

4.8.2005

Mr Lyndon Rowe
Chairman
Economic Regulation Authority
GPO Box 8469
Perth Business Centre
PERTH WA 6849

Dear Sir,

Re: Public submissions to the **Review of the WA Rail Access Code.**
Draft Report 21.7.2005.

We offer the following submission specifically in reference to **Recommendation 5.**

We submit that the **Issue** should be revised to include a third factor, so that it reads:
"Recovery of expansion costs based on relative usage and economic **and long term community** benefits."

The matter of social benefits flowing on from the use of rail might be considered to be beyond the scope of the Access Code, but it should at least be referenced in the text in support of rail as a highly sustainable form of transport.

A potential operator might compare the economics of a greenfield extension or upgrade of rail against the use of equivalent road transport. There is an immediate social implication in this equation, because the community will benefit from the use of rail instead of additional vehicles on the roads, with all that this entails.

Therefore, where potentially viable, there should be an avenue for government to contribute to the cost of new rail infrastructure in the interests of society as a whole.

We note that there is no consideration of these externalities included within CPA clause 1(3) concerning the Public Interest Test.

With our thanks for this opportunity to comment.

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(Conservation Council)

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