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June 6, 2006

Mr Lyndon Rowe
Chairman
Economic Regulation Authority, Western Australia
GPO Box 8489
Perth Business Centre
Western Australia 6849

Great Southern Railway Limited
ACN 079 476 949
ABN 59 079 476 949

Dear Mr Rowe

422 King William Street
Adelaide SA 5000

The Economic Regulation Authority's Draft Determination

I am writing in response to The Economic Regulation Authority's (Authority's) Draft Determination issued on 10 May 2006. Great Southern Railway (GSR) is grateful for the consideration that the Authority gave to GSR's submission on WestNet Rail's draft Part 5 Instruments. I acknowledge the Authority's agreement with many of GSR's suggestions and hope that GSR's submission has contributed to the development of the Part 5 Instruments and the regulation of rail access in Western Australia.

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Thank you for the invitation to comment on the Authority's Draft Determination. GSR does not intend to provide any comment in relation to the Authority's Draft Determination but takes this opportunity to urge you to consider the policy issue of the application of access pricing to long distance passenger trains.

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GSR's submission to the Authority raised, among other things, policy issues in relation to access pricing principles and in particular their application to passenger rail operators. I recognise that these issues were perhaps beyond the scope of the Authority's Draft Determination in relation to the Part 5 Instruments. However these issues are important to the future of long distance passenger rail and cannot be ignored.

Website: www.gsr.com.au

GSR recently researched the topic of passenger rail access prices and their effect on the long distance passenger rail business. It is clear from this research that access prices are not applied equitably or appropriately to long distance passenger trains. The inappropriate application of access prices is damaging the long distance passenger rail business to the extent that growth is significantly impeded and the future of some services is in jeopardy.



The rectification of the existing access pricing anomalies will present benefits for: long distance passenger rail operators; passengers; access providers; the community in general; and the many other organisations associated with the passenger rail and tourism industries.

GSR presented this issue in more detail in its recent submission to the Productivity Commission. I have attached a copy of this submission for your information. I urge you to consider the issues raised in GSR's submission to the Productivity Commission and where appropriate the manner in which such issues may be addressed in Western Australia. Many of the findings and recommendations in the submission have not been raised before and we are happy to discuss these with you and provide any further information as you may require.

Thank you once again and please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Tony Braxton-Smith', written over a horizontal line.

Tony Braxton-Smith
Chief Executive Officer

Attachment: 41 pages.