

Submission on QR's April 2015 Extension Draft Amending Access Undertaking

1 Background

Queensland Rail's current access undertaking is due to expire on 30 June 2015. In April 2015 QR submitted a draft amending access undertaking (the **Extension DAAU**) seeking to extend its undertaking until 30 June 2016 (or earlier approval of a replacement undertaking).

The Queensland Competition Authority's (**QCA**) draft decision of 4 June 2015 (the **Draft Decision**) is to refuse to approve the Extension DAAU. This is a submission on that Draft Decision from Glencore as a major user of the Mount Isa line, which forms part of QR's network.

2 Glencore submissions

Glencore is concerned that the outcome of a refusal to approve the Extension DAAU is that from 1 July 2015 there will be no approved undertaking for the entirety of the QR network.

It appears from the Draft Decision that the QCA's concerns relate to West Moreton system reference tariff issues. Glencore questions whether, if that is the extent of the concerns, it is appropriate for users of all other parts of QR's network to suffer greater uncertainty as a consequence.

Glencore acknowledges that the *Queensland Competition Authority Act 1997* (Qld) (the **QCA Act**) contains some protections which would continue to apply in the absence of an undertaking. However, there are protections in the existing undertaking (like defined time periods for various stages of the access negotiation period, access conditions restrictions, the queuing framework, reporting, QCA information and audit powers) that do not exist in the QCA Act.

One possible way forward, that Glencore suggests the QCA give some consideration to, is recommending the West Moreton system tariff be excluded entirely for the period of the extension, but the term of the undertaking otherwise be extended. That would seemingly create a pathway for QR to resubmit a revised simple Extension DAAU which kept on foot the undertaking in respect of all of the network and just left the decision on the date from which West Moreton system reference tariffs then applied as something to be decided at the time of the QCA's decision on QR's 2015 draft access undertaking.

To the extent that the QCA makes a final decision to refuse to approve the Extension DAAU and QR does not submit a revision of the Extension DAAU acceptable to the QCA, Glencore considers it is imperative that the QCA seek to expedite the consideration of the 2015 draft access undertaking to the greatest degree practicable so that the lack of an access undertaking applicable to the Mount Isa line is an issue of limited duration.

Thank you for the opportunity to provide a submission on the Draft Decision.