

STAKEHOLDER NOTICE

2 March 2021

Queensland Rail's 2019–20 capital expenditure claim

Queensland Rail's 2020 access undertaking (AU2) provides for the QCA to assess the prudence of capital expenditure in Queensland Rail's West Moreton Network, after the expenditure has taken place, to determine whether it should be included in the regulatory asset base (RAB).

In assessing the prudence of capital expenditure, we focus on the **scope, standard of works and cost**.

Schedule E of AU2 outlines processes and criteria for our assessment.

In accordance with schedule E of AU2, we are now seeking submissions from stakeholders on Queensland Rail's 2019–20 capital expenditure claim.

At this time, we do not consider it is necessary for us to seek further engineering advice on the scope, standard and costs of projects included in the 2019-20 claim, given the nature of the key projects included in the claim (many of which we have previously considered) particularly when the costs of this advice are ultimately borne by customers. However, if stakeholders consider there are aspects of the claim which would benefit from seeking additional independent advice, please include these views in your submission.

Queensland Rail's claim

Queensland Rail submitted its 2019–20 capital expenditure claim on 23 February 2021. The claim encompasses six projects plus ballast undercutting totalling \$40.8 million (excluding interest during construction), as outlined in Table 1. Queensland Rail provided detail for each project in its submission.

Table 1 Queensland Rail's 2019–20 capital expenditure claim projects

<i>Project number</i>	<i>Project name</i>	<i>Claim (\$, excluding interest during construction)</i>
B.04042	Toowoomba Range Slope Stabilisation ^a	20,180,899
B.04403	Culvert/Drain Renewal ^b	2,269,123
B.04613	Formation Strengthening West Moreton System	49,682
B.04636	Timber and Steel Bridge Elimination ^c	14,236,641
B.04794	Lxing Upgrades W'Moreton 16-17 - 19-20	793,057
B.05956	West Moreton Derailment Recovery	2,587,439
	Ballast Undercutting	641,000
Total		40,757,841

^aWe preapproved the scope and standard of the Toowoomba Range Slope Stabilisation Project in April 2019. ^bThe Culvert/Drain Renewal project is the finalisation of a three-year program—where we have previously assessed and approved scope standard and cost. ^cThe Timber and Steel Bridge Elimination project is the continuation of four-year program—where we have previously assessed and approved the scope, standard and cost.

Stakeholder submissions invited

We have published Queensland Rail's claim on [our website](#). Stakeholders are invited to submit comments on Queensland Rail's 2019–20 capital expenditure claim by **Monday, 22 March 2021**.

We may also decide to issue a draft decision, depending on the nature and extent of issues raised. Stakeholders will be informed of subsequent timelines and opportunities to make submissions in that event.

Submissions

Closing date for submissions: 22 March 2021

Public involvement is an important element of our decision-making processes. Therefore, submissions are invited from interested parties concerning its assessment of Queensland Rail's 2019–20 capital expenditure claim. We will take account of all submissions received within the stated timeframes.

Submissions, comments, or inquiries regarding this paper should be directed to:

Queensland Competition Authority
GPO Box 2257
Brisbane Q 4001

Tel (07) 3222 0534

Fax (07) 3222 0599

www.qca.org.au/submissions

Confidentiality

In the interests of transparency and to promote informed discussion and consultation, the QCA intends to make all submissions publicly available. However, if a person making a submission believes that information in the submission is confidential, that person should claim confidentiality in respect of the document (or the relevant part of the document) at the time the submission is given to the QCA and state the basis for the confidentiality claim.

The assessment of confidentiality claims will be made by the QCA in accordance with the *Queensland Competition Authority Act 1997*, including an assessment of whether disclosure of the information would damage the person's commercial activities and considerations of the public interest.

Claims for confidentiality should be clearly noted on the front page of the submission. The relevant sections of the submission should also be marked as confidential, so that the remainder of the document can be made publicly available. It would also be appreciated if two versions of the submission (i.e. a complete version and another excising confidential information) could be provided.

A confidentiality claim template is available on request. We encourage stakeholders to use this template when making confidentiality claims. The confidentiality claim template provides guidance on the type of information that would assist our assessment of claims for confidentiality.

Public access to submissions

Subject to any confidentiality constraints, submissions will be available for public inspection at our Brisbane office, or on our website at www.qca.org.au. If you experience any difficulty gaining access to documents, please contact us on (07) 3222 0555.