

Friday 17 March 2017

Mr Charles Millsteed  
 Chief Executive Officer  
 Queensland Competition Authority  
 Level 27  
 145 Ann Street  
 Brisbane Qld 4000

Submitted via QCA Internet Portal

Dear Mr Millsteed

### **Pacific National Comments on Proposed Changes to 2017 Draft Access Undertaking Documents**

Pacific National welcomes the opportunity to make a further submission to the Queensland Competition Authority (QCA) in relation to collaborative stakeholder submissions. Pacific National understands that the Queensland Resources Council (QRC) and Aurizon Network have agreed further changes as part of the current 2017 Draft Access Undertaking regulatory process and these changes will be reflected in a submission from Aurizon Network to the QCA.

The tables below outline the Pacific National position on the recent changes agreed by the Queensland Resources Council (QRC) and Aurizon Network. These tables are based on drafts of the submission from Aurizon Network to the QCA which have been made available to Pacific National.

**Table 1: Pacific National Position in Relation to Proposed Changes to the Access Undertaking**

<b>2017 Draft Access Undertaking Change Proposed in the Collaborative Submission</b>	<b>Pacific National Position</b>
<b>6.13 Access Conditions wording changes</b> Drafting changes which largely restore the 2016 drafting with the exception that new drafting now clarifies the treatment of non-coal access agreements.	Pacific National accepts these proposed changes
<b>7.4.2 to 7.4.9 Transfer drafting changes</b> Substantial drafting changes to <ul style="list-style-type: none"> <li>• make current provisions more readable: and</li> <li>• return to UT3 position of two year fee free transfers</li> </ul>	Pacific National accepts these proposed changes
<b>7.4.9 Relinquishments wording changes</b> Drafting changes to reflect changes proposed for the Standard Access Agreement in relation	Pacific National accepts these proposed changes

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to the process for increasing the maximum payload for Train Service Types.	
<p><b>7A.3 Supply Chain Co-Ordination wording</b> Wording changes as proposed By Aurizon Network in its 2017 Draft Access Undertaking are to be accepted.</p>	Pacific National accepts the wording changes proposed by Aurizon Network in its 2017 Access Undertaking conditional on other changes in the broader collaborative submission being generally accepted.
<p><b>7A.4.3 System Capacity Assessment</b> Substantial drafting changes to require Aurizon Network to provide an annual supply chain capacity review for information purposes only.</p>	Pacific National accepts these proposed changes
<p><b>9.2 Development of a Standard Rail Connection Agreement</b>  Drafting changes will require Aurizon Network to undertake a review of the Standard Rail Connection Agreement within 12 months of the approval of the 2017 draft Access Undertaking</p>	Pacific National accepts these proposed changes. (Pacific National notes that the standard connection agreement was subject to specific consultation from 2011 to 2013, and was then subject to consultation in the broader access undertaking consultation from 2013 to 2016).
<p><b>11.1 Disputes</b> Drafting changes clarify the treatment on non-coal access agreements and services in relation to dispute resolution.</p>	Pacific National accepts these proposed changes
<p><b>12.1 Definitions</b> Drafting changes largely arising of a consequence of other drafting changes as outlined above</p>	Pacific National accepts these proposed changes
<p><b>Schedule E clause 1.1 c) i)</b> Drafting changes address the treatment of asset disposals in the RAB.</p>	Pacific National accepts these proposed changes.

In addition to the above matters relating to the Access Undertaking Pacific National understands that Aurizon Network has agreed to undertake a review of the take or pay pooling concept within the term of the 2017 Access Undertaking. Pacific National strongly supports the need for such a review.

**Table 2: Pacific National Position in Relation to Changes to the Standard Access Agreement**

Proposed UT5 Standard Access Agreement Change	Pacific National Position
Note that Pacific National accepts the changes proposed for the Standard Access Agreement	
<p><b>Section 11.1 a)</b> Substantially redrafted</p>	<p>Under the test in 11.1 a) if the access holder’s average annual payload is greater than the maximum payload then the process to reduce train services may be triggered.</p> <p>Pacific National accepts this position on the understanding that any trials of longer trains or larger trains which are undertaken with the agreement of Aurizon Network will be exempt from the test in 11.1 a).</p>

**Table 3: Pacific National Position in Relation to Changes to the Train Operations Deed**

Proposed UT5 Train Operations Deed Change	Pacific National Position
<p><b>Section 11</b> Substantially redrafted</p>	Pacific National accepts these proposed changes.
<p><b>Section 12</b> Deleted</p>	Pacific National accepts these proposed changes.

Please note that Pacific National reserves the right to further comment on the matters outlined in this correspondence. If you wish to discuss these comments please contact myself on 02 8484 8056 or Ying Yeung on 07 3002 3726.

Yours sincerely

Stuart Ronan  
Manager Access and Regulation