

**AURIZON NETWORK PTY LTD**  
**ACN 132 181 116**

**and**

**[\*\*\*]**

**ABN**

**TRAIN OPERATIONS AGREEMENT**  
**(COAL)**

**THIS AGREEMENT** is made on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**BETWEEN** **AURIZON NETWORK PTY LTD** ACN 132 181 116 of 305 Edward Street, Brisbane, Queensland (“**Aurizon Network**”)

**AND** The party specified in Item 1 of the Reference Schedule (“**Operator**”)

## **RECITALS**

- A** Aurizon Network is responsible for the provision of the Infrastructure and Train Control.
- B** Aurizon Network is a party to one or more Access Agreements under which Aurizon Network has granted Access Rights to end users for the operation of Train Services over the Nominated Network on the terms and conditions of the relevant Access Agreements.
- C** The End User has nominated the Operator in respect of all or part of the End User’s Access Rights as reflected in the Train Service Description.
- D** Aurizon Network has agreed that the Operator may operate Train Services over the Nominated Network and to provide Train Control for those Train Services on the terms and conditions of this Agreement.
- E** The Parties may enter into separate agreements for the provision of services by Aurizon Network to the Operator other than the Operational Rights.

## **OPERATIVE PROVISIONS**

1. In this Agreement words and expressions which are defined in the General Conditions of Contract shall have the same meanings as are respectively assigned to them in the General Conditions of Contract.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement:
  - (a) Reference Schedule attached to this Agreement as **Schedule A**;
  - (b) General Conditions of Contract attached to this Agreement as **Schedule B**; and
  - (c) all Schedules, exhibits and annexures to this Agreement,
 and Clause 1.2 of the General Conditions of Contract shall apply to the extent that there is any inconsistency between any of the above documents.

## **ACCESS RIGHTS**

*[Delete square bracketed text where End User is paying all Access Charges]*

### **1 Grant of Operational Rights**

In consideration of the Operator agreeing to pay the *[Access Charges and other]* payments to be made to Aurizon Network by the Operator, Aurizon Network grants to, and will provide, the Operator Operational Rights in accordance with the Train Service Description for the operation of Train Services on and from the Commitment Date on the terms in, and subject to the conditions of, this Agreement.

### **2 Nature and Scope of Operational Rights**

- (a) The Operational Rights granted under Clause 1 are non-exclusive contractual rights and do not give the Operator any right, title or interest of any proprietary nature in the Nominated Network.
- (b) The Operator must not:
  - (i) operate on or use any part of the Infrastructure that is not specifically included in the Nominated Network; or
  - (ii) use the Nominated Network for carrying out any provisioning, inspection, testing, maintenance of Rollingstock, any marshalling, shunting or other relocation of Rollingstock or storage of Rollingstock or for any other purpose other than the operation of Train Services,

unless specifically directed by Aurizon Network to do so in accordance with the provisions of this Agreement or as specified in this Agreement.

- (c) The Parties acknowledge and agree Aurizon Network is required to provide the Operator with certain benefits, rights and services in accordance with Clause 2.4(e) of, and the definition of "Access" in, Aurizon Network's Access Undertaking, and to the extent that these requirements are relevant to the Operator's Operational Rights it is intended the terms on which they are provided are detailed in this Agreement.

### **3 Ancillary Services**

In consideration of the Operator agreeing to pay the charges for Ancillary Services, Aurizon Network will provide the Ancillary Services (if any) set out in **Schedule 11**.

### **4 Renewal**

The Operator has no right under this Agreement or in accordance with Aurizon Network's Access Undertaking to seek a renewal of the Term.

### **5 Effect of the End User's variation of nomination of the Operator**

- (a) If at any time:
- (i) the End User notifies or is deemed to have notified Aurizon Network of a variation to the nomination of the Operator by the End User in accordance with an End User Access Agreement; or
  - (ii) the End User withdraws or is deemed to have withdrawn the End User's nomination of the Operator in accordance with the End User Access Agreement or this Agreement,
- then:
- (iii) Aurizon Network will provide to the Operator:
    - (A) a copy of the End User's notice or, if no such notice has been given, the circumstances supporting the deeming of the giving of such a notice or withdrawal;
    - (B) replacement Schedules amended consistent with the End User's notice or deemed notice; and
    - (C) the date on which those replacement Schedules take effect; and
  - (iv) this Agreement is varied in accordance with those replacement Schedules with effect on and from the date referred to under clause 5(a)(iii)(C).
- (b) The End User is deemed to have withdrawn the End User's nomination of the Operator if the End User Access Agreement is terminated or expires.

### **6 Further Nomination of Operator**

If at anytime after the Commencement Date the End User nominates the Operator in respect of all or part of the End User's Access Rights, in accordance with the End User Access Agreement, then Aurizon Network will provide to the Operator:

- (a) replacement Schedules amended consistent with that End User's nomination of the Operator; and
- (b) the date on which the Variations take effect,

and this Agreement is varied in accordance with those replacement Schedules with effect on and from the date referred to under clause 6(b).

### **7 Interaction of rights**

- (a) In respect of the Operational Rights relating to the End User:
- (i) the End User has contracted directly with Aurizon Network under the End User Access Agreement for the End User's Access Rights:
    - (A) on the basis that the End User's Access Rights will be used by one or more persons (such as the Operator) under agreements (such as this Agreement) for the benefit of the End User; and

- (B) as such, the End User has no direct above rail operational responsibilities in relation to Train Services for that End User (unless it is also the Operator); and
  - (ii) the Operator will have above rail operational obligations in respect of the Train Services that will be operated by that Operator for the End User [*including the payment of Access Charges (other than for take or pay charges – which shall be paid by the End User)*].
- (b) The Operator has no right to renew, transfer (subject to Clauses 22.2 and 22.3 of the General Conditions of Contract), vary or relinquish to Aurizon Network any part of the Operational Rights, whether under this Agreement or Aurizon Network's Access Undertaking. The right to seek a renewal, transfer, variation or relinquishment of Access Rights is only usable by the End User.

**SCHEDULE A**  
**REFERENCE SCHEDULE**

## REFERENCE SCHEDULE

This Reference Schedule forms part of the Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ made between Aurizon Network and the Operator listed in Item 1 below.

### Item

1. **Operator:**

Name
ACN
Address
  
2. **Commencement Date:**
  
3. **Security Amount:**  
(General Conditions of Contract Clause 2.4 (a))

Subject to Aurizon Network's reasonable assessment of the creditworthiness of the Operator, the Security Amount (if applicable) will be an amount equivalent to  <i>[where the End User Access Agreement involves the End User paying all Access Charges]</i> the lesser of twelve (12) weeks Access Charges determined as if the Operator made maximum use of the End User's Access Rights which the Operator is nominated to utilise or the deductible for any one loss as specified in <b>Schedule 7</b> .  <i>[where the End User Access Agreement involves the End User only paying TOP Charges]</i> the greater of twelve (12) weeks Access Charges determined as if the Operator made maximum use of the End User's Access Rights which the Operator is nominated to utilise or the deductible for any one loss as specified in <b>Schedule 7</b> .
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4. **Date for Completion of Matters prior to the Commencement of Train Services:**  
(General Conditions of Contract Clause 4.1(c))

**SCHEDULE B**  
**GENERAL CONDITIONS OF CONTRACT**

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## GENERAL CONDITIONS OF CONTRACT

These General Conditions of Contract form part of the Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_ made between Aurizon Network and the Operator.

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Agreement, unless inconsistent with the context, the following words and expressions shall have the respective following meanings:

“**Access Charges**” means the charges determined in accordance with

[*where End User is paying all Access Charges*] Schedule 3 of the End User Access Agreement payable to Aurizon Network for the Access Rights and any interest payable in relation to such charges pursuant to that agreement;

[*where End User is only paying TOP Charges*] **Schedule 3** payable to Aurizon Network by the Operator for the Operational Rights and any interest payable in relation to such charges pursuant to this Agreement;

“**Access Rights**”, in relation to the End User, has the meaning given to that term under the End User Access Agreement;

“**Accreditation**” means accreditation in accordance with Part 5 of the *Transport (Rail Safety) Act 2010* (Qld) and “**Accredited**” means to have Accreditation;

“**Agreement**” or “**this Agreement**” means the Agreement, Reference Schedule and General Conditions of Contract between Aurizon Network and the Operator and includes all annexures, Schedules and exhibits to this Agreement;

“**Allowable Threshold**” means [*a % agreed between the Parties*] of the total number of Train Services scheduled for a Billing Period;

“**Ancillary Services**” means those services (if any) in addition to Operational Rights which Aurizon Network has agreed to supply to the Operator and which are set out in **Schedule 11**;

“**Assign**” means to assign, novate, transfer, part possession with, license, charge, mortgage, become trustee of, grant an option or other right over or otherwise deal with or encumber, and “**Assignment**” and “**Assignee**” shall have comparable meanings;

“**Aurizon Network Cause**” means where Aurizon Network is unable to make Infrastructure available for the operation of Train services in accordance with a Railway Operator’s access rights under an access agreement for the operation of Train services on the Infrastructure, as a result of:

- (i) Planned Possessions, Emergency Possessions or Urgent Possessions;
- (ii) a Force Majeure Event; or
- (iii) any other action by Aurizon Network which directly resulted in the Infrastructure not being so available,

provided that the above reasons are not in any way attributable to a Railway Operator;

“**Aurizon Network Commander**” means a member of Aurizon Network’s Staff who has been delegated responsibility for the direction and coordination of Aurizon Network’s and the Operator’s resources in the performance of their respective roles and tasks at the site of an Incident, recording events during the course of an Incident and liaison with external agencies;

“**Aurizon Network Emergency Procedures**” means the procedures developed and advised by Aurizon Network from time to time (as varied by Aurizon Network in accordance with this Agreement) for dealing with a Network Incident including all actions to be taken to minimise or alleviate any threat or danger to any person or property;

“**Aurizon Network Performance Level**” means the Aurizon Network Performance Level specified in Part 1 of **Schedule 5**;

“**Aurizon Network Representative**” means the Aurizon Network officer specified in **Schedule 10**;

“**Aurizon Network Train Control Direction**” means any instruction or direction (whether given orally or in writing, by means of signal or other similar device) issued by Aurizon Network or on behalf of Aurizon Network relating to Train Movements;

“**Aurizon Network Train Controller**” means the person nominated by Aurizon Network as the supervisor of Train Movements on the relevant part of the Nominated Network and whose details are specified in **Schedule 10**;

“**Aurizon Network’s Access Undertaking**” means the access undertaking submitted by Aurizon Network to the Queensland Competition Authority and approved by the Queensland Competition Authority under the *Queensland Competition Authority Act 1997* (Qld) from time to time;

“**Aurizon Network’s Right of Way**” means the strip of property on which earthworks, traction wiring equipment, tunnels, bridges, fences and track are constructed for the operation of Rollingstock. Where the at grade boundaries for the Right of Way are not readily identifiable they will be regarded as being at least ten (10) metres from the centre line of the track;

“**Aurizon Network’s Staff**” means the employees, contractors and agents of Aurizon Network and any other person under the control or supervision of Aurizon Network involved in the provision of Operational Rights;

“**Authority**” means the Crown, a minister of the Crown, a federal, state or local government department, a corporation or authority constituted for a public purpose, a holder of an office for a public purpose, a local authority, a court, a tribunal and any officer or agent of the foregoing acting as such that lawfully exercise jurisdiction over Aurizon Network (but excluding any holding company of Aurizon Network);

“**Average Below Rail Transit Time Factor**” means for each group of Train Services referred to in Table 1.4 of **Schedule 1**, the sum of all actual Below Rail Transit Times for all Train Services operated divided by the sum of the Sectional Running Times for all of those relevant Train Services in the relevant year;

[*delete definition where End User is paying all Access Charges*] “**Base Access Charges**” means the Base Access Charges specified in **Schedule 3** and incorporates the elements thereof;

“**Below Rail Transit Time**” means, for the relevant Train Service travelling from Origin to Destination or from Destination to Origin, the sum of:

- (i) the relevant Sectional Running Times;
- (ii) delays to the Train Service from its scheduled Train path in the DTP, where that delay can be attributed directly to Aurizon Network but excluding:
  - (A) cancellations;
  - (B) delays resulting from compliance with a Passenger Priority Obligation; and
  - (C) delays resulting from a Force Majeure Event;
- (iii) the time taken in crossing other Trains (to the extent that such time is not contributed to by a Railway Operator or Force Majeure Events and is not otherwise included in paragraph (i) of this definition); and
- (iv) delays due to Operational Constraints directly caused by the activities of Aurizon Network in maintaining the Infrastructure or due to a fault or deficiency in the Infrastructure provided such delays are not contributed to by a Railway Operator or Force Majeure Events and are not otherwise included in paragraph (ii) or (iii) of this definition;

“**Billing Period**” means the period of a Month;

“**Board of Inquiry**” means a board of inquiry established under the *Transport (Rail Safety) Act 2010 Act* (Qld);

“**Business Day**” means a day which is not a Saturday, Sunday or bank, special or public holiday in Brisbane or, if and to the extent that this Agreement expressly refers to another place, in that other place;

“**Central Queensland Coal Region**” means the rail corridors:

- (a) from the ports at Hay Point and Dalrymple Bay to Blair Athol mine, North Goonyella mine, Hail Creek mine and the junction with the Gladstone to Gregory mine corridor;
- (b) from the port of Gladstone (including domestic coal terminals in the vicinity of Gladstone) to Gregory, Rolleston and Minerva mines;
- (c) from the port of Gladstone (including domestic coal terminals in the vicinity of Gladstone) to Moura mine and the loading facility for Baralaba mine in the vicinity of Moura mine;
- (d) from the port of Abbot Point to Newlands mine; and
- (e) all branch lines directly connecting coal mine loading facilities to the abovementioned corridors.

[*delete definition where End User is paying all Access Charges*] “**Change in Law**” means:

- (a) any amendment, repeal, modification or enactment of any Law;
- (b) any change in the interpretation or application, including by the exercise of delegated authority, of any Law resulting from a decision of a court or Authority;
- (c) the making of any new directive, or any change in an existing directive, of any Authority;
- (d) the imposition of a requirement for authorisations not required as at the date of this Agreement;
- (e) after the date of grant of any authorisation, a change in the terms and conditions attaching to that authorisation or the attachment of any new terms or conditions; or
- (f) any such authorisation as has been granted ceasing to remain in full force and effect or, if granted for a limited period, not being renewed on a timely basis on application being duly made, or being renewed on conditions which are materially less favourable than those attached to the original authorisation;

[delete definition where End User is paying all Access Charges] “**Change in Relevant Taxes**” means:

- (a) the imposition of a new Relevant Tax;
- (b) an increase in the rate of a Relevant Tax; or
- (c) a change in the basis of calculation of a Relevant Tax;

“**Claim**” means any action, proceeding, claim, demand, damage, loss, cost, liability or expense including the costs and expenses of defending or settling any action, proceeding, claim or demand;

“**Commencement Date**” means the date of execution of this Agreement as specified in Item 2 of the Reference Schedule;

“**Commitment Date**” means, in respect of any Operational Rights, the date on which those Operational Rights will be available to the Operator as specified in **Schedule 1**;

“**Consequential Loss**” means, subject to paragraph (v) and (vi) below:

- (i) any special, indirect or consequential loss;
- (ii) any economic loss in respect of any claim in tort;
- (iii) any loss of profits, production, revenue, use, contract, opportunity, reputation or goodwill, any wasted overheads or any damage to credit rating whatsoever; and
- (iv) any loss arising out of any Claim by a Third Party,

but **Consequential Loss** does not include:

- (v) a loss (including a loss arising out of a Claim by a Third Party) in respect of:
  - (A) the cost of repairing, replacing or reinstating any real or personal property of any person (including a Party) that has been lost, damaged or destroyed; or
  - (B) personal injury to or death of any person; or
- (vi) in respect of any personal injury claim, special loss or economic loss as those terms are used in the context of personal injury claims;

“**Contaminating Material**” means any material, substance, gas, liquid, chemical, biological substance, mineral or other physical matter which is toxic, flammable or inflammable, harmful to the environment (including any life form) or may cause pollution, contamination or otherwise cause damage;

“**Corporation**” has the meaning assigned to it by the Corporations Act;

“**Corporations Act**” means the *Corporations Act 2001* (Cwth);

“**Daily Train Plan**” or “**DTP**” means that document detailing the scheduled times for all Train services operating on the Infrastructure and any Planned Possessions, Urgent Possessions and Emergency Possessions on a particular day on a specified part of the Infrastructure;

“**Dangerous Goods**” means any substance or article prescribed as Dangerous Goods under the Dangerous Goods Code;

“**Dangerous Goods Code**” means the following codes prepared by the Federal Office of Road Safety of the Commonwealth Department of Transport and Communications as amended or varied from time to time or any other codes developed to replace or supplement them:

- (a) the Australian Code for the Transport of Dangerous Goods by Road and Rail;
- (b) the Australian Code for the Transport of Explosives by Road and Rail; and

(c) the Code of Practice for the Safe Transport of Radioactive Material;

“**Default Rate**” means the Commonwealth Bank of Australia’s reference rate being the “Reference Rate” quoted by the Commonwealth Bank of Australia (or any successor bank) for borrowers with overdrafts of \$100,000 or more on any relevant date as published in the Australian Financial Review (or in the event that such a rate is not so quoted or published at or in respect of any relevant date, such other similar rate to the “Reference Rate” specified by a major commercial bank agreed between the Parties) plus 2%;

“**Destination**” means the destination or destinations described in **Schedule 1**;

“**Discount Rate**” means the allowable rate of return utilised in the determination of Reference Tariffs from time to time;

“**Emergency Possession**” is similar to a Planned Possession except that this possession is required to rectify a serious fault with the Infrastructure that is considered dangerous to either a Railway Operator’s and/or Aurizon Network’s Staff, or where severe speed restrictions have been imposed affecting the scheduled Train services of Railway Operators. Such possession must be carried out less than seven (7) days from the detection of the problem;

“**End User**” means [insert], being a party to the End User Access Agreement which nominated the Operator in respect of the utilisation of all or part of that person’s Access Rights;

“**End User Access Agreement**” means the agreement between Aurizon Network and the End User, who is a party to a rail haulage agreement with the Operator, granting rights to that person for the non-exclusive utilisation of a specified section of the Nominated Network for the purposes of operating Train Services but where that person cannot directly use those rights and can only receive the benefit of the use of those rights indirectly by nominating an Accredited Railway Operator in respect of those rights (provided that agreement has scheduled or annexed to it a pro forma agreement for use with any Accredited Railway Operators who the End User may so nominate and which, in Aurizon Network’s opinion (acting reasonably), is on substantially the same terms as this Agreement);

“**Enhancement**” means the improvement, upgrading or other variation of the whole or any part of the Infrastructure which affects the capabilities of the Infrastructure and any major replacement programme for elements of the Infrastructure;

“**Environmental Authorities**” means:

- (a) a development approval or registration certificate for a chapter 4 activity or an environmental authority, as those terms are defined under the *Environmental Protection Act 1994* (Qld); or
- (b) any authority which has effect under section 619 of the *Environmental Protection Act 1994* (Qld);

“**Environmental Harm**” means serious or material environmental harm or environmental nuisance as defined in the *Environmental Protection Act 1994* (Qld);

“**Environmental Investigation and Risk Management Report**” means the environmental investigation and risk management report referred to in Clause 9.1(a) and included in Part 1 of **Schedule 9**;

“**Environmental Laws**” means all planning, environmental, health, toxic, contaminating materials and dangerous goods, waste disposal or pollution laws, environmental protection policies, guidelines, regulations and relevant approved codes of practice and the conditions of all licences, notices, directions, approvals, consents, permissions or permits issued thereunder or amended from time to time;

“**Environmental Management System**” means an environmental management system or plan of management to address all environmental risks and to ensure compliance with all Environmental Laws and licences;

“**Environmental Protection Agency**” means the State department administering the *Environmental Protection Act 1994* (Qld);

[delete definition where End User is paying all Access Charges] “**Escalation Date**” means the dates on which the Access Charges and other charges payable by the Operator to Aurizon Network under this Agreement are to be escalated in accordance with **Schedule 3**;

[delete definition where End User is paying all Access Charges] “**First Escalation Date**” means the Escalation Date (if any) identified as the First Escalation Date in Clause 1.2 of **Schedule 3** for each Train Service type;

“**Force Majeure Event**” means any cause, event or circumstance or combination of causes, events or circumstances which:



- (a) is beyond the reasonable control of the affected Party; and
- (b) by the exercise of due diligence the affected Party was not reasonably able to prevent or is not reasonably able to overcome,

and includes:

- (c) compliance with a lawful requirement, order, demand or direction of an Authority or an order of any court having jurisdiction other than where that requirement, order, demand or direction results from any act or omission of the affected Party;
- (d) a strike, lockout, stoppage, go slow, labour disturbance or other such industrial action, whether or not the Parties are a party to industrial action or would be able to influence or procure the settlement of such industrial action;
- (e) act of God;
- (f) war, invasion, terrorist act, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, blockade or civil commotion;
- (g) equipment failure or breakdown where such failure or breakdown could not have been prevented by Good Engineering Practices;
- (h) malicious damage or sabotage;
- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (j) failure of electricity supply from the electricity grid;
- (k) delay, restraint, restriction, embargo or other material adverse effect arising from any act or omission of any Authority;
- (l) fire, flood, earthquake, washaway, landslide, explosion or other catastrophe, epidemic and quarantine restriction; and
- (m) delay of a supplier due to any of the foregoing whether any such cause of delay exists before, at the time, or after the date of this Agreement;

“**Good Engineering Practices**” means, in respect of any undertaking in any circumstances, the exercise of that degree of care, foresight, prudence and skill that would reasonably and ordinarily be expected from a competent, skilled and experienced person in the same type of undertaking in the same or similar circumstances;

“**GST**” has the meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999* (Cwth);

“**GST Inclusive Reimbursement**” is the amount calculated by the formula:

$$(A - C) \times (1+B)$$

Where:

- A = the GST inclusive amount paid by a Party for a Reimbursable Item;
- B = the rate of GST (expressed as a decimal) applicable at the time the calculation is made; and
- C = any GST input tax credit that the Party can claim in respect of that Reimbursable Item;

“**Incident**” means any Network Incident involving the activities of the Operator;

“**Infrastructure**” means all rail transport infrastructure (as defined in the Transport Infrastructure Act) for which Aurizon Network is the owner, lessee, or operator, the use of which is declared, pursuant to section 250(1)(a) of the *Queensland Competition Authority Act 1997* (Qld) for the purposes of Part 5 of the *Queensland Competition Authority Act 1997* (Qld);

“**Infrastructure Service Providers**” means those parties who provide maintenance, construction and other related services in respect of the Infrastructure;

“**Insolvency Event**” means the happening of any of the following events in relation to a Party:

- (a) it is unable to pay all its debts as and when they become due and payable or it has failed to comply with a statutory demand as provided in section 459F(1) of the Corporations Act;
- (b) a meeting is convened to place it in voluntary liquidation or to appoint an administrator unless the resolution is withdrawn within fourteen (14) days or the resolution fails to pass;

- (c) an application is made to a court for it to be wound up and the application is not dismissed within one Month;
- (d) the appointment of a liquidator, provisional liquidator or controller (as defined in the Corporations Act) of any of its assets if that appointment is not revoked within fourteen (14) days after it is made; or
- (e) it resolves to enter into or enters into any form of arrangement (formal or informal) with its creditors or any of them, including a deed of company arrangement;

“**Interface Coordination Plan**” means the plan detailed in **Schedule 10** as updated from time to time which identifies the procedures to be followed and the responsible officers from each Party, in respect of all regular operational interfaces between the Parties that arise in the exercise by the Parties of their respective rights and the performance of their respective obligations under this Agreement other than those specified in the Network Management Principles;

“**Interface Risk Assessment**” means an assessment that identifies and evaluates the Interface Risks within a risk management framework and which will identify all reasonably foreseeable hazards related to the Interface Risks, assess the risks of such hazards occurring and the implications of such hazards occurring as well as nominating suitable control mechanisms to manage the Interface Risks;

“**Interface Risk Management Plan**” means an interface risk management plan identifying the Interface Risks associated with the Operator’s proposed operations and outlining both the control mechanisms agreed between Aurizon Network and an Operator to ensure those Interface Risks are managed to an acceptable level, and the parties responsible for implementing those controls and ensuring they remain effective and, once agreed or determined in accordance with Clause 12, that interface risk management plan is included in Part 2 of **Schedule 9**;

“**Interface Risks**” means all the risks associated with the hazards (excluding environmental hazards and risks) arising from the interaction between the Operator’s operations and:

- (i) the Infrastructure;
- (ii) existing operations on the Infrastructure (including other Train services); and
- (iii) Aurizon Network’s Staff, other Railway Operators’ staff (including employees, contractors, invitees and agents of another Railway Operator and any other person under the control or supervision of another Railway Operator) or Aurizon Network’s or other Railway Operators’ interfaces with members of the public;

“**Intermediate Train Plan**” or “**I TP**” means a plan that details the scheduled times for all Train services and Planned Possessions, Urgent Possessions and Emergency Possessions on a specified part of the Infrastructure on each day of the relevant period;

“**Investigation**” means an investigation conducted in accordance with **Schedule 8**;

“**Land**” means the land on which the Nominated Network is situated and which is:

- (a) land owned or controlled by Aurizon Network; or
- (b) land in respect of which entry is required to be given by Aurizon Network as part of the definition of “Access” in Aurizon Network’s Access Undertaking (as that provision is amended, varied or replaced from time to time);

“**Landowner**” has the meaning given to that term in Clause 24.18;

“**Law**” or “**Laws**” includes:

- (a) the provisions of any statute, rule, regulation, code, proclamation, ordinance or by-law, present or future, whether State, Commonwealth or otherwise; and
- (b) any requirement, condition, notice, consent, accreditation, order or direction or similar thing of any statutory, public or other competent authority (including the State in any of its regulatory capacities), present or future, given or imposed pursuant to anything specified in paragraph (a) of this definition;

[Delete definition where End User is paying all Access Charges] “**Like Train Service**” has the meaning given in clause 24.22(a)(i);

“**Load Variation Table**” means a table published by Aurizon Network in respect to the relevant Reference Train Service or Train Service type identifying allowable overloads for Wagons and bogies and specifying relevant Operational Constraints and additional charges, where applicable, for such overloads;

“**Major Periodic Maintenance**” means activities that renovate the Infrastructure to retain it in a functional condition. It is completed on Track sections at intervals of more than one year and

includes activities such as re-railing, rail grinding, resurfacing, re-signalling, communications upgrades, renovating structures, ballast cleaning and re-sleepering;

“**Maintenance Work**” means any work involving repairs to, renewal, replacement and associated alterations or removal of, the whole or any part of the Infrastructure (other than Enhancements) and includes any inspections or investigations of the Infrastructure;

“**Master Train Plan**” or “**MTP**” means that document detailing the scheduled times as advised by Aurizon Network from time to time for all Train services and any Planned Possessions on a specified part of the Infrastructure (where such scheduled times remain unchanged from week to week);

[delete definition where End User is paying all Access Charges] “**Material Change**” has the meaning given to that term in Clause 17.1(a);

“**Material Environmental Harm**” means material environmental harm as defined in the *Environmental Protection Act 1994* (Qld);

“**Maximum Allowable Gross Tonnage**” means the maximum allowable gross tonnage for a Wagon, Wagon bogie or Train as specified in **Schedule 4**;

“**Maximum Desirable Gross Tonnage**” means the maximum desirable gross tonnage for a Wagon as specified in **Schedule 4**;

“**Month**” means calendar month and “**Monthly**” has a corresponding meaning;

“**Network Incident**” means any Rollingstock derailment, Rollingstock disablement or breakdown, accident, collision or any other unplanned occurrence on the Infrastructure which causes or could cause injury to any person, damage to property or Environmental Harm or a disruption to or cancellation by Aurizon Network of any Train Movement;

“**Network Management Principles**” means the principles for the provision of Train Control and scheduling as specified in Part 1 of **Schedule 10**;

“**Noise Planning Levels**” means the planning levels for railways referred to in the Aurizon Network Code of Practice: Railway Noise Management;

“**Nominated Annual Train Services**” means the number of Train Services that the Operator is entitled to operate during any one (1) year for each Train Service type as specified in **Schedule 1** or as varied in accordance with this Agreement;

“**Nominated Monthly Train Services**” means the number of Train Services that the Operator is entitled to operate during any one (1) month period for each Train Service type as specified in **Schedule 1** or as varied in accordance with this Agreement;

“**Nominated Network**” means that part of the Infrastructure detailed in Part 1 of **Schedule 2**;

“**Nominated Weekly Train Services**” means the number of Train Services that the Operator is entitled to operate during any one (1) week period as specified in **Schedule 1** or as varied in accordance with this Agreement;

“**Obstruction**” means any circumstance relating to the whole or any part of the Infrastructure or private siding, including debris or other objects on the Infrastructure, which has the potential to cause a disruption to or cancellation by Aurizon Network of Train services or Train Movements and includes any Network Incident but does not include an Operational Constraint imposed by Aurizon Network;

“**One Way Train Service**” means a Train Service operating in one direction only on the Nominated Network either from Origin to Destination or from Destination to Origin as the case may be;

“**Operational Constraint**” means any restriction on the use of any part of the Infrastructure which impacts adversely on Train Services, including but not limited to speed restrictions, load restrictions, Planned Possessions, Emergency Possessions, Urgent Possessions or signalling or overhead restrictions;

“**Operational Rights**” means the rights of access to the Nominated Network granted pursuant to this Agreement;

“**Operator**” means the party specified in Item 1 of the Reference Schedule, its successors and permitted assigns;

“**Operator Performance Level**” means the Operator Performance Level specified in Part 1 of **Schedule 5**;

“**Operator’s Controller**” means the person for the time being nominated in that position pursuant to **Schedule 10**;

“**Operator’s Emergency Response Plan**” means the plan as defined in Clause 8.1(a);

“**Operator’s Incident Response Coordinator**” means the person appointed pursuant to paragraph 4.1 of Part 4 of **Schedule 10**;

“**Operator’s Proposal**” has the meaning given to that term in Clause 9.1;

“**Operator’s Recovery Team Leader**” means the person appointed pursuant to paragraph 4.2 of Part 4 of **Schedule 10**;

“**Operator’s Representative**” means the person for the time being appointed pursuant to paragraph 3.2 of Part 3 of **Schedule 10**;

“**Operator’s Safety Management System**” means the system referred to in Clause 12(a)(iii);

“**Operator's Staff**” means employees, contractors, volunteers and agents of the Operator and any other person under the control or supervision of the Operator who is involved in any activity associated with the Train Services;

“**Origin**” means the origin or origins described in **Schedule 1**;

“**Other Dwell Times**” means, for any other designated activity, the time period from when a Train Service arrives at a specified point until it has completed all relevant activities, is ready to depart from that point and has advised the relevant Aurizon Network Train Controller accordingly;

“**Overload Charge**” means the charge determined in accordance with Part 6 of **Schedule 3**;

“**Overload Detector**” means a weighing mechanism other than a Weighbridge agreed upon for use by the Parties and specified in Part 6B of **Schedule 2**;

“**Party**” means a party to this Agreement and “**Parties**” means the parties to this Agreement;

“**Passenger Priority Obligations**” means the obligations of a Rail Transport Operator pursuant to sections 265 and 266 of the Transport Infrastructure Act;

“**Performance Levels**” means the Aurizon Network Performance Level and the Operator Performance Level;

“**Planned Dwell Times**” means any of Time at Mine, Time at Unloading Facility, Time at Depot and Other Dwell Times specified in the Train Schedule;

“**Planned Possession**” means the temporary closure and/or occupation by Aurizon Network of a part of the Infrastructure including, but not limited to, closure of Track or isolation of any electrical overhead traction system for the purpose of carrying out Maintenance Work, Enhancement or other work on or in the proximity of the Infrastructure which may affect the safety of any person or property where such closure, occupation or isolation is entered into the MTP and adversely impacts upon the operation of Train services;

“**Possession Protocols**” means the protocols developed and advised by Aurizon Network from time to time (as varied in accordance with this Agreement) for managing and scheduling track possessions of the Infrastructure;

“**Private Facilities**” means sidings, loading and unloading facilities and any other facilities of any kind which are required by the Operator to operate the Train Services and which do not form part of the Nominated Network;

“**Private Facilities Agreement**” has the meaning given to that term in Clause 6.11;

“**Quarter**” means each period of three (3) consecutive Months commencing 1 January, 1 April, 1 July or 1 October in each year, and “**Quarterly**” has a corresponding meaning;

“**Queensland Competition Authority**” or “**QCA**” means the authority established under the *Queensland Competition Authority Act 1997* (Qld);

“**Rail Safety Accreditation Unit**” or “**RSAU**” means the Rail Safety Accreditation Unit of the Department of Transport and Main Roads for the State;

“**Rail Transport Operator**” has the meaning given to that term in the *Transport (Rail Safety) Act 2010* (Qld);

“**Railway Operator**” means, as the context allows:

- (a) any party that holds rights of access to all or any part of the Infrastructure, whether or not that party is an Accredited railway operator; and
- (b) any Accredited rail transport operator;

and including, but not limited to, the Operator;

“**Recovery**” means action to be taken in respect of any derailed, malfunctioning or immobilised Rollingstock for which the Operator is responsible to enable prompt recommencement of Train Movements, including the subsequent retrieval of any such Rollingstock;

“**Reference Tariff**” means an access charge (including any system premium) applicable to a specified Reference Train Service over a specified part of the Infrastructure as specified in Aurizon Network’s Access Undertaking;

“**Reference Tariff Schedule**” means the schedule attached to Aurizon Network’s Access Undertaking which includes the Reference Tariffs and the details of the application of the Reference Tariffs for a particular Reference Train Service;

“**Reference Train Service**” means a notional Train service identified in respect of a Reference Tariff and conforming to certain criteria, including carrying a specified commodity type, operating between specified geographical areas and conforming to specified technical characteristics, operational characteristics and contract terms and conditions;

“**Reimbursable Item**” means an item of expense incurred by either Party in respect of which that Party is entitled under this Agreement to be reimbursed by the other Party;

“**Related Body Corporate**” has the meaning given to that term in the Corporations Act;

[delete definition where End User is paying all Access Charges] “**Relevant Escalation Date**” means the Escalation Date occurring immediately prior to the last day of the Billing Period for which the invoice for the Access Charges payable in respect of that Billing Period is being prepared;

“**Relevant Rollingstock**” means any Rollingstock of the Operator with a minimum value of ONE MILLION DOLLARS (\$1,000,000) and which has been nominated as Relevant Rollingstock in Part 3 of **Schedule 4**;

[delete definition where End User is paying all Access Charges] “**Relevant Tax**” means any tax, charge, levy, duty, impost, rate, royalty, or imposition which is imposed on Aurizon Network by, or payable by Aurizon Network to, any Authority but does not include any income tax, fringe benefits tax, capital gains tax or any tax that replaces any of those taxes;

“**Removal Expert**” means the person for the time being holding the position of Safety Regulator or such other person as agreed between the Parties;

“**Restoration**” means the removal of any Obstruction, the rectification of any Incident and the prompt recommencement of Train Movements including all requisite repairs to the Infrastructure but does not include Recovery;

[delete definition where End User is paying all Access Charges] “**Review Date**” means the date determined as the Review Date pursuant to Clause 3.1.2 of **Schedule 3**;

“**Rollingstock**” means locomotives, carriages, Wagons, rail cars, rail motors, light rail vehicles, light inspection vehicles, rail/road vehicles, trolleys and any other vehicles which operate on or use a Track and where used in respect of the Operator’s Rollingstock includes Rollingstock which is owned, hired or leased by the Operator, supplied by a contractor of the Operator or is otherwise in the possession or control of the Operator;

“**Rollingstock Configuration**” means the description of the combinations of Rollingstock comprising a Train including identification number and gross mass of individual items of Rollingstock and the order in which those Rollingstock items are placed in the Train;

“**Rollingstock Interface Standards**” means the minimum standards relating to the interface between Rollingstock and the Infrastructure with which the Rollingstock and Rollingstock Configurations must comply in order for them to be able to be operated on the relevant parts of the Infrastructure agreed as part of the Interface Risk Assessment and included in the Interface Risk Management Plan;

“**Safety Regulator**” means the Chief Executive of the Department of Transport and Main Roads (or his or her delegate) operating in accordance with the *Transport (Rail Safety) Act 2010* (Qld);

“**Safety Related Work**” means safety activity in one or more of the following:

- (a) driving and operation of Trains;
- (b) control of the movement of Trains;
- (c) the design, construction, repair, maintenance, upgrading, inspection and/or testing of Track, Rollingstock, civil and electric traction infrastructure, Signalling and/or Telecommunications Equipment; and
- (d) any other duties prescribed by Aurizon Network as safety related work;

“**Safety Standards**” means all standards relating to safety, including occupational health and safety, established in published guidelines, industry practice or Aurizon Network policies as specified in **Schedule 6** or varied in accordance with Clause 6.10 of this Agreement and all standards relating to safety, including occupational health and safety, prescribed by any Laws;

“**Safeworking Procedures**” means the procedures and systems, including supporting communications systems, for the safe operation of Trains and protection of worksites on the Infrastructure as specified in Part 1 of **Schedule 6** or varied in accordance with Clause 6.10 of this Agreement;

“**Schedule**” means a schedule to this Agreement and any other schedule which amends, replaces or substitutes a schedule to this Agreement issued from time to time by Aurizon Network pursuant to Clause 24.20;

“**Scheduled Time**” means the time of arrival or departure for a Train Movement at specified locations on the Nominated Network as detailed in the Train Schedule or as amended or altered by Aurizon Network from time to time on the day of operation pursuant to the Network Management Principles provided that such amendments or alterations do not result in a notice for cancellation by the Operator pursuant to Clause 6.3(d);

“**Sectional Running Times**” means the time period measured from the time a Train Service passes the signal controlling entry into a track section between two relevant specified locations on the Nominated Network to the time the Train Service arrives at the signal controlling entry into the next track section between two relevant specified locations on the Nominated Network, and does not include an allowance for Planned Dwell Times;

“**Security Amount**” means an amount equal to:

- (a) initially, the amount specified in Item 5 of the Reference Schedule; and
- (b) thereafter, as increased or decreased in accordance with Clause 2.4;

“**Security**” has the meaning given to that term in Clause 2.4(a);

“**Security Interest Rate**” means the “Cash Rate: average 11am rate” as published in the Australian Financial Review (or in the event that such a rate is not so quoted or published at or in respect of any relevant date, such other similar rate included in another publication agreed between the Parties) less 0.5%;

“**Serious Environmental Harm**” means serious environmental harm as defined in the *Environmental Protection Act 1994* (Qld);

“**Signalling and Telecommunications Equipment**” means all electronic, electrical and other equipment, including signalling systems, safety devices and communications facilities installed on or as part of the Infrastructure or on Rollingstock, for the purpose of compliance with Safeworking Procedures and to facilitate Train Control;

“**State**” means the State of Queensland;

“**Stowage**” means the short-term storage of Trains on the Nominated Network at locations specified by Aurizon Network but does not include storage of individual items of Rollingstock or the long-term storage of Trains;

“**System Wide Requirements**” means the Network Management Principles, the Possession Protocols, the Interface Coordination Plan, the Rollingstock Interface Standards, the Safeworking Procedures and Safety Standards, the Aurizon Network Emergency Procedures and Aurizon Network’s Investigation Procedures;

“**Tax Invoice**” has the meaning given to that term in *A New Tax System (Goods and Services Tax) Act 1999* (Cwth);

“**Term**” means the term of this Agreement, commencing on the Commencement Date and ending on the Termination Date;

“**Termination Date**” means the date upon which this Agreement is terminated pursuant to the provisions of this Agreement;

“**Third Party**” means a person other than the Operator or Aurizon Network;

“**Time at Depot**” means the period from when a Train Service arrives at the entry signal to the depot until it has completed all activities at the depot, is ready to depart the depot and has advised the relevant Aurizon Network Train Controller accordingly;

“**Time at Mine**” means the time period from when a Train Service arrives at the entry signal to the specified mine loading facility until it has completed loading, has presented at the exit signal, is ready to depart the facility and has advised the relevant Aurizon Network Train Controller accordingly;

“**Time at Unloading Facility**” means the time period from when a Train Service arrives at the entry signal to the specified unloading facility until it has completed unloading, presented at the exit signal, is ready to depart the facility and has advised the relevant Aurizon Network Train Controller accordingly;

“**Track**” means the part of the Infrastructure comprising the rail, ballast, sleepers and associated fittings;

“**Train**” means any configuration of Rollingstock operating as a unit on Track;

“**Train Control**” means the management and monitoring of all Train Movements and of all other operation of Rollingstock on the Infrastructure and of any activities affecting or potentially affecting such Train Movements or Rollingstock operation including:

- (a) recording Train running times on Train diagrams and in Aurizon Network’s information systems;
- (b) reporting of Incidents occurring on the Infrastructure;
- (c) managing Incidents occurring on the Infrastructure from within a Train Control centre;
- (d) field Incident management;
- (e) yard control services; and
- (f) exchanging information with Railway Operators;

“**Train List**” means the information required to be supplied by the Operator in accordance with Part 2 of **Schedule 10** in respect of each individual Train Service to be operated on the Nominated Network;

“**Train Movement**” means the operation of a Train on the Infrastructure by the Operator, Aurizon Network or any Railway Operator;

“**Train Schedule**” means the train diagrams, yard schedules, terminal schedules and any other form of train timetable prepared by Aurizon Network prior to the day of operation in accordance with the Interface Coordination Plan showing the programmed times of arrival or departure for Train Movements at specified locations on the Infrastructure;

“**Train Service**” means the running of a Train between specified origins and destinations by the Operator (including any Stowage) in accordance with a Train Service Description;

“**Train Service Description**” means the description of a Train Service detailed in Part 1 of **Schedule 1**;

“**Train Service Levels**” means collectively the Nominated Weekly Train Services, the Nominated Monthly Train Services and the Nominated Annual Train Services specified in **Schedule 1**;

“**Transport Infrastructure Act**” means the *Transport Infrastructure Act 1994* (Qld);

“**Unloading Facilities**” means the unloading facility identified in Part 1 of **Schedule 1**;

“**Urgent Possession**” is similar to a Planned Possession, except that such a possession is required to correct problems that are considered potentially dangerous and as a result, the possession must be carried out between seven (7) days and three (3) Months from the detection of the problem;

“**Wagon**” means any Rollingstock designed to carry any load other than passengers;

“**Weekly Train Plan**” or “**WTP**” means a seven (7) day plan that details the scheduled times for all Train services and Planned Possessions, Urgent Possessions and Emergency Possessions on a specified part of the Infrastructure on each day of the relevant week; and

“**Weighbridge**” means a weighbridge or weightometer verified under the *National Measurement Act 1960* (Cth), as specified in Part 6A of **Schedule 2**.

## 1.2 Interpretation

In this Agreement, unless expressed to the contrary:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all other genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to:
  - (i) a person includes a firm, unincorporated association, corporation or other entity, government or statutory body and conversely;
  - (ii) a person includes its legal personal representative, successors and assigns;
  - (iii) conduct includes any omission and any representation, statement or undertaking, whether or not in writing;

- (iv) conduct includes a benefit, remedy, discretion, authority or power;
  - (v) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
  - (vi) the words “include”, “includes” or “including” must be read as if they are followed by the words “without limitation”;
  - (vii) time is to local time in Queensland;
  - (viii) “A\$”, “\$” or “dollars” is a reference to the lawful currency of Australia;
  - (ix) this or any other document or agreement includes the document or agreement as varied, amended or replaced from time to time and notwithstanding any changes in the identity of the Parties;
  - (x) any thing (including any amount) is a reference to the whole or part or any part of it and a reference to a group of things or persons is a reference to any one or more of them;
  - (xi) a Clause is to a clause of the General Conditions of Contract to this Agreement;
  - (xii) a Schedule is to a schedule to this Agreement (as amended from time to time in accordance with this Agreement);
  - (xiii) any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it; and
  - (xiv) any Authority, association or body whether statutory or otherwise shall, in the event of any such Authority, association or body ceasing to exist or being re-constituted, re-named or replaced or the powers or functions thereof being transferred to any other Authority, association or body, be deemed to refer respectively to the Authority, association or body established or constituted in lieu thereof or as nearly as may be succeeding to the powers or functions thereof; and
- (e) if there is any inconsistency between matters contained in a Schedule and any other provisions of the Agreement, the other provisions of the Agreement prevail. If there is any inconsistency between matters contained in Aurizon Network’s Access Undertaking and this Agreement, the provisions of this Agreement prevail.

## 2 CHARGES

*[If the End User Access Agreement provides for the End User to pay all Access Charges, square bracketed text should be deleted from this clause, except where noted below]*

### 2.1 [Access]Charges

The Operator must pay to Aurizon Network:

- (a) *[the Access Charges at the times and in the manner set out in this Agreement;]*
- (b) the charges for Ancillary Services (if any) calculated and payable in the manner set out in this Agreement;
- (c) any other charges or amounts payable in accordance with this Agreement; and
- (d) on demand and without prejudice to the rights, powers and remedies of Aurizon Network under this Agreement or otherwise at Law, interest at the Default Rate calculated on daily balances and payable daily on any amount outstanding in respect of an invoice, including any disputed amount which is subsequently determined to be payable to Aurizon Network, from the day after the invoice is due to be paid until the date that the amount outstanding is paid in full, and all interest payable but unpaid at the end of each Month shall be capitalised by Aurizon Network and such capitalised amount shall itself bear interest at the Default Rate.

### 2.2 Invoicing

Unless agreed otherwise between the Parties:

- (a) Aurizon Network will provide to the Operator an invoice for *[the Access Charges,]* charges for Ancillary Services (if any) and any other charges or amounts payable by the Operator under this Agreement as soon as practicable after the end of each Billing Period *[in which any such amount is payable]. [1<sup>st</sup> square bracketed text should be deleted*



where End User will pay Access Charges. 2<sup>nd</sup> square bracketed text should be deleted where Operator will pay Access Charges]

- (b) The first Billing Period will commence on the Commitment Date and end on the last day of the Month in which the Commitment Date falls, and each subsequent Billing Period during the Term will commence on the day following the last day of the immediately preceding Billing Period.
- (c) Subject to Clause 2.2(d), the Operator must pay to Aurizon Network the amount of the invoice referred to in Clause 2.2(a) within fourteen (14) days after receipt of the invoice.
- (d) Where the Operator bona fide disputes an amount or amounts claimed in an invoice it shall give notice of that dispute (setting out in detail the grounds for its objection) to Aurizon Network within fourteen (14) days after receipt of the invoice. Notwithstanding the Operator's objection to any amounts claimed in an invoice, the Operator must pay to Aurizon Network the undisputed portion of the amount or amounts claimed in the relevant invoice together with 50% of the disputed portion within fourteen (14) days after receipt of the invoice.
- (e) Any dispute as to the amount claimed in an invoice shall be resolved by an expert in accordance with Clause 18.3. Upon resolution of such dispute in accordance with Clause 18.3:
  - (i) the Operator must pay to Aurizon Network the amount (if any) determined to be payable by the Operator to Aurizon Network together with the interest on that amount calculated in accordance with Clause 2.1(d) within fourteen (14) days after being notified of the expert's determination; or
  - (ii) Aurizon Network must credit to the Operator in the form of a deduction from the invoice for *[Access Charges and other]* charges for the Billing Period immediately following a resolution in accordance with Clause 18.3 any amount found to have been overpaid by the Operator together with interest on that amount at the Default Rate calculated on daily balances from the date of payment of the amount overpaid to the date of such credit. Such interest payable but unpaid at the end of each Month shall be capitalised and such capitalised amount shall itself bear interest at the Default Rate.

### 2.3 GST

- (a) Unless otherwise stated, all amounts payable or other consideration to be provided under this Agreement are exclusive of GST.
- (b) If a Party is required to pay GST on any amount payable or other consideration to be provided under this Agreement, then the other Party must pay to that Party an amount equal to the GST payable on the same date as the payment giving rise to the GST.
- (c) If the supply of a Reimbursable Item under this Agreement is subject to GST, then a Party must pay the other Party in respect of that Reimbursable Item the GST Inclusive Reimbursement.
- (d) Each invoice prepared pursuant to Clause 2.2(a) shall take the form of a Tax Invoice.
- (e) If the amount of GST paid or payable by a Party ('the supplier') on any supply under this Agreement differs from the amount on account of GST paid by the other Party ('recipient'), because the Commissioner of Taxation lawfully adjusts the value of taxable supply for the purpose of calculating GST, then the amount paid by the recipient will be adjusted accordingly by a further payment by the recipient to the supplier or the supplier to the recipient, as the case requires.

### 2.4 Obligation to Provide Security

- (a) The Operator must deliver to Aurizon Network, prior to the operation of Train Services, and maintain during the Term security for the performance of the Operator's obligations under this Agreement in the form of:
  - (i) an unconditional and irrevocable bank guarantee (or equivalent), for the Security Amount, in favour of Aurizon Network issued by a bank holding a current Australian banking licence and with a credit rating acceptable to Aurizon Network and in the form set out in Schedule 13 or such other form as is reasonably acceptable to Aurizon Network; or
  - (ii) any other security reasonably acceptable to Aurizon Network,
 (the "**Security**"). Aurizon Network shall not unreasonably withhold or delay its acceptance of any security delivered by the Operator for the purposes of this Clause 2.4(a).

- (b) Where the Operator has delivered a Security to Aurizon Network in the form of cash, Aurizon Network will pay interest to the Operator annually at the Security Interest Rate published on the day the Security is provided. The Security Interest Rate shall be reset on the first Business Day of each Month (“**Reset Date**”) for that Month. Such interest shall be capitalised at each Reset Date and such capitalised interest shall itself bear interest at the Security Interest Rate.
- (c) The Operator may, with Aurizon Network’s consent, replace any Security provided by the Operator in accordance with this Clause 2.4 with replacement Security. If the Operator replaces any existing Security with a replacement Security then Aurizon Network will release the existing Security in accordance with Clause 2.6(b).
- (d) The provision and continuance of the Security (or of any additional or replacement Security provided by the Operator in accordance with Clause 2.4(c) or Clause 2.4(f)) is a condition of the performance by Aurizon Network of its obligations under this Agreement.
- (e) If at any time during the Term the Operator is not required to give Aurizon Network a Security in accordance with this Agreement and Aurizon Network does not hold a Security from the Operator, the Operator must provide a Security within fourteen (14) days after receipt of a notice from Aurizon Network where:
  - (i) an event of default by the Operator in regard to payment of any amount due under this Agreement has occurred, that event of default is not the subject of a bona fide dispute between the Parties and such default continues for seven (7) days after notice of such default from Aurizon Network; or
  - (ii) in the event of an Assignment or at any time during the Term, if Aurizon Network is reasonably of the opinion that the Operator is:
    - (A) no longer financially sound;
    - (B) no longer able to meet its debts as and when they fall due; or
    - (C) not otherwise capable of performing its obligations under this Agreement.
- (f) If at any time during the Term the Security held by Aurizon Network is less than the Security Amount (including for reasons that Aurizon Network has drawn on or applied the Security in accordance with Clause 2.5), the Operator must increase the Security by the amount determined by Aurizon Network as required to ensure that the Security is for the Security Amount, and deliver to Aurizon Network an additional or replacement Security to reflect the change within fourteen (14) days after receipt of notice from Aurizon Network.
- (g) If the Operator considers its financial circumstances have changed such that a Security would no longer be required, the Operator may request Aurizon Network in writing (but not more than once in any twelve (12) Month Period) to review the creditworthiness of the Operator and Aurizon Network will undertake such a review.
- (h) To the extent that the End User has exercised its right to provide Security on behalf of the Operator in accordance with clause 3.7 of the End User Access Agreement and the Security provided by the End User meets the requirements of this Clause 2.4, Aurizon Network agrees that provision of such Security will be treated as satisfying the Operator’s obligation to provide Security pursuant to this Clause 2.4.

## **2.5 Exercise of Security**

A Security may be called upon by Aurizon Network in any circumstances where Aurizon Network suffers direct loss or damage as a result of default by the Operator under this Agreement and is entitled to be compensated for such loss or damage under this Agreement.

## **2.6 Return of Security**

Subject to Clause 3.7(c) of the End User Access Agreement, Aurizon Network must repay or return to the Operator (and where appropriate provide to the Operator any necessary releases in relation to) any Security provided by the Operator under Clause 2.4:

- (a) subject to Aurizon Network’s rights of recourse to the Security in Clause 2.5, promptly after the Termination Date;
- (b) on receipt of an additional or replacement Security provided by the Operator in accordance with Clause 2.4(c) or 2.4(f); or
- (c) following a review pursuant to Clause 2.4(g), Aurizon Network, acting reasonably, finds that it is not necessary for the Operator to provide Aurizon Network with a Security.

### 3 WEIGHBRIDGES AND OVERLOAD DETECTORS

- (a) Where an operational Weighbridge or Overload Detector is located en route between Origin and Destination the Operator must use reasonable endeavours to operate its Trains over such Weighbridge or Overload Detector in a manner to facilitate weighing.
- (b) Where a Weighbridge or Overload Detector is located en route between Origin and Destination, the Party responsible for that Weighbridge or Overload Detector (as specified in Part 6 of **Schedule 2**) must use reasonable endeavours to ensure that:
  - (i) such Weighbridge or Overload Detector is available; and
  - (ii) Trains are operated in a manner that the Weighbridge or Overload Detector weighs the Operator's Trains.
- (c) Aurizon Network may vary at any time the numbers and locations of Weighbridges and Overload Detectors, subject to providing reasonable notice to the Operator.
- (d) The Operator must use reasonable endeavours to ensure that the mass of any Wagon or Train operated by it under this Agreement does not exceed the relevant Maximum Allowable Gross Tonnage.
- (e) In the event that any Wagon or Train operated by the Operator is determined by a Weighbridge or Overload Detector to be in excess of the relevant Maximum Allowable Gross Tonnage, the Operator must reduce the gross mass to a level below the relevant Maximum Allowable Gross Tonnage. Aurizon Network may direct a Train to a specific siding or location to allow such reduction and the Operator shall comply with such direction.

*[Bracketed text in (f) and (g) to be deleted where the End User is paying all Access Charges]*

- (f) In the event that any Wagon operated by the Operator is determined to be in excess of the relevant Maximum Desirable Gross Tonnage, Aurizon Network may:
  - (i) *[charge the Operator (and the Operator must pay) an Overload Charge (in accordance with Part 6 of **Schedule 3**) in respect of that Wagon; and]*
  - (ii) impose any Operational Constraints which Aurizon Network considers to be reasonable in the circumstances.

*[Aurizon Network will include the Overload Charge in the invoice for Access Charges for the Billing Period immediately following such determination for payment by the Operator.]*

- (g) *[The Weighbridges to be used by Aurizon Network in the calculation of Access Charges are those specified in Part 6A of **Schedule 2**.]*
- (h) Where the Operator's Trains are weighed by an operational Weighbridge or Overload Detector, the Party responsible for the Weighbridge or Overload Detector as specified in Part 6B of **Schedule 2** must use reasonable endeavours to:
  - (i) keep a record of the gross mass of each loaded Wagon and Train (and the Operator must use reasonable endeavours to ensure such information is obtained from the operator of the Weighbridge or Overload Detector where the Weighbridge or Overload Detector is not owned or controlled by Aurizon Network);
  - (ii) provide such record to the party loading the Trains; and
  - (iii) provide such record to the other Party within fourteen (14) days of the end of each Month.
- (i) If either Party reasonably believes that any Weighbridge or Overload Detector may be inaccurate, that Party may by notice to the other Party require the accuracy of such Weighbridge or Overload Detector to be tested, and the Weighbridge or Overload Detector shall be deemed to have malfunctioned from the date of such notice until such testing has been carried out and/or the Weighbridge or Overload Detector has been recalibrated and the mass will be determined in accordance with *[Part 2 of **Schedule 3** of the End User Access Agreement/Part 2 of **Schedule 3**]*. Testing will be carried out in accordance with the following procedure:
  - (i) As soon as reasonably practicable the Party responsible for the Weighbridge or Overload Detector as specified in Part 6 of **Schedule 2** must ensure that a suitably qualified person conducts a test of the calibration of the Weighbridge

or Overload Detector and makes any adjustments required to correct the calibration.

- (ii) Except in the case of manifest error or fraud, the determination of the person conducting the test will be final and binding on the Parties.
- (iii) Where the person conducting the test determines that the Weighbridge or Overload Detector is measuring within the tolerances specified in Part 6 of **Schedule 2**, the Weighbridge or Overload Detector will be treated as having been measuring accurately from the date on which the relevant notice was given pursuant to this Clause 3(i) and the Access Charges (including any Overload Charge) will be determined from that date according to [*Part 5 of Schedule 3 of the End User Access Agreement/Part 5 of Schedule 3*]. The invoice for Access Charges [*issued under the End User Access Agreement*] in respect of the Billing Period following such determination will be adjusted to appropriately account for the difference in payment of Access Charges arising from having treated the Weighbridge or Overload Detector as malfunctioning pursuant to this Clause 3(i).
- (iv) The cost of conducting such test shall be met by:
  - (A) the Party responsible for the Weighbridge or Overload Detector as specified in Part 6 of **Schedule 2** in the event that the Weighbridge or Overload Detector is determined to be not measuring within the tolerances specified in Part 6 of **Schedule 2**; or
  - (B) the Party giving notice under this Clause 3(i) in the event that the Weighbridge or Overload Detector is determined to be measuring within the tolerances specified in Part 6 of **Schedule 2**.
- (j) Notwithstanding any other provision in this Agreement, neither Party will be liable to the other for any damage, loss, cost or expense that the other may suffer or incur as a result of that Party, in good faith, acting on the basis of any mass determined in accordance with this Agreement or the End User Access Agreement.
- (k) Notwithstanding any other provision in this Agreement, neither Party shall have any Claim against the other Party as a result of or arising from any delay to or cancellation of Train Services as a result of the operation of Clause 3(i) or Clause 3.8(c) of the End User Access Agreement.

## 4 TRAIN SERVICE ENTITLEMENTS

### 4.1 Train Services

- (a) Without limiting any other provision of this Agreement, the Operator must not commence any Train Services (including any new or varied Train Services) unless and until the Operator has done each of the following in respect to those Train Services(or, as applicable, those new or varied Train Services):
  - (i) provided to Aurizon Network a certificate of compliance for all of the Operator's Rollingstock and Rollingstock Configurations in accordance with Clause 6.9 and Aurizon Network has authorised such Rollingstock and Rollingstock Configurations;
  - (ii) demonstrated to Aurizon Network that the Operator has entered into agreements in respect of the Private Facilities as required by Clause 6.11 (if applicable);
  - (iii) provided to Aurizon Network a copy of the Operator's Emergency Response Plan which must be compatible with the Aurizon Network Emergency Procedures;
  - (iv) provided to Aurizon Network an acceptable Environmental Investigation and Risk Management Report in accordance with Clause 9.1;
  - (v) implemented those elements of the Environmental Investigation and Risk Management Report, if applicable, which are to be implemented prior to the commencement of Train Services;
  - (vi) complied with the community liaison requirements referred to in Clause 9.6(a);
  - (vii) provided to Aurizon Network evidence of its Accreditation as required by Clause 10(a);
  - (viii) conducted an Interface Risk Assessment in accordance with Clause 12(a);

- (ix) devised in collaboration with Aurizon Network an Interface Risk Management Plan and implemented the elements of such plan required to be implemented prior to the commencement of Train Services;
- (x) developed the Operator's Safety Management System and incorporated into that system the elements and process referred to in Clause 12(a)(iii); and
- (xi) taken out the insurances required under Clause 14 and provided to Aurizon Network evidence of that insurance as required by Clause 14.3,

provided that, in addition to the above matters, the conditions in Clauses 6.9(d)(viii), 9.1(k), 9.7(g), 12(a)(ii) and 12(h) have been satisfied, to the extent those provisions apply in relation to or in connection with the relevant Train Service.

- (b) Aurizon Network will use all reasonable endeavours to cooperate with the Operator to facilitate the Operator's completion or compliance with Clause 4.1(a).
- (c) If the Operator has not done each of the acts, matters or things specified in Clause 4.1(a) for its initial Train Services by:
  - (i) the date specified in Item 3 of the Reference Schedule and Aurizon Network has no reasonable expectation that the Operator can commence the operation of Train Services by the Commitment Date; or
  - (ii) the Commitment Date,

then Aurizon Network may, provided that Aurizon Network has complied with Clause 4.1(b), notify the Operator and End User in writing of its intention to terminate this Agreement and if the Operator has not complied with all the requirements of Clause 4.1(a) by a date which is thirty (30) days after the date of the notice, Aurizon Network may terminate this Agreement by further written notice to the Operator and the End User.

- (d) The Operator must operate Train Services only in accordance with the Train Service Description and this Agreement. Unless acting under a Aurizon Network Train Control Direction, the Operator must not operate Train Services which do not comply with the Train Service Description without the prior written approval of Aurizon Network, which approval may specify terms in addition to or varying the terms of this Agreement in respect of those Train Services, including the Access Charges applicable [*under the End User Access Agreement*]. The Operator [*or Access Holder (as applicable)*] must comply with such terms in operating the Train Services.
- (e) Prior to operating a Train Service, the Operator must notify Aurizon Network of the End User for whom the Operator will operate that Train Service.

## **5 DAY TO DAY TRAIN MOVEMENTS**

### **5.1 Train Control**

Aurizon Network will provide and will have exclusive responsibility for Train Control in respect of the Nominated Network.

### **5.2 Train Control Rights and Obligations**

- (a) Aurizon Network must exercise Train Control by the issue of Aurizon Network Train Control Directions to the Operator and the Operator's Staff consistent with the Network Management Principles.
- (b) In exercising Train Control Aurizon Network shall have regard to the safe conduct of rail operations on the Infrastructure and:
  - (i) may delay, alter or add a Train Service;
  - (ii) may cancel, re-route or re-schedule a Train Service;
  - (iii) may alter the Scheduled Times for Train Services in the Train Schedule; and
  - (iv) may impose any Operational Constraint on the Nominated Network consistent with Clause 7.2.
- (c) The Operator must:
  - (i) comply with Aurizon Network Train Control Directions;
  - (ii) ensure the Operator's Staff comply with Aurizon Network Train Control Directions;
  - (iii) ensure that Train drivers are contactable by the Aurizon Network Train Controller to receive Aurizon Network Train Control Directions;

- (iv) notify the Aurizon Network Train Controller as soon as the Operator becomes aware that it is not possible for the Operator or the Operator's Staff to comply with a Aurizon Network Train Control Direction or the Operator or the Operator's Staff have not complied with a Aurizon Network Train Control Direction; and
- (v) notify the Aurizon Network Train Controller as soon as the Operator becomes aware of any changes or delays in Train Services or any circumstances which have affected or may affect Train Control including the ability of any Train Service to conform to its Scheduled Times.

### 5.3 Train Control Communications

The Operator must ensure all Trains are equipped with or have available means of communication to permit the Operator's Staff to comply with this Agreement (including the Rollingstock Interface Standards and the relevant Safeworking Procedures).

## 6 TRAIN OPERATIONS

### 6.1 Compliance

- (a) To the extent relevant to the performance of its obligations under this Agreement the Operator must observe and comply with:
  - (i) all applicable Laws;
  - (ii) the conditions of its Accreditation;
  - (iii) the lawful requirements of relevant Authorities;
  - (iv) the Rollingstock and Rollingstock Configurations authorised in accordance with Clause 6.9;
  - (v) the Train Service Description (subject to the Network Management Principles);
  - (vi) the description of the relevant Reference Train Service except as otherwise specified in this Agreement;
  - (vii) Aurizon Network Train Control Directions;
  - (viii) the Safeworking Procedures and Safety Standards;
  - (ix) the Network Management Principles;
  - (x) the Interface Coordination Plan;
  - (xi) to the extent applicable, the Aurizon Network Emergency Procedures;
  - (xii) the Operator's Emergency Response Plan;
  - (xiii) the Environmental Investigation and Risk Management Report;
  - (xiv) subject to the provision of reasonable notice specifying relevant requirements, the relevant requirements of the Environmental Authorities held by Aurizon Network from time to time and the permits, approvals and licences in respect of facilities to which access is provided by Aurizon Network to the Operator;
  - (xv) the Interface Risk Management Plan (including the Rollingstock Interface Standards);
  - (xvi) subject to the provision of reasonable notice specifying relevant licences and permits and their applicability to the Operator, to the extent applicable to the Operator, all licences and permits affecting the operations of Aurizon Network; and
  - (xvii) to the extent applicable to the Operator, the terms of Aurizon Network's Access Undertaking (including the ring fencing obligations) in effect from time to time.
- (b) To the extent relevant to the performance of its obligations under this Agreement, Aurizon Network must observe and comply with:
  - (i) all applicable Laws;
  - (ii) the conditions of its Accreditation;
  - (iii) the lawful requirements of relevant Authorities;
  - (iv) to the extent applicable, Aurizon Network Train Control Directions;

- (v) the Safeworking Procedures and Safety Standards;
  - (vi) to the extent applicable, the Train Service Description (subject to the Network Management Principles);
  - (vii) the Network Management Principles;
  - (viii) the Interface Coordination Plan;
  - (ix) Aurizon Network's Emergency Procedures;
  - (x) the Interface Risk Management Plan;
  - (xi) all licences and permits affecting the operations of Aurizon Network; and
  - (xii) the terms of Aurizon Network's Access Undertaking (including the ring fencing obligations) in effect from time to time.
- (c) Aurizon Network must ensure that as far as practicable:
- (i) the Network Management Principles;
  - (ii) the Safeworking Procedures and Safety Standards; and
  - (iii) Aurizon Network's Emergency Procedures,
- will be applied consistently for all Railway Operators on the Nominated Network.

## **6.2 Compliance with Scheduled Time**

- (a) The Parties must use reasonable endeavours to:
- (i) operate Train Services in accordance with the relevant Daily Train Plan unless otherwise permitted by the Network Management Principles, varied in the circumstances specified in this Agreement or otherwise agreed between the Parties (such agreement not to be unreasonably withheld); and
  - (ii) otherwise comply with all other Scheduled Times.
- (b) A Train Service shall be deemed to operate in accordance with its Scheduled Time if it does not vary more than three (3) minutes from the Scheduled Time.

## **6.3 Alterations to Train Services**

- (a) If the Operator does not propose to operate a Train Service the Operator must, prior to the scheduled operation of the Train Service, advise Aurizon Network of the cancellation of such Train Service the reason for such cancellation and specify the End User for that Train Service.
- (b) In the event that a Train Service is unable to operate in accordance with its Scheduled Time then, provided that the Operator has complied with Clause 6.2(a), Aurizon Network will use its reasonable endeavours to provide an alternative Scheduled Time for the relevant Train Service provided that:
- (i) Aurizon Network will be under no obligation to alter the scheduled times for other Train Movements; and
  - (ii) Aurizon Network has no obligation to the Operator to provide an alternative Scheduled Time where the End User has nominated another Accredited Railway Operator to operate the relevant Train Service.
- (c) In the event that for any reason the Operator does not operate a Train Service at its Scheduled Time in the Train Schedule or at any other Scheduled Time advised by Aurizon Network in accordance with Clause 6.3(b), Aurizon Network may authorise the operation of another Train Movement at that Scheduled Time.
- (d) In the event that a Train Service is for any reason unable to commence to operate in accordance with its Scheduled Time and following bona fide consultation between the Parties it is not possible for Aurizon Network to provide an alternative Scheduled Time reasonably acceptable to both Parties, such Train Service may be cancelled by either Party giving notice to the other Party as soon as practicable.

## **6.4 Notification**

- (a) Aurizon Network must notify the Operator's Controller (such notification to include where relevant the anticipated effect on the relevant Train Service) as soon as reasonably practicable after Aurizon Network discovers or becomes aware of any circumstances including Obstructions (other than those circumstances of which the Operator is aware or ought to have been aware) which:

- (i) have materially affected, or could potentially materially affect, the ability of any Train Service to comply with its Scheduled Time; or
  - (ii) have affected, or could potentially affect, the security or safety of a Train Service or the Operator's Staff.
- (b) Aurizon Network must at the earliest possible time after becoming aware of the relevant changes advise the Operator's Controller from time to time of changes to advices previously provided pursuant to Clause 6.4(a).
- (c) The Operator must inform Aurizon Network of any failure to comply with:
- (i) any applicable Laws relevant to the Operator's Train Services;
  - (ii) Aurizon Network Train Control Directions; and
  - (iii) the Rollingstock and Rollingstock Configurations authorised in **Schedule 4**.

## 6.5 Operator to Supply Information

The Operator must provide to Aurizon Network and at all times maintain operable all necessary software, hardware and associated communication links to establish, to Aurizon Network's reasonable satisfaction, an interface with Aurizon Network's information systems and must provide information to Aurizon Network in relation to each Train Service prior to operation on the Nominated Network in accordance with paragraph 2.1 of Part 2 of **Schedule 10**. The interface with Aurizon Network's information systems will be subject to any controls specified by Aurizon Network to protect the integrity and confidentiality of the systems and the information contained therein.

## 6.6 Performance Levels

- (a) The Performance Levels which apply to the performance by the respective Parties of their obligations under this Agreement are set out in Part 1 of **Schedule 5**. A failure by either Party to achieve the relevant Performance Level will not constitute a breach of this Agreement and the only consequences of such failure as between the Parties shall be the consequences set out in this Clause 6.6.
- (b) If the Operator does not comply with the Operator Performance Level then the Operator must pay to Aurizon Network the amount determined in accordance with **Schedule 5** as part of the invoice issued by Aurizon Network for charges for the Billing Period immediately following Aurizon Network becoming entitled to that amount. Where there is no next Billing Period, the Operator must pay such amount to Aurizon Network within fourteen (14) days after receipt of a Tax Invoice from Aurizon Network.
- (c) If Aurizon Network does not comply with the Aurizon Network Performance Level then Aurizon Network will credit to the Operator the amount determined in accordance with **Schedule 5** by way of a deduction from the invoice issued by Aurizon Network for Access Charges and other charges for the Billing Period immediately following the Operator becoming entitled to that amount. Where there is no next Billing Period, Aurizon Network must pay such amount to the Operator within fourteen (14) days after receipt of a Tax Invoice from the Operator.
- (d) The Parties must, if requested by either Party, meet to review the Performance Levels subject to such review not occurring within six (6) Months after the Commitment Date or any previous review of the Performance Levels. If either Party notifies the other that it considers that the Performance Levels are no longer appropriate, the Parties may, but only with the written consent of the relevant End User, agree on varied Performance Levels and any associated variations to the Agreement including *[the Base Access Charges and]* the Train Service Description. If the Parties and the End User are unable to agree to such variations then the existing Performance Levels shall continue to apply unless varied by Aurizon Network in accordance with the provisions of Clause 6.6(e). *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (e) In the event that the Operator
- (i) does not comply in any material respect with the Train Service Description; and
  - (ii) the Operator fails to demonstrate to the reasonable satisfaction of Aurizon Network when requested to do so, that the Operator will consistently comply with the Train Service Description for the remainder of the Term,

then, if following satisfaction by Aurizon Network of the requirements of Clauses 5(a) and 5(b) of the End User Access Agreement, Aurizon Network continues to not be reasonably satisfied that the Operator will consistently comply with the Train Service Description for the remainder of the Term, Aurizon Network will be entitled to:



- (iii) vary the Train Service Description to a level it reasonably expects to be achievable by the Operator for the remainder of the Term having regard to the extent of previous compliance with the Train Service Description (ignoring, for the purpose of assessing previous compliance, any non-compliance to the extent that the non-compliance was attributable to another Railway Operator (other than the End User) or to Aurizon Network); and
  - (iv) vary the Agreement (including, without limitation, the Operator Performance Level *[and the Base Access Charges]*) to reflect the impact of the change in the Train Service Description. *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (f) The Operator shall be entitled to dispute any variation proposed by Aurizon Network pursuant to Clause 6.6(e) and such dispute will be notified to an End User by the Operator pursuant to Clause 23.1 and referred to an expert for resolution in accordance with Clause 18.3.
- (g) If any variations under this Clause 6.6 affect the Train Service Description or should, in Aurizon Network's opinion, result in the amounts payable by the End User under the End User Access Agreement being varied, then the commencement of those variations is subject to and conditional upon the Operator being notified by Aurizon Network that all necessary amendments (if any) to the End User Access Agreements (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied.

#### **6.7 Interface Coordination Plan**

- (a) Aurizon Network and the Operator agree to comply with the Interface Coordination Plan in exercising their rights and performing their obligations under this Agreement.
- (b) Aurizon Network will provide the Operator with that information identified in paragraph 3(f) of Part 1 of **Schedule 10** relevant to the Operator's operation of Train Services.

#### **6.8 Operation of Trains and Rollingstock**

The Operator is responsible for the safe operation of its Rollingstock on the Nominated Network and must ensure that at all times whilst operating on the Nominated Network:

- (a) its Rollingstock and Rollingstock Configurations comply with the Interface Risk Management Plan (including the Rollingstock Interface Standards);
- (b) it operates only authorised Rollingstock and Rollingstock Configurations as specified in **Schedule 4**; and
- (c) all loading and unloading of its Rollingstock is undertaken in a manner that:
  - (i) is consistent with the requirements of **Schedule 4** and the Rollingstock Interface Standards;
  - (ii) does not affect the safe operation of the Rollingstock; and
  - (iii) ensures that all items on or in the Operator's Rollingstock remain secured in position during transit.

#### **6.9 Authorisation of Rollingstock & Rollingstock Configurations**

- (a) Prior to the operation of any Train Services the Operator must:
  - (i) implement the control measures devised in the Interface Risk Management Plan relevant to assessing the compatibility of the Operator's Rollingstock and Rollingstock Configurations with the Nominated Network; and
  - (ii) without limiting Clause 6.9(a)(i), provide to Aurizon Network a certificate by a suitably qualified person whom both Aurizon Network and the Operator accept as being competent to provide such certification as to the compliance of the Operator's Rollingstock and Rollingstock Configurations with the Interface Risk Management Plan (including the Rollingstock Interface Standards) and the Rollingstock and Rollingstock Configurations the subject of that certificate shall then, subject to Aurizon Network's reasonable satisfaction with the certificate provided, be authorised by Aurizon Network and included in **Schedule 4** as the authorised Rollingstock and Rollingstock Configurations.
- (b) If requested to do so by Aurizon Network, the Operator must provide to Aurizon Network (or procure the certifying party to provide to Aurizon Network) relevant

documentation (including reports on trials and/or commissioning tests) demonstrating that the Rollingstock and Rollingstock Configurations comply with the Interface Risk Management Plan including the Rollingstock Interface Standards.

- (c) Where Aurizon Network is not satisfied, on the basis of documentation provided by the Operator or the certifying party in accordance with Clauses 6.9(a) and (b), that the Rollingstock and/or Rollingstock Configurations comply with the terms of the Interface Risk Management Plan, either Party may refer the adequacy of the documentation and whether the Rollingstock and/or Rollingstock Configurations comply with the terms of the Interface Risk Management Plan for resolution by an expert in accordance with Clause 18.3.
- (d) In the event that during the Term the Operator wishes to:
- (i) modify any of the Operator's authorised Rollingstock or Rollingstock Configurations; or
  - (ii) have additional Rollingstock or Rollingstock Configurations authorised for use on the Nominated Network,

then prior to using any such modified or additional Rollingstock or Rollingstock Configurations on the Nominated Network:

- (iii) the Operator must notify Aurizon Network (giving details of the relevant modification or additional Rollingstock or Rollingstock Configurations);
- (iv) if Aurizon Network considers it reasonably necessary to do so, the Operator must conduct a supplementary Interface Risk Assessment jointly with Aurizon Network in accordance with Clause 12 (and the provisions of that Clause shall apply if there is any dispute between the Parties in relation to the conduct of the supplementary Interface Risk Assessment);
- (v) the Operator must provide to Aurizon Network a certificate of compliance in respect of the modified or additional Rollingstock or Rollingstock Configurations in accordance with Clauses 6.9(a) to (c);
- (vi) the Interface Risk Management Plan shall be amended to reflect any changes agreed or determined in accordance with this Clause 6.9(d) and the Parties shall make any other amendments to this Agreement [*including Aurizon Network varying the Base Access Charges*] which may be reasonably necessary to reflect the authorisation and use of the modified or additional Rollingstock or Rollingstock Configurations on the Nominated Network; [*include bracketed text where Operator is paying non-TOP Access Charges*]
- (vii) [*Aurizon Network must advise the Operator and End User of any variations to the Base Access Charges payable by the Operator as a result of the authorisation of such modified or additional Rollingstock or Rollingstock Configurations. If the Operator disputes the variations to the Base Access Charges advised by Aurizon Network in accordance with this Clause, either Party may refer the dispute to the QCA for determination in accordance with Clause 18.6; and*] [*include bracketed text where Operator is paying non-TOP Access Charges*]
- (viii) the Operator must have been notified by Aurizon Network that, in connection with the modified or additional Rollingstock or Rollingstock Configurations, all necessary amendments (if any) to the End User Access Agreement (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied.

## 6.10 Amendments to System Wide Requirements

- (a) Aurizon Network may, acting reasonably, amend a System Wide Requirement by the issue of a notice ("**Amendment Notice**"):
- (i) on safety grounds, at any time without the consent of the Operator subject to providing reasonable notice of the proposed amendment and consulting with the Operator prior to its implementation;
  - (ii) if required pursuant to a Material Change; and
  - (iii) in any other circumstance, subject to negotiating the Operator's agreement to such proposed amendment prior to its implementation in accordance with this

Clause 6.10 (the Operator's agreement not to be unreasonably withheld or delayed).

- (b) The Amendment Notice issued by Aurizon Network pursuant to Clause 6.10(a) must include details of the proposed amendments to the extent reasonably necessary so as to properly inform the Operator of the terms of the proposed amendments and to enable the Operator to assess the consequences and impact for the Operator of the proposed amendments and details of the proposed implementation date.
- (c) In respect of any amendment proposed pursuant to Clause 6.10(a)(iii), the Operator shall provide advice to Aurizon Network as to whether:
  - (i) the proposed amendments will materially impact on the Operator's operations to such an extent as to fundamentally frustrate the Operator's operation of Train Services under this Agreement over a sustained period of time notwithstanding the Operator's entitlement to reach agreement with Aurizon Network in terms of the funding of any material financial impact pursuant to Clause 6.10(e)(ii); or
  - (ii) the Operator will suffer a net material financial impact (that is, a net cost) equivalent to 1% or greater of the annual Access Charges directly as a result of the proposed amendments.
- (d) Where the Operator has provided advice to Aurizon Network pursuant to Clause 6.10(c)(i) and has satisfied Aurizon Network, acting reasonably, within thirty (30) days of receipt by Aurizon Network of that advice, that the Operator's operation of Train Services under this Agreement will be fundamentally frustrated over a sustained period of time directly as a result of the proposed amendments notwithstanding the Operator's entitlement to reach agreement with Aurizon Network in terms of the funding of any net material financial impact pursuant to Clause 6.10(e)(ii), Aurizon Network will not implement the proposed amendments. In the event that the Operator is unable to so satisfy Aurizon Network, Aurizon Network may implement the proposed amendments at any time except that:
  - (i) in the event that the circumstances outlined in Clause 6.10(c)(ii) exist, such implementation shall be subject to Clause 6.10(e)(ii); or
  - (ii) in the event that the Operator disputes Aurizon Network's finding, either Party may refer the dispute for determination by an expert in accordance with Clause 18.3 and Aurizon Network will not implement the proposed amendments pending the determination of the expert.
- (e) Where the Operator has provided advice to Aurizon Network pursuant to Clause 6.10(c)(ii) that the relevant circumstances exist then:
  - (i) within thirty (30) days of providing such advice the Operator shall provide to Aurizon Network further advice of such net material financial impact including estimates of any additional costs, savings, benefits or detriments to be obtained or suffered or reasonably expected to be obtained or suffered, by the Operator directly as a result of implementing the proposed amendments and the Operator shall warrant that any estimates given by it are accurate on the basis of the information reasonably available to it and sufficiently detailed to enable Aurizon Network to reasonably assess such net material financial impact; and
  - (ii) the Parties will negotiate in good faith to agree appropriate financial arrangements between them with respect to such net material financial impact and, failing agreement within a further thirty (30) day period, either Party may refer the matter of appropriate financial arrangements to an expert for determination in accordance with Clause 18.3 and Aurizon Network will not implement the proposed amendments pending the expert's determination.
- (f) In making his determination the expert must have regard to, except in circumstances where consequences are otherwise provided under this Agreement, the costs and benefits accruing to the Operator but excluding any costs associated with other entitlements of Aurizon Network under this Agreement.
- (g) The Operator shall use all reasonable endeavours to minimise the net material financial impact suffered by it due to the proposed amendments.
- (h) Notwithstanding Clause 6.10(e), where any System Wide Requirement is varied on safety grounds, each Party will fund its own costs of implementing the proposed amendments including the equipping of Rollingstock with new or additional equipment

such as Signalling and Telecommunications Equipment or making any other modification to Rollingstock.

- (i) At any time following a determination pursuant to Clause 6.10(e), Aurizon Network may elect not to proceed with the proposed amendments.
- (j) The Parties must account to each other in respect of the contributions agreed or determined pursuant to Clause 6.10(e)(ii) following completion of the implementation of the proposed amendments and subsequent modifications to the Operator's systems, equipment or Rollingstock as required by the amendments.
- (k) Where Aurizon Network implements the proposed amendments in accordance with this Clause 6.10, the relevant System Wide Requirement will be altered accordingly following completion of the implementation of the proposed amendments. The Parties must undertake all necessary action and make all necessary amendments to the Interface Risk Management Plan, the Environmental Investigation and Risk Management Report and/or the Operator's Emergency Response Plan in response to the relevant amendments including providing Aurizon Network with a further certificate of compliance where the Operator's Rollingstock or Rollingstock Configurations require modification as a result of a change to a System Wide Requirement. Aurizon Network will allow a reasonable period for the Operator to amend its procedures and plans to comply with any such amended System Wide Requirement, except in the case of emergency circumstances for safety reasons where Aurizon Network may require immediate compliance.
- (l) In the event that Aurizon Network undertakes an Enhancement, Aurizon Network will only be required to vary the Rollingstock Interface Standards to reflect the impact of the Enhancement where the Parties have agreed as to the level and method of contribution to the funding of the Enhancement by the Operator or the End User.

#### **6.11 Private Facilities**

Prior to the commencement of any Train Services, the Operator must demonstrate to the reasonable satisfaction of Aurizon Network that the Operator has entered into agreements with the owners or operators of the Private Facilities to enable the Operator to operate Train Services in the manner contemplated in this Agreement ("**Private Facilities Agreements**"). The Operator must use reasonable endeavours to maintain the Private Facilities Agreements in full force and effect for the period the Private Facilities are required for the operation of Train Services.

### **7 INFRASTRUCTURE MANAGEMENT**

#### **7.1 Management and Control of the Nominated Network**

Aurizon Network is responsible for the management of the Nominated Network and shall retain control over all activities on the Nominated Network.

#### **7.2 Maintenance of the Nominated Network**

- (a) Aurizon Network must carry out Maintenance Work on the Nominated Network such that, subject to any agreed criteria and the Network Management Principles:
  - (i) the Infrastructure is consistent with the Rollingstock Interface Standards; and
  - (ii) the Operator can operate Train Services in accordance with their Scheduled Times.
- (b) Aurizon Network may impose either temporarily or permanently such Operational Constraints as it considers necessary for the protection of any person or any property (including the Infrastructure) or to facilitate the performance of Maintenance Work or Enhancements provided that in exercising its rights under this Clause 7.2(b) Aurizon Network must:
  - (i) use its reasonable endeavours to minimise disruption to Train Services (including giving as much notice as possible and, where possible, providing alternate Scheduled Times having regard to the reasonable requirements of the Operator); and
  - (ii) comply with the relevant procedures specified in the Interface Coordination Plan.
- (c) Except to the extent that an Operational Constraint resulted from a breach by Aurizon Network of this Agreement or the End User Access Agreement, any delays or cancellations of Train Services caused by or resulting from Operational Constraints shall not constitute a default by Aurizon Network of its obligations under this Agreement and Aurizon Network will not be liable for any Claims suffered or incurred by or made or

brought by or against the Operator as a result of or arising from the imposition of such an Operational Constraint.

- (d) The Operator must notify Aurizon Network as soon as is reasonably practicable of any damage to or disrepair or failure in operation or function of any part of the Infrastructure of which the Operator becomes aware.
- (e) The Operator must provide reasonable cooperation to Aurizon Network in relation to the timetabling of Planned Possessions provided that any such Planned Possessions are consistent with the Network Management Principles and implemented in accordance with the Possession Protocols.

### 7.3 Inspection by Operator

- (a) Subject to Clause 7.3(b), the Operator may, prior to the initial commencement of Train Services, at its cost and risk, inspect the Infrastructure and circumstances surrounding the Infrastructure comprising the Nominated Network including, but not limited to, fencing and level crossing protection in order to satisfy itself as to the standard of the Infrastructure and assess the operational, environmental and safety risks associated with operation of Train Services on the Infrastructure.
- (b) Any inspection by the Operator under Clause 7.3(a) shall be subject to:
  - (i) the Operator providing reasonable written notice to Aurizon Network of its requirement to inspect the Infrastructure and conducting that inspection at reasonable times;
  - (ii) any such inspection being conducted in the presence of a representative of Aurizon Network; and
  - (iii) such other reasonable conditions as may be imposed by Aurizon Network on such inspection including, but not limited to, compliance with Aurizon Network's Safeworking Procedures and Safety Standards,

and shall be conducted in such a manner as to not cause any disruption to any Train Movements or to the undertaking of Maintenance Work or Enhancements.

## 8 INCIDENT MANAGEMENT

### 8.1 Operator's Emergency Response Plan

- (a) Prior to the commencement of any Train Services (including any new or varied Train Services) the Operator must develop and submit to Aurizon Network a plan (the "**Operator's Emergency Response Plan**") which:
  - (i) contains the set of procedures developed by the Operator which are adequate for dealing with an Incident including all actions to be taken to minimise or alleviate any threat or danger to any person or property;
  - (ii) without limiting Clause 8.1(a)(i) includes the matters outlined in Part 3 of **Schedule 6** relevant to the Operator's use of the Nominated Network; and
  - (iii) must at all times during the Term be compatible with the Aurizon Network Emergency Procedures and this Agreement.
- (b) If Aurizon Network is not reasonably satisfied that the Operator's Emergency Response Plan complies with Clause 8.1(a), Aurizon Network must notify the Operator and if the Parties cannot agree on a mutually acceptable course of action to address Aurizon Network's concerns within fourteen (14) days after the date of Aurizon Network's notice, either Party may refer the matter to an expert for determination in accordance with Clause 18.3. The expert will be required to determine whether or not the Operator's Emergency Response Plan:
  - (i) is compatible with the Aurizon Network Emergency Procedures and this Agreement; and
  - (ii) otherwise complies with Clause 8.1(a).

If the expert determines that the Operator's Emergency Response Plan:

- (i) is not compatible with the Aurizon Network Emergency Procedures and this Agreement, he must determine how the non-compliance should be rectified and the Operator must rectify the Operator's Emergency Response Plan accordingly; or

- (ii) is compatible with the Aurizon Network Emergency Procedures and this Agreement, the Operator's Emergency Response Plan must be treated as complying with Clause 8.1(a).
- (c) The Operator must ensure that any amendments to the Operator's Emergency Response Plan comply with the requirements contained in Clause 8.1(a).
- (d) If the Operator intends to amend the Operator's Emergency Response Plan it must notify Aurizon Network of that fact, providing Aurizon Network with details of the proposed amendments and the reasons for them. Within ten (10) days after receipt of that notice Aurizon Network must notify the Operator if Aurizon Network disputes any such proposed amendments, in which case any such dispute shall be resolved in accordance with the procedures set out in Clause 8.1(b).
- (e) No amendment to the Operator's Emergency Response Plan to the extent that it relates to the Operator's operations on the Nominated Network will be effective until it has been made in a manner permitted by this Clause 8.1.
- (f) The Operator must be able to demonstrate to Aurizon Network that procedures are in place which ensure compliance by the Operator with any reporting requirements in the Operator's Emergency Response Plan and, to the extent relevant, the Aurizon Network Emergency Procedures and that they are being observed.
- (g) The Operator must ensure that at all times sufficient members of the Operator's Staff are appropriately qualified to participate in Investigations and that the names and positions of those members of the Operator's Staff are maintained in the Operator's Emergency Response Plan.

## **8.2 Obstructions**

The Operator must not cause any Obstruction or permit to continue any Obstruction caused by the Operator.

## **8.3 Notification**

- (a) The Operator must notify the Aurizon Network Train Controller as soon as reasonably practicable after the Operator or the Operator's Staff discover or become aware of:
  - (i) any Obstruction (including all Incidents) or any breach or suspected breach of Safeworking Procedures; or
  - (ii) anything which the Operator observes may cause or contribute to the occurrence of an Incident or Obstruction.
- (b) Aurizon Network must notify the Operator of all Incidents involving the Operator's Rollingstock.

## **8.4 Management of Incident Response**

- (a) Aurizon Network will be responsible for the overall coordination and management of the response to an Incident (including notifying all relevant emergency services) so that Restoration and Recovery are effected as soon as practicable.
- (b) The Operator must arrange Recovery and must cooperate with and assist Aurizon Network in Restoration. The Operator will be responsible for effecting timely Recovery in accordance with the Operator's Emergency Response Plan. Where Aurizon Network reasonably believes that more timely recommencement of Train Movements can be achieved by Aurizon Network, then Aurizon Network may, subject to using reasonable efforts to consult with the Operator, take such action as is reasonably necessary (including the use of a Railway Operator's Rollingstock to clear the Operator's Rollingstock) and recover such reasonable direct costs incurred by Aurizon Network in doing so. The Operator must pay to Aurizon Network such reasonable direct costs incurred by Aurizon Network.
- (c) If an Incident occurs the Operator will as soon as reasonably practicable notify Aurizon Network and:
  - (i) take action as soon as reasonably practicable in respect of an Incident to prevent or minimise the occurrence of injury to any person or damage to any property (including environmental damage) where there is an imminent risk of such injury or damage but otherwise take no action without the prior approval of Aurizon Network, which approval shall not be unreasonably withheld; and
  - (ii) comply with the directions of Aurizon Network in respect of the coordination and management of Restoration and Recovery.

- (d)
- (i) Both Parties must use all reasonable endeavours to ensure that any property damage or delays to the recommencement of Train Movements arising from Restoration or Recovery are minimised provided that Aurizon Network, subject to Aurizon Network using reasonable efforts to consult with the Operator, will have the right to take such action (including to give directions to the Operator and the Operator's Staff and to remove or require the Operator to remove any of its Rollingstock) as Aurizon Network considers reasonably necessary to recommence Train Movements as soon as practicable and, subject to Clause 8.4(d)(iii) and (iv), Aurizon Network shall have no liability for any damage to or loss of freight or Rollingstock caused by such actions.
  - (ii) Where pursuant to Clause 8.4(d)(ii) Aurizon Network seeks to remove or require the Operator to remove any Relevant Rollingstock where Aurizon Network considers such removal reasonably necessary to recommence Train Movements as soon as practicable and such removal would reasonably be expected to cause material damage to or materially increase the damage to the Relevant Rollingstock, Aurizon Network and the Operator must:
    - (A) use all reasonable efforts to consult and agree on the removal of the Relevant Rollingstock as soon as reasonably practicable and at least within a period of six (6) hours after the occurrence of the Incident or such longer period as the Parties may agree; and
    - (B) if the Parties do not consult or reach agreement within a period of six (6) hours or such longer period as agreed, they will refer the decision to the chief executive officer of Aurizon Network and the chief executive officer of the Operator who must in good faith seek to agree a course of action within two (2) hours of the referral to them or such longer period as the Parties may agree.
  - (iii) Where the chief executive officer of Aurizon Network and the chief executive officer of the Operator do not consult or do not agree within the specified period in Clause 8.4(d)(ii)(B), Aurizon Network must refer its proposed course of action with respect to the removal of the Relevant Rollingstock to the Removal Expert who shall assess whether, having regard to:
    - (A) the potential to further damage the Relevant Rollingstock;
    - (B) the impact on Aurizon Network's ability to effect Restoration; and
    - (C) the time critical nature of the decision,
 the course of action proposed by Aurizon Network is reasonable.
  - (iv) Aurizon Network shall be entitled to progress with the proposed course of action unless the Removal Expert assesses that Aurizon Network's proposed course of action is unreasonable.
- (e) Aurizon Network may, where it is reasonable and practicable in the circumstances to do so, issue a Aurizon Network Train Control Direction to the Operator to provide assistance with clearing any Network Incident including providing Rollingstock, where appropriate, for use by or under the direction of Aurizon Network and undertaking any variation in the operation of a Train Service (including coupling its Rollingstock with Rollingstock of Aurizon Network or another Railway Operator). The Operator must comply with any such Aurizon Network Train Control Direction. The Operator may recover from Aurizon Network such reasonable direct costs incurred in complying with this Clause 8.4(e) as agreed and failing agreement within thirty (30) days after notice by the Operator to Aurizon Network as determined by an expert in accordance with Clause 18.3.
- (f) In assessing the costs to be recovered under Clause 8.4(b) or Clause 8.4(e) for the use of Rollingstock, regard shall be had to any industry or other agreement covering such costs and any payments facilitated by such agreement.
- (g) Except as otherwise provided in this Agreement Aurizon Network will not be liable for any delays, cancellation of Train Services or Claims suffered or incurred by or made or brought by or against the Operator as a result of complying with a request by Aurizon Network pursuant to Clause 8.4(e).

## 8.5 Investigations

- (a) In the event of an Incident, an Investigation into the Incident in the circumstances set out in **Schedule 8** must be commenced as soon as practicable unless otherwise agreed

between the Parties and must be conducted in the manner and by the persons prescribed in **Schedule 8**.

- (b) Each Party must cooperate and ensure their respective staff cooperate fully with any Investigation and the Parties must consult in good faith in relation to the implementation of any recommendations arising from an Investigation in accordance with the requirements of **Schedule 8**.

## 9 ENVIRONMENTAL MANAGEMENT AND PROTECTION

### 9.1 Environmental Management

- (a) The Operator must, prior to the commencement of any Train Services (including any new or varied Train Services):
- (i) cause a suitably qualified person reasonably acceptable to both Parties to prepare a report ("**Environmental Investigation and Risk Management Report**") containing an environmental investigation component and an environmental risk management component which respectively identify:
- (A) possible risks of Environmental Harm arising out of the proposed use of the Nominated Network by the Operator, including risks associated with those matters identified in Part 3 of **Schedule 6**; and
- (B) the manner in which the Operator proposes to address the possible risks of Environmental Harm identified in the Environmental Investigation and Risk Management Report as well as the roles and responsibilities, including financial responsibility, for the control measures proposed and an audit regime,
- provided that if the Operator has an existing Environmental Management System it proposes to use in connection with the proposed Train Services on the Nominated Network, the Environmental Investigation and Risk Management Report should also detail the extent to which the Operator believes its existing Environmental Management System addresses the risks identified in the Environmental Investigation and Risk Management Report; and
- (ii) provide a copy of the Environmental Investigation and Risk Management Report to Aurizon Network for its consideration and, if requested by Aurizon Network, a copy of the relevant parts of the Operator's existing Environmental Management System referred to in the Environmental Investigation and Risk Management Report.
- (b) If the Environmental Investigation and Risk Management Report discloses areas of risk which, in the reasonable opinion of Aurizon Network, cannot be adequately managed by the proposals set out in the Environmental Investigation and Risk Management Report or, in the reasonable opinion of Aurizon Network, fails to identify and adequately deal with additional relevant environmental risks, then Aurizon Network may give notice to that effect to the Operator within thirty (30) days after the date on which the Environmental Investigation and Risk Management Report was received by Aurizon Network (or such other period as the Parties, acting reasonably, may agree), detailing the risks not so adequately managed or not so identified or adequately dealt with. If Aurizon Network does not give such notice, the Environmental Investigation and Risk Management Report, subject to Clause 9.1(k), shall be included in Part 1 of **Schedule 9** and amendments made to this Agreement *[(including variations to the Base Access Charges)]* if applicable. *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (c) If Aurizon Network gives notice pursuant to Clause 9.1 (b) the Operator may respond, by a date agreed by the Parties, with a written proposal which demonstrates how the Operator proposes to manage those risks ("**Operator's Proposal**"). The Operator's Proposal must:
- (i) contain an investigation of the areas of risk and/or additional relevant environmental risks referred to in Clause 9.1(b);
- (A) specify risk abatement or attenuation measures which the Operator proposes to undertake in relation to them; and/or
- (B) specify how the Access Charges might contain a component reflecting the cost to Aurizon Network of assuming all or some portion of the risk;



- (ii) in relation to paragraph (ii)(A) specify a timeframe for implementation of those measures; and
  - (iii) specify details of any public consultation the Operator proposes to undertake in connection with the implementation of any such measures.
- (d) Aurizon Network may, acting reasonably, accept or reject all or part of the Operator's Proposal.
- (e) If Aurizon Network accepts the Operator's Proposal, then it will be incorporated into and form part of the Environmental Investigation and Risk Management Report which, subject to Clause 9.1(k), shall be included in Part 1 of **Schedule 9** and amendments made to the Agreement *[(including variations to the Base Access Charges)]* if applicable. *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (f) If the Operator fails to submit to Aurizon Network an Operator's Proposal by the date agreed by the Parties or if Aurizon Network rejects all or part of the Operator's Proposal, Aurizon Network may advise the Operator of the risks not adequately managed or not identified or adequately dealt with and then either Party may refer the issue of whether the Environmental Investigation and Risk Management Report and/or the Operator's Proposal does or does not adequately manage or does or does not identify or adequately deal with the relevant environmental risks to an expert for determination in accordance with Clause 18.3.
- (g) If the expert determines that the Environmental Investigation and Risk Management Report and/or Operator's Proposal does adequately manage the risks or identifies and adequately deals with the risks, then the Environmental Investigation and Risk Management Report as modified by the Operator's Proposal (if applicable) will, subject to Clause 9.1(k), be accepted and included in Part 1 of **Schedule 9** and amendments made to this Agreement *[(including variations to the Base Access Charges)]* if applicable. *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (h) If the expert determines that the Environmental Investigation and Risk Management Report and/or Operator's Proposal does not adequately manage the risks or does not identify and adequately deal with the risks, then provided the Operator amends the Environmental Investigation and Risk Management Report in accordance with the expert's determination and/or recommendations within the time frame specified by the expert, the Environmental Investigation and Risk Management Report as amended will, subject to Clause 9.1(k), be accepted and included in Part 1 of **Schedule 9** and amendments made to the Agreement *[(including variations to the Base Access Charges)]* if applicable. *[Bracketed text is only included where Operator pays non-TOP Access Charges]*
- (i) If the expert determines that the Environmental Investigation and Risk Management Report and/or Operator's Proposal does not adequately manage the risks or does not identify and adequately deal with the risks and the Operator fails to amend the Environmental Investigation and Risk Management Report in accordance with the expert's determination and/or recommendations within the time frame specified by the expert, Aurizon Network may terminate this Agreement by written notice to the Operator and the End User.
- (j) The Parties agree to implement the determination of the expert.
- (k) If:
- (i) an Environmental Investigation and Risk Management Report is included in Part 1 of **Schedule 9**; and
  - (ii) amendments (if any) are made to this Agreement as a result of or in connection with that inclusion of the Environmental Investigation and Risk Management Report,

then the commencement of the amendment of this Agreement to include the Environmental Investigation and Risk Management Report and those amendments is subject to and conditional upon the Operator being notified by Aurizon Network that all necessary amendments (if any) to the End User Access Agreement (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied.

## 9.2 Environmental Management System

- (a) The Operator must prior to the commencement of any Train Services (including any new or varied Train Services) have in place an Environmental Management System.

The Environmental Management System prepared by the Operator must:

- (i) have regard to the issues raised in the Environmental Investigation and Risk Management Report and contain procedures for implementing the risk management proposals identified in it. The Environmental Investigation and Risk Management Report includes the results of any expert determination referred to in Clause 9.1(f) or any amendment of the Environmental Investigation and Risk Management Report arising from the recommendations of any environmental audit or review conducted pursuant to Clause 9.7;
  - (ii) address all legislative requirements, including the requirements of the Environmental Authorities held by Aurizon Network from time to time that are relevant to the Operator's Train Services; and
  - (iii) identify systems (including audit systems) and procedures to address all relevant environmental risks and ensure compliance with all Environmental Laws.
- (b) Prior to the commencement of any Train Services (including any new or varied Train Services), Aurizon Network will ensure that the elements of the Environmental Investigation and Risk Management Report which Aurizon Network is responsible for implementing are incorporated into Aurizon Network's Environmental Management System.

## 9.3 Carriage of Dangerous Goods on Train Services

- (a) The Operator must ensure that where Dangerous Goods are to be carried on a particular Train Service:
- (i) all requirements of the Dangerous Goods Code are fully complied with (including placement of relevant, accurate and current documentation on Trains);
  - (ii) Aurizon Network is advised of the details of the Dangerous Goods (including a description and the applicable Dangerous Goods United Nations (UN) Number) prior to the operation of a Train as part of the Train List; and
  - (iii) any authorisation or prior approvals required under the Dangerous Goods Code have been obtained and are available for inspection by Aurizon Network if so requested.
- (b) The Operator must ensure that, where there is any likelihood of Train Services carrying Dangerous Goods and before any Dangerous Goods can be carried on Train Services, the Operator's Emergency Response Plan prepared in accordance with Clause 8.1 includes procedures for responding to an Incident involving Dangerous Goods of the type to be carried.

## 9.4 Noise Management during Train Services

- (a) In addition to any noise attenuation or management measures which may form part of or be identified in the Environmental Investigation and Risk Management Report, the Operator shall contribute to, as reasonably determined by Aurizon Network, the costs incurred by Aurizon Network in taking noise abatement measures on or adjacent to the Nominated Network considered reasonably necessary by Aurizon Network where the Noise Planning Levels are, or but for the taking of these measures by Aurizon Network, would be exceeded during the Term.
- (b) If, during the Term, the Noise Planning Levels are reduced such that noise from the Nominated Network exceeds the new Noise Planning Levels, Aurizon Network may elect, in its absolute discretion, to implement noise abatement measures on the Nominated Network to ensure compliance with the new Noise Planning Levels. The Operator shall contribute to the cost of those noise abatement measures as reasonably determined by Aurizon Network.
- (c) If the Operator disputes any determination made by Aurizon Network in accordance with this Clause 9.4 regarding the contribution of costs, either Party may refer that dispute to an expert for determination in accordance with Clause 18.3.

## 9.5 Spillage of Contaminating Materials

- (a) Where:
- (i) the activities of the Operator under this Agreement result in any release, spillage or leakage of any Contaminating Material, or Aurizon Network is reasonably of the opinion that those activities are causing or likely to cause contamination or Environmental Harm, and Aurizon Network reasonably considers that action is required to prevent, mitigate or remedy that contamination or Environmental Harm; or
  - (ii) Aurizon Network is given a direction, notice or order by a relevant Authority that some action is required to prevent, mitigate or remedy any actual or threatened contamination or Environmental Harm resulting from, or contributed to by, the activities of the Operator under this Agreement,
- then Aurizon Network may notify the Operator of the action which is required and the Operator must at its cost, as soon as reasonably practicable after receiving such notice, implement such action or cause such action to be implemented.
- (b) If, in Aurizon Network's reasonable opinion, any action pursuant to Clause 9.5(a) ought best be undertaken by Aurizon Network, then Aurizon Network may elect to undertake such action and the Operator shall pay to Aurizon Network the costs incurred by Aurizon Network in doing so.
- (c) If the Operator disputes any action taken by Aurizon Network in accordance with this Clause 9.5, either Party may refer the dispute to an expert in accordance with Clause 18.3 and if the expert determines the dispute in favour of the Operator, Aurizon Network will reimburse the Operator for the costs incurred by the Operator as a result of the actions taken by the Operator at Aurizon Network's request (or, if applicable, Aurizon Network will bear the costs incurred by Aurizon Network in accordance with Clause 9.5(b) and shall not be able to recover those costs from the Operator) to the extent determined by the expert.

## 9.6 Community Liaison and Environmental Complaint Procedures

- (a) Prior to the commencement of any Train Services (and any new or varied Train Services) the Operator shall take all steps necessary to comply with all relevant community liaison requirements required by Law, any Authority or reasonably required by Aurizon Network, and shall invite Aurizon Network to be represented at any community meetings organised by the Operator.
- (b) In the event that Aurizon Network or the Operator receives noise complaints or other complaints dealing with environmental issues in relation to the Nominated Network, both Aurizon Network and the Operator shall inform each other of those complaints as soon as reasonably practicable and shall cooperate in investigating and responding to those complaints.

## 9.7 Audit and Review of Environmental Investigation and Risk Management Report

- (a) The Operator will provide Aurizon Network with copies of those parts of any environmental audits undertaken by or on behalf of the Operator in respect of its Train Services on the Nominated Network.
- (b) Aurizon Network will provide the Operator with copies of those parts of Aurizon Network's environmental audits that are relevant to the operation of the Operator's Train Services on the Nominated Network.
- (c) If Aurizon Network becomes aware of:
- (i) any inadequacy of the Operator's Environmental Investigation and Risk Management Report due to:
    - (A) any change in Environmental Laws of relevance to the operation of Train Services on the Nominated Network; or
    - (B) any conduct on the part of the Operator which causes or threatens to cause Serious Environmental Harm or Material Environmental Harm; or
  - (ii) any non-compliance by the Operator with the Environmental Investigation and Risk Management Report,

then, in addition to any other rights Aurizon Network may have under this Agreement, Aurizon Network may by notice to the Operator direct the Operator to undertake a

review of the adequacy of the Environmental Investigation and Risk Management Report and/or the Operator's compliance with it. The review will only deal with:

- (iii) the extent to which the Environmental Investigation and Risk Management Report appears not to address a change in Environmental Laws of relevance to the operation of Train Services on the Nominated Network; or
- (iv) the conduct causing or threatening to cause Serious Environmental Harm or Material Environmental Harm; or
- (v) the extent of non-compliance by the Operator with the Environmental Investigation and Risk Management Report,

whichever is applicable in the circumstances.

- (d) If directed by Aurizon Network to undertake a review in accordance with Clause 9.7(c), the Operator will ensure the review is carried out and will provide Aurizon Network with a copy of the review report within a reasonable time after the review has been completed (and in any case, not later than three (3) Months after the notice from Aurizon Network requiring the review).
- (e) The Operator must implement (or cause to be implemented) the reasonable recommendations arising from each review under this Clause 9.7, and the Parties shall, subject to Clause 9.7(g), amend the Environmental Investigation and Risk Management Report and this Agreement [(including any variations to the Base Access Charges)] as appropriate. [Bracketed text is only included where Operator pays non-TOP Access Charges]
- (f) Either Party may refer any dispute as to the nature or extent of any amendments to the Environmental Investigation and Risk Management Report or this Agreement that ought to be made to an expert for resolution in accordance with Clause 18.3.
- (g) The commencement of any amendments to the Environmental Investigation and Risk Management Report or this Agreement made in accordance with this Clause 9.7 is subject to and conditional upon the Operator being notified by Aurizon Network that all necessary amendments (if any) to the End User Access Agreement (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied.

## 9.8 Notification

- (a) The Operator must advise Aurizon Network of any failure by the Operator to comply with the Environmental Investigation and Risk Management Report and the Operator's Environmental Management System to the extent relevant to this Agreement as and when the Operator becomes aware of such failure and provide details of how it intends to address the non-compliance. The Operator must remedy such non-compliance as soon as practicable having regard to the nature of the non-compliance, the reasonable interests of Aurizon Network and any action required by the Environmental Protection Agency.
- (b) Aurizon Network must advise the Operator of any failure by Aurizon Network to comply with the Operator's Environmental Investigation and Risk Management Report and Aurizon Network's Environmental Management System to the extent relevant to this Agreement as and when Aurizon Network becomes aware of such failure. Aurizon Network must remedy such non-compliance as soon as practicable having regard to the nature of the non-compliance, the reasonable interests of the Operator and any action required by the Environmental Protection Agency.
- (c) The Operator must advise Aurizon Network of any failure to comply with its obligations under the *Environmental Protection Act 1994* (Qld), including any notices or directions relating to the operation of Train Services that it receives from the Environmental Protection Agency. Failure by the Operator to comply with its obligations under the *Environmental Protection Act 1994* (Qld), where that failure causes or threatens to cause Serious Environmental Harm, entitles Aurizon Network to terminate in accordance with Clause 21.
- (d) Aurizon Network will notify the Operator of any changes to any Environmental Authorities held by Aurizon Network or variations to any other environmental information provided by Aurizon Network to the Operator relevant to the operation of Train Services.

## 10 ACCREDITATION

- (a) The Operator must on or before the commencement of any Train Services provide to Aurizon Network evidence of its Accreditation (including all conditions and/or variations).
- (b) Each Party must have and maintain Accreditation to the extent required to perform its obligations under this Agreement and, if requested to do so in writing by the other Party, provide to the other Party copies of documentation evidencing currency, renewal or amendment of its Accreditation within five (5) days of such request.
- (c) Each Party will notify the other as soon as possible of any notice from an Authority affecting or likely to affect its Accreditation and will provide a copy of that notice to the other Party on request.

## 11 OPERATOR'S STAFF

### 11.1 Safety of Staff

The Operator will be fully responsible and liable for the health and safety of the Operator's Staff and the personal property of the Operator's Staff, and indemnifies and releases Aurizon Network to the extent permitted by law from any liability in relation to the Operator's Staff except to the extent that such liability is caused by the wilful default or negligence of Aurizon Network or Aurizon Network's Staff.

### 11.2 Qualifications of Operator's Staff

The Operator must:

- (a) ensure that all risks associated with Safety Related Work (including the competence of all Operator's Staff to safely and properly discharge their duties related to the exercise of the Operator's rights or performance of its obligations under this Agreement) are addressed in the Interface Risk Assessment;
- (b) ensure that all Operator's Staff hold and keep current all qualifications and accreditations required under any Law and as specified in Part 2 of **Schedule 9** and undertake any additional training from time to time in order to keep current such qualifications and accreditations;
- (c) meet all costs of any training and/or testing required to meet the requirements of this Clause 11.2; and
- (d) keep Aurizon Network advised of the names and position titles of all Operator's Staff engaged in Safety Related Work on the Nominated Network and ensure that all Safety Related Work is performed only by those Operator's Staff whose details have been provided to Aurizon Network in accordance with this Clause 11.2 and who satisfy the requirements of this Clause 11.2.

### 11.3 Entry onto Land

The Operator must ensure that the Operator's Staff do not enter upon the Land in a manner inconsistent with the Interface Coordination Plan, the Interface Risk Management Plan or the Operator's Emergency Response Plan without the prior written approval of Aurizon Network and that, in the event such approval is given, the relevant Operator's Staff comply with all conditions of the approval and hold the necessary qualifications and accreditations.

## 12 INTERFACE RISK MANAGEMENT

- (a) Prior to the commencement of any Train Services (including any new or varied Train Services):
  - (i) the Operator must conduct an Interface Risk Assessment jointly with Aurizon Network in order to:
    - (A) identify all reasonably foreseeable Interface Risks to the Operator, Aurizon Network and all persons and property and evaluate the possibility of the Interface Risks occurring and the safety and commercial consequences of those Interface Risks;
    - (B) agree the applicable controls and measures to adequately address the Interface Risks identified (including any training required for the Operator's Staff) and the Party responsible for implementation of such controls and measures and ensuring their on-going effectiveness;
    - (C) agree an audit, inspection and review regime;

- (D) agree the applicable Safeworking Procedures and Safety Standards having regard to existing Aurizon Network and industry practices;
  - (E) agree the Rollingstock Interface Standards (or, if already agreed, agree variations to the Rollingstock Interface Standards); and
  - (F) agree any consequential changes to the provisions of the Agreement[, *including the applicable Access Charges*];
- (ii) the Parties must incorporate the above agreed outcomes, as applicable, into:
- (A) the Interface Risk Management Plan which shall be included in Part 2 of **Schedule 9**;
  - (B) Part 1 of **Schedule 6**; and
  - (C) the relevant provisions of the Agreement,
- provided that to the extent that matters in paragraphs (A) to (C) are amended to incorporate the agreed outcomes the commencement of those amendments is subject to and conditional upon the Operator being notified by Aurizon Network that all necessary amendments (if any) to the End User Access Agreement (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied; and
- (iii) the Operator is responsible for the development of the Operator's Safety Management System which must incorporate:
- (A) the risks identified and the controls and measures and other elements included in the Interface Risk Management Plan that the Operator is responsible for implementing; and
  - (B) necessary processes for ensuring that the Operator, its Rollingstock, Rollingstock Configurations and Train Services at all times comply with the requirements of this Agreement, including the agreed Interface Risk Management Plan.
- (b) If the Parties are unable to agree any element of the Interface Risk Assessment or the Interface Risk Management Plan (including the Rollingstock Interface Standards), each Party may give notice in writing to the other Party of the dispute ("**Dispute Notice**") whereupon either Party may refer the matter in dispute ("**Dispute**") to an expert for resolution in accordance with Clause 18.3. If the matter is not referred to an expert for resolution within fourteen (14) days after a Party gives a Dispute Notice to the other Party, then at any time thereafter:
- (i) if the matter has not been referred to the Safety Regulator in accordance with Clause 12(b)(ii) or the QCA in accordance with Clause 12(b)(iii), either Party may still refer the matter to an expert for resolution in accordance with Clause 18.3;
  - (ii) if the matter has not been referred to an expert in accordance with Clause 12(b)(i) or to the QCA in accordance with Clause 12(b)(iii), and in the opinion of the Safety Regulator the matters in dispute are solely related to safety issues, then either Party may refer the matter to the Safety Regulator through any process the Safety Regulator considers appropriate; and
  - (iii) if the matter has not been referred to an expert in accordance with Clause 12(b)(i) or to the Safety Regulator in accordance with Clause 12(b)(ii), then either Party may refer the matter to the QCA (acting with the advice of the Safety Regulator) for resolution in accordance with Clause 18.6,

provided that if the matter is in the first instance referred to an expert for resolution (whether this occurs during or after the relevant fourteen (14) day period) and either Party is not satisfied with the determination of the expert, then notwithstanding Clause 18.3(i), either Party may, within twenty-one (21) days after the expert makes the determination, refer the matter for resolution by the Safety Regulator under Clause 12(b)(ii) or the QCA under Clause 12(b)(iii). Any determination made by the QCA or the Safety Regulator (whether or not following a determination by an expert) shall be final and binding on the Parties.

If an expert, the Safety Regulator or the QCA is called upon under this Clause to make a determination the effect of which would be to establish the content of any aspect of the Interface Risk Management Plan, then the expert, Safety Regulator or the QCA (as the

case may be) shall comply with any guiding principles for the resolution of a Dispute under this Clause that may from time to time be determined by the Safety Regulator.

Where a Dispute is referred to the QCA in accordance with this Clause, the QCA shall seek the advice of the Safety Regulator on any aspect of the Dispute that either Party to the Dispute or the QCA considers to be a safety related matter. The QCA shall not make any decision that is inconsistent with any advice it receives from the Safety Regulator to the extent that the advice relates to any aspect of safety. The QCA will provide to the Parties a copy of any advice it receives from the Safety Regulator.

Where the QCA seeks advice from the Safety Regulator in relation to a Dispute, the costs of the Safety Regulator shall be borne by the Parties in such proportion as the QCA determines.

- (c) Prior to the commencement of any of the Operator's Train Services, Aurizon Network must incorporate the elements of the Interface Risk Management Plan it has agreed to be responsible for implementing into Aurizon Network's safety management system.
- (d) The Parties must advise each other of any failure to comply with the Interface Risk Management Plan as and when the Party becomes aware of such non-compliance, including details of the nature of the non-compliance and how the Party has rectified or intends to rectify the non-compliance.
- (e) If at any time during the Term, either Party has reasonable grounds to believe that the Interface Risk Management Plan is no longer effective either in managing the Interface Risks it was intended to manage or in managing new or varied Interface Risks (including if the Train Service Description changes), the Parties must conduct a further joint Interface Risk Assessment to review the Interface Risks which are no longer effectively managed by the current Interface Risk Management Plan or the new or varied Interface Risks (as the case may be).
- (f) Where a Party has reasonable grounds to believe that the other Party has not or is not complying with any aspect of the Interface Risk Management Plan (including the Rollingstock Interface Standards) then, in accordance with the provisions of Clause 13, that Party may conduct or require the conduct of an inspection or audit of the relevant aspect of the Operator's Train Services or the Nominated Network (as applicable).
- (g) The Parties shall amend the Interface Risk Management Plan and this Agreement [*including making any variations to the Base Access Charges*] if, subsequent to an audit or inspection of the Interface Risk Management Plan, the Parties agree that such amendment is required having regard to the findings of such inspection or audit and, failing agreement, either Party may refer the issue of the need for such amendment to an expert for determination in accordance with Clause 18.3.
- (h) The commencement of any amendments to the Interface Risk Management Plan or this Agreement made in accordance with this Clause 12 is subject to and conditional upon the Operator being notified by Aurizon Network that all necessary amendments (if any) to the End User Access Agreement (including variations to the amounts payable by the End User) have been made in respect of such matters and any relevant nomination of the Operator by the End User in accordance with the End User Access Agreement has, if necessary, been varied.
- (i) Where Aurizon Network and the Operator agree that training of the Operator's Staff is required as a control or part of a control to a particular Interface Risk identified in the Interface Risk Assessment and the Operator can only obtain that training from Aurizon Network, Aurizon Network will provide the Operator with that training and be entitled to recover a reasonable commercial charge for providing such training.

## **13 INSPECTION AND AUDIT RIGHTS**

### **13.1 Rights of Inspection and Audit**

- (a) In addition to the rights of inspection and audit specified in Clauses 7 and 12(f) and subject to the provisions of this Clause 13, either Party may conduct or require the conduct of an inspection or audit relevant to assessing the other Party's compliance with the Interface Risk Management Plan (including the Rollingstock Interface Standards) and the Safeworking Procedures and Safety Standards periodically as specified in the Interface Risk Management Plan.

### **13.2 Inspection of Trains and Rollingstock**

- (a) Where Aurizon Network reasonably believes that the Operator's Rollingstock or Rollingstock Configurations do not comply with:

- (i) the authorised Rollingstock and Rollingstock Configurations as specified in **Schedule 4**;
- (ii) the Interface Risk Management Plan (including the Rollingstock Interface Standards); or
- (iii) any applicable Laws relevant to the Operator's Train Services,

and Aurizon Network cannot otherwise determine whether this is the case, Aurizon Network may inspect any Trains or Rollingstock which is utilised or intended to be utilised in the operation of Train Services or require the Operator to have an inspection conducted and for this purpose Aurizon Network or Aurizon Network's Staff will be entitled at any time to enter and ride on the Operator's Trains or Rollingstock.

- (b) Aurizon Network shall have the right to require any of the Operator's Rollingstock (either loaded or empty) to be available at such location as Aurizon Network may reasonably require, including locations on the Infrastructure but not on the Nominated Network, for weighing, measurement or other inspection at any reasonable time specified by Aurizon Network.
- (c) Notwithstanding the provisions of Clause 3, if any of the Operator's Rollingstock is reasonably considered by Aurizon Network to be loaded in excess of the limits specified in **Schedule 4** or in an unsafe or insecure manner, then Aurizon Network may at any time require the Operator to discontinue the Train Service or to remove the excess or adjust the load at the Operator's expense. If the Operator fails to immediately remove the excess or adjust the load, Aurizon Network may arrange for its removal or adjustment and the Operator will be responsible for all resultant costs incurred by Aurizon Network.

### 13.3 Notice of Inspection or Audit

The Party conducting or requiring the conduct of an inspection or audit must give the other Party reasonable prior written notice of such inspection or audit except in the case of emergencies or if an event or circumstance referred to in Clauses 20 or 21 has occurred and such notice shall include the following:

- (a) details of the inspection or audit to be carried out;
- (b) the name of the person conducting the inspection or audit;
- (c) the timing and expected duration of the inspection or audit;
- (d) the location of the inspection or audit;
- (e) the grounds upon which the Party requires the inspection or audit; and
- (f) the Party's requirements of the other Party in relation to the inspection or audit.

### 13.4 Conduct of Inspection or Audit

- (a) Any inspection or audit carried out pursuant to this Agreement may be conducted by the relevant Party, its appointed representative or by a suitably qualified person reasonably acceptable to both Parties, provided that if the inspection or audit would require access to commercially sensitive information of a Party and that Party has a legitimate commercial reason for wanting to withhold access to that information from the other Party, then the inspection or audit shall be conducted by a suitably qualified independent person reasonably acceptable to both Parties who shall be given access to the commercially sensitive information by the Party the subject of the inspection or audit but who shall be prohibited from disclosing that commercially sensitive information to the other Party .
- (b) The Operator shall use reasonable endeavours to ensure that Aurizon Network, its appointed representative or the person appointed to conduct an inspection or audit are entitled to enter and be upon land and premises (whether or not owned or leased by the Operator) on which the Operator's Rollingstock is located from time to time (which location is specified in a notice pursuant to Clause 13.3) for the purposes of carrying out any inspection or audit or exercising any other right under this Agreement.
- (c) In exercising any right of inspection or audit under this Agreement, a Party must not interfere unreasonably with the other Party's Trains and Rollingstock or Train Movements on the Nominated Network and must use its reasonable endeavours to avoid damage or injury and to minimise any disruption to the other Party's business activities.
- (d) Subject to Clause 13.4(e), a Party conducting an inspection or audit ("**Inspecting Party**") will not be liable for any delays or cancellation of Train Services or Claims suffered or incurred by or made or brought by or against the other Party as a result of the exercise by the Inspecting Party of its rights under this Clause 13 provided the Inspecting Party complies with Clause 13.4(c).



- (e) The Operator will be liable for and will indemnify Aurizon Network in respect of any Claim made against Aurizon Network by another Railway Operator as a result of a delay or cancellation of a Train service of that other Railway Operator as a result of the exercise by the Operator of its inspection or audit rights under this Clause 13, provided that the Operator will not be liable for, or be required to indemnify Aurizon Network in respect of, any such Claim where:
- (i) the Operator has complied with Clause 13.4(c) in exercising its inspection or audit rights; and
  - (ii) the inspection or audit reveals that Aurizon Network is in breach of its obligations under this Agreement.

### **13.5 Cooperation by the Parties**

Each Party shall provide all reasonable assistance required by the other Party in conducting any inspection or audit under this Agreement, including allowing a Party, its appointed representative or person appointed to conduct an inspection or audit to discuss any relevant matter with Aurizon Network's Staff or the Operator's Staff (as applicable). A member of Aurizon Network's Staff or the Operator's Staff (as applicable) may be present at the inspection or audit.

### **13.6 Costs of Inspection or Audit**

- (a) The Party who conducts or requires the conduct of an inspection or audit under Clause 7 or an agreed periodic audit shall bear the reasonable costs of conducting the inspection or audit.
- (b) The Party whose operations are inspected or audited under Clause 12(f) or Clause 13.2 shall bear the reasonable costs of conducting the inspection or audit unless it is demonstrated that the stated grounds for requiring the conduct of the inspection or audit did not exist. In circumstances where the stated grounds for such inspection or audit have not been demonstrated to exist, the Party that required the conduct of the inspection or audit shall bear the costs of conducting such inspection or audit.

### **13.7 Copies of Reports**

The Parties must provide each other with a copy of any report of any inspection or audit undertaken pursuant to this Clause 13 in respect of its compliance with the Interface Risk Management Plan (including the Rollingstock Interface Standards).

### **13.8 Consequences of Inspection or Audit**

- (a) Unless otherwise agreed, where a Party requires the conduct of an inspection or an audit under Clauses 12(f) or 13.2(a)(ii) of this Agreement, that 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 inspection or audit if, and only if, no reasonable person in the position of the Party who required the conduct of the inspection or audit could have formed the view that the stated grounds for such inspection or audit existed, provided that the other Party must use all reasonable endeavours to mitigate the loss or damage arising from the conduct of the inspection or audit. The Party who required the conduct of the inspection or audit shall bear the burden of establishing that a reasonable person in its position could have formed that view.
- (b) Notwithstanding clause 13.8(a), Aurizon Network will not be liable to the Operator for any loss or damage (including damages for Consequential Loss) arising from the Operator's liability to the End User in connection with the inspection or audit.

### **13.9 Parties' Obligations**

An inspection or audit by a Party under this Agreement shall not relieve the other Party of its obligations under this Agreement or at Law.

## **14 INSURANCE BY OPERATOR**

### **14.1 Maintain Insurance Policies**

The Operator must prior to the commencement of Train Services at its expense take out and subsequently maintain current at all times during the Term insurance with a Corporation licensed to conduct insurance business in Australia (or otherwise reasonably acceptable to Aurizon Network) those policies of insurance required by this Agreement.

### **14.2 Required Insurance Policies**

The Operator must take out and maintain insurance for the risks and on the terms specified in **Schedule 7**.

**14.3 Disclosure of Insurance Policies**

The Operator must provide to Aurizon Network evidence of the insurance policies effected pursuant to this Clause 14 or, if requested by Aurizon Network, copies of such insurance policies, to Aurizon Network's reasonable satisfaction:

- (a) at least fourteen (14) days prior to the commencement of Train Services;
- (b) upon renewal of each insurance policy during the Term; and
- (c) whenever reasonably requested to do so in writing by Aurizon Network.

**14.4 Failure to Disclose Insurance Policies**

If the Operator, whenever required to do so under this Agreement, fails to produce to Aurizon Network evidence to the reasonable satisfaction of Aurizon Network of insurances that have been effected or maintained by it, Aurizon Network may:

- (a) effect and maintain the insurance and pay the premiums and any amount so paid will be a debt due from the Operator to Aurizon Network; and/or
- (b) terminate this Agreement pursuant to Clause 21.1(g).

**14.5 Minimum Terms of Policies**

Each of the policies of insurance effected in accordance with this Agreement must, to the extent permitted by Law:

- (a) note the interests of the Operator, any contractor and Aurizon Network;
- (b) not contain any exclusions, endorsements or alterations to the accepted policy wording that adversely amends the cover provided without the written consent of Aurizon Network (which consent shall not be unreasonably withheld or delayed); and
- (c) include the terms and be for the amounts referred to in **Schedule 7**.

**14.6 Operator Not to Render Policy Void**

The Operator must not render any of the insurances effected in accordance with this Clause 14 void or voidable or liable to refusal of any claim.

**14.7 Compliance**

The Operator must at all times comply with the terms and conditions of all insurance policies effected pursuant to this Clause 14.

**14.8 Notice of Potential Claims**

In addition to any other obligation on the Operator pursuant to this Agreement, the Operator must notify Aurizon Network as soon as practicable after the occurrence of any claim under any insurance policy required by this Agreement, notify Aurizon Network of that event in reasonable detail and thereafter keep Aurizon Network informed of subsequent developments concerning any claim.

**14.9 Operator to pay all excess/deductibles**

The Operator must in respect of any claims by it or any other insured for which it is responsible, pay and bear all excesses/deductibles provided for in any insurances effected in accordance with this Clause 14.

**14.10 Settlement of Claims**

Upon settlement of a claim under any policy required by this Agreement covering damage to Infrastructure the monies received must be paid to Aurizon Network unless the Operator has already partially or totally indemnified Aurizon Network for the relevant damage, in which case the monies shall be paid to the Operator but only to the extent that Aurizon Network has been indemnified.

**15 INDEMNITIES AND LIABILITIES****15.1 Indemnity by Operator**

Subject to Clause 15.3, the Operator is solely liable for and releases, indemnifies and will keep indemnified Aurizon Network, its directors and Aurizon Network's Staff against all Claims of any nature suffered or incurred by or made or brought against Aurizon Network, its directors or Aurizon Network's Staff due to or arising out of this Agreement in respect of any loss of or damage to or destruction of real or personal property (including property of Aurizon Network) or personal injury to or death of any person in each case caused by or (to the extent of the contribution) contributed to by the wilful default or any deliberate or negligent act or omission of the Operator.

## **15.2 Indemnity by Aurizon Network**

Subject to Clause 15.3, Aurizon Network is solely liable for and releases, indemnifies and will keep indemnified the Operator, its directors and Operator's Staff against all Claims of any nature suffered or incurred by or made or brought against the Operator, its directors or the Operator's Staff due to or arising out of this Agreement in respect of any loss of or damage to or destruction of real or personal property (including property of the Operator) or personal injury to or death of any person in each case caused by or (to the extent of the contribution) contributed to by the wilful default or any deliberate or negligent act or omission of Aurizon Network or Aurizon Network's Staff.

## **15.3 Liability to Third Parties**

Notwithstanding Clause 15.1 or Clause 15.2, the Operator is solely liable for and releases, indemnifies and will keep indemnified Aurizon Network, its directors and Aurizon Network's Staff against all Claims due to or arising out of this Agreement in respect of damage to or loss of any property or personal injury to or death of any person where such person or property is being transported on Train Services except to the extent that such damage, loss, injury or death is caused by or contributed to (to the extent of the contribution) by the wilful default or any deliberate or negligent act or omission of Aurizon Network or Aurizon Network's Staff. Unless otherwise agreed, the Operator shall extend to Aurizon Network any exclusion or limitation of liability afforded by the Operator's conditions of carriage with End Users and shall provide to Aurizon Network details of the Operator's conditions of carriage relevant to Aurizon Network's liability in place from time to time.

## **15.4 Liability from Infrastructure Standard**

Notwithstanding any other provision of this Agreement, Aurizon Network will not be liable to the Operator and the Operator will not have or make any Claim against Aurizon Network in respect of any loss of or damage to real or personal property, including property of the Operator or End Users, or personal injury to or death of any person or any other damage, expense, injury, cost or loss whatsoever arising out of or in connection with the standard of the Infrastructure or any failure of or defect in the Infrastructure except to the extent that such loss, damage, injury, cost or expense results directly from the failure of Aurizon Network to perform its obligations under Clause 7.2(a) or Aurizon Network's negligence in performing those obligations.

## **15.5 Defence of Claims**

The Parties shall render each other all reasonable assistance in the defence of any Claim made against a Party by a Third Party arising out of any Incident or other event giving rise to a Claim.

## **15.6 Continuation of Indemnities and liabilities**

- (a) The releases and indemnities contained in this Clause 15 for the benefit of either Party continue in full force and effect as to any Claims occurring or arising from any act occurring during the Term notwithstanding the termination of this Agreement whether by expiration of time or otherwise.
- (b) Clause 18 continues to apply in respect of any Dispute occurring or arising from any act or omission of a Party during the Term notwithstanding the termination of this Agreement by expiration of time or otherwise.

## **15.7 Determination of Liability**

In the event of an Incident involving the Operator or any other event which results or could result in a Claim by or against the Operator or Aurizon Network, liability as between the Operator and Aurizon Network shall for the purposes of this Clause 15 be determined:

- (a) as agreed between the Parties;
- (b) failing such agreement within one (1) Month of either Party giving notice to the other requiring agreement on liability, by a loss adjuster appointed pursuant to Clause 15.8; or
- (c) where the amount of the Claim exceeds the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) and either Party is dissatisfied with the report of the loss adjuster, by a Court of competent jurisdiction.

## **15.8 Loss Adjuster**

Subject to Clause 23, where a matter is to be referred to a loss adjuster in accordance with Clause 15.7 then the following provisions of this Clause shall apply:

- (a) The loss adjuster shall be appointed by the Parties, or in default of such appointment within fourteen (14) days after the need to appoint a loss adjuster, by the President of The Chartered Institute of Loss Adjusters Australasian Division.
- (b) In any event, the loss adjuster shall:

- (i) be a Fellow of the Australasian Institute of Chartered Loss Adjusters or have equivalent qualifications and experience;
  - (ii) have no interest or duty which conflicts or may conflict with his function as a loss adjuster, he being required to fully disclose any such interest or duty before his appointment; and
  - (iii) not be an employee of the Operator, the End User or Aurizon Network or of a Related Body Corporate of any of them.
- (c) The loss adjuster appointed pursuant to this Clause 15.8 shall not be permitted to act until he has given written notice of the acceptance of his appointment to both Parties.
  - (d) Any loss adjuster appointed pursuant to this Clause 15.8 shall be required to undertake to keep confidential all matters coming to his knowledge by reason of his appointment and the performance of his duties.
  - (e) Any person nominated as a loss adjuster hereunder shall be deemed to be and shall act as an expert and not an arbitrator and the law relating to arbitration including without limitation, the *Commercial Arbitration Act 1990* (Qld), shall not apply to him or his determination or the procedures by which he may reach his determination.
  - (f) Each Party must ensure to the best of its ability that the loss adjuster is given the opportunity to interview any employee, agent or contractor involved in or with knowledge of the Incident or event giving rise to the Claim or with any other relevant information that may be of use to the loss adjuster.
  - (g) Each Party must make available to the loss adjuster any files, documents, data, recordings or other information that may be of use to, or is requested by, the loss adjuster for the purposes of his investigation.
  - (h) The loss adjuster will determine the quantum of the relevant Claim and the liability of the Operator and/or Aurizon Network in respect of such Claim and shall provide a copy of his report on such matters to each of the Parties within a reasonable time after his appointment.
  - (i) In the absence of manifest error, the decision of the loss adjuster shall be final and binding upon the Parties where the total claims arising from the Incident or event giving rise to the Claim are equal to or less than the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00).

#### **15.9 Costs**

Subject to Clause 23, the costs of the loss adjuster shall be borne by the Parties in such proportions as liability is determined by the loss adjuster or where the liability is determined by a Court, in such proportions as liability is determined by the Court.

### **16 LIMITATION OF LIABILITY**

#### **16.1 No Liability for Consequential Loss**

Except as otherwise expressly provided in Clauses 13.8 and 20.3(b), neither Party shall in any circumstances be liable to the other for (and the indemnities in Clauses 15.1 and 15.2 shall not extend to) any Consequential Loss.

#### **16.2 Limitation on Claims**

Neither Party shall make any Claim against the other in respect of the neglect or default of that Party under the Agreement unless:

- (a) notice of the Claim has been given to the other within twelve (12) Months of the occurrence of the event or circumstance out of which such Claim arises; and
- (b) the amount of the Claim exceeds ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) in respect of any one event or cause of action or series of related events or causes of action (provided that if this condition is satisfied then the Party may proceed for the full amount of the Claim and is not limited to only so much of the Claim as exceeds the required threshold of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)).

#### **16.3 Claims in respect of non-provision of Access**

The Operator shall not have or make any Claim against Aurizon Network in respect of the non-provision of Operational Rights or cancellation of any Train Service unless, and shall only have a claim to the extent that:

- (a) a Train Service is cancelled as a result of a failure by Aurizon Network to make the Infrastructure available for the Operator to operate the Train Service at the Scheduled Time in the Train Schedule and Aurizon Network was unable to schedule the Train Service at a reasonable alternative time; and
- (b) the failure by Aurizon Network to make the Infrastructure available was a result of a breach of this Agreement by Aurizon Network, or negligence on the part of Aurizon Network; and
- (c) the failure by Aurizon Network to make the Infrastructure available is not attributable to:
  - (i) the End User or the Operator;
  - (ii) another Railway Operator (other than Aurizon Network);
  - (iii) a Force Majeure Event;
  - (iv) Major Periodic Maintenance of (including Enhancements to) the Infrastructure scheduled in a manner consistent with the Network Management Principles; or
  - (v) any action taken by Aurizon Network, acting reasonably, in response to an emergency or a genuine safety risk; and
- (d) either:
  - (i) the Parties have not agreed upon and implemented a performance and adjustment regime for the purposes of Clause 6.6 and **Schedule 5** and the total number of Train Services cancelled in a Billing Period as a result of a failure by Aurizon Network to make the Infrastructure available exceeds the Allowable Threshold; or
  - (ii) the Parties have agreed upon and implemented a performance and adjustment regime for the purposes of Clause 6.6 and **Schedule 5**, but the non-provision of Access or cancellation of Train Services is of a magnitude which is beyond the scope of that performance and adjustments regime.

#### 16.4 Claims in respect of delays to Train Movements

Neither Party (the “**Affected Party**”) shall have or make any Claim against the other Party (the “**Defaulting Party**”) in respect of delays to Train Movements unless, and shall only have a Claim to the extent that:

- (a) the delay was a result of a breach of this Agreement by the Defaulting Party, or negligence on the part of the Defaulting Party; and
- (b) the delay is not attributable to:
  - (i) the Affected Party (or the End User where the Operator is the Affected Party);
  - (ii) another Railway Operator (other than the Defaulting Party or the End User where the Operator is the Defaulting Party);
  - (iii) a Force Majeure Event;
  - (iv) Major Periodic Maintenance of (including Enhancements to) the Infrastructure scheduled in a manner consistent with the Network Management Principles; or
  - (v) any action taken by Aurizon Network, acting reasonably, in response to an emergency or a genuine safety risk; and
- (c) either:
  - (i) the Parties have not agreed upon and implemented a performance and adjustment regime for the purposes of Clause 6.6 and **Schedule 5**; or
  - (ii) the Parties have agreed upon and implemented a performance and adjustment regime for the purposes of Clause 6.6 and **Schedule 5**, but the delays are of a magnitude which is beyond the scope of that performance and adjustments regime.

## 17 MATERIAL CHANGE

*[Clause 17 to be omitted where the End User is paying all Access Charges]*

### 17.1 Meaning of Material Change

In this Clause 17:

- (a) “**Material Change**” means a:
- (i) Change in Relevant Taxes;
  - (ii) Change in Law;
  - (iii) change in the funding from governments in respect of that part of the Nominated Network specified in Part 4 of **Schedule 2**; or
  - (iv) matter deemed to be a Material Change under Clause 24.18(d); and
- (b) “**Net Financial Effect**” means the net effect in financial terms of a Material Change on Aurizon Network in relation to performing its obligations or exercising its rights under this Agreement and/or an End User’s Access Agreement including any offsetting benefits or adverse effects directly or indirectly connected to the Material Change. Any change in the funding from governments in respect of the Nominated Network which is adverse to Aurizon Network shall, to the extent that change affects the financial position of Aurizon Network, be deemed to be an additional cost to Aurizon Network of performing its obligations under this Agreement and/or the End User’s Access Agreement.

### 17.2 Adjustment for a Material Change

- (a) If there is no Reference Tariff applicable to the relevant Train Service under this Agreement then:
- (i) if at any time after the date of this Agreement a Material Change occurs which affects the financial position of Aurizon Network or the cost to Aurizon Network of performing its obligations under this Agreement and/or the End User’s Access Agreement, Aurizon Network may notify the Operator, the End User and any other contracted operator of the End User, giving details of the Net Financial Effect of the Material Change;
  - (ii) within fourteen (14) days after receipt of a notice under Clause 17.2(a)(i), the Parties, the End User and each other contracted operator of the End User shall meet and negotiate in good faith any appropriate adjustments to the amounts payable under this Agreement in order to remove as far as practicable the Net Financial Effect of the Material Change and return Aurizon Network to the position it would have been in had it not been for the Material Change. If the Parties, the End User and any other contracted operator of the End User do not reach agreement within twenty (20) days of Aurizon Network’s notice, the matter will be referred to an expert for determination in accordance with Clause 18.3.
- (b) If a Reference Tariff is applicable to the relevant Train Service under this Agreement then the relevant Reference Tariff Schedule will provide for the consequences of Material Change.

### 17.3 Parties Obligations

The Parties’ obligations under this Agreement will continue notwithstanding the existence of a Material Change.

## 18 DISPUTES

### 18.1 Method

If any claim, dispute or question (“**Dispute**”) arises under this Agreement or in relation to the Operational Rights then unless otherwise expressly provided to the contrary in this Agreement such Dispute shall be resolved in accordance with this Clause 18 and either Party may give to the other Party to the Dispute a notice in writing (“**Dispute Notice**”) specifying the Dispute and requiring that it be dealt with in the manner set out in this Clause 18.

### 18.2 Chief Executive Resolution

- (a) Except as otherwise provided in this Agreement, the Parties hereby agree that any Dispute shall be referred in the first instance and in any event within five (5) Business Days of the Dispute Notice to the chief executive officer of Aurizon Network (or his nominee) and the chief executive officer of the Operator (or his nominee) for the purposes of this Clause 18.2 for resolution.
- (b) If the Dispute is not resolved within ten (10) Business Days, the relevant Dispute may by agreement between Aurizon Network and the Operator be referred for resolution by an expert in accordance with Clause 18.3 or by arbitration in accordance with Clause 18.4.

### 18.3 Expert

Subject to Clause 23, where any matter may be referred to an expert pursuant to Clause 18.2 or is required by this Agreement to be referred to an expert then except as otherwise provided for in this Agreement, the matter must be referred for determination by a person:

- (a) who is appointed by the Parties, or in default of such appointment within ten (10) Business Days after either Party giving notice in writing to the other Party requiring the appointment of an expert then that person is to be nominated at either Party's request by:
  - (i) if the Parties agree that the Dispute is of a financial nature, the President for the time being of CPA Australia;
  - (ii) if the Parties agree that the Dispute is of a non-financial nature, the President for the time being of the Engineers Australia – Queensland Division; and
  - (iii) in any other case, by the President for the time being of the Queensland Law Society Incorporated;
- (b) who has appropriate qualifications and practical experience having regard to the nature of the Dispute;
- (c) who has no interest or duty which conflicts or may conflict with his function as expert, he being required to fully disclose any such interest or duty by written notice to the Parties before his appointment;
- (d) who is not an employee of the End User, Operator or Aurizon Network or of a Related Body Corporate of any of them;
- (e) who shall not be permitted to act until he has given written notice to both Parties that he is willing and able to accept the appointment;
- (f) who shall have regard to the provisions of this Agreement and consider all submissions (including oral submissions by either Party provided that such oral submissions are made in the presence of the other Party), supporting documentation, information and data with respect to the matter submitted by the Parties or submitted by the Parties as soon as reasonably practicable at his request and who must provide both Parties with a copy of his determination in the form of a report within a reasonable time after his appointment;
- (g) who shall be required to undertake to keep confidential all matters coming to his knowledge by reason of his appointment and performance of his duties;
- (h) who shall be deemed to be and shall act as an expert and not an arbitrator and the law relating to arbitration (including, without limitation, the *Commercial Arbitration Act 1990 (Qld)*) shall not apply to him or his determination or the procedures by which he may reach his determination;
- (i) whose decision, in the absence of manifest error, shall be final and binding upon the Parties; and
- (j) whose costs (and the costs of any advisers to the expert) shall be borne by the Parties in equal shares, with each Party bearing its own costs of participating in the dispute resolution process (unless otherwise agreed by the Parties).

Any determination made by an expert must be consistent with the provisions of this Agreement.

### 18.4 Arbitration

Subject to Clause 23, the Parties may agree to refer any Dispute to arbitration by a single arbitrator sitting in Brisbane agreed upon between the Operator and Aurizon Network and failing agreement upon such arbitrator within fourteen (14) days after the date of written notice from one Party to the other requiring the appointment of an arbitrator then to an arbitrator appointed by the President of the Institute of Arbitrators. Every such reference shall be an arbitration within the meaning of the *Commercial Arbitration Act 1990 (Qld)*, and subject to the provisions relating to arbitration contained in that Act.

### 18.5 Determination by Court

If any Dispute is not resolved in accordance with Clause 18.2 nor referred to an expert in accordance with Clause 18.3, nor referred to arbitration by agreement of the Parties in accordance with Clause 18.4, nor referred to the QCA in accordance with Clause 18.6, then the Dispute shall be referred to the courts of the State.

### 18.6 Queensland Competition Authority (QCA)

Subject to Clause 23, the Parties may agree to refer and where required by this Agreement shall refer any Dispute to the QCA.

## 19 FORCE MAJEURE

### 19.1 Claim of Force Majeure

If by reason of a Force Majeure Event occurring either Party is wholly or partially unable to carry out its obligations under this Agreement (other than an obligation to pay monies), that Party must, as soon as it becomes aware of the Force Majeure Event, give to the other Party and the End User prompt written notice of the Force Majeure Event together with full particulars of all relevant matters including:

- (a) details of the Force Majeure Event and that part of the Nominated Network affected;
- (b) details of the obligations affected;
- (c) details of the action that the Party has taken to remedy the situation and details of the action that the Party proposes to remedy the situation; and
- (d) an estimate of the time during which the Party will be unable to carry out its obligations due to the Force Majeure Event.

No Party will be obliged to settle any strike, lockout or other labour dispute on terms not acceptable to it.

### 19.2 Suspension of obligations

If by reason of a Force Majeure Event affecting all or any part of the Nominated Network either Party is delayed or prevented from carrying out, whether wholly or in part, its obligations under this Agreement (other than an obligation to pay monies) then the obligations of that Party will be suspended during that time and to the extent that the performance of such obligations is prevented or hindered by the Force Majeure Event.

### 19.3 Duty to Mitigate

Each Party will use all reasonable diligence to remedy or overcome the effect of the Force Majeure Event as soon as possible and will attempt to identify alternative viable means of providing the Operational Rights affected and to mitigate the effect of the Force Majeure Event.

### 19.4 End of period of Force Majeure

Subject to Clauses 19.5 and 19.6, the suspension of the obligations of the Parties due to a Force Majeure Event ends when the Party that issued the notice of the Force Majeure Event is able to resume full performance of its obligations under this Agreement at which time it must issue a notice to the other Party and the End User advising that it intends to recommence the performance of its obligations and must thereafter recommence the performance of its obligations.

### 19.5 Termination for Loss or Damage to Nominated Network

- (a) In the event that any part of the Nominated Network specified in Part 2 of **Schedule 2** is damaged or destroyed by a Force Majeure Event and in Aurizon Network's reasonable opinion the cost of repairing such damage or replacing that part of the Nominated Network is not economic on the basis of the then and committed future utilisation of that part of the Nominated Network, Aurizon Network may by written notice advise the Operator of:

- (i) the estimated cost of effecting the necessary repairs or replacement; and
- (ii) Aurizon Network's intention to not repair or replace the relevant part of the Nominated Network unless:
  - (A) the Operator or End User; and
  - (B) any other Railway Operator using that part of the Nominated Network,

pay the amounts specified by Aurizon Network towards the cost of effecting the necessary repairs or replacement,

provided that such notice must also be given to the End User pursuant to clause 12.5 of the End User Access Agreement.

- (b) If the Operator or the End User pursuant to the End User Access Agreement (as applicable) gives notice to Aurizon Network advising that it will bear the whole, or that part requested by Aurizon Network, of the cost of necessary repairs or replacement, then Aurizon Network will proceed with the repairs or replacement within a reasonable time after receipt by Aurizon Network from the Operator or End User of payment of the relevant amount subject to reaching agreement with any other Railway Operator using the affected part of the Nominated Network. Where the Operator or End User pays to Aurizon Network the whole of the estimated cost, Aurizon Network must, upon



completion of the necessary repairs or replacement, refund to the Operator or End User (as applicable) any amount by which the amount paid by the Operator or End User exceeds the actual cost and the Operator or End User (as applicable) shall pay to Aurizon Network the amount by which the actual cost exceeds the amount paid by the Operator or End User.

- (c) If within sixty (60) days after receipt of a notice from Aurizon Network under Clause 19.5(a) the Operator or End User has not given notice to Aurizon Network pursuant to Clause 19.5(b) indicating that it will pay the whole, or that part requested by Aurizon Network, of the cost of the necessary repairs or replacement, Aurizon Network shall have the right to terminate this Agreement by giving not less than thirty (30) days notice in writing to the Operator and the End User without prejudice to any of the rights of the Parties accrued prior to the date of such termination.

#### **19.6 Termination after extended Force Majeure Event**

If by reason of a Force Majeure Event a Party (“affected Party”) is rendered unable to perform its obligations under this Agreement for a period of more than three (3) consecutive Months, the Parties must meet in an endeavour to identify any alternative viable means to provide the suspended Access Rights and failing an alternative means being agreed upon within one (1) Month of the end of the three (3) Month period the other Party may terminate this Agreement by thirty (30) days written notice to the affected Party and the End User and the provisions of this Agreement relating to termination set out in Clauses 21.4 and 21.5 apply without prejudice to any of the rights of the Parties accrued prior to the date of such termination. Aurizon Network must send a written notice of invitation to the End User for, and provide the End User with a reasonable opportunity to participate in, any meeting of the Parties pursuant to this clause 19.6.

### **20 SUSPENSION**

#### **20.1 Right of Suspension**

- (a) Aurizon Network may, by notice in writing to the Operator and the End User prior to or immediately following the suspension, suspend the right of the Operator to operate some or all of the Train Services upon the occurrence of any one or more of the following events or circumstances:
- (i) the Operator fails to pay when due any amount payable under this Agreement and such default continues for seven (7) days after notice from Aurizon Network to the Operator and the End User of the default;
  - (ii) the Operator fails to meet or comply with:
    - (A) any of its obligations under Clauses 6, 8, 9 or 12 (with the exception of Clauses 6.1(a)(v), 8.3 and 9.6) of this Agreement and Aurizon Network is of the reasonable opinion that such failure either:
      - (i) adversely affects or is likely to adversely affect the entitlements of any Railway Operator (other than the Operator) or other users of the Infrastructure (including Infrastructure Service Providers); or
      - (ii) has caused or is likely to cause an increased risk to the safety of any person or material risk to property; or
    - (B) the Train Service Description and Aurizon Network is of the reasonable opinion that such failure either:
      - (i) adversely affects or is likely to adversely affect the entitlements of any Railway Operator (other than the Operator) or other users of the Infrastructure (including Infrastructure Service Providers) and that Aurizon Network has sought to avoid such adverse effects by rescheduling Trains and changing Train priority in accordance with the Network Management Principles provided that Aurizon Network will not be obliged to take any action that may cause any additional cost or risk to Aurizon Network or an adverse impact on any Railway Operator (other than the Operator); or
      - (ii) has caused or is likely to cause an increased risk to the safety of any person or material risk to property;
  - (iii) an Insolvency Event occurs in relation to the Operator;

- (iv) the Operator's Accreditation is suspended, cancelled or amended so that it cannot perform its obligations generally under this Agreement;
- (v) the Operator fails to comply with the requirements of a notice given by Aurizon Network to the Operator and the End User (within the reasonable time specified in that notice) requiring the Operator to cease conduct which in the reasonable opinion of Aurizon Network is causing or threatening to cause Serious Environmental Harm or Material Environmental Harm;
- (vi) the Operator fails to effect or maintain the insurances required under Clause 14.2 of this Agreement and such default continues for seven (7) days after notice from Aurizon Network to the Operator and the End User of the default;
- (vii) the Operator fails to provide, prior to the departure of the Train pursuant to Clause 6.5, information that is reasonably required by Aurizon Network in relation to the relevant Train in accordance with Part 2 of **Schedule 10**;
- (viii) the Operator purports to Assign any of its rights or interests in this Agreement other than as permitted in this Agreement;
- (ix) the Operator is in default of the due performance of any other obligation under this Agreement, and such default continues for thirty (30) days after notice from Aurizon Network to the Operator and the End User of the default;
- (x) the events or circumstances referred to in Clause 21.1(b), 21.1(c) or 21.1(f) exist; or
- (xi) events or circumstances specified as providing Aurizon Network with a right to suspend the End User's Access Rights under the End User Access Agreement.

Such suspension shall continue until such time as the Operator or End User (as applicable) has remedied the relevant default and, where appropriate, taken action to prevent its recurrence.

- (b) Aurizon Network may suspend the right of the Operator to operate any Train Services on the Nominated Network in the event of breach or, acting reasonably, anticipated breach by the Operator of:
  - (i) any Laws relating to rail safety relevant to the operation of Train Services;
  - (ii) Aurizon Network Train Control Directions given in a manner not inconsistent with the Network Management Principles;
  - (iii) Safeworking Procedures; or
  - (iv) Safety Standards,

and Aurizon Network is of the reasonable opinion that such breach has caused or such anticipated breach is likely to cause, an increased risk to the safety of any person or material risk to property.

Such suspension may be effected by notice in writing to the Operator and the End User prior to or immediately following the suspension and shall continue until such time as the breach is rectified or, in the event of anticipated breach, the Operator has demonstrated that it is in compliance. The Operator must ensure that upon such suspension the relevant Operator's Staff immediately ceases to perform functions on the Nominated Network until such time as the suspension is lifted by Aurizon Network.

- (c) Aurizon Network may suspend the operation of the Operator's Rollingstock or Rollingstock Configurations:
  - (i) for actual non-compliance with applicable Laws, the authorisation under **Schedule 4** for the Rollingstock or Rollingstock Configurations involved or the Rollingstock Interface Standards specified in the Agreement where the Operator has failed to rectify such non-compliance within a reasonable period of time; or
  - (ii) for actual non-compliance or (acting reasonably) anticipated non-compliance with applicable Laws, the authorisation under **Schedule 4** for the Rollingstock or Rollingstock Configurations involved or the Rollingstock Interface Standards specified in the Agreement where such non-compliance creates a risk to the safety of any person or a material risk to property.

Such suspension may be effected by notice in writing to the Operator and the End User prior to or immediately following the suspension and shall continue until the Operator

has rectified the non-compliance or, in the event of anticipated non-compliance, the Operator has demonstrated that it is in compliance.

## 20.2 Details of Suspension

Where Aurizon Network has a right under this Clause 20 to suspend rights of the Operator, the notice of suspension given by Aurizon Network must set out:

- (a) the rights of the Operator which are affected by the suspension;
- (b) the reasons for the suspension; and
- (c) the actions the Operator or End User must take to have the suspension lifted.

## 20.3 Effect of Suspension

- (a) The suspension of any rights does not affect or suspend any other obligation of the Operator[, *including the obligation to pay Access Charges*] under this Agreement and shall be without prejudice to Aurizon Network's other rights and remedies in respect of that or any other default.
- (b) Where Aurizon Network suspends some or all of the Operator's Train Services, Aurizon Network will be liable to the Operator in respect of loss or damage (including damages for Consequential Loss) arising from the suspension if, and only if, no reasonable person in Aurizon Network's position could have formed the view that the stated grounds for the suspension existed, provided that the Operator must use all reasonable endeavours to mitigate the loss or damage arising from the suspension. Aurizon Network shall bear the burden of establishing that a reasonable person in Aurizon Network's position could have formed that view.
- (c) Notwithstanding clause 20.3(b), Aurizon Network will not be liable to the Operator for any loss or damage (including damages for Consequential Loss) arising from the Operator's liability to the End User in connection with the suspension.

## 21 TERMINATION

### 21.1 Termination by Aurizon Network

Without limiting any rights of termination contained elsewhere in this Agreement or otherwise existing at Law, Aurizon Network may, by notice in writing to the Operator and the End User, immediately terminate this Agreement upon the occurrence of any one or more of the following events or circumstances:

- (a) the Operator fails to pay when due any amount said to be payable under this Agreement, other than due to a bona fide dispute regarding whether the amount is payable for which a Dispute Notice has been given in accordance with clause 18.1 and which has not been resolved in favour of the amount being required to be paid, and such default continues for thirty (30) days after notice from Aurizon Network to the Operator and the End User of the default;
- (b) the Operator fails to comply in any material respect with:
  - (i) any obligations under Clauses 6, 8, 9 or 12 (with the exception of Clauses 8.3 and 9.6) of this Agreement; or
  - (ii) any Aurizon Network Train Control Direction within the control of the Operator, any Safeworking Procedures or Safety Standard,
 and such default continues for, or the Operator has failed to take reasonable action to prevent recurrence of the default within, thirty (30) days after notice from Aurizon Network to the Operator and the End User of the default;
- (c) the Operator fails to comply in any material respect with the Train Service Description and fails to demonstrate to the reasonable satisfaction of Aurizon Network, within sixty (60) days after notice from Aurizon Network to the Operator and the End User to do so, that the Operator will consistently comply with the Train Service Description for the remainder of the Term provided that Aurizon Network, acting reasonably, has determined not to vary the Train Service Description having regard to relevant factors including:
  - (i) the impact on other users of the Infrastructure (including Infrastructure Service Providers); and
  - (ii) the efficient utilisation of the Infrastructure;
- (d) an Insolvency Event occurs in relation to the Operator and such default continues for a period of sixty (60) days;

- (e) the Operator's Accreditation is suspended, cancelled or amended so that it cannot lawfully operate the Train Services or otherwise perform its obligations generally under this Agreement, and such default continues for thirty (30) days after notice from Aurizon Network to the Operator and the End User of the default;
- (f) where the Environmental Protection Agency gives the Operator a direction, notice or order about the conduct of the Operator in relation to the operation of Train Services which causes or threatens to cause Serious Environmental Harm and the Operator fails, within the time:
  - (i) specified in the relevant direction, notice or order, or in any stay or other court order made in relation to such direction, notice or order; or
  - (ii) otherwise agreed to by the Environmental Protection Agency,
  - to
  - (iii) comply with the direction, notice or order, as modified by any court order (if applicable); or
  - (iv) take other measures (including, for example, agreeing to implement an environmental management program) acceptable to the Environmental Protection Agency in relation to the requirements of the direction, notice or order,
 and such failure continues for thirty (30) days after notice by Aurizon Network to the Operator (and copied simultaneously to the End User) to remedy such failure;
- (g) the Operator fails to effect or maintain the insurances required under Clause 14.2 of this Agreement and such default continues for thirty (30) days after notice from Aurizon Network to the Operator and the End User of the default;
- (h) the Operator purports to Assign any of its rights or interests in this Agreement other than as permitted by this Agreement;
- (i) the Operator is in default of the due performance of any other obligation under this Agreement, and such default continues for sixty (60) days after notice from Aurizon Network to the Operator and the End User of the default; or
- (j) where, for a period of at least 12 consecutive months, the Train Service Description does not include any Train Services,

provided that, where Aurizon Network has a right of suspension under Clause 20.1 which arose in respect of the occurrence of the same underlying event or circumstance, Aurizon Network has first exercised its corresponding right of suspension under Clause 20.1 in respect of that event or circumstance.

## **21.2 Termination by the Operator**

Without limiting any rights of termination contained elsewhere in this Agreement or otherwise existing at Law, the Operator may, by notice in writing to Aurizon Network and the End User, immediately terminate this Agreement upon the occurrence of any one or more of the following events or circumstances:

- (a) an Insolvency Event in relation to Aurizon Network occurs and such default continues for a period of sixty (60) days;
- (b) Aurizon Network's Accreditation is cancelled such that it cannot perform its obligations generally under this Agreement, and such default continues for thirty (30) days after notice from the Operator to Aurizon Network and the End User of the default;
- (c) Aurizon Network fails to pay when due any amount said to be payable under this Agreement, other than due to a bona fide dispute regarding whether the amount is payable for which a Dispute Notice has been given in accordance with clause 18.1 and which has not been resolved in favour of the amount being required to be paid, and such default continues for thirty (30) days after notice from the Operator to Aurizon Network and the End User of the default;
- (d) Aurizon Network is in default of the due performance of any other obligation under this Agreement and such default continues for sixty (60) days after notice from the Operator to Aurizon Network and the End User of the default.

## **21.3 Grounds for Termination to be specified**

A notice of termination given under Clauses 21.1 or 21.2 must set out the grounds for the termination.

**21.4 Obligations and other rights upon termination or expiration**

- (a) Neither termination of this Agreement by a Party pursuant to this Clause 21 nor expiration of this Agreement prejudices:
  - (i) a Party's right to make a Claim or recover damages or avail itself of other remedies under this Agreement or at Law; or
  - (ii) either Party's rights to recover monies due to it under this Agreement.
- (b) Upon termination of this Agreement Aurizon Network and the Operator shall be released from all further obligations or liabilities under this Agreement except in respect of any antecedent breach of this Agreement on their respective parts. Any liability in respect of such antecedent breach shall be limited in the manner provided in this Agreement.

**21.5 Removal of Rollingstock following termination**

- (a) Immediately on expiration of the Term, and as soon as practicable following termination of this Agreement for any other reason, the Operator must, at the Operator's cost, remove all of the Operator's Rollingstock from the Nominated Network.
- (b) If the Operator fails to remove the Operator's Rollingstock from the Nominated Network, Aurizon Network may serve notice on the Operator demanding the removal of Rollingstock within a specified time.
- (c) If the Operator fails to remove any of the Operator's Rollingstock from the Nominated Network the subject of the notice of demand within the time specified in the notice of demand issued by Aurizon Network in accordance with Clause 21.5(b), Aurizon Network is entitled to remove the Rollingstock and recover the reasonable costs of removal from the Operator.
- (d) The Operator is liable, and will indemnify Aurizon Network, for any costs incurred by Aurizon Network in relation to any damage or obstruction caused to the Infrastructure or the Nominated Network by the Operator in removing any Rollingstock in accordance with this Clause.
- (e) The Operator shall comply with all reasonable directions issued by Aurizon Network in relation to the removal of the Rollingstock in accordance with this Clause.

**22 ASSIGNMENT****22.1 Assignment by Aurizon Network**

Aurizon Network may Assign the whole or any part of its rights or obligations under this Agreement without the prior consent of the Operator provided that Aurizon Network procures the Assignee to covenant with the Operator by deed to be bound by and to perform the obligations of Aurizon Network under this Agreement to the extent of the rights and obligations Assigned to the Assignee. Upon the Assignee entering into that deed Aurizon Network will be released and discharged from further liability under this Agreement in respect of the obligations which the Assignee has undertaken under that deed to be bound by and to perform.

**22.2 Assignment by the Operator**

- (a) Subject to the following provisions of this Clause 22.2, the Operator shall not Assign its rights or obligations, or any part thereof, under this Agreement without:
  - (i) the prior written consent of Aurizon Network, which consent may not be unreasonably withheld; and
  - (ii) providing Aurizon Network with written evidence of the End User's consent to the Assignment.
- (b) The Operator may, provided:
  - (i) it has provided to Aurizon Network written evidence of the End User's consent to the Assignment; and
  - (ii) it is not in default in the performance or observance of any of its obligations under this Agreement,

Assign the whole of its rights and obligations under this Agreement to:

- (iii) a Related Body Corporate of the Operator which is Accredited to operate Train Services and is otherwise capable of performing the obligations of the Operator under this Agreement provided that the Operator shall remain liable for the performance of the duties, responsibilities and obligations assumed by the Assignee and provided however that performance by the Assignee will

pro tanto discharge the Operator from liability for performance of those duties, responsibilities and obligations that are Assigned; or

- (iv) a person other than a Related Body Corporate of the Operator with the prior written consent of Aurizon Network, provided that such consent will not be unreasonably withheld if Aurizon Network is satisfied that such person:
  - (A) is financially sound;
  - (B) is Accredited to operate Train Services; and
  - (C) is otherwise capable of performing the obligations of the Operator under this Agreement.
- (c) Any Assignment by the Operator of its rights or obligations under this Agreement will be conditional upon and will not take effect until the Assignee covenants with Aurizon Network by deed, in such terms as Aurizon Network may reasonably require, to be bound by and to perform the obligations of the Operator under this Agreement.
- (d) Except where the Operator is a company the shares in which are quoted by the Australian Stock Exchange Limited, any change in shareholding of the Operator altering the effective control of the Operator will be deemed to be an Assignment of this Agreement.
- (e) The Operator shall not:
  - (i) register, record or enter in its books any transfer of any share or shares in the capital of the Operator;
  - (ii) deal with any beneficial interest in any such share or shares;
  - (iii) issue any new share or shares; or
  - (iv) take or attempt to take any action
 having the effect:
  - (A) of altering the control of the Operator; or
  - (B) that the shareholders of the Operator at the date of this Agreement together beneficially hold or control less than 51% of the voting rights of capital in the Operator,

until the requirements of this Clause 22.2 have been complied with.

### 22.3 Charging

A Party (“**Chargor**”) may create a Charge over all of its rights under this Agreement in favour of a recognised financial institution (“**Chargee**”) to secure financial accommodation provided to the Chargor in relation to its obligations under this Agreement, provided that the Chargee shall first covenant in writing in favour of the other Party (“**Non-Charging Party**”), pursuant to a deed in such terms as the Non-Charging Party may reasonably require, that in relation to the exercise of any power of sale or other right or remedy under the Charge granted to the Chargee, the Chargee and any person (including any receiver or receiver and manager or agent) claiming through the Chargee will comply with the provisions of this Clause 22 as if it were originally a party hereto, and will not exercise any power of sale of the rights and/or obligations of the Chargor under the Agreement except in accordance with this Clause 22.

## 23 RELATIONSHIP WITH END USER ACCESS AGREEMENTS

### 23.1 Disputes

- (a) Prior to any referral of a matter to a loss adjuster, expert, arbitrator or the QCA (“**Adjudicator**”) in accordance with Clause 15.7 or 18, either Party may notify the other Party that the End User should be a party to that referral and, if such a notice is given, then the End User must be:
  - (i) notified of the matter to be referred to the Adjudicator; and
  - (ii) provided with a copy of the provisions of this Agreement governing the referral of a matter to, the determination of a matter by and the payment of the costs of the Adjudicator (“**Dispute Provisions**”).
- (b) If the End User is given a notice under Clause 23.1(a), then:
  - (i) where the Adjudicator is to be a loss adjuster, expert or arbitrator, the Parties are deemed not to have agreed the appointment of the loss adjuster or expert unless the End User has also agreed to the appointment of that loss adjuster, expert or arbitrator;

- (ii) the Parties must comply with the Dispute Provisions in respect of the End User as though the End User was a Party to this Agreement for the purposes of the matter referred to the Adjudicator; and
  - (iii) the Adjudicator in addition to determining the matter between the Parties must also determine any claim, dispute, question or liability involving the End User and the End User Access Agreement arising in connection with any of the events or facts the subject of the matter referred to the Adjudicator by the Parties (unless that claim, dispute, question or liability has already been agreed by Aurizon Network and the End User or otherwise determined).
- (c) If the Operator is notified of a matter to be referred to an Adjudicator in accordance with the End User Access Agreement, then the Operator:
- (i) must comply with the provisions of that agreement governing the referral of a matter to, the determination of a matter by and the payment of the costs of an Adjudicator;
  - (ii) must provide the Adjudicator with a copy of this Agreement;
  - (iii) agrees that the Dispute Provisions do not apply to any claim, dispute, question or liability involving the Operator and this Agreement arising in connection with the matter referred to the Adjudicator; and
  - (iv) agrees that, for the avoidance of doubt, the decision of the Adjudicator, in the absence of manifest error, shall be final and binding upon the Operator.

### **23.2 Notice to an Operator**

- (a) Where, under one of the following clauses of the End User Access Agreement, Aurizon Network provides notice to the End User of a change to train service allocations or Operator nominations, Aurizon Network acknowledges that it must also provide such notice contemporaneously to the Operator:
- (i) clause 2.3 ("Exercise of Access Rights");
  - (ii) clause 4.1 ("Reduction of Access Rights"); and
  - (iii) clause 4.2 ("Relinquishment and Transfer of Access Rights").
- (b) Where, under one of the following clauses of the End User Access Agreement, Aurizon Network provides notice of default, suspension or termination to the End User, Aurizon Network acknowledges that it must also provide such notice contemporaneously to the Operator:
- (i) clause 12 ("Force Majeure");
  - (ii) clause 13 ("Suspension");
  - (iii) clause 14 ("Termination"); and
  - (iv) clause 17.18(e) ("Ownership of Land").

## **24 GENERAL**

### **24.1 Variation/Amendment**

- (a) Except as otherwise provided in this Agreement any variation or amendment to this Agreement must be in writing signed by:
- (i) both Parties; and
  - (ii) except where the amendment solely relates to operational matters that do not have consequential impacts on the End User's Access Rights, the utilisation of the End User's Access Rights or the End User Access Agreement, the End User.
- (b) The Operator must provide the End User with a copy of any written agreement to variations or amendments to this Agreement

### **24.2 Confidentiality**

- (a) Subject to Clause 24.2(b), the Parties shall comply with the provisions of the confidentiality deed set out in **Schedule 12**.
- (b) Either Party may disclose to the End User:
- (i) the terms of this Agreement; or

- (ii) information and notices arising from or in connection with this Agreement or the Operational Rights but only to the extent that such disclosure:
  - (A) is required by the terms of this Agreement or the End User Access Agreement;
  - (B) is reasonably necessary for the performance of obligations or the exercise rights under this Agreement or the End User Access Agreement;
  - (C) is reasonably necessary in connection with the safe operation of the Nominated Network; or
  - (D) would otherwise be permitted by the provisions of the confidentiality deed set out in **Schedule 12**.

### **24.3 Intellectual Property**

All material supplied or made available by one Party (“**the Supplier**”) to the other Party remains the intellectual property of the Supplier and cannot be reproduced nor used for any purpose other than the purpose for which it was supplied without the approval of the Supplier.

### **24.4 Entire Agreement**

- (a) This Agreement, the Schedules and other documents referred to in the Schedules constitute the entire understanding and agreement between the Parties as to the subject matter of this Agreement.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments in relation to, or in any way affecting, the subject matter of this Agreement are merged in and superseded by this Agreement and are of no force or effect whatever and no Party will be liable to any other Party in respect of those matters.
- (c) No oral explanation or information provided by any Party to another:
  - (i) affects the meaning or interpretation of this Agreement; or
  - (ii) constitutes any collateral agreement, warranty or understanding between any of the Parties.

### **24.5 Non-merger**

Each representation, covenant and obligation under this Agreement continues in full force and effect until such representation, obligation or covenant is satisfied or completed.

### **24.6 Authority to enter into Agreement**

- (a) The Parties represent and warrant to and covenant with each other that they have full power to enter into and perform their obligations under this Agreement and that this Agreement constitutes valid and binding obligations on the Parties respectively enforceable in accordance with its terms.
- (b) If this Agreement is executed by an attorney the attorney states, by such execution, that as at the time of such execution the attorney has received no notice of the revocation of the power of attorney pursuant to which the attorney has executed this Agreement.

### **24.7 Interpretation not to disadvantage a Party**

In the interpretation of this Agreement no rules of construction shall apply to the disadvantage of one Party on the basis that that Party put forward this Agreement or any part thereof.

### **24.8 Relationship**

- (a) The relationship between the Parties is entirely contractual and nothing in this Agreement creates or is to be taken to create any partnership, joint venture or relationship of employer and employee between the Parties or any of them.
- (b) This Agreement is for the exclusive benefit of the Parties and does not create any rights in any Third Parties.

### **24.9 Notices**

#### **(a) Form of Notice**

Any notice, demand, invoice, certification, process or other communication authorised or required to be given by a Party to another under this Agreement (other than a Aurizon Network Train Control Direction or a direction from the Aurizon Network Commander) (“**Notice**”) must be in writing and signed by an authorised officer of that Party and may, if so agreed by Aurizon Network, be in electronic form.



**(b) Method of Service**

A Notice may be given by:

- (i) being personally delivered on a Party;
- (ii) being left at the Party's current address for service;
- (iii) being sent to the Party's current address for service by pre-paid ordinary mail; or
- (iv) being sent by facsimile transmission to the Party's current facsimile number for service provided that a copy of the notice is then delivered by one of the means described above.

**(c) Deemed Notice**

A Notice is deemed given if:

- (i) personally delivered, upon delivery;
- (ii) posted to an address in Australia, three (3) days after posting; or
- (iii) sent by facsimile, on the next day after being sent if following transmission the sender receives a transmission report indicating that the facsimile was sent to the addressee's facsimile number.

**(d) Addresses for Service**

- (i) Each Party's address for service is:

**Aurizon Network:**

Address: Floor 5, 192 Ann Street, BRISBANE QLD 4000

Facsimile: 07 – 3235 3439

Attention: Chief Executive Officer, Aurizon Network Pty Ltd

**Operator**

Address: [\*\*\*]

Facsimile: [\*\*\*]

Attention: [\*\*\*]

- (ii) A Party may from time to time change its particulars of service by giving written notice of that change to the other Party

**24.10 Certificate**

A certificate signed by any duly authorised officer of Aurizon Network as to a matter or as to a sum payable to Aurizon Network in connection with this Agreement is prima facie evidence of the matter stated in it or the sum payable.

**24.11 Costs**

Subject to any express provision in this Agreement to the contrary, each Party bears its own legal and other expenses relating directly or indirectly to the preparation of, and performance of its obligations under, this Agreement.

**24.12 Stamp Duty**

- (a) The Operator is, as between the Parties, liable for and must duly pay all stamp duty (including any fine or penalty) on or relating to this Agreement and any document executed under or in connection with it.
- (b) If Aurizon Network pays any stamp duty (including any fine or penalty) on or relating to this Agreement or any document executed under or in connection with it, the Operator must reimburse Aurizon Network the amount paid upon demand.

**24.13 Waiver and Exercise of Rights**

- (a) A single or partial exercise or waiver of a right relating to this Agreement does not prevent any other exercise of that right or the exercise of any other right.
- (b) No failure or delay by either Party to exercise any right or remedy under this Agreement may be construed or operate as a waiver or be evidence of delay, laches or acquiescence in equity or at law in respect of such right or remedy.

- (c) A waiver or consent by any Party of any default or breach of any term of this Agreement does not constitute a waiver of succeeding defaults or breaches of the same or any other term.
- (d) A Party's election not to exercise any rights under this Agreement does not prejudice any other rights which that Party may have against the other Party arising out of any failure by the other Party to comply with this Agreement.

#### 24.14 Computation of Time

Where time is to be reckoned by reference to a day or event, that day or the day of the event will be excluded.

#### 24.15 Severance of invalid or illegal terms

- (a) If any term of this Agreement, or its application to any Party, person or circumstance is or becomes invalid, void, voidable or otherwise unenforceable for any reason whatsoever, then:
  - (i) that term or its application to such Party, person or circumstance is severable from this Agreement;
  - (ii) the remainder of this Agreement, excluding the severed part, remains in force and any term which includes the severed part applies to such Party, person or circumstance without reliance on the part severed; and
  - (iii) to the extent permissible by law, the Parties must agree to replace the severed term, effective from the date of severance, with a valid and enforceable term which so far as possible achieves the same purpose, object or effect as the invalid, void, voidable or otherwise unenforceable term was intended to achieve and does not cause any substantial reduction in the benefits of either Party or material re-allocation of risks between the Parties.
- (b) The Parties must act reasonably and in good faith in seeking an agreement under this Clause as to a replacement term. If the Parties cannot agree upon a replacement term, this Agreement is continued in accordance with Clause 24.15(a)(i) and (ii).

#### 24.16 Rights Cumulative

Subject to any express provision in this Agreement to the contrary, the rights of any Party under this Agreement are cumulative and are in addition to any other rights of that Party.

#### 24.17 Approvals and Consents

Subject to any express provision in this Agreement to the contrary, a Party may conditionally or unconditionally give or withhold any consent to be given under this Agreement.

#### 24.18 Ownership of Land

The Operator acknowledges that the land identified in Part 5 of **Schedule 2**:

- (a) is not owned or controlled by Aurizon Network; and
- (b) is not land the entry to which is included within the definition of "Access" in Aurizon Network's Access Undertaking (as those provisions are amended, varied or replaced from time to time),

and agrees that in respect of that land owned or controlled by another person ("**Landowner**") then:

- (c) the Operator will comply with the requirements of the Landowner in relation to that land as notified to the Operator by Aurizon Network from time to time;
- (d) if, after the date of this Agreement, there is a change in the costs incurred by Aurizon Network due to the requirements of the Landowner in respect of that land, then that change shall be deemed to be a Material Change [*for the purposes of the End User Access Agreement*]; and [*bracketed text to be included where End User is paying all Access Charges*]
- (e) if Aurizon Network's rights in respect of that land are terminated for any reason other than the default of Aurizon Network of any agreement that affects Aurizon Network's use of that land or other than by agreement with the Landowner, then Aurizon Network may by notice to the Operator suspend and/or terminate the Operational Rights insofar as they relate to that part of the Nominated Network which is situated on that land.

#### 24.19 Implementation of Agreement

Each Party must promptly execute all documents and do all such acts and things as is necessary or desirable to implement and give full effect to the provisions of this Agreement.

## 24.20 Schedules

In the event that the content of a Schedule requires variation or replacement in accordance with this Agreement, Aurizon Network shall issue to the Operator a replacement Schedule which shall upon issue be substituted for and replace the relevant Schedule in this Agreement. Nothing in a Schedule shall be varied in any way except by the issue of a replacement Schedule by Aurizon Network in accordance with this Clause.

## 24.21 Governing Law and Jurisdiction

This Agreement shall be interpreted according to the Laws for the time being in force in the State and each of the Parties submits to the jurisdiction of the courts of the State and the jurisdiction of all courts competent to hear appeals therefrom and waives any right to object to any proceedings being brought in those courts.

## 24.22 Most Favoured Nation Status

*[Delete clause 24.22 where End User is paying all Access Charges]*

- (a) If the Operator believes on reasonable grounds that:
- (i) Aurizon Network has entered into an Access Agreement with another Railway Operator for a Train service that transports the same specified commodity in the same specified geographic area as a Train Service provided in accordance with this Agreement (“**Like Train Service**”); and
  - (ii) the access charge applicable to the Like Train Service has been developed in contravention of the limits on price differentiation set out in Aurizon Network’s Access Undertaking,
- the Operator may provide written notification to Aurizon Network which must include the reasons why the Operator considers this to be the case.
- (b) Within thirty (30) days of receipt of such notification, Aurizon Network must advise the Operator:
- (i) whether or not Aurizon Network agrees that the Access Agreement with the other Railway Operator is for a Like Train Service and, if not, the reasons why Aurizon Network considers this to be the case;
  - (ii) if Aurizon Network agrees that the Access Agreement with the other Railway Operator is for a Like Train Service, whether or not Aurizon Network agrees that the access charge applicable to the Like Train Service has been developed in contravention of the limits on price differentiation set out in Aurizon Network’s Access Undertaking and, if not, the reasons why Aurizon Network considers that the access charge applicable to the Like Train Service has not been developed in contravention of the limits on price differentiation; and
  - (iii) if Aurizon Network agrees that the access charge applicable to the Like Train Service has been developed in contravention of the limits on price differentiation then within sixty (60) days of advice provided pursuant to Clause 24.22(b) Aurizon Network must advise the Operator:
    - (A) whether or not Aurizon Network has been able to vary the access charge applicable to the Like Train Service such that it no longer contravenes the limits on price differentiation set out in Aurizon Network’s Access Undertaking; or
    - (B) if Aurizon Network has not been able to vary the access charge applicable to the Like Train Service that Aurizon Network agrees to the reduction of the Access Charge payable by the Operator including the amount of the proposed reduced Access Charge.
- (c) If the Operator does not agree with Aurizon Network’s response to its notification, the dispute shall be referred to an expert for resolution in accordance with Clause 18.3.
- (d) If:
- (i) another Railway Operator provides Aurizon Network with notification that it believes that some or all of the Operator’s Train Services are a Like Train Service to a Train service operated by the other Railway Operator, and that the Access Charge has been developed in contravention of the limits on price differentiation set out in Aurizon Network’s Access Undertaking; and
  - (ii) Aurizon Network agrees that this Agreement is for a Like Train Service and that any Access Charge under this Agreement has been developed in

contravention of the limits on price differentiation set out in Aurizon Network's Access Undertaking,

then Aurizon Network has the right by notice to the Operator to vary the Access Charge such that it no longer contravenes the limits on price differentiation set out in Aurizon Network's Access Undertaking.

**EXECUTION**

Executed in Queensland

**SIGNED** for and on behalf of )

**AURIZON NETWORK PTY LTD** )

in the presence of: )

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**[the OPERATOR]** )

in the presence of: )

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**Note:** Aurizon Network will require the Operator to execute this Agreement either:

- (a) under seal; or
- (b) under s127(i) of the Corporations Act; or
- (c) under a duly executed Power of Attorney.

<h1 style="margin: 0;">Schedule 1</h1> <h2 style="margin: 0;">TRAIN SERVICE ENTITLEMENTS</h2>
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**1 PART 1 TRAIN SERVICE DESCRIPTION**

**1.1 Train Service Characteristics**

The following tables define the characteristics of Train Services which characteristics shall form part of the Train Service Description.

- Commodity:** Coal
- Sectional Run Times:** See Clause 1.2
- Special Operating Restrictions:** See Clause 1.5

**System:**

Origin	Destination	Distance (km)	Time at Origin Loading Facility (hrs)

Notes: Origin is denoted as the mine and/or Aurizon Network terms for the location at which the mine loads Trains

Train Services run loaded between Origin and Destination and empty between Destination and Origin.

For Train Services with the above characteristics, the time at the Destination unloading facility is as per the following table.

Destination Unloading Facility	Time at Destination Unloading Facility (hrs)

For Train Services with the above characteristics, the average Time at Depot and the Other Dwell Time are as per the following table:

System	Time at Depot (hrs)	Other Dwell Time (hrs)

**Commitment Date:**

*[insert]*

**1.2 Sectional Running Times**

The Sectional Running Times to be achieved by coal system Trains are set out in Table 1.2 below:

**Table 1.2 -Sectional Running Times:**

From	To	Sectional Running Time	
		Direction Empty (minutes)	Direction Loaded (minutes)

Note: A Diagram illustrating the location of each Section can be found in **Schedule 2**.

*[Operator to provide details of Sectional Running Times]*

**1.3 Train Service Levels**

The number of Nominated Weekly Train Services for the relevant coal system Train that Aurizon Network will provide to the Operator from the Commitment Date are set out in Table 1.3 below.

**Table 1.3: Train Service Levels**

Service Levels	No. of Train Services
Nominated Weekly Train Services <sup>1</sup>	
Nominated Monthly Train Services <sup>1</sup> (31 days)	
Nominated Monthly Train Services <sup>1</sup> (30 days)	
Nominated Monthly Train Services <sup>1</sup> (29 days)	
Nominated Monthly Train Services <sup>1</sup> (28 days)	
Nominated Annual Train Services <sup>1</sup>	

<sup>1</sup>NB: A Train Service is a One Way Train Service

The above Train Service Levels will be converted into timetables using the process referred to in paragraph 2.2(i) of the Scheduling Principles set out in **Schedule 10**.

#### 1.4 Transit Times

The target Average Below Rail Transit Time Factor is set out below:

Coal	Target Average Below Rail Transit Time Factor (%)

#### 1.5 Special Operating Restrictions

In scheduling Train Services in accordance with the Network Management Principles, Aurizon Network will comply with the following special operating restrictions:

*[Specific operating restrictions to be agreed]*

#### 1.6 Cycle Description

With the following exceptions, the Train Services Cycle description is the most direct route over the Nominated Network between the Origins and Destinations and Destinations and Origins (as described in Paragraph 1.1).

Note: Where there is duplicated Track or multiple roads (eg yards), Aurizon Network will have the ability to schedule the Train over any of the Tracks or roads.

##### Exceptions

*[To be agreed]*

#### 1.7 Stowage

*[To identify any agreed short term Stowage requirements additional to that provided in the relevant Reference Tariff Schedule]*

#### 1.8 Permitted Movements on the Nominated Network

*[To detail any permitted Train Movements by the Operator on the Nominated Network other than direct corridor travel of the Train Service in accordance with the specified Sectional Running Times and Dwell Times]*

## Schedule 2

### NOMINATED NETWORK

#### PART 1 EXTENT OF NOMINATED NETWORK

For the purposes of this Agreement the Nominated Network on which the Operator will be entitled to operate Train Services will be described by a combination of diagram and/or table but does not include freight terminals, railway stations, passenger facilities, workshops or maintenance depots (including provisioning facilities).

*[Diagram/table to be inserted as applicable]*

#### PART 2 NOT USED

#### PART 3 TRAIN CONTROL CENTRES AND SIGNAL CABINS

The movement of the Operator's Trains while on the Nominated Network will be controlled by the Train Control centres and signal cabins as follows:

*[Diagram to be inserted]*

#### PART 4 PARTS OF THE NOMINATED NETWORK SUBJECT TO CLAUSE 17.1(a)(iii)

*[To be inserted if applicable]*

#### PART 5 LAND IN WHICH OTHER PARTIES HAVE AN INTEREST (Clause 24.18)

*[To be inserted if applicable]*

#### PART 6 WEIGHBRIDGES AND OVERLOAD DETECTORS (Clause 3)

##### A. WEIGHBRIDGES CERTIFIED FOR BILLING PURPOSES:

Location	Owner/Operator	Weighbridge "In Motion Trade Certificate" Electronic Weighing and Billing

The tolerances are those required to achieve certification.

##### B. AGREED OPERATIONAL WEIGHBRIDGES AND OVERLOAD DETECTORS

Location	Owner/Operator	Tolerance
		+/- (x)%



## Schedule 3

# CALCULATION OF ACCESS AND OTHER CHARGES

[delete all of Schedule 3 where End User Access Agreement provides for End User to pay all Access Charges]

### 1 PART 1 BASE ACCESS CHARGES

1.1 Table 1.1 below defines the seven elements of the Base Access Charges that are used to calculate the Access Charge payable by the Operator to Aurizon Network for each Train Service:

Table 1.1: Base Access Charge

			Base Access Charge
<b>Train Service</b>			
<b>Origin</b>			
<b>Destination</b>			
<b>Incremental Maintenance Tariff</b>	<b>(\$/000 Gtk)</b>	<b>AT<sub>1</sub></b>	
<b>Incremental Capacity Tariff</b>	<b>(\$/ One Way Train Service)</b>	<b>AT<sub>2</sub></b>	
<b>Allocated Tariff 1</b>	<b>(\$/000 Ntk)</b>	<b>AT<sub>3</sub></b>	
<b>Allocated Tariff 2</b>	<b>(\$/net tonne)</b>	<b>AT<sub>4</sub></b>	
<b>Electric Tariff</b>	<b>(\$/000 Gtk)</b>	<b>AT<sub>5</sub></b>	
<b>Electric Energy Charge</b>	<b>(\$/000 Gtk)</b>	<b>EC</b>	
<b>QCA Levy</b>	<b>(\$/net tonne)</b>	<b>QL</b>	

1.2 The elements of the Base Access Charge will be escalated on the Escalation Date.

The First Escalation Date is the first date that is twelve (12) Months after the most recent Review Date and each subsequent Escalation Date shall be twelve (12) Months after the previous Escalation Date where no Review Date has occurred in the twelve (12) Month period.

### 2 PART 2 RELEVANT OPERATING PARAMETERS

2.1 The calculation of Gtk, Ntk and net tonnes for application with the Base Access Charges in Part 5 of this Schedule shall be as detailed in this Part 2.

2.2 The gross tonnes for each individual Train Service operated will be the sum of:

- (b) the maximum gross mass as specified in **Schedule 4** for each locomotive comprising the Train Service;
- (c) the mass determined at any Weighbridge located adjacent to the loading facilities for each loaded or partly loaded Wagon comprising the Train Service;
- (d) where there is no Weighbridge located adjacent to the loading facility or that Weighbridge has malfunctioned the mass determined at the closest Weighbridge to the loading facility located en route for each loaded or partly loaded Wagon comprising the Train Service;
- (e) where all Weighbridges en route have malfunctioned, the average mass for loaded Wagons of that class of Wagon determined for all Trains operated of the same Train Service type in the most recent Month during the previous twelve (12) Months for which a Weighbridge was functioning for the entire Month for each loaded or partly loaded Wagon comprising the Train Services provided such data is available; or
- (f) where there are no Weighbridges located en route between the Origin and Destination or no data is available pursuant to paragraph (d) of this Clause the maximum gross mass as specified in **Schedule 4** for each loaded or partly loaded Wagon comprising the Train Service;
- (g) the tare mass as specified in **Schedule 4** for each empty Wagon comprising the Train Service; and

- (h) for all other Rollingstock, the maximum gross mass specified in **Schedule 4** for each item of such Rollingstock comprising the Train Service.
- 2.3 The Gtk for each individual Train Service operated shall be the gross tonnes for the Train Service as calculated in Clause 2.2 of this Schedule multiplied by the distance specified in Table 1.1 of **Schedule 1** for the relevant Train Service.
- 2.4 The net tonnes for each individual Train Service operated shall be the gross tonnes as calculated in Clause 2.2 of this Schedule less the sum of:
- (i) the maximum gross mass as specified in **Schedule 4** for each locomotive comprising the Train Service;
  - (j) the tare mass as specified in **Schedule 4** for each Wagon comprising the Train Service; and
  - (k) for all other Rollingstock, the tare mass specified in **Schedule 4** for each item of such Rollingstock comprising the Train Service.
- 2.5 The Ntk for each individual Train Service operated shall be the net tonnes for the Train Service as calculated in Clause 2.4 of this Schedule multiplied by the distance specified in Table 1.1 of **Schedule 1** for the relevant Train Service.

### **3 PART 3 REVIEW DATE**

#### **3.1 Review Date**

- 3.1.1 The Parties acknowledge that the Base Access Charge elements have been agreed by reference to the relevant Reference Tariffs in place at the time.
- 3.1.2 For the purposes of this **Schedule 3** the Review Dates shall be the first day of the Month in which the renewed or varied Reference Tariff Schedule relevant to the Train Services is intended to apply from in accordance with Aurizon Network's Access Undertaking. Where such date is prior to the date when the renewed or varied Reference Tariff Schedule relevant to the Train Services is published or otherwise advised ("**Advice Date**"), then the Parties will account to one another accordingly for the period between the Review Date and the Advice Date.

#### **3.2 Review of Charges**

- 3.2.1 For each Train Service type the Base Access Charge elements and, where necessary, any other elements of this **Schedule 3** will be reviewed on each Review Date.
- 3.2.2 For each Train Service type Aurizon Network will advise the Operator in writing of the Base Access Charge elements and any other changes to this **Schedule 3** to apply from each Review Date within 14 days of the latter of the Review Date or the date on which the QCA endorses the relevant renewal or variation. In determining any variations, Aurizon Network will have regard to:
- (a) the new or varied relevant Reference Tariffs;
  - (b) the differences between the relevant Train Service and the Reference Train Service defined in the relevant Reference Tariff Schedule;
  - (c) other related factors in the relevant Reference Tariff Schedule; and
  - (d) Aurizon Network's Access Undertaking.
- 3.2.3 If the Operator does not accept some or all of the variations advised pursuant to Clause 3.2.2 of this Schedule, the Operator must give Aurizon Network notice within 14 days of receipt of notice of the variations.
- 3.2.4 The Parties will negotiate in good faith to attempt to agree any new Base Access Charge elements and/or other changes to this Schedule for which the Operator has given notice pursuant to Clause 3.2.3 of this Schedule.
- 3.2.5 If the Parties have not agreed the new Base Access Charge elements and/or other changes to this Schedule within thirty (30) days of the relevant Review Date, either Party may refer the determination of the new Base Access Charge elements and/or other changes to this Schedule to an expert in accordance with Clause 3.3 of this **Schedule**.
- 3.2.6 Unless and until agreement is reached or a determination is made pursuant to Clause 3.2 of this Schedule, the Base Access Charge elements and/or any other relevant provision of this Schedule prevailing as at the Review Date shall continue to be utilised to determine the amount of Access Charges payable by the Operator. If any change in the Base Access Charge elements or any relevant provision of this Schedule is subsequently agreed or determined then the revised Base Access Charges or any relevant provision of this Schedule will apply from the relevant Review Date and the Parties will account to one another accordingly.

### 3.3 Expert Review

- 3.3.1 This Clause 3.3 only applies where the Base Access Charge elements and/or any other changes to this Schedule are referred to an expert for review pursuant to Clause 3.2 of this **Schedule 3**.
- 3.3.2 Where a matter is to be referred to an expert pursuant to Clause 3.2 of this Schedule, the matter must be referred for determination by a person:
- (a) who is appointed by the Parties, or in default of such appointment within fourteen (14) days after either Party giving notice in writing to the other Party requiring the appointment of an expert then that person is to be nominated at either Party's request by the President for the time being of the Australian Society of Certified Practising Accountants;
  - (b) who has appropriate qualifications and practical experience having regard to the nature of the matter in dispute;
  - (c) who has no interest or duty which conflicts or may conflict with his function as expert, he being required to fully disclose any such interest or duty by written notice to the Parties before his appointment;
  - (d) who is not an employee of the Operator, the End User or Aurizon Network or of a Related Body Corporate of any of them;
  - (e) who shall not be permitted to act until he has given written notice to both Parties that he is willing and able to accept the appointment; and
  - (f) who shall be deemed to be and shall act as an expert and not an arbitrator and the law relating to arbitration including without limitation, the *Commercial Arbitration Act 1990* (Qld) shall not apply to him or his determination or the procedures by which he may reach his determination.
- 3.3.3 Aurizon Network will provide the expert with documentation to support the Aurizon Network determination of the Base Access Charge elements and/or any other changes to this Schedule. The expert may request any other documentation from either Party or any other party as it sees fit in order to determine the outcome of the dispute.
- 3.3.4 The expert shall be required to undertake to keep confidential all matters coming to its knowledge by reason of the expert's appointment and performance of its duties, other than that already in the public domain. The expert shall not include such information in its reasons for reaching the determination.
- 3.3.5 The expert shall review the Aurizon Network documentation and either:
- (a) uphold the Aurizon Network Base Access Charge elements and/or any other changes to this Schedule proposed by Aurizon Network; or
  - (b) where the expert believes the Aurizon Network provided Base Access Charge elements and/or any other changes to this Schedule have not been determined consistent with Aurizon Network's Access Undertaking and the relevant Reference Tariff Schedule, the expert shall seek to reach agreement with Aurizon Network as to, and failing agreement shall determine, appropriate Base Access Charge elements and/or any other changes to this Schedule, having regard to:
    - (i) the new relevant Reference Tariffs;
    - (ii) the differences between the relevant Train Service and the Reference Train Service defined in the relevant Reference Tariff Schedule;
    - (iii) other related factors in the relevant Reference Tariff Schedule; and
    - (iv) Aurizon Network's Access Undertaking.
- 3.3.6 The expert will report its findings to Aurizon Network and the Operator and the reasons for such assessment.
- 3.3.7 In the absence of manifest error, the decision of the expert shall be final and binding upon the Parties.
- 3.3.8 The costs of the expert and any advisers to the expert shall be borne by:
- (a) the Operator in the event that the expert does not adjust the Base Access Charge elements and/or any other changes to this Schedule most recently proposed by Aurizon Network prior to referral to the expert;
  - (b) Aurizon Network in the event that the Base Access Charge elements and/or any other changes to this Schedule are varied from those most recently proposed by Aurizon Network prior to referral to the expert; or

- (c) in such other proportion as the expert considers appropriate.

#### 4 PART 4 ESCALATION FORMULA

- 4.1 Unless otherwise agreed between the Parties, the Base Access Charge elements, except the QCA Levy, and any other charges specified as being subject to escalation will escalate on each Escalation Date from and including the First Escalation Date, in accordance with the following formula:

$$BAC_n = BAC_{n-1} * CPI_n / CPI_{n-1}$$

Where:

$BAC_n$  means the escalated value of the relevant Base Access Charge element or other charge for the purpose of calculating Access Charges and other charges payable under this Agreement pursuant to Part 5 of this Schedule;

$BAC_{n-1}$  means the escalated value of the relevant Base Access Charge element or other charge applied prior to the relevant Escalation Date or in the case of Access Charges at the First Escalation Date means the relevant Base Access Charge element shown in Table 1.1;

$CPI_n$  means the Consumer Price Index Brisbane (Australian Bureau of Statistics Publication No.6401.0), as first published, for the Quarter the midpoint of which is 6 months prior to the midpoint of the Quarter commencing on the Escalation Date for which the variable  $BAC_n$  is being determined;

$CPI_{n-1}$  means the Consumer Price Index Brisbane (Australian Bureau of Statistics Publication No.6401.0), as first published, for the Quarter the midpoint of which is 18 months prior to the midpoint of the Quarter commencing on the Escalation Date for which the variable  $BAC_n$  is being determined.

#### 4.2 Review of Consumer Price Index

- 4.2.1 If in the reasonable opinion of Aurizon Network or the Operator the Consumer Price Index used for the purposes of the escalation formula specified in Clause 4.1 of this **Schedule 3**:

- (a) is altered in a material way;
- (b) ceases to be published; or
- (c) ceases to be published at sufficiently regular intervals or is likely to cease to be published at sufficiently regular intervals for the purpose of the formula in Clause 4.1 of this **Schedule 3**,

then Aurizon Network or the Operator (as the case may be) shall notify the other Party in writing of such opinion.

- 4.2.2 Upon such notice being given, the Parties will negotiate with a view to agreeing to vary the application of the Consumer Price Index or to adopting an alternative or alternatives to the Consumer Price Index and failing agreement within forty five (45) days of such notice being given then the matter shall be referred to an expert in accordance with Clause 18.3 of the Agreement.

- 4.2.3 If the dispute is resolved after the next Escalation Date, the Parties agree to retrospectively adjust any Access Charges invoiced since that date to be consistent with the outcome of the dispute resolution.

#### 5 PART 5 CALCULATION OF INVOICE FOR ACCESS

- 5.1 The amount of the invoice for charges payable by the Operator under this Agreement for the relevant Billing Period shall be calculated in accordance with the following formula:

$$TC = AC * (1 + GST) + G$$

Where

TC is the total amount of charges payable by the Operator for the relevant Billing Period;

AC is the sum of the Access Charges payable for the relevant Billing Period in respect to each Train Service type where the Access Charges payable for each Train Service shall equal the sum of IM, ICC, ALT1, ALT2, ET, EE and QL for each Train Service type;

IM is the incremental maintenance charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula:

$$(AT_1 * GTK) / 1000$$

Where

	AT <sub>1</sub>	is the amount specified as AT1 in Table 1.1 of this Schedule for the relevant Train Service type as escalated for the relevant Billing Period; and
	GTK	is the sum of the Gtk for all relevant Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the Gtk for each individual Train Service operated being determined in accordance with Clause 2.3 of this <b>Schedule 3</b> ;
ICC		is the incremental capacity charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula: AT <sub>2</sub> * NTS Where AT <sub>2</sub> is the amount specified as AT2 in Table 1.1 of this <b>Schedule 3</b> for the relevant Train Service type as escalated for the relevant Billing Period; and NTS is the number of relevant individual Train Services operated for the relevant Billing Period;
ALT1		is the Ntk allocated charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula: (AT <sub>3</sub> * NTK) / 1000 Where AT <sub>3</sub> is the amount specified as AT3 in Table 1.1 of this <b>Schedule 3</b> for the relevant Train Service type as escalated for the relevant Billing Period; and NTK is the sum of the Ntk of all relevant Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the Ntk for each individual Train Service operated being determined in accordance with Clause 2.5 of this <b>Schedule 3</b> ;
ALT2		is the net tonne allocated charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula: AT <sub>4</sub> * NT Where AT <sub>4</sub> is the amount specified as AT4 in Table 1.1 of this Schedule for the relevant Train Service type as escalated for the relevant Billing Period; and NT is the sum of the net tonnes of all relevant Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the net tonnes for each individual Train Service operated being determined in accordance with Clause 2.4 of this <b>Schedule 3</b> ;
ET		is the electric traction charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula: (AT <sub>5</sub> * eGTK) / 1000 Where AT <sub>5</sub> is the amount specified as AT5 in Table 1.1 of this <b>Schedule 3</b> for the relevant Train Service type as escalated for the relevant Billing Period; and eGTK is the sum of the Gtk of all relevant electric locomotive hauled Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the Gtk for each individual electric locomotive hauled Train Service operated being determined in accordance with Clause 2.3 of this <b>Schedule 3</b> ;
EE		is the electric energy usage charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula: (EC * eGTK) / 1000 Where

- EC is the amount specified as EC in Table 1.1 of this **Schedule 3** for the relevant Train Service type as escalated for the relevant Billing Period; and
- eGTK is the sum of the Gtk of all relevant electric locomotive hauled Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the Gtk for each individual electric locomotive hauled Train Service operated being determined in accordance with Clause 2.3 of this **Schedule 3**;
- QL is the QCA Levy charge for the relevant Billing Period for the relevant Train Service type which is calculated by the formula:
- $$QL * NT$$
- Where
- QL is the amount specified as QL in Table 1.1 of this **Schedule 3** for the relevant Train Service type as escalated for the relevant Billing Period; and
- NT is the sum of the net tonnes of all relevant Train Services (loaded and empty) operated for the relevant Billing Period on the basis of the net tonnes for each individual Train Service operated being determined in accordance with Clause 2.4 of this **Schedule 3**;
- GST is the rate of GST (expressed as a decimal) applicable at the time the supply is made; and
- G is the sum of any other amount due and payable under this Agreement including charges for GST not already factored in by the formula for AC including, but not limited to, payment for Ancillary Services, interest, Overload Charges, payment for ad-hoc Train services not calculated in AC above, performance payments from **Schedule 1** or **Schedule 5** and any adjustments (positive or negative).

5.2 For the purposes of this **Schedule 3** a Train Service is a One Way Train Service.

5.3 A Train Service shall be deemed to commence at that time nominated by Aurizon Network in accordance with its information systems in use at the time.

## 6 PART 6 OVERLOAD CHARGES

Overload Charges will be levied at the rate specified in the relevant Load Variation Table published by Aurizon Network from time to time. The method of calculation and required payment method for Overload Charges will be advised.

## 7 PART 7 ADJUSTMENT CHARGES

Adjustment Charges will be applied as approved by the QCA, from time to time, and as determined, in accordance with Aurizon Network's Access Undertaking.

## Schedule 4

# AUTHORISED ROLLINGSTOCK AND ROLLINGSTOCK CONFIGURATIONS

### Clause 6.9

#### **PART 1 AUTHORISED ROLLINGSTOCK**

The Operator must provide a certificate from a suitably qualified person as per clause 6.9, certifying that the Rollingstock is compliant with the Interface Risk Management Plan (including the Rollingstock Interface Standards), or if non-compliances exist, can be operated to an acceptable level of risk by implementing the relevant controls in the Interface Risk Management Plan. Other controls listed in the Interface Risk Management Plan relevant to the compatibility of Rollingstock with the Network must also be implemented in order to gain authorisation.

Derivatives of generic classes of Rollingstock that are operated from time to time may also be covered by that Rollingstock's certification provided that the operating characteristics or safety aspects of the derivative Rollingstock are not materially different to the certified Rollingstock.

The Operator is authorised to use the classes of Rollingstock nominated in the Train Route Acceptance Certificates (annexed hereto as Annexure 'A') on the route/s specified on the Train Route Acceptance Certificates or a valid authority to travel.

The Operator must document the interface characteristics of the Rollingstock in the certificate of compliance.

Upon receipt of the above certifications, Aurizon Network will authorise the Rollingstock by recording the Rollingstock details in the Vizirail rollingstock database including the individual Rollingstock numbers.

Inclusion in this Part 1 is not sufficient for operation on the Nominated Network (or any other parts of the Infrastructure) and specific authorisation for the Rollingstock in this Part 1 as part of a Rollingstock Configuration in Part 2 is required prior to any operation of Train Services.

#### **PART 2 AUTHORISED ROLLINGSTOCK CONFIGURATIONS**

The Operator must provide a certificate from a suitably qualified person as per clause 6.9, certifying that the Rollingstock Configurations are compliant with the Interface Risk Management Plan (including the Rollingstock Interface Standards), or if non-compliances exist, can be operated to an acceptable level of risk by implementing the relevant controls in the Interface Risk Management Plan. Other controls listed in the Interface Risk Management Plan relevant to the compatibility of Rollingstock Configurations with the Network must also be implemented in order to gain authorisation.

Upon receipt of the above certifications, Aurizon Network will authorise the Rollingstock Configurations by issuing Train Route Acceptance Certificates (annexed hereto as Annexure 'A').

The Train Route Acceptance Certificates describe the authorised Rollingstock Configurations in terms of the maximum Train parameters available for the route/s specified on the Train Route Acceptance Certificates and all suitable arrangements and combinations of available authorised Rollingstock that will still ensure train route compatibility.

#### **PART 3 RELEVANT ROLLINGSTOCK (Clause 8.4(d)(ii))**

*[To be inserted as applicable]*

## **Schedule 5**

### **PERFORMANCE LEVELS**

#### **Clause 6.6**

##### **PART 1: DEVELOPMENT OF PERFORMANCE LEVELS**

- 1.1** The Parties must meet as soon as practicable after the Commencement Date to negotiate in good faith to endeavour to agree the Aurizon Network Performance Level and the Operator Performance Level within twelve (12) Months of the Commencement Date, which Performance Levels may involve financially based incentives and sanctions and, unless otherwise agreed, will be applicable for the Term. A failure to agree the Performance Levels is not a Dispute for the purposes of Clause 18.
- 1.2** On and from the date the Performance Levels are implemented by the Parties, the Parties must monitor, record and assess the performance of their respective obligations under this Agreement against the Performance Levels. Each Party must comply with the reporting and assessment requirements set out in this **Schedule 5**.

*[Once criteria is agreed for the Performance Levels, an agreed reporting mechanism will be developed]*



## Schedule 6

# SAFEWORKING PROCEDURES, SAFETY STANDARDS, EMERGENCY PROCEDURES & ENVIRONMENTAL STANDARDS

### Clauses 8.1 and 9.1

#### PART 1 SAFEWORKING PROCEDURES / SAFETY STANDARDS

##### 1.1 Aurizon Network's Safeworking Procedures

Aurizon Network's Safeworking Procedures that apply to the Nominated Network are as detailed in:

*[To be identified in and completed after the Risk Assessment]*

Aurizon Network's Safeworking Procedures and Safety Standards form part of Aurizon Network's safety management system and may be altered from time to time by Aurizon Network in the manner prescribed in the Agreement and advised in accordance with Part 6 of **Schedule 10**.

##### 1.2 Line Sections

The following specific Safeworking Procedures are in operation for the line sections and station yards that comprise the Nominated Network as detailed below:

System	From	To	Safeworking Procedures

##### 1.3 Localised Areas

For localised areas such as station yards, Aurizon Network station masters, signalmen or similar officers may be responsible for giving Aurizon Network Train Control Directions.

##### 1.4 High Visibility Clothing

High visibility clothing is to be constructed from high daytime visibility (Class F) materials, orange (special purpose) in colour. During the hours of darkness or when working in tunnels or low light weather conditions or between 1700 - 0800 hours, the high visibility clothing shall include shall include retroreflective (Class R) material. The retroreflective material is to be at least 50mm wide and is to consist of two parallel strips around the body and in the case of a garment with sleeves a signal parallel strip around the upper arms. The colour and materials are to conform to AS/NZS 1906.4:1997 *Retroreflective materials and devices for road traffic control purposes: Part 4: High-visibility material for safety garments*.

##### 1.5 Wearing of High Visibility Clothing

The Operator's Staff and visitors shall wear high visibility clothing:

- (a) when on Aurizon Network's Right of Way;
- (b) in other work situations where high visibility clothing will reduce the risk of coming into contact with moving Trains, vehicles or plant; and
- (c) protective headwear must be worn at emergency sites.

High visibility clothing is not required to be worn by the Operator's Staff under the following conditions:

- (a) when the movement of Trains is within a building (such as a diesel shed) and within its defined boundaries is subject to control mechanisms;
- (b) when visitors are proceeding in a direct route on designated walkways to defined locations to access high visibility clothing;
- (c) when the movement of people is directed clear of the track by fencing, barriers or signs and escort is provided by a member of the Operator's Staff who is familiar with the local area and operating procedures;
- (d) when a person's duties require them to work within the public areas; or
- (e) when the Operator's Staff and visitors are within the confines of operational Rollingstock.

## 1.6 Compliance

The Operator is responsible for:

- (a) ensuring the Operator's Staff and visitors are instructed in the provisions of this Part 1 of **Schedule 6**;
- (b) ensuring the Operator's Staff and visitors comply with this Part 1 of **Schedule 6**;
- (c) specifying which form of high visibility clothing shall be adopted, having regard to local conditions and the nature of the work performed;
- (d) ensuring that the Operator's Staff familiarise themselves with local management standards prior to working in situations other than on Aurizon Network's Right of Way; and,
- (e) ensuring that the Operator's Staff inspect, wear and maintain high visibility clothing correctly by:
  - checking for deterioration due to wear, damage, fading and cleanliness;
  - not wearing backpacks or similar items over any high visibility clothing so that the high visibility clothing is concealed; and,
  - ensuring high visibility vests or shirts are securely fastened.

## PART 2 AURIZON NETWORK EMERGENCY PROCEDURES

Aurizon Network will provide the Operator with a copy of the Aurizon Network Emergency Procedures (as amended from time to time) which detail the procedures developed by Aurizon Network for dealing with a Network Incident.

## PART 3 ENVIRONMENTAL MANAGEMENT STANDARDS

3.1 Clause 9.1 of this Agreement requires an Environmental Investigation and Risk Management Report to be prepared to identify all the risks of Environmental Harm arising out of the use of the Nominated Network by the Operator including those environmental issues identified in this Part 3. The issues identified in this Part 3 are to be taken as the minimum environmental issues to be addressed and the Environmental Investigation and Risk Management Report should not be restricted only to the issues included in this list. The Report should have regard to any appropriate Australian Standard dealing with Risk Assessment.

3.2 The risks to be considered and addressed as a minimum in the Environmental Investigation and Risk Management Report are:

### A WATER QUALITY MANAGEMENT

The Operator must consider the impact of its operations on stormwater systems and natural waterways. In doing so, all relevant water quality standards and regulations should be met.

In the Environmental Investigation and Risk Management Report the Operator 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 Operator 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 Queensland government provides a water steamflow/quality monitoring and information dissemination service on its website:

<http://www.derm.qld.gov.au/water/monitoring/index.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 Environmental Investigation and Risk Management Report.

## **B AIR POLLUTION MANAGEMENT**

The Operator must consider the impact of its operations on air quality. In doing so, all relevant air quality standards and regulations should be met.

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

- (i) any form of dwelling/home;
- (ii) a library, childcare centre, kindergarten, school, college, university or educational institution; and
- (iii) 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.

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

## **C CONTAMINATED LAND MANAGEMENT**

The Operator must consider the impact of the operation on land contamination. In doing so, all practicable control measures to prevent the contamination of land should be undertaken. The requirements of Clause 9.5 of the Agreement shall be a minimum.

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.

## **D NATURE CONSERVATION**

The Operator must consider the impact of the operation on flora and fauna.

The Operator must review existing Queensland government 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.ehp.qld.gov.au/ecosystems/biodiversity/regional-ecosystems/maps/index.php>

The Environmental Investigation and Risk Management Report must include an assessment of the risk associated with wildfires being caused by exhaust/sparks from the Operator's Rollingstock.

## **E MANAGEMENT OF HAZARDOUS SUBSTANCES AND DANGEROUS GOODS**

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

The requirements of Clause 9.3 of the Agreement are a minimum requirement and the Operator must address any further environmental impacts not specifically addressed by Clause 9.3.

## **F WASTE MANAGEMENT**

The Operator must consider the impact of any waste produced by the operation. 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.

## **G ENVIRONMENTAL NOISE MANAGEMENT**

The Operator must consider the impact of any noise produced by its proposed operations. In particular, the Operator must meet the requirements of the QR Code of Practice: Rail Noise Management and, where appropriate, must comply with Aurizon Network's requirements for meeting the QR Code of Practice: Rail Noise Management (or other standards acceptable to Aurizon Network) referred to above.

## **H ENVIRONMENTAL MONITORING**

The Operator must address the requirements of an environmental monitoring to ensure that the environmental standards are met.

**I EDUCATION, AWARENESS AND TRAINING**

The Operator must consider the impact of the level of employee training with particular emphasis on the implementation of the Environmental Investigation and Risk Management Report.

**J COMPLAINT HANDLING**

The Operator must consider how it will handle complaints that it receives concerning the impact of its operation upon any of the environmental issues listed above.

## Schedule 7

# INSURANCE

### Clause 14

#### Required Operator's Insurances

- (a) **Public liability insurance**
- (i) to cover the legal liability of the insured arising out of or in connection with the performance of this Agreement by the Operator whether in respect of injury to or death of any person other than the insured or an employee of the insured or loss of or damage to any property other than property owned by the insured in a sum insured of not less than THREE HUNDRED AND FIFTY MILLION DOLLARS (\$350,000,000) and with a self-insured retention not to exceed [*to be inserted*] for any one loss or an aggregate deductible of not more than [*to be inserted*];
  - (ii) to include cover in respect of personal injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water where such discharge, dispersal, release or escape is caused by a sudden, unexpected, unintended and accidental happening which occurs on a definitely identifiable date; and
  - (iii) to cover the Operator's rail operations and associated activities on the Nominated Network.
- (b) **Employees** - Insurance covering such liability as may arise at common law or by virtue of any relevant Workers Compensation legislation in respect of any Operator's Staff.
- (c) **Carrier liability insurance** in relation to the legal liability of the insured arising out of the transport of goods by Train Services to a sum insured of not less than TEN MILLION DOLLARS (\$10,000,000) and with a deductible not to exceed [*to be inserted*] for any one loss.
- (d) **Motor Vehicle (non-Act) insurance** to cover the legal liability of the insured arising out of or in connection with the use of all vehicles in the performance of this Agreement by the Operator or Operator's Staff and must include:
- (i) third party liability to a sum insured of not less than TWENTY MILLION DOLLARS (\$20,000,000); and
  - (ii) a Dangerous Goods extension with a maximum sum insured as required by statute.
- (e) **Motor Vehicle insurance** to cover the statutory liability in respect of personal injury arising out of or in connection with the use by the Operator or the Operator's Staff of all vehicles in the performance of their obligations under this Agreement.
- (f) Insurances effected pursuant to (a) and (d) of this Schedule must:
- (i) include a principal's indemnity endorsement specifically noting Aurizon Network as an insured party in respect of its interest arising out of or under this Agreement;
  - (ii) include a cross liability clause;
  - (iii) provide that a notice of claim given to the insurer by one insured party will be accepted by the insurer as a notice of claim given by each of the insured parties; and
  - (iv) provide that a breach of or failure to observe and fulfil the terms of the policy by any party comprising the insured must not prejudice the rights of the remaining parties comprising the insured.

## Schedule 8

# AURIZON NETWORK'S INVESTIGATION PROCEDURES

### Clause 8.5

#### 1 PART 1 ESTABLISHMENT OF INVESTIGATION

##### 1.1 Routine Investigation

- (a) Incident Severity Levels 1 and 2 (Category B) are classified as general Incidents requiring Aurizon Network a routine Investigation and shall be managed by Aurizon Network but conducted by the Operator on terms of reference provided by Aurizon Network unless otherwise agreed by the Parties. SAF/STD/0012/COM Accident and Incident Reporting, Recording and Investigation sets out the reporting requirements for various Incident Severity Levels.
- (b) The Operator shall provide Aurizon Network with a copy of any report produced as a result of a routine Investigation conducted under this Clause 1.1 and the Parties shall cooperate in the implementation of all recommendations reasonably made as part of that report.

##### 1.2 Major Investigation

- (a) Incident Severity Levels 3, 4, 5 and 6 (Category A) are classified as major Incidents requiring a major Investigation. SAF/STD/0012/COM Accident and Incident Reporting, Recording and Investigation sets out the reporting requirements for various Incident Severity Levels.
- (b) Major Investigations conducted under Clause 1.2(a) of this Schedule will be undertaken jointly by the Parties. Management of the Investigation will be facilitated by Aurizon Network who will appoint the chairperson and who will advise the Department of Transport of the make-up of the Investigation team and its terms of reference.
- (c) A major Investigation will be set up as soon as possible following the Incident and the Parties will be required to have a representative at the site of the Incident within four (4) hours (or such other time as the Parties may agree) of notification to Aurizon Network of the Incident.

##### 1.3 Membership of Investigating Teams

- (a) All members of Investigation teams, whether the Investigation is conducted in accordance with Clauses 1.1 or 1.2 of this Schedule, will be required to be appropriately qualified.
- (b) Investigation teams shall not include any persons directly involved in the relevant Incident or the Recovery or Restoration.
- (c) In the case of a joint Investigation conducted under Clause 1.2 of this Schedule, each Party shall nominate at least one representative and use reasonable efforts to ensure that the members of the Investigation team have collectively the skills and expertise to address the range of operational and Infrastructure issues likely to be encountered. The Parties may agree to the inclusion of additional members in the Investigation team for this purpose.
- (d) The lead investigator of a major Investigation panel must be trained and certified in Aurizon Network's accident/Incidents investigators course.
- (e) The need for independent team membership will be considered for major Investigations. A pool of interstate railway investigators exists and may be called upon where it is thought a degree of independence would be helpful to the Investigation.
- (f) In cases where worker death has occurred, the terms of reference and team composition shall be determined in conjunction with the Aurizon Network's Chief Risk Officer.
- (g) Where a major Investigation is undertaken to satisfy requirements of the *Transport (Rail Safety) Act 2010* (Qld) and the Department of Transport and Main Roads reporting guidelines, the chairperson must be registered with the Aurizon Network's Chief Risk Officer as an authorised investigator.

**1.4 Terms of Reference for Investigations**

- (a) The terms of reference issued by Aurizon Network for any routine Investigation in accordance with Clause 1.1 of this Schedule will be to determine the cause of the Incident and to stipulate what action has been or will be taken to prevent recurrence.
- (b) The terms of reference issued by Aurizon Network for any major Investigation in accordance with Clause 1.2 of this Schedule shall, as a minimum, be to :
  - i. ascertain probable causes;
  - ii. assess contributing factors;
  - iii. review current procedures for ensuring system integrity;
  - iv. make draft recommendations;
  - v. estimate direct and associated costs; and
  - vi. consider whether immediate remedial actions are required.
- (c) Additional terms may be added if agreed by the Parties or if determined in accordance with paragraph 1.3(f) of Part 1 of this Schedule.

**2 PART 2 MAJOR INVESTIGATIONS REPORTS**

A copy of the final reports of a major Investigation will be supplied to each Party. Each Party will be responsible for consideration and action on recommendations that are under the control of that Party. In the case of a fatal accident a copy of the report will also be sent to the Coroner.

**3 PART 3 REVIEW OF INVESTIGATIONS**

- (a) The Department of Transport and Main Roads has the right to call for an independent review of major Investigations in certain circumstances.
- (b) Under the *Transport (Rail Safety) Act 2010* (Qld), the Minister for Transport may establish or re-establish a Board of Enquiry about an Incident that has happened on or involving a railway and which the Minister considers a serious Incident.

**Schedule 9****ENVIRONMENTAL INVESTIGATION AND RISK  
MANAGEMENT REPORT & INTERFACE RISK  
MANAGEMENT PLAN****PART 1 ENVIRONMENTAL INVESTIGATION AND RISK MANAGEMENT REPORT****Clause 9.1***[To be inserted]***PART 2 INTERFACE RISK MANAGEMENT PLAN****Clause 12(a)***[To be inserted]*



# Schedule 10

## INTERFACE COORDINATION PLAN

### Clause 6.7

#### PART 1 NETWORK MANAGEMENT PRINCIPLES

##### 1 Additional Definitions

In the Network Management Principles, unless inconsistent with the context, the following words and expressions shall have the following meanings:

“**Access Seeker**” means a party who is seeking new or additional access rights;

“**Ad Hoc Train Service**” means any Train service:

- (i) additional to the number of Train services permitted under an existing access agreement, but otherwise consistent with the Train Service Entitlement and Rollingstock and Rollingstock Configuration authorised pursuant to that existing access agreement; or
- (ii) varying from the Train Service Entitlement specified in an existing Access Agreement, but agreed to by Aurizon Network;

“**Available Capacity**” means Capacity excluding all Committed Capacity except Committed Capacity that will cease being Committed Capacity prior to the time in respect of which that Capacity is being assessed;

“**Below Rail Delay**” means a delay to a Train service from its scheduled train path in the Daily Train Plan, where that delay can be attributed directly to Aurizon Network but excludes:

- (i) cancellations;
- (ii) delays resulting from Aurizon Network complying with its Passenger Priority Obligations; and
- (iii) delays resulting from a Force Majeure Event;

“**Capacity**” means the aggregate of all Existing Capacity and all Planned Capacity;

“**Committed Capacity**” means that portion of the Capacity:

- (i) that is required:
  - (A) to meet the Train Service Entitlements of Railway Operations; and
  - (B) to comply with any Passenger Priority Obligations; and
- (ii) arising from a user funded Expansion to the extent that a person has a right of first refusal in accordance with clause 7.5.5 of Aurizon Network’s Access Undertaking and has not waived that right;

“**Committed Capacity Register**” means a register maintained by Aurizon Network and including the following information:

- (i) the party who has an interest in the access rights (other than access rights in respect of coal carrying Train services in the Central Queensland Coal Region);
- (ii) the access rights in which they have an interest; and
- (iii) the nature of the interest;

“**Contested Train Path**” means a Train path in respect of which more than one Railway Operator has expressed an interest in operating a Train service in the week in question;

“**Cyclic Traffic**” means a traffic (such as coal traffic) the Train Service Entitlements for which are defined in terms of a number of Train Services within a particular period of time, for example, a year, month or week;

“**Existing Capacity**” means the existing capability of the Infrastructure (in the absence of any new Infrastructure or modification to existing Infrastructure) to accommodate Train services, after:

- (i) providing for Aurizon Network’s reasonable requirements for the exclusive utilisation of that Infrastructure for the purposes of performing activities associated with the maintenance, repair or enhancement of Infrastructure, including the operation of work Trains; and

- (ii) for Infrastructure within the Central Queensland Coal Region, taking into account the Supply Chain Operating Assumptions applicable for that Infrastructure;

“**Nominated Unloading Facility**” means an unloading facility specified in Aurizon Network’s Access Undertaking for a nominated Reference Train Service, and “**Nominated Loading Facilities**” has a corresponding meaning;

“**Out-of-Course Running**” means the circumstances that occur when the actual running of one or more Train services differs, by more than the agreed threshold/s, from that provided in the Daily Train Plan;

“**Planned Capacity**” means the increase in Existing Capacity that is expected to result from any new Infrastructure or modification to existing Infrastructure that Aurizon Network is committed to construct;

“**Supply Chain Operating Assumptions**” means Aurizon Network’s assumptions on matters such as coal supply chain operating mode, operating parameters for each element of the coal supply chain, interface losses between each element of the coal supply chain, coal supply chain flexibility requirements, live run losses and other operating parameters;

“**System Path**” means a path that can be taken by a Train service within an Individual Coal System from a specific origin to a Nominated Unloading Facility;

“**System Rules**” means the rules made, and referred to as such in accordance with Aurizon Network’s Access Undertaking;

“**Timetabled Traffic**” means a traffic, the Train Service Entitlement in respect of which, is defined in terms of a specified Train path on a particular day and/or week (but excluding any traffic that is a coal carrying Train service in the Central Queensland Coal Region);

“**Train Orders**” means railing requests for a nominated period of time submitted to Aurizon Network, or on behalf of a Railway Operator, to assist in the scheduling of Train services;

“**Train Service Entitlement**” means a Railway Operator’s entitlement under an access agreement or train operations agreement to operate a specified number and type of Train services over the Infrastructure within a specified time period and in accordance with specified scheduling constraints for the purpose of either carrying a specified commodity or providing a specified transport service.

## 2 Scheduling Principles

### 2.1 Train Service Entitlements

- (a) Railway Operators operating the same types of traffics will have their Train Service Entitlements defined using consistent terminology<sup>1</sup>.
- (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).

### 2.2 Master Train Plan Principles

- (a) The MTP will detail the Existing 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 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 specified for Reference Train Services in Aurizon Network’s Access Undertaking, 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 Existing Capacity

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<sup>1</sup> 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 Services per specified period of time.

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.
- (b) Unless otherwise expressly provided in a Railway Operator's access agreement, the MTP may be modified, as specified in the following paragraphs (c), (d), (e) and (f) of these MTP principles where:
- (i) a Railway Operator notifies Aurizon Network that it wishes to make a long-term change to the **times**<sup>2</sup> 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 Railway Operator's scheduled Train service/s not being met, or a Planned Possession not being met;
- (ii) Aurizon 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 Railway Operator's scheduled Train service/s not being met, or a Planned Possession not being met;
- (iii) a Planned Possession is cancelled;
- (iv) Aurizon 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 a Railway Operator's Train Service Entitlement, provided that the new or additional Train Service Entitlement does not result in any other Railway Operator's scheduled Train service/s not being met, or a Planned Possession not being met;
- (v) Aurizon Network notifies all affected parties that it wishes to make a long-term change to the **times**<sup>2</sup> at which one or more scheduled Train service/s operate, provided that change is within the scope of the relevant Railway Operators' 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 a Railway Operator'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) Aurizon Network notifies all affected parties that it wishes to make a long-term change to the **times**<sup>3</sup> at which one or more scheduled Train service/s operate, whether or not within the scope of the affected Railway Operator's Train Service Entitlement/s, provided that change is intended to accommodate:
- the creation of new Planned Possessions or the modification of existing Planned Possessions;
  - the creation of an additional Train Service Entitlement, through either the signing of an access agreement or the variation of an existing access agreement; or
  - any other Operational Constraint affecting the MTP,
- provided that where the change to the **times** at which scheduled Train service/s operate results in any existing Railway Operator's Train Service Entitlement not being met, such change is only made with the agreement of such Railway Operator/s, such agreement not to be unreasonably withheld;

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<sup>2</sup> See footnote 2 below

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

<sup>3</sup> See footnote 2 above.

- (vii) Aurizon Network notifies all affected parties, within the time period specified in the affected parties' Train Service Entitlements, of a long- term change to the **times**<sup>4</sup> at which one or more scheduled Train service/s operate, whether or not within the scope of the affected Railway Operators' 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 Railway Operators' Train Service Entitlements, Aurizon Network has made reasonable efforts to mitigate the impact on that Railway Operator. Any limitations upon Aurizon Network's ability to exercise this right will be specified in individual access agreements;
  - (viii) a Railway Operator's access agreement allows Aurizon Network to alter the Railway Operator's Train Service Entitlement, for instance by resuming access rights; or
  - (ix) Aurizon Network, Infrastructure Service Providers, and all affected Railway Operators, otherwise agree.
- (c) Aurizon Network may make modifications to the MTP, within the scope of any of subparagraphs (b)(i) to (iv) of these MTP principles, on a case-by-case basis without the need for consultation.
  - (d) Aurizon Network may make modifications to the MTP, within the scope of any of subparagraphs (b)(v) to (vii) of these MTP principles, on a case-by-case basis after consulting with any Railway Operators 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 subparagraph (b)(ix) of these MTP principles, Aurizon Network will invite Infrastructure Service Providers and all Railway Operators whose Train Service Entitlements are affected by the proposed modification to the MTP to consider the modification in an appropriate forum<sup>5</sup>. Each party will be provided with a copy of the proposed changes seven (7) days prior to the scheduled consideration of the modification.
  - (f) Aurizon 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 Aurizon Network's obligations in accordance with paragraph (f), where reference is made in paragraph (b) of these MTP principles to a Railway Operator notifying Aurizon Network that it wishes to vary its Train Service Entitlement or Train service/s, a reasonable notice period should be provided having regard to the necessary process and factors to be considered.
  - (h) The cancellation of a Train service or Train services in accordance with the above MTP principles, does not necessarily excuse either Aurizon Network or a Railway Operator 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 Aurizon Network Train Controllers in carrying out their duties.

### 2.3 Intermediate Train Plan Principles

- (a) In parts of Aurizon 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 Railway Operator'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 Aurizon Network, be submitted to Aurizon Network:
  - (i) in the manner and timeframe specified within the relevant System Rules; or

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<sup>4</sup> See footnote 2 above.

<sup>5</sup> 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.

- (ii) if there are no relevant System Rules, before 1200 hours on Wednesday.
- (c) Aurizon Network will schedule Cyclic Traffics in the ITP in accordance with the processes identified in the relevant System Rules (if any). 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 Railway Operators 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 Railway Operators for Cyclic Traffics, and cannot be used to alter the scheduling of a Timetabled Traffic. This decision making process is detailed in Appendix I.
- (d) Aurizon Network will advise Railway Operators of the ITP once it is developed in accordance with the above steps.

#### 2.4 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 Infrastructure.
- (b) In scheduling Cyclic Traffics on the DTP, Aurizon Network may first schedule an ITP as discussed in the ITP principles and then schedule the DTP from the ITP.
- (c) Aurizon Network will schedule the DTP at least one (1) Business Day prior to the actual day of running, and provide all relevant Railway Operators 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 specified in the System Rules, if applicable, or otherwise as specified in paragraphs (e), (f), and (g) of these DTP principles, where at least two (2) Business Days prior to the actual day of running:
  - (i) a Railway Operator notifies Aurizon Network that it wishes to make a short-term change to the **times**<sup>6</sup> 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 Railway Operator's scheduled Train service/s not being met or a Planned Possession not being met;
  - (ii) Aurizon 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 Railway Operator's scheduled Train service/s not being met, or a Planned Possession not being met;
  - (iii) a Planned Possession is cancelled;
  - (iv) Aurizon Network notifies all affected parties that it wishes to make a short-term change to the **times**<sup>7</sup> at which one or more scheduled Train service/s operate, whether or not within the scope of the applicable Railway Operators' 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 Railway Operator's Train Service Entitlement not being met, such change is only made with the agreement of such Railway Operator/s, such agreement not to be unreasonably withheld;
  - (v) Aurizon 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 Railway Operators' Train Service Entitlement, for the purpose of accommodating an Emergency Possession; or
  - (vi) Aurizon Network, Infrastructure Service Providers, and all affected Railway Operators otherwise agree.

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<sup>6</sup> See footnote 2 above.

<sup>7</sup> See footnote 2 above.

- (e) Aurizon Network may make modifications from the MTP or ITP (where applicable), within the scope of any of subparagraphs (d)(i) to (iii) of these DTP principles, on a case-by-case basis without the need for consultation.
- (f) Aurizon Network may make modifications from the MTP or ITP (where applicable), within the scope of subparagraphs (d)(iv) or (d)(v) of these DTP principles, on a case-by-case basis after consulting with any Railway Operators whose Train service/s are affected by the proposed modification, and/or with Infrastructure Service Providers if the proposed modification affects a Planned Possession.
- (g) Where a change is being sought from the MTP or ITP that falls within the scope of subparagraph (d)(vi) of these DTP principles, Aurizon Network will invite Infrastructure Service Providers and all Railway Operators whose scheduled Train service/s are affected by the change to consider the modification in an appropriate forum<sup>8</sup>, 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 paragraph (i) below 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, Aurizon 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 Railway Operator'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, a Railway Operator notifies Aurizon Network that it wishes to make a change to the times<sup>9</sup> at which its Train service/s operate, provided that change is within the scope of the Railway Operator's Train Service Entitlement, and does not result in any other Railway Operator'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, Aurizon Network notifies a Railway Operator that an Emergency Possession is required.
- (j) Aurizon Network may make modifications to the DTP within the scope of any of subparagraphs (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 Aurizon Network or a Railway Operator from other obligations under this Agreement (or any other applicable access agreement) 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.

### **3 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 Aurizon Network and/or a Railway Operator 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 Railway Operators and Aurizon Network Train Controllers:
  - (i) all parties will ensure that operational safety is maintained through compliance with the Safeworking Procedures, the Safety Standards, the

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<sup>8</sup> 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.

<sup>9</sup> See Footnote 2 above.

Rollingstock Interface Standards, applicable Interface Risk Management Plans and Environmental Investigations and Risk Management Reports;

- (ii) Railway Operators will ensure that activities required to provide and operate Train services, including but not limited to, Rollingstock provision, Rollingstock maintenance, non Train Control related communications, traincrewing, terminal provision and services, locomotive and Wagon availability and loading and unloading requirements, freight handling and marketing and administration of those services (but excluding activities associated with the provision and management of Infrastructure), are appropriately managed to ensure that such issues do not prevent the DTP from being met; and
  - (iii) Aurizon Network will manage the 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 Railway Operator over another, and as a result, the identity of a Railway Operator will not of itself be a legitimate reason for Aurizon Network Train Controllers to alter a scheduled Train service.
- (e) The traffic management decision making matrix, at Appendix 2, will be provided to assist Aurizon Network Train Controllers in the resolution of disputes in accordance with the above principles.
- (f) Aurizon Network will provide Railway Operators with:
- (i) real time Train Control information that indicates actual running of that Railway Operator'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 Railway Operator's Train services against the relevant DTP; and
  - (iii) information about the type of Train services<sup>10</sup> operated by other Railway Operators on the same network to assist the Railway Operators to determine whether the Aurizon Network Train Controller is applying the principles in this Schedule in a consistent manner between Railway Operators.

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<sup>10</sup> For instance, freight Train services, passenger Train service or coal Train services.

## Appendix 1

### Contested Train Path Decision-making Process

Aurizon Network will determine who is allocated a Contested Train Path, by:

- (a) firstly, eliminating from consideration any Railway Operator 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 Aurizon Network still has spare Existing Capacity available, Aurizon Network may determine which of the parties seeking the Contested Train Path is allocated 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, Aurizon Network may determine which of the parties is allocated 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 Aurizon Network will document the parties' agreement and keep a record of such;
- (c) then, considering the number of Train services per week that each Railway Operator has a contractual entitlement to in accordance with their Train Service Entitlement ("**Nominated Weekly Entitlement**"), subject to Existing Capacity availability, Aurizon 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:
    - a Railway Operator submits Train Orders for less than its Nominated Weekly Entitlement for one Train Service Entitlement ("**First Entitlement**") and the path is not allocated in accordance with paragraph (i); and
    - that Railway Operator 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 Railway Operator and that allocation will be documented and is deemed to be performance of the First Entitlement by Aurizon Network for the purposes of scheduling the Railway Operator's future Train Orders;
  - (iii) priority will then be given to allocating the path to a Railway Operator for whom Aurizon Network is most behind (in the contract year to date) in providing its contracted Train services due to a Aurizon Network Cause (when assessed in terms of Train services not provided due to a Aurizon Network Cause as a percentage of contracted Train services); and
  - (iv) priority will then be given to allocating the path to the Railway Operator for whom Aurizon 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 percentage of aggregated contracted Train Services); and
- (d) finally, where the above considerations do not assist Aurizon Network in making a decision regarding which requested Train service is scheduled, Aurizon Network will unilaterally determine which Train service/s is scheduled, and will keep a record of that decision and the reasoning behind that decision. Aurizon Network will ensure that, over time, no Railway Operator is favoured over another and, where possible, if one Railway Operator is favoured this time, taking into account the Train Service Entitlement held by a Railway Operator, next time they are not favoured. In other words, if one Railway Operator has an entitlement to 10 services per week, and another Railway Operator has an entitlement to 20 services per week, then it could not be said that favouritism was shown to the second Railway Operator if they received priority over the first Railway Operator on two out of three consecutive occasions.



## Appendix 2

# Traffic Management Decision Making Matrix

### 1 Notes for the application of the Traffic Management Decision Making Matrix

As a generic principle for the performance of Train Control, Aurizon Network recognises (as noted in Paragraph 3(a) 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 Infrastructure and provide those parties using the 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, Aurizon Network considers it necessary to permit Aurizon Network 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 Aurizon Network 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 a Railway Operator 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 Aurizon Network 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 Aurizon Network 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 Aurizon Network 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 Aurizon Network Train Controller has to decide which of two Trains to give priority to, and both of those Trains are operated by the same Railway Operator, the Aurizon Network Train Controller may ask the Railway Operator how it would prefer the Trains to be directed and, provided that taking the Railway Operator’s preferred course of action does not adversely affect the Train services of any other Railway Operator, the Aurizon Network Train Controller will follow the Railway Operator’s request.
- Rule 8. For Trains operating in the Central Queensland Coal Region, where a Aurizon Network Train Controller has to decide which of two Trains to give priority to, and those Trains are operated by different Railway Operators, one may be given preference over the other if the Aurizon Network Train Controller reasonably believes that this is consistent with meeting the coal supply objective(s) detailed in the System Rules.

## **2 PART 2 TRAIN CONTROL PROCEDURES**

### **2.1 Operator's Advice to Aurizon Network Train Controller**

For the benefit of the Operator’s traincrew contact details for the Aurizon Network Train Controllers relevant to the Nominated Network are:

Line Sections:

Control Board:

Phone:

Fax:

For the benefit of the Operator’s Controller contact details for the Aurizon Network Train Controllers relevant to the Nominated Network are:

Line Sections:

Control Board:

Phone:

Fax:

As soon as reasonably practicable after becoming aware of any event that may affect the performance of the Operator's Train, whether the Train has entered the Nominated Network or not, the Operator's Controller must advise the Aurizon Network Train Controller. Such advice is to include:

- the Train number;
- nature of the event; and,
- likely impact on Train performance.

In addition to the above, the traincrew of the Operator's Train must directly advise the Aurizon Network Train Controller of any event that may affect the performance of their Train as soon as reasonably practicable after becoming aware of the event.

At least fifteen (15) minutes prior to the departure of the Operator's Train, the Operator's Controller is to provide the Aurizon Network Train Controller with the following information:

- information regarding the traincrew, including names, depot, planned crew change locations and details of any mandatory breaks;
- any en route locomotive provisioning requirements;

- if in Train order territory or direct traffic control territory, the number of the leading locomotive; and,
- a Train List which is to contain the following information:
  - the number of the Train;
  - the origin of the Train;
  - the length of the Train in metres (including the locomotives);
  - the number of vehicles in the Train;
  - the gross mass of the Train;
  - the gross trailing load of the Train in tonnes;
  - the motive power employed by the Train;
  - for each vehicle in the Train in the order in which they will be placed, leading end first, the following information:
    - vehicle classification;
    - the vehicle number;
    - vehicle type;
    - gross weight of the vehicle;
    - a description of the goods carried in the vehicle (including details of all Dangerous Goods) by class and location on the Train;
    - the destination of each vehicle;
    - any known defects eg brakes cut out.
  - The Train List must be entered into Aurizon Network's nominated information system in accordance with the procedures specified by Aurizon Network.
  - Any subsequent changes to the information provided in the Train List must be updated in Aurizon Network's nominated information system in accordance with the procedures specified by Aurizon Network as soon as reasonably practicable.
  - The Operator must ensure that the contents of the Train List are accurate and reflect all the relevant information pertaining to the Train Service.
  - In the case of a passenger Train variations to the above requirements may be specified by Aurizon Network.

In the event that the weight and/or length of the Train alters during the course of the journey, the Operator's Controller is to advise the Aurizon Network Train Controller of the new weight and length.

The Operator must provide to Aurizon Network (and keep current at all times during the Term) the contact details (including mobile and after hours contact details) for the Operator's Controller.

Operator's Controller:

Name: *(to be completed by Operator)*

Position:

Phone:

Mobile:

Fax:

The Operator's Controller must be contactable by the Aurizon Network Train Controller at all times when any of the Operator's Trains are on the Nominated Network. During times when the Operator's Trains are not on the Nominated Network and the Operator's Controller cannot be contacted the following advice is to be provided to the Aurizon Network Train Controller:

- the hours during which the Operator's Controller will be unavailable; and,
- after hours contact procedures.

In dark territory the Operator's traincrew is to supply advice of the arrival and departure times, or the departure times if the Train did not stop, for each crossing station that the Train passed through on the Nominated Network when reasonably requested by the Aurizon Network Train Controller.

These times are then to be entered into Aurizon Network's nominated information system as soon as practicable after the advice is received from the traincrew.

## **2.2 Aurizon Network Train Controller's Advice to the Operator**

As soon as reasonably practicable after becoming aware of any event that may affect the performance of the Operator's Train, the Aurizon Network Train Controller must advise the Operator's Controller. Such advice is to include:

- the Train number;
- nature of the event; and,
- likely impact on the Train's performance.

When reasonably requested by the Operator's Controller, the Aurizon Network Train Controller is to provide an estimated time of arrival at any location on the Nominated Network for the Operator's Train.

When reasonably requested by the Operator's traincrew, the Aurizon Network Train Controller will provide information regarding events that may impact on the performance of the Operator's Train.

## **2.3 Consultation Between Aurizon Network Train Controller and the Operator**

The location of meal and personal needs breaks is to be determined by consultation between the Aurizon Network Train Controller and the Operator's traincrew.

Traincrew shall contact the Operator's Controller to request relief. If traincrew cannot establish communication with the Operator's Controller, the Aurizon Network Train Controller shall be contacted and relief requested.

It is the responsibility of the Operator's Controller to determine which Trains require relief prior to reaching their destination. Consultation is to take place between Aurizon Network Train Controller and the Operator's Controller as to the most appropriate time and location to have the Train relieved at.

Once this relief time and location has been agreed to it is the responsibility of the Aurizon Network Train Controller to advise the Operator's Controller should the estimated time of arrival of the Train at the relief location vary by more than 15 minutes. It is the responsibility of the Operator's Controller to make all the necessary arrangements for traincrew relief.

If a relief request is received from traincrew, the Aurizon Network Train Controller shall record the request and advise the Operator's Controller.

Upon receiving the relief request advice from the Aurizon Network Train Controller, the Operator's Controller is to verbally acknowledge receipt. The Operator's Controller shall then consult with the Aurizon Network Train Controller to advise of relief location.

If the Operator's Controller alters the relief requirements or the relief arrangements become delayed after advice was given to the Aurizon Network Train Controller, the altered information shall be passed onto the Aurizon Network Train Controller.

The Operator's Controller shall contact traincrew direct and advise of relief arrangements and if unable to contact traincrew direct, shall request the Aurizon Network Train Controller to advise traincrew of relief arrangements.

Where traincrew are rostered on "change jobs", or are required to change enroute, it is the responsibility of the Traincrew to advise the Aurizon Network Train Controller of their roster prior to entering the Nominated Network. It is the responsibility of the Aurizon Network Train Controller to advise traincrew of the location of the change.

## **2.4 Radio Procedures**

When using the Train Control radio system the Operator's Staff are to follow the general radio procedures contained in the Observance of Signals Manual STD/0037/SWK (as amended from time to time).

Access to the Train Control radio system for each of the line sections that comprise the Nominated Network can be obtained as follows:

Line Section:

Channel Number:

Line Section:

Channel Number:

## 2.5 Procedures for Entering the Nominated Network

The Operator must comply with originating yard procedures (if any) as advised by Aurizon Network.

The Operator will only enter the Nominated Network upon receipt of the appropriate safeworking authority as advised by Aurizon Network.

The Operator's Controller is to advise the Aurizon Network Train Controller of the anticipated departure time of the Operator's Train at least two (2) hours before the scheduled departure time of the Train or when reasonably requested by the Aurizon Network Train Controller. Should the anticipated departure time alter from that previously advised to the Aurizon Network Train Controller, the Operator's Controller is to advise the Aurizon Network Train Controller of the new anticipated departure time as soon as reasonably practicable after becoming aware of the change.

When the Operator's Train is ready to depart the originating station, the Operator's traincrew is to advise the Aurizon Network Train Controller.

Prior to the departure of the Train, the Operator must supply the Train driver with the Scheduled Times for that particular Train Service for that particular day.

## 2.6 Procedures for Shunting/Entering and Exiting Yards

Aurizon Network will advise the Operator of the appropriate procedures for shunting, entering yards and leaving yards en-route.

## 2.7 Procedures for Leaving the Nominated Network

The Operator must comply with terminating yard procedures (if any) as advised by Aurizon Network.

## 2.8 Contact details for party responsible for loading Trains – Clause 3(h)(ii)

The Operator must provide to Aurizon Network (and keep current at all times during the Term) the contact details for any party responsible for loading the Operator's Trains.

Party Responsible for Loading the Operator's Trains:

Name: *(to be completed by the Operator)*

Phone:

Fax:

## 3 PART 3 TRAIN OPERATIONS PROCEDURES

### 3.1 Safety Notices

#### (a) Safety Alerts

Safety alerts are documents used by Aurizon Network to communicate any serious safety incident that has or could affect Aurizon Network and users of its Infrastructure. The safety alerts are also used to provide details of the incident for information purposes together with advice regarding any immediate actions to be taken. Aurizon Network will forward safety alerts to the facsimile number specified by the Operator in Clause 24.9 of the Agreement. As soon as possible after the receipt of a safety Alert, the Operator is to make the Operator's Staff aware of the contents of such safety alert.

#### (b) Weekly Notices

Weekly notices are published weekly by Aurizon Network for Aurizon Network employees and contain employment and safety information. Weekly notices are used to communicate safety related information about permanent changes or temporary changes which could extend for more than four (4) weeks. An abridged weekly notice containing the relevant safety information will be made available to the Operator at the same time.

This information will be published in a weekly notice seven (7) days prior to the date of such changes becoming effective. If it is necessary to publish the information and there is not enough time to issue it in a weekly notice, the information will be published on a Train notice prior to the date of the change becoming effective. The information will then be published as soon as possible in a safety notice and an abridged weekly notice.

Members of the Operator's Staff who perform Safety Related Work must either receive a copy of the abridged weekly notice or have access to a copy or be notified of any information in the weekly notice relevant to their area of work. The Operator must advise Aurizon Network of the address to which the abridged weekly notices should be forwarded by mail.

The Operator is to ensure that all abridged weekly notices are distributed to the relevant members of the Operator's Staff.

**(c) Train Notices**

Train notices are instructions published by Aurizon Network as either a hard copy or by electronic means and which are generally issued daily, but may be issued as determined by Aurizon Network. They convey operational and safety instructions, information and messages. Train notices must be issued to members of the Operator's Staff who are responsible for the operation of Trains or who work on or near the Track.

Aurizon Network will advise the Operator of its procedures for forwarding Train notices.

The Operator is to ensure that all relevant Train notices are distributed to the relevant members of the Operator's Staff.

**(d) Safeworking Forms**

Upon execution of this Agreement Aurizon Network will provide to the Operator sufficient copies of all safeworking forms necessary to operate on the Nominated Network. Aurizon Network will also supply reasonable quantities of replacement forms as requested by the Operator. Additional forms may be obtained through the following contact:

Network Production Manager  
Aurizon Network Pty Ltd

Ph:                      Fax:

**3.2 Operational Meetings**

The Operator must advise Aurizon Network of the name and contact details of the Operator's Representative to attend operational meetings.

The Operator's Representative and the Aurizon Network Representative (or their nominees) shall meet on a Monthly basis or as agreed by the Parties for the purpose of:

- reviewing the achievement of Performance Levels and other matters affecting the performance of Train Services so as to identify remedial action in relation to recurring problems and to plan action to address potential or known problems;
- reviewing requests or proposals by the Operator or Aurizon Network to vary the procedures contained in this Schedule;
- reviewing the reliability of the Operator's Trains;
- reviewing Operational Constraints;
- investigating or reviewing breaches or suspected breaches of the Safeworking Procedures, Safety Standards or Aurizon Network Train Control Directions by the Operator's Staff; and,
- reviewing any other matters relevant to the performance of this Agreement.

The Operator's Representative shall attend other operational meetings relevant to the operation of Train Movements on the Nominated Network as required by Aurizon Network from time to time.

The Aurizon Network Representative is:

*(to be completed by Aurizon Network)*

Ph:

Fax:

The Operator's Representative is:

*(to be completed by Operator)*

Ph:

Fax:

**4 PART 4 NOMINATED PERSONS****4.1 Operator's Incident Response Coordinator**

Name:

Position:

Phone:

Mobile:

Fax:

**4.2 Operator's Recovery Team Leader**

Name:

Position:

Phone:

Mobile:

Fax:

**5 PART 5 POSSESSION PROTOCOLS**

Aurizon Network will provide the Operator with a copy of the Possession Protocols (as amended from time to time) which detail the rules governing the management and scheduling of Planned Possessions, Emergency Possession and Urgent Possessions on the Infrastructure.

**6 PART 6 DOCUMENT CONTROL PROCEDURES**

The Operator will provide to Aurizon Network the following details of its Document Controller:

Name: *(to be completed by Operator)*

Position:

Business Hours Telephone Number:

Postal Address:

Email Address:

Upon execution of this Agreement, Aurizon Network will issue to the Operator one electronic copy of each of the documents listed in Paragraph 1.1 of Part 1 of **Schedule 6**. Aurizon Network will manage updates and revisions of these documents in accordance with AS/NZS 4292.1 Rail Safety Management provisions applying to document control.

Updates and revisions of the Aurizon Network Emergency Procedures and Aurizon Network's Investigation Procedures will be managed in the same way.

The Operator will be responsible for ongoing distribution of all documents to the relevant members of the Operator's Staff.

**Schedule 11**  
**ANCILLARY SERVICES AND OTHER CHARGES**



**Schedule 12****CONFIDENTIALITY DEED**

*[Unless otherwise agreed, this deed shall be the confidentiality deed set out in Schedule B of Aurizon Network's Access Undertaking]*

## Schedule 13

### PRO FORMA SECURITY

To: Aurizon Network Pty Ltd (ACN 132 181 116) (**Aurizon Network**)

At the request of [*insert Operator/End User details*] (ACN ### ##) (the [**Operator/End User**]) and in consideration of Aurizon Network accepting this undertaking in respect of the Train Operations Agreement between Aurizon Network and [*Operator*] dated [*insert date*] for the operation of train services on the rail network provided by Aurizon Network (the **Agreement**) [*insert details of bank (ABN)*] (the **Guarantor**) unconditionally and irrevocably undertakes to pay to Aurizon Network on written demand any sum or sums which may from time to time be demanded by Aurizon Network under and in accordance with the Agreement (as amended from time to time) to a maximum aggregate sum of \$[*Security Amount*].

Aurizon Network may not transfer, assign or novate its rights, benefits or obligations under this undertaking except to such persons, and to the extent that, Aurizon Network transfers, assigns or novates its rights, benefits or obligations under the Agreement to those people in accordance with the Agreement.

The undertaking is to continue until:

- (a) notification has been received from Aurizon Network that the sum is no longer required by Aurizon Network;
  - (b) this undertaking is returned to the Guarantor by Aurizon Network; or
  - (c) payment by the Guarantor to Aurizon Network of the whole of the sum,
- whichever occurs first.

Should the Guarantor be notified in writing purporting to be signed by or on behalf of Aurizon Network that Aurizon Network desires payment to be made of the whole or any part or parts of the sum, it is unconditionally agreed that the Guarantor will make payment or payments to Aurizon Network of that part or those parts without reference to the Operator or the Agreement or any other person and notwithstanding any notice given by the Operator or any other person not to pay the same.

This undertaking is governed by the laws of Queensland.

Signed, Sealed and Dated this                      day of                      [*insert year*].

[*Bank Details*]