

Comments in relation to the rail component of the Hunter Valley Coal Network

The Hunter Valley Coal Network (HVCN) was defined by Schedule 6 of the NSW Rail Access Undertaking. While the lease to the Australian Rail Track Corporation (ARTC) in 2004 included the majority of the defined HVCN, a small section, south of Islington Junction (near Hamilton) to Newstan was retained by RailCorp. The rail network south of Newstan is also subject to the NSW Rail Access Undertaking but is not defined as being part of the HVCN.

The HVCN is now subject to two rail regulatory frameworks being the:

- ARTC Hunter Valley Access Undertaking and
- NSW Rail Access Undertaking (NSWRAU) for the small RailCorp component of the HVCN.

Neither framework is discussed in the Application for a declaration recommendation in relation to the Port of Newcastle (the Application) which was submitted to the National Competition Commission (NCC) by Glencore Coal Pty Ltd (Glencore).

The Application generally refers and attempts to define the Hunter Valley Coal Chain (HVCC). The following comments are provided in relation to the Application:

- Page 4 (Section 3.1): Figure 1 defines the 'Hunter Valley Coal Chain network.' Bullet point c incorrectly states that the track is shown in Figure 1 is owned and maintained by the ARTC. Figure 1 also identifies track that is owned by RailCorp, and operated and managed by Sydney Trains. Coal travels across the RailCorp network, with both export and domestic end markets.
- Page 7 (section 3.4): Although coal producers enter into agreements with the ARTC they do not enter into access agreements with RailCorp. The NSWRAU provides for an agreement between RailCorp (who provide access) and the rail operator (right to use the network). The Rail Operator has the contractual right over the capacity not the producer.
- Page 8 (section 3.4): The RailCorp ownership of the rail network as defined by the Application is not identified.
- Page 8 (section 3.4): The ARTC is not responsible for the management of the RailCorp component of the network as defined by the Application.
- Page 8 (section 3.4): The ARTC is not responsible for granting access to the RailCorp component of the network as defined by the Application, or the Hunter Valley Corridor defined in Figure 2 in the Application.

- Page 8 (section 3.4): Figure 2 suggests that the Hunter Valley Corridor extends to Vales Point. This is inconsistent with the Application and the existing rail regulatory frameworks.
- Page 8 (section 3.4): The Application acknowledges RailCorp ownership of part of the network. However, it then defines the Hunter Valley coal network as being dedicated double track between Port Waratah and Maitland. This is incorrect and inconsistent with the Application. The RailCorp part of the network is south of Newcastle and not between Port Waratah and Maitland.
- Page 26 (section 8.8): The discussion of the infrastructure market should note the RailCorp track.
- Page 30 (section 9.4): Coal producers do not have long term infrastructure agreements on the RailCorp network.
- Pages 5 and 9 (sections 3.2 and 3.5): These sections refer to 'Glencore Rail'. For the purposes of Rail Safety Accreditation, Glencore Rail is not a rail operator. Freightliner Australia is the accredited rail operator.¹

¹ For more information see the National Rail Safety Register available at:
http://www.onrsr.com.au/__data/assets/pdf_file/0007/4975/National-Rail-Safety-Register.pdf