

SCHEDULE A

Rail Access Line Diagrams

SCHEDULE B***Confidentiality Deed*****BETWEEN**

QR Network Pty Ltd (ACN 132 181 116) of Level 14, 305 Edward Street, Brisbane
in the State of Queensland

(***“QR Network”***)

AND

(***“Access Seeker”***)

RECITALS

- A.** The Access Seeker has made or intends to make enquiries of QR Network regarding the provision of Access and the parties may commence negotiation of the terms of an Access Agreement under which QR Network will provide the Access Seeker with Access to the Rail Infrastructure;
- B.** In the course of the Access Seeker's enquiry and/or during the negotiations for the provision of Access to the Access Seeker and/or during the term of the Access Agreement it is envisaged that the parties will have to provide each other with Confidential Information;
- C.** This deed sets out the terms upon which the parties will disclose Confidential Information to each other.

OPERATIVE PROVISIONS

1. Definitions

- 1.1. Unless the context otherwise requires, and subject to Clause 1.2, terms defined in the Undertaking have the same meanings when used in this deed.
- 1.2. In this deed, the following words and expressions shall have the respective meanings:

“Confidential Information” means:

- (a) any information, data or other matter ('information') disclosed to a party by, or on behalf of, another party in contemplation of, or during the course of, the negotiations for Access in respect of which this deed was signed, or during the term of the Access Agreement that results from those Access negotiations, where:-
- (i) the disclosure of the information by the recipient might reasonably be expected to affect the commercial affairs of the owner of the Confidential Information; or
- (ii) the information is marked confidential by a party when disclosed; and
- (b) any information or data collected by QR Network or an Access Holder in the performance of an Access Agreement where the disclosure of the information by the collector might reasonably be expected to affect the commercial affairs of the other party to the Access Agreement, which party shall be deemed to be the owner of such Confidential Information;

provided that such information;

- is not disclosed in relation to services other than the provision of Access to Rail Infrastructure for the purpose of operating Train Services;
- is not already in the public domain;
- does not become available to the public through means other than a breach of the confidentiality provisions in this deed;
- was not in the other party's lawful possession prior to such disclosure; and
- is not received by the other party independently from a third party free to disclose such information, data or other matter;

and provided further that information will cease to be Confidential Information if the information has ceased to retain its confidential nature, for example:

- the disclosure of the information by the recipient would no longer reasonably be expected to affect the commercial affairs of the owner of the information;
- the information is now in the public domain through means other than a breach of the confidentiality provisions in this deed; or
- the information has been received by the recipient independently from a third party free to disclose the information;

“Permitted Purpose” means a purpose associated with responding to an Access Application, negotiating an Access Agreement or administering an Access Agreement.

“Undertaking” means the access undertaking prepared by QR Network and approved by the QCA in accordance with the Act.

2. Disclosure and Use of Confidential Information

- 2.1. Each party (“Recipient”) undertakes to keep confidential and not disclose any Confidential Information of the other party (“Owner”) or permit any person employed or engaged by it to disclose any such Confidential Information to any person (including other individuals employed or engaged by that party) except in accordance with this deed or the Undertaking, and to use Confidential Information of the other party only for a Permitted Purpose, unless:
- a) the Owner provides its prior written approval, which approval shall not be unreasonably withheld; or
 - b) the disclosure and/or use is:
 - (i) required or compelled by any law;
 - (ii) required or compelled by any order of a court;
 - (iii) required or compelled by notice validly issued by any Authority;
 - (iv) necessary for the conduct of any legal proceedings, including any dispute resolution process under the Undertaking or the Act;
 - (v) required under any stock exchange listing requirement or rule;
 - (vi) to the Safety Regulator;
to the Recipient’s solicitors, barristers, or accountants under a duty of confidentiality;
 - (vii) to the Recipient’s banker or other financial institution, to the extent required for the purpose of raising funds or maintaining compliance with credit arrangements, if such banker or financial institution has executed a legally enforceable confidentiality deed in favour of the Owner;
 - (viii) requested by QR’s shareholding ministers;
 - (ix) for the purpose of facilitating Train Control directions where the disclosure of information is by QR Network in the usual course of undertaking Train Control Services;
 - (x) by any person involved in clearing an incident or emergency that is preventing the operation of Train Services on the Rail Infrastructure;
 - (xi) if the party disclosing the Confidential Information is QR Network, to another Railway Manager for rail transport infrastructure as defined in the TIA but only to the extent required for the purpose of QR Network negotiating or providing Access or that other Railway Manager negotiating or providing access to that Railway Manager’s rail transport infrastructure (as defined in the TIA), as applicable, in relation to the Access Seeker provided that the other Railway

Manager has undertaken to keep the Confidential Information disclosed to it by QR Network confidential; or

- (xii) subject to clause 2.4(a), to a Related Party of QR Network (“QR Party”) provided that the disclosure is in accordance with clauses 2.4(b) to (i) and subject to a legally enforceable agreement between QR Network and the QR Party with provisions requiring keeping confidential and not disclosing (and not permitting any person employed or engaged by that QR Party to disclose) Confidential Information disclosed to the QR Party by QR Network (provided that QR Network must notify the QCA of any breach of such provisions of which QR Network becomes aware, and the actions QR Network has taken, or proposes to take, to rectify that breach (to the extent possible) and prevent further improper use or disclosure).

2.2. For the purposes of Clause 2.1(a), it is deemed to be unreasonable for QR Network to refuse to approve the disclosure of its Confidential Information by an Access Seeker to that Access Seeker’s external consultant/s, independent adviser/s or Customer/s where the Access Seeker enters into a contract with the recipient of the Confidential Information on the following terms:

- a) specifying the individual/s employed by the recipient who may have access to any QR Network Confidential Information provided under the contract;
- b) specifying that those individual/s must not disclose any QR Network Confidential Information provided under the contract to any other person unless otherwise agreed by QR Network; and
- c) if required by QR Network, requiring the recipient to execute a confidentiality deed in favour of QR Network on terms and conditions reasonably satisfactory to QR Network.

2.3. For the purposes of Clause 2.1(a), it is deemed to be unreasonable for the Access Seeker to refuse to approve the disclosure of its Confidential Information by QR Network to QR Network’s external consultant/s or independent adviser/s where QR Network enters into a contract with the recipient of the Confidential Information on the following terms:

- a) advising the recipient that a conflict of interest may exist with respect to the recipient providing services on a related matter to a QR Operational Business Group;
- b) specifying the individual/s employed by the recipient who may have access to the Access Seeker’s Confidential Information provided under the contract and, where QR Network has not been able to reasonably avoid appointing an external consultant or independent advisor to review, and provide advice in relation to Confidential Information and that same external consultant or independent advisor is also advising a QR Operational Business Group in relation to the same or a related matter, after receiving the recipient’s assurance that those individuals are not, and will not for as long as the information remains Confidential Information, be working for a QR Operational Business Group on the same or a related matter;

- c) specifying that those individual/s must not disclose the Access Seeker's Confidential Information provided under the contract to any person outside of QR Network; and
 - d) if required by the Access Seeker, requiring the recipient to execute a confidentiality deed in favour of the Access Seeker on terms and conditions reasonably satisfactory to the Access Seeker.
- 2.4. a) QR Network may disclose the Access Seeker's Confidential Information to:
- (i) individuals within QR Network (including the QR Network Chief Executive, QR Network Board and their respective Support Staff); and
 - (ii) the Chief Executive Officer of QR, the Chief Financial Officer of QR, the QR Board and their respective Support Staff.
- b) Subject to Clause 2.4(c), QR Network may disclose the Access Seeker's Confidential Information to those groups within QR specified in this Paragraph, provided that disclosure to each recipient is limited to the extent necessary to carry out a Permitted Purpose:
- (i) Rollingstock Engineering Division, QR Services in relation to Rollingstock or Rollingstock Interface issues;
 - (ii) Property Division, QR in relation to real property issues; and
 - (iii) QR Services employees in management level 2, 3 and 4 in relation to Rail Infrastructure issues.
- c) The Access Seeker may, in an Access Application, give notice to QR Network that it does not wish QR Network to disclose its Confidential Information to any one or more of the groups listed in Clause 2.4(b). If the Access Seeker gives such a notice to QR Network, then:
- (i) upon receipt of such notice QR Network may not disclose Confidential Information to the groups so noted;
 - (ii) QR Network will make reasonable efforts to suggest a reasonable alternate mechanism whereby whereby QR Network can obtain the information it requires to respond to the Access Application and the Access Seeker will not unreasonably withhold its agreement to this alternate mechanism. If the parties fail to agree on an alternate mechanism either party may seek to resolve the Dispute in accordance with the Dispute resolution process outlined in Clause 4.7 of the Undertaking;
 - (iii) all reasonable costs incurred by QR Network in obtaining information by means of an alternate mechanism agreed in accordance with Clause 2.4(c)(ii) may be recovered by QR Network from the Access Seeker as a debt due and owing. All relevant timeframes applicable to QR Network under the Undertaking will be extended by the same number of days as equals the number of days from QR Network's receipt of the Access Application to QR Network's receipt of the information it requires to respond to the Access Application; and

- (iv) If
- the Dispute resolution process determines that no reasonable alternate mechanism exists whereby QR Network can reasonably obtain the information it requires to respond to the Access Application; or
 - the parties fail to agree on an alternate mechanism but do not seek resolution by the Dispute resolution process;
- QR Network may give a Negotiation Cessation Notice to the Access Seeker, in accordance with Paragraph 4.6(b) of the Undertaking.
- d) QR Network may disclose the Access Seeker's Confidential Information to a QR Operational Business Group where:
- (i) the Access Seeker approves such disclosure;
 - (ii) such disclosure is required for a Permitted Purpose in respect of Access to a station or platform, provided that any disclosure is limited to the extent required for this purpose;
 - (iii) such disclosure is required for the purpose of facilitating the performance of Field Incident Management and Yard Control services, provided that any disclosure is limited to the extent required for this purpose; or
 - (iv) such disclosure is required for the purpose of facilitating the performance of scheduling and Train Control Services in the Metropolitan Region, provided that any disclosure is limited to the extent required for this purpose.
- e) If, for a Permitted Purpose, QR Network wishes to disclose the Access Seeker's Confidential Information to a QR employee or group (or an employee or group of a Related Party of QR other than QR Network) not specified in Clauses 2.4(a), (b) or (d), or to a group specified in Clause 2.4(b) on an issue not specified in that Clause, QR Network must:
- (i) obtain the consent of the Access Seeker prior to making the disclosure; and
 - (ii) only disclose the Confidential Information to that employee or group to the extent necessary for the Permitted Purpose.
- f) QR Network will not, where reasonably practicable, disclose the Access Seeker's Confidential Information to a QR employee (or an employee of a Related Party of QR) where that person is advising one of the QR Operational Business Groups in relation to the same or a related matter. Where such a situation is not reasonably avoidable, notwithstanding the provisions of Clause 2.4(b), QR Network must obtain the consent of the Access Seeker prior to making the disclosure.
- g) If, during the process of responding to an Access Application or negotiating an Access Agreement, QR Network seeks the consent of an Access Seeker for the disclosure of Confidential Information pursuant to Clause 2.4 (e) or (f) and:
- (i) where such consent has been sought during the Negotiation Period and the owner of the Confidential Information refuses its consent to the disclosure of that Confidential Information, or fails to respond to

QR Network's request for consent within thirty (30) days of its receipt of QR Network's written request, then QR Network may give a Negotiation Cessation Notice to the Access Seeker, in accordance with Paragraph 4.6(b) of the Undertaking; or

- (ii) where such consent has been sought at any time during the negotiation process (including during the Negotiation Period) and the owner of the Confidential Information fails to respond to QR Network's request for consent within five (5) days of its receipt of QR Network's written request (referred to as the "Consent Response Date"), then all relevant timeframes applicable to QR Network will be extended by the same number of days as the day on which a response is given exceeds the Consent Response Date.

This Paragraph does not apply where QR Network has requested consent to disclose the information to a QR Operational Business Group.

- h) If, during the process of administering an Access Agreement, QR Network seeks the consent of the Access Seeker for the disclosure of Confidential Information pursuant to Paragraph 2.4(e) or (f), such consent shall not be unreasonably withheld. If the Access Seeker fails to respond to QR Network's request for consent within thirty (30) days of its receipt of QR Network's written request, consent shall be deemed to have been given. This Clause does not apply where QR Network has requested consent to disclose the Confidential Information to a QR Operational Business Group.
 - i) The Access Seeker acknowledges that the Ringfencing Compliance Officer, and QR employees in Internal Audit and Information Services Division will from time to time, in the course of their duties, have access to the Access Seeker's Confidential Information. QR Network is permitted to disclose Confidential Information to these employees, to the extent necessary for these employees to perform their duties, without obtaining the consent of the Access Seeker.
- 2.5. For the purpose of this deed, a person who has been a consultant or contractor to either QR Network or the Access Seeker for a continuous period of at least three months, who works at least an average of 30 hours per week for that party, and who is subject to confidentiality obligations in favour of that party, shall be treated as if they were an employee of that party rather than an external consultant or independent adviser of that party.

3. General Obligations

3.1. Each Recipient acknowledges and agrees that:

- a) the Confidential Information of the Owner is confidential to the Owner and is and remains at all times the valuable and exclusive property of the Owner;
- b) the Recipient is responsible for any use or disclosure of Confidential Information which is contrary to the provisions of this deed by persons to whom the Recipient discloses the Confidential Information, and shall take such steps as may be necessary to prevent any such improper use or disclosure (including enforcing any confidentiality deed or confidentiality

provisions contained in another arrangement pursuant to which the Recipient disclosed that Confidential Information);

- c) the Recipient shall not copy or reduce into tangible, visible or recorded form or allow to be copied or reduced into tangible, visible or recorded form, any Confidential Information furnished to it by or on behalf of the Owner except to the extent necessary to carry out a Permitted Purpose;
- d) this deed shall not be construed as assigning any other rights to use Confidential Information, or as granting to the Recipient any licence or other rights relating to any Confidential Information or other intellectual property rights owned by the Owner;
- e) the Recipient shall secure and protect the Confidential Information received from the Owner from unauthorised disclosure, access or use;
- f) the Owner may take legal proceedings against the Recipient and/or any third party if there is any actual, threatened or suspected breach of this deed or a breach by a Related Party of QR Network of a confidentiality deed or confidentiality provisions contained in another arrangement with QR Network pursuant to which the Confidential Information was disclosed to it; and
- g) damages may be inadequate compensation for breach of this deed and, subject to the court's discretion, the Owner shall be entitled to specific performance of this deed and may restrain, by an injunction or similar remedy, any conduct or threatened conduct which is or will be a breach of this deed.

4. Liquidated Damages

- 4.1. Subject to Clause 5.1, where the Access Seeker can establish that a QR Operational Business Group is in possession of the Access Seeker's Confidential Information, QR Network will pay to the Access Seeker an amount of \$10,000 by way of liquidated damages in full and final settlement of any claim that the Access Seeker may have against QR Network in respect of the breach, UNLESS QR Network can establish that the QR Operational Business Group came into possession of the Confidential Information by means other than as a result of a breach by QR Network of Clause 2.4 or a breach by a Related Party of QR Network of a confidentiality deed or confidentiality provisions contained in another arrangement with QR Network pursuant to which the Confidential Information was disclosed to it.
- 4.2. Any Dispute arising in connection with this Clause may be referred to the QCA. The QCA's review will determine whether QR Network is liable to pay the complainant the liquidated damages specified in Clause 4.1.

5. Compensation for loss in excess of \$50,000

- 5.1 If the Access Seeker is able to establish that it has suffered more than \$50,000 loss or damage as a result of a breach by QR Network of Clause 2.4 or a breach by a Related Party of QR Network of a confidentiality deed or confidentiality provisions contained in another arrangement with QR Network pursuant to which the Confidential Information was disclosed to it, this deed

shall not preclude the Access Seeker from taking action to recover compensation from QR Network in any court of competent jurisdiction. In these circumstances the parties agree that QR Network shall not be liable to the Access Seeker for the payment of liquidated damages in accordance with Clause 4.

6. General

- 6.1. Nothing in this deed obliges either party to disclose any particular Confidential Information or enter into any further agreement with the other party if it decides, in its absolute discretion, that it is not in its commercial interests to do so.
- 6.2. Unless otherwise terminated by mutual consent in writing, this deed will continue in force notwithstanding:
 - a) any subsequent termination of any discussions or negotiations between the parties; or
 - b) the return of all copies of the Confidential Information to the Owner.
- 6.3. This deed is personal to the parties and may not be assigned or otherwise transferred in whole or in part without the prior written consent of the other party.
- 6.4. The laws of Queensland will govern the construction and performance of this deed and the parties submit to the non-exclusive jurisdiction of the Supreme Court of Queensland. This deed constitutes the entire agreement between the parties in respect of the Confidential Information and supersedes all previous agreements and understandings in respect of the Confidential Information. Nothing in this deed derogates from any obligation of QR Network under the Undertaking with respect to the Confidential Information.
- 6.5. In this deed, references to Clauses are references to Clauses contained in this deed unless otherwise stated.

[Appropriate execution clauses to be included.]

SCHEDULE C

Summary of Information Requirements as part of Access Application

1. ACCESS SEEKER'S NAME AND CONTACT DETAILS

(if the Access Seeker is an unincorporated joint venture, all parties should be identified)

2. COAL & FREIGHT TRAIN SERVICES

(a) Train Service Description

- Route of operation (include diagram if necessary)
- Required term of Access Agreement
- Method of transporting freight (e.g. containers, louvered wagons, bulk wagons)
- Description of freight
- Net tonnes of product per annum each year of operation, represented on a monthly basis (where monthly railings are not even)

(b) Timetable Requirements

- Whether new service or variation to existing service for the Access Seeker
- Whether new service or variation to existing service on the rail network
- Required frequency of Train Services, including weekly requirements, seasonality variations and any trends over the agreement term
- Preferred departure and arrival windows on preferred days of operation, separately for forward and return journeys, where relevant
- Requirements for shunting or dwell times enroute, separately for forward and return journeys

(c) Rollingstock Details

- Proposed number of locomotives per Train
- Proposed number of wagons per Train
- Type and class of locomotive
- Mass of each locomotive (includes full sand and fuel load)
- Type and class of wagons
- Nominal gross mass of wagon
- Tare mass of each wagon
- Tare mass per container

- Average number of containers per wagon
- Average proposed load (of product) per wagon
- Maximum proposed gross tonnes per wagon
- Maximum axle load
- Gross tonnes per Train Service, separately for forward and return journeys
- Total length of train (including locomotives)

(d) *Infrastructure Requirements*

- Details of any infrastructure enhancements that may be necessary for operation of service, where known

3. PASSENGER TRAIN SERVICES

(a) *Train Service Description*

- Route of operation (include diagram if necessary)
- Required term of Access Agreement
- Type of passenger traffic (e.g. long distance, commuter, tourist)

(b) *Timetable Requirements*

- Whether new service or variation to existing service for the Access Seeker
- Whether new service or variation to existing service for the rail network
- Required frequency of Train Services, including weekly requirements, seasonality variations and any trends over the agreement term
- Preferred departure and arrival windows on preferred days of operation, separately for forward and return journeys
- Requirements for shunting or dwell times enroute, separately for forward and return journeys

(c) *Rollingstock Details*

- Total number of locomotives per Train
- Total number of carriages per Train
- Total number of passenger multiple units (PMU) per Train
- Type and class of locomotive
- Mass of each locomotive (including full sand and fuel load)
- Type and class of carriage
- Nominal gross mass of each carriage
- Type and class of PMU
- Average gross mass of PMU
- Maximum number of vehicles

- Maximum axle load
- Total length of Train (including locomotives)
- Gross tonnes per Train Service, separately for forward and return journeys
- Maximum operation speed separately for loaded and empty Trains

(d) *Infrastructure Requirements*

- Details of any infrastructure enhancements that may be necessary for operation of service, where known

SCHEDULE D***Preliminary and Additional Information*****PART A.PRELIMINARY INFORMATION****1.Information Pack**

Content	Cost	System Definition
(a) Introduction <ul style="list-style-type: none"> Criteria for use of data Purpose of document 	\$500.00 per system	Blackwater
(b) Civil Infrastructure <ul style="list-style-type: none"> Description of the railway Description of Track Operational constraints, eg grades and curves 		Brisbane Metropolitan
(c) Signals and Operational Systems <ul style="list-style-type: none"> Description of safeworking systems 		Central Western
(d) Telecommunications <ul style="list-style-type: none"> Description of communication system used 		Goonyella
(e) Electric Traction <ul style="list-style-type: none"> General system description 		Maryborough
(f) Rollingstock Interface Requirements <ul style="list-style-type: none"> Track gauge Axle load/s Train speed/s Rollingstock gauge Noise limits 		Moura
(g) Locality Information <ul style="list-style-type: none"> Terrain information Climatic conditions and resultant system disruptions 		Mt Isa
(h) Committed Corridor Upgrades		Newlands
(i) Relevant Maps and Drawings (CD version) <ul style="list-style-type: none"> Corridor maps Working plan and section drawings 		North Coast Line
(j) Level Crossings <ul style="list-style-type: none"> Number of level crossings Type of protection used 		South Western
(k) Train Operations <ul style="list-style-type: none"> Sectional running times (calculated based on the projected average sectional running times for the 		Tablelands
		Western

<ul style="list-style-type: none"> • Predominant Train Service) • Maximum Train lengths • Incident recovery times 		
(l) Description of Systems <ul style="list-style-type: none"> • Operational • Safeworking 		
(m) Capacity Information <ul style="list-style-type: none"> • MTP * 		

- * The MTP is provided subject to the following caveats:
- The identity of other Access Holders will not be detailed on the information provided;
 - The terms and conditions of other Access Holders' Train Service Entitlements will not be detailed; and
 - The MTP will not show all parts of the Rail Infrastructure, and as such may not show all Train Services that may impact on the Capacity of the Rail Infrastructure detailed, but QR Network will note those other parts of the Rail Infrastructure where interaction with other Train Services is most likely to impact on the Capacity of the Rail Infrastructure detailed.

2. Access to Rail Corridor

Content	Cost
Access to the rail corridor *	Nil

- * This advice will identify if QR Network does not have authority to authorise Access Seekers to access land upon which Rail Infrastructure on a route nominated by the Access Seeker is situated and, if so, will include the following information:
- Identification of the relevant party (including that party's name, address and contact details) that the Access Seeker would need to obtain approval from to gain access to that land, where this information is reasonably available to QR Network;
 - Advice as to the nature and extent of the rights, if any, that QR Network holds in relation to the relevant land; and
 - A notice that may be provided to that party identifying that QR Network has no objection to the Access Seeker negotiating for access to that land.

3. Rollingstock Interface Standards

Content	Cost
QR Network Rollingstock Interface Standards *	\$1,000.00 per set

- * QR Network Rollingstock Interface Standards are provided subject to the following caveats:
- QR Network will provide uncontrolled versions of the documents; and
 - Changes may occur to the documents subsequent to their provision.

4. Commercial Information

Content	Cost
Reference Tariffs	Nil
Applicable QR Network Standard Access Agreement	Nil

PART B.ADDITIONAL INFORMATION

1. Capacity Information

- a) The relevant current DTP, assessed in accordance with Paragraph (b) below, for the relevant part of the Rail Infrastructure subject to the following caveats:
 - (i) the identity of other Access Holders will not be detailed on the information provided;
 - (ii) the terms and conditions of other Access Holders' Train Service Entitlements will not be detailed; and
 - (iii) the DTP will not show all parts of the Rail Infrastructure, and as such may not show all Train Services that may impact upon the Capacity of the Rail Infrastructure detailed, but QR Network will note those other parts of the Rail Infrastructure where interaction with other Train Services is most likely to impact on the Capacity of the Rail Infrastructure detailed.
- b) The relevant current DTP will be assessed as:
 - (i) for an Access Application in respect of a Timetabled Traffic, the current DTP for the relevant day (or days) of the week; or
 - (ii) for an Access Application in respect of a Cyclic Traffic, the current DTPs for a week, unless QR Network reasonably believes that provision of DTPs for a longer period of time is required in order that the DTPs show a use of Capacity that is representative of current utilisation.
- c) Access to Train Control diagrams, indicating actual running of Train Services against the relevant DTP, for those days for which the DTP has been provided in accordance with Paragraph (a) above.

2. Information for EIRMR

- a) All relevant information reasonably available to QR Network that is required for the purpose of the Access Seeker's EIRMR, in accordance with Paragraph 8.2.1(b).

3. Information for Interface Risk Assessment

- a) All relevant information reasonably available to QR Network that is required for the purpose of the Interface Risk Assessment, in accordance with Paragraph 8.1.1(c).

4. Other Information

- a) Other information as follows:
 - (iv) information required in accordance with s.101(2) of the Act, to the extent that this information has not already been provided; and
 - (v) other information that is reasonably required by the Access Seeker in accordance with s.101(1) of the Act, provided such information is

reasonably able to be provided by QR Network and cannot be reasonably obtained from a source other than QR Network.

SCHEDULE E

Principles for inclusion in Standard Access Agreement

1. Access Rights

- The Access Agreement will provide for non-exclusive Train Service Entitlements for the operation of Train Services in terms of agreed service levels over the nominated network.
- Long term Train Service Entitlements can be varied only in accordance with agreed scheduling procedures specified in the Access Agreement or as otherwise agreed between the parties. The Network Management Principles should guide the performance of the scheduling function by QR Network and be incorporated by reference in the Access Agreement.
- It is the responsibility of the Access Seeker entering into an Access Agreement with QR Network to ensure that the operator of Train Services utilising the Access Rights is Accredited.
- Access Agreements will be for a specified term and include a good faith negotiation process for renewal.

2. Access Charges

- Access Charges are to be agreed between the parties and payable in accordance with reasonable payment terms set out in the Access Agreement. Late payments or credits by either party will bear interest at an agreed default rate.
- The Access Agreement will provide for a fair and reasonable mechanism for dealing with bona fide Disputed invoices.
- The Access Agreement may provide for periodic review of Access Charges.
- Unless otherwise stated, all amounts payable under the Access Agreement are exclusive of GST.
- In appropriate cases QR Network may require lodgement of a security deposit to secure performance by the Access Holder of its obligations under the Access Agreement having regard to QR Network's reasonable assessment of the creditworthiness of the Access Holder. Any required security deposit should reflect the cash flow risk that QR Network has taken on.
- Where there are no security arrangements in place and a user defaults on its payments, QR Network is entitled to require some form of security deposit equivalent to its financial exposure, where the default was not attributable to a legitimate Dispute.

- An Access Holder paying a cash security deposit should be credited with interest on the security at a market-based rate for as long as it is held by QR Network.

3. Train Service Entitlements

- The Access Holder shall not be entitled to commence Train Services unless and until all provisions of the Access Agreement required to be completed or complied with prior to the commencement of Train Services have been completed or complied with by the due date specified in the Access Agreement. QR Network will use all reasonable endeavours to cooperate with the Access Holder to facilitate the Access Holder's completion or compliance with such requirements.
- The Access Holder must only operate Trains of the nominated specification for the transport of the nominated product type over the nominated network.
- The Access Agreement will contain provisions regarding the resumption of capacity by QR Network. Unless otherwise agreed by the parties, the provisions will include objective criteria to assess consistently under-utilised capacity, a requirement that there be either a reasonable expectation of a sustained alternative demand or a reasonable expectation of a commercial benefit for the provision and management of the infrastructure sufficiently material to justify the resumption of capacity and a Dispute resolution process conducted by an expert. Appropriate adjustments will be made to the Access Charges payable following a reduction in Train Service Entitlements.

4. Day-to-Day Train Movements

- QR Network is to have responsibility for Train Control and shall exercise Train Control having regard to the safe conduct of rail operations on the nominated network.
- QR Network and the Access Holder shall ensure that the operation of Train Services is in accordance with entry and exit times in the relevant Daily Train Plan unless otherwise permitted by the Network Management Principles or varied in the circumstances specified in the Access Agreement (which normally include safety considerations, force majeure, incidents or emergencies, track possessions in accordance with the Access Agreement or as otherwise agreed between the parties, such agreement not to be unreasonably withheld).
- The Network Management Principles establish the procedures QR Network must follow in varying the Daily Train Plan.
- The Access Holder is required to comply with all QR Network Train Control directions and ensure all Trains and Rollingstock are equipped with appropriate communication systems to comply with the agreed Rollingstock Interface Standards.

5. Train Operations

- The Access Agreement will specify all reasonable operational, communication and procedural requirements for Train Services.
- QR Network and the Access Holder are to comply with all laws, Safeworking Procedures and Safety Standards and all other train operations requirements in the Access Agreement. Safeworking Procedures and Safety Standards will as far as practicable be consistent for all Railway Operators on the nominated network.
- The Access Holder must obtain certification from an appropriately qualified person whom both parties accept as being competent to provide certification for the Access Holder's Rollingstock and Rollingstock Configurations. QR Network has a right to view a certificate of compliance and associated test results from an Access Holder in order to satisfy itself that the Rollingstock and Rollingstock Configurations are as agreed by the two parties in the IRMP and, if QR Network is so satisfied the Rollingstock and Rollingstock Configurations so certified will be included in the Rollingstock specification as being authorised to operate on the nominated network subject to continuing compliance with the IRMP and the Rollingstock specification.
- The Access Agreement will specify relevant Rollingstock Interface Standards. QR Network may vary the agreed Rollingstock Interface Standards, the Safeworking Procedures and Safety Standards and other System-wide Requirements in respect to the management of the Rail Infrastructure in the following circumstances:
 - on safety grounds, acting reasonably, at any time following consultation with the Access Holder and the provision of reasonable notice to the Access Holder. In such circumstances, each party is responsible for its own costs (including the costs of additional or modified equipment) in complying with the system wide change;
 - in any other circumstance requiring a system wide change, QR Network may, acting reasonably, negotiate such changes with the Access Holder and the Access Holder must not unreasonably withhold its consent to the change. Each party is responsible for costs in complying with the system wide change (including the cost of additional or modified equipment or modification of either party's Rollingstock) as agreed between them or, failing agreement, as determined by an expert.
- The parties should agree specific performance levels and measurement criteria as a basis for creating effective performance management and incentives. This may involve financially based incentives and sanctions. The performance levels may also be reviewed periodically.
- The Access Holder is responsible for the safe operation of its Rollingstock on the nominated network and must ensure that at all times its Rollingstock and Rollingstock Configurations comply with all applicable laws, the Rollingstock specification and the Rollingstock Interface Standards specified in the Access Agreement.
- QR Network may suspend the operation of Rollingstock and Trains for actual non-compliance or (acting reasonably) anticipated non-compliance with all applicable laws, the Rollingstock specification and the Rollingstock Interface

Standards specified in the Access Agreement where such non-compliance creates a risk to the safety of any person or a material risk to property. QR Network may also suspend the operation of the affected Rollingstock and Trains for actual non-compliance where such non-compliance does not create a risk to the safety of any person or a material risk to property and the Access Holder has failed to rectify the non-compliance within a reasonable period of time. Where QR Network suspends Rollingstock and/or Trains in these circumstances, the suspension will only apply until the non-compliance is rectified or in the event of anticipated non-compliance, the Access Holder has demonstrated that it is in compliance.

- Where QR Network suspends an Access Holder's Rollingstock and/or Trains, it must provide the Access Holder with a written notice stating the grounds for suspension prior to, or immediately following, the suspension.
- The Access Holder must ensure all loadings of Rollingstock are secure.

6. Infrastructure Management

- QR Network is responsible for the management and control of the nominated network.
- QR Network will carry out maintenance work on the nominated network such that, subject to any agreed criteria and the Network Management Principles, the infrastructure is consistent with the agreed Rollingstock Interface Standards and the Access Holder can operate Train Services in accordance with its Train Service Entitlements.
- QR Network may impose operational constraints (such as speed or load restrictions) for the protection of persons or property or to facilitate maintenance work or enhancements and has reasonable entitlements to take possession of the track for the purpose of maintenance work, emergency repairs and enhancements. In carrying out such work QR Network will use its reasonable endeavours to minimise disruption to Train Services so that the Access Holder can operate Train Services in accordance with its Train Service Entitlements.
- The Access Agreement will contain possession protocols for consultation with the Access Holder regarding maintenance that will impact on the Access Holder's schedule.
- The Access Agreement will contain provisions requiring the parties to provide advice to each other in relation to factors that could affect the Access Holder's operation of Train Services or the integrity of the nominated network.
- Prior to the commencement of Train Services, the Access Holder may, subject to reasonable terms and conditions, inspect the nominated network for the purposes of assessing the operational, environmental and safety risks with respect to the infrastructure, as well as the standard of the infrastructure comprising the nominated network including, but not limited to, fencing and at-grade crossings. QR Network will not be liable for claims in relation to, or arising out of, the standard of the infrastructure except where QR Network fails to maintain the infrastructure such that, subject to any agreed criteria

(including those specified in the Network Management Principles), it is consistent with the agreed Rollingstock Interface Standards and the Access Holder can operate Train Services in accordance with its Train Service Entitlements.

7. Incident Management

- Prior to the commencement of Train Services the Access Holder is required to develop an emergency response plan containing procedures for dealing with incidents which must be compatible with QR Network's emergency procedures.
- In the event of an incident, QR Network is responsible for the overall coordination and management of incident responses and may, subject to using reasonable efforts to consult with the Access Holder, take any action it considers reasonably necessary to recommence services as soon as possible. The Access Holder is responsible for recovery of its Rollingstock in accordance with its emergency response plan.
- The Access Holder must cooperate and assist with the restoration of the network in accordance with directions from Train Controllers seeking to coordinate the clearance of network blockages. Any Access Holder so directed should be adequately compensated for doing so and is entitled to expect that all rail operators will be subject to the same obligation. QR Network has the right to pass through the cost of clearing the blockage to the party that has caused the damage.
- Investigations into incidents are to be commenced as soon as practicable after an incident and carried out in accordance with the process specified in the Access Agreement. The parties must cooperate in any investigation and consult in good faith in relation to the implementation of any recommendations.

8. Environmental Protection and Other Issues

- All Environmental Laws, regulations and relevant guidelines must be complied with.
- Environmental management must be approached on a risk identification and risk management basis with respect to operations on the nominated network. Auditing requirements should be linked to the environmental risks posed by an Access Holder's Train Services and be established in that Access Holder's Environmental Investigation and Risk Management Report (EIRMR) which should be amended as necessary from time to time to address ongoing risk and compliance issues.
- The Access Holder is required to inform QR Network of non-compliance with its Environmental Investigation and Risk Management Report (EIRMR) and provide details of how it intends to address the non-compliance. The Access Holder is required to rectify the non-compliance as soon as practicable having regard to the nature of the non-compliance, the reasonable interests of QR Network and any action required by the EPA.

- The Access Holder should comply with its obligations under the EP Act including any notices or directions it receives from the EPA. The Access Holder is required to inform QR Network of non-compliance with the Access Holder's obligations under the EP Act. Failure to comply with such an obligation, where that failure causes or threatens Serious Environmental Harm, establishes grounds for a material event of default.
- QR Network reserves the right to suspend the right of an Access Holder to operate on the nominated network if, in QR Network's reasonable opinion, the Access Holder's Train Services cause or threaten Material Environmental Harm or Serious Environmental Harm. A suspension will only apply until the Access Holder demonstrates to QR Network that the circumstances that gave rise to QR Network's right to suspend have ceased to exist.
- Where QR Network suspends an Access Holder's Train Services on environmental grounds, it must provide the Access Holder with a written notice stating the grounds for suspension prior to, or immediately following, the suspension.

9. Accreditation

- QR Network must have and maintain Accreditation as a Railway Manager under the TIA to the extent required to perform its obligations under the Access Agreement.
- An operator Accredited as a Railway Operator under the TIA must operate Train Services and the operator must maintain such Accreditation to the extent required to perform its obligations under the Access Agreement.

10. Access Holder's Staff

- The Access Holder is responsible for demonstrating through the Interface Risk Assessment process that it has in place a process for ensuring the competence of its staff performing safety related work.
- QR Network reserves the right to suspend the right of the Access Holder's Train Services to operate on the nominated network in the event of breach or (acting reasonably) anticipated breach of any laws relating to rail safety, QR Network Train Control directions, Safeworking Procedures or Safety Standards. A suspension will only apply until the breach is rectified or, in the event of an anticipated breach, the Access Holder has demonstrated to QR Network that it is in compliance.
- Where QR Network suspends an Access Holder's Train Services, it must provide the Access Holder with a written notice stating the grounds for suspension prior to, or immediately following, the suspension.

11. Safety Risk Management

- Safety risk management must be addressed by risk identification through the Interface Risk Assessment process and the formulation of an IRMP. The parties will be required to comply with the IRMP.

12. Inspection and Audit Rights

- Rights of inspection and audit in relation to each party's compliance with the Access Agreement and inspection of Trains and Rollingstock shall be included in the Access Agreement.
- The Access Agreement will specify the terms and conditions on which the parties can carry out such inspections and audits.
- Each party will, in carrying out any inspection or audit, give the other party reasonable notice and use reasonable endeavours to minimise disruption to the other party's operations.

13. Insurance

- The Access Agreement will provide for insurances to be effected by the parties to appropriately provide for the relevant insurance risks.

14. Indemnities and Liabilities

- Each party is liable for, and is required to release and indemnify each other for, all claims in respect of personal injury, death or property damage caused or contributed to (to the extent of the contribution) by the wilful default or negligent act or omission of that party or its staff.
- The Access Holder is solely liable for and is required to release and indemnify QR Network for any damage to property or personal injury or death of any person being transported on Train Services except to the extent that the damage or harm is caused or contributed to (to the extent of the contribution) by the wilful default or negligent act or omission of QR Network or its staff. Unless otherwise agreed, the Access Holder shall extend to QR Network any exclusion or limitation of liability afforded by the Access Holder's conditions of carriage with its customers.

15. Limitation of Liability

- The liabilities of the parties for default shall be limited as agreed in the Access Agreement.
- Except as otherwise provided in the Access Agreement, neither party has any liability for Consequential Loss or loss of profits in any circumstances.
- Unless otherwise agreed in the Access Agreement, where a party:
 - (whether QR Network or the Access Holder), requires the conduct of an audit or inspection under Paragraph 8.1.7(e) or (f) of the Undertaking (as applicable); or
 - (being QR Network), suspends an Access Holder's Rollingstock, Trains and/or Train Services;

that party (referred to as the “First Party”) will be liable for damages (including damages for Consequential Loss) to the other party in respect of loss or damage arising from the conduct of the audit or inspection or the suspension (as applicable) if, and only if, no reasonable person in the position of the First Party could have formed the view that the stated grounds for such an audit, inspection or suspension existed (such circumstances being referred to as the “Liability Trigger”), provided that the other party must use all reasonable endeavours to mitigate the loss or damage arising from the conduct of the audit or inspection or the suspension. The First Party shall bear the burden of establishing that the Liability Trigger has not occurred.

- The Access Agreement will specify the circumstances in which the Access Holder has a claim against QR Network for the non-provision of Access or the cancellation of a Train Service caused by breach of the Access Agreement or negligence by QR Network.
- The Access Agreement will specify the circumstances in which each party has a claim against the other party for delays to Train movements caused by breach of the Access Agreement or negligence by the other party.
- Claims by either party must be lodged within twelve months of the occurrence of the event or circumstance giving rise to the claim.

16. Material Change

- Access Charges will be adjusted to reflect the net impact of any material change where such material change results in a variation to the net cost to QR Network of performing its obligations under the Access Agreement.
- A material change shall be limited to changes in taxes, laws or funding from QR Network’s Transport Service Payments. The effects of material changes should be assessed on a case-by-case basis and in consultation with the Access Holder.
- An independent expert will determine any Dispute regarding the impact on Access Charges as a result of a material change.

17. Disputes

- Any Dispute between the parties is to be firstly referred in writing to the respective chief executives for resolution. If the Dispute is not resolved, then the parties may agree to refer the Dispute for resolution by an expert or arbitration. If there is no agreement to resolve the Dispute in this manner then the Dispute is to be determined by a court.

18. Default, Suspension and Termination

- The Access Agreement will specify reasonable events of default and mutual rights of suspension and termination having regard to the commercial interests of both parties.

19. Force Majeure Event

- The obligations of either party (other than an obligation to pay monies due) will be suspended where by reason of a Force Majeure Event that party is delayed in, or prevented from, carrying out its obligations under the Access Agreement. The Access Agreement will provide for relief in respect of the payment of Access Charges to the extent that QR Network is unable to provide Access Rights because of a Force Majeure Event affecting QR Network.
- If infrastructure on specified lightly trafficked corridors of the nominated network is damaged by a Force Majeure Event and in QR Network's reasonable opinion the cost of repairing the damage is not economic, QR Network may elect not to proceed with repairs or replacement unless the parties agree as to the funding of the cost of that work.
- The Access Agreement will provide for a process that might result in termination of the Access Agreement if circumstances of a prolonged Force Majeure Event prevent the performance by a party of its obligations.

20. Assignment

- The Access Holder may assign the whole of its rights and obligations under the Access Agreement to a related body corporate, provided that the assignor remains liable for the performance of obligations under the Access Agreement or to a non-related body corporate, with the prior written consent of QR Network (such consent not to be unreasonably withheld).
- A change in control of an Access Holder not a publicly listed corporation will be deemed to be an assignment of the Access Agreement.

21. QR Network's Access Undertaking

- The parties will comply with all applicable laws.
- The parties will comply with the terms of the Undertaking, including the ring fencing obligations, in effect from time to time, unless otherwise agreed in the Access Agreement.

SCHEDULE F

Reference Tariff Schedules

INTRODUCTION

This Schedule specifies:

- (a) the Reference Tariffs applicable to nominated coal carrying Reference Train Services; and
- (b) the methodology that will be used for determining a new Reference Tariff for a new coal carrying Reference Train Service where required in accordance with the Undertaking.

This Schedule is comprised of the following Parts:

- (a) Part A, which applies to all coal carrying Reference Train Services;
- (b) Part B, which applies to coal carrying Reference Train Services on the Central Queensland Coal Region; and
- (c) Part C, which applies to coal carrying Reference Train Services on the Western System.

In this Schedule:

- (a) Parts B and C must be read in conjunction with and subject to Part A; and
- (b) Clauses 5 to 8 of Part B must each be read in conjunction with Clauses 1 to 4 of Part B.

The provisions of this Schedule will be the basis for Access Charges negotiated for new Access Agreements for relevant Train Services or for rate review provisions in Access Agreements that specifically refer to the Reference Tariff for the nominated Reference Train Service.

PART A. - GENERAL PROVISIONS

1. Reference Train Service Description

1.1 Commodity Type

The Reference Train Service carries bulk coal. In defining bulk coal, no differentiation is to be made between coal qualities or types, or between the end use markets of the coal.

1.2 Geographic Scope

1.2.1 The Reference Train Service operates on the rail corridor directly connecting specified Nominated Loading Facility/ies and specified Nominated Unloading Facility/ies.

1.2.2 A new coal loading facility may only be added to the existing Nominated Loading Facilities for a Reference Train Service if it satisfies the requirements

in relation to additional loading facilities that are set out in Part B or Part C for the relevant Reference Train Service.

1.2.3 Diagrams showing the location of the Nominated Loading Facilities and the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Information Pack for the relevant system.

1.3 Characteristics

1.3.1 Each Reference Train Service:

- (a) has a maximum length (including the locomotive/s) as specified in Part B or Part C for that Reference Train Service;
- (b) has a maximum axle load as specified in Part B or Part C for that Reference Train Service with loading in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table;
- (c) complies with the maximum speeds permitted on the Nominated Infrastructure as specified in the relevant Information Pack;
- (d) complies with QR Network's Rollingstock Interface Standards applicable to the Nominated Infrastructure;
- (e) is otherwise compatible with the Nominated Infrastructure described in the relevant Information Pack and requires no additional expenditure by QR Network to implement varied Below Rail controls identified in the IRMP or EIRMR;
- (f) operates in accordance with nominated sectional running times specified in the relevant Information Pack;
- (g) does not exceed the Loading Times specified in Part B or Part C for that Reference Train Service;
- (h) does not exceed the Unloading Times specified in Part B or Part C for that Reference Train Service;
- (i) operates as an empty Train on the return journey from the relevant Nominated Unloading Facility to the relevant Nominated Loading Facility;
- (j) has the ability to operate on the configuration of the Nominated Infrastructure existing at 1 July 2009 without limiting the ability of existing Train Services to operate in accordance with their Train Service Entitlements;
- (k) utilises bottom dump wagons with the "KWIK DROP" door operating mechanism;
- (l) utilises measures to minimise coal spillage and/or leakage en route that are reasonable, having regard to the practices existing at 1 July 2009; and
- (m) has any other characteristics specified for that Reference Train Service set out in Part B or Part C.

1.3.2 A Reference Train Service:

- (a) assumes Below Rail Services comprised in Access are provided in accordance with this Undertaking; and

- (b) does not include any Above Rail Services such as the carrying out of any provisioning, inspection, testing and maintenance of Rollingstock, or storage, marshalling, shunting or other relocation of Rollingstock.

1.4 Conditions of Access

1.4.1 The Reference Train Service will:

- (a) operate in accordance with the terms and conditions of a Standard Access Agreement for coal carrying Train Services; and
- (b) have its Train Service Entitlement specified as described in Part B or Part C.

1.4.2 Under the Access Agreement, QR Network will commit to operate the Rail Infrastructure such that, on average over a Year, the Below Rail Transit Time specified in Part B can be achieved for the relevant Reference Train Service.

2. Access Charge

2.1 Reference Tariff

The applicable Reference Tariff for a nominated Reference Train Service shall be assessed in accordance with the methodologies established in Clause 2 of Part B and Clause 3 of Part C (as applicable).

2.2 Variation of Reference Tariffs

2.2.1 QR Network:

- (a) may submit a variation of a Reference Tariff to the QCA, where QR Network considers that the variation will promote efficient investment by either QR Network or another person in the coal transport supply chain; or
- (b) will submit a variation of a Reference Tariff to the QCA, subject to Subclause 2.2.3:
 - (i) within sixty (60) days of:
 - (A) QR Network becoming aware that an Endorsed Variation Event has occurred or a Review Event has occurred or will occur; or
 - (B) a written notice being given to QR Network by the QCA in accordance with Subclause 2.2.2; or
 - (ii) by 28 February prior to each Year of the Term, in accordance with Subclause 3.1.1 of Part B (if applicable).

2.2.2 The QCA may give QR Network a written notice requiring QR Network to submit a variation of a Reference Tariff if:

- (a) the QCA does not approve a variation of a Reference Tariff submitted by QR Network; or
- (b) QR Network fails to submit a variation of a Reference Tariff:
 - (i) within sixty (60) days of the QCA determining that an Endorsed Variation Event has occurred; or

- (ii) that it is required to submit under Subparagraph 2.2.1(b)(ii).

2.2.3 The QCA may grant QR Network an extension of the time for submitting, or resubmitting, a variation of a Reference Tariff if:

- (a) QR Network provides a written request to the QCA for an extension of time which includes the reasons why QR Network requires the extension of time; and
- (b) the extension of time is reasonable or necessary.

If the QCA grants QR Network an extension of time under this Subclause 2.2.3, QR Network must submit or resubmit the variation of a Reference Tariff within the time specified by the QCA.

2.2.4 The QCA may develop a variation of a Reference Tariff that is consistent with the requirements specified in this Clause 2.2 for the variation of a Reference Tariff:

- (a) if QR Network does not comply with a written notice given by the QCA under Subclause 2.2.2 or Paragraph 2.2.10(b) for it to submit, or resubmit, a variation of a Reference Tariff; or
- (b) if the QCA refuses to approve a variation of a Reference Tariff resubmitted by QR Network in accordance with a notice given by the QCA under Paragraph 2.2.10(b).

2.2.5 Where QR Network submits a variation of a Reference Tariff in accordance with Paragraph 2.2.1(a):

- (a) the variation must:
 - (i) nominate the Reference Tariff to be varied;
 - (ii) include details of the methodology, data and assumptions used to vary the Reference Tariff;
 - (iii) include information on the matters set out in Clause 6.2 of the Undertaking; and
 - (iv) include information on why QR Network considers that the variation of the Reference Tariff will promote efficient investment by either QR Network or another person in the coal transport supply chain;
- (b) the QCA will publish details of QR Network's proposed variation of the relevant Reference Tariff and invite and consider comments from stakeholders regarding the proposed variation; and
- (c) the QCA may approve the proposed variation of the relevant Reference Tariff if the QCA is satisfied that the variation of the relevant Reference Tariff is consistent with the Undertaking.

2.2.6 If QR Network submits a variation of a Reference Tariff in accordance with Subparagraph 2.2.1(b)(i) where an Endorsed Variation Event has occurred:

- (a) the variation must:
 - (i) nominate the Reference Tariff to be varied;
 - (ii) include evidence that the Endorsed Variation Event has occurred; and

- (iii) include details of the methodology, data and assumptions used to vary the Reference Tariff;
- (b) if the QCA considers it appropriate, the QCA may publish details of QR Network's proposed variation of the relevant Reference Tariff and invite and consider comments from stakeholders regarding the proposed variation; and
- (c) the QCA may approve the proposed variation of the relevant Reference Tariff if the QCA is satisfied that:
 - (i) the Endorsed Variation Event has occurred; and
 - (ii) the variation of the Reference Tariff:
 - (A) is consistent with the change in the forecast cost resulting from the Endorsed Variation Event (including incremental maintenance and incremental capital costs), calculated as if all other assumptions originally used for the determination of Reference Tariffs are held constant; and
 - (B) has been calculated as if all other Reference Tariffs were also being recalculated due to the occurrence causing the Endorsed Variation Event.

2.2.7 If QR Network submits a variation of a Reference Tariff in accordance with Subparagraph 2.2.1(b)(i) in relation to a Review Event:

- (a) the variation must:
 - (i) nominate the Reference Tariff to be varied;
 - (ii) include evidence that the Review Event has occurred or will occur; and
 - (iii) include details of the methodology, data and assumptions used to vary the Reference Tariff;
- (b) the QCA will publish details of QR Network's proposed variation of the relevant Reference Tariff and invite and consider comments from stakeholders regarding the proposed variation; and
- (c) the QCA may approve the proposed variation of the relevant Reference Tariff if the QCA is satisfied that:
 - (i) the Review Event has occurred or will occur; and
 - (ii) the variation of the relevant Reference Tariff:
 - (A) is consistent with the change in the cost resulting from or that will result from the Review Event; and
 - (B) reflects the impact of the relevant Review Event on the financial position of QR Network (including the impact of incremental maintenance and incremental capital costs); and
 - (iii) has been calculated as if all other Reference Tariffs were also being recalculated due to the occurrence causing or that will cause the Review Event.

2.2.8 Where QR Network submits a variation of a Reference Tariff in accordance with Subparagraph 2.2.1(b)(i)(B) or Subparagraph 2.2.1(b)(ii):

- (a) the variation must:
 - (i) nominate the Reference Tariff to be varied; and
 - (ii) include details of the methodology, data and assumptions used to vary the Reference Tariff in accordance with Clause 3 of Part B;
- (b) if the QCA considers it appropriate, the QCA may publish details of QR Network's proposed variation of the relevant Reference Tariff and invite and consider comments from stakeholders regarding the proposed variation, provided that, to the extent that stakeholders provide comments, QR Network must be given a reasonable period in which to provide a response to those comments to the QCA; and
- (c) the QCA will approve the proposed variation of the Reference Tariff if the QCA is satisfied that the variation of the Reference Tariff is in accordance with Clause 3 of Part B.

2.2.9 If the QCA approves a variation to a Reference Tariff:

- (a) the QCA will give QR Network a notice in writing stating the reasons for the QCA's decision;
- (b) the variation to the Reference Tariff will apply:
 - (i) if the variation arose as a result of an Endorsed Variation Event:
 - (A) from the first day of the month immediately following the date of the occurrence of the Endorsed Variation Event; or
 - (B) where the date of the occurrence of the Endorsed Variation Event is the first day of a month, from that date; or
 - (ii) if the variation arose as a result of an adjustment of Reference Tariffs under Clause 3.1 of Part B, from 1 July of the Year following the Year in which the variation was submitted; and
- (c) QR Network must:
 - (i) publish details of the variation to the Reference Tariff on its website; and
 - (ii) advise Access Holders and Access Seekers, in respect of the relevant Reference Train Service, of the variation to the Reference Tariff.

2.2.10 If the QCA refuses to approve a variation to a Reference Tariff, the QCA will give QR Network a notice in writing:

- (a) stating the reasons for its refusal and the way in which the QCA considers that the variation should be amended; and
- (b) if that variation was required to be submitted by QR Network in accordance with Paragraph 2.2.1(b), requiring QR Network to vary the Reference Tariff in the way the QCA considers it appropriate and resubmit the variation to the QCA within thirty (30) days of QR Network receiving the notice.

2.2.11 QR Network must comply with a notice given under Subclause 2.2.10.

2.2.12 The QCA may approve a resubmitted variation to a Reference Tariff or a variation to a Reference Tariff developed by the QCA under Subclause 2.2.4, if the QCA is satisfied that the variation of the Reference Tariff:

- (a) is consistent with the matters specified under Paragraph 2.2.5(c), 2.2.6(c), 2.2.7(c) or 2.2.8(c) (as applicable); and
- (b) has been amended or developed in accordance with the QCA's decision.

2.2.13 For the purposes of this Clause 2.2:

- (a) a variation of a Reference Tariff submitted by QR Network or developed by the QCA in accordance with this Clause 2.2 must include a review of System Allowable Revenue and System Forecast to the extent applicable to that variation; and
- (b) the QCA in approving a variation of a Reference Tariff must also approve the corresponding variation of the applicable System Allowable Revenue and System Forecast.

2.3 Adjustment Charges

2.3.1 If:

- (a) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA; or
- (b) the QCA approves a variation of a Reference Tariff in accordance with Clause 2.2 and that variation applies from or takes effect on a date prior to the date on which the QCA approves the variation,

QR Network is entitled to recover from or will reimburse to, as applicable, each relevant Access Holder the amount ("Adjustment Amount") which is the sum of:

- (c) the aggregate of the differences, for each relevant Access Holder for each calendar month (or part thereof) since the date on which the Reference Tariff or the variation of the Reference Tariff was to apply or take effect ("Effective Date") until the date on which that Reference Tariff was approved by the QCA or the date on which the variation of the Reference Tariff was approved by the QCA, as applicable, between:
 - (i) the Access Charges paid or payable by that Access Holder in respect of the Train Services operated by or for that Access Holder during that calendar month (or part thereof); and
 - (ii) the Access Charges that would have been paid or payable by that Access Holder in respect of those Train Services if the Access Charges were calculated in accordance with the Reference Tariffs or the variation of Reference Tariffs referred to in Paragraph 2.3.1(a) or (b) on and from the Effective Date; and
- (d) the aggregate of the interest calculated in accordance with Subclause 2.3.2 in respect of the amount of each difference comprising the amount calculated in accordance with Paragraph 2.3.1(c),

by making adjustments to the Access Charges ("Adjustment Charge") payable by Access Holders so as to recover or reimburse, as applicable, the Adjustment Amount (subject to the provisions of this Undertaking).

2.3.2 The interest referred to in Paragraph 2.3.1(d) must be calculated:

- (a) in respect of the amount of each difference comprising the amount calculated in accordance with Paragraph 2.3.1(c);
- (b) on the basis that the interest:
 - (i) accrues and is charged from day to day; and
 - (ii) is capitalised at the end of each month and will thereafter itself bear interest;
- (c) at the rate equal to, for interest accruing in a month:
 - (i) the mid-point of the one month Bank Bill Swap Rate as published by the Australian Financial Markets Association (or its successor) for the Business Day immediately prior to the 21st day of the previous month; or
 - (ii) if that rate is no longer published, the rate will be an appropriate equivalent rate determined by QR Network, acting reasonably; and
- (d) for the period commencing on the date when the Access Charges paid or payable by the relevant Access Holder used to calculate the applicable difference in accordance with Subparagraph 2.3.1(c)(i) were due and payable and ending on the date when the Adjustment Charge is to be due and payable.

2.3.3 QR Network:

- (a) may, if it submits a variation of a Reference Tariff in accordance with Clause 2.2 and that variation is proposed to apply or take effect on a date prior to the date on which the QCA will approve the variation; or
- (b) must, if:
 - (i) the QCA approves a variation of a Reference Tariff in accordance with Clause 2.2 and that variation applies or takes effect on a date prior to the date on which the QCA approves the variation (and subject to Paragraph 2.3.3(a)); or
 - (ii) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA,

submit to the QCA proposed Adjustment Charges.

2.3.4 Where QR Network submits proposed Adjustment Charges to the QCA in accordance with Subclause 2.3.3:

- (a) QR Network's submission must, without limitation:
 - (i) identify, subject to Subclause 2.3.9, the Access Holders in respect of whom the proposed Adjustment Charges are to be applied;
 - (ii) set out the proposed Adjustment Charges for each Access Holder including details of how those proposed Adjustment Charges were calculated;
 - (iii) indicate the billing period(s) in respect of which the proposed Adjustment Charges are to be applied; and

- (iv) if applicable, how the proposed Adjustment Charges are to be allocated for the purposes of calculations in accordance with Clause 3.2 of Part B;
- (b) if the QCA considers it appropriate, the QCA may publish details of QR Network's submission of proposed Adjustment Charges and invite and consider comments from stakeholders regarding the proposed Adjustment Charges; and
- (c) the QCA must approve:
 - (i) the Access Holders in respect of whom the Adjustment Charges are to apply;
 - (ii) the Adjustment Charges that are to apply to each Access Holder;
 - (iii) the billing period(s) in respect of which the Adjustment Charges will be applied; and
 - (iv) if applicable, how the Adjustment Charges must be allocated for the purposes of calculations in accordance with Clause 3.2 of Part B,

if the proposed Adjustment Charges submitted by QR Network (excluding any interest component) constitute no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by QR Network that relate to each Access Holder and, where Subparagraph 2.3.2(c)(ii) applies, the QCA is satisfied that QR Network has acted reasonably in selecting an appropriate equivalent rate in accordance with that provision.

- 2.3.5 QR Network must comply with an approval of the QCA given in accordance with Subparagraph 2.3.4(c) or Subclause 2.3.8 including in applying the Adjustment Charge approved for each Access Holder to the calculation of Access Charges payable by that Access Holder.
- 2.3.6 If the QCA refuses to approve QR Network's submission for an Adjustment Charge, the QCA must give QR Network a notice in writing:
- (a) stating the reasons for its refusal and the way in which the QCA considers the proposed Adjustment Charge should be amended so as to constitute (excluding any interest component) no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by QR Network that relate to each Access Holder; and
 - (b) requiring QR Network to vary the proposed Adjustment Charge in the way the QCA considers it appropriate and resubmit the amended proposal to the QCA within thirty (30) days of QR Network receiving the notice.
- 2.3.7 QR Network must comply with a notice given under Subclause 2.3.6.
- 2.3.8 The QCA must approve a resubmitted proposal for Adjustment Charges, if the resubmitted proposal has been amended or developed in accordance with the QCA's notice given under Subclause 2.3.6 and the QCA is satisfied that the proposed Adjustment Charges resubmitted by QR Network (excluding any interest component) constitute no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by QR Network that relate to each Access Holder.

2.3.9 For the purposes of Subparagraph 2.3.4(a)(i):

- (a) an Adjustment Charge may only apply to an Access Holder (“New Access Holder”) that did not run the Train Services to which that Adjustment Charge relates (“Past Train Services”) if:
 - (i) the Access Holder who ran the Past Train Services no longer has (or, at the time when the Adjustment Charges are to be applied, will have ceased to have) a rail haulage agreement with the Customer for the Past Train Services in respect of Train Services with the same origin and destination as the Past Train Services;
 - (ii) the New Access Holder has a rail haulage agreement with the Customer referred to in Subparagraph 2.3.9(a)(i) (including that Customer’s successors and assigns) in respect of Train Services with the same origin and destination as the Past Train Services or the New Access Holder was that Customer (or is that Customer’s successor or assign); and
 - (iii) the New Access Holder has been granted Access Rights with the same origin and destination as the Past Train Services in accordance with the process in Paragraphs 7.4.4(f) to (j) of the Undertaking; and
- (b) no Adjustment Charge will apply to an Access Holder who ran the Past Train Services if that Access Holder has, at the time when the Adjustment Charges are to be applied, ceased to have a rail haulage agreement with the Customer for the Past Train Services (including that person’s successors and assigns) in respect of Train Services with the same origin and destination as the Past Train Services provided that with the cessation of that rail haulage agreement, the applicable Access Rights were either relinquished or expired.

2.3.10 The calculation of Access Charges under an Access Agreement must be reviewed and varied to provide for the payment of Adjustment Charges approved by the QCA in accordance with Paragraphs 2.3.4(c) or 2.3.8 by the relevant Access Holder including:

- (a) that the Access Charges payable by the Access Holder must include any applicable Adjustment Charge approved by the QCA from time to time in relation to or in connection with any variation of a Reference Tariff approved by the QCA to apply or take effect on a date prior to the date on which the QCA approves the variation or any Reference Tariff that the Undertaking states is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA; and
- (b) that an Adjustment Charge so determined by the QCA must be applied to the calculation of the amount of the invoice for charges payable by the Access Holder under the Access Agreement for the relevant billing period.

3. Variations to Reference Train Service

3.1 A varied Access Charge shall be applicable to Train Services that vary from the Reference Train Service characteristics specified in Clause 1.3 or operate under terms and conditions with agreed variations from the requirements of Clause 1.4, but otherwise satisfy the nominated Reference Train Service

description, whereby the varied Access Charge varies from the applicable Reference Tariff due to differences in cost or risk to QR Network of providing Access for that Train Service compared to the Reference Train Service.

3.2 Where a Train Service differs from the Reference Train Service due to it not complying with Paragraph 1.3.1(f), then QR Network will, unless otherwise agreed with the QCA, quote an Access Charge that varies from the Reference Tariff by applying the following principles:

(a) the number of reference Train Paths used by the proposed Train Service will be determined as follows:

$$rtp = \max[(A/B), (B/A)]$$

where:

A is the maximum number of Reference Train Services at full utilisation; and

B is the maximum number of the proposed Train Services at full utilisation;

provided that if:

(i) the maximum number of proposed Train Services at full utilisation exceeds the maximum number of Reference Train Services at full utilisation; and

(ii) the scheduled section running times of the proposed Train Service are the same as the nominated section running times for the Reference Train Service,

then rtp is deemed to be one (1);

(b) the maximum number of train paths available for a Reference Train Service and for the proposed Train Service will be determined using a readily available simulation package; and

(c) in accordance with Subparagraph 4.3(a)(v) or 4.5.2(a)(v) of the Undertaking (as applicable), QR Network will advise the Access Seeker how it has determined the value of rtp.

3.3 Nothing in this Schedule will preclude QR Network from seeking Access Conditions, pursuant to Subclause 6.5.2 of the Undertaking.

PART B. - PROVISIONS SPECIFIC TO REFERENCE TRAIN SERVICES IN THE CENTRAL QUEENSLAND COAL REGION

1. Reference Train Service Characteristics

- 1.1 Further to Subclause 1.3.1 of Part A, the Reference Train Service:
- has a Dwell period for each Train Service no greater than that specified in Clauses 5 to 8 of this Part B for that Reference Train Service; and
 - in respect of Train examinations, does not exceed a ratio of 1 return journey in 7.
- 1.2 Further to Subclause 1.4.1 of Part A, an Access Seeker for a Reference Train Service will have its Train Service Entitlement:
- based on its Trains being available for operation 24 hours per day and 360 days per year; and
 - specified in terms of a Cyclic Traffic which will operate evenly throughout each yearly, monthly and weekly period, and which will comply with the applicable coal corridor scheduling procedures as set out in the Network Management Principles.

2. Access Charge

2.1 Reference Tariff

- 2.1.1 The applicable Reference Tariff for a nominated Reference Train Service shall be assessed as:

$$\left(AT_1 \times \frac{gk}{1000} \right) + (AT_2 \times rtp) + \left(AT_3 \times \frac{ntk}{1000} \right) + (AT_4 \times nt) + \left(AT_5 \times \frac{egtk}{1000} \right) + \left(EC \times \frac{egtk}{1000} \right) + (QCALevy \times nt)$$

where:

- AT₁ is the incremental maintenance tariff specified as AT₁ for the nominated Reference Train Service in Clauses 5 to 8 of this Part B;
- AT₂ is the incremental capacity tariff specified as AT₂ for the nominated Reference Train Service in Clauses 5 to 8 of this Part B;
- AT₃ is the allocative part of the Reference Tariff that is levied on a net tonne kilometre basis specified as AT₃ and adjusted by way of the addition or subtraction, where applicable, of the specified System Premium or System Discount, for the nominated Reference Train Service in Clauses 5 to 8 of this Part B;
- AT₄ is the allocative part of the Reference Tariff that is levied on a net tonne basis specified as AT₄ for the nominated Reference Train Service in Clauses 5 to 8 of this Part B; and
- AT₅ is the electric access tariff that is levied on an egtk basis specified as AT₅ for the nominated Reference Train Service in Clauses 5 to 8 of this Part B,

provided that the above calculation is subject to the addition of any applicable Adjustment Charge from time to time (including, if necessary, on a pro rata basis with other Reference Train Services that have the same origin and

destination and Access Holder and are run during same billing period, as the nominated Reference Train Service).

- 2.1.2 The amounts of AT₁, AT₂, AT₃, AT₄, AT₅, EC, the QCA Levy, the System Premiums and the System Discounts specified in Clauses 5 to 8 of this Part B and any Adjustment Charge are GST exclusive. An amount for GST will be added to the total calculated Access Charge, in accordance with the provisions of the applicable Access Agreement, when an Access Holder is invoiced.
- 2.1.3 For the purposes of this Part B, a Train Service is a one way Train Service, that is, the journey from the Nominated Loading Facility to the Nominated Unloading Facility is one Train Service, and the return journey from the Nominated Unloading Facility to the Nominated Loading Facility is a second Train Service.
- 2.1.4 For the purposes of this Clause 2.1, the measures g_{tk}, r_{tp}, n_{tk}, n_t and e_{g_{tk}} shall be assessed for the relevant Train Service over the billing period for which the Reference Tariff is being calculated.

2.2 Take or Pay

- 2.2.1 QR Network will be entitled to earn Take or Pay revenue in accordance with the provisions of this Clause 2.2.
- 2.2.2 For Train Services:
- (a) for which Access Agreements are executed or renewed on or after the date on which the Reference Tariffs for the 2009/10 Year and 2010/11 Year in this Schedule F were approved the QCA ("Approval Date") (other than New Access Agreements executed as part of transferring Access Rights from Access Agreements in place on the day immediately prior to the Approval Date), the Take or Pay arrangements will be as specified in Subclause 2.2.3; or
 - (b) which are included in Access Agreements in place on the day immediately prior to the Approval Date (and not subsequently renewed after the Approval Date) or in respect of which New Access Agreements have been executed, the Take or Pay arrangements will be those set out in, if the Access Agreement or, for a New Access Agreement, the relevant Old Access Agreement were executed or renewed during the term of:
 - (i) the 2001 Undertaking, Clause 3.2, Part A, Schedule F of the 2001 Undertaking; or
 - (ii) the 2005 Undertaking, Clause 2.2, Part B, Schedule F of the 2005 Undertaking.
- 2.2.3 Take or Pay revenue from a particular Reference Train Service will be determined for each Year, and invoiced following completion of that Year, as, subject to Subclause 2.2.4, the amount which is one hundred percentage points (100%) of the amount calculated by multiplying:
- (a) AT₂, AT₃ and AT₄ (at the rate applicable in the Year); by

- (b) the rtp, nt and ntk (as applicable) calculated by:
- (i) the rtp, nt and ntk (as applicable) that would have been achieved for the subject Year had the full contracted entitlement been railed for the relevant Train Service; less
 - (ii) the rtp, nt and ntk (as applicable) not railed for the subject Year due to the non operation of Train Services for a QR Network Cause; less
 - (iii) the rtp, nt and ntk (as applicable) railed for the subject Year,
- provided always that the amount of Take or Pay for the Year shall not be less than zero.

2.2.4 Notwithstanding Subclause 2.2.3, Take or Pay shall not be payable for a Year where the System Gtk exceeds 100% of the System Forecast identified for the nominated Reference Train Service, less the gtk not achieved due to the non operation of Train Services for a QR Network Cause.

2.2.5 Notwithstanding Subclause 2.2.3:

- (a) where Train Services operated in relation to an origin to destination in respect of a person ("End User") who is either the Customer for those Train Services or the Access Holder for those Train Services (but who has no Customer) under an individual Access Agreement exceed the Train Service Entitlement in that individual Access Agreement, the Train Services in excess of the Train Service Entitlement will be recognised as the performance of a Train Service Entitlement under any other individual Access Agreement with Train Service Entitlements for that same origin to destination and same End User to the extent that the Train Services Entitlement in the other individual Access Agreement has not been exceeded; or
- (b) where the aggregate of Train Services operated in relation to an origin to destination in respect of an End User is greater than or equal to the aggregate Train Service Entitlements for Access Agreements for that origin to destination and End User, no Take or Pay is payable under an Access Agreement in relation to Train Services not operated in accordance with the relevant Train Service Entitlement for that origin to destination in respect of that End User.

2.2.6 Notwithstanding Subclause 2.2.3 and subject to Subclause 2.2.5, where the Total Actual Revenue for AT_{2-4} for an Individual Coal System Infrastructure less the aggregate amount of Take or Pay that QR Network is entitled to earn from all Access Agreements in relation to that Individual Coal System Infrastructure executed or renewed on or after 30 June 2006 (other than New Access Agreements entered as part of transferring Access Rights from Access Agreements in place on the day immediately prior to 30 June 2006 pursuant to Paragraph 7.4.4(f) of the Undertaking) ("Total Revenue") is:

- (a) greater than or equal to the System Allowable Revenue for AT_{2-4} in relation to that Individual Coal System Infrastructure, Take or Pay shall not be payable for that Year under Access Agreements in relation to that Individual Coal System Infrastructure executed or renewed on or after 30 June 2006 (other than New Access Agreements entered as part of transferring Access Rights from Access Agreements in place on the day immediately prior to 30 June 2006

- pursuant to Paragraph 7.4.4(f) of the Undertaking) (“Full Take or Pay Agreements”);
- (b) less than the System Allowable Revenue for AT₂₋₄ in relation to that Individual Coal System Infrastructure:
- (i) QR Network will calculate the aggregate amount of Take or Pay that QR Network is entitled to earn from all Full Take or Pay Agreements (“Total Actual Take or Pay”); and
- (ii) if the Total Actual Take or Pay exceeds the amount by which the System Allowable Revenue for AT₂₋₄ exceeds the Total Revenue for that Individual Coal System Infrastructure (“Maximum Take or Pay Amount”), then:
- (A) QR Network will calculate for each relevant Access Holder, the proportion that the Access Holder’s Take or Pay amount bears to the Total Actual Take or Pay (“Proportion”); and
- (B) each relevant Access Holder’s Take or Pay amount will be reduced to equal that Access Holder’s Proportion of the Maximum Take or Pay Amount.

In determining what QR Network would be entitled to earn for the purposes of this Subclause 2.2.6, QR Network is deemed to have contracted on the terms of the relevant Standard Access Agreement (as defined under the Applicable Undertaking) that applied on the date of execution or renewal of an Access Agreement, except for:

- those Access Agreements which have been altered from that form in accordance with the terms of the relevant Applicable Undertaking, for which QR Network’s entitlement will be calculated in accordance with the terms of such Access Agreements; and
- a New Access Agreement to the extent entered into as part of transferring Access Rights from an Old Access Agreement executed under or prior to the 2001 Undertaking, pursuant to Paragraph 7.4.4(f) of the Undertaking, which has not been renewed after 30 June 2006, for which QR Network’s entitlement to Take or Pay amounts will be calculated on the basis that QR Network has contracted on the terms of:
 - (A) for an Old Access Agreement executed under the 2001 Undertaking, the relevant Standard Access Agreement (as defined under the 2001 Undertaking) that applied on the date of execution of that Old Access Agreement; or
 - (B) for an Old Access Agreement executed prior to the 2001 Undertaking, the terms of the Old Access Agreement; and
- for the avoidance of doubt, an Access Agreement executed prior to the 2001 Undertaking, for which QR Network’s entitlement will be calculated in accordance with the terms of that Access Agreement.

- 2.2.7 In order to calculate nt, ntk and gtk for the purposes of Subparagraphs 2.2.3(b)(i) and (ii), QR Network will:
- (a) identify from the Access Agreement the number of train paths that would have been utilised had the full contracted entitlement been attained; and
 - (b) determine the number of train paths that were not utilised due to a QR Network Cause,
- and convert this to nt, ntk and gtk by using a nominal payload per loaded Train Service as reasonably determined by QR Network.
- 2.2.8 QR Network shall provide to the Access Holder information on how it has determined the amount of the Take or Pay at the same time as it is invoiced.

3. Annual Review of Reference Tariffs

3.1 Requirement for Annual Review of Reference Tariffs

- 3.1.1 Prior to the beginning of each Year during the Term (except for the first Year) Reference Tariffs set out in this Part B will be adjusted to reflect:
- (a) a variation to the applicable System Allowable Revenue for the relevant Year due to an adjustment to 2nd Year System Allowable Revenue in accordance with Clause 3.4; and
 - (b) a variation to the applicable System Allowable Revenue for the relevant Year and each subsequent Year during the Term in accordance with Subclause 3.1.2.
- 3.1.2 QR Network will submit to the QCA by 28 February of each Year during the Term:
- (a) a revised System Forecast for each Individual Coal System Infrastructure for the next Year;
 - (b) details of the methodology, data and assumptions used to estimate the revised System Forecast; and
 - (c) the proposed adjustments, for each Individual Coal System Infrastructure, arising from any difference between the relevant revised System Forecast and the System Forecast used for the purpose of determining the System Allowable Revenue for that Individual Coal System Infrastructure, to:
 - (i) the System Allowable Revenue for the Individual Coal System Infrastructure for each subsequent Year during the Term; and
 - (ii) the Reference Tariffs for the Individual Coal System Infrastructure for the next Year.

The QCA will approve the revised System Forecast, System Allowable Revenues and Reference Tariffs for each Individual Coal System Infrastructure if it considers that the revised System Forecast is reasonable and the consequential adjustments to System Allowable Revenues and Reference Tariffs are calculated properly. If QR Network does not submit an amendment by 28 February or, if QR Network has done so, the QCA does not approve a revised System Forecast for an Individual Coal System

Infrastructure by the next 4 July, then no adjustments to the System Forecast, System Allowable Revenues or Reference Tariffs for the relevant Individual Coal System Infrastructure(s) will be made in accordance with this Subclause 3.1.2.

- 3.1.3 Upon the finalisation of the balance of the Capital Expenditure Carryover Account at 1 June 2009, the System Allowable Revenues for the Term will be adjusted by the QCA for the difference between the finalised balance of the Capital Expenditure Carryover Account at 1 June 2009 and the forecast used for determining the Reference Tariffs, including any adjustments necessary to reflect the difference between the assumed opening asset value (and lives) and those accepted by the QCA as part of the first roll-forward of the Regulatory Asset Base.

3.2 Calculation of Revenue Adjustment Amounts

- 3.2.1 After the end of each Year, QR Network will calculate:

- (a) the following Revenue Adjustment Amounts:
- (i) an "AT₂₋₄ Revenue Adjustment Amount", for each relevant Individual Coal System Infrastructure, by subtracting:
 - (A) the Adjusted System Allowable Revenue for AT₂₋₄, determined in accordance with Subclause 3.2.2; from
 - (B) the Total Actual Revenue for AT₂₋₄, determined in accordance with Subclause 3.2.3,for the relevant Individual Coal System Infrastructure for that Year; and
 - (ii) an "AT₅ Revenue Adjustment Amount", by subtracting the Adjusted System Allowable Revenue for the AT₅ component of Access Charges, determined in accordance with Subclause 3.2.2, for the Central Queensland Coal Region from the Total Actual Revenue for AT₅, determined in accordance with Subclause 3.2.5, for the Central Queensland Coal Region, for that Year; and
- (b) a performance increment. ("Increment") for each relevant Individual Coal System Infrastructure as calculated in accordance with Clause 3.3.

For the avoidance of doubt, a Revenue Adjustment Amount or an Increment calculated under this Subclause 3.2.1 may be a negative or a positive number.

- 3.2.2 The Adjusted System Allowable Revenue for AT₂₋₄ or the AT₅ component of Access Charges is the sum of the following components of relevant System Allowable Revenue:

- (a) the component relating to the recovery of QR Network's maintenance costs, adjusted to reflect:
- (i) for the maintenance costs of maintaining branchlines for new loading facilities (that became operational after 1 July 2009), \$15,000.00 per kilometre of new Track comprised in those branchlines; and

- (ii) for maintenance costs to which Subparagraph 3.2.2(a)(i) does not apply, the difference between:
 - (A) the actual MCI value less the approved X-Factor for the relevant Year; and
 - (B) the forecast MCI value less the approved X-Factor that was used for the purpose of determining the Reference Tariffs for the relevant Year;
- (b) the components relating to the recovery of QR Network's:
 - (i) cost of electric energy for traction; and
 - (ii) costs associated with the connection of QR Network's electrical traction system to an electricity transmission or distribution network,
 adjusted to reflect the difference between:
 - (iii) the actual costs for the relevant Year; and
 - (iv) the forecast costs used for the purpose of determining the Reference Tariffs for the relevant Year;
- (c) the component relating to the recovery of QR Network's operating costs, excluding those costs referred to in Paragraph 3.2.2(a), adjusted to reflect the difference between:
 - (i) the actual CPI value less the approved X-Factor for the relevant Year; and
 - (ii) the forecast CPI value less the approved X-Factor that was used for the purpose of determining the Reference Tariffs for the relevant Year; and
- (d) all components excluding those costs referred to in Paragraph 3.2.2(a), (b) or (c).

3.2.3 The Total Actual Revenue for AT_{2-4} is the sum of:

- (a) total revenue from AT_{2-4} for coal carrying Train Services that operated on the Individual Coal System Infrastructure in the Year, calculated using:
 - (i) for a Train Service that is a Reference Train Service and is not a Cross System Train Service, the AT_2 , AT_3 and AT_4 components of the relevant Reference Tariff; or
 - (ii) for a Train Service to which Clause 4.2 applies, that part of the AT_2 , AT_3 and AT_4 components of the relevant Reference Tariff relating to that Individual Coal System Infrastructure allocated in accordance with the method used in the calculation of the relevant System Allowable Revenue as set out in Paragraph 4.2(g);
 - (iii) for a Train Service that varies from the Reference Train Service due to it not complying with:
 - (A) Paragraph 1.3.1(f) of Part A, the AT_2 component of the Access Charge (where the Access Charge varies from

the Reference Tariff in accordance with Clause 3.2 of Part A) and the AT₃ and AT₄ components of the relevant Reference Tariff; or

- (B) any other part of Clause 1.3 or 1.4 of Part A, other than Paragraph 1.3.1(f) of Part A (with which it complies), the AT₂, AT₃ and AT₄ components of the relevant Reference Tariff; and
- (iv) for a Train Service for which Clause 4.3 applies, the amount of the AT₂, AT₃ and AT₄ components of the relevant Access Charge,

that QR Network has actually earned over the relevant Year (whether or not actually collected by QR Network);

- (b) subject to Subclause 3.2.4, the amount of any Take or Pay amounts and Relinquishment Fees (including equivalent amounts payable under a relevant Access Agreement (“Equivalent Amounts”)) which QR Network is entitled to be paid in relation to Access Agreements for coal carrying Train Services on the Individual Coal System Infrastructure calculated on the basis that QR Network is deemed to have contracted on the terms of the relevant Standard Access Agreement (as defined under the Applicable Undertaking) that applied on the date of execution or renewal of an Access Agreement except for:
 - (i) those Access Agreements which have been altered from the relevant Standard Access Agreement in accordance with the relevant Applicable Undertaking, for which QR Network’s entitlement to Take or Pay amounts, Relinquishment Fees or Equivalent Amounts will be calculated in accordance with the terms of those Access Agreements;
 - (ii) a New Access Agreement to the extent entered into as part of transferring Access Rights from an Old Access Agreement executed under or prior to the 2001 Undertaking, pursuant to Paragraph 7.4.4(f) of the Undertaking, which has not been renewed after the Commencing Date (as defined under the 2005 Undertaking), for which QR Network’s entitlement to Take or Pay amounts, Relinquishment Fees and Equivalent Amounts will be calculated on the basis that QR Network has contracted on the terms of:
 - (A) for an Old Access Agreement executed under the 2001 Undertaking, the relevant Standard Access Agreement (as defined under the 2001 Undertaking) that applied on the date of execution of that Old Access Agreement; or
 - (B) for an Old Access Agreement executed prior to the 2001 Undertaking, the terms of that Old Access Agreement; and
 - (iii) for the avoidance of doubt, an Access Agreement executed prior to the 2001 Undertaking, for which QR Network’s entitlement will be calculated in accordance with the terms of that Access Agreement;

- (c) the System Allowable Revenue for AT₂₋₄ in relation to the applicable Individual Coal System Infrastructure which is attributable to assets under an agreement described by Subparagraph 6.5.2(f)(i) of the Undertaking for the payment of a rebate less any rebate which is paid under that agreement; and
- (d) any revenue from AT₂₋₄ that QR Network would have been entitled to earn under an Access Agreement in relation to the applicable Individual Coal System Infrastructure during the relevant Year but for QR Network's breach of that Access Agreement or negligence in the provision of Below Rail Services to the extent that such events of breach or negligence resulted in the non-provision of 10% or more of the total number of Train Services for any single origin-destination pair during the relevant Year.

3.2.4 Subject to the QCA's approval, QR Network may reduce the amount of any Relinquishment Fee (or applicable Equivalent Amount) used to calculate Total Actual Revenue for a Year if its inclusion will have a material effect on the AT₂₋₄ Revenue Adjustment Amount. If QR Network reduces the amount of any Relinquishment Fee (or applicable Equivalent Amount) in accordance with this Subclause 3.2.4, then the amount of the reduction must be carried forward to a following Year, including a return on capital amount, calculated by reference to the Discount Rate over the period starting on the first day of the Year in which the Relinquishment Fee (or applicable Equivalent Amount) is received and ending on the first day of the Year in which the Relinquishment Fee (or applicable Equivalent Amount) is included in the calculation of Total Actual Revenue.

3.2.5 The Total Actual Revenue for the AT₅ component of Access Charges is the sum of:

- (a) total revenue from the AT₅ component of Access Charges arising from all Access Agreements in relation to coal carrying Train Services for the Central Queensland Coal Region that QR Network has actually earned over the relevant Year (whether or not actually collected by QR Network), calculated using:
 - (i) for a Train Service for which Clause 4.3 applies, the amount of the AT₅ components of the relevant Access Charges; or
 - (ii) if paragraph (i) does not apply, the AT₅ component of the relevant Reference Tariff;
- (b) the System Allowable Revenue for AT₅ in relation to Central Queensland Coal Region which is attributable to assets under an agreement described by Subparagraph 6.5.2(f)(i) of the Undertaking for the payment of a rebate less any rebate which is paid under that agreement; and
- (c) any revenue from AT₅ that QR Network would have been entitled to earn under an Access Agreement in relation to the Central Queensland Coal Region during the relevant Year but for QR Network's breach of that Access Agreement or negligence in the provision of Below Rail Services to the extent that such events of breach or negligence resulted in the non-provision of 10% or more of the total number of Train Services for any single origin-destination pair during the relevant Year.

- 3.2.6 QR Network will submit to the QCA by 30 September after the end of each Year of the Term details of the methodology, data and assumptions used to calculate the Revenue Adjustment Amounts and Increments for that Year in accordance with this Clause 3.2 provided that if, in that September:
- (a) the QCA approves Adjustment Charges relating to the relevant Year; or
 - (b) the process for obtaining that approval is underway but has not been concluded,

then QR Network is only required to submit the relevant information within 30 days after the QCA's approval of the Adjustment Charges relating to the relevant Year.

- 3.2.7 The QCA may give QR Network a written notice requiring QR Network to submit the Revenue Adjustment Amounts and Increments, if QR Network fails to do so in accordance with Subclause 3.2.6.

- 3.2.8 The QCA may grant QR Network an extension of the time for submitting, or resubmitting, the Revenue Adjustment Amounts and Increments if:
- (a) QR Network provides a written request to the QCA for an extension of time which includes the reasons why QR Network requires the extension of time; and
 - (b) the extension of time is reasonable or necessary.

If the QCA grants QR Network an extension of time under this Subclause 3.2.8, QR Network must submit the Revenue Adjustment Amounts and Increments within the time specified by the QCA.

- 3.2.9 The QCA may determine Revenue Adjustment Amounts and Increments that are consistent with the requirements specified in this Clause 3.2:
- (a) if QR Network does not comply with a written notice given by the QCA under Subclause 3.2.7 or Paragraph 3.2.12(b) for it to submit, or resubmit, the Revenue Adjustment Amounts and Increments; or
 - (b) if the QCA refuses to approve the Revenue Adjustment Amounts and Increments resubmitted by QR Network in accordance with Paragraph 3.2.12(b).

- 3.2.10 Where QR Network submits the Revenue Adjustment Amounts and Increments in accordance with Subclause 3.2.6, the QCA may, to the extent it considers it appropriate to do so:
- (a) publish details of the Revenue Adjustment Amounts and Increments; and
 - (b) invite and consider comments from stakeholders regarding the Revenue Adjustment Amounts and Increments.

To the extent that stakeholders provide comments, QR Network must be given a reasonable period in which to provide a response to those comments to the QCA.

3.2.11 The QCA will approve:

- (a) the Revenue Adjustment Amounts, if the QCA is reasonably satisfied that the calculation of the Revenue Adjustment Amounts is in accordance with this Clause 3.2; and
- (b) the Increments, if the QCA is reasonably satisfied that the calculation of the Increments is in accordance with Clause 3.3.

3.2.12 If the QCA:

- (a) approves the Revenue Adjustment Amounts and Increments, the QCA will give QR Network a notice in writing stating the reasons for the QCA's decision; or
- (b) refuses to approve the Revenue Adjustment Amounts and Increments, the QCA will give QR Network a notice in writing:
 - (i) stating the reasons for its refusal and the way in which the QCA considers that the Revenue Adjustment Amounts and Increments should be amended; and
 - (ii) requiring QR Network to vary the Revenue Adjustment Amounts and Increments in the way the QCA considers it appropriate and resubmit the Revenue Adjustment Amounts to the QCA within thirty (30) days after QR Network receives that notice.

3.2.13 QR Network must comply with a notice given under Paragraph 3.2.12(b).

3.2.14 The QCA may approve resubmitted Revenue Adjustment Amounts or Revenue Adjustment Amounts developed by the QCA under Subclause 3.2.9, if the QCA is satisfied that the Revenue Adjustment Amounts:

- (a) are consistent with the matters specified under Subclause 3.2.11; and
- (b) have been amended or developed in accordance with the QCA's decision.

3.2.15 Notwithstanding any other provision of this Undertaking, to the extent that:

- (a) the QCA has approved Adjustment Charges for a Year;
- (b) QR Network is entitled or obliged, in accordance with this Undertaking and the QCA's approval of the Adjustment Charges, to recover or reimburse those Adjustment Charges from or to Access Holders;
- (c) QR Network is obliged under this Undertaking to calculate Revenue Adjustment Amounts in respect of that Year; and
- (d) in recovering or reimbursing the Adjustment Charges, the Adjustment Charges are included in an invoice relating to a billing period in the Year in which the relevant Revenue Adjustment Amounts are required to be calculated,

then, the Total Actual Revenue for AT₂₋₄ or AT₅ for each relevant Individual Coal System Infrastructure for that Year and the Year in which the relevant Revenue Adjustment Amounts are required to be calculated must be adjusted to take account of the Adjustment Charges (but excluding the interest component of those Adjustment Charges) in accordance with the allocation approved by the QCA under Subparagraph 2.3.4(c)(iv) of Part A.

3.3 Calculation of Increment

3.3.1 Subject to Subclause 3.3.2, where for an Individual Coal System Infrastructure:

- (a) the Total Actual Revenue for AT_{2-4} is greater than the System Allowable Revenue for AT_{2-4} for the relevant Individual Coal System Infrastructure;
- (b) QR Network is required by Subclause 3.4.3 to submit a variation of relevant Reference Tariffs to the QCA; and
- (c) the QCA, when considering that variation, is reasonably satisfied that the difference between the Total Actual Revenue for AT_{2-4} and the System Allowable Revenue for AT_{2-4} for the relevant Individual Coal System Infrastructure ("Difference") has, in whole or part, arisen as a direct result of whole of coal chain activities or initiatives of QR Network (or its contractors) which have increased the efficiency of the Below Rail network,

the Increment, for the relevant Individual Coal System Infrastructure, equals that part of the Difference, as determined by the QCA taking into account the extent to which the Difference has in whole or part arisen as a direct result of the whole of coal chain activities or initiatives of QR Network (or its contractors).

3.3.2 In no circumstance will an Increment for an Individual Coal System Infrastructure exceed an amount equal to two percentage points (2%) of the System Allowable Revenue for AT_{2-4} for that Individual Coal System Infrastructure.

3.4 Revenue Adjustment

3.4.1 Where a Revenue Adjustment Amount has been approved by the QCA in accordance with Clause 3.2:

- (a) the equivalent System Allowable Revenue to that used in the calculation of that Revenue Adjustment Amount for the relevant Individual Coal System Infrastructure for the Year after the Year in which that Revenue Adjustment Amount was calculated ("2nd Year System Allowable Revenue") will be adjusted in accordance with this Clause 3.4; and
- (b) the System Allowable Revenue for all subsequent Years will also be adjusted to reflect the actual change in the MCI and CPI less the approved X-Factors as used in the calculation of the approved Revenue Adjustment Amount.

3.4.2 A 2nd Year System Allowable Revenue shall be adjusted as follows:

- (a) for an AT_{2-4} Revenue Adjustment Amount, by subtracting from the relevant 2nd Year System Allowable Revenue:
 - (i) that AT_{2-4} Revenue Adjustment Amount less the amount of the relevant Increment; and
 - (ii) a return on capital amount, calculated by reference to the Discount Rate as applied to the AT_{2-4} Revenue Adjustment Amount over the period starting on the first day of the Year in

which the Revenue Adjustment Amount is calculated and ending on the last day of the Year following that Year;

- (b) for an AT₅ Revenue Adjustment Amount, by subtracting from the relevant 2nd Year System Allowable Revenue:
 - (i) that AT₅ Revenue Adjustment Amount; and
 - (ii) a return on capital amount, calculated by reference to the Discount Rate as applied to the AT₅ Revenue Adjustment Amount over the period starting on the first day of the Year in which the Revenue Adjustment Amount is calculated and ending on the last day of the Year following that Year.

3.4.3 Where a 2nd Year System Allowable Revenue is adjusted under this Clause 3.4, QR Network shall submit a variation of the relevant Reference Tariffs to the QCA as part of the adjustment of the relevant Reference Tariff in accordance with Subclause 3.1.1.

4. Coal Carrying Train Services for which Reference Tariffs do not apply

4.1 Reference Tariffs for New Coal Carrying Train Services

4.1.1 Unless otherwise agreed with the QCA, where a coal carrying Train Service is operating within an existing Individual Coal System Infrastructure, or is utilising an existing or new branch line connecting to that Individual Coal System Infrastructure and is not a Cross System Train Service, it will be expected to make a minimum contribution towards QR Network's Common Costs determined as the sum of the following components of the Reference Tariff that applies to that Individual Coal System Infrastructure:

- (a) AT₂ (adjusted for any variation that will be made pursuant to Clause 3 of Part A for that Train Service); and
- (b) fifty percentage points (50%) of AT₃ for the distance that the Train Service will travel on the mainline of that Individual Coal System Infrastructure.

4.1.2 In order to reflect the requirements of Subclause 4.1.1, the Reference Tariff applicable for a new coal carrying Train Service will be the higher of (on a \$/ntk basis):

- (a) the Reference Tariff for the relevant Individual Coal System Infrastructure; or
- (b) the sum of the new coal carrying Train Service's Private Incremental Costs (if any), the Incremental Costs of using any Rail Infrastructure specifically related to the new coal carrying Train Service and the required minimum Common Cost contribution determined in accordance with Subclause 4.1.1,

provided that the Access Charge payable to QR Network for the operation of that new coal carrying Train Service is calculated as the applicable Reference Tariff less the Private Incremental Costs (if any).

4.1.3 Where a new coal carrying Train Service is a Cross System Train Service it will be expected to make a minimum contribution towards QR Network's

Common Costs determined as the sum of the following components of the Reference Tariff:

- (a) AT_2 (adjusted for any variation that will be made pursuant to Clause 3 of Part A for that Train Service) applicable to the Destination System;
- (b) AT_2 (adjusted for any variation that will be made pursuant to Clause 3 of Part A for that Train Service) applicable to the Origin System but only if the Train Service operates on capacity constrained corridors of the Origin System as identified in Paragraph 4.2(g); and
- (c) fifty percentage points (50%) of AT_3 applicable to the relevant Individual Coal System Infrastructure for the distance that the Train Service will travel on the mainline of that Individual Coal System Infrastructure.

4.1.4 In order to reflect the requirements of Subclause 4.1.3, the Reference Tariff applicable for a new coal carrying Train Service will be the higher of (on a \$/ntk basis):

- (a) the Access Charge for a Cross System Train Service calculated in accordance with Clause 4.2; or
- (b) the sum of the new coal carrying Train Service's Private Incremental Costs (if any), the Incremental Costs of using any Rail Infrastructure specifically related to the new coal carrying Train Service and the required minimum Common Cost contribution determined in accordance with Subclause 4.1.3,

provided that the Access Charge payable to QR Network for the operation of that new coal carrying Train Service is calculated as the applicable Reference Tariff less the Private Incremental Costs (if any).

4.1.5 Where a Reference Tariff for a new coal carrying Train Service is established in accordance with Paragraph 6.4.2(b) of the Undertaking:

- (a) if the new coal carrying Train Service is operating within an existing Individual Coal System Infrastructure, utilising an existing or new branch line connecting to that Individual Coal System Infrastructure and is not a Cross System Train Service:
 - (i) the loading facility for that new Train Service will be added as a Nominated Loading Facility into the existing Reference Train Service applicable for that Individual Coal System Infrastructure, irrespective of whether that loading facility is located adjacent to Private Infrastructure or Rail Infrastructure; and
 - (ii) where the amount calculated in accordance with Paragraph 4.1.2(b) is higher than the amount calculated in accordance with Paragraph 4.1.2(a), a System Premium will be included in that Reference Tariff for Train Services utilising that Nominated Loading Facility, where the System Premium will be calculated as the difference (in \$/ntk) between the amount calculated in accordance with Paragraph 4.1.2(b) and the amount calculated in accordance with Paragraph 4.1.2(a);
- (b) if the new coal carrying Train Service is a Cross System Train Service:
 - (i) the loading facility for that new Train Service will be added as a Nominated Loading Facility into the existing Reference Train Service applicable to the Origin System, irrespective of whether

- that loading facility is located adjacent to Private Infrastructure or Rail Infrastructure;
- (ii) the capital costs of developing a rail spur which will be used (wholly or partly) for Cross System Train Services will be allocated to the Regulatory Asset Base as part of the Origin System; and
 - (iii) where the amount calculated in accordance with Paragraph 4.1.4(b) is higher than the amount calculated in accordance with Paragraph 4.1.4(a), a System Premium will be included in that Reference Tariff for Train Services utilising that Nominated Loading Facility, where the System Premium will be calculated as the difference (in \$/ntk) between the amount calculated in accordance with Paragraph 4.1.4(b) and the amount calculated in accordance with Paragraph 4.1.4(a); or
- (c) if the new coal carrying Train Service is operating otherwise than in accordance with Paragraph 4.1.5(a) or (b), a new Reference Tariff will be developed for a new Reference Train Service in accordance with Subclause 6.4.2 of the Undertaking.

4.1.6 Where QR Network enters into an Access Agreement with an Access Seeker in relation to Train Services carrying coal from a new mine prior to the authorisation of the applicable Reference Tariff, the Access Charge for that Train Service will be reviewed following authorisation of the Reference Tariff to ensure that it is consistent with the Reference Tariff.

4.2 Cross System Train Services

Where a coal carrying Train Service in the Central Queensland Coal Region requires Access to more than one Individual Coal System Infrastructure ("Cross System Train Service"), the Access Charges for the Cross System Train Service will be calculated as though a Reference Tariff applied, where the Reference Tariff will be determined in accordance with the following methodology:

- (a) AT_1 determined as the AT_1 component of the Reference Tariff for:
 - (i) the Origin System, for the gtk attributable to the Origin System; and
 - (ii) the Destination System, for the gtk attributable to the Destination System; and
- (b) AT_2 determined as follows:
 - (i) AT_2 component of the Reference Tariff in the Origin System shall be applicable to the Train Paths used in the Origin System, but only if the Train Service operates on capacity constrained corridors of the Origin System as identified in Paragraph 4.2(g); and
 - (ii) the AT_2 component of the Reference Tariff in the Destination System shall be applicable in accordance with Clause 2.1 of Part B; and
- (c) AT_3 determined as the higher of the AT_3 component of the Reference Tariff for either the Origin System or the Destination System, applied to the aggregate of ntk for the Train Service;
- (d) AT_4 determined as the higher of the AT_4 component of the Reference Tariff for either the Origin System or the Destination System, applied to the nt for the Train Service; and

- (e) AT_5 and EC determined as the AT_5 and EC components of the Reference Tariff for:
 - (i) the Origin System, for the egtk attributable to the Origin System; and
 - (ii) the Destination System, for the egtk attributable to the Destination System;
- (f) the QCA Levy component of the Reference Tariff in the Destination System shall be applicable in accordance with Clause 2.1 of Part B, applied to the nt for the Train Service;
- (g) unless otherwise agreed with the QCA, for the purposes of calculating System Allowable Revenue in relation to the Origin System and the Destination System for a Cross System Train Service:
 - (i) for the System Allowable Revenue for AT_{2-4} :
 - (A) Access Charges which QR Network is entitled to earn in respect of the Cross System Train Service equal to the minimum contribution for the Destination System's common costs will be allocated to the System Allowable Revenue for the Destination System; and
 - (B) all other Access Charges attributable to AT_{2-4} which QR Network is entitled to earn in respect of the Cross System Train Service will be allocated to the System Allowable Revenue of the Origin System; and
 - (ii) for the System Allowable Revenue for AT_5 :
 - (A) Access Charges attributable to AT_5 and egtk in the Origin System will be allocated to the System Allowable Revenue for the Origin System; and
 - (B) Access Charges attributable to AT_5 and egtk in the Destination System will be allocated to the System Allowable Revenue for the Destination System;
- (h) unless approved by the QCA, the following corridors shall be regarded as capacity constrained:
 - (i) the rail corridor between Coppabella and the ports at Hay Point and Dalrymple Bay;
 - (ii) the rail corridor between the junction to the German Creek mine and Coppabella; and
 - (iii) the rail corridor between Burngrove and the port of Gladstone (including domestic coal terminals in the vicinity of Gladstone).

4.3 Access Charges where Reference Tariffs do not apply

Unless approved by the QCA, QR Network must calculate the Access Charges for all coal carrying Train Service in the Central Queensland Coal Region which are:

- (a) not a Reference Train Service due to non-compliance with Clause 1.2 of Part A; or
- (b) a Cross System Train Service,

by reference to:

- (c) an incremental maintenance component that is levied on a gtk basis, referred to as AT₁;
- (d) an incremental capacity component that is levied on a train path basis, referred to as AT₂;
- (e) a component that is levied on a ntk basis, referred to as AT₃;
- (f) a component that is levied on a nt basis, referred to as AT₄;
- (g) an electric access tariff that is levied on an egtk basis (if appropriate) referred to as AT₅;
- (h) an electric energy charge that is levied on an egtk basis (if appropriate) referred to as EC;
- (i) the QCA Levy levied on a nt basis; and
- (j) any other amount that may be included in an Access Charge in accordance with this Undertaking.

5. Blackwater System

5.1 Term

The term of this Reference Tariff is from 1 July 2009 to the Terminating Date.

5.2 Reference Train Service Description

5.2.1 The Reference Train Service has the following characteristics:

- (a) a maximum length (including the locomotive/s) of 1709¹ metres, except that Train Services operating from Minerva will have a maximum length (including the locomotive/s) of 1240 metres;
- (b) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220² loading, or otherwise generates a loading equivalent to M220, except that Train Services operating from Minerva will have a maximum axle load of 20 tonne; and
- (c) utilisation of either electric or diesel traction, except that Train Services operating from Rolleston or Minerva will only utilise diesel traction.

5.2.2 The conditions of Access for the Reference Train Service include a Below Rail Transit Time which shall be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Information Pack) plus (+) a factor of twenty-seven percentage points (27%). If a Train Service varies from these section running times, but is otherwise subject to this Schedule, the Below Rail Transit Time will be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus (+) a factor of twenty-seven percentage points (27%).

5.2.3 Loading Facilities

Nominated Loading Facilities	Loading Time (hours) per return trip
Boonal	4.6
Boorgoon	3.8
Curragh	3.3
Ensham	3.2
German Creek	3
Gregory	2.8
Kestrel (Gordonstone)	3.3
Kinrola	3.15
Koorilgah	5

¹ This train length comprises the following: static train length (which is the straight addition of individual rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

² As specified in the ANZRC Railway Bridge Design Manual 1974.

Minerva	2.3
Oaky Creek	2.6
Rolleston	2.2
Yongala	4.2

5.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Barney Point	5
Cement Australia	6
Comalco Refinery	4
Gladstone Power Station	3.3
Golding/RG Tanna Terminal	2.6
Queensland Alumina Ltd (QAL) ³	8.9
Stanwell Power Station	2.3

5.2.5 Dwell Period

	Dwell period (hours)per return trip
Inclusive of Train examination	9.2
Excluding Train examination	3.2

5.3 System Forecast and System Allowable Revenues inclusive of the revenue cap adjustments for 2007/08 and 2008/09

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)	System Allowable Revenue – AT ₅ (\$)
2009/10	32,838,311	203,854,623	63,230,441 ^a
2010/11	35,421,425	212,955,752	84,449,940 ^b

^a The 2009/10 SAR is inclusive of the 2007/08 revenue cap adjustment

^b The 2010/11 SAR is inclusive of the 2008/09 revenue cap adjustment

³ The average Unloading Time for the QAL refinery represents the average time the Train Service is off the Rail Infrastructure on the relevant Private Infrastructure.

Monthly System Forecasts

Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)
Jul 2009	2784104	Mar 2010	2748226	Nov 2010	2812162
Aug 2009	2845456	Apr 2010	2787724	Dec 2010	2901333
Sep 2009	2664174	May 2010	2920604	Jan 2011	2941973
Oct 2009	2735676	Jun 2010	2959721	Feb 2011	2554659
Nov 2009	2607085	Jul 2010	3003106	Mar 2011	2964406
Dec 2009	2689752	Aug 2010	3069284	Apr 2011	3007011
Jan 2010	2727429	Sep 2010	2873742	May 2011	3150343
Feb 2010	2368360	Oct 2010	2950869	Jun 2011	3192537

5.4 Reference Tariff

- (a) The Reference Tariff components (as at July 2009) inclusive of revenue cap adjustments for 2007/08 and 2008/09 are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)
AT ₁	0.78	0.80
AT ₂	1,829.45	1,875.18
AT ₃	4.22	3.96
AT ₄	1.43	1.33
AT ₅	4.65	5.46
EC	0.62	0.69
QCA Levy	0.007	0.007

- (b) The System Premium or System Discount for Train Services to or from Nominated Loading Facilities or Nominated Unloading Facilities are:

Nominated Loading Facilities	System Premium / (System Discount) (\$/ntk)	
	2009/10	2010/11
Rolleston	2.95	3.02
Minerva	1.41	1.45

Nominated Unloading Facilities	System Premium / (System Discount) (\$/ntk)	
	2009/10	2010/11
Stanwell Power Station	(1.41)	(1.44)

6. Goonyella System

6.1 Term

The term of this Reference Tariff is from 1 July 2009 to the Terminating Date.

6.2 Reference Train Service Description

6.2.1 The Reference Train Service has the following characteristics:

- (a) a maximum length (including the locomotive/s) of 2082⁴ metres;
- (b) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220⁵ loading, or otherwise generates a loading equivalent to M220; and
- (c) utilisation of either electric or diesel traction.

6.2.2 The conditions of Access for the Reference Train Service include a Below Rail Transit Time which shall be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Information Pack) plus (+) a factor of twenty-three percentage points (23%). If a Train Service varies from these section running times, but is otherwise subject to this Schedule, the Below Rail Transit Time will be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus (+) a factor of twenty-three percentage points (23%).

6.2.3 Loading Facilities

Nominated Loading Facilities	Loading Time (hours) per return trip
Blair Athol	3.1
Burton	3.8
Carborough Downs	3.5
German Creek	2.9
Goonyella	3.9
Hail Creek	4.1
Isaac Plains	3.9
Lake Vermont	3
Macarthur (Coppabella)	3.9
Millennium	3
Moorvale	3.9
Moranbah North	3.6
North Goonyella	4.3

⁴ This train length comprises the following: static train length (which is the straight addition of individual rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

⁵ As specified in the ANZRC Railway Bridge Design Manual 1974.

Norwich Park	3.9
Oaky Creek	3.8
Peak Downs	4.2
Riverside	3
Saraji	4.4
South Walker Creek	3.8

6.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Dalrymple Bay	Pit 1 – 2.5 Pit 2 – 2.5 Pit 3 – 2
Hay Point	2.8

6.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	8.8
Excluding Train examination	1.8

6.3 System Forecast and System Allowable Revenues inclusive of the revenue cap adjustments for 2007/08 and 2008/09

Year	System GtK (,000 gtk)	System Allowable Revenue – AT ₂₋₄	System Allowable Revenue – AT ₅
2009/10	33,926,216	215,331,743 ^a	71,005,058
2010/11	37,415,050	235,729,731 ^b	79,894,969 ^b

^a The 2009/10 SAR is inclusive of the 2007/08 revenue cap adjustment

^b The 2010/11 SAR is inclusive of the 2008/09 revenue cap adjustment

Monthly System Forecasts

Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)
Jul 2009	2958974	Mar 2010	2593676	Nov 2010	3100433
Aug 2009	2895103	Apr 2010	2936630	Dec 2010	3077260
Sep 2009	2822890	May 2010	3021252	Jan 2011	3134536
Oct 2009	2909258	Jun 2010	2965906	Feb 2011	2623244
Nov 2009	2811327	Jul 2010	3263263	Mar 2011	2860399
Dec 2009	2790315	Aug 2010	3192823	Apr 2011	3238621
Jan 2010	2842251	Sep 2010	3113184	May 2011	3331945
Feb 2010	2378635	Oct 2010	3208434	Jun 2011	3270908

6.4 Reference Tariff

- (a) The Reference Tariff components (as at July 2009) inclusive of revenue cap adjustments for 2007/08 and 2008/09 are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)
AT ₁	0.54	0.55
AT ₂	1,159.06	1,188.03
AT ₃	4.35	4.29
AT ₄	0.93	0.92
AT ₅	2.11	2.14
EC	0.62	0.69
QCA Levy	0.007	0.007

- (b) The System Premium for Train Services to or from Nominated Loading Facilities or Nominated Unloading Facilities are:

Nominated Loading Facilities	System Premium / (System Discount) (\$/ntk)	
	2009/10	2010/11
Lake Vermont	1.63	1.68

7. Moura System

7.1 Term

The term of this Reference Tariff is from 1 July 2009 to the Terminating Date.

7.2 Reference Train Service Description

7.2.1 The Reference Train Service has the following characteristics:

- (a) a maximum length (including the locomotive/s) of 1000⁶ metres;
- (b) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220⁷ loading, or otherwise generates a loading equivalent to M220; and
- (c) utilisation of diesel traction.

7.2.2 The conditions of Access for the Reference Train Service include a Below Rail Transit Time which shall be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Information Pack) plus (+) a factor of thirty percentage points (30%). If a Train Service varies from these section running times, but is otherwise subject to this Schedule, the Below Rail Transit Time will be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus (+) a factor of thirty percentage points (30%).

7.2.3 Loading Facilities

Nominated Loading Facilities	Loading Time (hours) per return trip
Baralaba	4.9
Boundary Hill	3.4
Dunn Creek (Callide)	4.2
Moura	3.6

7.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Barney Point	3.1
Cement Australia	4.3
Comalco Refinery	4
Gladstone Power Station	3.3
Golding/RG Tanna Terminal	1.5
Queensland Alumina Ltd (QAL) ⁸	8.9

⁶ This train length comprises the following: static train length (which is the straight addition of individual rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

⁷ As specified in the ANZRC Railway Bridge Design Manual 1974.

7.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	6.2
Excluding Train examination	3.2

7.3 System Forecast and System Allowable Revenues inclusive of the revenue cap adjustments for 2007/08 and 2008/09

Year	System GtK (,000 gtk)	System Allowable Revenue – AT ₂₋₄
2009/10	2,397,221	29,314,351 ^a
2010/11	3,217,568	42,820,094 ^b

^a The 2009/10 SAR is inclusive of the 2007/08 revenue cap adjustment

^b The 2010/11 SAR is inclusive of the 2008/09 revenue cap adjustment

Monthly System Forecasts

Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)	Month	System GtK (,000 gtk)
Jul 2009	208990	Mar 2010	213227	Nov 2010	256220
Aug 2009	196053	Apr 2010	208857	Dec 2010	240935
Sep 2009	194221	May 2010	210893	Jan 2011	264065
Oct 2009	197735	Jun 2010	205776	Feb 2011	260828
Nov 2009	190895	Jul 2010	280508	Mar 2011	286195
Dec 2009	179507	Aug 2010	263144	Apr 2011	280330
Jan 2010	196739	Sep 2010	260685	May 2011	283062
Feb 2010	194327	Oct 2010	265401	Jun 2011	276194

⁸ The average Unloading Time for the QAL refinery represents the average time the Train Service is off the Rail Infrastructure on the relevant Private Infrastructure.

7.4 Reference Tariff

The Reference Tariff components (as at July 2009) inclusive of revenue cap adjustments for 2007/08 and 2008/09 are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)
AT ₁	1.45	1.49
AT ₂	547.99	561.69
AT ₃	8.89	9.60
AT ₄	1.11	1.20
QCA Levy	0.007	0.007

8. Newlands System

8.1 Term

The term of this Reference Tariff is from 1 July 2009 to the Terminating Date.

8.2 Reference Train Service Description

8.2.1 The Reference Train Service has the following characteristics:

- (a) a maximum length (including the locomotive/s) of 1380⁹ metres;
- (b) a maximum axle load of 20 tonne for a wheel configuration consistent with M160¹⁰ loading, or otherwise generates a loading equivalent to M160; and
- (c) utilisation of diesel traction.

8.2.2 The conditions of Access for the Reference Train Service include a Below Rail Transit Time which shall be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Information Pack) plus (+) a factor of twenty-four percentage points (24%). If a Train Service varies from these section running times, but is otherwise subject to this Schedule, the Below Rail Transit Time will be determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus (+) a factor of twenty-four percentage points (24%).

8.2.3 Loading Facilities

Nominated Loading Facilities	Loading Time (hours) per return trip
McNaughton	2.5
Newlands	1.8
Sonoma	1.5

8.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Abbot Point	1.6

8.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	6.4
Excluding Train examination	2.4

⁹ This train length comprises the following: static train length (which is the straight addition of individual rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁰ As specified in the ANZRC Railway Bridge Design Manual 1974.

8.3 System Forecast and System Allowable Revenues inclusive of the revenue cap adjustments for 2007/08 and 2008/09

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄
2009/10	3,502,871	32,768,739 ^a
2010/11	3,798,544	32,264,795 ^b

^a The 2009/10 SAR is inclusive of the 2007/08 revenue cap adjustment

^b The 2010/11 SAR is inclusive of the 2008/09 revenue cap adjustment

Monthly System Forecasts

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
Jul 2009	322487	Mar 2010	283161	Nov 2010	314269
Aug 2009	318315	Apr 2010	309081	Dec 2010	313590
Sep 2009	302066	May 2010	329812	Jan 2011	313355
Oct 2009	266286	Jun 2010	295623	Feb 2011	225652
Nov 2009	289807	Jul 2010	349708	Mar 2011	307063
Dec 2009	289180	Aug 2010	345184	Apr 2011	335170
Jan 2010	288964	Sep 2010	327563	May 2011	357651
Feb 2010	208087	Oct 2010	288763	Jun 2011	320577

8.4 Reference Tariff

The Reference Tariff components (as at July 2009) inclusive of revenue cap adjustments for 2007/08 and 2008/09 are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)
AT ₁	1.51	1.55
AT ₂	245.01	251.14
AT ₃	7.08	6.29
AT ₄	1.01	0.89
QCA Levy	0.007	0.007

PART C. – PROVISIONS SPECIFIC TO INDIVIDUAL REFERENCE TRAIN SERVICES IN THE WESTERN SYSTEM

1. Term

The term of this Reference Tariff is from 1 July 2009 to the Terminating Date.

2. Reference Train Service Characteristics

2.1 Further to Subclause 1.3.1 of Part A, the Reference Train Service has the following characteristics:

- (a) a train length (including the locomotive/s) of 675 metres¹¹;
- (b) a maximum axle load of 15.75 tonne; and
- (c) utilisation of diesel traction.

2.2 Further to Subclause 1.4.1 of Part A, an Access Seeker for a Reference Train Service will have its Train Service Entitlement:

- (a) based on its Trains being available for operation 24 hours per day and 360 days per year; and
- (b) specified in terms of Timetabled Traffic and will comply with the applicable corridor scheduling procedures.

2.3 Loading Facilities

Nominated Loading Facilities	Loading Time (hours) per return trip
Ebenezer	2
Jondaryan (New Acland)	2
Macalister (Wilkie Creek)	2.5

2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Fisherman Islands coal loader	1.9
Swanbank	1

3. Reference Tariff

3.1 The applicable Reference Tariff for the nominated Reference Train Service shall be assessed as:

- (a) for a Reference Train Service that uses the Nominated Loading Facility at Ebenezer:

$$\left(AT_1 \times \frac{gk}{1000} \right) + (QCALevy \times nt)$$

¹¹ This train length comprises the following: static train length (which is the straight addition of individual rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

- (b) for a Reference Train Service that uses a Nominated Loading Facility at Jondaryan (New Acland) or Macalister (Wilkie Creek):

$$\left(AT_1 \times \frac{gtk}{1000} \right) + (AT_2 \times rtp) + (QCALevy \times nt)$$

where:

- AT_1 is the variable part of the Reference Tariff that is levied on a gross tonne kilometre basis specified as AT_1 for the nominated Reference Train Service in this Part C;
- AT_2 is the fixed part of the Reference Tariff that is levied on a reference Train Path basis specified as AT_2 for the nominated Reference Train Service in this Part C;
- gtk is the gross tonne kilometres attributed to the relevant Train Service, being the total gross weight (in tonnes) of the Rollingstock utilised in the relevant Train Service (including all goods, product, persons or matter carried) multiplied by the distance (in kilometres) travelled by the Train Service; and
- nt is the net tonnes attributed to the relevant Train Service, being the total gross weight (in tonnes) of the Rollingstock when loaded utilised in the relevant Train Service (including all goods, product, persons or matter carried) less the weight of such Rollingstock (in tonnes) when empty,

provided that the above calculation is subject to the addition of any applicable Adjustment Charge from time to time (including, if necessary, on a pro rata basis with other Reference Train Services that have the same origin and destination and Access Holder and are run during same billing period, as the nominated Reference Train Service).

- 3.2 The amounts of AT_1 , AT_2 and the QCA Levy specified in this Part C and any Adjustment Charge are GST exclusive. An amount for GST will be added to the total calculated Access Charge, in accordance with the provisions of the applicable Access Agreement, when an Access Holder is invoiced.
- 3.3 For the purposes of this Part C, a Train Service is a one way Train Service, that is, the journey from the Nominated Loading Facility to the Nominated Unloading Facility is one Train Service, and the return journey from the Nominated Unloading Facility to the Nominated Loading Facility is a second Train Service.
- 3.4 For the purposes of this Clause 3, the gtk measure shall be assessed for the relevant Train Service over the billing period for which the Reference Tariff is being calculated.
- 3.5 The amount of the Reference Tariff is:

Ebenezer:

Reference Tariff Input	\$
AT_1	16.81
QCA Levy	0.007

Surat Basin mines:

Reference Tariff Input	\$
AT ₁	8.41
AT ₂	3,962
QCA Levy	0.007

3.6 The First Escalation Date is 1 July 2010.

4. Escalation of Reference Tariff

4.1 Each input of the Reference Tariff, except the QCA Levy, will automatically escalate annually on each Escalation Date in accordance with the following formula:

$$AT_n = AT_{n-1} \times \left(\frac{CPI_n}{CPI_{n-1}} \right)$$

where:

AT_n means the value of the relevant Reference Tariff input to apply after escalation;

AT_{n-1} means the escalated value of the relevant Reference Tariff input immediately prior to the relevant Escalation Date, or in the case of the First Escalation Date means the relevant Reference Tariff input;

CPI_n means the CPI for the Quarter which commenced 6 months prior to the Escalation Date for which the variable AT_n is being determined; and

CPI_{n-1} means the CPI for the Quarter which commenced 18 months prior to the Escalation Date for which the variable AT_n is being determined.

4.2 Within seven (7) days of each Escalation Date commencing with the First Escalation Date, QR Network will publish the escalated inputs of the Reference Tariff on its website.

4.3 Where an error has been made in the calculation of the escalated inputs of a Reference Tariff, QR Network must correct the error so that the relevant inputs of the Reference Tariff are escalated in accordance with Clause 4.1.

5. Take or Pay

5.1 QR Network will be entitled to earn Take or Pay revenue in accordance with the provisions of this Clause 5.

- 5.2 Take or Pay revenue from a particular Reference Train Service will be determined for each Year, and invoiced following completion of that Year, as the amount which is eighty percentage points (80%) of the amount calculated by multiplying:
- (a) AT_1 (at the rate applicable in the final Quarter of the Year); by
 - (b) the gtk calculated by:
 - (i) the gtk that would have been achieved for the subject Year had the full contracted entitlement been railed for the relevant Train Service; less
 - (ii) the gtk not railed for the subject Year due to the non operation of Train Services for a QR Network Cause; less
 - (iii) the gtk railed for the subject Year;
- provided always that the amount of Take or Pay for the Year shall not be less than zero.
- 5.3 In order to calculate gtk for the purposes of Subparagraphs 5.2(b)(i) and (ii), QR Network will:
- (a) identify from the Access Agreement the number of train paths that would have been utilised had the full contracted entitlement been attained; and
 - (b) determine the number of train paths that were not utilised due to a QR Network Cause,
- and convert this to gtk by using a nominal payload per loaded Train Service as reasonably determined by QR Network.
- 5.4 QR Network shall provide to the Access Holder information on how it has determined the amount of the Take or Pay at the same time as it is invoiced.

Schedule FB

Maintenance Of Regulatory Asset Base For Central Queensland Coal Region

- 1. CENTRAL QUEENSLAND REGULATORY ASSET BASE**
- 1.1 QR Network will maintain a Regulatory Asset Base for the Central Queensland Coal Region for the purposes of Paragraph 6.2.4(c) of this Undertaking.
- 1.2 For the purposes of Clause 1.1, on an annual basis, QR Network will roll forward the asset values in its Regulatory Asset Base, applying the following principles:
 - (a) the opening asset valued will be indexed for the Year using CPI;
 - (b) depreciation of the assets will be calculated for the Year on a straight line basis, using the QCA endorsed asset lives;
 - (c) the value of asset disposals and transfers during the Year will be subtracted from the Regulatory Asset Base;
 - (d) prudent capital expenditure will be added to the Regulatory Asset Base, where prudent capital expenditure is that accepted by the QCA in accordance with Clause 2 of this Schedule; and
 - (e) the value of the assets in the Regulatory Asset Base will be adjusted in accordance with Clauses 1.3 to 1.6 of this Schedule.
- 1.3 The value of assets contained in the Regulatory Asset Base may be increased by QR Network if:
 - (a) it is at the end of the Term and QR Network is seeking to include a valuation for intangible assets, being a matter that was not considered as part of the initial valuation of assets contained in the Regulatory Asset Base; or
 - (b) additional sections of existing Rail Infrastructure are incorporated into the Central Queensland Coal Region, in which case the additional sections will be initially valued in accordance with the Depreciated Optimised Replacement Cost methodology,provided that the increase in asset value must first be accepted by the QCA.
- 1.4 The QCA will not require the value of assets contained in the Regulatory Asset Base to be reduced unless:
 - (a) the QCA made its decision to accept the expenditure in the Regulatory Asset Base on the basis of information provided by QR Network that QR Network knew, or should have known, was false or misleading at the time it provided the information;
 - (b) circumstances arise in the future where demand has deteriorated to such an extent that regulated prices on an unoptimised asset would result in a further decline in demand; or

- (c) it becomes clear that there is a possibility of actual (not hypothetical) bypass.

For clarity, a reduction or cessation in the utilisation of a section of QR Network's Rail Infrastructure within an Individual Coal System Infrastructure will not result in a reduction in any asset values in the Regulatory Asset Base for that Individual Coal System Infrastructure unless it triggers the criteria above.

2. ACCEPTANCE OF CAPITAL EXPENDITURE INTO THE REGULATORY ASSET BASE

2.1 General Capital Expenditure Approval Process

- (a) The QCA will determine what capital expenditure should be accepted into QR Network's Regulatory Asset Base, which is used for the purposes of assessing Reference Tariffs. The QCA's prior approval is not required for any capital expenditure.
- (b) The QCA will accept all prudent capital expenditure into the Regulatory Asset Base. Prudence has three aspects:
 - (i) prudence in scope;
 - (ii) prudence in standard of works; and
 - (iii) prudence in cost.

The QCA's consideration of prudent capital expenditure will be in accordance with Clause 2.3 of this Schedule.

- (c) While Reference Tariffs may include a Capital Indicator at the beginning of a regulatory period, this does not imply an acceptance by the QCA of this level of capital expenditure for inclusion in the Regulatory Asset Base. The assessment of whether actual capital expenditure will be accepted into the Regulatory Asset Base will only be made after the expenditure has been incurred, subject to Clause 2.2 of this Schedule which provides for pre-approval by the QCA of certain aspects of the capital expenditure. For clarity, actual capital works undertaken by QR Network during a regulatory period may be deemed to not be prudent and therefore not accepted by the QCA for inclusion in the Regulatory Asset Base, even though total capital expenditure may be within the amount incorporated into the Reference Tariffs.
- (d) If, in assessing the prudence of QR Network's capital expenditure, the QCA considers that the scope of capacity enhancement is in excess of that needed to accommodate current contracted demand, likely future demand within a reasonable timeframe and any spare capacity considered appropriate (referred to as "Reasonable Demand") the prudent costs associated with that capacity enhancement (as specified by the QCA) will be set aside and escalated at the rate of CPI until a future point in time when the capacity enhancements are accepted by the QCA as required to meet Reasonable Demand. At this time, the QCA will accept the capital expenditure into the Regulatory Asset Base at its escalated value.
- (e) QR Network will provide a copy of its strategic asset management plan to the QCA, describing the general standards QR Network will apply in determining whether to incur capital expenditure by replacing

assets within the Regulatory Asset Base rather than maintaining the existing assets (on approval by the QCA being the Network Asset Management Plan). The Network Asset Management Plan is not intended to be binding on QR Network, or represent a pre-assessment of prudence by the QCA, but is intended to provide a useful guide as to the prudence of the scope of QR Network's proposed Asset Replacement Expenditure. QR Network will advise the QCA of any proposed amendments to the Network Asset Management Plan over the Term. If the QCA assesses any proposed amendments to the Network Asset Management Plan as material, it will notify QR Network and those amendments will not be taken into account when considering consistency with the Network Asset Management Plan in accordance with this Schedule, unless the strategic asset management plan including the proposed amendments is resubmitted by QR Network for approval by the QCA, and is approved by the QCA.

- (f) The QCA will consider for inclusion in the Regulatory Asset Base any capital expenditure submitted by QR Network and either:
 - (i) advise QR Network in writing that it has approved the capital expenditure for inclusion in the Regulatory Asset Base; or
 - (ii) if the QCA is considering refusing approving an element of QR Network's capital expenditure for inclusion in the Regulatory Asset Base, the QCA will give to QR Network a preliminary notice of the QCA's decision, stating the reasons and the way it considers it appropriate to adjust the amount of the capital expenditure.
- (g) If the QCA gives QR Network a preliminary notice under Paragraph 2.1(f) of this Schedule:
 - (i) within thirty (30) days of QR Network being given the preliminary notice, QR Network may revise the amount of the capital expenditure and/or provide additional information supporting its view that the capital expenditure was prudent; and
 - (ii) the QCA will consider the information provided under Subparagraph 2.1(g)(i) and either approve or refuse to approve the capital expenditure.

2.2 Regulatory Pre-Approval of the Scope of Capital Expenditure

- (a) The QCA will accept the scope of a capital expenditure project as prudent if:
 - (i) it is Asset Replacement Expenditure and the total amount proposed to be expended over the regulatory period is consistent with the asset age and composition of the assets in the Central Queensland Coal Region and asset replacement is in accordance with QR Network's Network Asset Management Plan. However, the QCA retains the right to review the composition of Asset Replacement Expenditure; or

- (ii) it is General Expansion Capital Expenditure and the scope of the capital expenditure has been accepted by Customers in accordance with Paragraph 2.2.2(d); or
 - (iii) it is Customer specific capital expenditure for a spur line to a mine which is to be included as a loading point for a Reference Tariff developed in accordance with Part 6 of the Undertaking, and the scope of the capital expenditure has been accepted by the Customer concerned.
- (b) The QCA will consider, if requested, a QR Network submission seeking regulatory pre-approval of the standard of a capital expenditure project accepted by Customers in accordance with Paragraph 2.2.2(d), provided that QR Network has provided sufficient information to the QCA to allow it to reasonably consider the request for pre-approval given the criteria set out in Subclause 2.3.3. In such cases, the QCA will consider prudence of standard in accordance with Subclause 2.3.3 of this Schedule. The QCA will advise QR Network whether it will provide pre-approval of the standard of the capital expenditure project.
- (c) The QCA will consider, if requested, a submission from QR Network, an Access Seeker, an Access Holder or a Customer seeking regulatory pre-approval of the scope of a capital expenditure project where a capital expenditure project has not been accepted by Customers in accordance with Paragraph 2.2.2(d) (including a project that has been omitted from the Master Plan and/or the Customer Group acceptance process under Paragraph 2.2.2), provided that QR Network, the Access Seeker, the Access Holder or the Customer (as the case may be) has provided sufficient information to the QCA to allow it to reasonably consider the request for pre-approval given the criteria set out in Subclause 2.3.2. In such cases, the QCA will consider the prudence of the scope of the capital expenditure project taking into account the extent to which QR Network has achieved compliance with Paragraph 2.2.2(d), and the criteria set out in Subclause 2.3.2 of this Schedule. The QCA will advise QR Network whether it will provide pre-approval of the scope of the capital expenditure project.
- (d) In all circumstances other than those specified in this Clause 2.2, the QCA will assess the prudence of the scope, standard and costs of capital expenditure projects when QR Network submits them for inclusion in the Regulatory Asset Base using the approach outlined in Clause 2.3 of this Schedule.

2.2.1. Master Plan Process

- (a) QR Network will establish a Coal System Master Planning Forum comprising:
 - (i) Customers for coal carrying Train Services;
 - (ii) Access Holders that hold Access Rights for coal carrying Train Services and Access Seekers that are seeking Access Rights for coal carrying Train Services;
 - (iii) the owners and/or operators of ports utilised by coal carrying Train Services and other coal unloading destinations;

- (iv) the Queensland Resources Council, as an observer only; and
- (v) the QCA, as an observer only.

QR Network must provide all participants with at least ten (10) Business Days prior notice of any proposed meetings of the Coal System Master Planning Forum and, at least five (5) Business Days prior to the proposed meeting, provide each participant with an agenda of the issues to be discussed, and any materials to be considered in the meeting.

- (b) QR Network will actively involve the Coal System Master Planning Forum in the development of a comprehensive Coal System Master Plan. The Coal System Master Plan must be for a minimum of three (3) years but can extend to a longer time period.
- (c) QR Network is to provide an updated Coal System Master Plan to the Coal System Master Planning Forum by the end of June each year.
- (d) The Coal System Master Plan must contain information on the following categories of capital expenditure:
 - (i) Asset Replacement Expenditure, (provided at an aggregated level only);
 - (ii) General Expansion Capital Expenditure, further categorised into:
 - (A) projects for which Customer Group acceptance is sought; and
 - (B) projects for which Customer Group acceptance is not sought; and
 - (iii) Customer specific spur projects.
- (e) A Customer Group is defined as all Customers who have responsibility for Reference Tonnes. Reference Tonnes means that portion of a Customer's annual tonnage that:
 - (i) is charged, or will be charged, an Access Charge which is based on a Reference Tariff (including for the avoidance of doubt, Access Charges which are varied from the Reference Tariff pursuant to Paragraph 6.1.1(b) of the Undertaking or Clause 3 of Part A of Schedule F);
 - (ii) will have its Access Charge affected at any future time by the inclusion in the Regulatory Asset Base of the capital expenditure projects for which Customer acceptance is sought (i.e. typically within the same Individual Coal System Infrastructure); and
 - (iii) is:
 - (A) currently included in an Access Agreement that will be in force at the time that is five (5) years after the approval is sought for the number of tonnes specified in the Access Agreement for a twelve (12) month period starting five (5) years after the first day of the month in which the approval is sought and where there is a

- legally binding commitment to that tonnage in the Access Agreement (even if this commitment is conditional upon completion of the required Capacity Enhancements or upon other conditions which are the responsibility of QR Network to satisfy or can be waived by QR Network); or
- (B) where annual tonnage is included in an Access Agreement which is due to expire within the next five (5) years, and it is reasonably expected that the Access Agreement will be extended or a new Access Agreement entered in respect of substantially the same annual tonnages from the existing mine which has the benefit of the Access under the existing Access Agreement or a Replacement Mine (taking into account factors such as whether the relevant Customer or Access Holder is seeking an extension of the Access Agreement and the projected remaining life of the mine or Replacement Mine referred to in this Subparagraph 2.2.1(e)(iii)(B)), the annual tonnage in the last year of the Access Agreement.
- (f) QR Network will identify which Customers comprise a particular Customer Group with reference to Access Agreements that are in place at the date that Customer Group acceptance of capital projects is sought.
- (g) QR Network will provide sufficiently detailed information on scope, standard and preliminary costs in order for projects to be considered by Customer Groups. This will include information that:
- (i) identifies, by Central Queensland Coal Region and by Individual Coal System Infrastructure, capacity analysis information, reasons for the expansion, identification of the projects that will be required to provide increased Capacity to meet increased demand and estimated trigger points for each project;
 - (ii) identifies for each specific project, the scope of the project and describes the general standard of works, the additional capacity to be delivered by the expansion and preliminary cost information;
 - (iii) quantifies the impact on existing capacity during construction and measures for ameliorating this impact; and
 - (iv) provides the rationale for the choice of project, including the consideration of alternative solutions. QR Network should present both a preliminary analysis of the other track solutions considered by QR Network, as well as an indicative assessment of alternative supply chain solutions arising from discussions with other (present and prospective) logistics providers in the coal supply chain (note that this may involve capacity solutions which QR Network cannot deliver, but which may present a better system solution).

In the event that the information provided by QR Network is inadequate or inappropriate, this may form a bona fide basis for an objection pursuant to Paragraph 2.2.2(b).

- (h) Customers are to jointly have access to QR Network's capacity analysis model via one appointed external consultant (at the Customers' cost) to undertake a peer review of the model and the model's output. QR Network will run a reasonable range of scenarios for consideration by Customers. Capacity modelling is to be undertaken on the basis of upfront agreement about model parameters and the sensitivity analysis to be conducted on these modelling parameters, with any dispute on model parameters being referred to the QCA for resolution.

2.2.2 Customer Acceptance of Projects

- (a) QR Network may seek a Customer Group acceptance of the scope of capital expenditure projects that are included in the Coal System Master Plan prior to proceeding with the projects in order to gain pre-approval of the scope of the project in accordance with Subparagraph 2.2(a)(ii). If QR Network seeks such Customer acceptance:
 - (i) QR Network will provide a written request to each Customer in the Customer Group and provide advice on:
 - (A) the specific list of capital expenditure projects from the Coal System Master Plan for which it is seeking Customer Group acceptance; and
 - (B) QR Network's assessment of the Customer's Reference Tonnes and the total number of Reference Tonnes relating to the list of capital expenditure projects. If, after discussions with QR Network, within two (2) weeks of receiving the written request under Paragraph 2.2.2(a), any party wishes to query these tonnages or the composition of the Customer Group, they should notify the QCA to seek verification. QR Network and the notifying party must, on request from the QCA, make available all documents necessary to verify the Customer's tonnages or its assessment of the Customer Group (and the QCA will confine its assessment to the information provided). The QCA shall notify QR Network and the notifying party of its decision within two (2) weeks of receiving this notification; and
 - (ii) QR Network will notify contemporaneously any Customer which has not been included within the Customer Group on the basis of QR Network's assessment that Subparagraph 2.2.1(e)(iii)(B) has not been satisfied. If, after discussions with QR Network, within two (2) weeks of receiving such notification, the Customer wishes to query its non-inclusion in the Customer Group, they should notify the QCA to seek verification. QR Network and the notifying party must, on request from the QCA, make available all documents necessary to verify whether the Customer should have been included in the Customer Group and, if so, the Customer's

Reference Tonnes (and the QCA will confine its assessment to the information provided). The QCA shall notify QR Network and the notifying party of its decision within two (2) weeks of receiving this notification. The Customer in question bears the onus of demonstrating to the QCA's satisfaction that Subparagraph 2.2.1(e)(iii)(B) was satisfied.

- (b) Unless a Customer in a Customer Group has, within six (6) weeks of receiving the request under Subparagraph 2.2.2(a)(i), lodged with QR Network bona fide objections to the proposed capital expenditure including reasons why it believes the proposed capital expenditure is not required, then the Customer will be deemed to have accepted the scope of the proposed capital expenditure projects. If any Customer provides information, and claims confidentiality to the extent that it cannot be disclosed to the QCA, that confidential information will be disregarded.
- (c) When determining objections, QR Network may seek QCA approval to disregard any votes on the basis that a specific objection is not bona fide. The QCA shall consult with that Customer in reaching a decision. The QCA shall advise QR Network and that Customer of its decision within two (2) weeks of receiving this request from QR Network.
- (d) Customer acceptance of the scope of a capital expenditure project will be deemed to have been received if at least 60% of the Customer Group (as assessed by weighting Customers in accordance with their Reference Tonnes) accepts the scope of the proposed capital expansion projects.
- (e) Within ten (10) weeks of QR Network having sought acceptance of proposed capital expenditure projects under Paragraph 2.2.2(a), QR Network will notify each member of the Customer Group of the results of the vote. In the event that a project has not been accepted by the Customer Group, QR Network will provide each member with details regarding the number and percentage of objections received and, on request, will make available any objecting submissions, excluding any specific sections which the submitting Customer has specified as confidential.
- (f) A Customer who considers that a project should receive regulatory pre-approval of scope, notwithstanding that Customer acceptance has not been secured, may apply to the QCA under Paragraph 2.2(c). In this case, QR Network will, on request from the QCA, make available to the QCA all relevant documents, including any confidential elements of objections.

2.3 Prudency of Capital Expenditure

2.3.1 Assessment of Prudency of Capital Expenditure

- (a) In assessing whether the capital expenditure undertaken is prudent, the QCA will:
 - (i) only consider information that was, or would reasonably have been, available to QR Network (or, for a period prior to the Commencing Date, QR) at the time of making the investment decision (and in assessing the prudency of capital expenditure

on the basis of that information, the QCA can take into account any advice or comments received pursuant to Paragraph 2.3.1(b) of this Schedule); and

- (ii) take into account the extent to which QR Network (or, for a period prior to the Commencing Date, QR) has achieved compliance with Paragraph 2.2.2(d) of this Schedule. For example, where a significant number of Customers have accepted the scope of works but the threshold test for Paragraph 2.2.2(d) has not been met.
- (b) The QCA will take advice as it considers necessary from independent advisors using appropriate benchmarks and experience, and consult as it considers necessary with relevant stakeholders.

2.3.2 Prudency of Scope of Works

- (a) Assessing the prudency of scope of works involves assessing whether the works are reasonably required.
- (b) The QCA will accept the scope of capital projects:
 - (i) if it has been approved by a Customer Group under Paragraph 2.2.2(d) of this Schedule; or
 - (ii) if QR Network can demonstrate to the QCA's reasonable satisfaction, having regard to the factors set out in Paragraph 2.3.2(c) of this Schedule, QR Network (or, for a period prior to the Commencing Date, QR) had reasonable grounds for proceeding with a project given the circumstances relevant at the time the investment decision was made.
- (c) In assessing the scope of capital expenditure projects QCA shall have regard to, inter alia:
 - (i) the Coal System Master Plan, if any;
 - (ii) the need to accommodate what is reasonably required to comply with Access Agreements;
 - (iii) the extent of Reasonable Demand, and the need for new capital projects to accommodate that demand;
 - (iv) the age and condition of existing assets, the need for replacement capital projects, and consistency with the Network Asset Management Plan;
 - (v) QR Network's (or, for a period prior to the Commencing Date, QR's) legislative requirements, including relating to workplace health and safety and environmental requirements;
 - (vi) the appropriateness of QR Network's (or, for a period prior to the Commencing Date, QR's) processes to evaluate and select proposed capital projects, including the extent to which alternatives are evaluated as part of the process;
 - (vii) the extent to which capital projects that were undertaken were subjected to the capital evaluation and selection process; and
 - (viii) the extent to which consultation has occurred with relevant stakeholders about the proposed capital projects.

2.3.3 Prudency of Standard of Works

- (a) Assessing the prudency of standard of works involves assessing whether the works are of a reasonable standard to meet the requirements of the scope and are not overdesigned such that they are beyond the requirements of the scope.
- (b) The QCA will accept the standard of the works undertaken where:
 - (i) QR Network can demonstrate to the QCA's reasonable satisfaction, having regard to the factors set out in Paragraph 2.3.3(c), QR Network (or, for a period prior to the Commencing Date, QR) had reasonable grounds for its design of the infrastructure standards; or
 - (ii) the proposed works are consistent in all material respects with the existing standard and configuration of adjacent infrastructure and/or existing infrastructure with similar usage levels, or its modern engineering equivalent, to the extent that the standard of the adjacent or existing infrastructure has previously been accepted by the QCA as being reasonable.
- (c) Where QR Network proposes to depart from the standard and configuration of adjacent and/or existing infrastructure with similar usage levels in assessing the standard of the works undertaken, or where the standard of such existing or adjacent infrastructure has not been approved by the QCA, the QCA will have regard to, inter alia:
 - (i) the requirements of operators and what is reasonably required to comply with Access Agreements;
 - (ii) current and likely future usage levels;
 - (iii) the requirements of the National Codes of Practice;
 - (iv) the requirements of other relevant Australian design and construction standards;
 - (v) QR Network's design standards contained within its Safety Management System and which is accepted by the Safety Regulator; and
 - (vi) all relevant legislation, including requirements by any Authority (e.g. the Safety Regulator and the EPA).

2.3.4 Prudency of Costs

- (a) Assessing the prudency of costs involves assessing whether the costs are reasonable for the scope and standard of work done.
- (b) In assessing the reasonableness of the cost of works undertaken, the QCA will have regard to, inter alia:
 - (i) QR Network's Network Asset Management Plan;
 - (ii) QR Network's Coal System Master Plan;
 - (iii) the level of such costs relative to the scale, nature, cost and complexity of the project;

- (iv) the circumstances prevailing in the markets for engineering, equipment supply and construction;
- (v) QR Networks's Procurement Policy approved by the QCA under Paragraph 2.3.4(c) of this Schedule; and
- (vi) the manner in which the capital works have been managed, including but not limited to the manner in which QR Network (or, for a period prior to the Commencing Date, QR) has balanced the needs of:
 - (A) safety during construction and operation;
 - (B) compliance with environmental requirements during construction and operation;
 - (C) minimising disruption to the operation of Train Services during construction;
 - (D) accommodating reasonable requests of Access Holders to amend the scope and sequence of works undertaken to suit their needs;
 - (E) minimising whole of asset life costs including future maintenance and operating costs;
 - (F) minimising total project cost which may at times not be consistent with minimisation of individual contract costs;
 - (G) aligning other elements in the supply chain; and
 - (H) meeting contractual timeframes and dealing with external factors.
- (c) QR Network will submit a Procurement Policy to the QCA for approval. The Procurement Policy will identify:
 - (i) the procurement options available to QR Network, eg tender for individual project, tender for program, alliance, internal provision of services;
 - (ii) the reasons why QR Network may choose to use the alternate options;
 - (iii) the mechanisms QR Network will use to ensure that it achieves value for money in its procurement; and
 - (iv) the manner in which QR Network can demonstrate that it has followed this Procurement Policy.
- (d) The QCA will approve or not approve QR Network's Procurement Policy and advise QR Network accordingly.

3. CAPITAL EXPENDITURE CARRYOVER ACCOUNT

3.1 Capital Indicator

- (a) For the purpose of determining Reference Tariffs for the Central Queensland Coal Region, a Capital Indicator of \$160 million per year has been included. This amount has been allocated as follows:
 - (i) 7.5% to electrification assets in the Blackwater system;

- (ii) 35% to non-electrification assets in the Blackwater system;
 - (iii) 7.5% to electrification assets in the Goonyella system;
 - (iv) 35% to non-electrification assets in the Goonyella system;
 - (v) 10% to the Moura system; and
 - (vi) 5% to the Newlands System.
- (b) For the purposes of calculating the Reference Tariffs, it has been assumed that the Capital Indicator will be used for assets with an average life of thirty-five (35) years;
- (c) For the purpose of determining the Reference Tariff for the Vermont via Blackwater Cluster, an additional amount of \$47.3 million has been added to the Capital Indicator in paragraph 3.1 for the year 2008-09. This amount has been allocated to the Goonyella system and is assumed to have an average life of 25 years.

3.2 Capital Expenditure Carryover Account

- (a) QR Network will maintain a register in which it will annually record all Approved Capital Expenditure. The register will include the following information:
- (i) capital expenditure by project;
 - (ii) categorisation of capital expenditure based on Individual Coal System Infrastructure; and
 - (iii) for the Blackwater and Goonyella coal systems, categorisation of capital expenditure to that related to electrification assets and that not related to electrification assets.
- (b) If, at the end of each Year, the Approved Capital Expenditure differs from the Capital Indicator, the difference will give rise to an entry in the Capital Expenditure Carryover Account. The balance recorded in the Capital Expenditure Carryover Account will be deemed as:
- (i) an under recovery of revenue, if the Approved Capital Expenditure exceeds the Capital Indicator; or
 - (ii) an over recovery of revenue, if the Approved Capital Expenditure is less than the Capital Indicator.
- (c) The balance recorded in the Capital Expenditure Carryover Account will include:
- (i) a return on capital component, calculated as the difference between the return on capital assumed for the Capital Indicator and the return on capital that should have applied for the Approved Capital Expenditure, accrued at the Discount Rate;
 - (ii) a depreciation component, calculated as the difference between the depreciation assumed for the Capital Indicator and the depreciation that should have applied for the Approved Capital Expenditure; and
 - (iii) a tax depreciation component, calculated as the difference between the tax depreciation assumed for the Capital Indicator

and the tax depreciation that should have applied for the Approved Capital Expenditure,

and will be calculated using the modelling parameters and assumptions used to determine the Reference Tariffs.

- (d) The balance in the Capital Expenditure Carryover Account at the end of each Year will be rolled forward at the Discount Rate.
- (e) The balance in the Capital Expenditure Carryover Account at the end of the Term will be taken into account when determining Reference Tariffs to apply in the next undertaking with the intention of clearing the Capital Expenditure Carryover Account over the term of that next undertaking. In the event there is no next undertaking, the balance in the Capital Expenditure Carryover Account will be recovered from, or returned to, Access Holders (as the case may be) in the form of a single payment following the Terminating Date.

4. Definitions and Interpretation

4.1 In this Schedule, references to Parts, Clauses, Subclauses, Paragraphs and Subparagraphs are references to Parts, Clauses, Subclauses Paragraphs and Subparagraphs contained in this Schedule unless otherwise stated.

4.2 The following definitions are specific to this Schedule. In addition to these definitions, Part 10 of the Undertaking sets out the definitions of defined terms used in this Schedule and applicable to the Undertaking generally:

“Approved Capital Expenditure” means all capital expenditure approved by the QCA in accordance with Clause 2 of Schedule FB (or, for a period prior to the Commencing Date, Clause 2, Schedule FB of the 2005 Undertaking), except for capital expenditure for a new spur line to a mine where the Train Services servicing that mine are included in a new Reference Train Service and the value of that new spur line is included in a new Reference Tariff;

“Asset Replacement Expenditure” means expenditure on capital projects required to maintain the existing capacity of the Rail Infrastructure (for example, the replacement of life expired or obsolete assets);

“Capital Expenditure Carryover Account” means the account maintained by QR Network recording the difference between Approved Capital Expenditure and the Capital Indicator in the manner specified in Clause 3.2 of this Schedule;

“Coal System Master Plan” means the plan relating to QR Network’s proposed capital expenditure projects containing the information specified under Paragraph 2.2.1(d) of this Schedule;

“Coal System Master Planning Forum” means the forum of that name established under Paragraph 2.2.1(a) of this Schedule;

“Customer Group” has the meaning given to that term in Paragraph 2.2.1(e) of this Schedule;

“General Expansion Capital Expenditure” means expenditure on capital projects required to expand the existing capacity of the Rail Infrastructure,

where that Rail Infrastructure is utilised for the benefit of more than one Customer or more than one Access Holder;

“National Codes of Practice” means the codes developed by the Australian Rail Association to identify, at a high level, the standards required for rail infrastructure in Australia;

“Network Asset Management Plan” means the plan prepared by QR Network and approved by the QCA under Paragraph 2.1(e) of this Schedule;

“Procurement Policy” means the policy approved by the QCA under Paragraph 2.3.4(c) of this Schedule;

“Queensland Resources Council” means the Queensland Resources Council Ltd ABN 59 050 486 952;

“Reasonable Demand” has meaning given to that term in Paragraph 2.1(d) of this Schedule;

“Reference Tonnes” has the meaning given to that term in Paragraph 2.2.1(e) of this Schedule;

SCHEDULE G

Network Management Principles

Part A. Scheduling Principles

1. Train Service Entitlements

- a) Access Holders operating the same types of traffics will have their Train Service Entitlements defined using consistent terminology¹.
- b) Train Service Entitlements will be expressed in terms that can be interpreted for the development of a Master Train Plan (MTP), a Weekly Train Plan (WTP), where necessary, and a Daily Train Plan (DTP).
- c) Where an Access Seeker's required Capacity cannot be met fully, the Access Seeker may, in accepting a Train Service Entitlement, note its interest in the Committed Capacity Register and/or the Capacity Resumption Register and if the relevant Capacity becomes available, the Access Seeker will be able to negotiate for that Capacity, along with any other interested parties.

2. Master Train Plan Principles

- a) The MTP will detail the Capacity required for the provision of Train Service Entitlements and periods of time allocated for the purposes of providing Planned Possessions, in a form that indicates the time/distance (location) relationship of the Train Services and other activities on the Rail Infrastructure in question. Train Service Entitlements applicable to Timetabled Traffics will be allocated particular Train Paths. Train Service Entitlements applicable to Cyclic Traffics will be detailed in the MTP as an allocation of Capacity required for the maximum level of operation for such Train Service Entitlements. In other words, the Train Paths indicated in the MTP for Cyclic Traffic need not necessarily represent the Train Paths that those Train Services will operate on. This will be the case for coal traffics. However, in the case of some Cyclic Traffics, like grain, the Train Paths indicated in the MTP may well indicate the actual Train Path that a Train Service will operate on. Where Cyclic Traffics and Timetabled Traffics both appear in the same MTP, they will be separately identified.
- b) Unless otherwise expressly provided in an Access Holder's Access Agreement, the MTP may be modified, as specified in Paragraphs c), d), e) and f) of these MTP Principles, where:
 - i) an Access Holder notifies QR Network that it wishes to make a long-term change to the **times** at which its Train Service/s, as scheduled in the MTP, operate, provided that change is within the scope of its Train Service Entitlement, and does not result in any other Access Holder's

¹ For example, Timetabled Traffics may be defined in terms of a path between certain locations, on particular days, and at particular times. Cyclic Traffics may be defined in terms of a number of train paths per specified period of time.

- scheduled Train Service/s not being met, or a Planned Possession not being met;
- ii) QR Network receives a request from a party to run an Ad Hoc Train Service, provided that the Ad Hoc Train Service would not result in any existing Access Holder's scheduled Train Service/s not being met, or a Planned Possession not being met;
- iii) a Planned Possession is cancelled;
- iv) QR Network notifies all affected parties that a new or additional Train Service Entitlement has been created, through the signing of an Access Agreement, or the negotiation of a variation to an Access Holder's Train Service Entitlement, provided that the new or additional Train Service Entitlement does not result in any other Access Holder's scheduled Train Service/s not being met, or a Planned Possession not being met;
- v) QR Network notifies all affected parties that it wishes to make a long-term change to the **times**² at which one or more scheduled Train Service/s operate, provided that change is within the scope of the relevant Access Holders' Train Service Entitlement/s and is intended to accommodate:
- the creation of a new or additional Train Service Entitlement, through the signing of an Access Agreement, or the negotiation of a variation to an Access Holder's Train Service Entitlement, where that new or additional Train Service Entitlement cannot otherwise be reasonably accommodated on the MTP;
 - the creation of new Planned Possessions or the modification of existing Planned Possessions; or
 - any other Operational Constraint affecting the MTP;
- vi) QR Network notifies all affected parties that it wishes to make a long-term change to the **times**³ at which one or more scheduled Train Service/s operate, whether or not within the scope of the affected Access Holders' Train Service Entitlement/s, provided that change is intended to accommodate:
- the creation of new Planned Possessions or the modification of existing Planned Possessions;
 - the creation of an additional Train Service Entitlement, through either the signing of an Access Agreement or the variation of an existing Access Agreement; or
 - any other Operational Constraint affecting the MTP;
- provided that where the change to the **times** at which scheduled Train Service/s operate results in any existing Access Holder's Train Service Entitlement not being met, such change is only made with the agreement of such Access Holder/s, such agreement not to be unreasonably withheld;

² Importantly, this provision only covers a change to the **TIME or TIMES** at which Train Service/s run, and not the other conditions under which a party has an entitlement to run Train Service/s, for instance, the Rollingstock or Rollingstock Configuration that the party may run under their Access Agreement, and the Nominated Network on which it may operate.

³ See footnote 2 above.

- vii) QR Network notifies all affected parties, within the time period specified in the affected parties' Train Service Entitlements, of a long-term change to the times⁴ at which one or more scheduled Train Service/s operate, whether or not within the scope of the affected Access Holders' Train Service Entitlements, for the purpose of carrying out Major Periodic Maintenance provided that, where such change is not within the scope of the affected Access Holders' Train Service Entitlements, QR Network has made reasonable efforts to mitigate the impact on that Access Holder. Any limitations upon QR Network's ability to exercise this right will be specified in individual Access Agreements;
 - viii) an Access Holder's Access Agreement allows QR Network to alter the Access Holder's Train Service Entitlement, for instance by resuming Capacity through the Capacity resumption process outlined in Part 7 of this Undertaking; and
 - ix) QR Network, Infrastructure Service Providers, and all affected Access Holders, otherwise agree.
- c) QR Network may make modifications to the MTP, within the scope of Subparagraphs b)(i), b)(ii), b)(iii) and b)(iv) of these MTP Principles, on a case-by-case basis without the need for consultation.
 - d) QR Network may make modifications to the MTP, within the scope of Subparagraphs b)(v), b)(vi) and b)(vii) of these MTP Principles, on a case-by-case basis after consulting with any Access Holders whose Train Service/s or Train Service Entitlements are affected by the proposed modification to the MTP, and/or with Infrastructure Service Providers if the proposed modification affects a Planned Possession.
 - e) Where a change is being sought to the MTP that falls within the scope of Subparagraphs b)(ix) of these MTP Principles, QR Network will invite Infrastructure Service Providers and all Access Holders whose Train Service Entitlements are affected by the proposed modification to the MTP to consider the modification in an appropriate forum⁵. Each party will be provided with a copy of the proposed changes seven (7) days prior to the scheduled consideration of the modification.
 - f) QR Network must notify any modifications to the MTP to all parties whose activities are affected by the modification at least thirty (30) days prior to the commencement of the modification.
 - g) As a result of QR Network's obligations in accordance with Paragraph f), where reference is made in Paragraph b) of these MTP Principles to an Access Holder notifying QR Network that it wishes to vary its Train Service Entitlement or Train Service/s, a reasonable notice period should be provided having regard to the necessary process and factors to be considered.
 - h) The cancellation of a Train Service or Train Services in accordance with the above MTP Principles, does not necessarily excuse either QR Network or an

⁴ See footnote 2 above.

⁵ This could include a face-to-face meeting, a telephone conference or any other forum that provides the affected parties with the best opportunity to participate.

Access Holder from other Access Agreement obligations relating to the conduct in question.

- i) The MTP will be in a form that is readily convertible to a DTP, which is the principal reference document for Train Controllers in carrying out their duties.

3. Weekly Train Plan Principles

- a) In parts of QR Network's network where Cyclic Traffics operate (for instance the Central Queensland Coal Region) there will be intermediate scheduling steps involved in progressing from the MTP to the DTP. A WTP will be scheduled utilising Planned Possessions, the Train Paths detailed in the MTP for Timetabled Traffics, and for Cyclic Traffics, each Access Holder's Train Service Entitlement and Train Orders for the particular week in question.
- b) In the Central Queensland Coal Region, Train Orders for the coming week must, unless otherwise advised by QR Network, be submitted to QR Network before 1200 hours on Wednesday.
- c) The process of scheduling Cyclic Traffics in the WTP may involve the allocation of a Contested Train Path, and as a result, may require a meeting of all affected Access Holders and Infrastructure Service Providers, and the use of a decision-making process to finalise the WTP. This decision-making process applies only for the allocation of a Contested Train Path between Access Holders for Cyclic Traffics, and cannot be used to alter the scheduling of a Timetabled Traffic. This decision making process is detailed in Appendix 1.
- d) QR Network will advise Access Holders of the WTP once it is developed in accordance with the above steps.

4. Daily Train Plan Principles

- a) The DTP will indicate all scheduled Train Services and Planned Possessions, for the particular day in question, in a form that indicates the time/distance (location) relationship of all activities on the Rail Infrastructure.
- b) In scheduling Cyclic Traffics on the DTP, QR Network may first schedule a WTP as discussed in the WTP Principles, in the week prior to operation, and then schedule the DTP from the WTP.
- c) QR Network will schedule the DTP at least one (1) business day prior to the actual day of running, and provide all relevant Access Holders and Infrastructure Service Providers with a copy of the DTP within the same timeframe.

- d) The DTP may be scheduled in variation to the MTP, or WTP, whichever is applicable, as specified in Paragraphs e), f), and g) of these DTP Principles, where at least two (2) business days prior to the actual day of running:
- i) an Access Holder notifies QR Network that it wishes to make a short-term change to the **times**⁶ at which its Train Service/s, as scheduled in the MTP, operate, whether or not within the scope of its Train Service Entitlement, provided that change does not result in any other Access Holder's scheduled Train Service/s not being met or a Planned Possession not being met;
 - ii) QR Network receives a request from a party to run an Ad Hoc Train Service, provided that the Ad Hoc Train Service would not result in any existing Access Holder's scheduled Train Service/s not being met, or a Planned Possession not being met;
 - iii) a Planned Possession is cancelled;
 - iv) QR Network notifies all affected parties that it wishes to make a short-term change to the **times**⁷ at which one or more scheduled Train Service/s operate, whether or not within the scope of the applicable Access Holders' Train Service Entitlement, provided the change is intended to accommodate:
 - the modification of an existing Planned Possession;
 - the creation of an Urgent Possession; or
 - any other Operational Constraint affecting the DTP;provided that where the change to scheduled Train Service/s results in any existing Access Holder's Train Service Entitlement not being met, such change is only made with the agreement of such Access Holder/s, such agreement not to be unreasonably withheld;
 - v) QR Network requests a short-term change to the times at which one or more scheduled Train Service/s operate, whether or not within the scope of the applicable Access Holders' Train Service Entitlement, for the purpose of accommodating an Emergency Possession; and
 - vi) QR Network, Infrastructure Service Providers, and all affected Access Holders otherwise agree.
- e) QR Network may make modifications from the MTP or WTP (where applicable), within the scope of Subparagraphs d)(i), d)(ii), and d)(iii) of these DTP Principles, on a case-by-case basis without the need for consultation.
- f) QR Network may make modifications from the MTP or WTP (where applicable), within the scope of Subparagraphs d)(iv) and d)(v) of these DTP Principles, on a case-by-case basis after consulting with any Access Holders whose Train Service/s are affected by the proposed modification, and/or with Infrastructure Service Providers if the proposed modification affects a Planned Possession.
- g) Where a change is being sought from the MTP or WTP that falls within the scope of Subparagraph d)(vi) of these DTP Principles, QR Network will invite

⁶ See footnote 2 above.

⁷ See footnote 2 above.

Infrastructure Service Providers and all Access Holders whose scheduled Train Service/s are affected by the change to consider the modification in an appropriate forum⁸, at least 36 hours prior to the actual day of operation. Each affected party will be provided with a copy of the proposed changes from the existing MTP or WTP 12 hours prior to the scheduled consideration.

- h) Other than as detailed in Paragraph i) of these DTP Principles, once the DTP is scheduled, any changes to the plan will be reflected as deviations from the DTP, not variations to the scheduled DTP.
- i) Once the DTP is scheduled, variations to the DTP may only be made where:
 - i) before the day of operation, QR Network receives a request from a party to run an Ad Hoc Train Service, provided that the Ad Hoc Train Service would not result in any existing Access Holder's scheduled Train Service/s not being met, or a Possession (whether Planned, Emergency or Urgent) not being met;
 - ii) before the commencement of the relevant Train Service/s, an Access Holder notifies QR Network that it wishes to make a change to the **times**⁹ at which its Train Service/s operate, provided that change is within the scope of the Access Holder's Train Service Entitlement, and does not result in any other Access Holder's scheduled Train Service/s not being met or a Possession (whether Planned, Emergency or Urgent) not being met; and/or
 - iii) before the commencement of the relevant Train Service/s, QR Network notifies an Access Holder that an Emergency Possession is required.
- j) QR Network may make modifications to the DTP within the scope of Subparagraphs i) i), i) ii) and i) iii) of these DTP principles on a case by case basis without the need for consultation.
- k) The cancellation of a Train Service or Train Services in accordance with the above DTP Principles, does not necessarily excuse either QR Network or an Access Holder from other Access Agreement obligations relating to the conduct in question.
- l) The DTP will represent the expected train operation performance target over its period.
- m) Deviations to the DTP may occur on the day of operation in the event of Out-Of-Course Running. Those deviations will occur according to the Train Control principles.

⁸ This could include a face-to-face meeting, a telephone conference or any other forum that provides the affected parties with the best opportunity to participate.

⁹ See Footnote 2 above.

Part B. Train Control Principles

- a) The fundamental objective of Train Control will be to facilitate the safe running of Train Services, and the commencement and completion of Planned, Emergency and Urgent Possessions, as scheduled in the DTP.
- b) The ability of QR Network and/or an Access Holder to deviate from the DTP on the actual day of running, as specified below, does not necessarily excuse either party from any other contractual obligations relating to the conduct in question.
- c) The following general principles apply to Access Holders and Train Controllers:
 - i) all parties will ensure that operational safety is maintained through compliance with Safeworking Procedures, Safety Standards, Rollingstock Interface Standards, applicable IRMPs and EIRMRs;
 - ii) Access Holders will ensure that Above Rail issues, including Train crewing, locomotive and wagon availability and loading and unloading requirements, are appropriately managed to ensure that such issues do not prevent the DTP from being met; and
 - iii) QR Network will manage the Rail Infrastructure based on agreed entry/exit times as specified in the DTP with the objectives of managing Trains according to their schedule for on time exit, not contributing to late running and, if a Train is running late, making up time and holding the gain where reasonably possible.
- d) The handling of Out-Of-Course Running is dependent on the particular circumstances of a rail corridor, including the traffic type using the corridor. The management of Out-Of-Course Running will be conducted so as not to unfairly disadvantage one Access Holder over another, and as a result, the identity of an Access Holder will not of itself be a legitimate reason for Train Controllers to alter a scheduled Train Service.
- e) The traffic management decision making matrix, at Appendix 2, will be provided to assist Train Controllers in the resolution of disputes in accordance with the above principles.
- f) QR Network will provide Access Holders with:
 - i) real time Train Control information that indicates actual running of that Access Holder's Train Services against the relevant DTP;
 - ii) subject to reasonable terms and conditions, access to Train Control diagrams that indicates actual running of that Access Holder's Train Services against the relevant DTP; and
 - iii) information about the type of Train Services¹² operated by other Access Holders' on the same network to assist Access Holders to determine whether the Train Controller is applying the principles in this Schedule G in a consistent manner between Access Holders.

¹² For instance, freight Train Services, passenger Train Services or coal Train Services.

Appendix 1

Contested Train Path Decision-making Process

QR Network will determine who gets a Contested Train Path, by:

- firstly, eliminating from consideration any Access Holder whose request for the Contested Train Path is outside the scope of its Train Service Entitlement. Where this step eliminates all of the parties seeking the Contested Train Path, but QR Network still has spare Capacity available, QR Network may determine which of the parties seeking the Contested Train Path get that path by considering the following three (3) matters. In addition, where this step does not eliminate all of the parties seeking the Contested Train Path, but there is still more than one party seeking the Contested Train Path, QR Network may determine which of the parties gets the path by considering the following three (3) matters;
- next, considering whether the parties contesting the Contested Train Path agree amongst themselves who should be allocated the relevant path. Where this is the case, the Contested Train Path will be allocated as agreed by the parties, and QR Network will document the parties' agreement and keep a record of such¹⁰.
- then, considering the number of Train Services per week that each Access Holder has a contractual entitlement to in accordance with their Train Service Entitlement. If QR Network is behind (in the contract year to date) in providing an Access Holder with its contracted Train Services, that Access Holder will get priority over an Access Holder that QR Network is either ahead or on target (in the contract year to date) in providing contracted Train Services to. Where QR Network is behind in providing contracted Train Services to more than one Access Holder, the Access Holder most behind (in terms of Train Services provided as a percentage of contracted Train Services) will get first priority over others; and
- finally, where the above considerations do not assist QR Network in making a decision regarding which requested Train Service is scheduled, QR Network will unilaterally determine which Train Service/s get scheduled, and will keep a record of that decision and the reasoning behind that decision. QR Network will ensure that, over time, no Access Holder is favoured over another, and where possible, if one Access Holder is favoured this time, taking into account the Train Service Entitlement held by an Access Holder, next time they are not favoured. In other words, if one Access Holder has an entitlement to 10 services per week, and another Access Holder has an entitlement to 20 services per week, then it could not be said that favouritism was shown to the second Access Holder if they received priority over the first Access Holder on 2 out of 3 consecutive occasions.

¹⁰ QR Network envisages that this step will take into account the requirements of the relevant destinations of the Train Services in question. In the coal system, for instance, the ports and domestic users, if they are not Access Holders themselves, will have some arrangement in respect of the haulage of the coal, whether directly with the operators hauling the coal or with the mines who contract with the operators for the provision of rail haulage services. As a result, these parties' requirements, including shipment demands, sufficiency of stockpiles, coal blending requirements and unloading constraints, will be taken into account by the Access Holders in determining the priority of Train Services requested in their weekly train request.

Appendix 2

Traffic Management Decision Making Matrix

Notes for the application of the Traffic Management Decision Making Matrix

As a generic principle for the performance of Train Control, QR Network recognises (as noted in paragraph a) of Part B of these Network Management Principles) that the objective will be to run to the scheduled DTP. However, it is worth noting that this simple objective assumes that all traffic types have the principal objective of 'on time running', and accordingly, running to the DTP will always result in the most efficient use of the Rail Infrastructure and provide those parties using the Rail Infrastructure with the best possible rail service. For Cyclic Traffics this may not be a correct assumption. In the Central Queensland Coal Region, for example, coal Train Services focus primarily on achieving a specified transit time over and above running to a scheduled DTP. For this reason, QR Network considers it necessary to permit Train Controllers sufficient discretion to take into account the varying objectives (as specified in the relevant Train Service Entitlements) of different traffic types, in assessing priority both between Trains of different traffic types and Trains of the same traffic type. Rules 5 and 6 have been included for this purpose.

- Rule 5 recognises the general rule that passenger and livestock Trains may be given priority over other Trains due to the nature of their contents and/or a Passenger Priority Obligation.
- Rule 6 recognises a broader rule concerning a Train Controller's ability to manage an entire system for the most efficient outcome, taking into account the objectives of Train Services, as expressed in their Train Service Entitlements.

In the context of the Traffic Management Decision Making Matrix the meaning of "On Time", "Ahead" and "Late" are determined by the scheduling of paths in the DTP. For example, if a Train is travelling in accordance with the DTP path allocated to it, it is running "On Time".

		Train A – Current Status			
		Train A	Train Running “On Time”	Train Running “Ahead”	Train Running “Late”
Train B		Objective	On Time Exit	On Time Exit	1. Lose no more time 2. Make up time 3. Hold the gain
Train B – Current Status	Train Running “On Time”	On Time Exit	Scheduled Cross	A or B Rule 2	B Rule 3
	Train Running “Ahead”	On Time Exit	A or B Rule 2	A or B Rule 2	B Rule 3
	Train Running “Late”	1. Lose no more time 2. Make up time 3. Hold the gain	A Rule 1	A Rule 1	A or B Rule 4

Rules for the application of the Traffic Management Decision Making Matrix

Rule 1. Subject to rules 5 and 6 Train B may be given priority on condition Train A will still meet its “On Time” objective.

Rule 2. Both trains must meet their “On Time” objective.

Rule 3. Subject to rules 5 and 6 Train A may be given priority on condition Train B will still meet its “On Time” objective.

Rule 4. Subject to rules 5 and 6 give priority to the Train where performance indicates it will lose least or no more time and even make up time and hold the gain.

Rule 5. Passenger and livestock Trains may be given priority over other Trains if the Train Controller reasonably believes that this is consistent with the objectives of the Trains in question, as specified in the Train Service Entitlement/s for those Trains and/or the requirements of a Passenger Priority Obligation.

Rule 6. Where a Train is running “Late” due to a Below Rail Delay, it may be given preference over other trains if the Train Controller reasonably believes that this is consistent with the critical objectives of the Trains in question, and that it will result in less aggregated consequential delays to other Trains than otherwise would be the case.

SCHEDULE HA**Sample Interface Risk Management Plan**

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
A1	Delays	Possessions on the Nominated Network are not communicated effectively to the Access Seeker	Commercial loss due to operational delays and/or service cancellations.	QR Network will provide the Access Seeker with a copy of the Possession Protocols (as amended from time to time) which detail the management of possessions of the track.							
A2	Collision Derailment Operational delays Property damage	Nominated Network Operational and Safety matters known to QR Network are not communicated to the Access Seeker in an agreed, consistent manner on an on-going basis	Injury or death Commercial loss	Schedule 10 SAA specifies the procedure for communication of Safety Alerts, Weekly Notices and Train Notices.							
A3	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall	New or altered operation requires changes to the existing infrastructure.	Incidents/accidents occurring due to inappropriate use of existing infrastructure.	Access Seeker will identify all changes to the existing network infrastructure required prior to operation and submit 'Infrastructure Change Request' in accordance with QR Network procedure.	Note: The process of 'Infrastructure Change' is separate to the process of negotiating access and will be subject to individual risk assessment.						
A4	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall Dangerous Goods Spill Fire/Explosion	New or altered operation requires development of transfer facilities on the Nominated Network.	Incidents/accidents occurring due to inappropriate use of existing infrastructure.	Access Seeker will identify any requirements for the development of transfer facilities and submit a request to QR Network. QR Network will provide design advice to ensure compatibility with existing infrastructures, Rollingstock and operations.	Note: The process of negotiating a Transfer Facilities License is separate to the process of negotiating access and will be subject to individual risk assessment.						
A5	Collision Derailment Operational Delays	Non-compliance with IRMP	Injury or death Commercial loss	Access Seeker and QR Network to agree an audit, inspection and review regime to be included here in IRMP							

¹ C = Consequences² L = Likelihood³ R = Residual Risk

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
B1	Operational delays	Access Seeker does not have an agreement to access other QR Network facilities (NOT the Nominated Network) that it requires for access to Nominated Network	Commercial loss	Schedule 11 SAA details agreements for matters ancillary to access to the Nominated Network, including access to other QR Network facilities such as stations, platforms etc.							
B2	Operational delays	Access Seeker does not have an agreement to access private facilities that it requires for access to Nominated Network	Commercial loss	Clause 5.11 SAA requires Access Seeker to demonstrate to QR Network's reasonable satisfaction, prior to commencement of Train Services, that it has agreements with owners/operators of Private Facilities necessary to enable Access Seeker to operate Train Services. A 'Connection Agreement' will be required where QR Network's Network interfaces with private railway infrastructure.	Note: The process to develop a 'Connection Agreement' is separate to the process of negotiating access and will be subject to individual risk assessment.						
B3	Operational delays	Unauthorised Rollingstock or Rollingstock Configuration (eg too long, too heavy or Rollingstock in the wrong order) refused entry to Network.	Commercial loss	Access Seeker/QR Network to agree Rollingstock Interface Standards to apply to cover: Train Separation Safeworking Principles Train Safety Systems Rollingstock Dynamic Performance Rollingstock Visibility and Audibility Emergency Equipment on Rollingstock Rollingstock Interior Environment Electrical Equipment for Rollingstock Electrification Safety Pantograph Technical Requirements Electric Traction Infrastructure General Technical Requirements Rollingstock Cab Layout Rollingstock Structural Requirements Rollingstock Drawgear Containers and Removable Structures attached to Rollingstock Axle Bearings for Rollingstock Bogie Structural Requirements Wheels for Rollingstock Wheelset Assembly Axles for Rollingstock Wheel Defect Identification and Rectification Rollingstock Electromagnetic Compatibility Locomotive and Passenger Vehicle Access Passenger Vehicle Interior Crashworthiness s4.3 Glazing On Track Vehicles Rollingstock Fire Performance Steam Locomotive Technical Requirements Operational Route Manual Module OR 5 Loading and Securing of Freight Manual Train Route Acceptance Rollingstock Brake System Requirements Operational Integrity of Trains	SAF/STD/0006/SIG SAF/STD/0076/SIG SAF/SPC/0069/RSK SAF/STD/0026/RSK SAF/STD/0049/RSK SAF/STD/0051/RSK SAF/STD/0052/RSK SAF/STD/0054/RSK STD/0039/SWK SAF/STD/0093/RSK SAF/STD/0098/ELE SAF/STD/0055/RSK SAF/STD/0057/RSK SAF/STD/0060/RSK SAF/STD/0097/RSK SAF/STD/0058/RSK SAF/STD/0066/RSK SAF/SPC/0024/RSK SAF/SPC/0025/RSK SAF/SPC/0026/RSK SAF/SPC/0025/RSK SAF/STD/0120/RSK SAF/STD/0062/RSK SAF/STD/0059/RSK SAF/STD/0116/RSK SAF/STD/0057/RSK SAF/STD/0094/RSK STD/0071/SWK STD/0022/SWK SAF/STD/0114/SWK SAF/STD/0064/RSK SAF/STD/0035/SWK						

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
				Mobile Voice Radio Communication Systems Event Recorders Observance of Signals Manual SG 10 DTC Manual Rail Tank Cars Rural Fire Management Rollingstock to be designed to comply with nominated Rollingstock outline including centre and end throws. Maximum sway of Rollingstock not to infringe kinematic outline. Rollingstock to comply with allowable axle loads specified in STD/0071/SWK. Assessment of L/V ratio for Rollingstock Configurations for worst buff and draft forces and curve radii to be carried out. Load tables to be provided by Access Seeker for all routes to be travelled. Comparison train length not to exceed the minimum loop length for the route listed in STD/0071/SWK. Noise levels to comply with the requirements of ROA Manual of Standards and Practices s 13.4.1 Compliance of Rollingstock and Rollingstock Configurations to Rollingstock Interface Standards to be determined by assessment, certification and testing as agreed by Access Seeker/QR Network. Any potential non-compliance to the above Rollingstock Interface Standards to be addressed here in IRMP	SAF/STD/0014/TEL SAF/SPC/0061/RSK STD/0037/SWK STD/0041/SWK SAF/STD/0056/RSK SAF/STD/0020/WHS or alternative agreed standards						
B4	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Train Separation DG Spill Fire/Explosion	Procedures for entering and exiting the Nominated Network (including shunting/entering and exiting yards) are not clear or consistent between different operators.	Incidents occurring due to non-existent or inconsistent entry/exit procedures being used.	Entry/exit procedures to/from private sidings and yards are specified in Schedule 10 SAA – Interface Coordination Plan.							

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
B5	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Train Separation Rough Ride DG Spill Fire/Explosion	Operational Communication Protocols (including communications between train crew, support staff, train controllers, and supervisors/managers) between Access Seeker, QR Network and other users of the Nominated Network are incompatible and/or inconsistent	Incidents occurring due to non-existent or inconsistent communication procedures being used.	Schedule 10 SAA – Interface Coordination Plan sets out process for development of and communication of Train Lists and Operational Communication Protocols. Radio equipment on trains must be compatible with QR Network radio system, other trains and ground personnel as well as portable radios in accordance with QR Network's SAF/STD/0014/TEL Mobile Voice Radio Communication Systems. Protocols for hand (including radio) communication will be in accordance with agreed Standards.	STD/0037/SWK – Observance of Signals STD/0036/SWK – General Operational Safety STD/0088/SWK – Shunting Procedures Manual; or agreed alternative standards.						
B6	Derailment Strike Infrastructure Damage Operational delays	Access Seeker staff or contractors do not carry out trackside access safely or are not competent to operate equipment on or near the Nominated Network (eg road vehicles, plant)	Injury or death Commercial loss	Access Seeker staff and contractors must at all times have completed trackside safety training required in accordance with agreed standards Access Seeker workers and contractors will be provided with and wear PPE in accordance with local (location and industry specific) requirements and SAF/STD/0032/WHS.	STD/0038/SWK - Track and Trackside Safety Manual, STD/0039/SWK - Electrification Safety Manual; SAF/STD/0011/COM - Safety Training and Accreditation or agreed alternative standards and training package.						
B7	Delays	Access Seeker staff or contractors do not have access to specific locations and/or infrastructure.	Incidents (delays) occurring due to lack of access to conduct routine operations.	QR Network will assist Access Seekers in identifying all required points of secured access to the Nominated Network and keys required to operate specific infrastructure. QR Network shall arrange access in accordance with Access Seeker requirements.							
C1	Collision Derailment Strike Infra. Damage R/stock Damage Delays Slip, trip, fall	Infrastructure provided on the Nominated Network (e.g. points, signals, levers, etc.) are not operated correctly.	Incidents/accidents occurring due to lack of skills/knowledge to operate track and trackside infrastructure.	Access Seeker staff and contractors who are required to operate equipment and or infrastructure provided by the Network Manager shall be competent to do so in accordance with agreed standards.	STD/0036/SWK– General Operational Safety STD/0037/SWK– Observance of Signals STD/0038/SWK- Track and Trackside Safety Manual, STD/0040/SWK –Remote Control Signalling Manual STD/0041/SWK – Direct Traffic Control Manual STD/0088/SWK– Shunting Procedures Manual SAF/STD/0119/SWK – Safety in Yards, Facilities, Sidings and Workshops or agreed alternative standards						
C2	Strike Operational delays Infrastructure damage	Facilities for servicing Rollingstock on QR Network tracks inadequate (eg coaling/watering)	Injury or death Commercial loss	Facilities and procedures agreed for servicing Rollingstock will be detailed in Schedule 1 SAA.	STD/0036/SWK General Operations Safety Manual STD/0038/SWK Track and Trackside Safety Manual or agreed alternative standards						
C3	Infrastructure damage Strike Infrastructure damage Operational delays	Spillage or disposal of load or fuel during loading/unloading, servicing, provisioning or in transit.	Injury or death Commercial loss	Access Seeker to develop procedures for the design, maintenance and loading of Rollingstock to prevent spillage of bulk loads, and contamination of the infrastructure by dropping or leakage of oil, fuel, sewage or other contaminating material and include in EIRMR.	SAF/STD/0035/SWK Operational Integrity of Trains STD/0036/SWK General Operations Safety Manual or agreed alternative standards						

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
C4	Infrastructure damage	Disposal of waste products	Commercial loss	Access Seeker to dispose of waste products in accordance with approved EIRMR.							
C5	Strike Operational delays Infrastructure damage	Facilities for freight handling on Nominated Network inadequate	Injury or death Commercial loss	Freight will only be loaded/unloaded in locations and in accordance with procedures detailed in Schedule 1 SAA.	STD/0036/SWK - General Operational Safety Manual STD/0038/SWK - Track and Trackside Safety Manual or agreed alternative standards						
C6	Derailment Operational delays Infrastructure damage	Rollingstock loaded in excess of its capacity (overloads not detected or removed).	Injury or death Commercial loss	Access Seeker to develop procedures to ensure Rollingstock is not loaded beyond its structural capability. Clauses 5.8 and 12.2(c) of SAA permit QR Network to require removal or reduction of overloaded Rollingstock. Access Seeker is responsible for checking loading before entry to network.							
C7	Chemical spill Fire or explosion Infrastructure damage Operational delays	Dangerous goods not loaded/transported safely (freight wagons on passenger trains, oxygen cylinders for passenger medical use, small gas bottles etc in baggage, gas/fuel in dining cars), failure of fuel tanks	Injury or death, Commercial loss	Carriage and loading of dangerous goods must be in accordance with agreed standard.	SAF/STD/0079/STD – Acceptance, handling and transport of dangerous goods SAF/STD/0057/RSK Rollingstock Structural Requirements SAF/STD/0056/RSK or alternative agreed standards						
C8	Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall	Passenger are not suitably managed to avoid incidents/accidents on the network during normal operations and emergency situations.	Incidents/accidents occurring due to inadequate supervision and management of passengers.	Access Seeker will ensure its Emergency Response Plan contains adequate procedures for supervision/management of passengers to avoid injury or interference with other network operations and to deal with an accident specific to passenger traffic.	SPC/0022WHS Operational Emergency Procedures SAF/STD/0008/COM – Emergency, Preparedness, Response and Recovery or agreed alternative procedures						
C9	Collision Derailment Operational delays	Mechanically defective Rollingstock is included in the train or the train, brakes or any other safety related system is not complete and operational throughout the length of the train.	Injury or death Commercial loss	Access Seeker to develop Rollingstock maintenance and train testing procedures.	SAF/STD/0035/SWK - Operational Integrity of Trains STD/0036/SWK - General Operational Safety Manual or agreed alternative standards						
D1	Derailment Operational Delays	Adverse weather conditions (e.g. heat, flood, high winds) affect Rollingstock performance.	Injury or death Commercial loss	Access Seeker and QR Network to: <ul style="list-style-type: none"> consider likelihood of extreme weather conditions occurring on the Nominated Network advise each other of any limitations of Rollingstock or rail infrastructure that likely extreme weather conditions produce Agreed controls (e.g. reduced speeds) shall be documented in Schedule 4 SAA. Other operating restrictions shall be documented in Schedule 1 SAA.							
D2	Collision Derailment Operational delays	Train not compatible with safeworking system.	Injury or death Commercial loss	Access Seeker to have process to apply when secondary protection systems or train safety systems are not operational.	STD/0041/SWK Direct Traffic Control Manual STD/0046/SWK ATP Manual SAF/STD/0076/SWK						

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
D3	Derailment Rollingstock Damage	Train speed exceeds capability of the Rollingstock or infrastructure	Injury or death Commercial loss	Schedule 4 SAA sets out the authorised Rollingstock and Rollingstock configurations that the Access Seeker may operate and any restrictions placed upon configurations, operations and/or any other special conditions.							
D4	Derailment Strike Rollingstock Damage	Train strikes object on Nominated Network	Injury or death Commercial loss	Operator's Emergency Response Plan (required by Clause 7 SAA) must detail how Access Seeker will deal with such an Incident. Refer Item B3 for Rollingstock requirements							
D5	Collision Derailment Rollingstock damage Operational delays	Train marshalling not compatible with Rollingstock requirements. Buff or draft forces result in L/V ratio too high leading to derailment.	Injury or death Commercial loss	The authorised Rollingstock Configurations that the Access Seeker may operate are listed in Schedule 4 SAA. Access Seeker responsible for developing appropriate controls for marshalling of Rollingstock within a Train.							
D6	Operational delays	Train produces excessive noise	Commercial loss	Access Seeker to ensure noise is controlled in accordance with its EIRMR.							
D7	Operational delays	Train produces air pollution	Commercial loss	Access Seeker to ensure air pollution is controlled in accordance with its EIRMR							
D8	Infrastructure damage Operational delays	Train causes trackside fire	Commercial loss	Access Seeker to ensure fire risk is controlled in accordance with its EIRMR							
D9	Collision Derailment Strike Infra. Damage R/stock Damage Delays Train Separation Rough Ride	Access Seeker does not source appropriate aids to assist in training and assessing safeworking and route for operational workers (traincrew, etc.).	Incidents/accidents occurring due to inadequate/inappropriate skills (training and or assessment).	QR Network will assist Access Seeker with training where unable to be obtained from other source. Refer Item A1 for pilot arrangements (re-routing) during closures.							
D10	Collision Derailment Operational delays Property damage	Train and Route restrictions (and changes thereto) relevant to the Access Seeker's proposed train service are not communicated by QR Network to the Access Seeker	Injury or death Commercial loss	Permanent route restrictions pertaining to the Nominated Network, Rollingstock (axle load, maximum train lengths, noise limits, train speeds, and Rollingstock gauge) and/or loading/unloading are detailed in Schedule 4 SAA. Refer Item A2 for communication procedures							

References SAA = Operator Access Agreement – Coal											
Categories (Items) A - Planning (pre-event) D - En-route B - Entering QR Network's Network E - Stabling C - Preparing a Train Service F - Emergency//Contingency											
ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
D11	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall Train Separation Rough Ride DG Spill Fire/Explosion	Operator fails to report an Incident, accident, damaged/missing infrastructure or unusual occurrences that impact on the Nominated Network or other Operators on the Nominated Network	Incidents occurring due to non-existent or inconsistent communication procedures being used.	Clause 7.3 SAA requires Operator to report any incident/accident or unusual event that may impact network operations to QR Network Train Control (including accidents occurring off QR Network's Network. Clause 7.4 SAA requires Operator to notify QR Network as soon as reasonably practicable after an incident or accident occurs.	SAF/STD/0012/COM Incident/Accident Reporting, Recording and Investigation or agreed alternative standard						
E1	Collision Derailment Strike Infra. Damage R/stock Damage Delays DG Spill Fire/Explosion	Rollingstock and trains are not securely stabled/stowed on the Nominated Network.	Incidents occurring due to non-existent or inconsistent stabling procedures being used.	All stabling/stowage of Rollingstock and Trains on the Nominated Network is detailed in Schedule 1 SAA and must be carried out in accordance with agreed procedures.	STD/0036/SWK General Operational Safety or alternative operating procedure agreed by parties (and attached at Attachment A).						
F1	Collision Derailment Operational delays	Rollingstock becomes mechanically defective during train movement.	Injury or death Commercial loss	Access Seeker is responsible for determining scope and frequency of Rollingstock inspections to ensure that Rollingstock is safe to complete its trip and include inspection/audit regime.	STD/0035/SWK - Operational Integrity of Trains or agreed alternative standard						
F2	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall Train Separation Rough Ride DG Spill Fire/Explosion	QR Network Train Control fails to advise Operator of an Incident or other occurrence that impacts upon their Train Services	Incidents occurring due to non-existent or inconsistent communication procedures being used.	Clause 7.3 SAA requires QR Network to notify Operator of all incidents/accidents involving their operation or Rollingstock.							
F3	Collision Derailment Strike Infra. Damage R/stock Damage Delays Electric Shock Slip, trip, fall DG Spill Fire/Explosion	There is no agreed, coordinated procedure for responding to Incidents and Emergencies on the Nominated Network (including processes for communication)	Incidents occurring due to in-appropriate or un-coordinated emergency management.	Access Seeker must develop an Emergency Response Plan which contains procedures that are adequate for dealing with an accident specific to the type of traffic and location, and is at all times compatible with the QR Network's Emergency Procedures (including QR Network's SPC/0022WHS Operational Emergency Procedures, and SAF/STD/0008/COM – Emergency, Preparedness, Response and Recovery) and the relevant Access Agreement. Refer Clause 7 SAA							

References
SAA = Operator Access Agreement – Coal

Categories (Items)
A - Planning (pre-event) **D - En-route**
B - Entering QR Network's Network **E - Stabling**
C - Preparing a Train Service **F - Emergency//Contingency**

ITEM	Accident/Incident	Hazard/Cause	Consequences	Controls (This list is suggested only for discussion purposes and not meant to be comprehensive – Access Seeker should review and amend to suit their particular operation and requirements)	Comments Evaluation of risks and controls (QR Network will accept alternative controls to those specified provided they achieve the same or a lower residual risk as the specified controls)	Residual Risk			Reference Documents	Responsible Manager	Time to Complete
						C ¹	L ²	R ³			
F4	Collision Derailment Operational delays	Train does not comply with the requirements (Standards/procedures etc) set out in this IRMP and Access Seeker's Access Agreement while being recovered.	Injury or death Commercial loss	Clause 7.4 SAA details how incident management is to occur on the Nominated Network.							
F5	Operational delays	Rollingstock not compatible with QR Network or other Railway Access Seeker's Rollingstock for the purpose of recovery Rollingstock has specific recovery requirements (eg Tilt Train)	Injury or death Commercial loss	Access Seeker's Rollingstock must be recovered in accordance with its Emergency Response Plan. Clause 7.4 SAA outlines management of Incident Response, including Restoration and Recovery.							
	Any other issue particular to the planned operation										

The agreed Interface Standards are to be documented here after completion of the Interface Risk Assessment:	
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The agreed Safeworking Procedures and Safety Standards are to be documented here after completion of the Interface Risk Assessment:	
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I hereby certify that the Rollingstock and Rollingstock configurations listed above:
 comply with the agreed Interface Standards except as noted above
 will be operated in accordance with all other controls listed above
 will be managed in accordance with this Interface Risk Management Plan throughout their operation

I have objective evidence of compliance with the agreed Interface Standards such as Compliance Plans, Certificates of Compliance and Test Reports, which will be retained for 7 years.

Where professional engineering services are required to certify compliance, such certification shall be carried out by the following registered professional engineer:

Name: _____

Qualifications: _____

Address: _____

Access Seeker: _____

Access Seeker's Representative: _____

Position/Title: _____

Address: _____

Phone: _____

Email: _____

Signature: _____

Date: _____

SCHEDULE J

Issues for EIRMR

This list is to be taken as the minimum environmental issues to be addressed in the EIRMR, and the EIRMR should not be restricted only to the issues included in this list.

1. Water Quality Management

The Third Party Access Seeker must consider the impact of its proposed operations on storm water systems and natural waterways. In doing so, all relevant water quality standards and regulations must be met.

In the EIRMR the Third Party Access Seeker must nominate all sensitive surrounding environments including important wetlands, rivers, creeks, lakes and dams within close proximity of their proposed operations (and stating whether they are fresh or salt water).

The Third Party Access Seeker should consider reviewing existing water quality monitoring information that may be available at loading/unloading locations and along the intended route of operation. For example, the Qld Department of Natural Resources and Mines (DNR&M) provide a water quality monitoring and information dissemination service on its website:

<http://www.nrm.qld.gov.au/asdd/qsii2/ANZQL0132001679.html>.

In conjunction with the Australian and New Zealand Environment and Conservation Council (ANZECC) Guidelines for Fresh and Marine Water Quality (2000), such water quality monitoring information may be useful to define acceptable standards for water quality at locations in the EIRMR.

2. Air Pollution Management

The Third Party Access Seeker must consider the impact of its proposed operations on air quality. In doing so, all relevant air quality standards and regulations must be met.

The Third Party Access Seeker must undertake an assessment of the likelihood for dust and/or exhaust emissions to cause nuisance at the nearest sensitive receptors. Sensitive receptors are:

- (a) any form of dwelling/home;
- (b) a library, childcare centre, kindergarten, school, college, university or educational institution; and
- (c) a hospital, surgery or other medical institution.

Information about the type and chemical composition of product may also be useful in determining its potential to generate dust.

QR Network will indicate whether there have been any complaints about dust and/or exhaust emissions in the area of the proposed operation.

3. Contaminated Land Management

The Third Party Access Seeker must consider the impact of its proposed operations on land contamination. In doing so, all practicable control measures to prevent the contamination of land must be undertaken.

Contamination levels refer to those investigation threshold levels detailed in the guidelines for the Assessment of Contaminated Land (Chem. Unit 1991) or by other standards considered acceptable by the relevant Authorities.

4. Nature Conservation

The Third Party Access Seeker must consider the impact of its proposed operations on the flora and fauna.

The Third Party Access Seeker must review existing EPA regional ecosystem information relevant to the route of operation and identify any locations within 100 metres of the rail corridor that are listed as rare or vulnerable or endangered regional ecosystems.

Information on all regional ecosystems mapping is available at:

http://www.epa.qld.gov.au/nature_conservation

[/biodiversity/regional_ecosystems/introduction_and_status/Regional_Ecosystem_Maps](http://www.epa.qld.gov.au/biodiversity/regional_ecosystems/introduction_and_status/Regional_Ecosystem_Maps).

The EIRMR must include an assessment of the risk associated with wildfires being caused by exhaust/sparks from the Third Party Access Seeker's Rollingstock.

5. Management of Hazardous Substances and Dangerous Goods

The Third Party Access Seeker must consider the environmental impacts associated with the management of hazardous substances and dangerous goods by the Third Party Access Seeker. In particular, the Third Party Access Seeker must ensure that QR Network's requirements for the management of hazardous substances and dangerous goods are complied with.

6. Waste Management

The Third Party Access Seeker must consider the impact of any waste produced by its proposed operations. In doing so, any collection, removal, transport and disposal of any waste generated during operations must comply with all relevant government and local authority requirements.

7.Environmental Noise Management

The Third Party Access Seeker must consider the impact of any noise produced by its proposed operations. In particular, the Third Party Access Seeker must meet the requirements of the Rail Noise Plan referred to in the Environmental Protection Policy (Noise) and, where appropriate, must comply with QR Network's requirements for meeting the Rail Noise Plan referred to above.

8.Environmental Monitoring

The Third Party Access Seeker must address the requirements of environmental monitoring to ensure that the environmental standards are met.

9. Education, Awareness and Training

The Third Party Access Seeker must consider the impact of the level of employee training with particular emphasis on the implementation of the Environmental Management System.

10. Complaint Handling

The Third Party Access Seeker must consider how it will handle complaints that it receives concerning the impact of its proposed operation upon any of the environmental issues listed above.

SCHEDULE K

Operating Plan

1. Area of Operation

- Origin
- Destination
- Cycle description (including nominated stops enroute)
- Entry and exit points onto Rail Infrastructure
- Details regarding repositioning of Rollingstock (prior to, during and after operation of the service)

2. Business Plan

- Tonnage profile (five year forecast)
- Passenger loading and unloading profile
- Anticipated project service life
- Seasonality of haulage/variability of services (peaks and troughs)

3. Operation

- Type of service (passenger, freight)
- Commodity
- Rollingstock and Rollingstock Configuration details (number of wagons/locomotives/carriages/self-propelled units)
- Special operating parameters (eg. key arrival and departure windows)
- Dangerous goods details
- Overload management system
- Timing of scheduled servicing/provisioning activities

4. Service Levels

- Train service levels, nominated weekly, monthly and annually
- Maximum number of one way Train Services per year – contracted Train Paths
- Dwell times at loading facility (minimum and maximum)
- Dwell times at unloading facility (minimum and maximum)
- Dwell times enroute and operational requirements
- Rollingstock operational speed
- Indicative timetable requirements (sectional run times)
- Any connecting services
- Any critical timings at specified locations
- Authority from Private Infrastructure manager to enter/exit a facility (loading/unloading/en route)

5. Train Service Planning

- Train Service planning/requesting preference
- Train Service cancelling preference

6. Train Information

- Type
- Class and number of locomotives per Train
- Maximum and average gross tonnage of loaded Train (including locomotives)
- Tare of empty Train
- Method of operation (push/pull)

- Traction type
- Safety systems
- Communication system
- Train length

7. Crewing Plan

- Train Service crew requirements
- Location of crew depots
- Crew change points
- Dwell times at change points (minimum and maximum)

8. Recovery Methods

- Recovery of marked off Rollingstock at loading/unloading locations/enroute
- Recovery of derailments
- Recovery of failed locomotives

SCHEDULE M

Transfer Fee – Worked Example

Calculation of the transfer fee outlined in Subclause 7.4.4 of the Undertaking.

Subclause 7.4.4 of the Undertaking ensures that a present value concept is consistently applied to the assessment of values for transfer fee calculations.

This Schedule provides a number of worked examples of the capacity transfer fee to provide an indication of how a transfer fee might affect different access holders under different scenarios.

The key underlying assumptions contained in the following worked examples are:

- (i) All examples relate to the Central Queensland Coal Region;
- (ii) full CPI indexation is applied to reference tariffs;
- (iii) Discount Rate is 8.43%;
- (iv) CPI indexation is 2.5%;
- (v) full (100%) take or pay obligations (AT₂, AT₃ and AT₄) apply to access agreements in question;
- (vi) reference tariffs are those applying to the 1 April 2006 to 30 June 2006 period;
- (vii) trains are assumed to be 10,000 net tonnes and diesel hauled;
- (viii) contribution to common costs is defined as the sum of the AT₂, AT₃ and AT₄ reference tariff revenues;
- (ix) South Goonyella base period reference tariffs: AT₂ \$/path = \$860, AT₃ \$'000ntk = \$2.725, and AT₄ \$nt = \$0.684;
- (x) existing access rights relate to a South Goonyella loading point with a 240 km haul; and
- (xi) existing access rights expire in five (5) years, with annual tonnage of 5 million tonnes.

This Schedule illustrates two examples for transfers of capacity under Subclause 7.4.4 of the Undertaking, namely:

- (i) transfer of access rights with the same origin and destination; and
- (ii) transfer of access rights with a different origin and destination but within an individual coal system.

Within each of these categories, the interaction of the value of a range of parameters will determine whether a transfer fee is payable and if so, how much that fee will be. The critical factors include:

- (i) cluster location and associated reference tariffs;
- (ii) remaining contract term;
- (iii) contract tonnes over the remaining term; and
- (iv) haul distance.

Category 1 - Transfer of access rights with same origin and destination (Paragraph 7.4.4(d) of the Undertaking)

This category requires that the origin and the destination applicable for the transfer of access rights be identical. While a wide range of scenarios are possible, the specific example is a scenario in which the transfer results in a new agreement with the same term but lower annual tonnage.

The Transfer Fee for this category is defined as the difference between the present value of the contribution to common costs from the existing agreement less the present value of the contribution to common costs under the new agreement subject to such amount being \$0 or greater.

The present value of the contribution to common costs under the existing agreement is \$31.6 million.

Original agreement contribution to common costs

Year	1	2	3	4	5
Tonnes (millions)	5	5	5	5	5
Paths (10,000 net tonne train)	1,000	1,000	1,000	1,000	1,000
Contribution to common costs (\$m)	7.6	7.8	8.0	8.2	8.4
PV of CCC (\$m)	\$31.60				

Note: Year 1 contribution to common costs = $\$860 \times 1000 + \$2.725 \times 1.2 \text{ million} + 0.684 \times 5 \text{ million} = \7.55 million

The example involves a reduction in tonnage from 5 million tonnes per annum to 2.5 million tonnes per annum. All other factors remain the same. Thus the expected contribution to common costs will decrease from a present value of \$31.6 million to \$15.8 million resulting in a reduction of \$15.8 million. The resultant transfer fee will therefore be \$15.8 million.

Example – reduced tonnes

Year	1	2	3	4	5
Tonnes (millions)	2.5	2.5	2.5	2.5	2.5
Paths (10,000 net tonne train)	500	500	500	500	500
Contribution to common costs (\$m)	3.8	3.9	4.0	4.1	4.2
PV of New CCC (\$m)	\$15.80				

Note: Year 1 contribution to common costs = $\$860 \times 500 + \$2.725 \times 0.6 \text{ million} + 0.684 \times 2.5 \text{ million} = \3.77 million

Category 2 - Transfer of access rights which have different origin and destination but the same system (Paragraph 7.4.4(e) and Paragraph 7.4.4(f) of the Undertaking)

This category captures those transfers where the origin and/or destination are different between the existing and revised agreements but are nevertheless within the same system. The example developed here is a scenario where the transfer results in a new agreement with an origin in the same cluster but a shorter haul with all other terms being the same. The Transfer Fee for this category is defined as the Relinquishment Fee. Such amount must be \$0 or greater. For the Central Queensland Coal Region, the Relinquishment Fee is defined as the present value of the take or pay obligation applicable under the agreement reduced by subtracting from it the product of the Relinquishment Fee and the Reduction Factor. For the purpose of this example the take or pay obligation is assumed to be 100% of the AT₂, AT₃ and AT₄ revenue over the remaining life of the agreement and therefore is the same as the present value of the contribution to common costs of the existing agreement. The present value of the contribution to common costs under the existing agreement and therefore the unadjusted Relinquishment Fee is \$31.6 million.

This example involves a reduction in haul distance of 20 km from 240 km to 220 km. The cluster remains the same (South Goonyella) and all other factors are held constant. As such, the applicable Reduction Factor is determined as follows:

Reduction factor = A/B

Where:

A = the annual train kilometres over the Common Corridor attributable to the new Access Holder's Trains in respect of which Access Rights could not have been provided without using the whole or part of the Access Rights relinquished by the existing Access Holder; and
B = the annual train kilometres over the Rail Infrastructure attributable to the Train Services for which the existing Access Holder is seeking to relinquish Access Rights.

For the purposes of this example the Common Corridor length would be equal to the haul distance for the new haul, i.e. 220 km. hence

A = 1000 x 220; and

B = 1000 x 240

The resultant Reduction Factor is determined as 0.917 and the Reduced Relinquishment Fee and hence the Transfer Fee becomes \$2.62 million as shown in the Table below.

Example – reduced haul distance same cluster

Year	1	2	3	4	5
Tonnes (millions)	5	5	5	5	5
Paths (10,000 net tonne train)	1,000	1,000	1,000	1,000	1,000
Contribution to common costs (\$m)	7.6	7.8	8.0	8.2	8.4
Unadjusted Relinquishment Fee (\$m)	\$31.60				
Reduction Factor	0.917				
Reduced Relinquishment Fee/Transfer Fee (\$m)	31.60-(31.60*0.917) = \$2.62				

Note: Year 1 contribution to common costs = \$860*1000 + \$2.725*1.2 million + 0.684*5 million = \$7.55 million

Schedule MB

Reporting to the QCA

1. OPERATIONAL DATA REQUIREMENTS

- (a) QR Network will, unless otherwise agreed between QR Network and the QCA, provide within four (4) months of the end of the subject Year, the following operational information to the QCA:
- (i) the gross tonne kilometres (gtk) attributed to the relevant Train Services, being the total gross weight (in tonnes) of the Rollingstock utilised in the relevant Train Services (including all goods, product, persons or matter carried) multiplied by the distance (in kilometres) travelled by the Train Services;
 - (ii) the net tonnes (nt) attributed to the relevant Train Services, being the total gross weight (in tonnes) of the Rollingstock when loaded utilised in the relevant Train Services (including all goods, product, persons or matter carried) less the weight of such Rollingstock (in tonnes) when empty;
 - (iii) the number of equivalent reference Train Paths used by the relevant Train Services where a Reference Train Service uses one reference Train Path (one-way train paths);
 - (iv) the net tonne kilometres (ntk) attributed to the relevant Train Services, being the nt for the Train Services multiplied by the distance (in kilometres) travelled by the Train Services;
 - (v) the electric gross tonne kilometres (egtk) attributed to the relevant Train Services, being the gtk for the Train Services if the Train Services use electric traction, and zero if the Train Services do not use electric traction; and
 - (vi) the electric energy charge (specified as EC) for the nominated Reference Train Service.
- (b) The information provided in accordance with Paragraph 1(a) will be reported in the following categories:
- (i) all coal carrying Train Services that operated within each Individual Coal System Infrastructure in the subject Year;
 - (ii) all coal carrying Train Services that fall within the definition of an individual Reference Train Service in the subject Year; and
 - (iii) all coal carrying Train Services that operate within each Individual Coal System Infrastructure classified by origin and destination in the subject Year.

2. CAPITAL EXPENDITURE

- (a) QR Network will, unless otherwise agreed between QR Network and the QCA, provide within four (4) months of the end of the relevant Year, details of the capital expenditure for that Year that QR Network considers should be included in its Regulatory Asset Base.

- (b) Information that QR Network will provide on its capital expenditure for the purposes of Paragraph 2(a) will include:
- (i) the name of the project;
 - (ii) the location of the project;
 - (iii) the amount of capital expenditure; and
 - (iv) information to support the QCA's assessment of the prudence of the capital expenditure in accordance with Clause 2.1 of Schedule FB.

3. ROLL-FORWARD OF REGULATORY ASSET BASE

- (a) QR Network will, unless otherwise agreed between QR Network and the QCA, provide within four (4) weeks of receiving the QCA's advice on its approval of capital expenditure for inclusion in the Regulatory Asset Base under Clause 2.1 of Schedule FB for the relevant Year QR Network's proposed roll-forward of the Regulatory Asset Base in accordance with Clause 1.2 of Schedule FB, including details of:
- (i) the opening value of the Regulatory Asset Base for the subject Year;
 - (ii) indexation of the Regulatory Asset Base;
 - (iii) depreciation of the Regulatory Asset Base;
 - (iv) capital expenditure that is included in the Regulatory Asset Base;
 - (v) disposals and transfers from the Regulatory Asset Base; and
 - (vi) the closing value of the Regulatory Asset Base for the subject Year.
- (b) The roll forward of QR Network's Regulatory Asset Base will be separately reported for:
- (i) each Individual Coal System Infrastructure; and
 - (ii) any other section of Rail Infrastructure for which one or more Reference Tariffs apply and for which the QCA has accepted a value for a Regulatory Asset Base for the purposes of assessing the relevant Reference Tariff(s),
- unless otherwise agreed by QR Network and the QCA.

4. MAINTENANCE COST INFORMATION

- (a) QR Network will, unless otherwise agreed between QR Network and the QCA, provide within four (4) months of the end of the subject Year the following report on QR Network's actual maintenance costs:
- (i) QR Network will report its actual maintenance cost in the subject Year compared to the forecast maintenance cost accepted by the QCA for the purpose of determining Reference Tariffs, and will provide an explanation of significant variations between actual and forecast maintenance cost; and
 - (ii) the actual maintenance costs will be reported by the following categories and expenditure item classification, unless otherwise agreed by the QCA:

CATEGORY	EXPENDITURE ITEM
Facilities	<ul style="list-style-type: none">•Emergency Work•Programmed Work•Electricity•Rates Facilities Total
Structures	<ul style="list-style-type: none">•Steel Bridge Painting (Contract)•Bridge Repairs•Drainage Construction and Renewal•Structures and Civil Inspections•Structures Corridor Maintenance Structures Total
Telecommunications	<ul style="list-style-type: none">•Control and ECO Telephone Maintenance•Corrective Telecommunications Backbone Network Maintenance•Preventative Telecommunications Backbone Network Maintenance•Telecommunications Backbone Modifications Telecommunications Total

Track

- Ballast for ML BCM
- Ballast Undercutting - Main Line
- Ballast Undercutting - Turnouts
- Complete Turnout Replacement
- Crossings OLC and OCC
- Fire / Vegetation Control
- Formation Repairs
- GPR Testing
- Maintenance Ballast
- Major Earthworks (non-formation)
- Major Fencing Renewal / Construction
- Major Rail Joint Elimination / Repair
- Major Rail Renewal
- Major Track Reconditioning
- Mechanised Resleepering
- Minor Yard Maintenance
- Per Way Corridor Maintenance
- Rail Grinding - Mainline
- Rail Grinding - Turnouts
- Rail Stress Adjustment
- Resurfacing - Mainline
- Resurfacing - Turnouts
- Sleeper Cluster Management
- Track Inspections
- Track Recording
- Turnout Component Replacement
- Ultrasonic Testing

Track Total**Trackside Systems**
(Excluding Electric
Maintenance)

- Cable Route Maintenance
- Corrective FS and TSC Maintenance
- Corrective Signalling Maintenance - Yards
- Level Crossing Protection
- Major Network Corridor Signal
- Op System for Civil Infrastructure

	<ul style="list-style-type: none"> •Preventative FS and TSC Maintenance •Preventative Signalling Maintenance - Yards •Signalling Control Systems •Train Protection Systems Maintenance •Tramway Crossing •Wayside Monitoring Systems Maintenance •Weighbridge Maintenance
	Trackside Systems Total (Excluding Electric Maintenance)
Electric Overhead	<ul style="list-style-type: none"> •Corrective Overhead Maintenance •Power Systems Control •Preventative Overhead Maintenance •Network Corridor Renewals - Traction Power
	Electric Overhead Total
Stocktake	<ul style="list-style-type: none"> •Stock take
	Stocktake Total
Total Maintenance Cost	Total Maintenance Cost

(b)The actual and forecast maintenance costs will be separately reported for:

- (i) each Individual Coal System Infrastructure; and
- (ii) any other section of Rail Infrastructure for which one or more Reference Tariffs apply and for which the QCA has accepted an estimate of QR Network's forecast maintenance costs for the purposes of assessing the relevant Reference Tariff(s),

unless otherwise agreed by QR Network and the QCA.