

21 February 2025

Essential Services Commission of South Australia
GPO Box 2605
ADELAIDE SA 5001

Tarcoola to Darwin Railway: 5-year Review of Revenues 2018-19 to 2022-23

The South Australian Chamber of Mines and Energy (SACOME) is the leading industry association representing the South Australian resource and energy sector, a powerhouse of the State's economy.

SACOME welcomes the opportunity to make this submission to the Essential Services Commission of South Australia's (ESCOSA) Tarcoola to Darwin Railway: 5-year Review of Revenues 2018-19 to 2022-23.

SACOME notes that the intent of the Review is to determine whether 'excessive' revenues have been earned in respect to below-rail freight where no sustainable competitive prices exist.

In determining this, SACOME notes that consideration must be given to:

- If sustainable competitive prices for below-rail freight services exist, and
- Where no sustainable competitive prices exist, comparison of actual below-rail freight revenues earned against a maximum revenue limit for the same below-rail services.

SACOME notes the findings of the prior 5-year Review of Revenues Report from March 2022, which suggested that the transport of mineral ores was a relevant below-rail service not subject to sustainable competitive prices; and that and that revenues in relation to this service were not excessive.

In recognising this finding SACOME continues to be broadly supportive of any measures that improve access to rail networks at lower cost for operators, and which enable development of new resources projects. SACOME also acknowledges the efforts taken to incorporate feedback from previous reviews.

The focus on assessment of sustainable competitive prices and revenues, seen in both the 2022 Report and this iteration of the Review, reflects issues previously raised by resources sector peak bodies concerning the transparency of pricing considerations.

In supporting ongoing access to rail at lower costs for operators, SACOME commends the objectives of the 5-year Review of Revenues. The role of rail in facilitating necessary transport of goods for project development and continued sector growth should not be understated.

Further to this point, potential secondary benefits such as project facilitation and community engagement may be factored into the development of a methodology and parameters to be used in calculating the maximum revenue limit, or as variables to be included in sensitivity analysis.

Recent Australian Government initiatives like the National Interest Framework illustrate a growing awareness of the importance of concepts such as community benefit and national sovereign capability.

The mining and resources sector has the potential to align with many of these objectives, however, key enablers such as cost-effective transportation are essential to achieving them. SACOME supports an approach which recognises these benefits, and accounts for the role which rail may play in facilitating their realisation.

SACOME welcomes any steps taken by ESCOSA towards achieving this outcome and extends an offer to facilitate direct discussions between ESCOSA and relevant SACOME member companies.

Sincerely,



Rebecca Knol
Chief Executive Officer