



Government of **Western Australia**
Department of **Transport**

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Review of the *Railways (Access) Code 2000* – ERA's Call for Further Comment

The Department of Transport (DoT) submitted comments to the ERA regarding the review of the *Railways (Access) Code 2000* (the Code) Issues Paper in April 2015.

In response to the ERA's subsequent request of 7 May 2015 for further comment on the prescriptiveness of the WA Rail Access Regime and the valuation method prescribed in the Code, the DoT notes that there are advantages and disadvantages associated with each of the different valuation methods used in assessing the regulated asset base for the purpose of calculating the cost of capital borne by the infrastructure owner. This includes the Gross Replacement Value currently used in Western Australia and the Depreciated Optimised Replacement Cost methodology used by many other jurisdictions. In this context, the DoT supports the ERA adopting a methodology that meets the industry standard and requirements, while balancing this with the related regulatory cost of administering various changes within the Code.

The DoT requests that consideration be given to introducing guidelines and clarity within the Code on how interim arrangements are to be dealt with. Similar to the formal 90-day negotiation period, the arbitration timeframes of the Code's current arbitration process need to be clearly prescribed in the Code to ensure timely decisions relating to access arrangements between the access seeker and the lessee.

Thank you for the opportunity to comment.

Yours sincerely

 **Graeme Doyle**
Managing Director
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