

ARTC

Annual Report

2020  
/21

Australian Rail  
Track Corporation

Chairman & CEO's message 02



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Improve Australia's productivity by making rail the mode of choice in the national logistics chain.

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PUR—  
—POSE

ABOUT ARTC

## ROLE

ABOUT ARTC

Established by the Commonwealth as part of an Intergovernmental Agreement, ARTC commenced operations in 1998 to provide efficient and seamless access to the rail network by:

05

- Operating on sound commercial principles
- Growing the volume of freight on rail
- Improving rail infrastructure through better asset management and a program of commercial and grant-funded investment
- Promoting operational efficiency and uniformity on the rail network.

Today, ARTC is one of the largest rail network managers in Australia, employing more than 1,900 people across five states – New South Wales, Victoria, Queensland, Western Australia and South Australia.

We maintain and operate 8,500km of the national rail network, facilitating the transportation of agricultural products and commodities, general freight and passenger services.

Our rail offering provides significant advantages compared to other modes of transportation, ranging from efficiency, capacity and cost advantages to safety and environmental benefits.

...activity Australia's  
...making rail the  
...mode of choice  
...in the national  
...logistics chain.

...PURPOSE



# ROLE —

*Established by the Commonwealth as part of an Intergovernmental Agreement, ARTC commenced operations in 1998 to provide efficient and seamless access to the rail network by:*

- Operating on sound commercial principles
- Growing the volume of freight on rail
- Improving rail infrastructure through better asset management and a program of commercial and grant-funded investment
- Promoting operational efficiency

Today, ARTC is one of the largest rail network managers in Australia with more than 1,900 people across New South Wales, Queensland, Western Australia and South Australia.

Values are important  
– not just for people,  
but for businesses too.



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ABOUT ARTC

ABOUT ARTC

#### No Harm

We have an uncompromising commitment to safety and wellbeing. This starts by thinking safe, in order to work safe, so that we go home safe – every day

#### Active Engagement

When we're curious we listen to one another and think positively. A better workplace means a stronger business for everyone.

#### Future Thinking

While we work hard to deliver today, we're motivated to think and plan for the world tomorrow.

#### Results

Ultimately these values help us work as a team. They help us strive towards our shared goals and deliver results.

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— LUES

## Hunter Valley: Driving efficiency and reliability

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ARTC's Hunter Valley network played a major role for the company in 2020-21.

A key focus was serving the Hunter Valley coal chain – which remains the world's largest thermal coal export operation – by delivering an increasingly efficient rail system, including access to coal mines between the Hunter Valley, Ulan region and Gunnedah Basin to the Port of Newcastle.

During the year, we managed the movement of 219 trains on average per day on our Hunter Valley network, with around half of these being coal trains.

The other half comprised of passenger services, as well as grain, general intermodal and other bulk freight trains.

Employing around 500 people in the Hunter Valley, we continued to work with our customers, governments, industry and the local community to maximise the safety, reliability and efficiency of our network.

OUR BUSINESS UNITS

### Key results

219	train journeys per day operating across our Hunter Valley network
165.97m	total coal tonnes transported on the Hunter Valley network
155m	coal tonnes transported to Port of Newcastle (export) - down 5.65% on 2019-20
3.4m	general and bulk freight GTKs transported
\$160.9m	capital investment in the Hunter Valley network in 2020-21

HUNTER VALLEY

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Access revenue

EBITDAI

LTIFR

MTIFR

AIFR

Gross tonne KMs

Export coal

Customer  
Satisfaction Score

Employee Engagement

Reputation Score

\$766m

Earnings before Interest,  
Tax, Depreciation and  
Amortization  
\$256.4m

Lost Time Injury  
Frequency Rate  
0.71  0.5

Medical Treatment  
Injury Frequency Rate  
0.94  2.0

All Injury  
Frequency Rate  
6.14  10

General bulk and  
freight transported  
on Interstate network  
57,000m  Increase from  
55,000m in 2019–2020

155mt  5.85% decrease  
on 2019–2020

2020 Customer  
Satisfaction Survey  
7.4/10

2021 Employee  
Engagement Survey  
60%  65%

Trust among corporate  
stakeholder groups  
surveyed in 2021  
79 A strong performance across government,  
industry and suppliers and a key area  
for improvement identified in the area  
of community engagement.

Inland Rail is a once-in-a-generation project that will complete the backbone of Australia's freight network and enhance supply chains by facilitating train transit times of less than 24 hours between Melbourne and Brisbane.



### Inland rail: delivering a step change in the freight rail sector

As the largest freight rail infrastructure project in Australia, ARTC's Inland Rail project is being built to industry best practice standards and will deliver a step change in the freight rail sector.

The program progressed significantly in 2020–21, including completion of the first section from Parkes to Narromine in September – the first of 13 individual projects to be completed across three states. We also commenced construction on the first phase of the Narrabri to North Star project in NSW, which will see the upgrade of the existing rail corridor and the construction of new track near Moree.

ARTC INLAND RAIL

Additional Government investment, announced in December 2020, has ensured Inland Rail will be delivered to its fullest potential, maximising benefits for the country while meeting the expectations of stakeholders.

During the year, we also released our Inland Rail Program Delivery Strategy to accelerate procurement for several of the projects, taking into account the size, value and complexity of the projects and providing scalable, more manageable works packages which better align with market capability and capacity.



From December 2018 – September 2020,  
the first completed section from Parkes  
to Narromine resulted in:

99 LOCAL SUPPLIER BUSINESSES  
1,862 JOBS  
\$109.7M SPEND WITH LOCAL BUSINESSES

LOCAL SUPPLIER BUSINESSES  
JOBS  
SPEND WITH LOCAL BUSINESSES

P/N

22



Complete  
In delivery  
In planning  
Planning pathway being determined

LOCAL BUSINESS UNITS

ARTC RAIL



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### Economic stimulator

Up to \$14.5 billion in equity funding  
for ARTC has been committed by the  
Australian Government to support  
ARTC deliver Inland Rail.

\$18B  
21,500

CONTRIBUTION  
TO GDP

DIRECT AND  
INDIRECT JOBS

3

We have three Network Control Centres - in Adelaide SA, Junee and Broadmeadow, NSW

5

We operate in five states  
NSW, Victoria, Queensland, WA and SA

6

We have six main offices across Australia,  
including our head office in Adelaide, SA

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We have 28 Provisioning Centres  
nationwide to maintain our network

Our freight trains go up to 1,800m long,  
and can haul up to 260 shipping containers

260 

We manage the transit of around  
440 trains per day on our network

440 

We employ more than 1,900  
people across Australia

1,900 

We maintain and operate 8,500km  
of the national rail network

8,500 



# WHAT WE DO



Our business is focused on providing high-quality, reliable rail freight services to our customers. We operate a fleet of modern, efficient locomotives and railcars, and we have a strong track record of delivering on-time and on-budget performance. Our commitment to safety and environmental stewardship is a key part of our business strategy.

## CASE STUDY

**Inland Rail Sustainability Report**

**Environment and Community Strategy**

We are committed to providing high-quality, reliable rail freight services to our customers. We operate a fleet of modern, efficient locomotives and railcars, and we have a strong track record of delivering on-time and on-budget performance. Our commitment to safety and environmental stewardship is a key part of our business strategy.

**New Environment Policy and Programme**

Our new Environment Policy and Programme is designed to ensure that we continue to provide high-quality, reliable rail freight services to our customers, while also protecting the environment and the communities we operate in. The programme includes a range of measures to reduce our carbon footprint, improve our energy efficiency, and protect our water resources. It also includes measures to engage with our stakeholders and to promote transparency and accountability in our reporting.

**Key Performance Indicators (KPIs):**

- >98% on-time delivery
- 22,625 tonnes of freight
- 47,000 tonnes of coal
- 297,000 tonnes of iron ore

Access revenue	\$766m
EBITDAI	\$256.4m
LTIFR	0.71
MTIFR	0.94
AIFR	6.14
Gross tonne KMs	57,000m
Export coal	155mt
Customer Satisfaction Score	7.4/10
Employee Engagement Score	60%
Reputation Score	79

*Source: JFE E&P Australia Sustainability Report 2022*

## VALUES

Values are important – not just for people, but for businesses too.

**No Harm**

We have an unwavering commitment to safety and health. We ensure that our people are protected at all times, and we have a strong track record of zero lost time incidents.

**Active Engagement**

We are committed to providing high-quality, reliable rail freight services to our customers. We engage with our stakeholders and promote transparency and accountability in our reporting.

**Future Thinking**

We are committed to providing high-quality, reliable rail freight services to our customers. We invest in research and development to ensure that we are at the forefront of the industry.

**Results**

Our commitment to safety and health, our active engagement with our stakeholders, and our investment in research and development have all contributed to our success. We are proud of our track record of zero lost time incidents, our high customer satisfaction scores, and our strong financial performance.

We are one of the largest freight rail network managers in Australia.

**Key Performance Indicators (KPIs):**

- 3 new projects
- 5 new lines
- 6 new stations
- 28 new locomotives

We continue to build new rail projects throughout Australia, including the 1,700km Inland Rail project. This project is designed to enable 24-hour transit between Melbourne and Sydney.

**Our Freight Teams go up to 100km/h**

Our freight teams go up to 100km/h, which means we can deliver your goods faster than ever before.

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Upgrading  
Resilience &  
Reliability

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Safety

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Environment &  
Sustainability

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People &  
Community

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Innovation

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FOCUS AREAS



...including  
...and

... (CO2) was  
... the management of the  
... risks. To help reduce  
... (CO2) average, operators  
... 2020-21, we intend to deliver  
... which will work to deliver  
... with the aim of  
... crossing borders.

Safety is our principal focus. Guided by our No Harm value and overarching strategy, we continued to drive improvements in processes and systems throughout 2020-21 to ensure a safe workplace for our people and a safe network for our customers and the community.

our focus areas  
safety

### Our Safety Focus

To meet legislative obligations, we also continued to build board-level expertise with high-level safety advice from the Corporate and Regulatory Office at the National Fire Safety Inspector in support of all regulatory requirements.

### Safety Performance

We are committed to continually improving our people safety culture, with the overarching aim that no one is harmed at work or in our network. The following table applies to EPC employees only and provides key safety performance indicators to the year.

Key Performance Indicator	Target FY20-21	Actual FY20-21
L1 Frequency Rate (L1FR)	050	051
MTR Frequency Rate (MTRFR)	200	094
All Injury Frequency Rate (AIFR)	700	014



Target Frequency Rate  
\*Rounding 12 months to date

### Safe Work Improvement Program (SWIP)

As part of our Pathway to Zero Harm strategy, we commenced the rollout of our Safe Work Improvement Program (SWIP), which has been developed to reduce safety risk across the business and establish a consistent approach to our safe work systems and practices.

In 2020-21, we completed the SWIP rollout across all our core production sites, including:

- Updated the core production site working procedures
- Defined the core production site working procedures
- Defined the core production site working procedures
- Defined the core production site working procedures

# CASE STUDY

Inland Rail Sustainability Report

OUR FOCUS AREAS

We have implemented an Environment and Sustainability Policy for Inland Rail, which continues to guide the planning, design and implementation of the project.

A key initiative during the year was the publication of the second Inland Rail Annual Sustainability Report, detailing the environmental, social and economic benefits realised during FY2024-25 and future sustainability objectives and targets.

Presently, we received our sustainability ratings on the two transport sections of Inland Rail between Parkes and Hammond as influenced by the following factors:

**>98%** ENVIRONMENTAL RATING

**22,625** COMMUNITY ENGAGEMENT HOURS

**47,000** COMMUNITY ENGAGEMENT PARTICIPANTS

**297,000** COMMUNITY ENGAGEMENT PARTICIPANTS

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## Increasing our focus on ESG

ARTC acknowledges the value our environmental, social and governance (ESG) activities deliver in achieving our strategic imperative of safeguarding and enhancing our social licence to operate.

Our reputation is earned. The way we interface with the community, manage our environmental footprint and conduct our work has a direct influence on our reputation and our ability to deliver on core business to make rail the mode of choice in the national logistics chain.

We're committed to pursuing ESG practices and enhancing our social licence by shifting our operations toward a sustainable future that respects the environment and community in which we operate and continually improves our business and network resilience.

An internal advisory group with representation across each of the different ARTC divisions was established in late 2020 to further consider how to advance ESG.

## Environment & Sustainability

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OUR FOCUS AREAS

## ENVIRONMENTAL

- Environment Policy and Principles
- Community and Environment Strategy FY21-23
- NGERIS reporting of Scope 1 and 2 GHG emissions (and Scope 1 and 2 reporting (NGERIS))
- Inland Rail sustainability reporting
- New resource recovery exemptions enabling waste recycling

## GOVERNANCE

- Stakeholder (reputational) research with customers, regulators, industry and community associations
- Infrastructure Sustainability ratings (major construction)
- ARTC Modern Slavery Statement
- Reconciliation Action Plan working group membership
- Renewed focus on corporate ethics with Integrity Officer appointed

## SOCIAL

- Pathway to Zero - Safety Strategy, systems and reporting
- People Strategy
- Community and Environment Strategy FY21-23



OUR FOCUS AREAS

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## Supporting local communities

Our teams worked closely with local communities across our network throughout the year, with activities including:

### INDIGENOUS RECONCILIATION ACTIVITIES

Several initiatives were undertaken to promote engagement with local First Nations communities, including participation in NAIDOC Week events, engaging local artists for infrastructure projects, and contributing to ARTC's Reconciliation Action Plan process.

Our Inland Rail team also further developed and implemented an Indigenous Participation Plan to ensure long-term benefits of the project are shared with communities along the route.

### LIFELINE SUPPORT

In the Hunter Valley, we entered into a long-term partnership with Lifeline's Hunter-based helpline to offer counselling program, which provides free, confidential assistance to help people struggling with emotional, social or behavioural difficulties.



## People & Community

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OUR FOCUS AREAS



### SPONSORSHIPS/PARTNERSHIPS

- Our business and people provided in-kind and financial support to local charities and community groups and events, such as:
- Murrumbidgee PCMC Food and Toy Appeal
  - Maitland Hospital (fundraising for specialist medical equipment)
  - Newcastle and Berwick Shows
  - Clean Up Australia Day and Tilly Towns campaigns
  - Westpac Rescue Helicopter Service
  - Red Cross Blood Collection Service
  - Port Augusta Toy Run
  - Cootamundra Sports Foundation

In addition, through our Inland Rail Community Sponsorship and Donations Program, we awarded \$65,000 to more than 160 regional community groups and initiatives in 2020-21.



### INLAND RAIL SKILLS ACADEMY

More than 100 people have been trained in civil construction competencies and white cards, with more than 200 businesses listed in capability statements including one-on-one mentoring support.

Notably, the Inland Rail Skills Academy for Science, Technology, Engineering and Maths (STEM) was formally launched in November - a partnership with the University of Newcastle to inspire students to engage with STEM subjects and careers, with more than 1000 students from 37 schools reached already. We awarded 20 scholarships valued at \$20,000 each to students attending the University of Southern Queensland, Charles Sturt University and LaTrobe University.

**200** Businesses listed in capability statements

**1000** Students reached

**37** Schools reached

**20** Scholarships awarded

**\$20k** Value of each scholarship

## Inland Rail - local community engagement

In 2020-21, our Inland Rail team continued to inform and support local communities through a wide range of channels and activities, including regular project updates, community information sessions, participation in local events, regional local business meetings and major contract briefings.

We also continued to cooperate with the Australian Senate Inquiry into Inland Rail (announced in September 2020). Five public hearings were held in front of the Rural and Regional Affairs and Transport References Committee, which reported the outcomes of its inquiry in mid-2021. To that end, we continue to work closely with all stakeholders to ensure we are taking community views into account as project design and construction progresses.

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OUR FOCUS AREAS



**MAIN IMAGE**  
An aerial view of the Inland Rail construction site showing the long, straight path of earth and gravel.

OUR FOCUS AREAS

In 2020-21, we continued to sharpen our focus on new technology and innovation in support of our operations, our people and our customers, including updating and adapting new technologies to help facilitate new ways of working as a result of the COVID-19 pandemic.



In pursuit of an enhanced network that is resilient, responsive, and digitally enabled, we progressed activities to prepare our business to meet future challenges and opportunities.

#### ATMS enters exciting new phase

We continued to progress the implementation of our Advanced Train Management System (ATMS), which we've developed in conjunction with Lockheed Martin.

A communications-based train control system that precisely tracks trains using GPS and mobile telecommunication technologies, Stage 1 of ATMS was successfully deployed between Port Augusta and Whyalla in September, with Stage 2 set to be deployed next between Port Augusta and Kalgoorlie.

During the year, the Freight on Rail Group (FORG) – of which we are a member – expressed support for further ATMS deployments through a business case which was presented to the Federal Government.

As a result, an additional \$220 million in funding was announced in February, which will see the ATMS implemented across our Interstate network.

With ATMS reaching an important next phase of growth, our Safety, Engineering and Technology division has now assumed oversight of the project, including the growing commercial, industry and customer elements.

ARTC

