

Aurizon Network costing manual – summary of changes

Reference	Comment
1.1(d) 2.1.2 Schedule A (old and new)	The separation of the financial results between CQCR and the rest of the network had not been updated since other networks were transferred to Queensland Rail in June 2010. This amendment removes the requirement for separation because it is outdated.
2.1.1 Part 5	The requirements of Clause 12.1 were duplicated in the Manual. These amendments remove the duplication.
2.3 3.1 Schedule B (new) Schedule C (new) 4.3(a)(ii) 4.3.3.8(b)	Changes made to reflect the organisational structure that was implemented on 1 July 2013.
3.2(c) 4.1(b)(ii) 4.3(a)(i) 4.3.7(b)	For the year ended 30 June 2013, there was no transfer of corporate overhead costs to Aurizon Network. For the year ended 30 June 2014 Aurizon Network has received an allocation of corporate costs in line with the Service Agreement that was executed in June 2013. This allocation does not reflect the efficient stand alone costs of Network on which the MAR is based. This change has been made to closer align the regulatory accounts with the expense allowances received as part of the MAR. The way it reads without the amendment, the corporate cost reported would just be the amount of the intercompany charge and the regulatory statements for FY14 would be inconsistent with FY13 with respect to corporate costs.
3.1(i) Part 6	Aurizon Network Pty Ltd is no longer party to a Deed of Cross Guarantee. "Aurizon Deed Party" removed from definitions.
4.2.1(c) 4.2.2(c)(ii) 4.2.2(c)(iv) 4.2.2(d) 4.2.4(b) 4.3.3.1 4.3.3.3(b) 4.3.6(d) 4.3.7(c) 4.4.2.1(b)	This is not a change to the way the financial statements have been prepared previously and does not affect financial results. The statement/s have just been added/revised for clarity.
Table 4.1 4.2.2.3 4.2.2.12 4.3.2.4 4.4.2.3	Rollingstock is included with Plant and Equipment. Customer Premises Equipment has been removed as it is no longer relevant. Telecommunications backbone charge removed as it is no longer revenue recognised within Aurizon Network.
4.2.2(c)(iii)	Following the restructure on 1 July 2013, the asset maintenance division is now part of Aurizon Network Pty Ltd and assets will be reported on the statement of assets (irrespective of them not being included on the RAB – refer 4.2.2(d)).

Part 6 Table 4.2 4.3.1.1 4.3.1.2 4.3.1.3 4.3.3.2 4.3.3.7 4.3.3.8(b) 4.3.6(c) 4.4.1.1(c)	“Below Rail Services” modified to clarify it is for the provision of regulated services. With the modification of change in definition of Below Rail Services to reflect purely regulated below rail services, it is necessary to apportion some costs (for non-coal services) to Other Services. This is consistent with the UT4 submission.
4.3.2.5 Table 4.5 4.4.2.1(c)-(e)	Removed from the Manual on the basis of immateriality to the financial statements. Assets/costs/revenue will still be included as relevant on the basis of the general allocation principles.
4.3.7	Changes made to reflect current Aurizon Group structure. Eg Safety, Real Estate and Enterprise Procurement used to be part of the Business Sustainability function but is now within the Enterprise Services function. This is purely a realignment and has no financial impact. The change to Accounts Payable and Payroll is to correct a mistake made in the Costing Manual last year. This reflects how the costs were allocated. The exclusion of Network Finance from the Finance function reflects Network Finance being considered a direct support costs as per recent discussions with respect to the UT4 submission.
Part 6 Definitions Schedule A (old)	“Central Queensland Coal Region” definition expanded (aligned to the Undertaking) rather than as a separate Schedule.
Part 6 Definitions Schedule A (new)	“Other Below Rail Services” and “Rail Infrastructure” definitions removed as they are not required to be reported. For reporting purposes, assets, revenue and expenses of Aurizon Network only Below Rail Services need to be identified from the entity totals. Format of the financial statements updated to reflect reporting of Below Rail Services only, fulfilling the requirement of section 12.1 of the Undertaking (given there is no longer any geographic (regional) separation of costs and assets).