

MALLESONS STEPHEN JAQUES

Mr David Hatfield
Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

8 April 2011

Dear Mr Hatfield

Collective Bargaining Authorisation in relation to access to rail capacity associated with Wiggins Island Coal Terminal - A91241

We refer to the above authorisation granted to various coal producers in Queensland (defined as the Applicants in the Authorisation) for purposes of undertaking collective negotiations with QR Network in relation to the Identified Rail Infrastructure and Services.

In its final determination on 2 December 2010, the Commission included a condition that the Applicants provide written notice of any change in ownership of the Identified Rail Infrastructure and Services during the term of the authorisation, given the proposed privatisation or sale of the relevant assets at the time.

Pursuant to this condition, the Applicants advise the Commission as follows:

- 1 QR Limited has been legally and structurally separated into two companies, being Queensland Rail and QR National Limited ("**QR National**"). Queensland Rail remains wholly-owned by the Queensland Government and QR National was publicly floated in November 2010.
- 2 As part of the separation, certain below rail assets were split between the companies and, accordingly, below rail assets (including the Identified Rail Infrastructure) are now owned by both companies.
- 3 The Applicants will, therefore, engage in collective negotiations and conclude subsequent agreements with either or both Queensland Rail (or businesses within its group) and QR National (or businesses within its group). In particular, in relation to:
 - **QR Network** - a subsidiary of QR National, holds the below rail coal-related infrastructure in central-Queensland. These assets include the Blackwater, Goonyella and Moura systems; and
 - **Queensland Rail** - Queensland Rail holds the below-rail infrastructure south of Wandoan, as well as the North Coast line (from Maryborough to Gladstone).

The change in ownership of the Identified Rail Infrastructure has no effect on the public benefits argued by the Applicants in the Authorisation application, and which were subsequently accepted by the Commission in granting the Authorisation.

If the Commission has any questions, please contact us.

Yours sincerely



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