on CQCN capacity impacts

Aurizon Network today provided an operational update on capacity and performance of the Central Queensland Coal Network (CQCN) to coal customers as well as rail and port operators as part of its regular quarterly forum with coal supply chain participants.

The update included details of the CQCN capacity impacts that are the result of Aurizon Network progressively implementing operational and maintenance practices that are aligned with Queensland Competition Authority's Draft Decision on Aurizon Network's 2017 Draft Access Undertaking¹.

Aurizon Network confirmed that the potential loss of throughput estimated to arise from its revised operating practices could be up to 20 million tonnes on an annualised basis. The estimated split across the CQCN's four rail corridors is: Goonyella: up to 10 million tonnes per annum (mtpa); Blackwater: up to 8 mtpa; Moura: up to 1.5 mtpa; and, Newlands: up to 0.3 mtpa.

Aurizon Network's revised operating practices reflect the clear approach by the QCA in its Draft Decision to drive operational practices to the lowest possible cost regardless of the impact on the supply chain and the potential consequential reduction in volumes.

It is necessary for Aurizon Network to modify its operating practices now given that the Draft Decision, if implemented in a Final Decision, will have retrospective effect to 1 July 2017. The flexible operating practices that Aurizon Network previously afforded customers are no longer feasible in the context of the allowances provided by the QCA under the Draft Decision.

Aurizon Network will continue to keep coal customers and supply chain participants updated on further changes to operating and maintenance practices that are implemented as a result of the QCA Draft Decision.

For more information, please contact:

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¹ For more detail on the QCA Draft Decision refer to ASX announcements by Aurizon on 18 December 2017, 12 February 2018 and 13 March 2018.