

Our ref: MCR-18-721

Professor Flavio Menezes
Chair
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Professor Menezes

QUEENSLAND RAIL'S DRAFT ACCESS UNDERTAKING 2 (DAU2)

In accordance with the Initial Undertaking Notice issued by the Queensland Competition Authority (**QCA**) on 12 September 2017 (as extended by the QCA on 15 February 2018 and 27 July 2018) I am pleased to provide Queensland Rail's Draft Access Undertaking 2 (**DAU2**) and accompanying explanatory material.

This submission comes at a time when there are unique circumstances facing Queensland Rail and industry, with the outcomes of items such as the QCA's Declaration Review, the New Acland mine expansion, and the impact of Inland Rail remaining uncertain.

Notwithstanding this, for this submission Queensland Rail has sought to limit the policy differences with customers and stakeholders by producing only targeted improvements on the 2016 Access Undertaking (**AU1**) rather than a complete rewrite. Throughout this process Queensland Rail has taken the opportunity to engage and consult with customers and stakeholders (including representatives from QCA) to seek agreed outcomes.

Queensland Rail will continue to work with its customers and stakeholders to develop a reference tariff proposal to address a low throughput scenario on the West Moreton System in the DAU2 period to cover the event if New Acland Stage 3 development does not proceed or is delayed. This proposal will be provided supplementary to this submission to the QCA post-lodgement of DAU2.

Queensland Rail also supports the QCA's objectives in its Statement of Regulatory Intent published on 6 July 2018 including its desire to deliver a timely and efficient process and have a replacement undertaking approved before AU1 terminates at the end of June 2020.

If you have any questions please do not hesitate to contact Douglas Jasch, Manager Policy and Regulation, on 3072 0544.

Yours sincerely


Nick Easy
Chief Executive Officer

14 August 2018