

# DBCT User Group

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Queensland Competition Authority  
GPO Box 2257  
Brisbane Qld 4001

Attention: Mr John Hall

Dear Sir,

## *Re: Dalrymple Bay Coal Terminal, Draft Access Undertaking*

The DBCT User Group provides herewith its submission in response to the Request for Comments paper dated July 2003 issued by the QCA. This submission is made on behalf of all of the existing Users of the Dalrymple Bay Coal Terminal.

Regulation of the Terminal services was requested by the Users prior to the lease of the Terminal in 2001. The Users consider the Access Undertaking for the Terminal should provide a framework to ensure access is available for coal companies seeking to export on terms that will promote efficiency and sustained competitiveness in Queensland's most significant export industry.

The submission by the User Group is based on several core principles: -

- achievement of the lowest sustainable costs for the required level of services;
- a pricing method to promote efficient outcomes;
- transparency and simplicity in charging;
- a fair, but not excessive, return for the infrastructure provider;
- processes that promote timely and appropriate capacity expansion decisions;
- non discriminatory treatment of all Users and potential Users.

The DBCT User Group is proposing a framework which is different from that applying to current Users of the terminal services. A careful assessment of appropriate allocation of risk, together with changes in the pricing and take or pay regimes are proposed because they are expected to lead to more efficient outcomes for existing and potential Users of the Terminal. The User Group considers that these changes, if accepted by the QCA, should lead to a significant reduction in the Terminal Infrastructure Charge compared with the current

charge. While Users are of course flexible on elements of the framework, the suggested model has been provided as a package, in which various elements depend on others.

Efficient transport and handling costs are important for the coal industry, the regional economy and the government sector of Queensland. The User Group has made a significant investment in the development of its submission because it regards the Access Undertaking as a crucial element in managing this component of the coal chain for both current and future users. The Group has engaged appropriate experts as well as providing experienced coal operators to assist in the preparation of this Submission.

The User Group stands ready to assist the QCA with its assessment of this submission and to engage in constructive consultation with the QCA and other stakeholders in finalising an acceptable Access Undertaking for the Terminal. In particular, the User Group recognises the rights and interests of DBCT Management and will continue its dialogue with DBCT Management about the Access Undertaking and other matters of common interest.

Users will provide DBCT Management with a full copy of this submission at the same time it is lodged with QCA.

Please let me know if you require any further information at this stage.

Yours sincerely  
DBCT User Group

A handwritten signature in black ink, appearing to read 'Viv Forbes'.

**Viv Forbes**  
**Chairman**