IN THE FEDERAL COURT OF AUSTRALIA)
VICTORIA DISTRICT REGISTRY) No VID 1641 of 2004
)

BHP BILLITON IRON ORE PTY LTD (ACN 008 700 981)

Applicant

and

THE NATIONAL COMPETITION COUNCIL

First Respondent

and

FORTESCUE METALS GROUP LIMITED (ABN 57 002 594 872)

Second Respondent

This and the following 4 pages is the annexure marked "**RIR-3**" referred to in the affidavit of **ROBERT IAN RIDLEY** sworn at Perth in the State of Western Australia this 22nd day of December 2005.

Before me:

DANIEL PRESTON
Blake Dawson Waldron
101 Collins Street, Melbourne Vic. 3000
An Australian practitioner within the meaning of the Legal Profession Act 2004

Filed on behalf of the Applicant by:
Blake Dawson Waldron
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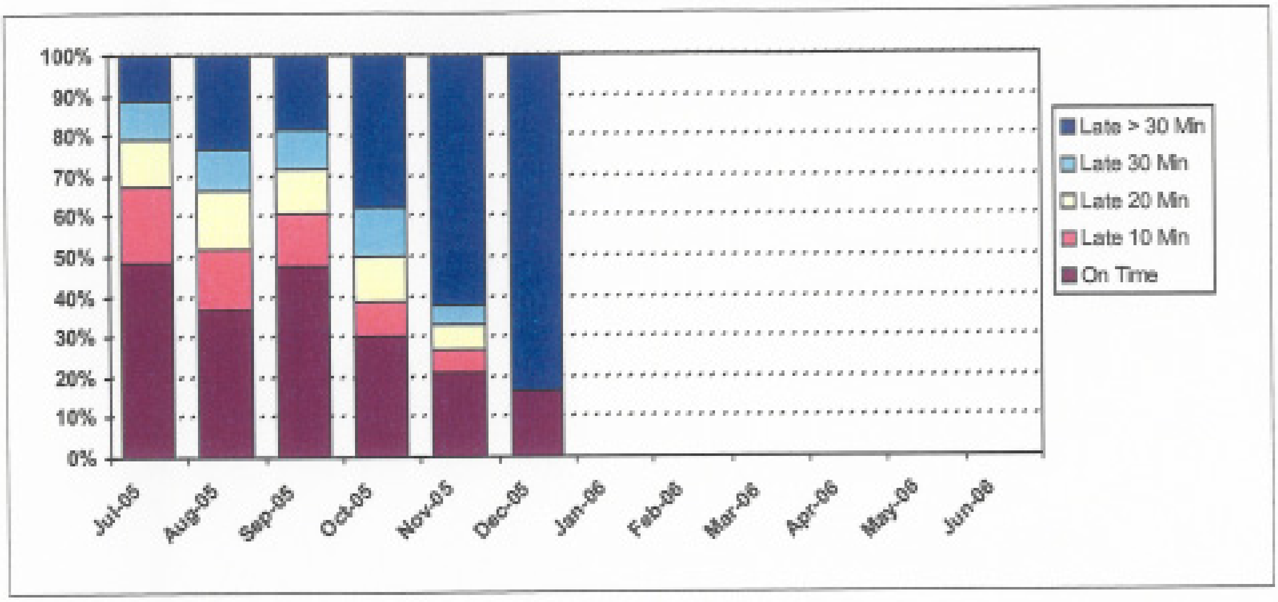
Ref: SZR DANP 03 1379 3092

"RIK-3"

(1)

Hedland Departures YEM 06



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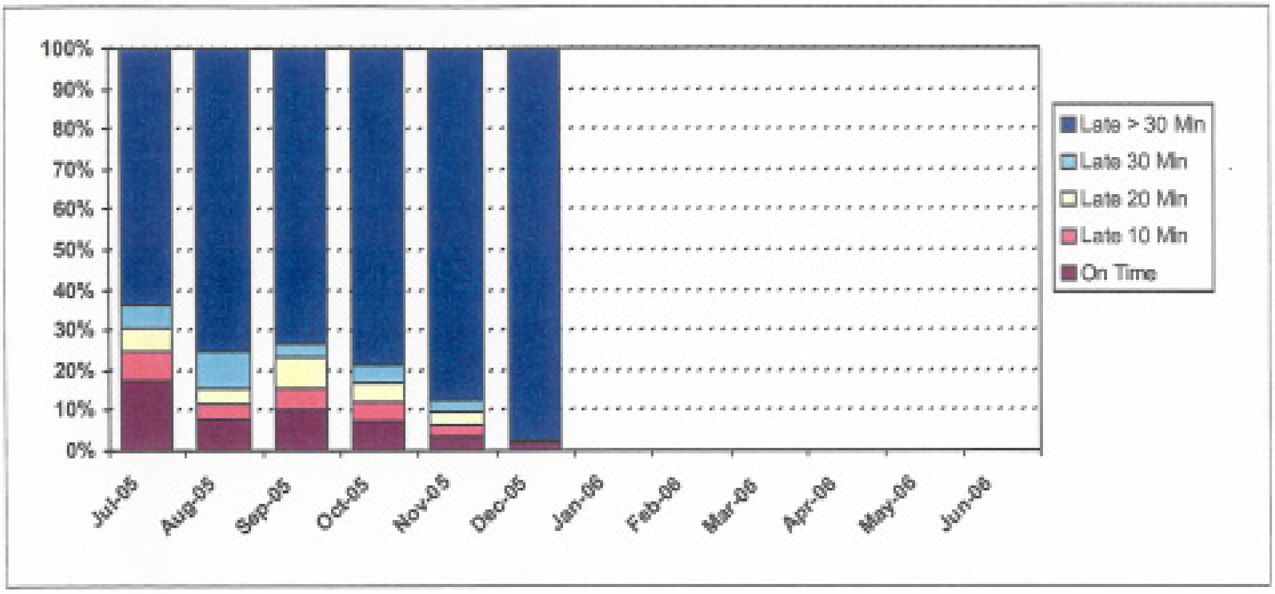
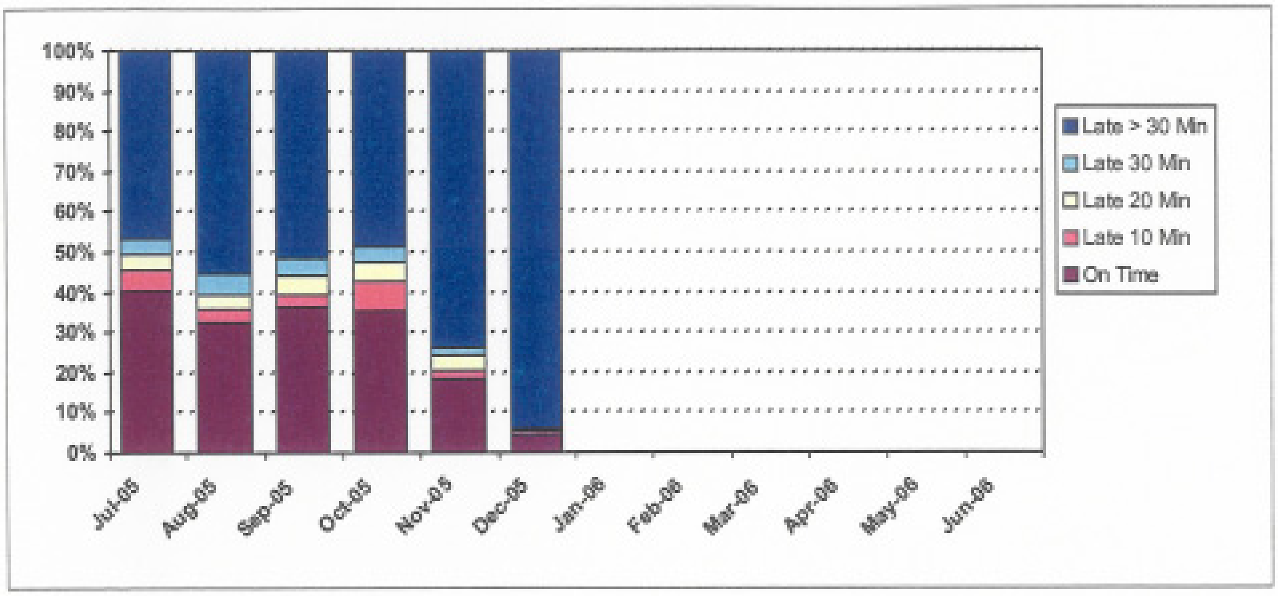
Newman/Yandi Mine Arrivals YEM 06



Newman/Yandi Mine Departures YEM 06



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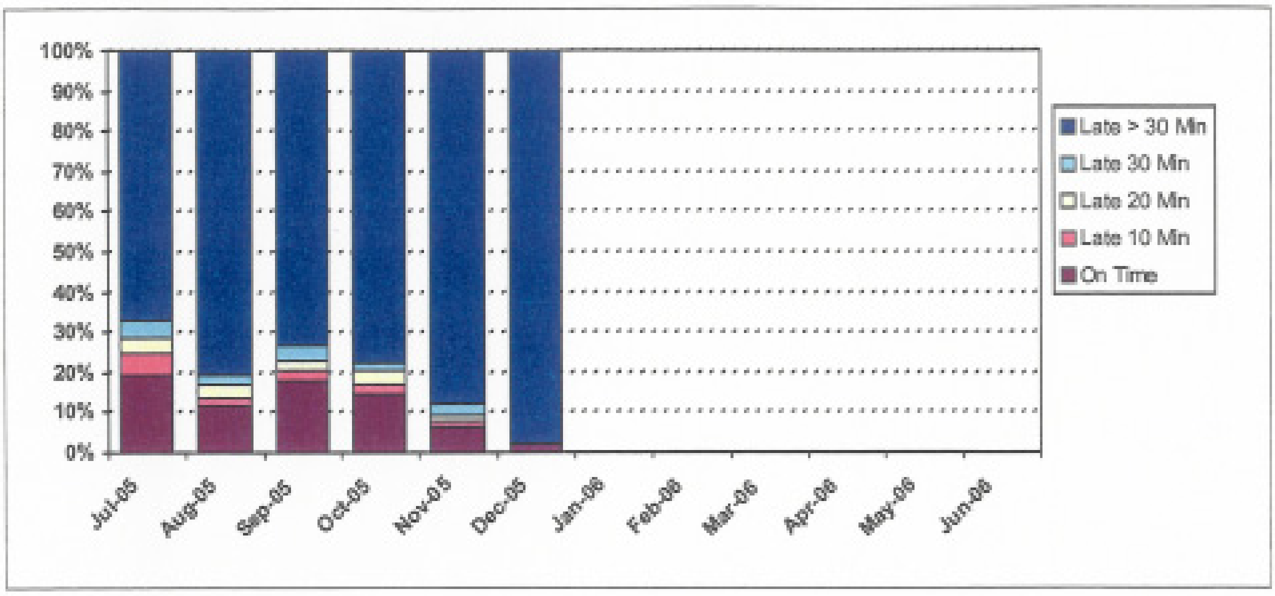
Hedland Arrivals YEM 06



[CONFIDENTIAL INFORMATION REMOVED]

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This and the following 15 pages is the annexure marked "**RIR-6**" referred to in the affidavit of **ROBERT IAN RIDLEY** sworn at Perth in the State of Western Australia this 22nd day of December 2005.

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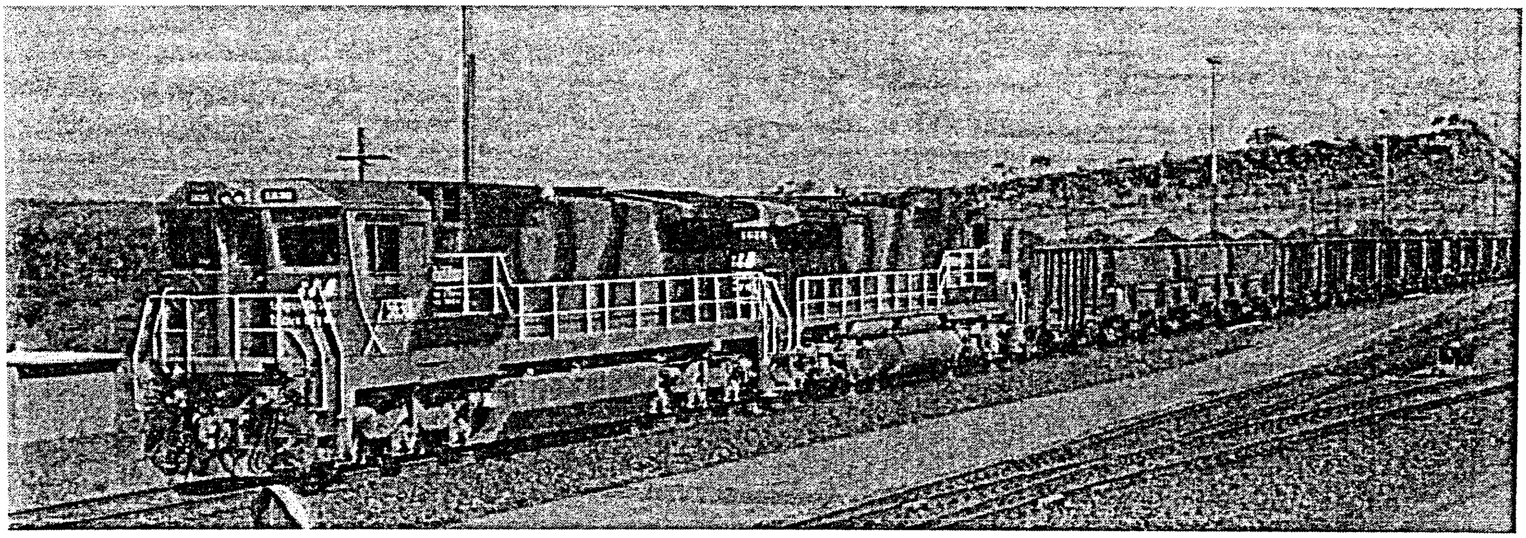
"RIR-6"

(1)

Rake Sequencing
Implementation Plan

Revision: 9.0
Last Updated: 11/11/05



Document Author: Rake Sequencing Working Party
Contact:

bhpbilliton

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OVERVIEW

The business needs to increase current production levels by approximately 3 M/tpa to meet budget and market commitments

During the year many attempts have been made to make changes to recover production and throughput to planned levels. One of these projects was to develop and implement a 14 trains schedule to enable the railing of more ore to the Port. Three scenarios of a 14-train schedule were developed, however, each scenario proved to be unachievable for various reasons.

The idea of moving away from a schedule based railing time table to a sequencing based railing time table was proposed.

TSG Consulting was tasked with modelling current operating practices against the proposed Sequential Rail Dispatch Method.

The proposed Sequential Rail Dispatch Method is a fundamental change in the rail operating philosophy. The changes involves moving from a schedule based dispatching method of trains from the Port to a sequential based dispatching method. The sequential based dispatching method fundamentally allows trains to depart as soon as they are ready with the aim to make the car dumpers the bottleneck in the railing operation.

The TSG modelling indicated that the business could potentially gain an extra 3% throughput by implementing a Sequential Rail Dispatch Method.

The TSG model proposed a 35 train rotating destination sequence, that will allow us to meet annual production requirements.

AIM

This trial is required to validate a potential increase in tonnes to the Port by 3% as determined by the TSG model. The trial is due to commence at 0600 on Monday November 14 2005.

ASSUMPTIONS

1. The trial shall be conducted without compromising safety.

2. The Sequential Rail Dispatch Method will reduce dumper idle time and hence increase total system throughput.

3. Initial proposed sequence as developed by TSG model – 35-train dispatch sequence methodology to maintain balanced railings.

4. All sequence information will be distributed the 72 Hour Train Sequence, distributed by Integrated Planning, the first 40 actual Train Sequence is below for information.

ACTUAL SEQUENCE STARTING 0600 MONDAY NOV 14th.

Sequence	Destination	Sequence	Destination
1	WB / WB	21	MCF
2	Y2	22	JR / 25
3	JR / 25	23	WB / WB
4	Y1	24	Y1
5	MCF	25	Y2
6	WB / WB	26	WB / WB
7	Y2	27	MCF
8	MCL	28	JR / 25
9	JR / 25	29	MCL
10	WB / WB	30	Y2
11	Y1	31	WB / WB
12	Y2	32	Y1
13	MCF	33	JR / 25
14	WB / WB	34	Y2
15	JR/25	35	WB / WB
16	Y2	36	MCF
17	Y1	37	Y1
18	WB / WB	38	Y2
19	MCL	39	WB / WB
20	Y2	40	MCL

5. Minimum interval between departures to same load-out, to avoid stock depletion at the mine, and therefore train loading delays.

6. Very adaptive destination selection.

7. Whaleback express trains included.

8. The trial will not adversely affect Spotting Time (all types) at the Dumpers.

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SEQUENCING GUIDELINES

Overall: We need all areas of the business to operate safely at the most optimum values of contribution.

Authority: Only the OPCO can decide to end the trial.

Trains: All trains depart the Port as 2 rake trains.

Port Departure: The target is to depart trains 90 minutes after the second rake has exited the dumper (earlier if possible).

Trial points of contact: Once the trial has commenced the primary points of contact are

1) Tony Holland Superintendent Logistics Scheduling ph 9173 6136 or mobile 0418 330 235
2) Darryl Williams Port Operations Supervisor ph 9173 6385 or mobile 0408 094 633
3) Errol Goiack Superintendent Train Control and Operations Interface ph 9173 6500 or mobile 0438 317512
4) Colin McCumstie Mine Scheduling Specialist ph 9175 3526 or mobile 0419 196 694

Estimated Departure: Estimated departure times and destinations for the next 72 hours will be distributed daily.

Sequence Order

A) A departing train will go to the next destination (n) on the sequence, unless for some reason that destination cannot take the train. In this situation that destination will be assigned a null value in the sequence, and the train will depart to the next destination in the sequence (n+1).

B) In their role developing the six week plan Integrated Planning will be responsible for ensuring that the sequence is adapted to meet supply chain requirements for the next six weeks.

Expected Time Contributions – Values to enable of scheduling tools to operate.

	WB	JR	25	Area C	Yandi 2	Yandi 1
ETT	7.7	7.7	7.6	7.3	6.6	6.4
At Mine	3.0	6.6	6.1	4.8	3.7	3.8
FTT	8.1	8.1	8.1	7.8	6.9	7.1
Port to Port	18.8	22.4	21.8	19.9	17.2	17.3
Q to Dump	Expected to increase					
Dumping	2.5	2.3	2.8	2.2	2.3	2.3
Wait to Depart	Expected to decrease					
Source: Draft Simulation Model Data and Logic Document Module 2 – Rail Module – rev F.doc Section 6 Train Cycle Time Components, page 23						

DECISION PROCESS

(A) Overview

The 72 Hour Train Sequence will be adapted to the current 72 hour schedule with estimated times for depart port, arrive mine, depart mine, arrive port.

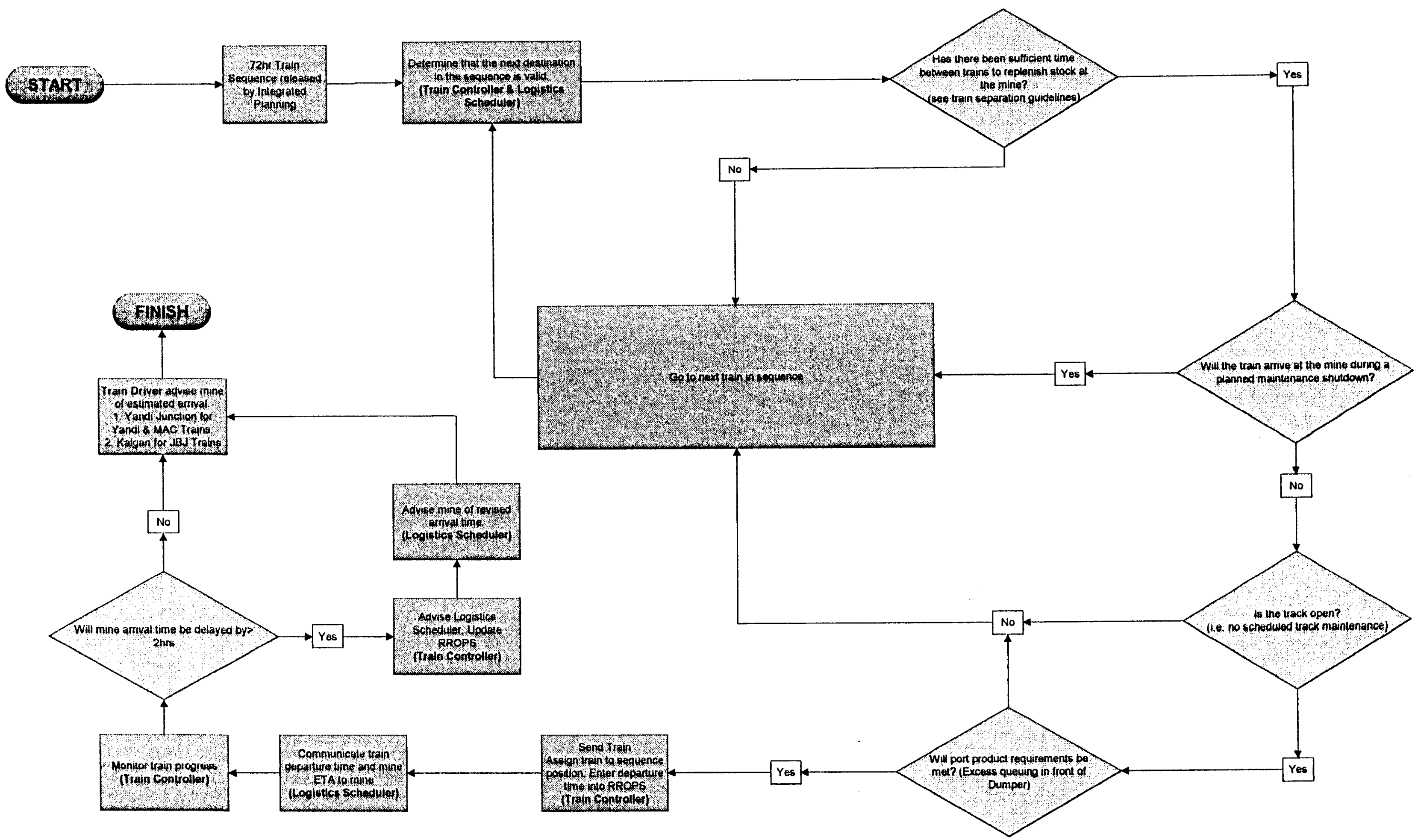
Train Controllers will direct departing trains to destinations as per the 72 Hour Train Sequence distributed by Integrated Planning.

Should an incident occur on track that will cause a delay of greater than 2 hours, but not a destination change, the Train Controller will adviser the Mine (Yandi & Area C) or the JBJ Rail Operations Supervisor (NJV) of the delay, then advise the Logistic Scheduling Specialist (LSS).

Should an incident occur while a train is in transit to a directed destination that will prevent the train from being loaded, the train should be diverted to a destination as agreed to by the Logistic Scheduling Specialist.

The Logistic Scheduling Specialist will record the information to alter the 72 Hour Train Sequence for redistribution.

PROCESS TO DETERMINE THE DESPATCH OF TRAINS & Communication Process



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(B) Logistic Scheduling Specialists

The Logistic Scheduling Specialist will coordinate the sequencing of trains through the distribution of the sequence on a daily basis after the 07:45 phone conference (sequence released by 10 am daily) and, if required, after the 15:15 phone conference.

Train Control will advise the Logistic Scheduling Specialist of the departure time of each train in the sequence, who in turn will advise the Jimblebar Junction Coordinator, in the case of NJV trains, and the relevant personnel in the case of Area C and Yandi trains.

If a delay has occurred either on track or at the mine such that a train on track can't be loaded at the mine it is due for in the sequence, the train controller will contact the Logistic Scheduling Specialist, who will decide the destination for that train based on priorities, ability for a mine to load and availability of stacking space and equipment at the port. The Logistic Scheduling Specialist will then advise the new mine of the pending arrival.

Train Control will also advise the Logistic Scheduling Specialist of any delay on track that will impact the arrival time at the mine, and the Train Controller will communicate this to the relevant mine.

It must be noted that the Logistic Scheduling Specialist is not stationed in the office at all times and their duties require them to be in the field on occasions, so there is a need to be aware that this information may not come through immediately on the departure of a train.

(C) Train Controllers

Train Controllers will direct departing trains to destinations as communicated in the 72 Hour Train Sequence distributed by Integrated Planning. It is the responsibility of Train Control to input the departure time and destination of a departed train into RROPS as soon as possible after a train's departure.

The mainline Train Control will continue to manage train destinations as communicated in the 72 Hour Train Sequence whilst ensuring preference against Empty / Loaded services are granted in respect to Dumper requirements. At all times the train controller shall attempt to run all trains at their optimum ETT / LTT times whilst having minimal impact on other services.

Should an incident occur while a train is in transit to a directed destination, that will prevent the train from being loaded, the train should be diverted as agreed to by the Logistic Scheduling Specialist. This updated train destination information shall be changed in RROPS no more than 30 minutes after the destination change is made.

Mainline Train Control will also advise the Logistic Scheduling Specialist of any delay on track over two hours that will impact the arrival time at the mine, and Train Control will also communicate this to the relevant mine.

The Logistic Scheduling Specialist will then update the required information, and the changes recorded in the 72 Hour Train Sequence.

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(D) Locomotive Management

Yard Controllers and NP Rail Operations Supervisors will be responsible for co-ordinating the allocation of locomotives to departures to ensure there are no sequence destination / locomotive allocation compatibility clashes for pending departures.

On the occasion where the required locomotives are unavailable at the port to meet the next Satellite train's departure (i.e. OB25/JR) this train will be diverted to Whaleback (assuming all criteria are met within the despatching rules). The next Whaleback train in the sequence will then be diverted to the Satellite mines. The notification of these changes will be communicated in the next issue of the 72 Hour Train Sequence.

NP Rail Operations Supervisors and Yard Controllers will liaise to achieve the best possible turn around of locomotives to ensure that appropriate locomotive are prepared and available for departure prior to the second rake coming of the dumpers.

(E) Train Crew Management

Train crew management, with respect to driver destination, change over locations, and driver working hours management will be the responsibility of the relevant Train Control, NP Rail Operations Supervisor, Yandi Supervisor and JBJ Co-ordinators.

To support this concept new train crew rosters have been developed and commenced from this Wednesday 9th November 2005.

The new rosters include the introduction of change over working on the Newman trains as well as the Yandi Mac trains. Crew will continue to be rostered at Yandi MAC as they currently are now but additional crews will sign on at JBJ to support changeovers from this end. Additional crews will be rostered in Hedland to support a 14 train per day schedule. Dedicated spotting crews provided from Integrated are provided in addition to this roster.

Crews will sign on at JBJ at three hour intervals i.e. 0001, 0300, 0600 (Co-ordinator) 0900, 1200, 1500, 1800 (coordinator), and 2100 hours each day. These crews will be required to load trains as well as working them towards Hedland to change over with Hedland crews. It will be the responsibility of the JBJ co-ordinators, Yandi supervisors and the Train Controllers to determine which trains change with each other.

While it is desirable for Newman crews to change with Newman trains and Yandi/MAC crews to change with Yandi MAC trains we realise that this will not always be possible, therefore Newman Trains can change with Yandi/MAC trains and visa versa. When this occurs the parties concerned i.e. controllers supervisors and coordinators will then determine if the crews need to be relocated or remain at that location for their next sign on. When a crew ends up in an alternative location his sign on will remain the same as if he were in his original location i.e. if the 0300 Newman driver ends up in Yandi and he is not relocated and his next sign on is 0300 Newman then he will sign on at 0300 at Yandi and can either work a train or be relocated back to Newman for the balance of the shift.

The JBJ coordinators will continue to sign on at 0600 and 1800 and will continue to work as they currently do. In emergencies they may be required to work trains north from JBJ but it is desirable for them to remain in the Newman area.

(F) Examination of Ore Cars

Examiners are expected to ensure tests on rakes ex the dumpers are given priority over rakes in arrival roads. This aligns with the aim of departing rakes from the Port as soon as possible after completion of dumping.

(G) NJV Grade Issues

NJV grade issues may be handled by swapping NJV destinations within the NJV sequence slots to ensure customer grade requirements are met. This will be managed by the Quality Co-ordinators and Logistic Scheduling Specialist and communicated through the 72 Hour Train Sequence

Where possible we will not plan to split a train between Whaleback and JR / OB25.

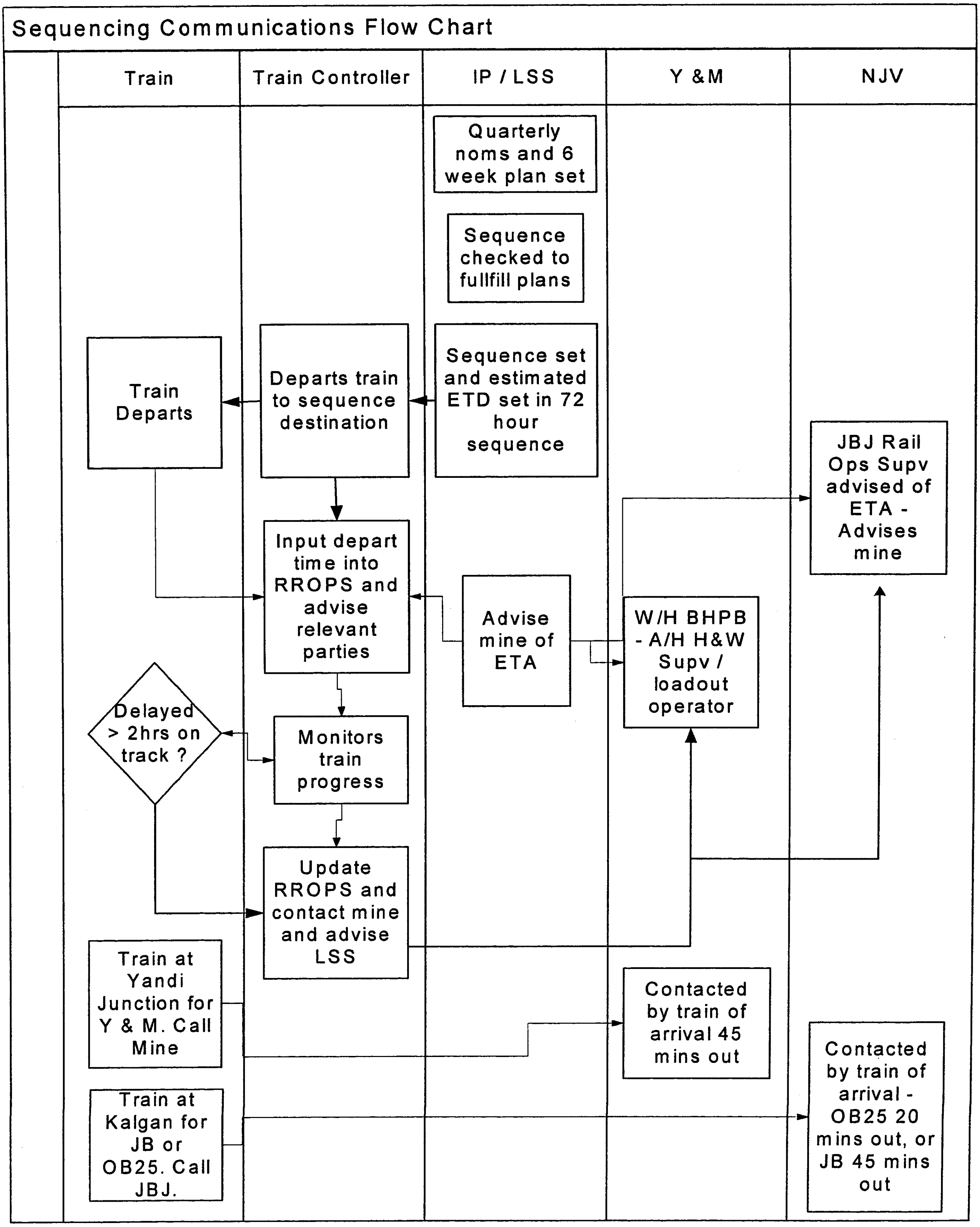
(H) Base loading and Dead Bene Fines

It has been agreed across the business that during this trial there will be no base loading conducted, or differential handling of materials from any of the mines.

DAILY REVIEW

The trial will be monitored on a daily basis and discussed at the morning meeting to address any issues.

COMMUNICATION PROCESS FLOW CHART



TRAIN SEQUENCING TRIAL MEASURES

Measure	Description	Desired Outcome	Required Data	Responsibility
Primary Measure				
Dumper Standby Time	Accumulative hours the Nelson Point dumpers are idle due to no rake being available to dump (hours). Calculated by: Actual Departure Time – Scheduled Departure Time	Stable control charts. Target Avg = 8.2hrs Capability USL = 9.1hours Target Avg derived from budget (based on market commitments) prorated daily from YEJ2006 budget.	Daily data collected from DAS (Port OE dumping performance charts) Over period of the trial and 2-3 previous months	Integrated Planning, weekly system measure reporting.
Secondary Measures				
Tonnes Dumped	These are measures of the impact of the trial on tonnes dumped. If this trial statistically improves the tonnes dumped measure then it has positively impacted on the entire system. If the tonnes dumped measure statistically remains the same and the train trip efficiency improves or rake inter-arrival pattern improves then this trial has positively impacted on the system.	Either consistent performance or a statistical step change showing improvement in stability control charts. Capability chart showing that process has either maintained consistent capability or become more capable of meeting RGP1 specifications.	By Train Tonnes Dumped Over period of trial and 2-3 previous months	Integrated Planning, weekly system measure reporting.
Ore flow hours			By Dumper Production Time Over period of trial and 2-3 previous months	Integrated Planning, weekly system measure reporting.
Rake Inter-Arrival Time	This is a measure of the impact of rake arrival times on the dumpers and will show if the arrival pattern has improved given the new trial rules.	A Statistical step change showing improvement in stability control charts.	By Train. Actual Arrival Time at Port. Over period of the trial and 2-3 months previous	Integrated Planning, weekly system measure reporting.
Spotting Time	This is a measure to ensure that spotting time is not adversely affected by this trial.	No negative statistical change in control charts or capability chart.	By Train. Spotting Time Over period of the trial and 2-3 months previous	Rail Operations, from RROPS, aligned with weekly system measures reporting
Wait to Depart time	This is a measure of adherence to sequencing methodology, and will show if wait to depart time has decreased given the trial rules	Target 90 mins. A Statistical step change showing improvement in stability control charts. It is expected that this measure will decrease.	By Train. Actual Wait to Depart time. Over period of the trial and 2-3 months previous.	Rail Operations, from RROPS, aligned with weekly system measures reporting

TRAIN SEQUENCING TRIAL MEASURES (CONT)

Measure	Description	Desired Outcome	Required Data	Responsibility
Adherence to 2 rake departures	This is a measure of adherence to sequencing methodology, and will monitor adherence to only 2 rakes on a train departing the Port	Target 100% A statistical change to stability in number of rakes departing the port.	By Train. Over period of the trial and 2-3 months previous.	Rail Operations, from RROPS, aligned with weekly system measures reporting.
Queue to Dump	This is a measure of adherence to sequencing methodology, and will show if queue to dump time has increased given the trial rules.	A Statistical step change showing improvement in stability control charts. It is expected that this measure will increase.	By Train. Actual Wait to Depart time. Over period of the trial and 2-3 months previous	Rail Operations, from RROPS, aligned with weekly system measures reporting.
Adherence to Schedule	This is a measure of adherence to sequencing methodology, and will monitor adherence to only 2 rakes on a train departing the Port	100% compliance with proposed train destinations as per sequence	By Train departure, measured from the initial sequence developed 11/11.	Rail Operations, from RROPS, aligned with weekly system measures reporting.
Stockpile Quality	This is a measure to ensure we do not comprise grade quality .	No stockpiles built of grade	All stockpiles built to grade.	Port Operations aligned with weekly system measures reporting.

WEEKLY MEASUREMENT PROCESS AND REPORTING

The Integrated Planning weekly system measure reporting period is 0500 Thursday – 0500 Thursday. On Fridays the Integrated Planning weekly system measures and the Rail Operations responsible measures (defined over the same time period as the weekly system measures) will be collected and analysed. This information will be prepared into a report, and the Rake Sequencing Working Party will meet every Monday afternoon to review the report. After the meeting this information will then be given to all VP's in the OPCOM for presentation and discussion during the Tuesday morning ELT teleconference.

POTENTIAL RISKS

The following issues have been identified as potential impacts to the system as a result of the trial (in no particular order).

1. Ships delayed awaiting product
   - The potential exists for ships to be held at berth or at anchor awaiting product delivery to the yard as a result of railing patterns and different levels of product at the Port compared to shipping requirements.

2. Impact on Mine Operation
   - The Mines may be forced to "push dead" or stop production should they run out of Live Stockpile space due to the reduced outflow of product.

3. Delays to equipment handover for maintenance

- Where stockpiles are incomplete due to delayed arrivals, the equipment may be required for longer periods.

4. Paths not clearly identified for Train Controllers
    - Currently Train control are only provided with target times (Depart Port / Arrive Mine / Depart Mine / Arrive Port) which means that there will be no process to capture how the system can be improved in the future, with regards to scheduled vs actual train paths.

5. Increased Idle time in Dumpers
    - The potential exists to increase idle time in Dumpers due to random arrival pattern of products.

6. Dumping Product Dead
    - Due to low yard stocks there is a potential that dumping any product dead will have an adverse effect on shipping. Dumping of dead product must be confirmed with Tony Holland and Darryl Williams before commencing.

7. Access to railroad for Track Maintenance
    - With the projected increase in the number of trains the intervals between trains will decrease, reducing access to the track for routine maintenance. The potential risk here is that over time both of the above factors may allow the track to deteriorate, thus increasing speed restrictions, which will affect cycle time, and therefore increase production. It may be necessary to create regular track maintenance windows to over come this problem.

SUCCESS

After the trial starts at 0600 November 14, weekly updates will be fed through the OPCOM to the weekly ELT teleconference, held every Tuesday from 0830 –1030.

At the completion of the trial a report will be submitted to the Operating Committee (OPCOM) and Executive Leadership Team (ELT) to review. The report will attempt to determine the performance of the trial i.e., changes to measurements defined above and realisation of risks. The challenge will be to ensure that any changes observed are statistically relevant. This is an important element considering the variability of the current process. For example during experimentation it is usually the goal to hold all other inputs constant to ensure that the impact of the experiment can be evaluated. Due the dynamic nature of the system this will not be possible. And we will therefore be required to measure changes in a highly variable process.

CONTACT PHONE NUMBERS			
AREA C		**JBJ**	
MAC Crusher Control	91 448 971	JBJ Rail Ops Supv	9175 3695
Reclaimer	91 448 980		
Production Supervisor	91 448 147	**JB**	
HWE Reception	91 448 101	BGC OH Plant Supervisor	91753954
YANDI		**PORT HEDLAND**	
Crusher Control OHP1	91 582 528 91 582 543	Logistic Scheduler Office	9173 6266
Crusher Control OHP2	91 582 457 91 582 462	Logistic Scheduler mobile	0418 391 136
LOT Central	91 582 407	Yard Train Control	9173 6344
LOT Eastern	91 582 554	Mainline Train Control	9173 6313
OHP Supervisors	91582474/566	GML Train Control	9173 6351
		Train Control P&D (office hrs)	9173 6775
OB25			
HWE Crusher Foreman Mobile	91 753 909 0437 885 739		
Mine Scheduler (D/S only)	91 753 110		