

# **2008/2009 NSW Lease Annual Condition Report**

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## Executive Summary

In accordance with the lease, this document presents the Annual Condition Report for NSW Lease Assets. This fifth report covers the period July 2008 to June 2009. September 2004 being the commencement of the lease.

### **(a) *Material Changes in Condition***

There have been no adverse changes in the general condition of the Land, the Infrastructure and the ARTC Infrastructure during the period covered by this Annual Condition Report.

### **(b) *Performance against KPI's***

#### **Total Transit Time Delay, by KPI region, by month (Schedule 7, CI 2.2(a))**

The Annual Limit was met for all fifteen KPI Network train categories after the adjustment due to Force Majeure in one KPI limit.

One adjustment was required due to Force Majeure incidents to the results for 2008/09.

Where applicable, adjustments are made to account for Force Majeure or increased maintenance when KPI's are exceeded, otherwise these impacts are ignored.

#### **Five Year Rolling Average of Total Transit Time Delay (Schedule 7, CI 2.2(b))**

As this is the fifth year of the lease but only 4 four complete financial years, the Five Year Rolling Average of Total Transit Time Delay is not required to be reported this year.

#### **Track Geometry (Schedule 7, CI 2.2(c))**

No Geometry measures for Top, Twist, Line and Gauge exceeded the Annual Limits, calculated as per Schedule 7, section 4.1 and 4.2.

As this is the fifth year of the lease but only 4 four complete financial years, the Five Year Rolling Average of the Track Geometry measures is not required to be reported this year.

#### **Three-Year Rolling Average of Large Rail Defects (Schedule 7, CI 2.2(d))**

The Three-Year Rolling Average for Large Rail Defects was 31.7. This is within the limit of 48.86, calculated as per Schedule 7, section 11.4

### **New Sleepers on KPI Network, excluding the Hunter Valley (Schedule 7, CI 2.2(e))**

A total of 465,979 sleepers (Timber – 18,132; Steel – 1,175; Concrete – 446,672 and Other - 0) were installed during the reporting period. The Network including the sleepers replaced, now consists of Timber 49.1%, Steel 7.8%, Concrete 43.1% and Other 0.0%.

### **Bridges (Schedule 7, CI 2.2(f))**

5 steel bridges totalling 71.77m have been replaced with 5 concrete structures totalling 65.27m during the reporting period. This has resulted in a net change to the bridge type and length, from the original list supplied at the date of commencement of the lease.

Currently 3 Bridges are under restriction, which is below the Bridge Limit of 20

### **Signals (Schedule 7, CI 2.2(g))**

The total number of signal failures on the KPI network for each month has been provided.

### **Percentage of Healthy Trains Achieving On-Time Exit, by month (Schedule 7, CI 2.2(h))**

As required by clause 5.2, ARTC has measured the full journey performance of services on the ARTC network (including the NSW Lease network).

The measurement of ARTC's service reliability has been calculated to reflect -

1. the full journey performance of all services (including performance on the CRN network); and
2. the full journey performance of all services (excluding those originating or terminating on the CRN Network)

The YTD Monthly Average % of Healthy Services Achieving On-time Exit (July 2008 – June 2009) is:

1. 97.2% (including CRN Network performance) against a Service Reliability limit of 91.6%. This result is calculated as per lease schedule 7.3 (a) 'Service Reliability Limit' as being the monthly average of Percentage of Healthy Trains Achieving on Time Exit for the year ending 12 months after the lease commencement date (September 2004 to August 2005).
2. 98.0% (excluding CRN Network originating/terminating services) against a Service Reliability limit of 94.0%. As above, the limit is calculated as per lease schedule 7.3 (a) 'Service Reliability Limit'.

**Maximum allowable speed and axle load combinations applying to the KPI Network (Schedule 7, CI 2.2(i))**

Since the commencement of the Lease there has been no change in the maximum allowable speed and axle load combinations on the KPI network.

**Permitted Permanent Speed Restrictions (Schedule 7, CI 2.2(j))**

8 Permanent Speed restrictions were changed between July 2008 and June 2009. They are regarded as Permitted Permanent Speed Restrictions. These changes have the effect of reducing the Base Transit Time on the KPI network.

**(c) Register of ARTC Infrastructure**

**Building Works**

During the reporting period, a total of \$675,130.64 of Building Works was completed.

**Infrastructure Investment Programme and Major Works**

A total of \$517,500,000 was invested on the Major Works Investment Program during the reporting period. The following Projects are included in the total spend and were commenced during the period covered by this report;

- Metropolitan Freight Network
- Nation Building Works
- Level Crossings Program

A total of \$164,839,882 has been invested in Corridor Works (including RCRM, MPM and Corridor Capital Works) during the reporting period.

During the first five years of the lease, ARTC has invested a total of \$2,003,634,012 in Major Works, Corridor MPM and Capital Works.

A further \$1,601,082,000 will be invested on Major Works in future years.

<b>Summary of Major Works Investment and Corridor MPM &amp; Capital since lease commencement</b>						
	2004 / 05 (from Lease Commencement Date)	2005/06	2006/07	2007/08	2008/09	Total
Major Works Investment	\$5,695,500	\$83,518,000	\$324,507,000	\$514,022,000	\$517,500,000	\$1,445,242,500
Corridor MPM & Capital	\$58,869,000	\$97,234,000	\$94,685,000	\$142,763,630	\$164,839,882	\$558,391,512
<b>Total</b>	<b>\$64,564,500</b>	<b>\$180,752,000</b>	<b>\$419,192,000</b>	<b>\$656,785,630</b>	<b>\$682,339,882</b>	<b>\$2,003,634,012</b>

## 1. Material Changes in Condition

There have been no adverse changes in the general condition of the Land, the Infrastructure and the ARTC Infrastructure during the period covered by this Annual Condition Report.

## 2. Performance Against KPI's.

### (a) Total Transit Time Delay, by KPI Region, by month

This section deals with transit time reporting as required under Schedule 7, section 2.2(a) of the lease. The information has been presented in two tables. The first table includes all Temporary Speed Restrictions. The second table excludes abnormal events identified as Force Majeure. The Final Annual Limit (as agreed with ARTC and RIC), has been met for the KPI Network for all categories.

Including Force Majeure																
Category	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	06/07 Period Avg	07/08 Period Avg	08/09 Period Avg	Annual Limit*
<b>Hunter Valley</b>																
Freight	0.5	4.4	4.3	0.7	5.6	4.6	1.2	1.4	10.5	0.0	2.2	0.6	7.5	7.5	3.0	11.9*
Super Freight	0.8	6.5	5.9	1.6	8.1	6.8	2.1	3.0	19.0	0.0	4.6	1.0	12.4	12.4	5.0	20.9*
XPT	0.3	3.0	4.4	0.5	4.6	3.6	1.2	1.1	9.2	0.0	0.9	0.0	3.4	4.6	2.4	3.5*
<b>North Coast</b>																
Freight	6.4	2.0	6.5	2.5	4.2	1.1	1.1	2.0	1.5	8.1	2.9	2.9	10.4	9.4	3.4	39.5*
Super Freight	12.5	5.5	11.1	5.7	8.1	3.5	3.5	4.8	4.1	11.7	4.7	4.7	18.6	14.6	6.7	62.5*
XPT	6.5	1.9	2.5	1.7	2.6	1.2	1.2	1.4	1.3	5.5	2.5	2.5	7.6	6.0	2.6	19.5*
<b>South</b>																
Freight	9.3	9.3	15.8	17.2	15.1	5.0	10.9	7.6	8.5	7.9	7.4	8.1	9.4	10.7	10.2	14.5*
Super Freight	17.4	15.5	26.8	29.6	24.8	10.0	21.7	17.6	17.5	15.4	14.2	15.6	16.4	19.0	18.8	25.3*
XPT	7.3	5.3	10.5	9.3	9.7	2.3	6.8	4.8	5.8	5.3	4.7	4.7	6.3	6.7	6.4	8.0*
<b>West</b>																
Freight	0.0	2.5	0.7	0.0	7.4	8.8	16.3	14.6	14.3	19.5	9.7	4.3	17.2	8.0	8.2	23.3*
Super Freight	13.6	8.8	3.8	2.2	13.6	21.7	47.8	40.5	30.4	32.7	19.5	10.0	35.3	16.4	20.4	39.8*
XPT	12.3	4.3	0.9	0.9	4.3	10.0	34.9	26.4	18.3	18.0	8.0	6.9	11.4	6.5	12.1	10.3*
<b>Totals</b>																
Freight	16.3	18.2	27.3	20.4	32.3	19.5	29.5	25.6	34.8	35.5	22.2	15.9	44.6	37.3	24.8	89.3*
Super Freight	44.3	36.3	47.6	39.0	54.6	42.1	75.1	65.9	71.1	59.8	43.1	31.3	82.8	66.3	50.8	148.6*
XPT	26.3	14.5	18.3	12.4	21.2	17.1	44.1	33.7	34.7	28.8	16.2	14.1	28.7	23.7	23.4	41.3*

 Indicates months that have been affected by a Force Majeure

\* Annual Limit as agreed between ARTC and RIC after the first three years of the term.

Excluding Force Majeure																
Category	Jul-2008	Aug-2008	Sep-2008	Oct-2008	Nov-2008	Dec-2008	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	06/07 Period Avg	07/08 Period Avg	08/09 Period Avg	Annual Limit*
<b>Hunter Valley</b>																
Freight	0.5	4.4	4.3	0.7	5.6	4.6	1.2	1.4	10.5	0.0	2.2	0.6	7.5	9.0	3.0	11.9*
Super Freight	0.8	6.5	5.9	1.6	8.1	6.8	2.1	3.0	19.0	0.0	4.6	1.0	12.4	16.0	5.0	20.9*
XPT	0.3	3.0	4.4	0.5	4.6	3.6	1.2	1.1	9.2	0.0	0.9	0.0	3.4	4.4	2.4	3.5*
<b>North Coast</b>																
Freight	6.4	2.0	6.5	2.5	4.2	1.1	1.1	2.0	1.5	8.1	2.9	2.9	10.4	9.4	3.4	39.5*
Super Freight	12.5	5.5	11.1	5.7	8.1	3.5	3.5	4.8	4.1	11.7	4.7	4.7	18.6	14.6	6.7	62.5*
XPT	6.5	1.9	2.5	1.7	2.6	1.2	1.2	1.4	1.3	5.5	2.5	2.5	7.6	6.0	2.6	19.5*
<b>South</b>																
Freight	9.3	9.3	15.8	17.2	15.1	5.0	10.9	7.6	8.5	7.9	7.4	8.1	9.4	10.7	10.2	14.5*
Super Freight	17.4	15.5	26.8	29.6	24.8	10.0	21.7	17.6	17.5	15.4	14.2	15.6	16.4	19.0	18.8	25.3*
XPT	7.3	5.3	10.5	9.3	9.7	2.3	6.8	4.8	5.8	5.3	4.7	4.7	6.3	6.7	6.4	8.0*
<b>West</b>																
Freight	0.0	2.5	0.7	0.0	7.4	8.8	16.3	14.6	14.3	19.5	9.7	4.3	17.2	8.0	8.2	23.3*
Super Freight	13.6	8.8	3.8	2.2	13.6	21.7	47.8	40.5	30.4	32.7	19.5	10.0	35.3	16.4	20.4	39.8*
XPT	12.3	4.3	0.9	0.9	4.3	3.4	24.8	19.7	10.7	11.4	1.4	0.3	11.4	6.5	7.9	10.3*
<b>Totals</b>																
Freight	16.3	18.2	27.3	20.4	32.3	19.5	29.5	25.6	34.8	35.5	22.2	15.9	44.6	37.1	21.7	89.3*
Super Freight	44.3	36.3	47.6	39.0	54.6	42.1	75.1	65.9	71.1	59.8	43.1	31.3	82.8	66.0	44.9	148.6*
XPT	26.3	14.5	18.3	12.4	21.2	17.1	44.1	33.7	34.7	28.8	16.2	14.1	28.7	23.6	18.5	41.3*

 Indicates months that have been affected by a Force Majeure

\* Annual Limit as agreed between ARTC and RIC after the first three years of the term.

The Annual Limit, has been met for the KPI Network for all train categories. Adjustments due to Force Majeure incidents were made to the results for 2008/09 as highlighted above.

### **(b) Five Year Rolling Average of Total Transit Time Delay**

This is the fifth year of the lease but as it is only the fourth complete financial year, the Five Year Rolling Average of Total Transit Time Delay is not required to be reported. This will be reported in 2010/11 as data is accumulated and five complete financial years of data is available.

## (c) Track Geometry

### i. Geometry Values

No geometry measures exceeded the Annual Limits, and track geometry improved in 12 of the 16 measures during 2008/09.

#### South

Region	Measure	Annual Limit *	06/07	07/08	08/09	08/09 vs Annual Limit
South	Top	10.62	8.79	8.06	7.67	TARGET MET
	Twist	6.69	6.20	5.81	5.77	TARGET MET
	Line	10.20	9.05	8.51	7.81	TARGET MET
	Gauge	6.48	5.90	5.33	4.56	TARGET MET

#### North Coast

Region	Measure	Annual Limit *	06/07	07/08	08/09	08/09 vs Annual Limit
North	Top	9.11	7.09	6.32	5.86	TARGET MET
	Twist	6.55	5.03	4.76	4.14	TARGET MET
	Line	13.52	11.61	11.20	10.93	TARGET MET
	Gauge	6.89	6.47	5.85	5.47	TARGET MET

#### West

Region	Measure	Annual Limit *	06/07	07/08	08/09	08/09 vs Annual Limit
West	Top	11.17	10.34	10.29	10.33	TARGET MET
	Twist	6.89	6.22	5.62	5.70	TARGET MET
	Line	8.31	7.01	6.12	5.66	TARGET MET
	Gauge	5.83	4.57	4.32	4.36	TARGET MET

#### Inland Route

Region	Measure	Annual Limit *	06/07	07/08	08/09	08/09 vs Annual Limit
Inland	Top	12.46	10.92	11.11	11.24	TARGET MET
	Twist	8.06	7.45	7.55	6.94	TARGET MET
	Line	10.79	8.88	8.95	8.68	TARGET MET
	Gauge	6.46	5.99	5.80	5.66	TARGET MET

\* Annual Limit as requested in 07/08 report addendum.



ii. **Five Year Rolling Average for each Top Value, Line Value, Twist Value, and Gauge Value.**

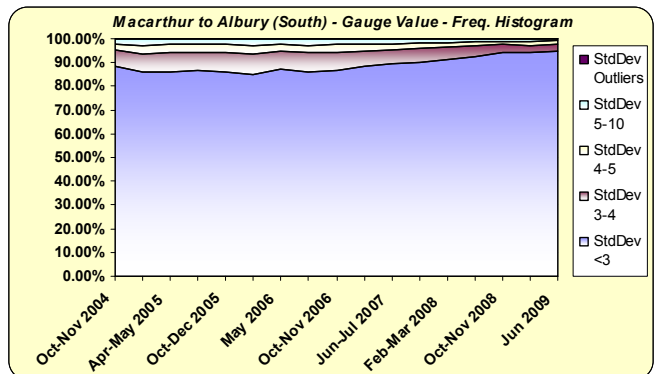
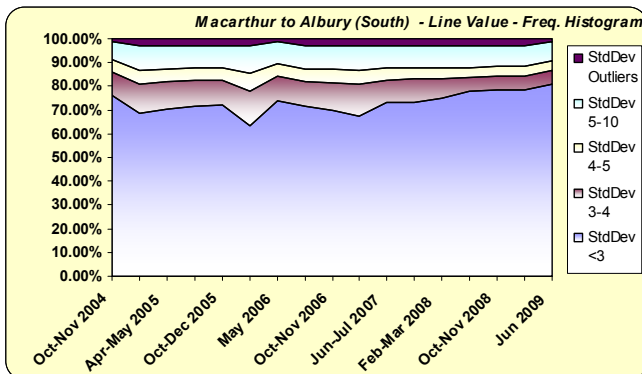
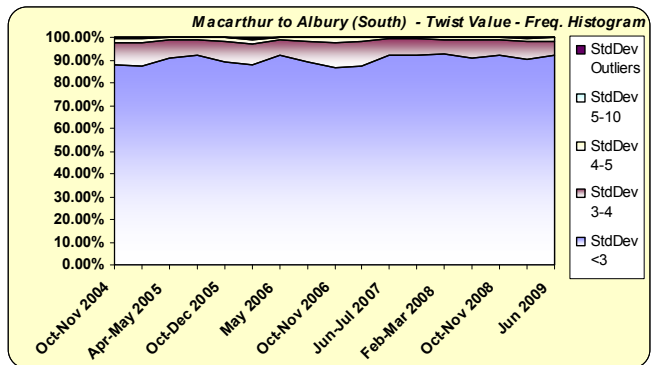
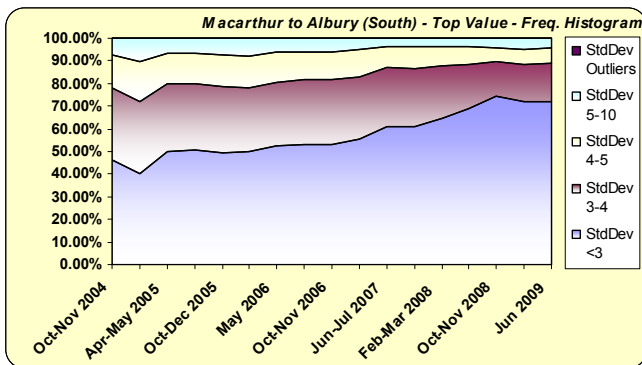
This is the fifth year of the lease but as it is only the fourth complete financial year, the Five Year Rolling Average of Track Geometry is not required to be reported. This will be reported in 2010/11 as data is accumulated and five complete financial years of data is available.

iii. **Trending Graphs**

The trending graphs consist of all geometry readings taken for a KPI region up to 30 June 2009. A rising slope in the graph shows an improvement in track geometry.

**South (July 2008 to June 2009)**

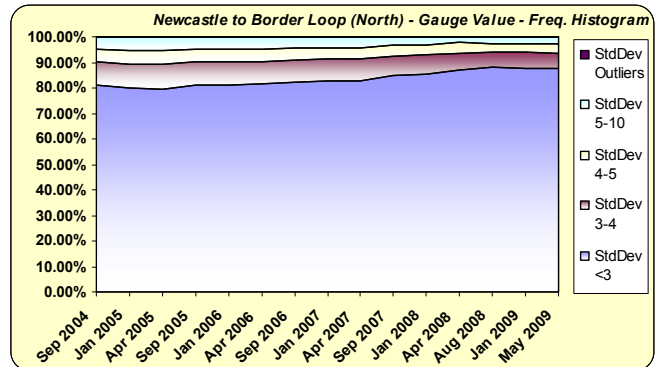
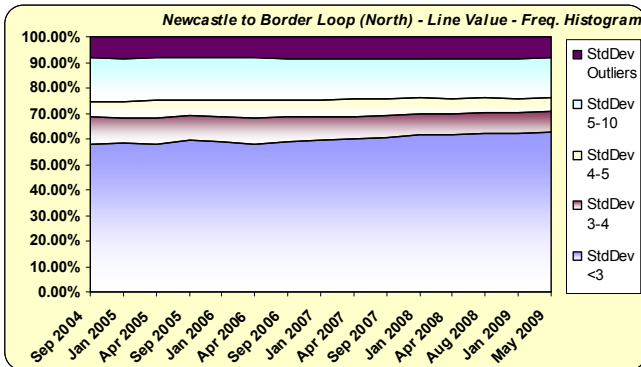
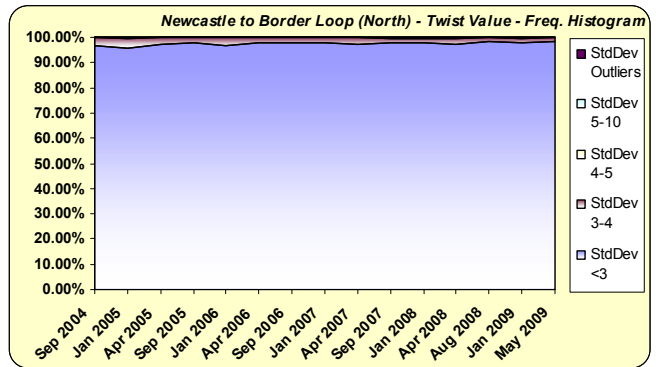
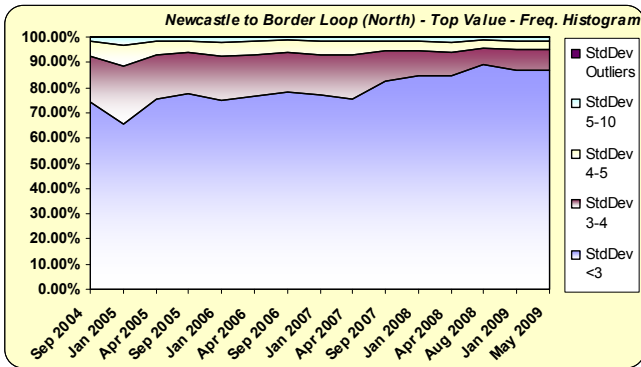
South (Jun 09)	StdDev <3	StdDev 3-4	StdDev 4-5	StdDev 5-10	StdDev Outliers
<b>Top</b>	<b>72.13%</b>	<b>16.79%</b>	<b>6.81%</b>	<b>4.25%</b>	<b>0.02%</b>
<b>Twist</b>	<b>92.15%</b>	<b>6.16%</b>	<b>1.40%</b>	<b>0.29%</b>	<b>0.00%</b>
<b>Versine</b>	<b>80.90%</b>	<b>5.70%</b>	<b>3.96%</b>	<b>8.27%</b>	<b>1.16%</b>
<b>Gauge</b>	<b>94.80%</b>	<b>3.07%</b>	<b>1.29%</b>	<b>0.83%</b>	<b>0.01%</b>





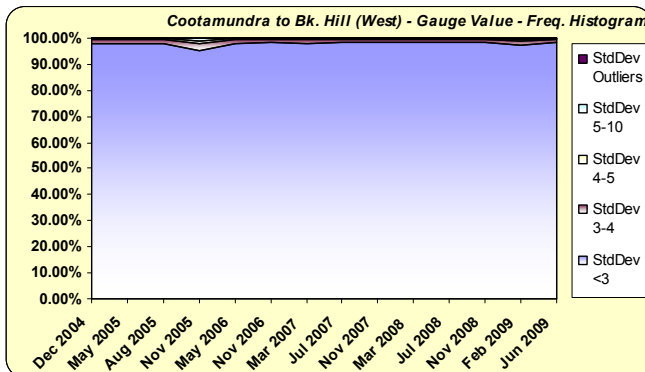
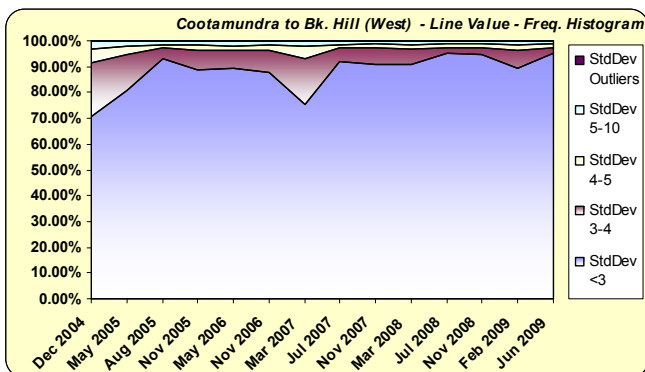
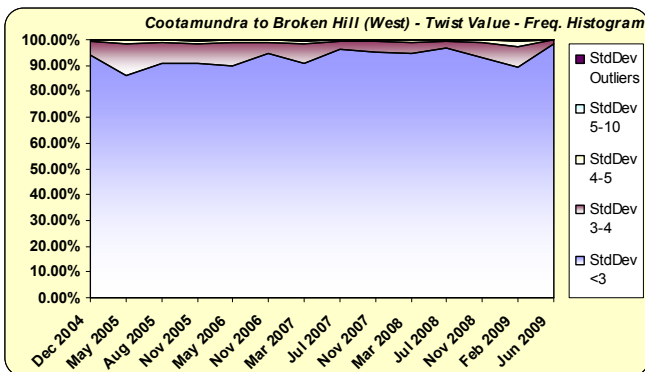
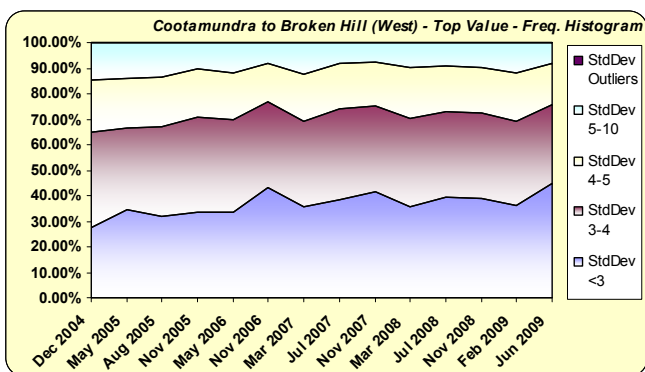
**North Coast (July 2008 to June 2009)**

North Coast (May 09)	StdDev <3	StdDev 3-4	StdDev 4-5	StdDev 5-10	StdDev  Outliers
Top	86.87%	8.38%	3.36%	1.37%	0.01%
Twist	98.58%	1.25%	0.15%	0.01%	0.00%
Versine	62.78%	7.91%	5.46%	15.55%	8.30%
Gauge	87.65%	6.08%	3.81%	2.45%	0.00%



**West (July 2008 to June 2009)**

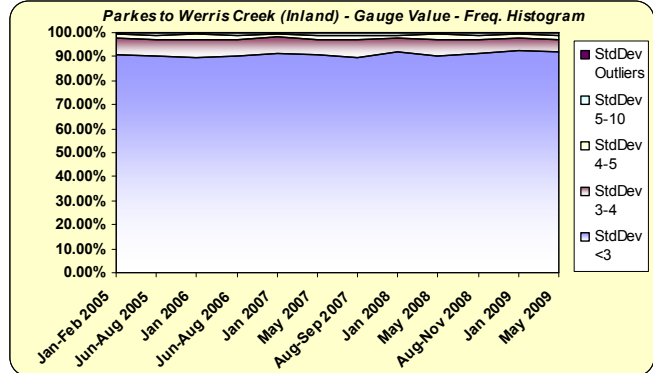
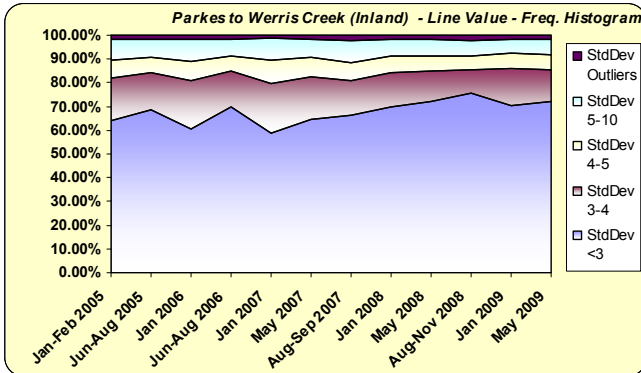
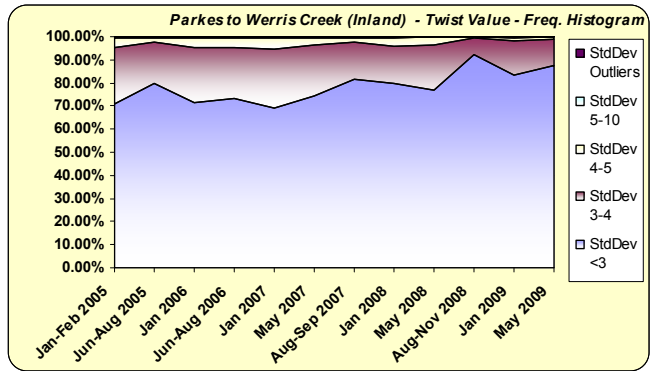
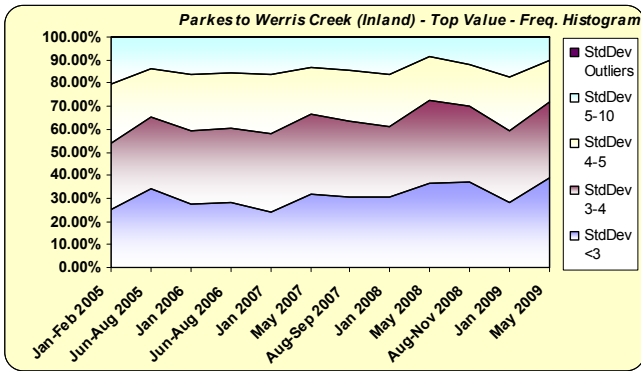
West (Jun 09)	StdDev <3	StdDev 3-4	StdDev 4-5	StdDev 5-10	StdDev Outliers
Top	44.62%	30.87%	16.38%	8.11%	0.02%
Twist	98.17%	1.64%	0.17%	0.02%	0.00%
Versine	95.27%	2.26%	1.17%	1.18%	0.11%
Gauge	98.31%	1.16%	0.41%	0.11%	0.00%





**Inland Route (July 2008 to June 2009)**

Inland (May 09)	StdDev <3	StdDev 3-4	StdDev 4-5	StdDev 5-10	StdDev Outliers
<b>Top</b>	<b>38.93%</b>	<b>32.64%</b>	<b>18.46%</b>	<b>9.92%</b>	<b>0.05%</b>
<b>Twist</b>	<b>87.31%</b>	<b>11.32%</b>	<b>1.26%</b>	<b>0.08%</b>	<b>0.03%</b>
<b>Versine</b>	<b>72.31%</b>	<b>13.38%</b>	<b>6.02%</b>	<b>6.32%</b>	<b>1.98%</b>
<b>Gauge</b>	<b>92.01%</b>	<b>5.30%</b>	<b>1.81%</b>	<b>0.85%</b>	<b>0.03%</b>



**(d) Three-Year Rolling Average of Large Rail Defects**

**Large Rail Defects**

Shown below is the Three –Year Rolling Average of Large Rail Defects occurring on the four KPI regions. All years record the non-Vertical and Vertical Split Head defects. The large rail defect limit of 48.86 (as per correspondence of October 2005) was not exceeded.

	04/05	05/06	06/07	07/08	08/09	3 Year Rolling Average
<b>Inland</b>	1	4	0	3	2	1.7
<b>North</b>	9	11	14	10	16	13.3
<b>South</b>	25	18	31	7	1	13.0
<b>West</b>	0	1	4	3	4	3.7
<b>Total</b>	35	34	49	23	23	31.7

The three year rolling average has decreased from 35.3 in 2007/08 to 31.7 in 2008/09 and is still below the large rail defect limit of 48.86

**(e) Cumulative Number of Sleepers replaced**

**i. New Sleepers installed on the four regions of the KPI Network excluding the Hunter Valley (Schedule 7, CI 2.2(e))**

	04/05	05/06	06/07	07/08	08/09
<b>Timber</b>	49,678	181,872	127,497	70,603	18,132
<b>Steel</b>	2,618	6,768	22,958	19,592	1,175
<b>Concrete</b>	532	11,622	209,335	945,901	446,672
<b>Other</b>	0	0	0	0	0

**ii. Sleeper Type on the four regions of the KPI Network on the last day of the ACR period (including sleepers replaced during the reporting period)**

	04/05	05/06	06/07	07/08	08/09
<b>Timber</b>	67.4%	67.3%	63.6%	55.5%	49.1%
<b>Steel</b>	11.1%	11.0%	10.9%	7.5%	7.8%
<b>Concrete</b>	21.5%	21.7%	25.5%	37.5%	43.1%
<b>Other</b>	0.0%	0.0%	0.0%	0.0%	0.0%

**(f) Bridges**

**i. Length of Bridges Replaced during Annual Condition Reporting period**

5 steel bridges totalling 71.77m have been replaced with 5 concrete structures totalling 65.27m during the reporting period. This has resulted in a net change to the bridge type and length, from the original list supplied at the date of commencement of the lease.

**ii. Percentage of Bridges for which repair work warrants a Temporary Speed Restriction, or a reduction in permitted axle load on the last day of the ACR period.**

Temporary Speed Restrictions are applied to 3 Bridges, well below the Bridge Limit of 20.

Number of Speed Restricted Bridges							
	06/07 Total Length(m)	06/07 No of Bridges:	07/08 Total Length(m)	07/08 No of Bridges:	08/09 Total Length(m)	08/09 No of Bridges:	% of Bridges:
Timber	50.0	1	0	0	0	0	0%
Iron	145.2	1	145.2	1	145.2	1	33.33%
Masonry	0		0	0	0	0	0%
Steel	871.4	5	381	3	210.3	1	0.30%
Concrete	0		0	0	0	0	0%
Other (incl. brick)			70.65	1	70.65	1	4.17%
<b>Total</b>	<b>1066.6</b>	<b>7</b>	<b>596.9</b>	<b>5</b>	<b>426.2</b>	<b>3</b>	<b>0.37%</b>

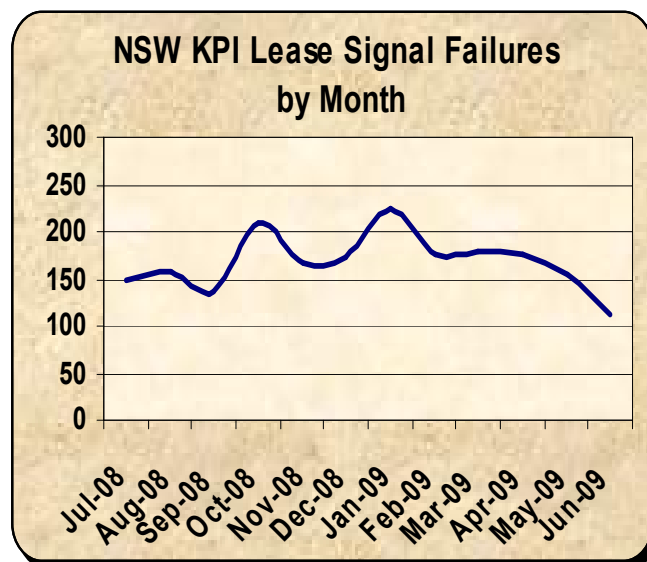
**iii. Bridge Type on the entire KPI Network on the last day of the ACR period.**

Summary of KPI Network Bridge Types						
	06/07 Total Length(m)	06/07 No of Bridges:	07/08 Total Length(m)	07/08 No of Bridges:	08/09 Total Length(m)	08/09 No of Bridges:
Timber	264.7	17	264.7	17	264.7	17
Iron	260.5	3	260.5	3	260.5	3
Masonry	54.9	1	54.9	1	54.9	1
Steel	17,193.2	341	16,649.79	335	16,578.02	330
Concrete	4,842.0	412	5,385.41	418	5,450.68	423
Other (incl. brick)	946.6	24	946.6	24	946.6	24
<b>Total</b>	<b>23,561.9</b>	<b>798</b>	<b>23,561.9</b>	<b>798</b>	<b>23,555.4</b>	<b>798</b>

**(g) Signal failures, by month**

**i. Total signal failures per month for the KPI Network (excluding level crossings)**

	04/05	05/06	06/07	07/08	08/09
<b>July</b>	-	106	104	176	150
<b>Aug</b>	-	88	123	202	158
<b>Sept</b>	44	86	131	264	135
<b>Oct</b>	89	124	126	274	209
<b>Nov</b>	93	130	165	234	167
<b>Dec</b>	117	143	189	239	174
<b>Jan</b>	115	179	191	224	224
<b>Feb</b>	115	155	229	204	177
<b>Mar</b>	107	113	222	197	179
<b>Apr</b>	74	110	179	195	175
<b>May</b>	115	116	162	151	154
<b>Jun</b>	94	125	161	141	111





**(h) Percentage of Healthy Trains Achieving On-Time Exit, on the KPI Network, by month**

**i. Scope of Measured Services (5.1)**

- Application of this clause 5 will be to all Trains that are contracted to a scheduled train path and which pass across a part of the KPI Network.  
*All scheduled ARTC services which pass across a part of the KPI Network, (ie the South, West, Inland route and North Coast regions) have been included in the report.*
- Trains contracted to a scheduled train path are those that have a network entry and exit location and time specified in an Access Agreement.  
*ARTC contracted scheduled services that have a network entry/exit location and time specified have been included in the report.*
- Trains operating under cyclic arrangements such as those carrying coal are not subject to the application of this measure.  
*The cyclical services referred to in clause 5.1 (c) have been excluded from the measurement.*

**ii. Measurement and Calculation (5.2)**

- (a) For each month, ARTC will, in accordance with clause 5.2(b), identify Trains as a Healthy Train or otherwise and Healthy Trains as achieving On Time exit or otherwise. ARTC will calculate Percentage of Healthy Trains Achieving On Time Exit in accordance with clause 5.2(f) of this Schedule 7.  
*Refer to the Graphs below.*
- A "**Healthy Train**" means a Train that, having regard to the Daily Train Plan applicable on the day:
  - presents to the ARTC network On Time, is configured to operate to its schedule and operates in a way that it remains able to maintain its schedule;
  - or
  - is running late only due to causes within the ARTC network but only where the root cause is not due to:
    - any act or omission of an Access Purchaser; or
    - any defect, breakdown or other failure of any Train or Rolling Stock; or
    - is running On Time, regardless of previous delays.

*The services measured meet the criteria of a Healthy Train service as per clause 5.2 (b).*

- **"On Time"** means scheduled time at a location including a fifteen minute tolerance.  
*On-time performance for all services measured are in accordance with the definition of 'On-time'*
- Measurement will be undertaken using ARTC's access management system.  
*The services measured have been calculated using ARTC's access management system*
- The identification of a Train as a Healthy Train or otherwise, and the identification of a Healthy Train as achieving On Time Exit will be made having regard to performance with respect to a scheduled train path as it exists over the whole of the ARTC network, including that subject to this Deed. As such, exit performance of a Train will be measured at the location where the Train exits the ARTC network, including that subject to this Deed.  
*As defined by clause 5.2 (e), ARTC has measured the full journey performance of services on the ARTC network (incl the NSW Lease network).  
For example, a Sydney – Melbourne service is considered to exit the ARTC Network at Dynon and conversely will enter the ARTC Network at Dynon for Melbourne – Sydney services.*

*The graphs below illustrate the KPI performance for July 2008 – June 2009.*

*Graph 1: shows the full journey performance of all services (including performance on the CRN network),*

*Graph 2: shows the full journey performance of all services (excluding those originating or terminating on the CRN Network)*

- **(b) "Percentage of Healthy Trains Achieving On-Time Exit"** for a month will be calculated as:

$$\frac{\text{Number of Healthy Trains achieving On Time exit for a month}}{\text{Number of Healthy Trains for a month.}} \times 100$$

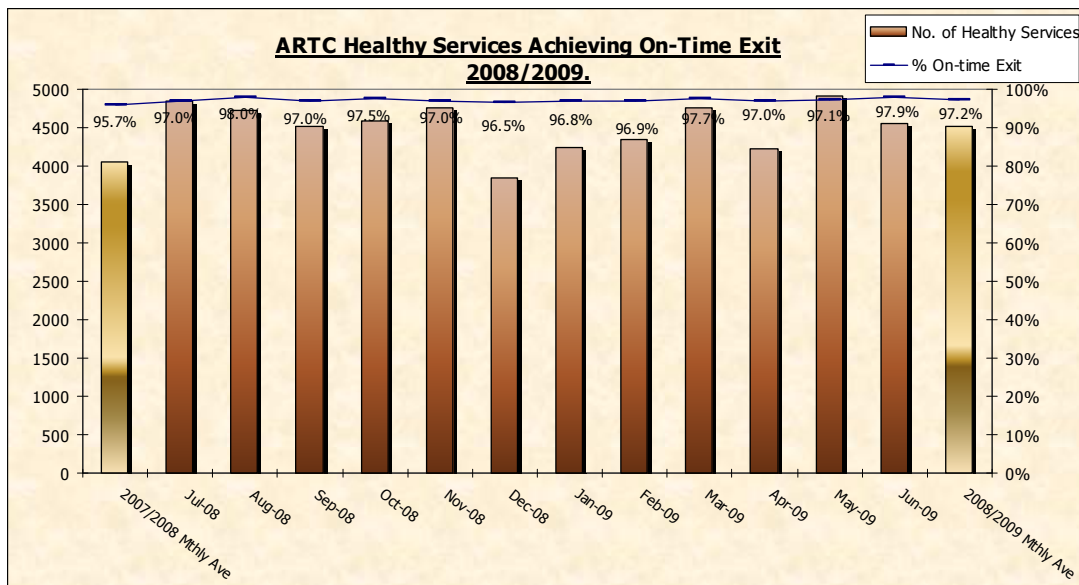
*The % of Healthy Services achieving On-time Exit has been calculated in line with the above formula.*

- The parties acknowledge that definition of Healthy Train in this clause 5 is intended to be consistent the definition of Healthy Train as contemplated in Access Agreements. If there is a material change in the definition of Healthy Train as contemplated in Access Agreements, ARTC and the Lessor will review the definition of Healthy Train in this clause 5.

*There has been no change to the definition of a Healthy Service as contemplated in clause 5 of the Access Agreement.*

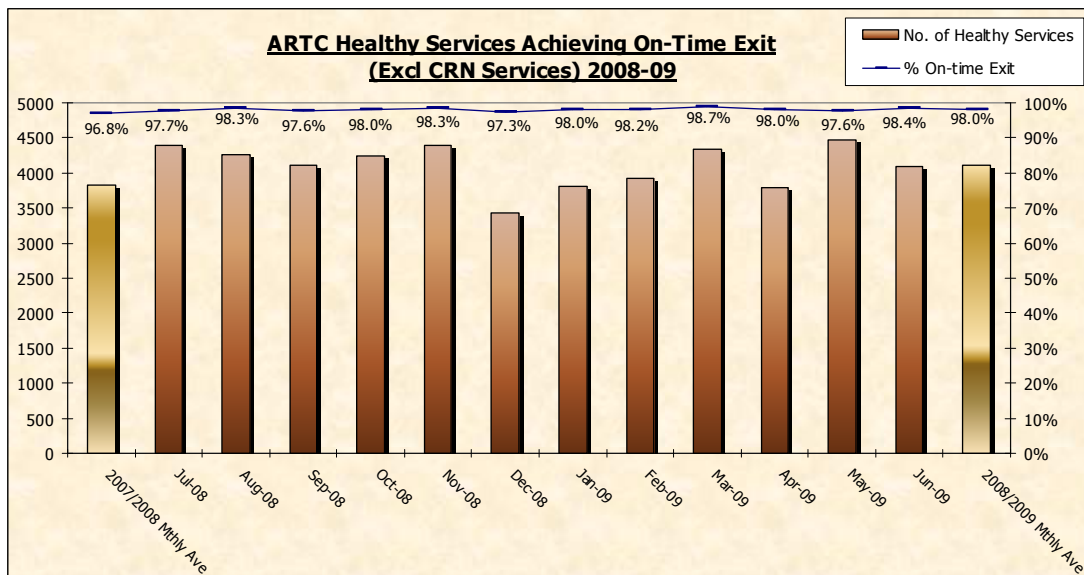
The CityRail Southern Highlands passenger services have been included in the on time exit of healthy services calculation since December 2005.

**Graph 1 - All Healthy Services with an On-time Exit (including CRN Network performance):**



The monthly average including CRN services for 08/09 of 97.2% exceeds the Service Reliability limit of 91.6%. The result is calculated as per lease schedule 7.3 (a) 'Service Reliability Limit as being the monthly average of Percentage of Healthy Trains Achieving on Time Exit for the year ending 12 months after the lease commencement date (September 2004 to August 2005).

**Graph 2 - All Healthy Services with an On-time Exit (excluding CRN Network originating/terminating services):**



The monthly average excluding CRN services for 08/09 of 98.0% exceeds the Service Reliability limit of 94.0%. The limit is calculated as per lease schedule 7.3 (a) 'Service Reliability Limit' as being the monthly average of Percentage of Healthy Trains Achieving on Time Exit for the year ending 12 months after the lease commencement date (September 2004 to August 2005).

**(i) Maximum allowable speed and axle load combination applying on the KPI Network**

As per lease schedule 2.1 (d) (ii), the maximum allowable speed and axle load combinations applying from the lease commencement date to five years after the commencement date are to be not less than that at commencement date.

The table below describes the maximum allowable speed and axle load combination on the KPI network as at the final business day of the reporting period.

<b>KPI Region</b>	<b>Segment</b>	<b>General Freight</b>	<b>Super Freighter</b>	<b>XPT</b>
Inland Route	Werris Creek to The Gap	80kph @ 23 TAL	115kph @ 19.5 TAL	160kph @ 19 TAL
North Coast	Maitland to Qld Border	80kph @ 23 TAL	115kph @ 19.5 TAL	160kph @ 19 TAL
South	Macarthur to Albury	80kph @ 23 TAL	115kph @ 19.5 TAL	160kph @ 19 TAL
South	Moss Vale to Unanderra	80kph @ 23 TAL	115kph @ 19.5 TAL	NA
West	Parkes (Goobang) to Broken Hill	80kph @ 23 TAL	115kph @ 21 TAL	145kph @ 19 TAL
West	Cootamundra to Stockinbingal, Stockinbingal to Parkes (Goobang)	80kph @ 21 TAL	100kph @ 19.5 TAL	NA
Inland Route	Parkes (Goobang) to Narromine Narromine to Dubbo Dubbo to Merrygoen Gulgong to Merrygoen	80kph @ 21 TAL	100kph @ 19.5 TAL	NA
Inland Route	Merrygoen to Binnaway Binnaway to The Gap	80kph @ 21 TAL	100kph @ 19.5 TAL	100kph @ 19 TAL

Maximum allowable speed and axle load combinations for the KPI network are not less than that as at the commencement date.

**(j) Permitted Permanent Speed Restrictions**

- i) 8 Permanent Speed restrictions were changed between July 2008 and June 2009.
- The following 8 permanent speed restrictions are regarded as permitted as per Schedule 7, section 1.2(aa) (i) as they have the effect of reducing the Base Transit Time.

Permanent speed restrictions were changed as a result of the following Major Works:

- Installation of signalled level crossing predictor equipment
- Track re-alignment
- Track upgrade

All of these works have the effect of reducing transit time.

West

<b>West - Parkes to Broken Hill Section 1C.</b>					
The following speeds were revised on 25 May 2009 due to consolidation of previous changes.					
	Down		Up		
km	Norm	XPT	Norm	XPT	Comment
445.707			<b>40</b>	<b>40</b>	<b><i>inserted</i></b>
445.900			<b>X25</b>	<b>X25</b>	<b><i>inserted</i></b>
446.160	<b>70</b>	<b>70</b>	<b>40</b>	<b>40</b>	<b><i>inserted</i></b>
<b>West - Muswellbrook to Dubbo Section 5.</b>					
The following speeds were revised on 1 May 2009 due to installation of a new loop.					
	Down		Up		
km	Norm	XPT	Norm	XPT	Comment
381.600	75				no change
<b>382.269</b>	<b>X55</b>				<b><i>inserted</i></b>
<b>382.419</b>	<b>*55</b>		<b>*X55</b>		<b><i>inserted</i></b>
<b>384.110</b>	<b>*X55</b>		<b>*55</b>		<b><i>inserted</i></b>
<b>384.260</b>			<b>X55</b>		<b><i>inserted</i></b>
385.000			75		no change
* on loop					

South

<b>South - Sydney to Albury Section 1.</b>					
The following speeds were revised on 29 July 2008 at Uranquinty, Yerong Creek and Gerogery.					
km	Down		Up		Comment
	Norm	XPT	Norm	XPT	
532.100	115	160			no change
<b>534.874</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>535.024</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
535.425	X40	X40			deleted
535.510			X40	X40	deleted
535.723					no change
536.470	X25	X30			deleted
536.560			X25	X30	deleted
<b>541.786</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>541.931</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
550.294					no change
554.000	115	160			no change
<b>560.533</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>560.679</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
564.190	X25	X30			deleted
564.280			X25	X30	deleted
565.087					no change
565.240	X50	X50			deleted
565.365			X50	X50	deleted
<b>567.584</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>567.730</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
580.095	X50	X50			no change
597.175			X50	X50	no change
<b>616.061</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>616.381</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
616.200	X25	X30			deleted
616.290			X25	X30	deleted
616.373					no change
617.205	X25	X30			deleted
617.300			X25	X30	deleted
<b>623.139</b>	<b>X80</b>	<b>X80</b>			<b>inserted</b>
<b>623.320</b>			<b>X80</b>	<b>X80</b>	<b>inserted</b>
629.325	X25	X30			no change

### North

#### North - Broadmeadow to Werris Creek Section 3B.

The following speeds were revised on 30 July 2008 at Willow Tree as part of the Willow Tree loop extension.

km	Down		Up		Comment
	Norm	XPT	Norm	XPT	
373.580	115	115			no change
375.000			115	115	no change
375.390	X40	X45			no change
<b>375.588</b>	<b>50*</b>	<b>50*</b>	<b>X40</b>	<b>X45</b>	<b>inserted</b>
375.735					no change
<b>376.423</b>	<b>105</b>	<b>120</b>	<b>115</b>	<b>120</b>	<b>inserted</b>
376.490			X40	X45	deleted
<b>377.357</b>	<b>115</b>	<b>115</b>	<b>105</b>	<b>120</b>	<b>inserted</b>
<b>377.357</b>	<b>X50</b>	<b>X50</b>	<b>50*</b>	<b>50*</b>	<b>inserted</b>
<b>377.462</b>			<b>X50</b>	<b>X50</b>	<b>inserted</b>
<b>379.460</b>			<b>115</b>	<b>150</b>	<b>inserted</b>
379.490			X40	X45	deleted
379.760	115	135			no change
380.000			115	135	no change

\* on loop

#### North - Broadmeadow to Werris Creek Section 3B.

The following speeds were revised on 4 September 2008 at Whittingham to improve capacity.

km	Down		Up		Comment
	Norm	XPT	Norm	XPT	
234.761			X75		deleted
<b>234.761</b>			<b>X70</b>		<b>inserted</b>

#### North - Broadmeadow to Werris Creek Section 3B.

The following speeds were revised on 27 March 2009 as a result of the St Helliers to Muswellbrook duplication and yard rationalisation.

km	Down		Up		Comment
	Norm	XPT	Norm	XPT	
280.909					
281.100	115	130			deleted
283.059			115	130	deleted
284.650	50	115			deleted
284.700	X50	X55			deleted
<b>284.766</b>	<b>#105</b>	<b>#115</b>	<b>#115</b>	<b>#130</b>	<b>inserted</b>
284.830			X50	X55	deleted
285.250	50	95			deleted
286.430	80	90	50	95	deleted
286.470	X55	X60			deleted
<b>286.504</b>	<b>#80</b>	<b>#90</b>	<b>#105</b>	<b>#115</b>	<b>inserted</b>
286.640	80	90	*X55	*X60	deleted

\* on loop

# bi-directional

#### North - Coal Train Working.

The following speeds were revised on 4 September 2008 at Whittingham to improve capacity.

234.348		X75			replace with X70
234.570	55				no change
234.588		X55			replace with X70
234.610		55			deleted
234.631	55				no change
234.674			55		deleted
234.910	60				no change
235.260			60		deleted
235.560	80				deleted
235.900			60		replace with 70
<b>235.926</b>		<b>70</b>			<b>inserted</b>

#### North - Broadmeadow to Werris Creek Section 3B.

The following speeds were revised on 21 December 2008 as a result of the Antiene to Grasstree duplication.

km	Down		Up		Comment
	Norm	XPT	Norm	XPT	
272.810			115	150	no change
272.300	110	120			deleted
273.600			105	115	deleted
<b>273.764</b>	<b>85</b>	<b>90</b>	<b>#105</b>	<b>#115</b>	<b>inserted</b>
273.900			80	90	deleted
273.910	80	90			deleted
273.947			<b>#X25</b>		<b>inserted</b>
274.257	<b>X80</b>				<b>inserted</b>
274.403			<b>X80</b>		<b>inserted</b>
274.480			X50	X55	deleted
274.771	<b>#80</b>	<b>#85</b>	<b>#85</b>	<b>#90</b>	<b>inserted</b>
275.520			80	90	deleted
<b>275.520</b>	<b>#90</b>	<b>#95</b>	<b>#80</b>	<b>#85</b>	<b>inserted</b>
275.820	90	95			deleted
276.170			90	95	deleted
276.460	100	105			deleted
<b>276.712</b>	<b>#115</b>	<b>#130</b>	<b>#90</b>	<b>#95</b>	<b>inserted</b>
278.740			100	105	deleted
279.040	115	130			deleted
280.350			115	130	deleted
<b>280.591</b>	<b>X80</b>				<b>inserted</b>
280.600	X50	X55			deleted
<b>280.739</b>			<b>X80</b>		<b>inserted</b>
280.740			X50	X55	deleted
<b>280.761</b>	<b>#X80</b>				<b>inserted</b>
<b>280.909</b>			<b>#X80</b>		<b>inserted</b>
281.000	115	130			no change

# bi-directional

### 3. Register of ARTC Infrastructure.

**(a) Building Works added to Assets Register during 2008/09**

<b>Location</b>	<b>Asset No</b>	<b>Asset</b>	<b>Cost</b>
Broken Hill	0011832	Air conditioning Unit	\$2,256.67
Broken Hill	0011833	Air conditioning Unit	\$2,256.67
Broken Hill	0011834	Air conditioning Unit	\$2,256.67
Muswellbrook	0012020	Building	\$661,465.17
Muswellbrook	0012022	Provisioning Centre floor covering	\$2,545.46
Muswellbrook	0012023	Provisioning Centre security system	\$4,350.00
<b>TOTAL</b>			<b>\$675,130.64</b>



## 4. Infrastructure Investment Program - Major Works

### (b) Major Works Investment Program

Major Project	2008/09	Future Expenditure	Total Budget
North Coast Improvement Works	\$26,571,000	\$233,000	\$276,504,000
Main South Improvement Works	\$180,241,000	\$3,696,000	\$616,111,000
Southern Sydney Freight Lines	\$98,919,000	\$206,840,000	\$317,400,000
Western NSW Improvement Works	\$217,000	See Nation Building Works	
Hunter Valley Improvement Works	\$164,208,000	\$1,169,579,000	\$1,522,016,000
Train Control Consolidation	\$1,676,000		\$99,996,000
Wayside	\$5,000	\$5,190,000	\$9,218,000
Communications Upgrade	\$228,000		\$4,655,000
Inland Rail Study	\$7,289,000	\$5,126,000	\$12,415,000
Plant & Equipment	\$912,000	\$600,000	\$4,728,000
Nation Building Works	\$28,929,000	\$157,461,000	\$184,315,000
Level Crossings Program	\$842,000	\$25,716,000	\$26,558,000
Metropolitan Freight Network	\$1,535,000	\$25,660,000	\$27,195,000
TCAPS	\$5,928,000	\$981,000	\$12,282,000
<b>Major Works Program Total</b>	<b>\$517,500,000</b>	<b>\$1,601,082,000</b>	<b>\$3,113,393,000</b>

### (c) Corridor Works Summary

	2006/07	2007/08	2008/09
Corridor RCRM	\$39,884,000	\$39,361,441	\$39,197,540
Corridor MPM	\$59,088,000	\$68,944,252	\$56,078,882
Corridor Capital	\$35,597,000	\$34,457,937	\$69,563,460
<b>Corridor Works Program Total</b>	<b>\$134,569,000</b>	<b>\$142,763,630</b>	<b>\$164,839,882</b>

**(d) Major Works Underway - Indicative Cash Flow**

The indicative year to year cash flows for the Major Works Investment Program is detailed in the following table:

Project	2009/10	Beyond 2010	Total Forecast
<b>Hunter</b>			
80km/h approach Minimbah	\$12,000		\$1,176,000
Bi-Directional Signalling	\$967,000		\$45,916,000
Maitland to Minimbah Third Road - Stage 1	\$97,285,000		\$137,002,000
Maitland to Minimbah Third Road - Stage 2	\$86,035,000	\$237,991,000	\$330,013,000
Multi-user Provisioning & Inspection Centre		\$41,769,000	\$42,000,000
Terminal Upgrade - Extension - Kooragang Is.		\$20,000,000	\$20,000,000
Terminal Upgrade - Port Waratah		\$15,000,000	\$15,000,000
Newdell Junction Upgrade	\$10,017,000		\$14,072,000
Muswellbrook Ext Loop & New Junction			\$11,182,000
Antiene to Grasstree Stage 1 Duplication	\$2,923,000		\$42,365,000
Drayton Junction Remodelling & Upgrade	\$9,558,000	\$2,344,000	\$12,089,000
St Helliers to Muswellbrook Duplication	\$2,634,000		\$29,374,000
Nundah – Third Track	\$43,252,000	\$81,276,000	\$125,000,000
Muswellbrook to Gap Crossing Loop Extensions	\$104,000		\$33,618,000
Koolbury Passing Loop	\$9,549,000	\$5,412,000	\$15,098,000
Liverpool Range Deviation	\$10,000,000	\$279,118,000	\$290,000,000
Scone Reconfiguration		\$2,000,000	\$2,000,000
Werris Creek Bypass - 409 km	\$9,781,000	\$8,724,000	\$18,593,000
Parkville Crossing Loop - Extension	\$6,620,000	\$2,158,000	\$9,000,000
Braefield Passing Loop - 386 km	\$9,976,000		\$11,628,000
Wingen Passing Loop - 331 km		\$10,000,000	\$10,000,000
Quipolly Crossing Loop - Ext - 402 km	\$6,620,000	\$2,700,000	\$10,000,000
Murrurundi Crossing Loop Extension - 352 km	\$6,720,000	\$2,280,000	\$9,000,000
Quirindi Passing Loop		\$10,000,000	\$10,000,000
Ulan Line Signalling & CTC	\$2,513,000		\$18,567,000
Ulan Line Loops	\$783,000		\$38,424,000
Bengalla Loop	\$1,900,000	\$10,092,000	\$12,000,000
Aerosol Valley Loop - 370km	\$10,829,000		\$12,000,000
Worondi Loop	\$10,139,000		\$11,300,000
Bylong Tunnel Ventilation	\$11,270,000	\$7,660,000	\$19,400,000
Radio Hut loop - 319 km	\$10,237,000		\$11,200,000



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Project	2009/10	Beyond 2010	Total Forecast
<b>Hunter cont.</b>			
Loop - 353 km		\$12,000,000	\$12,000,000
Wilpingong Loop - 422 km		\$12,000,000	\$12,000,000
Loop - 404 km		\$12,000,000	\$12,000,000
Loop - 390 km		\$12,000,000	\$12,000,000
Loop - 337 km		\$12,000,000	\$12,000,000
Loop - 378 km		\$12,000,000	\$12,000,000
Ulan to Gulgong CTC		\$2,000,000	\$2,000,000
U3 Alliance costs	\$331,000		\$800,000
<b>Hunter Valley Total</b>	<b>\$360,055,000</b>	<b>\$812,524,000</b>	<b>\$1,441,817,000</b>

North Coast	2009/10	Beyond 2010	Total Forecast
Reposition speed boards	\$233,000		\$233,000
<b>North Coast Total</b>	<b>\$233,000</b>		<b>\$233,000</b>

Main South	2009/10	Beyond 2010	Total Forecast
Passing Lanes - Gerogery - Table Top	\$185,000		\$10,330,000
Passing Lanes - Harefield - Bomen	\$571,000		\$14,020,000
Concrete resleepering Bethungra – Junee	\$2,940,000		\$8,006,000
<b>Main South Total</b>	<b>\$3,696,000</b>		<b>\$32,356,000</b>

Nation Building Works	2009/10	Beyond 2010	Total Forecast
Ivanhoe Loop	\$4,148,000	\$2,848,000	\$7,000,000
Menindee Loop	\$4,200,000	\$2,800,000	\$7,000,000
Kiacatoo Loop	\$4,200,000	\$2,800,000	\$7,000,000
Springdale Loop	\$4,900,000	\$2,100,000	\$7,000,000
Wards Lane Loop	\$4,900,000	\$2,100,000	\$7,000,000
Mindaribba New Loop	\$8,330,000		\$13,915,000
Kerewong Loop Extension	\$6,477,000		\$9,801,000
Loadstone Loop Extension	\$6,813,000		\$7,139,000
Killawarra Loop Upgrade	\$455,000		\$1,312,000
John's River Loop Upgrade	\$318,000		\$1,195,000
Kilbride Loop Extension	\$10,122,000		\$11,253,000
Culcairn Passing lane - PL 14	\$12,457,000		\$13,200,000
Cootamundra - Parkes Upgrade	\$77,493,000		\$91,500,000
<b>Nation Building Works Total</b>	<b>\$144,813,000</b>	<b>\$12,648,000</b>	<b>\$184,315,000</b>



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<b>Level Crossings Program</b>	<b>2009/10</b>	<b>Beyond 2010</b>	<b>Total Forecast</b>
Boom gates on National Network - NSW	\$25,716,000		\$26,558,000
<b>Level Crossings Program</b>	<b>\$25,716,000</b>		<b>\$26,558,000</b>
<b>TOTAL</b>	<b>\$534,513,000</b>	<b>\$825,172,000</b>	<b>\$1,685,279,000</b>