

NOTICE

Invitation for Public Submissions

Review of the Weighted Average Cost of Capital to Apply to the Urban and Freight Rail Networks

The Economic Regulation Authority has released its draft determination for the 2008 Weighted Average Cost of Capital (WACC) for the railway infrastructure associated with the urban and freight rail networks.

The Authority is inviting public submissions on the draft determination, which set the 2008 real pre-tax WACC values at:

- 9.30 per cent for the freight network; and
- 7.17 per cent for the urban network.

The draft determination is available on the Authority's [web site](#).

Background

The *Railways (Access) Code 2000* (Code) requires the Authority to make an annual determination, as at 30 June, of the WACC to be applied in calculating the floor and ceiling costs for each of the urban and freight rail networks covered under Schedule 1 of the Code.

The Code also requires that, from 2003, the Authority undertakes public consultation every fifth year before determining the WACC values for that year. Consequently, the Authority must consult the public before determining the WACC for the 12 months from 1 July 2008.

The Authority commenced the public consultation process for its 2008 WACC review in October 2007 with the release of a report by the Allen Consulting Group (ACG). Four submissions - from Synergies Economic Consulting, Alcoa World Alumina Australia, the Chamber of Commerce and Industry of Western Australia and the Australian Pipeline Industry Association - were received.

The Authority considered the four submissions in preparing its draft determination.

Public Submissions

All submissions should be in electronic and hard copy form and must be received by **4.00pm (Western Standard Time) on Friday 2 May 2008**.

Written submissions should be mailed to:

Mr Russell Dumas
Director – Gas and Rail Access
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Electronic submissions should be made to: railnetworks@era.wa.gov.au

In general, submissions made to the Authority will be treated as in the public domain and placed on the Authority's web site.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of Section 50 of the Code.

The publication of a submission on the Authority's web site shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

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CHAIRMAN

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