Queensland Competition Authority

File ref: 2085958

27 November 2026

Ms Cat Peppler
Group Executive Network
Aurizon Network Pty Ltd
GPO Box 456
BRISBANE QLD 4001

Dear Ms Peppler

**Aurizon Network's 2025–26 maintenance costs claim**

I wish to advise that the QCA has approved Aurizon Network's 2025–26 maintenance costs claim (totalling $207.5 million). The QCA considers that the 2025–26 program of maintenance work and actual costs claimed are either not materially different from the approved 2025–26 maintenance strategies and budgets (MSBs) for each system or are otherwise prudent and efficient.[1]

| System | Approved maintenance cost ($m) |
|---|---|
| Blackwater | 85.3 |
| Goonyella | 82.8 |
| Moura | 19.6 |
| Newlands/GAPE | 19.7 |
| **Total** | **207.5** |

Totals may not add due to rounding.

While the total maintenance costs (and each system's costs) were generally above budget, the QCA considers that cost items claimed are, for the most part, not materially different from the approved MSB. The QCA accepts that some cost and scope variances will inevitably exist between the program delivered and the approved maintenance strategy and budget given the timing, changing priorities and changing market conditions.

The QCA notes that the costs claimed for a number of individual maintenance items exceeded the materiality threshold of ±$2 million this year.[2] In accordance with Aurizon Network's 2017 access undertaking (UT5), the QCA considered whether these costs are prudent and efficient, having regard to the maintenance objectives.[3] To assist in this assessment, the QCA had regard to the information Aurizon Network provided to support its claim, as well as advice provided by the

[1] UT5, cls 7A.11.5(f), (h)–(i).
[2] These were general track maintenance in the Goonyella system and the total expenditure for the Newlands system, which were considered items for the purpose of the assessment. We did not assess the Moura system as we were satisfied that expenditure for that system did not exceed the materiality threshold when considered on a like-for-like basis.
[3] UT5, cls 7A.11.1(a)(iii)(A)–(C).

independent engineering consultant we engaged, Arcadis.[4] Arcadis' report also looked into the costs associated with the labour efficiency initiatives and the QRC's concern on recurrence of cost overruns within the same maintenance items.

We are satisfied that where there were material differences with the MSB, the observed overspend for those maintenance cost items was nevertheless prudent and efficient – having regard to the maintenance objectives and safety and compliance requirements. We are also satisfied that the costs associated with the labour efficiency initiatives and the approach to recovering these costs are reasonable.

This letter will be published on the QCA website for stakeholders' information.

Yours sincerely



Tom Gole
Chief Executive Officer

cc: Jon Windle, Manager Regulation – Network Finance and Regulation

[4] Arcadis reviewed the 'reasonableness' of the overspend on key maintenance costs items that exceeded the UT5 materiality threshold and justification for repeated overspend in these areas compared to the approved maintenance and strategy budgets. This had regard to relevant financial, regulatory, and strategic aspects of the expenditure, including in meeting safety and compliance requirements, as well as Aurizon Network's strategic objectives and performance requirements. Arcardis' report is available on our website.