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23 October 2008

Mr Michael Carter
Executive General Manager
QR Network Pty Ltd
GPO Box 1429
Brisbane Qld 4001

Dear Mr Carter

Final Approval
QR Network's Revised 2008 DAU

The Queensland Competition Authority (the Authority) today approved QR Network Pty Ltd's (QR Network's) revised 2008 Draft Access Undertaking and the withdrawal of QR Ltd's approved 2006 access undertaking.

Background

These two matters were first formally submitted to the Authority for approval on 29 July 2008 as a result of QR Ltd's corporate restructure that resulted in the creation of a new independent subsidiary QR Network responsible for owning and managing QR Ltd's below-rail assets and services.

On 25 September 2008, the Authority published its draft decision to not approve QR Network's 2008 draft access undertaking (2008 DAU) and QR Ltd's withdrawal of its 2006 access undertaking. The Authority had a number of concerns with the proposed detail of the 2008 DAU and the proposed implementation arrangements. The Authority notes that stakeholders generally accepted the draft decision on this matter.

In response to the Authority's draft decision, on 6 October 2008, QR Network withdrew its 2008 DAU and submitted a revised 2008 DAU in accordance with section 136 of the *Queensland Competition Authority Act 1997* (the QCA Act).

The revised version of the 2008 DAU is in the same form as the earlier 2008 DAU, other than for amendments to address the concerns raised by the Authority in its draft decision. The revised 2008 DAU seeks to preserve the regulatory principles contained in the approved 2006 access undertaking for a term equivalent to the remainder of the 2006 undertaking.

Final Approval

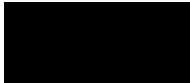
The Authority has approved QR Network's revised 2008 DAU as submitted to the Authority on 6 October 2008.

In making this decision, the Authority, as required by the provisions of the QCA Act, considered QR Network's proposal and supporting information and submissions from stakeholders. It has also undertaken its own analysis. In doing so, the Authority:

- (a) is satisfied that QR Network's revised 2008 DAU is consistent with the Authority's September 2008 draft decision;
- (b) considers that the proposed amendments to the undertaking and the associated enforcement arrangements are reasonable; and
- (c) notes that the submissions received supported the draft decision (two) and the revised 2008 DAU (one).

The Authority's reasoning and conclusions remain consistent with its September 2008 draft decision. Further, in considering QR Network's revised 2008 DAU, the Authority has sought to ensure that the amendments do not dilute QR Ltd's current access obligations and that majority of the differences between the approved 2006 undertaking and 2008 draft access undertaking reflect the changing legal responsibilities within the QR group resulting from the corporate restructure.

Yours sincerely



EJ Hall
Chief Executive