

STAKEHOLDER NOTICE

21 September 2018

Queensland Rail's 2020 Draft Access Undertaking
QCA staff topics for stakeholder comments

Disclaimer: This material has been prepared by Queensland Competition Authority (QCA) staff and is not binding on the QCA, nor does it represent the views of the QCA.

Background

On 16 August 2018, the QCA published Queensland Rail's 2020 draft access undertaking (2020 DAU), inviting interested parties to make submissions by **17 October 2018**.

QCA staff have developed the below list of topics to assist stakeholders in preparing submissions on the 2020 DAU. While these questions highlight some matters related to the 2020 DAU, they do not seek to comprehensively cover all the topics raised by the proposal. Hence, interested parties should rely on their own analysis to determine whether there are additional matters on which they wish to comment.

In assessing the 2020 DAU, the QCA will consider whether it is appropriate to approve having regard to the criteria in section 138(2) of the *Queensland Competition Authority Act 1997* (the QCA Act). Stakeholders may wish to address these criteria in their comments on Queensland Rail's proposal.

Topics for comment

Stakeholders are requested to provide their views, where they consider they have an interest, in relation to the appropriateness of the following Queensland Rail proposals:

- (1) mechanism for amending the operating requirements manual (ORM) (cl. 4.3)
- (2) amendments to the capital expenditure approval process (Schedule E)
- (3) limits on price differentiation (cl. 3.3)
- (4) a mechanism for determining pricing at renewals (cl. 2.9.3)
- (5) a new category of possessions ('ad hoc planned possessions') (Schedule F)
- (6) a dispute resolution mechanism that applies only to access seekers and not to access holders or other parties (cl. 6.1.2)
- (7) in the standard access agreement, Queensland Rail's proposal to limit its liability for failing to meet performance levels (Schedule H, cl. 13.4; 2020 DAU explanatory document, p. 48)
- (8) in the standard access agreement, the proposal requiring at least six months' access charges as security (Schedule H, item 11 of Schedule 1; 2020 DAU explanatory document, p. 49)
- (9) in the report from Frontier Economics provided with the 2020 DAU, the characterisation of Queensland Rail's risks (by reference to all the different parts of its network) for the purposes of assessing the weighted average cost of capital (WACC) used to calculate tariffs for West Moreton coal services (2020 DAU explanatory document, Attachment 2, Frontier Economics Report, pp. 3–4)

- (10) approach to tariffs for coal services on the Metropolitan system (2020 DAU explanatory document, pp. 44–46)
- (11) West Moreton tariff mechanism, including:
 - (a) forecast volumes, reflecting the potential for mines to open, close, or vary their production (e.g. definition of Endorsed Variation Event; 2020 DAU explanatory document, pp. 10–11);
 - (b) changes in expected operating and capital costs that might result from those changes in volumes (2020 DAU explanatory document, pp. 29–40);
 - (c) the timing and status of the proposed Inland Rail project, and its potential effect on required capital expenditure (2020 DAU explanatory document, p. 26); and
 - (d) the approach to incentives for Queensland Rail, and for existing and potential customers.

Submissions

Closing date for submissions: 17 October 2018

Public involvement is an important element of the decision-making processes of the Queensland Competition Authority (QCA). Therefore submissions are invited from interested parties concerning its assessment of Queensland Rail's 2020 DAU. The QCA will take account of all submissions received within the stated time.

Submissions, comments or inquiries regarding this paper should be directed to:

Queensland Competition Authority

GPO Box 2257

Brisbane Q 4001

Tel (07) 3222 0555

www.qca.org.au/submissions

Confidentiality

In the interests of transparency and to promote informed discussion and consultation, the QCA intends to make all submissions publicly available. However, if a person making a submission believes that information in the submission is confidential, that person should claim confidentiality in respect of the document (or the relevant part of the document) at the time the submission is given to the QCA and state the basis for the confidentiality claim.

The assessment of confidentiality claims will be made by the QCA in accordance with the *Queensland Competition Authority Act 1997*, including an assessment of whether disclosure of the information would damage the person's commercial activities and considerations of the public interest.

Claims for confidentiality should be clearly noted on the front page of the submission. The relevant sections of the submission should also be marked as confidential, so that the remainder of the document can be made publicly available. It would also be appreciated if two versions of the submission (i.e. a complete version and another excising confidential information) could be provided.

A confidentiality claim template is available on request. We encourage stakeholders to use this template when making confidentiality claims. The confidentiality claim template provides guidance on the type of information that would assist our assessment of claims for confidentiality.

Public access to submissions

Subject to any confidentiality constraints, submissions will be available for public inspection at the Brisbane office, or on the website at www.qca.org.au. If you experience any difficulty gaining access to documents, please contact us on (07) 3222 0555.