QLD COMPETITION AUTHORITY

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10 NOV 2009

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

Dear Mr Hall

I refer to your letter of 2 November 2009, regarding the Queensland Competition Authority's (QCA) request for comments on QR Network's application to extend the expiry date of the 2008 undertaking.

It is understood that the extension request for the 2008 undertaking is necessary until such time as the 2009 Undertaking (UT3) is finalised. There is however growing concern within Queensland Government regarding the process for reaching a decision on QR Network's UT3 submission.

I appreciate that the issues QR Network has raised in its draft undertaking are complex, and have been exacerbated by the changes in assumptions associated with global economic conditions. However the delay in reaching a decision will have broader financial and capital investment implications should the matter not be resolved in the 2009-10 financial year.

The intention of the six month time limits inserted into the *Queensland Competition Authority Act 1997* in the most recent round of amendments, was to serve as a signal to regulators to reach regulatory determinations in a timely manner.

I understand that the Authority is currently planning to release a draft decision on UT3 in early December 2009. I give you every encouragement to achieve this deadline.

If you would like further information, your officers can contact Ms Tania Homan, Director, Economic and Structural Policy, on (07) 3224 2806.

Yours sincerely

Gerard Bradley
Under Treasurer

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