



Friday, 17 May 2013

Dr Malcolm Roberts Executive Chairman Queensland Competition Authority GPO Box 2257 Brisbane QLD 4001

By email: rail@qca.org.au

Dear Dr Roberts.

Aurizon Network DAAU to Extend the Term of the 2010 Access Undertaking

Introduction

Aurizon Network has submitted to the Queensland Competition Authority (QCA) a Draft Amending Access Undertaking (DAAU) proposing to extend the terminating date of its 2010 access undertaking from 30 June 2013 to 30 June 2014 and to adjust existing tariffs for 2013-14. Asciano welcomes the opportunity to comment on this Aurizon Network DAAU.

Asciano notes that Aurizon Network in its covering letter has referred the development of reference tariffs being "consistent with the process agreed with the QRC". This process has not been made visible to Asciano by Aurizon Network. As Aurizon Networks largest non-related access holder Asciano believes input across all stakeholder groups is important to ensuring a transparent and cohesive supply chain.

Asciano remains concerned at the limited level of information disclosed in the Aurizon Network submission. Asciano recognises that the proposed tariff rates have been provided in Schedule F of the DAAU, however Asciano believes that greater detail relating to the derivation of these proposed tariff rates (including the reasoning embedding all of the revenue cap reductions in the allocative components of the tariff structure) should be provided in the Aurizon Network supporting submission.

Asciano recognises that the expiry date extension in the DAAU gives all parties certainty and the extension is preferable to the access undertaking falling away. However, Asciano has concerns regarding time pressures having impact on the broader regulatory process surrounding UT4 Draft Access Undertaking (DAU) approvals. The delayed submission of the UT4 DAU has provided Aurizon Network further time to work on its UT4 DAU documentation without providing operators and end users the same benefits of an extended time period to address the issues the new Access Undertaking is expected to raise.

With the understanding that the timings of the UT4 DAU submission has been entirely in Aurizon Networks control and the timelines relating to this submission have been transparent for the term of UT3, Asciano does not support any revenue recovery or DAAU process that effectively applies arbitrary timeframes or other conditions that may impact on the quality of the UT4 DAU consultation and approval process.

Asciano supports the time extension in the DAAU on this occasion on a "without prejudice





basis".

Asciano supports the adjustment of Aurizon Network tariffs following the QCA's Final Decision on the new undertaking in order to reflect this decision in the tariffs with an adjustment amount being paid to either Aurizon Network or to users depending on the outcome in the Final Decision).

Please contact either me on or Stuart Ronan on if you wish to discuss this submission.

Yours Faithfully

Dwayne Freeman General Manager Commercial Pacific National Coal