

Our ref: MCR-16-1056

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
Level 27
145 Ann Street
BRISBANE QLD 4000

Dear Mr Millstead

I refer to the secondary undertaking notice issued by the Queensland Competition Authority (QCA) to Queensland Rail on 17 June 2016.

Enclosed is a copy of Queensland Rail's draft access undertaking, amended as required by the QCA in its final decision (final 2015 DAU).

Queensland Rail is submitting a draft access undertaking that complies with the secondary undertaking notice and final decision, in order to provide certainty for stakeholders.

Queensland Rail's concerns about the QCA's draft decision on its 2015 DAU are well documented. While the QCA's final decision on the 2015 DAU included some amendments when compared to the draft decision, Queensland Rail remains concerned that aspects of the QCA's final decision are inconsistent with the *Queensland Competition Authority Act 1997*, including in relation to the setting of an access charge that is not expected to generate revenue that is at least enough to meet the efficient costs of providing the service and a return.

That said, in the interests of bringing what has been a difficult and protracted process to a close, Queensland Rail has made no changes to the drafting of the QCA's final 2015 DAU.

You may also be aware that Queensland Rail has identified some minor administrative and workability issues with the QCA's drafting of the Final 2015 DAU. The issues have been brought to the attention of QCA officers. Rather than extend the 2015DAU process further, Queensland Rail may lodge a Draft Amending Access Undertaking at some time in the future to deal with these largely administrative matters.

I trust the information supplied outlines Queensland Rail's position in this instance. Should you have any further questions in relation to the above, please do not hesitate to contact Douglas Jasch, Queensland Rail's Manager Policy and Regulation on (07) 3072 0544 or douglas.jasch@qr.com.au.

Yours sincerely


Liam Gordon
A/Chief Executive Officer

14 September 2016