



**MOUNT ISA  
MINES**

27 September 2019

Queensland Competition Authority  
GPO Box 2257  
Brisbane QLD 4001

### **Queensland Rail 2020 Draft Access Undertaking**

This submission in respect of aspects of the Queensland Rail 2020 draft access undertaking (the **2020 DAU**) is provided on behalf of Mount Isa Mines (a Glencore company), as a major user of the Mount Isa line for railing of mining inputs to its operations in the north-west minerals province and export commodities to the Port of Townsville.

As part of the collaborative submissions process, Queensland Rail (**QR**) has consulted with Glencore (and other stakeholders relevant to the Mount Isa or North Coast lines) in relation to:

- a number of drafting issues raised in submissions to date regarding the terms of the 2020 DAU or the Standard Access Agreement (the **SAA**); and
- including provisions in the 2020 DAU for the establishment of regional network user groups to consider productivity and efficiency initiatives.

As it has not previously made submissions during the 2020 DAU process, Glencore has also raised a small number of Mount Isa line specific issues that it requests the Queensland Competition Authority (**QCA**) consider.

### **Support for Collaborative Drafting Changes**

Glencore wishes to record its support for what it understands is (except as noted below) drafting for the Standard Access Agreement and 2020 DAU agreed by stakeholders which will be presented by QR. Attachment 1 contains Glencore's understanding of QR's proposed amendments.

### **Safety 'Carve-Outs' from Compliance**

As highlighted in those proposed changes, stakeholders (including Glencore) have concerns about the part of QR's amendments (in proposed clause 4.3(f) and 6.1.4(d)) which seek to:

- excuse it from non-compliance with its undertaking or the Operating Requirements Manual variation procedure when taking actions for safety purposes; and
- allow it to depart from QCA determinations in access disputes where it considers it needs to do so for safety purposes.

Glencore supports safety as being a top priority, but has confidence that the QCA (informed as it will be by safety experts) will not making determinations that cause safety issues and has not been shown any requirements of the operating requirements manual or undertaking that are causing safety issues. It is important that safety does not simply become a 'trump card' which can avoid any scrutiny or contention in relation to QR's proposals, when there are often more than one way in which safety obligations can be met, which can have very different cost outcomes for users or affected rail haulage operators.

### **Regional Network User Groups**

During the collaborative submissions process, there was also a discussion about re-establishing regional user groups which would bring together QR, users and rail haulage operators, to provide a forum in which productivity and efficiency improvements across the supply chain could be discussed.

Glencore strongly supports this being included in the undertaking, and considers that it is an important part of making the Mount Isa line more efficient.

Attachment 2 sets out Glencore's understanding of the drafting proposed by QR (with marked-up changes proposed by Glencore). For the Regional Network User Groups to be as effective as possible, Glencore considers that the drafting should:

- provide an opportunity for the user group to be chaired by an end user, as end users are the only entities which have exposure to each of the elements of the supply chain (above rail, below rail, port and mine/industrial facility loading/unloading); and
- include reference to the potential to consider a capital expenditure solution to supply chain issues, while acknowledging that clause 1.4 of the access undertaking specifically details how the planning, funding and ownership of such capital enhancements would proceed. That is the case because initiatives like electric signalling or lengthening passing loops to permit longer trains would increase the efficiency of the system – and currently there is no real way for users to understanding the capital such initiatives would require.

### **Mount Isa Line Specific Issues**

The vast majority of submissions in the 2020 Draft Access Undertaking process have centred on issues concerning the West Moreton and Metropolitan rail systems.

Glencore wishes to take the opportunity to raise the following comments of particular relevance to the Mount Isa line that should be considered as part of the QCA's final decision:

- **Master Planning** – A new Master Plan should be developed for the Mount Isa line (without requiring further user funding). There are special circumstances at play in relation to the Mount Isa line currently that warrant a different treatment to the position the QCA has determined is appropriate for other systems. The Queensland government has clearly demonstrated its commitment to retaining the Mount Isa line as a major rail corridor given its rebuild following flood damage and announcements of \$380 million of funding over five year to maintain and improve the line. The last Master Plan is from 2012 and, whilst increased investment of the type announced is being made (which Glencore welcomes), to ensure that it is spent prudently and effectively and to have the State's desired outcome of encouraging greater rail usage, it makes sense for that to occur in a way that is part of an updated system master plan which is visible to users.
- **Transparency of expenditure** – Glencore remains concerned that on non-reference tariff lines, prices are commercially negotiated in part based on QR's views about future investment and expenditure on the line over the term of the proposed access agreement. However, there is no real way to follow up whether that occurs. This level of information asymmetry presents a real difficulty in the context of the current negotiate-arbitrate regime. For a major system such as the Mount Isa line, Glencore considers it would significantly assist negotiations if QR was required to publish capital and maintenance expenditure on the line on a 'rolling' basis showing the actual expenditure for the past 5 years and the indicative expenditure for the next 10 years, together with a description of major works to which that expenditure relates. This would not be binding on QR, but would result in more informed access negotiations, and greater potential for access agreements to refer to expected future outcomes.
- **Flood recovery investment not impacting pricing** – Mount Isa line pricing is left to be negotiated subject to a negotiate-arbitrate regime with floor and ceiling revenue limits, which the undertaking provides to be determined on a building blocks basis (including with reference to the 'value of assets' required for the provision of the service). QR has indicated that it will not include the recent government flood recovery investment in calculating prices on the Mount Isa line, and it should be made clear in the undertaking that in any calculation of the floor and ceiling revenue limits, and in any arbitration of pricing on the Mount Isa line, that investment will be excluded.

- **QCA levy** – the proportion of the QCA levy payable by the Mount Isa line Access Holders should be lowered from the 18.3% currently applied, given that a significantly higher proportion of the issues under the QCA's consideration are issues which concern the West Moreton system in particular.

If the QCA has any queries in relation to this submission, please do not hesitate to contact David Zammitt, Glencore Copper and Zinc Assets Australia.

**Attachment 1 – Collaborative Undertaking and SAA Drafting**

## Proposed DAU2 SAA amendments

Issue	Current position
1.2, 1.3, 6.7(c), 8.8(b), 18.2(c) and Schedule 3 clauses 2.2 and 5.4(a).	QR agrees to revert to the current position – reinstate references to good faith without definition.
1.3(a) (productivity and efficiency)	<p><b>1.3 Productivity and efficiency variations</b></p> <p>[Drafting Note: This mark-up responds to industry concerns by mutualising the productivity and efficiency variations provisions and providing greater detail in respect of each party's obligations to consider productivity and efficiency proposals and to participate in discussions about amendments to the agreement.]</p> <p><u>(a) Subject to the terms of this agreement and without prejudice to each Party's rights in respect of this agreement:</u></p> <p><u>(i) <del>Where the Access Holder or the Operator</del> a party, during the term of this agreement, <u>may notify the other Parties seeks of a proposed</u> variation to this agreement to promote, or accommodate, a demonstrable efficiency or productivity improvement <u>(Productivity Proposal); and</u> <del>for the supply chain,</del></u></p> <p><u>(ii) where a Party is notified of a Productivity Proposal, that Party must, in good faith:</u></p> <p><u>(A) <del>Queensland Rail must reasonably</del> consider <u>that Productivity Proposal</u> <del>those proposed variations</del> having regard to <u>any relevant</u> factors including the <u>costs, benefits and impacts of the proposal on each of the Parties, on Train Services and</u> on the <u>operation and</u> use of the Network <del>by Access Seekers or Access Holders,</del> <u>and</u> whether the <u>Productivity Proposal proposed variation creates would result in</u> a capacity increase <u>for the Network, efficiency improvements in one or more elements of the supply chain,</u> <del>demand for capacity and any other realisable gains to all Parties;</del> <u>and</u></u></p> <p><u>(A)(B) if requested by any Party, participate in discussions concerning the Productivity Proposal with a view to determining what (if any) amendments to this agreement the Parties are willing to agree.</u></p> <p><u>(b) <del>If, despite reasonable consideration, Queensland Rail</del> <u>despite reasonable consideration</u> a Party <del>rejects any variation proposed pursuant</del> <u>declines to pursue all or part of a Productivity Proposal after complying with</u> <del>to</del> <b>clause [1.3(a)]0,</b> <u>that Party</u></u></p>

Issue	Current position
	<p>Queensland Rail must provide written <u>confirmation to the other Parties of its</u> reasons for <del>not accepting any such variations in whole or in part</del><u>doing so</u>.</p> <p><del>(b)</del><u>(c)</u> If the Parties in complying with <b>clause [1.3(a)]</b> agree to make amendments to this agreement, the Parties must do all things <u>reasonably necessary to give effect to those amendments in accordance with this agreement including under <b>clause [27.4]</b></u>.</p>
Schedule 1	<p><b>[Drafting Note: The adjustments below have arisen out of industry concerns raised about the note in the Reference Schedule regarding completion of the "Security Amount".]</b></p> <p><b>17.1 Obligation to provide Security</b></p> <p><del>(c)</del><u>(d)</u> The Operator and the Access Holder (if the Access Holder is not also the Operator) must <del>(in appropriate cases and having regard to the Parties' financial capability)</del> <u>in appropriate cases and having regard to the Parties' financial capability</u>:</p> <p>(i) on or before the Commitment Date, provide to Queensland Rail security in the form set out in <b>clause [17.1(b)]</b> for the relevant Security Amount respectively <u>(except where the relevant Security Amount is zero)</u>; and</p> <p><u>(ii)</u> thereafter maintain that security (including for any increased or decreased amount or any top up) in accordance with this <b>clause [17]</b>,</p> <p><b>Reference Schedule – Security Amount</b></p> <p><b>[Drafting Note: The note giving guidance on the completion of the Security Amount has been adjusted in light of industry concerns.]</b></p> <p><u>[insert a <del>the</del> Security Amount for each of the Access Holder and the Operator which may be an amount in the range of zero to the sum of <del>is to be an amount equal to at least</del> six months' Access Charges, to be determined by Queensland Rail acting reasonably (having regard to the Access Holder or Operator's financial capability).]</u></p>



## Proposed DAU2 amendments

Issue	Current Proposal
Access application	<p><b>2.1.1 Access Applications</b></p> <p>(a) A request for Access Rights must be submitted to Queensland Rail in the form of an Access Application <u>and</u>, <del>unless otherwise agreed by Queensland Rail. Access Applications</del> must be sent to the address nominated on Queensland Rail’s website <a href="#">for Access Applications</a>.</p> <p>[Drafting Note: This amendment and the amendment to the definition of “Access Application” respond to industry concerns about clarity in the original DAU2 proposed drafting.]</p> <p>(b) Queensland Rail will publish on its website the application forms for Access Applications. These may identify different requirements for different types of Train Services. However, the information requirements must be in accordance with this Undertaking.</p> <p>(c) An Access Seeker <del>must, when will, by</del> submitting an Access Application, unconditionally and irrevocably <u>be taken to</u> agree to comply with the requirements, obligations and processes in this Undertaking relating to it or its Access Application <del>and if the Access Seeker does not do so then Queensland Rail may refuse to accept the Access Application.</del> [Drafting Note: This amendment has been proposed to further simplify the access application process.]</p> <p><b>Access Application</b> means a request for Access Rights by an Access Seeker that includes:</p> <p>(a) the information referred to under <b>schedule B</b> <u>or so much of that information as Queensland Rail considers appropriate reasonably requires based on the nature of the request</u>; and</p> <p>(b) all additional or clarified information required by Queensland Rail under <b>clause [2.3.1]</b>;</p> <p>Schedule B – Access Application Information</p> <p>(a) Without limiting the information requirements that an Access Application must satisfy in accordance with this Undertaking, an Access Application must satisfy the information requirements set out in this</p>



Issue	Current Proposal
	<p><a href="#">schedule [B] or so much of those requirements as Queensland Rail considers appropriate based on the nature of the relevant request for Access Rights.</a></p>
<p>Preliminary steps (DAU2 2.1.2)</p>	<p><b>2.1.2 Preliminary steps</b></p> <p>[Drafting Note: The amendments below relate to industry concerns regarding the treatment of preliminary information. The approach taken is similar to that for IAPs – which are treated as preliminary and non-binding. In this respect, paragraph (c) makes it clear that it benefits both the prospective access seeker and Queensland Rail. Paragraph (c) also goes further in requiring both Queensland Rail and the prospective access seeker to act reasonably in providing or requesting information.]</p> <p>(c) A prospective Access Seeker may request initial meetings with Queensland Rail, prior to submitting an Access Application, to discuss the proposed Access Application and to clarify any matters relating to the negotiation process including any application requirements under <b>schedule [B]</b>. <del>Neither party will be bound by anything discussed or any information provided at an initial meeting.</del></p> <p>(d) A prospective Access Seeker may give a written request to Queensland Rail for relevant Capacity Information and Queensland Rail will make available that Capacity Information within 10 Business Days after receiving that request. <del>Capacity Information provided in accordance with this clause 2.1.2(b) is provided for information purposes only, and neither party will be bound by anything contained in that Capacity Information.</del></p> <p><u>(e) Information (including Capacity Information) exchanged as between a prospective Access Seeker and Queensland Rail under clauses [2.1.2(a)] or [(b)] is non-binding and is only indicative or preliminary in nature. Despite this, the prospective Access Seeker and Queensland Rail must act reasonably in providing or requesting information under clauses [2.1.2(a)] or [(b)] taking into consideration the purpose for which it is being provided or requested. The provision of information under [2.1.2(a)] or [(b)] does not:</u></p>

Issue	Current Proposal
	<p>(i) <u>affect the operation of this Undertaking;</u></p> <p>(ii) <u>restrict the prospective Access Seeker's right to lodge an Access Application or to seek the grant of Access Rights;</u></p> <p>(iii) <u>oblige the prospective Access Seeker to accept the grant of Access on the basis of or in any way subject to that information; or</u></p> <p>(iv) <u>oblige Queensland Rail to provide Access on the basis of or in any way subject to that information.</u></p> <p><del>(e)</del>(f) Queensland Rail will:</p> <p>(i) make the Preliminary Information available to Access Seekers on its website; and</p> <p>(ii) keep the Preliminary Information <u>and Capacity Information</u> to be made available to Access Seekers current and accurate.</p>
<p><b>Operating Requirements Manual</b></p>	<p><b>4.2 Consultation for Through-Running Trains</b></p> <p>Queensland Rail will consult with other relevant Railway Managers, in relation to:</p> <p>(a) the coordination of maintenance activities;</p> <p>(b) the development of MTPs; and</p> <p>(c) proposed amendments <u>(other than a Permitted ORM Variation)</u> to the Operating Requirements Manual,</p> <p>and if any of Queensland Rail's proposed changes or activities might affect other Railway Managers, Queensland Rail will use reasonable endeavours to minimise adverse effects in relation to Through-Running Trains.</p>

Issue	Current Proposal
	<p data-bbox="488 379 1124 416"><b>4.3 Operating Requirements Manual</b></p> <p data-bbox="602 435 1966 536"><b>[Drafting Note: In response to industry concerns, the ORM has been reinstated in DAU2. However, a process overseen by the QCA has also been proposed so as to provide a limited degree of flexibility for Queensland Rail to amend the ORM without a full blown DAAU process being necessary in every instance.]</b></p> <p data-bbox="602 560 1973 624"><del>Queensland Rail must consult with Access Holders and Nominated Rolling Stock Operators before making any amendments to the Operating Requirements Manual.</del></p> <p data-bbox="602 647 1641 679"><u>(a) The Operating Requirements Manual is initially as set out in <b>Schedule [G]</b>.</u></p> <p data-bbox="602 703 1944 804"><del>(d)</del><u>(b)</u> Queensland Rail must <del>maintain and</del> make available the Operating Requirements Manual to Access Seekers and Access Holders. Queensland Rail must consult with Access Holders and Nominated Rolling Stock Operators before making any amendments to the Operating Requirements Manual.</p> <p data-bbox="602 828 1727 860"><u>(c) Queensland Rail may vary the Operating Requirements Manual from time to time:</u></p> <p data-bbox="719 884 1077 916"><u>(i) where the variation:</u></p> <p data-bbox="831 932 1933 995"><u>(A) is trivial or administrative in nature (for example, updating telephone numbers or correcting errors);</u></p> <p data-bbox="831 1019 1933 1120"><u>(B) has no material adverse impacts on Access Seekers, Access Holders or Rolling Stock Operators <b>provided Queensland Rail first consults with existing Access Seekers, Access Holders and Rolling Stock Operators; or</b></u></p> <p data-bbox="831 1144 1933 1208"><u>(C) has been requested by, or agreed with, all Access Seekers and Access Holders who will be affected by the variation,</u></p> <p data-bbox="831 1232 1245 1264"><u><b>(Permitted ORM Variation): and</b></u></p> <p data-bbox="719 1287 1962 1351"><u>(ii) Queensland Rail has obtained the QCA's prior written confirmation that the QCA is satisfied that the proposed variation is a Permitted ORM Variation.</u></p>

Issue	Current Proposal
	<p>(d) <u>Except to the extent of variations permitted in accordance with <b>clause [4.3(c)]</b>, Queensland Rail may only otherwise amend the Operating Requirements Manual in <b>schedule [G]</b> through a draft amending access undertaking in accordance with the QCA Act.</u></p> <p>(e) <u>Where the Operating Requirements Manual is varied under <b>clause [4.3(c)]</b> or is amended in accordance with the QCA Act, Queensland Rail must publish a copy of the current Operating Requirements Manual on its website.</u></p> <p><del>(e) — Nothing in this <b>clause [4.3]</b> prevents Queensland Rail from taking any reasonable action in response to, or as a consequence of, an emergency or a genuine safety risk, or any personal injury to or the death of any person on or near the Network, any Rolling Stock or any land or other thing on or near the Network, provided that Queensland Rail notify any affected Access Seekers, Access Holders or Rolling Stock Operators as early as possible after taking such action.</del></p> <p><b>(f) Despite <b>clause [4.3(d)]</b>, Queensland Rail does not breach this <b>clause [4.3]</b> where it makes any variation to the Operating Requirements Manual for the purpose of ensuring compliance with Queensland Rail's Accreditation or any Law relating to rail safety (including the RNSL), provided that:</b></p> <p><b>(i) Queensland Rail first uses reasonable endeavours to comply with the requirements of <b>clause 4.3(c)</b>; and</b></p> <p><b>(ii) notifies any Affected Access Seekers, Access Holders or Rolling Stock Operators as early as possible after taking such action.</b></p> <p><b>[Note – clause 4.3(f) has not been agreed.]</b></p> <p><b>Operating Requirements Manual</b> means the document <u>set out in <b>[Schedule G]</b> as varied or amended published</u> by Queensland Rail <u>from time to time</u> in accordance with <b>clause <del>[4.3]</del>4.3, as amended from time to time by Queensland Rail;</b></p>

Issue	Current Proposal
<p>Safety expert in access disputes (DAU2 6.1.4)</p>	<p><b>6.1.4 Resolution by QCA</b></p> <p>(a) If a Dispute is not resolved under <b>clause [6.1.3]</b> within the last of the applicable time frames (or is referred directly to this <b>clause [6.1.4]</b> by a provision of this Undertaking), then either the Access Seeker or Queensland Rail (or both of them) may refer the dispute to the QCA; and</p> <p>(i) if the Dispute is a dispute for the purposes of Division 5 of Part 5 of the QCA Act, any determination of that Dispute must occur subject to, and in accordance with, Division 5, Part 5 of the QCA Act; and</p> <p>(ii) if the Dispute does not constitute a dispute for the purposes of Division 5 of Part 5 of the QCA Act, the QCA may make a determination through any process that it considers appropriate, provided that:</p> <p>(A) the QCA advises the affected parties of the process that it will use to make the determination; and</p> <p>(B) the QCA must not make a determination that is inconsistent with this Undertaking (unless the parties agree otherwise and no party (whether a party to the Dispute or not) is adversely affected by the determination not being consistent with this Undertaking).</p> <p>[Drafting Note: The provisions have been amended to allow for the QCA to appoint a rail safety expert as per industry suggestions. A provision has also been included to safeguard Queensland Rail where it needs act in a manner to comply with its accreditation or rail safety laws.]</p> <p><u>(b) _____ Subject to clause 6.1.4(c), if <del>if</del>:</u></p> <p><u>(i) _____ a Dispute is referred to the QCA for arbitration in accordance with clause [6.1.4(a)(i)]; and</u></p> <p><u>(ii) _____ aspects of the Dispute relate to rail safety matters,</u></p> <p><u>then</u> the QCA must seek and have regard to the opinion of <u>an appropriately qualified and experienced</u> rail safety expert <u>where that rail safety expert is:</u></p>

Issue	Current Proposal
	<p data-bbox="712 292 1926 360"><u>(iii)</u> <del>approved</del> <u>agreed</u> by Queensland Rail and the party <u>or parties</u> to the Dispute <del>(both acting reasonably); or</del></p> <p data-bbox="712 379 1984 485"><del>(iii)</del> <u>(iv)</u> where Queensland Rail and the party <u>or parties</u> to the Dispute have not agreed the rail safety expert within <u>ten Business Days</u> <del>a reasonable time</del>, <u>the rail safety expert as notified</u> <del>chosen</del> by the QCA to Queensland Rail and the party <u>or parties</u> to the Dispute.</p> <p data-bbox="584 552 1886 584"><b>[Paras (c) and (d) below is Yancoal's proposed drafting with amendments proposed by Queensland Rail.]</b></p> <p data-bbox="600 624 1921 799"><del>(b)</del> <u>(c)</u> Where the QCA is to make a determination in respect of a Dispute in which aspects relate to rail safety matters, it will first share the report of the safety expert and the QCA's proposed draft determination with the parties to the dispute, with Queensland Rail being given a reasonable time (specified by the QCA) in which to consult with the QCA, the safety expert and the other party or parties to the dispute about:</p> <ul style="list-style-type: none"> <li data-bbox="712 820 1980 922">(i) any part of the determination <u>with which</u> Queensland Rail considers it will not be able to comply <del>with</del> without contravening the conditions of its Accreditation or any Law relating to rail safety (including the RNSL); and</li> <li data-bbox="712 943 1962 1155">(ii) to the extent that Queensland Rail raises concerns of the type referred to in clause 6.1.4(c), how the draft determination could be varied in a way that removes QR's concerns of contravention while achieving substantially the same outcome as the QCA's draft determination (with Queensland Rail being required to provide written details of why it holds such concerns and the extent to which it considers it would not be able to comply without such contraventions).</li> </ul> <p data-bbox="600 1176 1986 1244"><del>(e)</del> <u>(d)</u> To the extent that the QCA and the parties to the dispute are not able to resolve a variation to the draft determination in accordance with clause 6.1.4(c):</p>

Issue	Current Proposal
	<p>(i) the QCA will be entitled to make the determination on the terms it considers appropriate (including in accordance with its draft determination or with any variation it considers appropriate following the consultations which have occurred); and</p> <p>(ii) <del>to the extent that Queensland Rail does not breach this Undertaking or the QCA determination where it does anything (including by abstaining from doing a particular act) for the purpose of compliance with Queensland Rail's Accreditation or any Law relating to rail safety (including the RSNL), provided that Queensland Rail gives QR considers it cannot comply with the final QCA determination without contravening the conditions of its Accreditation or any Law relating to rail safety, and provides</del> detailed written notice to the QCA within [14] days of such determination of the extent to which it cannot comply for those reasons, <del>despite clause 6.1.4(b) Queensland Rail's obligation to comply with the determination is suspended to the minimum extent necessary to prevent such contraventions, provided that Queensland Rail must use its best endeavours to reach agreement with the other parties to the dispute about how it can substantially implement the QCA's determination without contravening the conditions of its Accreditation or any Law relating to rail safety (and provided that if Queensland Rail fails to use its best endeavours to reach such agreement the partial suspension of the obligation to comply with the QCA's determination under this clause 6.1.4(d) will cease to apply). If the parties to the dispute reach agreement on how the QCA's determination can be substantially implemented, the dispute will be determined to be resolved in the manner agreed.</del></p>
<b>Productivity and Operational Improvements (New clause)</b>	<p><i>Productivity and Operational Improvements</i></p> <p>a) <i>Within two months of the Approval Date, Queensland Rail will convene a Regional Network User Group for each of the West Moreton System, North Coast Line System and Mt Isa Line System, subject to there being active and ongoing support for the group from the relevant nominated Rolling Stock Operators and Access Holders that operate in the respective system.</i></p> <p>b) <i>A Queensland Rail representative will chair each of the Regional Network User Groups.</i></p>

Issue	Current Proposal
	<p>c) <i>Each Regional Network User Group will be a co-operative group with emphasis on analysis of data, open, impartial discussion and consensus discussion making to improve the operation of the supply chain.</i></p> <p>d) <i>Queensland Rail will provide resources to:</i></p> <ul style="list-style-type: none"> <li>a. <i>develop and produce operational and system performance reports; and</i></li> <li>b. <i>provide analysis of the root causes of ongoing or systemic issues being experienced.</i></li> <li>c. <i>identify resolutions to such issues and other productivity or efficiency initiatives</i></li> <li>d. <i>provide evaluation and modelling of the outcomes of potential supply chain operational changes that the Regional Network User Group are supportive of investigating.</i></li> </ul> <p>e) <i>Decisions made by the Regional Network User Group will not be binding on any organisation.</i></p> <p>f) <i>Queensland Rail and other group members may agree to invite other supply chain participants (including port operators and adjoining rail network owners) in specific advisory roles but not to participate in Regional Network User Group decision making processes.</i></p> <p>g) <i>The frequency, rules for the conduct of meetings, and purposes and objectives of each Regional Network User Group will be as agreed between Queensland Rail and group members and will be documented in a Terms of Reference.</i></p> <p><b><i>Regional Network User Group</i></b> <i>means a separate group in relation to each Regional Network established to review, discuss and improve rail operational issues which can affect system or supply chain performance, comprised of each Access Holder, Rail Transport Operator and End User Access Seeker relevant to each Regional Network.</i></p>



## Attachment 2 – Regional Network User Group Drafting

### *Productivity and Operational Improvements*

- a) *Within two months of the Approval Date, Queensland Rail will convene a Regional Network User Group for each of the West Moreton System, North Coast Line System and Mt Isa Line System, subject to there being active and ongoing support for the group from the relevant nominated Rolling Stock Operators and Access Holders that operate in the respective system.*
- b) *A Queensland Rail representative will chair each of the Regional Network User Groups for the first year following the Approval Date, after which the appointment of the chair will rotate on an annual basis between Queensland Rail and a representative agreed by the Access Holders for the relevant Regional Network.*
- c) *Each Regional Network User Group will be a co-operative group with emphasis on analysis of data, open, impartial discussion and consensus discussion making to improve the operation of the supply chain.*
- d) *Queensland Rail will (and will provide resources to):*
  - a. *develop and produce operational and system performance reports; ~~and~~*
  - b. *provide analysis of the root causes of ongoing or systemic issues being experienced.*
  - c. *identify resolutions to such issues and other productivity or efficiency initiatives (which may include potential Extension of the Network in accordance clause 1.4) ; and*
  - d. *provide evaluation and modelling of the outcomes of potential supply chain operational changes that the Regional Network User Group are supportive of investigating.*
- e) *Decisions made by the Regional Network User Group will not be binding on any organisation.*
- f) *Queensland Rail and other group members may agree to invite other supply chain participants (including port operators and adjoining rail network owners) in specific advisory roles but not to participate in Regional Network User Group decision making processes.*
- g) *The frequency, rules for the conduct of meetings, and purposes and objectives of each Regional Network User Group will be as agreed between Queensland Rail and group members and will be documented in a Terms of Reference. Within one month of the Approval Date, Queensland Rail will propose Terms of Reference for each Regional Network User Group and use its best endeavours to agree those with the members of the Regional Network User Group.*

**Regional Network User Group** means a separate group in relation to each Regional Network established to review, discuss and improve rail operational issues which can affect system or supply chain performance, comprised of each Access Holder, Rail Transport Operator and End User Access Seeker relevant to each Regional Network.