



5th July 2013

M/s Patricia Scott
Presiding Commissioner
National Access Regime
Productivity Commission
Locked Bag 2
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Dear M/s Scott

National Access Regime – Draft Report May 2013

Thank you for the opportunity to comment on the National Access Regime Draft Report, May 2013. In doing so, I also refer to the AMEC submission dated 4th February 2013 in respect of the Issues Paper.

As previously detailed, the Association of Mining and Exploration Companies (AMEC) is the peak national industry representative body for over 360 explorers, miners and the companies servicing them.

AMEC members have a direct interest in access to infrastructure, and specifically in the National Access Regime. Feedback from members is that the regime is extremely complex and difficult to apply in practice, particularly in meeting the 'third party use' objective.

AMEC members would prefer private negotiation arrangements without recourse to regulated access. However, neither appear to be functioning efficiently in order to achieve net benefits for the community or economic efficiency.

AMEC remains concerned that the recommendations contained in the Draft Report do not appear to satisfactorily address this fundamental flaw in this policy regime.

As detailed in AMEC's previous submission, this is despite the existence and role of the Trade Practices Act (Part IIIA) to promote the economically efficient operation of infrastructure promoting effective competition in upstream and downstream markets. The Pilbara Infrastructure Pty Ltd case study described in the original Issues Paper is an excellent example of the inefficiency of the current access regime.

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AMEC continues to be of the view that broader strategic issues should have been included in this Inquiry, and that a full review should be conducted on the current inefficient and ineffective infrastructure regulatory and approvals framework in conjunction with the mining industry and State and Territory Governments.

Such a review should also closely assess the effectiveness or otherwise of 'third party access'.

Monopolistic behaviour by infrastructure owners should be avoided, wherever possible, in order to reverse the current disincentive to the development of a vibrant minerals exploration and mining industry in Australia and the 'stranding of assets' caused by the unavailability of relevant infrastructure.

AMEC therefore does not concur with recommendation 10.2 that the regime should be reviewed no later than ten years after the Australian Government has formally responded to the final recommendations of this Inquiry. AMEC considers that such a timeframe is far too long for an issue that is critically important for the mining sector and the national economy.

Thank you for the opportunity to comment. If you have any queries please feel free to contact Graham Short or myself.

Yours sincerely

Simon Bennison
Chief Executive Officer