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**Queensland
Government**

Treasury

Our Reference: TRX-08711

12 MAY 2009

Mr EJ Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001


Dear Mr Hall

I refer to your letter of 23 April 2009, requesting comment on the QR Network's 2008 Draft Amending Access Undertaking – Extension of Termination Date'.

Treasury understands that the extension request from Queensland Rail (QR) Network is largely due to delays in the approval of QR Network's 2009 draft access undertaking (DAU), scheduled to commence on 1 July 2009.

Since QR Network lodged its voluntary DAU on 9 September 2009, commodity prices have fallen sharply, and coal demand forecasts across the term of the 2009 undertaking have dropped significantly. Treasury recognises that these events necessitate further detailed review of the 2009 DAU, and an extension of timelines for the Authority to reach a decision.

Based on this, Treasury has no objections to QR Network's application to extend the 2008 undertaking for a further six months.

Although the circumstances surrounding the determination are out of the Authority's control, Treasury encourages the Authority to continue to make its best endeavour to reach a decision on the 2009 DAU as soon as practicable in the interests of avoiding a protracted regulatory process.

If you have any questions in relation to this submission please contact Ms Lynne Bulloch, Director of Economic and Structural Policy Branch on (07) 3225 9890.

Yours sincerely


Gerard Bradley
Under Treasurer

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