

File ref: 2057633

20 November 2025

Ms Cat Pepler
Group Executive Network
Aurizon Network Pty Ltd
GPO Box 456
BRISBANE QLD 4001

Dear Ms Pepler

Notice of final decision: Aurizon Network's 2024-25 revenue adjustment

On 20 November 2025, the Queensland Competition Authority approved Aurizon Network's proposed revenue adjustment amount for 2024-25 under clause 4.3(r) of schedule F of the 2017 access undertaking (UT5). The QCA determined that Aurizon Network has appropriately calculated all the revenue adjustments it proposed on 14 October 2025.

The QCA's review of the revenue adjustment is summarised in the attached decision notice. The notice includes a brief overview of the basis of our assessment and our main findings. This is a written notice for the purpose of clause 4.3(s)(i) of schedule F of UT5.

I am happy to discuss any question you may have on this or any other matters. Should your staff have any specific queries on the attached paper, please direct them in the first instance to Pag Arao-Arao on 07 3222 0560, or by email at pag.arao-arao@qca.org.au.

Yours sincerely



Charles Millstead
Chief Executive Officer

Revenue adjustment amounts 2024-25

20 November 2025

The Queensland Competition Authority's decision is to approve the 2024-25 revenue adjustment amount of \$51.2 million Aurizon Network proposed on 14 October 2025 under the 2017 access undertaking (UT5). The QCA considers that Aurizon Network has calculated the adjustment amounts in accordance with clause 4.3 of schedule F.

Each year Aurizon Network submits a proposal to refund or recoup any over- or under-recovery of its allowable revenues. The proposed adjustments are the difference between Aurizon Network's maximum allowable revenue (MAR) plus any allowable adjustments (collectively termed the adjusted allowable revenue (AAR)), and the total actual revenue (TAR) collected in that year from the approved AT2-AT5 reference tariffs.

On 14 October 2025,¹ Aurizon Network submitted its revenue adjustment proposal for a net recovery of \$51.2 million for 2024-25.²

Revenue adjustment assessment process

UT5 (sch F, cl 4.3) sets out a process for assessing Aurizon Network's proposed revenue adjustment.

We will approve a proposal if we are satisfied that it has been calculated in accordance with UT5 – or we will issue a notice requiring Aurizon Network to resubmit its proposal, with amendments (sch F, cls 4.3(r), (s)).³ The approved revenue amounts then adjust the second-year's system allowable revenues and corresponding AT2-AT5 reference tariffs (sch F, cl 4.4).

If we are not reasonably satisfied that the revenue adjustment amount is calculated in accordance with clause 4.3, we must refuse to approve it. In that case, we must then issue a notice to Aurizon

¹ UT5 requires Aurizon Network to submit its yearly revenue adjustment amounts by 31 October (UT5, sch F, cl 4.3 (m), (o))

² Aurizon Network, [FY2025 Revenue Adjustment Amounts – Explanatory Memorandum](#), October 2025.

³ Approval is also subject to consultation requirements. We have undertaken the requisite consultation (UT5, sch F, cl 4.3(q)).

Network, explaining our reasons for the refusal and the way Aurizon Network is required to amend its proposal for resubmission (sch F, cl 4.3(s)(ii)).

We have closely checked Aurizon Network's application and supporting models against all available information (both publicly available and provided confidentially) to determine whether the calculations in this revenue assessment process have been performed in accordance with UT5.

Stakeholder consultation

We invited stakeholder submissions on Aurizon Network's 2024–25 revenue adjustment proposal. We did not receive any submissions in response.

Revenue adjustment amounts for 2024-25

Aurizon Network's revenue adjustment proposal provides for a net recovery of \$51.2 million from its customers, reflecting under-recoveries in the Blackwater, Goonyella, Newlands and GAPE systems, and an over-recovery in the Moura system for the 2024–25 financial year (see Table 1 for service and system-specific over- and under-recoveries).

Table 1: Revenue adjustment amounts 2024-25 (\$ million)

System	AT2-4 (non-electric)	AT5 (electric)	Total
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
Total	28.7	22.6	51.2

Note: Numbers may not sum due to rounding. Negative values indicate an over-recovery, and thus a system refund. Source: Aurizon Network, FY2025 Revenue Adjustment Amounts – Explanatory Memorandum, October 2025, p 3, 16.

We have set out our assessment of each element of the approved adjustment amounts in the interests of completeness.

Total actual revenues and adjustments

The TAR represents the total collected revenues made up of the system reference tariffs paid by access holders on all railed volumes in the financial year and includes cross-system traffic revenues on AT2-AT5 tariffs, any take or pay amounts payable, as well as any transfer and relinquishment fees received (sch F, cl 4.3(d)-(k)).

Aurizon Network submitted detailed monthly data to demonstrate the calculation of the TAR.

Take or pay, relinquishment or transfer fees, and cross-system revenues

Aurizon Network provided billing information on how it calculated the take or pay revenues under its access contracts.

Take or pay amounts were triggered in the Blackwater system for 2024–25 (with the take or pay recovering the full amount of AT2–AT4 shortfall), while relinquishment fees and transfer fees were payable in the Moura system. These have been included in the relevant TAR.

The take or pay amounts, relinquishment or transfer fees, and cross-system revenues for 2024–25 totalled \$62.5 million, comprising \$54.9 million from non-electric customers and \$7.6 million from electric customers.

We are satisfied that:

- the take or pay revenues were accurately calculated based on railings within a nominated month, for the purposes of annual and variable take or pay and were treated consistently
- adjustments for Aurizon Network cause and force majeure events were appropriately attributed, and the methodology in the relevant access undertakings was applied correctly.

We confirm that Aurizon Network has correctly calculated the take or pay revenues that applied for agreements signed during each undertaking period (sch. F, cl. 4.3(d)(ii))

Total actual revenues

Including adjustments to revenues, Aurizon Network collected TAR for 2024–25 of \$1,207.6 million, including all take or pay and cross-system traffic revenues received (see Table 2). We are satisfied that Aurizon Network calculated its system and cross-system tariff revenues in accordance with the 2024–25 annual review of reference tariffs and the current approved undertaking.

Table 2: Total actual revenues 2024–25 (including take or pay and cross-system revenues) (\$ million)

System	AT2-4 (non-electric)	AT5 (electric)	Total
Blackwater	432.2	100.1	532.3
Goonyella	337.3	81.7	419.0
Moura	68.7		68.7
Newlands	45.6		45.6
GAPE	142.0		142.0
Total	1,025.8	181.7	1,207.6

Note: Numbers may not sum due to rounding.

Source: Aurizon Network, FY2025 Revenue Adjustment Amounts – Explanatory Memorandum, October 2025, p 16.

Volumes

Aurizon Network's TAR is based on amounts billed against each customer's actual railings (see Table 3). Overall railings were below forecast, with most systems railing below forecast.

Table 3: Forecast and actual volumes 2024-25 (million net tonnes)

System	Approved forecasts	Actual tonnages	Variance (%)
Blackwater	58.6	54.6	-7
Goonyella	107.1	102.8	-4
Moura	14.8	15.1	2
Newlands	19.5	19.0	-2
GAPE	16.7	16.5	-1
Total	216.7	208.0	-4

Source: Aurizon Network, FY2025 Revenue Adjustment Amounts – Explanatory Memorandum, October 2025, p 7.

System allowable revenues and adjustments

Annual system allowable revenues represent the approved amounts Aurizon Network is set to recover in each year during the term of its approved undertaking. Each system's allowable revenues are published in schedule F of UT5.

Under the revenue adjustment process (sch F, cl 4.3(c)), Aurizon Network can submit adjustments to the annual allowable revenues. Aurizon Network's 2024-25 proposal outlined its claim for the following cost adjustments to the allowable revenues.

Maintenance cost adjustment

The maintenance cost adjustment accounts for the difference between actual maintenance costs and the sum of the approved maintenance indicator and the variable maintenance cost adjustment.

Aurizon Network's actual maintenance costs are those included in the annual maintenance costs claim it submitted on 19 September 2025 (which we approved on 20 November 2025).⁴ Overall, actual maintenance costs for 2024-25 were higher than the maintenance indicator for the year. Aurizon Network has calculated a net recovery from access holders of \$17.9 million (see Table 4 for system-specific adjustments).

⁴ Aurizon Network's maintenance cost proposal and our decision are available on our [website](#).

Table 4: Maintenance cost adjustment by system, AT2-AT5 (\$ million)

System	Maintenance indicator	Actual maintenance costs	Variance	Variable maintenance	Total maintenance adjustments
Non-electric (AT2-AT4)					
Blackwater	72.0	76.4	4.4	3.1	7.6
Goonyella	66.1	71.4	5.2	0.6	5.8
Moura	16.8	17.8	1.0	-0.3	0.7
Newlands	7.0	7.7	0.6	0.0	0.7
GAPE	9.9	10.8	0.9	-0.4	0.5
Total	171.9	184.0	12.2	3.1	15.3
Blackwater	7.7	9.2	1.6		1.6
Goonyella	8.8	9.8	1.0		1.0
Total	16.4	19.0	2.6		2.6

Note: Numbers may not sum due to rounding.

Source: Aurizon Network, *FY2025 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2025, p 10, 16.

We confirmed that actual maintenance costs are consistent with those included within the 2024-25 annual maintenance report and that the maintenance indicator is consistent with the values approved. Therefore, we are satisfied with Aurizon Network's claim under the maintenance cost adjustment.

Non-electric operating expenditure allowance

Aurizon Network calculates an adjustment to the component of allowable revenues relating to the recovery of the non-electric operating expenditure allowance (NOEA). This adjustment to the NOEA is based on the difference between actual and the forecast consumer price index (CPI) in UT5.

Table 5: Non-electric operating expenditure allowance 2024-25 (\$ million)

System	Non-electric operating expenditure allowance	NOEA adjustment
Blackwater	53.9	0.1
Goonyella	58.8	0.1
Moura	5.8	0.0
Newlands	3.6	0.0
GAPE	12.9	0.0
Total	135.1	0.2

Note: Numbers may not sum due to rounding.

Source: Aurizon Network, *FY2025 Revenue Adjustment Amounts – Explanatory Memorandum*, October 2025, pp 11, 16.

We have confirmed that both forecast and actual CPI used to calculate the NOEA adjustment amount are correctly applied as required in the undertaking and that actual CPI corresponds to published information.

Electricity connection costs

The electricity connection cost adjustment accounts for the difference between forecast and actual costs incurred in connecting to an electric transmission or distribution network. This adjustment is only applicable to Aurizon Network's electrified systems.

Aurizon Network has calculated a net return to access holders of \$0.4 million (\$0.4m return to the Blackwater system and \$0.1m recovery from the Goonyella system).⁵ This is the difference between the amounts paid to Powerlink Queensland and Ergon Energy for the connection of Aurizon Network's electric infrastructure to their respective electricity networks and the forecast costs (used for determining the AT5 reference tariff components for 2024-25).

We consider these costs have been appropriately tracked and reflect actual costs incurred.

Rebates adjustment

To account for the difference between forecast and actual rebate payments made in 2024-25, Aurizon Network has calculated a net return to access holders of \$1.3 million (see Table 6 for system-specific rebates).

This adjustment is the difference between forecast and actual rebate payments made to access holders who have provided Aurizon Network with funds to underwrite capital investments (sch F, cl 4.3 (c)(viii) of UT5).

Table 6: Rebate adjustment by system totals (\$ million)

System	AT2-4	AT5
Goonyella	-1.2	-0.1

Note: Numbers may not sum due to rounding. Negative values indicate an over-recovery.

Source: Aurizon Network, FY2025 Revenue Adjustment Amounts – Explanatory Memorandum, October 2025, pp 12, 16.

Aurizon Network provided a detailed model of the rebate adjustments. We have verified these amounts and are satisfied with the adjustments made.

Other adjustments

Aurizon Network did not claim any other adjustments – under UT5 sch F, cls 4.3(c)(i), 4.3(c)(v), 4.3(c)(vi), 4.3(c)(vii) and 4.3(c)(ix) – related to the approved WACC, the cost of audits, condition-based assessment costs, ground penetrating radar costs and other compliance costs.

⁵ Aurizon Network, FY2025 Revenue Adjustment Amounts – Explanatory Memorandum, October 2025, p. 11.

Summary of revenue adjustment amounts, 2024-25

System	Allowable revenues	Maintenance costs adjustments	NOEA and electricity connection costs	Rebates	Adjusted allowable revenues	Total actual revenues	Revenue adjustment amounts 2024-25
Non-electric (AT2-AT4)							
Blackwater	432.2	7.6	0.1	0.0	439.9	432.2	7.7
Goonyella	351.5	5.8	0.1	-1.2	356.2	337.3	18.9
Moura	67.2	0.7	0.0	0.0	67.9	68.7	-0.8
Newlands	46.7	0.7	0.0	0.0	47.3	45.6	1.7
GAPE	142.6	0.5	0.0	0.0	143.2	142.0	1.2
Subtotal	1,040.2	15.3	0.2	-1.2	1,054.5	1,025.8	28.7
Electric (AT5)							
Blackwater	109.9	1.6	-0.4	0.0	111.1	100.1	11.0
Goonyella	92.3	1.0	0.1	-0.1	93.3	81.7	11.6
Subtotal	202.2	2.6	-0.4	-0.1	204.3	181.7	22.6
TOTAL	1,242.4	17.9	-0.2	-1.3	1,258.8	1,207.6	51.2