

Wednesday, 28 May 2014

Review of Rate of Return and Remaining Mine Life from 1 July 2014
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230

Dear Sir,

Review of Rate of Return and Remaining Mine Life

This brief Asciano submission is in response to the Independent Pricing and Regulatory Tribunal (IPART) Draft Decision in its Review of Rate of Return and Remaining Mine Life, (where schedule 3 of the New South Wales Rail Access Undertaking requires IPART to review the rate of return and remaining mine life of the Hunter Valley coal mines serviced by the RailCorp rail network every 5 years).

Asciano operates trains on this network via its subsidiary Pacific National.

Asciano notes that the IPART Draft decision has three primary recommendations, namely:

- the rate of return to apply from 1 July 2014 is 6.1% per annum on a real post-tax basis;
- the remaining mine life from 1 July 2014 should be 30 years; and
- Transport for NSW should investigate options for regulating all the Hunter Valley coal network under one regulatory regime

Asciano feels other organisations are better placed to comment on the recommendations relating to rate of return and mine life.

At the current time two access regimes regulate the Hunter Valley coal network creating unnecessary duplication of regulatory effort and the potential for interface problems between the two access regimes. Given this, Asciano supports the recommendation in the Draft Decision that Transport for NSW investigate options for regulating all the Hunter Valley coal network under one regulatory regime. Asciano would support any move towards a single Hunter Valley coal network access regime.

Feel free to contact Stuart Ronan on 02 8484 8056 to discuss this submission.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "T. Kuypers", with a stylized flourish underneath.

Dr Tim Kuypers
General Manager Regulation