

STAKEHOLDER NOTICE 3

DATE: 30/09/2014

SUBJECT: Aurizon Network's 2014 DAU – Draft decision on maximum allowable revenue

On 11 August 2014, we commenced an investigation to decide whether to approve or refuse to approve Aurizon Network's 2014 Draft Access Undertaking (2014 DAU). The 2014 DAU replaces Aurizon Network's, now withdrawn, 2013 Draft Access Undertaking (2013 DAU) proposal.

For the purposes of our investigation, we consider it appropriate to sequence our consideration of the 2014 DAU by releasing two draft decisions:

- first, on the Maximum Allowable Revenue (MAR) aspects of the 2014 DAU
- second, on the remainder of the 2014 DAU (pricing and policy matters).

We consider that sequencing our consideration of the 2014 DAU enhances the quality of the public consultation process and the ultimate quality of our final decision.

Draft decision on the MAR aspects of the 2014 DAU

On 30 September 2014, we published our draft decision not to approve Aurizon Network's proposed MAR for its 2014 DAU. The draft decision sets out our reasons for refusing to approve Aurizon Network's proposed MAR, and the manner in which we consider it appropriate that the 2014 DAU should be amended in respect of the MAR to resolve the issues identified by us and stakeholders.

As the MAR aspects of the 2014 DAU remain unchanged from the 2013 DAU, this draft decision draws upon the previous work we have done in relation to the 2013 DAU, as well as the stakeholder submissions we have received prior to the publication of this draft decision.

The draft decision can be downloaded from our website www.qca.org.au/2014-DAU.

We are seeking views from interested parties on the draft decision by 12 December 2014. We will consider submissions received in response to the draft decision prior to making a final decision on Aurizon Network's 2014 DAU in May 2015.

Next steps

We are continuing our assessment of the 2014 DAU and intend to release a draft decision on the pricing and policy aspects of the DAU in mid-December 2014.

Stakeholders are reminded that submissions on Aurizon Network's 2014 DAU proposal close on 3 October 2014. We will take into account all submissions received, as well as material submitted by stakeholders on the 2013 DAU (to the extent it remains relevant), when making this draft decision.

To avoid doubt, any submissions on the 2014 DAU relating to the MAR that we receive on this date will be considered in conjunction with submissions we receive on the MAR draft decision and will not be disadvantaged in any way.

We intend to release a final decision on the 2014 DAU in May 2015. Our final decision will consolidate the two draft decisions in light of the submissions we receive.