



12 November 2013

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

### Queensland Rail's Extension DAAU

Thank-you for the opportunity to provide this submission on Queensland Rail's Draft Amending Access Undertaking, which proposes to extend the terminating date of the existing undertaking from 31 December 2013, to 30 June 2014 (or earlier if a new undertaking, "AU1", is approved).

New Hope is disappointed that a new undertaking will again not be approved prior to the scheduled expiry of the existing undertaking, noting that the expiry date has been extended on three previous occasions (from 30 June 2012 to 31 December 2012, then to 30 June 2013, then to 31 December 2013).

New Hope, in common with all Australian coal producers, faces severe pressures to reduce costs given current coal market conditions. For the reasons which were set out in detail in New Hope's submission of 31 October, we consider that the tariffs proposed by QR under AU1 should not be approved. The proposed tariffs are not reasonable and would place miners in this system at a severe competitive disadvantage, which will most likely lead to reduced (and inefficient) utilisation of the infrastructure, which is not in the public interest nor in the interest of access seekers. Importantly, the current interim tariff, while lower than the proposed tariff, is also excessive and unsustainable.

New Hope suggests that an expedited process for determining and adopting new tariffs should be developed. This could involve a process such as:

- QCA prioritises the determination of tariffs and releases a pricing position paper.
- QR submits revised interim tariffs for approval, based on the QCA's pricing position paper, within two weeks of the QCA releasing the position paper.
- Submissions on the pricing position paper are provided so that QCA can consider this input when preparing its draft decision on AU1.

Thank-you for your consideration of this submission. Please contact Sam Fisher on 0417 837 667 if you would like to discuss any of the matters raised in the submission.

Yours Sincerely

  
Shane Stephan  
Chief Financial Officer