

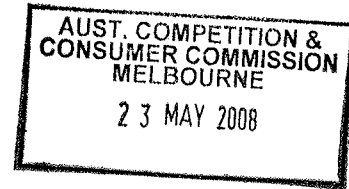


**AUSTRALIAN RAIL TRACK CORPORATION LTD**

Ref No:

22 May 2008

Ms Margaret Arblaster  
General Manager Transport & Prices Oversight  
Regulatory Affairs Division  
ACCC  
GPO Box 520  
Melbourne VIC 3001



Dear Ms Arblaster

**AUSTRALIAN RAIL TRACK CORPORATION LTD  
2007 ARTC INTERSTATE ACCESS UNDERTAKING  
ACCC DRAFT DECISION**

**ARTC SUBMISSION**

ARTC has now reviewed your Draft Decision in relation to the 2007 ARTC Interstate Access Undertaking released on 29 April 2008. We note the ACCC's Draft Decision is to accept ARTC's December Undertaking subject to ARTC addressing a number of issues raised by the ACCC.

We note that the Draft Decision follows substantial consultation between ARTC and the ACCC in relation to ARTC's original June Undertaking where ARTC made a substantial number of amendments in order to address industry and the ACCC's concerns.

ARTC recognises that, in its Draft Decision, the ACCC has sought to establish a reasonable balance of the interests of all stakeholders, and supports the ACCC Draft Decision in this regard. Accordingly, ARTC is minded to accept, in principle, the ACCC's recommendations in the Draft Decision, although reluctantly in some cases, and subject to achieving an agreeable solution, with the ACCC, that addresses ARTC's issues in relation to some of the recommendations.

By and large, these issues relate to the industry and competitive outcomes, and the practical application of the recommendations. The issues and ARTC's proposed amendments in relation to each recommendation are detailed at Attachment 1.

Please note that this submission and Attachment 1 are provided to the ACCC on a without prejudice basis and do not represent ARTC's final position on any matter.

If you are questions in relation to the preparation of this submission, please contact Glenn Edwards (08 82174292) [gedwards@artc.com.au](mailto:gedwards@artc.com.au).

Yours sincerely



David Marchant  
Chief Executive Officer

## ARTC 2007 INTERSTATE ACCESS UNDERTAKING

### ACCC DRAFT DECISION - RECOMMENDATIONS

#### ARTC ISSUES AND PROPOSALS

ACCC Recommendation	ARTC Position/Issues/Proposal
<p><b>D.1. Preamble</b> <b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>The ACCC's preliminary view is that clause 1.1(f) of the Preamble be moved to clause 1.2 to become an objective of the Undertaking.</li> </ul>	<p>ARTC has no substantive issue in relation to the recommendation. ARTC proposes to amend clauses 1.1(f) as follows:</p> <p><i>(f) ARTC has prepared this Undertaking voluntarily in pursuance of its charter objectives.</i></p> <p>and insert new subclause 1.2(a) as follows:</p> <p><i>(a) provide a framework to manage negotiations with Applicants for Access to the Network for the purpose of operating Services;</i></p>
<p><b>D.2. Scope and Administration of the Undertaking</b> <b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>That the details provided on the geographic scope of the Undertaking for the NSW leased network be similar to that provided for the ARTC owned and Victorian leased parts of the network; and</li> <li>That the Undertaking include maps that delineate the network covered by the Undertaking.</li> </ul>	<p>ARTC has proposed to increase the level of detail in relation to the textual description of the NSW network to be more consistent with other parts of the Network.</p> <p>In relation to the diagrams provided by ARTC during earlier consultation, ARTC would expect that a number of changes may occur each year, particularly during the investment program. These changes are generally fairly minor (such as adding a loop, extending a loop, decommissioning a loop or siding etc).</p> <p>ARTC is concerned that such changes may technically give rise to an amendment to the Undertaking necessitating the review process contemplated in clause 2.4 of the Undertaking. The consultation requirements imposed on both ARTC and the ACCC by this clause would almost always be excessive and unnecessary in these circumstances.</p> <p>ARTC proposes to publish diagrams (of the type previously presented during consultation) on its website that reflect the Network as at Commencement Date, and updated maps to reflect any amendments that occur from time to time.</p> <p>ARTC proposes to incorporate the diagrams at Schedule E of the Undertaking (and similarly in the Indicative Access Agreement) subject to achieving an agreeable solution, with the ACCC, that addresses ARTC's issue described above. In any event, where the textual description of the Network incorporated at Schedule E changes, ARTC proposes to treat this as a variation to the Undertaking.</p> <p>A proposed wording of Schedule E and an example diagram for discussion is provided at Attachment 1A.</p>

**ACCC Recommendation****ARTC Position/Issues/Proposal****D.2.2. Grant and Duration of the Undertaking****Recommendation:**

The ACCC's preliminary view is that the ARTC Undertaking should be amended to replace clause 2.2 with:

*ARTC undertakes to the ACCC that it will comply with the terms and conditions specified in this Undertaking in relation to the grant of Access to Operators to the Network for Services. This Undertaking takes effect twenty-one (21) days after it is accepted by the ACCC subject to section 44ZZBF of the Act and will continue until the earlier to occur of:*

- (a) the expiry of the Term; or*
- (b) withdrawal of this Undertaking in accordance with its terms and the Act.*

**Recommendation:**

The ACCC's preliminary view is that Clause 2.2 of the December Undertaking should be amended to address the following:

- Three months prior to the expiry of the term of the Undertaking ARTC will submit to the ACCC a written statement outlining whether or not it intends submit a new voluntary Undertaking to the ACCC for its consideration;
- If ARTC intends to submit a new voluntary Undertaking to the ACCC for its consideration ARTC would also apply to the ACCC for an extension of the expiring Undertaking, pursuant to Part IIIA s.44ZZBB of the TPA;
- The extension application would include a proposed extension period which, in ARTC's view, reasonably estimates the time it would take for ARTC to formulate a new Undertaking and have that Undertaking take effect following approval by the ACCC;
- If ARTC does not propose to submit to the ACCC a new voluntary undertaking the recommendations above would not be applicable. Nothing in the clause would prevent ARTC from submitting a voluntary Undertaking to the ACCC at any time in the future.

ARTC has no substantive issue in relation to the recommendation. ARTC proposes to amend clause 2.2 in accordance with the ACCC's wording.

ARTC has no substantive issue in relation to the recommendation. ARTC proposes to amend clause 2.2 to include sub-clauses (b) to (e) as follows:

- (a) Not later than three (3) months prior to the expiry of the Term of the Undertaking ARTC will submit to the ACCC a written statement outlining whether or not it intends to submit a new voluntary Undertaking to the ACCC for its consideration.*
- (b) If ARTC intends to submit a new voluntary Undertaking to the ACCC for its consideration; ARTC will also apply to the ACCC for an extension of the expiring Undertaking.*
- (c) The application for extension would include a proposed extension period which, in ARTC's view, reasonably estimates the time it would take for ARTC to formulate a new Undertaking and have that Undertaking take effect following approval by the ACCC.*
- (d) If ARTC does not propose to submit to the ACCC a new voluntary Undertaking then clause (b) to (d) would not be applicable. Nothing in this clause would prevent ARTC from submitting a voluntary Undertaking to the ACCC at any time during the Term of this Undertaking.*

ACCC Recommendation	ARTC Position/Issues/Proposal
<p><b>D.2.4. Review of the Undertaking</b>  <b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• That the Undertaking include a provision requiring ARTC to undertake a review, in consultation with stakeholders, of the Undertaking after five years.</li> </ul>	<p>ARTC has no substantive issue in relation to the recommendation. ARTC proposes to include new clause 2.4(f) as follows:</p> <p><i>(f) As soon as practicable after the fifth (5<sup>th</sup>) anniversary of the Commencement Date, ARTC will undertake a review of the Undertaking, in consultation with Operators. The review will consider any material impact that changes to industry circumstances or Government policy may have on the consistency of the Undertaking taking into consideration the objectives prescribed at clause 1.2.</i></p>
<p><b>D.3.6.1. Commencement and Cessation of Negotiation Period</b>  <b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• That Clause 3.10(b)(vi) of the December Undertaking be amended to require ARTC to provide written reasons to an applicant where it decides to issue a notice of intent to end negotiations.</li> </ul>	<p>ARTC has no substantive issue in relation to the recommendation. ARTC proposes to amend clause 3.10(b)(iv) as follows:</p> <p><i>(iv) if ARTC receives evidence confirming that the Applicant no longer satisfies the prudential requirements of clause 3.4(d), on receiving such evidence ARTC will advise the Applicant of such evidence and issue a notice of intent to end the negotiation period, to become effective ten (10) Business Days after the issue of the notice. Where ARTC issues a notice of intent, ARTC will provide to the Applicant written reasons for its decision to end the negotiation period.</i></p>

**ACCC Recommendation****ARTC Position/Issues/Proposal****D.3.7. Access Agreements****Recommendation:**

- The ACCC's preliminary view is that the provisions in clause 3.11 should be amended to read as follows:

*(a) The granting of Access will be finalised by the execution of an Access Agreement. The parties to the Access Agreement will be ARTC and:*

*(i) If the Applicant is an Accredited Operator, that Applicant; or*

*(ii) If the Applicant is not an Accredited Operator, that Applicant or the Accredited Operator or both (as the case may be).*

*(b) Subject to clause 3.11(c) ARTC may offer any of the following as an Access Agreement:*

*(i) the Indicative Access Agreement subject to the Applicant satisfying the prudential requirements in clause 3.4(d); or*

*(ii) the current available market terms and conditions as published on ARTC's website; or*

*(iii) an negotiated Access Agreement to reflect agreed amendments to the Access Agreement. A negotiated Access Agreement will, unless otherwise agreed between ARTC and the Applicant at least address the essential elements set out in Schedule C. The details of Schedule C do not provide an exhaustive list of the issues that may be included in an Access Agreement.*

*(c) ARTC must offer the Indicative Access Agreement to an Applicant if the Applicant:*

*(i) seeks access to Indicative Service; and*

*(ii) meets the prudential requirements in clause 3.4(d); and*

*(iii) either:*

*(A) the Network has sufficient Available Capacity to meet the Applicant's needs; or*

*(B) ARTC consents to provide Additional Capacity in accordance with clause 6.2.*

*(d) Once the Applicant has notified ARTC that it is satisfied with the terms and conditions of the Access Agreement as drafted, ARTC will, as soon as reasonably practicable, provide a final Access Agreement (or, if applicable, an amendment to an existing Access Agreement) to the Applicant for execution.*

*(e) Where the ARTC offers an Access Agreement and the Applicant accepts the terms and conditions offered in that Access Agreement, both ARTC and the Applicant will execute the Access Agreement. The parties will use reasonable endeavours to comply with this clause as soon as practicable.*

ARTC has no substantive issue in relation to the recommendation and proposes to replace clause 3.11 with the ACCC's wording.

ACCC Recommendation	ARTC Position/Issues/Proposal
<p><b>D.4.5. Price Escalation</b> <b>Recommendation</b></p> <ul style="list-style-type: none"> <li>The ACCC's preliminary view is that the ARTC Undertaking should be amended so that price increases for indicative services can only be implemented once a year.</li> </ul>	<p>ARTC has no substantive issue in relation to the recommendation. ARTC proposes to amend clause 4.6(d) as follows:</p> <p><i>(d) ARTC may annually vary the Indicative Access Charges for Indicative Services ("Review Date") by up to an amount determined in accordance with the following formula:</i></p> <p>Remove:</p> <p><i>ARTC may vary some or all of the Indicative Access Charges for Indicative Services more than once in any period between consecutive Determination Dates provided that the total of the variations do not exceed TV<sub>i</sub> for earlier of the two relevant Determination Dates.</i></p> <p>ARTC will make similar amendments where needed to the IAA.</p>
<p><b>D.4.6. Excess Network Occupancy Charge</b> <b>Recommendation</b></p> <p>The ACCC's preliminary view is that the ARTC Undertaking should be amended to include provisions to the following effect:</p> <ul style="list-style-type: none"> <li>A new provision committing ARTC not to apply the ENOC in cases where a new contract must include a schedule with excessive transit times because a better path is not available; and</li> <li>A new provision committing ARTC not to charge the ENOC when the reason why the contracted train path is not available is ARTC's fault.</li> </ul>	<p>ARTC has no substantive issue in relation to the recommendation. ARTC proposes to insert a new clause 4.5(e) adopting words consistent with ARTC commitment in the Explanatory Memorandum as follows:</p> <p><i>(e) The excess network occupancy component will only apply where the Applicant seeks to contract a Train Path that requires more time on the Network than is made available by ARTC based on normal parameters for section run times for the applicable Train service type as determined by ARTC and for operational activities whilst the Train occupies the Network as specified at clause 4.6(c).</i></p> <p>ARTC considers this amendment unnecessary where clause 4.5(d) explicitly says that ENOC applies 'except where otherwise provided in the Access Agreement' (where this commitment is stated at clause 4.3(b)). Nevertheless, ARTC proposes to insert a new clause 4.5(f) consistent with the wording in Schedule D as follows:</p> <p><i>(f) In relation to utilisation of a contracted Train Path, the excess network occupancy component will not be charged in instances where ARTC is not able to provide the contracted Train Path or an agreed substitute Train Path except where the failure to provide the contracted Train Path is a result of an Incident, Third Party Works or an emergency.</i></p> <p>Additional definitions as needed would also be included.</p>

ACCC Recommendation	ARTC Position/Issues/Proposal
<p><b>D.5.3.9. The Utilisation Rate Recommendation</b></p> <ul style="list-style-type: none"> <li>The ACCC's preliminary view is that the WACC parameters that ARTC has provided are broadly reasonable with the exception of gamma. The ACCC recommends that ARTC amend its gamma from 0.30 to 0.50.</li> </ul>	<p>ARTC has noted the arguments put forward by the ACCC supporting the use of gamma at 0.5. ARTC does not consider these arguments necessarily are any stronger than those put forward by ARTC. ARTC considers that the gamma of 0.3 proposed in the December Undertaking represents a reasonable compromise given the uncertainties around this parameter and recent regulatory positions. Nevertheless, it seems that the use of gamma at 0.5 does not significantly affect the post-tax nominal WACC and ARTC reluctantly accepts the ACCC's recommendation.</p> <p>ARTC proposes to publish floor and ceiling limits on its website using a rate of return with gamma at 0.5 at the appropriate time.</p>
<p><b>D.6.3. Capacity Reservation Fee Recommendation</b></p> <ul style="list-style-type: none"> <li>The Capacity reservation charge be deleted from the Undertaking.</li> </ul>	<p>In its June Undertaking, ARTC proposed to introduce the concept of capacity reservation to the undertaking as a means to promote access and utilisation of the network. To address potential opportunity cost (and to mitigate commercial disincentives to ARTC in allowing reservation of potentially scarce capacity on the Network) and the risk of hoarding ARTC proposed to apply a reservation fee which would have regard to the relevant opportunity cost. ARTC subsequently further prescribed a cap to the fee.</p> <p>ARTC notes the ACCC's concerns that a fee may discourage entry to the network and that ARTC's proposed methodology is 'likely to result in the fee being imposed where there is little or no opportunity cost of reserving capacity and the costs of capacity hoarding are low'.</p> <p>ARTC contends that its commercial motivation to encourage access and new entry to the network, the <i>explicit</i> recognition in clause 5.2 of the Undertaking to have regard to the opportunity cost in determining a fee, and the inclusion of a cap would have provided more than sufficient constraint on ARTC imposing a fee that was inappropriately excessive.</p> <p>ARTC also contends that it is more likely that a customer would seek to reserve capacity or hoard capacity where the network was congested, and where there was a risk that the capacity would not remain uncommitted or where there was a significant competitive advantage respectively.</p> <p>ARTC is disappointed that the ACCC has recommended that no fee apply. Whilst this now prevents a fee from being applied where there is no opportunity cost, it also reduces ARTC incentive to permit reservation at congested times where demand is most likely, and so defeats the purpose of permitting reservation in the first place.</p> <p>If the ACCC is minded to maintain its position in the Draft Decision then ARTC would propose to remove clause 5.2(b) but suggests that the outcome would be less desirable as described above.</p> <p>ARTC would prefer to discuss the recommendation with the ACCC with a view to achieving an agreeable solution to address ARTC concerns above, and retaining the fee. In this regard ARTC would consider further reducing the cap in relation to the reservation fee.</p>



**ACCC Recommendation****ARTC Position/Issues/Proposal****D.7.2.2. Role of Industry Consultation  
Recommendation**

- The ACCC's preliminary view is that the ARTC Undertaking should be amended to include a provision in Part 6 to the following effect:

**6.5 Industry Consultation**

*In regard to Additional Capacity sought in accordance with clauses 6.2 and 6.3, ARTC must:*

- (i) provide above Operators with a reasonable opportunity to present their views to it regarding Additional Capacity sought by either an Applicant or by it; and*
- (ii) circulate a summary of the results of consultation to stakeholders including reasons for disagreeing with Operators' views (where applicable).*

ARTC maintains the position that it is commercially motivated to consult *effectively* with customers in order to mitigate its own risk in investing on the interstate network where returns are suboptimal.

The ACCC's recommendation to formally oblige ARTC to consult appears to be based on evidence cited by some stakeholders. ARTC has been unable to locate such evidence in public submissions.

ARTC has provided significant evidence of consultation around its investment program to date and would be happy to provide evidence of more detailed consultation undertaken where specifically sought by customers and going even further to that provided for in the recommendation. Even effective consultation does not deliver an outcome pursued by a proponent in all cases.

ARTC is also concerned that placing an obligation on it to provide reasons for disagreeing may imply a need to thoroughly evaluate proposals in all cases. ARTC would normally do this but as, on the interstate network, ARTC is unable to get a commercial return from customers or investment is funded by Government Grants, there is little constraint on customers seeking a range of investments of varying complexity and size that may provide benefits to them without consideration for cost, value, or equity and to which ARTC must now respond with a detailed evaluation.

The wording of the ACCC recommendation also has ARTC disclosing Additional Capacity sought by an Applicant who may not wish their request to be made public for genuine commercial reasons.

Nevertheless, to address the ACCC's concerns regarding industry perception, ARTC proposes to insert a new clause 6.5 that is largely consistent with the ACCC's recommendation as follows :

**6.5 Industry Consultation**

*In regard to the planning for Additional Capacity on the Network ARTC will:*

*(a) provide Operators with a reasonable opportunity to present their views regarding Additional Capacity;*

*(b) outline its views regarding Additional Capacity; and*

*(c) circulate a summary of the results of consultation regarding Additional Capacity to the Operators including, where applicable, reasons for disagreeing with Operators' views.*

It should be noted that clause 6.2 already provides for ARTC to provide written reasons for the basis of its decisions on request. The proposed wording above also enables an Applicant to voluntarily disclose their needs without ARTC disclosing the Applicants commercial intentions.

ATTACHMENT 1A

**PROPOSED SCHEDULE E WORDING FOR DISCUSSION**

## SCHEDULE E

### Network

#### **South Australia, part Western Australia (Kalgoorlie to WA/SA border) and part New South Wales (SA/NSW border to Broken Hill)**

##### Part I

1. **Tarcoola – Asia Pacific Interface Point**  
Mainline from the 504.5 kms mark to the 510.85 kms mark.
2. **Kalgoorlie to Crystal Brook**  
Mainline from the eastern end of Kalgoorlie at 1781.500 kms to Crystal Brook including all tracks, turnouts and signals forming the Crystal Brook and Coonamia triangle.
3. **Port Augusta to Whyalla**  
Mainline from the point of connection with the Kalgoorlie to Port Augusta line to the main line facing points located at 166.590 kms at the northern entrance to the Whyalla yard.
4. **Crystal Brook to Broken Hill**  
Mainline from the eastern end of the Crystal Brook triangle to the western end of Broken Hill at 391.990 kms.
5. **Crystal Brook to Dry Creek**  
Mainline from the southern end of the Crystal Brook triangle to the southern apex of the Dry Creek triangle.
6. **Adelaide Metropolitan Area**
  - 6.1 Mainline from Dry Creek including all tracks, points and signals forming the Dry Creek triangle to Port Adelaide Junction (signal 1155).
  - 6.2 Mainline from Glanville (signal 1456) to Pelican Point/Outer Harbour.
  - 6.3 Mainline from Gillman Junction to a point approximately 100 metres before the Eastern Parade level crossing at Port Adelaide flat.
7. **Dry Creek to the South Australian/Victorian border**  
Mainline from the southern apex of Dry Creek Triangle to the Victorian border at 313.210 kms.
8. **Crossing Loops**  
All crossing loops within each corridor described above and, for the avoidance of doubt, as described in the network configuration maps incorporated in Part 2.
9. **Authority Points**  
All other rail track connecting with those running lines within each corridor described above between the mainline and the last signal, derail or other point of authority on that rail track protecting access to the running line and, for the avoidance of doubt, as described in the network configuration maps incorporated in Part 2.

**South Australia, part Western Australia (Kalgoorlie to WA/SA border) and part New South  
Wales (SA/NSW border to Broken Hill)**

**Part 2**

**Network configuration maps describing the network configuration forming the Network**

**See attached AJ Map ARTCS3070002 one (1) page.**

Victorian Lease

**Part 1 – Mainline South Australia to Melbourne\***

<b>Location</b>	<b>Boundary</b>
SA/VIC Border	Marked distance 463.687 km
Mainline including crossing loops, dual gauge, turnouts, and diamond and, for the avoidance of doubt, as described in the network configuration maps incorporated in Part 4	Last long timber at turnouts to sidings and diamond crossings
Dimboola	Last long timber to Yaapeet branch line
Murtoa	Last long timber to Hopetoun branch line
Maroona	Last long timber to Portland branch line
Gheringhap	Last long timber at Divergence of dual gauge at Butcher Road 81.600 km
North Geelong “C”	Last long timber at divergence of dual gauge
Newport	Last long timber at divergence of dual gauge
Brooklyn	Last long timber at divergence of dual gauge
Sims Street Junction	Ref “Part 3 – Melbourne Boundaries”

**Part 2 – Mainline New South Wales to Melbourne\***

<b>Location</b>	<b>Boundary</b>
Albury**	Marked distance 304.163 km
Mainline including crossing loops, cripple roads, dual gauge, turnouts, and diamond and, for the avoidance of doubt, as described in the network configuration maps incorporated in Part 4	Last long timber at turnouts to sidings (other than cripple roads) and diamond crossings
Somerton	Last long timber in turnout to No. 3
McIntyre	Last long timber in turnout No. 2
Sims Street Junction	Ref “Part 3 – Melbourne Boundaries”

\*To the extent that such railway lines are owned by ARTC or leased by Victorian Rail Track to ARTC.

\*\* To the extent that such railway lines are leased by RIC and SRA to ARTC.

### Part 3 – Melbourne\* Boundaries

South Dynon Junction to Spencer Street	
Location	Boundary
	SST184
Spencer Street signal	
Reversing Loop Junction	Last long timber in the mixed gauge
Contrans Siding	Dwarf Signal 204
South Dynon Terminal (east end)	Dwarf Signals 214 & 210
South Dynon Terminal (west end)	Dwarf Signals 126, 228, 230 & 232
Sims Street Junction to North Dynon	
Location	Boundary
North Dynon Intermodal Terminal	Dwarf Signals 92 & 94
North Dynon Agents Area	Dwarf Signal 90
South Dynon Junction to Appleton Dock	
Location	Boundary
Operations Terminal (west end)	Dwarf Signal 142
Operations Terminal (east end)	Dwarf Signal 236 Note: track on crossover between MOT No. 3 track and MOT no. 2 track, beyond the last long timber and turnout No. 235, does not form part of the ARTC Network. Dwarf Signal 238, although beyond the ARTC boundary, forms part of the ARTC Network.
Appleton Dock	Footscray Road Level Crossing
Other Areas	
Location	Boundary
Track to NRC Wagon maintenance Centre	Dwarf Signal 154
Locomotive Provisioning Centre (west end)	Dwarf Signal 130
Locomotive Provisioning Centre (east end)	Dwarf Signal 128 Note: track between the last long timber turnout No. 127D and the last long timber on turnout No. 123U, does not form part of the ARTC Network.
Sims Street Triangle	Sims Street Junction Weighbridge Junction South Dynon Junction

\*To the extent that such railway lines are owned by ARTC or leased by Victorian Rail Track to ARTC.

**Victorian Lease**

**Part 4**

**Network configuration maps describing the network configuration forming the Network**

**See attached A3 Map ARTCS3070003 one (1) page.**

## New South Wales Lease

### Part 1

**Mainline, crossing loops, dual gauge and turnouts as summarised below and, for the avoidance of doubt, as described in the network configuration maps incorporated in Part 2:**

1. 648.000 km Albury<sup>1</sup> to 59.300 km Macarthur<sup>2</sup>
1. Newcastle (Islington Junction)<sup>2</sup> 163.920 km on the Down Relief/Down Islington Loop/Up Islington Loop (Woodville Junction to Islington Junction) and 164.045 km on the Up and Down Mains (Islington to Hamilton) to 875.980 km Queensland Border (Border Loop Tunnel)<sup>3\*</sup>
2. 428.300 km northern apex and 428.900 km southern apex of the Cootamundra West Triangle to 1126.640 km Broken Hill<sup>4</sup>
3. 144.500 km northern end of north fork and 145.000 km southern end of south fork at Moss Vale Junction to 91.080 km Unanderra<sup>2</sup>

\*Excludes Sandgate Flyover (for the purposes of Part 4 Pricing Principles only) and the following Newcastle Coal Lines (as annotated and described in the network configuration maps incorporated at Part 2):

#### ARTC Sector

915	Islington Junction – Scholey Street Junction
917	Scholey Street Junction – Waratah (via Coal)
925	Waratah – Hanbury Junction (via Coal)
926	Hanbury Junction – Sandgate (via Coal)
927	Hanbury Junction – Kooragang East Junction
931	Kooragang East Junction – Sandgate
936	Sandgate – Thornton (via Coal)
937	Thornton – Maitland (via Coal)
944	Telarah – Farley

<sup>1</sup> To the extent where the railway line joins that part of the Network leased by Victorian Rail Track to ARTC..

<sup>2</sup> To the extent where the railway line joins the rail network owned by RailCorp.

<sup>3</sup> To the extent where the railway line joins the rail network owned by Queensland Rail.

<sup>4</sup> To the extent where the railway line joins the rail network owned by ARTC.



**New South Wales Lease**

**Part 2**

**Network configuration maps describing the network configuration forming the Network**

**See attached A3 Maps ARTCS3070011, ARTCS3060214, ARTCS3060216, ARTCS3060217 four  
(4) pages.**

