



Genesee & Wyoming Australia Pty Ltd

5th August 2009

2009 SA Rail Access Regime Inquiry: Draft Inquiry Report
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

By email: escosa@escosa.sa.gov.au

Dear Sir/Madam

RE: 2009 SA Rail Access Regime Inquiry: Draft Inquiry Report

Genesee & Wyoming Australia Pty Ltd (GWA) believes that the findings in the Draft Inquiry Report to be fair and balanced.

We would like to make comment however on a few points raised:

- Clause 2.4

GWA agrees that the access regime should promote economic efficiency and does not have a problem with the Act being altered to include the concept. We are concerned by some of the commentary in the report and some submissions where this concept is discussed and the expectation that the concept may create among access seekers.

An access provider can only fund investment in track if there is an acceptable return on the investment. Any investment to improve below rail efficiency ie by increasing axle loads or track speeds, to promote improvements in above rail efficiency, must provide an acceptable return to the access provider, if the business is to remain viable in the long term. An access seeker must accept the fact that if the volume of traffic is not sufficient or the price they are prepared to pay is not high enough then the investment cannot be justified.

GWA requests that if the concept of economic efficiency is to be included in the Act, the fact that the operator needs to earn a fair rate of return on investment over a commercially acceptable period be included in the pricing principles.

- Private Sidings

GWA agrees with the Commission that grain sidings owned by ABB and the goods loops providing access to these sidings owned by GWA come under the

auspices of the SA Access Regime. Goods loops owned by ARTC and managed by GWA, come under ARTC access criteria, which are publicly documented.

GWA still believes however that as ownership of rail facilities becomes more diverse in South Australia a mechanism needs to be put in place to review the effects of the sale of rail facilities to ensure that access rights are protected.

An example is the locomotive and wagon workshops in Port Augusta, which have recently been sold with the access tracks, which also provide rail access to the infrastructure workshops on the same site. GWA does not have a problem with the current incumbents limiting access, because of contractual agreements, but believes that if this track is classed as a private siding there could be issues if the site again changes hands.

In all other aspects GWA concurs with the findings of the Draft report or believes that the changes where they relate to disclosure of pricing information are in line with current GWA practice.

Yours Faithfully



Paul Hollitt

Property and Access Manager