

Mr John Hall
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear John,

QR NETWORK'S 2009 ACCESS UNDERTAKING

In accordance with Section 136(1) of the *Queensland Competition Authority Act 1997*, I present to you QR Network's voluntary submission of its draft 2009 Access Undertaking (the 2009 Undertaking).

As you will be aware, QR is in the midst of enormous market and organisational change, including the huge requirement for additional investment in coal infrastructure, massive changes in customer demands and Pacific National's anticipated entry into the Queensland coal market as well as changes in Government requirements. These changes in the market environment in which QR operates may intensify in impact in a relatively short timeframe and certainly during the proposed term of the 2009 Undertaking.

In this context, in developing its draft 2009 Undertaking, QR Network has needed to consider how the Access Undertaking can facilitate QR Network's ability to operate successfully in this dynamic environment whilst meeting our customer's needs. Given its only recent establishment as a separate subsidiary of QR Ltd, a positive change in the perception of QR Network Pty Ltd by some stakeholders is expected during the next twelve months.

Taking the above into consideration and after reviewing the present Undertaking including significant consultation with industry, the draft 2009 Undertaking has been developed as a document that balances the key objectives of major stakeholders with QR Network's minimum requirements to commercially manage its business. In developing this draft 2009 Undertaking, QR Network has retained many of the policies and provisions that have been developed as part of its 2001 and 2005 Undertakings. However QR Network considers that the draft 2009 Undertaking needs to be considered as a whole framework rather than a sum of its parts.

This submission comprises this letter, together with the following volumes:

1. An explanatory document on the 2009 Undertaking;
2. An explanatory document on the building blocks supporting the calculation of Reference Tariffs for the Central Queensland Coal Region.
3. A clean copy of the draft 2009 Undertaking; and
4. A copy of the draft 2009 Undertaking marked up against QR Network's draft 2008 Access Undertaking recently submitted to the QCA.

I also attach a disk containing the letter and these volumes. QR Network confirms that selected information in volumes 1 and 2 including the attached appendices have been provided on a commercial-in-confidence basis and accordingly QR Network requests that this information is not published. The information and the reasons supporting QR Network's request are detailed in the relevant volumes.

Given all of these factors outlined above we would like to meet with you (myself and Lance Hockridge) in the near future to discuss the impact of these issues and the process from here more broadly.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. Carter', with a stylized flourish extending to the right.

Michael Carter
Executive General Manager
QR Network Pty Ltd

9 September 2008