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Attn: SA Rail Access Regime Review
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Dear Sir / Madam

RE: SA Rail Access Regime Review

On behalf of the South Australian Freight Council's (SAFC) Membership I thank you for the opportunity to comment on the SA Rail Access Regime Review Issues Paper.

SAFC is the State's peak, multi-modal freight and logistics industry group that advises both the Federal and State governments on industry related issues, and is funded by both governments and industry. SAFC represents road, rail, sea and air freight modes and operations, freight services users and assists the industry on issues relating to freight logistics across all modes.

SAFC supports the retention of the SA Rail Access Regime in its current format following the conclusion of this review.

While SAFC is not aware of any misuse of market power in the South Australian rail industry, we believe the existence of the regime provides a background deterrent that assists in preventing any such occurrence. It is in part for this reason that SAFC believes that the current regime has been successful. SAFC also believes that the design of the regime – light-handed, and becoming active only where market failure is evident – is an exemplary regulatory design model that should be more widely applied.

Moreover, SAFC contends that the expansion of the mining sector in SA over the next 5-10 years will see significant further potential for the SA Rail Access Regime to be tested. With the background deterrent of the scheme in place, this sector expansion is more *likely* to proceed smoothly – however this cannot be guaranteed, and the retention of a regulatory safety net is appropriate.

SAFC notes that ESCOSA is responsible for a number of similarly operating transport access regimes – two rail regimes (including Tarcoola to Darwin) and the Ports Access Regime.

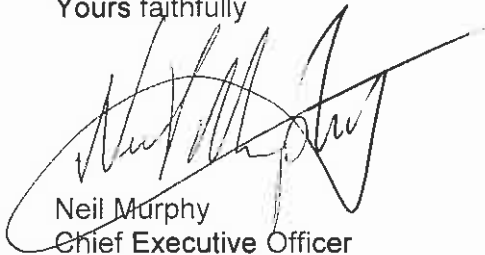
SAFC believes there may be some merit in exploring a merger of these access regimes into a single regime, notionally referred to as the 'Strategic Supply Chain Infrastructure Access Regime'. Under this concept, in the event that a new mining venture (for example) may require both rail and port access to get its products to market, a single scheme would provide consistent regulatory treatment for what is essentially the same objective – access to

significant infrastructure on a fair and equitable basis, whilst maintaining similar 'background deterrent' provisions that will discourage any perceived anti-competitive behaviour.

In the design of such a scheme, SAFC would expect that any new regime would incorporate broad regulatory parameters to guide access negotiations, and should apply to all significant rail and port infrastructures in the State, including elements that are currently excluded from coverage by existing regimes.

Should you wish to discuss any aspect of this submission, or require clarification of any matter raised, feel free to contact me by telephone on (08) 8447 0688 or Email: murphy.neil@safreightcouncil.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Neil Murphy', written over a light grey circular stamp or watermark.

Neil Murphy
Chief Executive Officer
SA Freight Council Inc