

Annual and Financial Report

2025-2026

General information

This is the consolidated Annual and Financial Report 2025-2026 (“the report”) of Queensland Rail (ABN 68 598 268 528) and its subsidiaries, Queensland Rail Limited (ABN 71 132 181 090) (QRL) and On Track Insurance Pty Ltd (ABN 18 095 032 670) (OTI). Queensland Rail is a statutory authority established under the *Queensland Rail Transit Authority Act 2013* (Qld) (*QRTA Act*) and is a statutory body for the purposes of the *Financial Accountability Act 2009* (Qld) and the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

Queensland Rail’s functions are detailed in section 9 of the *QRTA Act*. Queensland Rail discharges its statutory functions through its wholly owned subsidiary QRL. QRL does not employ any personnel but owns all non-employee related assets and contracts. It performs the role of rail transport operator under the Rail Safety National Law.

OTI is a wholly owned subsidiary of QRL. It provides insurance cover for claims on Queensland Rail, QRL and the Aurizon group of companies in respect of events up until 30 June 2010. OTI is currently dormant.

Unless the context otherwise requires, Queensland Rail and its subsidiaries QRL and OTI are collectively referred to as “Queensland Rail” for the purposes of this report. A general description of the nature of Queensland Rail’s operations and principal activities is included in the report.

Queensland Rail is committed to minimising the impact on the environment by printing a limited number of copies of this report. This report is available, along with other useful resources, via the Queensland Rail website: queenslandrail.com.au.

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Translation and interpreting assistance

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Our business

Queensland Rail has been connecting communities since 1865, supporting local jobs, industries and economies. We are committed to delivering safe, efficient and sustainable services for our customers.

With total assets of \$12.5 billion and a network that extends more than 6,600 kilometres across the state, we are focused on delivering our services to create value for our customers and Queenslanders.

Our 8,149-strong workforce delivers services across our South East Queensland (SEQ) and Regional networks, including Travel and Tourism services, and freight.

Our SEQ business aims to provide 8,503 services each week, supporting our customers to reach their destinations safely and on time. Across the last financial year (FY26), 58.67 million customer trips were taken on the SEQ network (including special event services), an increase of 6.80 per cent when compared with 54.94 million customer trips in FY25. This increase was achieved despite the challenges presented by on-going union-protected industrial action that impacted our ability to provide full services in SEQ from April 2026.

The regional commuter and rail tourism markets are serviced by the Travel and Tourism team. There are eight services connecting regional communities across Queensland with other regional centres and SEQ. These services support the movement of customers throughout Queensland, as well as boosting the state's tourism industry by providing unique rail experiences.

Our Regional business also provides rail access for freight operators, supporting the critical transport of resources and general freight across the state.

We are proud of the role we play in providing vital passenger, tourism and freight services and we are dedicated to ensuring our systems, procedures and practices reflect the highest standards of corporate governance.

Unfortunately, regional travel and freight services were also disrupted in FY26 due to ongoing union-protected industrial action.

Established under the *QRTA Act*, Queensland Rail is a statutory authority for the purposes of the *Financial Accountability Act 2009* (Qld) and the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

The *QRTA Act* sets out the functions of Queensland Rail. These include:

- Management of railways.
- Provision of rail transport services, including passenger services.
- Construction and maintenance of rail transport infrastructure.

Access to some of our network is regulated through an access undertaking given to the Queensland Competition Authority.

Acknowledgement of Traditional Owners and Elders

Queensland Rail acknowledges and pays respect to the Traditional Owners and Custodians of the land on which we operate, their Elders past and present, and all Aboriginal and Torres Strait Islander peoples.

We recognise that this land has always been a place of great significance, with a rich history of cultures, heritages and connection to Country. As a rail organisation, we are proud to play a role in connecting people and communities, and we do so with the utmost respect for the land in which we traverse and its Traditional Owners.

We acknowledge that Reconciliation is an ongoing journey, and we are committed to walking it together, step by step. To learn more about our commitment to reconciliation, view Queensland Rail's Innovate Reconciliation Action Plan on the Queensland Rail website.

Chair's message

On behalf of the Board, I am pleased to present Queensland Rail's Annual and Financial Report 2025-2026. It showcases the continued dedication of our people who remain committed to delivering high-quality services for our customers while also working to expand the network and grow our services for the future.

As a state-owned rail operator, Queensland Rail is focused on achieving the Government's objectives for the community through our core priorities — safe for everyone; delivering exceptional services, every day; improving the network; facilitating freight; being efficient and sustainable; and enabling assets to future-proof the network.

In FY26, Queensland Rail continued to integrate major projects and new infrastructure into the rail network. Our teams worked closely with the Cross River Rail Delivery Authority (CRRDA) to deliver vital works that will enable integration of the tunnels and technology into the existing Queensland Rail network. Several milestones were achieved this year, including the opening of two new stations on the Gold Coast line, Pimpama and Hope Island, and more testing of the new, world-class European Train Control System (ETCS), which will ultimately enable more efficient operations of trains on the network.

To meet projected customer growth, we also continued to work in partnership with the Queensland Government on the Queensland Train Manufacturing Program (QTMP), which will deliver 65 new trains for the business as well as two new stabling yards.

Queensland Rail teams were also actively engaged with our delivery partners at the Department of Transport and Main Roads (TMR) to ensure construction continued apace on the Wave (a new line to the Sunshine Coast) and the Logan and Gold Coast Faster Rail projects.

The year, however, was not without its challenges. From early April 2026, customers right throughout the state have been forced to endure downgraded services and significant disruptions due to the impacts of ongoing union-protected industrial action. I acknowledge that this has been very frustrating for all our customers, including freight operators, and everyone at Queensland Rail.

Notwithstanding the challenges of protracted negotiations with the unions on replacement enterprise agreements for more than 5,500 staff, progress has been made to ensure our people maintain competitive pay and entitlements so that they can help Queensland Rail deliver on our purpose of connecting communities.

FY27 promises to be another busy year for the business as we continue to grow and prepare to accept more assets that will help us deliver more services for the people of Queensland. I am confident that everyone at Queensland Rail will remain focused on the challenges ahead and committed to delivering our core priorities. On behalf of the Directors, I thank the Executive Leadership Team for the work they have done in steering their portfolios and helping to move Queensland Rail closer to achieving our vision of providing world-class rail services for our customers. And I am grateful for the hard work and dedication of my fellow directors who have discharged their duties with distinction over the past 12 months.

I also thank our responsible Ministers, the Treasurer and Minister for Energy and the Minister for Home Ownership, the Honourable David Janetzki MP, and the Minister for Transport and Main Roads, the Honourable Brent Mickelberg MP, for their ongoing support and guidance.

Finally, I sincerely thank Queensland Rail's staff for their hard work and ongoing dedication to their jobs. I acknowledge their significant achievements this year and look forward to working together to achieve more for our customers in FY27.

Andrew Wellington
Chair

CEO's report

FY26 has been a landmark year for Queensland Rail, defined by celebration and an unwavering commitment to the communities we serve. We proudly marked 160 years of connecting communities, bringing Queensland's rich rail history to life through a program of events, heritage activations and community partnerships that resonated across the state.

As we celebrated our past, we also invested in our future. Our graduate and apprentice recruitment campaigns drew thousands of applications for critical engineering and trade roles, strengthening the pipeline of skilled people who will keep Queensland connected for decades to come.

Across the network, we continued to deliver for customers and communities. FY26 saw a record 58.67 million customer trips across the SEQ network, supported by the Queensland Government's permanent 50-cent fares that made rail travel more accessible than ever. The Kuranda Scenic Railway (KSR) continued to draw visitors to Far North Queensland throughout the year, delivering its strongest performance in almost ten years with 441,236 customer trips in FY26.

Safety is at the heart of everything we do. In FY26, our people demonstrated this commitment across all areas of our operations, from community education programs that extended our reach into regional and remote Queensland, to ongoing initiatives that kept our people, customers and communities safer across the network. Pleasingly, both employee and customer injury rates have declined in FY26, reflecting our sustained focus on proactive risk reduction, and building and embedding a safety culture throughout the business.

FY26 tested our resilience when severe weather hit our Regional network from late December 2025 into early 2026. Our people rose to the occasion, working as 1TEAM to safely and swiftly restore vital passenger and freight services to affected North Queensland communities. As always, the safety of our people, customers and communities remained our top priority, and the work to restore the Regional network after several floods was completed.

This year, we began negotiations to replace six of seven Enterprise Agreements that expired in February 2026. During negotiations, union-protected industrial action affected (and continues to impact) our ability to run services at the frequency and standard expected of ourselves and by our customers. Union-protected industrial action also prevented the movement of freight throughout the state. Nevertheless, we were able to optimise available resources and progress critical works and deliver the best possible outcome for customers in challenging circumstances. As of late August 2026, Queensland Rail has reached in-principle agreement with unions to replace four enterprise agreements, covering more than 3,700 staff.

With more customers choosing to travel by rail, we continue to modernise and prepare our network for future growth. Shorncliffe station progressed through accessibility upgrades and renewal works ahead of its opening, alongside continued progress on station upgrades between Dutton Park and Salisbury.

We supported the transportation of more than 14 billion gross tonne kilometres of industrial and agricultural products across the state and introduced a subsidy on below-rail access charges on the Mount Isa line, strengthening Queensland's export supply chain and delivering on our commitment to getting more freight onto rail.

As we look ahead, the same spirit that has driven our organisation for 160 years continues to power our ambition. I am excited about the opportunities before us as we continue to grow our network, advance major projects, integrate new assets, and plan for timetable uplifts that will underpin world-class transport solutions ahead of the Brisbane 2032 Olympic and Paralympic Games.

On behalf of the Executive Leadership Team, thank you to our people for their dedication, resilience and commitment throughout FY26. I am grateful to the Board for their strategic guidance, and to our Government partners, TMR and key stakeholders for their continued support. I look forward to another successful year ahead.

Kat Stapleton

Chief Executive Officer (CEO)

Our safety performance

At Queensland Rail, safety comes first, always. Queensland Rail prioritises safety across all areas of its operations, driving safety improvement programs that promote risk reduction and improved safety outcomes for customers and employees.

Key highlights:

- Improved employee safety with a Total Recordable Injury Frequency Rate (TRIFR) at 5.45 (down from 6.97 in FY25 and below target).
- Continued focus on customer safety through a range of targeted marketing campaigns.
- Recognised for safety leadership at the 2026 Australian Rail Industry Standards Organisation (ARISO) Rail Safety awards.
- Strengthened frontline capacity with 35 new roles in the Authorised Officer Unit.
- Awarded maximum worker's compensation self-insurance licence.

Safety campaigns

Queensland Rail delivered targeted safety campaigns across SEQ and Regional networks in FY26, driving reductions in customer injuries and employee assaults.

The refreshed 'Travel with Care' campaign encouraged safe behaviours to reduce slips, trips and falls at SEQ stations. The campaign reached customers through station signage, onboard announcements and social media channels, generating over 4.8 million impressions in FY26.

In January 2026, the Regional business launched a customer-focused campaign, 'Courtesy counts on every journey', as part of Queensland Rail's commitment to creating a safe and respectful environment for our customers and employees while onboard trains, at stations and at Travel centres.

In March 2026, the internal security campaign, 'What's Your Plan A?', strengthened frontline awareness around employee assaults and antisocial behaviour, supporting a decline in reported assaults over the past decade.

Signals passed at danger prevention

Every Signal Passed at Danger (SPAD) event is taken very seriously and investigated thoroughly.

Queensland Rail's SPAD rates are generally lower than the Australian industry average. However, SPAD prevention continues to remain a critical safety focus.

In FY26, the SPAD rate for Queensland Rail-operated services met target at 1.73 SPADs per million train kilometres, an increase from 1.49 SPADs per million train kilometres in FY25. While the year-on-year rate

increased, the FY26 result remained below target and all SPADs were rated as minor severity.

Queensland Rail's SPAD Prevention Program aims to reduce the SPAD rate through a range of targeted initiatives. In FY26, these initiatives included the progressive testing of the ETCS, recurring crew awareness campaigns, professional driving audits on in-supply train drivers, and updated incident prevention training incorporating attention management strategies. Frontline supervisors were also reallocated to infield duties to reinforce and monitor safe driving procedures with rail traffic crew.

Bridge strike prevention

In FY26, 107 vehicles struck Queensland Rail bridges (91 on the SEQ network and 16 on the Regional network). In FY26, Queensland Rail remained focused on bridge strike prevention and mitigating the adverse impacts these incidents have on customer and community safety. Improved signage, engineering and technology solutions, targeted marketing campaigns and collaboration with the Queensland Police Service (QPS) have remained key priorities this year.

In December 2025, Queensland Rail partnered with TMR, Brisbane City Council (BCC), the National Heavy Vehicle Regulator (NHVR) and QPS to install high-visibility pavement markings, as part of a two-year trial, at two frequently struck bridges at Pine Street in Wynnum and Oxley Road in Corinda.

Queensland Rail is also working with the BCC to progress height awareness monitors at both locations, combining radar detection and driver messaging technology. Five additional high-visibility pavement marking sites across Ipswich and Moreton Bay are currently in design development. Queensland Rail is monitoring the effectiveness of the trial.

Level crossing safety

Queensland Rail remains focused on ensuring safety and compliance at level crossings. In FY26, this included prioritising community education, infrastructure upgrades and collaboration with regulators to reduce level crossing incidents.

In FY26, regional Queensland recorded 127 near-misses, with the highest number recorded in Far North Queensland. Queensland Rail proactively released footage of near-miss incidents to raise public awareness of level crossing safety.

In March 2026, Queensland Rail and QPS conducted a joint, high-visibility safety operation at level crossings in Cairns, reinforcing crossing rules and safe behaviours with the community. Community education and driver safety sessions were delivered to more than 1,300 participants across seven schools, businesses and early learning centres located near the Kuranda rail crossings. Targeted safety messaging was directed to communities alongside key corridors.

In FY26, Queensland Rail also upgraded two level crossings (one at Osbourne Road and the other at Glenholm Street in Mitchelton) as part of a \$2 million investment to improve pedestrian safety.

Queensland Rail continued to strengthen its partnerships with NHVR and the Office of the National Rail Safety Regulator in FY26 by successfully advocating for data sharing. This collaboration supported a formal safety partnership between the two regulators to reduce heavy vehicle collisions at level crossings, underpinned by Queensland Rail's reinvigorated level crossing safety blueprint and enterprise plan, while strengthening alignment with broader national and state-level crossing safety strategies.

Reducing trespassing

There were 5,288 reports of trespassing incidents across the Queensland Rail network in FY26. To reduce trespassing and protect both the public and rail operations, Queensland Rail upgraded fencing and surveillance systems along sections of the rail corridor between Fortitude Valley and Bowen Hills.

In FY26, Queensland Rail delivered community education campaigns to reduce trespassing and reinforce safe behaviours around the rail network. Working alongside QPS Crime Prevention Officers, the Community Education team engaged schools and communities across the state through direct outreach programs.

Safeworking control framework

Queensland Rail's safeworking control framework establishes the standards and processes that keep our people, passengers and network safe every day. Our approach considers how people think, work and respond under pressure. These insights are embedded into how we design roles, train our workforce, manage change and investigate incidents.

Working on or near active rail infrastructure carries inherent risk. Every person who enters the rail corridor must be trained, accredited and follow a detailed safety plan before work begins. Dedicated Protection Officers oversee worksites, coordinating closely with Network Control Officers to protect workers and maintain safe train operations through every practicable measure.

Rail Traffic Crew and Network Control Officers work to strict procedures that govern how rail traffic moves across the network. These roles require ongoing training, fitness for work standards and clear communication protocols to manage daily operations and respond effectively to unplanned events.

Security

Queensland Rail's 24-hour Security Monitoring team coordinates a network-wide operation, drawing on more than 12,000 closed circuit television (CCTV) cameras, Authorised Officer teams, security guards, mobile security dog teams and nightly Guardian Train services.

In October 2025, Queensland Rail and QPS launched the 'Your journey. Your safety. Our priority.' campaign to increase public awareness of safety and security activities that aim to keep customers safe while travelling on the network.

In FY26, Queensland Rail doubled the size of its Authorised Officer unit, adding 35 roles, reallocated from within Queensland Rail and dedicated to strengthening staff and customer security. The officers are completing specialist training ahead of full deployment in early FY27.

Queensland Rail continued its long-standing partnership with QPS in FY26. The 98-strong Railway Squad provides a highly visible uniform presence to prevent, respond to, and investigate criminal and antisocial behaviour on the network.

The Railway Squad conduct patrols and coordinate responses from nine purpose-built outposts on the network located at Roma Street, Central, Northgate, Petrie, Beenleigh, Robina, Manly, Ipswich and Redbank stations, in addition to officers at Fortitude Valley and Exhibition stations. These are supported by two police hubs at Kippa-Ring and Helensvale stations, available to both Railway Squad and local police.

Network CCTV upgrades continued in FY26, with new camera and network video recorder technology rolled out across central business district stations and on the Caboolture and Nambour lines. Controlled swipe access was introduced at 71 stations, replacing key locks and strengthening employee safety.

Queensland Rail maintained a strong cyber security posture in FY26, with no significant or notifiable incidents recorded. Routine cyber threat activity was effectively managed through established detection and response processes, with no impact to operations, safety or service delivery. Continuous improvement activities progressed throughout the year, aligned with the FY25-27 'Digital Security Roadmap'.

Safety culture

Throughout FY26, Queensland Rail continued to prioritise employee safety, recognising both physical and psychosocial safety, and the continued rollout of visible felt leadership across operational areas.

In May 2026, Queensland Rail was recognised for safety leadership at the 2026 ARISO Rail Safety Awards, winning awards for Community Safety, and Advancing Safety and Productivity, alongside two highly commended recognitions for frontline worker safety and industry leadership.

The Queensland Rail TRIFR for FY26 was 5.45, an improvement of 21.81 per cent from 6.97 in FY25. This represents fewer Queensland Rail employees getting hurt while at work and reflects focused efforts on improving safety practices and behaviours across both physical and psychosocial safety.

In FY26, Queensland Rail's Unified Safety Intervention Program progressed through three cross-functional safety taskforces focussed on reducing safeworking breaches across SEQ and Regional networks. This was supported by tailored safety campaigns for key work groups, promoting risk awareness and injury prevention, reinforcing that safe outcomes rely on focus, personal accountability and a collective duty of care.

Psychosocial safety

Queensland Rail recognises that safety is more than just physical. In FY26, Queensland Rail continued to deliver its 'Healthy Minds Strategy' to support psychosocial safety and risk management across the business.

The strategy outlines how Queensland Rail promotes positive mental health, prevents and minimises harm from psychosocial hazards, responds to early indicators of psychological distress, and supports recovery from psychosocial injury.

Key initiatives included a Leadership Capability Uplift Program covering work design, trauma-informed investigations and effective mental health conversations, and the publication of an evidence-based Trauma Management Framework.

The peer support network, Healthy Minds Support Crew, was also strengthened in FY26, delivering health promotion and educational activities including R U OK? Day and Safety Month.

Alcohol and other drugs

Queensland Rail also has a comprehensive Alcohol and Other Drugs (AOD) management program, which includes a rigorous testing regime and robust procedures for management of employees who test positive for AOD. In FY26, 13,130 tests were conducted on employees, resulting in 45 positive AOD

results compared with 51 positive results from 13,096 tests in FY25. This represents a decrease of 11.76 per cent in positive AOD results. Queensland Rail remains committed to a strict AOD policy to ensure all employees are fit for work.

Assurance

Assurance is a key element of Queensland Rail's governance framework, providing confidence that organisational objectives are being achieved within an acceptable level of risk. Queensland Rail applies the 'Three Lines Model' to support clear accountability and strengthen governance through coordinated assurance activities. Operational areas manage risks, controls, and day-to-day functions that provide monitoring and oversight. Internal audit provides independent assurance and advice, assessing the effectiveness of management processes, systems and controls.

The Board Audit and Risk Committee oversees risk management and audit functions, while the Executive Risk Committee drives enterprise-wide risk management and escalates systemic issues as required. Assurance activities are coordinated through Business Level Assurance Schedules (first line), an Annual Assurance Plan (second line) and the Internal Audit Plan (third line), with findings, recommendations and agreed management actions reported regularly to both committees to support accountability and continuous improvement.

Risk profile

Queensland Rail's risk profile describes a point-in-time view of net risk exposures, after considering controls and mitigations, across relevant risk categories. It guides where effort is focused to protect people and the community.

Risk management is treated as an essential component of Queensland Rail's organisational accountability, embedded at both strategic and operational levels, and is aligned with the level of risk the Board is prepared to accept. Safety is central to this approach, with risks managed using 'so-far-as-is-reasonably-practicable' principles and effective controls.

Workers' compensation licence renewal

In June 2026, the Workers' Compensation Regulator awarded Queensland Rail the maximum four-year self-insurance licence, recognising performance and compliance consistent with that of a high-performing self-insurer and achieving outcomes aligned with best practice.

The application was supported by an independent occupational health and safety performance audit, which resulted in a score of 83.7 per cent, Queensland Rail's highest ever score and 14 percentage points above the WorkSafe benchmark.

Queensland Rail's year in review: Monthly highlights

July 2025

- Celebrated 160 years of connecting Queensland communities with a heritage steam journey onboard BB18¼ steam locomotive, 'Bety', from Ipswich to Grandchester.
- Launched \$160,000 community grants fund to support heritage rail operators across Queensland.
- Launched 'Track Stars!', an educational Minecraft level crossing safety game.
- Farewelled the final Electric Multiple Unit (EMU 59) from the Citytrain fleet with a special community event tour, marking the final journey of the EMU fleet after almost 46 years in service.

August 2025

- Continued 160th birthday celebrations with a community event at Roma Street station and a heritage steam journey to Pinkenba.
- Welcomed the Ekka's largest crowds in almost 20 years, with special loop services into the newly reopened Exhibition station, including the return of steam trains to the Exhibition loop service for the first time since 2019.
- Completed the first dedicated service testing campaign on the Shorncliffe line in partnership with the Sequence Alliance, advancing next-generation signalling technology with initial testing of the ETCS.

September 2025

- Advanced construction on the Beenleigh to Varsity Lakes signalling upgrade, completing 6,500 hours of approved works during an eight-day track closure.
- Delivered 52 additional rail services for Riverfire, safely transporting more than 100,000 customers across the network.
- Became the first rail operator in Australia to offer complimentary onboard entertainment across long-distance services, with the launch of a 'Bring Your Own Device' (BYOD) system on Electric Tilt Train (ETT) services.
- More than 5,700 customers travelled onboard sold-out heritage shuttle services between Toowoomba and Spring Bluff during the Toowoomba Carnival of Flowers.

October 2025

- Pimpama station opened, the first of three new Gold Coast stations delivered as part of Cross River Rail (CRR) and the first new station to join the SEQ network since the Redcliffe Peninsula line opened in 2016.
- Delivered targeted Railsmart safety education to students across the Lockyer Valley, Ipswich and regional Queensland.
- A new SEQ security awareness campaign, 'Your journey. Your safety. Our priority.' launched to highlight key security infrastructure and help customers identify how and where to access assistance across the network.

November 2025

- Completed phase one of the joint Automatic Train Protection modernisation project with Pacific National and TMR.
- Refreshed the KSR mobile application, with audio-visual commentary and interactive features.
- Announced the eight recipients of Queensland Rail's \$160,000 heritage community grants fund, supporting rail heritage operators across the state.
- Hosted the Santa Steam Express at Roma Street station, raising a total of \$20,000 for the Mater Little Miracles Neonatal Critical Care Unit.

December 2025

- Regional teams began preparing and responding to major flooding events across North Queensland as Ex-Tropical Cyclone Koji approached the Queensland coast.
- Safely delivered 135 additional services across the SEQ network for New Year's Eve celebrations.
- Implemented a two-year trial of high-visibility road markings at two frequently struck rail bridges in partnership with TMR and BCC.

January 2026

- Regional teams successfully reopened the North Coast line south of Townsville, completing repairs across 30 kilometres of affected track following prolonged flooding and the aftermath of Ex-Tropical Cyclone Koji.
- Enabled vital CRR construction works across the northern and southern SEQ corridors through coordinated network access, supporting the project's continued progression.
- Commenced negotiations for the replacement of six of Queensland Rail's seven Enterprise Agreements, covering more than 5,500 employees.
- Launched 'Courtesy counts on every journey', equipping frontline teams across the Regional network with practical tools to promote respectful interactions for both customers and staff.

February 2026

- Established three dedicated cross-functional safety taskforces, uniting colleagues to collaboratively prevent safety breaches and address shared safety challenges.
- Introduced a 10 per cent subsidy on below-rail access charges for all freight customers on the Mount Isa line, supporting the Government's economic plan for North West Queensland.

March 2026

- Regional teams successfully reopened the Mount Isa line, completing extensive repairs and recovery works caused by Ex-Tropical Cyclone Koji and severe weather.
- Regional teams successfully restored two sections of the Central West network, restoring freight and passenger services to North West Queensland communities in the wake of Ex-Tropical Cyclone Koji.
- Patronage reached record-breaking levels, with nine of the 10 busiest days in SEQ history occurring in March 2026, including 239,251 customer trips on 25 March 2026, the highest daily patronage ever recorded.
- Supported the early reopening of Salisbury station following a major accessibility rebuild.
- Delivered the first heritage steam journey of 2026 from Ipswich to Grandchester.
- Honoured a Starlight Children's Foundation wish by welcoming a young rail fan onboard the Spirit of Queensland as an honorary crew member for the day.

April 2026

- Regional teams completed full restoration of the Longreach to Winton section of the Central West network, closing out months of demanding recovery works following severe weather and Ex-Tropical Cyclone Koji.
- KSR ranked the 12th most visually captivating railway journey in the world, recognised alongside some of the most iconic rail journeys globally.
- Successfully returned the historic Shorncliffe station building to its permanent position following major straightening and strengthening works ahead of the station's opening.
- Recognised Rail R U OK? Day, with teams across the organisation taking time out to discuss the importance of mental health.
- Community Education team reached more than 1,900 students, staff and community members across Bundaberg and Cairns, delivering rail safety presentations to schools, education centres and councils.

May 2026

- Opened Hope Island station to the public, becoming the second of three new Gold Coast stations delivered as part of CRR.
- Executed two contracts with TMR for The Wave, formally commencing the pre-construction phase and marking a key delivery milestone.
- Executed Design and Construct contracts for Rockhampton and Bundaberg station upgrades.
- Partnered with Opera Queensland to bring world-class opera performances onboard the Spirit of the Outback service as part of the annual Festival of Outback Opera.
- Successfully delivered additional special event services for National Rugby League Magic Round.
- Won two awards and two highly commended distinctions at the ARISO 2026 Rail Safety Awards.

June 2026

- Commenced a major network closure in support of vital CRR construction work across the SEQ network.
- Awarded maximum four-year self-insurance licence by the Workers' Compensation Regulator.

Our operational performance

Key performance measures

Performance measure	Unit	FY25 actual	FY26 target	FY26 actual
On-Time Running – 24/7 Citytrain Services (Adjusted)	%	94.53	≥95.00	94.22
Reliability – 24/7 Citytrain Services (Adjusted)	%	99.61	≥99.50	99.59
On-Time Running – 24/7 Citytrain Services (Customer experience)	%	92.41	Monitor	91.70
Reliability – 24/7 Citytrain Services (Customer experience)	%	99.03	Monitor	99.01
On-Time Running – 24/7 Travel Services (Adjusted)	%	73.34	≥75.00	67.85
Reliability – 24/7 Travel Services (Adjusted)	%	99.40	≥93.00	99.47
Overall Customer Satisfaction – Citytrain Services ¹	Score	4.05	≥3.95	4.01
Customer Index – Travel Services ¹	Index	4.34	≥4.13	4.31
Customer Trips – Citytrain Services (excludes special events)	M	53.04	≥54.99	56.59
Customer Trips – Travel Services	'000	310,749	≥335,492	318,679
Total Recordable Injury Frequency Rate ²	Rate	6.97	≤7.80	5.45
Signal Passed at Danger per MTK – Operator ³	Rate	1.49	≤1.77	1.73
Customer Injuries per Million Passenger Journeys ⁴	Rate	8.77	≤12.40	8.08
Capital Expenditure ⁵	\$M	701.09	755.78	626.54

Key performance measures include a selection of key performance indicators (KPIs) set out in the Queensland Rail FY26 Operational Plan or published on our website each month. For more performance data, please visit the Queensland Rail website.

¹ Customer satisfaction results and targets show indices and scores out of five.

² The number of injuries to Queensland Rail employees expressed per million hours worked.

³ The number of signals that have been passed without the correct authority, or where the safeworking authority has been exceeded, per million train kilometres.

⁴ The number of customer injuries per million customer journeys.

⁵ Metric relates only to Queensland Rail-led capital projects expenditure. Amount is all project outlays, including interest capitalised and amounts incurred on projects that cannot be capitalised to assets and will be expensed to the profit and loss statement (e.g. prefeasibility costs). Amount includes spend on projects funded by grants and equity injections.

Our financial performance

Consolidated income statement for the year ended 30 June 2026

Income statement category	2025-2026 Actual \$M	2024-2025 Actual \$M
Revenue	3,167.0	2,963.8
Operating expenses	(2,134.2)	(2,035.1)
Earnings before interest, tax equivalent, depreciation and amortisation (EBITDA)	1,032.8	928.7
Depreciation and amortisation expense	(469.5)	(451.2)
Earnings before interest and tax equivalent (EBIT)	563.3	477.5
Net finance costs	(189.0)	(184.4)
Income tax equivalent expense	(112.0)	(91.5)
Net profit	262.3	201.6

Numbers include rounding.

The Queensland Rail consolidated entity's EBIT increased by \$85.8 million.

Revenue increased 6.9 per cent on the prior year, mainly attributable to higher Rail Transport Service Contract (TSC), other and network access revenues.

Operating expenses increased 4.9 per cent on the prior year as a result of higher labour costs, and supplies and services expenses, partially offset by lower other expenses.

Depreciation and amortisation expense increased 4.1 per cent, mainly as a result of higher depreciation of property, plant and equipment assets.

A dividend of \$262.3 million was declared in respect of the year ended 30 June 2026. This dividend will be paid during FY27.

Financial performance measures compared to the FY26 Operational Plan

Performance measure	Unit	2025-2026 Actual	2025-2026 Target
Earnings before interest and tax equivalent	\$M	563.3	571.3
Net profit after tax equivalent	\$M	262.3	260.9
Return on operating assets	%	5.91	5.49
Debt to (debt + equity)	%	57.31	59.81

The KPIs listed above are as per those included in the Queensland Rail FY26 Operational Plan.

Our financial performance (cont.)

Consolidated balance sheet as at 30 June 2026

Balance sheet category	2025-2026 actual \$M	2024-2025 actual \$M
Current assets	599.2	612.6
Non-current assets	11,942.0	10,656.6
Total assets	12,541.2	11,269.2
Current liabilities	1,300.3	1,069.1
Non-current liabilities	6,722.6	6,446.3
Total liabilities	8,022.9	7,515.4
Net assets	4,518.3	3,753.8
Contributed equity	4,297.3	3,532.7
Retained earnings	221.1	221.1
Total equity	4,518.3	3,753.8

The consolidated entity's current assets decreased 2.2 per cent to \$599.2 million primarily as a result of a decrease in trade and other receivables, partially offset by an increase in cash assets and inventory.

The consolidated entity's non-current assets increased 12.1 per cent to \$11,942.0 million primarily due to a net increase in property, plant and equipment and right-of-use assets, partially offset by a decrease in intangible assets and inventory.

The consolidated entity's current liabilities increased 21.6 per cent to \$1,300.3 million primarily as a result of an increase in trade and other payables, current tax equivalent liabilities and provisions.

The consolidated entity's non-current liabilities increased 4.3 per cent to \$6,722.6 million primarily as a result of an increase in long-term borrowings, deferred tax equivalent liabilities and lease liabilities, partially offset by a reduction in provisions.

The consolidated entity's contributed equity increased 21.6 per cent to \$4,297.3 million as a result of equity transfers of property, plant and equipment assets relating to CRR and contributions of equity.

Consolidated cash flows for the year ended 30 June 2026

Cash flow category	2025-2026 Actual \$M	2024-2025 Actual \$M
Net cash inflow from operating activities	876.8	623.9
Net cash (outflow) from investing activities	(1,045.2)	(1,075.2)
Net cash inflow from financing activities	325.1	650.9
Net increase/(decrease) in cash and cash equivalents	156.7	199.6

The increase in cash inflows from operating activities in the current year was mainly due to an increase in receipts from TSC, receipts from customers and interest received. These were partially offset by increases in payments to suppliers and employees, interest paid, net GST remitted and income tax equivalents paid.

The decrease in cash outflows from investing activities in the current year was mainly as a result of a reduction in expenditure on property, plant and equipment and intangible assets.

The decrease in cash inflows from financing activities was mainly attributable to decreased borrowings and a higher dividend payment partially offset by contributions of equity.

Regional

Queensland Rail focused on improving network resilience and reliability for customers in FY26, including works to meet the challenges and demands of the future.

Key highlights:

- Supported the transportation of more than 14 billion gross tonne kilometres of freight across Queensland.
- Introduced a four-year, 10 per cent subsidy on below-rail access charges for all Mount Isa line users, reducing entry barriers and improving affordability across the corridor.
- Safely restored critical rail corridors following Ex-Tropical Cyclone Koji and major flooding events across North Queensland.
- Progressed accessibility and amenity upgrades across Bundaberg, Rockhampton and Maryborough West stations.
- Recorded the KSR's highest patronage in almost 10 years with 441,236 customer trips.

Travel and Tourism services

Queensland Rail offers the largest network of long-distance travel and tourism rail experiences in Australia and plays an important role in connecting communities across regional Queensland.

Queensland Rail's Travel and Tourism services provide unique rail experiences and access to Queensland's Outback, the Gulf Savannah, rainforests and the Great Barrier Reef. The network also provides a vital connection for Queenslanders visiting family and friends, and people attending hospital or specialist appointments who are unable to travel by other modes of transport.

In June 2026, Queensland Rail introduced an altered timetable across long-distance services, as well as minor changes to Tourism services, to ensure reliability for our customers during union-protected industrial action while enterprise bargaining negotiations were underway. Despite this, patronage across the eight long-distance Travel and Tourism services was 763,608 customer trips in FY26, an increase of 3.49 per cent compared to 737,822 customer trips in FY25.

Queensland Rail continues to progress initiatives to improve the on-time running of its Travel and Tourism services. Making these improvements helps to enhance service delivery and provide customers with greater certainty in relation to service arrival and departure times.

Customer satisfaction

The Regional network recorded 4.31 out of five for customer satisfaction, exceeding the 4.13 target (out of five) by 4.36 per cent.

Union-protected industrial action interrupted our ability to deliver services in FY26, including for our freight customers. Queensland Rail is grateful for the patience and tolerance of all customers who endured disruptions over the past 12 months and thanks them for their patience while the business managed these challenges.

Facilitating freight

Throughout FY26, Queensland Rail continued its partnerships with Aurizon, Watco, Pacific National and Qube Logistics to transport 14.66 billion gross tonne kilometres of mining and industrial products, coal, agricultural products and general freight across the state.

Coal volumes on the West Moreton system grew strongly in FY26, finishing 21 per cent higher than FY25, driven by increased production from the New Acland Stage 3 Mine. Queensland Rail increased its investment in the West Moreton system to support the continued ramp-up of the New Acland Stage 3 Mine, which is forecasted to generate up to 7.5 million tonnes of coal per annum by FY28.

In December 2025, Queensland Rail, in partnership with the Queensland Government, introduced a four-year 10 per cent subsidy on below-rail access charges for all Mount Isa line freight customers, reducing entry barriers and improving the affordability of rail freight services across the corridor.

Complementing this, Queensland Rail also signed its first customer under an established incentive on the Mount Isa line in FY26, targeted at start-up businesses moving phosphate rock. Under the incentive, customers benefit from a combined 40 per cent rebate on rail access charges, comprising a long-term rate of 30 per cent and the additional 10 per cent subsidy available to all Mount Isa line freight users.

Mount Isa line improvements

The Mount Isa line is a critical freight corridor connecting Queensland's north-west mineral and agricultural regions, spanning approximately 1,000 kilometres from Stuart to Mount Isa.

Prolonged wet weather events caused line closures across January and into March 2026, impacting system volumes. Queensland Rail worked closely with freight customers to manage these impacts and maintain corridor confidence

Queensland Rail enabled an increase in container height on the Mount Isa line during FY26, reducing freight costs for major miners, increasing corridor capacity through better use of existing assets, and strengthening Queensland's export supply chain.

Targeted maintenance and upgrade works delivered during FY26 further improved the resilience and performance of the corridor, reducing speed-restriction delays and supporting more reliable and efficient freight operations across the network.

North Queensland flood recovery

Following Ex-Tropical Cyclone Koji and major flooding events across North Queensland from late December 2025 through to March 2026, through extensive challenges Queensland Rail crews worked swiftly to restore critical rail corridors, completing all recovery works safely.

On the North Coast line, more than 160 personnel and 70 pieces of plant and equipment were mobilised to repair damage across 30 kilometres of track, with the line successfully restored and reopened on 6 January 2026.

On the Mount Isa line, crews repaired 13 kilometres of track and resolved 56 individual track defects, reopening the line on 1 February 2026. Following a recurrence of flooding on 20 February 2026, further damage was repaired and the line was restored and reopened on 10 March 2026.

On the Central West network, prolonged rainfall from January 2026 impacted multiple sections of the line, with the Emerald to Longreach section reopening on 15 March 2026, the Emerald to Clermont branch on 23 March 2026, and the Longreach to Winton section fully restored and reopened on 17 April 2026.

Asset management improvements

Throughout FY26, Queensland Rail progressed a coordinated program of overhaul, upgrade and improvement works across the Travel and Tourism fleet, focused on maintaining compliance, improving reliability and enhancing customer experience.

A key milestone was the upgrade of Automatic Train Protection software installed across both the Diesel Tilt Train and ETT fleets in FY26, improving system reliability and reducing faults.

Queensland Rail introduced a new onboard entertainment system, BYOD, across the ETT fleet on Bundaberg and Rockhampton services. Passengers

can now access digital content via their personal devices, making Queensland Rail the first rail operator in Australia to deliver BYOD entertainment across long-distance services.

Targeted upgrades to the KSR fleet increased seating capacity and improved customer amenity through the installation of new retention toilets. Interior refurbishment works across six carriages also delivered improved amenities and updated artwork on the Inlander service.

Mechanical works on the Gulflander fleet enhanced reliability on the Normanton to Croydon service. Life extension works on heavy and light locomotives also continued across the broader fleet, enhancing performance, maintaining compliance and supporting ongoing reliability.

In FY26, Queensland Rail progressed bridge remediation, renewal and life-extension works across the Regional network, targeting aging structures with highest asset risk. Supported by a risk-informed, lifecycle-based management strategy, these works improved asset condition and network resilience, establishing a long-term program of maintenance, remediation and replacement to sustainably manage bridge performance across Queensland.

Asset management improvements in infrastructure maintenance planning have provided Queensland Rail with greater control over maintenance costs in FY26. Since the implementation of an updated operating model, cost control is increasing year on year and compliance targets have improved significantly, reaching 90 per cent in 2026.

Regional station accessibility upgrades

In FY26, Queensland Rail advanced three station upgrade projects to Bundaberg, Rockhampton and Maryborough West as part of the Station Transformation and Accessibility Regional Refresh Program.

Following community engagement in regional communities, Queensland Rail is pleased to be delivering upgrades at these locations to improve accessibility and customer experience while maximising value for money. Design and construct contracts for Rockhampton and Bundaberg were executed in May 2026, with early site enabling and investigation works to progress in early FY27, prior to construction commencing. Design development for Maryborough West station also progressed in FY26.

These upgrades will deliver meaningful improvements for regional customers, enhancing accessibility, amenity and the overall station experience at three of Queensland's key regional centres.

South East Queensland

Throughout FY26, Queensland Rail remained focused on delivering safe and reliable services for Queenslanders, recording 58.67 million customer trips across the SEQ network.

Key highlights:

- 58.67 million customer trips, a 6.80 per cent increase on FY25 and the highest result since FY08.
- Recorded SEQ's highest-ever daily patronage of 239,251 in March 2026.
- Achieved a 99.59 per cent service reliability rate (adjusted for force majeure).
- More than two million customer trips taken on over 2,000 special event services delivered, ensuring customers travelled safely to and from New Year's Eve, Riverfire, and more.

Citytrain patronage, on-time running and reliability

Throughout FY26, Queensland Rail continued to focus on delivering safe and reliable services for its customers while mitigating impacts when operational challenges emerged, such as union-protected industrial action.

In FY26, Queensland Rail continued to grow patronage towards pre-pandemic levels, supported by the Queensland Government's permanent introduction of 50 cent fares following the refreshed June 2025 timetable, which contributed to a significant rise in customer trips across the network.

Queensland Rail recorded its highest-ever daily patronage on Wednesday 25 March 2026, with 239,251 customer trips across the SEQ network. Nine of the 10 busiest days in SEQ history occurred in March 2026 alone, with quarter three of FY26 recording 14.42 million customer trips, up 1.97 million (15.81 per cent) on the same period in FY25.

SEQ patronage increased by 6.80 per cent to 58.67 million customer trips in FY26, compared to 54.94 million in FY25. This record result, the busiest since FY08, was achieved despite service reductions across parts of the year caused by union-protected industrial action and service disruptions during major project works that are expanding the network.

In May 2026, SEQ implemented a customer-optimised timetable to manage the impacts caused by union-protected industrial action, enabling Queensland Rail to deliver a sustainable timetable for customers during this time.

Queensland Rail continues to work collaboratively with key stakeholders to boost patronage levels across the

network, with further timetable amendments planned as new assets and stations are commissioned, including the successful opening of Hope Island station on 19 May 2026 and Pimpama station on 20 October 2025.

Across the SEQ network, 94.22 per cent of all services arrived on time (adjusted for force majeure), marginally below the target of 95.00 per cent.

Queensland Rail delivered 99.59 per cent of SEQ scheduled services (adjusted for force majeure) across FY26, above our reliability target of 99.50 per cent.

A range of initiatives have taken place across FY26 to lift operational performance. These included a focus on safely reducing the time trains 'dwell' at stations during service, safe removal of priority temporary speed restrictions and improvements to response times during incidents affecting services.

Major track closures to enable essential work

Throughout FY26, Queensland Rail delivered a significant program of major track closures to facilitate critical works and testing. Works were progressed across CRR, ETCS, Beerburum to Nambour Stage 1, and the Logan and Gold Coast Faster Rail projects.

Track closures also enabled works to progress at Clapham and Ormeau stabling yards, supporting the future introduction of QTMP rollingstock.

In FY26, Queensland Rail completed significant ETCS testing events, enabling service testing to be finalised, with demonstration activities anticipated to commence in early to mid-FY27. CRR also held extended closures in July, September and December 2025, and January, April and June 2026 to facilitate critical project works.

Throughout this period, Queensland Rail developed bespoke timetables in consultation with TMR to maintain reliable services for customers. Major closures were also carefully scheduled around key community events, ensuring SEQ customers could travel to Riverfire and New Year's Eve celebrations without disruptions.

Special event services

Special event services represent one of Queensland Rail's most tangible expressions of its commitment to connecting communities. Throughout FY26, Queensland Rail's Special Events team delivered specialised services to support customers attending sporting events, concerts, Riverfire, the Royal Queensland Show and New Year's Eve celebrations across the SEQ network.

More than two million customer trips were taken on over 2,000 special event services delivered in FY26, highlighted by the return of shuttle services for the newly upgraded Exhibition station, connecting customers to events and conventions held at the Brisbane Showgrounds.

Integrating and operationalising Cross River Rail

In FY26, Queensland Rail continued to collaborate with the CRRDA and contractors to deliver key project milestones, advancing integration, assurance and operational readiness across the program.

Salisbury station reopened ahead of schedule following a major accessibility rebuild in March 2026, with Queensland Rail's service delivery coordination minimising disruption on a key southside corridor. Pimpama and Hope Island stations opened successfully, two of three new Gold Coast stations to be delivered as part of CRR, and Moorooka station commenced reconstruction as the seventh and final station upgrade on the southside corridor, with reopening scheduled for late 2027.

Queensland Rail successfully completed Automatic Train Operation testing, a critical component of the ETCS on the Shorncliffe line. Queensland Rail continues preparations to integrate and operationalise CRR and enhanced safety technology through ETCS.

Major projects integration

In FY26, Queensland Rail continued to play an active delivery support role across its major infrastructure projects, helping to advance significant technical and construction milestones across its portfolio.

Central to this role, Queensland Rail upheld its responsibilities as rail infrastructure manager and maintained electrical safety standards across active construction sites, supporting lead agencies, CRRDA and TMR, with contract administration guidance. Queensland Rail's assurance leadership ensured the operational railway remained in step with the physical construction progress, drawing on operational experience to ensure new assets are commissioned safely and are ready to serve our expanding customer base.

This commitment was further demonstrated through the execution of two critical commercial contracts with TMR for The Wave, a new transit link connecting Beerwah to the Sunshine Coast, representing a significant step forward in its formal involvement in project delivery.

Improving network availability and rollingstock reliability

In FY26, Queensland Rail continued its focus on improving accessibility across the network, with Shorncliffe station closing on 29 November 2025 for a renewal and major accessibility upgrade, with the station reopening to the public in July 2026.

Works commenced at Central station on the replacement of lifts and escalators serving platforms 5 and 6, improving reliability and accessibility at the network's busiest station, with completion expected by early 2027.

These works are the latest in a sequence of upgrades at Central station that began in 2017. Previous works have delivered refurbished back-of-house facilities, replacement lifts on platforms 1 through 4, and upgraded escalators and stairs.

Queensland Rail also invested \$11.62 million to upgrade the feeder electrical substation at Beenleigh and construct a new switchgear room at Ormeau, future-proofing the SEQ network for the additional loadings from the QTMP.

In FY26, Queensland Rail launched a reliability improvement program focused on strengthening the reliability and resilience of inner-track and signalling assets, with the core objective of improving on-time running across the SEQ network.

In FY26, Queensland Rail retired the remaining EMU fleet and progressed 47 reliability improvement programs, addressing the highest consequence and most frequent faults impacting reliability and safety across the SEQ fleet. Major overhaul works on the Interurban Multiple Unit 100 and Suburban Multiple Unit 200 fleets were finalised, delivering accessibility improvements, interior upgrades and reliability enhancements, while works continued to address component obsolescence and meet compliance requirements.

Customer satisfaction

Queensland Rail achieved an Overall Customer Satisfaction score of 4.01 out of five for SEQ services, marking nine out of 12 months above the target of 3.95 out of five for overall customer satisfaction across the SEQ network. Due to the ongoing impacts of union-protected industrial action, unfortunately (and predictably), customer satisfaction declined in the last few months of FY26.

Our people

Queensland Rail continued to invest in its people, with a strong focus on maintaining a positive and healthy workplace. This included key culture, performance and engagement activities over the past 12 months. Demonstrating its commitment to its people, Queensland Rail also supported multiple wellbeing initiatives and invested in training opportunities for employees at all levels of the organisation.

Key highlights:

- Attracted over 5,000 applications for graduate and apprentice recruitment campaign.
- Increased female representation to 45 per cent among graduate cohort.
- Exceeded employee engagement targets, achieving 65 per cent engagement score for QR Engage.
- Strengthened workplace safety by delivering an enterprise-wide Sexual Harassment Prevention Plan.

Apprentice and graduate recruitment intake

In FY26, Queensland Rail's graduate and apprentice recruitment campaigns continued to draw strong market interest, attracting over 5,000 applications for critical engineering and trade fields. 25 apprentices and 10 graduates were recruited. The new team members were placed in a variety of roles across the state.

As of 30 June 2026, there were 119 apprentices in training, along with the 10 graduates completing rotations as part of the Graduate Development Program.

The FY26 intake also contributed to a more diverse workforce, with female representation reaching 45 per cent among the graduate cohort and 24 per cent among the apprentices.

Enterprise Agreement negotiations

Six Queensland Rail Enterprise Agreements expired on 28 February 2026, apart from the Traincrew Enterprise Agreement, which remains current until 29 February 2028.

Formal negotiations commenced with relevant bargaining representatives, including unions, in January 2026. Progress has been made, with in-principle agreements reached for four of the six existing Enterprise Agreements as of late August 2026. Negotiations continue for the remaining Enterprise Agreements.

QR Engage

Queensland Rail sought feedback from its employees via the sixth annual employee engagement survey, 'QR Engage'. The response from the workforce remained steady with 4,892 employees (61 per cent) participating in the survey. The overall engagement score of 65 per cent exceeded the target of 60 per cent.

Queensland Rail's top performing indices were leader effectiveness, intent to stay and employee experience, reflecting a workforce that feels supported, valued and committed to the organisation.

These results informed local, functional and enterprise-wide engagement action plans, helping to build a constructive workplace culture.

Registered training organisation

Queensland Rail has a proud history of supporting our people by providing them with the skills and support to build their careers.

Queensland Rail continued to build core skills in train driving, train control, rail infrastructure, safety and frontline customer services, with the completion of 7,963 nationally accredited units of competency throughout FY26.

Sexual Harassment Prevention Plan

Throughout FY26, Queensland Rail strengthened its approach to preventing sexual harassment, aiming to embed a safe, respectful and prevention-focused culture across the organisation.

An enterprise-wide sexual harassment risk assessment, undertaken through a trauma-informed lens, identified potential risk factors across workplaces and practices. In response, Queensland Rail developed a prevention plan focussed on proactive controls, clear expectations and shared accountability, supported by a safety toolbox talk promoting respectful behaviours and training for advisers responding to harassment disclosures.

The plan is complemented by the QR Respect Program, which addresses bullying, harassment and discrimination through intervention, education and support.

Our communities

Queensland Rail proudly supports the communities it connects through a range of initiatives and proactive strategies, and in FY26 celebrated our 160th Anniversary and launched a heritage grants program.

Key highlights:

- Celebrated 160 years of connecting Queensland communities with a year-long program of events.
- Awarded \$160,000 in community grants to rail heritage organisations.
- Won the 'Community Safety' safety award at the 2026 ARISO Rail Safety Awards
- Delivered 619 rail safety presentations to students and community members.
- Established a Cultural Safety Plan to embed respectful behaviours across the business.
- Delivered 225 art projects as part of the Positive pARTnerships Program.

Rail safety education

In FY26, Queensland Rail's Community Education team continued its mission to educate community members across the state on rail safety, delivering more than 619 rail safety presentations to over 53,000 participants from kindergartens, childcare centres, primary and high schools, community groups and youth education centres. These sessions focused on educating the community about being aware of surroundings, obeying signs and signals, and how to be safe at stations and around the rail corridor.

In July 2025, Queensland Rail's Community Education team launched 'Track Stars!', a curriculum-aligned level crossing safety game built in Minecraft Education, targeting senior primary students. Designed to promote real-world rail safety behaviour change, 'Track Stars!' extends the reach of the Railsmart program into regional and remote communities where in-person delivery is not always possible. The initiative reached 4,500 students across 60 communities in FY26 and won the 'Community Safety' award at the 2026 ARISO Rail Safety Awards.

Queensland Rail also delivered the first-ever Rail Safety Day Out at Caboolture station on 24 July 2025. Designed to build the skills, knowledge and confidence needed to navigate the rail network safely and independently, the event welcomed over 60 participants from Caboolture Special School, Lee Street Special School and CFN Disability Network, with many stepping onto a platform for the first time.

Rail safety education tours were delivered across Sarina, Bundaberg, Cairns, and the Laidley and Gatton areas in FY26, reaching more than 5,000 participants. We also strengthened our community safety reach through a new partnership with TAFE's Adult Migrant English Program, equipping newly arrived Australians with the knowledge and confidence to use the rail network safely, and began delivering targeted rail safety events for Queensland's home-schooling community.

Heritage and community partnerships (160th Anniversary)

FY26 marked a landmark year for Queensland Rail, celebrating 160 years of connecting communities across the state. Queensland Rail delivered a year-long program of events and community partnerships to commemorate the milestone, bringing together heritage organisations, local councils and community groups to celebrate Queensland's rich rail heritage.

Celebrations kicked off on 26 July 2025 with BB18¼ steam locomotive, 'Bety', taking customers on an historic journey from Ipswich to Grandchester, the birthplace of Queensland Rail. Bety then returned to Brisbane on 31 July 2025 for a community celebration at Roma Street while a special celebration was also held at Freshwater station in Far North Queensland. For the first time since 2019, a heritage steam service carried passengers to the Ekka on People's Day, coinciding with the reopening of Exhibition station and the largest Ekka crowd in almost 20 years, with more than 2,000 passengers welcomed onboard.

On 30 November 2025, Queensland Rail hosted a special 'Santa Steam Express' Christmas charity event. Approximately 900 passengers enjoyed return trips onboard Bety throughout the day. All proceeds from ticket sales were donated to the Neonatal Critical Care Unit at the Mater Mothers Hospital, rounding out a remarkable year of community celebrations.

As part of the 160th celebrations, Queensland Rail launched a community heritage grants program, awarding eight not-for-profit rail heritage organisations across Queensland up to \$20,000 each to support rollingstock restoration, infrastructure repairs and operational improvements.

Recipients spanned Toowoomba, Maryborough, Warwick, Woodford, Ipswich and Far North Queensland, with DownsSteam Tourist Railway in Toowoomba becoming the first recipient to complete its funded project, constructing a new roof over its restoration shed to better protect heritage assets and support volunteers.

On 21 March 2026, Bety embarked on her first journey of 2026, delivering a sold-out trip from Ipswich to Grandchester that welcomed approximately 280 passengers. Queensland Rail also delivered a range of heritage activations at the Ipswich City Council Planes, Trains and Automobiles Festival on 2 May 2026, attracting an estimated 6,000 attendees. A highlight was the public debut of the newly restored Ipswich Signalling Cabin, a heritage-listed structure built in 1895, which was put on permanent display at the Queensland Museum Rail Workshops.

In March 2026, Queensland Rail also donated a heritage Goods Shed, originally built in 1913, to the Thallon Progress Association to establish a Rail Interpretive Centre in the town's centre, preserving the legacy of a community whose identity has been shaped by rail since 1911.

Positive pARTnerships Program

Queensland Rail's Positive pARTnerships Program aims to produce high-quality public artwork, foster community pride in rail infrastructure, and reduce graffiti and vandalism. In FY26, 225 art projects were delivered, including five new large-scale projects.

The new artworks feature a collaborative installation by four local artists at Bowen Hills station and a student-designed artwork at Goodna station, courtesy of Griffith University's Queensland College of Art and Design.

Reconciliation Action Plan

In FY26, Queensland Rail proudly continued its reconciliation journey, marking strong progress on its Reconciliation Action Plan commitments, including elevating First Nations knowledge and voices to create a future where connections are strengthened by a shared acknowledgement and appreciation of history, cultures and truth-telling.

In FY26, Queensland Rail developed an Aboriginal and Torres Strait Islander Cultural Safety Plan to embed culturally safe behaviours across the organisation. The plan was guided by the insights Aboriginal and Torres Strait Islander employees shared about their lived experiences and was recognised as a finalist in the 2026 Queensland Reconciliation Awards.

Complementing this, Queensland Rail refreshed guidelines for Acknowledgements of Traditional Owners and Elders, published a First Nations Engagement Guideline with practical tools to help

teams identify when and how to engage respectfully, delivered an Aboriginal Cultural Heritage Awareness eLearning module and supported culturally-appropriate project delivery through Traditional Owner-led site inductions, including an induction delivered by the Bidjara People for the Cramsie Siding Upgrade.

First Nations Steering Group

Queensland Rail has established a First Nations Steering Group with Indigenous tourism leaders and the Queensland Tourism Industry Council to incorporate First Nations storytelling and cultural experiences across its long-distance and tourism services.

Established in 2022, this year the Steering Group delivered updated onboard brochures and imagery for the Spirit of the Outback reflecting elements of Country, and new menus for Gold Class KSR customers acknowledging the Kuku Yalanji and Djabugay Traditional Owners. The group also supports consultation with Traditional Owners on regional station upgrades at Maryborough West, Rockhampton, Bundaberg, Townsville and Cairns, ensuring First Nations cultural experiences extend beyond the train journey itself.

Sustainability Program

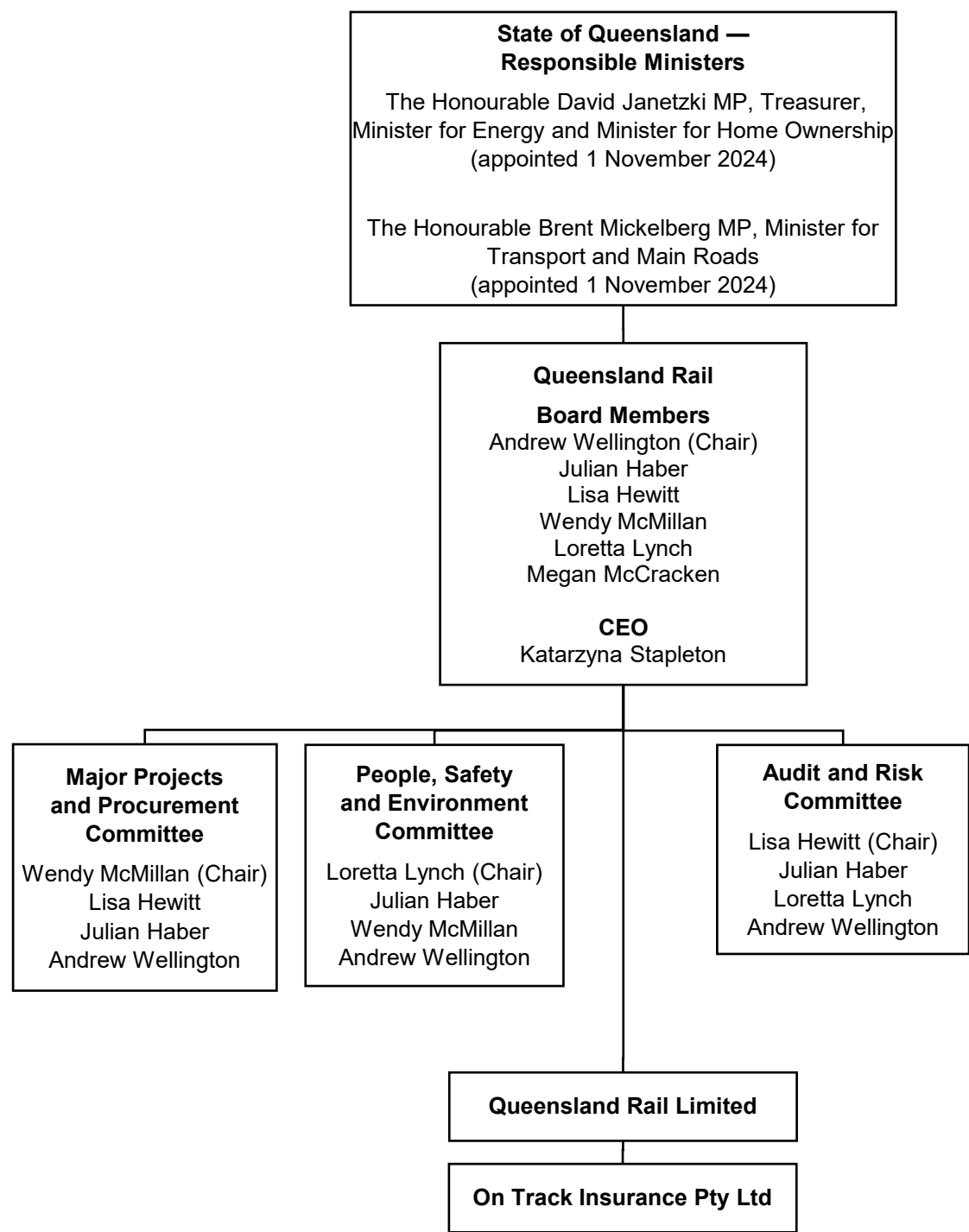
In FY26, Queensland Rail continued to embed its Sustainability Program, progressing priority initiatives across circular economy, waste reduction and environmental management.

Queensland Rail's Containers for Change partnership expanded recycling points across the network, diverting more than 30,000 containers from landfill since inception, equivalent to approximately 2.3 to 2.5 tonnes of CO₂ reduced. Cairns station alone processed more than 4,000 containers in FY26, with proceeds donated to the Reef Restoration Foundation and the Cairns and Far North Environment Centre, supporting Great Barrier Reef and Wet Tropics conservation.

Queensland Rail also piloted a uniform recycling program in partnership with Upparell, collecting used uniforms and personal protective equipment for remanufacture into insulation and acoustic panels. Waste assessments across SEQ and Regional depots progressed initiatives to increase recycling and reduce landfill waste.

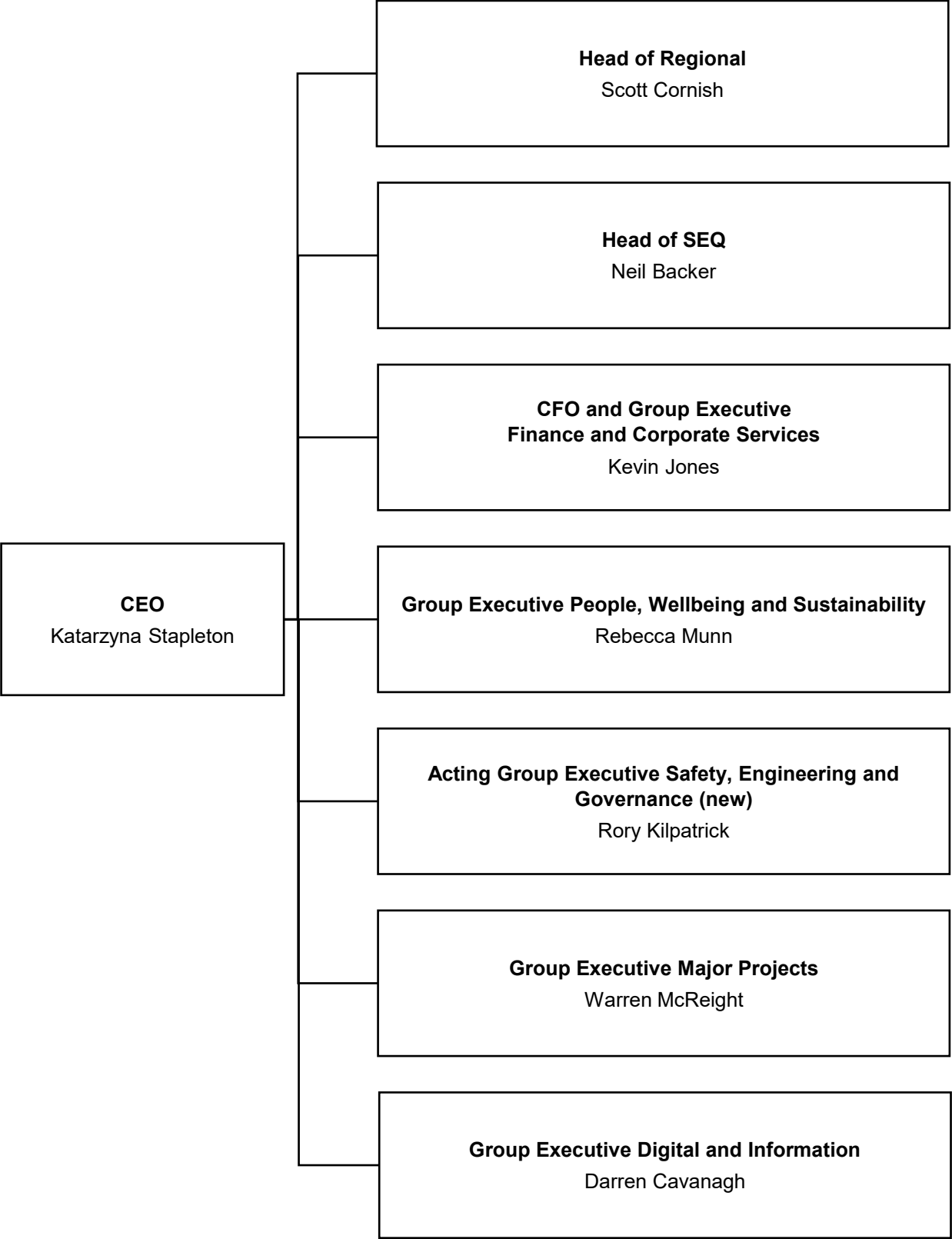
Governance structure

(as at 30 June 2026)



Organisational structure

(as at 30 June 2026)



Board

Andrew Wellington

Chair, Independent Non-Executive Director

Appointed 8 August 2025
Appointed Chair 8 August 2025
Tenure ceases 31 May 2028

Experience: Andrew is an experienced senior leader with more than 20 years' experience in a range of strategic roles across Australia and overseas.

Andrew has predominantly worked in Financial Advisory, specialising in the valuation of companies and businesses.

Andrew has previously chaired the Financial Services Institute of Australia (FINSIA) Queensland Regional Council and served on the Board of Herron Todd White Australia and as Deputy Chair.

Andrew is currently Independent Chair of Ellerslie Farms and LPC Farms (partly owned by Ellerslie Farms), who together are one of Australia's largest egg producers. He is also Chair of the Brisbane Lions, which competes in the Australian Football League (AFL), and served on the 2020 Queensland Government AFL Grand Final Bid Committee that successfully bid for Queensland to host the 2020 AFL Grand Final.

Qualifications: BCom (Hons), MAcc, CA, GAICD, FCSI.

Member of: Major Projects and Procurement Committee; People, Safety and Environment Committee; and the Audit and Risk Committee.

Other Board and Committee Memberships: Chair of Ellerslie Farms and Chair of its Finance and Risk Committee, and Safety and Sustainability Committee, Chair of LPC Farms and Chair of the Brisbane Lions and Chair of its Finance Committee.

Julian Haber

Independent Non-Executive Director

Appointed 8 August 2025
Tenure ceases 31 May 2028

Experience: Julian is an accomplished technology executive and board director with extensive experience in digital transformation, cybersecurity and artificial intelligence (AI) across enterprise and government sectors.

As CEO of CapitalAI, Julian specialises in helping large enterprises and government departments realise the benefits of AI through expert advisory services. He previously founded Intalock, one of Australia's largest cybersecurity companies, which was successfully acquired by Spirit Technology in 2020.

Julian served as Non-Executive Director of Australian Securities Exchange (ASX) listed Spirit Technology where he played a key leadership role in the company's transformation into a leading national technology solutions provider. He is a member of the Australian Information Security Association (AISA), the Australian Computer Society and the Peregian Digital Hub.

Julian's governance expertise encompasses technology, strategy, risk management, cybersecurity and regulatory compliance with a proven track record of guiding organisations through complex digital transformations.

Member of: Major Projects and Procurement Committee; and People, Safety and Environment Committee.

Lisa Hewitt

Independent Non-Executive Director

Appointed 8 August 2025

Tenure ceases 31 May 2028

Experience: With a career spanning senior leadership roles in finance, agribusiness and infrastructure, Lisa brings deep expertise in banking, governance and operations, risk management, supply chain, real estate and regional Australia.

Lisa is widely recognised for her ability to combine financial acumen with strategic leadership, ensuring value creation and sustainable growth for the sectors she serves.

Lisa is passionate about regional development, as well as building high-performance cultures that best serve the interests of clients and the communities they live in.

Qualifications: GAICD, MBA (Finance), BBus (Accounting)

Member of: Audit and Risk Committee (Chair effective 14 August 2025); and Member of Major Projects and Procurement Committee.

Other Board and Committee Memberships: Non-Executive Director of Northern Australia Infrastructure Facility.

Loretta Lynch

Independent Non-Executive Director

Appointed 1 October 2023

Tenure ceases 30 September 2026

Experience: Loretta is an accomplished board member and senior executive with significant board experience gained over 30 years in public transport operations, rail, mining, infrastructure and finance.

Loretta is a former Managing Director of three iconic public transport networks — Sydney Ferries, Melbourne Bus Franchise and Gold Coast Light Rail. Loretta was previously Chief Financial Officer (CFO) of Aurizon Network, and held executive roles with Downer EDI, Leighton Contractors and Minera Alumbrera (Argentina) and M.I.M Holdings Ltd.

Loretta's governance skills include oversight of finance, stakeholders, organisational culture and risk management in 24/7 operational workforces and major infrastructure projects.

Qualifications: BBus (Accountancy), MBA, FCPA and FAICD.

Member of: Major Projects and Procurement Committee (ceased to be a member 8 August 2025); People, Safety and Environment Committee (Chair effective 27 June 2025); and Audit and Risk Committee.

Other Board and Committee Memberships: Deputy Chair of the National Transport Commission and a member of its Audit and Risk Committee; Director of Fawkes Infrastructure Bidco Pty Ltd (Ventura Bus Melbourne) and Chair of its Investment and Tenders Committee; Member of its Audit and Risk Committee and its Environmental, Social and Governance Committee; Director of JK Tech Pty Ltd and Chair of its Audit and Risk Committee; Independent Member of the Invest Gold Coast Audit and Risk Committee; and a Director of Brisbane Youth Services Limited and Chair of its Property Committee.

Wendy McMillan

Independent Non-Executive Director

Appointed 8 August 2025

Tenure ceases 31 May 2028

Experience: Wendy has more than 30 years' experience across private and government sectors in industries, including rail, infrastructure, transportation, mining, construction, ports and consulting services.

Throughout her career, Wendy has been instrumental in facilitating organisational growth and her expertise spans across strategy, commercial, financial, acquisitions, change, integration, capital programs, operations, manufacturing, risk and governance.

Wendy's most notable achievements include serving as the Senior Regional Vice President Southeast Asia, Australia, and New Zealand for the Fortune 300 US entity Wabtec Corporation (NYSE: WAB); President for Australia and New Zealand at Bombardier Transportation (TSX: BBD); and CEO of the Rolling Stock Development Division in the Victorian Government.

Wendy has held senior executive positions in companies, including Everything Infrastructure Group, the John Holland Group, Australia Trade Coast, and the Port of Brisbane Corporation. She also previously served on the Queensland Rail Board between 2012 and 2016.

Wendy is the CEO of Nyrstar Australia.

Qualifications: BBus and Marketing, BA (Commerce/Government), MAICD.

Member of: Major Projects and Procurement Committee (Chair effective 14 August 2025); and Member of People, Safety and Environment Committee.

Other Board and Committee Memberships: Director of MPR Advisory; and Director of Fawkes Infrastructure Bidco Pty Ltd (Ventura Bus Melbourne) and Chair of its Environmental, Social and Governance Committee and a member of its Nomination and Remuneration Committee and its Strategic Initiatives Committee.

Megan McCracken

Independent Non-Executive Director

Appointed 26 March 2026

Tenure ceases 31 May 2028

Experience: With a 30-year career spanning senior leadership and C-Suite roles in the resources, renewable energy and transport sectors in Western Australia, New South Wales and Victoria, and more than 10 years in non-executive director roles, Megan brings expertise in leadership development, employee relations, community and external relations, communications, freight and logistics, infrastructure, workplace health and safety, risk management, corporate strategy and governance.

Qualifications: AICD, Master of Industrial Relations, Bachelor of Arts (Politics, Industrial Relations), Graduate Diploma in Business, and Graduate Diploma in Communications in Professions and Organisations.

Member of: Nil

Other Board and Committee Memberships: Chair, The Stella Prize Inc; Chair, Freight and Logistics Council of WA; Non-Executive Director, R C Sadleir Pty Ltd; Strategic Advisor, Derwent Search; Member, Salaries and Allowances Tribunal Western Australia.

Board composition changes during FY26

Mr David Marchant AM ceased as a member and Chair of the Board on 8 August 2025. Mr Marchant was appointed as an Independent Non-Executive Director on 7 October 2015 and was first appointed as Chair on 15 October 2018.

Mr Stephen Cantwell ceased as a member of the Board on 8 August 2025. Mr Cantwell was first appointed as an Independent Non-Executive Director on 1 October 2016.

Ms Heather Watson ceased as a member of the Board on 8 August 2025. Ms Watson was first appointed as an Independent Non-Executive Director on 6 June 2018.

Ms Vivienne Doogan ceased as a member of the Board on 8 August 2025. Ms Doogan was first appointed as an Independent Non-Executive Director on 1 October 2023.

Mr Andrew Wellington was appointed as a member and Chair of the Board on 8 August 2025.

Mr Julian Haber, Ms Lisa Hewitt and Ms Wendy McMillan were also appointed as members of the Board on 8 August 2025.

Ms Megan McCracken was appointed as a member of the Board on 26 March 2026.

Executive Leadership Team

Katarzyna Stapleton

CEO

Katarzyna (Kat) was appointed Queensland Rail's CEO in April 2022.

Kat is a high-impact, agile and driven leader with executive experience in finance, commercial and operational roles, both locally and internationally.

Passionate about customer service, Kat is recognised for driving strategic change through large-scale transformation initiatives in highly complex and challenging environments across public and government organisations.

Prior to commencing at Queensland Rail in 2019 as the CFO, Kat held a number of executive roles with nbnCo and as CFO for Bahrain Telecommunications Company.

Scott Cornish

Head of Regional

Scott has more than 30 years' experience in the oil and gas, transport and logistics industries for major producers and railway operators throughout Australia and overseas.

Scott has held senior management roles focused on operations, health, safety and environment, risk management, security and the community.

Scott is a highly experienced leader with an outstanding track record of implementing innovative strategies and initiatives that deliver safety outcomes in high-risk operating businesses.

As Head of Regional, Scott is responsible for Queensland Rail's Regional operating business, including the valuable services delivered for Travel and Tourism, and freight customers.

Neil Backer

Head of SEQ

Neil is a seasoned executive with more than 30 years' experience in strategic and operational leadership across the rail industry.

Neil has a proven track record of delivering commercial, operational and shareholder value through improved safety, customer service, operating discipline, asset utilisation and enterprise governance.

As Head of SEQ, Neil is responsible for the strategic and operational management of Queensland Rail's SEQ network, including the delivery of safe and reliable train services for the people of Queensland.

Rebecca Munn

Group Executive People, Wellbeing and Sustainability

Rebecca (Bec) is an adaptable and experienced executive with more than 20 years' experience in management and senior roles, both globally and locally. She has worked across public, government and private organisations.

Bec is a passionate and results driven executive, and is most effective in large, complex, challenging and diverse environments. She has broad experience from multiple industries, including emergency services, mining and manufacturing.

As Group Executive People, Wellbeing and Sustainability, she is responsible for people capability, employee relations, people services, workplace health and safety, environment and sustainability, and planning our future workforce and supporting engagement and wellbeing at Queensland Rail.

Kevin Jones

CFO and Group Executive Finance and Corporate Services

Kevin is an experienced executive with more than 30 years' experience across all aspects of accounting and financial management. He is a graduate of the AICD, a member of the Chartered Institute of Procurement and Supply and is a Chartered Accountant and Chartered Secretary.

Kevin's professional career has spanned the public and private sectors, and he has worked throughout Australia and overseas. He has significant experience in utilities, healthcare and large infrastructure businesses where he has developed strong commercial acumen, honed his transformation experience and has proven his ability to develop high-performing and engaged teams.

Kevin is responsible for providing commercial leadership to achieve organisational financial goals, while ensuring compliance with relevant financial regulations, government policies and legislation. Kevin also oversees Queensland Rail's Supply Chain, Corporate Services, and Procurement and Property functions.

Warren McReight

Group Executive Major Projects

Warren is a Chartered Professional Engineer with more than 40 years' experience delivering diverse multi-billion-dollar projects throughout Australia.

Warren's proven leadership experience brings creativity, strong team culture, commercial acumen, risk and governance management, and strategic planning to the Major Projects function.

Warren is the Executive Sponsor of the Queensland Rail Graduate Development program and is passionate about developing the next generation of engineers and leaders of the rail sector.

Darren Cavanagh

Group Executive Digital and Information

Darren is an experienced leader with more than a decade in senior executive roles in the transport industry and a long international career in the fast-moving consumer goods industry.

During his career, Darren has led significant Enterprise Resource Planning and SAP S/4Hana implementations, along with technology enablement of the New South Wales Rail Operations Centre, Metro Integration and the new Waratah train fleet. He has also introduced new capabilities such as cyber defence, Cloud, agile and digital teams, enterprise-wide data platforms and innovation processes.

As Group Executive Digital and Information, Darren is responsible for uplifting foundational data and digital capabilities at Queensland Rail and driving transformative information and operating technology change.

Rory Kilpatrick

Acting Group Executive Safety, Engineering and Governance

Rory is an experienced General Counsel and executive leader with extensive experience in legal, risk and governance strategy in complex, highly regulated environments. He has a strong track record advising on major infrastructure programs, regulatory compliance and complex commercial matters across the rail and energy sectors.

Rory is known for providing practical, commercially grounded advice that supports timely, risk-informed decision-making, and for ensuring governance frameworks enable delivery.

As Acting Group Executive, Rory provides enterprise oversight of Queensland Rail's legal and governance, risk, engineering, planning and rail safety functions.

Executive Leadership Team composition changes during FY26

Louise Collins ceased as a member of the Executive Leadership Team, resigning from Queensland Rail on 16 August 2025 in the former role of Group Executive Strategy and Transformation.

Renaye Peters ceased as a member of the Executive Leadership Team, resigning from Queensland Rail on 1 January 2026 in the former role of Group Executive Strategic Projects, Property and Performance.

Following a review of the enterprise operating model that took effect on 13 October 2025, the role of Group Executive Safety, Engineering and Governance was established. While this role is substantively vacant, it was temporarily filled in an acting capacity by Rory Kilpatrick (substantive role holder of General Counsel).

Rory Kilpatrick served as the Acting Group Executive Safety, Engineering and Governance since 13 October 2025 and resigned from Queensland Rail, effective 10 July 2026.

On 22 June 2026, David Mason (substantive General Manager SEQ Integration) commenced acting in the role, initially covering Rory Kilpatrick's annual leave from 22 June to 10 July 2026. From 11 July 2026, David became the sole Acting Group Executive Safety, Engineering and Governance and will continue in the role until 22 December 2026.

Corporate governance

Queensland Rail is committed to ensuring its systems, procedures and practices reflect the highest standards of corporate governance. Processes have been established to ensure Queensland Rail's corporate governance practices are reviewed regularly and are continually refined in accordance with its enterprise governance framework.

Guidelines

While Queensland Rail is a statutory authority, it continues to apply the Corporate Governance Guidelines for Government Owned Corporations, issued by the Queensland Government.

The guidelines reference the ASX Corporate Governance Principles and Recommendations and provide the framework for government-owned corporations to develop, implement, review and report on their corporate governance arrangements.

An overview of existing corporate governance practices in line with the above guidelines is set out below.

Corporate governance statement FY26

Principle 1 – Foundations for management and oversight

The roles and responsibilities of the Board and individual members are defined in the Board Charter. These roles and responsibilities are reviewed by the Board at least biennially and a copy of the charter is available on the Queensland Rail website.

In accordance with section 15 of the *QRTA Act*, the Board's functions include:

- Deciding the strategies and the operational, administrative and financial policies of Queensland Rail.
- Ensuring Queensland Rail performs its functions and exercises its powers in a proper, effective and efficient way.
- Ensuring that, so far as is practicable, Queensland Rail acts under and achieves the objects in its Strategic and Operational Plans.
- Accounting to the responsible Ministers, as required by an Act, for the performance of Queensland Rail.
- Reviewing the performance of the CEO on an annual basis.

In exercising its functions and powers, the Board's key responsibilities include:

- Business strategy and expenditure.
- Delegation of authority to senior executive.
- Relations with responsible Ministers and key stakeholders.
- Financial matters and risk management.
- Ethics, governance and policy.
- Senior executive appointments.

The Board has delegated responsibility for the day-to-day operation of Queensland Rail to the CEO, including the implementation and delivery of the Board's strategic direction. The CEO is supported by the Executive Leadership Team, with management responsibilities clearly defined and documented through formal position descriptions, performance plans and the Board-approved Authorities, Approvals and Accountabilities Policy.

Newly appointed Board members are taken through a formal induction process to provide them with an overview of business operations, strategies and information in relation to the Board and committee functions. The induction process assists the members to understand their roles and responsibilities within Queensland Rail and includes an overview of key corporate expectations, existing governance arrangements and the culture and values of the organisation.

Members are issued with a comprehensive Board handbook that details Queensland Rail and Board operational information, governance requirements and policies. The Board handbook assists with the induction process and also supports existing members with their ongoing governance responsibilities. The handbook is reviewed on a periodic basis.

Performance evaluations for the CEO and senior executives are carried out each financial year in accordance with Queensland Rail's remuneration framework. The performance evaluation for the CEO is conducted by the Board and is based on the achievement of agreed KPIs, which are set annually by the Board and are linked to the strategic and operational objectives of Queensland Rail. The performance evaluation for senior executives is carried out in accordance with the same process based on the achievement of agreed KPIs. The evaluation is conducted by the CEO and the Board.

The outcome of annual performance evaluations for the CEO and senior executives is provided to responsible Ministers in accordance with the Policy for Queensland Government Owned Corporations Chief and Senior Executive Employment Arrangements.

Principle 2 – Structure the Board to add value

All members of the Board, including the Chair, are non-executive members. Queensland Rail Board members are appointed by the responsible Ministers in accordance with the *QRTA Act*. As such, the size and composition of the Board is determined by the responsible Ministers.

The Board considers that all Board members who held office during the year are independent as defined under the ASX Corporate Governance Principles and Recommendations. In assessing the ongoing independence of each member, the Board considers the assessment criteria outlined in the ASX recommendations. Materiality in relation to independence is considered on a case-by-case basis with reference to each member's individual circumstances.

Board members are required to keep the Board advised, on an ongoing basis, of any business interests and other directorship and employment roles that may conflict with those of Queensland Rail.

In circumstances where a conflict is believed to exist or may reasonably be perceived to exist, the member concerned does not take part in any decision or consideration of the issue.

In addition, the member will not receive copies of the relevant Board papers. Members must notify the Board via the Company Secretary of changes to business interests and appointments that could potentially conflict with their role as a Board member for Queensland Rail.

Details of the current Board members' experience and expertise are disclosed in this annual report, as is information on attendance at Board and committee meetings. Information in relation to composition of the Board and terms of appointment for all members in office as at 30 June 2026 is set out on pages 25 to 27 of the Annual and Financial Report 2025-2026.

A process is in place whereby members, either collectively or individually, may seek independent professional advice where it is considered necessary to fulfil their duties and responsibilities. This is done at Queensland Rail's expense. A member wishing to seek such advice must first obtain approval from the Chair.

Members are encouraged to further their knowledge through participation in industry, governance and government forums and attend seminars hosted by the

AICD, Governance Institute of Australia and other peak professional bodies. In addition to peer review, interaction and networking with other directors and industry leaders, Queensland Rail Board members participate in Queensland Rail forums, actively engage with Queensland Rail employees and visit Queensland Rail operations to gain an understanding of operational requirements, challenges and issues.

The ongoing provision of timely and relevant information to the Board is of critical importance in enabling the Board to effectively discharge its obligations in accordance with the requirements of the *QRTA Act*. The structure, format and content of Board agendas and Board papers presented to Board members for consideration and approval, along with Board paper quality and timeliness, is reviewed on an ongoing basis.

The Board reviews its own performance and that of the committees of the Board on a regular basis to ensure they are working effectively. The Board participates in regular Board member-only sessions that provide an opportunity for Board members to review and analyse their current performance as a Board and discuss any issues.

The Board undertakes performance evaluations on a periodic basis to achieve and maintain corporate governance best practice and continual improvement. The purpose of the evaluations is to assess the performance of the Board as a whole, the Chair and the effectiveness of the Board committees. An external party is engaged on a periodic basis to assist the evaluation and provide an independent review of Board performance, with written advice on the outcome of evaluations provided to responsible Ministers.

Principle 3 – Promote ethical and responsible decision making

Queensland Rail has well established policies, procedures and practices that seek to promote ethical standards of behaviour and a culture of compliance that is risk aware and embraces good governance practices in accordance with corporate, legal and community obligations.

These expected standards of integrity, honesty and accountability are reflected in the formal Code of Conduct, which applies to all Board members, employees, consultants and contractors and is aligned with the organisation's strategic objectives. The Code of Conduct is supported by other policy related documents in relation to ethics, privacy, dealing with conflicts of interest, trading in securities and official misconduct.

Queensland Rail's Code of Conduct, together with other policies, aligns with the principles and values of the *Public Sector Ethics Act 1994* (Qld). Under the Code, Queensland Rail staff are to carry out duties with integrity, impartiality, accountability and transparency, and promote the public good. Mandatory Code of Conduct training is completed by all staff during their onboarding, with refresher training provided every year.

While, as a statutory authority, Queensland Rail does not issue securities, the organisation has established standards and procedures that set out the legal duties that apply to members and employees in relation to the potential misuse of information, including the insider trading prohibition under the *Corporations Act 2001* (Cth).

Ongoing training in relation to ethical business practices is provided by the organisation and the Queensland Rail Code of Conduct also forms part of the induction process for new employees, consultants and contractors. A copy of the Code of Conduct is available on the Queensland Rail website.

Queensland Rail also has in place related processes and policy documents setting out the requirements of the *Public Interest Disclosure Act 2010* (Cth), which facilitates disclosure of public interest information and provides protection for those who make public disclosures.

Principle 4 - Safeguard integrity in financial reporting

The Board has established an Audit and Risk Committee that reviews the integrity of Queensland Rail's financial reporting systems. The committee is governed by its own charter, which is approved by the Board and reviewed biennially. A copy of the Audit and Risk Committee charter is available on the Queensland Rail website. The committee assists the Board by reviewing and monitoring assurance activities over business operations, the effectiveness of internal controls, regulatory reporting, financial risks, compliance issues and enterprise risk management frameworks. The committee is responsible for oversight and monitoring internal and external audit functions.

The role of the Chair of the committee is not held by the Chair of the Board and all committee members are independent non-executive members. Membership of the committee and details of attendance at meetings is disclosed on pages 34 and 35 of the Annual and Financial Report 2025-2026.

The CEO and CFO certify in writing that the Queensland Rail financial report represents a true and fair view of Queensland Rail's financial position and performance. They also certify that the financial report

has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board, the *Financial Accountability Act 2009* (Qld), the *Financial and Performance Management Standard 2019* (Qld) and other prescribed requirements, in all material respects. The CEO and CFO further certify that the financial report is free from material misstatement, including omissions.

Queensland Rail's Internal Audit function provides independent assurance to key stakeholders, including the Audit and Risk Committee, CEO and senior executives, regarding the adequacy and effectiveness of the organisation's system of internal controls, risk management procedures and governance processes throughout the organisation.

The Internal Audit function derives its independence from its direct reporting relationship to the Audit and Risk Committee. Internal Audit also has unrestricted access to the Audit and Risk Committee and to the Committee Chair. The Internal Audit function is governed by an Internal Audit Charter, which is consistent with relevant audit and ethical standards and approved by the Audit and Risk Committee.

Queensland Rail has a detailed Internal Audit Plan that is managed by the Internal Audit Team.

The risk based Internal Audit Plan is developed through extensive internal and external consultation and review of the organisation's enterprise risks. This plan is ultimately approved and monitored by the Audit and Risk Committee through regular reporting provided by Internal Audit. In addition to the annual Internal Audit Plan the Internal Audit function completes management request audits throughout the year.

In accordance with the *Auditor-General Act 2009* (Qld), the external audit function of Queensland Rail is performed by the Queensland Audit Office. The internal and external auditors are invited to attend Audit and Risk Committee meetings to present relevant reports and discuss any concerns with the Audit and Risk Committee, without management influence. The Audit and Risk Committee monitors the review and implementation of recommendations made by the internal and external audit functions.

Principle 5 – Make timely and balanced disclosure

Queensland Rail has established communication protocols and standards in relation to the disclosure of public information and regularly assesses the information needs of all stakeholders to ensure they continue to be informed about activities in a timely and accurate manner.

In addition, the organisation has a dedicated Corporate Affairs team to assist with management of government and regulatory relationships and the coordination of information and reporting requests.

Regular communications are initiated with key stakeholders, including responsible Ministers and government representatives. The Chair and CEO meet with responsible Ministers and their representatives on a regular basis.

Queensland Rail management also meets with representatives of the responsible Ministers after each Board meeting to provide an update on the key issues and discuss any relevant governance matters. Information needs of these stakeholders are also discussed at Board meetings. As required by the *QRTA Act*, detailed quarterly reports are provided to responsible Ministers and their representatives, as well as individual Ministerial briefings on specific issues. These reports include information regarding financial performance, updates on major capital programs, key operational matters, risk management and governance issues as well as information required to be given in accordance with Queensland Rail's Strategic and Operational Plans.

Principle 6 – Respect the rights of shareholders

Queensland Rail respects the rights of responsible Ministers as the ultimate owners of the business. The Board and senior executives of Queensland Rail engage with responsible Ministers or their representatives on a regular basis.

As at 30 June 2026, Queensland Rail's responsible Ministers were the Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Honourable Brent Mickelberg MP, Minister for Transport and Main Roads. Queensland Rail is committed to ensuring responsible Ministers and their representatives are provided with information to make informed assessments of Queensland Rail's operational and financial performance and position.

Queensland Rail prepares an Operational Plan and Strategic Plan for responsible Ministers' approval in accordance with the *QRTA Act*. The Operational Plan and Strategic Plan are formal performance contracts between Queensland Rail and the responsible Ministers detailing proposed undertakings and target performance for the year ahead.

In line with the requirements of the *QRTA Act*, responsible Ministers are advised in a timely manner of all issues likely to have a significant financial, operating, employee, community or environmental impact, including those matters that may prevent or significantly affect achievement of the performance objectives outlined in the Operational Plan.

Approval from responsible Ministers is sought for major investments and expenditure outlays, as well as Queensland Rail's entry into significant supply or customer contracts in accordance with Government Investment Guidelines. The current thresholds are notified through the Operational Plan and are set out in Queensland Rail's Delegation of Authority Standard.

Principle 7 – Recognise and manage risk

Queensland Rail recognises that effective risk management and compliance frameworks are a key element of an organisation's corporate governance processes. The Board has approved a Risk Management Policy, which is underpinned by a Risk Management Framework that supports a structured approach.

The objectives of Queensland Rail's Risk Management Framework are to:

- Provide a systematic approach to the identification and management of risks.
- Provide appropriate risk assessment criteria.
- Make available accurate and concise risk information that informs decision-making around both strategic direction and operational objectives.
- Adopt risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level.
- Monitor and review risk levels to ensure risk exposure remains within Queensland Rail's risk appetite and operating context.
- Clearly define roles and responsibilities for managing risk within Queensland Rail.

The approach defined within the Risk Management Policy is consistent with the Australian and New Zealand Risk Management Standards (AS/NZS ISO 31000:2018). The framework is designed to ensure risks are regularly identified, assessed, monitored and reported to the Audit and Risk Committee and Board on a periodic basis.

The Board determines the risk appetite and tolerance and evaluates reported risks reaching a defined enterprise risk tolerance level. The Board has oversight of the Integrated Assurance Plan and Compliance Management System.

The Executive Risk Committee monitors the effectiveness of compliance and assurance activities and assists in the monitoring and escalation of risk issues and continuous improvement opportunities to the Audit and Risk Committee.

The Board has assigned management with the responsibility for managing risk within the organisation and the implementation of mitigation measures, under the direction of the CEO and supported by senior executives. The Risk and Compliance Group Function, led by Safety, Engineering and Governance, facilitates

the process by providing a centralised role in advising the various business functions on executing risk, compliance and assurance management, as well as consolidating reporting to Executive Risk Committee, Audit and Risk Committee, and the Board.

The CEO and CFO have declared in writing to the Board that Queensland Rail's risk management and control system is operating efficiently, effectively and economically in all material respects based on representations by management.

Principle 8 – Remunerate fairly and responsibly

The Board has established a People, Safety and Environment Committee that, among other things, oversees and monitors Queensland Rail's remuneration framework. The committee is governed by its own charter, which is approved by the Board and reviewed biennially. A copy of the People, Safety and Environment Committee charter is available on the Queensland Rail website. The committee assists the Board in the effective discharge of its governance and oversight responsibilities relating to human resources, customer experience, environmental, sustainability and safety practices. It achieves this, in part, by reviewing, overseeing, and providing recommendations on the recruitment, termination, retention, succession planning and annual remuneration and performance review of the CEO and senior executives, including the establishment of appropriate performance measures. The Committee also provides oversight of the development and implementation of strategies and initiatives relating to improved customer experience.

Membership of the committee and details of attendance at meetings are disclosed on pages 39 and 40 of the Annual and Financial Report 2025-2026. Queensland Rail recognises that the achievement of its corporate objectives is dependent on the efforts of its people and has established remuneration policies, procedures and frameworks designed to attract and retain high-calibre employees and to align individual and team efforts to agreed KPIs linked to the Strategic and Operational Plans of the organisation.

The senior executive remuneration arrangements are subject to approval or endorsement by the Board in accordance with the Policy for Queensland Government Owned Corporations Chief and Senior Executive Employment Arrangements.

Remuneration for Board members is established by the responsible Ministers in accordance with the *QRTA Act*.

Details of the nature and value of payments to each Queensland Rail Board member and specified Queensland Rail senior executives are set out in the Financial Report 2025-2026.

Government policies and guidelines

Queensland Rail complies with relevant government policies and guidelines in accordance with the requirements of the responsible Ministers.

Board meetings

The Board held 18 meetings during the financial year. Of these, 11 were out-of-session Board meetings convened to address specific matters, including the organisational response to union-protected industrial action undertaken by unions during the financial year.

Typically, at Board meetings, the agenda will include the following:

- Disclosure of member interests.
- Minutes of the previous meeting and any outstanding issues raised by members at previous meetings.
- CEO and Finance reports.
- Standing reports on lines of business and key major projects and initiatives.
- Key strategic issues and stakeholder engagement
- Transactions requiring Board approval in accordance with the delegation's framework
- Updates from committee Chairs on matters considered at committee meetings.
- The minutes of previous committee meetings
- Board correspondence.

An in-camera session involving only non-executive Board members is held at the beginning of each Board meeting and is chaired by the Chair. The CEO, CFO, General Counsel and Company Secretary are also present for various periods at all Board meetings. Senior executives attend Board meetings when an issue under their area of responsibility is being considered or as otherwise requested by the Board.

Member attendance at FY26 Board meetings is detailed below:

Board member	Attended	Meetings eligible to attend
David Marchant ¹	1	1
Stephen Cantwell ¹	1	1
Heather Watson ¹	1	1
Vivienne Doogan ¹	1	1
Loretta Lynch	18	18
Andrew Wellington ²	17	17
Julian Haber ²	17	17
Lisa Hewitt ²	16	17
Wendy McMillan ²	17	17
Megan McCracken ³	4	6

¹ Ceased as Board member 8 August 2025.

² Appointed as Board member 8 August 2025.

³ Appointed as Board member 26 March 2026.

Board committees

The Board has established three standing committees to assist with meeting its responsibilities: the Audit and Risk Committee; the People, Safety and Environment Committee; and the Major Projects and Procurement Committee. Each of these committees is governed by its own charter.

The membership of each Board committee is made up of a minimum of three members from the Board. The CEO and senior executives attend meetings at the discretion of the committee.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in the effective discharge of its governance and oversight responsibilities relating to the financial reporting and risk management of Queensland Rail.

The committee oversees and monitors the preparation of financial statements and disclosures, internal control structures, compliance and risk management frameworks and the internal and external audit functions of Queensland Rail.

The committee observed the terms of its charter during the reporting period.

Committee member attendance at FY26 Audit and Risk Committee meetings is detailed below:

Board member	Attended	Meetings eligible to attend
Lisa Hewitt ¹	4	4
Loretta Lynch ¹	4	4
Julian Haber ¹	4	4
Andrew Wellington ¹	4	4
Wendy McMillan ²	2	0

¹ Appointed as Committee member 14 August 2025.

² Attended as a non-member during FY26.

People, Safety and Environment Committee

The People, Safety and Environment Committee assists the Board in the effective discharge of its governance and oversight responsibilities relating to the human resources, customer, environmental, sustainability and safety practices of Queensland Rail.

The committee oversees and monitors the remuneration and performance framework for Queensland Rail's senior executives and other employees, the development of human resources policies and practices to enhance employee engagement, and workforce productivity and performance. The committee also provides strategic direction and oversight of Queensland Rail's safety and environmental policies, frameworks, and practices and strategies and initiatives relating to customer experience.

The Committee observed the terms of its charter during the reporting period.

Committee member attendance at FY26 People, Safety and Environment Committee meetings is detailed below:

Board member	Attended	Meetings eligible to attend
Loretta Lynch ¹	4	4
Julian Haber ¹	4	4
Wendy McMillan ¹	4	4
Andrew Wellington ¹	4	4

¹ Appointed as Committee member 14 August 2025.

Major Projects and Procurement Committee

The Major Projects and Procurement Committee is a Board committee created to assist the Board in the effective discharge of its governance and oversight responsibilities relating to the delivery of major projects and procurement decisions within Queensland Rail.

The Committee is responsible for providing strategic direction and oversight of major projects undertaken by Queensland Rail to ensure those investments are delivered in an efficient and cost-effective manner while meeting the responsible Ministers' performance and strategic expectations. The Committee is also responsible for high-level oversight and monitoring of procurement processes and procedures operating within Queensland Rail.

The Committee observed the terms of its Charter during the reporting period.

Committee member attendance at FY26 Major Projects and Procurement Committee meetings is detailed below:

Board Member	Attended	Meetings eligible to attend
David Marchant ¹	1	1
Stephen Cantwell ¹	1	1
Loretta Lynch ²	4	1
Wendy McMillan ³	3	3
Julian Haber ³	3	3
Lisa Hewitt ³	3	3
Andrew Wellington ³	3	3

¹ Ceased as Board member 8 August 2025

² Ceased as Committee member 8 August 2025 and then attended as a non-member during FY26.

³ Appointed as Committee member 8 August 2025.

Information management

Advanced digital capability is essential to enable Queensland Rail's vision to provide world-class services for our customers. Managing Queensland Rail information and data remains a priority as the reliance on technology continues to grow. This presents both significant opportunities and risks that must be managed in accordance with legislative and regulatory obligations.

Queensland Rail continues to modernise technologies and improve the value of its business information and data. A key initiative is the implementation of a Digital Blueprint that articulates Queensland Rail's digital ambition and enables the strategic objectives of the enterprise. The supporting program of work focuses on the following areas:

- Insight driven decision making.
- Information and cyber security.
- AI and process automation.
- Core application modernisation.
- Digital engineering.
- Digital capabilities, culture and adoption.
- Digital operating model.

The delivery of key projects in these areas support Queensland Rail to:

- Continue to provide a reliable service and accurate information to customers, with greater efficiency.
- Improve asset management capability through information and data management systems.
- Support the CRR project.
- Undertake integrated planning across rail and network operations.
- Enable data-driven decisions through accessible and relevant information.
- Mitigate cyber and information security risks that present an increased risk to business continuity and reputation.

Open data

Information relating to consultancies, overseas travel and Queensland Languages Services Policy is published through the Queensland Government Open Data website (<https://www.data.qld.gov.au/>).

In FY26, Queensland Rail's consultancy expenses were nil. There were five instances of overseas travel, with a total of \$57,011 expenses incurred.

Corporate entertainment and hospitality

Queensland Rail hosted one event in FY26 that exceeded a cost of \$5,000, an International Suburban Rail Benchmarking Group event with an overall cost of \$14,970.

Modern Slavery and Human Rights

Queensland Rail is committed to undertaking business with integrity, probity and accountability, and expects its suppliers to commit to the same standards.

Queensland Rail is focussed on ensuring modern slavery does not occur in our supply chains and is committed to complying with its obligations under the *Modern Slavery Act 2018* (Cth). In FY26, Queensland Rail continued to strengthen its approach to modern slavery risk management by:

- Reviewing active suppliers with annual spend over \$500,000 to identify higher-risk suppliers requiring ongoing due diligence.
- Assessing new suppliers through the updated modern slavery self-assessment questionnaire, with no issues identified.
- Embedding future supplier risk assessments into business-as-usual procurement and contract management processes.

Queensland Rail is committed to ensuring it acts and makes decisions compatible with the *Human Rights Act 2019 (Qld)*. Queensland Rail continually looks for process improvements to ensure any decisions made are done so by giving consideration to an individual's human rights and in a way that is compatible with those human rights.

In circumstances where an individual's human rights could have been impacted, a review and impact assessment is undertaken. In FY26, Queensland Rail:

- Assessed all new and relevant policies and procedures for compatibility with the *Human Rights Act 2019 (Qld)*, making changes where necessary.
- Continued to raise awareness about the *Human Rights Act 2019 (Qld)* and its effect on Queensland Rail's operations and decision making.
- Considered the nature of human rights complaints and made adjustments to existing policies and procedures, where relevant, as part of its commitment to continuous improvement to adjust to consumer demands and expectations.
- Received five human rights complaints.

Notifications by responsible Ministers

Queensland Rail dividends

By letter dated 30 June 2026, pursuant to section 56 of the *QRTA Act*, responsible Ministers approved Queensland Rail's dividend recommendation and directed Queensland Rail to pay a dividend equal to 100 per cent of the Queensland Rail Group's final adjusted Net Profit After Tax (NPAT) for the FY26 period. The dividend is to be paid to the Consolidated Fund no later than 30 November 2026.

Summary of the FY26 Operational Plan

World-class services for our customers.

The FY26 Operational Plan (the Plan) sets out Queensland Rail's strategic direction, priorities and performance outcomes for FY26.

It reflected key Queensland Government priorities and strategic documents.

This Annual and Financial Report summarises performance against the Plan, including key measures and targets.

Key inclusions

The Plan included a 12-month view of:

- Strategic direction.
- Operating budget.
- Investment plan.
- Employee and Industrial Relations Plan.
- Performance outcomes, KPIs and targets.

Performance outcomes

The Plan was the formal performance agreement between Queensland Rail's Board and responsible Ministers for FY26, and summarised organisational objectives aligned to the Strategic Plan.

The Plan also included financial and non-financial KPIs reported quarterly to responsible Ministers. Refer to Our Operational Performance for a summary of annual results.

Significant achievements

Enterprise

- Implemented advanced bridge strike and level crossing safety through partnerships, infrastructure enhancements and expanded CCTV monitoring.
- Launched a refreshed Customer Charter, 'Your journey, our focus', in November 2025 to reflect current strategies, priorities and customer expectations.
- Enacted the 2026 Early Careers Recruitment campaign, which attracted more than 5,000 applications across apprenticeship and graduate pathways.
- The 2024 graduate cohort also transitioned into permanent roles across the organisation.

SEQ

- SEQ patronage increased by 6.68 per cent from 53.04 million customer trips in FY25 to 56.59 million customer trips (excluding special events) in FY26, despite ongoing disruption to services due to union-protected industrial action.
- Worked with major project delivery partners during track closures to integrate new SEQ assets, bring major projects online sooner and support network transformation.
- Expanded frontline security capability in SEQ by doubling the Authorised Officer unit.
- Received a Highly Commended award, with TMR, at the Premier's 'Delivering for Queensland' Awards for the permanent implementation of 50-cent fares.
- Completed the seven-year upgrade of the IMU100/SMU200 SEQ fleet, including a new traction package and Train Control Management System.
- Delivered operational readiness for the opening of new Pimpama and Hope Island stations, with Merrimac station progressing towards opening in the second half of 2026.

Regional

- Responded safely and efficiently to severe weather and flooding impacts across North Queensland from late December 2025 to March 2026.
- Implemented a new subsidy on MIL access charges from December 2025, providing improved pricing outcomes for freight customers.
- Awarded contracts for station upgrades at Bundaberg and Rockhampton.

Looking ahead

For FY27, Queensland Rail's refreshed plan responds to continued service growth, ongoing operationalisation of major new assets and Government's fiscal settings, while remaining focused on core priorities outlined in our FY27-31 Strategic Plan.

These priorities support the Queensland Government's objectives for the community and the safe, reliable operation of the rail network.

Queensland Rail's purpose, vision and 1TEAM values will continue to guide how the organisation connects communities, delivers services and works with stakeholders.

Compliance checklist

Letter of compliance

Summary of requirement	Basis for requirement	Annual report reference
A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 3

Accessibility

Summary of requirement	Basis for requirement	Annual report reference
Table of contents and glossary	ARRs – section 9.1	Page 4, Page 40
Public availability	ARRs – section 9.2	Page 2
Interpreter service statement	<i>Queensland Government Language Services Policy</i> ; ARR – section 9.3	Page 2
Copyright notice	<i>Copyright Act 1968 (Cth)</i> ; ARR – section 9.4	Page 2
Information licensing	<i>QGEA – Information Licensing</i> ; ARR – section 9.5	Page 2

General information

Summary of requirement	Basis for requirement	Annual report reference
Introductory information	ARRs – section 10	Page 5

Non-financial performance

Summary of requirement	Basis for requirement	Annual report reference
Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Pages 6-12, 16-22, 37
Agency objectives and performance indicators	ARRs – section 11.2	Pages 6-7, 13, 37
Agency service areas and service standards	ARRs – section 11.3	Page 37

Financial performance

Summary of requirement	Basis for requirement	Annual report reference
Summary of financial performance	ARRs – section 12.1	Pages 14-15

Governance – management and structure

Summary of requirement	Basis for requirement	Annual report reference
Organisational structure	ARRs – section 13.1	Page 24
Executive management	ARRs – section 13.2	Pages 25-29
Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 2
Public Sector Ethics	<i>Public Sector Ethics Act 1994 (Qld)</i> ; ARR – section 13.4	Pages 31-32
Human Rights	<i>Human Rights Act 2019 (Qld)</i> ; ARR – section 13.5	Page 36
Queensland public service values	ARRs – section 13.6	Pages 6-10, 16-22, 37

Governance – risk management and accountability

Summary of requirement	Basis for requirement	Annual report reference
Risk management	ARRs – section 14.1	Pages 33-34
Audit committee	ARRs – section 14.2	Page 35
Internal audit	ARRs – section 14.3	Page 32
External scrutiny	ARRs – section 14.4	N/A
Information systems and recordkeeping	ARRs – section 14.5	Page 36
Information security attestation	ARRs – section 14.6	N/A

Governance – human resources

Summary of requirement	Basis for requirement	Annual report reference
Strategic workforce planning and performance	ARRs – section 15.1	Page 20
Early retirement, redundancy and retrenchment	<i>Directive No. 04/18 Early Retirement, Redundancy and Retrenchment; ARRAs – section 15.2</i>	N/A

Open data

Summary of requirement	Basis for requirement	Annual report reference
Statement advising publication of information	ARRs – section 16	Page 2
Consultancies	ARRs – section 31.1	Page 36, data.qld.gov.au
Overseas travel	ARRs – section 31.2	Page 36, data.qld.gov.au
Queensland Language Services Policy	ARRs – section 31.3	Page 36, data.qld.gov.au

Financial statements

Summary of requirement	Basis for requirement	Annual report reference
Certification of financial statements	FAA – section 62; FPMS – sections 38, 39 and 46; ARRAs – section 17.1	Page 88
Independent Auditor's Report	FAA – section 62; FPMS – section 46; ARRAs – section 17.2	Pages 89-92

Glossary and acronyms

Glossary

1TEAM

Queensland Rail's values framework, with a focus on being one business and a performance-focused organisation - **1** Queensland Rail, **T**reat Others With Respect, **E**mpower Our People, **A**ct Safely, **M**ake A Positive Difference.

Customer

A term used for any passenger utilising SEQ or Travel and Tourism services, or a rail operator in the context of the freight network.

Customer injuries per million passenger journeys

The total number of customer injuries per million passenger journeys.

Force majeure

A term used to categorise incidents that cause an impact to services, which are outside of Queensland Rail's control.

Freight

Goods, including mining inputs and outputs, agricultural produce, livestock and consumer products transported on the Queensland Rail network.

Network

Queensland's rail system, including all main railway lines, marshalling yards, bulk freight loading and unloading points, and customer stations.

Positive pARTnerships program

A Queensland Rail program involving work with community groups, local schools and stakeholders to collaborate and produce high-quality public artwork projects on Queensland Rail property.

Rollingstock

Rail locomotives and wagons.

Regional network

A collective term for the tracks, stations, trains and infrastructure providing train services in regional Queensland, comprised of seven rail systems that convey passenger and freight services.

SEQ network

A collective term for the tracks, stations, trains and infrastructure providing train services in SEQ bounded by the Gold Coast in the south, Rosewood in the west and Sunshine Coast in the north.

Signal passed at danger (SPAD) per million train kilometres

The number of signals that have been passed without the correct authority, or where the safeworking authority has been exceeded, per million train kilometres.

Three Lines Model

A globally recognised governance model that clarifies and delineates roles and responsibilities across three layers to strengthen accountability and coordination across governance and risk management activities.

Total recordable injury frequency rate (TRIFR)

The total number of injuries to Queensland Rail employees expressed per million hours worked.

Travel and Tourism network

A collective term for Queensland Rail's eight different travel and tourism services.

Acronyms

ABN

Australian business number

AFL

Australian Football League

AI

Artificial intelligence

AOD

Alcohol and other drugs

ARRs

Annual report requirements for Queensland government agencies

ASX

Australian Securities Exchange

ARISO

Australian Rail Industry Standards Organisation

AISA

Australian Information Security Association

BCC

Brisbane City Council

BYOD

Bring your own device

CCTV

Closed circuit television

CEO

Chief Executive Officer

CFO

Chief Financial Officer

CRR

Cross River Rail

CRRDA

Cross River Rail Delivery Authority

Cth

Commonwealth

EBIT

Earnings before interest and tax

EBITDA

Earnings before interest and tax equivalent, depreciation and amortisation

ETT

Electric tilt train

EMU

Electric multiple unit

ETCS

European Train Control System

FINSIA

Financial Services Institute of Australia

FY

Financial year

KPI

Key performance indicator

KSR

Kuranda Scenic Railway

NHVR

National Heavy Vehicle Regulator

NPAT

Net profit after tax

OTI

On Track Insurance Pty Ltd

Qld

Queensland

QPS

Queensland Police Service

QRL

Queensland Rail Limited

QRTA Act

Queensland Rail Transit Authority Act 2013 (Qld)

QTMP

Queensland Train Manufacturing Program

SEQ

South East Queensland

SPAD

Signal passed at danger

TMR

Department of Transport and Main Roads

TRIFR

Total recordable injury frequency rate

TSC

Transport Service Contract

Queensland Rail

ABN 68 598 268 528

**Financial report
for the year ended 30 June 2026**

Queensland Rail
ABN 68 598 268 528
Financial report - 30 June 2026

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These financial statements cover Queensland Rail and its controlled entities.

Queensland Rail is a statutory body established under the *Queensland Rail Transit Authority Act 2013*.

The statutory body is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the statutory body is:

Level 14, Rail Centre 1
305 Edward Street
Brisbane Qld 4000

A description of the nature of the statutory body's operations and its principal activities is included in the notes to the financial statements.

Statements of profit or loss and other comprehensive income
for the year ended 30 June 2026

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Revenue from operations	1	3,162,938	2,959,671	1,800,035	1,678,351
Other income		4,013	4,126	-	-
Total revenue and other income		3,166,951	2,963,797	1,800,035	1,678,351
Supplies and services	2	(653,129)	(611,098)	-	-
Employee benefits expense	3	(1,425,108)	(1,355,006)	(1,536,680)	(1,476,376)
Depreciation and amortisation	9, 10, 11	(469,499)	(451,161)	-	-
Other expenses		(55,936)	(69,040)	(833)	(194)
Total expenses		(2,603,672)	(2,486,305)	(1,537,513)	(1,476,570)
Operating profit		563,279	477,492	262,522	201,781
Finance income		7,508	703	-	-
Finance expenses	4	(196,492)	(185,100)	(253)	(139)
Net finance costs		(188,984)	(184,397)	(253)	(139)
Profit before income tax equivalent		374,295	293,095	262,269	201,642
Income tax equivalent expense	5	(112,026)	(91,453)	-	-
Profit for the year		262,269	201,642	262,269	201,642
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		262,269	201,642	262,269	201,642

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position
as at 30 June 2026

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	358,307	201,559	-	-
Trade and other receivables	7	73,927	269,337	696,496	629,648
Prepayments		27,136	24,961	-	-
Inventories	8	139,828	116,711	-	-
Total current assets		599,198	612,568	696,496	629,648
Non-current assets					
Trade and other receivables		-	-	43,873	52,190
Prepayments		1,190	1,506	-	-
Inventories	8	38,405	43,128	-	-
Property, plant and equipment	9	11,742,415	10,513,689	-	-
Intangible assets	10	48,841	43,944	-	-
Right-of-use assets	11	111,162	54,358	-	-
Deferred tax equivalent assets	12	-	-	108,905	107,359
Investment in subsidiary		-	-	4,052,096	3,287,549
Other assets		-	-	3,465	3,465
Total non-current assets		11,942,013	10,656,625	4,208,339	3,450,563
Total assets		12,541,211	11,269,193	4,904,835	4,080,211
LIABILITIES					
Current liabilities					
Trade and other payables	13	928,304	712,714	312,186	259,814
Lease liabilities	11	13,754	14,077	-	-
Provisions	14	330,523	326,158	326,197	321,233
Current tax equivalent liabilities		13,456	2,203	13,456	2,203
Other liabilities		14,269	13,956	190	159
Total current liabilities		1,300,306	1,069,108	652,029	583,409
Non-current liabilities					
Borrowings	19	5,953,000	5,803,000	-	-
Lease liabilities	11	98,941	49,648	-	-
Provisions	14	48,461	57,190	43,873	52,190
Deferred tax equivalent liabilities	12	536,208	454,106	-	-
Other liabilities		85,957	82,350	41,878	42,104
Total non-current liabilities		6,722,567	6,446,294	85,751	94,294
Total liabilities		8,022,873	7,515,402	737,780	677,703
Net assets		4,518,338	3,753,791	4,167,055	3,402,508
EQUITY					
Contributed equity		4,297,272	3,532,725	4,058,678	3,294,131
Retained earnings		221,066	221,066	108,377	108,377
Total equity		4,518,338	3,753,791	4,167,055	3,402,508

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity
for the year ended 30 June 2026

Consolidated	Notes	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2025		3,532,725	221,066	3,753,791
Profit for the year		-	262,269	262,269
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	262,269	262,269
Transactions with owners in their capacity as owners:				
Contributions of equity		764,547	-	764,547
Dividends provided for or paid	15	-	(262,269)	(262,269)
		764,547	(262,269)	502,278
Balance at 30 June 2026		4,297,272	221,066	4,518,338
Balance at 1 July 2024		3,090,500	211,016	3,301,516
Profit for the year		-	201,642	201,642
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	201,642	201,642
Transactions with owners in their capacity as owners:				
Contributions of equity		444,213	-	444,213
Distributions of equity		(1,988)	-	(1,988)
Dividends provided for or paid	15	-	(191,592)	(191,592)
		442,225	(191,592)	250,633
Balance at 30 June 2025		3,532,725	221,066	3,753,791

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity
for the year ended 30 June 2026 (continued)

Parent	Notes	Contributed equity \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2025		3,294,131	108,377	3,402,508
Profit for the year		-	262,269	262,269
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	262,269	262,269
Transactions with owners in their capacity as owners:				
Contributions of equity		764,547	-	764,547
Dividends provided for or paid	15	-	(262,269)	(262,269)
		764,547	(262,269)	502,278
Balance at 30 June 2026		4,058,678	108,377	4,167,055
Balance at 1 July 2024		2,851,906	98,327	2,950,233
Profit for the year		-	201,642	201,642
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	201,642	201,642
Transactions with owners in their capacity as owners:				
Contributions of equity		444,213	-	444,213
Distributions of equity		(1,988)	-	(1,988)
Dividends provided for or paid	15	-	(191,592)	(191,592)
		442,225	(191,592)	250,633
Balance at 30 June 2025		3,294,131	108,377	3,402,508

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows
for the year ended 30 June 2026

		Consolidated		Parent	
	Notes	2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		533,924	503,291	1,537,768	1,476,709
Receipts from Rail Transport Service Contract (inclusive of GST)		3,107,760	2,651,576	-	-
Dividends received from subsidiaries		-	-	201,642	140,611
Interest received		7,762	252	-	-
Payments to suppliers and employees (inclusive of GST)		(2,310,333)	(2,168,026)	(1,561,008)	(1,473,715)
Interest and other costs of finance paid		(283,346)	(236,037)	(148)	-
GST input tax credits		163,359	157,823	1,540	1,225
GST remitted		(323,634)	(284,576)	(1)	-
Other		2	(1)	2	(1)
Income tax equivalents paid		(18,670)	(396)	(18,670)	(396)
Net cash inflow from operating activities	16	876,824	623,906	161,125	144,433
Cash flows from investing activities					
Payments for property, plant and equipment and intangible assets		(1,054,807)	(1,084,334)	-	-
Proceeds from the disposal of property, plant and equipment and intangible assets		9,603	9,152	-	-
Loans to related parties		-	-	-	(3,822)
Repayment of loans to related parties		-	-	30,467	-
Net cash (outflow) / inflow from investing activities		(1,045,204)	(1,075,182)	30,467	(3,822)
Cash flows from financing activities					
Contributions of equity		379,466	-	-	-
Proceeds from borrowings	18	150,000	804,366	-	-
Repayments of principal element of lease liabilities	18	(12,746)	(12,853)	-	-
Dividends paid	15	(191,592)	(140,611)	(191,592)	(140,611)
Net cash inflow / (outflow) from financing activities		325,128	650,902	(191,592)	(140,611)
Net increase in cash and cash equivalents		156,748	199,626	-	-
Cash and cash equivalents at the beginning of the financial year		201,559	1,933	-	-
Cash and cash equivalents at end of year	6	358,307	201,559	-	-

The above statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the statements of profit or loss and other comprehensive income

1 Revenue from operations

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
<i>Revenue from contracts with customers</i>				
Rail Transport Service Contract revenue	2,685,432	2,540,289	-	-
Network access revenue	255,776	244,523	-	-
Other revenue from customer contracts	129,058	87,849	-	-
Travel and Tourism revenue	54,973	54,159	-	-
Operating lease revenue	32,242	30,096	-	-
Managed services revenue	-	-	1,534,346	1,476,709
<i>Other revenue</i>				
Other revenue	5,457	2,755	3,420	-
Inter-company dividend revenue	-	-	262,269	201,642
	3,162,938	2,959,671	1,800,035	1,678,351

The consolidated entity recognises revenue as it satisfies performance obligations by transferring control of goods or services to customers, measured at the transaction price allocated to those performance obligations.

(a) Rail Transport Service Contract

The Rail Transport Service Contract (TSC) between Queensland Rail Limited and the State of Queensland was executed on 30 June 2022, with an initial four-year term commencing 1 July 2022 and two extensions up to a maximum term of seven years. On 30 June 2026, the Department of Transport and Main Roads, acting on behalf of the State of Queensland, executed a Deed of Variation extending the TSC for a further 12 months to 30 June 2027. A further extension option of up to two years remains available under this contract.

Under the TSC, Queensland Rail Limited provides rail services that include Citytrain Services, Travel and Tourism Services, asset and network infrastructure maintenance, and other related integration and support services. These services represent distinct performance obligations that are satisfied over time. Accordingly, revenue is recognised progressively as the services are delivered to the State of Queensland during the reporting period.

(b) Network access

Revenue generated from rail network access is calculated based on a number of operating parameters (such as tonnage hauled) applied to either regulator approved tariffs or negotiated access agreements. In some circumstances where paths are not utilised by customers, a take-or-pay fee is charged. This fee is subject to individual access contracts. Revenue generated from the utilisation of the Access Rights is recognised over time as the services are provided. Take-or-pay revenue is recognised at a point in time at the end of the annual assessment period, when the customer's utilisation is assessed against the contracted annual threshold and the resulting take-or-pay charge is determined in accordance with the relevant access agreement.

(c) Travel and Tourism

Revenue from Travel and Tourism comprises ticket and related sales for Traveltrain and Tourist train services. Revenue is recognised at a point in time, when the service is provided and income relating to future services is accounted for as a liability. The sale of catering items is recognised when the goods have been transferred to the customer.

(d) Managed Services Agreement

Revenue generated from the provision of personnel services to Queensland Rail Limited includes direct and indirect costs as per the Managed Services Agreement. These services represent performance obligations that are satisfied over time, and revenue is recognised as the services are provided.

1 Revenue from operations (continued)

(e) Liabilities related to contracts with customers

Consolidated 2026	Travel and Tourism revenue \$'000	Other revenue from customer contracts \$'000	Rail Transport Service Contract revenue \$'000	Total \$'000
Opening balance	6,358	18,505	2,645	27,508
Revenue recognised from the opening balance as performance obligations are satisfied	(6,358)	(2,596)	(1,841)	(10,795)
Contract liabilities recognised as performance obligations not yet satisfied	69,305	16,313	-	85,618
Revenue recognised as performance obligations are satisfied	(62,550)	(13,449)	-	(75,999)
Closing balance	6,755	18,773	804	26,332
2025				
Opening balance	5,545	18,616	3,757	27,918
Revenue recognised from the opening balance as performance obligations are satisfied	(5,545)	(2,536)	(1,112)	(9,193)
Contract liabilities recognised as performance obligations not yet satisfied	67,704	15,783	-	83,487
Revenue recognised as performance obligations are satisfied	(61,346)	(13,358)	-	(74,704)
Closing balance	6,358	18,505	2,645	27,508

The parent entity does not have any liabilities related to contracts with customers.

2 Supplies and services

	Consolidated 2026 \$'000	2025 \$'000
Materials and consumable items	225,122	178,602
Trade services	164,981	165,675
Professional services and fees	94,992	117,570
Lease and hire charges	52,322	28,309
Traction electricity and train fuel	39,328	41,297
Utilities	30,468	28,378
Other supplies and services	24,472	26,473
Vehicle running expenses	21,365	18,417
Capital and external works	79	6,377
	653,129	611,098

The parent entity does not incur any supplies and services expenditure.

3 Employee benefits expense

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	1,009,490	940,526	1,111,533	1,053,400
Annual leave	102,702	98,787	102,702	98,787
Long service leave	22,755	36,518	22,755	36,518
Superannuation				
Defined benefit superannuation expense	11,535	12,085	11,535	12,085
Defined contribution superannuation expense	131,742	124,911	131,742	124,911
Other employee benefits	54,770	51,096	54,770	51,096
Employee related expenses	92,114	91,083	101,643	99,579
	1,425,108	1,355,006	1,536,680	1,476,376

In accordance with accounting standards and Queensland Rail capitalisation policy, all employee expenses directly attributable to the acquisition or construction of an asset are recognised directly in property, plant and equipment.

The consolidated entity's total employee benefits expense was \$1,573.6 million (2025: \$1,503.7 million). Of this \$148.5 million (2025: \$148.7 million) was recognised directly in property, plant and equipment leaving \$1,425.1 million (2025: \$1,355.0 million) reported as employee benefits expense.

The number of full-time equivalent (FTE) employees as at reporting date was 8,149.1 (2025: 7,996.0). FTEs include full-time, part-time and casual employees based on a thirty-eight hour week.

4 Finance expenses

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Interest and finance charges on borrowings	193,198	183,421	-	-
Interest on lease liabilities	2,823	1,329	-	-
Other interest	471	350	253	139
	196,492	185,100	253	139

5 Income tax equivalent expense

Income tax equivalent expense comprises current and deferred tax equivalent, except where amounts are recognised directly in equity. Income tax equivalent expense is recognised in the statements of profit or loss and other comprehensive income.

Current tax equivalent represents the expected tax payable on taxable income for the period, calculated using applicable tax rates, and adjusted for prior period tax outcomes.

Deferred tax equivalent is determined using the balance sheet method, recognising temporary differences between the carrying amounts of assets and liabilities and their respective tax bases.

5 Income tax equivalent expense (continued)

(a) Income tax equivalent expense

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Current tax equivalent		49,277	45,855	1,636	(1,025)
Deferred tax equivalent		63,237	44,398	(1,636)	1,025
Adjustments for current tax equivalent of prior periods		(488)	2,992	-	-
Recognition of capital tax loss		-	(1,792)	-	-
		112,026	91,453	-	-
Deferred income tax equivalent expense / (benefit) included in income tax equivalent expense comprises:					
(Increase) / decrease in deferred tax equivalent assets	12	(15,038)	(11,137)	(1,636)	1,025
Increase in deferred tax equivalent liabilities	12	78,275	55,535	-	-
		63,237	44,398	(1,636)	1,025

(b) Numerical reconciliation of income tax equivalent expense to prima facie tax payable

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Profit from continuing operations before income tax equivalent expense	374,295	293,095	262,269	201,642
Tax at the Australian tax rate of 30% (2025: 30%)	112,289	87,929	78,681	60,493
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
Entertainment	2	-	-	-
Research and development	-	67	-	-
Dividends received from subsidiaries	-	-	(78,681)	(60,493)
Luxury car tax	-	5	-	-
Other	223	460	-	-
Adjustments for current tax equivalent of prior periods	(488)	2,992	-	-
	(263)	3,524	(78,681)	(60,493)
Total income tax equivalent expense	112,026	91,453	-	-

(c) Income tax consolidation

Queensland Rail and its wholly-owned Australian subsidiaries (Queensland Rail Limited and On Track Insurance Pty Ltd) form an income tax consolidated group under the National Tax Equivalent Regime. Income tax equivalent payments are made to the Queensland Government.

In accordance with Interpretation 1052 *Tax Consolidation Accounting*, subsidiaries recognise the tax effects of their own transactions. Queensland Rail, as the parent entity, recognises the group's aggregate current tax liability and the benefit of any tax losses transferred to subsidiaries where recovery through future taxable profits is considered probable.

Queensland Rail Limited and On Track Insurance Pty Ltd compensate Queensland Rail for current tax payable assumed on consolidation and are compensated by Queensland Rail for current tax receivable and deferred tax assets (including unused tax losses or credits) transferred to the parent entity. These balances are recognised as non-current inter-company receivables or payables.

Notes to the statements of financial position

6 Cash and cash equivalents

	Consolidated 2026 \$'000	2025 \$'000
Cash on hand	15	15
Bank balances	6,152	1,813
Short-term investments	352,140	199,731
	358,307	201,559

The parent entity does not hold any cash and cash equivalents.

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7 Trade and other receivables

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Trade receivables	37,642	233,402	-	-
Less: loss allowance	(11)	(34)	-	-
	37,631	233,368	-	-
Net related party receivables	-	-	434,006	428,006
Inter-company dividend receivables	-	-	262,269	201,642
	-	-	696,275	629,648
Rail Transport Service Contract receivables	9,247	16,334	-	-
Other receivables	27,049	19,635	221	-
	36,296	35,969	221	-
Total trade and other receivables	73,927	269,337	696,496	629,648

Trade and other receivables are initially recognised at the transaction price and are subsequently measured at and classified at amortised cost. Trade receivables generally have standard payment terms of 7 to 30 days. The consolidated entity applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which requires the use of the lifetime expected loss provision for all trade receivables.

Expected credit losses are estimated using historical credit loss experience, adjusted where appropriate for current conditions and reasonable and supportable forward-looking information, including expected economic conditions relevant to the debtor portfolio. Given the nature of the consolidated entity's customers and historical collection experience, expected credit losses are immaterial. Debts which are known to be uncollectible are written off.

Other receivables are classified as current assets unless collection is not expected within the 12 months from the reporting date.

8 Inventories

Consolidated	2026			2025		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Raw materials and stores	159,044	38,405	197,449	144,115	43,128	187,243
Work in progress	4,476	-	4,476	4,087	-	4,087
Less: allowance for obsolescence and excess inventory	(23,692)	-	(23,692)	(31,491)	-	(31,491)
	139,828	38,405	178,233	116,711	43,128	159,839

The parent entity does not hold any inventories.

The value of inventories reported includes items held in centralised stores, workshops and infrastructure and rollingstock depots. Cost comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. Inventories are valued at the lower of cost and net realisable value. Cost is determined using a moving average cost methodology. Items expected to be consumed after more than one year are classified as non-current.

Inventory recognised as expense during the year ended 30 June 2026 amounted to \$100.2 million (2025: \$79.7 million).

Judgements and estimates

The allowance for inventory obsolescence and excess inventory is determined based on management's assessment of specific inventory classes, primarily relating to infrastructure and rollingstock maintenance items. The assessment uses detailed inventory information to identify inventory that is slow-moving, obsolete or held in excess of operational requirements. Damaged inventory is separately assessed and provided for as required. Changes in management's assessment are recognised in the reporting period in which they occur.

9 Property, plant and equipment

(a) Movements in property, plant and equipment

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Major plant and equipment \$'000	Infrastructure \$'000	Total \$'000
At 1 July 2025							
Cost	2,165,874	88,190	1,173,291	508,240	2,188,610	9,111,575	15,235,780
Accumulated depreciation and impairment losses	-	(138)	(456,258)	(247,694)	(1,225,305)	(2,792,696)	(4,722,091)
Net book amount	2,165,874	88,052	717,033	260,546	963,305	6,318,879	10,513,689
Year ended 30 June 2026							
Opening net book amount	2,165,874	88,052	717,033	260,546	963,305	6,318,879	10,513,689
Additions	1,348,508	-	-	-	-	-	1,348,508
Loss on asset derecognition	(34,523)	-	-	-	-	-	(34,523)
Transfers between asset classes	(589,627)	294	54,819	269	184,963	349,282	-
Transfers to expenses	(5)	-	-	-	-	-	(5)
Transfers from State Government	-	-	189,573	1,944	-	193,564	385,081
Disposals	-	(1,706)	(702)	(3,814)	(1,316)	(14,452)	(21,990)
Depreciation expense	-	-	(43,997)	(30,209)	(117,387)	(256,752)	(448,345)
Closing net book amount	2,890,227	86,640	916,726	228,736	1,029,565	6,590,521	11,742,415
At 30 June 2026							
Cost	2,890,227	86,778	1,413,761	492,778	2,285,498	9,587,200	16,756,242
Accumulated depreciation and impairment losses	-	(138)	(497,035)	(264,042)	(1,255,933)	(2,996,679)	(5,013,827)
Net book amount	2,890,227	86,640	916,726	228,736	1,029,565	6,590,521	11,742,415

9 Property, plant and equipment (continued)

(a) Movements in property, plant and equipment (continued)

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Major plant and equipment \$'000	Infrastructure \$'000	Total \$'000
At 1 July 2024							
Cost	1,877,046	90,714	979,099	445,323	2,138,346	8,245,004	13,775,532
Accumulated depreciation and impairment losses	-	(509)	(423,101)	(236,859)	(1,234,537)	(2,575,488)	(4,470,494)
Net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038
Year ended 30 June 2025							
Opening net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038
Additions	1,239,999	-	-	189	-	-	1,240,188
Loss on asset derecognition	(37,421)	-	-	-	-	-	(37,421)
Transfers between asset classes	(913,480)	-	84,227	42,221	180,829	606,203	-
Transfers to expenses	(270)	-	-	-	-	-	(270)
Transfers to State Government	-	(1,988)	-	-	-	-	(1,988)
Transfers from State Government	-	-	113,613	45,191	-	285,409	444,213
Disposals	-	(165)	(537)	(5,091)	(921)	(2,573)	(9,287)
Depreciation expense	-	-	(36,268)	(30,428)	(120,412)	(239,676)	(426,784)
Closing net book amount	2,165,874	88,052	717,033	260,546	963,305	6,318,879	10,513,689
At 30 June 2025							
Cost	2,165,874	88,190	1,173,291	508,240	2,188,610	9,111,575	15,235,780
Accumulated depreciation and impairment losses	-	(138)	(456,258)	(247,694)	(1,225,305)	(2,792,696)	(4,722,091)
Net book amount	2,165,874	88,052	717,033	260,546	963,305	6,318,879	10,513,689

The parent entity does not hold any property, plant and equipment.

9 Property, plant and equipment (continued)

(b) Initial recognition

Items of property, plant and equipment that are expected to provide future economic benefits and have a historical cost equal to or in excess of the following thresholds are recognised in the year of acquisition:

- \$1 for land;
- \$5,000 for plant and equipment and major plant and equipment; and
- \$10,000 for infrastructure and building assets.

Property, plant and equipment is measured at cost less accumulated depreciation. Expenditure that does not meet the definition of an asset is expensed in the year of acquisition.

Work in progress

The cost of property, plant and equipment constructed by the consolidated entity includes the cost of all materials used in construction, direct labour, site preparation, interest and foreign currency gains and losses incurred where applicable and an appropriate proportion of variable and fixed overheads based on direct labour hours.

The transfers between asset classes represents property, plant and equipment commissioned during the period.

Land

The *Transport Infrastructure Act 1994* stipulates that the consolidated entity only retains ownership of its non-corridor land. As such, only non-corridor land is recorded in these accounts. Ownership of corridor land remains with the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development on behalf of the State. This land is leased to the Department of Transport and Main Roads and subsequently subleased to the consolidated entity for no cost. The sublease term is for an initial term of 100 years with a renewal option for an additional 100 years.

(c) Subsequent and maintenance costs

Subsequent costs are only recognised as property, plant and equipment when there is an increase in the original assessed capacity or service potential of an asset, it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost can be measured reliably. Costs related to repairs and maintenance activities are expensed when incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

(d) Depreciation

Assets are depreciated from the date of acquisition, or, in respect of internally constructed or manufactured assets, from the time an asset is completed and held ready for use.

Land is not depreciated as it has an unlimited useful life.

Work in progress is not depreciated until construction is completed and the asset is put to use or is available for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

Buildings, plant and equipment, major plant and equipment and infrastructure are depreciated on a straight-line basis over the useful life net of the residual value. Motor vehicles, included in plant and equipment, are depreciated using the diminishing value basis.

For each class of property, plant and equipment other than infrastructure assets, the following range of useful lives are used:

Class	Depreciation method	Useful lives
Buildings	Straight-line	10 - 50 years
Plant and equipment	Straight-line	4 - 25 years
Major plant and equipment	Straight-line	8 - 40 years

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated separately where this results in depreciation expense that is materially different.

9 Property, plant and equipment (continued)

(d) Depreciation (continued)

The following range of useful lives are used for infrastructure asset and their subcomponents:

Rail	45 - 50 years
Sleepers	17 - 70 years
Ballast	30 years
Civil works, bridges and tunnels	20 - 100 years
Electrification and field signals	15 - 50 years
Infrastructure facilities	7 - 99 years

The useful lives of assets are estimated based on the expected period over which economic benefits or service potential from their use are derived. Residual values are estimated based on the consideration expected to be received from a willing buyer at the end of an asset's useful life.

The remaining useful lives and residual value of assets are reviewed annually, considering factors such as historical and forecast usage levels, technological developments, changes in legal and economic conditions, the physical condition of assets, and movements in relevant market indices and prices.

Changes in estimated useful lives and residual values of property, plant and equipment are accounted for prospectively.

(e) Impairment

Non-current assets, including work in progress, are assessed for impairment annually to ensure that the carrying amount does not exceed the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit (CGU).

For the purposes of assessing impairment, assets are grouped into CGUs at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are identified consistently from period to period unless a change is justified by changes in facts and circumstances.

During the current reporting period, the consolidated entity reassessed its CGU identification and determined that, following the introduction of the access charge rebate by the State Government, the Mount Isa Line's cash inflows are no longer largely independent. Accordingly, the Mount Isa Line has been incorporated into the Regional CGU. As a result, the consolidated entity adopted two CGUs for impairment testing purposes, being South East Queensland and Regional. This change has been applied prospectively as it reflects a change in management's assessment of the level of independence of the Mount Isa Line's cash flows.

An impairment assessment was performed as at 30 June 2026. No impairment losses were recognised in the current or prior reporting periods.

Judgements and estimates

The value in use calculations require management to exercise judgement in the development of cash flow projections and the selection of key assumptions, including:

- allocation of enterprise-level forecast cash flows to CGUs;
- determination of an appropriate discount rate (WACC); and
- terminal growth assumptions applied in the perpetuity calculation.

(f) Asset transfers from State Government

Section 78 Amendment Number 2 to the Transfer Notice - Rail Related Assets and the Enduring Designation of Equity Transfer for the New Gold Coast Stations was gazetted on 10 October 2025. The amendment authorised the transfer of specific Cross River Rail Delivery Authority delivered New Gold Coast Stations assets from the State Government to the entity by way of an equity transfer.

The transfer has been accounted for as a contribution by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and Financial Reporting Requirements 4F Equity, Contributions by Owners and Distributions to Owners.

9 Property, plant and equipment (continued)

(f) Asset transfers from State Government (continued)

During the current reporting period, the consolidated entity recognised \$385.1 million of above rail infrastructure assets transferred from the State Government as contributions by owners. The transfers are primarily comprised of Pimpama Station and Hope Island Station delivered under the New Gold Coast Stations program and Salisbury Station delivered under the Rail, Integration and Systems program.

10 Intangible assets

Consolidated	Software work in progress \$'000	Software purchased \$'000	Software internally generated \$'000	Other intangibles \$'000	Total \$'000
At 1 July 2025					
Cost	20,134	163,144	10,718	273	194,269
Accumulated amortisation and impairment losses	-	(140,163)	(10,162)	-	(150,325)
Net book amount	20,134	22,981	556	273	43,944
Year ended 30 June 2026					
Opening net book amount	20,134	22,981	556	273	43,944
Additions	17,117	-	-	-	17,117
Transfers between asset classes	(7,817)	7,817	-	-	-
Transfers to expenses	(122)	-	-	-	(122)
Disposals	-	(406)	-	-	(406)
Amortisation expense	-	(11,561)	(131)	-	(11,692)
Closing net book amount	29,312	18,831	425	273	48,841
At 30 June 2026					
Cost	29,312	160,868	9,862	273	200,315
Accumulated amortisation and impairment losses	-	(142,037)	(9,437)	-	(151,474)
Net book amount	29,312	18,831	425	273	48,841
At 1 July 2024					
Cost	12,392	161,296	10,718	273	184,679
Accumulated amortisation and impairment losses	-	(132,056)	(9,840)	-	(141,896)
Net book amount	12,392	29,240	878	273	42,783
Year ended 30 June 2025					
Opening net book amount	12,392	29,240	878	273	42,783
Additions	12,834	-	-	-	12,834
Transfers between asset classes	(5,092)	5,092	-	-	-
Transfers to expenses	-	-	-	-	-
Disposals	-	(64)	-	-	(64)
Amortisation expense	-	(11,287)	(322)	-	(11,609)
Closing net book amount	20,134	22,981	556	273	43,944
At 30 June 2025					
Cost	20,134	163,144	10,718	273	194,269
Accumulated amortisation and impairment losses	-	(140,163)	(10,162)	-	(150,325)
Net book amount	20,134	22,981	556	273	43,944

The parent entity does not hold any intangible assets.

10 Intangible assets (continued)

Intangible assets with a historical cost equal to greater than \$100,000 are recognised in the financial statements. Items with a lesser cost are expensed.

Costs incurred in developing products or systems, and costs incurred in acquiring software and perpetual licence fees that are expected to generate future economic benefits, are recognised as intangible assets when the recognition criteria are met.

Expenditure on research activities relating to internally-generated intangible assets is expensed when incurred. Any training costs are expensed as incurred.

All intangible assets have finite useful lives and are amortised on a straight-line basis over their estimated useful lives. For each class of intangible asset, the following amortisation rates are used:

Software purchased	4 - 18 years
Software internally generated	6 - 15 years

11 Leases

(a) Details of leasing arrangements as lessee

The consolidated entity routinely enters into leases for land and buildings, telecommunication infrastructure and plant and equipment. Lease terms for leases that are recognised on the statements of financial position can range from 1 to 30 years. Several leases have renewal or extension options.

The consolidated entity is also party to specific arrangements which would satisfy the criteria for recognition as a lease under AASB 16 *Leases*. However, the consideration for these arrangements amount to, in most cases, \$1 per annum. These arrangements are commonly referred to as "peppercorn leases". These include access to corridor land from the Department of Transport and Main Roads. As the consolidated entity recognises the right-of-use (ROU) assets at cost, these leases are immaterial and therefore no ROU assets or lease liabilities are recognised.

Contracts may contain both lease and non-lease components. The consolidated entity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The consolidated entity recognises right-of-use assets and corresponding liabilities for all operating leases, except for short-term and low-value leases, at the date at which the leased asset is available for use by the consolidated entity, in accordance with AASB 16.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the consolidated entity under residual value guarantees;
- the exercise price of a purchase option if the consolidated entity is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the consolidated entity exercising that option.

Lease payments to be made, under reasonably certain extension options, are also included in the measurement of the liability.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the consolidated entity, the consolidated entity's incremental borrowing rate is used, being the Queensland Treasury Corporation's (QTC) Fixed Loan Rates that correspond with the lease commencement month and lease term.

The consolidated entity is exposed to potential future increases in variable lease payments based on an index or rate. When the rate or index is unknown and are not implicit in the contract, they are not included in the lease liability until they take effect. The consolidated entity's exposure is primarily due to market reviews or consumer price indexation. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

11 Leases (continued)

(a) Details of leasing arrangements as lessee (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period based on a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised as a direct expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The consolidated entity's low-value asset threshold is \$10,000. This threshold is applied to the value of the asset when new, regardless of the age of the asset when being leased.

Judgements and estimates

The determination of the right-of-use assets and lease liability is dependent on a number of judgements including:

- whether a contract is, or contains, a lease;
- expected payment terms, for example monthly in advance;
- the index or rate in determining lease payments;
- costs incurred in connection with a lease that are not part of the cost of the right-of-use asset; and
- reasonable certainty of exercising options.

(i) Amounts recognised in the statements of financial position

Right-of-use assets

Consolidated	Land and buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2025	43,333	10,540	485	54,358
Additions	86,885	1,136	202	88,223
Remeasurement	(26,396)	4,461	-	(21,935)
Depreciation / amortisation expense	(7,715)	(1,403)	(344)	(9,462)
Derecognised	(22)	-	-	(22)
At 30 June 2026	96,085	14,734	343	111,162
At 1 July 2024	49,934	11,546	613	62,093
Additions	-	144	238	382
Remeasurement	4,623	34	-	4,657
Depreciation / amortisation expense	(11,224)	(1,178)	(366)	(12,768)
Derecognised	-	(6)	-	(6)
At 30 June 2025	43,333	10,540	485	54,358

The parent entity does not hold any right-of-use assets.

11 Leases (continued)

(a) Details of leasing arrangements as lessee (continued)

Lease liabilities

Consolidated	Land and buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2025	54,072	9,126	527	63,725
Additions	86,885	1,136	202	88,223
Remeasurement	(30,548)	4,457	-	(26,091)
Lease payments	(13,816)	(1,776)	(367)	(15,959)
Interest expense	2,343	458	22	2,823
Derecognised	(26)	-	-	(26)
At 30 June 2026	98,910	13,401	384	112,695
At 1 July 2024	61,338	9,934	654	71,926
Additions	-	144	238	382
Remeasurement	4,623	34	-	4,657
Lease payments	(12,954)	(1,215)	(393)	(14,562)
Interest expense	1,065	236	28	1,329
Derecognised	-	(7)	-	(7)
At 30 June 2025	54,072	9,126	527	63,725

	Consolidated 2026 \$'000	2025 \$'000
Current lease liabilities	13,754	14,077
Non-current lease liabilities	98,941	49,648
	112,695	63,725

The parent entity does not have any lease liabilities.

(ii) Amounts recognised in the statements of profit or loss and other comprehensive income

	Consolidated 2026 \$'000	2025 \$'000
Other - rental expense*	935	684

* includes short-term, low value and variable lease payments

The parent entity does not incur any rental expense.

(iii) Amounts recognised in the statements of cash flows

The total cash outflow for leases in 2026 was \$16.4 million (2025: \$14.8 million).

The parent entity does not have any cash outflow for leases.

11 Leases (continued)

(b) Details of leasing arrangements as lessor

The consolidated entity routinely leases out land and buildings and telecommunication infrastructure. The lease terms are up to 30 years and are non-cancellable. Lease payments receivable (excluding GST) at reporting date are as follows:

Consolidated	2026 \$'000	2025 \$'000
Within one year	4,142	3,252
Later than one year but not later than two years	3,783	2,469
Later than two years but not later than three years	3,693	2,359
Later than three years but not later than four years	3,445	2,255
Later than four years but not later than five years	3,090	1,992
Later than five years	27,259	20,758
	45,412	33,085

The parent entity does not have any lease payments receivable.

12 Deferred tax equivalent balances

Deferred tax equivalent is recognised for all taxable temporary differences arising between the carrying amounts of assets and liabilities and their tax bases. Deferred tax equivalent assets and liabilities are offset when a legally enforceable right exists and settlement on a net or simultaneous basis is intended. Deferred tax equivalent assets are recognised only when it is probable that sufficient taxable profits will be available to utilise deductible temporary differences.

Judgements and estimates

Application of the consolidated entity's tax accounting policies involves significant judgement, including determining which arrangements are subject to tax and assessing the recoverability of deferred tax equivalent assets and certain deferred tax equivalent liabilities. Deferred tax equivalent assets arising from temporary differences and unused tax losses are recognised only where recovery through future taxable profits is assessed as probable.

(a) Deferred tax equivalent assets

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
The balance comprises temporary differences attributable to:					
Accrued expenses		13,061	10,121	5,114	2,592
Capital losses		3,290	3,290	-	-
Provisions		114,035	117,661	103,791	104,767
Lease liabilities		33,809	19,117	-	-
Unearned revenue		27,237	26,281	-	-
Total deferred tax equivalent assets		191,432	176,470	108,905	107,359
Set-off of deferred tax equivalent liabilities pursuant to set-off provisions	12(b)	(191,432)	(176,470)	-	-
Net deferred tax equivalent assets		-	-	108,905	107,359

12 Deferred tax equivalent balances (continued)

(a) Deferred tax equivalent assets (continued)

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Movements:					
Opening balance		-	-	107,359	108,384
Prior year adjustments		(76)	-	(90)	-
Credited / (charged) to the statements of profit or loss and other comprehensive income	5	15,038	11,137	1,636	(1,025)
Recognition of unused capital tax loss		-	1,792	-	-
Set-off of deferred tax equivalent liabilities pursuant to set-off provisions	12(b)	(14,962)	(12,929)	-	-
Closing balance at 30 June		-	-	108,905	107,359
Deferred tax equivalent assets expected to be recovered within 12 months					
		-	-	100,266	96,605
Deferred tax equivalent assets expected to be recovered after more than 12 months					
		-	-	8,639	10,754

(b) Deferred tax equivalent liabilities

	Notes	Consolidated 2026 \$'000	2025 \$'000
The balance comprises temporary differences attributable to:			
Accrued income		5,745	5,346
Consumables and spare parts		11,656	7,498
Property, plant and equipment		676,583	601,162
Right-of-use assets		33,349	16,307
Prepayments		307	263
Total deferred tax equivalent liabilities		727,640	630,576
Set-off of deferred tax equivalent liabilities pursuant to set-off provisions			
	12(a)	(191,432)	(176,470)
Net deferred tax equivalent liabilities		536,208	454,106
Movements:			
Opening balance		454,106	411,500
Prior year adjustments		18,789	-
Charged to the statements of profit or loss and other comprehensive income	5	78,275	55,535
Set-off of deferred tax equivalent liabilities pursuant to set-off provisions	12(a)	(14,962)	(12,929)
Closing balance at 30 June		536,208	454,106
Deferred tax equivalent liabilities expected to be settled within 12 months			
		(117,974)	(108,219)
Deferred tax equivalent liabilities expected to be settled after more than 12 months			
		654,182	562,325

The parent entity does not have any deferred tax equivalent liabilities.

13 Trade and other payables

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Trade payables	632,371	476,269	34,319	52,709
Dividend payable	262,269	191,592	262,269	191,592
Other payables	25,325	25,106	15,737	15,636
	919,965	692,967	312,325	259,937
GST input tax credits receivable	(18,329)	(18,237)	(140)	(123)
GST payable	26,668	37,984	1	-
	8,339	19,747	(139)	(123)
Total trade and other payables	928,304	712,714	312,186	259,814

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. Trade and other payables are measured initially at the transaction price and subsequently at amortised cost due to the current nature of these liabilities. The amounts are unsecured and are usually paid within the terms set by the supplier.

14 Provisions

Consolidated	Current \$'000	2026 Non- current \$'000	Total \$'000	Current \$'000	2025 Non- current \$'000	Total \$'000
Employee benefits	316,797	28,173	344,970	312,733	34,590	347,323
Litigation and workers' compensation provision	11,750	15,988	27,738	11,462	18,030	29,492
Land remediation provision	-	4,300	4,300	-	4,533	4,533
Make good provision	37	-	37	-	37	37
Other provisions	1,939	-	1,939	1,963	-	1,963
	330,523	48,461	378,984	326,158	57,190	383,348
Parent	Current \$'000	2026 Non- current \$'000	Total \$'000	Current \$'000	2025 Non- current \$'000	Total \$'000
Employee benefits	316,797	28,173	344,970	312,733	34,590	347,323
Litigation and workers' compensation provision	9,400	15,700	25,100	8,500	17,600	26,100
Land remediation provision	-	-	-	-	-	-
Make good provision	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-
	326,197	43,873	370,070	321,233	52,190	373,423

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

14 Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(a) Employee benefits

Employee benefit obligations are presented as current liabilities if the entity does not have the right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. The remaining non-vested employee benefit obligations are included as non-current liabilities.

Employee benefits include wages and salaries, annual leave, leave loading, long service leave, retiring allowance and related on-costs (where applicable). Sick leave is not provided for as it is a non-vesting benefit.

Retirement allowance is payable to employees that retire or are paid according to Voluntary Employee Redundancy Scheme (VERS) or Medical Separation who:

- are not members of a QSuper contributory or defined benefit superannuation fund;
- were employed prior to 1 February 1995;
- have 10 or more years of continuous service; and
- have reached the retirement attainment age of 55.

(i) Short-term employee benefit obligations

Short-term employee benefit obligations represent benefits expected to be settled wholly within 12 months after the end of the reporting period. These liabilities are in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long-term employee benefit obligations

Long-term employee benefit obligations represent benefits not expected to be settled wholly within 12 months after the end of the reporting period. These liabilities are measured as the present value of expected future payments required to settle obligations for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future long-term payments are discounted using an annualised yield at the reporting date on the G100 Australian corporate bond discount rate curve with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Judgements and estimates

The determination of long-term employee benefit obligations requires the use of estimates and assumptions. Key assumptions include future wage and salary increases, employee attrition rates, eligibility conditions and the timing of benefit utilisation. These estimates are based on current agreements, historical experience and long-term expectations of salary inflation and anticipated promotional increases.

Superannuation

Superannuation contributions are recognised as an expense when they are made.

The consolidated entity pays an employer subsidy to Queensland Treasury for employees who are contributors to either the QSuper Defined Benefit category or the QSuper State Super category in Australian Retirement Trust.

The level of contributions an employer pays to Queensland Treasury is declared by the Treasurer. The current declaration, made on 15 June 2025, states an employer contribution for the QSuper Defined Benefit category is equal to 7.75% of salary plus one times the member's rate of contribution and for the QSuper State category is 4.75% of salary plus one times the member's rate of contribution. The level of employer contributions is not expected to change. No liability is recognised for accruing superannuation benefits as this liability is held on a Whole-of-Government basis and reported in the Whole-of-Government consolidated financial statements.

The consolidated entity also makes superannuation contributions to Australian Retirement Trust for employees who hold a QSuper Accumulation account.

No liability or asset is recognised for the consolidated entity's share of any potential deficit of the QSuper Defined Benefit category or the QSuper State Super category.

14 Provisions (continued)

(b) Litigation and workers' compensation provision

Provision is made for the estimated liability for workers' compensation and litigation claims. Independent actuarial valuations are used to estimate the provisions required for self-insured workers' compensation. The outstanding liability is determined after factoring future claims inflation and discounting future claim payments.

Judgements and estimates

The determination of the provisions involves significant judgement and estimation. Key assumptions include the total cost to finalise existing claims, future wage increases, claims inflation and the estimation of claims incurred but not yet reported. Estimates are made based on the average number of claims and average claim payments over a specified period of time. Claims Incurred But Not Reported (IBNR) are also included in the estimate. Claims are expected to be paid over a period exceeding more than one year.

(c) Land remediation provision

This provision recognises the estimated costs to remediate potential contaminated land in accordance with the consolidated entity's constructive obligations. These estimated costs have arisen as a result of historical land use and activities with potential for causing contamination.

The provision for land remediation reflects management's best estimate of the expenditure required to remediate and / or manage potentially affected land at the reporting date. The provision is measured at present value where the effect of the time value of money is material and is reviewed regularly to reflect updated assumptions, changes in remediation strategies and developments in industry practice.

Judgements and estimates

The determination of the provision requires judgement in estimating the expenditure required to settle the land remediation or management obligation.

(d) Other provisions

A severe hailstorm in October 2025 caused significant roof damage to heritage-listed building at the North Ipswich Rail Yards leased to Queensland Museum, rendering parts of the premises unfit for use. A provision has been recognised for the estimated cost of roof repairs, reflecting the consolidated entity's present obligation under the lease arrangement.

In addition, during the reporting period, monsoonal rainfall in North Queensland in December 2025 resulted in flooding that impacted sections of the regional rail network and disrupted passenger and freight services. A provision has been recognised where a present obligation existed at the reporting date and represents the present value of management's best estimate of the costs required to restore affected infrastructure to its required operational condition. The flood repair provision recognised in the prior year was fully utilised, with all repair works completed in December 2025.

(e) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated 2026	Litigation and workers' compensation provision \$'000	Land remediation provision \$'000	Make good provision \$'000	Other provisions \$'000	Total \$'000
Current and non-current					
Carrying amount at start of year	29,492	4,533	37	1,963	36,025
Charged / (credited) to profit or loss					
- additional provisions recognised	18,456	-	-	25,846	44,302
- unused amounts released	(4,717)	(452)	-	-	(5,169)
- unwind discount	-	219	-	-	219
Amounts used during the year	(15,493)	-	-	(25,870)	(41,363)
Carrying amount at end of year	27,738	4,300	37	1,939	34,014

14 Provisions (continued)

(e) Movements in provisions (continued)

Parent 2026	Litigation and workers' compensation provision \$'000	Land remediation provision \$'000	Make good provision \$'000	Other provisions \$'000	Total \$'000
Current and non-current					
Carrying amount at start of year	26,100	-	-	-	26,100
Charged / (credited) to profit or loss					
- additional provisions recognised	18,341	-	-	-	18,341
- unused amounts released	(4,717)	-	-	-	(4,717)
- unwind discount	-	-	-	-	-
Amounts used during the year	(14,624)	-	-	-	(14,624)
Carrying amount at end of year	25,100	-	-	-	25,100

15 Dividends

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Dividend declared	262,269	191,592	262,269	191,592
Dividend paid	191,592	140,611	191,592	140,611

Notes to the statements of cash flows

16 Reconciliation of profit after income tax equivalent to net cash inflow from operating activities

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Profit for the year	262,269	201,642	262,269	201,642
Depreciation and amortisation	469,499	451,161	-	-
Losses on sale of non-current assets	8,660	2,167	-	-
(Writeback) / impairment of trade receivables	(24)	44	-	-
Inventory obsolescence	5,109	25,388	-	-
Change in operating assets and liabilities:				
(Increase) / decrease in trade receivables	195,415	(188,409)	(60,848)	(61,031)
(Increase) / decrease in inventories	(23,503)	3,113	-	-
(Increase) / decrease in other operating assets	(2,259)	42,364	(29,923)	(2,599)
(Decrease) in trade payables	(131,255)	(5,412)	(18,305)	(10,526)
Increase in other liabilities	97,276	75,996	11,285	1,697
Increase / (decrease) in provisions	(4,363)	15,852	(3,353)	15,250
Net cash inflow from operating activities	876,824	623,906	161,125	144,433

17 Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- transfer of property, plant and equipment to State Government (note 9(a));
- transfer of property, plant and equipment from State Government (note 9(a)); and
- acquisition of right-of-use assets (note 11(a)(i)).

18 Reconciliation of liabilities arising from financing activities

Consolidated	Borrowings \$'000	Leases \$'000	Total \$'000
At 1 July 2025	5,803,000	63,725	5,866,725
Cash flows	150,000	(12,746)	137,254
Non-cash lease swaps	-	(390)	(390)
Acquisitions - finance leases	-	88,223	88,223
Revaluations - finance leases	-	(26,091)	(26,091)
Release - finance leases	-	(26)	(26)
At 30 June 2026	5,953,000	112,695	6,065,695
At 1 July 2024	4,998,634	71,926	5,070,560
Cash flows	804,366	(12,853)	791,513
Non-cash lease swaps	-	(380)	(380)
Acquisitions - finance leases	-	382	382
Revaluations - finance leases	-	4,657	4,657
Release - finance leases	-	(7)	(7)
At 30 June 2025	5,803,000	63,725	5,866,725

The parent entity does not have any liabilities arising from financing activities.

Risk

19 Financial risk management

(a) Financial instruments categories

Financial instruments are categorised into one of three measurement bases - amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets and financial liabilities are recognised in the statements of financial position when the consolidated entity becomes party to the contractual provisions of the financial instrument. The consolidated entity has the following categories of financial assets and financial liabilities:

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Financial assets				
<i>Financial assets at AC</i>				
Cash and cash equivalents	358,307	201,559	-	-
Trade and other receivables	73,927	269,337	740,369	681,838
Total financial assets	432,234	470,896	740,369	681,838
Financial liabilities				
<i>Financial liabilities at AC</i>				
Trade and other payables	928,304	712,714	312,186	259,814
Borrowings	5,953,000	5,803,000	-	-
Lease liabilities	112,695	63,725	-	-
Total financial liabilities	6,993,999	6,579,439	312,186	259,814

(b) Risks arising from financial instruments

The consolidated entity's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. All cash and cash equivalents, derivative financial instruments and borrowings are held and recognised by Queensland Rail Limited. The Queensland Rail parent entity is not exposed to any market, credit or liquidity risk within the consolidated entity.

19 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

Financial risk management is carried out by the consolidated entity under policies approved by the Members of the Board (the Board).

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(i) Market risk

Foreign exchange risk

The consolidated entity is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD), the Euro (EUR), the Japanese Yen (JPY) and the British Pound Sterling (GBP).

The consolidated entity's exposure to foreign exchange risk at reporting date, expressed in Australian dollar, was as follows:

Consolidated	30 June 2026				30 June 2025			
	USD \$'000	EUR \$'000	JPY \$'000	GBP \$'000	USD \$'000	EUR \$'000	JPY \$'000	GBP \$'000
Cash and cash equivalents	141	37	178	95	60	135	735	29
Net exposure	141	37	178	95	60	135	735	29

The consolidated entity uses derivative financial instruments such as foreign exchange contracts to hedge risk exposures. The derivative financial assets and liabilities held by the consolidated entity have been classified as level 2 on the fair value hierarchy as values are indirectly derived from market indices. Trading for profit is strictly prohibited.

The consolidated entity's foreign exchange risk management policy dictates the level of hedging to be undertaken within the Board approved limits.

Derivatives are recognised at fair value.

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value interest rate risk. The Queensland Treasury Corporation (QTC) has been authorised to manage the interest rate risk of the consolidated entity within limits in accordance with the risk profile approved by the Board.

Borrowings are classified as current liabilities unless the consolidated entity has the right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities at amortised cost

The fair value of borrowings is provided by the QTC. Fair value is calculated using the market value of the underlying debt portfolio, or in the case of fixed rate loans on a discounted cash flow basis. The carrying amounts and fair values of borrowings at reporting date are:

Consolidated	2026		2025	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<i>Non-traded financial liabilities</i>				
Current lease liabilities (secured)	13,754	13,754	14,077	14,077
Non-current lease liabilities (secured)	98,941	98,941	49,648	49,648
Non-current borrowings (unsecured)	5,953,000	5,753,069	5,803,000	5,711,363
	6,065,695	5,865,764	5,866,725	5,775,088
Weighted average interest rate	4.9%		4.5%	

19 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

The following table summarises the sensitivity of the consolidated entity's debt with QTC to interest rate risk:

Consolidated 30 June 2026	Carrying amount \$'000	Interest rate risk			
		-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Client Specific Debt Pool	5,538,000	3,363	3,363	(3,038)	(3,038)
Total increase / (decrease)		3,363	3,363	(3,038)	(3,038)
30 June 2025					
Client Specific Debt Pool	5,388,000	3,496	3,496	(3,020)	(3,020)
Total increase / (decrease)		3,496	3,496	(3,020)	(3,020)

Debt is drawn from facilities with QTC incorporating fixed and floating debt and is initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Interest is accrued and paid monthly.

The short-term borrowing arrangements with QTC are interest bearing. The borrowing arrangements are subject to annual review.

Borrowing costs which are directly attributable to the construction of material qualifying assets are recognised as part of the cost of the asset. Qualifying assets are assets not funded from other sources, acquired from capital projects with a budget of more than \$1.0 million and take a substantial period of time to prepare for intended use or sale. The rate used to determine the amount of borrowing cost to be capitalised is the QTC interest rate applicable to the consolidated entity's outstanding borrowings during the year, in this case 4.93% (2025: 4.49%). During the year, interest costs of \$89.8 million were capitalised (2025: \$57.1 million).

(ii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any allowances for impairment of those assets, as disclosed in the statements of financial position and notes to the financial statements.

Policies are in place to ensure that sales of products and services are only made to customers with an appropriate credit history.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions and are approved by the Board. The consolidated entity has policies that limit the amount of credit exposure to any one financial institution.

The consolidated entity utilises a working capital facility with Queensland Treasury Corporation (QTC), investing any surplus daily. QTC has a rating of AA+, therefore the credit risk is minimal.

The consolidated entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity, other than amounts owing by the State of Queensland.

(iii) Liquidity risk

Liquidity risk management within the consolidated entity ensures sufficient cash to meet short-term and long-term financial commitments.

Financing arrangements

The amount of undrawn working capital facilities with QTC available at reporting date is \$250.0 million (2025: \$250.0 million).

Long-term borrowings are sourced from the Client Specific Debt Pool subject to annual approval of the Queensland State Treasurer. The consolidated entity may draw up to the amount of the approved borrowing program.

19 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

Borrowings are not secured.

Maturity analysis

The amounts disclosed in the maturity table below are the contractual undiscounted cash flows.

QTC long-term borrowings are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of this loan has been included in the over five years time band with no interest payment assumed in this time band.

Consolidated 30 June 2026	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000
Non-derivatives				
Trade payables	666,035	-	-	666,035
Borrowings	262,934	1,061,644	5,974,068	7,298,646
Lease liabilities	13,684	48,834	105,968	168,486
Total non-derivatives	942,653	1,110,478	6,080,036	8,133,167

30 June 2025

Non-derivatives				
Trade payables	521,122	-	-	521,122
Borrowings	236,345	954,118	5,837,922	7,028,385
Lease liabilities	14,217	44,787	10,942	69,946
Total non-derivatives	771,684	998,905	5,848,864	7,619,453

20 Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The responsible Ministers advise the appropriate methodology in determining the dividend payable annually.

The consolidated entity monitors capital on the basis of the total debt to total capital ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as borrowings and lease liabilities as shown in the statements of financial position. Total capital is calculated as equity as shown in the statements of financial position plus total debt.

The consolidated entity's total debt to total capital ratios are as follows:

	Notes	Consolidated 2026 \$'000	2025 \$'000
Borrowings	19	5,953,000	5,803,000
Lease liabilities	11	112,695	63,725
Total debt		6,065,695	5,866,725
Total equity		4,518,338	3,753,791
Total capital		10,584,033	9,620,516
Total debt to total capital ratio		57%	61%

20 Capital risk management (continued)

The consolidated entity is also required by QTC to maintain an Earnings Before Interest and Tax (EBIT) Interest Coverage of greater than 1.25:1, except where the total debt to total capital is greater than 70%, in which case the EBIT Interest Coverage must be at least 2:1. The consolidated entity has complied with this requirement for both the current and prior reporting periods.

Unrecognised items

21 Contingencies

Contingencies comprise guarantees either held or issued by the consolidated entity and assets and liabilities not qualifying for recognition at reporting date. A majority of the guarantees held relate to performance guarantees on construction contracts provided by third parties.

The consolidated entity had contingencies at reporting date in respect of:

(a) Contingent assets

	2026 Fair value \$'000	2025 Fair value \$'000
Consolidated		
Third party guarantees	10,100	10,100
Bank guarantees	109,587	88,257
	119,687	98,357

The parent entity does not hold any guarantees.

(b) Contingent liabilities

Issues relating to common law claims and product warranties are dealt with as they arise. There were no material contingent liabilities requiring disclosures in the financial statements other than as set out below.

	2026 Fair value \$'000	2025 Fair value \$'000
Consolidated		
Non-qualifying liabilities	9,200	1,500
Bank guarantees	44,900	41,599
	54,100	43,099

The parent entity has not issued any guarantees.

Litigation

As at reporting date, the following cases were filed in the courts naming Queensland Rail as defendant:

	Consolidated 2026	2025	Parent 2026	2025
Number of cases before the Federal Circuit Court	1	-	1	-
Number of cases before the Supreme Court	1	2	1	2
Number of cases before the District Court	2	7	2	7
Number of cases before the Magistrates Court	1	1	-	1

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

22 Commitments

Commitments for capital expenditure (excluding GST) at reporting date are payable as follows:

Consolidated	2026 \$'000	2025 \$'000
Within one year	369,936	164,442
Later than one year but not later than five years	454,756	209,216
Later than five years	942	1,132
	825,634	374,790

The parent entity does not have any commitments payable.

23 Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

Other items

24 Key management personnel disclosures

(a) Responsible Ministers

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The consolidated entity does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet.

The responsible Ministers of Queensland Rail and its subsidiaries during the year ended 30 June 2026 were:

- D Janetzki MP
Treasurer, Minister for Energy and Minister for Home Ownership
- B Mickelberg MP
Minister for Transport and Main Roads

(b) Members, Directors and specified executives

Compensation and other terms of employment for the specified executives are formalised in service agreements.

Details of the compensation of each specified Member, Director and executive are as follows:

	2026 \$'000	2025* \$'000
Short-term benefits	5,579	5,818
Long-term benefits	92	89
Post-employment benefits	536	567
Termination benefits	-	142
	6,207	6,616

* The prior year aggregate includes all compensation provided to individuals who held a key management personnel role, however, the remuneration tables for Members, Directors and specified executives only includes information for individuals holding key management personnel roles during the current reporting period.

Short-term benefits includes cash salary, annual leave and long service leave paid and accrued in the reporting period, fees and non-monetary benefits. Non-monetary benefits represent the value of Exempt and Reportable Fringe Benefits for the respective Fringe Benefits Tax year.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation

(i) *Members and Directors of Queensland Rail and subsidiaries*

2026		Short-term	Post-employment	
		Member fees \$'000	Super-annuation \$'000	Total \$'000
Members				
A Wellington	Chair	122	16	138
Appointment date: 8 August 2025				
Appointment term: 2 years 10 months				
D Marchant AM	Chair	15	2	17
Ceased: 8 August 2025				
S Cantwell*	Member	7	1	8
Ceased: 8 August 2025				
V Doogan	Member	7	1	8
Ceased: 8 August 2025				
J Haber	Member	61	8	69
Appointment date: 8 August 2025				
Appointment term: 2 years 10 months				
L Hewitt	Member	59	8	67
Appointment date: 8 August 2025				
Appointment term: 2 years 10 months				
L Lynch	Member	67	8	75
Appointment date: 1 October 2023				
Appointment term: 3 years				
M McCracken	Member	15	2	17
Appointment date: 26 March 2026				
Appointment term: 2 years 2 months				
W McMillan	Member	59	8	67
Appointment date: 8 August 2025				
Appointment term: 2 years 10 months				
H Watson	Member	7	1	8
Ceased: 8 August 2025				
Total		419	55	474

* This Member did not receive monetary benefits directly. Payments were made to Sascan Advisory Pty Ltd, of which he is a Director, on his behalf.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2025		Short-term	Post-employment	
		Member fees	Super-annuation	Total
		\$'000	\$'000	\$'000
Members				
D Marchant AM	Chair	132	16	148
S Cantwell	Member	66	8	74
V Doogan	Member	59	7	66
L Lynch	Member	64	7	71
H Watson	Member	66	8	74

All the Members listed above are Members of the Queensland Rail Board and Directors of the Queensland Rail Limited Board.

K Stapleton was appointed as Director of On Track Insurance Pty Ltd on 25 March 2021, with no set appointment term. As an employee of Queensland Rail, K Stapleton did not receive remuneration in her capacity as Director of On Track Insurance Pty Ltd.

S Cornish was appointed as Director of On Track Insurance Pty Ltd on 25 March 2021, with no set appointment term. As an employee of Queensland Rail, S Cornish did not receive remuneration in his capacity as Director of On Track Insurance Pty Ltd.

The above Members' remuneration amounts are not in addition to the amounts disclosed in the Key Management Personnel note of the Queensland Rail Limited financial statements as they were recharged by the entity in accordance with the Managed Services Agreement.

Members' and Directors' remuneration and terms of appointment are set by responsible Ministers. Members' and Directors' remuneration is subsequently reviewed on a periodic basis by responsible Ministers.

Members and Directors are not entitled to termination payments on termination of their period of service.

(ii) Specified executives of the consolidated entity

2026	Short-term		Long-term	Post-employment	Total
	Monetary benefits ¹	Non-monetary benefits	Long service leave ²	Super-annuation	
	\$'000	\$'000	\$'000	\$'000	\$'000
Specified executives					
K Stapleton Chief Executive Officer Appointment date: 12 April 2022 Appointment term: 5 years	971	6	28	119	1,124
N Backer* Head of SEQ	683	6	20	85	794
D Cavanagh* Group Executive Digital and Information	466	6	12	60	544
L Collins* Group Executive Strategy and Transformation (until 15 August 2025)	62	1	(33)	7	37
S Cornish* Head of Regional	677	6	12	32	727

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2026	Short-term	Long-term	Post-employment		
	Monetary benefits ¹	Non-monetary benefits	Long service leave ²	Super-annuation	Total
Specified executives	\$'000	\$'000	\$'000	\$'000	\$'000
L Fielding [^] Acting Group Executive Strategic Projects, Property and Portfolio (from 1 September 2025 until 12 October 2025)	43	-	1	4	48
K Jones* Chief Financial Officer and Group Executive Finance and Corporate Services	606	6	14	32	658
R Kilpatrick ^{^†} Acting Group Executive Safety, Engineering and Governance (from 13 October 2025)	288	4	6	26	324
D Mason ^{^†} Acting Group Executive Safety, Engineering and Governance (from 22 June 2026)	11	-	-	1	12
W McReight* Group Executive Major Projects (from 13 October 2025) Group Executive Major Projects, Engineering and Rail Safety (until 12 October 2025)	563	6	16	72	657
R Munn* Group Executive People, Wellbeing and Sustainability (from 13 October 2025) Group Executive People, Safety and Sustainability (until 12 October 2025)	569	6	11	32	618
R Peters* Group Executive Strategic Projects, Property and Portfolio (until 31 August 2025)	98	1	3	5	107
M Snell [^] Acting Group Executive Strategy and Transformation (from 11 August 2025 until 12 October 2025)	75	-	2	6	83
Total	5,112	48	92	481	5,733

¹ Includes annual leave payments and leave accrued in the period but not yet taken.

² Includes long service leave payments and long service leave accrued in the period but not yet taken. May include reversals of long service leave accruals if the 7-year entitlement period is not reached on cessation.

* These specified executives are tenured and have no expiry date.

[^] Non-executive employees, acting in specified executive positions.

[†] Overlapping periods represent leave coverage arrangements.

On 13 October 2025, a realigned enterprise operating model was implemented with some Executive responsibilities being altered from this date.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2025	Short-term		Long-term	Post-employment	
	Monetary benefits ¹ \$'000	Non- monetary benefits \$'000	Long service leave ² \$'000	Super- annuation \$'000	Total \$'000
Specified executives					
K Stapleton Chief Executive Officer	926	7	33	116	1,082
N Backer Head of SEQ	650	7	20	83	760
D Cavanagh Group Executive Digital and Information	479	7	11	59	556
L Collins Group Executive Strategy and Transformation	362	6	11	48	427
S Cornish Head of Regional	639	7	27	30	703
K Jones Chief Financial Officer and Group Executive Finance and Corporate Services	85	1	2	7	95
W McReight Group Executive Major Projects, Engineering and Rail Safety	387	5	34	50	476
R Munn Group Executive People, Safety and Sustainability	549	7	20	30	606
R Peters Group Executive Strategic Projects, Property and Portfolio	553	7	15	30	605

¹ Includes annual leave payments and leave accrued in the period but not yet taken.

² Includes long service leave payments and long service leave accrued in the period but not yet taken. May include reversals of long service leave accruals if the 7-year entitlement period is not reached on cessation.

The appointment authority for all specified executives is section 35 of the *Queensland Rail Transit Authority Act 2013*, with the exception of the Chief Executive Officer who is appointed under section 29. The responsibilities for each specified executive position are detailed in the Annual Report.

The above executives' remuneration amounts are not in addition to the amounts disclosed in the Key Management Personnel note of the Queensland Rail Limited financial statements as they were recharged by the entity in accordance with the Managed Services Agreement.

The above are the key executives representing the consolidated entity. These executives provide advice in relation to strategy and future direction of the consolidated entity under the business model adopted. On Track Insurance Pty Ltd does not have any senior executives who are involved in setting strategy or future direction for the entity and no On Track Insurance Pty Ltd executives are disclosed above for this reason.

Termination of the employment of an executive can be made by Queensland Rail to the specified executive either with notice, without notice or due to the incapacity of the specified executive, consistent with the expectations outlined in the Queensland Government's *Government Owned Corporation Chief and Senior Executive Employment Arrangements (May 2026)*.

Chief Executive provisions

The employment of the Chief Executive may be terminated by the Board at any time in accordance with section 30(3) of the *Queensland Rail Transit Authority Act 2013*.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

The employment of the Chief Executive may also be terminated by either party at any time giving the other party 3 months written notice of termination. When such termination occurs, the Chief Executive is entitled to the following:

- any accrued annual leave and accrued statutory entitlements to long-service leave;
- salary for the balance of the notice period (if Queensland Rail elects to make payment in lieu of the notice period); and
- if the termination is by Queensland Rail in circumstances other than serious misconduct or those stated in the relevant "Termination by Queensland Rail without notice" clause in the Chief Executive employment contract, a termination payment of the lesser of 3 months' salary, or salary for the remainder of the maximum term contract period, calculated from after the end of any relevant notice period.

No other termination or compensation payments are payable to the Chief Executive.

The employment of the Chief Executive may be terminated by Queensland Rail immediately, and without compensation, if the Chief Executive engages in misconduct or other unethical behaviour.

Senior Executive provisions

Consistent with the expectations outlined in the Queensland Government's *Government Owned Corporation Chief and Senior Executive Employment Arrangements (May 2026)*, all new appointments to senior executives are made on a maximum-term basis of between 3 to 5 years. Termination by notice can be made by the specified executive or Queensland Rail at any time by either party giving to the other 1 month written notice. When such termination occurs, specified executives that are tenured are entitled to the following:

- any accrued annual leave and accrued statutory entitlements to long-service leave;
- salary for the balance of the notice period (if Queensland Rail elects to make payment in lieu of the notice period); and
- if the termination is by Queensland Rail in circumstances other than serious misconduct or those stated in the relevant "Termination by Queensland Rail without notice" clause in the Senior Executive employment contract, a termination payment of the lesser of 1 months' salary, or salary for the remainder of the maximum term contract period, calculated from after the end of any relevant notice period.

Queensland Rail reviews the total fixed remuneration of eligible employees on 1 July each year. Senior Executives' individual remuneration reviews require Board approval consistent with the expectations outlined in the Queensland Government's *Government Owned Corporation Chief and Senior Executive Employment Arrangements (May 2026)*. Under these provisions, the Board has the discretion to approve annual total fixed remuneration increases to a maximum of 2.5% per annum, subject to the total fixed remuneration not exceeding the latest market median for the position's work value. The Board should act prudently and take account of the economic climate when considering annual total fixed remuneration increases. The 1 July 2025 total fixed remuneration reviews were determined under the previous *Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements (version dated 31 July 2024)* provisions.

The Chief and Senior Executives participate in the Queensland Rail performance management process aligned to the relevant financial year, with mid-year and end-of-year performance reviews. Annual performance results of the Executives are assessed and calibrated by the Chief Executive Officer and Group Executive People, Wellbeing and Sustainability. The Board is responsible for the assessment of the Chief Executive Officer's performance.

(iii) Performance payments

There are no Chief or Senior Executive positions that are eligible for performance payments and Queensland Rail no longer operates a Performance Payment Scheme.

24 Key management personnel disclosures (continued)

(d) Transactions with key management personnel

During the current and prior reporting periods:

- K Stapleton, specified executive of Queensland Rail and Queensland Rail Limited, was a Director of Australasian Railway Association. Queensland Rail Limited paid corporate membership, conference fees and course fees to Australasian Railway Association during these periods.
- S Cornish, specified executive of Queensland Rail and Queensland Rail Limited, was an Industry Director at Rail Industry Safety and Standards Board (RISSB) until 27 November 2025. Queensland Rail Limited paid corporate membership and course fees during these periods and subscription fees in the current reporting period to RISSB.
- R Munn, specified executive of Queensland Rail and Queensland Rail Limited, was a Director of TrackSAFE Foundation. Queensland Rail Limited paid corporate contribution and course fees to TrackSAFE Foundation during these periods.

During the prior reporting period:

- M Goss, Member of Queensland Rail and Director of Queensland Rail Limited until 31 May 2025, was a Director of Metro South Hospital and Health Services. Queensland Rail Limited paid for medical services during this period to Metro South Hospital and Health Services.
- T Winters, Member of Queensland Rail and Director of Queensland Rail Limited until 27 June 2025, was a non-executive leader of Santos. Queensland Rail Limited recovered fees associated with a wayleave agreement during this period.

All figures displayed below are exclusive of GST.

	Consolidated 2026 \$'000	2025 \$'000
Corporate membership, subscription fees and course fees - Rail Industry Safety and Standards Board	302	109
Corporate membership, conference fees and course fees - Australasian Railway Association	211	256
Corporate contribution and course fees - TrackSAFE Foundation	63	80
Medical services - Metro South Hospital and Health Services	-	156
Fee recovery - Santos	-	(42)
	576	559

25 Related party transactions

The consolidated entity does not have any related party transactions or loans to disclose as these transactions and balances are eliminated on consolidation.

(a) Transactions with related parties

The following transactions occurred with related parties:

	Parent	
	2026	2025
	\$'000	\$'000
Sale of goods and services to subsidiaries	1,534,346	1,476,709
Dividend revenue from subsidiaries	262,269	201,642
Dividend receivable from subsidiaries	262,269	201,642
Receivables from subsidiaries - current	434,006	428,006
Receivables from subsidiaries - non-current	43,873	52,190
Shares in subsidiaries	4,052,096	3,287,549

(b) Loans to / (from) related parties

	Parent	
	2026	2025
	\$'000	\$'000
<i>Loans to / (from) subsidiaries</i>		
Beginning of the year	(38,639)	(87,179)
Loans advanced	58,052	92,929
Loans repayments received	(57,826)	(44,389)
End of year	(38,413)	(38,639)

25 Related party transactions (continued)

(c) Transactions and outstanding balances with State of Queensland controlled entities

The entity is a statutory body and is owned by the Queensland State Government.

All material related party transactions are negotiated under commercial terms.

The consolidated entity transacted with other State of Queensland controlled entities during the year as set out below:

	Notes	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000	Nature of transaction
Revenue from continuing operations	1	2,820,170	2,636,437	-	-	Rail Transport Service Contract, government concessions and sales
Supplies and services	2	737,289	576,118	-	-	Consumables
Employee benefits expense	3	78,490	75,335	78,490	75,335	Payroll tax
Other expenses		7,822	7,034	-	-	Land tax, stamp duties and audit fees
Finance income		6,617	458	-	-	Interest revenue
Finance expenses	4	283,029	240,512	-	-	Interest and financing costs
Income tax equivalent expense	5	112,026	91,453	-	-	Income tax equivalent
Cash and cash equivalents	6	352,140	199,731	-	-	Short-term investments
Trade and other receivables	7	36,537	226,471	-	-	Rail Transport Service Contract and other accounts receivables
Current prepayments		519	509	-	-	Prepaid consumables
Trade and other payables	13	727,051	455,572	271,666	200,663	Dividend, Rail Transport Service Contract, interest, capital works, consumables and payroll tax payables
Current tax equivalent liabilities		13,456	2,203	13,456	2,203	Current tax equivalent payable
Other current liabilities		2,175	3,096	-	-	Asset funding and other income in advance
Non-current borrowings	19	5,953,000	5,803,000	-	-	Long-term borrowings
Other non-current liabilities		70,048	66,270	-	-	Asset funding in advance
Contributed equity		764,547	442,225	764,547	442,225	Capital contributions / (distributions)
Dividend declared	15	262,269	191,592	262,269	191,592	Dividend declared

26 Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiaries of Queensland Rail as at reporting date and the results of the subsidiaries for the year then ended.

Name of entity	Country of incorporation	Class of shares	Equity holding 2026 %	2025 %
Queensland Rail Limited	Australia	Ordinary	100	100
On Track Insurance Pty Ltd	Australia	Ordinary	100	100

The principal activities of Queensland Rail Limited are to carry out the key objectives of its parent, Queensland Rail, in accordance with the *Queensland Rail Transit Authority Act 2013*. Queensland Rail Limited retains title of all non-employee related assets, liabilities and contracts. The management of its assets are effected through the provision of employee services from Queensland Rail under a Managed Services Agreement.

The principal activities of On Track Insurance Pty Ltd are the provision of insurance coverage for all claims relating to events for both former parent, Aurizon Operations Limited (formerly QR National Limited) and Queensland Rail Limited up until 30 June 2010.

The Auditor-General of Queensland is the auditor of Queensland Rail Limited.

Inter-company transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-current inter-company loans may not be demanded by the other entity and do not become payable other than through settlement of obligations associated with the loans or one of the entities exits the wholly-owned consolidated entity.

The Managed Services Agreement between Queensland Rail and its subsidiary, Queensland Rail Limited, permits all inter-company balances between both entities to be legally offset and settled on a net basis at the end of each reporting period.

Accounting policies have been adopted consistently across the consolidated entity.

Investment in the subsidiary is accounted for at cost in the financial records of the parent entity.

Summarised financial information of the Queensland Rail Limited consolidated group:

	2026 \$'000	2025 \$'000
Total revenue and other income	3,166,951	2,963,797
Profit for the year	262,269	201,642
Total assets	12,582,868	11,311,297
Total liabilities	8,179,489	7,672,465

27 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity:

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
<i>Queensland Audit Office</i>				
Audit of the financial statements	758	798	65	65
Other statutory assurance services	150	-	-	-
	908	798	65	65

Total audit fees quoted by the Queensland Audit Office relating to the financial statements for the year ended 30 June 2026 are \$740,000 (2025: \$677,670).

28 Special payments

	Consolidated 2026 \$'000	2025 \$'000	Parent 2026 \$'000	2025 \$'000
Ex-gratia payments	810	191	810	191
	810	191	810	191

Special payments include ex-gratia expenditure and other expenditure that the consolidated entity is not contractually or legally obligated to make to other parties. The total of all special payments is disclosed within other expenses.

Special payments greater than \$5,000 include:

- Ex-gratia payments made to employees in the form of medical separations which are not required under their respective employment agreements in the current and prior reporting periods.
- Ex-gratia payments made in the form of a Death Benefit to the Trustee on behalf of deceased employees in the current reporting period.
- Ex-gratia payments made to employees in the form of settlement deeds for reasons including resignation or dismissal during the current and prior reporting periods.

29 Summary of other material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Queensland Rail and its subsidiaries, Queensland Rail Limited and On Track Insurance Pty Ltd.

Queensland Rail is a for-profit statutory body domiciled in Australia and owned by the Queensland State Government. Queensland Rail is required to carry out its functions as a commercial enterprise, as specified in section 10 of the *Queensland Rail Transit Authority Act 2013*. These financial statements are denominated in Australian dollars.

Queensland Rail is referred to in this financial report as the "entity" or the "parent". Queensland Rail together with its subsidiaries, Queensland Rail Limited and On Track Insurance Pty Ltd, are collectively referred to as the "consolidated entity".

During the year the principal activities of the consolidated entity consisted of the:

- management of railways;
- provision of rail transport services, including passenger services; and
- construction and maintenance of rail transport infrastructure.

These financial statements were approved for issue by the Members on 27 August 2026. The Members have the power to amend and reissue the financial statements.

29 Summary of other material accounting policies (continued)

(a) Basis of preparation

(i) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB);
- the *Financial and Performance Management Standard 2019*;
- Queensland Treasury's *Financial Reporting Requirements for Queensland Government Agencies* to the extent relevant; and
- other authoritative pronouncements.

(ii) New and amended standards adopted by the consolidated entity

The consolidated entity has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2025:

- AASB 2026-1 *Amendments to Australian Accounting Standards - Disclosures about Uncertainties in the Financial Statements*.

After evaluating the amendments listed above, the consolidated entity concluded that they did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) New standards and interpretations not yet adopted

The consolidated entity has reviewed new standards and amendments available for early adoption for the current financial year beginning 1 July 2025. These were not early adopted.

AASB 18 *Presentation and Disclosure in Financial Statements* applies to annual reporting periods beginning on or after 1 January 2027 and will replace AASB 101 *Presentation of Financial Statements*.

The standard introduces new presentation and disclosure requirements which are intended to enhance the relevance and transparency of financial statements. AASB 18 will not affect the recognition or measurement of any reported amounts.

The consolidated entity will further assess the impact of AASB 18 in future reporting periods.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain assets which, as stated, are at fair value.

(v) Going concern

The financial report for the consolidated entity is prepared on a going concern basis. Current liabilities exceed current assets by \$701.1 million. The consolidated entity has access to a short-term borrowing facility up to the amount of \$250.0 million of which \$250.0 million is undrawn as at reporting date (refer note 19(b)(iii)). The consolidated entity has also secured approval from the Queensland Government to source additional long-term borrowings in the 2026/27 financial year up to an amount of \$750.0 million to support the capital program throughout that year. In addition revenue through the Rail Transport Service Contract, adequate interest coverage and an adequate total debt to total capital ratio provides further assurance of the consolidated entity's status as a going concern.

The parent is a going concern as all costs incurred in providing employees to its subsidiary, Queensland Rail Limited, is recharged by the parent under a Managed Services Agreement with Queensland Rail Limited. All transactions for operating activities of the parent are undertaken through the Queensland Rail Limited banking facilities.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

29 Summary of other material accounting policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(c) Rounding of amounts / comparative restatements

Amounts included in the financial statements have been rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST unless GST is not recoverable, in which case it is included in the associated cost.

Trade receivables and trade payables are recorded inclusive of GST. Net GST receivable from or payable to the Australian Taxation Office is presented within other receivables or other payables.

Cash flows are presented on a gross basis, except for the GST components of investing and financing cash flows, which are classified as operating cash flows.

Queensland Rail and its subsidiaries are grouped for GST purposes. Inter-company transactions within the GST group do not attract GST. Queensland Rail, as the representative member, reports all GST liabilities and credits for the group.

(e) Contributed equity

Equity injections and distributions of equity are treated as a change in the value of contributed equity.

(f) Insurance

The consolidated entity insures against risks which are largely uncontrollable, have significant or catastrophic consequences for assets and / or revenue and the aggregate costs of which would exceed the limit of exposure the organisation is prepared to accept.

Insurance cover has accordingly been effected for a variety of such risks. Other areas of risk exposure are self-insured, including workers' compensation.

Until 30 June 2010, self-insurance and other underwriting activities were performed by Queensland Rail's wholly-owned subsidiary, On Track Insurance Pty Ltd. On Track Insurance Pty Ltd was transferred from Aurizon Operations Limited (formerly QR National Limited) on 6 October 2010 and will continue to provide cover for claims relating to events up until 30 June 2010 for both Queensland Rail and the Aurizon Operations Limited group.

Management certificate

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material aspects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland Rail and its controlled entities for the financial year ended 30 June 2026 and of the financial position of the consolidated entity at the end of that year.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



K Stapleton
Chief Executive Officer

Brisbane, Qld
27 August 2026



A Wellington
Chair

Brisbane, Qld
27 August 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Rail

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Rail (the parent) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2026, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the management certificate.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.
- c) In my opinion, the financial report:
 - i. gives a true and fair view of the parent's and group's financial position as at 30 June 2026, and their financial performance and cashflows for the year then ended
 - ii. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report for the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Depreciation expense (\$448.3 million)

Refer to note 9(a) and 9(d) in the financial report

Key audit matter	How my audit addressed the key audit matter
Depreciation expense is a significant balance that requires management to forecast the useful life of assets and their component parts.	My procedures included but were not limited to: • assessing the useful life estimates of assets and their component parts by: • reviewing management's annual assessment of useful lives and condition assessments. This represents a comprehensive review of all assets • for a sample of remaining useful life reviews examining supporting documentation and confirming revised estimates to the fixed asset register • checking the consistency of useful lives compared to the prior year • comparing useful life assessments recorded in the fixed asset register to the disclosed accounting policy • reviewing for evidence of asset obsolescence, failure or disposals that could indicate a need to review useful life assumptions • reviewing for evidence that the entity will use assets for longer than the useful lives estimated for valuation and depreciation purposes • for a sample of assets, recalculating depreciation expense • evaluating remaining useful life estimates for reasonableness with reference to management's documented assessments, historical disposal rates, condition assessments for older assets, and long-term asset management plans and budgets.

Indicators of impairment of property, plant and equipment

Refer to note 9(e) of the financial report

Key audit matter	How my audit addressed the
Management have considered the existence of impairment indicators during 2025–26 and performed an impairment test to ensure that the asset's carrying value was greater than its value in use. The impairment assessment is complex, and management adopts assumptions in developing inputs used in the discounted cashflow models to calculate an asset's value in use.	My procedures included but were not limited to: • assessing the adequacy of management's review of the impairment process • obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness for the impairment test with reference to common industry practice • challenging the reasonableness of key assumptions based on my knowledge of the entity and industry

Key audit matter	How my audit addressed the
	- assessing the identification of cash generating units and input assumptions adopted by management in the value in use model, including the allocation of transport service contract revenue - evaluating the reasonableness of management's documented considerations of indicators of impairment against my knowledge of the entity - reviewing the accuracy of calculations used in the value in use model - reviewing the impairment model to assess the models used and the reasonableness of key assumptions applied in the assessment against my knowledge of the entity and industry - reviewing the asset impairment accounting policies disclosures in the financial statements for consistency with Australian Accounting Standards.

Other information

The directors of the entity are responsible for the other information.

The other information comprises the information included in the entity's annual report for year ended 30 June 2026 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Auditor-General Act 2009 and Corporations Act 2001, I have formed a separate review conclusion on specified Sustainability Disclosures.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Board for the financial report

The Board is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements

- assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar5.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at:

www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.



Rachel Vagg
Auditor-General

27 August 2026

Queensland Audit Office
Brisbane