



Mr George Passmore  
Queensland Competition Authority  
Level 27, 145 Ann Street  
Brisbane QLD 4001

## **Aurizon Network – Update to FY2025 Annual review of Reference Tariffs**

30 April 2024

Dear George,

On 28 February 2024, Aurizon Network submitted to the Queensland Competition Authority (**QCA**) the FY2025 Annual review of Reference Tariffs (**ARRT**) in accordance with Schedule F, Clause 4.1 of the 2017 Access Undertaking (**UT5**).

The QCA:

- › on 22 February 2024, issued a final decision to approve Aurizon Network's December 2023 GAPE and Newlands Pricing Draft Amending Access Undertaking (**DAAU**);
- › on 18 April 2024, issued a draft decision notice pertaining to Pembroke Resources application for Private Incremental Costs (**PIC**) for the Olive Downs Complex.

Aurizon Network has updated the proposed FY2025 Allowable Revenues and Reference Tariffs outlined in the ARRT submission to reflect the impact of:

- › An indicative PIC discount for Olive Downs, based on the QCA draft decision value of \$125.2 million;
- › minor amendments to the Maintenance and Capital Indicators to correct transpositional errors; and
- › the causation-based allocator on forecast capital expenditure in the Newlands Shared Rail Corridor, and allocation of Allowable Revenues between GAPE and Newlands Train Services.

In relation to electric charges, Aurizon Network:

- › on 15 March 2024, received updated transmission pricing from Powerlink. The impact of this pricing advice was immaterial and did not meet the criteria necessary to trigger an Endorsed Variation Event. Consequently, Aurizon Network has not sought to vary the TNSP cost forecast that was included in the ARRT;
- › intends, to submit an update to the Electric Energy (EC) charge on or about 31 May, in accordance with Schedule F, clause 2.2(a).

## Treatment of Olive Downs PIC

As foreshadowed in the ARRT submission, the PIC amount for Olive Downs will impact the proposed FY2025 Goonyella System Reference Tariffs. Noting that the QCA's Draft Decision is to approve a PIC amount of \$125.2 million, Aurizon Network has (for transparency) incorporated the draft PIC amount in this update to the FY25 ARRT.

Aurizon Network acknowledges that the QCA decision is (at this stage) only a draft decision, and that its final decision may be to approve a different PIC amount. In such circumstances, Aurizon Network will submit amended Reference Tariffs for the Goonyella System and Olive Downs to the QCA for approval.

Aurizon Network has provided:

- › at Appendix 1, updates to relevant tables that were included within the FY25 ARRT submission; and
- › at Appendix 2 and Appendix 3, clean and marked-up versions of the amended UT5.

Detailed financial models supporting the amendments will be supplied concurrently to QCA staff. Aurizon Network claims confidentiality over the financial models as they contain customer specific information.

Should you have any queries in relation to this submission, please do not hesitate to contact Michael Bray on [michael.bray@aurizon.com.au](mailto:michael.bray@aurizon.com.au).

Yours sincerely,



Jon Windle  
Manager Regulation Network  
Aurizon Network Pty Ltd

## Appendix 1: FY25 ARRT submission table updates

Due to the changes foreshadowed above and in particular, the impacts of the Olive Downs PIC on Goonyella System Reference Tariffs, Aurizon Network proposes the following changes to the tables within the MRSB.

**Table 2 and Table 25 - FY2025 Proposed Allowable Revenues**

System	AT1 (\$m)	AT2-4 (\$m)	AT5 (\$m)	Total (\$m)
Blackwater	36.3	<del>436.5</del> 436.0	109.9	<del>582.7</del> 582.2
Goonyella	25.2	<del>364.1</del> 364.2	92.8	482.1
Moura	7.4	<del>66.6</del> 67.2	--	<del>74.0</del> 74.6
Newlands	9.0	<del>46.6</del> 46.7	--	55.6
GAPE	14.2	<del>139.9</del> 139.8	--	<del>154.1</del> 154.0
<b>Total</b>	<b>92.2</b>	<b><del>1,053.7</del> 1,053.8</b>	<b>202.7</b>	<b><del>1,348.5</del> 1,348.7</b>

**Table 3 and Table 24 - FY2025 Proposed Reference Tariffs**

System	AT1	AT2	AT3	AT4	AT5	EC	QCA Levy	IE Pass Through Cost
Blackwater	1.07	2,633.70	<del>40.12</del> 10.11	3.29	4.45	1.66	0.0042	0.0126
Goonyella	0.74	1,668.60	<del>7.52</del> 7.73	<del>1.55</del> 1.60	<del>2.83</del> 2.90	1.66	0.0042	0.0126
Moura	1.98	780.03	<del>13.49</del> 13.62	<del>2.14</del> 2.16	--	--	0.0042	0.0126
Newlands	2.06	352.72	<del>9.14</del> 9.15	<del>1.27</del> 1.28	--	--	0.0042	0.0126
GAPE	1.66	15,464.32	<del>1.59</del> 1.58	<del>3.40</del> 3.39	--	--	0.0042	0.0126

**Table 13 FY2025 Maintenance Indicator – Direct (\$m)**

System	Current Maintenance Indicator (\$m)	Proposed Maintenance Indicator (\$m)	Variance (\$m)
Blackwater	83.0	<del>87.9</del> 87.4	<del>4.9</del> 4.4
Goonyella	79.0	<del>82.7</del> 82.8	3.7
Moura	14.1	<del>17.3</del> 17.9	<del>3.1</del> 3.7
Newlands	6.1	7.6	<del>1.5</del> 1.4
GAPE	10.5	<del>10.7</del> 10.6	0.1
<b>Total (\$m)</b>	<b>192.9</b>	<b><del>206.1</del> 206.3</b>	<b><del>13.2</del> 13.4</b>

**Table 15 FY2025 Capital Indicator (\$m, start of year)**

System	Current Capital Indicator (\$m)	Proposed Capital Indicator (\$m)	Variance (\$m)
Blackwater	147.1	<del>142.1</del> 142.2	<del>(5.0)</del> (4.9)
Goonyella	126.4	106.2	(20.2)
Moura	20.3	21.4	<del>1.1</del> 1.2
Newlands <sup>^</sup>	19.7	<del>20.4</del> 28.8 <sup>^</sup>	<del>0.4</del> 9.1
GAPE	9.7	<del>31.9</del> 23.1	<del>22.2</del> 13.4
<b>Total (\$m)</b>	<b>323.2</b>	<b>321.7</b>	<b>(1.5)</b> (1.4)

<sup>^</sup> This value includes forecast capital expenditure in the Newlands Shared Rail Corridor. The QCA-approved allocation approach will see Allowable Revenues associated with c.\$17.3m of capital expenditure allocated between Newlands and GAPE Train Services.

**Table 20 GAPE SAR and Reference Tariffs with Cessation of RCS Deferral**

Schedule F Value	FY25 ARRT	Estimate incl GAPE Link RCS	Variance
AT2-4 Allowable Revenue (\$m)	<del>139.9</del> 139.8	<del>142.7</del> 142.6	2.8
AT4 Tariff (\$/NT)	<del>3.40</del> 3.39	<del>3.57</del> 3.56	0.17

**Table 22 FY2025 Aggregate adjustments**

System	AT1 (\$m)	AT2-4 (\$m)	AT5 (\$m)	Total (\$m)
Blackwater	2.7	<del>13.8</del> 13.3	10.7	<del>27.2</del> 26.7
Goonyella	(0.4)	<del>12.8</del> 12.8	15.0	27.4
Moura	1.3	<del>3.1</del> 3.7	--	<del>4.4</del> 5.0
Newlands	1.6	<del>(3.4)</del> (3.4)	--	(1.8)
GAPE	(0.7)	<del>5.5</del> 5.4	--	<del>4.8</del> 4.7
<b>Total (\$m)</b>	<b>4.5</b>	<b><del>31.7</del> 31.9</b>	<b>25.7</b>	<b><del>61.9</del> 62.1</b>

## **Appendix 2: Amended 2017 Access Undertaking (Clean)**

## **Appendix 3: Amended 2017 Access Undertaking (Markup)**