

15 May 2019

Essential Services Commission of South Australia
GPO Box 2605
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ESCOSA Review of Rail Guidelines for Tarcoola-Darwin Railway

The South Australian Chamber of Mines and Energy (SACOME) welcomes the opportunity to make this submission to the Essential Services Commission of South Australia's (ESCOSA) Review of Rail Guidelines for the Tarcoola-Darwin Railway (TDR).

SACOME is the peak industry body representing companies with interests in the South Australian minerals, energy, extractive, oil and gas sectors and associated service providers.

SACOME notes that the intent of the Review is to ensure that the Guidelines issued by the Commission:

- Assist commercial negotiation of railway access;
- Are up-to-date and relevant for existing and prospective railway users; and
- Do not impose undue regulatory costs.

SACOME similarly recognises that the overall goals of access regulation under Part IIIA of the Competition and Consumer Act 2010 (Cth) is to 'help ensure the efficient use of and investment in infrastructure; and promote competition in activities that rely on the use of infrastructure services'.

While South Australian operators proximate to the TDR predominately utilise the road networks to transport product, SACOME is broadly supportive of any measures that improve access to rail networks at lower cost for operators, and which enable development of new resources projects.

SACOME acknowledges the issues raised by the Minerals Council of Australia's Northern Territory Division to both this and previous Review processes, and lends its in-principle support to calls for greater transparency with regard to access and pricing considerations.

SACOME understands the MCA's concerns regarding the relative power of a vertically-integrated monopoly's potential ability to exploit information asymmetry and lack of transparency to further leverage its market position at the expense of access seekers.

SACOME acknowledges the rationale of the MCA's call for a more comprehensive review of the Guidelines, particularly where this would enable future investment in resources projects and development of the resources sector; and ensure consistency with current competition principles in relation to significant transport infrastructure.

SACOME notes that the Commission has 'not identified the need for major changes to the Guidelines' and that 'draft amendments are of limited scope and are not expected to materially impact on the operations of the Tarcoola-Darwin Railway'.

As noted in the April 2019 Draft Decision paper, service levels and the cost of transport influences mining investment decisions and demand for railway services. This is a major component of project development with pricing and freight movement critical in getting product to market in an economic manner.

SACOME welcomes any activity by ESCOSA that can facilitate this outcome.

Sincerely



Rebecca Knol
Chief Executive Officer