

05 June 2015

Queensland Competition Authority
GPO Box 2257
Brisbane Q 4001
www.qca.org.au/submissions

Subject: Queensland Rail's Draft Access Undertaking 1 (2015)

We refer to Queensland Rail's 2015 Draft Access Undertaking relating to third party access to the West Moreton Coal System.

Reference Tariff:

Queensland Rail (QR) is a valued member of the Port of Brisbane's stakeholder community and the Port of Brisbane Pty Ltd (PBPL) acknowledges the challenges of the West Moreton System, and the proposed increase in operating costs. With respect to market conditions, we feel that the ongoing downturn currently facing thermal coal exporters is of particular concern and relevance to QR's proposal, and this should be recognised in the application of the rail access charge review.

Whilst QR is proposing a pricing model that involves setting the reference tariff below a price ceiling, it is important for all users that the tariff is set in such a way that is sustainable, fair and predictable. We are of the opinion that this pricing model does not facilitate due planning and forecasting for the users, and other sustainable and predictable pricing options should be considered.

Train Paths and Configurations:

PBPL are of the opinion that additional trains and therefore rail paths may not be warranted to facilitate short term (2-5 year) potential volume increases. However, we contend that current arrangements would be unable to cater for proposed increases currently under government approval considerations.

We would therefore suggest a review and perhaps even a trial could be conducted into train configurations allowing increased tonnage rather than the need for more trains on additional paths. Some years ago, trains were able to safely carry loads of circa 3KT (as compared to current 2KT) to the Port of Brisbane. We would suggest a strictly controlled trial be undertaken to assess the viability, safe operation, and maintenance requirements of these consists again. An associated review of safety and long term maintenance requirements factored into costs could be incorporated in a predictable pricing model.

We believe maximising coal exports through a review of tonnage per train rather than an increase in paths allows miners the opportunity to further invest in plant, equipment, and perhaps more employment of Queensland workers. We are concerned that feedback from industry is signifying QR's proposed increase to access costs on the West Moreton Network may actually limit future coal tonnages. In this regard PBPL have remained careful to not significantly increase port based charges such that they may limit export volumes, and we continue to work with industry to improve all port based services.

Thank you for providing the opportunity to respond to the proposed access undertaking.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Peter Keyte', written in a cursive style.

Peter Keyte
General Manager Trade Services