



Ann Jones
Director of Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane, Qld 4000

Infrastructure Rebates and GAPE RCS Draft Amending Access Undertaking

11 September 2024

Dear Ann,

Aurizon Network is pleased to submit to the Queensland Competition Authority (**QCA**) a revised Infrastructure Rebates and GAPE RCS Draft Amending Access Undertaking (**DAAU**).

On 22 August 2024, the QCA decided to refuse to approve the Infrastructure Rebates and GAPE RCS DAAU, as submitted on 7 June 2024, on the basis that additional drafting was necessary to operationalise the changes. Otherwise, the QCA was minded to approve an amended DAAU which incorporated revised drafting as proposed by Aurizon Network.

In addition, the QCA noted the voluntary agreement to obtain the discounted Reference Tariff from relevant Access Facilitation Deed (**AFD**) Holders was subject to the negotiation and agreement of variations to the respective AFD Agreements.

Aurizon Network has progressed the relevant amendments to the nominated AFD Agreements and obtained the agreement of the relevant parties to proceed with resubmitting the DAAU. The resubmitted DAAU varies from the 7 June DAAU in the following ways:

- the necessary amendment to Schedule E, Clause 1.1(f); and
- the exclusion of applying a discounted Reference Tariff to the mine specific component of the Rolleston AFD.

In respect of the latter, Aurizon Network remains in negotiations with the AFD Holder on the appropriate changes to the rebate arrangements on the shared use AFD assets. These changes will likely require an amendment to schedule F to exclude those Rebates from the Revenue Adjustment Amounts. As these amendments were not considered in the 7 June DAAU, they are not within the scope of this amended DAAU and will need to be progressed as a separate DAAU once negotiations with the AFD Holder have sufficiently progressed.

Aurizon Network also wishes to clarify that the application of the discounted reference tariff for AFD Holders as an alternative to a rebate is conditional on the relevant assets remaining mine specific infrastructure. In the circumstance where the AFD assets cease to be mine specific infrastructure, it will be necessary to recommence rebates to ensure the economic benefits are

conferred only to the AFD Holder and not other Access Holders through the discounted Reference Tariff. Aurizon Network has varied the AFD Agreements to ensure this can occur without the requirement for subsequent variations to those agreements.

Aurizon Network also thanks Stanmore Resources and Glencore for the constructive and cooperative approach adopted in progressing this DAAU.

Clean and marked-up versions of the access undertaking are attached to this submission.

Should you have any questions in relation to this submission please contact Jon Windle at jon.windle@aurizon.com.au.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Dan Kearney', is centered on the page. The signature is written in a cursive, flowing style.

Dan Kearney
Head of Finance and Regulation