

25 November 2022
Queensland Competition Authority
GPO Box 2257
Brisbane Q 4001

Minerva (DAU) Draft Amending Access Undertaking

To whom it may concern,

Seaway Intermodal Pty Ltd welcomes the opportunity to provide a submission in relation to the Aurizon Network (AN) Minerva Draft Amending Access Undertaking (DAU).

Together with the Central Queensland Inland Port (CQIP) development, Seaway Intermodal has committed to moving export volumes of agricultural product such as containerised grain, cotton and citrus and import freight volumes between the Yamala Intermodal Terminal by rail to the Port of Brisbane. Construction of a multimillion-dollar Intermodal Terminal with dedicated infrastructure to handle agricultural product for export was completed in September 2022 and train services are tentatively forecast to begin in December 2022.

In assessing all commercial factors associated with operating the rail terminal, above and below rail costs have been considered, with a degree of creep/increase allowed for in the modelling, however, any significant increase of access charges from an already proportionally high level when compared to the remaining 94% of the corridor we intend to use, will render rail services from the CQIP uncompetitive against road options. Our rail services will utilize only 55km section of the Nagoa to Blackwater rail line owned by Aurizon, and while this section represents just 6% of the rail journey to Port of Brisbane, the current access charge for this section represents 46% of our total access charge for the service.

Seaway expects to run 2 train services per week for up to 148 containers between Yamala and Port of Brisbane, and with strong support from Federal, State and Local Governments, we have been able to commit to running the terminal for a period of 10 years, helping to achieve the Qld State Government's Freight Strategy by increasing the volume of cargo on rail.

Use of rail instead of road is widely supported by Government and other stakeholders, demonstrated in the Government co-investment into Yamala and the CQIP. Seaway has recently become aware of the potential implications of cessation of coal carrying train services from the Minerva mine. Seaway understands that as a consequence of coal services no longer operating on the Burngrove to Nagoa corridor, AN intends to significantly increase tariffs for non-coal trains operating on this corridor.

An increase in raiing costs of this magnitude would likely render Seaway's use of the rail system uneconomic, and force significant, if not all volumes onto road. The benefit to the environment and reaching future emissions targets requires more use of the regional rail system. This requires supportive framework to encourage mode shift and support to ensure rail is placed in a cost competitive position.

This is an issue that has real and immediate implications for the interests of access holders, the public interest and efficient use of the rail system. It is an issue that needs to be urgently addressed.

Seaway Intermodal would welcome further discussion with the QCA to determine options to prevent this proposed cost increase which places the future of regional freight from Yamala to the Port of Brisbane in jeopardy.

Yours faithfully,



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