Ms Ann Jones
Director Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
BRISBANE QLD 4000

21 July 2026

Dear Ann,

Endorsed Variation Event – 2026-27 Regulatory Fees

I refer to correspondence received from the Queensland Competition Authority (**QCA**) on:

- 17 June 2026, in relation to its estimated regulatory fees for 2026-27; and
- 17 July 2026, which provided an update in respect of its final fees for 2025-26.

The QCA's correspondence constitutes a notice under clause 5.1 of Schedule F to the 2017 Access Undertaking (**UT5**) of an Endorsed Variation Event. In accordance with clause 5.2(b) of Schedule F to UT5, a Reference Tariff variation must be submitted within 60 days of receiving such a notice. Consequently, Aurizon Network is seeking QCA approval to vary the FY2027 QCA Levy in accordance with clause 5.2(c) of Schedule F to UT5.

The FY2027 QCA Levy was approved as part of the QCA's final decision on Aurizon Network's FY27 review of Reference Tariffs[1]. The QCA's correspondence of 17 July represents new information that is relevant to this Reference Tariff, and consequently, Aurizon Network seeks QCA approval of this Endorsed Variation submission.

1. Regulatory requirements for submitting a Reference Tariff variation

For a variation in respect of an Endorsed Variation Event, Schedule F, clause 5.4, requires that:

Aurizon Network must:	Comment
(a) nominate the Reference Tariff to be varied	Aurizon Network is seeking to vary the QCA Levy.
(b) include details of the methodology, data and assumptions used to vary the Reference Tariff	The methodology, data and assumptions used to vary the QCA Levy are outlined in this submission.
(c) for a variation under 5.1(a)(i), include information in relation to (i) the Pricing	Schedule F, clause 5.4(c) is not applicable to an Endorsed Variation Event.

[1] QCA (2026), Decision notice, Annual review of reference tariffs, 2026–27, available at: https://www.qca.org.au/wp-content/uploads/2026/05/qca-aurizon-network-2026-27-review-of-reference-tariffs.pdf

Aurizon Network must:		Comment
	Limits, and (ii) why the variation will promote efficient investment	
(d)	Include evidence that the Endorsed Variation Event has occurred or will occur	The QCA's correspondence provides evidence of the event occurring.

2. Methodology

The QCA Levy for a given year is set having regard to:

- the QCA's regulatory fees for the provision of regulatory services for the rail industry;
- any over or under recovery of fees via the QCA Levy in the previous year; and
- the aggregated volume forecast for the Central Queensland Coal Network (**CQCN**).

2.1 Estimate of FY2027 Regulatory Fees

The QCA's correspondence of 17 June 2026 states that:

> *"…the QCA has set fees for Aurizon Network Pty Ltd in 2026-27 of $1,574,000 plus GST…"*;

These fees represent 90% of the QCA's estimated costs for the year. As such, Aurizon Network has calculated the proposed QCA Levy for FY2027 based the full amount of the fee estimate, a value of **$1,748,914** (plus GST).

2.2 Prior Year Adjustment

The FY2026 QCA Levy was set to recover estimated fees of $3,643,020. This included an amount of $346,418 relating to the reconciliation of regulatory fees from FY2025.

The QCA's correspondence of 17 July 2026 states that:

> *"…subject to final audit and QCA Board approval, the estimated fee for the compliance requirements this year was $2,762,960 plus GST."*

The 'final' QCA Levy for FY2026 is therefore **$3,109,378**, reflecting the sum of the QCA's fees for FY2026 and the amount relating to the reconciliation of the FY2025 regulatory fees.

During FY2026, Aurizon Network collected **$3,495,892** via the QCA Levy component of Access Charges. Aurizon Network has therefore calculated a 'prior year adjustment' of **$386,514** to reconcile the expected over-collection of the FY2026 QCA Levy against the regulatory fees for that year. This adjustment will have the effect of reducing the proposed FY2027 QCA Levy.

2.3 CQCN Volume Forecast for FY2027

The QCA approved Aurizon Network's FY2027 review of Reference Tariffs submission, including a volume forecast for the CQCN of 222.3 million Net Tonnes (**NT**). Aurizon Network confirms that it has applied this volume forecast when calculating the proposed amended FY2027 QCA Levy.

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3. Calculation

Aurizon Network's calculation of the FY2027 QCA Levy for the full year is set out in the table below.

QCA Levy – Full Year FY2027 (ex GST)	Units	Value
FY2027 Regulatory Fees (100% of estimated costs)	$	1,748,914
Prior Years Adjustment	$	(386,514)
Total FY2026 Regulatory Fees (including adjustment)	**$**	**1,362,400**
FY2026 Volume Forecast	Million NT	222.3
FY2027 QCA Levy – Full Year	**$ per NT**	**0.0061**

3.1 Effective Date of the proposed FY2027 QCA Levy

FY2027 has already commenced and Aurizon Network proposes to apply an updated QCA Levy from **1 September 2026**. The purpose of doing so is to avoid a further Adjustment Charge submission (Schedule F, clause 6), which is required where a Reference Tariff variation applies prior to the date of QCA approval. Aurizon Network's proposal will see the QCA Levy component of Access Charges:

- for July and August 2026 billed at the current approved rate of **$0.0151 per NT**, reflecting the QCA's final decision on the FY2027 review of Reference Tariffs; and
- from 1 September 2026, billed at an adjusted rate of **$0.0043 per NT**.

In calculating the adjusted rate, Aurizon Network has assumed collection of two months of Access Charges at the current approved rate, based on a pro-rata of the annual volume forecast. Aurizon Network's calculation of the adjusted QCA Levy for FY2027 is set out in the table below.

Proposed QCA Levy (ex GST)	Units	Rate	Value
Total FY2027 Regulatory Fees (incl adjustment)	$		1,362,400
- Less estimated billing 1 July – 31 August 2026^	$	0.0151	(559,425)
Remaining Regulatory Fees 1 Sept 2026 – 30 June 2027	$		802,975
Remaining Volume Forecast (Sept – June)	Million NT		185.2
Proposed FY2027 QCA Levy – effective 1 Sep 2026	**$ per NT**		**0.0043**

^ Estimated billing for July and August is calculated by applying the current approved QCA Levy to a pro-rata of the annual volume forecast. I.e. $0.0151 x ((222.3 million NT / 12 months) x 2 months)

Please direct any enquires regarding this submission to Michael Bray: Michael.Bray@aurizon.com.au

Yours sincerely,

Jon Windle
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Aurizon Network Pty Ltd