



Western Australia

Economic Regulation Authority

Ref: Rail 051

Notice to Stakeholders

REPORT: ESTIMATION OF CPI-X IN THE WA RAIL INDUSTRY

In December 2003, the Rail Access Regulator (“the Regulator”) commissioned the Institute for Research into International Competitiveness (IRIC) to test a proposed methodology, from an earlier IRIC study, on the four main routes of the WestNet Rail network in which floor and ceiling costs have been determined. This study was completed and a draft report was released for public consultation on 29 March 2004. Following the public consultation phase, stakeholder comments, where appropriate, were included in the final report. A copy of the final report and submissions from stakeholders are now available for download from the ERA website www.era.gov.au.

Stakeholders should note that the X factor calculated in the report will not be used in place of the 0.25 of CPI that was previously determined by the Regulator. The Authority will continue to monitor the development of CPI-X regulation in Australia and overseas, discuss the proposed methodology with stakeholders and other State Regulators and reassess the applicability of the proposed methodology when the Gross Replacement Value of the WestNet Rail and Public Transport Authority railway infrastructure is formally reset in 2006-07.

LYNDON ROWE
CHAIRMAN

14 June 2004