

WHAT

IPART is reviewing two elements of the pricing principles in the NSW Rail Access Undertaking:

- ▼ Rate of return
- ▼ Remaining mine life.

Along with the other elements included in the pricing principles (such as the regulatory asset base, capital expenditure and maintenance costs) the rate of return and remaining mine life are used in determining an allowable range for rail access prices.



WHY

The NSW Rail Access Undertaking requires IPART to review the rate of return and remaining mine life every five years.

The last review was completed in 2014.



WHO

The NSW Rail Access Undertaking covers all, or part of, the following rail networks:

- ▼ Hunter Valley Coal Network
- ▼ Non-Hunter Valley Coal Network
- ▼ Country Rail Network
- ▼ Sydney Metropolitan Freight Network.

The rate of return determined by IPART is included in the pricing principles for each of these networks.

The remaining mine life applies to the Hunter Valley Coal Network only. It is used to calculate the depreciation allowance for the five sectors of the Hunter Valley Coal Network between Newstan Junction and Woodville Junction.



HOW

IPART will seek stakeholder views on the issues covered by the review.



WHEN

We expect to release a draft report in March 2019. We will release a final report in June 2019.

IPART's decisions on the rate of return and remaining mine life will apply for five years from 1 July 2019.



WHAT NEXT

We will release a draft report and seek stakeholder submissions on it.

Stakeholders who would like to be notified when relevant material is released can subscribe to receive updates from IPART on our website: www.ipart.nsw.gov.au.