

# INDEPENDENT PRICING AND REGULATORY TRIBUNAL OF NEW SOUTH WALES

**Statement of reasons for decision on the compliance of Transport for New South Wales with clause 5(f) of Schedule 3 of the New South Wales Rail Access Undertaking for the years from 2012-13 to 2015-16.**

## DECISION

In accordance with clause 5(f) of Schedule 3 of the NSW Rail Access Undertaking (the Undertaking),<sup>1</sup> we have determined that Transport of NSW (TfNSW) has demonstrated to our reasonable satisfaction that access revenue of its non-HVCN sectors (the Country Regional Network (CRN) Sectors) is not more than 80% of the Full Economic Cost of the individual sectors for each of the years from 2012-13 to 2015-16.

## REASONS FOR DECISION

### IPART's assessment of ARTC's compliance

In making our decision we have reviewed a submission provided by TfNSW on 15 September 2016, demonstrating compliance with clause 5(f) of Schedule 3 of the Undertaking for its non-HVCN sectors of the CRN for the period 2012-13 to 2015-16.

Specifically, TfNSW confirmed that there have been no material changes to the Access revenue and Full Economic Costs of each sector that would cause Access revenue to approach the 80% threshold under schedule 3, clause 5(f) of the Undertaking.

Having regard to TfNSW's confirmation and our analysis, we are reasonably satisfied that Access revenue of these sectors is no more than 80% of the Access revenue likely to be derived by application of the Ceiling Test for the 2012-13 to 2015-16.

### Review of compliance for 2016-17

For the **2016-17** compliance year, TfNSW must demonstrate that for each non-HVCN sector of the CRN that Access revenue is no more than 80% of the Access revenue that is likely to be derived by application of the ceiling test (as set out in

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<sup>1</sup> Terms in the Undertaking have the same meaning in this Statement of Reasons as they have in the Undertaking unless otherwise defined.

clause 5(f) of Schedule 3 of the Undertaking). TfNSW submission as a minimum would need to provide details for each CRN sector Access revenues and Full Economic Costs. This compliance submission should be provided by **31 October 2017**.

November 2016