

File Ref: 1276173

15 December 2017

Mr Michael Riches  
Group Executive Network  
Aurizon Network Pty Ltd  
GPO Box 456  
Brisbane Qld 4001

Dear Mr Riches

**Final Decision—Aurizon Network's 2017 SUFA draft amending access undertaking**

On 14 December 2017, the QCA made its final decision to refuse to approve Aurizon Network's proposed SUFA and UT4 draft amending access undertaking (DAAU), submitted on 11 January 2017 in accordance with Aurizon Network's obligation under clause 8.8.3(a) of UT4.

We acknowledge Aurizon Network and other stakeholders' efforts to date to develop an appropriate SUFA framework, which has included collaborative engagement in both UT3 and UT4. In considering the proposed SUFA and UT4 DAAU and responses to our August 2017 draft decision, the QCA has sought to ensure a workable, bankable and credible SUFA is developed, while addressing legitimate concerns raised by stakeholders, having regard to the matters in section 138(2) of the *Queensland Competition Authority Act 1997* (QCA Act). In this final decision, the QCA has modified the draft decision on several matters but maintained it on others. We consider that, based on the information presented to us, the SUFA framework in our final decision is appropriate.

The attached final decision sets out the reasons for our disagreement with Aurizon Network's proposal, in accordance with the requirements of clause 8.8.3(d)(iii) of UT4.

We believe considerable progress has been made to date and we welcome Aurizon Network's comment in its submission on the draft decision that it is prepared to work constructively with the QCA and stakeholders during the UT4 SUFA DAAU process. We encourage Aurizon Network to consider the positions in our final decision with a view to bringing this matter to a conclusion.

Given Aurizon Network's desire to conclude SUFA under UT4 and industry's desire to have an approved SUFA in place, we have decided to continue the process under clause 8.8.3(d) of UT4. Specifically, clause 8.8.3(d)(iv) provides that the QCA may commence the process under Division 7 of Part 5 of the QCA Act, including sections 139 and 141, to seek and subsequently impose amendments to the proposed SUFA in the way the QCA considers appropriate to enhance the workability of the document.

We therefore require that Aurizon Network submit an amended SUFA within 60 days of the publication of our final decision (i.e. by Tuesday 13 February 2018). For the sake of clarity, we advise that the process continued under clause 8.8.3(d) of UT4 would follow a process akin to that in sections 140 and 141 of the QCA Act.

Of course, it remains open to Aurizon Network to submit an amended SUFA and UT4 DAAU that is consistent with our final decision. Such a submission could be considered relatively quickly in accordance with the QCA Act to bring the long history of the SUFA process to a conclusion.

In view of the significant progress made to date in developing a workable form of SUFA, we look forward to Aurizon Network's response to our final decision in order to achieve the collective desire of having an approved form of SUFA in place as expeditiously as possible.

Yours sincerely

A handwritten signature in black ink, appearing to read "C. Millstead". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping tail.

Charles Millstead  
Chief Executive Officer