THE AGREEMENT IN SUMMARY

About the Australian Rail Track Corporation (ARTC)

The Australian and NSW Governments have agreed that the Australian Rail Track Corporation (ARTC) will lease the NSW interstate and Hunter Valley networks for 60 years. The agreement includes an $872 million investment programme; the details are set out in these fact sheets.

As the map shows, ARTC:
- owns and manages the track from Kalgoorlie (WA) to Broken Hill (NSW) and Wolseley (SA);
- manages, under a 15 year lease, the interstate standard gauge rail network in Victoria; and
- has rights to sell access between Kalgoorlie and Kwinana to interstate rail operators under a wholesale access agreement with the WA track owner and operator, WestNet Rail, a subsidiary of the Australian Railroad Group.

ARTC has significantly improved the infrastructure between Kalgoorlie in WA and Albury in NSW. Rail’s share of the land transport market on the east-west corridor increased from around 60 percent in 1996-97 to over 81 percent in 2003-04, compared to less than 20 percent on the north-south corridor.

About the Agreement

The Lease

ARTC is to lease for a period of 60 years the NSW interstate and Hunter Valley rail corridors, the dedicated metropolitan freight lines to the Sydney ports, and be granted a licence to construct the Southern Sydney Freight Line within the existing rail corridor. The total length of these tracks is about 3,400 kilometres. Although ownership of these tracks will remain with NSW, ARTC will have full responsibility for these lines including investment decisions and train control.
Lines not leased to ARTC

All rail lines in NSW, including the urban system and the branch lines not specifically leased to ARTC, will remain the responsibility of NSW.

ARTC will manage the remaining non-interstate, non-Hunter country branch rail network on behalf of NSW under a management agreement between NSW and ARTC. NSW will retain funding responsibility for these lines.

Employment Arrangements

Maintenance and train control staff will remain employed by NSW. Clearly defined key performance indicators for maintenance work will be developed co-operatively between ARTC, staff and unions.

Commencement

The lease was signed by the NSW Government and the ARTC on 4 June 2004 and will take effect from 4 September 2004. To give effect to the lease, legislation was passed in the NSW Parliament in May 2004.

Investment on the Leased Track

As part of the lease agreement, ARTC will invest $872 million on the leased track between 2004 and 2009.

The investment will include:

- $192 million to build a new southern access route for freight trains through the south-western Sydney metropolitan area from Macarthur to Chullora. Freight trains currently share the existing electrified track with passenger traffic, which has priority during the peak commuter periods. The resulting long delays are the biggest impediment to rail freight activity between Melbourne/ Sydney/ Brisbane.

- $152 million to upgrade the Hunter Valley rail network, including track strengthening and almost $67 million to eliminate bottlenecks. The investment will increase the capacity of the network from 85 million tonnes of coal per year to over 100 million tonnes per year.

- $186 million to upgrade the Main South Line from Macarthur in Sydney to Albury. The investment will improve signalling, extend the length of crossing loops and replace the Murrumbidgee Bridge at Wagga Wagga. It will assist in reducing the travel time for freight trains between Sydney and Melbourne by 3 hours.
- $119 million for the North Coast Line from Maitland to the Queensland border. Importantly, the investment will replace the signalling system between Casino and the Queensland Border with modern equipment. The current system was installed in the 1920s. The investment will assist in reducing the travel time for freight trains between Brisbane and Sydney by 3.5 hours.

- $57 million to upgrade the line between Cootamundra and Werris Creek, including the replacement of timber bridges and the consolidation of the way trains are controlled.

- $21 million to upgrade the line between Parkes and Broken Hill, including funds to raise the height clearance of the line. As a result, it will be possible for train operators to make unrestricted use of double stacked container trains.

The funding sources for the investment include an Australian Government equity injection into ARTC of $143 million and a funding contribution of almost $62 million by NSW.

**Safety**

ARTC is committed to the highest levels of safety and will be subject to the standards established by NSW Independent Transport Safety and Reliability Regulator.

**Metropolitan Network and Priority Principles**

The metropolitan passenger network remains owned and managed by NSW. New South Wales passenger priority principles will continue to apply across the entire New South Wales network, including the lines leased to or managed by ARTC.

**Transport and Logistics Centre of Excellence**

The Australian and NSW Governments will work together to establish a Transport and Logistics Centre of Excellence, to support career paths for rail workers and to ensure key skills are maintained in the industry. The Centre of Excellence will work with the Australian Logistics Council, existing transport agencies, operators, higher education and training providers to continue their investment in training and development. The Australian Government has allocated $4 million in the May 2004 Budget to fund its 2 year contribution to the establishment of the Centre of Excellence.