

12 May 2021

Mr Matthew Schroder  
General Manager  
Infrastructure & Transport – Access & Pricing Branch  
Australian Competition and Consumer Commission

Email: transport@accg.gov.au

Dear Mr Schroder,

**Proposed extension to the Australian Rail Track Corporation's 2008 Interstate Access Undertaking**

Gloucester Coal Ltd (**Gloucester**) appreciates the opportunity to comment on the Australian Rail Track Corporation (**ARTC**) application to extend its 2008 Interstate Access Undertaking.

Gloucester does not object to ARTC's proposal to extend the term of the Interstate Access Undertaking for a further period of 24 months. We understand that this extension is necessary to allow the ACCC to undertake the DORC valuation exercise.

Gloucester intends to participate actively in the DORC valuation process. We are keen to ensure that the resulting DORC valuation appropriately promotes the economically efficient operation of, use of and investment in the interstate network, and promotes the interests of access seekers by providing clarity and certainty around the future operation of the Interstate Access Undertaking. We are also keen to ensure that the DORC valuation process proceeds in a timely manner and that no further extension of time is necessary.

Gloucester also notes ARTC's submission that any assessment of capex prudence must wait until after the DORC valuation process has been completed. ARTC's submission states that (or emphasis):

*ARTC's ability to provide the ACCC with the necessary documentation is contingent on the finalisation of the DORC valuation and the associated valuation methodology. Accordingly, ARTC will start providing the ACCC with the information required for the prudence assessment as soon as practicable after the DORC process has been resolved and on an iterative basis.*

It is not clear why the two processes are linked in this way. Gloucester considers that the prudence assessment can and should occur in parallel with development by the ACCC of a DORC valuation. This need not (and should not) be delayed until the DORC process is complete.

We look forward to engaging further with you as this process moves forward.

Yours sincerely,

Mike Dodd  
General Manager Infrastructure  
Yancoal Australia Ltd