7 October 2025

To: Ravi Prasad
Project Manager
Queensland Competition Authority
GPO Box 2257, Brisbane QLD 4001
www.qca.org.au/submissions/

Dear Ravi

DBIM response to initial submissions on request for declaration of NQXT

Dalrymple Bay Infrastructure Management Pty Ltd (**DBIM**) submits this letter in response to initial submissions on matters relating to the request from QCoal Pty Ltd and Byerwen Coal Pty Ltd that the QCA recommend declaration of a service provided by North Queensland Export Terminal (**NQXT**) pursuant to Part 5 of the *Queensland Competition Authority Act 1997* (**QCA Act**).

DBIM supports the conclusions reached in the submission made by NQXT on 26 August 2025, and in particular agrees with the following key principles raised by NQXT:

- NQXT operates in a competitive environment, not as a natural monopoly. DBIM agrees that DBCT and NQXT are in direct competition for customers;
- declaration of NQXT would not promote a material increase in competition in any relevant market; and
- declaration of NQXT would not promote the public interest as it would likely impose unnecessary costs and inflexibility and could introduce significant regulatory risk.

With regard to the submission made by Aurizon Network (**Aurizon**) on 28 August 2025, DBIM agrees with the broader point raised by Aurizon that DBCT and NQXT compete for demand for coal handling services. However, DBIM considers that Aurizon's analysis of the competition between the two terminals is incomplete and understated. Aurizon argues that the competition for demand between the two terminals is distorted by costs of accessing the terminals, where its assessment of these costs fails to properly have regard to:

- the timing costs associated with an expansion of DBCT in comparison with utilising existing capacity of NQXT and the potential delay this might result in for mine development processes (including opportunity costs);
- the costs associated with rail infrastructure expansions to facilitate an expansion of export capacity at DBCT; and
- any costs (both direct costs and those related to time delays) beyond the initial potential Phase 1 of the 8X Expansion project.

Aurizon's submission in respect of potential pricing outcomes on an 8X expansion are completely speculative. DBIM has not agreed pricing on 8X expansion with any customer, which may include customers that currently ship through NQXT. What that price may be is dependent on a range of factors, including the extent of the expansion (noting 8X can be constructed in phases), the amount of capacity sought by customers, DBI's funding costs, and an appropriate reasonable and economic return to DBIM. In any event, the argument that use of NQXT's service may be influenced by pricing at DBCT demonstrates that NQXT is not a natural monopoly as it shares its foreseeable demand with DBCT.

The demand for capacity at NQXT from Goonyella mines is dependent on the availability of DBCT capacity and the price of any 8X expansion capacity, assuming no existing capacity becomes available. As DBIM has previously submitted,[1] there are Goonyella-based miners with significant capacity requirements that

[1] Declaration Request for NQXT DBIM submission to the QCA, dated 22 August 2025, p. 5

currently ship through NQXT. With an 8X expansion, those (and other) miners in both the Goonyella and Newlands systems would have a clear choice to ship through DBCT or NQXT, with that choice substantially based on the relative costs to the miners of shipping through either terminal, ensuring a strong competitive environment.

Aurizon's analysis includes an illustrative estimate of below rail costs to access DBCT of $3.75/t[2] which DBIM considers could be understated. If the QCA is minded to give weight to the arguments supported by figures in Tables 1 to 3 of Aurizon's submission, DBIM requests that the QCA seek further information from Aurizon (as necessary) to ensure this estimate is accurate and that the comparison of NQXT and DBCT costs, at least as they relate to below rail access, compares like for like data.

Aurizon acknowledges that the local demand for NQXT is below its existing capacity.[3] In these circumstances NQXT will be incentivised to compete for additional demand, as submitted by both DBIM and NQXT,[4] with this competition likely to include both price and non-price elements of service.[5]

If you require any further information, please do not hesitate to contact me.

Yours sincerely

Jonathan Blakey
Chief Commercial & Sustainability Officer
Dalrymple Bay Infrastructure Limited

[2] Aurizon Network - Application for Declaration of NQXT, dated 28 August 2025, Tables 1 to 3, pp. 6-7
[3] Aurizon Network - Application for Declaration of NQXT, dated 28 August 2025, Table 4, p. 8
[4] Declaration Request for NQXT DBIM submission to the QCA, dated 22 August 2025, p. 5 (inter alia) and NQXT Submission, dated 26 August 2025, p. 9 (inter alia)
[5] NQXT Submission, dated 26 August 2025, p. 9 (inter alia)