

The revised forecasts are:

Revised Maintenance Forecast: 2007-08 and 2008-09

Maintenance Cost Estimate	2007-08 \$M	2008-09 \$M
2007 NMP	111.4	115.9
UT2 approved	77.9	84.2
Rebased estimate	99.5	103.8

The consequential average impact on reference tariffs will be as follows:

Implied Percentage Change in Average Tariffs

	Percentage Change in \$/NT
Nominal end of year \$	
Blackwater	6.4%
Goonyella	2.0%
Moura	8.1%
Newlands	4.9%
Total	4.6%

Appendix 3 details the proposed Schedule F tariff amendments to the CQCN's reference tariffs. Appendix 4 provides the current Schedule F for the purposes of comparison with the proposed amendments.

Over the medium term, QR proposes to undertake a full review of its maintenance costs as part of UT3. This review will seek to re-specify the 'efficient' cost level for each maintenance activity and will consider:

- the impact of the change in maintenance practices that QR may need to continue to implement in order to maximise throughput without compromising service quality; and
- where further efficiency gains need to be targeted.

QR is committed to ensuring that variations between actual and forecast costs of the magnitude that have been experienced in UT2 do not occur again. It is also committed to undertaking a thorough review of its maintenance costs with the QCA as part of UT3. This will include providing more information regarding QR's maintenance planning and decision-making, and working with industry to develop solutions to whole-of-supply chain issues such as ballast contamination.