



Notice

29 June 2017

Roy Hill Infrastructure proposed Train Management Guidelines, Train Path Policy, Costing Principles, Over-payment Rules

FINAL DECISIONS

The Economic Regulation Authority (ERA) has [published Final Decisions](#) on Train Management Guidelines, Train Path Policy, Costing Principles and Over-payment Rules (collectively referred to as the Part 5 Instruments) proposed by Roy Hill Infrastructure (RHI) in October 2016.

The ERA has approved RHI's Part 5 Instruments subject to a number of required amendments as set out in the decision documents. These address the following general concerns.

- In the Train Path Policy RHI refers to the objectives of its parent company, and of the customers of its own above rail operation (haulage services for Roy Hill operations). However, under the *Railways (Access) Code 2000* the Part 5 Instruments should relate only to the responsibilities of the railway owner in respect of the regime, and not to RHI's responsibilities to its own above-rail operation, the customers of its above-rail operation, related entities, or to shareholder interests.
- In the Train Management Guidelines, RHI refers to Roy Hill Holdings' supply chain imperatives. Part 5 Instruments deal only with the use of the railway network and not to the use of related supply chain elements, over which the Code has no jurisdiction.
- RHI is prohibited from unfairly discriminating between one proponent and another, including its own operations, when negotiating access agreements. This general duty extends to the allocation of train paths, management of train control and operating standards. This is not properly reflected in the Train Path Policy.
- RHI must address the objectives of each instrument as laid out in the Code:
 - RHI has stated that the Train Path Policy does not apply to the negotiation of agreements, whereas the Code requires that it does.
 - The proposed Train Management Guidelines seek to affect the allocation of train paths, but the Train Management Guidelines must address only day-to-day management of capacity and scheduling variations.
 - The Costing Principles appropriately refer to the determination of costs, but also refer to the means of recovering those costs, which is not the purpose of the Costing Principles.

The ERA published draft decisions on RHI's proposed Part 5 Instruments on 24 March 2017, and has sought public comments on the proposed instruments and the draft decisions. RHI provided a submission in response to the draft decisions and this submission is published on the ERA's [website](#).

RHI is now required to provide its Part 5 Instruments incorporating the required amendments to the ERA for publication by 4 August 2017.

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