

17 June 2021

Mr Justin Martyn  
Director Regulated Rail – Access  
Australian Competition & Consumer Commission  
Level 11  
1 King William Street  
Adelaide, SA 5000

By email: [Justin.Martyn@accc.gov.au](mailto:Justin.Martyn@accc.gov.au)

Dear Justin,

### **2018 Overhead Error and Compliance Resubmission**

As part of the ACCC's review of ARTC's 2018 Annual Compliance Submission the ACCC requested ARTC provide reconciliation of total company wide corporate overhead expenditure and allocation to the Hunter Valley Coal Network.

In the process of sourcing this top down breakdown an input error was found in the % cost attribution made to Inland Rail for 2018 compliance period. This cost attribution process occurs prior to the calculation of the residual overhead allocation to the operating business units.

Rectification of the error results in \$1M reduction in corporate overhead allocated to the Hunter Valley Network of which \$0.9M relates to the coal network. This reduces the Constrained Network Ceiling Limit and the 2018 under recovery for the Constrained Network by \$0.7M and a \$0.2M reduction of the Pricing Zone 3 Capitalised Loss Balance.

ARTC has disclosed and discussed this issue directly with both the ACCC and stakeholders and now enclose resubmission of the 2018 Compliance documentation for review and publication.

Yours sincerely



Kamaile Stevens  
**General Manager Customer Service and Innovation**