

Our ref: MCR-18-156

Professor Roy Green
Chair
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

Dear Professor Green

Submission of Queensland Rail's Draft Access Undertaking 2 (DAU2)

Thank you for your letter dated 28 November 2017 regarding the process for the assessment of DAU2.

As highlighted in your letter, the most efficient process to develop DAU2 is one where Queensland Rail works closely with stakeholders to reduce the number of policy differences. This, coupled with our proposed approach to not change sections of our current Undertaking (i.e. AU1) which are working satisfactorily, will hopefully deliver a more efficient process where stakeholders are aligned.

Following planning for the development of DAU2 and some initial stakeholder conversations, Queensland Rail believes that allowing more time for submission of DAU2 will provide a better balance between time for Queensland Rail to consult upfront on the development of DAU2 and time for QCA consultation and decision making.

As noted in your correspondence, matters relating to pricing on the West Moreton Network are currently uncertain, and will need to be resolved as the demand outlook becomes clearer during the investigation of DAU2.

To facilitate an expeditious process, Queensland Rail will aim to prepare capital and maintenance programs for the following two scenarios:

1. Approximately [REDACTED] million tonnes per annum - New Acland Stage 3 is approved and developed; and
2. Approximately [REDACTED] million tonnes per annum - New Acland Stage 3 is not approved.

These scenarios will have very different capital and maintenance programs and preparation will take considerable time and resources. However, this will limit the possibility of delays later in the process once the tonnage profile becomes more certain.

On this basis, Queensland Rail proposes that the period for submission of the DAU2 be extended to 31 October 2018. This revised date, being two years since the QCA's approval of AU1, will also enable all parties to adequately assess the performance of the current access undertaking in terms of any amendments that are to be made when developing DAU2.

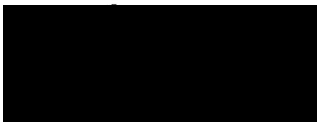
Indicative timeframe for development of DAU2



Queensland Rail is also conscious of meeting the QCA's timeframes for the declaration review and looks forward to providing its submission.

I appreciate your consideration of this matter. If you have any questions, please do not hesitate to contact Douglas Jasch, Manager Policy and Regulation, on 3072 0544.

Yours sincerely



Nick Easy
Chief Executive Officer

Nick Easy January 2018