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26 May 2011

Mr Paul Scurrah Chief Executive Officer Queensland Rail Ltd GPO Box 1429 Brisbane QLD 4001

Dear Mr Scurrah

Final Approval Queensland Rail's Draft Amending Access Undertaking – Extension of Termination Date

On 21 April 2011, the Authority received from Queensland Rail Ltd (QRail) a draft amending access undertaking (DAAU) which sought to extend the termination date of its 2008 access undertaking from 30 June 2011 to 30 June 2012.

In response to a request for comments, the Authority received submissions from three stakeholders – Asciano, QR National and the Queensland Resources Council. None of the submissions opposed the extension DAAU. However, they raised some related concerns, including that:

- (a) QRail has not included with the DAAU the standard access agreements (SAAs) that were approved as part of the 2008 undertaking by the Authority in October 2008; and
- (b) QRail is taking too long to submit a replacement undertaking, and the Authority should therefore issue an Initial Undertaking Notice under Section 133 of the *Queensland Competition Authority Act 1997* (the QCA Act).

The SAAs form part of QRail's approved 2008 undertaking and the only way this could be changed would be through a specific DAAU, approved through the process set out in the QCA Act. It is noted that QRail has recognised this, and included the SAAs on its website.

The Authority considers it is in the interest of everyone, including QRail and access seekers, that QRail moves as quickly as possible to put in place a new undertaking that does not have the legacy issues of the 2008 access undertaking inherited through the Queensland Government's June 2010 transfer notice.

However, given that QRail is yet to submit a draft access undertaking, as it is still preparing a proposal that reflects its changed circumstances after the June 2010 split of QR Ltd into QR National Ltd and QRail, it is reasonable to extend the 2008 access undertaking by 12 months. It is noted that this does not prejudice the ability of the Authority to issue an Initial Undertaking Notice, should it choose to do so at a later date.

Based on these considerations, the Authority on 19 May 2011 approved the DAAU. Accordingly, QRail's 2008 access undertaking now terminates on 30 June 2012.

Copies of the Authority's final decision and related documents are available on the Authority's website at <u>http://www.qca.org.au</u>.

Yours sincerely



EJ Hall Chief Executive