



# Rail Access Compliance – ARTC Non-Hunter Valley Coal Network 2021-22

23 January 2023

## The ARTC has complied with the ceiling test

The [NSW Rail Access Undertaking](#) (the Undertaking) limits the revenue that rail infrastructure owners can earn each year (the “ceiling test”).<sup>1</sup> Rail infrastructure owners cannot earn more than the economic costs of providing access.

This is intended to ensure that monopoly track owners provide prices and conditions of access to existing and future access seekers on reasonable terms. IPART is responsible for determining whether rail infrastructure owners have complied with this requirement.

The Australian Rail Track Corporation (ARTC) submitted its 2021-22 compliance information for its non-Hunter Valley Coal Network sectors:

- Turrawan to Boggabilla (249 km)
- Goobang Junction to Merrygoen (244 km)
- Merrygoen to The Gap (183 km)
- Merrygoen to Ulan (103 km)
- Sydney Metropolitan Freight Network (66 km)
- Inland Rail North West Link (6 km).

The ARTC has demonstrated to IPART’s reasonable satisfaction that access revenue for each sector is no more than 80% of the full economic cost of providing the rail infrastructure for 2021-22. The ARTC’s compliance submission for 2021-22 shows cost recovery across all sectors remained stable.

## How IPART assesses compliance

Consistent with its compliance submission in previous years, the ARTC made its 2021-22 submission under clause 5(f) of Schedule 3 of the Undertaking. This clause removes the need for a detailed compliance assessment each year if ARTC can demonstrate to IPART that access revenue is no more than 80% of the full economic cost for that sector. In this case, IPART requires that the ARTC submits detailed ceiling test information every 5 years only. Our next detailed compliance assessment is due to be completed in 2023.

Between detailed reviews, each year the ARTC 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. If the 80% threshold is exceeded, the rail infrastructure owner must submit more detailed documentation demonstrating its compliance with the asset valuation roll forward principles and ceiling test as required by the Undertaking.<sup>2</sup>

We are also conducting a [review of the NSW Rail Access Undertaking](#), with our final report due to the Minister in May 2023. We will take into consideration the outcome of this review when we complete our detailed assessment in 2023.

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<sup>1</sup> [NSW Rail Access Undertaking](#), schedule 3, cl 1(l).

<sup>2</sup> See IPART, [Rail Access Annual Compliance Reviews Guideline](#), March 2017.