

Malcolm Roberts
Chairman
Queensland Competition Authority
Level 27
145 Ann St
Brisbane QLD 4001

17 April 2015

Draft Decision on Aurizon Network's 2014 Draft Access Undertaking (2014 DAU)

Dear Malcom,

Aurizon Operations (Aurizon) welcomes the opportunity to make a submission on the Queensland Competition Authority's (QCA) draft decision on the 2014 DAU.

The draft decision represents the QCA's consideration of the submissions made by a range of stakeholders on Aurizon Network's proposed initial draft access undertaking in April 2013, and its replacement in August 2014. Given the extensive range of issues that the DAU contemplates, and the length of the process to date, Aurizon has limited its response to the matters of significance.

The rail haulage market is highly competitive and the scope of that competition can, and should, expand beyond price. The access undertaking should not seek to promote competition through overly prescriptive regulatory models.

Aurizon supports the increasing role of our customers within the regulatory framework. They are the parties who are both the ultimate beneficiaries of the below rail services and drive the requirement for investment in rail infrastructure and the supply chain. Nevertheless, rail operators will continue to directly assist or undertake a range of access related responsibilities on behalf of those parties.

The access undertaking should facilitate efforts by supply chain participants to improve productivity without imposing undue costs or unexpected changes in the terms of access. Aurizon welcomes a framework that supports rail operator productivity improvements with prices that are reasonably predictable and stable over time.


As our submission will outline, Aurizon considers that the current approach to AT5 is unsustainable and in need of urgent attention and reform. In the absence of these reforms, operator investment decisions in rollingstock will continue to be subject to an unacceptably high and avoidable level of regulatory risks. Aurizon looks forward to engaging with the QCA and other stakeholders to ensure these reforms can be incorporated into the QCA's final decision.



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Should you have any questions in relation to the attached submission please contact Amy Kirk, Manager Access Commercial & Marketing by phone on 07 3019 9198 or via email at Amy.Kirk@aurizon.com.au.

Yours sincerely

Mauro Neves
EVP Commercial & Marketing