



WHAT

IPART has completed its review of the 2017-18 annual compliance submission from the Australian Rail Track Corporation (ARTC) in relation to its non-Hunter Valley Coal Network (non-HVCN) sectors:

- ▼ Turrawan to Boggabilla
- ▼ Goobang Junction to Merrygoen
- ▼ Merrygoen to The Gap
- ▼ Merrygoen to Ulan
- ▼ Sydney Metropolitan Freight Network (MFN).

ARTC has demonstrated to IPART's reasonable satisfaction that access revenue for each of these sectors is no more than 80% of the full economic cost for 2017-18.



WHY

Under the NSW Rail Access Undertaking (the Undertaking), IPART is responsible for determining whether rail infrastructure owners have complied with the relevant requirements of the Undertaking each year.

ARTC submitted its annual compliance information for 2017-18 for IPART's review in late 2018.



HOW

ARTC's compliance submission was made under clause 5(f) of Schedule 3 to the Undertaking. This clause applies only

where IPART is reasonably satisfied that access revenue is no more than 80% of the full economic cost for that sector.¹

ARTC's submission must demonstrate to IPART's reasonable satisfaction that there has been no material change to the sectors' revenue and cost base that would cause revenue to approach the 80% threshold.

IPART undertakes a more detailed compliance assessment on a five yearly basis. The second of these five yearly reviews was undertaken last year. At that time, IPART noted that the growth in traffic on the MFN was such that ARTC should submit more detailed information for this sector for 2017-18.

With the exception of the MFN, ARTC's compliance submission for 2017-18 shows that access revenue remains substantially below the 80% threshold. Over the past year, access revenue for these sectors has fallen as a result of a drop in grain volumes caused by drought.

For the MFN, ARTC's submission showed both a decrease in access revenue and an increase in costs compared with 2016-17. Having reviewed the information provided, we are satisfied that access revenue remains below the 80% threshold for this sector.



WHAT NEXT

ARTC's 2018-19 compliance submission for these sectors is due by 31 October 2019. We again require ARTC to include more detailed information for the MFN in its compliance submission for 2018-19.

¹ See IPART, *Rail Access Annual Compliance Reviews Guideline*, March 2017.