



Mount Isa Line Incentive Scheme

Guidelines

The Mount Isa Line is critical for North Queensland's economy, and making it more efficient and cost competitive is vital to support and grow resources exports in the region.

As part of a suite of initiatives totalling half a billion dollars, the Queensland Government will provide \$80 million over four years (\$20 million each year) to incentivise more freight on rail on the Mount Isa Line and encourage a shift from road to rail.

This scheme commenced on 1 July 2019 and will end 30 June 2023.

The objective of the scheme is to make rail freight more competitive, with the intention to provide operational and financial benefit to the customers of rail services. These customers include existing mining operators; however, the scheme is open to new freight, including mining and intermodal services.

These guidelines were developed with the cooperation of the mining and rail industry of Queensland.

Eligibility Criteria

To apply for the scheme, you must meet the following conditions:

- Complete the Queensland Mount Isa Line Incentive Scheme - Application Form at the end of this Guideline.
- Be an Australian registered company.
- Provide proof of eligibility as a freight end user / rail freight operator (for intermodal freight train services for multiple end user customers) on the Mount Isa Line.
- Ineligible for other government funding for rail services on the Mount Isa Line, for example, livestock services, passenger train services and non-revenue train movements

Freight end users/rail operators are required to keep proof of eligibility current. That is, eligible users must advise the Department of Transport and Main Roads of any extension to the term of existing Access Agreements/new Access Agreements.

You must obtain your own financial advice on tax or other financial implications from receiving funding from the incentive scheme.

Incentive Scheme Structure

As the objective of the Mount Isa Line Incentive Scheme is to assist with rail costs and incentivise more freight on rail, the funding will be provided based on freight volumes and distances. To achieve this, a payment will be made to eligible rail users based upon the percentage of gross tonnes per kilometre (GTK) from rail freight services, as a proportion of total freight GTKs moved on the Mount Isa Line.

Payment Frequency

Payments will be made quarterly over the financial year based upon advice from Queensland Rail to the Department of Transport and Main Roads on the total GTK's moved and each eligible participant's percentage share of the incentive scheme pool.

30 percent of the incentive scheme pool will be reserved and held for an end of financial year true-up of annual GTK to ensure there are adequate funds to pay the incentive scheme over the entire financial year given seasonal variability of freight volumes and to accommodate new entrants into the rail market that may occur during the financial year.

Assessment

As operator of the Mount Isa Line, Queensland Rail collects information on the freight movements across the network, including GTKs. This information is used for billing and reporting purposes.

Queensland Rail will provide GTK information to the Department of Transport and Main Roads who will organise direct payment to eligible participants.

Payment Method

Payment will be done by direct electronic transfer into the bank account provided in the application form.

Other Service Enhancement Initiatives

To improve the Mount Isa Line's efficiency and competitiveness, remove barriers to new market entrants and increase freight volumes on the Mount Isa Line, the Queensland Government will continue to investigate opportunities and investment initiatives with industry.

Industry participants are encouraged to make formal submissions on proposals for Government evaluation.

How to Apply

Please complete the Mount Isa Line Incentive Scheme Application form. Applications are to be emailed to MILscheme@tmr.qld.gov.au. Please keep a copy of the information that is provided with your application form.

Should you require further information on how to apply please visit <https://tmr.qld.gov.au/business-industry/Transport-sectors/Freight/Mount-Isa-Line-Incentive-Scheme>