

Queensland Rail 2024–25 capital expenditure claim

23 April 2026

The Queensland Competition Authority has accepted all of Queensland Rail's 2024–25 capital expenditure claim (\$38.8 million) for inclusion into its regulatory asset base.

Queensland Rail's capital expenditure

On 1 July 2025, Queensland Rail's 2025 access undertaking (AU3) came into effect. This provides for us to assess the prudence of Queensland Rail's capital expenditure for inclusion in its regulatory asset base (RAB) each year.¹ It also includes transitional provisions that deal with the change to AU3 from the previous undertaking (AU2) and apply to the 2024–25 capital expenditure claim.² In particular, Queensland Rail has prepared, and we have assessed, the 2024–25 capital expenditure claim in accordance with the requirements set out in AU2.³

Queensland Rail submitted its 2024–25 capital expenditure claim for the West Moreton system on 23 December 2025. The claim is for \$36.6 million (plus \$2.1 million in interest during construction (IDC)), and comprises 8 projects in the West Moreton system, 1 system-wide project that includes works undertaken in the West Moreton system, and a claim for ballast undercutting works that have been completed.

We provided stakeholders with an opportunity to comment on Queensland Rail's claim. We received 2 submissions – one from Aurizon Operations and a joint submission from New Hope and Yancoal. These raised concerns about:

- Queensland Rail's approach to consultation with stakeholders in relation to capital expenditure planning – saying the current approach does not provide for a genuine consideration of stakeholders' views on a project (or alternatives) before a project is committed to, nor does it provide sufficient information about outcomes

¹ Under AU2, schedule E.

² Under AU3, clause 6.5.

³ Under AU2, schedule E. The focus of the AU2 assessment is the scope, standard of works and cost. Under AU3, the assessment also considers whether the works have been accepted by users.

- the nature, and quality, of information Queensland Rail provided to users to support its claim – calling for greater, and more timely, disclosure of information in relation to capital projects
- whether Queensland Rail’s expenditure is aligned with a prudent strategy for managing the network that has been supported by robust business cases and considers the trade-offs and alternatives.

Assessment approach

As with previous assessments, we have assessed the prudence of expenditures included in Queensland Rail’s claim focusing on the scope, standard of works and cost.

In forming our view, we had regard to information that Queensland Rail provided initially and in response to requests for information, relevant engineering advice provided to us in previous assessments, as well as the submissions we received.

We utilised generative artificial intelligence tools to assist with data processing and analysis in preparing this report.⁴

QCA assessment and decision

Based on the information available to us, we are satisfied that Queensland Rail’s claim for \$36.6 million (plus \$2.1 million in IDC) in capital expenditure meets the criteria for acceptance into the RAB (Table 1).⁵

We consider that the scope and standard of the works are prudent. Many of these continue existing programs of works that have been assessed (and approved) previously, or they reflect works that are necessary to maintain the safe and reliable operation of the network. We consider the projects were undertaken with regard to the current demand outlook and operating conditions, as well as the significant increases in demand expected during the AU3 period, and we note that Queensland Rail continues to use operational restrictions to manage network issues.

We note that it is a requirement for future approvals under AU3 that Queensland Rail seeks customer approval of works before committing to projects reasonably expected to cost \$4 million or more, to better understand whether the works are reasonably required (or whether alternatives exist), as well as what the actual impact is of projects during delivery and upon completion. It is our expectation that Queensland Rail will provide full information about these projects to customers so that they can make informed decisions. While our approval process is public and commercially sensitive information needs to be redacted, Queensland Rail has a demonstrated ability to fully share commercially sensitive information directly with users, which avoids the need for redactions.

We also consider that the costs of the works are prudent, based on consideration of industry benchmarks, our previous assessments and the nature of the works. For the most part, the 2024–25 costs fall within current industry standards and expectations. Where the costs are higher, it can be explained by the nature of the works undertaken and current challenging market conditions for labour and other resources.

⁴ Our use of these tools is subject to internal governance controls to ensure compliance with record-keeping, confidentiality and data integrity requirements. All AI-assisted outputs are reviewed, verified and, where necessary, amended by the QCA’s officers. We retain sole responsibility for the accuracy, reasoning and conclusions set out in this report.

⁵ Pursuant to AU2, cl 2.1, sch E – as applied under the transitional provisions in AU3.

We have confirmed that Queensland Rail has calculated the IDC consistent with past practice.

Approved capital expenditure claim

Table 1: Queensland Rail's approved capital expenditure claim

Project number	Project name	Claim (\$, excl IDC)	Claim (\$, incl IDC)
B.05577	Greasers Replacement/Upgrades	1,083,617	1,225,079
B.05602	Telecom Nera and Rectifier replacement	1,185,201	1,284,889
B.05649	Bridge Renewal West Moreton 20/21-24/25	2,280,626	2,381,504
B.05650	Reconditioning West Moreton 20/21-22/23	15,397,518	17,174,497
B.05651	West Moreton Rerail Kingsthorpe to Oakey	3,565,927	3,733,655
B.05655	Level Crossing Upgrades West Moreton	871,792	891,852
B.06156	WM Formation Strengthening WN to KP	9,484,891	^a 9,300,936
B.06159	Sleepers with gauge issue & Range rerail	1,136,902	1,145,908
B.05085	Pedestrian Crossing Upgrades (Regional)	631,129	644,750
	Ballast Undercutting	1,000,086	1,000,086
Total		36,637,687	38,783,157

^a Given the timing of the majority of project expenditure, the calculated IDC is negative (and reduces the total amount claimed).