



David Watson
Deputy Chairman
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane QLD 4001

12 June 2015

Dear David,

Aurizon welcomes the opportunity to provide comment on the Queensland Competition Authority's (QCA) decision to reject Queensland Rail's application to not extend the 2008AU.

The reasons for the QCA's rejection of the extension is that the extension application did not include similar commitments previously given by Queensland Rail in relation to the retrospective application of the Western System reference tariff to 1 July 2013. The QCA notes that:

The DAAU also creates uncertainty whether the tariff for the proposed extension period is consistent with the requirements of section 138(2).

The QCA's draft position is that these uncertainties-and the negative effect such uncertainties have on the public interest and the promotion of the economically efficient operation of, use of and investment in, significant infrastructure-outweigh any regulatory certainty that may otherwise arise from approving the April 2015 extension DAAU and providing for an approved undertaking to continue beyond 30 June 2015.

While Aurizon welcomes the QCA interest in holding Queensland Rail to its previous commitments the decision to reject the extension application:

- may not achieve the desired effect if Queensland Rail is able avoid giving any such commitment and allowing the 2008AU to terminate with the negotiation reverting to Part 5 of the QCA Act; and
- the uncertainties associated with expiry of the 2008AU are potentially more significant than the QCA anticipates.


There are substantial uncertainties as to the implications for access negotiations already commenced under the 2008AU and how those negotiations would transition to the Part 5 arrangements. Similarly, the provisions in Part 5 do not provide guidance or binding timeframes for responding to an access request. Accordingly it necessary to balance the interest of access seekers with the interest of access holders who may have relied on those commitments.



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It is Aurizon's strong preference that the regulatory certainty associated with the 2008AU is maintained through approval of the extension draft amending access undertaking and that the issue of retrospectivity of the reference tariff be addressed through the consideration of the 2015 Draft Amending Access Undertaking with an assessment of reasons provided by Queensland Rail for the withdrawal of its previous commitments.

Should you have any questions in relation to this submission please contact myself or Amy Kirk, Manager Access Commercial & Marketing on [REDACTED]

Yours sincerely [REDACTED]

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James Moutafis
Vice President
Commercial & Marketing