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QLD COMPETITION AUTHORITY

30 JUL 2010

DATE RECEIVED

30 July 2010

Paul Bilyk  
Director, Rail and Ports  
Queensland Competition Authority  
GPO Box 2257,  
Brisbane QLD 4001

Via Electronic mail ([rail.submissions@qca.org.au](mailto:rail.submissions@qca.org.au))

Dear Paul

**Queensland Competition Authority (QCA) Proposed Investment Framework for inclusion in Queensland Rails Access Undertaking**

RTCA has been an active participant in the Queensland Resource Councils (QRC's) review of the QCA's investment framework principles and supports the QRC's submission regarding this matter.

RTCA is also pleased to provide the following comments in response to the QCA's proposed investment framework. RTCA strongly endorses the thrust of the high level principles outlined in the QCA's proposed investment framework positions paper. RTCA does, however, share the concern outlined by the QRC that a substantial amount of work and detail is yet to be completed in order to give effect to many of the principles.

In particular, the efficacy of the protections from QR seeking excessive returns and/or holding up investment, afforded to users by providing them with the right to fund expansions is dependent on the development of associated documents/agreements to give effect to a workable and reliable user funding model. These documents, such as the Standard User Funding Agreement, are yet to be developed. It is therefore imperative that these documents are developed expediently to implement the protections provided by the proposed user funding framework/model.

In this regard, given the short time frame provided to review and make comment on the proposed investment framework, RTCA requests that QR's replacement access undertaking have provisions that allow for the QCA to develop the necessary agreements/documents to give effect to the proposed user funding framework where these are not provided by QR in a timely manner.

In addition to the supporting documentation/agreements that need to be approved, there are a number of issues that require further thought and/or clarification from the QCA. For example:

- Where users opt to fund particular projects, should they have the right to review and re-scope projects where they are the sole funder of the expansion to prevent excess capacity being created; and
- How major expansion of the network are to priced, whether user funded, QR funded, or both parties funding – i.e., should average pricing apply, differential pricing apply, or maybe a hybrid form of pricing be adopted?

RTCA would welcome the opportunity to explore these issues further with the QCA.

If you have any questions or require further clarification regarding this submission please do not hesitate to contact me on 3029 1107.

Yours faithfully,



Tin Renwick  
**General Manager Infrastructure**