

Rail Access Compliance – ARTC

Non-Hunter Valley Coal Network 2023-24

26 February 2025

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”).¹ 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 2023-24 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)
- 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 2023-24. The ARTC’s compliance submission for 2023-24 shows cost recovery across all sectors remained stable. See Table 1 below.

Table 1 ARTC's reported non-Hunter Valley Coal Network access revenue and costs for 2023-24

Assets	Access Revenue (\$m.)	Full Economic Cost (\$m.)	Cost Recovery (%)	Below 80% threshold
Turrawan to Boggabilla	0.924	9.070	10.19%	Yes
Goobang Junction to Merrygoen	0.898	9.664	9.29%	Yes
Merrygoen to The Gap	0.229	4.430	5.17%	Yes
Merrygoen to Ulan	0.762	3.233	23.57%	Yes
Sydney Metropolitan Freight Network	6.480	14.976	43.27%	Yes
North West Link	0.014	8.349	0.17%	Yes

Source: ARTC compliance submission, October 2024 [D24/28705].

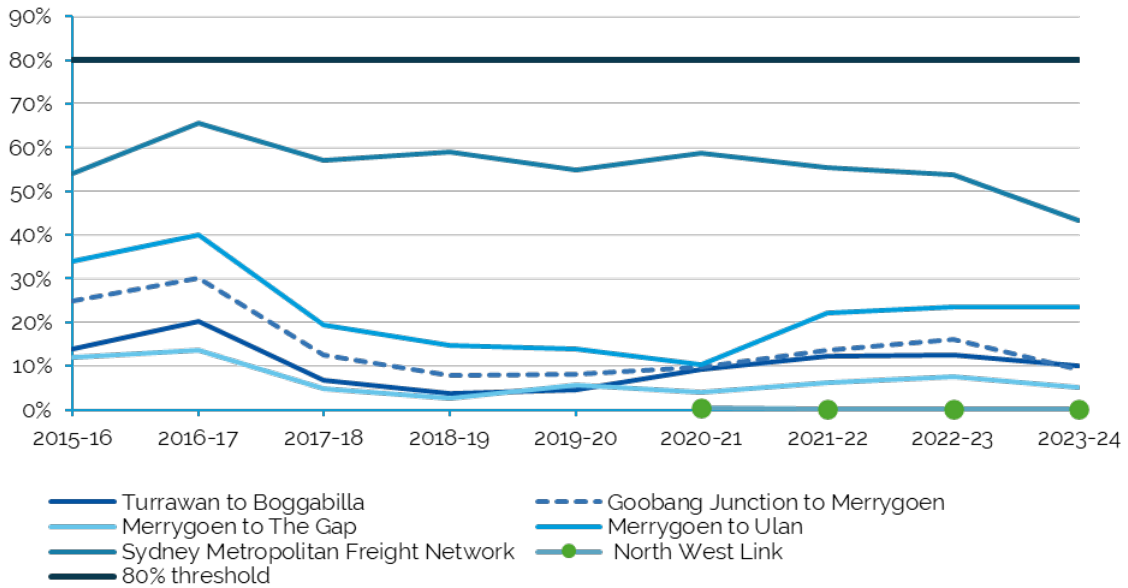
How IPART assesses compliance

Consistent with its compliance submission in previous years, the ARTC made its 2023-24 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 2028.

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.²

Figure 1 below shows that ARTC has been below the 80% threshold for each of these assets since at least 2015-16.

Figure 1 ARTC’s non-Hunter Valley Coal Network cost recovery 2015-16 to 2023-24 (%)



Note: Data for the North West Link is only available for 2020-21 onwards as the line was commissioned in September 2020.
 Source: ARTC compliance submissions [D24/28705].

¹ NSW Rail Access Undertaking, schedule 3, cl 1(l).
² See IPART, *Rail Access Annual Compliance Reviews Guideline*, March 2017.