

30 July 2010

Paul Bilyk  
Director  
Queensland Competition Authority  
G P O Box 2257  
**BRISBANE QLD 4001**

Dear Paul

**re: QR Proposed Investment Framework**

Thank you for the opportunity to comment on the recent discussion paper published with regards to the QR Draft Access Undertaking (DAU) titled "Proposed Investment Framework".

DBCT Management (DBCTM) supports the QCA's efforts to implement investment frameworks within the Queensland coal systems which encourage expansion and promote the opportunity for interested parties to participate in the ongoing development of vital coal infrastructure. If industry forecasts for Queensland coal demand prove accurate, many billions of dollars of capital investment in both rail and port infrastructure will be required over the next decade to ensure the state of Queensland is able to take full advantage of its competitive advantage in the export coal market.

While DBCTM is in broad agreement with the content of the Proposed Investment Framework, we would encourage the Authority to consider widening the scope of Foundation Premise 8 which currently limits third party investment on the rail network to Users. Any delay or reluctance to invest in the Goonyella Coal Chain for example, while disastrous for expanding mines in that region, would also put a cap on the ability of DBCTM as the owner of the port to grow its business to accommodate demand for access. Broadening the scope of parties who may invest in the network would also have the benefit of deepening the pool of capital available to the industry and the state when seeking finance for the numerous rail projects currently under consideration.

As the Proposed Investment Framework aims to provide a model for maximising returns from the industry for the state, DBCTM takes the view that any interested party should be allowed to invest in the network where they comply with the framework in place at the time. There are limitations in the Proposed Investment Framework to ensure QR's interests are protected, such as the requirement that any expansions must be owned and operated by QR. Given these protections, it is DBCTM's view that the source of the finance used to construct an expansion should be of no relevance.

DBCTM believes that the coal industry in Queensland has a bright future and would welcome the opportunity to consider investments in rail infrastructure where such opportunities aligned with DBCTM's commercial interests. Under an appropriate investment framework such as that proposed by the QCA, other interested parties should also have that opportunity.

We would welcome the opportunity to discuss any of the above in further detail if required.

Kind regards  
**DBCT Management**



**Russell Smith**  
**Chief Executive Officer**