

New Hope Group

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Queensland Competition Authority

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12 November 2012

Attention: Mr Stephen Wisenthal

Queensland Rail's Temporary Access Undertaking New Hope Corporation Submission

Thank you for the opportunity to comment on Queensland Rail's proposal to extend the termination date of the 'Temporary Undertaking' to 30 June 2013.

New Hope has met with Queensland Rail to discuss both this proposal and the process for finalising a new undertaking to take effect on 1 July 2013. Based on this discussion, New Hope is confident that Queensland Rail intends to use the additional time to prepare a draft undertaking which takes into account the submissions of stakeholders regarding the 2012 Draft Access Undertaking, and to conduct further consultation on a range of matters including the development of reference tariffs. New Hope supports this approach.

The critical matters to be addressed (explained in more detail in New Hope's previous submissions) include:

- Capacity allocation should be based primarily on a 'ready and able' test, and mines paying an approved reference tariff should not be differentiated in terms of a 'commercial interest test' by virtual of one mine having a higher total access charge than another. A commercial interest test for mines paying an approved reference tariff should therefore be limited to matters such as credit risk and contract term.
- Where access rights are held by an operator, the rights of mines as customers need to be reflected in the undertaking, as is the case in QR Network's Access Undertaking. This includes renewal rights and a number of other matters which are set out in our previous submissions.

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A further matter of critical importance to New Hope is that new Reference Tariffs are in place by 1 July 2013. New Hope expects that the new Reference Tariffs will be below those currently being charged due to factors such as changes in the time-variant parameters within the WACC and increasing volumes. Avoiding any delay to the introduction of the new Reference Tariffs is important to industry given the extremely difficult conditions currently being experienced in export coal markets. In the event that any delay is expected in approving the new undertaking (beyond July 1), New Hope considers that the approval of new Reference Tariffs should be prioritised, such as through a pricing decision which precedes the approval of the remainder of the undertaking.

Thank you for the opportunity to provide this submission.

Regards,

NEW HOPE GROUP



Gavan Clarke
Manager - Coal Logistics