



Thursday, 12 December 2013

Mr Paul Bilyk  
Director Rail and Ports  
Queensland Competition Authority  
GPO Box 2257  
Brisbane QLD 4001

Dear Mr Bilyk

### **Aurizon Network Standard User Funding Agreement Draft Amending Access Undertaking**

In July 2013 Aurizon Network submitted a standard user funding agreement (SUFA) draft amending access undertaking (DAAU) to the Queensland Competition Authority (QCA). In August 2013 Asciano, along with other interested stakeholders, made a submission to the QCA on this SUFA DAAU.

Of particular note is the fact that the Queensland Resources Council (QRC) made an extensive submission on the 2013 SUFA DAAU which included marked up amendments to the SUFA document package.

Following these submissions the QCA has sought a further round of submissions on issues raised in the submissions provided to date.

To the extent that issues previously considered by QCA SUFA consultation processes are being re-considered in this current round of consultation, Asciano is seeking that its previous submissions on these issues be taken into account by the QCA if they are relevant to the issue under consideration.

Asciano is not intending to make a detailed submission to this process, however Asciano is concerned that the Expansion Process Principles proposed by the QRC do not allow:

- access seekers who are not coal miners to be beneficiaries of feasibility studies (Principle 7); and
- access seekers who are not coal miners to be allocated expansion capacity (Principle 10).

Asciano believes that as train operators are active participants in the coal supply chain they should not be prevented from being involved in the expansion process. The obligations that come with participation under SUFA should be the same for train operators as for coal miners.

In addition to the concerns raised above Asciano has several ongoing concerns with the nature of the regulatory process relating to SUFA. These concerns include:

- the SUFA DAAU regulatory process is operating under the 2010 Aurizon Network Access Undertaking; however the regulatory process to develop and implement a

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new access undertaking is well under way. Asciano is seeking clarity as to how the outcome of the current 2013 SUFA DAAU will be reflected into the new access undertaking. Asciano believes that the final set of SUFA documentation as approved by the QCA under this current process should be incorporated into the access undertaking currently being developed.

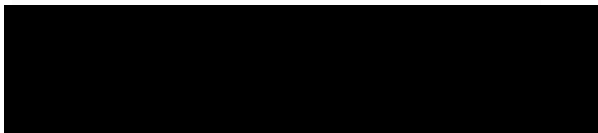
Further to this issue Asciano notes that in early December 2013 Aurizon Network has lodged a submission with the QCA, which among other things includes a new draft of the Network Development and Expansion section of the Aurizon Network Draft Access undertaking.

Asciano is concerned that multiple sets of documents relating to rail network expansion and funding that are being developed under different access instruments is not necessarily conducive for the development and implementation of a clear and consistent rail network expansion and funding framework.

- the SUFA documentation has largely been developed via bi-lateral negotiation between the QRC and Aurizon Network. Asciano believes that some involvement by other impacted parties, such as train operators, in this consultation process would benefit the process. Asciano does not believe that non-transparent bi-lateral negotiations will necessarily result in optimal regulatory outcome.

Feel free to contact me on 02 8484 8056 to discuss this submission.

Yours sincerely,



**Stuart Ronan**  
Manager Access and Regulation

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