



2018–19 Annual Performance Report

Queensland Rail Access Undertaking 1

18 December 2019

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OVERVIEW

Queensland Rail's regional network spans more than 5,700 kilometres of track and eight rail systems that carry passenger and freight services across the state. Queensland Rail is committed to improving supply chain solutions, partnering with regional communities and working with local industries to grow the volume and frequency of freight travelling on its network.

2018-19 fast facts

In 2018-19, Queensland Rail's below rail infrastructure:

- moved over 15 million tonnes of freight
- earned \$177.3 million in access revenue
- cost \$254 million to maintain the regional network¹.

Background

Queensland Rail's below rail infrastructure is declared for third party access under Section 250 of the *Queensland Competition Authority Act 1997*. Access to Queensland Rail's below rail infrastructure is regulated by *Queensland Rail's Access Undertaking 1 (AU1)*, approved by the Queensland Competition Authority (QCA).

Queensland Rail contracts with third party train operators and some end customers to provide access to its rail infrastructure. As at 30 June 2019, there were three main third party rail operators operating on the regional rail network—Aurizon, Pacific National and Watco.

AU1 reporting requirements

AU1 contains a range of reporting requirements to provide third party train operators, end customers and interested stakeholders with information about the performance of Queensland Rail's below rail infrastructure.

AU1 requires Queensland Rail to prepare an Annual Performance Report within four months of the end of the subject year, or such longer time as agreed by the QCA.²

Consistent with clause 5.2 of AU1, this report provides information about:

- Queensland Rail's compliance with the negotiation process requirements of AU1 for 2018-19
- maintenance, operating and capital expenditure for the West Moreton Network for 2018-19 and commentary that explains any differences between actual expenditure and forecast expenditure
- maintenance, operating and capital expenditure for the Mount Isa, North Coast and Metropolitan Networks
- volumes moved on the networks by commodity, where appropriate.

2018-19 Below Rail Financial Statements

Clause 5.3.1(a) of AU1 requires Queensland Rail to publicly release Financial Statements for the preceding year within six months of the end of financial year.

The financial information presented in this Annual Report has been prepared consistent with the 2018-19 Below Rail Financial Statements. The 2018-19 Below Rail Financial Statements are available on the Queensland Rail website.

The 2018-19 Below Rail Financial Statements provide more information about the revenue and expenditure for Queensland Rail's overall below rail activities including details for the West Moreton Network, North Coast Line and Mount Isa Line and rest of the below rail network.

¹ Excluding the South East Queensland Metropolitan System

² On 18 April 2019, the QCA approved the extension of the date for the public release of the 2018-19 Annual Performance Report to

31 December 2019 to align the report with the public release of Queensland Rail's 2018-19 Below Rail Financial Statements.

Map 1: Queensland Rail's Regional Rail Network



2018–19 NEGOTIATION PROCESS

Queensland Rail is required to report on a range of measures across the access negotiation process, including capacity information requests, access applications, Indicative Access Proposals (IAPs), negotiation cessation notices and access agreements.

Performance measures

1. Request for Capacity Information		
Capacity Information provided by Queensland Rail	Number of requests	0
	Average business days to provide information	N/A
2. Access Applications		
Access Applications acknowledged within 5 Business Days ³	Number of Access Applications	19
	% of Access Applications	100
Access Applications not acknowledged within 5 Business Days	Number of Access Applications	0
	Average Delay (Business Days)	0
3. Pre-Negotiations		
Indicative Access Proposals (IAP) provided within 20 Business Days or within the agreed extension timeframe	Total Number	19
	Within 10 Business Days	7
Number of notice of Intentions to negotiate provided by an Access Seeker within the following timeframes from the date of Queensland Rail issuing the IAPs	Between 10 and 20 Business Days	3
	Between 21 and 40 Business Days	1
	More than 40 Business Days	3
4. Disputes		
Disputes referred to the agreed dispute resolution process	Number	0
Disputes referred to the agreed dispute resolution process and determined in favour of the Access Seeker	Number	N/A
5. Cessations		
Access Applications where Queensland Rail has issued a Negotiation Cessation Notice	Number	0
Percentage of Access Applications in which a Negotiation Cessations Notice was issued	%	N/A
6. Access Agreements		
Access Agreements executed by Queensland Rail	Number	32 ⁴
The number of Access Agreements (excluding agreements which extend or renew an Access Holder's Access Rights that existed immediately prior to execution of the agreement) executed by Queensland Rail for which the negotiation period was:	3 months or less	2
	more than 3 months but not more than 6 months	1
	more than 6 months but not more than 12 months	2
	more than 12 months	3

³ This information includes acknowledgements responding to the receipt of a properly completed Access Application and to the additional or clarified information sought by Queensland Rail under clause 2.3.1 in respect of an Access Application.

⁴ Access agreements executed includes all Access Agreements signed for the financial year. This includes extensions (including short term) and amendments to existing agreements which may not have required the submission of an Access Application and for which an IAP would not have been required.

Performance measures explained

Performance Measure 1—Requests for Capacity Information Clause 5.2.2 (a)

Clause 2.1.2(b) of AU1 states that a prospective Access Seeker may give a written request to Queensland Rail for relevant Capacity Information and Queensland Rail will make available that Capacity Information within ten Business Days after receiving that request.

Performance Measure 2—Access Applications Clause 5.2.2 (b)—(c)

This measure reports the number and percentage of Access Applications acknowledged in accordance with AU1 and within the applicable timeframe nominated in clause 2.3.2.

Clause 2.3.2 of AU1 requires that, within five Business Days after the later of the receipt of:

- (a) an Access Application; or
- (b) the additional or clarified information required under clause 2.3.1 in respect of that Access Application,

Queensland Rail will give the Access Seeker a written acknowledgement of receipt of the Access Application.

Requests for additional information or clarification by Queensland Rail under clause 2.3.1 of AU1 are not included in this KPI.

The calculation of the 'average delay' excludes the first five business days where the Access Application acknowledgement was still on time, with the calculation only including the additional days after the on-time period. This provides the average business day delay.

Performance Measure 3—Pre Negotiations Clause 5.2.2 (d)

Clause 2.4.1 of AU1 sets a time period of 20 Business Days in which Queensland Rail is to provide an Indicative Access Proposal after acknowledging a completed Access Application.

Clause 2.5.1 of AU1 provides that if an Access Seeker intends to start the negotiation process and proceed with its Access Application on the basis of the relevant Indicative Access Proposal, it must provide Queensland Rail written notice of its intention to do so as soon as reasonably possible.

This measure indicates the number of Indicative Access Proposals provided by Queensland Rail within 20 Business Days as well as the time taken for the relevant Access Seekers to provide their notice of their Intention to Negotiate.

Performance Measure 4—Disputes 5.2.2 (e)

This measure reports on total disputes in the subject Year and the number of these where the Access Seeker has been successful. Refer to clause 6.1 of AU1 for detailed information on the dispute resolution process.

Performance Measure 5—Cessations Clause 5.2.2 (f)

Clause 2.8.1(a) of AU1 provides a number of scenarios in which Queensland Rail may at any time give an Access Seeker notice that it does not intend to enter into an Access Agreement with the Access Seeker (a Negotiation Cessation Notice).

This measure indicates the number and percentage of Negotiation Cessation Notices provided by Queensland Rail. Examples of where a Negotiation Cessation Notice may be given include where, Queensland Rail (acting reasonably) is of the opinion that:

- (c) there is no reasonable likelihood of material compliance by the Access Seeker with the terms and conditions of an Access Agreement; or
- (d) the Access Seeker has no genuine intention of obtaining, or has no reasonable likelihood of using, the Access Rights requested.

Refer to clause 2.8 of AU1 for information relation to the negotiation cessation process.

Performance Measure 6—Access Agreements Clause 5.2.2(g)—(h)

This measure shows the total number of Access Agreements executed by Queensland Rail.

The measure shows number of new Access Applications that have resulted in an Access Agreement being executed by Queensland Rail and the negotiation period for the execution. This measure does not include agreements which extend or renew an Access Holder's Access Rights that existed immediately prior to execution of the agreement.

WEST MORETON NETWORK



The West Moreton Network is 321km of track that runs from Rosewood to Miles. The key commodities carried on the system are coal and grain, with the Westlander long distance passenger service operating two return services per week.

The West Moreton System is the only Queensland Rail system for which the QCA sets reference tariffs, with reference tariffs set for coal-carrying train services.

As part of its approval of AU1 in October 2016, the QCA approved what it considers to be the efficient costs of providing services, which includes allowances for the maintenance and operating expenditure, as well as estimated capital expenditure included in reference tariffs as a capital indicator.

AU1 requires Queensland Rail to report on actual expenditure for the relevant financial year against the QCA's estimates of the efficient costs for the year. The QCA cost estimates have been escalated to \$2018-19 applying an assumed CPI of 2.5 per cent per annum.

The scope of works by activity reflects the original scopes approved by the QCA.

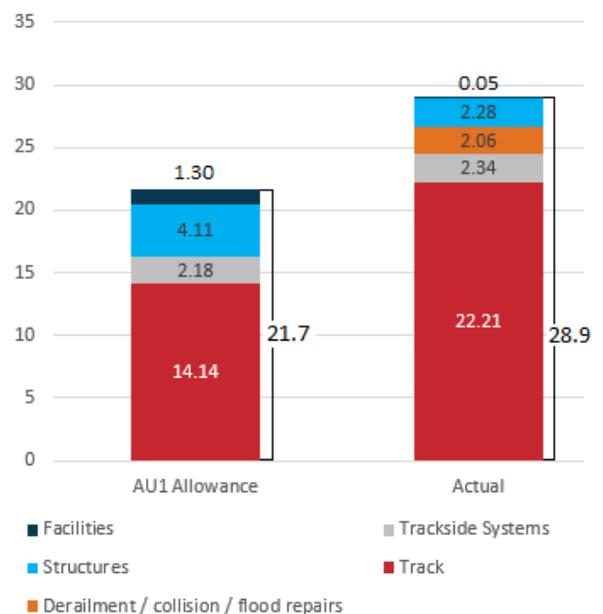
Maintenance

Total maintenance costs

Queensland Rail's West Moreton network maintenance costs for 2018–19 were \$28.9 million compared to the QCA's maintenance allowance of \$21.7 million.

⁵ In 2015–16, Queensland Rail implemented a new Enterprise Asset Management System (EAMS) for the planning and management of maintenance and capital expenditure. EAMS replaced the previous system

West Moreton QCA allowance and actual maintenance costs—2018-19 (\$ million)



Track

Track maintenance includes rail, ballast, sleepers and formation. Expenditure on track maintenance in 2018–19 was \$8.1 million (higher than the QCA forecast maintenance allowance.⁵)

The higher costs were driven by:

- an additional \$4.4 million being spent on risk mitigation works around derailment sites

of product reporting, which was used as the base for developing the AU1 maintenance cost allowances and included the simplification of the number of maintenance categories for planning and reporting purposes. The

- an additional \$1.8 million spent on mechanised resurfacing, compared to the \$2.4 million included in the QCA forecast
- \$2.0 million was spent on ballast undercutting, with no maintenance cost allowance provided for this activity⁶

Forecast and actual maintenance scope 2018–19

Activity	Forecast	Actual
Mechanised resurfacing	259 km	367 km
Ballast Undercutting	-	10 km
Ballast maintenance	7,857 m ³	10,387 m ³
Minor yard maintenance	10 km	-
Rail renewal	2 km	16 km
Rail stress adjustment	32 km	24km
Rail grinding (Mainline)	105 km	42 km
Rail grinding (Turnouts)	15	9

Source: QCA, Queensland Rail

Structures

Structures include bridges (concrete, steel or timber) and culverts/drains. Bridge maintenance includes ongoing asset inspections and repairs.

Maintenance costs relating to structures on the West Moreton system were \$1.8 million lower than the QCA allowance for 2018–19.

The difference is largely due to the QCA including \$2.0 million for repainting of the Lockyer Creek Bridge in its forecast maintenance costs for 2018–19. With the progression of the Australian Government’s Inland Rail project, Queensland Rail revised its planned maintenance for structures, including the major re-painting planned for the Lockyer Creek Bridge.

Trackside systems

Trackside system assets include signalling (interlocking, train detection, level crossings and power supplies) and telecommunications (radio and transmission).

The main activities performed in 2018–19 were the periodic inspections and general repairs, including the replacement of defective components.

previous Asset Management function is no longer separately identified—and these costs are included as part of the build-up of the activity to which asset management relates.

⁶ The QCA’s Final Decision on the AU1 concluded that ballast undercutting should be treated as capital expenditure. Queensland Rail has included the

Trackside system costs are \$2.3 million in 2018-19, compared to the \$2.2 million QCA maintenance allowance.

Facilities/other

Other costs were \$0.05 million, compared to the \$1.3 million estimated by the QCA. The \$1.3 million included in the QCA’s original maintenance cost allowances as other costs (including inventory, consulting/technical advice, project management and asset management) which are now recorded directly against the relevant maintenance activity, the majority of which is associated with track maintenance

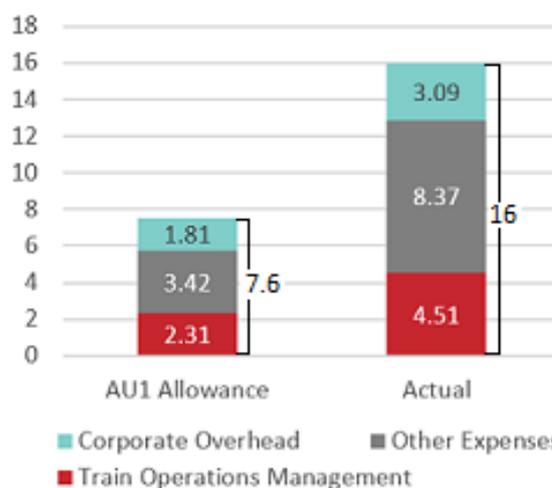
Derailment/Floods/Third party damage

Two major derailments occurred on the West Moreton Network during 2018-19, with repair costs totalling \$2.1 million. No amount is allocated specifically for derailments, flooding or third party damage in the QCA maintenance cost allowances.

Operating Expenditure

Queensland Rail’s total operating expenditure allowance determined by the QCA for 2018–19 was \$7.6 million.⁷ This compares to actual operating expenditure of \$16.0 million.

West Moreton QCA allowance and actual operating expenditure by category—2018-19 (\$ million)



The higher actual operating expenditure in 2018-19 compared to the QCA’s estimate of efficient cost was due to:

- train control costs \$2.2 million higher than those estimated by the QCA, noting that Queensland Rail’s train operations management function includes the

\$2 million in ballast undercutting expenditure in its 2018-19 Capital Expenditure Submission.

⁷ The QCA’s operating cost allowances for the AU1 period had regard to the 2012-13 Below Rail Financial Statements, with train control costs reflecting the QCA’s own estimates.

costs of train control supervisors, network planning and possession and operational planning which were not included in the QCA's cost allowance

- \$5.0 million higher than the QCA's other expenses costs, including:
 - an additional \$2 million expenditure on business management costs which includes the higher costs of preparation of the Draft Access Undertaking 2 (DAU2) and other QCA compliance activities⁸
 - \$1.8 million in losses on asset disposal
 - the allocation of \$1.1 million in telecommunications backbone costs to the West Moreton System.
- corporate overheads \$1.3 million higher expenditure than the QCA allowance in 2018-19. Corporate overheads increased in 2018-19, largely due to an increase in information technology costs.

Capital Investment

Total capital investment for 2018-19 on the West Moreton Network was \$50.4 million (excluding the allocation of network wide projects). Expenditure on capital projects included:

West Moreton Network capital expenditure 2018-19

Project	\$ million
Toowoomba Range Clearance upgrade	30.7
Timber Bridge Elimination	13.9
Formation strengthening	2.7
Drain Renewal West Moreton	2.0
Other projects	1.1

It should be noted that capital expenditure differs to the treatment of the QCA's assessment of capital expenditure which reflects assets commissioned in a financial year.

RAB roll-forward

Schedule E, AU1 sets out the process for the roll-forward of the West Moreton Network Regulated Asset Base (RAB) including the process for the QCA's annual review of the prudence of scope, standard of works and cost of projects to be included in the RAB for the preceding financial year.

On 30 October 2019, the QCA confirmed West Moreton Network RAB was valued at \$340.113 million, as at 30 June 2018.

⁸The BRFS also include \$0.9 million in QCA Regulatory Fees for the West Moreton Network. These costs were not included in the QCA's AU1 operating cost allowances (which are used to calculate coal reference

Volumes

6.4 million tonnes were moved on the West Moreton Network in 2018-19, with the West Moreton Network also connecting to the South West and Western Networks. Coal movements accounted for 99% of the total tonnes moved on the Network.

West Moreton Network volumes 2018-19, by commodity

Commodity	Train paths	NT('000s) ⁹	GTKs (million)
Agriculture ¹⁰	53	28	11
Coal	6,839	6,358	3,460
Passenger/Charter	226	n.a.	15
Other	329	13	16
Total	7,447	6,399	3,502

Source: Vizirail, Queensland Rail billing

tariffs) as the QCA's Regulatory Fees are recovered separately through the QCA Levy.

⁹Net tonnes measured on the Rosewood to Toowoomba corridor

¹⁰ Agriculture includes livestock and grain

OTHER REGIONAL NETWORKS



In 2018-19, the Mount Isa Line, North Coast Line and Metropolitan Network carried approximately 15 million net tonnes including minerals concentrate, industrial products and metals, mining inputs, containerised freight, bulk sugar, coal, grain and livestock.

Queensland Rail is required to report on a range of measures for each major Regional Network where there is no reference tariff. Measures include:

- maintenance costs of the Regional Network and scope of maintenance performed
- operating costs of the Regional Network
- the capital investment in the previous financial year and expected capital investments over the next one to four years
- volumes for non-passenger Train Services including aggregate Train Paths, aggregate net tonnes; and aggregate gtps, broken down by commodity where appropriate. For passenger Train Services, the aggregate Train Paths used by those Train Services.

The 2018-19 Below Rail Financial Statements, prepared consistent with the Costing Manual 2017 provides more detail about the revenue and expenditure for the major Regional Networks.

Maintenance

Total maintenance costs

Maintenance costs by major Network and category of work performed are shown below.

2018-19 maintenance costs by regional network (\$ million)

	Mount Isa	North Coast	Metro
Track	24.52	55.73	86.99
Derailment / collision / flood repairs	27.52	2.40	0.41
Trackside systems	3.19	23.50	56.02
Structures	0.86	10.08	13.00
Facilities	0.01	0.24	1.95
Other	0.01	0.09	0.11
Total	56.11	92.04	158.48

Note: In 2018-19, Queensland Rail changed its accounting treatment for some aspects of maintenance/capital expenditure – with a reduction in maintenance costs, but higher depreciation charges.

The most significant event for the regional network in 2018-19 was the major flooding on the Mount Isa Line.

Track

The table below shows the estimated scope of maintenance by major function in 2018-19.

Track maintenance scope by major function 2018-19

	Mount Isa	North Coast	Metro
Mechanised resurfacing			
Mainline (km)	641km	447km	347km
Turnouts (No)	20	23	210
Ballast maintenance			
m ³	301,113	50,716	22,494
Distance (km)	N/A	N/A	N/A
Ballast undercutting			
Distance (km) ¹¹	27	17	13
Rail renewal			
Distance (km) ^{12,13}	23 km	8 km	1.5km
Rail grinding			
Mainline (track km)	438km	367km	610km
Turnouts (No)	45	77	210

Trackside systems

Trackside systems assets include signalling (interlocking, train detection, level crossings and power supplies) telecommunications (radio and transmission) and traction power assets (overhead, switchgear and transformers).

The main activities performed in 2018–19 were the periodic inspections in compliance with Network’s obligations as an asset manager and general repairs, including the replacement of defective components.

Structures

Structures include bridges (concrete, steel or timber) and culverts/drains. The main structures-related activities performed in 2018–19 were:

- Periodic inspections
- General repairs, including replacement of defective components
- Camera-operated culvert inspections and repairs within the metropolitan area
- Bridge bearing replacement
- Pier replacement.

¹¹ Km which is not resurfacing

¹² Maintenance only

Facilities

Facilities costs are for the maintenance of water, power and lighting facilities in below rail yards and the maintenance of infrastructure depots and associated amenities. The main activities performed in 2018–19 were the periodic inspections and general repairs, including the replacement of defective components.

Other works

Other works includes all works not costed in any of the work categories specified above including audits and inspections and associated facilities and telecommunications works.

Derailments/Collisions/Flood Repairs

Derailments/Collisions/Flood Repairs in 2018–19 included:

- on the Mount Isa Line — \$27.5 million for reinstatement of washouts and other flood damage at multiple locations from the Flooding Event in January / February 2019. Costs were also incurred following the derailment at the Nelia site during the same event.
- on the North Coast Line — \$2.4 million for the January 2019 Monsoonal Flooding event, this was the same event that impacted the Mount Isa Line.

Operating costs

The table below shows operating expenditure by Regional Network for 2018–19.

Operating expenditure costs by Regional Network 2018–19 (\$ million)

	Mount Isa	North Coast	Metro
Train operations management	3.6	10.6	27.8
Other expenses	13.6	18.7	41.0
Corporate overheads	5.1	11.3	24.7
Total	22.3	40.5	93.6

¹³ In the Metropolitan network, rail renewal is recognised as capital expenditure

Capital expenditure

Actual and forecast capital expenditure

The table below provides a summary of capital investment in below rail infrastructure (excluding stations and platforms) for 2018–19 and forecast capital expenditure for 2019-20 to 2022-23.

Actual and forecast capital expenditure by Regional Network — 2018–19 to 2022–23 (\$ million)

Network	Actual 18-19	Budget 19-20	Budget 20-21	Budget 21-22	Budget 22-23
Mount Isa	40.1	19.9	16.8	27.9	26.7
North Coast	88.9	129.8	92.7	71.6	75.6
Metro	163.6	199.2	245.3	208.2	178.7

Note: Capital investment for system summary purposes includes direct investment in the system only. It does not include an allocation of network-wide and corporate enabling capital investment or adjustments for non-material operational expenditure which are separately accounted for in the Statement of Investments within Below Rail Financial Statements.

Major capital expenditure in 2018-19, by system (\$million)

Mount Isa

Project	\$ million
Mount Isa	
Mount Isa Line Flood Recovery Works	27.1
Ballast renewals	6.0
Steel sleeper replacements	4.5
Culvert renewals	1.3
North Coast Line	
Timber bridge eliminations	25.9
Steel bridge rehabilitation	14.0
Bundaberg re-signalling	13.9
Metropolitan	
ETCS — Inner City	34.0
NGR Operational Readiness Power Distribution	22.1
SEQ Track and Level Crossing Reconditioning	13.2

Volumes

Net tonnes on the Mount Isa Line and the North Coast Line may travel through multiple corridors on a single journey. Best estimates have been made of net tonnes and train paths by selecting representative sections within the system.

Mount Isa

Approximately 3.4 million tonnes of freight were moved on the Mount Isa Line in 2018-19, with Mount Isa, Cloncurry and Phosphate Hill being the main origins of freight. Estimated net tonnes by corridor are shown below.

Volumes for 2018-19 were affected by the effects of major flooding with sections of the Mount Isa Line closed for 12 weeks from early 2019.

2018-19 Estimated net tonnes by commodity Mount Isa Line ('000 tonnes)

Commodity	Stuart to Cloncurry	Cloncurry to Flynn	Flynn to Mount Isa	Flynn to Phosphate Hill
Industrial products and metals	1,273	1,214	1,097	1,644
Minerals concentrate	1,365	692	693	0
Agriculture	26	0	0	0
Other	17	10	5	0
Total	2,682	1,917	1,790	1,644

Notes:

- Industrial products and metals includes acid, fertiliser and intermodal freight (mining inputs) and metals

2018-19 Train paths by commodity—Mount Isa Line

Commodity	Stuart to Cloncurry	Cloncurry to Flynn	Flynn to Mount Isa	Flynn to Phosphate Hill
Industrial products & metals	907	868	1,241	1,693
Minerals concentrate	643	272	278	0
Agriculture	141	0	0	0
Long distance passenger	147	147	147	0
Other	82	62	29	41
Total	1,920	1,349	1,695	1,734

2018-19 Gross tonne kilometres—Mount Isa Line

Commodity	Gtk (million)
Industrial products & metals	2,405
Minerals concentrate	1,788
Agriculture	85
Long distance passenger	35
Other	56
Total	4,369

North Coast Line

Over 4.6 million tonnes of freight were moved on the North Coast Line in 2018-19, with containerised freight accounting for around 60% of tonnes moved. Estimated net tonnes by corridor are shown below.

2018-19 Estimated net tonnes by commodity North Coast Line ('000 tonnes)

Commodity	Bundaberg to Parana '000 tonnes	Gladstone to Mackay '000 tonnes	Mackay to T'ville '000 tonnes	Townsville to Cairns '000 tonnes
Containerised freight	2,975	2,402	1,904	861
Agriculture	35	47	1,615	0
Other	12	47	25	4
Total	3,022	2,495	3,544	865

Notes:

- Net tonnes on the North Coast Line excludes freight from the Mount Isa Line in transit from Stuart to the Port of Townsville (14 km)
- Agriculture includes bulk sugar, livestock and grain, but excludes fruit, vegetables and containerised meat

2018-19 Train paths by commodity—North Coast Line

Commodity	Bundaberg to Parana	Gladstone to Mackay	Mackay to T'ville	Townsville to Cairns
Containerised freight	3,724	3,546	2,904	570
Agriculture	201	183	2,438	0
Long distance passenger	1,892	509	495	466
Other	145	259	175	332
Total	5,962	4,497	6,012	1,368

2018-19 Gross tonne kilometres—North Coast Line

Commodity	Gtk (million)
Containerised freight	5400
Agriculture	459
Long distance passenger	468
Other	107
Total	6,434

Notes:

- Agriculture includes bulk sugar, livestock and grain, but excludes fruit, vegetables and containerised meat

Metropolitan

Over 10.2 million tonnes of freight were moved on the Metropolitan Network in 2018-19, with the North Coast Line and West Moreton Network connecting to the Metropolitan Network.

The Metropolitan Network moves coal and grain from the West Moreton Network/South West Queensland and connects to the North Coast Line for containerised general freight and agricultural movements.

2018-19 Net tonnes—Metropolitan ('000 tonnes)

Commodity	Net tonnes
Containerised general freight	3,114
Coal	6,997
Agriculture	62
Other	70
Total	10,242

2018-19 Train paths by commodity— Metropolitan ('000 tonnes)

	Caboolture-Nambour	Corinda-Ipswich	Dutton Park-Fishermen's Island
Freight	3,733	2	452
Coal	0	7,520	7,542
Agriculture	198	249	31
Long distance passenger	1901	364	0
Other	43	475	595
Total	5,875	8,610	8,620

2018-19 Gross tonne kilometres—Metropolitan (excluding Citytrain)

Commodity	Gtk (million)
Containerised general freight	663
Coal	1,031
Agriculture	33
Long distance passenger	119
Other	25
Total	1,872

DEFINITIONS

Where a term is capitalised and is not included in the below definitions it is taken to have the definition in AU1.

Access means the non-exclusive right to use a specified part of the Network for the purpose of operating Train Services.

Access Agreement means an agreement between Queensland Rail and an Access Holder for the provision of Access.

Access Application means a request for Access Rights by an Access Seeker that includes:

- (a) the information referred to under schedule B of AU1; and
- (b) all additional or clarified information required by Queensland Rail through the acknowledgement of an Access Application processed described in Section 2.3 of AU1.

Approved Capital Expenditure means all capital expenditure accepted into a Regulatory Asset Base by the QCA in accordance with clause 2.1(a) of schedule E of AU1.

AU1 means Queensland Rail's Access Undertaking 1.

Below Rail Financial Statements has the same meaning as Financial Statements in AU1.

Below Rail Services means the activities associated with the ownership, provision and management of the Network, including:

- (a) the construction, maintenance and renewal of Network assets including to ensure that the Network is provided to the standard required to meet Queensland Rail's obligations to each Network Participant; and
- (b) the network management services required for the safe operation of Train Services on the Network including:
 - Network Control; and
 - the implementation of procedures and systems, including supporting communications systems, for the safe operation of Train Services and protection of work sites on the Network,

and **Below Rail** has a similar meaning.

Capacity Information means the information referred to under schedule A of AU1.

Capital Indicator means the annual capital expenditure allowance approved by the QCA for the purpose of assessing the relevant Reference Tariff.

Common Costs means those costs associated with the provision of the Network by Queensland Rail that are not Incremental Costs for any particular Train Service.

CPI means the Consumer Price Index: All Groups – Brisbane (Australian Bureau of Statistics Publication No.6401.0) as published by the Australian Bureau of Statistics (or other successor, authority or instrumentality having jurisdiction in the matter).

Customer means a person that the Access Holder or Access Seeker is providing or intending to provide Train Services (as a Rolling Stock Operator) for or on behalf of.

Customer Access Seeker means, where there are Competing Access Seekers and one of those Access Seekers (Principal Access Seeker) is the Customer for the other Competing Access Seekers, the Principal Access Seeker.

Dispute means, any dispute, complaint or question arises between Queensland Rail and an Access Seeker in relation to any provision of AU1.

End User Access Seeker means an Access Seeker who is, or will be, party to an Access Agreement with a Nominated Rolling Stock Operator, granting rights to that Nominated Rolling Stock Operator for the non-exclusive utilisation of a specified section of the Network for the purposes of operating Train Services.

gtk means the gross tonne kilometres attributed to the relevant Train Service, being the total gross weight (in tonnes) of the Rolling Stock utilised in the relevant Train Service (including all goods, products, persons or matter carried) multiplied by the distance (in kilometres) travelled by the Train Service, as calculated in accordance with the relevant Access Agreement.

Indicative Access Proposal means a non-binding written response from Queensland Rail to an Access Application which includes the information set out in clause 2.4.2 of AU1.

Metropolitan Network means that part of the Network bounded to the north by (and including) Nambour station and to the west by (and including) Rosewood and including all branch lines comprised in that part of the Network.

Mount Isa Network means that part of the Network bounded to the east by (and including) Stuart and to the west by (and including) Mount Isa and including all branch lines comprised in that part of the Network.

Negotiation Cessation Notice means a notice to an Access Seeker that it does not intend to enter into an Access Agreement with the Access Seeker pursuant to the relevant Access Application.

Network means the rail transport infrastructure (as defined in the TIA) the use of which is taken, pursuant to section 250(1)(b) of the QCA Act, to be a service declared under Part 5, Division 2 of the QCA Act (but excluding any rail transport infrastructure (as defined in the TIA) the use of which is referred to in section 249(2) of the QCA Act).

North Coast Network means those parts of the Network bounded to the south by (and including) Nambour station, to the north by (and including) Cairns and to the west by (but excluding) Stuart and including all branch lines comprised in that part of the Network. The North Coast Network excludes the sections between Parana and Rocklands Durrobbara to Kaili (which is part of Aurizon's Newlands Coal system).

nt means the net tonnes attributed to the relevant Train Service, being the total gross weight (in tonnes) of the Rolling Stock, when loaded, utilised in the relevant Train Service (including all goods, product, persons or matter carried) less the weight of such Rolling Stock (in tonnes) when empty, as calculated in accordance with the relevant Access Agreement.

QCA means the Queensland Competition Authority as established under the QCA Act.

Queensland Rail means Queensland Rail Limited ACN 132 181 090.

Railway Manager means an Accredited rail infrastructure manager (as defined in the TRSA).

Reference Tariff means an Access Charge, calculated in accordance with schedule D of AU1, applicable for a specified Reference Train Service.

Regulatory Asset Base means the asset value accepted by the QCA for the purpose of developing a Reference Tariff, as maintained by Queensland Rail in accordance with clause 3.8 of AU1.

Renewal means, in relation to an Access Holder's Access Rights that are to expire, the Renewal Access Seeker entering into an Access Agreement to hold or continue to hold Access Rights for a further term commencing immediately after the expiry of the relevant Access Rights that have the same origin and destination, require the same or less Train Path requirements and otherwise are substantially equivalent to the relevant Access Holder's Access Rights immediately prior to their expiry, subject to any variation referred to in clause 3.3(f) of AU1.

Renewal Access Seeker means, in relation to an Access Holder's Access Rights that are to expire:

- (a) the Access Holder;
- (b) an Access Holder's Rolling Stock Operator; or
- (c) another Rolling Stock Operator competing for the relevant Access Rights.

Renewal Application means an Access Application by a Renewal Access Seeker solely for a Renewal.

Rolling Stock means rolling stock (as defined under the TRSA) that operates on or uses Track.

Rolling Stock Operator means a rolling stock operator (as defined under the TRSA) who operates or will operate Rolling Stock on the Network.

Track means that part of the Network comprising the rail, ballast, sleepers and associated fittings.

Train means any self-propelled configuration of Rolling Stock operating as a unit on Track.

Train Path means the use of a specified portion of the Network, which may include multiple sections in sequential order, at a specified time.;

Train Service means a Train operating on the Network from a specified origin to a specified destination.

Undertaking means a document created by Queensland Rail and approved by the QCA, which provides a framework to manage negotiations with Access Seekers for access to Queensland Rail's rail infrastructure for the purpose of operating train services.

West Moreton Network means that part of the Network comprising the rail corridor from (and including) Rosewood to Miles, excluding all branch lines not directly connecting coal mine loading facilities to that rail corridor.

Year means the period of 12 months commencing 1 July.

