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Chief Executive Officer
Queensland Competition Authority
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Australia

Queensland Rail's FY25 capital expenditure report

26 February 2026

Dear Mr Millsteed,

Thank you for the opportunity to provide a submission on Queensland Rail's FY25 capital expenditure report (Capex report) prior to the Queensland Competition Authority (QCA) determining whether the expenditure should be included in the regulatory asset base for the West Moreton system. This is the last Capex report made under AU2, and going forward, new clause 2.3 in Schedule E of *Queensland Rail's Access Undertaking 2025* (AU3) will require Queensland Rail (QR) to seek customer approval of capital works reasonably anticipated to cost \$4 million or more prior to committing expenditure to a project.

As the sole rail operator for coal customers on the West Moreton system currently, Aurizon Operations Ltd (Aurizon) suggests there are several ways QR could add value to the new capex approval process:

1. **Firstly**, commence regular (e.g. quarterly) catch ups with West Moreton stakeholders to report back about the progress of projects and provide analysis of performance measures that projects are targeting (e.g. reduced closures and temporary speed restrictions (TSRs), and/or reduced maintenance requirements).

As Aurizon noted in its letter to the QCA on QR's 2023-24 capital expenditure claim, most capex projects are intended to improve asset reliability and performance. This is expected to manifest in reduced below rail transit time for West Moreton coal to port, flowing from fewer speed restrictions and unavailable days for rail traffic. Given the complexity of the West Moreton and Metropolitan rail supply chain, QR is unlikely to be able to draw a clear line between capital projects, and immediately perceptible changes in key performance measures. However, going through the process of openly tracking and analysing the data, allows for valuable conversations to be had about possible causes of network performance.

Where capital projects have more specific objectives, such as reducing risk of track buckles and misalignment, conversations around actual performance data (i.e. reported buckles and/or misalignments) as well as planned and actual changes, such as reduced future track maintenance requirements, could be shared.

Including Aurizon in these catch ups will provide an opportunity for direct feedback on the impact of projects such as the installation of the upgraded electrical lubricators (Project B.05577). QR's commentary on this project indicates that it was intended to *mitigate the impacts of a significant increase in track stiffness on the right radius curves resulting from slab track installation*. Aurizon's claim of a sharp increase in wheel flange wear on locomotives in April 2019 was also referred to by QR.

2. **Secondly**, reduce unnecessary redactions from the Capex report. In addition to the fact that it took QR more than a month to redact its 2024-2025 Capex report after it submitted it with the QCA in December 2025, there are numerous redactions that do not appear to be justified, and in fact hinder stakeholders from genuinely reviewing the report.

Example 1 – B.05650 Reconditioning West Moreton 21-23 - QR has redacted the track length upgraded and the location of the track. What is the reason for this?

Example 2 – B.05655 – Level crossing upgrades West Moreton - QR has not provided the location of the upgraded/reconditioned level crossings. Aurizon advises that two high risk crossings (Cunningham and Condamine Street crossings in Dalby) have not been upgraded.

Example 3 – B.06156 WM Formation strengthening Willowburn to Kingsthorpe – QR redacted the number of defects reported on the track in scope vs the out-of-scope track. This comparison of rates of defects is used to support the works, so why are the numbers redacted?

Example 4 – B.06159 Sleepers with gauge issue & Range rerail – QR has redacted the number of curves, and the track length rerailed. What is the reason for this?

Example 5 – B.05085 – Pedestrian crossing upgrades (Regional) – QR has redacted the location of the crossings upgraded. What is the reason for this?

3. **Thirdly**, include details of any funding available and obtained from the National or State Government for any capital works undertaken. Recently, Aurizon Network (AN) advised stakeholders in the Central Queensland Rail Network that it was able to access funding from the Regional Level Crossing Upgrade Fund, part of the Regional Australia Level Crossing Safety Program (RALCSP), for capital works on level crossings in Central Queensland. This funding offset the expenditure incurred and accordingly, reduced the financial burden for customers. Aurizon expects that QR would similarly be investigating its ability to take advantage of programs such as RALCSP.

If you would like to discuss the content of this letter, or have any questions, don't hesitate to telephone Fiona Emery, Commercial Access & Regulatory Lead, on 0455 312 377.

Kind regards,



Lauren Cottee

Manager Commercial Development and Implementation
Coal Customers