

- 9 NOV 2004

From: J.B. Aitken  
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Victoria Point Q. 4165

DATE RECEIVED

To: The Treasurer  
GPO Box 611  
Brisbane 4001

To : The Chief Executive Officer  
Queensland Competition Authority  
GPO Box 2257  
Brisbane 4001

Dear Sirs

I am writing to express my concern re the decision taken by the QCA relative to the Dalrymple Bay Coal Terminal cost use structure. I am unaware of the decision making parameters of the QCA in relation to this matter but am aware of the effect the 8.2% WACC decision will have on development and advancement within this state of Queensland.

Firstly may I point out that at this time the 8.2% as a suggested return on Investment of this type is below what the market reasonably expects.

In view of alternative equivalent investments and the associated risks with the Single use facility at Dalrymple Bay one might ask why would Prime Infrastructure spend more money raising the throughput capacity to 90 million tonnes if it can find more attractive investments elsewhere? This is presuming the 8.2% return would apply to the enlarged facility.

Should the Dalrymple Bay facility not be expanded it would mean alternative facilities may have to be constructed which would in all probability mean the cost to coal producers would be considerably higher.

Should there be any delay in export facilities as an influence on the projected 45 million tonnes anticipated future increase in production it would ultimately mean the loss of hundreds of millions of dollars to the government of this State on an annual basis.

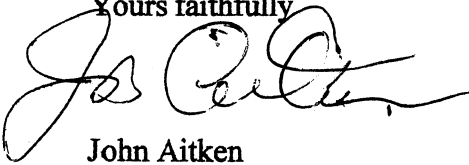
To state the obvious coal miners have never had a more profitable price structure than exists at the present time. Their margins have multiplied and the outlook looks encouraging for the future. To place at risk this profit opportunity for the industry and the State as a whole defies common sense.

As I see it where Infrastructure Projects generate reasonable profits relative to the market and the associated risks, there are no problems in raising new capital for expansion or overcoming some unexpected expenditure demand but where returns are inadequate efficiency, flexibility and confidence all suffer and a suggested saving can be very costly in the long run.

If infrastructure projects are to continue to be privatized which is generally accepted in this country the returns have to meet the market and the associated risk of each project. Failure to provide an adequate return will simply mean they will not be privatized or at best be a slow difficult and inefficient process punctuated with endless enquiries and political demands and interference.

As a conservative investor and long term Queenslander I felt it necessary to express my view re this matter in the hope that the question can be reviewed and a remedy found.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'John Aitken', written in black ink.

John Aitken

5/11/04