

Professor Roy Green Chair Queensland Competition Authority Level 27 145 Ann Street Brisbane, Queensland 4000

Aurizon Network Pty Ltd (Aurizon Network) – 2017 Standard User Funding Agreement Draft Amending Access Undertaking (UT4 SUFA DAAU)

13 February 2018

Dear Professor Green

On 11 January 2017 Aurizon Network submitted to the Queensland Competition Authority the UT4 SUFA DAAU under section 142 of the *Queensland Competition Authority Act 1997* (Qld). The QCA published its Final Decision to refuse to approve Aurizon Network's proposed UT4 SUFA DAAU on 14 December 2017.

Aurizon Network does not agree with and will not accept the form of the SUFA template in the QCA's Final Decision for reasons set out in several successive submissions.

Accordingly, Aurizon Network hereby withdraws the UT4 SUFA DAAU.

Aurizon Network stands by its obligation, under section 8.8.1(a)(ii) of UT4, to negotiate in good faith a user funding agreement in respect of an expansion should the expansion funders for that expansion elect to enter into such negotiations.

Aurizon Network notes that, following the QCA's Draft Decision, it initiated a bona fide attempt to develop with the QRC a collaborative submission to the QCA that would have addressed all outstanding issues for the SUFA template. The QRC's representatives declined to participate in developing such a submission as its members wished to prioritise the parallel UT5 process.

Aurizon Network continues to be prepared to work constructively with the QCA and stakeholders in respect of user funding.

Yours sincerely

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Michael Riches

Group Executive Network