

Aurizon Network 2014 Draft Access Undertaking

**A response to the Queensland Competition Authority (QCA)
Stakeholder Notice of August 2014**

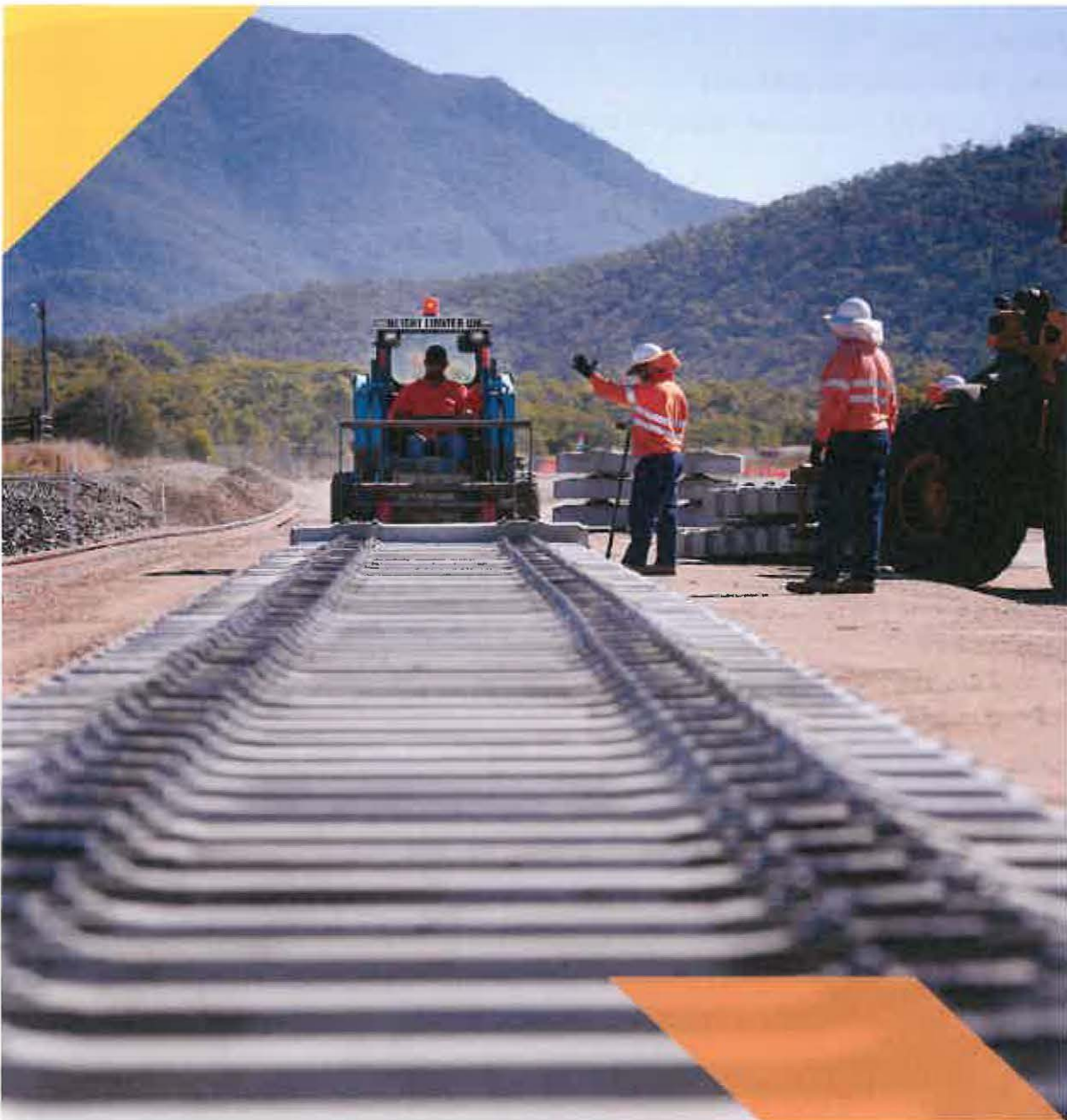


Table of Contents

Executive summary	3
Introduction	4
Pricing principles	5
<i>Further development of pricing principles</i>	5
Simplification of standard access agreements	6
<i>Form of EUAA and TOA</i>	6
<i>Removal of AHAA</i>	6
<i>Importance of OAA</i>	6
<i>Process for developing the EUAA/TOA</i>	6
<i>Amending the EUAA for Customer Related Provisions</i>	7

Executive summary

Aurizon Network provides this submission in response to the Queensland Competition Authority's (QCA) request for comments on the 2014 Draft Access Undertaking (2014 DAU).

This submission specifically addresses the topics of pricing principles and simplification of standard access agreements as applicable to the 2014 DAU.

Aurizon Network considers the pricing principles outlined in Part 6 of the 2014 DAU to be reflective of its discussions with stakeholders, principally the Queensland Resources Council (QRC) and achieves the pricing objectives. However, Aurizon Network is willing to further develop and simplify the principles and processes contained in Part 6 of the 2014 DAU together with stakeholders.

Aurizon Network considers that the proposal to simplify the suite of standard access agreements under the 2014 DAU to just the End User Access Agreement (EUAA) and Train Operations Agreement (TOA) is workable, subject to some additional amendments being made to the EUAA and TOA to allow for a railway operator to be able to hold access rights on behalf of a customer under the split form of agreement.

Introduction

On 11 August 2014, Aurizon Network withdrew the 2013 Draft Access Undertaking and replaced this with the 2014 Draft Access Undertaking (2014 DAU). Due to the submission of the new 2014 DAU, the QCA has sought comments from stakeholders to assist it is assessing the proposal.

The QCA provided to interested parties Stakeholder Notice 2 (Aurizon Network's 2014 DAU submission guidelines) issued on 26 August 2014. The QCA's notice requests submissions on all aspects of the 2014 DAU, while raising two particular topics on which the QCA is seeking stakeholder comments, namely:

1. Pricing Principles and
2. Simplification of standard access agreements

Aurizon Network outlines in this paper its thoughts on these topics with the aim of assisting the QCA and other stakeholders in their consideration of the matters.

Pricing principles

In developing the pricing principles for inclusion in the 2014 DAU, Aurizon Network worked closely with the QRC to create a mechanism to ensure two main objectives:

1. Existing access holders are not subjected to access charge increases due to new expansions
2. Proposed expansion users have certainty regarding the likely below rail access charge to apply if the expansion proceeds

The key features of the pricing principles which Aurizon Network agreed with the QRC are:

- provides consistent approach for new train services and expanding existing train services
- it is critical that the methodology for determining reference tariffs is clear, transparent and fair
- new/expanding users should generally pay an access charge which at least reflects the full incremental cost (capital and operating) of providing additional capacity
- if averaging the cost of an expansion across new/expanding users would increase access charges paid by existing users, then a new reference tariff should apply for expanding users, i.e. existing users should not experience a material increase due to an expansion, and new expanding users who pay an incremental tariff will not be required to make a contribution beyond full incremental cost
- where existing users receive a clear benefit from an expansion, an allocation of project costs to existing users (through reference tariffs) may be appropriate i.e. increase System Allowable Revenue (SAR) commensurate with economic benefit
- where an expansion has a lower incremental cost than that of the existing reference tariff, or any previous tariff for an expansion, averaging down should apply to the existing reference tariff or most expensive previous expansion (i.e. the cost of the most expensive prior expansion is averaged down)
- once an expansion has been socialised with an existing tariff the cost of the expansion cannot be removed from the RAB for that tariff (i.e. once socialised, always socialised)
- the undertaking would contain the above principles, however, the QCA would consider specific circumstances on a case by case basis
- higher (separate) reference tariff for an expansion will be socialised to a standard system reference tariff (i.e. combined with system reference tariff) after a period of 10 years (or sooner if incremental access charge becomes less than the system tariff or next most expensive expansion)

Aurizon Network considers the pricing principles outlined in Part 6 of the 2014 DAU to be reflective of these pricing objectives and features.

Further development of pricing principles

The QCA has requested feedback from stakeholders on pricing principles. Aurizon Network is interested in any new comments from stakeholders relating to the issues raised by the QCA in its submission guideline.

Aurizon Network is committed to work with stakeholders to achieve an agreed understanding of how the pricing principles will function in practice. We support the QRC's proposal for a workshop to be held with Aurizon Network, the QCA and stakeholders to allow a full discussion.

Aurizon Network understands that any concerns with the pricing principles and the application of Part 6 of the 2014 DAU will be dealt with in the Draft Decision on Policy matters.

Simplification of standard access agreements

The QCA has proposed that the suite of standard access agreements can be simplified by removing the Access Holder Access Agreement (AHAA) and the Operator Access Agreement (OAA) and retaining only the End User Access Agreement (EUAA) and the Train Operations Agreement (TOA) as standard documents under the 2014 DAU.

Aurizon Network considers that the proposal is workable, subject to some additional amendments being made to the EUAA and TOA as outlined below.

Form of EUAA and TOA

Aurizon Network considers that, in the context of this proposal, it would be more appropriate for stakeholders to review the proposed EUAA and TOA as lodged with the 2014 DAU (UT4) rather than the EUAA and TOA as approved under the 2010 Access Undertaking (UT3) (together the UT3 documents).

In particular, the UT3 documents do not reflect changes in policy positions presented in the 2014 DAU EUAA and TOA, on which many stakeholders have already provided comment. Aurizon Network amended the 2013 Draft Access Undertaking (2013 DAU) EUAA and TOA submitted to the QCA in April 2013 to reflect some of the comments received during the QCA's consultation process on the 2013 DAU. This resulted in the 2014 DAU EUAA and TOA that were resubmitted to the QCA on 11 August 2014.

Removal of AHAA

Aurizon Network has no concern with removing the AHAA as a standard access agreement under the 2014 DAU. With the introduction of the EUAA and TOA, the likelihood that customers would in the future wish to execute an AHAA is very low.

Aurizon Network's experience in the last 12 months has been that many customers are opting to either enter into a EUAA upon the grant of new access rights, renew existing access rights; or amend the form of existing agreement that they have with Aurizon Network from an AHAA to a EUAA with the operator to enter into a TOA.

Importance of OAA

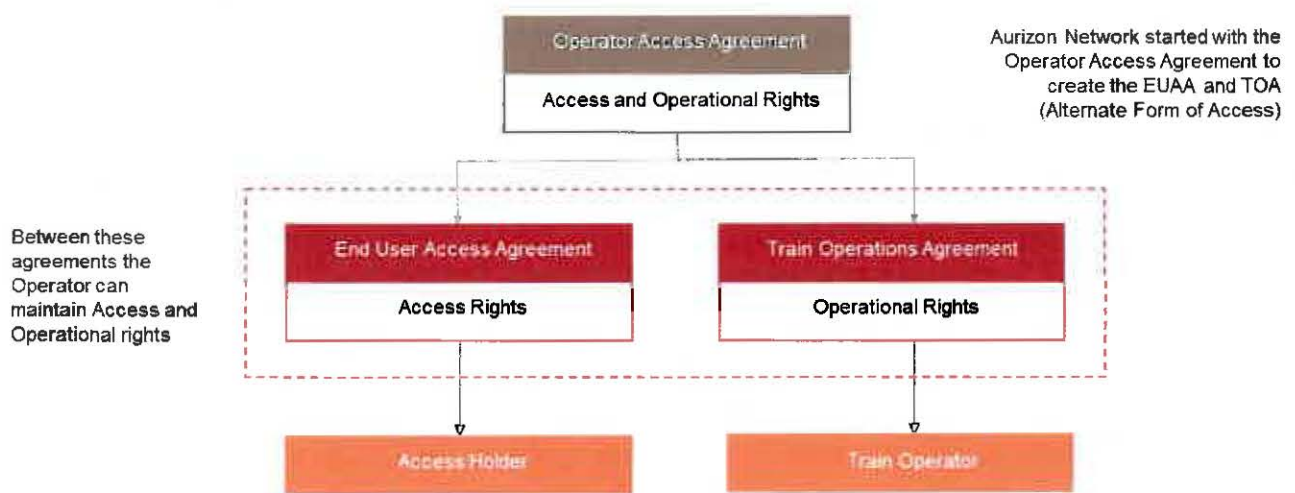
The OAA is a frequently used form of access agreement, on which the structure of both the UT4 EUAA and TOA were based. Under the OAA, as the "Operator" is both the access holder and the railway operator, both access holder rights and obligations (Access Rights) and operational rights and obligations (Operational Rights) are included.

Aurizon Network understands that rail operators have a number of objections to the removal of the OAA as a standard form of agreement, and Aurizon Holdings has also addressed these in its submission.

Process for developing the EUAA/TOA

In developing the EUAA/TOA, Aurizon Network 'split' the Access Rights and the Operational Rights under the OAA between the EUAA and the TOA (respectively) to create the "Alternate Form of Access". Consequently:

- the "End User" under the EUAA and the "Operator" under the OAA have equivalent Access Rights
- the "Operator" under the TOA and the "Operator" under the OAA have equivalent Operational Rights
- together, the "End User" under the EUAA and the "Operator" under the TOA have equivalent rights and obligations as the "Operator" under the OAA



The only material difference between the Access Rights under the OAA and the Access Rights under the EUAA is that the OAA contains a small number of additional provisions due to the access holder being an operator and not an "End User" (Customer Related Provisions).

Amending the EUAA for Customer Related Provisions

The most significant Customer Related Provisions which currently are not included in the 2014 DAU EUAA are as follows:

Customer Related Provisions	Amendment required to EUAA
The "Operator" under the OAA must procure that its customer (the end user) enters into an Access Interface Deed (AID) with Aurizon Network which manages Aurizon Network's potential liability exposure to the customer (as a party that may suffer loss due to a failure by Aurizon Network to provide access to the "Operator" under the OAA)	Inclusion of an Access Interface Deed (AID) clause similar to that contained in the OAA and attachment of an agreed form of AID as a schedule to the EUAA for execution by the "End User" where the "Operator" under the TOA is also the "End User" under the EUAA
The customer has the right to initiate a transfer of access rights held by the "Operator" under the OAA either to itself or to a third party (such as another railway operator or another end user)	Inclusion of a clause to provide the process and obligations for a customer to request a transfer of access rights to another party similar to that contained in the OAA ("Customer Initiated Capacity Transfer")

As these provisions already exist in the 2014 DAU OAA, the time required to redraft the 2014 DAU EUAA to incorporate these amendments would be minimal. To maintain the flexibility for the 2014 DAU EUAA to be executed by either the "End User" or the "Operator", it will be made clear in the EUAA that these new provisions are only required where the "Operator" under the TOA is also the "End User" under the EUAA.

Additional drafting notes would also need to be included where relevant in the EUAA to clarify which existing provisions would not apply if the "Operator" under the TOA was also the "End User" under the EUAA and there may be a need for consequential changes to maintain readability including in respect of nomination processes.

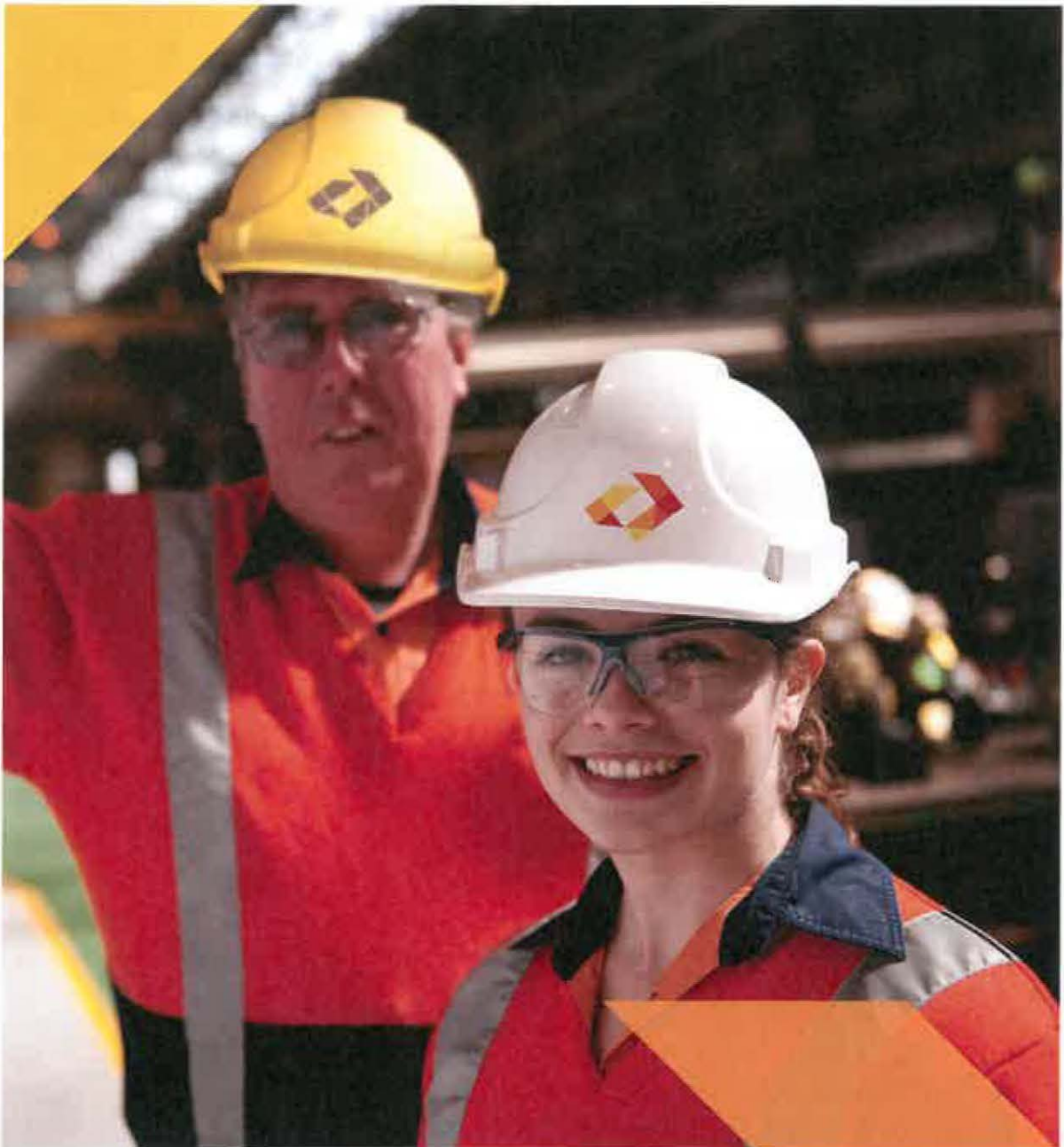
With these changes included in the 2014 DAU EUAA, the railway operators will still have an ability to hold both the Access Rights and Operational Rights by executing both the EUAA and TOA where it is the desire of their customer for them to control all below rail access rights in the same manner as they currently can under the OAA.

From a railway operator's perspective, only having a EUAA and TOA would require the railway operator to enter into both a EUAA and TOA rather than entering into an OAA where it holds both the Access Rights and Operational Rights. As the railway operators should already be familiar with the form of the TOA given that the UT3 TOA has been in place for over a year, this should not present any burden to the railway operators.

This would lead to efficiencies for railway operators as they would have a single form of TOA which contains the Operational Rights in respect of all Train Services it operates (i.e. instead of a separate OAA for those Train Services in respect of which it holds the Access Rights and a TOA for those Train Services in respect of which it does not hold the Access Rights). Having consistent forms of agreement for the Operational Rights will assist operators in administration and implementation of these provisions on a day to day basis.

Aurizon Network 2014 Draft Access Undertaking

Support of other stakeholder submissions to the Queensland Competition Authority (QCA)



Contents

Executive Summary	3
Introduction	4
Stakeholder Consultation	5
<i>Short term transfers</i>	5
Stakeholder submissions	6
<i>QRC's submission and mark-ups</i>	6
<i>Support for submissions</i>	6

Executive Summary

Aurizon Network provides this submission in response to the Queensland Competition Authority's (QCA) request for comments on the 2014 Draft Access Undertaking (2014 DAU).

This submission specifically addresses the stakeholder consultation which Aurizon Network has undertaken and topics where there is now alignment between Aurizon Network and stakeholders.

Since the withdrawal of the 2013 Draft Access Undertaking (2013 DAU) and the resubmission of the 2014 DAU on 11 August 2014, Aurizon Network has undertaken intensive consultation and negotiation with stakeholders on a number of topics. These include:

- negotiation framework (Part 4)
- access agreements (Part 5)
- capacity allocation and management (Part 7)
- system operating parameters, capacity review and network development plan (Part 8)
- connecting infrastructure (Part 9)



As a result of this consultation, Aurizon Network has agreed a number of further amendments to the 2014 DAU. In particular, the proposed draft of Part 4 of the 2014 DAU provided to the QCA by the Queensland Resources Council (QRC) has been agreed by Aurizon Network with the exception of a couple matters.

Aurizon Network has also agreed to amendments to the other sections of the 2014 DAU listed above, however there is still some way to go to have complete legal redrafting finalised and agreed in these areas. Aurizon Network will continue to work with stakeholders to further this process with the aim of assisting the QCA in progressing decision making on the 2014 DAU.

Introduction

On 11 August 2014, Aurizon Network withdrew the 2013 DAU and replaced this with the 2014 DAU. Due to the submission of the new 2014 DAU, the QCA has sought comments from stakeholders to assist it is assessing the proposal.

On its submission of the 2014 DAU to the QCA, Aurizon Network committed to undertake ongoing consultation and negotiation with stakeholders. This paper outlines the extent of consultation which has occurred since 11 August 2014, and also a number of topics which have been agreed with particular stakeholders or are supported by Aurizon Network.

Aurizon Network provides this paper to assist the QCA in further considering Aurizon Network's 2014 DAU and in developing a draft determination on policy matters. Aurizon Network understands that in finalising a position on the 2014 DAU, the QCA has the task of balancing the needs of all stakeholders. While Aurizon Network provides support to a number of changes requested by stakeholders, it is also cognisant that there are competing priorities and interests between stakeholders. Hence, not all stakeholders may agree to the changes which Aurizon Network is supporting.

Stakeholder Consultation

Since Aurizon Network's withdrawal of the 2013 Draft Access Undertaking and resubmission of the 2014 DAU on 11 August 2014, Aurizon Network has consulted with key stakeholders on the 2014 DAU. Topics discussed and involved stakeholders is outlined below:

Topic	Stakeholders
Part 4 - Negotiation Framework	QRC
Part 5 – Access Agreements	QRC
Part 7 – Available Capacity allocation and management	QRC
Principles for a proposed short term transfer mechanism	QRC, Pacific National, Aurizon Operations
Part 8 – Network development and Expansions	QRC
Part 9 – Connecting Private Infrastructure	QRC
Part 10 – Reporting	Aurizon Operations
Schedule F – Reference Tariffs	Aurizon Operations

As highlighted in QRC's Main Submission

"...after its resubmission of UT4, Aurizon Network and the QRC have had a number of productive engagements."

Aurizon Network offered to all key stakeholders an opportunity to meet and discuss any further concerns with the 2014 DAU with the aim of closing the gap between expectations of stakeholders and Aurizon Network. Aurizon Network has undertaken regular consultation sessions with stakeholders accepting of this offer, in particular the QRC and Aurizon Operations.

Short term transfers

Aurizon Network will separately be providing to the QCA a paper outlining the proposed short term transfer mechanism to be incorporated into the 2014 DAU and standard access agreements. Aurizon Network has undertaken extensive consultation with QRC, Aurizon Operations and Pacific National on the proposed mechanism. Aurizon Network understands the importance to access holders of having a simple and efficient process for managing short term variations in demand for rail access, and is encouraged by feedback included in the QRC submission that:

"Aurizon Network's proposal would be a significant step forward, and the QRC appreciates Aurizon Network's efforts to introduce a mechanism and to reflect the feedback of stakeholders."

Stakeholder submissions

Upon QCA submission, a number of stakeholders directly shared their responses with Aurizon Network. As such, Aurizon Network has considered these submissions and has agreed a number of drafting amendments as proposed by stakeholders in their submissions.

QRC's submission and mark-ups

The QRC notes in the drafting accompanying its submission:

"This mark-up contains a number of amendments which have been agreed between the QRC and Aurizon Network through consultation. For clarity, all mark-up shown in yellow highlighting reflects additional amendments proposed by the QRC which have not been agreed with Aurizon Network."

Regrettably due to time constraints, almost all of these additional amendments only came to the attention of Aurizon Network on receiving the QRC's draft submission. Aurizon Network has consequentially had insufficient time to properly consider and consult with the QRC on these additional amendments and the concerns giving rise to them. As consultations with the QRC have been constructive and productive, it is likely that with the continuation of those consultations, a number of these additional amendments (or variations of them) may in fact be capable of being agreed upon or the concerns giving rise to them otherwise addressed.

Support for submissions

Aurizon Network has included for the QCA's consideration a summary of points which it supports from stakeholder submissions. For clarity, where Aurizon Network has not commented on (or has indicated that it does not or has not agreed) an amendment from stakeholders, Aurizon Network does not support that amendment or has not had sufficient time to consider.

Item	Issue	Source	Relevant Clause	Comments
Part 4 Negotiation Framework				
1.	Request for additional information to assess an Access Applications	QRC mark-up	4.3(d)(i)	Minor drafting changes to clarify requirements for information around Customer Specific Branch Lines
2.	Request for additional information to assess capacity for an Access Application	QRC mark-up	4.3(d)(ii) and new 4.3(d)(iii)	Minor drafting changes to clarify that Aurizon Network may require information to complete a capacity assessment or to determine capacity allocation under Part 7 or Part 8
3.	Cancellation of Access Applications where insufficient information provided	QRC mark-up	4.3(e)	Minor drafting changes to correct error in the process for cancelling an Access Application which is not complete
4.	Cancellation of Access Applications where no Customer agreement	QRC mark-up	New 4.3(f)	Inclusion of an obligation for Aurizon Network not to accept a request from a rail operator to transfer access rights if there is no evidence that both Customer's agree to the transfer. Related amendment is discussed at item 37
5.	Provision of additional information in support of Access Applications	QRC mark-up	4.3(g)	Introduction of a new defined term for Non-Availability Requirements to simplify and clarify drafting. Related drafting

Item	Issue	Source	Relevant Clause	Comments
				changes are discussed at items 14 and 32
6.	Customer support for Access Applications	QRC mark-up	New 4.3(h) and 4.3(i)	Inclusion of provisions requiring confirmation from the customer that it supports the Access Application lodged by a rail operator. Where confirmation is not provided Aurizon Network may cancel the Access Application. Related amendment is discussed at item 37
7.	Rejection of Access Application where no Customer support	QRC mark-up	New 4.3(i)(iii)	Aurizon Network agrees to the inclusion of the word "but"
8.	Applications which require a Customer Specific Branch Lines	QRC mark-up	4.4(c) and 4.4(c)(v)(B)	Deletion of the reference to Customer Specific Branch Line as this is now picked up in clause 4.3(d)(i)
9.	Applications which may be partially granted without an Expansion	QRC mark-up	4.4(c)(i) and 4.4(c)(ii)	New drafting to provide that where some of an Access Seeker's requested Access Rights can be provided without an Expansion and some can only be provided with an Expansion, the Access Seeker may split the Access Application into two independent Access Applications – one for Access Rights requiring an Expansion and one for Access Rights not requiring an Expansion. While it agrees with the concept proposed, Aurizon Network considers the proposed drafting would benefit from further consideration and fine tuning
10.	Applications which require an Expansion	QRC mark-up	4.4(c)(v)(A) and 4.4(c)(v)(B)	Minor drafting changes for clarification of when a negotiation will resume under Part 4
11.	Non-discrimination based on funding source	QRC mark-up	New 4.4(c)(vi)	Inclusion of an obligation for Aurizon Network not to favour an Access Seeker on the basis of the source of funding for an Expansion. This mirrors clause 8.2.1(q) and clause 7.1(e). See also item 47
12.	Provisional Capacity Allocation	QRC mark-up	4.4(d)	Minor drafting change for clarification of what is considered to be "corresponding Access Rights"
13.	Criteria for acceptance of Access Application up to five years from commencement	QRC mark-up	4.4(e)(ii)(B)	Minor drafting amendment to provide for stages of project development and to clarify the right to submit a new Access Application
14.	Provision of additional information in support of Access Applications	QRC mark-up	New 4.4(h)	Link to the new defined term for Non-Availability Requirements which Aurizon Network will consider when determining if the Access Seeker has complied with the request for evidence on utilisation of

Item	Issue	Source	Relevant Clause	Comments
				Access Rights. Related drafting changes are discussed at items 5 and 32
15.	Request from Access Seeker to vary the Access Application	QRC mark-up	4.5(b)	New drafting which obliges Aurizon Network to notify the Access Seeker within 10 Business Days if a requested variation is a Material Variation
16.	Processing an Access Application where a Material Variation has been requested	QRC mark-up	New 4.5(d)	New process drafting where if an Access Seeker is notified that a requested variation is material and the Access Seeker fails to respond. It will be deemed that the Access Application has been withdrawn and, if applicable, replaced by a new Access Application which varies the previous application to deal with the requested variation
17.	Processing an Access Application where a variation is not material	QRC mark-up	4.5(e)	Minor drafting amendment to clarify timeframes by which Aurizon Network can extend the period for preparation of an Indicative Access Proposal where the Access Seeker has requested a non-material variation
18.	Negotiation Period	QRC mark-up	4.5(f)(iii)	Minor change to update clause referencing
19.	Material Variation where there is a change of Access Seeker	QRC mark-up	New 4.5(g)	New provision to clarify how the Material Variation process applies if an Access Application is taken over in accordance with the new process in clause 4.9.1(b). See item 25 for details
20.	Provision of an Initial Capacity Assessment in an Indicative Access Proposal	QRC mark-up	4.6(b)(iii)	New drafting to clarify that Aurizon Network may not complete a specific capacity assessment where it can rely on a previous assessment which is relevant for the Access Application. The Indicative Access Proposal will contain information from this capacity assessment
21.	Further information required to progress negotiations	QRC mark-up	4.6(b)(vi)	New drafting so that further information required from the Access Seeker must be reasonably required
22.	Notification of intent	QRC mark-up	4.7(b)	Minor drafting changes to link date of withdrawal to that determined in accordance with clause 4.6(e)
23.	Multiple Access Applications for the same Access	QRC mark-up	4.8	New drafting requiring Aurizon Network to negotiate simultaneously with multiple rail operators where the customer is undergoing a tender process for haulage. Where the customer notifies of the chosen rail operator, Aurizon Network will cease negotiation with any other rail operator. Aurizon Network will only

Item	Issue	Source	Relevant Clause	Comments
				execute an access agreement with the rail operator advised by the customer. New drafting to clarify the position where the Customer of an Access Seeker is also an Access Seeker in relation to the same rail haulage task
24.	Customer nomination of rail operator to assist in negotiation process	QRC mark-up	New 4.9.1(a), (b)(i) and (c)(i) and (ii)	New drafting to allow a customer access seeker to nominate its rail operator to act as agent for the purpose of negotiating with Aurizon Network
25.	Customer nomination of takeover of an Access Application	QRC mark-up	New 4.9.1(b)(ii) and (iii), (c)(iii) and (iv), (d) and (e)	Additional process included to allow a customer to take over an Access Application for which it is the customer, or to have its operator take over an Access Application where the customer was the original Access Seeker. Related drafting change is discussed at item 19
26.	Train Operators bound to the undertaking	QRC mark-up	4.9.2(c)	Minor drafting changes to clarify an objective assessment will be undertaken as to whether the Train Operator is complying with required provisions
27.	Commencement of Negotiation Period	QRC mark-up	4.10.1(b)	Minor drafting changes to clarify this relates to an Access Agreement or Train Operations Agreement
28.	Determination of end of Negotiation Period	QRC mark-up	4.10.1(c)(iv)	New drafting to allow extension of the Negotiation Period in accordance with suspension periods which may apply under new clause 4.10.3(b)(iii) where Aurizon Network is assessing a requested Material Variation. See item 34 for more detail
29.	Offered Access Rights no longer available due to Available Capacity change	QRC mark-up	4.10.1(c)(v)(B)	Minor drafting changes to clarify that it may not be Aurizon Network that commits to Infrastructure Enhancements
30.	Reduction in Available Capacity	QRC mark-up	4.10.1(d)	Minor correction of typographical error
31.	Circumstances for cessation of negotiation	QRC mark-up	4.10.1(e)	Minor correction of typographical error
32.	Confirmation of ability to use access during Negotiation Period	QRC mark-up	New 4.10.2(e)	Link to the new defined term for Non-Availability Requirements which Aurizon Network will consider when determining if the Access Seeker has complied with the request for further information under clause 4.10.2(d). Related drafting changes are discussed at items 5 and 14
33.	Finalising details of Access Agreements post execution	QRC mark-up	New 4.10.2(f)	Replication of previous clause 4.10.3(k)
34.	Processing an Access Application where a Material Variation has been	QRC mark-up	4.10.3	New provisions and processes (including timeframes) to allow that if an Access Seeker requests a Material Variation,

Item	Issue	Source	Relevant Clause	Comments
	requested within the Negotiation Period			Aurizon Network will reissue an Indicative Access Proposal and the Access Seeker will determine whether or not to proceed with negotiations on the basis of the reissued Indicative Access Proposal. A related change is discussed at item 28 Aurizon Network notes there is a minor error in clause 4.10.3(h)(iv)(A) in the QRC drafting for an incorrect cross reference
35.	Negotiation of End User Access Agreement and Train Operations Agreement	QRC mark-up	4.11(a)	Minor change to clarify that an End User may participate in negotiations between Aurizon Network and the Train Operator
36.	Circumstances for cessation of negotiations	QRC mark-up	4.12(a)(i)(D)	Minor amendment to include ceasing in respect of a Train Operator where the Train Operator has no genuine intention of obtaining the Access Rights
37.	Circumstances where Aurizon Network must cease negotiations	QRC mark-up	New 4.12(a)(ii)	New drafting to provide that Aurizon Network must cease negotiations with an operator where the customer has advised that the operator is no longer its nominated operator for the Access Rights or does not agree to a transfer. Related amendments are discussed at items 4 and 6
38.	Factors which determine reasonable likelihood of utilisation of Access Rights	QRC mark-up	4.12(c)(ii)(A)	Aurizon Network agrees in principle the intent of the QRC's additional drafting highlighted in its submission
39.	Factors which determine reasonable likelihood of utilisation of Access Rights	QRC mark-up	4.12(c)(ii)(B)	Aurizon Network agrees in principle the intent of the QRC's additional drafting highlighted in its submission
40.	Factors which determine reasonable likelihood of utilisation of Access Rights	QRC mark-up	4.12(c)(ii)(C)	Minor amendment to allow the Access Seeker or the operator to have reasonable likelihood of having sufficient facilities. Aurizon Network does not agree to the deletion of "sufficient" as proposed by the QRC highlighted in its submission
41.	Factors which determine reasonable likelihood of utilisation of Access Rights	QRC mark-up	4.12(c)(ii)(D)	Minor amendment to clarify that when determining whether the output of the mine is sufficient, any existing Access Rights contracted for that mine must be considered
42.	Factors which determine reasonable likelihood of utilisation of Access Rights	QRC mark-up	New 4.12(c)(ii)(E)	New drafting allowing Aurizon Network to consider likelihood of Customer Specific Branch Lines to be developed. Related drafting change is discussed at item 1
43.	Recovery of costs where Access Application is ceased	QRC mark-up	4.12(e)	Minor drafting change to clarify that this occurs where a negotiation has been ceased validly

Item	Issue	Source	Relevant Clause	Comments
Part 5 – Access Agreements				
44.	Execution of Access Agreements where there is Available Capacity	QRC mark-up	New 5.2(e) - (g)	New obligation for Aurizon Network not to execute an Access Agreement where there is insufficient available capacity except where that Access Agreement is conditional on the creation of the required Capacity
45.	Access Holder ability to move to the most current generation of standard access agreement	QRC submission	N/A	Aurizon Network supports the principle of giving Access Holders an ability to “uplift” its access agreement into the UT4 form of standard access agreement. Further discussion with stakeholders is required to work through the detail of how this will be achieved
Part 7 – Available Capacity allocation and management				
46.	Application	QRC mark-up	7.1(a)(vi)	Minor change
47.	Non-discrimination based on funding source	QRC mark-up	7.1(e)	Minor drafting changes to mirror new clause 4.4(c)(vi) and 8.2.1(q)
48.	Insufficient Available Capacity	QRC mark-up	7.1(f)	Minor drafting to amend cross references
49.	General requirement for capacity allocation	QRC mark-up	7.2	Clause updated to match criteria with the negotiation cessation criteria under Part 4 (clause 4.12(c)(ii)). Aurizon Network agrees in principle the intent of the QRC’s additional drafting in clause 7.2(a) and 7.2(b) highlighted in its submission. Aurizon Network does not agree to the further change to clause 7.2(c) proposed by the QRC highlighted in its submission
50.	Renewals	QRC mark-up	7.3(a)	Drafting change to clarify that the Access Rights to be renewed are those rights which exist immediately prior to expiry
51.	Renewal from a replacement mine	QRC mark-up	7.3(b)	Deletion of “or destination” as this is not relevant for the replacement mine concept
52.	Renewing less than existing rights	QRC mark-up	New 7.3(c)(i)	New clause to clarify that a Renewing Access Seeker may request less Access Rights than previously contracted
53.	Timeframe for Renewing Access Seeker	QRC mark-up	7.3(d)(iv)	Drafting change to excuse a Renewing Access Seeker from meeting the required negotiation timeframes where the delay is caused by breach by Aurizon Network
54.	Timeframes for Renewal applications	QRC mark-up	7.3(f)	Drafting change to include additional flexibility for the Renewing Access Seeker and Aurizon Network to agree different timeframes
55.	Terms of Access Agreement for a Renewal	QRC mark-up	7.3(f)(i)(A)	Minor drafting change to require Aurizon Network to be reasonable. Aurizon Network does not support the QRC’s comment on clause 7.3(f)(i) to shorten

Item	Issue	Source	Relevant Clause	Comments
				the minimum term of an Access Agreement
56.	Terms of Access Agreement for a Renewal and negotiation process	QRC mark-up	7.3(g) and 7.3(h)	<p>Additional drafting included to clarify that:</p> <ul style="list-style-type: none"> • Aurizon Network does not have to renew Access Rights on the same terms as the existing Access Rights • Negotiations will occur in accordance with Part 4 and Part 5 • There will be Available Capacity for a Renewal <p>Aurizon Network does not agree to the further change to clause 7.3(g) proposed by the QRC highlighted in its submission</p>
57.	Mutual exclusivity for a Transferee's Access Application	QRC mark-up	7.4.2(a)(iv)(C)	Minor drafting amendment to clarify that in considering if the requested Transfer is mutually exclusive only the Ancillary Access Rights are considered
58.	Transferee to submit an Access Application	QRC mark-up	7.4.2(b)	Inclusion of additional clarification that this process works in conjunction with clauses 4.3(f) and 4.12(a)(ii). Refer to items 4 and 37 for further details. Aurizon Network agrees to the further minor change to clause 7.4.2(b) proposed by the QRC highlighted in its submission
59.	Provisional Capacity Allocation	QRC mark-up	7.5.2(a)(ii)(A)	Minor correction of typographical error
60.	Obligations under any Law for prioritising Access Applications	QRC mark-up	7.5.2(c)(i)	Minor drafting change for clarification
61.	Objectives for determining Capacity allocation	QRC mark-up	7.5.2(d)	Minor drafting change for clarification
62.	New objective to consider for Capacity allocation	QRC mark-up	New 7.5.2(d)(iii)	New factor which provides for consideration as to the extent the Access Application met the criteria in clause 7.5.2(c)(ii)
63.	Promoting efficient investment in Rail Infrastructure	QRC mark-up	7.5.2(d)(viii)(A) and old 7.5.2(d)(viii)(B)	Amend to allow consideration of commercial viability as a factor and remove from the list quality of the product to be transported
64.	Priority for coal services	QRC mark-up	7.5.2(e)	Minor drafting change to ensure that Aurizon Network will prioritise coal services over others subject to clause 7.5.2(c) for obligations under law
65.	No difference between mutually exclusive Access Applications based on objectives	QRC mark-up	7.5.2(g)(i)	Drafting change to ensure Aurizon Network acts reasonably where determining if it is possible to differentiate between Access Applications
66.	Allocation according to date	QRC mark-up	7.5.2(g)	Strengthening of obligation such that if Aurizon Network cannot differentiate

Item	Issue	Source	Relevant Clause	Comments
				between Access Applications it will prioritise according to date
67.	Determination of relevant date for Capacity allocation	QRC mark-up	7.5.2(g)(iv)	Additional drafting included to determine the relevant date for an Access Application where it has been amended in accordance with the Material Variation process under Clause 4.10.3. Refer to item 34 for more details
68.	Network Management Principles	QRC mark-up	7.6	Aurizon Network has not agreed to the amendments to clause 7.6 proposed by the QRC in its submission
Part 8 - Network development and Expansions				
69.	Review of System Operating Parameters	QRC mark-up	8.11.2(e)	Minor drafting change to clarify that the System Operating Parameters will be reviewed where there is a sustained change, rather than permanent that materially impacts the System Operating Parameters
70.	Availability of review of System Operating Parameters	QRC mark-up	8.11.2(f)	New provision requiring Aurizon Network to provide to Access holders the outcomes of a review of System Operating Parameters subject to confidentiality requirements. Aurizon Network does not agree to the further change to clause 8.11.2(f) proposed by the QRC highlighted in its submission
71.	Capacity Review	QRC mark-up	8.11.3	Replacement of term "Capacity Assessment" with "Capacity Review"
72.	Frequency of Capacity Review	QRC mark-up	8.11.3(a)	Clarification that a Capacity Review will be undertaken where Aurizon Network considers: <ul style="list-style-type: none"> a change in the System Operating Parameters will result in a change in Existing Capacity a Below Rail change is reasonably expected to result in a material sustained change to Existing Capacity
73.	Factors to be considered in a Capacity Review	QRC mark-up	New 8.11.3(c)(iii)(A)	Addition of Operational Constraints as a factor to be considered in a Capacity Review
74.	Making the Capacity Review available to Access Holders	QRC mark-up	8.11.3(d)	Minor drafting change to introduce new defined term for Capacity Review Outcomes
75.	Expert review of Capacity Review Outcomes	QRC mark-up	8.11.3(e) to (g)	Additional process for completion of an expert review of a Capacity Review, the Capacity Review Outcomes and System Operating Parameters. The expert must consider whether: <ul style="list-style-type: none"> Aurizon Network has undertaken the Capacity Review and the Capacity

Item	Issue	Source	Relevant Clause	Comments
				<p>Review Outcomes are consistent with Good Engineering Practices</p> <ul style="list-style-type: none"> If not consistent with Good Engineering Practices, whether the Capacity Review Outcomes should be amended <p>Drafting has been included to:</p> <ul style="list-style-type: none"> clarify the expert's obligations to Aurizon Network and Access Holders provide for confidentiality of information granted to the expert ability for the expert to review the System Operating Parameters to ensure they are consistent with the relevant operational provisions within the Access Agreements <p>Aurizon Network does not agree to the further change to clause 8.11.3(e) to (g) proposed by the QRC highlighted in its submission</p>
76.	Effect on Capacity Review of expert review	QRC mark-up	New 8.11.3(h)	New provision provides that if an expert determines the Capacity Review Outcome should be amended, Aurizon Network will take the expert's assessment as the new Capacity Review Outcome
77.	Capacity Deficit	QRC mark-up	8.11.3(i)	Amend the provision such that if there is a Deficit, Aurizon Network will also assess the impact of the Deficit on existing Access Rights and identify potential solutions
78.	Relation to Capacity Shortfall	QRC mark-up	New 8.11.3(j)	New provision to clarify that clause 8.11.3(i) does not limit the Capacity Shortfall provisions for an Expansion
79.	Scope of the Network Development Plan	QRC mark-up	New 8.12(c)	New provision which clarifies the intent of the Network Development Plan to consider medium to long term alternatives for increasing Capacity to suit future demand. Aurizon Network has not agreed to the further change to clause 8.12(c) proposed by the QRC highlighted in its submission
80.	Information to be included in the Network Development Plan	QRC mark-up	8.12(d)	<p>Amended to include additional information to be contained in the Network Development Plan, being:</p> <ul style="list-style-type: none"> Overview of opportunities to increase capacity including consideration of non-below rail alternatives Indicative timeframes and costs for the options (to the extent that this

Item	Issue	Source	Relevant Clause	Comments
				information is available to Aurizon Network) Aurizon Network has not agreed to the further change to clause 8.12(d) proposed by the QRC highlighted in its submission
81.	Review of the Network Development Plan	QRC mark-up	8.12(e)	Obligation for Aurizon Network to act reasonably in determining if it is required to review the Network Development Plan more frequently if there is a material expected impact which would change the document. Aurizon Network has not agreed to the further change to clause 8.12(e) proposed by the QRC highlighted in its submission
82.	Consultation on the Network Development Plan	QRC mark-up	New 8.12(h)	Additional process where Aurizon Network will provide to Access Holders, Access Seekers and interested parties a copy of the proposed Network Development Plan for review and comment prior to publishing on the Website
83.	Peer review of the Network Development Plan	QRC mark-up	New 8.12(j)	New provision to allow Access Holders to appoint an expert to review the capacity planning inputs and outputs which are used in developing the Network Development Plan. Aurizon Network has not agreed to the further change to clause 8.12(j) proposed by the QRC highlighted in its submission relating to the inclusion of a 60% threshold. Aurizon Network does not agree to the further change to clause 8.12(j) regarding provision of information to the consultant
84.	Excluding Interested Participant's votes	QRC mark-up	Old 8.13.5(f) and (g)	Minor drafting change to ensure that Aurizon Network must seek the QCA's approval to exclude any votes. Aurizon Network does not agree to the deletion of old clauses 8.13.5(f) and (g) proposed by the QRC highlighted in its submission
85.	Provision of information for a vote	QRC mark-up	8.13.6(a)	Aurizon Network agrees in principle the intent of the QRC's additional drafting in clause 8.13.6(a) highlighted in its submission
86.	Audit of compliance with voting process	QRC mark-up	8.13.7(c)	Minor drafting change to update cross reference. Aurizon Network does not agree to the further change to clause 8.13.7(c) proposed by the QRC highlighted in its submission

Item	Issue	Source	Relevant Clause	Comments
87.	Substantial compliance with voting process	QRC mark-up	8.13.7(f)	Minor drafting change to include examples of relevant clauses for substantial compliance. Where substantial compliance has not been achieved, the vote will be invalid and ineffective
88.	Meaning of substantial compliance	QRC mark-up	8.13.7(g)	Minor drafting change to clarify that substantial compliance must be considered objectively
Part 9 – Connecting Private Infrastructure				
89.	Proposal from the Private Infrastructure Owner	QRC mark-up	9.1(b)	Minor drafting change to allow the Private Infrastructure Owner to provide reasonably sufficient details regarding the connection
90.	Reduction in capacity due to connection	QRC mark-up	9.1(c)(iv)	Minor drafting to clarify the assessment of impact on capacity of the connection only considers post construction capacity losses
91.	Satisfaction of conditions for connection	QRC mark-up	9.1(e)	Minor drafting change to allow that the conditions for connection either are satisfied or will be satisfied
92.	Standard or condition of Connecting Infrastructure	QRC mark-up	9.1(e)(i)	Deleted from clause reference to the standard and condition of the connecting infrastructure compared to the rail infrastructure as this has been moved to a new clause 9.1(i). See also item 96
93.	Negotiation of a connection agreement	QRC mark-up	New 9.1(f)	Included new clause requiring Aurizon Network to enter negotiations with the Private Infrastructure Owner for a connection agreement and other relevant agreements. Aurizon Network does not agree to the further change to clause 9.1(f) proposed by the QRC highlighted in its submission
94.	Notification that conditions have not been met	QRC mark-up	9.1(g)	Minor drafting change requiring Aurizon Network to promptly notify the Private Infrastructure Owner where requirements are not satisfied
95.	Design of connecting infrastructure	QRC mark-up	9.1(h)	Minor correction of typographical error
96.	Standard or condition of Connecting Infrastructure	QRC mark-up	9.1(i)	Relocated provision from clause 9.1(e)(i). See also item 92
Part 10 - Reporting				
97.	Additional measures for Quarterly Network Performance Report	Aurizon Operations submission	10.1.5	Additional reporting to be included: <ul style="list-style-type: none"> • Reinstatement of BRTT performance by system • Average train speed for diesel and electric train services by system
Part 12 – Definitions				
98.	Capacity Review	QRC mark-up	12.1	New definition of Capacity Review used in Part 8

Item	Issue	Source	Relevant Clause	Comments
99.	Capacity Review Outcomes	QRC mark-up	12.1	New definition of Capacity Review Outcomes used in Part 8. Aurizon Network has not agreed to the further change to this definition proposed by the QRC highlighted in its submission
100.	Customer Access Seeker	QRC mark-up	12.1	New definition of Customer Access Seeker used in Part 4
101.	Existing Capacity	QRC mark-up	12.1	Minor amendment to definition of Existing Capacity to correct a typographical error
102.	Interested Participant	QRC mark-up	12.1	Minor amendment to definition of Existing Capacity to correct a cross reference
103.	Material Variation	QRC mark-up	12.1	Amendment to definition of Material Variation to clarify the materiality of particular changes
104.	Non-Availability Requirements	QRC mark-up	12.1	New definition of Non-Availability Requirements used in Part 4
105.	System Operating Parameters	QRC mark-up	12.1	Amendment to definition of System Operating Parameters to clarify the origin of assumptions included in the System Operating Parameters. For example, information will be taken out of executed Access Agreements or Operating Plans
Schedule A – Preliminary, Additional and Capacity Information				
106.	Telecommunications	QRC mark-up	1(c)	Minor amendment to delete the inclusion of requirements for changes to the communication system
107.	Master Train Plan	QRC mark-up	3(a)	Minor amendment to ensure the Master Train Plan and Daily Train Plan also detail Cross System Train Services
108.	Daily Train Plan	QRC mark-up	3(c)	Minor amendment to correct typographical error
Schedule B – Access Application Information requirements				
109.	Ability to use Access Rights	QRC mark-up	3(a)	Drafting amendment to align this provision with the new requirement in clause 4.3(h)(ii). Related amendment discussed at item 6 and 37
110.	Sufficient Facilities for Railway Operator	QRC mark-up	3(e)	Drafting amendment to align with clause 4.12(c)(ii)(C). Aurizon Network does not agree to the deletion of "sufficient" as proposed by the QRC highlighted in its submission. Related amendment discussed at item 40
111.	Output of a mine	QRC mark-up	3(f)	Drafting amendment to align with clause 4.12(c)(ii)(D). Related amendment discussed at item 41
112.	Customer Specific Branch Line	QRC mark-up	New 3(g)	Drafting amendment to align with clause 4.12(c)(ii)(E). Related amendment discussed at item 42
113.	Customer support for a transfer	QRC mark-up	7(b)	Minor drafting amendment requiring the Access Holder to provide Details for the Transferor. An additional inclusion is

Item	Issue	Source	Relevant Clause	Comments
				required in Part 12 for the definition of Transferor
114.	Evidence to support a transfer	QRC mark-up	7(g)	Minor drafting amendment for clarity
115.	Relevant Access Agreement for a renewal	QRC mark-up	8(f)	Minor typographical correction to footnote 11 and deletion of footnote 12
Schedule F – Reference Tariffs				
116.	Calculation of Total Actual Revenue	Aurizon Operations submission	3.3(c)(ii)	Aurizon Network supports the inclusion of an exception to allow Aurizon Network to exclude from Total Actual Revenue any Relinquishment Fee which would have resulted from a reduction in train paths which had no net change in the total net tonnes to be operated under the relevant Access Agreement. Aurizon Network considers the drafting proposed by Aurizon Operations to achieve this could be clarified