



File Ref: 7-08-05

11 July 2003

Ms Bronwyn K Morris
Chairman
Queensland Rail
Level 14, 305 Edward Street
BRISBANE QLD 4000

Dear Ms Morris

Yard Control Services Review

Thank you for QR's submission (provided by Stephen Cantwell - letter dated 29 May 2003) seeking the Authority's endorsement of QR's proposed arrangements for the transfer to QR Network Access of yard control services at the Jilalan and Callemondah yards.

Following the Authority's consideration of this matter, and as provided for under clause 3.1(f) of QR's access undertaking, the Authority endorses QR's proposed changes to the management of the Jilalan and Callemondah marshalling yards as set out in the letter of 29 May 2003. This endorsement is subject to the two following qualifications.

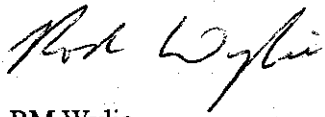
The Authority notes that QR justified the partial reform to the management of the Jilalan yard on the basis that it provides only limited below rail services. If this situation was to change in the future, the Authority would expect that QR would undertake a further review of the management of the Jilalan yard.

Furthermore, submissions to the Authority on this matter identified a number of additional train control issues. In particular, the Authority notes stakeholder concerns regarding the area near Barney Point that is not controlled by electronic signals. QR staff have advised the Authority that there will be a staged reform of the region between the Callemondah yard and Barney Point, involving the transfer of all train control responsibilities to QRNA. Our endorsement of the proposed reforms for the Jilalan and Callemondah yards is conditional on these additional staged reforms. The Authority requests QR to provide an indicative timetable as to when the staged reform process will be finalised.

The Authority will consider a number of the other matters raised in submissions as part of its assessment of QR's 2005 draft access undertaking.

I would like to thank you for QR's cooperation in this matter.

Yours sincerely,



RM Wylie
Chairperson

*Copy to: Queensland Mining Council
Pacific National
Gladstone Port Authority
Prime Infrastructure*