



4 September 2017

## **WIRP Users: Submission to the Queensland Competition Authority**

### **Aurizon Network 2015-16 Capital Expenditure Claim**

The Wiggins Island Rail Project ('WIRP') User Group welcomes the opportunity to provide a submission in response to Aurizon Network's 2015-16 Capital Expenditure Claim ("FY16 Capex Claim").

The WIRP User Group comprises Washpool Coal Pty Ltd, Caledon Coal Pty Ltd, Wesfarmers Curragh Pty Ltd, Colton Coal Pty Ltd and Yarrabee Coal Company Pty Ltd ('WIRP User Group'). The WIRP User Group provides the following comments on the FY16 Capital Claim to the extent that AECOM's and RSM's assessment relates to the projects that comprised WIRP.

Overall the WIRP User Group welcomes and supports the methodology and rigour applied by AECOM in assessing the prudence of scope, standard and cost of the projects. Specifically, the WIRP User Group supports AECOM's recommendations that the QCA accept the capital expenditure into the regulated asset base for the following growth projects:

- A.01731 Dingo-Bluff Duplication
- A.02976 North Coast Line (NCL) – comprising the WICET spur, Yarwun Ballast Siding, Aldoga Holding Road and Kabra Holding Roads

The WIRP User Group also welcomes and supports the level of rigour applied by RSM in its assessment of the prudence of costs. We note RSM's findings on the variances between accrued and actual costs and particularly the adjustments that may apply in future financial years for any over claims in the 2015-16 period. The WIRP User Group notes that costs for WIRP had not been finalised in the 2015-16 period. Therefore future capital expenditure claims for at least the 2016-17 year should take into consideration the over claim adjustments for the 2015-16 period.

If you have any questions relating to our submission, please contact our representative Mr Jamie Freeman ([jfreeman@balanceadvisory.com](mailto:jfreeman@balanceadvisory.com)).

We confirm that this submission is public.