

17 April 2015

Dr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 2257
Tel: (07) 3222 0542
Email: rail@qca.org.au

Dear Dr Roberts,

Queensland Competition Authority's Draft Decision – Aurizon Network's 2014 Draft Access Undertaking

BHP Billiton Mitsubishi Alliance (**BMA**) welcomes the opportunity to provide a submission on the Queensland Competition Authority's (**QCA**) draft decision on Aurizon Network's Draft Access Undertaking (**DAU**). BMA generally supports the Queensland Resources Council's (**QRC's**) submission, and we wish to highlight the areas of significant importance to the future sustainability of our coal mining operations in Queensland. However, we would also like to take this opportunity to highlight issues that BMA considers are above and beyond the views expressed in the QRC's submission.

We support the QCA's decision to not approve Aurizon Network's DAU on the basis that it is inconsistent with Aurizon Network's obligations as a regulated entity under the *Queensland Competition Authority Act 1997 (the QCA Act)*. We also recommend that the QCA consider all matters in assessing the DAU process to ensure:

- A comprehensive review of the DAU is undertaken such that there is a full understanding of commercial implications and potential unintended consequences prior to a final determination.
- Commercial uncertainty is appropriately addressed (including any potential liabilities and risks). This is of particular concern at a time when the coal industry is actively reducing costs and implementing productivity measures to remain commercially viable and globally competitive.
- Simplification of the pricing and non-pricing aspects of the DAU, does not take precedence over the objectives contained in the QCA Act.

BMA would like to reiterate the commercial significance of these multi-user regulatory processes and the impact on international competitiveness of Queensland's coal industry. These regulatory processes have a direct impact on the investment decisions of mining companies to invest and continue to invest in Queensland's resources. It is therefore important that the QCA and stakeholders consultatively consider all commercial and economic issues prior to final determination.

Our attached submission identifies the key issues and concerns we have with the QCA's draft decision, however it cannot be regarded as an exhaustive list. We would appreciate further opportunity to provide you with more detail on these and other issues that may arise during the assessment of Aurizon Network's 2014 DAU.

If you have any queries or require further information, please feel free to contact Ruchi Gupta on 07 3329 2348.

Yours sincerely,


Geoff Streeton
Head of Business Development
BHP Billiton Mitsubishi Alliance