

File Ref: 1218031

8 December 2016

Ms Pam Bains
Vice President Network Finance
Aurizon Network Pty Ltd
GPO Box 456
Brisbane QLD 4001

Dear Ms Bains

Costing manual and auditor for below-rail financial statements

Thank you for your letters of 28 October 2016, requesting approval of a revised costing manual, and 23 November 2016 requesting approval of Ernst & Young (EY) as auditor of the below-rail financial statements for the fiscal years 2014 to 2017.

I can confirm that the QCA has approved both:

- (a) the proposed costing manual, under section 159 of the QCA Act (and attached a copy to this letter, as required by section 160(b)); and
- (b) EY as the auditor for the below-rail statements, under clause 10.6.4(b)(iv) of the 2016 undertaking.

The QCA has considered stakeholders' submissions in deciding to approve the costing manual. To the extent the below-rail financial statements, including the notes, can clarify matters raised in those submissions, Aurizon Network and its auditor are encouraged to do so.

As with any previous audit engagements, I would appreciate you notifying me if EY is selected for any future Aurizon Group engagements, so that any potential or perceived conflict of interest can be appropriately managed.

I look forward to receiving EY's proposed audit plan in January 2017, and to receiving the audited financial statements for 2013–2016 by June 2017.

Should you require further information, please contact Stephen Wisenthal on 07 3222 0507.

Yours sincerely



Catherine Barker
Director Business Performance