

Hunter Valley Coal Network Access Undertaking
2019 and 2020 Annual Compliance Assessment

ATTACHMENT 2: Capital Consultation

Submission To

Australian Competition & Consumer Commission

26 November 2021

ARTC

An aerial, high-angle photograph of a long, straight railway track stretching from the foreground into the distance. The track is flanked by dark gravel and is set against a vast, flat landscape of low-lying green and brown vegetation. The sky is a clear, dark blue, suggesting a clear day. The perspective is from directly above, looking down the length of the track.

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1. INTRODUCTION

As part of its obligations under the Hunter Valley Coal Network Access Undertaking as varied on 29 November 2018 (**HVAU Version 7**), Australian Rail Track Corporation (**ARTC**) is required to engage in consultation with relevant stakeholders with regard to the capital expenditure program for the Hunter Valley rail network. This document forms Attachment 2 to ARTC's 2019 and 2020 Compliance Submissions and is provided to the ACCC for the purpose of demonstrating the consultation undertaken during the 2019 and 2020 compliance periods in support of the capital expenditure program including:

- a detailed description of the capital consultation process undertaken in 2019 and 2020 and an explanation of how it met the requirements of the HVAU; and
- evidence of Access Holders' endorsement of proposed capital expenditure.

The name, address, contact details (including email address) of relevant stakeholders has been included as Appendix F to ARTC's 2019 and 2020 respective Compliance Submissions.

2. CAPITAL CONSULTATION PROCESS

2.1 Compliance Scope

Under HVAU section 9.2, ARTC is obliged to convene and conduct regular monthly meetings of the Rail Capacity Group (**RCG**). The RCG is a regular industry forum to ensure Access Holders, prospective Access Holders and other industry stakeholders are provided relevant input to identify, prioritise and evaluate future network investments and refine the capital works programme.

To achieve this objective, ARTC has a consultation process that incorporates the following:

- ARTC's planning approach, including the trade-off between routine maintenance and major periodic maintenance and capital expenditure;
- identification of the proposed capital investment needs for the forthcoming year and forecast capital expenditure for the following 10 years;
- explanation of the inputs to and outcomes of the evaluation undertaken for the proposed capital expenditure for the forthcoming year;
- assessment of the impact of the proposed capital expenditure on the Regulatory Asset Base (RAB);
- identification of the projects that will be funded or partly funded by capital contributions; and
- establishment of a process for Access Holders' input.

2.2 Industry Approach to Capital Consultation

2.2.1 Overview

Since taking responsibility for the NSW Hunter Valley Network in September 2004, ARTC has maintained its approach to consult all industry stakeholders with an interest in the movement of coal on the Hunter Valley rail network. Multiple extreme weather events including bushfires and flooding during 2019 and 2020, as well as the COVID-19 pandemic in 2020 have provided consistent challenges to the planned completion of Capital works programmes and resulted in deferral of scope and rescheduling of some projects. In response to the changing conditions, ARTC has remained agile, ensuring the continual reliability of the Network whilst continuing efforts to provide a consultative approach with stakeholders both in terms of comprehensive oversight and input into its overall strategy for the Network, as well as continuous engagement on the ongoing impacts of weather and other disruptions on the replanning and execution of the live capital program.

The respective annual Hunter Valley Corridor Capacity Strategy documents remain the primary information source for the 2019 and 2020 calendar years detailing the forecasted demand for the Network and ARTC's proposed capital program to provide the required capacity to meet that demand. The 2019 Hunter Valley Corridor Capacity Strategy document was released for consultation in March 2019 and published in its final form in May 2019 (refer to Attachment CAP1.1)¹, whilst the 2020 Hunter Valley Corridor Capacity Strategy document was released for consultation in July 2020 and published in its final form in September 2020 (refer to Attachment CAP1.2).² This consultative process, which includes discussion at the RCG and feedback from stakeholders, continues to provide ARTC with significant insight and understanding of stakeholders' expectations of the rail infrastructure.

With the focus from industry now firmly on optimising existing network infrastructure, the consultative process for capital expenditure on the Network facilitated through the RCG is principally focused on sustaining rather expansion capital expenditure. The RCG is attended by rail operators, coal producers, the Hunter Valley Coal Chain Coordinator (**HVCCC**) and the terminal operators which allows for discussion on Coal Chain alignment aspects of ARTC's operational and capital activities.

Industry endorsement is necessary before ARTC will proceed with project implementation. Formal endorsement for the value of the project to be added to the asset base occurs through the RCG.

This consultation process remains designed to provide maximum opportunity to work with Access Holders to identify and prioritise network investment and to refine capital work programs.

2.2.2 Rail Capacity Group

In 2019 and 2020, the RCG formally comprised of a senior representative from the larger coal producers (i.e. Glencore, Yancoal, Whitehaven and Idemitsu) and one representative from the producers with lower network contracted demand (currently Hunter Valley Energy Coal). In addition to these members with voting rights, there are representatives from HVCCC and rail operators hauling coal on the Network (Aurizon, One Rail, Pacific National and SSR). ARTC has also encouraged the attendance of other Access Holders and the terminal operators as guests. ARTC's Group Executive Hunter Valley chairs the forum. ARTC is also represented by personnel from Assets, Customer Service and Operations.

¹ Also available as a download from the ARTC website <https://www.artc.com.au/uploads/2019-HVCCS-Final.pdf>

² Also available as a download from the ARTC website <https://www.artc.com.au/uploads/2020-HVCCS-Final.pdf>

The RCG meets each month and has a standing agenda that covers:

- asset replacement and sustaining capital works on the Network;
- expansion capital investment on the Network; and
- operational and strategic items relating to network operations, asset management and possession planning.

The RCG also considers industry volume forecasts over a 10 year horizon and beyond to inform the Hunter Valley Corridor Capacity Strategy.

The RCG deals with the detail of investment proposals. ARTC provides detailed project submissions to the RCG for their review and input. Expenditure of a sustaining capital nature is presented for review and approved annually by the RCG in advance of the work being undertaken. Endorsement for sustaining capital is generally on the basis of the total package or works, recognising that the nature of the programme is subject to a greater degree of variation at the individual project level compared to expansion capital projects where the scope is more predictable across a smaller number of projects. Some sustaining capital projects may also be presented to the RCG on an individual basis due to emerging circumstances, timing considerations or the complexity of a particular project.

ARTC utilises its internal governance processes and delegations to manage variability for sustaining capital at an individual project level. This includes allowing underspends from approved budgets at a project by project level to be utilised to fund overspends on approved budgets at a project by project level, with variances reported to the RCG. This internal variation process has been communicated to the RCG.

ARTC provided quarterly updates to the RCG on the progress and cost of the sustaining capital package including details of significant variations to scope and cost.

- The consultation documents provided to the RCG in this regard during 2019 form confidential Attachments CAP2.1, CAP2.2, CAP2.3 and CAP2.4 to this document.
- The consultation documents provided to the RCG in this regard during 2020 form confidential Attachments CAP2.5, CAP2.6, CAP2.7 and CAP2.8 to this document.

ARTC uses a professional and standardised approach for classification of maintenance and capital expenditures. ARTC uses internal definitions and classifications of routine corrective and reactive maintenance (**RCRM**), major periodic maintenance (**MPM**) and capital expenditure, which is made clear to the RCG. However, when there is not a clear treatment, the issue is brought to the RCG for consultation and guidance.

There has been no change to ARTC's capitalisation policy.

2.2.3 HVCCC

Where a project will change the infrastructure on the Network, ARTC undertakes a process review of effects on network capacity and consults with the HVCCC on options to understand, mitigate or reduce the impact on the Coal Chain wherever relevant.

The HVCCC is an independent legal entity whose membership includes all current Hunter Valley coal chain producers as well as service providers. ARTC is a member of the HVCCC. The HVCCC's mission

is to plan and co-ordinate the co-operative daily operation and long term capacity alignment of the Hunter Valley Coal Chain.

The HVCCC plays a consultation role in this process through modelling the capacity impacts resulting from infrastructure changes and other network capacity development initiatives on the Hunter Valley Coal Chain.

2.3 Hunter Valley Corridor Capacity Strategy Development

2.3.1 ARTC Approach

The development of the annual Hunter Valley Coal Corridor Capacity Strategy involves:

- assessment of the capacity of the existing Hunter Valley rail network for transporting export coal to the Newcastle ports and domestic coal to Hunter Valley power stations;
- updating demand forecasts by obtaining revised industry forecasts and views;
- comparing the available capacity with anticipated demand, to identify existing and future likely constraints;
- reviewing the options previously proposed to address these constraints;
- where necessary, the development of additional or refined options; and
- the selection of preferred actions to address each of the identified constraints.

2.3.2 Strategy Development

ARTC has continued to review and develop changes where necessary to the Hunter Valley Corridor Capacity Strategy.

ARTC continually refreshes its understanding of customer expectations the organisation and the network through regular and ongoing discussions throughout the year. In 2018 the timing for release of the Corridor Capacity Strategy document was deferred to ensure the best possible understanding of forecast volumes given the growth being foreshadowed from the outer regions of the Network and to align with the timing of volume forecasts under the HVAU. While the last Strategy prior to 2019 was released as the 2017 Hunter Valley Corridor Capacity Strategy, the opportunity in the 2019 version was taken to create more clarity by changing the Strategy name to align with the coming year. Hence the version of the Strategy for 2019 is referenced as the “2019 Strategy”. Following on from this, the version of the Strategy for 2020 is referenced as the “2020 Strategy”.

For both the 2019 and 2020 periods, as in prior years, ARTC sourced forecast information from all coal producers and domestic customers, prospective customers and presented the aggregate profile for review to the RCG. ARTC followed a similar process formally briefing stakeholders prior to publication of the draft Strategy document, and engaging in a comprehensive discussion process and incorporation of stakeholder feedback prior to the publication of the final version.

The ongoing development and publication of the Hunter Valley Corridor Capacity Strategy document provides the Coal Chain with increased certainty on capacity pathways, timeline for delivery of projects and updated projected costs and as such offers options to resolve constraints and understand how coal producers can better manage their proposed course of action to increase coal throughput.

ARTC will continue to monitor and review the strategy to ensure proposals for infrastructure change are developed ahead of demand.

2.4 Project Consultation

2.4.1 Project Consultation Process

ARTC undertakes a comprehensive capital consultation process for all capital projects through the RCG. There are generally three categories of capital projects:

- expansion capital capacity projects;
- sustaining capital in relation to major asset renewal projects; and
- sustaining capital (also referred to as minor capital) projects.

The expansion capital capacity projects are those designed to enhance capacity, that introduce significant technological change, add operational flexibility or otherwise form part of the Hunter Valley Corridor Capacity Strategy described in section 2.3 above, while the other projects are classified as sustaining capital relating to major asset renewal projects or minor capital projects.

For expansion capital projects, consultation and endorsement is generally performed in stages to ensure that stakeholders are progressively informed before final endorsement for implementation is sought. The RCG is provided with detailed analysis of key elements of each project stage and all major projects sign off endorsements include details of:

- project aim;
- timing – start / finish;
- benefits and deliverables (e.g. capacity improvement, operational performance improvement, safety, cost savings);
- diagrams / document references;
- cost and contingency to RAB and loss on disposal where applicable; and
- endorsement signatory.

For expansion asset renewal or replacement projects, a submission detailing the projects objectives, options, financial and risk management aspects is provided for review and endorsement by the RCG. This endorsement process is often iterative, and ARTC works closely with the industry in providing all necessary information for evaluation.

For the sustaining capital projects, the programme of smaller projects is typically submitted collectively for consultation and endorsement to the RCG. Customers are also directly engaged in the proposed corridor capital programme in advance of it being submitted to the RCG for endorsement.

2.4.2 Project Endorsement

Confidential Attachment CAP3 to this document shows the details for all projects (expansion and sustaining capital) which are being included in the RAB or expensed for the 2019 and 2020 calendar years.

Expensed projects are capital projects previously endorsed by the RCG which, due to changes in the demand profile or other circumstances, will not proceed in the foreseeable future. Typically, this relates to projects on which initial planning work has been carried out, but the project has not proceeded to actual construction, though it may be the case that preliminary works have been carried out. The amount expensed represents the value of work in progress up to the point at which the project was suspended. For the 2019 and 2020 compliance periods, no projects were expensed.

Many capital projects result in the disposal of existing assets. ARTC is not able to provide the exact disposal values for capital projects prior to completion of the disposal process for consideration by the RCG, as the prospective values of any offset to the disposal value for equipment to be replaced is often not known accurately beforehand.

In some instances, new projects or variations to previously endorsed values have not been expressly endorsed or reviewed by the RCG. This can occur for a variety of reasons, including:

- the necessity to address a previously unknown issue, e.g. a critical defect is identified during testing/inspection that cannot be delayed allowing for the normal work planning process and endorsement to occur;
- an opportunity to carry out work arises out of sequence from the forward program that would result in a more efficient and lower cost than if the work is carried out as programmed. For example, where it is necessary to carry out unplanned remedial work due to an incident, it may be expedient to perform work on an adjacent site that was programmed for some future period;
- the scope of a planned task was found to be insufficient and it would be inefficient to pause the project to wait for formal endorsement from the RCG; and
- the cost of the variation is not sufficiently material to seek endorsement.

In each case, such variations are only approved by ARTC management in accordance with internal delegations where it can be demonstrated that the additional cost will not cause ARTC to exceed the overall RCG endorsed sustaining capital works value for the period.

ARTC has provided to the ACCC, on a confidential basis, copies of the endorsements relating to 2019 and 2020 capital expenditure provided by RCG members as a separate Attachment to this Compliance Submission.

2.4.3 ARTC Network Control Optimisation (ANCO)

The only Expansion Capital project added to the RAB in the 2019 and 2020 periods was the ARTC Network Control Optimisation (ANCO) project.

The ANCO project was launched in 2014 and the RCG endorsed Horizon 1 to progress to implementation in 2017. ANCO increases network capacity and efficiency via technological tools and process changes to enable real time visibility, dynamic planning and variation management capability as an alternate means to constructing additional capital funded crossing loops (the traditional method

to increase capacity in a rail network). In accordance with the HVAU, ARTC obtained an independent incremental assessment which assessed the ANCO project as being 50% incremental and Train Km driven. Given the importance of the ANCO project and the level of change management required, ARTC established formal governance and reporting processes with industry stakeholders at project commencement. The ANCO Hunter Valley Oversight Committee comprised of key customer representatives from each pricing zone, HVCCC and the coal export terminals, has met throughout the implementation phase of the programme to ensure alignment with Coal Chain interests, appropriate review and consideration of key decisions and endorsement of directions requiring RCG approval. ARTC has also provided ANCO Project Progress Reports monthly to the Rail Capacity Group (RCG) which have included detailed updates of capital project activities throughout the period as well as reporting on schedule, capital budget and risks to date.

During 2019, the ANCO Project reached significant milestones in the planned staged implementation of the technology solution “Movement Planner” with the foundation capabilities commissioned network wide and digital train planning commissioned on the control boards servicing the Gunnedah Line in Zone 3, the Ulan line in Zone 2 and from Bengalla to Camberwell in Zone 1. The operational capability and efficiency delivered from this project resulted in delivery of a 5% increase in practical track utilisation in the single lines (from 65% to 70%), with the resultant increase in capacity made available to contract by customers in Pricing Zones 2 and 3 from 1 January 2020. \$26.34M relating to commissioned components of the project were added to the RAB in 2019 calendar year.

Movement Planner was rolled out between Camberwell and the ports in Zone 1 during 2020 with full commissioning of the ANCO technology infrastructure completed in November 2020. This achieved end-to-end digital train planning across the entire Hunter Valley heavy haul network with interfaces to HVCCC, the coal terminals and a number of load points. In line with the finalisation of the remaining sections of the lower Hunter, an additional \$11.74M were added to the RAB in the 2020 period.

The primary tangible benefits of the ANCO project as outlined in the business case being the increase in track utilisation and the deferral of capital expenditure in the form of track infrastructure have been delivered. Productivity gains from dynamic train management has resulted in the targeted reduction in train dwell being met and data capture enabled by the technology has resolved historical barriers to accurately and easily measure train cycle time. Efforts are ongoing to continue to synthesize and integrate this newly available data into current systems and processes to support more accurate and efficient decision making.

At the conclusion of 2020 with the technology and associated process changes at practical completion within Network Control, implementation is now focussed on finalisation of change management activities with above rail operators, the Hunter Valley Coal Chain Coordinator (HVCCC) and coal export terminals as the coal chain seeks to refine the combined operations to further embed the broader supply chain opportunities ANCO has enabled. ARTC expects the ANCO Horizon 1 project to conclude in 2021 and at this time will provide stakeholders with a formal close out report quantifying outcomes achieved against the tangible and opportunity benefits outlined in the endorsed original ANCO Business Case as required by the HVAU.

2.4.4 Capital Expenditure in 2019

During 2019, \$26.3m of ANCO project costs were commissioned in relation to the phased implementation of network control boards and \$0.2m of post-commissioning costs were incurred on projects previously commissioned and added to the asset base (see Appendix A for more detail).

Interest during construction for the newly commissioned projects amounted to \$2.5m.

Sustaining capital of \$49.5m was commissioned during 2019.

Disposals (i.e. reductions to the asset base) were \$5.8m.

A summary of the net additions to the asset base is set out in Table 1. Details for the amounts are set out in the 2019 Compliance Submission.

Table 1: Net Capital Expenditure Added to Network Asset Base In 2019

| | \$ |
|--|-------------------|
| Expansion Projects Commissioned | 23,848,958 |
| Post Commissioning Costs | 181,180 |
| Total Expansion Project Capital | 24,030,138 |
| Interest During Construction | 2,495,949 |
| Sustaining Capital | 49,506,779 |
| Total Capital Added to Asset Base | 76,032,867 |
| Disposals Removed from Asset Base | (5,844,774) |
| Net Capital Added to Asset Base | 70,188,092 |

The scope of capital works completed in 2019 was reduced due to catastrophic bushfires which cancelled any non-essential hot works in the November possession. The ongoing fires severely affected access and caused ongoing and intermittent track closures.

Historical track formation issues coupled with heavy rainfall in the Lower Hunter area of the network resulted in three emergency track formation upgrades in 2019 which were endorsed in addition to the existing 2019 sustaining capital program. These upgrades occurred at Farley, Hexham, and Lochinvar to ensure the safety of the network following the rapid deterioration of these sites which could not be managed by maintenance intervention.

Following identification through ARTC's ongoing Capacity Fast Track initiative, the RCG endorsed upgrades to Coded Track Circuits in Zone 2 and Zone 3. Prior to upgrade, signalling systems in Zone 2 and Zone 3 only had the capability to send a single code through a track circuit at any one time resulting in time delays for network traffic. Commissioning of this project during 2019 saw resulting reductions in transaction time and network delays realised.

Further detail of expansion capital expenditure is provided in Appendix A. Confidential Attachment CAP3 to this document provides detail by project for both expansion and sustaining capital projects commissioned in 2019. Detail relating to disposals is set out in Appendix D and interest during construction in Appendix E of ARTC's Compliance Submission.

2.4.5 Capital Expenditure in 2020

During 2020, \$11.8m of ANCO project costs were commissioned relating to the completion of the technology implementation for the digital train planning and post-commissioning costs of \$0.4m were incurred on further noise attenuation works at Minimbah and added to the asset base (see Appendix B for more detail).

Interest during construction for the newly commissioned projects was nil.

Sustaining capital of \$90.3m was commissioned during 2020. Disposals (i.e. reductions to the asset base) were \$12.3m.

A summary of the net additions to the asset base is set out in Table 12. Details for the amounts are set out in the 2020 Compliance Submission.

Table 2: Net Capital Expenditure Added to Network Asset Base In 2020

| | \$ |
|--|--------------------|
| Expansion Projects Commissioned | 10,720,681 |
| Post Commissioning Costs | 1,453,235 |
| Total Expansion Project Capital | 12,173,916 |
| Interest During Construction | - |
| Sustaining Capital | 90,321,847 |
| Total Capital Added to Asset Base | 102,495,763 |
| Disposals Removed from Asset Base | (12,277,050) |
| Net Capital Added to Asset Base | 90,218,713 |

The scope and timing of capital works in 2020 was impacted by the COVID-19 pandemic. To manage the risk to the community, given the number of contractors travelling to regional parts of NSW during this period, the project scope in the April 2020 shutdown was significantly reduced. ARTC prioritised and completed all track critical work and implemented additional monitoring to manage risk on the network. Additional short planned maintenance possessions were conducted in May and June 2020 to complete deferred work not completed in April due to the COVID-19 impact.

Rerailing features prominently in the 2020 capital profile. The capital rerailing program is cyclical and driven by monitoring of actual rail condition. Rail condition is influenced by gross tonnage, condition of track formation and geometry, and the level of rail grinding activity. Increased rerailing scope was endorsed for the 2020 – 2022 period and executed in 2020 based on forecasted rail condition reaching condemning limits. Additionally, rerailing scope carried over from 2019 was completed in 2020 to ensure the safety of the network, reduce rail breaks and continued efficiency by reduced delays.

In 2020, as identified as part of the Capacity Fast Track initiative, the 100km/h Down Direction Train Running Project in Zone 3 was endorsed and implementation commenced. The Cox's Creek Underbridge upgrade completed in the period was the first project of the series of bridge ends and level crossings to be commissioned in the program which will allow an increase in train speeds in Pricing Zone 3 to be implemented.

The replacement of the Jacobs and Josephs Bridge and Quirindi Creek Bridge in Zone 3 were major renewal projects completed in 2020. Both structures were original steel bridges built in the early 1900s and required replacement having reached the end of their design life. The need for replacement was originally identified in the 2017 Corridor Capital Strategy and the projects were completed within budget achieving the objectives of the bridge renewal program to reduce risk and increase safety and reliability.

Further detail of major renewal expenditure is provided Appendix B. Confidential Attachment CAP3 to this document provides detail by project for both expansion and sustaining capital projects

commissioned in 2020. Detail relating to disposals is set out in Appendix D and interest during construction in Appendix E of ARTC's Compliance Submission.

2.5 Compliance with the HVAU

ARTC considers that the consultation undertaken as described in sections 2.2 to 2.4 provides comprehensive evidence that ARTC has complied with the relevant requirements of the HVAU.

ARTC has worked closely with Access Holders, train, and terminal operators and the HVCCC in identifying and prioritising network investments and refining capital works programs. Through this extensive consultation process, stakeholders have provided input into the major capital enhancement projects that form part of the Hunter Valley Corridor Capacity Strategy. This strategy document identifies the proposed capital investment needs for the forthcoming year and includes forecasts of capital expenditure for the following 10 years.

ARTC also provides clarity in relation to projects which are intended to be partly or fully funded by capital contributions. There were no such projects in 2019 or 2020.

3. CONCLUSION

The consultation activities that ARTC has engaged in has been based on obtaining a comprehensive understanding of coal mine development proposals, both new mines and expansion projects, and their timing of development where increased capacity is required on the Hunter Valley network. This information is reviewed against other industry information and ARTC seeks confirmation, where applicable, that its priority of project delivery matches other Coal Chain capacity deliverables.

During 2019 and 2020, ARTC has found the level of co-operation and advice provided by coal producers, rail operators, and other service providers to be both informative and constructive in all aspects of managing and progressing with investment options. ARTC believes it has well developed working relationships with the Coal Chain as a whole and looks forward to these continuing.

ARTC is committed to the ongoing consultation described in this document and looks forward to a continued delivery of optimal rail network solutions in the Hunter Valley Coal Network.

Appendix A Expansion Project Capital Added to Asset Base 2019

Table A1: Newly Commissioned Projects \$

| Project | Description | RCG Endorsed Value \$ | Cost \$ | IDC \$ | Total Cost Added to RAB 2019 \$ |
|--|-------------|-----------------------|-------------------|------------------|---------------------------------|
| 8808 | ANCO Zone 1 | 35,943,475 | 10,850,762 | 1,164,987 | 12,015,749 |
| 8808 | ANCO Zone 2 | | 5,709,752 | 584,656 | 6,294,408 |
| 8808 | ANCO Zone 3 | | 7,288,443 | 746,307 | 8,034,750 |
| Total Newly Commissioned Projects | | | 23,848,958 | 2,495,949 | 26,344,907 |

Table A2: Post Commissioning Costs \$

| Project Code | Description | RCG Endorsed Value \$ | Cost Previously Added to RAB \$ | Total Cost Added to RAB 2019 \$ | Cumulative Cost Added to RAB \$ |
|--------------------------------------|---|-----------------------|---------------------------------|---------------------------------|---------------------------------|
| Pricing Zone 1 | | | | | |
| 5255 | Maitland to Minimbah Third Road (Farley to Branxton) | 362,800,000 | 355,527,694 | 126,826 | 355,708,874 |
| 5255 | Maitland to Minimbah Third Road (Branxton to Whittingham) | | | 54,354 | |
| Sub-Total | | | 355,527,694 | 181,180 | 355,708,874 |
| Total Post Commissioning Cost | | 362,800,000 | 355,527,694 | 181,180 | 355,708,874 |

Appendix B Expansion Project Capital Added to Asset Base 2020

Table A3: Newly Commissioned Projects \$

| Project | Description | RCG Endorsed Value \$ | Cost \$ | IDC \$ | Total Cost Added to RAB 2020 \$ |
|--|---------------------|-----------------------|-------------------|----------|---------------------------------|
| 8808 | ANCO Pricing Zone 1 | 35,943,475 | 10,720,681 | - | 10,720,681 |
| Total Newly Commissioned Projects | | 35,943,475 | 10,720,681 | - | 10,720,681 |

Table A4: Post Commissioning Costs \$

| Project Code | Description | RCG Endorsed Value \$ | Cost Previously Added to RAB \$ | Total Cost Added to RAB 2020 \$ | Cumulative Cost Added to RAB \$ |
|--------------------------------------|---|-----------------------|---------------------------------|---------------------------------|---------------------------------|
| Pricing Zone 1 | | | | | |
| 8808 | ANCO Zone 1 | 35,943,475 | 12,015,749 | 554,361 | 12,570,110 |
| 8808 | ANCO Zone 2 | | 6,294,408 | 203,287 | 6,497,695 |
| 8808 | ANCO Zone 3 | | 8,034,750 | 259,494 | 8,294,244 |
| 5255 | Maitland to Minimbah Third Road (Farley to Branxton) | 362,800,000 | 355,708,874 | 305,265 | 356,144,967 |
| 5255 | Maitland to Minimbah Third Road (Branxton to Whittingham) | | | 130,828 | |
| Sub-Total | | 398,743,475 | 382,053,781 | 1,453,235 | 383,507,016 |
| Total Post Commissioning Cost | | 398,743,475 | 382,053,781 | 12,173,916 | 383,507,016 |