

## ASX RELEASE

Wednesday, 19 May 2010

### Asciano applies to have Queensland coal rail track access declared

---

Asciano Group has today applied to the National Competition Council to have the use of Queensland's coal rail track assets declared under the Trade Practices Act.

Asciano Managing Director and CEO Mark Rowsthorn said declaration was necessary to prevent a privatised QR National from engaging in anti-competitive behavior by using its track monopoly to benefit its freight business.

"A privatised QR National, which owns both the freight business and the tracks on which it competes with businesses like Asciano, is intolerable as the existing regulatory structure does not have the necessary protections to deliver a level playing field", he said.

"The current arrangements allow the network part of the QR National business, QR Network, to structure contracts so that it is difficult for a coal miner to move away from using QR National for its coal haulage requirements.

"It puts at risk more than \$1.5 billion of potential investment from Asciano in Queensland.

"Under the current structure, a privatised QR National would be just like Telstra, which owns both a telephone business and the wires on which it competes against its peers.

"We have repeatedly sought that the Queensland Government includes the necessary protections in the regulation to protect competition. We have not seen anything tangible, to date, to give us comfort.

If track access is declared, Asciano and other freight companies would acquire a legal right to negotiate access to the track with the service provider, and seek arbitration from the Australian Competition and Consumer Commission (ACCC).

Mr Rowsthorn said seeking a declaration was a last resort.

"If track access is declared it will create uncertainty not just for the float, but for access pricing and it could take up to 12 months before a final outcome is known," he said.

"But this is preferable to a situation where we are forced to negotiate access, without the regulatory protections we are seeking, with a competitor who has every incentive to discriminate against us.

"Asciano wants competition. We believe we can succeed on a level playing field - but the field must be level. Coal exporters have made it clear that for the same reasons, they want fair competition in the rail freight market."

#### MELBOURNE

Level 6/380 St Kilda Road,  
Melbourne VIC 3004 Australia  
Telephone: +61 3 9284 4000  
Facsimile: +61 3 9699 2869

#### SYDNEY

Level 6/15 Blue Street,  
North Sydney NSW 2060 Australia  
Telephone: +61 2 8484 8000  
Facsimile: +61 2 8484 8154

Email: [info@asciano.com.au](mailto:info@asciano.com.au)  
[www.asciano.com](http://www.asciano.com)

ABN: 26 123 652 862



Mr Rowsthorn said Asciano had asked the Queensland Government to change the structure of the proposed privatised QR National so that:

- The majority of QR National's board is independent of the QR Network board - so the QR Network board can make decisions that are in the best interests of QR Network, not the freight business.
- There is a positive requirement on QR Network not to discriminate between competing above-rail operations and no back-door mechanism for such discrimination to be permitted.
- The track operations are subject to strict and effective regulatory oversight to prevent anti-competitive behaviour.
- An improved obligation to invest clause to ensure investment matches industry, not just QR National, demand.

Media Contact:

Marie Festa  
+61 405 494 705

Matthew Horan  
+61 403 934 958