

File Ref: 1322530

15 November 2018

Ms Donna Bowman
Manager Network Regulation (Access Undertaking)
Aurizon Network Pty Ltd
GPO Box 456
Brisbane Qld 4001

Dear Ms Bowman

Notice of draft decision Aurizon Network's 2017–18 revenue adjustment

The QCA determined that Aurizon Network has not appropriately calculated all of the revenue adjustments proposed in its application submitted on 28 September 2018. Specifically, the QCA considers that not all of the costs submitted for the ground penetrating radar component are prudent and efficient (as per table attached). The QCA therefore decided to refuse to approve Aurizon Network's revenue adjustment amount for 2017–18.

The QCA's review of the revenue adjustment is summarised in the attached draft decision notice. The draft decision includes an overview of the basis of our assessment and our findings. This is a written notice for the purpose of clause 4.3(n)(ii) in Schedule F of the 2016 access undertaking.

Clause 4.3(n)(ii)(B) in Schedule F of the 2016 access undertaking requires Aurizon Network to amend the revenue adjustment amount and resubmit to the QCA within 30 days of receiving this notice.

If you have any question on this matter, please contact Mark Kelso on 07 3222 0511 or mark.kelso@qca.org.au.

Yours sincerely



Charles Millstead
Chief Executive Officer

Table 1 2016–17 ground penetrating radar costs

	<i>Aurizon Network submission</i>	<i>QCA draft decision</i>
Contract		
Labour		
Plant		
Other (travel and consumables)		
Total		

Note: Number may not sum due to rounding.