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Our ref 39411214_2

██████████
██
Interstate Network
ARTC

10 June 2020

Dear ██████████

Agreed upon procedures: Report of factual findings on the procedures performed over the Interstate Access Undertaking Performance Indicator Reports prepared by Management of Australian Rail Track Corporation

Australian Rail Track Corporation (**ARTC**) have agreed to a voluntary Interstate Access Undertaking dated 15 July 2008 (**Access Undertaking**) with the Australian Competition and Consumer Commission (**ACCC**) in relation to the provision of access to those parts of the Interstate Rail Network for which it is responsible. As part of that undertaking ARTC is required to publish various Performance Indicator Reports (**Key Performance Indicator (KPI) Reports and Unit Cost Reports**) and to have an independent practitioner perform agreed upon procedures and present their factual findings on them in order to meet ARTC's reporting obligations under clause 8.2 of the Access Undertaking.

Summary

This report contains the following sections:

Summary

- 1 Introduction
- 2 Director's and Management's responsibilities
- 3 Our responsibilities
- 4 Agreed procedures
- 5 Distribution and use of report

Appendix 1 – Factual Findings

Appendix 2 – KPI Reports, Basis of Preparation & Directors and Management Declaration

Appendix 3 – Unit Costs Reports, Basis of Preparation & Directors and Management Declaration

We identified a number of minor exceptions related to comparison of information within the Snapshot Database to that in the various reporting spreadsheets used by ARTC in reporting to the ACCC.

Management have confirmed that these exceptions were as a result of problems with the population of the Snapshot Database, rather than with the original reporting. These are referred to under Procedures 3, 5, 6, 7 and 8 in Appendix 1.

1 Introduction

Our procedures relate to the process through which ARTC calculates the KPIs and Unit Costs from data extracted from ARTC's core business systems. We have not performed any procedures in relation to the accuracy or completeness of any business systems nor of the data within them.

We have performed the procedures as detailed in our terms of engagement with ARTC dated 20 November 2019 and described in Appendix 1.

Our procedures are performed over:

1. The KPI Reports (refer Appendix 2) for the quarters ending:
 - September and December 2017
 - March, June, September and December 2018, and
 - March, June 2019.

Data prior to quarter ending September 2017 is out of scope.

2. The Unit Costs Reports (refer Appendix 3) for the years ended:
 - 30 June 2018 and 2019.

Data prior to the year ended 30 June 2018 is out of scope.

2 Director's and Management's responsibilities

The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by us is that of the Directors and Management. This responsibility includes determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which they wish to draw on the subject matter.

Management are responsible for the preparation and fair presentation of the KPI Reports and Unit Costs Reports. They are also responsible for determining the Basis of Preparation, as presented in the KPI Reports and Unit Costs Reports, are appropriate to meet their requirements. Managements' responsibility also includes such internal control as they determine necessary to enable the preparation, fair presentation and publication of the KPI Reports and Unit Costs Reports that are free from material misstatement whether due to fraud or error.

3 Our responsibilities

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements, including independence. We have only performed the procedures set out in Appendix 1 to this letter and no additional procedures have been performed. We have not assessed whether the metrics used to derive the KPI's are appropriate, sufficient or complete, nor have we evaluated the accuracy of ARTC's core business systems.

Had we performed additional procedures or had we performed an audit or review in accordance with AUASB Standards, other matters might have come to our attention that would have been reported to ARTC.

4 Agreed procedures

The procedures were performed solely to assist ARTC in meeting their reporting obligations under the Interstate Access Undertaking. The procedures performed are provided below and the factual findings are detailed in Appendix 1.

KPI Reports

All KPIs	
1	<p>Chart comparison</p> <p>Obtain the latest Performance Indicator reports (the “KPI Reports”) directly from the ARTC web site (http://www.artc.com.au/customers/access-interstate/performance-indicators/reporting/). Compare each chart on each pdf report to those in the latest “ACCC Report June_yyyy.xls” spreadsheet (referred to hereafter as “the ACCC Report Spreadsheet”) and check that they are the same.</p> <p>Note: The KPI reports consist of a total of 27 charts that illustrate the KPIs since inception of the undertaking in 2008. These procedures relate only to the KPIs for the in scope quarters noted above. All prior KPIs and data are expressly excluded from the scope of these procedures.</p>
KPIs 1 - 15	
2	<p>Chart links traced</p> <p>For the data series in each graph in the ACCC Report Spreadsheet trace the link to the source data contained in the “KPI Data Workbooks” and check that it aligns correctly with the periods in scope and that the data is labelled consistently with the chart.</p>
3	<p>Data subtotalling</p> <p>For each data series used by the Charts in the ACCC Report Spreadsheet and referenced in Procedure. 2 above, check that the data is correctly subtotalled from the relevant “detailed” table in the ACCC Snapshot Database. Tables/Queries with relevant data are:</p> <ul style="list-style-type: none"> - KPI_DW_Data_Detailed - KPI_DW_Delay_Data_Detailed - TSR_Data – via 1_TSR_Qry - TQI_Data – via 1_TQI_Qry - Avail_Mkt_Data – via 1_KPI_Network_AvailMkt_Qry - Dynamis_data – via 1_KPI_Network_Config_Prac_Qry
4	<p>Data extract queries</p> <p>Check that the queries used to populate each of the tables referenced in Procedure 3 above only limit the data extracted from the KPI Data Warehouse as documented by ARTC. Check that services data is only extracted for trains that are contained within the "Train Inclusions Table".</p>
KPIs 8, 9 & 10 – Transit Time	
5	<p>Transit time</p> <p>Check that the 'total minutes per hour of transit ' is correctly calculated as the result of dividing the 'sum of minutes delay' by the 'total transit time' for each of the quarters in scope.</p>
KPI 11 – Temporary Speed Restriction	
6	<p>Temporary speed restrictions</p> <p>Check that the totals contained in the "TSR_Data" table in the ACCC Snapshot database agree to the KM restricted and the Percent restricted columns in the 'TSR-QTR_Data.xls' spreadsheet for the quarters in scope.</p>

KPI 12 – Track Condition	
7	Track condition Check that the totals contained in the "TQI_Data" table in the ACCC Snapshot database agree to those in the "TQI_QTR_Data.xls" spreadsheet for the quarters in scope.
KPIs 13 – 14 – Network Availability	
8	Network availability Check that the totals contained in the "Dynamis_Data" table in the ACCC Snapshot database agree to the 'Summary' tab in the "Dynamis_QTR_Data.xls" for the quarters in scope.
IT Access Control Procedures	
9	IT access controls Check that access to make changes to the following database and spreadsheets for the quarters in scope is limited to staff responsible for producing the KPI reports as listed below: <ul style="list-style-type: none"> • "ACCC Snapshot database" • "ACCC Report [month] Quarter [year].xls" • "TSR_QTR_Data.xls" • "TQI_QTR_Data.xls" • "Dynamis_QTR_Data.xls" Responsible ARTC Staff: <ul style="list-style-type: none"> • Joni Kua • Vince Tiong • Kate Angel • Ian Fox • Korina Contrer
Confirmation of a KPI Policy	
10	KPI Policy Check that a policy or procedure for the process of reporting KPIs 1 to 15 has been developed by ARTC.

Unit Costs Report

The procedures noted below are to be applied to each of the periods in scope. The notation "20xxyy" has been used to refer to either the 2017-2018 and 2018-2019 financial years as appropriate.

11	<p>Workbook: 20xx-yy Line Segment GTK and TKM Specification.xlsx</p> <ul style="list-style-type: none"> a) Observe the re-running of the CI Financials Report “Dollars, GTK’s and Train KMs (Commercial)” and compare the results to those in the Data sheet. b) Examine the script used to extract the information in the Data sheet for any unexpected exclusions. c) In the ‘Segments’ sheet, compare the mapping of each line segment to their respective undertaking and UC allocation, to that used in the prior year. Check any changes to the Network Assumptions sheet and confirm with ARTC the reason for the change. d) Check the GTK and TKM figures by Ex Segments in the ‘To Overhead Allocation’ sheet to those in the ‘GTK & TKM’ sheet in the <i>Unit Cost Calculation Summary Model</i>. Note and gain explanation for any differences.
12	<p>Workbook: Unit Cost Calculation Summary Model 20xxyy</p> <ul style="list-style-type: none"> a) Compare and reconcile the total KM length entered into the ‘Unit Cost Summary’ sheet from the <i>ACCC TSR Report_Network Track Length 20xxyy.xls</i> workbook, to that used in the Percentage Temporary Speed Restriction KPI calculation. b) Check that the job roles contained within each of the FTE figures used in the Operations Staff breakdown from the ‘<i>Operations FTE’s as at June yyyy</i>’ (where yyyy is the relevant year) workbook (as entered in the Overhead Allocation sheet), accurately represent Network and non-Network control staff. c) In sheet ‘Undertakings lookup’, compare the mapping of segments to undertaking and UC allocation to those used in the prior year. Check any changes to the Network Assumptions sheet (in Workbook: <i>20xx-yy Line Segment GTK and TKM Specification.xlsx</i>) and confirm with ARTC the reason for the change. d) Check that the individual UC calculations in the ‘Unit Cost Summary’ sheet reference the correct denominator and numerator.
13	<p>Works Ledger inputs</p> <ul style="list-style-type: none"> a) Observe the re-running of the Works Ledger report used to populate the ‘Works Ledger’ sheet and compare results to those in the model. b) Check the control totals provided in the Technology One screen shots in the model to those entered in the ‘Charges per WK’ column (column D) and gain explanation for any differences. c) Observe the re-running of the report to produce the “34 - Train Control Communications” costs per the ‘Operations Costs yyyy’ (where yyyy is the relevant year) sheet and compare the results to those in the model and gain explanation for any differences. d) Observe the re-running of the report used to populate the Total Expenditure tables in the Overhead Allocation sheet and compare the results to those in the model and gain explanation for any differences.

5 Distribution and use of report

This report is not to be read without the attached KPI Reports and Unit Costs Reports in their entirety (Appendix 2 and 3). ARTC Directors and Management are responsible for the integrity of the ARTC website where our report is attached to the website version of the KPI Reports and Unit Cost reports. We have not been engaged to report on the integrity of the ARTC website. Our prior written consent is required before our name is quoted in any material other than our Report on Factual Findings.

This report has been prepared and is intended solely for the use of the Directors and Management of ARTC for the purpose set out above and described in our engagement letter with ARTC dated 20 November 2019, which outlined our obligations, duties to relevant parties, and our total aggregate liability for this service. It is for the Directors and Management to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information the Directors and Management have obtained, a reasonable basis for any conclusions which they wish to draw on the subject matter. As required by ASRS 4400, use of this report is restricted to the Directors and Management of ARTC, being those parties who have agreed the procedures to be performed with us as specifically meeting their information needs, since others, unaware of or in disagreement with the specific purpose, scope and reasons for the procedures, may misinterpret the scope and results. Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Directors and Management for any consequences of or reliance on this report for any purpose.

Yours sincerely



KPMG

Adelaide

Appendix 1 – Factual Findings

Unless otherwise noted, each of the following procedures was applied to each of the quarters in scope as described above. Data prior to quarter ending September 2017 is out of scope.

KPI Reports

Detailed Procedure		Errors or exceptions identified	ARTC Management Comment
All KPIs			
1	<p>Chart comparison</p> <p>Obtain the latest Performance Indicator reports (the “KPI Reports”) directly from the ARTC web site (http://www.artc.com.au/customers/access-interstate/performance-indicators/reporting/). Compare each chart on each pdf report to those in the latest “ACCC Report Jun 2019_v2.xlsm” spreadsheet (referred to hereafter as “the ACCC Report Spreadsheet”) and check that they are the same.</p> <p>Note: The KPI reports consist of a total of 27 charts that illustrate the KPIs since inception of the undertaking in 2008. These procedures relate only to the KPIs for the in scope quarters noted above. All prior KPIs and data are expressly excluded from the scope of these procedures.</p>	No exceptions noted.	None
KPIs 1 - 15			
2	<p>Chart links traced</p> <p>For the data series in each graph in the ACCC Report Spreadsheet trace the link to the source data contained in the “KPI Data Workbooks” and check that it aligns correctly with the periods in scope and that the data is labelled consistently with the chart.</p>	No exceptions noted.	None

Detailed Procedure	Errors or exceptions identified	ARTC Management Comment
<p>3 Data subtotalling</p> <p>For each data series used by the Charts in the ACCC Report Spreadsheet and referenced in Procedure. 2 above, check that the data is correctly subtotalled from the relevant “detailed” table in the ACCC Snapshot Database. Tables/Queries with relevant data are:</p> <ul style="list-style-type: none"> - KPI_DW_Data_Detailed - KPI_DW_Delay_Data_Detailed - TSR_Data – via 1_TSR_Qry - TQI_Data – via 1_TQI_Qry - Avail_Mkt_Data – via 1_KPI_Network_AvailMkt_Qry - Dynamis_data – via 1_KPI_Network_Config_Prac_Qry 	<p>The following variances were noted:</p> <ul style="list-style-type: none"> ● Data for the December 2017 quarter was missing from the Snapshot Database. As a result no testing of this quarter was possible. ● A minor difference in the KM Restricted KPI for the quarter ended December 2018, East-West corridor was noted as follows: <ul style="list-style-type: none"> - Per spreadsheet: 24.7 - Per database: 25.6. <p>No other exceptions noted.</p>	<p><i>ARTC confirms that the results for December 2017 were checked at time of generation of the report. Subsequent breakdown in procedure for storing of data in the snapshot database has now been addressed.</i></p> <p><i>ARTC has reviewed the issue and confirm that the spreadsheet held the correct value and that were correct in the December 2018 quarterly report to the ACCC. A breakdown in the procedure has now been addressed.</i></p>

Detailed Procedure		Errors or exceptions identified	ARTC Management Comment
4	Data extract queries Check that the queries used to populate each of the tables referenced in Procedure 3 above only limit the data extracted from the KPI Data Warehouse as documented by ARTC. Check that services data is only extracted for trains that are contained within the "Train Inclusions Table".	No exceptions noted.	None
KPIs 8, 9 & 10 – Transit Time			
5	Transit time Check that the 'total minutes per hour of transit ' is correctly calculated as the result of dividing the 'sum of minutes delay' by the 'total transit time' for each of the quarters in scope.	The following variance was noted: <ul style="list-style-type: none"> Data for the December 2017 quarter was missing from the Snapshot Database. As a result no testing of this quarter was possible. No other exceptions noted.	Refer procedure 3 above
KPI 11 – Temporary Speed Restriction			
6	Temporary speed restrictions Check that the totals contained in the "TSR_Data" table in the ACCC Snapshot database agree to the KM restricted and the Percent restricted columns in the 'TSR-QTR_Data.xls' spreadsheet for the quarters in scope.	The following variances were noted: <ul style="list-style-type: none"> Data for the December 2017 quarter was missing from the Snapshot Database. As a result no testing of this quarter was possible. Differences were noted for the quarter ended March 2018 for all corridors. No other exceptions noted.	Refer procedure 3 above. <i>ARTC has reviewed the issue and confirm that the spreadsheet held the correct value and that were correct in the March 2018 quarterly report to the ACCC. A breakdown in the procedure has now been addressed.</i>

Detailed Procedure		Errors or exceptions identified	ARTC Management Comment
KPI 12 – Track Condition			
7	<p>Track condition</p> <p>Check that the totals contained in the "TQI_Data" table in the ACCC Snapshot database agree to those in the "TQI_QTR_Data.xls" spreadsheet for the quarters in scope.</p>	<p>The following variances were noted:</p> <ul style="list-style-type: none"> • Data for the December 2017 quarter was missing from the Snapshot Database. As a result no testing of this quarter was possible. • Differences were noted for the quarter ended March 2018 for all corridors. <p>Management confirmed that the spreadsheet held the correct value and that that value was the one reported in the Mar 2018 quarterly report to the ACCC. It appeared that the data reported for the previous quarter (Dec 2017) had been applied against the March 2018 quarter in the database.</p> <p>No other exceptions noted.</p>	<p>Refer procedure 3 above.</p> <p>Refer procedure 6 above.</p>

Detailed Procedure		Errors or exceptions identified	ARTC Management Comment
KPIs 13 – 14 – Network Availability			
8	<p>Network availability</p> <p>Check that the totals contained in the "Dynamis_Data" table in the ACCC Snapshot database agree to the 'Summary' tab in the "Dynamis_QTR_Data.xls" for the quarters in scope.</p>	<p>The following variances were noted:</p> <ul style="list-style-type: none"> • Data for the December 2017 quarter was missing from the Snapshot Database. As a result no testing of this quarter was possible. • Differences were noted for the quarters ended March 2019, March 2018 and September 2017 for all corridors. <p>Management confirmed that the spreadsheet held the correct value and that these values were the ones reported in the relevant quarterly report to the ACCC.</p> <p>No other exceptions noted.</p>	<p>Refer procedure 3 above.</p> <p><i>ARTC has reviewed the issue and confirm that the correct results were reported in the relevant quarterly report to the ACCC. A breakdown in the procedure has now been addressed.</i></p>

Detailed Procedure		Errors or exceptions identified	ARTC Management Comment
IT Access Control Procedures			
9	<p>IT access controls</p> <p>Check that access to make changes to the following database and spreadsheets for the quarters in scope is limited to staff responsible for producing the KPI reports as listed below:</p> <ul style="list-style-type: none"> • "ACCC Snapshot database" • "ACCC Report [month] Quarter [year].xls" • "TSR_QTR_Data.xls" • "TQI_QTR_Data.xls" • "Dynamis_QTR_Data.xls" <p>Responsible ARTC Staff:</p> <ul style="list-style-type: none"> • Joni Kua • Vince Tiong • Kate Angel • Ian Fox • Korina Contrer 	<p>An additional two people were observed as having access to the folders containing the database and spreadsheets. One of them had required access whilst standing in for another member of staff, and the other used to require access but had changes roles in ARTC and therefore should be removed from this folder.</p> <p>We have confirmed that ARTC management have removed both names from the group.</p> <p>No other exceptions noted.</p>	<p><i>ARTC confirmed access for the additional two people was required during the period. They have now been removed in line with access requirements.</i></p>
Confirmation of a KPI Policy			
10	<p>KPI Policy</p> <p>Check that a policy or procedure for the process of reporting KPIs 1 to 15 has been developed by ARTC.</p>	<p>No exceptions noted.</p>	<p>None</p>

Unit costs

In scope are the following periods:

- Year ended 30 June 2018, and
- Year ended 30 June 2019.

	Detailed Procedure	Errors or exceptions identified	ARTC Management Comment
11	<p>Workbook: 20xx-yy Line Segment GTK and TKM Specification.xlsx</p> <p>a) Observe the re-running of the CI Financials Report “Dollars, GTK’s and Train KMs (Commercial)” and compare the results to those in the Data sheet.</p> <p>b) Examine the script used to extract the information in the Data sheet for any unexpected exclusions.</p> <p>c) In the ‘Segments’ sheet, compare the mapping of each line segment to their respective undertaking and UC allocation, to that used in the prior year. Check any changes to the Network Assumptions sheet and confirm with ARTC the reason for the change.</p> <p>d) Check the GTK and TKM figures by Ex Segments in the ‘To Overhead Allocation’ sheet to those in the ‘GTK & TKM’ sheet in the <i>Unit Cost Calculation Summary Model</i>. Note and gain explanation for any differences.</p>	No exceptions noted.	None

Detailed Procedure	Errors or exceptions identified	ARTC Management Comment
<p>12 Workbook: Unit Cost Calculation Summary Model 20xxyy</p> <p>a) Compare and reconcile the total KM length entered into the 'Unit Cost Summary' sheet from the <i>ACCC TSR Report_Network Track Length 20xxyy.xls</i> workbook, to that used in the Percentage Temporary Speed Restriction KPI calculation.</p> <p>b) Check that the job roles contained within each of the FTE figures used in the Operations Staff breakdown from the 'Operations FTE's as at June yyyy' (where yyyy is the relevant year) workbook (as entered in the Overhead Allocation sheet), accurately represent Network and non-Network control staff.</p> <p>c) In sheet 'Undertakings lookup', compare the mapping of segments to undertaking and UC allocation to those used in the prior year. Check any changes to the Network Assumptions sheet (in Workbook: <i>20xx-yy Line Segment GTK and TKM Specification.xlsx</i>) and confirm with ARTC the reason for the change.</p> <p>d) Check that the individual UC calculations in the 'Unit Cost Summary' sheet reference the correct denominator and numerator.</p>	<p>b) It was noted that 'Trainee Network Controllers' had been excluded from the definition of 'Network' staff. This was confirmed by management as incorrect and the spreadsheet updated accordingly.</p>	<p><i>ARTC has reviewed the issue and confirmed 'Trainee Network Controllers' has been included from the definition of "Network Control" staff.</i></p>

Detailed Procedure	Errors or exceptions identified	ARTC Management Comment
<p>13 Works Ledger inputs</p> <p>a) Observe the re-running of the Works Ledger report used to populate the ‘Works Ledger’ sheet and compare results to those in the model.</p> <p>b) Check the control totals provided in the Technology One screen shots in the model to those entered in the ‘Charges per WK’ column (column D) and gain explanation for any differences.</p> <p>c) Observe the re-running of the report to produce the “34 - Train Control Communications” costs per the ‘Operations Costs yyyy’ (where yyyy is the relevant year) sheet and compare the results to those in the model and gain explanation for any differences.</p> <p>d) Observe the re-running of the report used to populate the Total Expenditure tables in the Overhead Allocation sheet and compare the results to those in the model and gain explanation for any differences.</p>	<p>No exceptions noted.</p>	<p>None</p>

Appendix 2 – KPI Reports, Basis of Preparation & Directors and Management Declaration

The following performance indicator reports (collectively “the KPI Reports”) were the subject of these procedures:

- Reliability
- Network Availability
- Transit Time
- Temporary Speed Restrictions
- Track Condition, and
- Unit Costs.

ARTC’s Basis of Preparation for each of these reports is provided below followed by the reports themselves.

Basis of Preparation – KPI Reports

Purpose:

Under the terms of the Access Undertaking with the ACCC, "ARTC undertakes during the Term to maintain the Network (but only insofar as the Network is relevant to the Operator's Scheduled Train Paths) in a condition which is fit for use by the Operator to provide rail transport services having regard to the terms of the Access Agreements."

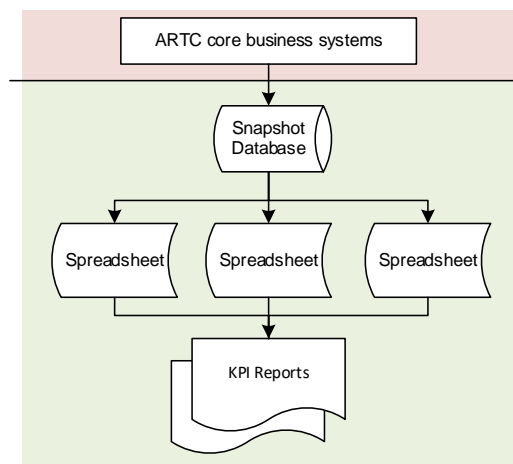
Measurement of ARTC's adherence to this undertaking is provided through the publication of a set of 'Performance Indicators' as required by section 8.2(a) of the Access Undertaking. The charts provided in Appendix 2 referred to below form part of those Performance Indicators.

Source of Information:

Data for the calculation of these performance indicators is sourced from ARTC's core business systems. This data is consolidated within a standalone Snapshot Database from where it is exported into Excel in order to produce the charts contained in each of the following KPI Reports.

- Reliability;
- Network Availability;
- Transit Time;
- Temporary Speed Restrictions; and
- Track Condition.

The Snapshot Database is a MS-Access database that is updated on a quarterly basis with performance data from a number of ARTC's core business systems. Following each update, the relevant performance metrics are exported to a series of MS-Excel spreadsheets (**KPI Data Workbooks**) that are in turn used to populate the latest KPI Reports. The snapshot database represents the starting point for the flow of data that is the subject of these procedures.



Definitions and Interpretation:

For further information on the terminology used above, please refer to the Access Undertaking published on the ARTC web site (<http://www.artc.com.au/customers/access-interstate/access-undertaking/>).

Directors and Management Declaration:

The Directors and Management acknowledge that they are responsible for the preparation and fair presentation of the KPI Reports. They are also responsible for determining the Basis of Preparation for the KPI Reports is appropriate to meet their requirements. The Directors and Management's responsibilities also include such internal controls as they determine necessary to enable the preparation, fair presentation and publication of the KPI reports that is free from material misstatement whether due to fraud or error.



Jackie Lawrence, Manager Commercial & Contractual Engagement, Interstate Network, ARTC
Adelaide



ARTC
*Agreed upon procedures: Report of factual findings on the procedures performed
over the Interstate Access Undertaking Performance Indicator Reports prepared by
Management of Australian Rail Track Corporation
10 June 2020*

ARTC KPI Reports

See overleaf.

PERFORMANCE INDICATORS ‘RELIABILITY’

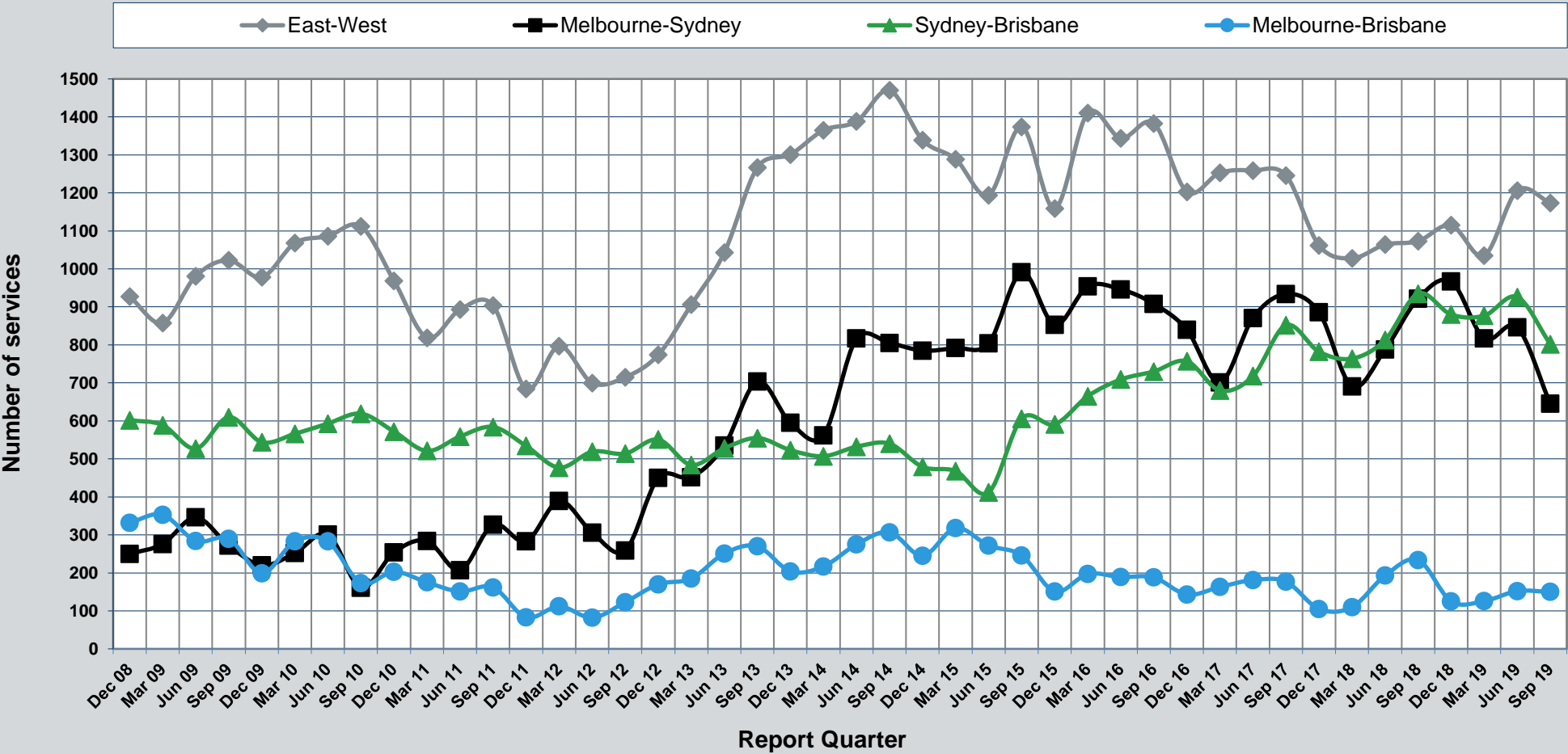
In accordance with ARTC's 2007 Interstate Access Undertaking, Performance Indicators relating to the following will be published.

- Number and percentage of Services which enter the Network no later than schedule, within tolerance (6).
 - Number and percentage of Services which are operated in a healthy manner (6).
 - Number and percentage of unhealthy Services that do not deteriorate further, within tolerance (5).
 - Number and percentages of healthy (1) Services (2) that exit the Network within tolerance (3) (5).
 - Number and percentage of Services which exit the Network no later than schedule, within tolerance (7).
 - Number and percentage of Services which exit the Network no later than one hour (4) after schedule (7).
1. For this purpose, a healthy Service is one which:
 - a. presents to the Network within tolerance, is configured to operate to its schedule and operates in a way that it remains able to maintain its schedule; or
 - b. is running late only due to causes within the Network, but only where the root cause is outside the rail operator's control; or
 - c. is running within tolerance, regardless of previous delays.
 2. Services include all Committed and scheduled Capacity (excludes adhoc Services).
 3. For this purpose tolerance is to be 15 minutes (unless otherwise agreed).
 4. It may be appropriate to employ shorter or longer timeframes as appropriate depending on corridor transit times.
 5. A measure of below rail activity.
 6. A measure of above rail activity.
 7. A measure of combined above and below activity.

NOTE: Excludes urban and regional commuter services

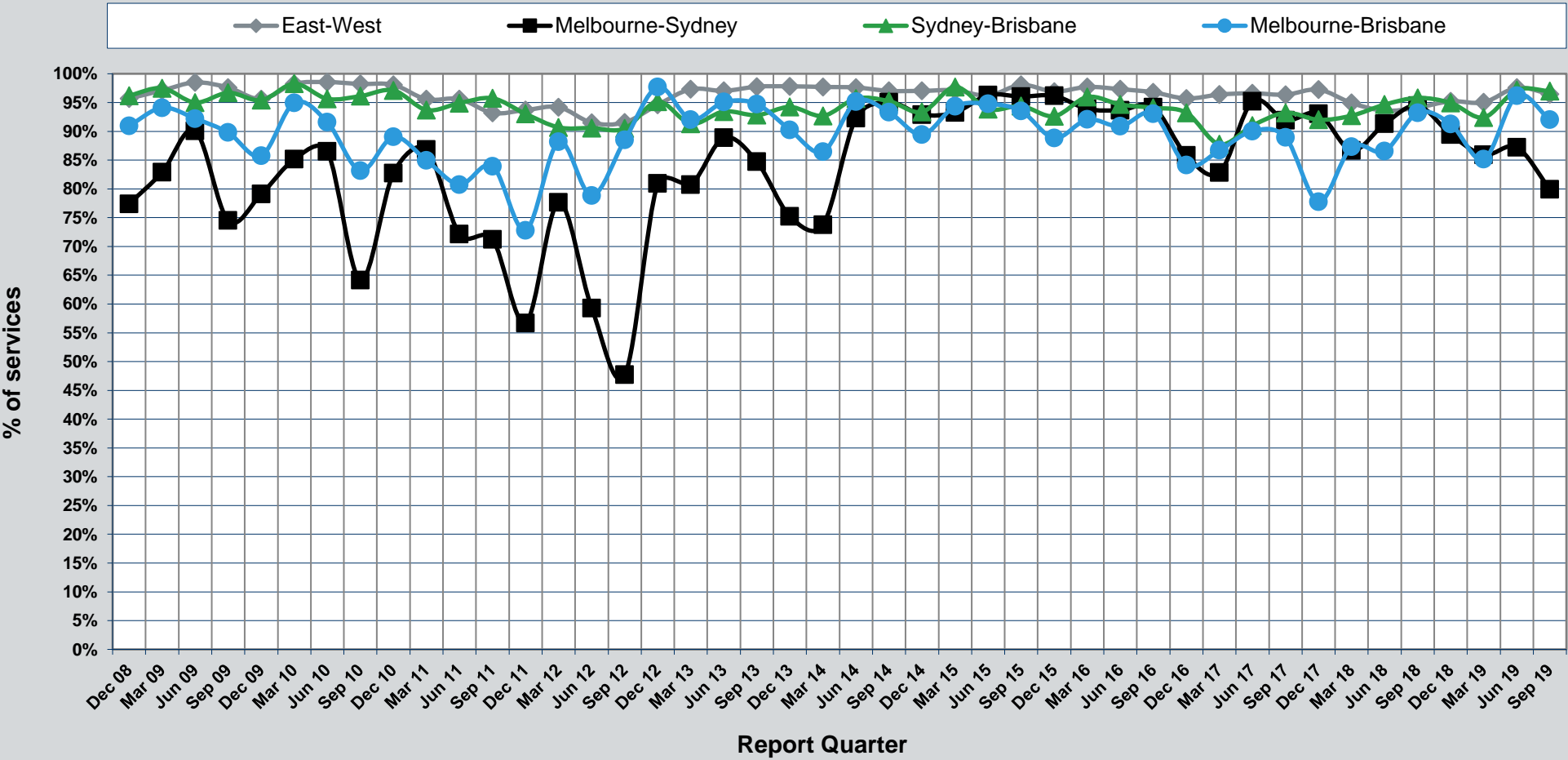
Reliability

Number of Healthy Services Exiting the network within tolerance - All Corridors



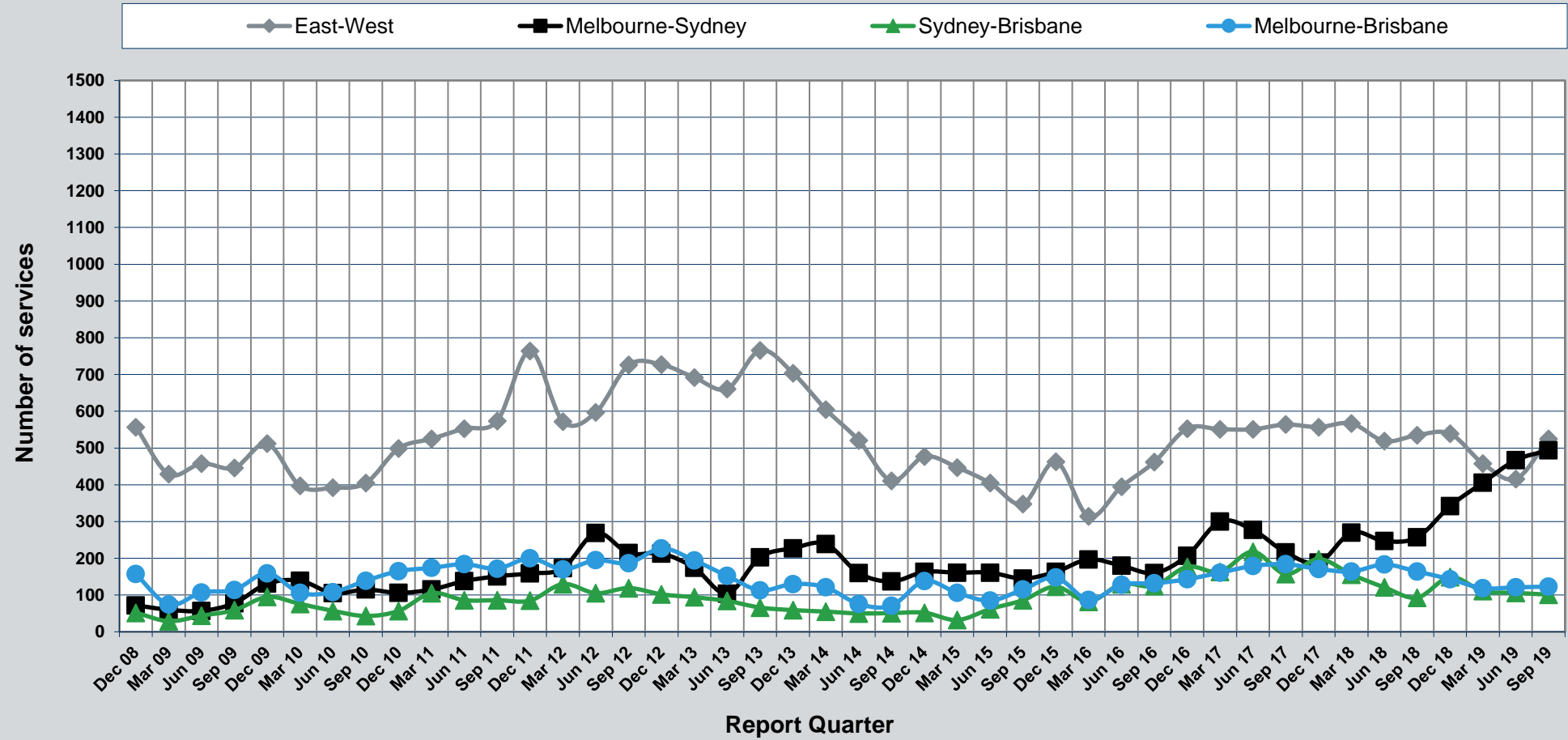
Reliability

Percentage of Healthy Services Exiting the network within tolerance
All Corridors

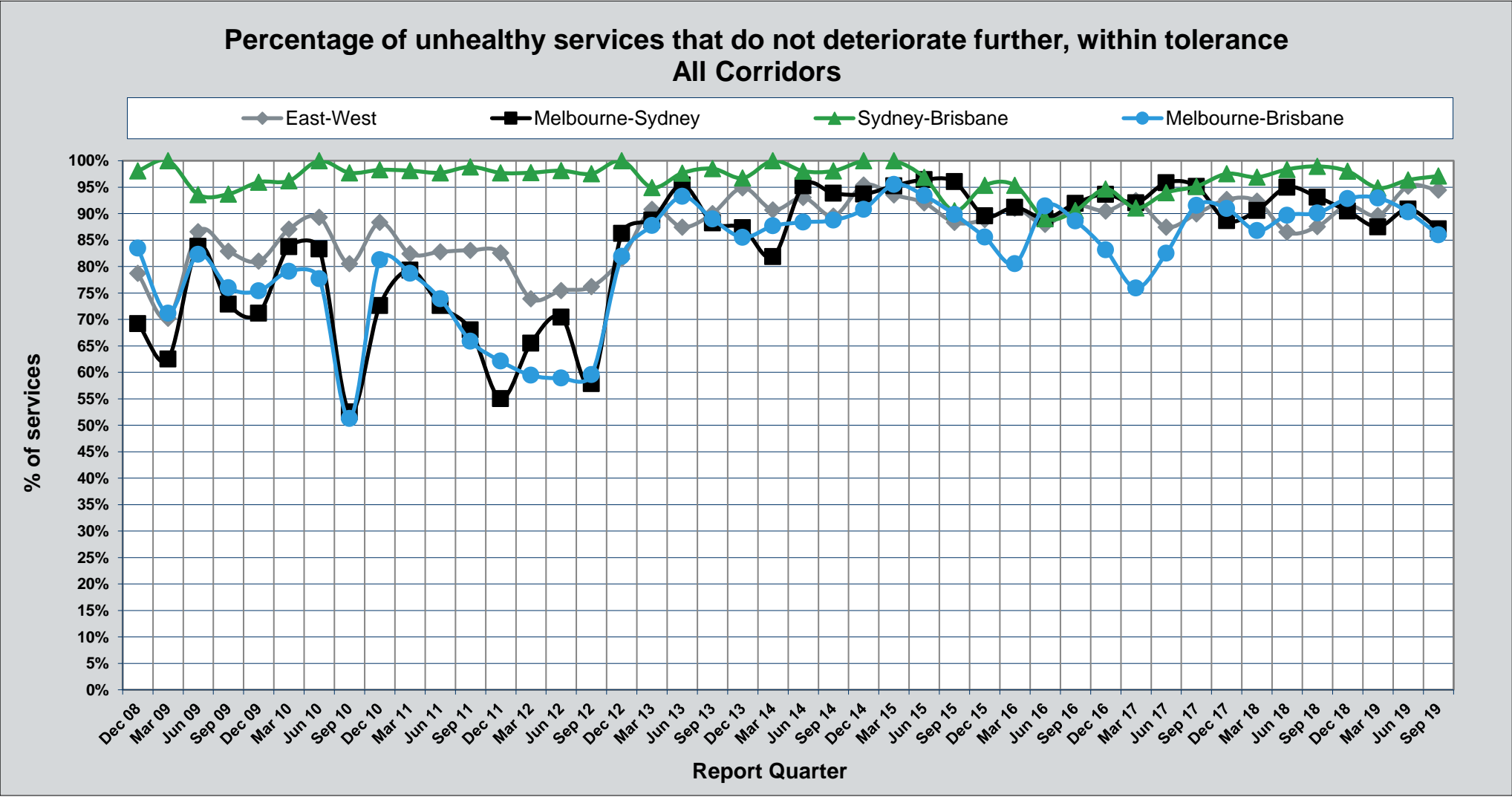


Reliability

Number of unhealthy services that do not deteriorate further, within tolerance
All Corridors

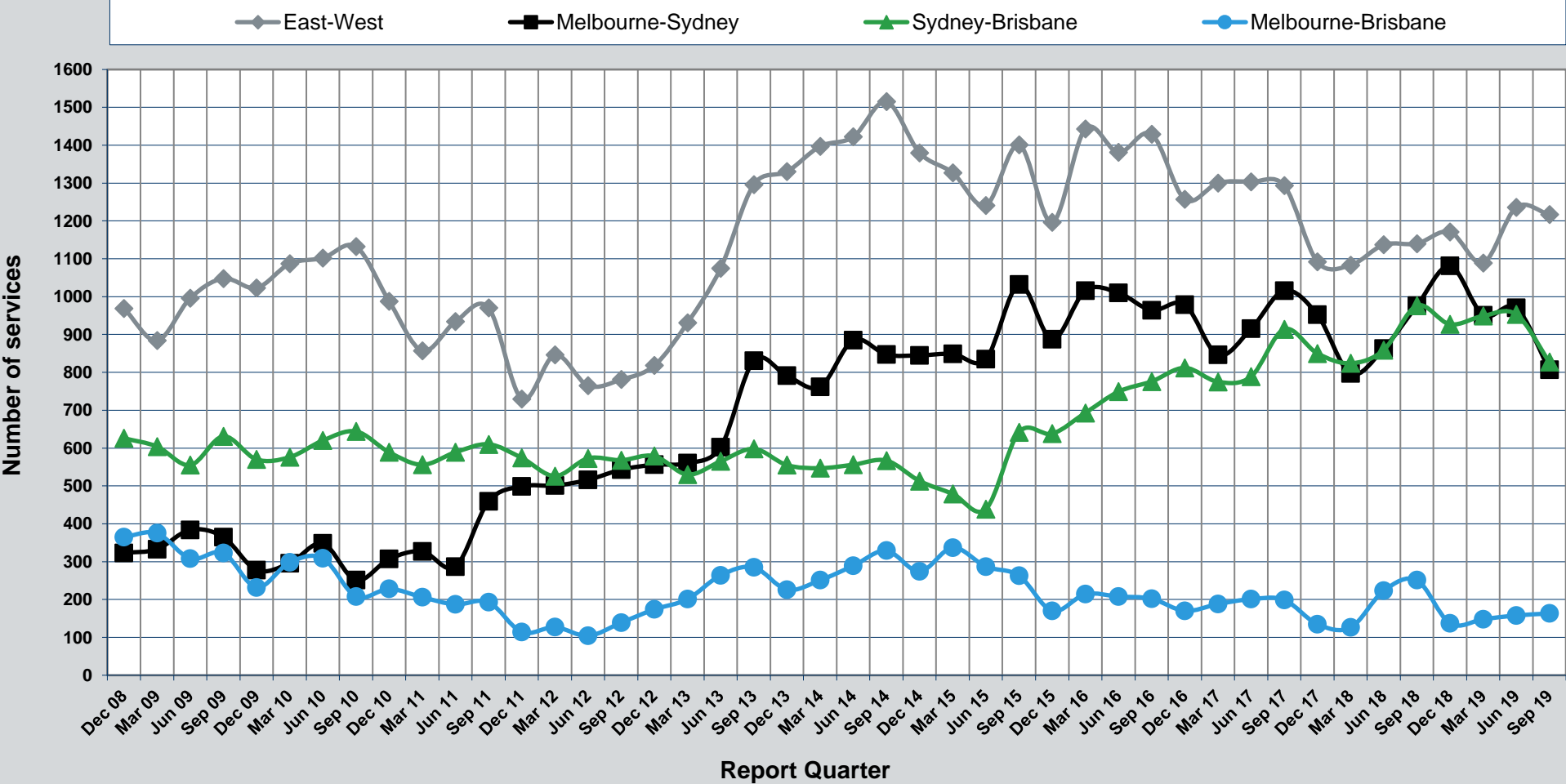


Reliability



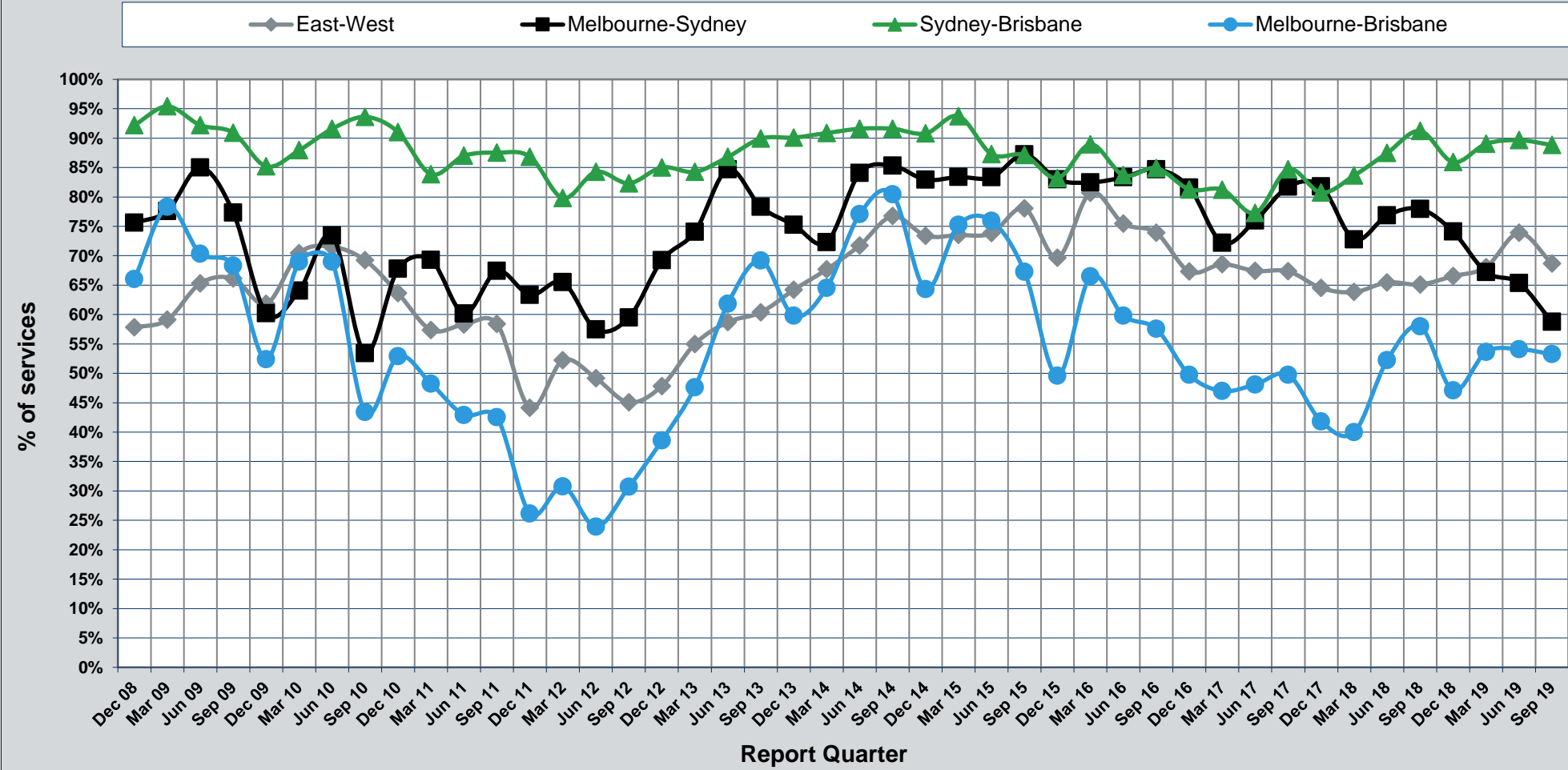
Reliability

Number of services which are operated in a healthy manner - All Corridors



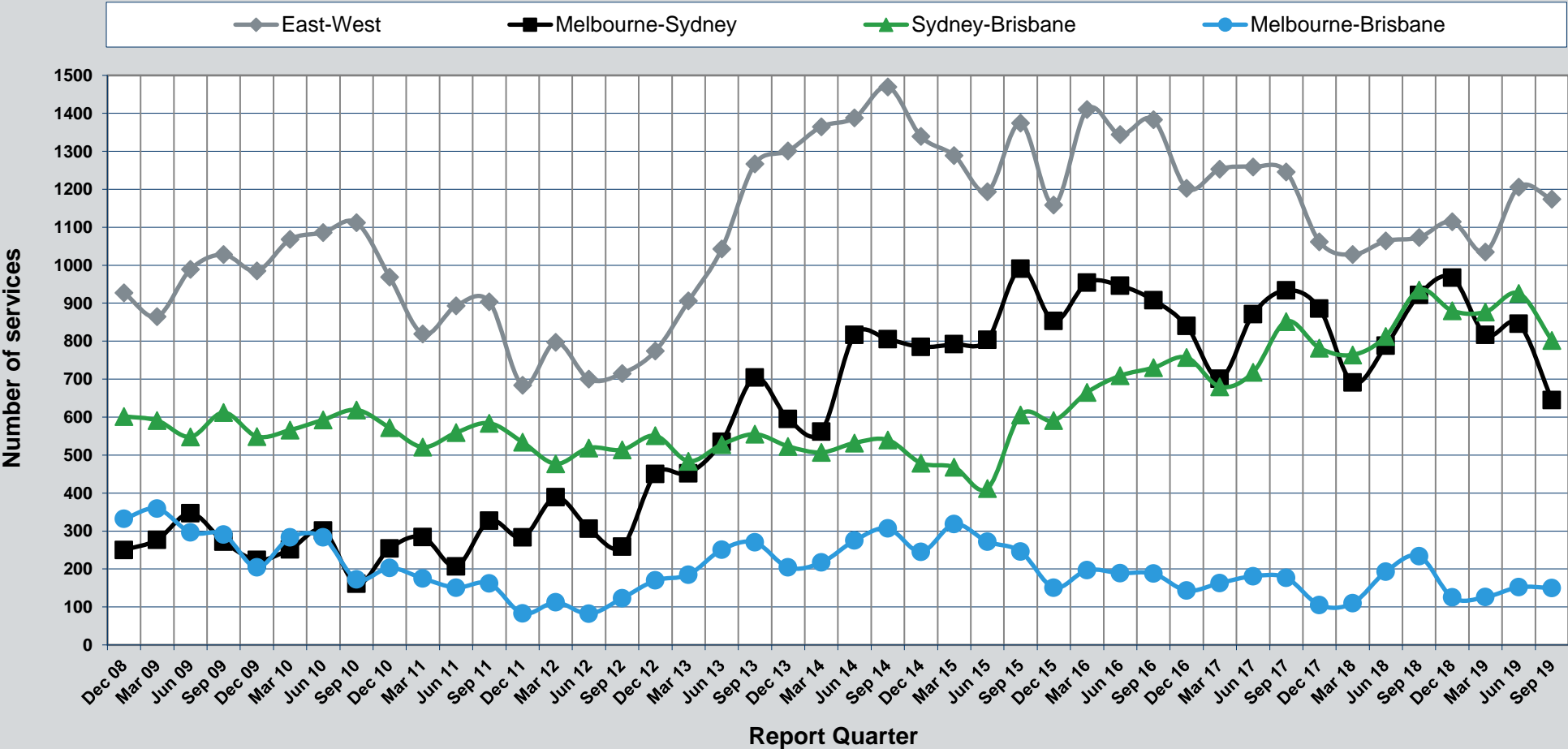
Reliability

Percentage of services which are operated in a healthy manner - All Corridors



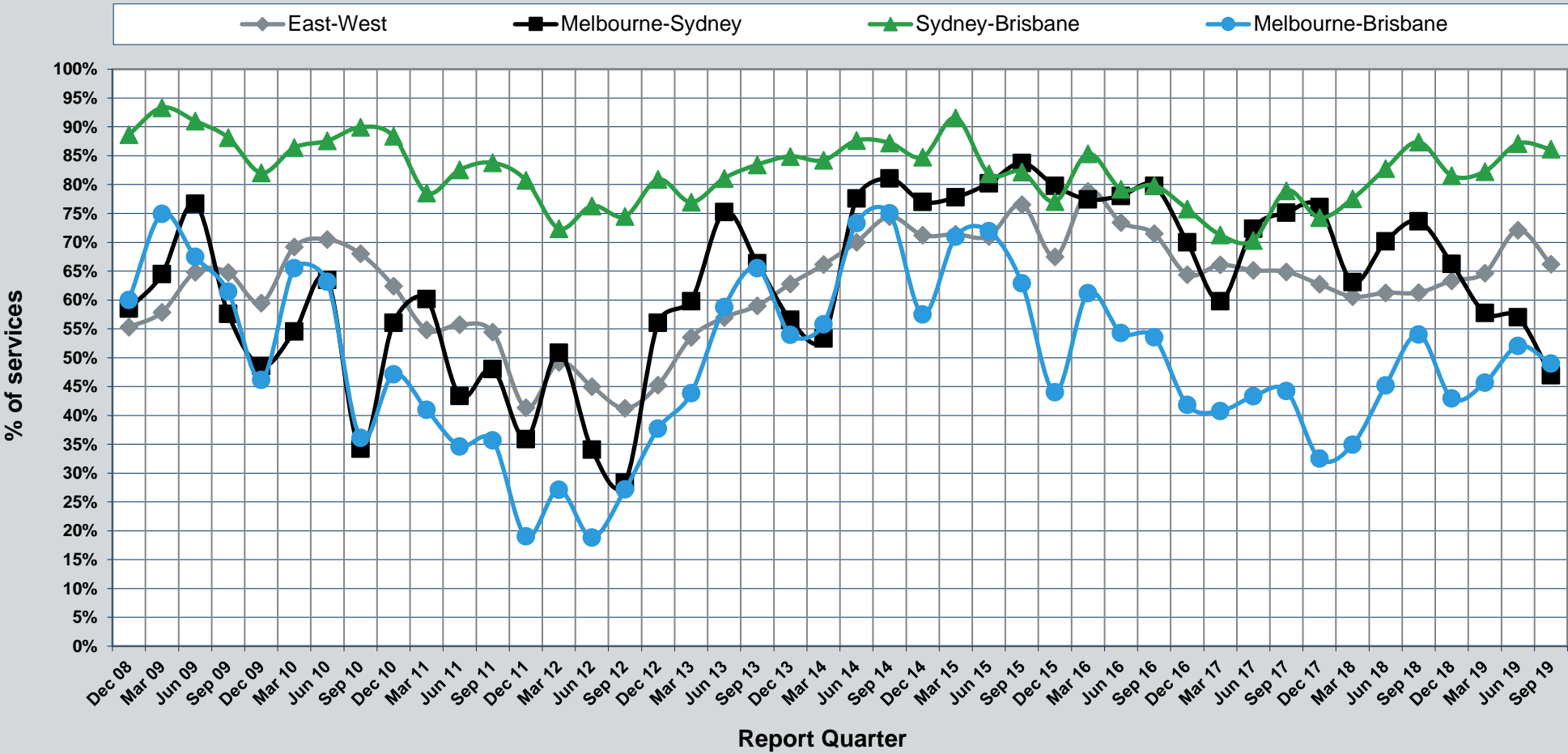
Reliability

Number of services which exit the Network no later than schedule, within tolerance
All Corridors



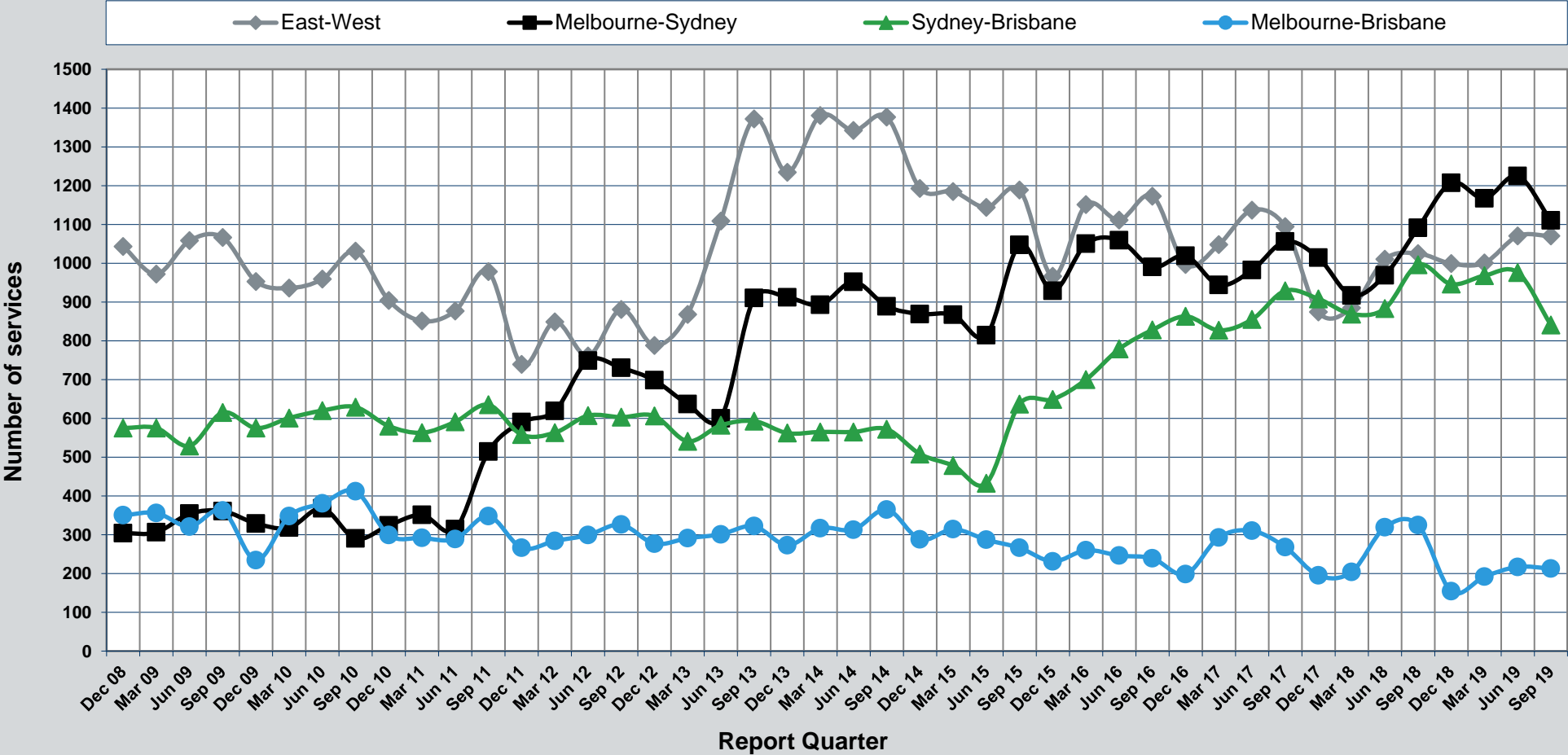
Reliability

Percentage of services which exit the Network no later than schedule, within tolerance
All Corridors



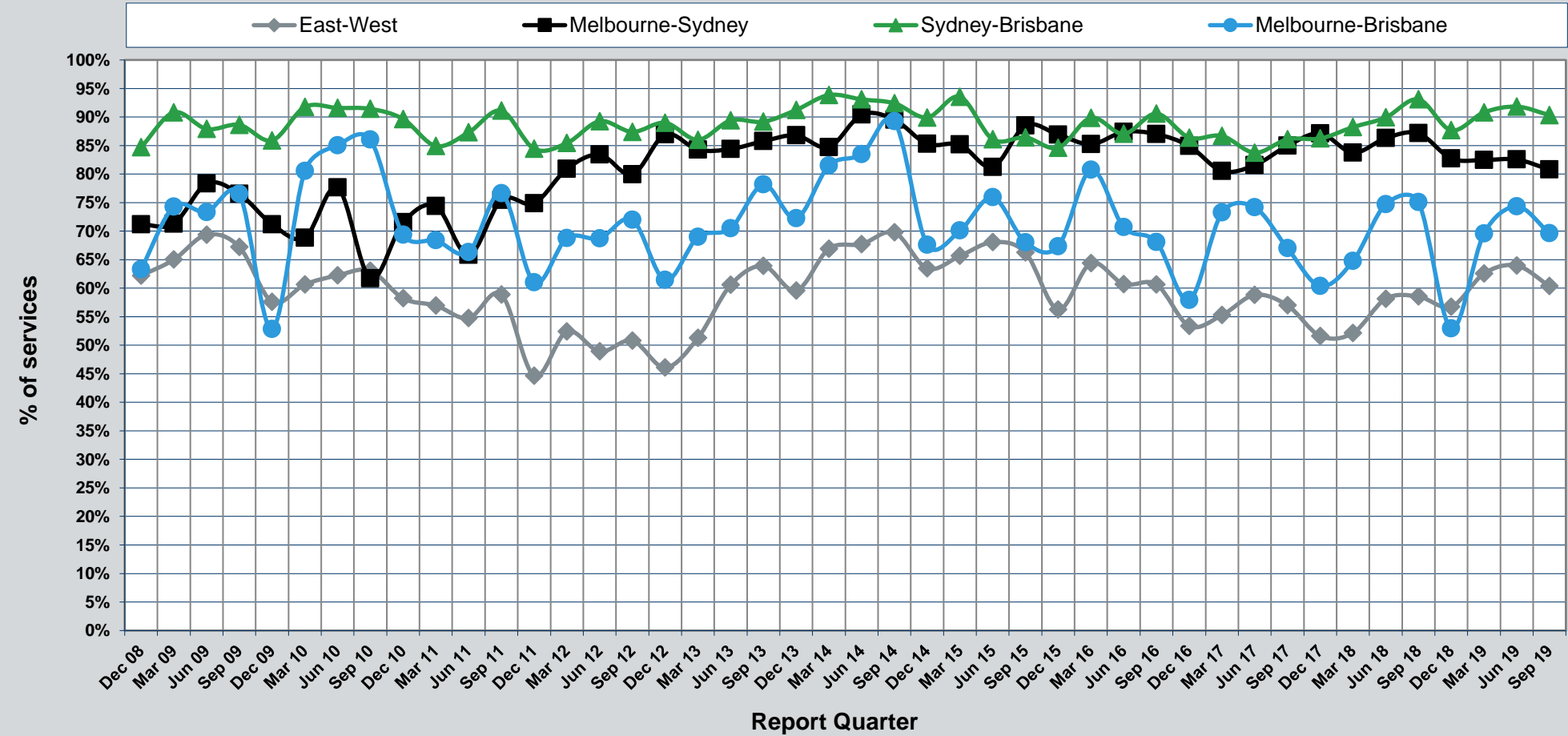
Reliability

Number of services which enter the Network no later than schedule, within tolerance
All Corridors



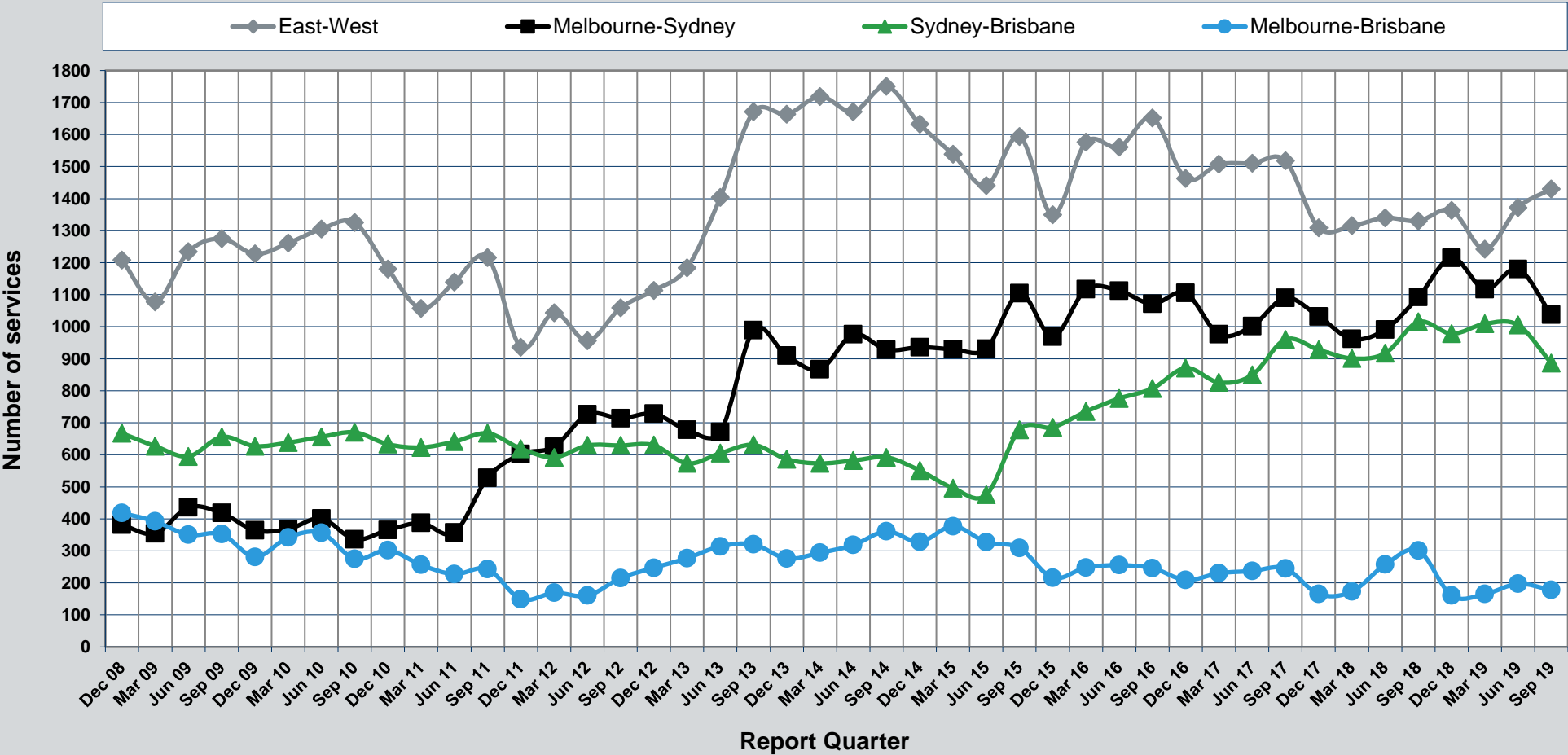
Reliability

Percentage of services which enter the Network no later than schedule, within tolerance
All Corridors



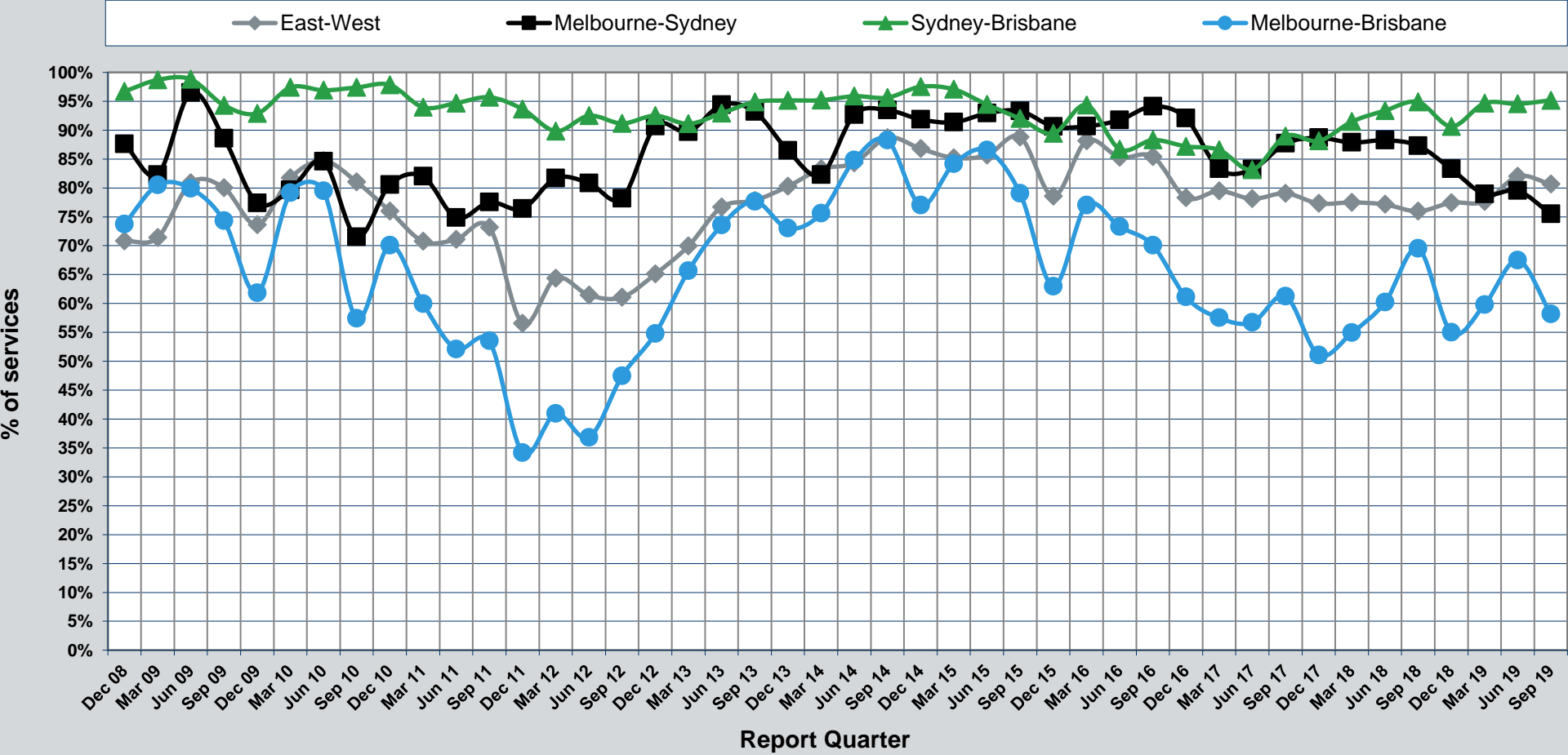
Reliability

Number of services which exit the network no later than one hour after schedule
All Corridors



Reliability

Percentage of services which exit the network no later than one hour after schedule
All Corridors



PERFORMANCE INDICATORS ‘NETWORK AVAILABILITY’

In accordance with ARTC's 2007 Interstate Access Undertaking, the following Network Availability Performance Indicators are published:

- **Transit Time – Infrastructure Configuration Capability**

A measure of transit time over the Network, delivered by the infrastructure given its configuration (alignment, grades, curves, and associated permanent speed restrictions). Measured by simulated operation of a reference Indicative Service over the Network (excluding prevailing temporary speed restrictions). Reported on the basis of average speed.

- **Transit Time – Infrastructure Practical Capability**

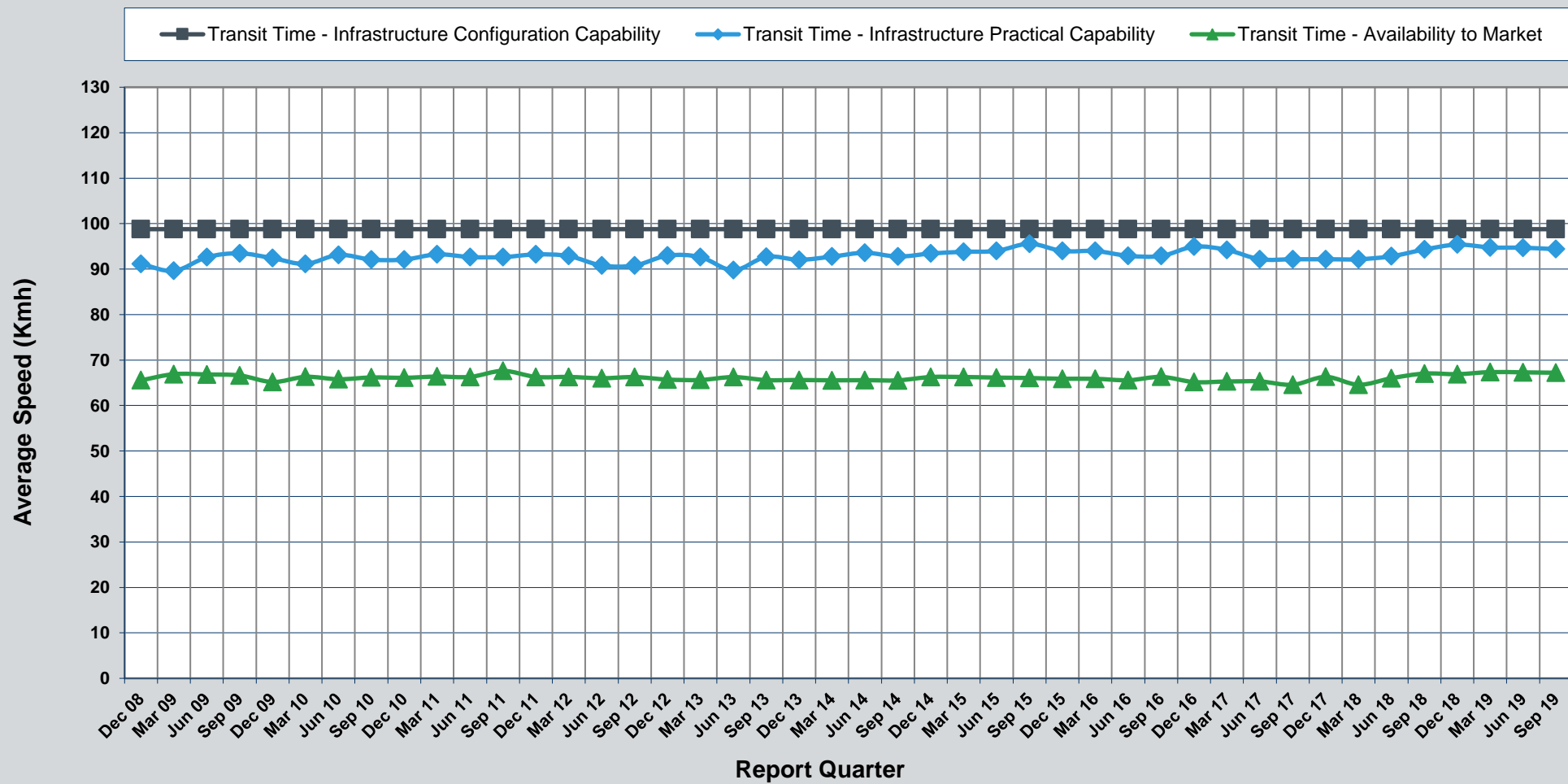
A measure of transit time over the Network, delivered by the infrastructure given its configuration (as measured by Transit Time – Infrastructure Configuration Capability) and maintenance requirements (including the transit time impact of temporary speed restrictions). The transit time impact of temporary speed restrictions is determined by applying the temporary speed restrictions in place on the Network to a simulation model designed to determine the total of time lost by reference Indicative Service subject to each temporary speed restriction. Reported on the basis of average speed.

- **Transit Time – Availability to Market**

A measure of transit time offered to the market, delivered by the infrastructure given its configuration, maintenance requirements and network usage (scheduled delays for path interactions). Measured by average scheduled transit time for Indicative Services adjusted for any Operator requirements (dwells, deviation from offered section run times). Reported on the basis of average speed.

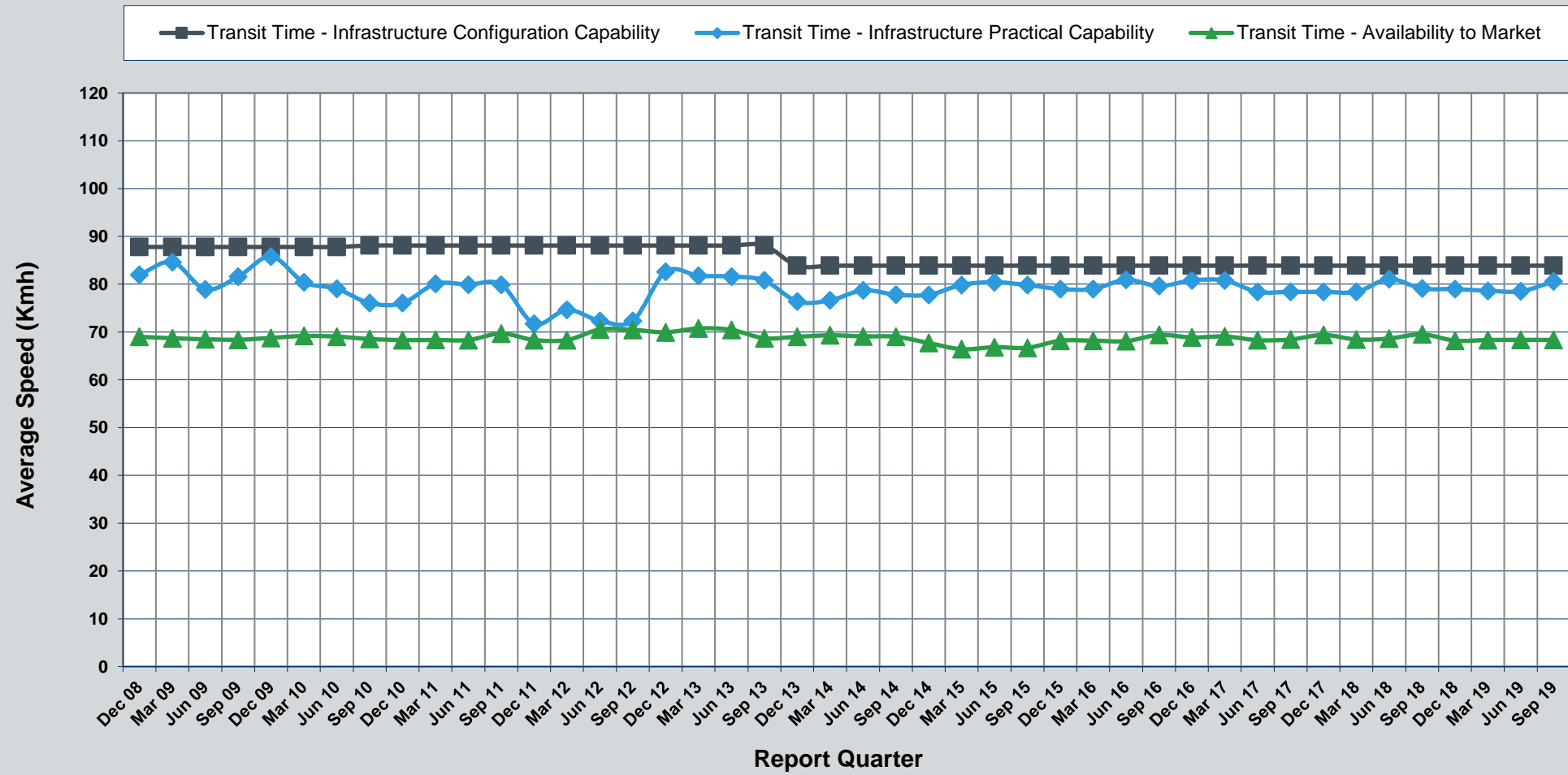
Network Availability

Melbourne to Parkeston



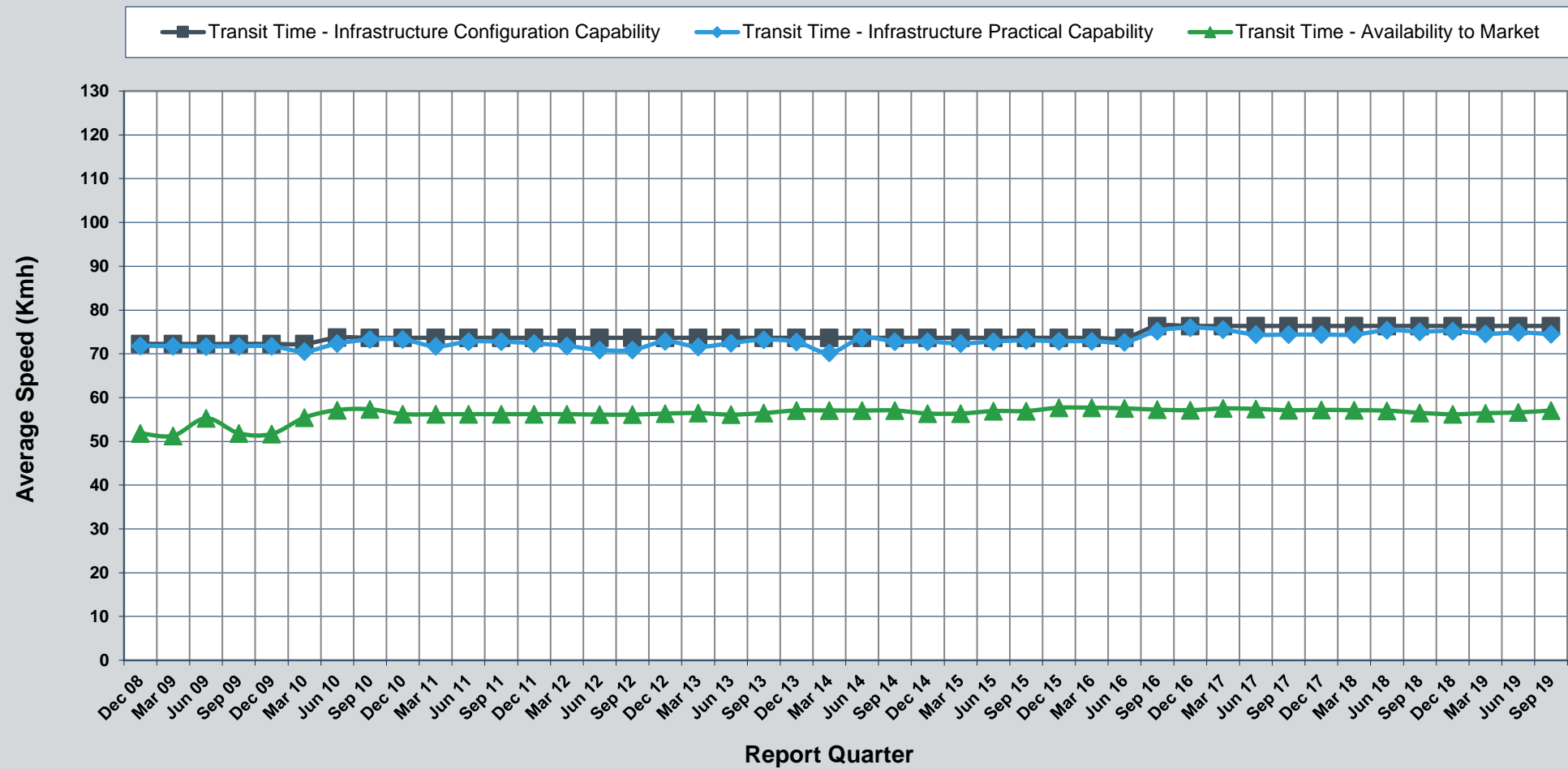
Network Availability

Melbourne to Sefton Park Jct



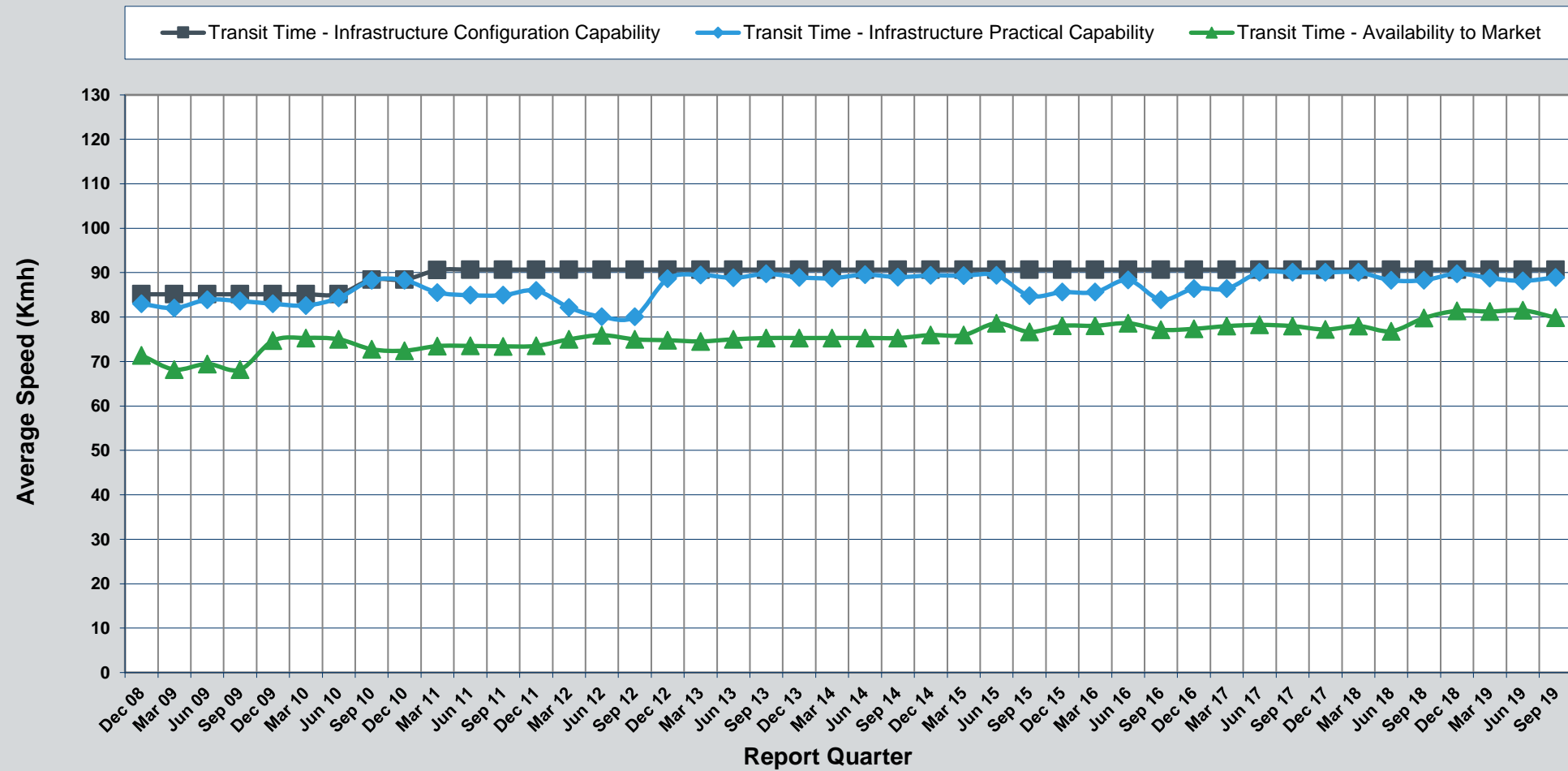
Network Availability

Newcastle to QLD Border



Network Availability

Cootamundra - Crystal Brook





PERFORMANCE INDICATORS 'TRANSIT TIME'

In accordance with ARTC's 2007 Interstate Access Undertaking, the following Transit Time Performance Indicators are published:

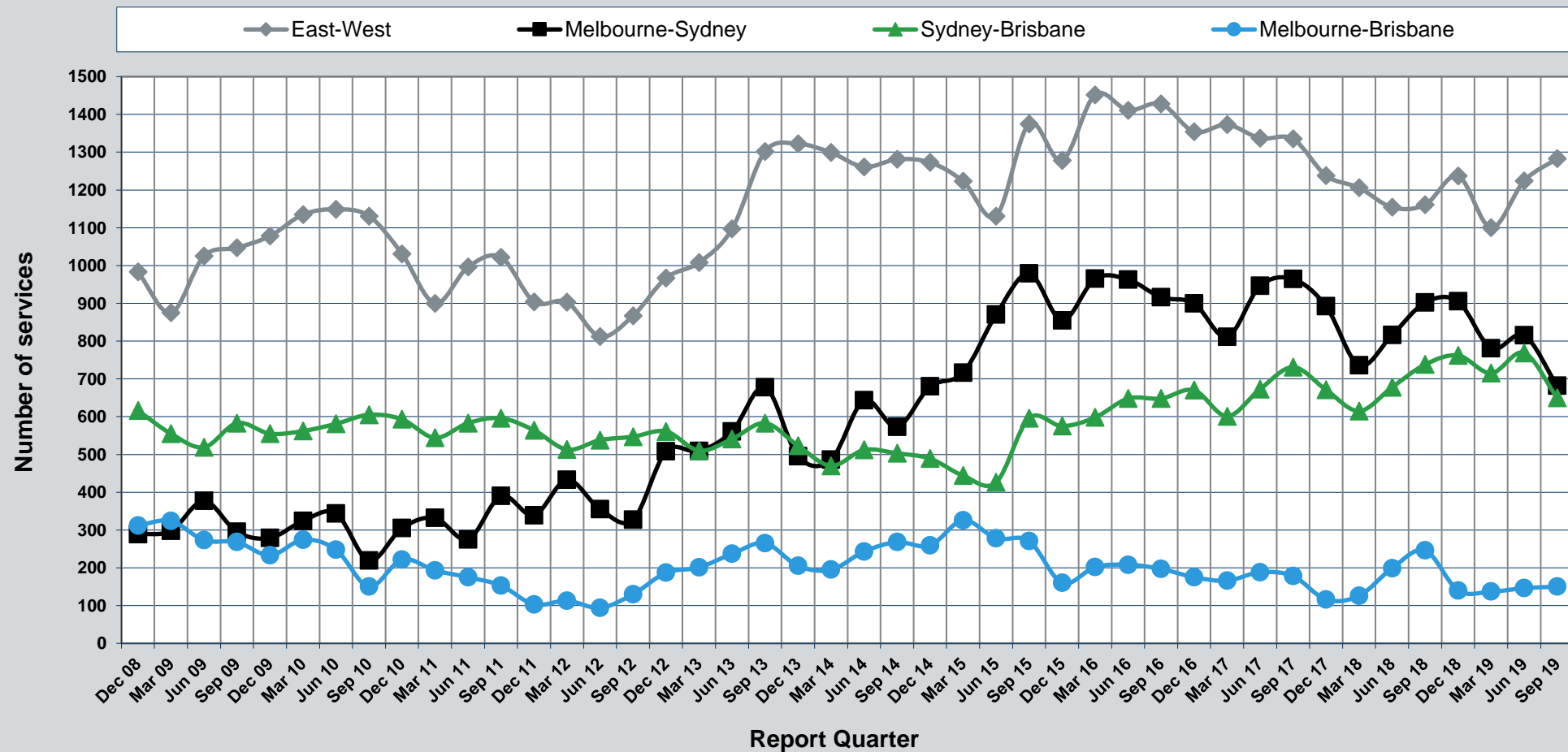
- Sum of minutes delay (and minutes per hour transit) unable to be attributed to a cause or beyond either party reasonable control.
- Sum of minutes delay (and minutes per hour transit) attributed to below rail cause by type of delay eg track, signals/communications, train management/control (4).
- Sum of minutes delay (and minutes per hour transit) attributed to above rail cause by type of delay eg late entry, yard/terminal, crew, locomotive, rollingstock, running (5).
- Number and percentage of Services(1) which transit(2) the Network no later than schedule transit, within tolerance(3)(6).

1. Services include all Committed and Scheduled Capacity (excludes adhoc Services)
2. Transit time is the difference between entry and exit times and so includes all time for all enroute activities (scheduled and actual).
3. For this purpose, tolerance is to be 15 minutes.
4. A measure of below rail activity.
5. A measure of above rail activity.
6. A measure of combined above and below activity.

NOTE: Excludes urban and regional commuter services.

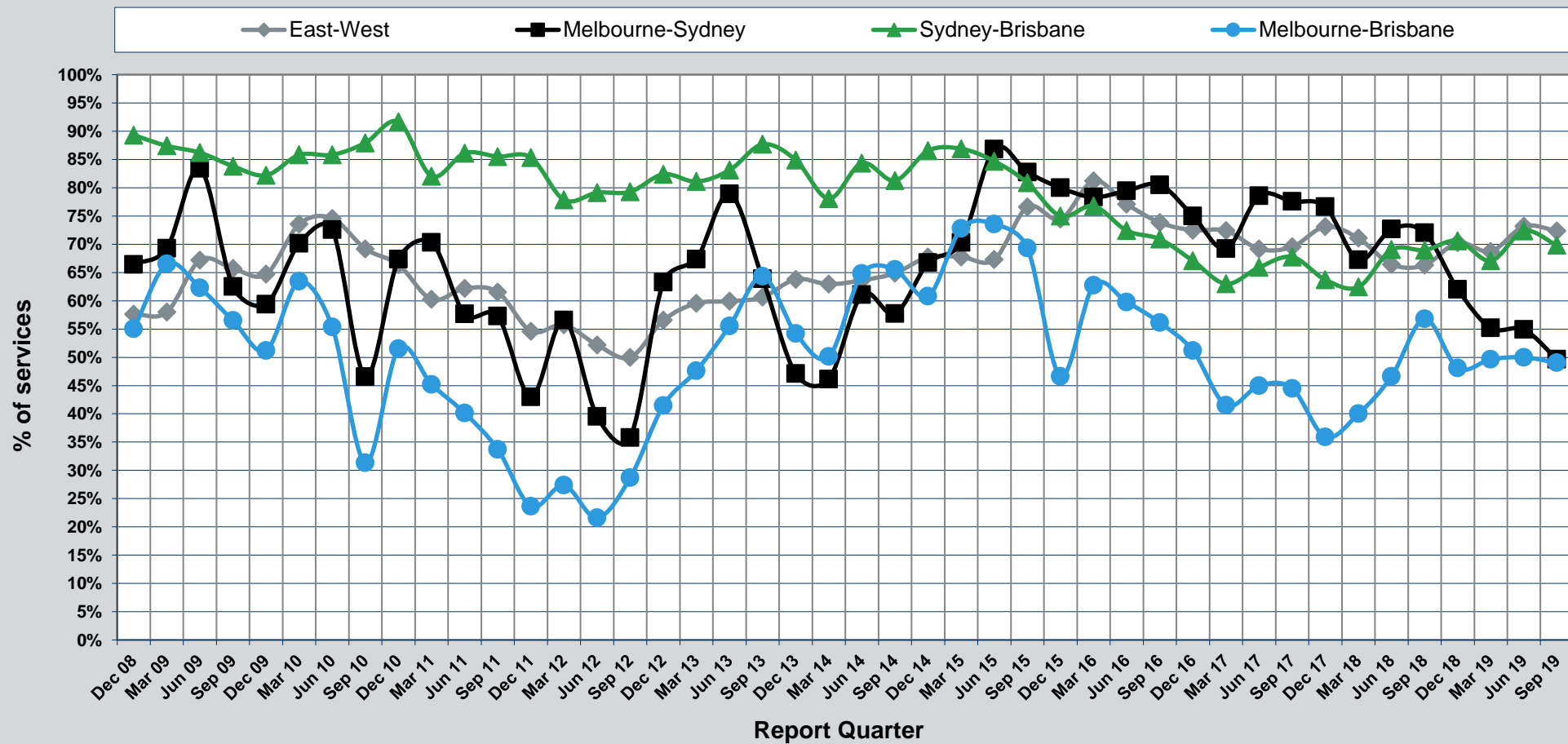
Transit Time

Number of Services which transit the Network no later than scheduled transit, within tolerance - All Corridors

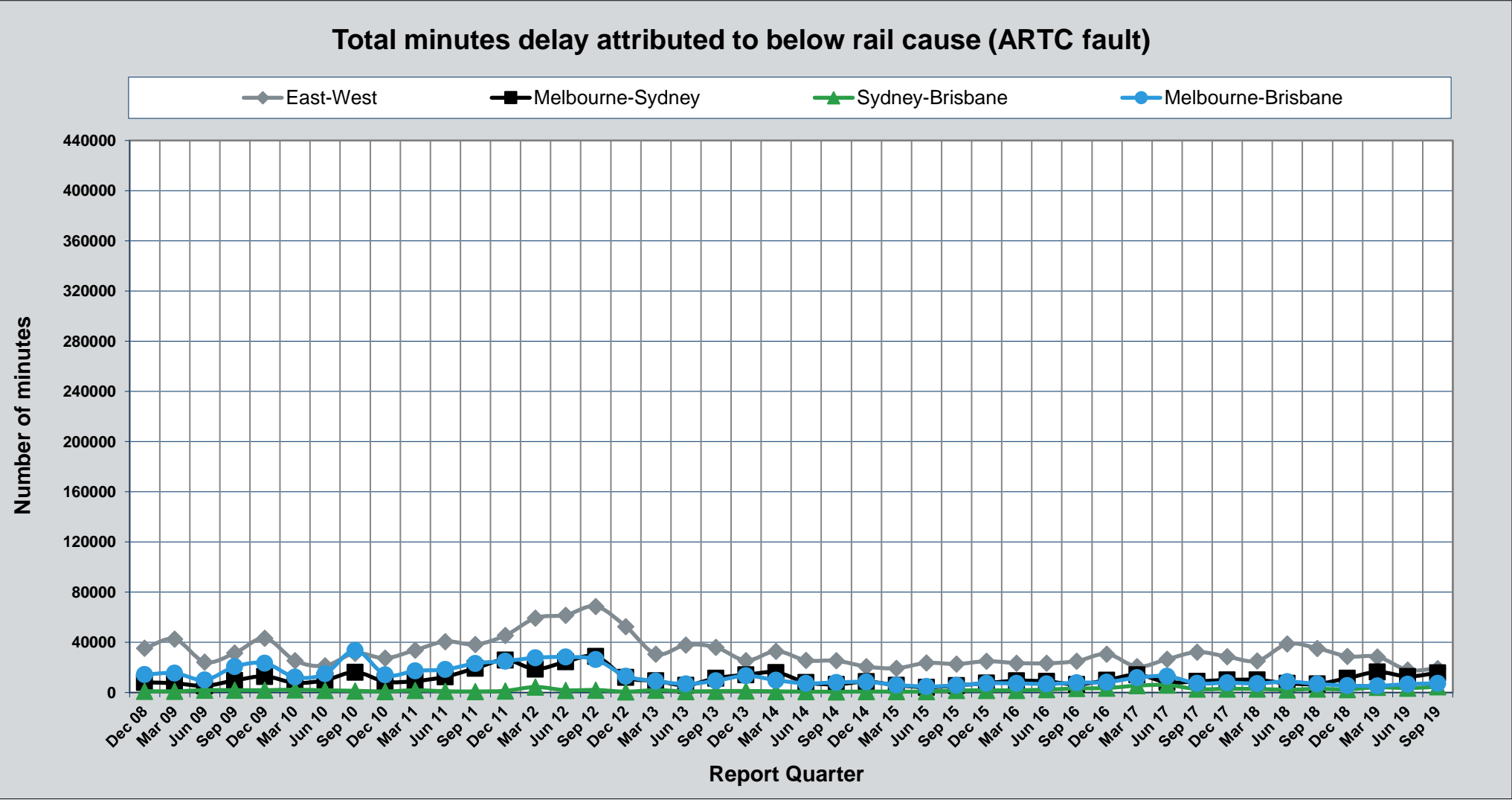


Transit Time

Percentage of Services which transit the Network no later than scheduled transit, within tolerance - All Corridors

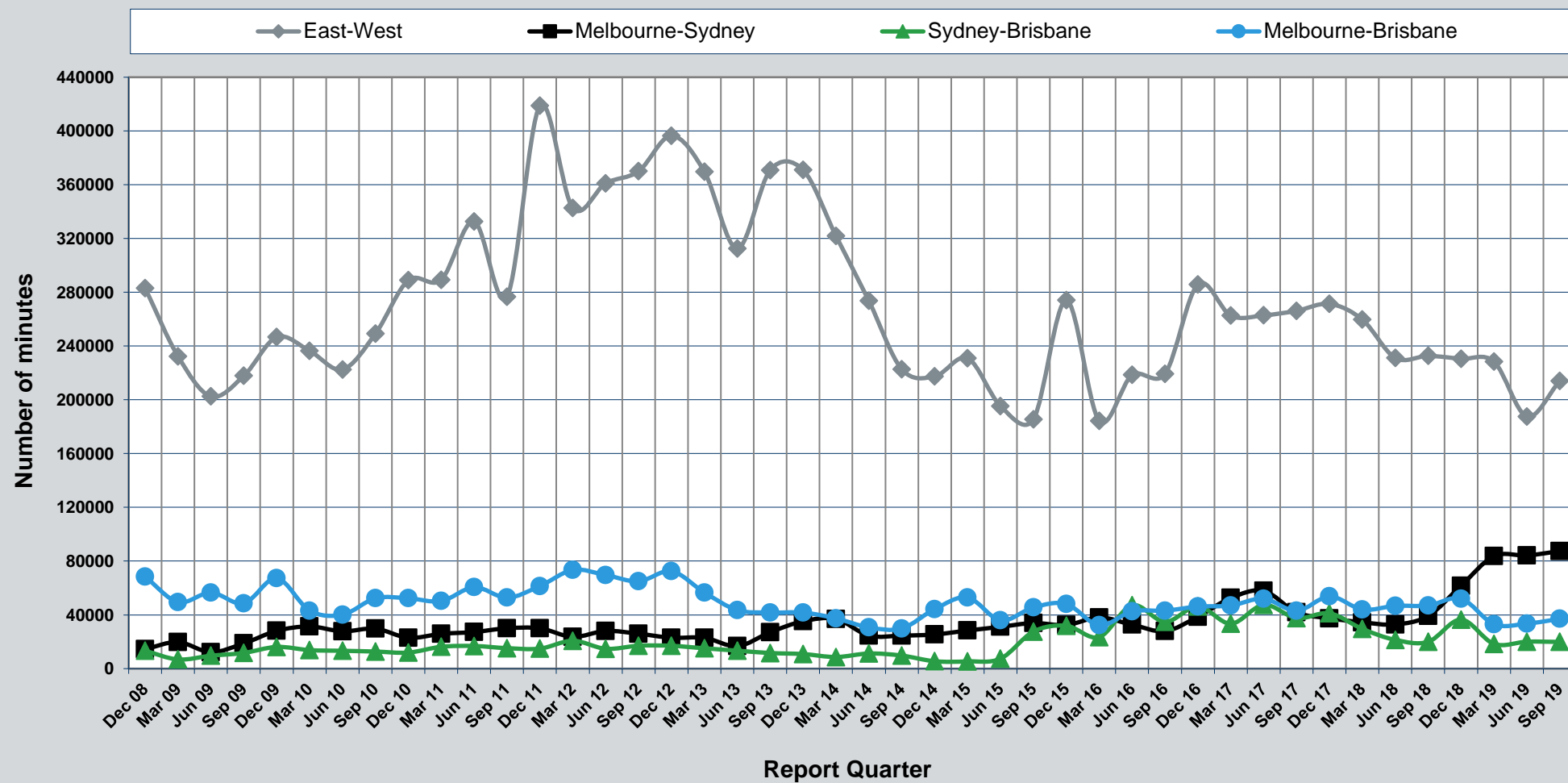


Transit Time

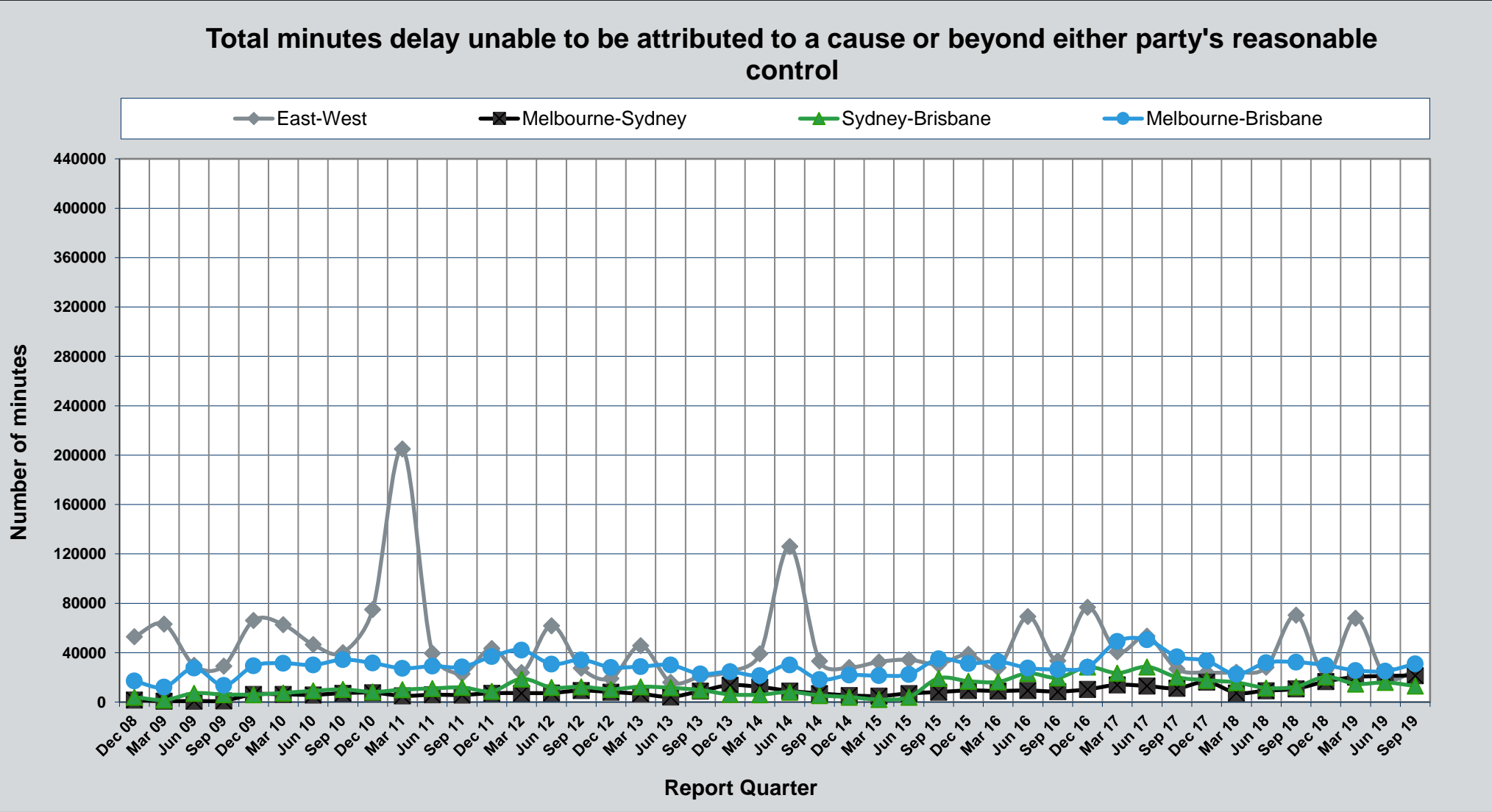


Transit Time

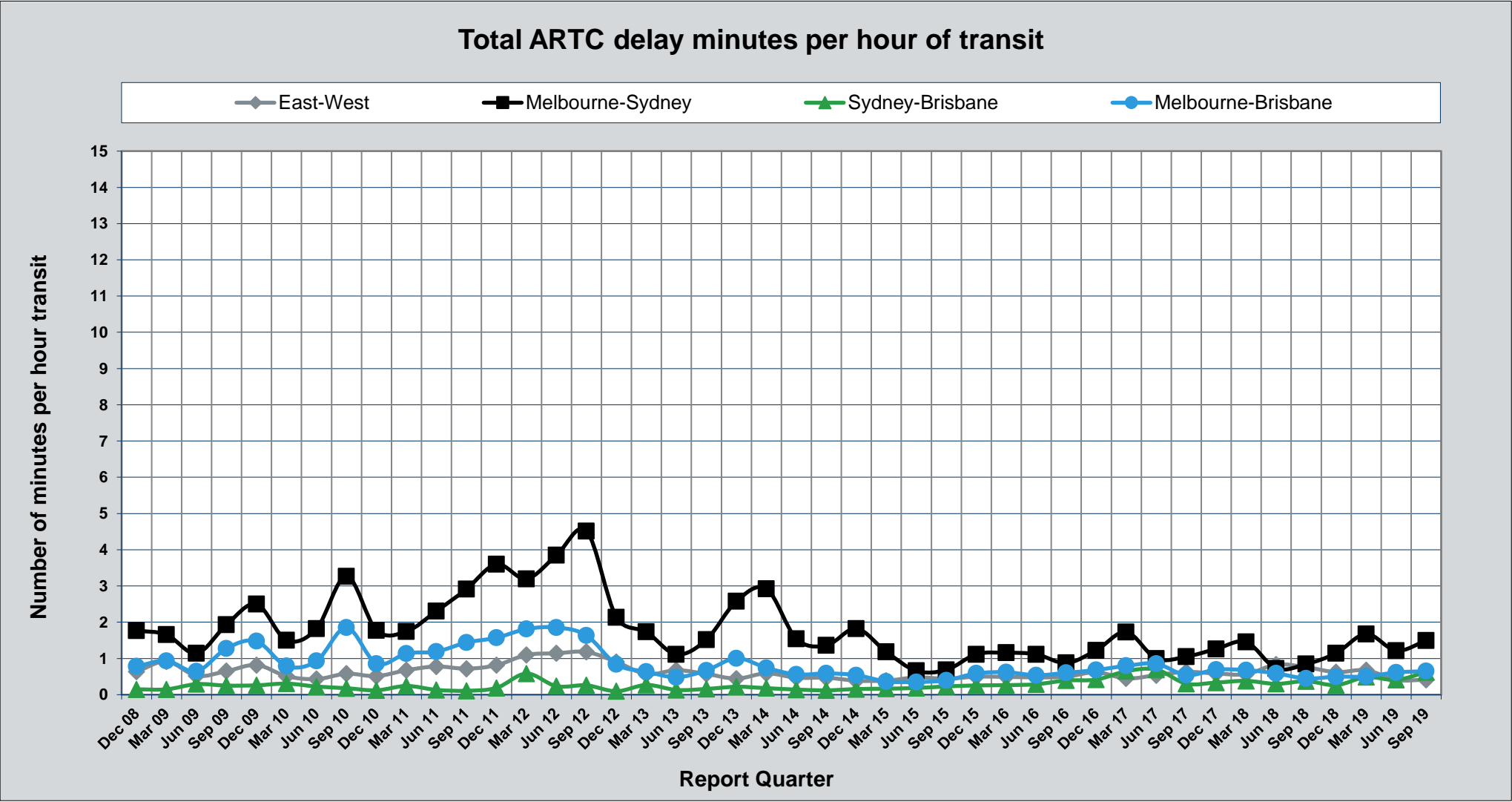
Total minutes delay attributed to above rail cause (Operator fault)



Transit Time

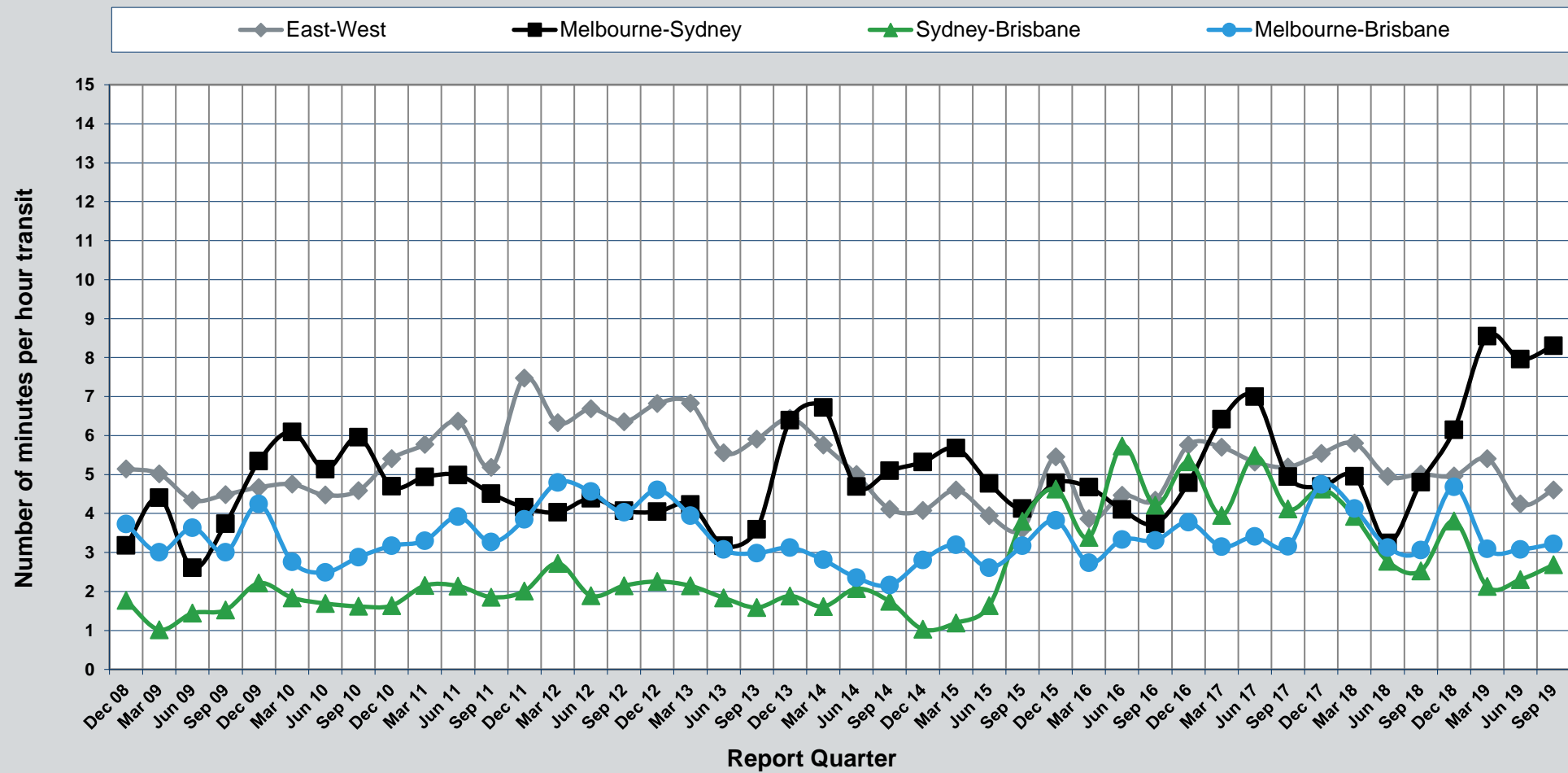


Transit Time



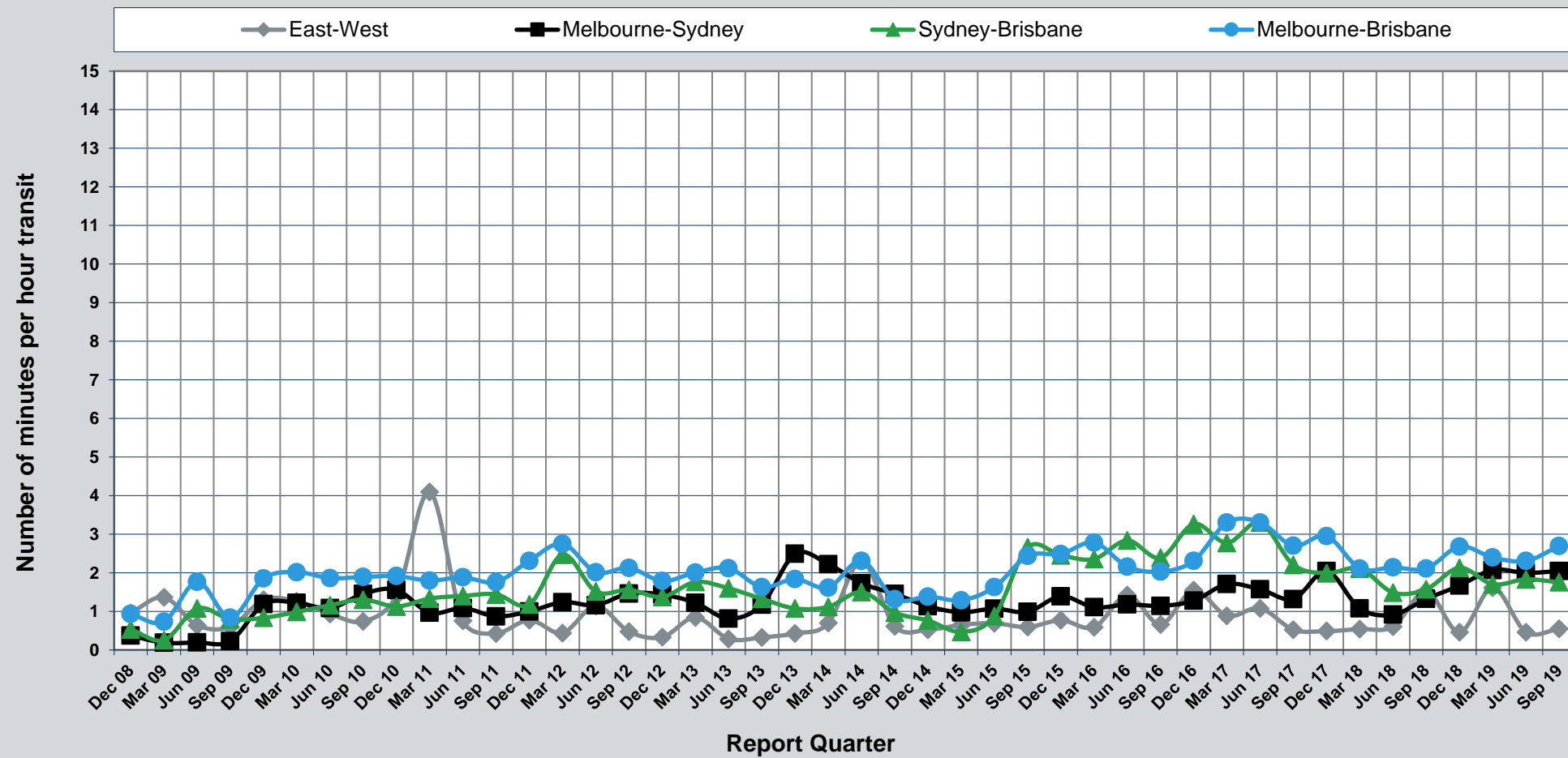
Transit Time

Total Operator delay minutes per hour of transit



Transit Time

Total delay minutes per hour of transit unable to be attributed to a cause or beyond either party's reasonable control





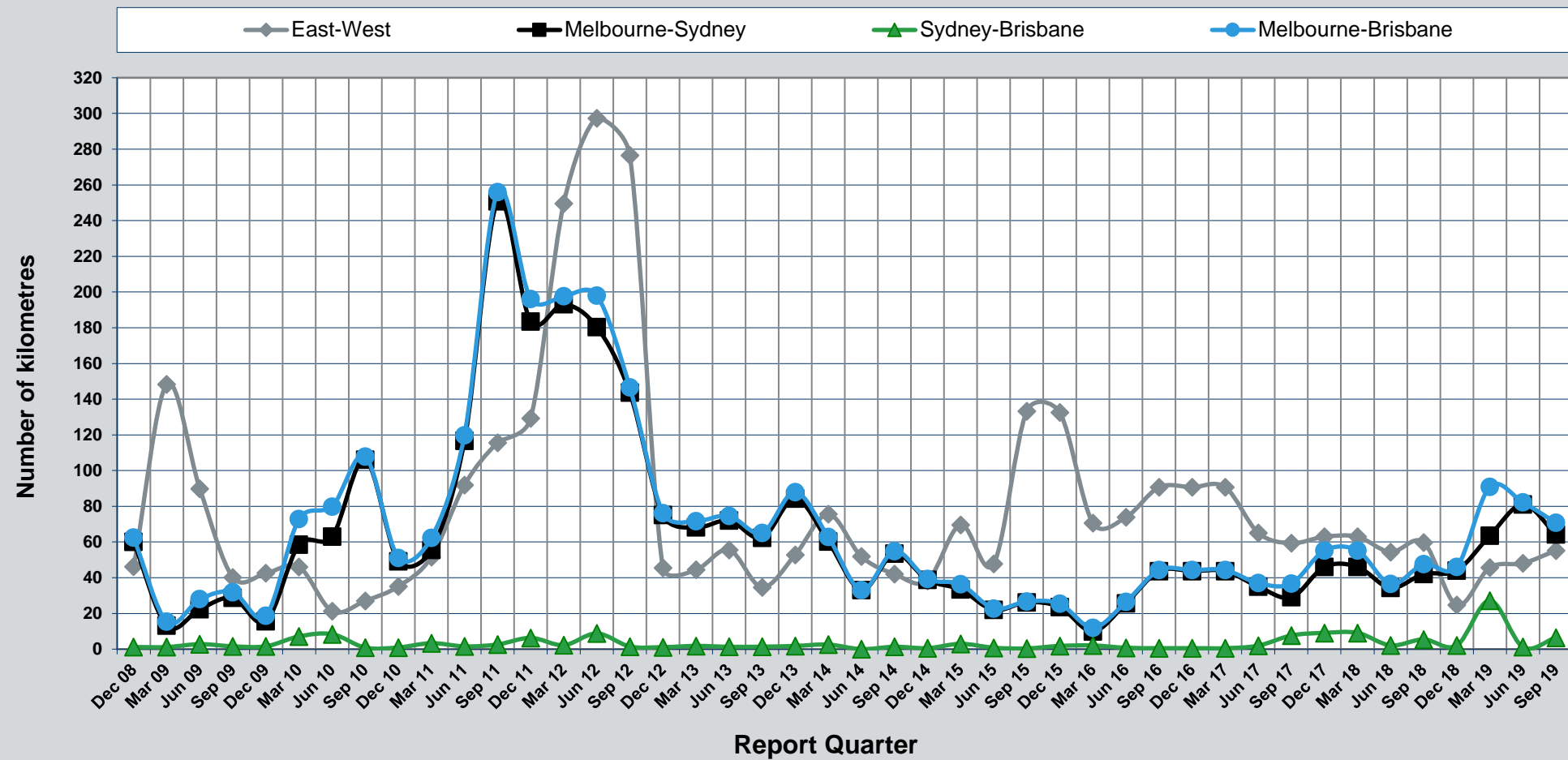
PERFORMANCE INDICATORS 'TEMPORARY SPEED RESTRICTIONS'

In accordance with ARTC's 2007 Interstate Access Undertaking, the following Temporary Speed Restrictions Performance Indicators are published:

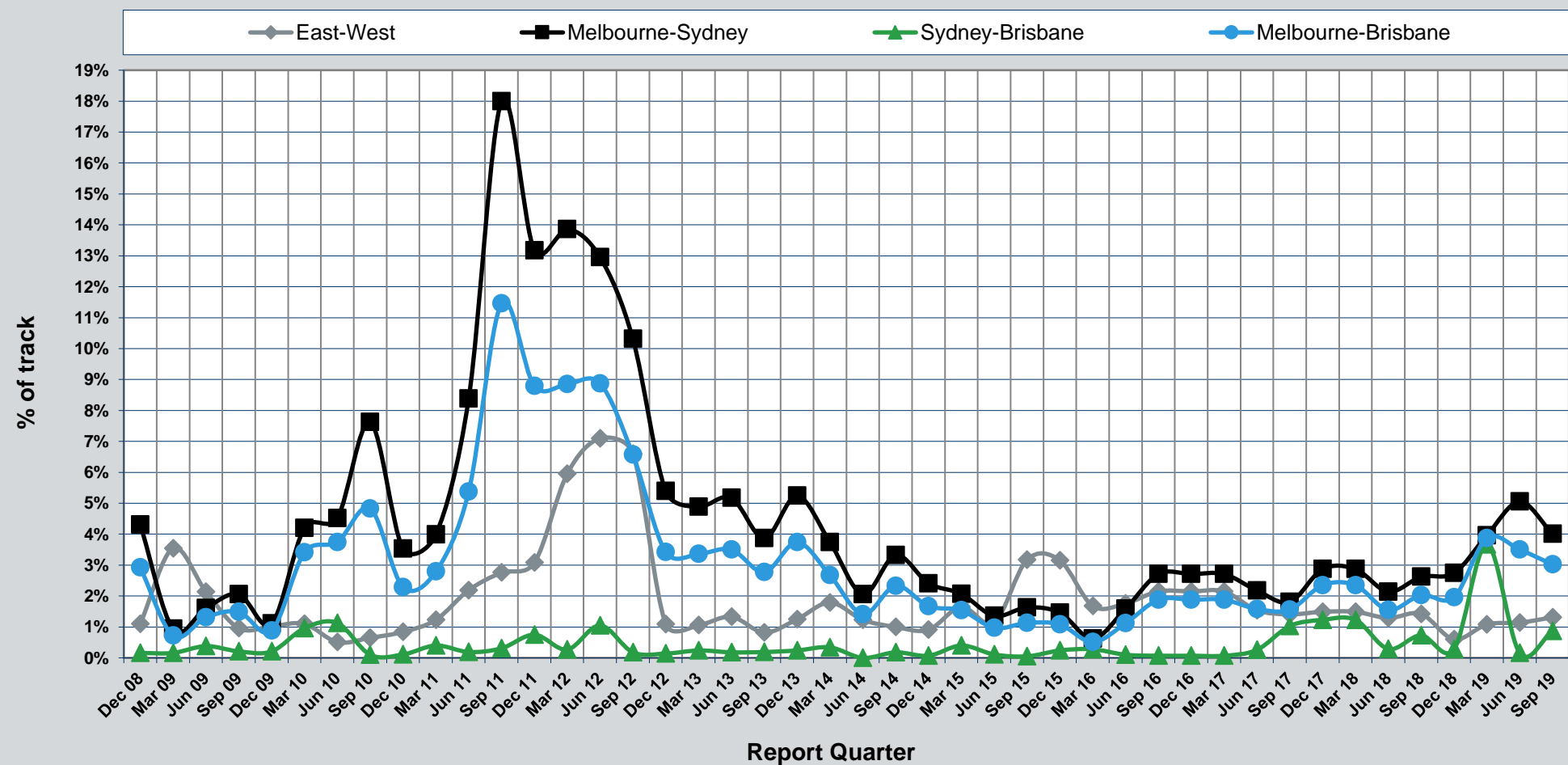
- Number of kilometres and percentage of track under temporary speed restriction at the beginning of a reporting period.

Temporary Speed Restrictions

Number of kilometres under temporary speed restriction on the Network
at the end of a reporting period



Percentage of track under temporary speed restriction on the Network at the end of a reporting period





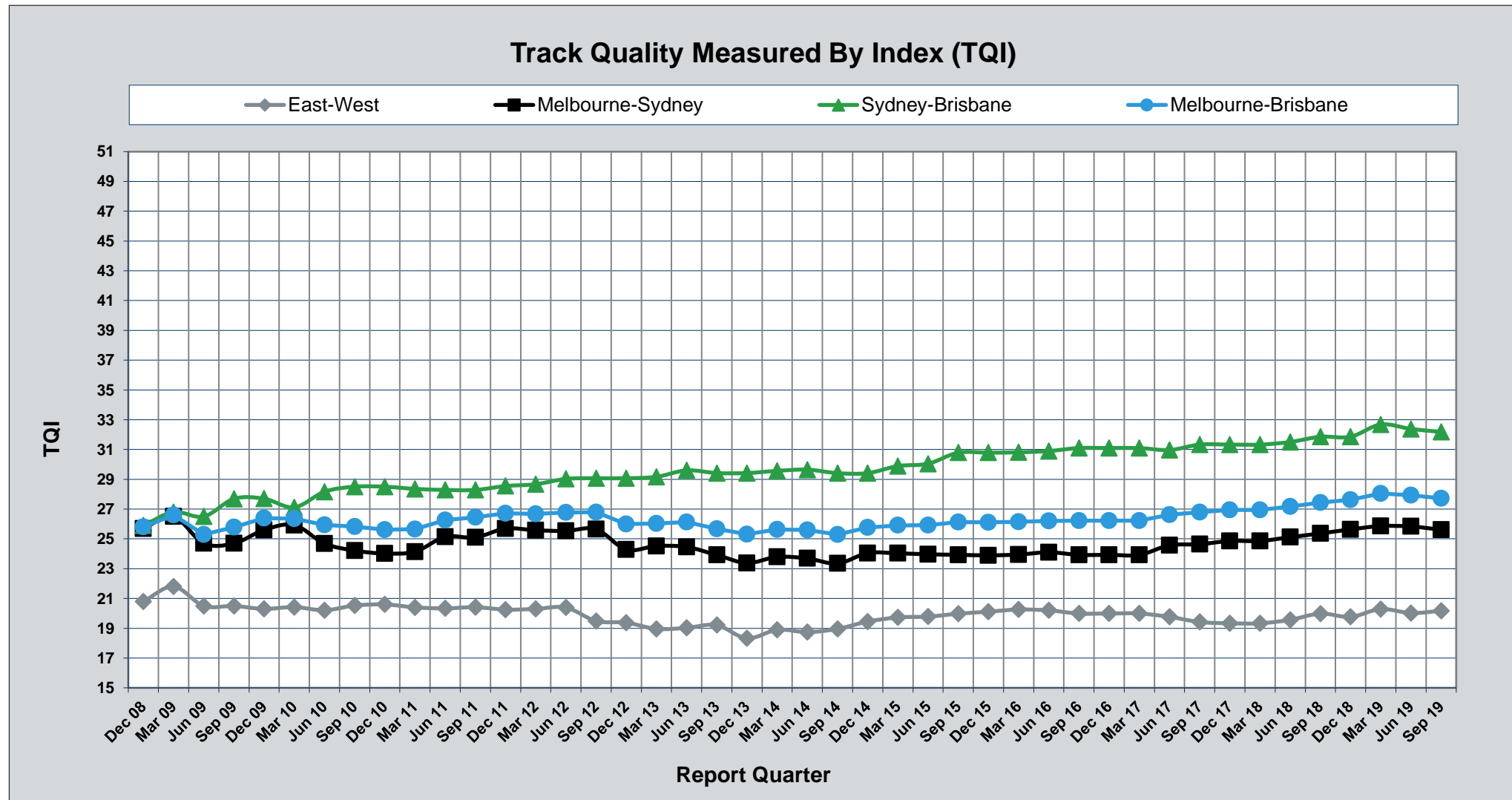
PERFORMANCE INDICATORS 'TRACK CONDITION'

In accordance with ARTC's 2007 Interstate Access Undertaking, Performance Indicators relating to the following will be published.

Track quality measured by index (1) (2)

1. To be measured by Track Quality Index (TQI) and averaged over each Segment. TQI is calculated over 100m sections, using 0.5m raw data from the AK car. TQI is the sum of the standard deviations (x3) in each rail for a 20m inertial top (average over left and rights rail), horizontal alignment (versine over a 10m chord (average over left and right rail)), twist over 2.0m and gauge.
2. A measure of below rail activity.

Track Condition



Appendix 3 – Unit Costs Reports, Basis of Preparation & Directors and Management Declaration

Basis of Preparation – Unit Costs

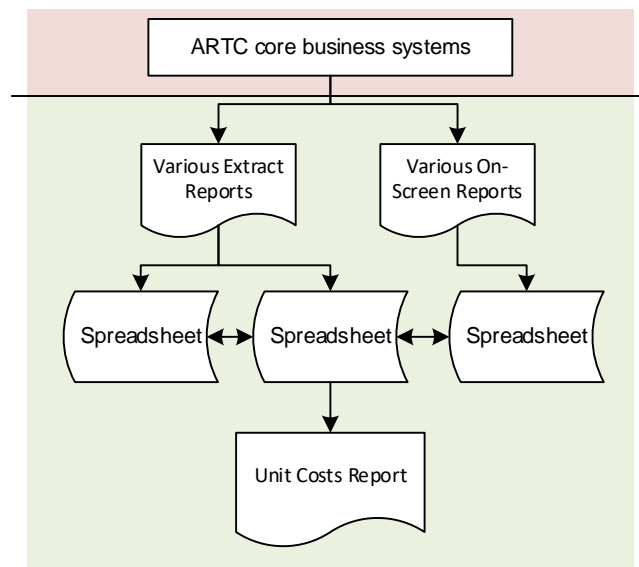
Purpose:

Under the terms of the Access Undertaking with the ACCC, "ARTC undertakes during the Term to maintain the Network (but only insofar as the Network is relevant to the Operator's Scheduled Train Paths) in a condition which is fit for use by the Operator to provide rail transport services having regard to the terms of the Access Agreements."

Measurement of ARTC's adherence to this undertaking is provided through the publication of a set of 'Performance Indicators' as required by section 8.2(a) of the Access Undertaking. The unit costs provided within the 'Unit Costs' documents form part of those Performance Indicators.

Source of Information:

Data for the calculation of these unit costs is sourced from ARTC's financial and operational systems. This data is exported into Excel to calculate the unit costs listed below.



Definitions and Interpretation:

For further information on the terminology used above, please refer to the Access Undertaking published on the ARTC web site (<http://www.artc.com.au/customers/access-interstate/access-undertaking/>).

Directors and Management Declaration:

The Directors and Management acknowledge that they are responsible for the preparation and fair presentation of the Unit Costs Reports. They are also responsible for determining the Basis of Preparation for the Unit Costs Reports is appropriate to meet their requirements. The Directors and Management's responsibilities also include such internal controls as they determine necessary to enable the preparation, fair presentation and publication of the Unit Costs reports that is free from material misstatement whether due to fraud or error.

Jackie Lawrence

Jackie Lawrence, Manager Commercial & Contractual Engagement, Interstate Network, ARTC
Adelaide



ARTC
*Agreed upon procedures: Report of factual findings on the procedures performed
over the Interstate Access Undertaking Performance Indicator Reports prepared by
Management of Australian Rail Track Corporation
10 June 2020*

ARTC Unit Costs Reports

See overleaf.

AUSTRALIAN RAIL TRACK CORPORATION LTD

2017-18 Unit Cost Calculation required for Public KPI Reporting in accordance with ARTC's Access Undertaking to the Australian Competition and Consumer Commission (August 2008)

Measure	Description	2017-18 Unit Cost	
Unit Infrastructure Maintenance Cost	Total annual expenditure associated with outsourced and internal infrastructure maintenance including a prorata allocation of corridor support and management. Allocation pro-rated over all activities (infrastructure maintenance, capital works and incident expenditure and operations) on a cost basis. Excludes corporate/system management.	\$1.63	per 000 GTK
		\$14,888	per track km ¹
Train Control	Total annual expenditure associated with ARTC network control and transit management.	\$1.04	per train km
Operations	Total annual expenditure associated with ARTC network control and train transit including a prorata allocation of corridor support and management. Allocation pro-rated over all activities (infrastructure maintenance, capital works and incident expenditure and operations) on a cost basis. Excludes corporate/system management.	\$1.21	per train km

¹ Track km includes mainline and double track but excludes crossing/passing loops and lanes, triangle and turnouts.

AUSTRALIAN RAIL TRACK CORPORATION LTD

2018-19 Unit Cost Calculation required for Public KPI Reporting in accordance with ARTC's Access Undertaking to the Australian Competition and Consumer Commission (August 2008)

Measure	Description	2018-19 Unit Cost	
Unit Infrastructure Maintenance Cost	Total annual expenditure associated with outsourced and internal infrastructure maintenance including a prorata allocation of corridor support and management. Allocation pro-rated over all activities (infrastructure maintenance, capital works and incident expenditure and operations) on a cost basis. Excludes corporate/system management.	\$1.59	per 000 GTK
		\$13,604	per track km ¹
Train Control	Total annual expenditure associated with ARTC network control and transit management.	\$1.15	per train km
Operations	Total annual expenditure associated with ARTC network control and train transit including a prorata allocation of corridor support and management. Allocation pro-rated over all activities (infrastructure maintenance, capital works and incident expenditure and operations) on a cost basis. Excludes corporate/system management.	\$1.29	per train km

¹ Track km includes mainline and double track but excludes crossing/passing loops and lanes, triangle and turnouts.