

Queensland Competition Authority

File Ref: 555316

1 August 2013

Mr Michael Carter
Chief Executive Officer
Aurizon Network Pty Ltd
GPO Box 456
BRISBANE QLD 4001

Dear Mr Carter

Final Approval: Alternative Standard Access Agreements

The Queensland Competition Authority (the Authority) today issued a decision to approve the proposed alternative standard access agreements (alt SAAs), including the related consequential amendments to the 2010 access undertaking, pursuant to clause 5.2(e) of the 2010 undertaking.

Context

The Authority's consideration of its proposed alt SAAs follows a lengthy and comprehensive assessment process, which commenced when Aurizon Network first submitted its proposed alt SAAs in April 2011.

Since then, the Authority has:

- (a) published Aurizon Network's original proposal and sought stakeholder comments;
- (b) issued draft and final decisions to not approve Aurizon Network's proposal and identified how the alt SAAs and 2010 undertaking should be amended for the Authority to approve it;
- (c) published its proposal and invited stakeholders to comment – providing a comparatively short response period, given the considerable consultation that occurred previously and because the proposed alt SAAs were largely consistent with the Authority's earlier final decision; and
- (d) published a revised version of its proposal and invited stakeholders to comment. This proposal differed in one respect from (c) above - that is, by giving end users more flexibility in contracting. This made it possible for multiple end users to be linked to a single train operations agreement if they choose to do so. For the same reasons described above, a relatively short response period was given to stakeholders, including because the proposal only differed in one respect to that consulted on previously.

Stakeholder consultation

Over the course of its consideration of the proposed alt SAAs, the Authority received 17 submissions from seven stakeholders. These submissions have been published on the Authority's website and discussed within the decision documents released by the Authority. Most recently, Aurizon Holdings supported the Authority's amendments to the revised alt SAAs, in particular as it provided for a more flexible contracting structure.

Final Approval

In making this decision, the Authority had regard to the approval criteria set out in the 2010 undertaking namely, that the Authority may only approve proposed alt SAAs, including the necessary amendments to the 2010 undertaking, if it:

- (a) is satisfied they are consistent with the 2010 undertaking (including the SAA principles in schedule E);
- (b) considers it appropriate to do so, having regard to the matters listed in section 138(2) of the *Queensland Competition Authority Act 1997* (the QCA Act); and
- (c) has published the proposed alternative SAAs, invited submissions within a reasonable timeframe, and considered any stakeholder submissions received within that timeframe (clause 5.2(e) of the 2010 undertaking).

The Authority has also taken into consideration the matters it has previously considered in reaching its decisions on Aurizon Network's original proposal. In summary, the Authority is satisfied that:

- (a) the alt SAAs meet the criteria set out above;
- (b) will provide end users the ability to manage their portfolio of access rights without being responsible for above-rail operational issues; and
- (c) in doing so, end users will have greater flexibility in using their access rights.

The Authority would like to thank stakeholders for their detailed submissions in response to all of the proposals to date.


Way forward

This final approval provides Aurizon Network with written notice of the Authority's decision to approve the alternative SAAs. The approved alternative SAAs apply from 1 August 2013.

In accordance with clause 5.2 of the 2010 undertaking, the Authority requests Aurizon Network to immediately:

- (a) publish the approved alternative SAAs as part of Volume 2 of the 2010 undertaking; and
- (b) advise relevant access holders (and seekers) of this outcome.

Yours sincerely



Dr David Watson
Deputy Chairman