

File ref: 2034331

21 November 2024

Ms Pam Bains  
Group Executive Network  
Aurizon Network Pty Ltd  
GPO Box 456  
BRISBANE QLD 4000

Dear Ms Bains

### **Aurizon Network: Developing regulatory arrangements for UT6**

On 6 November 2024, we received a letter from Aurizon Network setting out its proposed approach for developing regulatory arrangements to apply for access to its central Queensland Coal Network from 1 July 2027 (UT6).

Aurizon Network said that it intends to retain, and incrementally improve, the current regulatory arrangements – with a view to submitting its proposed arrangements to the QCA by late 2025.<sup>1</sup> In doing so, Aurizon Network acknowledged the critical importance of it undertaking robust engagement with its stakeholders through a transparent consultation process.

We are encouraged by Aurizon Network’s commitment, and proposed approach, to engaging with its customers in an attempt to realise an agreed package of amendments to Aurizon Network’s 2017 Access Undertaking (UT5). Building on the commitments established through industry engagement as part of the overall package of arrangements implemented for UT5 has the potential to realise outcomes that are mutually beneficial to all parties.

We see merit in processes that foster effective collaboration, particularly where there is a genuine opportunity, and commitment from the parties, to reach mutually agreed outcomes. We understand that Aurizon Network’s customers are broadly supportive of its proposed approach for developing regulatory arrangements for UT6 and they have participated in early engagement efforts.

However, where Aurizon Network is unable to reach agreement with its customers in developing a proposal in line with the timeframes it has committed to, there is an increased risk of there being no approved undertaking in place by 1 July 2027.

We will continue to monitor Aurizon Network’s progress in developing its proposal within the stated timeframes. This recognises that managing regulatory processes within a reasonable timeframe promotes regulatory certainty for the parties, facilitating the negotiation of access to, and investment in, the declared service.

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<sup>1</sup> At this time, Aurizon Network’s preferred approach is to submit a negotiated draft amending access undertaking to ‘amend and extend’ the current arrangements – noting this could also be achieved through the submission of a draft access undertaking for the new regulatory period.

In the interests of transparency, this letter will be published on the QCA website for stakeholders' information, along with Aurizon Network's correspondence to the QCA and the stakeholder engagement plan.

Yours sincerely

A handwritten signature in black ink, appearing to read "C. Millstead".

Charles Millstead  
Chief Executive Officer

cc: Jon Windle, Manager Regulation