

25 September 2012

Mr E J Hall Chief executive Queensland Competition Authority GPO Box 2257 Brisbane Qld 4001

Dear Sir,

Re: QR Network Draft Amended Access Undertaking

I refer to the QCA's draft decision, dated 27 July 2012, not to approve QR Network's electric traction services DAAU and its invitation for submissions in relation to this decision by 25 September 2012.

Jellinbah Group is extremely concerned that a continuation of the existing pricing arrangements, in respect of AT5, does not properly address the alternative between diesel and electric traction, including a potential uneven treatment between existing long term coal contract holders and those entering into new or renewed long term contracts.

In particular, Jellinbah Group is concerned that a continuation of the current treatment will have a major and disproportionate adverse impact on a number of users in the Blackwater System, particularly small to medium users, who entered into long term rail contracts in the understanding that the Blackwater System would become a fully electrified system in the long term.

While it is conceded that the issue at hand is complex, it is critical, from the viewpoint of equity and certainty, that it is resolved suitably as a matter of priority. In this respect, Jellinbah Group strongly urges QCA to play a leading facilitative role in assisting all participants reach a mutually acceptable outcome.

Should QCA require further details on the above or wish to schedule a meeting for further discussion, Jellinbah's contact person is:

Mr Noel Leach, Infrastructure Manager, Jellinbah Group
Mobile: Email: nleach@jellinbah.com.au

The contents of this letter are provided on a non-commercial 'In Confidence' basis.

Yours faithfully.

G B Chalmers
Ohief Executive Officer

c.c. Mr Noel Leach

Jellinbah Group Pty Ltd ABN 54 010 754 793
Level 7, 12 Creek Street, Brisbane
GPO Box 374 Brisbane Q 4001 Australia
Telephone + 617 3877 6700 Facsimile +617 3221 7119
www.jellinbah.com.au