



20 Newton Street  
Broadmeadow, NSW 2292  
Locked Bag 1  
Broadmeadow, NSW 2292

P. 02 4978 9800

E. [info@artc.com.au](mailto:info@artc.com.au)  
W. [artc.com.au](http://artc.com.au)

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Grant Kari  
Regulated Access – Rail  
Australian Competition and Consumer ACCC  
GPO Box 520  
MELBOURNE VIC 3001

By email: [grant.kari@accc.gov.au](mailto:grant.kari@accc.gov.au)

**AUSTRALIAN RAIL TRACK CORPORATION LTD**  
**ARTC 2017 HUNTER VALLEY COAL NETWORK ACCESS UNDERTAKING**  
**APPLICATION TO THE ACCC**

Please find enclosed a copy of the application documentation supporting ARTC's 2017 Hunter Valley Coal Network Access Undertaking (**2017 HVAU**) for the Australian Competition and Consumer Commission's (**ACCC**) consideration.

The Hunter Valley Coal Network Access Undertaking was initially accepted by the ACCC on 29 June 2011 and subsequently extended on 23 June 2016 and 23 November 2016 (**2011 HVAU**). The 2011 HVAU is scheduled to expire on 30 June 2017. ARTC submits this voluntary access undertaking pursuant to the provisions of Part IIIA of the *Competition and Consumer Act 2010* (Cth) to replace the existing 2011 HVAU.

The 2017 HVAU is based upon the HVAU lodged with the ACCC on 23 December 2015 and withdrawn on 14 June 2016 (**2016 HVAU**). Amendments have been made to the 2016 HVAU to reflect the ACCC's letter to stakeholders on 7 July 2016 providing its preliminary, non-binding views of the 2016 HVAU.

The following documentation comprising ARTC's application of the 2017 HVAU is intended for publishing should the ACCC wish to do so and includes:

- 1 Explanatory Guide for the 2017 HVAU which includes detailed reasons for the proposed changes to the 2011 HVAU and attaches the following documents:
  - Attachment 1 – a clean version of the 2017 HVAU;
  - Attachment 2 – a marked up version of the 2017 HVAU against the 2011 HVAU;
  - Attachment 3 – a clean version of the 2017 Indicative Access Holder Agreement (**2017 IAHA**) to be annexed to the 2017 HVAU;
  - Attachment 4 – a marked up version of the 2017 IAHA against the 2011 Indicative Access Holder Agreement;
  - Attachment 5 – a clean version of the 2017 Indicative Operator Sub-Agreement (**2017 IOSA**) to be annexed to the 2017 HVAU;
  - Attachment 6 – a marked up version of the 2017 IOSA against the 2011 Indicative Operator Sub-Agreement;
  - Attachment 7 – a report prepared by Synergies Economic Consulting for ARTC discussing matters relating to the determination of a rate of return; and
  - Attachment 8 – a summary of the provisions that ARTC expects will require amendment to implement the new opex mechanism.

- 2 Summary of Key Changes to 2016 HVAU summarising the key changes between the 2016 and 2017 application documents, which attaches:
- Attachment 1 – a marked up version of the 2017 HVAU against the 2016 HVAU;
  - Attachment 2 – a marked up version of the 2017 IAHA against the 2016 Indicative Access Holder Agreement; and
  - Attachment 3 – a marked up version of the 2017 IOSA against the 2016 Indicative Operator Sub-Agreement.

ARTC will provide confidential financial modelling and analysis in support of the proposed Remaining Mine Life separately.

This application is made following consultation with industry stakeholders (including the Hunter Rail Access Task Force) and the ACCC. ARTC has made a number of amendments to the 2011 HVAU in order to address concerns raised by a number of stakeholders during this consultation.

ARTC is submitting the 2017 HVAU application as a package. ARTC believes that the terms of the 2017 HVAU represent a balance between requests by industry and ARTC's legitimate business interests. ARTC has proposed commercial parameters and legal terms which are to operate as a whole. If the ACCC does not accept or agree with one parameter, ARTC reserves its position in relation to any other aspect of the application submitted.

ARTC seeks the ACCC's acceptance and approval of the 2017 HVAU, including the 2017 IAHA and 2017 OSA.

For further information regarding the preparation of this application, please contact Simon Ormsby on (08) 8217 4314 or [sormsby@artc.com.au](mailto:sormsby@artc.com.au) (email) or Gavin Carney on (08) 8217 4189 on [GCarney@ARTC.com.au](mailto:GCarney@ARTC.com.au) (email).

Yours sincerely



John Fullerton  
Chief Executive Officer