

Mr Charles Millstead
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane QLD 4001

UT5 Draft Amending Access Undertaking

30 October 2019

Dear Charles

Aurizon Network welcomes the Queensland Competition Authority's (**QCA**) Position Paper (**Position Paper**) on Aurizon Network 2019 Draft Amending Access Undertaking (**UT5 DAAU**).

Since submission in May 2019, Aurizon Network has continued to work collaboratively with customers and continues to support the package of enhancements within the UT5 DAAU.

Overall, the Position Paper provides the QCA's preliminary view that the UT5 DAAU would be appropriate to approve. The Position Paper did outline that there were a small number of matters it was seeking further views upon, being:

1. Any proposed amendments having consequential impacts on non-coal traffic;
2. The proposed voting arrangements for certain decisions; and
3. Proposed arrangements for circumstances where agreement between Aurizon Network and a majority of End Users cannot be reached on the appointment of the Independent Expert.

When responding to the QCA's requests for information¹, Aurizon Network provided a detailed outline of the additional benefits that non-coal customers would receive under the UT5 DAAU. These additional benefits include the opportunity to provide input into the Maintenance and Renewal Strategies and Budgets along with additional benefits from the appointment of the Independent Expert.

Aurizon Network supports the voting amendments that Herbert Smith Freehills, acting on behalf of the majority of coal customers, has provided within its submission on the 'UT5 – Draft Amending Access Undertaking' dated on or around the date of this submission. These

¹ <https://www.qca.org.au/wp-content/uploads/2019/05/ut5-daaU-position-paper-appendix-2-final.pdf>

amendments require a higher support threshold from voting customers, which ultimately results in better outcomes for the Central Queensland Coal Network (CQCN) supply chain.

The UT5 DAAU accompanying the Position Paper as Appendix 1², outlined amendments to enact the existing Dispute Resolution provisions from Part 11 of the Access Undertaking, to resolve the circumstance where Aurizon Network and customers cannot agree on the appointment of the Independent Expert. Aurizon Network supports this position.

Aurizon Network continues to believe that the UT5 DAAU will deliver improvements and create value that, on a holistic basis, will benefit all Access Holders (including non-coal Access Holders), Access Seekers, End Users, Train Operators and other key stakeholders operating within the CQCN.

Aurizon Network supports the QCA's review to ensure it meets the requirements of the *Queensland Competition Authority Act 1997* (Qld). Considering the broad level of support for the UT5 DAAU, Aurizon Network believes that a timely approval of the UT5 DAAU can be achieved.

Should you have any queries, please do not hesitate to contact Jon Windle at jon.windle@aurizon.com.au.

Yours sincerely



Michael Riches
Group Executive Network

² <https://www.qca.org.au/wp-content/uploads/2019/05/ut5-daaU-position-paper-appendex-1-final.pdf>