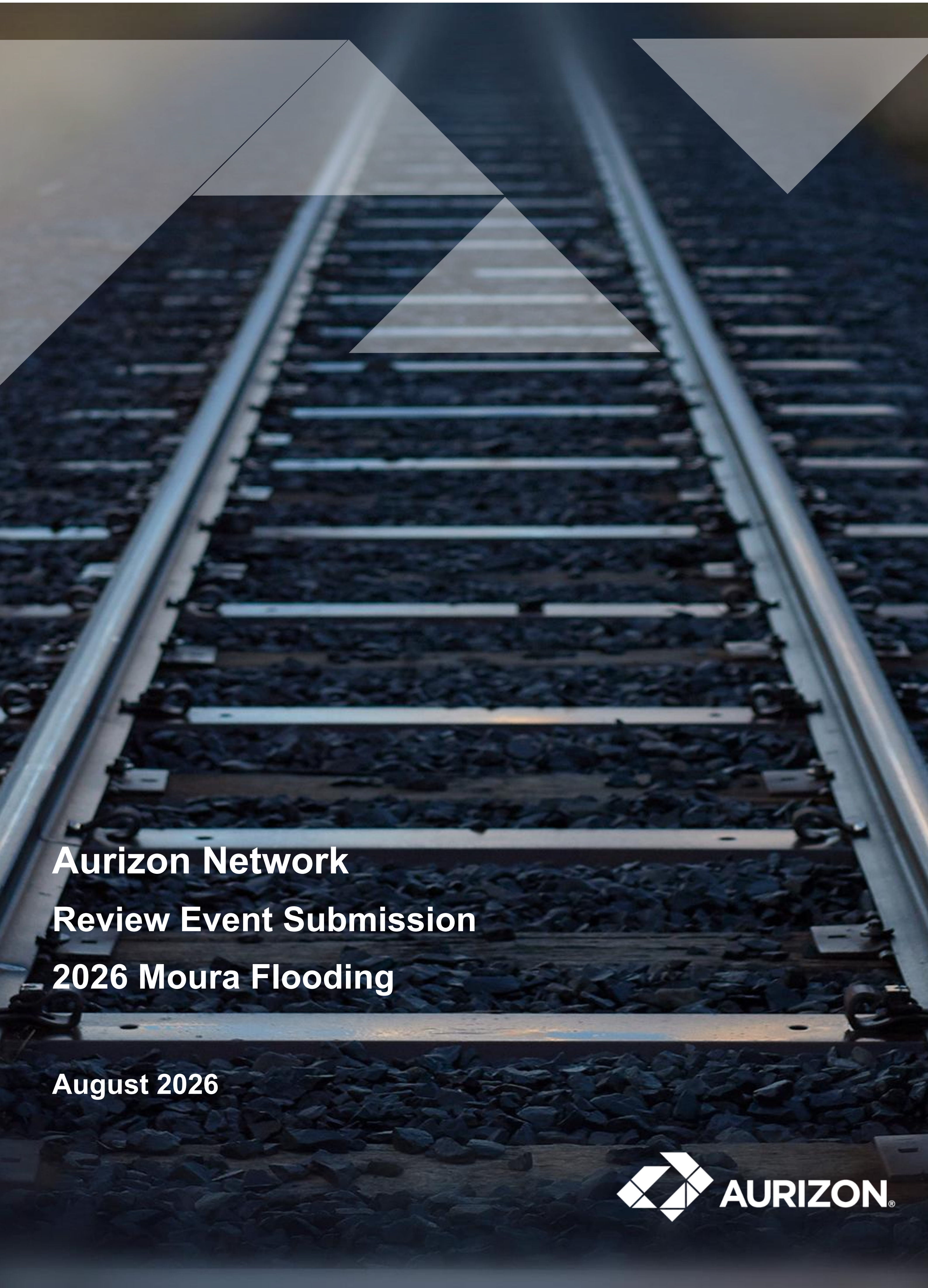

Aurizon Network

Review Event Submission

2026 Moura Flooding

August 2026

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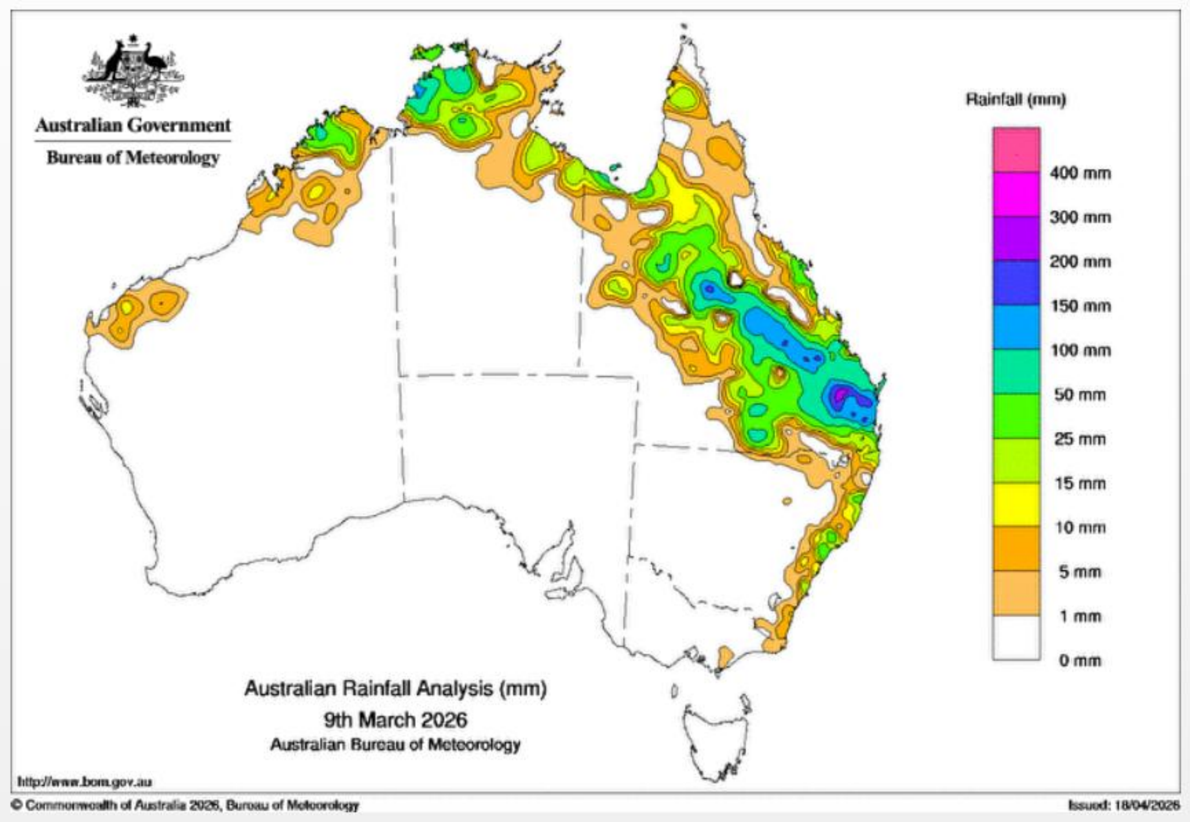
1. Overview of Submission

1.1 Summary

On 6 March 2026, Tropical Low (29U), made landfall in Far North Queensland. The system bought significant impacts including heavy rainfall and localised flash flooding as it moved over Central Queensland, with recorded rainfall of more than 200mm in certain areas.

Figure 1 – BoM Australian Rainfall Analysis, 9 March 2026



The event damaged Rail Infrastructure in the Moura Coal System, which impaired Aurizon Network's ability to provide access to Train Services. Consequently, Aurizon Network issued Force Majeure notices to affected Access Holders advising that the Moura Coal System would be closed to all rail traffic, effective from 9 March 2026. During this time, and subsequent to its reopening on 20 March 2026, repair works were required at 16 unique sites across the Moura Coal System.

The cost of these repair works, which were incurred in FY26 and FY27, totalled $5.39m (pre-escalation). It should be noted that Aurizon Network redeployed internal resources to expedite the recovery efforts. As a result, $0.94m of the total repair costs have been removed from this Review Event submission as they relate to internal plant and labour that is recoverable through the Maintenance Strategy and Budget process.

Accordingly, the purpose of this Submission is to seek QCA approval of a Reference Tariff variation to recover the additional Incremental Costs incurred by Aurizon Network in accordance with clause 5.3 of Schedule F of Aurizon Network's 2017 Access Undertaking (**UT5**) for a Review Event (**Submission**).

Capitalised terms within this submission have the same meaning given to those terms in UT5 unless expressed otherwise.

1.2 Stakeholder Engagement

In July 2026, Aurizon Network advised affected Access Holders of its intention to seek an amendment to the Moura Coal System Reference Tariffs to recover the additional Incremental Costs associated with the Review Event. The purpose of this engagement was to provide stakeholders with early visibility of the proposed cost recovery approach and to seek informal feedback.

As part of this process, Aurizon Network provided Access Holders with a briefing pack outlining the nature and scope of the repair works required across the Moura Coal System, together with an indicative estimate of the resulting Reference Tariff impact. Aurizon Network also explained its intention to recover the approved Review Event costs in FY2027.

Aurizon Network received broad acceptance of the proposed approach.

1.3 Regulatory Framework

Clause 5.1(a)(ii)(A) of Schedule F of UT5 requires Aurizon Network to submit a Reference Tariff variation to the Queensland Competition Authority (**QCA**) within 60 days after Aurizon Network becomes aware that a Review Event has occurred or will occur. As the Force Majeure notices were issued on 9 March 2026, the Submission would have been due on or before 9 May 2026.

Due to the anticipated timing of the final repair works, and the subsequent consolidation of cost data critical to this submission, the QCA approved an extension of time for the Submission to 31 August 2026 in accordance with clause 5.6(a) of Schedule F of UT5.

This Reference Tariff variation sets out, in accordance with clause 5.4 of Schedule F of UT5:

– the Reference Tariff inputs to be varied (being AT3 and AT4 for the Moura Coal System);
– the methodology, data and assumptions used to vary the Reference Tariffs; and
– evidence that the Review Event has occurred.

1.4 Review Event

Clause 5.3 of Schedule F of UT5 describes a Review Event as the occurrence of a Force Majeure Event affecting Aurizon Network, for which Aurizon Network has incurred additional Incremental Costs of greater than $1 million, that have not previously resulted in a variation of the relevant Reference Tariff.

The 2026 Moura Flooding meets the UT5 definition of a Force Majeure Event, in that it was an uncontrollable weather event, and the occurrence of which could not reasonably have been prevented.

The rectification costs associated with this Force Majeure Event are additional Incremental Costs that have exceeded the $1 million materiality threshold.

Accordingly, Aurizon Network considers that the 2026 Moura Flooding constitutes a Review Event.

2. Moura Flooding Event

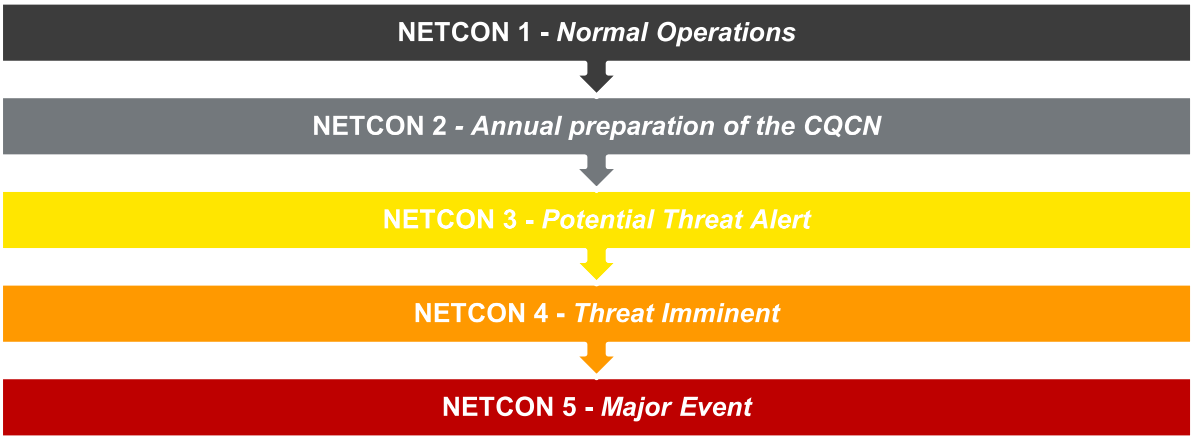
1.2 Preparation Activities

Building resilience into how Aurizon Network manages its largest physical asset is an ongoing and continuously improving process. The development of asset management plans, preparedness activities and maintenance programs are fundamental to mitigating the impacts of weather events and enable a rapid and effective response when they occur.

Prior to the wet season, Aurizon Network undertakes a series of preparation activities to protect or mitigate the impacts of extreme weather on the Rail Infrastructure in the event of extreme weather. These activities include vegetation management, drainage and culvert cleaning, infrastructure inspections, system checks, and maintaining critical inventory levels. These routine preparedness and maintenance activities across the whole Central Queensland Coal Network (**CQCN**), are costed and included within Aurizon Network's Maintenance Cost Allowance approved by Customers as per Clause 7A.11.

These activities are undertaken as part of the Network Condition Alerting Process **(NETCON**), which is used to assess and communicate the readiness of the CQCN to internal and external stakeholders. For events that have the potential to affect the condition or operation of the CQCN, NETCON establishes a series of escalating alert levels (Levels 1 to 5), with each level specifying the actions required by the Aurizon Network and other Supply Chain Participants.

Figure 2 – NETCON Process



NETCON 2 is also known as the 'normal wet season operating mode'. This rating ensures that the annual preparation of the CQCN's below-rail infrastructure prior to the wet weather season commences on 1 September and is completed by 1 November.

The performance of these preparatory maintenance activities not only builds resilience across the CQCN but also provides greater assurance that costs claimed for rectification following a major weather event, such as 2026 Moura Flooding, represent a genuine and efficient increase in expenditure arising from the Review Event.

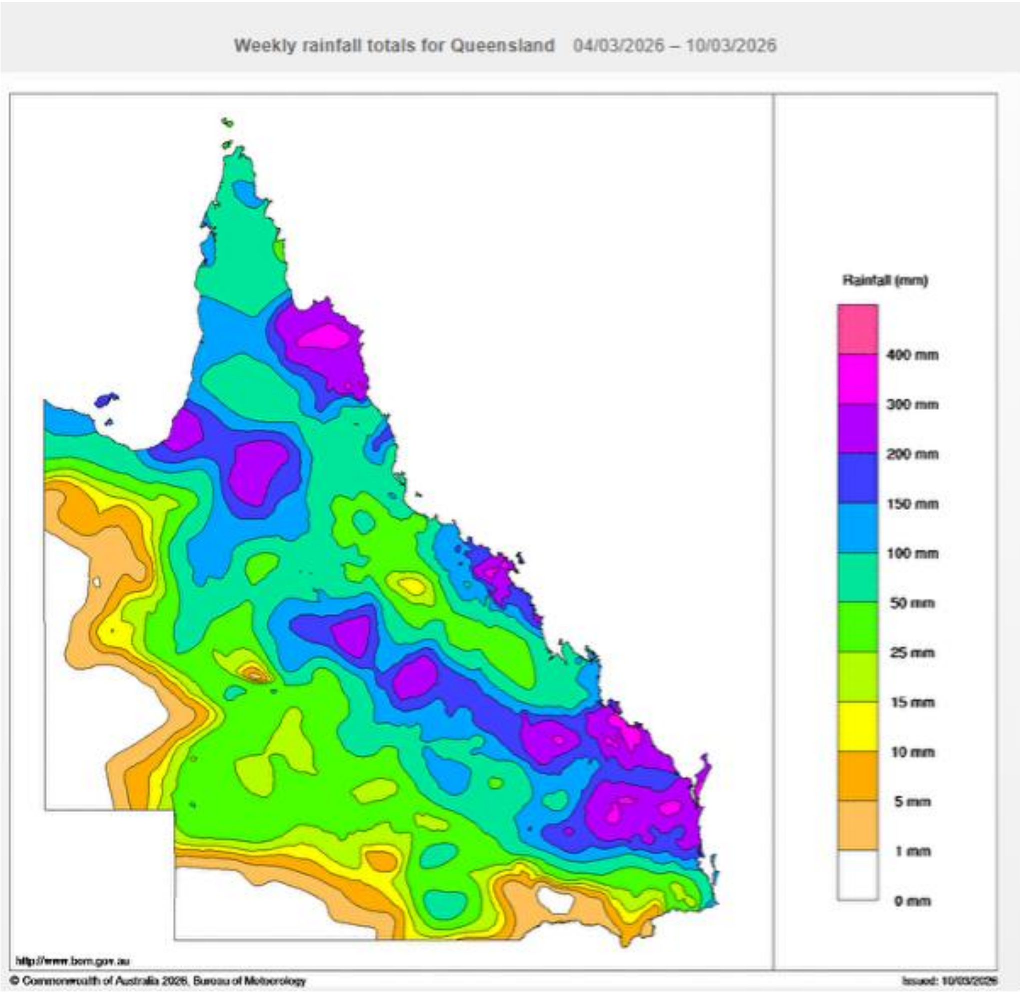
1.3 Summary of Event

The Bureau of Meteorology (**BoM**) issued severe weather warnings following the development of Tropical Low 29U, which crossed the Far North Queensland coast on 6 March 2026. The system generated heavy to intense rainfall and, as it moved South, interacted with an upper trough, resulting in prolonged and widespread rainfall across Central Queensland between 6 and 9 March 2026. These conditions caused significant riverine and flash flooding across the region, including major flooding within the Fitzroy Catchment[1].

The flooding resulted in widespread impacts across Central Queensland, including the inundation of communities, closures and disruption to road networks, livestock losses, and widespread power outages. Emergency response activities included evacuations and numerous flood rescues across affected communities.

The widespread nature of the flooding, together with its impacts on critical transport and utility infrastructure, highlights the severity of the event and the impacts on infrastructure within the Moura Coal System, necessitating response and recovery activities across the affected area.

Figure 3 – BOM Weekly Rainfall Totals for Queensland, 4-10 March 2026



[1] Bureau of Meteorology - Tropical Low 29U

1.4 Initial Response and Damage Assessment

Initial Response

The NETCON process, together with Aurizon's Incident Management Plan (**IMP**), ensures that appropriate stakeholders are promptly informed of changes in network condition and provides a structured framework for responding to such changes. The IMP establishes the governance, procedures and resources required to manage incidents and enables operational and management teams to mobilise an effective response in a timely and coordinated manner.

The IMP is activated when an event requires a coordinated management response and has the potential to significantly affect Aurizon's operations, reputation, financial performance or market value if not managed appropriately. Such events include natural disasters and other severe weather incidents.

On 3 March 2026, three days prior to Tropical Low 29U making landfall, internal and external stakeholders were advised of the potential for disruption to CQCN operations as the Goonyella and Newlands Coal Systems were raised to NETCON 3. NETCON 3 is the alert level associated with a potential threat and was triggered in response to forecasts indicating a moderate likelihood of Tropical Low 29U developing into a tropical cyclone.

On 9 March 2026, all Coal Systems within the CQCN were raised to NETCON 4, signifying an imminent threat from Tropical Low 29U. In preparation for the event, all planned maintenance activities were suspended to prioritise the safety of employees, contractors and network assets and to manage workforce fatigue ahead of the anticipated recovery effort. Consistent with the IMP, an Incident Management Team (**IMT**) was established to coordinate preparedness, response and recovery activities.

On 10 March 2026, the Moura Coal System was raised to NETCON 5 following reports of multiple track washouts and the subsequent closure of the Moura Coal System. Upon activation of NETCON 5, the IMT assumed operational control of recovery activities, with all restoration works subject to IMT authorisation. Throughout the response, the safety of employees, contractors and network assets remained the primary consideration.

Damage Assessment

Aerial inspections of the rail corridor commenced on 10 March 2026 due to limited road and rail access, enabling initial damage assessments and the development of recovery timelines. Inspections continued over the following days, however access constraints and prolonged flooding limited progress. In some locations, water levels continued to rise, further delaying inspection activities.

Figure 4 – Examples of Moura Coal System Initial Damage Assessment

Aurizon Network / 2026 Moura Flooding

Initial repair works commenced on 13 March 2026. Track inspections continued in areas where road and rail access remained restricted. Repair works progressed in the following days as sections of the rail corridor that had previously been inaccessible were opened, allowing inspections to be finalised.

On 17 March 2026, Aurizon Network advised stakeholders that repair works at Clarke had progressed faster than anticipated, resulting in positive flow on effects at other defect locations. Consequently, Aurizon Network informed stakeholders that the Moura Coal System would reopen on 20 March 2026, albeit with applicable speed restrictions.

1.5 Informing Stakeholders

Consistent with the NETCON process and the IMP, Aurizon Network maintained regular engagement with Supply Chain Participants both during and following the 2026 Moura Flooding event. Force Majeure notices were issued to affected Access Holders advising that the Moura Coal System would be closed to all rail traffic, effective from 9 March 2026. Stakeholders were then provided with timely updates regarding the operational impact and recovery response through Incident Notifications, stakeholder forums and briefing packs across March 2026.

1.6 Impact on the Moura Coal System

Repair works were required at 16 main sites across the Moura Coal System. Details of the work required at each site are provided below.

Figure 5 – Moura Coal System Repair Sites

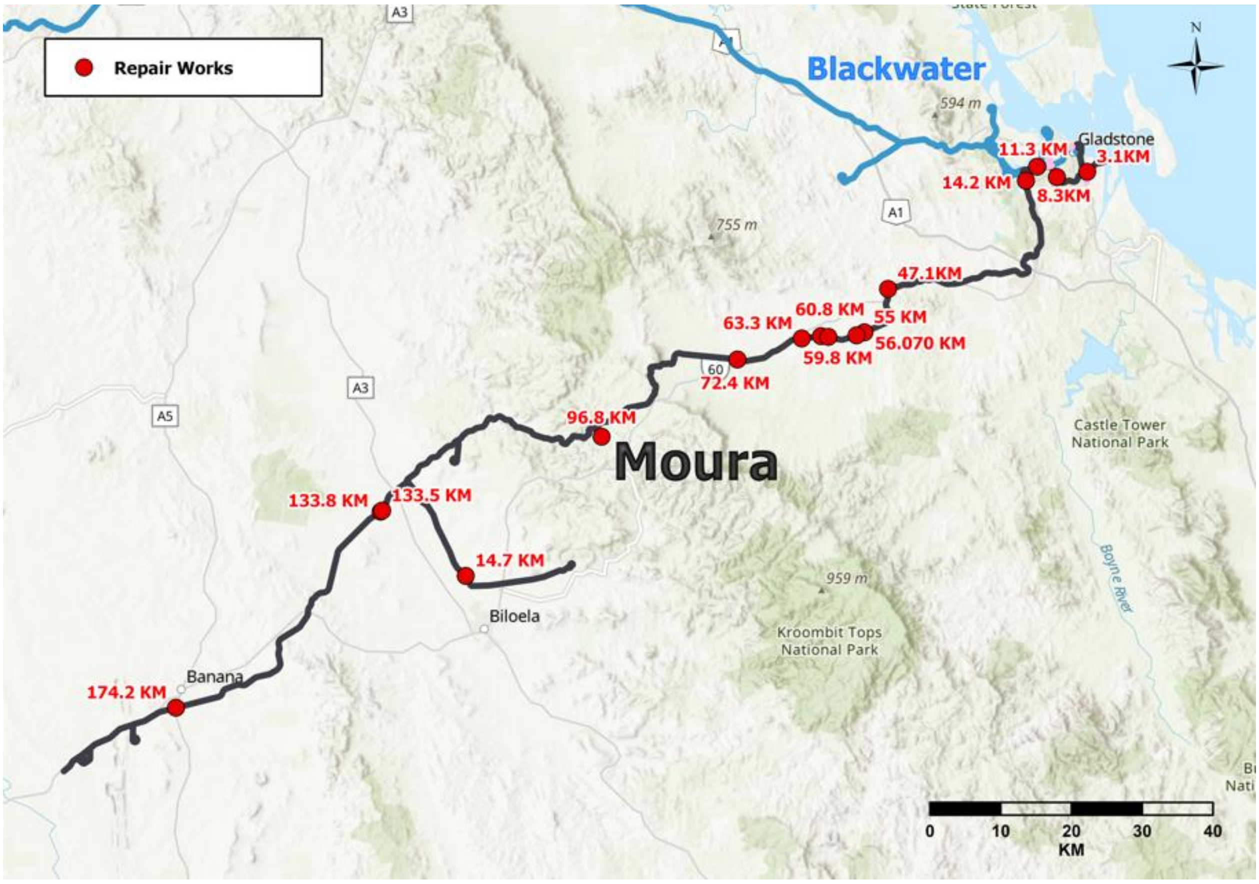


Table 1 – Summary of Moura Coal System Repair Works

Section	Description
South Gladstone to Parana (~3.1km)	Scoured level crossing road surface requiring repair.
Byellee to Stow (~8.3km)	Washout requiring fencing repair.
Callemondah to Byellee (~11.3km)	Washout requiring access road and fencing repair.
Byellee to Stowe (~14.2km)	Scoured access road and fencing requiring repair.
Stirrat to Clarke (~47.1km)	Washed-out access road requiring repair.
Stirrat to Clarke (~55km)	Flooding and scour around culvert requiring repairs to track, culvert, fencing and access road, as well as formation and ballast replacement.
Stirrat to Clarke (~56.070km)	Washout requiring fencing repair.
Stirrat to Clarke (~59.8km)	Washout requiring fencing replacement, as well as replacement and cleanup of ballast and flood rock washed into adjacent paddock.
Stirrat to Clarke (~60.8km)	Scoured embankment requiring restoration, as well as formation, ballast, and fencing repair.
Stirrat to Clarke (~63.3km)	Scoured access road requiring repair, as well as reinstatement of washed-out culvert outlet.
Clarke to Fry (~72.4km)	Flood-damaged fencing requiring repair.
Mt Rainbow to Dumgree (~96.8km)	Access road and culvert causeway requiring repair due to scour and washouts.
Earlsfield to Belldeen (~133.550km)	Washout requiring fencing repair.
Earlsfield to Belldeen (~133.8km)	Washout requiring fencing repair.
Dakenba to Callide (~14.7km)	Major washout requiring formation and ballast replacement, as well as repairs to level crossing, fencing and cattle grid.
Belldeen to Moura Mine (~174.2km)	Major washout requiring repairs to track, formation, culvert, access road, and fencing, as well as ballast and flood rock reinstatement.

Photographs illustrating the damage to Rail Infrastructure at the principal repair sites across the Moura Coal System are provided below.

Figure 6 – Stirrat to Clarke (~55km)

Figure 7 – Stirrat to Clarke (~60.8km)

Figure 8 - Stirrat to Clarke (~63.3km)

Figure 9 - Dakenba to Callide (~14.7km)

Figure 10 - Belldeen to Moura Mine (~174.2km)

3 Recovery of Costs

3.2 Costs Incurred

Cost Capture Process

Following the identification and inspection of all sites and the determination of the required scope of works, each site within scope was assigned a unique identifier. This enabled Aurizon Network to clearly identify all costs associated with the Review Event to specific works in an auditable and transparent manner and to differentiate these costs from activities planned as part of the approved Maintenance and Renewals Strategy and Budget (**MRSB**).

To ensure that only additional Incremental Costs were captured, each work order contained both a revision code (in this case "MATL29U") and an activity number for the specific site that the work related to. These controls were implemented to ensure that only costs incurred as a direct result of the Review Event were recorded and included within this Submission.

Interaction between the Review Event and the Maintenance Costs Claim

Consistent with previous Review Events, Aurizon Network has separately identified internal ordinary plant and labour costs associated with the flood rectification works and has excluded these from this Submission.

It should be noted that ordinary plant and labour costs were legitimately incurred when responding to the Review Event as Aurizon Network redirected internal resources from planned maintenance activities to complete flood rectification works within the Moura System.

Nevertheless, ordinary plant and labour costs were incorporated within the approved FY2026 and FY2027 MRSB and as such, are currently included in the corresponding FY2026 and FY2027 Allowable Revenues and Reference Tariffs.

Notwithstanding the fact that Aurizon Network's ability to recover its actual maintenance costs is dependent on the QCA approving the annual Maintenance Costs Claim, it could be argued that these ordinary plant and labour costs are not 'additional Incremental Costs' arising from the Review Event. Aurizon Network has therefore elected to seek recovery of the ordinary plant and labour costs through the FY2026 and FY2027 Maintenance Costs Claims respectively.

Aurizon Network considers that applying this treatment between the two regulatory processes to seek approval and recovery of actual maintenance costs incurred is appropriate. It also improves consistency between the Maintenance Costs Claim and the approved Maintenance Strategy and Budget, which should aid the QCA's assessment.

Insurance Arrangements

The non-electric operating expenditure allowance under UT5 includes an allowance for two types of insurance, namely external insurance and self-insurance. These insurance arrangements (and associated premiums) do not provide coverage for losses resulting from this Review Event.

External Insurance

Aurizon has an insurance program in place which provides a level of cover for Aurizon Holdings and its subsidiary companies, including Aurizon Network. This insurance program contains cover for Aurizon's Property and General Liability exposures which are placed via a wholly owned captive insurance company via the retail (external) insurance market.

While the external insurance program does include an Industrial Special Risks policy that provides some coverage for a number of assets, namely declared bridges and feeder stations, loss or damage to track and below rail infrastructure is not covered and such losses are not reflected in the premium costings.[2]

Self-Insurance

Self-insurance costs relate to risks retained within the Aurizon Group, including losses that fall below applicable insurance thresholds or deductibles. the following events are not covered by the self-insurance arrangements or allowances under UT5, noting that the actuarial assessment assumes that they will be subject to pass through[3]:

- damage to the network from major weather events where below-rail losses exceed $1 million;
- catastrophic damage to the network from perils such as earthquakes and other natural disasters where the cost exceeds $1 million; and
- liability losses which exceed $8 million.

Consistent with past Review Event submission, the damage arising from the Review Event is not recoverable under either Aurizon Network's external insurance or self-insurance arrangements. Accordingly, the costs incurred in responding to the Review Event and rectifying the Review Event have been borne by Aurizon Network and are therefore sought to be recovered through the Review Event provisions of UT5.

Determination of Additional Incremental Costs

The costs captured and included in the methodology for determining the variation to the Reference Tariffs relate solely to additional Incremental Costs incurred by Aurizon Network as a direct result of the Review Event.

All repair works completed were restorative in nature, and:

- would not have been required in the absence of the flood event (that is, the repair scope was not already within the FY25, FY26, or FY27 MRSBs);
- restored the baseline operational functionality of the assets; and
- have been separately identified and accounted for (via the separate cost identification process) and will not be recovered through any current or future Maintenance Cost Claim.

Accordingly, the costs proposed for recovery through the Reference Tariff variation are limited to prudent and efficient incremental expenditure directly attributable to the Review Event.

[2] 31250_Conceptual-Insurance-Program-Design-and-Pricing-JLT-1.pdf
[3] 31249_Review-of-Self-Insurance-Risk-Premium-Finity-1.pdf

Table 2 summarises the repair costs incurred, the allocation of those costs across the relevant cost categories, and the proposed recovery mechanism for each category, being either the Reference Tariff variation, or the FY2026 and FY2027 Maintenance Cost Claims.

Table 2 – Moura Coal System Repair Costs

Cost Category	Amount ($m)	Recovery Mechanism
Additional Incremental Costs		
Consumables / Other	0.19	Review Event
Contractors	3.82	Review Event
Materials & Plant Usage	0.45	Review Event
Total Additional Incremental	**4.45**	
Internal Costs		
Internal Plant	0.10	Maintenance Cost Claim
Internal Labour & Indirect Costs	0.84	Maintenance Cost Claim
Total Internal	**0.94**	
Total Repair Costs	**5.39**	

Repair Work

The categories of costs incurred are described below:

- **Consumables / Other**: may include the cost of computer hardware and software, technology costs, safety equipment, consultant fees, minor tools and plant, travel and accommodation, external freight and waste disposal.
- **Contractors**: may include costs associated with external contractors, hire charges and trade services. Aurizon Network supplements its own labour and plant resources with externally procured contractors where specialist skills / equipment is required, or where a large volume of activity is delivered concurrently.
- **Materials & Plan Usage**: may include the cost of materials (ballast, rail, sleepers etc) used either charged directly or consumed from inventory stores as well as pass-through costs for Aurizon Network owned major plant. All costs associated with major plant (e.g., operational and plant maintenance) are charged to jobs via a unit rate.
- **Internal Plant**: costs associated with Aurizon-owned plant, vehicles and equipment.
- **Internal Labour & Indirect Costs:** costs associated with Aurizon Network employees directly undertaking activities.

Figure 11 – 2026 Moura Flooding Repair Works

Efficient Costs

The costs incurred by Aurizon Network in undertaking repair works associated with the 2026 Moura Flooding represent an appropriate and reasonable outcome in the circumstances, having regard to the operating environment of the CQCN.

Aurizon Network has substantial experience in the operation of the CQCN and in maintaining sound operational practices, supported by prudent and effective maintenance and asset replacement policies and practices. These practices were the subject of an assessment undertaken by Advisian in 2017[4]. The recovery works associated with this Review Event were completed in accordance with Aurizon Network's established engineering standards and asset management practices, which are also applied in the delivery of its annual maintenance and capital programs. Those programs are subject to significant stakeholder engagement, as well as external review and approval processes, providing stakeholders with confidence that the repair works were undertaken in a prudent and efficient manner.

The systematic application of established emergency response and recovery processes, including the NETCON procedure and the IMP, immediately following a major event such as the 2026 Moura Flooding, ensures that recovery planning, decision-making and execution of those recovery works are undertaken efficiently and effectively, without unnecessary delay, effort or expenditure.

Through the application of these processes, together with detailed assessments of infrastructure damage and operational strategies designed to progressively restore network safety, capacity and railings for customers, Aurizon Network seeks to ensure that the costs incurred as a result of this Review Event are reasonable, efficient and consistent with prudent network management practices.

[4] Report Advisian

3.3 Reference Tariff Variation

This Submission proposes a variation to the Moura Coal System Reference Tariffs in accordance with clause 5.4 of Schedule F of UT5 for the 12-month period between 1 July 2026 and 30 June 2027 (FY2027). The proposed 12-month recovery is considered appropriate for the following reasons:

- the regulatory term of the 2025 UT5 Draft Amending Access Undertaking (**2025 UT5 DAAU**) is expected to commence on 1 July 2027, allowing for this matter to be resolved within the current UT5 regulatory period;
- recovery within a single financial year provides greater simplicity, transparency, and certainty for Access Holders; and
- it enables any under-recovery arising from the difference between the current and varied Reference Tariffs to be reconciled through an Adjustment Charge within the same Reference Tariff period.

Calculation of Reference Tariff Variation

The methodology applied to determine the required variation to the FY2027 Moura Coal System Reference Tariffs is outlined below.

During FY2026 and FY2027, Aurizon Network incurred additional Incremental Costs of $4.45m because of this Review Event. This Submission proposes a variation to the FY2027 Reference Tariffs. Accordingly, costs incurred during FY2026 will be escalated at Weighted Average Cost of Capital (**WACC**) to account for the deferred recovery of these costs to FY2027.

Table 3 – Moura Coal System Repair Costs

Costs Incurred	Amount ($m)	WACC Escalation	Total ($m)
FY2026	3.23	0.27	**3.50**
FY2027	1.23	N/A	**1.23**
Total	**4.45**	**0.27**	**4.73**

The rates of escalation and tonnage assumptions relevant to these calculations are:

- WACC – 8.51%; and
- FY2027 tonnage assumptions.

A financial model which contains the calculations supporting the methodology described above is submitted to the QCA as required under clause 5.4 of Schedule F of UT5. This level of detail is not suitable for publication, due to the confidential nature of the information contained in that model.

System Level Reference Tariffs

Aurizon Network proposes that the tariff inputs to be varied are nominated as AT3 and AT4 for the Moura Coal System as follows:

Table 4 – Moura Coal System Repair Costs

FY2027 Cost Recovery	
Additional Incremental Costs (incl escalation)	$4.73m
Tonnes (‘000)	13,679
$ per NT	$0.35
Reference Tariff Increase	
AT3	$1.07
AT4	$0.17

Adjustment Charge

Aurizon Network proposes that the varied Reference Tariffs take effect from 1 July 2026 (**Effective Date**). Following QCA approval of this Review Event Submission, Aurizon Network will commence billing the varied Reference Tariffs as soon as practicable.

As the QCA's approval is expected to occur after the Effective Date, an Adjustment Charge will be required to recover the difference between the existing and varied Reference Tariffs for the period prior to implementation. For example, if the varied Reference Tariffs commence being billed from 1 April 2027, an Adjustment Charge would apply to the period from 1 July 2026 to 31 March 2027.

In accordance with clause 6 of Schedule F of UT5, Aurizon Network will submit an Adjustment Charge calculation to the QCA promptly following publication of the QCA's decision on this Review Event Submission. Aurizon Network's intention is that any Adjustment Charge be recovered within FY2027, thereby ensuring full recovery of the approved Review Event costs within the proposed 12-month recovery period.