

6 May 2008

John Feil,  
Executive Director  
National Competition Council  
GPO Box 250  
Melbourne VIC 3001

Dear John,

**NATIONAL COMPETITION COUNCIL – GOLDSWORTHY, HAMERSLEY AND ROBE RAILWAY**

The Chamber of Commerce and Industry Western Australia (CCI) is pleased to provide the following submission to the National Competition Council on the Goldsworthy Railway, the Hamersley Railway and the Robe Railway.

CCI is the leading business association in Western Australia. It is the second largest organisation of its kind in Australia with a membership of approximately 5,500 organisations in all sectors including manufacturing, resources, agriculture, transport, communications, retailing, hospitality, building and construction, community services and finance.

Most members are private sector businesses but CCI also represents the not-for-profit sector and the government sector. About 80 percent of members are small businesses, and members are located in all geographical regions of WA. Some 100 business associations are affiliated with CCI, expanding the organisation's representative coverage to more than 10,000 enterprises.

The attached *Competition Policy in Western Australia: A Discussion Paper* outlines the principles that the Chamber of Commerce and Industry (CCI) believe should guide the NCC's decision. A summary of CCI's position is that:

*The monopoly nature of infrastructure makes it an important part of competition policy, particularly in the areas of energy, transport, communications and water supply. Access to such infrastructure and the cost of doing so are also key determinants of the overall efficiency and competitiveness of an economy.*

*Businesses should have legal avenues to pursue the use of nationally significant infrastructure services owned and operated by others on commercially negotiated terms. Where commercially negotiated terms and conditions are not possible, implementing authorities must be sensitive to the implications of their decisions including possible disincentives to future investment that may result from mandated access and it is important that where access is given it is on 'reasonable' terms and conditions and at 'fair' prices.*

In determining appropriate commercial terms it is important that the risky nature of infrastructure development in very different business conditions, and its integration into business activity. This needs to be balanced against the advantages that are available from leveraging off significant infrastructure developments for the purpose of 'opening up' Western Australia's natural resources for further development.

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If you require any information, please do not hesitate to contact Nathan Taylor, Senior Economist, on (08) 9365 7508.

Yours sincerely

Nathan Taylor  
Senior Economist, CCI Economics