

**Aurizon Network**  
**2017 Access Undertaking**  
**Review of Reference Tariffs - FY2027**

**February 2026**



## Table of Contents

1.	Executive Summary .....	3
2.	Introduction .....	6
3.	System Forecasts .....	9
4.	Proposed Allowable Revenue Adjustments.....	11
5.	Other Relevant Pricing Matters.....	17
6.	Proposed Allowable Revenues and Reference Tariffs .....	19
	Appendix 1: Coal System Graphs .....	21
	Appendix 2: Amended 2017 Access Undertaking (clean).....	30
	Appendix 3: Amended 2017 Access Undertaking (mark-up).....	31
	Appendix 4: Maintenance and Renewal Strategy and Budget.....	32

# 1. Executive Summary

## 1.1 Overview

This submission is provided to the Queensland Competition Authority (**QCA**) in accordance with Schedule F, clause 4 of the approved 2017 Access Undertaking (**UT5**). It sets out the methodology, data and assumptions that have been used to review Allowable Revenues and Reference Tariffs for each Coal System. Please note that while the 2025 UT5 Draft Amending Access Undertaking proposed changes to this process, these changes are subject to QCA approval and are not reflected within this submission.

The proposed System Forecasts, Allowable Revenues and Reference Tariffs for the Financial Year ending 30 June 2027 (**FY2027**) are summarised below. Please note that the totals for each table may not add due to rounding.

Unless otherwise defined, capitalised terms in this submission have the meaning given to those terms in UT5.

## 1.2 System Forecasts

Aurizon Network proposes to update System Forecasts for each Coal System in the Central Queensland Coal Network (**CQCN**). Consistent with previous years, the proposed System Forecasts were developed following consultation with Customers.

In November 2025, Aurizon Network wrote to Customers requesting that they:

- review railings data pertaining to their respective Origin / Destination pairings; and
- provide their own coal tonnage forecasts for FY2027.

Aurizon Network received responses from coal producers representing approximately 71% of contracted tonnage for the CQCN. Where Customers provided a volume forecast for their individual Origin / Destination pairings, Aurizon Network assessed those forecasts against both the relevant contract volume and an annualised volume forecast based on actual railings for the FY2026 year to date (**YTD**) (i.e. between July 2025 and January 2026).

The proposed System Forecasts for FY2027 reflect the aggregate of all Origin / Destination pairings in each Coal System. These are summarised in Table 1 below as both million Net Tonnes (**mnt**) and thousand Gross Tonne Kilometres (**GTK'000**).

**Table 1 Proposed System Forecasts - FY2027**

System	FY2026 Forecast	Proposed Forecast - FY2027	
	Million Net Tonnes	Million Net Tonnes	GTK'000
Blackwater	58.8	60.7	34,106,702
Goonyella	109.2	110.4	35,318,361
Moura	14.8	13.7	3,562,989
Newlands	20.8	21.0	4,739,350

System	FY2026 Forecast	Proposed Forecast - FY2027	
	Million Net Tonnes	Million Net Tonnes	GTK'000
GAPE	17.4	16.5	8,244,751
<b>Total</b>	<b>221.0</b>	<b>222.3</b>	<b>85,972,153</b>

The methodology used to arrive at the proposed System Forecasts is outlined in further detail in Section 3 of this submission.

### 1.3 Allowable Revenue

Aurizon Network has proposed adjustments to FY2027 Allowable Revenue inputs to reflect a range of matters, including:

- recent regulatory decisions;
- outcomes of the Maintenance and Renewal Strategy and Budget engagement with the Rail Industry Group (**RIG**); and
- latest pricing advice from third parties, including the QCA, electricity retailers, electrical transmission and distribution entities and the Independent Expert (**IE**).

The proposed Allowable Revenue for the CQCN are summarised in Table 2 below.

**Table 2 Proposed Allowable Revenues - FY2027 (\$m)**

Allowable Revenue	AT1	AT2-4	AT5*	Total
Blackwater	38.3	475.5	118.8	632.6
Goonyella	27.7	410.2	98.4	536.3
Moura	7.5	74.2	--	81.7
Newlands	10.4	54.7	--	65.1
GAPE	14.5	122.6	--	137.1
<b>Total</b>	<b>98.4</b>	<b>1,137.2</b>	<b>217.1</b>	<b>1,452.8</b>

*\* At the time of drafting, Aurizon Network had not yet received the annual pricing notification from Distribution Entities and/or Transmission Entities. The notification is typically received in March and can impact the Electric Operating Expenditure Allowance. Aurizon Network may seek a further variation to the AT5 Allowable Revenue where such a change constitutes an Endorsed Variation Event.*

A discussion of the respective Allowable Revenue adjustments applicable to each system is provided in Sections 4 and 5 of this submission.

## 1.4 Reference Tariffs

The combination of the proposed System Forecasts and proposed Allowable Revenues results in the following updated Reference Tariffs for the CQCN.

**Table 3 Proposed Reference Tariffs - FY2027 (\$)**

Reference Tariff	AT1	AT2	AT3	AT4	AT5	EC	QCA Levy	IE Pass Through Cost
Blackwater	1.13	2,788.67	10.89	3.52	4.89	1.27	0.0151	0.0261
Goonyella	0.78	1,766.79	8.71	1.81	2.89	1.27	0.0151	0.0261
Moura	2.10	825.93	15.95	2.59	--	--	0.0151	0.0261
Newlands	2.18	373.48	9.72	1.37	--	--	0.0151	0.0261
GAPE	1.76	15,464.32	1.76	2.42	--	--	0.0151	0.0261

Subject to QCA approval, Aurizon Network proposes that the Reference Tariffs outlined in Table 3 apply from 1 July 2026.

It should be noted that:

- the QCA has not yet announced its forecast fees for FY2027. As a result, Aurizon Network proposes an indicative QCA Levy that reflects the QCA's forecast fees for FY2026. Aurizon Network may seek a further variation to the QCA Levy once the QCA's fees for FY2027 have been announced;
- the proposed IE Pass Through Cost has been updated to reflect the IE's estimate of its FY2027 charges, which were notified to Aurizon Network on 9 February 2026; and
- the proposed QCA Levy and IE Pass Through Cost for FY2027 have been calculated using the proposed FY2027 System Forecasts outlined in this submission.

Aurizon Network is not, at this stage, seeking any amendment to the electric energy (**EC**) charge for FY2027, which will remain consistent with the FY2026 rate approved by the QCA. Aurizon Network will submit updated EC tariffs for FY2027 on or about 31 May 2026 in accordance with UT5.

Graphs outlining the movements in Allowable Revenue for each Coal System have been included in Appendix 1 to this submission. This compares the proposed Allowable Revenue for FY2027 against:

- the QCA-approved Allowable Revenues for FY2026; and
- the current Allowable Revenues for FY2027 as published in the 2017 Access Undertaking.

## 2. Introduction

### 2.1 Overview of the Regulatory Process

Schedule F to UT5 provides:

- Allowable Revenues;
- System Forecasts; and
- Reference Tariffs,

for each Coal System and for each year until FY2027.

Reference Tariffs are an essential element of UT5 as they are used to determine the Access Charges payable to Aurizon Network for the provision of the declared service. They are derived directly from the Allowable Revenues and System Forecasts that are applicable to each Coal System.

The inputs used to establish Allowable Revenues and System Forecasts are based on various assumptions made at a point in time. To ensure that the Reference Tariffs applicable to each Coal System remain efficient and cost reflective, UT5 provides a process through which Aurizon Network can seek QCA approval to update defined inputs to reflect the latest available information. This process is the review of Reference Tariffs.

Schedule F, Clause 4 outlines the range of matters that may be considered as part of the review of Review Tariffs, including the variations to Allowable Revenue that Aurizon Network may submit to the QCA for consideration. Aurizon Network must submit these variations by 28 February of each Year during the Term.

A summary of each of the adjustments proposed by Aurizon Network is outlined in Table 4.

**Table 4 Proposed adjustments impacting Allowable Revenues and Reference Tariffs**

Adjustment	Clause Reference <sup>1</sup>	Description
Revenue Adjustment Amount ( <b>Revenue Cap</b> )	4.1(a)(i)	The inclusion of this variation is provided for under Schedule F.4.1(a)(i). Aurizon Network's FY2025 Revenue Adjustment Amounts were approved by the QCA on 20 November 2025. The impact of these amounts on FY2027 Allowable Revenues is outlined in Section 4.1.
Capital Expenditure Allowable Revenue Adjustment	4.1(a)(ii)	This adjustment is determined in accordance with Schedule E, clause 5(b). It reconciles the difference in Allowable Revenues between the Capital Indicator for each Coal System (i.e. the forecast value used to set Allowable Revenues and Reference Tariffs) and the actual value of capital expenditure approved by the QCA for each year.  The Capital Expenditure Allowable Revenue Adjustment has been calculated to reflect the Capital Expenditure Claim and RAB roll-

<sup>1</sup> All clause references are contained within Schedule F to UT5.

Adjustment	Clause Reference <sup>1</sup>	Description
		<p>forward for FY2025, which were approved by the QCA on 20 November 2025 and 14 January 2026 respectively.</p> <p>The impact of this adjustment on FY2027 Allowable Revenues is outlined in Section 4.2.</p>
Revised Gtk Forecast	4.1(b)(i)	<p>Aurizon Network proposes revised Gtk Forecasts for each Reference Tariff, derived from an aggregate volume forecast for the CQCN of 222.3 mnt. Section 3 provides details of the methodology used to estimate the revised volume forecasts for each Coal System.</p>
Proposed Maintenance Indicator	4.1(b)(v)	<p>On 13 February 2026, the Chair of the RIG notified Aurizon Network that in accordance with clause 7A.11.3(j)(ii) of UT5, a Special Majority of End Users had approved an alternative Maintenance Strategy and Budget for all Coal Systems.</p> <p>The alternate Maintenance Strategy and Budget is based on Aurizon Network's final draft Maintenance Strategy and Budget, with the RIG proposing an additional \$1m efficiency target to be incorporated into the budget.</p> <p>Aurizon Network has accepted the alternative Maintenance Strategy and Budget for all Coal Systems.</p> <p>The FY2027 Maintenance Indicator for each Coal System has been updated to reflect the above outcomes. Further detail is contained within Section 4.3.</p>
Proposed Capital Indicator	4.1(b)(vi)	<p>On 13 February 2026, the Chair of the RIG notified Aurizon Network that the FY2027 Renewals Strategy and Budget proposed for all Coal Systems had been approved.</p> <p>The FY2027 Capital Indicator for each Coal System has been updated to reflect the above outcomes. Further detail is contained within Section 4.4.</p>
Tax Allowance	4.1(b)(vii)(F)	<p>The tax allowance is a computation of the post-tax revenue model and is updated to reflect the changes proposed within this submission.</p>
Electric Transmission and Connection Charges	4.1(c)(ii)	<p>Aurizon Network has updated the forecast of electricity transmission and connection charges to reflect the latest published rates (i.e. for FY2026), escalated at CPI. Aurizon Network expects updated pricing for FY2027 to be announced in March and will update these forecasts in due course. See Section 4.6 for further details.</p>
Forecast IE Pass Through Cost	4.1(b)(viii)	<p>The IE advised Aurizon Network of the forecast IE Pass Through Cost for FY2027 on 9 February 2026. Further detail is provided within Section 5.</p>
Electric Energy (EC) Charge	2.2(a)	<p>Aurizon Network is not seeking to amend the FY2027 Electric Energy (EC) charge at this stage. An update will be submitted to the QCA for approval on or about 31 May in accordance Schedule F, clause 2.2(a). Further information is outlined in Section 5.</p>
QCA Levy		<p>At the time of submission, the QCA had not yet announced its forecast regulatory fees for FY2027. The indicative QCA Levy included in this submission is based on the QCA's forecast fees for FY2026 and the proposed System Forecasts for FY2027. Further information is outlined in Section 5.</p>

Aurizon Network has applied the adjustments outlined in Table 4 to update Reference Tariffs and Allowable Revenues for each Coal System.

## 2.2 Form of Submission

This submission outlines all matters that are relevant to the Annual review of Reference Tariffs.

<b>Section 3</b>	Sets out the forecasting methodology and revised System Forecasts for each Coal System.
<b>Section 4</b>	<p>Outlines the proposed adjustments to Allowable Revenues, including:</p> <ul style="list-style-type: none"> <li>• Second Year Allowable Revenue Adjustment;</li> <li>• Capital Expenditure Allowable Revenue Adjustment;</li> <li>• revised Direct Maintenance Indicator;</li> <li>• revised Capital Indicator; and</li> <li>• forecast Transmission Network Service Provider charges.</li> </ul>
<b>Section 5</b>	<p>Discusses other relevant matters for consideration, including:</p> <ul style="list-style-type: none"> <li>• a preliminary electric energy charge;</li> <li>• a preliminary QCA Levy; and</li> <li>• revised IE Pass Through Costs.</li> </ul>
<b>Section 6</b>	Outlines the combined impact of the proposed adjustments on Allowable Revenues and Reference Tariffs.
<b>Appendices</b>	<p>Appendices to this submission include:</p> <ul style="list-style-type: none"> <li>• Waterfall charts to graphically represent movements in Allowable Revenue;</li> <li>• Clean and marked-up versions of UT5; and</li> <li>• FY27 Maintenance and Renewal Strategy and Budget.</li> </ul>

### Confidential Information

In addition, Aurizon Network has prepared detailed financial models (**the Models**) in support of this submission and has provided the Models to QCA staff in electronic form. The Models contain Confidential Information relating to individual Train Services and accordingly Aurizon Network requests that the Models are not published.

## 3. System Forecasts

### 3.1 Proposed variation to System Forecasts

UT5, Schedule F, Clause 4.1(b) provides a process through which Aurizon Network can submit revised System Forecasts to the QCA for approval prior to the beginning of each financial year.

Aurizon Network proposes an aggregate CQCN volume forecast of 222.3 mnt, which is equivalent to 86 billion Gross Tonne Kilometres (**GTK**). The proposed System Forecasts for each Coal System are outlined in Table 5.

**Table 5 Proposed FY2027 System Forecasts (Net Tonnes and Gross Tonne Km)**

Proposed Forecast	Net Tonnes (million)	GTK'000
Blackwater	60.7	34,106,702
Goonyella	110.4	35,318,361
Moura	13.7	3,562,989
Newlands	21.0	4,739,350
GAPE	16.5	8,244,751
<b>Total</b>	<b>222.3</b>	<b>85,972,153</b>

### 3.2 Forecasting Methodology

In establishing the proposed FY2027 System Forecasts for each Coal System, Aurizon Network consulted directly with End Users and provided them with information relating to railings and regulatory forecasts for each of their respective Origin / Destination pairings.

In November 2025, Aurizon Network engaged with Customers and requested that they:

- review railings data pertaining to their respective Origin / Destination pairings; and
- provide, via return email, their own coal tonnage forecasts for FY2027.

Aurizon Network received responses from coal producers representing approximately 71% of contracted volume for the CQCN.

#### Where Customers provided a volume forecast

Where Customers provided a volume forecast for their individual Origin / Destination pairings, Aurizon Network assessed those forecasts against both the relevant contract volume and an annualised volume forecast based on actual railings for the FY2026 year to date (**YTD**) (specifically, between 1 July 2025 to 31 January 2026).

Where the volume forecast provided by the Customer:

- **exceeded** both the contract volume and the annualised forecast, Aurizon Network applied the higher of contract or the annualised forecast; or
- was **below** the contract volume or the annualised forecast, Aurizon Network applied the volume forecast provided by the Customer.

The outputs of this methodology were then assessed for reasonableness.

Aurizon Network confirms that the above methodology has been applied in all instances where Customers provided a forecast and that no further adjustments have been made.

### Where Customers did not provide a volume forecast

Where Customers did not provide a volume forecast for an individual Origin / Destination pairing, Aurizon Network has applied the lower of contract or the annualised forecast.

### Example of forecasting methodology

Aurizon Network has provided an illustrative example of how the forecasting methodology is applied in practice in the Table 6.

**Table 6 Example of forecasting methodology in practice**

Customer	Did Customer Provide Forecast?	Customer Forecast	Contract	Annualised Forecast	Forecast Applied
Customer A	Yes	1,200	1,000	1,050	1,050
Customer B	Yes	1,100	1,000	1,500	1,100
Customer C	Yes	900	1,000	800	900
Customer D	Yes	600	1,000	800	600
Customer E	No	N/A	1,000	800	800
Customer F	No	N/A	1,000	1,050	1,000

### Proposed System Forecast

The proposed volume forecasts for each Coal System are outlined in Table 5 above. The revised net tonne forecasts for each Coal System have been converted to GTK and (for the Blackwater and Goonyella Systems) electric GTK based on:

- the assumed Reference Train Payload for each Coal System; and
- the forecast split between diesel and electric consists, which remains aligned to the values approved by the QCA in their UT5 final decision.

### Monthly Volume forecasts for 2001 Undertaking Access Agreements

In prior years, the proposed GtK Forecast for the Blackwater System was profiled to determine the monthly GtK forecasts required for 2001 Undertaking Access Agreements.

Aurizon Network confirms that from FY2027 onwards, no 2001 Undertaking Access Agreements will be in effect. As such, the provision of monthly forecasts is no longer necessary.

## 4. Proposed Allowable Revenue Adjustments

In addition to the revised System Forecasts outlined in Section 3, Aurizon Network submits the following adjustments to FY2027 Allowable Revenues to the QCA for approval:

- Second Year Allowable Revenue adjustment associated with the FY2025 Revenue Adjustment Amount (Revenue Cap);
- Capital Expenditure Allowable Revenue Adjustment, reflecting the difference between the Capital Indicator and the approved capital expenditure for FY2025; and
- updated Maintenance Indicator and Capital Indicator for FY2027, which reflect the outcomes of the MRSB process.

The impact of each of these adjustments will vary between Coal Systems and are outlined below.

### 4.1 Second Year Allowable Revenue Adjustment

The inclusion of this variation is permitted under Schedule F, 4.1(a)(i). On 20 November 2025, the QCA approved the FY2025 Revenue Adjustment Amounts, which are outlined in Table 7.

**Table 7 Approved FY2025 Revenue Adjustment Amounts**

System	AT2-4 (\$m)	AT5 (\$m)	Total (\$m)
Blackwater	7.7	11.0	18.6
Goonyella	18.9	11.6	30.5
Moura	(0.8)	--	(0.8)
Newlands	1.7	--	1.7
GAPE	1.2	--	1.2
<b>Total</b>	<b>28.7</b>	<b>22.6</b>	<b>51.2</b>

### Impact of the Revenue Adjustment Amounts on FY2027 Allowable Revenues

In accordance with Schedule F, Clause 4.4(b), the FY2025 Revenue Cap adjustments are applied to FY2027 Allowable Revenues (**Second Year Allowable Revenue**) including a return on capital amount calculated with reference to the applicable Discount Rate.

The impact of the Second Year Allowable Revenue Adjustment to be included in FY2027 Allowable Revenues is outlined in Table 8.

**Table 8 Second Year Allowable Revenue Adjustment – FY2027**

System	AT2-4 (\$m)	AT5 (\$m)	Total (\$m)
Blackwater	9.0	12.9	21.9
Goonyella	22.2	13.7	35.9
Moura	(1.0)	--	(1.0)
Newlands	2.0	--	2.0
GAPE	1.4	--	1.4
<b>Total</b>	<b>33.7</b>	<b>26.6</b>	<b>60.3</b>

## 4.2 Capital Expenditure Allowable Revenue Adjustment

The inclusion of this adjustment is permitted under Schedule F, 4.1(a)(ii) and calculated in accordance with Schedule E, clause 5(b). This adjustment reconciles the difference in Allowable Revenue between:

- Approved Capital Expenditure; and the
- Capital Indicator for the Year in which that relevant capital expenditure was commissioned.

The adjustment to Allowable Revenues is comprised of the following components:

- Return on capital (WACC);
- Return of capital (depreciation offset by inflation); and
- Tax depreciation.

### Capital Expenditure Allowable Revenue Adjustment

Aurizon Network's FY2025 capital expenditure claim of \$364.1 million (mid-year, including interest during construction) was approved by the QCA on 20 November 2025.

For this submission, the Capital Expenditure Allowable Revenue Adjustment reflects the difference between the FY2025 Capital Indicator and approved Capital Expenditure for the year. The resulting Allowable Revenue differences are then accrued at the Discount Rate (i.e. the approved WACC) for inclusion in FY2027 Allowable Revenues.

The Capital Expenditure Allowable Revenue Adjustments applicable to FY2027 are as follows:

**Table 9 Capital Expenditure Allowable Revenue Adjustment (\$m)**

System	AT2-4 (\$m)	AT5 (\$m)	Total (\$m)
Blackwater	3.9	(0.0)	3.9
Goonyella	6.4	(0.1)	6.2
Moura	(0.4)	--	(0.4)
Newlands	(0.9)	--	(0.9)
GAPE	(0.9)	--	(0.9)
<b>Total (\$m)</b>	<b>8.0</b>	<b>(0.2)</b>	<b>7.9</b>

## 4.3 Maintenance Indicator

The inclusion of this adjustment is permitted under Schedule F, 4.1(b)(v). The Maintenance Indicator for a year reflects the sum of:

- the direct maintenance costs established through the MRSB process; and
- the Indirect Maintenance Costs Allowance approved by the QCA in its 2023 decision on the Reset Schedule F Values.

### Direct Maintenance Costs

On 13 February 2026, the Chair of Rail Industry Group notified Aurizon Network of the following voting outcomes:

**Table 10 FY2027 Final draft Maintenance Strategy and Budget - voting outcomes**

System	Vote Outcome - Special Majority of End Users for that coal system:
Blackwater	
Goonyella	
Moura	Approved an alternative Maintenance Strategy and Budget (All Systems)
Newlands	
GAPE	

In considering the final draft Maintenance Strategy and Budget<sup>2</sup> the RIG acknowledged the efficiency targets that Aurizon Network had already included within its proposal. Nevertheless, the RIG sought for Aurizon Network to increase the aggregate efficiency target by a further \$1m, citing opportunities for potential savings in respect of:

- contractor, labour hire and overtime costs due to the expected reduction in vacancy rates in the electrical and civil disciplines;
- Aurizon Network's review of procurement and outsourcing strategies; and
- the potential benefits from efficiency initiatives identified but not yet commenced.

Consequently, a Special Majority of End Users approved an alternative Maintenance Strategy and Budget (**Alternative MSB**) in all Coal Systems in accordance with clause 7A.11.3(j)(ii) of UT5. A comparison between Aurizon Network's final draft maintenance budget and the alternative maintenance budget is outlined below.

**Table 11 FY2027 Direct Maintenance Costs (\$m)**

System	Final Draft Maintenance Budget	Alternative Maintenance Budget	Variance
Blackwater	89.0	88.6	(0.4)
Goonyella	84.7	84.4	(0.4)
Moura	20.2	20.1	(0.1)
Newlands / GAPE	20.7	20.6	(0.1)
<b>Total</b>	<b>214.6</b>	<b>213.6</b>	<b>(1.0)</b>

With the exception of budget, the Alternative MSB for each Coal System remains consistent with Aurizon Network's final draft maintenance strategy and budget. Consequently, Aurizon Network accepts the alternative Maintenance Strategy and Budget for each Coal System in accordance with clause 7A.11.3(k)(ii)(A) of UT5 and submits an updated Maintenance Indicator reflecting the same to the QCA in accordance with clause 7A.11.4(a) of UT5.

A comparison between the current Maintenance Indicator and the proposed Maintenance Indicator for FY2027 for each Coal System is as follows:

---

<sup>2</sup> Provided to the Chair of the RIG on 21 January 2026.

**Table 12 FY2027 Maintenance Indicator - Direct and Indirect Maintenance Costs (\$m)**

System	Current Maintenance Indicator <sup>^</sup>	Proposed Maintenance Indicator	Variance
Blackwater	91.4	96.0	4.6
Goonyella	85.2	91.8	6.6
Moura	18.7	21.1	2.4
Newlands	8.0	9.8	1.9
GAPE	11.2	12.0	0.8
<b>Total (\$m)</b>	<b>214.5</b>	<b>230.7</b>	<b>16.2</b>

<sup>^</sup> Reflects the Maintenance Indicator included in the published FY2027 Allowable Revenues. Based on the four-year forecasts from the FY26 MRSB. These were approved by the QCA on 24 April 2025 as part of the Bauhinia Infrastructure Rebates DAAU final decision.

For clarity, the proposed Maintenance Indicator for each Coal System (outlined in Table 12 above) includes the FY2027 Indirect Maintenance Cost Allowance.

Aurizon Network has updated FY2027 Allowable Revenues and Reference Tariffs to reflect the proposed Maintenance Indicator.

## 4.4 Capital Indicator

The inclusion of this adjustment is permitted under Schedule F, 4.1(b)(vi).

### Renewals Strategy and Budget

On 13 February 2026, the Chair of the Rail Industry Group notified Aurizon Network of the following voting outcomes:

**Table 13 Final draft Renewals Strategy and Budget - Voting outcomes**

System	Vote Outcome - Special Majority of End Users for that coal system:
Blackwater	
Goonyella	
Moura	Approved the final draft Renewals Strategy and Budget (All Systems)
Newlands	
GAPE	

In accordance with clause 7A.11.4(c) of the 2017AU, the proposed Capital Indicator for all Coal Systems reflects the Approved Renewals Strategy and Budget.

### Proposed Capital Indicator

Aurizon Network submits the following Capital Indicator to the QCA for approval. It reflects the combined outcomes of processes established under UT5, which have already been approved by the RIG.

A comparison between the current Capital Indicator and the proposed Capital Indicator for FY2027 by each Coal system is outlined in the following table. Please note that these values are expressed in 'Start of Year' terms.

**Table 14 FY2027 Capital Indicator (\$m, start of year)**

System	Current Capital Indicator <sup>^</sup>	Proposed Capital Indicator	Variance
Blackwater	160.3	147.5	(12.8)
Goonyella	128.3	142.4	14.2
Moura	21.2	22.1	0.9
Newlands / GAPE	37.2	36.6	(0.6)
<b>Total (\$m)</b>	<b>346.9</b>	<b>348.5</b>	<b>1.6</b>

<sup>^</sup> Reflects the Capital Indicator provided for in the published FY2027 Allowable Revenues. These were approved by the QCA on 24 April 2025 as part of the Bauhinia Infrastructure Rebates DAAU final decision.

Aurizon Network has updated FY2027 Allowable Revenues and Reference Tariffs to reflect the proposed Capital Indicator.

## 4.5 Tax Allowance

The adjustment to the tax allowance is provided for under Schedule F, 4.1(b)(vii)(F).

The tax allowance is a computation of Aurizon Network's post-tax revenue model, which is used to calculate the proposed Allowable Revenues and Reference Tariffs. The tax allowance will be updated to reflect, and ensure consistency with, all proposed changes within this submission that impact Allowable Revenues.

## 4.6 Adjustments to electric infrastructure charges

The Electric Operating Expenditure Allowance provides for the recovery of external costs levied by electricity Transmission Network Service Providers (TNSP). The electric transmission charges paid by Aurizon Network are determined in accordance with an established regulatory framework and oversight by the Australian Energy Regulator.

Aurizon Network has not yet received notification of the forecast connection and transmission charges for FY2027. Aurizon Network has calculated a preliminary estimate of TNSP charges using the final published rates for FY2026, as notified to Aurizon Network on 14 March 2025. Aurizon Network has escalated the FY2026 rates for prescribed connections using the Reset Inflation Rate of 2.90%. For non-prescribed connections, CPI escalation is applied quarterly using the latest published CPI outcomes.

The preliminary estimate of TNSP costs for FY2027 are outlined below.

**Table 15 FY2027 Preliminary TNSP costs (\$m)**

System	Current TNSP Cost Forecast	Preliminary TNSP Cost Forecast	Variance
Blackwater	39.4	42.1	2.7
Goonyella	33.6	36.3	2.7

System	Current TNSP Cost Forecast	Preliminary TNSP Cost Forecast	Variance
<b>Total (\$m)</b>	<b>73.0</b>	<b>78.4</b>	<b>5.4</b>

The TNSP cost forecasts are a key input in determining AT5 Allowable Revenues. Once Aurizon Network receives notification of the updated FY2027 connection and transmission charges from the relevant TNSP, Aurizon Network will assess whether the change constitutes an Endorsed Variation Event in accordance with UT5, Schedule F, clause 5.2(b).

## 5. Other Relevant Pricing Matters

In addition to the proposed adjustments outlined in Section 4 above, there are several other matters that impact the proposed Reference Tariffs for FY2027. These are discussed below.

### 5.1 Electric Energy Charge

The EC charge is set to recover the forecast costs relating to the consumption of electric energy. Aurizon Network procures electricity in line with a progressive purchasing strategy, which allows energy to be purchased in staged parcels over time to hedge against volatility in the electrical wholesale market.

On a preliminary basis, Aurizon Network proposes an FY2027 EC tariff that is consistent with the rate approved by the QCA for FY2026.

UT5 (Schedule F, clause 2.2(a)) provides a process whereby variations to the EC charge can be submitted to the QCA for approval 'on or about each 31 May' and 'taking into account any over or under recovery in the previous year'.

Aurizon Network intends to submit an update to the FY2027 EC charge in line with UT5.

**Table 16 Preliminary FY2027 EC Tariff**

Electric Energy	\$ per '000 egtk
Blackwater	1.27
Goonyella	1.27

### 5.2 QCA Levy

The QCA Levy for each year is set to recover the fees levied by the QCA on beneficiaries of its regulatory services. At the time of drafting, the QCA has not announced its forecast regulatory fees for FY2027. For this submission, Aurizon Network proposes that the forecast QCA Levy for FY2027 reflect:

- the QCA's estimated regulatory fees for FY2026; and
- the proposed FY2027 volume forecast for the CQCEN outlined within this submission.

The application of these inputs results in the following amendments to the QCA Levy.

**Table 17 FY2027 QCA Levy**

QCA Levy (\$ per NT)	Proposed QCA Levy
Forecast Regulatory Fees (\$m)	3.4
Proposed Volume Forecast (mnt) – Total CQCEN	222.3
<b>QCA Levy (\$ per nt)</b>	<b>0.0151</b>

Aurizon Network may seek a further variation to the QCA Levy once the QCA has announced its final fees for FY2026 and forecast fees for FY2027, noting that such an announcement constitutes an Endorsed Variation under UT5.

### 5.3 Forecast IE Pass Through Cost

The inclusion of this variation is permitted under Schedule F, 4.1(b)(viii). On 9 February 2026, the Coal Network Capacity Co (**CNCC**) notified Aurizon Network of its forecast IE Pass Through Cost for FY2027, including an adjustment to account for an over recovery in prior periods. Aurizon Network has provided this information in Table 18 below, including the derivation of the FY2027 IE Pass Through Cost Reference Tariff.

**Table 18 FY2027 IE Pass Through Cost**

Description	Value
CNCC FY2027 cost estimate (\$m)	6.2
Less: Prior period over-recovery	(0.4)
<b>Estimated Cost FY2027</b>	<b>5.8</b>
CQCN volume forecast (mnt)	222.3
<b>Estimated IE Pass Through Cost (\$ per nt)</b>	<b>0.0261</b>

## 6. Proposed Allowable Revenues and Reference Tariffs

### 6.1 Approved Allowable Revenues

Schedule F to UT5, provides the Allowable Revenues for each Coal System. The current QCA-approved Allowable Revenues for FY2027 are:

**Table 19 FY2027 Current Allowable Revenues (\$m)^**

System	AT1	AT2-4	AT5	Total
Blackwater	38.5	460.7	103.6	602.7
Goonyella	26.7	366.9	81.2	474.8
Moura	7.9	71.5	--	79.3
Newlands	9.5	54.1	--	63.6
GAPE	15.1	121.3	--	136.4
<b>Total</b>	<b>97.6</b>	<b>1,074.5</b>	<b>184.7</b>	<b>1,356.9</b>

<sup>^</sup> Current published values reflect those approved by the QCA on 24 April 2025 as part of the Bauhinia Infrastructure Rebates DAAU final decision.

### 6.2 Aggregate adjustments to FY2027 Allowable Revenues

The aggregate adjustments for each Coal System are:

**Table 20 FY2027 Aggregate Allowable Revenue adjustments (\$m)**

System	AT1	AT2-4	AT5	Total
Blackwater	(0.1)	14.8	15.2	29.9
Goonyella	1.0	43.3	17.2	61.5
Moura	(0.4)	2.7	--	2.3
Newlands	0.9	0.6	--	1.5
GAPE	(0.6)	1.3	--	0.7
<b>Total</b>	<b>0.8</b>	<b>62.7</b>	<b>32.4</b>	<b>95.9</b>

\* NB: variation in revenues recoverable through the AT1 Reference Tariff is driven by changes in the volume forecast.

The primary drivers of the variance between the current published Allowable Revenues and the proposed Allowable Revenues are:

- prior year adjustments, which account for \$68.2m of the variance (refer to sections 4.1 and 4.2); and
- direct maintenance costs, which account for \$16.2m (refer to section 4.3).

### 6.3 Proposed Allowable Revenues

Aurizon Network submits the following adjusted Allowable Revenues to the QCA for approval:

**Table 21 FY2027 Proposed Allowable Revenues (\$m)**

System	AT1	AT2-4	AT5	Total
Blackwater	38.3	475.5	118.8	632.6
Goonyella	27.7	410.2	98.4	536.3
Moura	7.5	74.2	--	81.7
Newlands	10.4	54.7	--	65.1
GAPE	14.5	122.6	--	137.1
<b>Total</b>	<b>98.4</b>	<b>1,137.2</b>	<b>217.1</b>	<b>1,452.8</b>

### 6.4 Proposed Reference Tariffs

Reference Tariffs are set such that Aurizon Network can recover the approved Allowable Revenues from the approved System Forecasts.

Aurizon Network submits the following proposed FY2027 Reference Tariffs to the QCA for approval. The proposed Reference Tariffs are a function of the proposed Allowable Revenues outlined in Table 21 above, and the relevant volume metrics derived from the revised System Forecasts in Table 5.

**Table 22 FY2027 Proposed Reference Tariffs (\$)**

System	AT1	AT2	AT3	AT4	AT5	EC	QCA Levy	IE Pass Through Cost
Blackwater	1.13	2,788.67	10.89	3.52	4.89	1.27	0.0151	0.0261
Goonyella	0.78	1,766.79	8.71	1.81	2.89	1.27	0.0151	0.0261
Moura	2.10	825.93	15.95	2.59	--	--	0.0151	0.0261
Newlands	2.18	373.48	9.72	1.37	--	--	0.0151	0.0261
GAPE	1.76	15,464.32	1.76	2.42	--	--	0.0151	0.0261

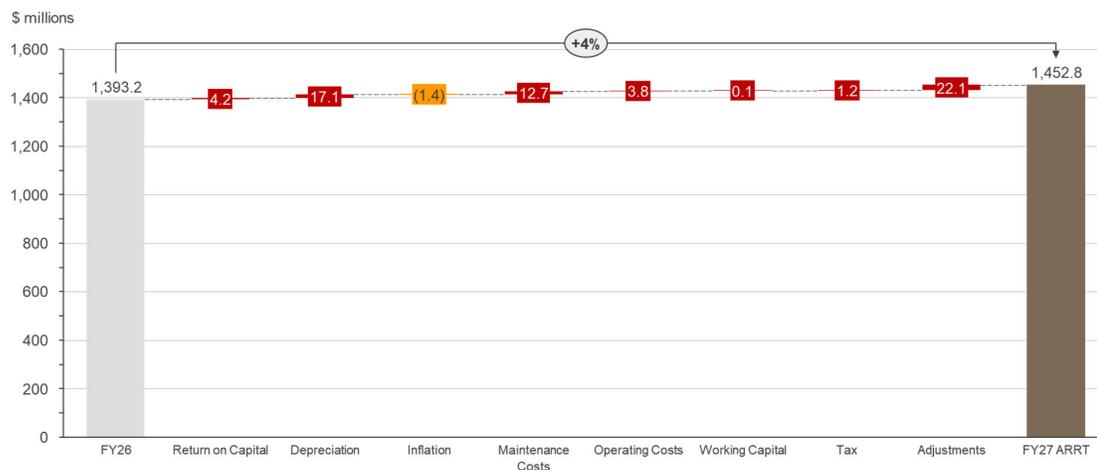
## Appendix 1: Coal System Graphs

Aurizon Network has prepared the following graphics to illustrate the key drivers of revenue variation for each Coal System.

### Allowable Revenue Comparison – FY2026 vs FY2027

Figure 1 to Figure 6 illustrates movements in Allowable Revenue (AR) between the current approved values for FY2026 and the values proposed in the FY2027 review of Reference Tariffs.

**Figure 1 Total CQCN – All Coal Systems – FY2026 vs FY2027 (\$m)**



**Figure 2 Blackwater System – FY2026 vs FY2027 (\$m)**

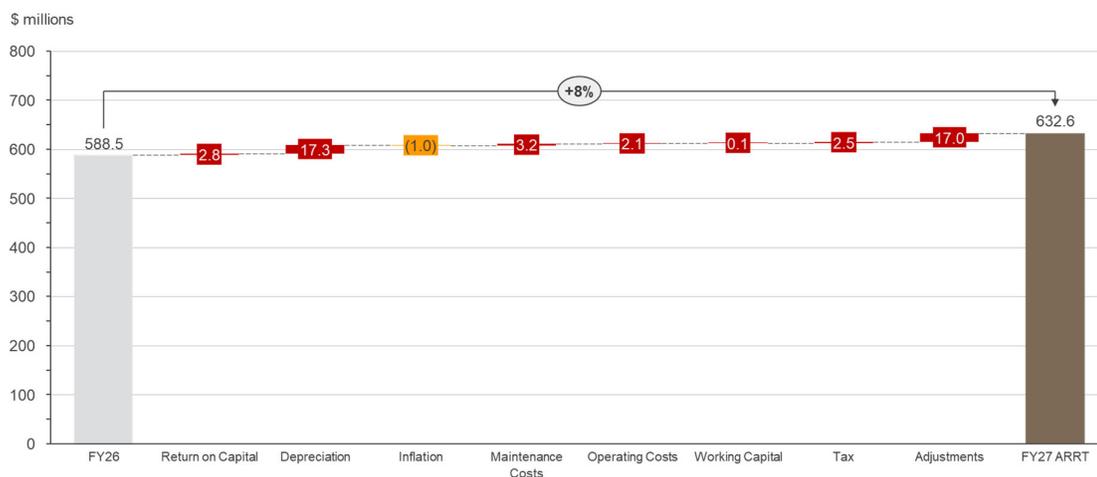


Figure 3 Goonyella System – FY2026 vs FY2027 (\$m)

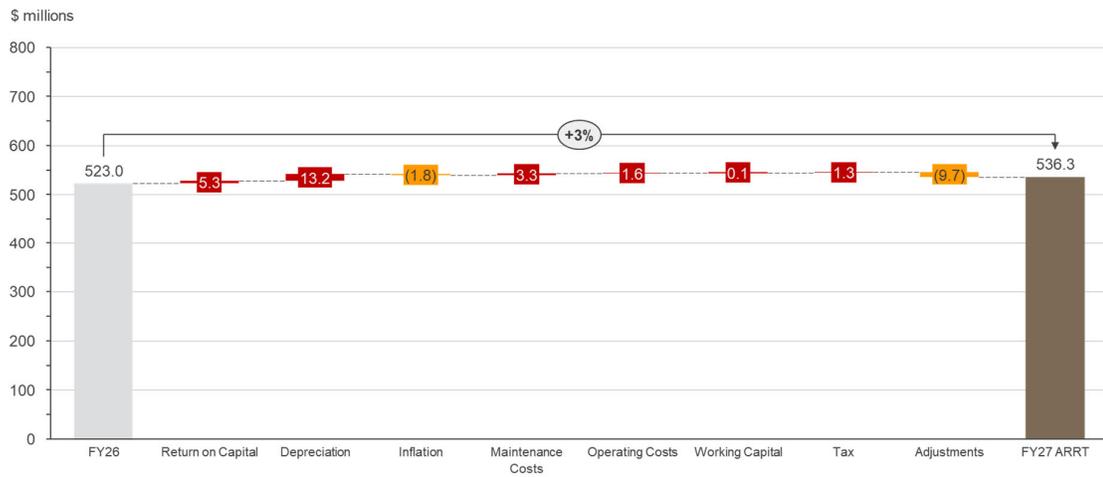


Figure 4 Moura System – FY2026 vs FY2027 (\$m)

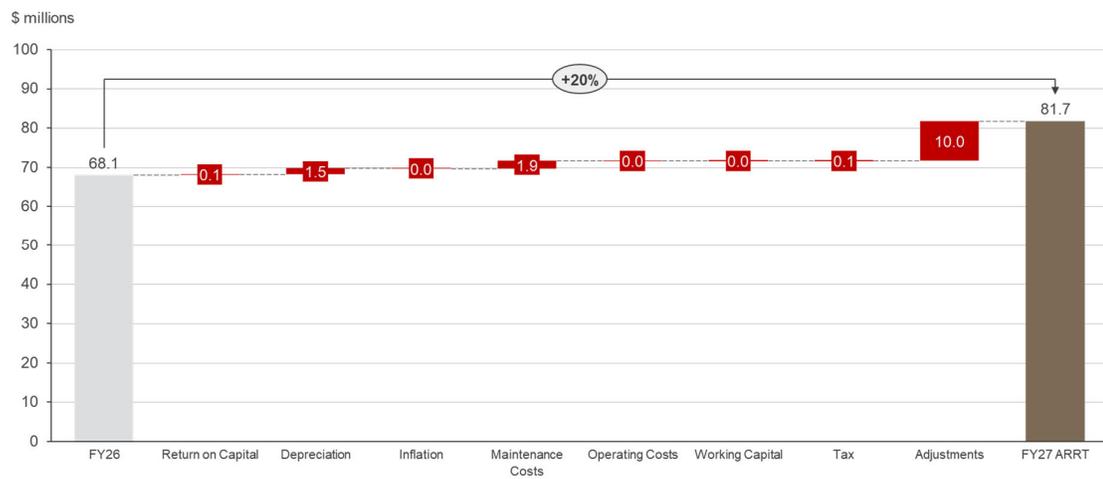
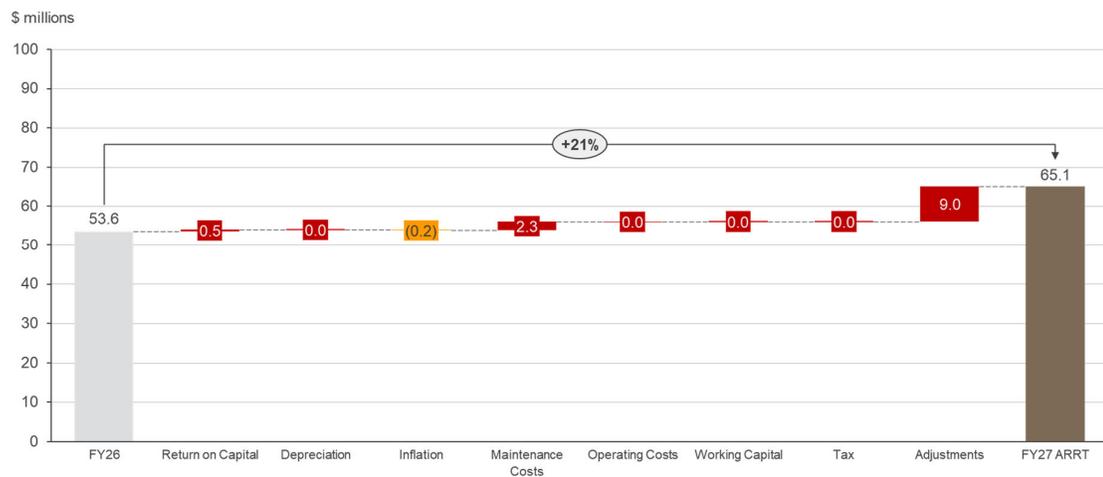
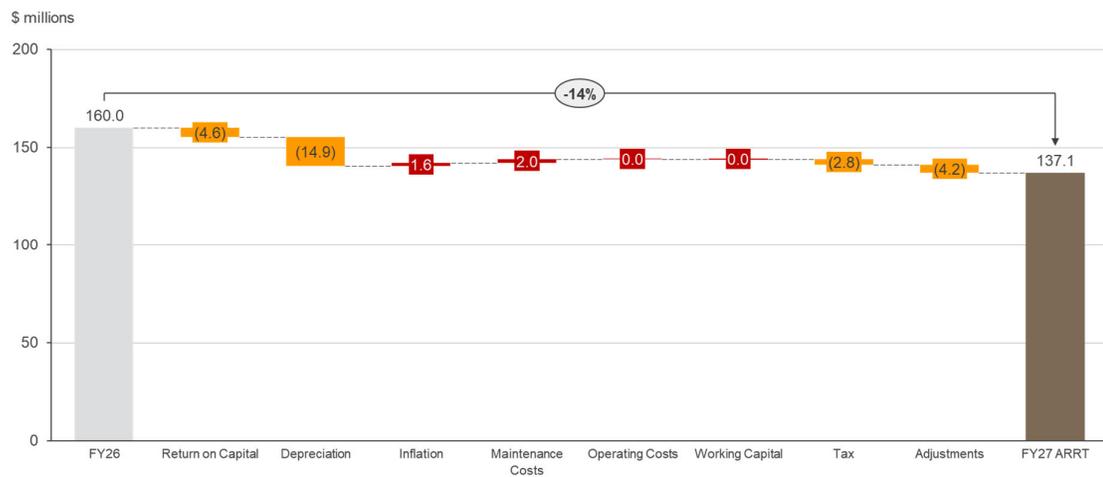


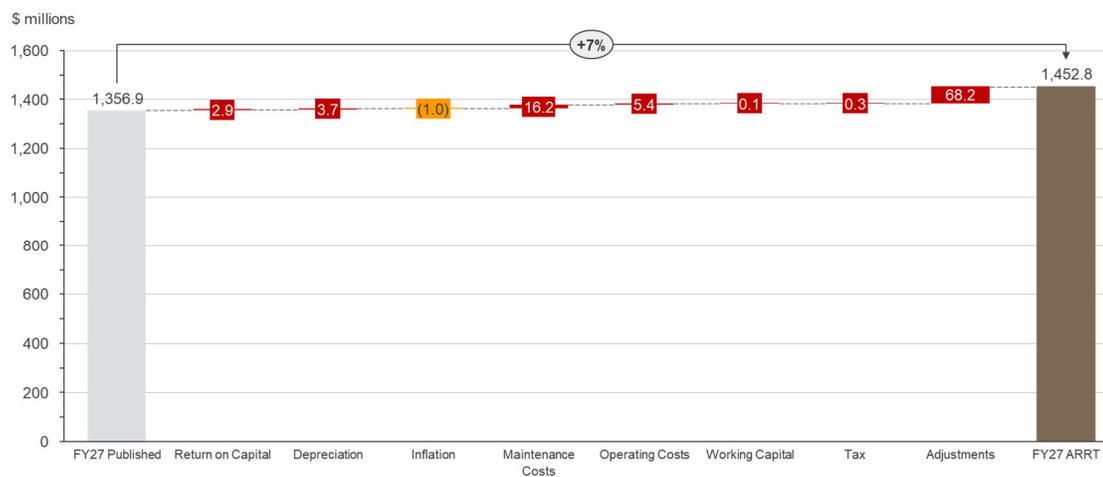
Figure 5 Newlands System – FY2026 vs FY2027 (\$m)



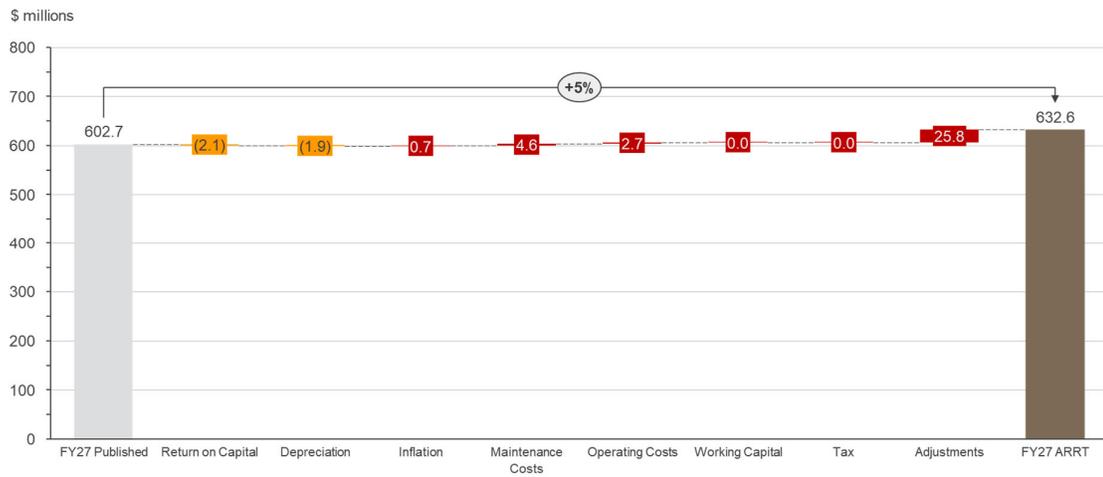
**Figure 6 GAPE – FY2026 vs FY2027 (\$m)**

## Allowable Revenue Comparison – FY2027

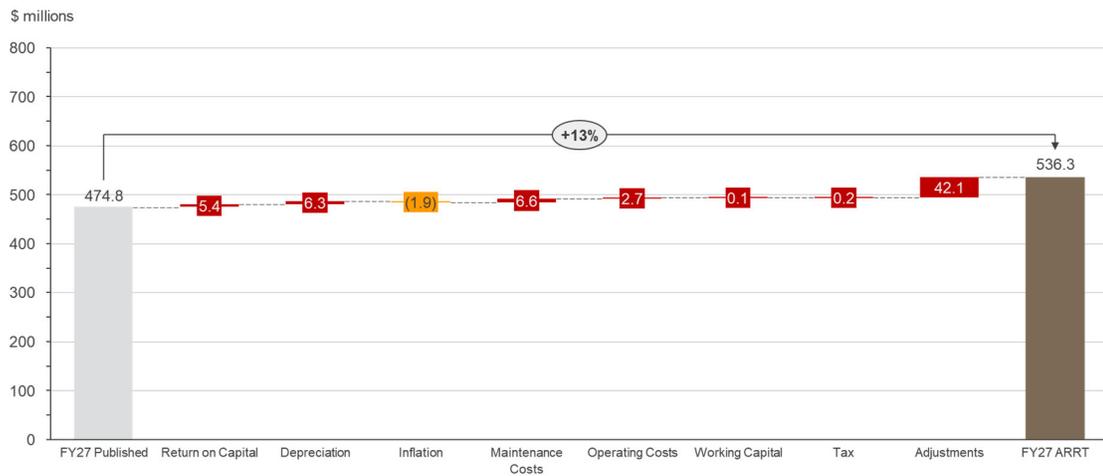
Figure 7 to Figure 12 illustrates movements in Allowable Revenue between the current published values for FY2027 and the values proposed in the FY2027 review of Reference Tariffs.

**Figure 7 Total CQCN – All Coal Systems – FY2027 (Current) vs FY2027 (Proposed) (\$m)**

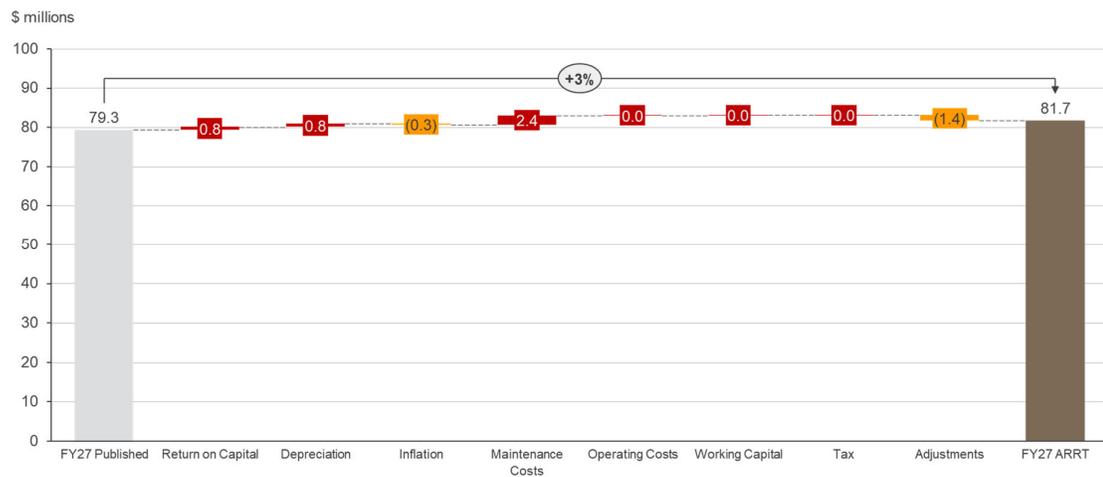
**Figure 8 Blackwater – FY2027 (Current) vs FY2027 (Proposed) (\$m)**



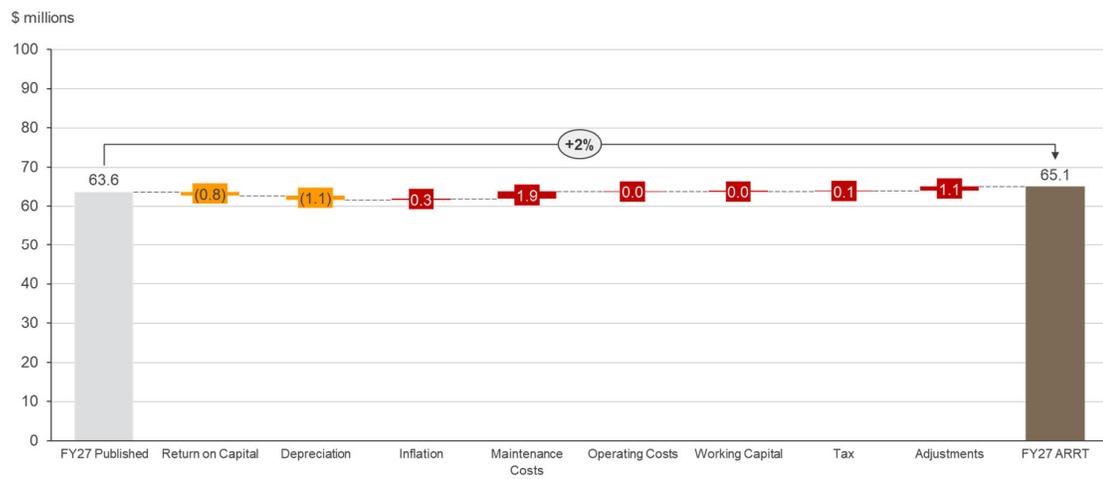
**Figure 9 Goonyella – FY2027 (Current) vs FY2027 (Proposed) (\$m)**



**Figure 10 Moura – FY2027 (Current) vs FY2027 (Proposed) (\$m)**



**Figure 11 Newlands – FY2027 (Current) vs FY2027 (Proposed) (\$m)**



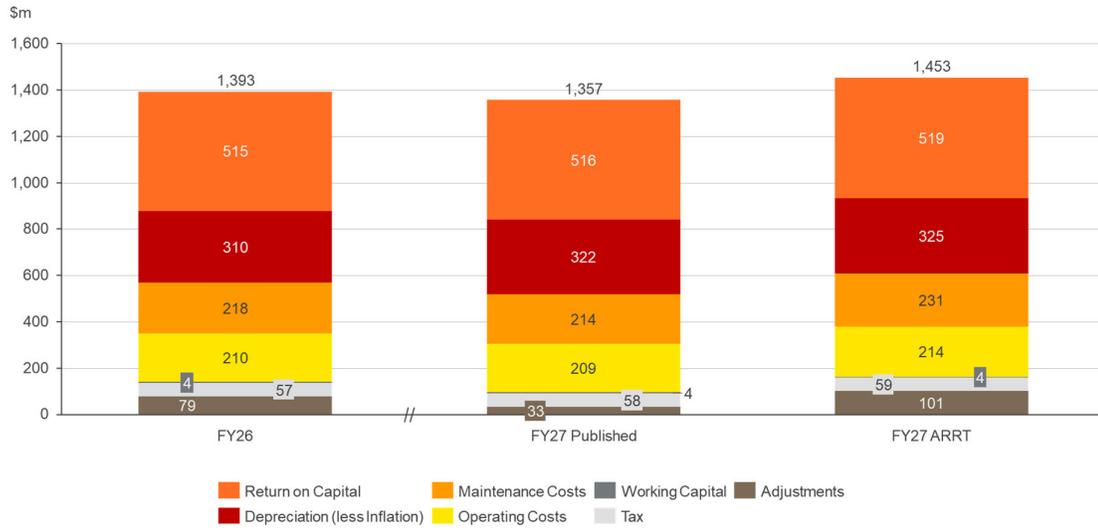
**Figure 12 GAPE – FY2027 (Current) vs FY2027 (Proposed) (\$m)**



## Allowable Revenue Building Blocks

Figure 13 to Figure 18 illustrates the Allowable Revenue Building Blocks for each Coal System.

**Figure 13 Total CQCN – All Coal Systems – Revenue Building Blocks (\$m)**



**Figure 14 Blackwater – Revenue Building Blocks (\$m)**

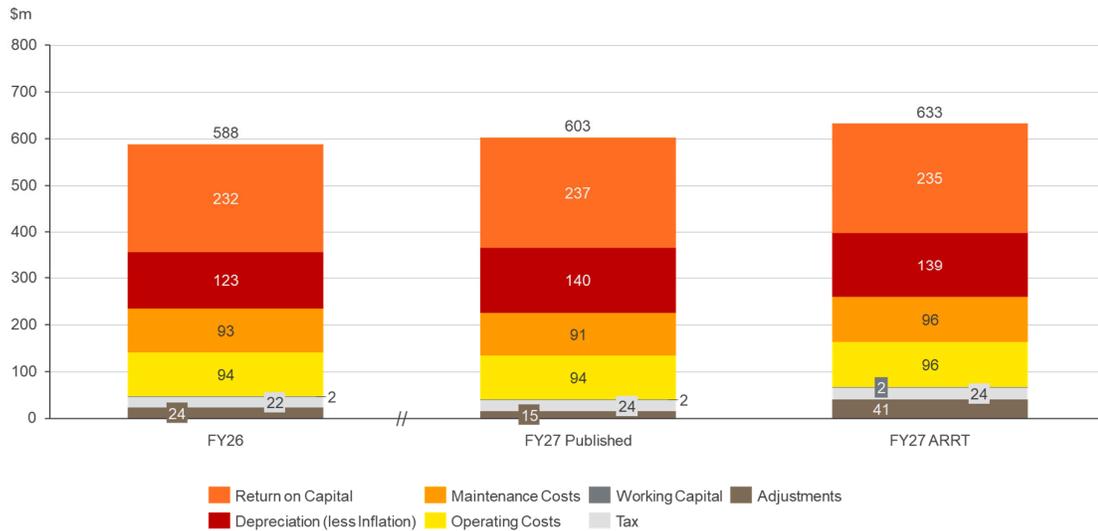


Figure 15 Goonyella – Revenue Building Blocks (\$m)

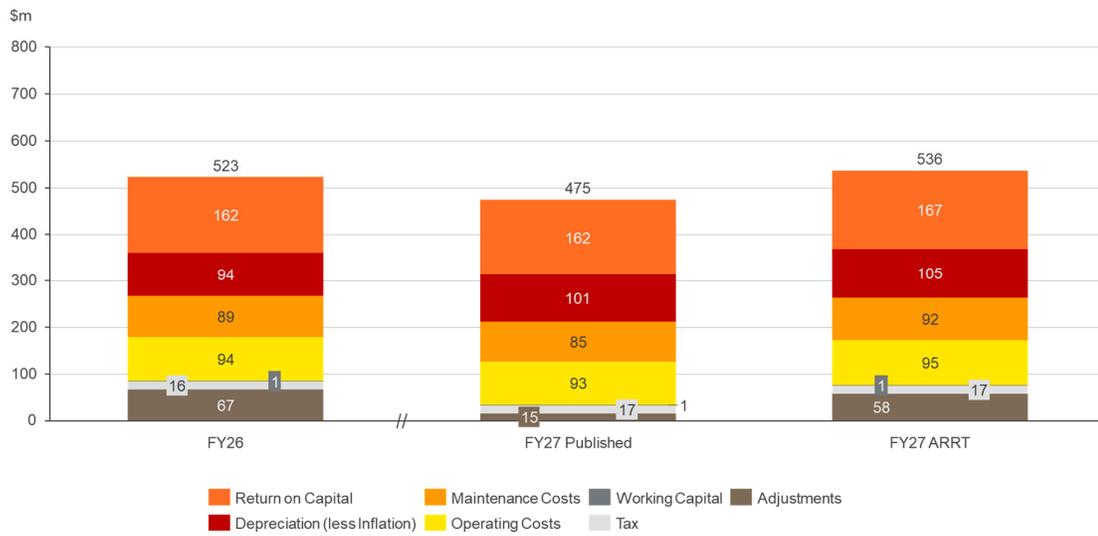


Figure 16 Moura – Revenue Building Blocks (\$m)

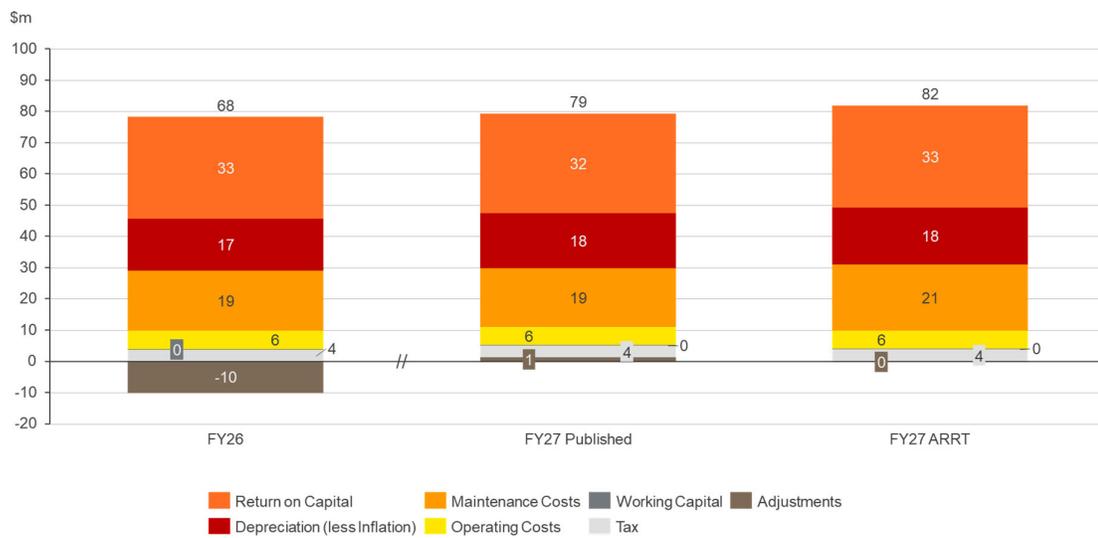


Figure 17 Newlands – Revenue Building Blocks (\$m)

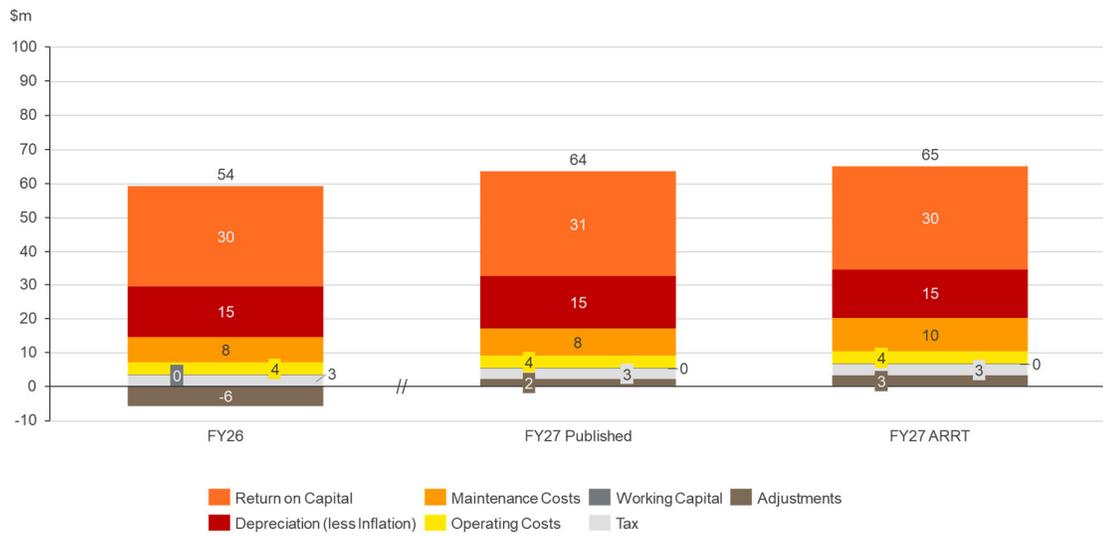
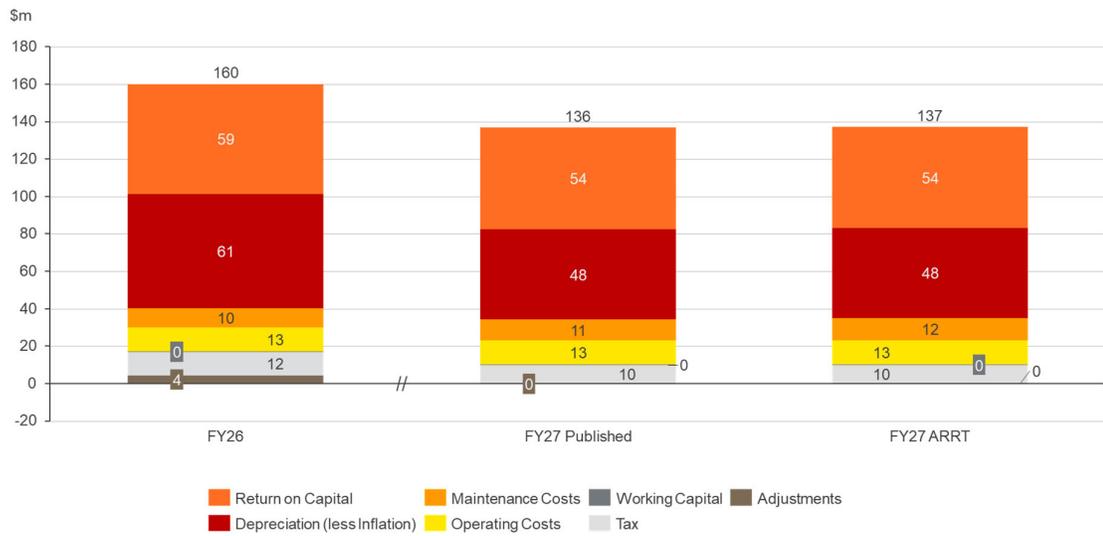
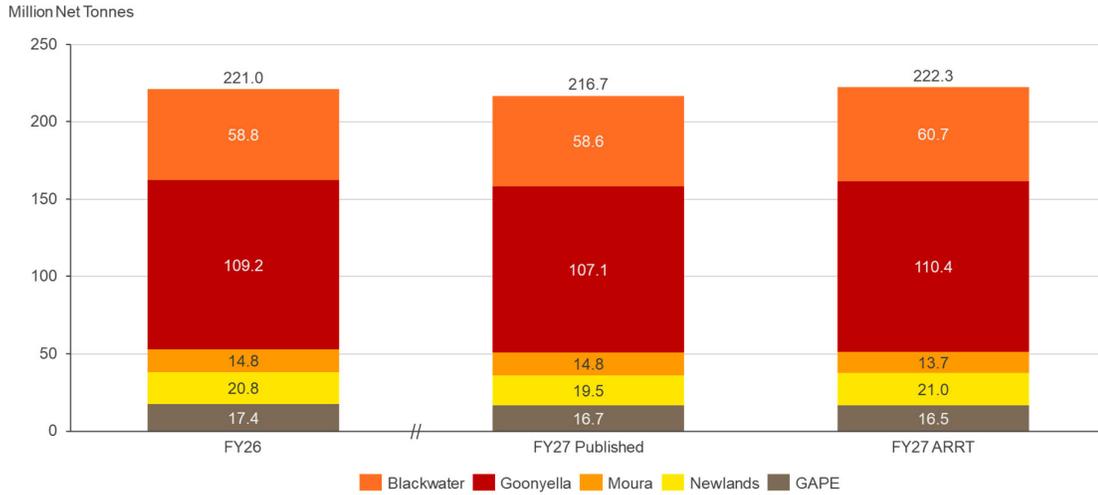


Figure 18 GAPE – Revenue Building Blocks (\$m)



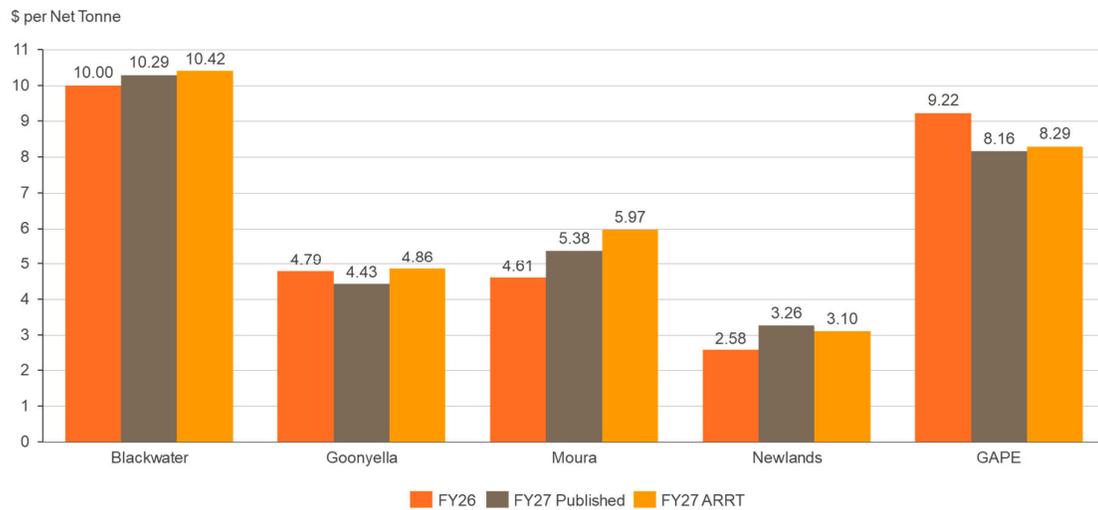
## Volume Forecasts

**Figure 19 CQCN Volume Forecasts – All Coal Systems (Million Net Tonnes)**



## Allowable Revenue per Net Tonne

**Figure 20 Allowable Revenue per Net Tonne – All Coal Systems (\$ per Net Tonne)**



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

---

## **Appendix 3: Amended 2017 Access Undertaking (mark-up)**

---

## **Appendix 4: Maintenance and Renewal Strategy and Budget**

---