

STAKEHOLDER NOTICE

22 March 2018

Aurizon Network 2017 SUFA DAAU (UT4 SUFA DAAU)

On 14 December 2017, the QCA made its final decision to refuse to approve Aurizon Network's proposed standard user funding agreement (SUFA) and UT4 draft amending access undertaking (DAAU), submitted in accordance with Aurizon Network's obligation under clause 8.8.3(a) of the 2016 access undertaking (UT4).

In accordance with clause 8.8.3(d)(iv) of UT4, the QCA required Aurizon Network to submit an amended SUFA by Tuesday 13 February 2018.

On 13 February 2018, Aurizon Network advised that it will not accept the form of SUFA template in the QCA's final decision for the reasons it had set out in its previous submissions.

On the same day, Aurizon Network advised stakeholders and the QCA that it had published on its website a suite of documents referred to as a Reference User Funding Agreement (RUFA). Aurizon Network said that the RUFA is closely based on the SUFA documents it had submitted to the QCA in response to the QCA's draft decision on the UT4 SUFA DAAU. Aurizon Network claimed that the RUFA is available for use during the good faith negotiations of a user funding agreement contemplated under clause 8.8.1(a) of UT4.

The QCA does not regard Aurizon Network's publication of the RUFA to be a submission of an amended SUFA. Under UT4, the QCA has the option of publishing a form of SUFA with amendments we consider appropriate, seeking a further round of submissions, and then proceeding to make a decision to approve (or not approve) a SUFA.

However, given Aurizon Network and industry stakeholders are currently focused on UT5 and other regulatory matters, the QCA proposes not to take these steps at this time.

In the interim, prospective user funders may enter into good faith negotiations with Aurizon Network under UT4 with awareness of the contentious matters considered by the QCA in its final decision on the UT4 SUFA DAAU. Part 11 of UT4 contains a dispute resolution process that any party can use in the event a dispute arises regarding the negotiation of a user funding agreement.