



Friday, 12 June 2015

Dr Malcolm Roberts
Chairman
Queensland Competition Authority
PO Box 2257
Brisbane Queensland 4001

Dear Dr Roberts

Asciano Submission on the QCA Draft Decision on the Queensland Rail Request for an Extension of the Queensland Rail Access Undertaking

Background

This Asciano submission is in response to the Queensland Competition Authority (QCA) Draft Decision on the Queensland Rail Draft Amending Access Undertaking (DAAU) submitted to the QCA in April 2015. This DAAU seeks an extension of the term of the current Queensland Rail access undertaking which will currently expire on 30 June 2015. This DAAU was not accompanied by a commitment from Queensland Rail in relation to the timing applying to tariffs for the Queensland Rail West Moreton Coal System.

Asciano made a submission to the QCA's previous consultation on this matter supporting the extension of the access undertaking in order to maintain ongoing regulatory coverage of the Queensland Rail network and providing regulatory certainty for current and future users of this network.

The QCA's Draft Decision on this matter was to refuse to approve the DAAU as it was not accompanied by a commitment from Queensland Rail to give effect to new reference tariffs for the Queensland Rail West Moreton Coal System from July 2013.

Asciano's Position

Asciano recognises the reasoning behind the QCA's Draft Decision and recognises that uncertainty created by changes to Queensland Rail's timing of tariff adjustments is an important issue. However Asciano does not operate services on the West Moreton Coal System and so the Draft Decision results in Asciano losing regulatory certainty with no offsetting gain in terms of the timing applying to tariffs for the West Moreton Coal System.

Consequently Asciano continues to support an extension of the Queensland Rail Access Undertaking in order to maintain ongoing regulatory coverage of the relevant Queensland Rail assets and provide regulatory certainty for the rail freight tasks which utilise these assets. In particular, Asciano supports the extension of the term of the Queensland Rail 2008 Access Undertaking to the earliest of:

- 30 June 2016; or
- the date a new Queensland Rail access undertaking is approved by the Queensland Competition Authority.

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In taking this position Asciano believes that there has been a conflation of the following issues:

- the issue of the general extension of the Access Undertaking which impacts to a degree on all users and potential users; and
- the issue of the commitment from Queensland Rail to give effect to new reference tariffs for the Queensland Rail West Moreton Coal System from July 2013 which impacts very strongly on some current users.

These two issues are both important and, ideally, these two issues should be separated so each can be addressed on its own merits.

Overall, Asciano continues to support an extension of the access undertaking; however Asciano also supports a process which separates the issue of access undertaking extension from the the issue of the timing applying to tariffs for the West Moreton Coal System.

If you wish to discuss this issue please contact me on (02) 8484 8056.

Yours faithfully

Stuart Ronan
Manager Access and Regulation

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