

18 August 2016

Ms Catherine Barker
Director
Queensland Competition Authority
Level 27
145 Ann Street
BRISBANE QLD 4000

Dear Ms Barker

Revised Queensland Rail Costing Manual – Request For Extension of Time

I refer to John Hindmarsh's correspondence dated 22 July 2016 to the Queensland Rail CEO inviting Queensland Rail to submit a cost allocation manual (**Costing Manual**) to the Queensland Competition Authority (**QCA**) for its consideration by 21 September 2016.

The QCA advised in its Final Decision on '*Queensland Rail's Draft Access Undertaking 1*' that it would seek a revised Costing Manual that separately identifies information for:

- the Mount Isa Network; and
- the North Coast Line Network.

Queensland Rail supports the updating of the Costing Manual, which was last reviewed in 2013.

As discussed with Queensland Rail officers, there is considerable work in updating the current Costing Manual, as well as ensuring that the appropriate reporting systems are in place. Additionally, for quality control, Queensland Rail undertakes its own internal review and approval processes.

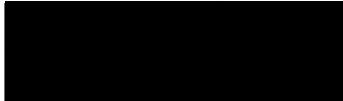
On this basis, and to ensure a robust Costing Manual, Queensland Rail requests that the QCA extend the time for the submission of the revised Costing Manual to 31 December 2016. This timeframe will allow a six month period for the approval of the Costing Manual by the QCA (i.e. 1 January 2017 to 30 June 2017).

The revised Costing Manual will be used for the development of the Below Rail Financial Statements for the 2016/17 financial year, which are due to be audited by the Queensland Audit Office and published by Queensland Rail no later than 31 December 2017.

We appreciate your consideration of this matter.

If you have any questions in relation to this correspondence, please don't hesitate to contact Douglas Jasch, Manager Policy and Regulation on 3072 0544.

Yours sincerely



Neil Buckley
General Manager Access Revenue
Commercial and Strategy
Queensland Rail