



Professor Roy Green  
Chairman  
Queensland Competition Authority  
Level 27, 145 Ann St  
Brisbane QLD 4001

### **Aurizon Network 2017 Draft Amending Access Undertaking**

17 March 2017

Dear Professor Green,

Aurizon Operations welcomes the opportunity to make a further submission to the Queensland Competition Authority (**QCA**) on the Aurizon Network 2017 Draft Access Undertaking (**UT5**).

Aurizon Operations' submission dated 22 February 2017 (**Initial Submission**) recommended the QCA not approve UT5 if it did not include an obligation to undertake an assessment on the form of regulation and the pricing of access to the overhead power system. The submission also proposed that appropriate transitional incentives be introduced to prevent a further decline in the utilisation of the overhead power system as well as an increase in the price of access to users of those services until that review has been completed.

The submission also acknowledged that while Aurizon Operations considers this assessment and the associated reforms to be a priority matter, it is highly desirable that the consideration of these issues do not unduly delay finalisation of UT5 within the six month statutory timeframes for approval of a draft access undertaking.

Aurizon Operations observes that the QCA is required to consider the draft access undertaking that Aurizon Network has submitted in response to the initial undertaking notice. If the QCA refuses to approve that proposal and asks the Aurizon Network to amend UT5 in a way which addresses the matters raised by Aurizon Operations, this could substantially extend the consultation timeframes. This would effectively represent an amendment to the original proposal which stakeholders need to be given sufficient time to consider and opportunity to respond.

Following careful consideration, Aurizon Operations has concluded that it is highly probable that the requirement for the QCA to address the issues raised in the Initial Submission would substantially delay approval of UT5. This is an unfortunate scenario given the acknowledgement in the UT4 consultation that a review needed to occur but sufficient time was not given to allow that review to be completed in a timeframe which would allow the outcomes to be incorporated into the UT5 proposal. The extended consultation would also be contrary to the objective of completing UT5 by 30 June 2017.

Aurizon Network has informed Aurizon Operations that it has commenced a broader industry and stakeholder consultation process with the intention of submitting a draft amending access undertaking in July 2017. This process will facilitate a parallel consultation process with stakeholders by Aurizon Network. The development of a proposal to reform the pricing of access to the overhead power system can then progress via an amendment to the approved access undertaking. Aurizon Operations considers this process is likely to be preferable to progressing any necessary reforms as part of the UT5 approval process.

For the avoidance of doubt, Aurizon Operations advises the QCA that the matters in the Initial Submission are not matters the QCA should have regard under s 138(2) of the *Queensland Competition Authority Act 1997* in the consideration of UT5 given in response to the Initial Undertaking Notice.

Aurizon Network has also engaged Aurizon Operations on the progress of its collaborative consultation with the Queensland Resources Council and the agreed outcomes in relation to the content of the access undertaking from that consultation. Aurizon Operations wishes to inform the QCA that it has reviewed the following documents which are to be lodged by Aurizon Network on 17 March 2017:

- draft access undertaking;
- draft end-user access agreement; and
- draft train operations deed.

Aurizon Operations advises the QCA that it supports the proposed changes relating to the transfer and relinquishment arrangements and the exclusion of non-coal access rights from the application of access conditions.

Should you have any questions in relation to this submission please contact Amy Booker, Manager Access by phone on (07) 3019 9198 or by email at [amy.booker@aurizon.com.au](mailto:amy.booker@aurizon.com.au).

Kind regards,

  
Danny Harneedy  
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