

Wednesday, 10 May 2017

Mr Charles Millstead  
Chief Executive Officer  
Queensland Competition Authority  
Level 27  
145 Ann Street  
Brisbane Qld 4000  
Submitted via QCA Internet Portal

Dear Mr Millstead

**Pacific National Submission Regarding the Queensland Competition Authority Draft Decision on the Queensland Rail 2016 Cost Allocation Manual**

**Background**

Pacific National welcomes the opportunity to respond to the Queensland Competition Authority (QCA) on the April 2017 QCA Draft Decision on the Queensland Rail Cost Allocation Manual submitted to the QCA in December 2016. This submission is public.

Pacific National is a major access holder and above rail operator on Queensland Rail infrastructure and has a strong interest in ensuring that rail infrastructure costing manuals are well designed and contain appropriate cost allocation processes, as this will contribute to appropriate and efficient pricing for below rail services.

Pacific National previously made a submission to this regulatory process in February 2017 raising several matters of concern. Pacific National recognises that the QCA's Draft Decision has largely addressed these matters of concern and thus Pacific National supports the QCA's Draft Decision on the Queensland Rail Cost Allocation Manual.

Pacific National continues to believe that elements of the Queensland Rail below-rail financial statements should be further disaggregated to allow a more detailed consideration of actual costs for below-rail services but Pacific National accepts the current QCA Draft Decision position (Draft Decision page 6) that the proposed amendments to the Cost Allocation Manual have improved information on cost allocation and that further refinement of these allocations is a potential area of consideration in future reviews of the Cost Allocation Manual.

If you wish to discuss this submission please contact me on 02 8484 8056 or Ying Yeung on 07 3002 3726.

Yours Faithfully

Stuart Ronan  
Manager Access and Regulation  
Pacific National

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