

Queensland  
Government

Treasury

Our Reference: TRO-01244

- 4 SEP 2003

82278

Mr G Henry  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Henry

Thank you for the invitation to provide comments on the Queensland Competition Authority's (QCA) *Assessment of the Draft Access Undertaking for DBCT*.

Treasury considers the following issues may need to be considered before accepting or rejecting the draft access undertaking proposed by DBCT Management.

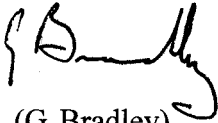
1. Greater clarity is required regarding whether the proposed tariff structure lacks incentive for DBCT Management to be cost efficient.
2. In relation to operation and maintenance costs:
  - greater transparency is needed;
  - clearer control arrangements are required, given the potential for users who are not shareholders of DBCT Pty Ltd to be disadvantaged in terms of prices or operation and management practices compared with those users who are shareholders; and
  - explanation is required of how the trade-off between operating and maintenance and capital (upgrades) expenditure will be managed.
3. The initial regulatory period may be too long. A clear outline of which terms and conditions would be reviewed at one, three, five and seven years is needed.
4. A decision is needed about whether the 40% threshold requirement for the dispute of optimal capacity decisions made by DBCT Management is too high.

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5. Further clarification is needed of how DBCT Management will meet the needs of existing and future users through capacity expansion and whether their proposal for doing so provides enough certainty and incentive.
6. The role of Terminal Regulations and the ability of the QCA to oversight them needs to be clarified.
7. There is a need for performance standards to ensure DBCT Management delivers a high level of service quality.

Should you wish to discuss this matter further, please contact Dr Gary Ward on (07) 3238 3358.

Yours sincerely



(G. Bradley)  
Under Treasurer