

Projects

# Analysis of rail access charges for a private rail freight operator

Assessing proposed pricing changes within a regulated pricing environment



## LOCATION

Sydney and Brisbane

## CLIENT

Private Client

REGULATORY ECONOMICS

## Background

NineSquared was engaged by a private rail freight operator to provide targeted advice on access charges applied to the Sydney Trains and Country Regional (CRN) Networks. The client is required to secure track access and pay access charges to multiple network owners, with each network owner having different access agreements. This can lead to inefficiencies, as well as high financial costs and resource required to coordinate for the freight operator. Transport for NSW (TfNSW) was conducting a review of the current access charging system, as part of which, it consulted with rail operators impacted by the access charges. NineSquared provided ongoing support the rail operator through the consultation process.

## Our role

The work included developing advice on the basis for rail access charges in NSW, and the role played by various organisations including RailCorp/Sydney Trains and Transport for New South Wales. The review included an assessment of whether the proposed pricing changes were consistent with the access undertaking and regulatory pricing principles and developed a range of alternative pricing proposals. This work drew on a range of capability across NineSquared. These skills include interpreting and using data provided by the client as well as sourcing publicly available data to supplement evidence, applying economic principles to use of the rail infrastructure and using the findings to inform a recommended strategy for working with government.

The work provided by NineSquared was used to inform the rail operator's position when discussing access charging regimes with TfNSW. It provided the client with an understanding of the principles underpinning access charges and used the company's data to inform recommendations. More broadly, NineSquared supported the company in preparing documentation and planning for negotiations with TfNSW. This work drew on NineSquared's knowledge of regulatory pricing principles in Australia, working with government organisations to understand different viewpoints and requirements, and our detailed understanding of the rail freight industry in Australia.

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## FOR FURTHER INFORMATION

For more information, find one of our experts at [ninesquared.com.au/people](https://ninesquared.com.au/people)