Queensland Competition Authority

File ref: 2086102

27 November 2026

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

Dear Ms Peppler

**Notice of final decision: Aurizon Network's 2025–26 revenue adjustment**

On 26 November 2026, the Queensland Competition Authority approved Aurizon Network's proposed revenue adjustment amount for 2025–26 under clause 4.3I of schedule F of the 2017 access undertaking (UT5). The QCA determined that Aurizon Network has appropriately calculated all the revenue adjustments it proposed on 14 October 2026.

The QCA's review of the revenue adjustment is summarised in the attached decision notice. The notice includes a brief overview of the basis of our assessment and our main findings. This is a notice for the purpose of clause 4.3(s)(i) of schedule F of UT5.

I am happy to discuss any questions you may have on this or any other matters. Should your staff have any specific queries on the attached decision notice, please direct them in the first instance to Pag Arao-Arao on 07 3222 0560 or by email at pag.arao-arao@qca.org.au.

Yours sincerely



Tom Gole
Chief Executive Officer

Queensland Competition Authority

Decision notice

# Revenue adjustment amounts 2025–26

**27 November 2026**

The Queensland Competition Authority has approved Aurizon Network's proposed 2025–26 revenue adjustment amount of $36.9 million, submitted on 14 October 2026 under the 2017 access undertaking (UT5).

Each year Aurizon Network submits a proposal to refund or recoup any over- or under-recovery of its allowable revenues. The proposed adjustments are the difference between Aurizon Network's maximum allowable revenue (MAR) plus any allowable adjustments (collectively termed the adjusted allowable revenue (AAR)), and the total actual revenue (TAR) collected in that year from the approved AT2–AT5 reference tariffs.

On 14 October 2026,[1] Aurizon Network submitted its revenue adjustment proposal for a net recovery of $36.9 million for 2025–26.[2]

## Revenue adjustment assessment process

UT5 (sch F, cl 4.3) sets out a process for assessing Aurizon Network's proposed revenue adjustment.

We will approve a proposal if we are satisfied that it has been calculated in accordance with UT5, or we will issue a notice requiring Aurizon Network to resubmit its proposal, with amendments (sch F, cls 4.3(r), (s)).[3] The approved revenue amounts then adjust the second-year's system allowable revenues and corresponding AT2–AT5 reference tariffs (sch F, cl 4.4).

If we are not reasonably satisfied that the revenue adjustment amount is calculated in accordance with clause 4.3, we must refuse to approve it. In that case, we must then issue a notice to Aurizon Network, explaining our reasons for the refusal and the way Aurizon Network is required to amend its proposal for resubmission (sch F, cl 4.3(s)(ii)).

[1] Aurizon Network must submit its yearly revenue adjustment amounts by 31 October (UT5, sch F, cl 4.3 (m), (o)).
[2] Aurizon Network, *FY2025 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026.
[3] Approval is also subject to consultation requirements.

We have closely checked Aurizon Network's application and supporting models against all available information (both publicly available and provided confidentially) to determine whether the calculations in this revenue assessment process have been performed in accordance with UT5.

## Stakeholder consultation

We invited stakeholder submissions on Aurizon Network's 2025–26 revenue adjustment proposal. We did not receive any submissions in response.

## Revenue adjustment amounts for 2025–26

Aurizon Network's revenue adjustment proposal provides for a net recovery of $36.9 million from its customers, reflecting under-recoveries in the Goonyella, Moura, Newlands and GAPE systems, and an over-recovery in the Blackwater system for the 2025–26 financial year (see Table 1 for service and system-specific over- and under-recoveries).

**Table 1: Revenue adjustment amounts 2025–26 ($ million)**

| System | AT2–4 (non-electric) | AT5 (electric) | Total |
|---|---|---|---|
| Blackwater | −19.1 | −1.9 | −21.1 |
| Goonyella | 25.3 | 16.0 | 41.4 |
| Moura | 2.4 | – | 2.4 |
| Newlands | 3.6 | – | 3.6 |
| GAPE | 10.6 | – | 10.6 |
| **Total** | **22.7** | **14.1** | **36.9** |

Note: Numbers may not sum due to rounding. Negative values indicate an over-recovery, and thus a system refund.
Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, p 3, 16.

For completeness, this decision notice sets out our assessment of each element of the approved adjustment amounts.

## Total actual revenues and adjustments

The TAR represents the total collected revenues made up of the system reference tariffs paid by access holders on all railed volumes in the financial year and includes cross-system traffic revenues on AT2–AT5 tariffs, any take or pay amounts payable, as well as any transfer and relinquishment fees received (sch F, cl 4.3(d)–(k)).

Aurizon Network submitted detailed monthly data to demonstrate the calculation of the TAR.

### Take or pay, relinquishment and transfer fees, and cross-system revenues

Aurizon Network provided billing information on how it calculated the take or pay revenues under its access contracts.

Take or pay amounts were triggered in the Moura and Newlands systems for 2025–26 (with the take or pay recovering the full amount of AT2¬AT4 shortfall), while relinquishment fees and transfer fees were payable in the Moura system. These have been included in the relevant TAR.

The take or pay amounts, relinquishment and transfer fees, and cross-system revenues for 2025–26 totalled $42.4 million, comprising $36.7 million from non-electric customers and $5.7 million from electric customers.

We are satisfied that:

- the take or pay revenues were accurately calculated based on railings within a nominated month, for the purposes of annual and variable take or pay, and were treated consistently
- adjustments for Aurizon Network cause and force majeure events were appropriately attributed, and the methodology in the relevant access undertakings was applied correctly.

We confirm that Aurizon Network has correctly calculated the take or pay revenues that applied for agreements signed during each undertaking period (sch F, cl 4.3(d)(ii)).

### Total actual revenues

Including adjustments to revenues, Aurizon Network collected TAR for 2025–26 of $1,272.1 million (see Table 2). We are satisfied that Aurizon Network calculated its system and cross-system tariff revenues in accordance with the 2025–26 annual review of reference tariffs and the current approved undertaking.

**Table 2: Total actual revenues 2025–26 (including take or pay and cross-system revenues) ($ million)**

| System | AT2–4 (non-electric) | AT5 (electric) | Total |
|---|---|---|---|
| Blackwater | 472.6 | 100.3 | 572.8 |
| Goonyella | 381.7 | 77.5 | 459.2 |
| Moura | 60.3 | – | 60.3 |
| Newlands | 43.8 | – | 43.8 |
| GAPE | 135.9 | – | 135.9 |
| **Total** | **1,094.3** | **177.7** | **1,272.1** |

Note: Numbers may not sum due to rounding.
Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, pp 13, 15.

## Volumes

Aurizon Network's TAR is based on amounts billed against each customer's actual railings (see Table 3). Overall railings were below forecast, with most systems railing below forecast.

**Table 3: Forecast and actual volumes 2025–26 (million net tonnes)**

| System | Approved forecasts | Actual tonnages | Variance (%) |
|---|---|---|---|
| Blackwater | 58.8 | 61.2 | 4% |
| Goonyella | 109.2 | 103.9 | −5% |
| Moura | 14.8 | 13.2 | −11% |
| Newlands | 20.8 | 17.8 | −14% |
| GAPE | 17.4 | 16.3 | −6% |
| **Total** | **221.0** | **212.5** | **−4%** |

Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, p 7.

## System allowable revenues and adjustments

Annual system allowable revenues represent the approved amounts Aurizon Network is set to recover in each year during the term of its approved undertaking. Each system's allowable revenues are published in schedule F of UT5.

Under the revenue adjustment process (sch F, cl 4.3(c)), Aurizon Network can submit adjustments to the annual allowable revenues. Aurizon Network's 2025–26 proposal outlined its claim for the following cost adjustments to the allowable revenues.

### Maintenance cost adjustment

The maintenance cost adjustment accounts for the difference between actual maintenance costs and the sum of the approved maintenance indicator and the variable maintenance cost adjustment.

Aurizon Network's actual maintenance costs are those included in the annual maintenance costs claim it submitted on 2 September 2026 (which we approved on 26 November 2026).[4] Overall, actual maintenance costs for 2025–26 were higher than the maintenance indicator for the year. Aurizon Network has calculated a net recovery from access holders of $9.1 million (see Table 4 for system-specific adjustments).

[4] Aurizon Network's maintenance cost proposal and our decision are available at *Maintenance cost claim* on our website.

**Table 4: Maintenance cost adjustment by system, AT2–AT5 ($ million)**

| System | Maintenance indicator | Actual maintenance costs | Variance | Variable maintenance | Total maintenance adjustments |
|---|---|---|---|---|---|
| **Non-electric (AT2–AT4)** | | | | | |
| Blackwater | 76.5 | 76.9 | 0.4 | −1.5 | −1.0 |
| Goonyella | 70.9 | 73.7 | 2.8 | 1.1 | 3.9 |
| Moura | 18.2 | 19.6 | 1.5 | 0.8 | 2.3 |
| Newlands | 7.0 | 9.4 | 2.3 | 1.2 | 3.5 |
| GAPE | 9.3 | 10.4 | 1.1 | 0.6 | 1.6 |
| **Total** | **181.9** | **190.0** | **8.1** | **2.2** | **10.3** |
| **Electric AT5** | | | | | |
| Blackwater | 8.7 | 8.4 | −0.3 | | −0.3 |
| Goonyella | 10.0 | 9.1 | −0.8 | | −0.8 |
| **Total** | **18.7** | **17.5** | **−1.2** | | **−1.2** |

Note: Numbers may not sum due to rounding.
Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, pp 10, 15.

We confirmed that actual maintenance costs are consistent with those included within the 2025–26 annual maintenance report and that the maintenance indicator is consistent with the values approved. Therefore, we are satisfied with Aurizon Network's claim under the maintenance cost adjustment.

## Non-electric operating expenditure allowance

Aurizon Network calculates an adjustment to the component of allowable revenues relating to the recovery of the non-electric operating expenditure allowance (NOEA). This adjustment to the NOEA is based on the difference between actual and the forecast consumer price index (CPI) in UT5.

**Table 5: Non-electric operating expenditure allowance 2025–26 ($ million)**

| System | Non-electric operating expenditure allowance | NOEA adjustment |
|---|---|---|
| Blackwater | 53.9 | 0.9 |
| Goonyella | 58.8 | 1.0 |
| Moura | 5.8 | 0.1 |
| Newlands | 3.6 | 0.1 |
| GAPE | 12.9 | 0.2 |
| **Total** | **135.1** | **2.3** |

Note: Numbers may not sum due to rounding.
Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, pp 11, 15.

We have confirmed that both forecast and actual CPI used to calculate the NOEA adjustment amount are correctly applied as required in the undertaking and that actual CPI corresponds to published information.

## Electricity connection costs

The electricity connection cost adjustment accounts for the difference between forecast and actual costs incurred in connecting to an electric transmission or distribution network. This adjustment is only applicable to Aurizon Network's electrified systems.

Aurizon Network has calculated a net recovery from access holders of $0.9 million (a $0.5 million recovery from the Blackwater system and a $0.4 million recovery from the Goonyella system).[5] This is the difference between the amounts paid to Powerlink Queensland and Ergon Energy for connecting Aurizon Network's electric infrastructure to their respective electricity networks and the forecast costs (used for determining the AT5 reference tariff components for 2025–26).

We consider these costs have been appropriately tracked and reflect actual costs incurred.

## Rebates adjustment

To account for the difference between forecast and actual rebate payments made in 2025–26, Aurizon Network has calculated a net return to access holders of $0.5 million (see Table 6 for system-specific rebates).

This adjustment is the difference between forecast and actual rebate payments made to access holders who have provided Aurizon Network with funds to underwrite capital investments (sch F, cl 4.3(c)(viii) of UT5).

**Table 6: Rebate adjustment by system totals ($ million)**

| System | AT2–4 | AT5 |
|---|---|---|
| Goonyella | −0.5 | −0.0[a] |

a The value is less than $0.01 million.
Note: Numbers may not sum due to rounding. Negative values indicate an over-recovery
Source: Aurizon Network, *FY2026 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, pp 11, 15.

Aurizon Network provided a detailed model of the rebate adjustments. We have verified these amounts and are satisfied with the adjustments made.

## Other adjustments

Aurizon Network did not claim any other adjustments – related to the approved WACC, the cost of audits, condition-based assessment costs, ground penetrating radar costs and other compliance costs – under UT5 sch F, cls 4.3(c)(i), 4.3(c)(v), 4.3(c)(vi), 4.3(c)(vii) and 4.3(c)(ix). –.

[5] Aurizon Network, *FY2025 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2026, p 11.

## Summary of revenue adjustment amounts, 2025–26 ($ million)

| System | Allowable revenues | Maintenance costs adjustments | NOEA and electricity connection costs | Rebates | Adjusted allowable revenues | Total actual revenues | Revenue adjustment amounts 2025–26 |
|---|---|---|---|---|---|---|---|
| **Non-electric (AT2–AT4)** | | | | | | | |
| Blackwater | 453.5 | −1.0 | 0.9 | – | 453.4 | 472.6 | −19.1 |
| Goonyella | 402.6 | 3.9 | 1.0 | -0.5 | 407.0 | 381.7 | 25.3 |
| Moura | 60.3 | 2.3 | 0.1 | – | 62.7 | 60.3 | 2.4 |
| Newlands | 43.8 | 3.5 | 0.1 | – | 47.3 | 43.8 | 3.6 |
| GAPE | 144.7 | 1.6 | 0.2 | – | 146.6 | 135.9 | 10.6 |
| **Subtotal** | **1,105.0** | **10.3** | **2.3** | **-0.5** | **1,117.1** | **1,094.3** | **22.7** |
| **Electric (AT5)** | | | | | | | |
| Blackwater | 98.2 | −0.3 | 0.5 | – | 98.4 | 100.3 | −1.9 |
| Goonyella | 93.9 | −0.8 | 0.4 | −0.01 | 93.5 | 77.5 | 16.0 |
| **Subtotal** | **192.2** | **−1.2** | **0.9** | **−0.0** | **191.9** | **177.7** | **14.1** |
| **Total** | **1,297.1** | **9.1** | **3.2** | **−0.5** | **1,308.9** | **1,272.1** | **36.9** |