



Notice

24 November 2020

Arc Infrastructure

Adjustments to incremental and total costs for 2017, 2018 and 2019

The ERA has approved Arc Infrastructure's [proposed annual adjustments to costs](#) for routes relevant to Arc's access agreements with Co-operative Bulk Handling Ltd (CBH).

CBH made its access proposal in December 2013. The ERA determined costs relevant to the access proposal in June 2014. The access agreements commenced on 1 January 2017.

Arc's Over-payment Rules require that total revenues from all entities operating on a route are audited against the total costs determined for the route every three years. Arc's Costing Principles outline, at section 5.1, the way in which costs may be adjusted over the three-year cycle.

Due to reductions in the cost of capital and low inflation, Arc's proposal showed an increase in the sum of all total costs of only 0.1 per cent from 2014 to 2019.

Arc Infrastructure provided its proposed adjusted costs for 2017, 2018 and 2019 to the ERA for approval on 6 August 2020. The ERA has approved Arc's proposed costs and has published them, with certain redactions. The redactions relate to routes on which CBH is not the sole operating entity.

Arc Infrastructure is now required to provide an audited account of revenues received against the total costs approved for the relevant routes. Arc has appointed Deloitte as an auditor. The ERA will approve and publish the audit document once it has been finalised.

Further information

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