

SCHEDULE A

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 Clause 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 the CPI;
 - (b) depreciation of the assets will be calculated for the Year using asset lives and a depreciation profile endorsed by the QCA;
 - (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; and
 - (e) the value of the assets in the Regulatory Asset Base will be adjusted in accordance with Clauses 1.3 to 1.4.
- 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 will not result in a reduction in any asset values in the Regulatory Asset Base for that Individual Coal System unless it triggers the criteria above.

2. ACCEPTANCE OF CAPITAL EXPENDITURE INTO THE REGULATORY ASSET BASE

2.1 The QCA will determine what capital expenditure should be accepted into QR Network's Regulatory Asset Base. The QCA's prior approval is not required for any capital expenditure.

2.2 The QCA will accept all prudent capital expenditure into the Regulatory Asset Base. Prudence has three aspects:

- (a) prudence in scope;
- (b) prudence in standard of works; and
- (c) prudence in cost.

The QCA's consideration of prudent capital expenditure will be in accordance with Clause 3.

2.3 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 3.1 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 Capital Indicator.

2.4 The QCA will consider for inclusion in the Regulatory Asset Base any capital expenditure submitted by QR Network and either:

- (a) advise QR Network in writing that it has approved the capital expenditure for inclusion in the Regulatory Asset Base; or
- (b) 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.

2.5 If the QCA gives QR Network a preliminary notice under Clause 2.4:

- (a) 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
- (b) the QCA will consider the information provided under Clause 2.5(a) and either approve or refuse to approve the capital expenditure.

3. ASSESSMENT OF CAPITAL EXPENDITURE

3.1 Regulatory Pre-Approval of Capital Expenditure

QR Network may seek pre-approval of the scope or the standard of a capital expenditure project or of a procurement strategy in accordance with this Clause 3.1. If QR Network seeks such a pre-approval, the QCA will assess the prudence of the scope or the standard of the capital expenditure project or the procurement strategy in accordance with this Clause 3.1, provided that a failure to obtain that pre-approval does not affect the right to seek approval in accordance with Clause 3.2 for that capital expenditure.

3.1.1 Regulatory Pre-Approval of Scope of Capital Expenditure

- (a) The QCA will accept the scope of a capital expenditure project as prudent if:
 - (i) it is expenditure on capital projects required to maintain the existing capacity of the Rail Infrastructure (for example, the replacement of life expired or obsolete assets) and is consistent with the asset age and composition of the assets in the Central Queensland Coal Region; or
 - (ii) it is General Expansion Capital Expenditure and the scope of the capital expenditure has been accepted by Customers in accordance with Clause 4.2.3(d); or
 - (iii) it is Customer specific capital expenditure for a branch 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) QR Network, an Access Seeker, an Access Holder or a Customer may make a submission to the QCA 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 Clause 4.2.3(d) (including a project that has been omitted from the Coal System Master Plan and/or the Customer Group acceptance process under Clause 4.2.3), 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 Clause 3.2.2.
- (c) The QCA must:
 - (i) consider a submission made under Clause 3.1.1(b) in accordance with the requirements set out in Clause 3.2.2 and taking into account the outcome of a Customer Group vote (if any), in accordance with Clause 4.2.3, in respect of that capital expenditure project; and
 - (ii) notify the person who made a submission under Clause 3.1.1(b) and QR Network:
 - (A) whether the scope of the capital expenditure project is pre-approved by the QCA; and

- (B) if refused (in whole or in part), stating the reasons for that refusal.

3.1.2 Regulatory Pre-Approval of Standard of Capital Expenditure

- (a) QR Network may make a submission to the QCA seeking regulatory pre-approval of the standard of a capital expenditure project which has received regulatory pre-approval of scope in accordance with Clause 3.1.1, provided that submission includes sufficient information to allow the QCA to reasonably consider the request for pre-approval.
- (b) The QCA must:
 - (i) consider such a submission made under Clause 3.1.2(a) in accordance with the requirements set out in Clause 3.2.3; and
 - (ii) notify QR Network:
 - (A) whether the standard of the capital expenditure project is pre-approved by the QCA; and
 - (B) if refused (in whole or part), stating the reasons for its refusal.

3.1.3 Regulatory Pre-approval of Procurement Strategy

- (a) QR Network may make a submission to the QCA seeking regulatory approval of a procurement strategy for all or aspects of a capital expenditure project, if the QCA has approved the scope of that capital expenditure project as prudent in accordance with Clause 3.1.1.
- (b) The QCA must:
 - (i) consider a submission made under Clause 3.1.3(a) taking into account the likely outcomes of QR Network's compliance with that procurement strategy and the requirements for prudence of costs set out in Clause 3.2.4; and
 - (ii) notify QR Network:
 - (A) whether the procurement strategy is approved; and
 - (B) if refused (in whole or part), stating the reasons for its refusal.

3.2 Prudence of Capital Expenditure

3.2.1 Assessment of Prudence 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 at the time of making the investment decision (and in assessing the prudence of capital expenditure on the basis of that information, the QCA can take into account any advice or comments received pursuant to Clause 3.2.1(b)); and
 - (ii) take into account the extent to which QR Network has achieved compliance with Clause 4.2.3(d) (for example, where

a significant number of Customers have accepted the scope of works but the threshold test for Clause 4.2.3(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.

3.2.2 Prudence of Scope of Works

- (a) Assessing the prudence of scope of works involves assessing whether the works are reasonably required.
- (b) The QCA will accept the scope of a capital expenditure project:
 - (i) if it has been approved by a Customer Group under Clause 4.2.3(d) or pre-approved in accordance with Clause 3.1.1; or
 - (ii) if QR Network can demonstrate to the QCA's reasonable satisfaction, having regard to the factors set out in Clause 3.2.2(c), QR Network 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 a capital expenditure project the QCA shall have regard to, inter alia:
 - (i) the Coal System Master Plan;
 - (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 expenditure projects to accommodate that demand;
 - (iv) the age and condition of existing assets, and the need for replacement capital expenditure projects;
 - (v) QR Network's legislative requirements, including relating to workplace health and safety and environmental requirements;
 - (vi) the appropriateness of QR Network's processes to evaluate and select proposed capital expenditure projects, including the extent to which alternatives are evaluated as part of the process;
 - (vii) the extent to which the capital expenditure project was subjected to the capital evaluation and selection process; and
 - (viii) the extent to which consultation has occurred with relevant stakeholders about the capital expenditure project.
- (d) The QCA may determine, in assessing the scope of a capital expenditure project, that:
 - (i) the scope of the capital expenditure project is in excess of that needed to accommodate current contracted demand, likely future demand within a reasonable timeframe and any spare capacity considered appropriate ("Reasonable Demand"); and

- (ii) if the scope of that capital expenditure project is in excess of Reasonable Demand, the element of the prudent costs of the capital expenditure project that was not needed to meet Reasonable Demand (“Excluded Capital Expenditure”).
- (e) If the QCA has determined Excluded Capital Expenditure in respect of a capital expenditure project, then:
 - (i) that Excluded Capital Expenditure will be set aside and escalated at the rate of CPI (from the date of commissioning of the capital expenditure project) until the full scope of the capital expenditure project is accepted by the QCA as required to meet Reasonable Demand (whether on one occasion or in parts over time); and
 - (ii) when the QCA accepts that all or part of the excluded aspects of the capital expenditure project are required to meet Reasonable Demand:
 - (A) the QCA will accept all or the relevant part of the Excluded Capital Expenditure into the Regulatory Asset Base at its escalated value; and
 - (B) if only part of the Excluded Capital Expenditure is included in the Regulatory Asset Base, paragraph (i) will continue to apply to the remainder.

3.2.3 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) the standard of works has been pre-approved in accordance with Clause 3.1.2;
 - (ii) QR Network can demonstrate to the QCA’s reasonable satisfaction, having regard to the factors set out in Clause 3.2.3(c), QR Network had reasonable grounds for its design of the infrastructure; or
 - (iii) 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 accepted by the QCA as reasonable, the QCA will have regard to, inter alia:

- (i) the requirements of Railway 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).

3.2.4 Prudence of Costs

- (a) Assessing the prudence of costs involves assessing whether the costs are reasonable for the scope and standard of work done.
- (b) The QCA will accept the prudence of costs of a capital expenditure project if the costs are reasonable for the scope and standard of works undertaken having regard to the matters set out in Clause 3.2.4(c) given the circumstances relevant at the time when the costs were incurred or the capital expenditure project was undertaken (as applicable).
- (c) In assessing the reasonableness of the cost of works undertaken, the QCA will have regard to, inter alia:
 - (i) QR Network's Coal System Master Plan;
 - (ii) the level of such costs relative to the scale, nature, cost and complexity of the project;
 - (iii) the circumstances prevailing in the markets for engineering, equipment supply and construction;
 - (iv) QR Network's compliance with any applicable procurement strategy approved by the QCA in accordance with Clause 3.1.3; and
 - (v) the manner in which the capital expenditure project has been managed, including QR Network's balancing of:
 - (A) safety during construction and operation;
 - (B) compliance with environmental requirements during construction and operation;
 - (C) compliance with Laws and the requirements of Authorities;
 - (D) minimising disruption to the operation of Train Services during construction;
 - (E) accommodating reasonable requests of Access Holders to amend the scope and sequence of works undertaken to suit their needs;

- (F) minimising whole of asset life costs including future maintenance and operating costs;
- (G) minimising total project cost which may at times not be consistent with minimisation of individual contract costs;
- (H) aligning other elements in the supply chain; and
- (I) meeting contractual timeframes and dealing with external factors.

4. MASTER PLANNING

4.1 Master Plan Process

- (a) QR Network will develop a comprehensive Coal System Master Plan. The Coal System Master Plan may be made for a period of up to three (3) years but can extend to a longer time period.
- (b) 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) a Railway Operator that has an agreement with an Access Holder to provide Train Services to that Access Holder in respect of some or all of the Access Rights subject to the Access Holder's Access Agreement;
 - (iv) the owners and/or operators of ports utilised by coal carrying Train Services and other coal unloading destinations;
 - (v) the Queensland Resources Council Ltd ABN 59 050 486 952, as an observer only; and
 - (vi) the QCA, as an observer only.
- (c) QR Network will actively involve the Coal System Master Planning Forum in the development of the Coal System Master Plan. QR Network must:
 - (i) give participants at least ten (10) Business Days prior notice of any proposed meetings of the Coal System Master Planning Forum; and
 - (ii) 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 at that meeting.
- (d) QR Network is to provide an updated Coal System Master Plan to the Coal System Master Planning Forum where that plan has substantially changed since the issue of the previous plan.
- (e) The Coal System Master Plan must include information on:
 - (i) General Expansion Capital Expenditure and Customer specific projects; and

- (ii) the following matters that may affect Capacity:
 - (A) aggregated contracted paths for coal carrying Train Services for each Individual Coal System;
 - (B) the capacity and performance characteristics of each Nominated Loading Facility and Nominated Unloading Facility; and
 - (C) the quantity and performance characteristics of Rollingstock being used for coal carrying Train Services and, if known to QR Network, that Access Holders have committed for future coal carrying Train Services.

4.2 Customer Acceptance of Projects

4.2.1 Identification of Customer Groups

- (a) 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 Clause 6.1.2(b) of the Undertaking or Clause 3, Part A of Schedule F); and
 - (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),and, either:
 - (iii) is:
 - (A) if included in an Access Agreement that will be in force at the time that is five (5) years after Customer Group acceptance is sought in accordance with Clause 4.2.3; and
 - (B) if subject to a legally binding commitment in the Access Agreement (even if that commitment is conditional upon the completion of Infrastructure Enhancements or upon other conditions which are the responsibility of QR Network to satisfy or can be waived by QR Network),
comprised of the number of tonnes specified in that Access Agreement for a twelve (12) month period starting five (5) years after the first day of the month in which Customer Group acceptance is sought in accordance with Clause 4.2.3; or
 - (iv) is:
 - (A) if included in an Access Agreement which is due to expire within five (5) years after Customer Group acceptance is sought in accordance with Clause 4.2.3; and

- (B) if it is reasonably expected by QR Network 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 existing mine or Replacement Mine),

comprised of the annual tonnage in the last year of the current Access Agreement.

- (b) 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.

4.2.2 Information for Customer Groups

- (a) QR Network will provide, in the Coal System Master Plan or in supplementary materials provided to Customer Groups, 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, 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 and a consideration of alternative solutions including:
 - (A) a preliminary analysis of the other Infrastructure Enhancement solutions considered by QR Network; and
 - (B) an indicative assessment of alternative supply chain solutions arising from discussions with other (present and prospective) logistics providers in the coal supply chain (even if 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 Clause 4.2.3(b).

- (b) 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 identification of 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.

4.2.3 Customer Voting Process

- (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 Clause 3.1.1(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,

provided that if, after discussions with QR Network, the Customer wishes to query these tonnages or the composition of the Customer Group:
 - (C) the Customer must, within two (2) weeks after receiving QR Network's written request in accordance with Clause 4.2.3(a)(i), notify the QCA to seek verification of those matters;
 - (D) if the Customer has notified the QCA under Clause 4.2.3(a)(i)(C), QR Network and the Customer 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); and
 - (E) the QCA shall notify QR Network and the Customer of its decision within two (2) weeks after receiving the Customer's notification under Clause 4.2.3(a)(i)(C); 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 Clause 4.2.1(a)(iv) has not been satisfied provided that if, after discussions with QR Network, the Customer wishes to query its non-inclusion in the Customer Group:

- (A) the Customer must, within two (2) weeks after receiving such notice in accordance with Clause 4.2.3(a)(ii), notify the QCA to seek verification of that matter;
 - (B) if the Customer has notified the QCA under Clause 4.2.3(a)(ii)(A), QR Network and the Customer 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);
 - (C) the Customer bears the onus of demonstrating to the QCA's satisfaction that Clause 4.2.1(a)(iv) was satisfied; and
 - (D) the QCA shall notify QR Network and the Customer of its decision within two (2) weeks after receiving the Customer's notification under Clause 4.2.3(a)(ii)(A).
- (b) Unless a Customer in a Customer Group has, within six (6) weeks after receiving the request under Clause 4.2.3(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 after 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 sixty percentage points (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 after QR Network having sought acceptance of proposed capital expenditure projects under Clause 4.2.3(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 Clause 3.1.1(b). 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.

4.3 Interaction with whole of supply chain planning group

If:

- (a) a whole of supply chain planning group for coal is established in relation to the Central Queensland Coal Region or any Individual Coal System; and
- (b) QR Network considers that group has the support of sufficient participants in the supply chain to effectively perform the function of preparing and implementing a whole of supply-chain master plan,

then QR Network will participate in that group, but without limiting QR Network's rights and obligations in respect of the preparation and implementation of the Coal System Master Plan.

5. 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 to that related to electrification assets and that not related to electrification assets; and
 - (iii) for capital expenditure not related to electrification assets, categorisation of capital expenditure based on Individual Coal System.
- (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 Carryover 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.

SCHEDULE B

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 Train 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 C

Summary of Information Requirements as part of Access Application

1. ACCESS SEEKER

- Access Seeker's name and contact details (if the Access Seeker is an unincorporated joint venture, all parties should be identified)
- Customer's name and contact details (if applicable)

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 	Nil	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 <ul style="list-style-type: none"> Corridor maps Working plan and section drawings[#] 		North Coast Line
		South Western
		Tablelands
	Western	

<p>(j) Level Crossings</p> <ul style="list-style-type: none"> • Number of level crossings • Type of protection used <p>(k) Train Operations</p> <ul style="list-style-type: none"> • Sectional running times (calculated based on the projected average sectional running times for the Predominant Train Service) • Maximum Train lengths • Incident recovery times <p>(l) Description of Systems</p> <ul style="list-style-type: none"> • Operational • Safeworking 		
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This information is not available from QR Network's website.

2. QR Network Rollingstock Interface Standards

Content	Cost
QR Network Rollingstock Interface Standards * #	\$1,000.00 per set (exclusive of GST)

* 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.

This information is not available from QR Network's website.

3. Commercial Information

Content		Cost
Reference Tariffs	Blackwater System Goonyella System Moura System Newlands System Western System	Nil
Applicable QR Network Standard Access Agreement		Nil
Worked example of Relinquishment Fee		Nil
Sample IRMP		Nil
Capacity Information <ul style="list-style-type: none"> • MTP * # 		Nil
System Rules (if available)		Nil

* 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.

This information is not available from QR Network's website.

PART B. ADDITIONAL INFORMATION

1. Capacity Information

- a) The relevant current DTP, assessed in accordance with Clause 1(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 Clause 1(a) above.

2. Access to Rail Corridor

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, then the following information in relation to access to that land:

- (i) 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;
- (ii) advice as to the nature and extent of the rights, if any, that QR Network holds in relation to the relevant land; and
- (iii) 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. Information for EIRMR

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

4. Information for Interface Risk Assessment

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

5. Other Information

Other information as follows:

- (i) information required in accordance with section 101(2) of the Act, to the extent that this information has not already been provided; and
- (ii) other information that is reasonably required by the Access Seeker in accordance with section 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 Train 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 Train Configurations are as agreed by the two parties in the IRMP and, if QR Network is so satisfied the Rollingstock and Train 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 Train 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 save and except that the Access Holder will be liable for, and is required to release and indemnify QR Network for, claims brought against QR Network relating to the carriage of dangerous goods (including explosives and radioactive material).
- 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 Clause 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 to the other party in respect of loss or damage (including damages for Consequential Loss) 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, 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 a reasonable person in its position could have formed that view.
- 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 the Commencing Date 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 the Commencing Date; 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 Clause 2.2.3:
 - (i) within sixty (60) days of:
 - (A) QR Network becoming aware that an Endorsed Variation Event has occurred; or
 - (B) after a written notice is given to QR Network by the QCA in accordance with Clause 2.2.2; or
 - (ii) by 28 February prior to each Year of the Term, in accordance with Clause 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 Clause 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 Clause 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 Clause 2.2.2 or Clause 2.2.9(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 Clause 2.2.9(b).

2.2.5 Where QR Network submits a variation of a Reference Tariff in accordance with Clause 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 Clause 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 Where QR Network submits a variation of a Reference Tariff in accordance with Clause 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.
- 2.2.8 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.

2.2.9 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 Clause 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.

2.2.10 QR Network must comply with a notice given under Clause 2.2.9.

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

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

2.2.12 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 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.

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 Clause 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) an estimate of the number of reference Train Paths used by the proposed Train Service will be determined as follows:
$$\text{rtp} = \frac{\text{maximum number of Reference Train Services at full utilisation}}{\text{maximum number of proposed Train Services at full utilisation}}$$
 - (b) an estimate of the maximum number of train paths available for a Reference Train Service and for the proposed Train Service will be carried out using a readily available simulation package; and
 - (c) in accordance with Clause 4.3(c)(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 Clause 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 Clause 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 Clause 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 and the applicable System Rules.

2. Access Charge

2.1 Reference Tariff

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

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

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, where applicable, by 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.

- 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 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 Commencing 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 Commencing Date), the Take or Pay arrangements will be as specified in Clause 2.2.3; or
- (b) which are included in Access Agreements in place on the day immediately prior to the Commencing Date (and not subsequently renewed after the Commencing 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;
 - (ii) the 2005 Undertaking, Clause 2.2, Part B, Schedule F of the 2005 Undertaking; or
 - (iii) the 2008 Undertaking, Clause 2.2, Part B, Schedule F of the 2008 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 Clause 2.2.4, the amount which is one hundred percentage points (100%) of the amount calculated by multiplying:

- (a) AT_2 , AT_3 and AT_4 (at the rate applicable in the Year); by
- (b) the r_{tp}, n_t and n_{tk} (as applicable) calculated by:
 - (i) the r_{tp}, n_t and n_{tk} (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 r_{tp}, n_t and n_{tk} (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 Clause 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 Clause 2.2.3, where the Total Actual Revenue for AT_{2-4} for an Individual Coal System 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 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 Clause 7.3.8(a) 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, Take or Pay shall not be payable for that Year under Access Agreements in relation to that Individual Coal System 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 Clause 7.3.8(a) of the Undertaking) ("Full Take or Pay Agreements");
- (b) less than the System Allowable Revenue for AT_{2-4} in relation to that Individual Coal System:
 - (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 AT_{2-4} exceeds the Total Revenue for that Individual Coal System ("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 Clause 2.2.5, 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 Clause 7.3.8(a) 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.

2.2.6 In order to calculate nt, ntk and gtk for the purposes of Clauses 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.

2.2.7 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 3.3; and
- (b) QR Network's review, for the relevant Year, of:
 - (i) the applicable System Allowable Revenue, in accordance with Clause 3.1.2;
 - (ii) the forecast cost of electric energy for traction; and
 - (iii) the applicable System Forecast.

3.1.2 As part of a review in accordance with Clause 3.1.1(b), QR Network will review the System Allowable Revenue for each Individual Coal System for the forthcoming Year to reflect:

- (a) for that component of System Allowable Revenue that relates to the recovery of QR Network's maintenance costs:

- (i) the impact on the forthcoming Year of the actual change in MCI for the previous Year compared to the forecast change in MCI for the previous Year as calculated in accordance with Clause 3.2.2(a); and
 - (ii) where, during the Term, QR Network commissions a new branch line to connect a new loading facility to an Individual Coal System and that new branch line will be operational during the forthcoming Year, the increase in QR Network's forecast maintenance costs for the forthcoming Year in accordance with Clause 3.1.3;
- (b) for that component of the System Allowable Revenue that relates to the recovery of QR Network's operating costs, excluding those costs referred to in Clause 3.1.2(a), the impact on the forthcoming Year of the actual change in CPI for the previous Year compared to the forecast change in CPI for the previous Year as calculated in accordance with Clause 3.2.2(b);
 - (c) upon the finalisation of the balance of the Capital Expenditure Carryover Account at the Commencing Date, the difference between the finalised balance of the Capital Expenditure Carryover Account at the Commencing Date and the forecast used for the purpose of determining the Reference Tariffs; and
 - (d) upon the finalisation of any connection agreement for a new connection point from the electricity transmission network to QR Network's electric traction system, the difference between the agreed connection cost for that connection point and any amount assumed for the purpose of determining the Reference Tariffs.
- 3.1.3 For the purposes of Clause 3.1.2(a)(ii), the increase in QR Network's forecast maintenance costs for the relevant Year is calculated as \$25,000.00 per kilometre of new Track.

3.2 Calculation of Revenue Adjustment Amounts

- 3.2.1 After the end of each Year, QR Network will calculate the following Revenue Adjustment Amounts:
- (a) an "AT₂₋₄ Revenue Adjustment Amount", for each relevant Individual Coal System, by subtracting:
 - (i) the Adjusted System Allowable Revenue for AT₂₋₄, determined in accordance with Clause 3.2.2; from
 - (ii) the Total Actual Revenue for AT₂₋₄, determined in accordance with Clause 3.2.3,
 for the relevant Individual Coal System for that Year; and
 - (b) an "AT₅ Revenue Adjustment Amount", by subtracting the Adjusted System Allowable Revenue for the AT₅ component of Access Charges, determined in accordance with Clause 3.2.2, for the Central Queensland Coal Region from the Total Actual Revenue for AT₅, determined in accordance with Clause 3.2.5, for the Central Queensland Coal Region, for that Year.

For the avoidance of doubt, a Revenue Adjustment Amount calculated under this Clause 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 the difference between:
 - (A) the actual change in MCI for the relevant Year; and
 - (B) the forecast change in MCI that was used for the purpose of determining the Reference Tariffs for the relevant Year;
- (b) the component relating to the recovery of QR Network's operating costs, excluding those costs referred to in Clause 3.2.2(a), adjusted to reflect the difference between:
 - (A) the actual change in CPI for the relevant Year; and
 - (B) the forecast change in CPI that was used for the purpose of determining the Reference Tariffs for the relevant Year; and
- (c) all components excluding those costs referred to in Clause 3.2.2(a) or (b).

3.2.3 The Total Actual Revenue for AT₂₋₄ is the sum of:

- (a) total revenue from AT₂₋₄ for coal carrying Train Services that operated on the Individual Coal System in the Year, calculated using:
 - (i) for a Train Service that is a Reference Train Service, or for which Clause 4.2 applies, the AT₂, AT₃ and AT₄ components of the relevant Reference Tariff;
 - (ii) for a Train Service that varies from the Reference Train Service due to it not complying with:
 - (A) Clause 1.3.1(f) of Part A, the AT₂ 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 Clause 1.3.1(f) of Part A (with which it complies), the AT₂, AT₃ and AT₄ components of the relevant Reference Tariff; and
 - (iii) 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 Clause 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 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 Clause 7.3.8(a) 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,

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

- (c) the System Allowable Revenue for AT_{2-4} in relation to the applicable Individual Coal System which is attributable to assets under an agreement described by Clause 6.5.2(d)(i) of the Undertaking for the payment of a rebate less any rebate which is paid under that agreement; and
- (d) any revenue from AT_{2-4} that QR Network would have been entitled to earn under an Access Agreement in relation to the applicable Individual Coal System during the relevant Year but for QR Network's breach of that Access Agreement or negligence in the provision of Below Rail Services for which, in either case, QR Network is liable in respect of a Claim made against it in accordance with that Access Agreement.

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 AT_{2-4} Revenue Adjustment Amount. If QR Network reduces the amount of any Relinquishment Fee (or applicable Equivalent Amount) in accordance with this clause, 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 Clause 6.5.2(d)(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 for which, in either case, QR Network is liable in respect of a Claim made against it in accordance with that Access Agreement.
- 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 for that Year in accordance with this Clause 3.2.
- 3.2.7 The QCA may give QR Network a written notice requiring QR Network to submit the Revenue Adjustment Amounts, if QR Network fails to do so in accordance with Clause 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 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 Clause 3.2.8, QR Network must submit the Revenue Adjustment Amounts within the time specified by the QCA.

- 3.2.9 The QCA may determine Revenue Adjustment Amounts 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 Clause 3.2.7 or 3.2.12(b) for it to submit, or resubmit, the Revenue Adjustment Amounts; or
 - (b) if the QCA refuses to approve the Revenue Adjustment Amounts resubmitted by QR Network in accordance with Clause 3.2.12(b).
- 3.2.10 Where QR Network submits the Revenue Adjustment Amounts in accordance with Clause 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
 - (b) invite and consider comments from stakeholders regarding the Revenue Adjustment Amounts.
- 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 the Revenue Adjustment Amounts, if the QCA is satisfied that the calculation of the Revenue Adjustment Amounts is in accordance with this Clause 3.2.
- 3.2.12 If the QCA:
- (a) approves the Revenue Adjustment Amounts, 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, 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 should be amended; and
 - (ii) requiring QR Network to vary the Revenue Adjustment Amounts 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 Clause 3.3.12(b).
- 3.2.14 The QCA may approve resubmitted Revenue Adjustment Amounts or Revenue Adjustment Amounts developed by the QCA under Clause 3.2.9, if the QCA is satisfied that the Revenue Adjustment Amounts:
- (a) are consistent with the matters specified under Clause 3.2.11; and
 - (b) have been amended or developed in accordance with the QCA's decision.

3.3 Revenue Adjustment

- 3.3.1 Where a Revenue Adjustment Amount has been approved by the QCA in accordance with Clause 3.2 the equivalent System Allowable Revenue to that

used in the calculation of that Revenue Adjustment Amount for the relevant Individual Coal System 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 3.3.

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

- (a) for an AT₂₋₄ Revenue Adjustment Amount, by subtracting from the relevant 2nd Year System Allowable Revenue:
 - (i) that AT₂₋₄ Revenue Adjustment Amount; and
 - (ii) a return on capital amount, calculated by reference to the Discount Rate as applied to the AT₂₋₄ 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.

3.3.3 Where a 2nd Year System Allowable Revenue is adjusted under this Clause 3.3, 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 Clause 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 Where a coal carrying Train Service is operating within an existing Individual Coal System or is utilising an existing or new branch line connecting to that Individual Coal System, 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:

- (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.

4.1.2 In order to reflect the requirements of Clause 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; 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 Clause 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 Reference Tariff for a new coal carrying Train Service is established in accordance with Clause 6.4.2(b) of the Undertaking:

- (a) if the new coal carrying Train Service is operating within an existing Individual Coal System, utilising an existing or new branch line connecting to that Individual Coal System:
 - (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, irrespective of whether that loading facility is located adjacent to Private Infrastructure or Rail Infrastructure; and
 - (ii) where the amount calculated in accordance with Clause 4.1.2(b) is higher than the amount calculated in accordance with Clause 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 Clause 4.1.2(b) and the amount calculated in accordance with Clause 4.1.2(a); or
- (b) if the new coal carrying Train Service is operating otherwise than in accordance with Clause 4.1.3(a), a new Reference Tariff will be developed for a new Reference Train Service in accordance with Clause 6.4.2 of the Undertaking.

4.1.4 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 (referred to as a "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 Clause 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; and
- (g) 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, where a coal carrying Train Service in the Central Queensland Coal Region is not a Reference Train Service due to it not complying with Clause 1.2 of Part A and is not a Cross System Train Service, QR Network must calculate the Access Charges by reference to:

- (a) an incremental maintenance component that is levied on a gtk basis, referred to as AT_1 ;
- (b) an incremental capacity component that is levied on a train path basis, referred to as AT_2 ;
- (c) a component that is levied on a ntk basis, referred to as AT_3 ;
- (d) a component that is levied on a nt basis, referred to as AT_4 ;
- (e) an electric access tariff that is levied on an egtk basis (if appropriate) referred to as AT_5 ;
- (f) an electric energy charge that is levied on an egtk basis (if appropriate) referred to as EC;

- (f) the QCA Levy levied on a nt basis; and
- (g) 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	3.1
Boorgoon	2.5
Curragh	2.3
Ensham	2.0
German Creek	2.2
Gregory	2.0
Kestrel (Gordonstone)	2.6

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.

Nominated Loading Facilities	Loading Time (hours) per return trip
Kinrola	1.8
Koorilgah	3.2
Laleham ³	2.0
Minerva	1.9
Oaky Creek	2.2
Rolleston	1.7
Yongala	3.0

5.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Barney Point	3.3
Cement Australia	3.6
Comalco Refinery	3.7
Gladstone Power Station	3.2
Golding/RG Tanna Terminal	1.5
Queensland Alumina Ltd (QAL) ⁴	7.0
Stanwell Power Station	1.8

5.2.5 Dwell Period

	Dwell period (hours)per return trip
Inclusive of Train examination	7.9
Excluding Train examination	1.8

5.3 System Forecast and System Allowable Revenues⁵

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)	System Allowable Revenue – AT ₅ (\$)
2009/10	35,556,572	280,213,952	127,730,726
2010/11	35,509,944	282,098,830	135,789,819
2011/12	35,695,511	284,032,358	159,950,879
2012/13	35,695,511	286,015,646	164,615,431

³ Although not a loading facility, the average Loading Time for the Laleham Mine represents the average time the Train Service is off the Rail Infrastructure on the relevant Private Infrastructure.

⁴ 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.

⁵ The System Allowable Revenues for AT₅ are for the Central Queensland Coal Region (i.e. are inclusive of the Goonyella and Blackwater systems).

5.4 Reference Tariff

(a) The Reference Tariff components (as at 1 July 2009) are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)	2011/12 (\$)	2012/13 (\$)
AT ₁	0.54	0.55	0.57	0.58
AT ₂	1831.70	1882.99	1935.72	1989.92
AT ₃	5.56	5.72	5.88	6.04
AT ₄	1.82	1.87	1.92	1.98
AT ₅	2.37	2.43	2.50	2.57
EC	0.61	0.61	0.64	0.73
QCA Levy ⁶	0.006	0.006	0.006	0.006

(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	2011/12	2012/13
Rolleston	1.99	2.05	2.11	2.17
Minerva	5.20	5.35	5.50	5.65

Nominated Unloading Facilities	System Premium / (System Discount) (\$/ntk)			
	2009/10	2010/11	2011/12	2012/13
Stanwell Power Station	(1.95)	(2.00)	(2.06)	(2.11)

⁶ For 2008/09 – to be updated following advice from the QCA.

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 2082⁷ metres;
- (b) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220⁸ 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	1.6
Burton	3.9
Carborough Downs	3.7
German Creek	2.2
Goonyella	1.9
Hail Creek	2.5
Isaac Plains	3.9
Lake Vermont	- ⁹
Macarthur (Coppabella)	2.6
Millennium	2.0
Moorvale	2.8
Moranbah North	2.3

⁷ 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).

⁸ As specified in the ANZRC Railway Bridge Design Manual 1974.

⁹ This Train Service is yet to commence. A Loading Time for this Loading Facility will be determined closer to the commencement date for this Train Service.

Nominated Loading Facilities	Loading Time (hours) per return trip
North Goonyella	3.1
Norwich Park	2.1
Oaky Creek	2.2
Peak Downs	2.2
Riverside	3.3
Saraji	2.5
South Walker Creek	2.7

6.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Dalrymple Bay	1.9
Hay Point	1.9

6.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	7.7
Excluding Train examination	1.7

6.3 System Forecast and System Allowable Revenues¹⁰

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄	System Allowable Revenue – AT ₅
2009/10	40,223,769	298,919,378	127,730,726
2010/11	41,306,229	316,457,819	135,789,819
2011/12	40,877,540	326,042,167	159,950,879
2012/13	40,456,964	335,913,039	164,615,431

¹⁰ The System Allowable Revenues for AT₅ are for the Central Queensland Coal Region (i.e. are inclusive of the Goonyella and Blackwater systems).

6.4 Reference Tariff

(a) The Reference Tariff inputs (as at 1 July 2009) are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)	2011/12 (\$)	2012/13 (\$)
AT ₁	0.54	0.55	0.57	0.58
AT ₂	1160.47	1192.97	1226.37	1260.71
AT ₃	5.05	5.19	5.34	5.49
AT ₄	1.06	1.09	1.12	1.15
AT ₅	2.37	2.43	2.50	2.57
EC	0.61	0.61	0.64	0.73
QCA Levy ¹¹	0.006	0.006	0.006	0.006

(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	2011/12	2012/13
Lake Vermont ¹²	3.23	3.32	3.41	3.50

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 1000¹³ metres;
- (b) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220¹⁴ loading, or otherwise generates a loading equivalent to M220; and
- (c) utilisation of diesel traction.

¹¹ For 2008/09 – to be updated following advice from the QCA.

¹² This Train Service is yet to commence. The System Premium for Lake Vermont is indicative only and assumes a Train Service from the Lake Vermont mine to the Blackwater system. The final System Premium (if any) will be confirmed closer to the commencement date for this Train Service once the destination(s) is confirmed and more accurate capital and operating costs and volume forecasts are available.

¹³ 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 draftgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁴ As specified in the ANZRC Railway Bridge Design Manual 1974.

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 ¹⁵
Boundary Hill	2.7
Dunn Creek (Callide)	2.4
Moura	1.6
Theodore	3.5

7.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Barney Point	3.3
Cement Australia	3.6
Comalco Refinery	3.7
Gladstone Power Station	3.2
Golding/RG Tanna Terminal	1.5
Queensland Alumina Ltd (QAL) ¹⁶	7.0

7.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	6.0
Excluding Train examination	2.0

¹⁵ Due to the loading arrangements at this facility, Loading Times based on a statistical distribution of actual times are not available. Rather, an average Loading Time has been provided which is equivalent to the relevant Access Agreement for the Train Service from this Loading Facility.

¹⁶ 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.

7.3 System Forecast and System Allowable Revenues

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄
2009/10	4,467,303	47,430,581
2010/11	4,342,809	48,741,718
2011/12	4,342,809	50,106,487
2012/13	4,342,809	51,509,468

7.4 Reference Tariff

The Reference Tariff inputs (as at 1 July 2009) are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)	2011/12 (\$)	2012/13 (\$)
AT ₁	0.95	0.97	1.00	1.03
AT ₂	548.59	563.95	579.74	595.97
AT ₃	8.14	8.37	8.60	8.84
AT ₄	1.35	1.39	1.43	1.47
QCA Levy ¹⁷	0.006	0.006	0.006	0.006

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 1380¹⁸ metres;
- (b) a maximum axle load of 20 tonne for a wheel configuration consistent with M160¹⁹ 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

¹⁷ For 2008/09 – to be updated following advice from the QCA.

¹⁸ 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 draftgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁹ As specified in the ANZRC Railway Bridge Design Manual 1974.

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	1.6
Newlands	1.3
Sonoma	1.3

8.2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Abbot Point	1.3

8.2.5 Dwell Period

	Dwell period (hours) per return trip
Inclusive of Train examination	8.2
Excluding Train examination	1.2

8.3 System Forecast and System Allowable Revenues

Year	System GtK (,000 gtk)	System Allowable Revenue – AT ₂₋₄
2009/10	3,977,438	43,863,995
2010/11	3,977,438	45,092,186
2011/12	5,419,547	61,860,403
2012/13	5,419,547	63,592,494

8.4 Reference Tariff

The Reference Tariff inputs (as at 1 July 2009) are:

Reference Tariff Input	2009/10 (\$)	2010/11 (\$)	2011/12 (\$)	2012/13 (\$)
AT ₁	0.78	0.80	0.82	0.84
AT ₂	1160.47	1192.97	1226.37	1260.71
AT ₃	7.41	7.62	7.83	8.05
AT ₄	0.95	0.97	1.00	1.03
QCA Levy ²⁰	0.006	0.006	0.006	0.006

²⁰ For 2008/09 – to be updated following advice from the QCA.

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 Clause 1.3.1 of Part A, the Reference Train Service has the following characteristics:

- (a) a train length (including the locomotive/s) of 675 metres²¹;
- (b) a maximum axle load of 15.75 tonne; and
- (c) utilisation of diesel traction.

2.2 Further to Clause 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	2.3
Jondaryan (New Acland)	2.5
Macalister (Wilkie Creek)	3.3

2.4 Unloading Facilities

Nominated Unloading Facilities	Unloading Time (hours) per return trip
Fisherman Islands coal loader	2.3
Swanbank	2.0

3. Reference Tariff

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

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

²¹ 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).

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;
- 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.

- 3.2 The amounts of AT_1 and the QCA Levy specified in this Part C 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:

- (a) The Reference Tariff inputs (as at 1 July 2009) are:

Reference Tariff Input	\$
AT_1	22.07
QCA Levy ²²	0.006

- (b) The First Escalation Date is 1 October 2009.

4. Escalation of Reference Tariff

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

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

²² For 2008/09 – to be updated following advice from the QCA.

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 9 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 following the Commencing 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 Clauses 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 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 terminology.¹
- (b) Train Service Entitlements will be expressed in terms that can be interpreted for the development of a Master Train Plan (MTP), an Intermediate Train Plan (ITP), 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 where applicable and/or the Access Request 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. The MTP will separately identify where applicable:
 - (i) for Timetabled Traffics, the particular Train Paths allocated in accordance with the Train Service Entitlements;
 - (ii) for Cyclic Traffics:
 - (A) in an Individual Coal System, the System Paths that are available for scheduling Cyclic Traffics from a specified location within that Individual Coal System to the Nominated Unloading Facilities, where those System Paths have been declared in the relevant System Rules; and
 - (B) the Train Paths (including System Paths) allocated to Cyclic Traffics, where such Train Paths reflect the Capacity required for the maximum level of operation for such Train Service Entitlements, but may not necessarily reflect the particular Train Paths that those Train Services will operate on; and
 - (iii) time allocated for Planned Possessions.

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.

- (b) Unless otherwise expressly provided in an Access Holder's Access Agreement, the MTP may be modified, as specified in Clauses 2(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 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;

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 Train Configuration that the party may run under their Access Agreement, and the Nominated Network on which it may operate.

³ See footnote 2 above.

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;

- (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 any of Clauses 2(b)(i) to (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 any of Clauses 2(b)(v) to (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 Clause 2(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 forum.⁵ 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 Clause 2(f), where reference is made in Clause 2(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.

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.

- (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 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. Intermediate 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 a sequence of intermediate scheduling steps involved in progressing from the MTP to the DTP. An ITP will be scheduled utilising Planned Possessions, the Train Paths detailed in the MTP for Timetabled Traffics, and for Cyclic Traffics, the System Paths (if applicable) detailed in the MTP, each Access Holder's Train Service Entitlement and Train Orders for the particular period in question.
- (b) In the Central Queensland Coal Region, Train Orders for the intermediate planning horizon must, unless otherwise advised by QR Network, be submitted to QR Network:
 - (i) in the manner and timeframe specified within the relevant System Rules;
or
 - (ii) if there are no relevant System Rules, before 1200 hours on Wednesday.
- (c) Where System Rules have been developed in accordance with Appendix 1, QR Network will schedule Cyclic Traffics in the ITP in accordance with the processes identified in the relevant System Rules. The process of scheduling Cyclic Traffics in the ITP 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 ITP. 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 2.
- (d) QR Network will advise Access Holders of the ITP 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 an ITP as discussed in the ITP Principles and then schedule the DTP from the ITP.
- (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 ITP, whichever is applicable in accordance with the processes identified in the System Rules, if applicable, or otherwise, as specified in Clauses 4(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 ITP (where applicable), within the scope of any of Clauses 4(d)(i) to (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 ITP (where applicable), within the scope of Clauses 4(d)(iv) or(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

⁶ See footnote 2 above.

⁷ See footnote 2 above.

Infrastructure Service Providers if the proposed modification affects a Planned Possession.

- (g) Where a change is being sought from the MTP or ITP that falls within the scope of Clause 4(d)(vi) of these DTP Principles, QR Network will invite 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 ITP 12 hours prior to the scheduled consideration.
- (h) Other than as detailed in Clause 4(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 any of Clauses 4(i)(i) to (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 3, 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 Services¹⁰ 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.

¹⁰ For instance, freight Train Services, passenger Train Services or coal Train Services.

Appendix 1 System Rules

- (a) QR Network may make rules (i.e. System Rules) for the purpose of specifying in greater detail the way in which it will plan, schedule and control the operation of Train Services on a single or combination of Individual Coal Systems. The System Rules may include:
- (i) the declaration of System Paths for an Individual Coal System;
 - (ii) the procedures for Access Holders to submit Train Orders and for QR Network to schedule Train Services in the ITP;
 - (iii) the procedures for QR Network to schedule the DTP from the ITP, provided that these procedures must be consistent with the matters referred to in Clauses 4(d)(i) to (vi) of Part A;
 - (iv) the relevant critical objectives for Train Services operating in an Individual Coal System or a combination of Individual Coal Systems to assist decision-making for Train Control in accordance with Part B;
 - (v) methodology for defining path availability/use for the purpose of calculating take-or-pay charges; and
 - (vi) the identification of any circumstances where a full Initial Capacity Assessment or Capacity Analysis are not required for the purposes Clauses 4.3(c)(iii) and 4.5.2(a)(vi) of the Undertaking.
- (b) QR Network and Access Holders must comply with the System Rules in force from time to time.
- (c) In making System Rules, QR Network must:
- (i) notify Access Holders and Access Seekers whose Train Services will be affected by the System Rules (“Affected Persons”) proposed to be made by QR Network (“Proposed System Rules”) of QR Network’s intention to make System Rules and provide a copy of the Proposed System Rules to those persons;
 - (ii) consult with the Affected Persons and any affected Infrastructure Service Providers; and
 - (iii) have regard to the equitable operation of the System Rules across Access Holders and Access Seekers (should they become Access Holders) and the terms of Access Agreements.
- (d) If an Affected Person considers that the Proposed System Rules:
- (i) would not, as a whole, operate equitably amongst Access Holders and Access Seekers (should they become Access Holders); or
 - (ii) are inconsistent with the terms of an Access Agreement,
- then they should provide a written submission to QR Network, within thirty (30) days after being given a notice in accordance with paragraph (c) of this Appendix 1, identifying why the Proposed System Rules:
- (iii) would not operate equitably; or
 - (iv) are inconsistent with the terms of an Access Agreement.
- (e) QR Network will notify each person making a submission in accordance with paragraph (d) of this Appendix 1 whether it intends to vary the Proposed

System Rules. If QR Network varies the Proposed System Rules from those provided to persons in accordance with paragraph (c) of this Appendix 1, then QR Network will notify those persons of the variation and the reasons for the variation.

- (f) If, within fifteen (15) Business Days after QR Network has given the notices required under paragraph (e) this Appendix 1, an Affected Person considers that the Proposed System Rules (including any variations):
 - (i) would not, as a whole, operate equitably amongst Access Holders and Access Seekers (should they become Access Holders); or
 - (ii) are inconsistent with the terms of an Access Agreement,then the matter may be referred to Dispute resolution in accordance with Clause 10.1 of the Undertaking.
- (g) For the purposes of this Appendix 1:
 - (i) the making of System Rules includes amending, replacing or removing System Rules; and
 - (ii) proposed System Rules includes a proposed amendment or replacement of System Rules or a proposal to remove System Rules.

Appendix 2

Contested Train Path Decision-making Process

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

- (a) 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;
- (b) 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 such;
- (c) 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 ("Nominated Weekly Entitlement"), subject to Capacity availability, QR Network will prioritise allocation based on:
 - (i) any requirement for giving priority to certain Train Services or certain Unloading Facilities identified within the System Rules;
 - (ii) if:
 - an Access Holder submits Train Orders for less than its Nominated Weekly Entitlement for one Train Service Entitlement and the path is not allocated in accordance with paragraph (i); and
 - that Access Holder also submits Train Orders for a different Train Service Entitlement in excess of its Nominated Weekly Entitlement,then the path will be allocated to those other Train Orders in the manner requested by the Access Holder;
 - (iii) priority will then be given to allocating the path to an Access Holder for whom QR Network is most behind (in the contract year to date) in providing its contracted Train Services due to a QR Network Cause (when assessed in terms of Train Services not provided due to a QR Network Cause as a percentage of contracted Train Services); and
 - (iv) priority will then be given to allocating the path to the Access Holder for whom QR Network is most behind (in the contract year to date) in providing with its contracted Train Services (when assessed in terms of the percentage of aggregated Train Services as a percentage of aggregated contracted Train Services); and
- (d) 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.

Appendix 3

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 to 8 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.
- Rule 7 recognises that an Access Holder may need to prioritise its own Trains in the event of delay to efficiently manage above rail resources or to minimise variations to planned DTPs relating to connecting services.
- Rule 8 has been included for application in the Central Queensland Coal Region to allow Train Controllers to resolve conflicts that may arise in maximising coal supply chain throughput subject to meeting predefined and agreed objectives.

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. Train B may be given priority on condition Train A will still meet its “On Time” objective, or as permitted by rules 5, 6, 7 and 8.
- Rule 2. Both trains must meet their “On Time” objective.
- Rule 3. Train A may be given priority on condition Train B will still meet its “On Time” objective, or as permitted by rules 5, 6, 7 and 8.
- Rule 4. Priority may be given to the Train where performance indicates it will lose least or no more time and even make up time and hold the gain, or as permitted by rules 5, 6, 7 and 8.
- 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.
- Rule 7. Where a Train Controller has to decide which of two Trains to give priority to, and both of those Trains are operated by the same Access Holder, the Train Controller may ask the Access Holder how it would prefer the Trains to be directed and, provided that taking the Access Holder’s preferred course of action does not adversely affect the Train Services of any other Access Holder, the Train Controller will follow the Access Holder’s request.
- Rule 8. For Trains operating in the Central Queensland Coal Region, where a Train Controller has to decide which of two Trains to give priority to, and those Trains are operated by different Access Holders, one may be given preference over the other if the Train Controller reasonably believes that this is consistent with meeting the coal supply objective(s) detailed in the System Rules.

SCHEDULE H

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

The 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.

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

5. Management of Hazardous Substances and Dangerous Goods

The Access Seeker must consider the environmental impacts associated with the management of hazardous substances and dangerous goods by the Access Seeker. In particular, the 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 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 Access Seeker must consider the impact of any noise produced by its proposed operations. In particular, the 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 Access Seeker must address the requirements of environmental monitoring to ensure that the environmental standards are met.

9. Education, Awareness and Training

The 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 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.