

Thursday, 22 December 2016

Fiona Towers
Director Energy and Transport
Independent Pricing and Regulatory Tribunal
PO Box Q290,
QVB Post Office
NSW 1230
By email: Patrick_Lam@ipart.nsw.gov.au

Dear Ms Towers

Pacific National Submission to the IPART Draft Decision on the Review of RailCorp's Compliance with the New South Wales Rail Access Undertaking for 2014 / 15 Financial Year

Pacific National welcomes the opportunity to provide this submission to the Independent Pricing and Regulatory Tribunal (IPART) on its Draft Decision on RailCorp's compliance with the NSW Rail Access Undertaking for 2014-15. Pacific National supports the Draft Decision's position that Railcorp has not complied with the ceiling test and that Railcorp has overrecovered revenue. This submission is public.

Pacific National outlined numerous concerns with issues related to Railcorp's compliance with the NSW Rail Access Undertaking in its October 2016 submission to this regulatory consultation process. Pacific National believes that these concerns should be addressed by Railcorp and IPART in future reviews of Railcorp's compliance. These concerns include:

- the need for increased information on Railcorp actual costs and the cost allocation methodologies used in deriving the total cost. In particular, in order to ensure transparent and efficient outcomes Railcorp should no longer escalate previously allocated costs by CPI but should base the costs used in the ceiling test on an allocation of actual costs or efficient costs; and
- the fact that the RailCorp submission continues to be based on cost estimations and methodologies which have been previously rejected by IPART.

Pacific National will also raise these issues in a submission to the current review of the IPART Guideline for Rail Access Compliance under the NSW Rail Access Undertaking.

Overall Pacific National supports the Draft Decision's position that Railcorp has not complied with the ceiling test and that Railcorp has over-recovered revenue. In addition, Pacific National remains concerned at the lack of transparency in relation to costs and cost allocations in Railcorp's submissions. If you wish to discuss this response please contact me on [REDACTED]

Yours sincerely

Stuart Ronan
Manager Access and Regulation

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