

Media Release

11 November 2021

IPART seeks feedback on NSW rail access arrangements

The Independent Pricing and Regulatory Tribunal (IPART) has released a paper calling for comment on how rail owners in NSW provide access to businesses using their rail lines.

There are 7,000 km of track in NSW currently used to transport passengers and freight such as coal and grain. The NSW Government predicts that freight volumes are set to double in metropolitan NSW over the next 30 years.

IPART Chair, Carmel Donnelly said there have been many changes to the network in the last 20 years when the current access arrangements were put in place.

"We need to make sure that businesses are able to access the rail lines on fair and reasonable terms into the future," Ms Donnelly said. "This will encourage them to use rail where it is the efficient option and help manage road congestion."

The NSW rail network is divided up between 2 companies – NSW Government-owned Transport Asset Holding Entity (TAHE) and the Commonwealth Government-owned Australian Rail Track Corporation (ARTC). They negotiate the terms and prices with businesses within limits set out in the NSW Undertaking, unless a voluntary undertaking approved by the Australian Competition and Consumer Commission (ACCC) applies.

If parties cannot agree on access conditions and charges, then they can ask IPART to arbitrate. IPART also has a role in checking rail owners don't earn more revenue than allowed by the Undertaking.

Ms Donnelly said that one aspect of IPART's review is whether this is still the right framework.

"In separate reviews, we have found that TAHE's predecessor organisation, Railcorp, has overcharged some businesses," Ms Donnelly said. "However, these businesses have not sought refunds."

Under review is whether the negotiation and arbitration processes are still the most appropriate way to ensure reasonable access prices and conditions and if so, whether the rules around the terms and conditions and pricing limits are still fit for purpose. IPART is also considering whether changes need to be made to the enforcement provisions, and the interaction between the NSW and Commonwealth regimes.

The paper is available on IPART's website, with submissions open until 17 December. IPART will consult on draft recommendations in April next year, before finalising its recommendations to Government by August 2022.

Media Contact: Adrian Flood

 0427 105 865

 media@ipart.nsw.gov.au