Queensland Rail Limited

ABN 71 132 181 090

Financial report for the year ended 30 June 2025

Queensland Rail Limited
ABN 71 132 181 090
Financial report - 30 June 2025

Contents

Directors' report

The Directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Queensland Rail Limited and the entity it controlled at the end of, or during, the year ended 30 June 2025.

Directors

A Wellington, Chair (appointed 8 August 2025)
D Marchant AM, Chair (ceased 8 August 2025)
S Cantwell (ceased 8 August 2025)
V Doogan (ceased 8 August 2025)
M Goss (ceased 31 May 2025)
J Haber (appointed 8 August 2025)
L Hewitt (appointed 8 August 2025)
L Lynch
W McMillan (appointed 8 August 2025)
H Watson (ceased 8 August 2025)
T Winters (ceased 27 June 2025)

Information relating to Directors' remuneration is contained in note 23 of the financial report.

Principal activities

During the year the principal activities of the group consisted of the:
- management of railways;
- provision of rail transport services, including passenger services; and
- construction and maintenance of rail transport infrastructure.

Review of operations

The profit of the group for the financial year amounted to $201.6 million (2024: $140.6 million).

The group's shared purpose is to connect communities with a vision to deliver world-class rail services for our customers through our strategic priorities:
- Ensuring safety comes first, always;
- Delivering value for our customers and communities; and
- Building a proud, inclusive, customer-oriented organisation.

In the current reporting period, the group continued to drive cultural and strategic changes to enhance operational efficiency, customer satisfaction, and alignment with Queensland’s broader transport objectives. Through the 'Ready for Growth' transformation program, Queensland Rail Limited made significant progress in improving on-time running, infrastructure reliability, and rollingstock maintenance practices. These initiatives aim to deliver a more integrated and customer-focused public transport structure for Queensland, supporting the state’s growing population and economic development.

Dividends

In respect of the financial year ended 30 June 2025, a dividend of $201.6 million was declared to the holders of fully paid ordinary shares (2024: $140.6 million). This dividend will be paid on or before 30 November 2025. Refer to note 14.

Significant changes in the state of affairs

No significant changes in the state of affairs of the group occurred during the financial year.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The group will continue to work collaboratively with the Queensland Government and key stakeholders to deliver major infrastructure projects and operational improvements. Key deliverables include:
- European Train Control System - Progressing the rollout of this advanced signalling technology to enhance safety, improve network capacity, and integrate seamlessly with the Cross River Rail project.
- Cross River Rail - Continuing to work closely with the Cross River Rail Delivery Authority to integrate the new tunnels and associated infrastructure into the existing Queensland Rail network. A significant milestone was achieved in the current reporting period with the first Queensland Rail train journey through a Cross River Rail tunnel.
- Queensland Train Manufacturing Program - Supporting the delivery of locally manufactured trains to enhance fleet capacity and reliability, ensuring the group is well-positioned to meet future demand.
- Station Accessibility Upgrades - Completing major accessibility upgrades at stations such as Lindum, Morningside, Buranda, Banyo, Bundamba, and Burpengary, ensuring the rail network is more inclusive and accessible for all customers.

These infrastructure projects and upgrades will significantly increase the group's capacity to meet the growing demand for rail services in South East Queensland, particularly in preparation for the Brisbane 2032 Olympic and Paralympic Games. The group remains committed to delivering safe, reliable, and customer-focused rail services while supporting Queensland’s economic growth and sustainability objectives.

Environmental regulation

The group is required to comply with relevant environmental legislation. Exposure in this area is primarily related to air, land and water pollution, management of flora and fauna, environmental approvals associated with works, reporting of energy and greenhouse gas emissions, management of contaminated land, and managing waste.

It is not possible for the group to provide an estimate of the future expenditure in these areas due predominantly to integration of obligations into existing business process and the variability of ad hoc obligation application dependant on activity scope and timeframe. Furthermore, expenditure associated with responding to matters such as environmental incidents are unpredictable.

Key regulatory obligations to which the group is subject are as follows:
- *Aboriginal Cultural Heritage Act 2003*
- *Agricultural Chemicals Distribution Control Act 1966 and Regulation 2021 (Qld)*
- *Environmental Protection Act 1994 and Regulation 2019 (Qld)*
- *Environment Protection and Biodiversity Conservation Act 1999 and Regulations 2000 (Commonwealth)*
- *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989 and Regulations 1995 (Commonwealth)*
- *National Greenhouse and Energy Reporting Act 2007 and Regulations 2008 (Commonwealth)*
- *Fisheries Act 1994 and Fisheries (General) Regulation 2019 (Qld)*
- *Planning Act 2016 and Regulation 2017 (Qld)*
- *Biosecurity Act 2014 and Regulation 2016 (Qld)*
- *Coastal Protection and Management Act 1995 and Regulation 2017 (Qld)*
- *Nature Conservation Act 1992 and Regulations (Animals 2020, Plants 2020, and Koala Conservation Plan 2017) (Qld)*
- *Torres Strait Islander Cultural Heritage Act 2003*
- *Vegetation Management Act 1999 and Regulation 2023 (Qld)*
- *Waste Reduction and Recycling Act 2011 and Regulation 2023 (Qld)*
- *Water Act 2000 and Regulation 2000 and Regulation 2016 (Qld)*
- *Wet Tropics World Heritage Protection and Management Act 1993 and Wet Tropics Management Plan 1998 (Qld)*

All compliance reporting obligations were met during the period.

The group coordinates with the Department of Environment, Tourism, Science, and Innovation (DETSI) and other regulators on relevant environment incidents, investigations and other matters as required.

The group continues to actively monitor and prepare for any upcoming legislative changes.

Directors' report (continued)

Information on Directors and officers

A Wellington *BCom (Hons), MAcc, CA, GAICD, SF FIN* Chair

Mr Wellington was appointed as a Non-Executive Director and Chair on 8 August 2025. Mr Wellington is an experienced senior leader with more than 20 years' experience in a range of strategic roles across Australia and overseas.

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

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

Mr Wellington is currently Independent Chair of Ellerslie Farms, one of Australia's largest egg producers, and Chair of its Finance and Risk Committee and Safety and Sustainability Committee. He is also Chair of the Brisbane Lions, who compete in the Australian Football League (AFL), and Chair of its Finance Committee, and served on the 2020 Queensland Government AFL Grand Final Bid Committee that successfully bid for Queensland to host the 2020 AFL Grand Final.

D Marchant AM *GAICD* Chair

Mr Marchant was appointed as a Non-Executive Director on 7 October 2015, Interim Chair on 15 October 2018 and Chair on 29 March 2019. Mr Marchant has extensive Board experience and has held a number of Executive and Non-Executive roles across a range of sectors including rail, road, water, gas, electricity, logistics and supply chain management. Mr Marchant is a former Chief Executive Officer of the Australian Rail Track Corporation and Director and Chair of the Australasian Railway Association. Mr Marchant also served as a Director of the Rail Industry Safety and Standards Board.

He has also worked as Managing Director of Lend Lease Engineering and Managing Director of Lend Lease Infrastructure Services, and as a Director of the Hunter Valley Coal Chain Coordination Company Pty Ltd and is a former Non-Executive Director of Airservices Australia.

Mr Marchant was appointed a Member of the General Division of the Order of Australia in 2013 for significant service to the rail industry through national structural reform and infrastructure upgrades and has been a member of the Australian Institute of Company Directors since 2000.

Mr Marchant is a Non-Executive Director and Chair of the Port Authority of New South Wales, Chair of its Nominations Committee, and a member of its Audit and Risk Committee and People and Culture Committee.

Mr Marchant ceased to be Chair and a Director of Queensland Rail Limited on 8 August 2025.

S Cantwell *MBus, BBus, Grad Dip Transport & Logistics Management, Masters Degree in Integrated Logistics Management, FCILT, FCIEAM, GAICD* Director

Mr Cantwell was appointed as a Non-Executive Director on 1 October 2016. Mr Cantwell has more than 40 years' experience in a broad range of strategic, functional and customer-facing roles within multi-billion dollar national and international business environments. In his executive career, Mr Cantwell has worked in a range of C-suite and Chief Executive Officer roles in both the private and public sector.

During six years at publicly listed Bradken, Mr Cantwell managed a global network of steel foundries and sales offices supplying differentiated consumable and capital products to markets in the resources, freight rail and power generation sectors in Australasia, Africa, China, India; as well as North and South America.

In his 33-year career at Queensland Rail, Mr Cantwell worked across various functions from entry level roles through to Chief Executive Officer. Mr Cantwell led what was then Australia's largest transportation company through significant restructuring and change, delivering growth and innovation across a broad portfolio of activities. As a result, he has established a reputation as a national leader in freight and passenger transport, and in supply chain innovation.

Information on Directors and officers (continued)

Mr Cantwell is a Non-Executive Director of Newcastle Coal Infrastructure Group Pty Limited, Chair and Non-Executive Director of Tasmanian Railway Pty Ltd, and an *ex-officio* member of its Audit, Risk and Compliance Committee, Major Projects Committee and People, Safety and Environment Committee. Mr Cantwell is also a Non-Executive Director of Port of Brisbane Pty Ltd and a member of its People and Performance Committee, and a Non-Executive Director of Lindsay Australia Limited and Chair of its Health and Safety Committee.

Mr Cantwell ceased to be a Director of Queensland Rail Limited on 8 August 2025.

V Doogan *B Agr Sc (Hons), B Sc, M Sc* Director

Ms Doogan was appointed as a Non-Executive Director on 1 October 2023. She has over 20 years' experience in corporate governance, administration, risk assessment and management, industrial relations and policy development.

Ms Doogan was formerly President of Together Queensland Branch of the Australian Services Union, an Executive Committee member of the Queensland Council of Unions and a member of the Australian Services Union National Executive.

Ms Doogan is a Director of COEX Container Exchange (QLD) Limited and Chair of its People and Culture Committee; and a Director of Pacific Regional Development Foundation Limited.

Ms Doogan ceased to be a Director of Queensland Rail Limited on 8 August 2025.

M Goss *LLB* Director

Mr Goss was appointed as a Non-Executive Director on 1 October 2020. Mr Goss has over 30 years' experience as a lawyer in large and mid-tier Australian law firms and now practises in his own legal consultancy and holds a diverse range of Board positions.

Mr Goss has practised primarily in commercial law, agribusiness, banking and finance, and residential aged care.

Mr Goss is currently a Director of Metro South Hospital and Health Service (MSHHS) Board and member of its Audit and Risk Committee and Finance Committee; and an Executive Director of Beaumont Care Group of companies.

Mr Goss ceased to be a Director of Queensland Rail Limited on 31 May 2025.

J Haber Director

Mr Haber was appointed as a Non-Executive Director on 8 August 2025. Mr Haber is an accomplished technology executive and board director with extensive experience in digital transformation, cybersecurity and artificial intelligence across enterprise and government sectors.

As CEO of CapitalAI, Mr Haber 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 in 2020.

Mr Haber served as Non-Executive Director of 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 (ASIA), the Australian Computer Society (ACS) and the Peregian Digital hub.

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

Directors' report (continued)

Information on Directors and officers (continued)

L Hewitt *GAICD, MBA (Finance), BBus (Accounting)* Director

Ms Hewitt was appointed as a Non-Executive Director on 8 August 2025. With a career spanning senior leadership roles in finance, agribusiness and infrastructure, Ms Hewitt brings deep expertise in banking, governance and operations, risk management, supply chain, real estate and regional Australia.

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

Ms Hewitt is a Non-Executive Director of Northern Australia Infrastructure Facility.

L Lynch *BBus (Accountancy), MBA, FCPA, GAICD* Director

Ms Lynch was appointed as a Non-Executive Director on 1 October 2023. She is an accomplished senior executive with significant board experience gained over 30 years in public transport operations, rail, mining, infrastructure and finance.

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

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

Ms Lynch is currently a Commissioner of the National Transport Commission and a member of its Risk, Audit and Governance Committee; Director of Fawkes Infrastructure Bidco Pty Ltd (Ventura Bus Melbourne) and Chair of its Strategic Initiatives Committee, Member of its Audit and Risk Committee and its Environmental, Social and Governance Committee. Ms Lynch is a Director of JK Tech Pty Ltd and Chair of its Audit and Risk Committee, and a Member of the Brisbane Youth Services Management Committee and Chair of its Audit and Risk Committee.

W McMillan *BBus and Marketing, BA (Commerce/Government), GAICD* Director

Ms McMillan was appointed as a Non-Executive Director on 8 August 2025. Ms McMillan 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 Ms McMillan 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.

Ms McMillan is a Director of MPR Advisory.

H Watson *LLB, GradCertBus, MAICD* Director

Ms Watson was appointed as a Non-Executive Director on 6 June 2018. Ms Watson is a lawyer and governance consultant bringing more than 35 years as a private sector lawyer and partner in a regional and metropolitan practice in Queensland.

Ms Watson's non-executive director and commercial industry experience extends to industries relating to aged care, health and community services, affordable housing and Indigenous communities.

Ms Watson's governance experience, both as an advisor and director, includes organisations with large workforces, multiple locations, significant property interests, business model transitions, subsidiary structures and complex stakeholder interests.

Ms Watson is currently Chair and Member of Children's Health Queensland Hospital and Health Service Board; Chair of Uniting Care Australia; Chair and Director of SpArc Foundation Pty Ltd as trustee for the SpArc Foundation Trust; Chair and Member of Synod Board, Uniting Church in Australia Synod of NSW and ACT, Member of the Audit and Risk Committee of Transport for NSW; Chair and Director of Happy Hero Holdings Pty Ltd (trading as Like Family) and Chair of the Performance, Audit and Risk Committee of Australian Charities and Not-for-profits Commission.

Ms Watson ceased to be a Director of Queensland Rail Limited on 8 August 2025.

Directors' report (continued)

Information on Directors and officers (continued)

T Winters *BSc* Director

Ms Winters was appointed as a Non-Executive Director on 1 October 2020. Ms Winters is a senior executive with more than 35 years' experience in the resources and energy sectors. She has held senior corporate roles in issues management, government and regulatory affairs, media and communications, environment, land access, project commercialisation and construction, and asset management.

Ms Winters held a senior role in Federal public policy and politics for seven years and, for more than a decade, built and ran a successful government approvals and environmental management consultancy serving some of Australia's biggest resources companies and projects.

Ms Winters joined Santos in 2017 as Strategic Adviser External Affairs, responsible for government engagement and strategic communications, and is currently the Chief Strategy Officer and Chief of Staff.

Prior to joining Santos, Ms Winters was an adviser to Caltex Australia on public affairs and strategic issues management and was also a member of the QGC Executive Management team which developed the QCLNG Project in Queensland between 2011 and 2016.

Ms Winters ceased to be a Director of Queensland Rail Limited on 27 June 2025.

K Williams *LLB / BA, LLM* Company Secretary

Ms Williams was appointed as Company Secretary on 12 December 2024. Ms Williams holds a Bachelor of Laws (Hons) / Bachelor of Arts (Asian and International Studies) Law, Graduate Diploma in Applied Legal Practice, Graduate Diploma of Applied Corporate Governance, Master of Laws (LLM) and has 13 years' experience in senior governance roles within retail property, infrastructure, entertainment, mining and financial services industries.

Meetings of Directors

The number of meetings the company's Board of Directors and each Board Committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Board		Audit and Risk Committee		People, Safety and Environment Committee		Major Projects and Procurement Committee	
	A	B	A	B	A	B	A	B
D Marchant AM[1]	11	11	4	4	4	4	4	4
S Cantwell[2]	10	11	-	-	4	4	4	4
V Doogan[2]	10	11	-	-	4	4	-	-
M Goss[3]	9	10	3	3	3	3	-	-
L Lynch	11	11	4	4	4	-	4	4
H Watson[2]	11	11	4	4	4	4	-	-
T Winters[4]	9	11	-	-	-	-	3	4

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year

[1] Ceased as Chair and Director on 8 August 2025
[2] Ceased as Director on 8 August 2025
[3] Ceased as Director on 31 May 2025
[4] Ceased as Director on 27 June 2025

Indemnification and insurance of officers

During the financial year, Queensland Rail Limited paid a premium in respect of an insurance contract to indemnify officers against liabilities that may have arisen from their position as officers of the parent and its controlled entity. Officers indemnified include the Company Secretary, Directors and all executive officers participating in the management of the group.

Further disclosure required under section 300 of the *Corporations Act 2001* is prohibited under the terms of the contract.

Directors' report (continued)

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Rounding of amounts

The company is of a kind referred to in the *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Auditor

The Auditor-General of Queensland continues in office in accordance with section 327B(2) of the *Corporations Act 2001*, the Auditor-General is appointed in accordance with the *Auditor-General Act 2009*.

This report is made in accordance with a resolution of Directors.

A Wellington
Chair

Brisbane, Qld
29 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Queensland Rail Limited

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Queensland Rail Limited for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Queensland Rail Limited and the entities it controlled during the period.

29 August 2025

Rachel Vagg
Auditor-General

Queensland Audit Office
Brisbane

Consolidated statement of comprehensive income
for the year ended 30 June 2025

	Notes	2025 $'000	2024 $'000
Revenue from operations	1	**2,959,671**	2,660,434
Other income		**4,126**	4,326
Total revenue and other income		**2,963,797**	2,664,760
Supplies and services		**(611,098)**	(615,176)
Reimbursement of employee costs		**(1,355,197)**	(1,272,032)
Depreciation and amortisation		**(451,161)**	(417,611)
Other expenses		**(68,849)**	(15,476)
Total expenses		**(2,486,305)**	(2,320,295)
Operating profit		**477,492**	344,465
Finance income		**703**	1,462
Finance expenses	2	**(185,100)**	(146,411)
Net finance costs		**(184,397)**	(144,949)
Profit before income tax		**293,095**	199,516
Income tax expense	3	**(91,453)**	(58,905)
Profit for the year		**201,642**	140,611
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		-	479
Income tax relating to changes in the fair value of cash flow hedges	3	-	(144)
Other comprehensive income for the year		-	335
Total comprehensive income for the year		**201,642**	140,946

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet
as at 30 June 2025

	Notes	2025 $'000	2024 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**201,559**	1,933
Trade and other receivables	4	**269,337**	80,951
Prepayments		**24,961**	22,379
Inventories	5	**116,711**	137,581
Total current assets		**612,568**	242,844
Non-current assets			
Prepayments		**1,506**	584
Inventories	5	**43,128**	50,760
Property, plant and equipment	6	**10,513,689**	9,305,038
Intangible assets	7	**43,944**	42,783
Right-of-use assets	8	**54,358**	62,093
Deferred tax assets	9	**-**	-
Other assets		**42,104**	90,644
Total non-current assets		**10,698,729**	9,551,902
Total assets		**11,311,297**	9,794,746
LIABILITIES			
Current liabilities			
Trade and other payables	10	**1,082,548**	883,678
Borrowings		**-**	75,634
Lease liabilities	8	**14,077**	13,973
Provisions	11	**4,925**	3,927
Other liabilities		**13,797**	13,817
Total current liabilities		**1,115,347**	991,029
Non-current liabilities			
Trade and other payables	10	**52,190**	46,776
Borrowings		**5,803,000**	4,923,000
Lease liabilities	8	**49,648**	57,953
Provisions	11	**5,000**	5,396
Deferred tax liabilities	12	**561,465**	519,885
Other liabilities		**85,815**	54,100
Total non-current liabilities		**6,557,118**	5,607,110
Total liabilities		**7,672,465**	6,598,139
Net assets		**3,638,832**	3,196,607
EQUITY			
Contributed equity	13	**3,526,143**	3,083,918
Retained earnings		**112,689**	112,689
Total equity		**3,638,832**	3,196,607

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 30 June 2025

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2024		**3,083,918**	-	**112,689**	**3,196,607**
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	14	-	-	(201,642)	(201,642)
		442,225	-	**(201,642)**	**240,583**
Balance at 30 June 2025		**3,526,143**	-	**112,689**	**3,638,832**
Balance at 1 July 2023		**3,083,918**	**(335)**	**112,689**	**3,196,272**
Profit for the year		-	-	140,611	140,611
Other comprehensive income		-	335	-	335
Total comprehensive income for the year		-	**335**	**140,611**	**140,946**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	14	-	-	(140,611)	(140,611)
		-	-	**(140,611)**	**(140,611)**
Balance at 30 June 2024		**3,083,918**	-	**112,689**	**3,196,607**

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

Consolidated statement of cash flows
for the year ended 30 June 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**503,291**	403,636
Receipts from Rail Transport Service Contract (inclusive of GST)		**2,651,576**	2,488,364
Interest received		**252**	1,452
Payments to suppliers and employees (inclusive of GST)		**(2,171,020)**	(2,038,725)
Interest and other costs of finance paid		**(236,037)**	(185,242)
Net GST paid		**(127,978)**	(114,684)
Net cash inflow from operating activities	15	**620,084**	554,801
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		**(1,084,334)**	(961,868)
Proceeds from the disposal of property, plant and equipment and intangibles		**9,152**	5,770
Loans from related parties		**3,822**	-
Repayment of loans from related parties		**-**	(82,660)
Net cash (outflow) from investing activities		**(1,071,360)**	(1,038,758)
Cash flows from financing activities			
Proceeds from borrowings	17	**804,366**	538,634
Repayments of principal element of lease liabilities	17	**(12,853)**	(11,440)
Dividends paid	14	**(140,611)**	(149,793)
Net cash inflow from financing activities		**650,902**	377,401
Net increase / (decrease) in cash and cash equivalents		**199,626**	(106,556)
Cash and cash equivalents at the beginning of the financial year		**1,933**	108,489
Cash and cash equivalents at end of year		**201,559**	1,933

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

Contents of the notes to the consolidated financial statements

Notes to the consolidated statement of comprehensive income

1 Revenue from operations

	2025 $'000	2024 $'000
Revenue from contracts with customers		
Rail Transport Service Contract revenue	**2,540,289**	2,281,674
Network access revenue	**244,523**	212,209
Other revenue from customer contracts	**87,849**	87,901
Travel and Tourism revenue	**54,159**	48,332
Operating lease revenue	**30,096**	27,660
Other revenue		
Other revenue	**2,755**	2,658
	2,959,671	2,660,434

The group recognises revenue as performance obligations are satisfied and it is probable that future economic benefits will flow to the group. Revenue shall be measured at an amount that reflects the fair value of the consideration received or receivable.

(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.

As the performance obligations of the TSC are satisfied progressively, revenue is recognised over time with periodic adjustments.

Revenue for the provision of agreed services is fixed under the contract. This contract covers revenue to Queensland Rail Limited from the Department of Transport and Main Roads, on behalf of the State of Queensland, for services provided by Queensland Rail Limited associated with:

- Citytrain and City Network Services
  Queensland Rail Limited earns revenue for the delivery of train services on the City Network in accordance with the timetable and for maintenance of the City Network infrastructure. Scheduled services and non-scheduled services are the separately identifiable performance obligations for Citytrain, while the maintenance of infrastructure to a safe and fit for purpose standard throughout the year is the separately identifiable performance obligation for City Network.
- Travel and Tourism Services
  Queensland Rail Limited earns revenue associated with travel services provided to the public on Travel and Tourism Services. Scheduled services are the separately identifiable performance obligations for Travel and Tourism Services.
- Regional Infrastructure Services
  Queensland Rail Limited earns revenue for the maintenance of the Regional Network infrastructure. The separately identifiable performance obligation for Regional Network is the continued maintenance of the regional infrastructure to a safe and fit for purpose standard throughout the year. Revenue generated is recognised as the services are provided over time.
- Major Project Integration Services
  Queensland Rail Limited earns revenue for the provision of project and integration services provided to support the Cross River Rail and European Train Control System projects. The separately identifiable performance obligation for Major Projects Integration is the continued provision of support services for these projects throughout the year. Revenue generated is recognised as the services are provided over time.

(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.

1 Revenue from operations (continued)

(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) Income in advance from contracts with customers

2025	Travel and Tourism revenue $'000	Other revenue from customer contracts $'000	Rail Transport services contract revenue $'000	Total $'000
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)
Income in advance 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

2024				
Opening balance	5,841	18,725	6,278	30,844
Revenue recognised from the opening balance as performance obligations are satisfied	(5,841)	(2,474)	(2,521)	(10,836)
Income in advance recognised as performance obligations not yet satisfied	58,600	14,598	-	73,198
Revenue recognised as performance obligations are satisfied	(53,055)	(12,233)	-	(65,288)
Closing balance	5,545	18,616	3,757	27,918

2 Finance expenses

	2025 $'000	2024 $'000
Interest and finance charges on borrowings	**183,421**	144,748
Interest on lease liabilities	**1,329**	1,454
Other interest	**350**	209
	185,100	146,411

3 Income tax expense

Income tax expense for the period comprises current and deferred tax unless related to items recognised directly in equity. Income tax expense is recognised in the consolidated statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using the income tax rate, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method where temporary differences are identified by comparing the carrying amounts of assets and liabilities for financial reporting purposes to their tax bases.

(a) Income tax expense

	Notes	2025 $'000	2024 $'000
Current tax		**46,881**	32,405
Deferred tax		**43,372**	26,713
Adjustments for current tax of prior periods		**2,992**	(213)
Recognition of capital tax loss		**(1,792)**	-
		91,453	58,905

	Notes	2025 $'000	2024 $'000
Deferred income tax expense / (benefit) included in income tax expense comprises:			
(Increase) / decrease in deferred tax assets	9	**(12,163)**	3,346
Increase in deferred tax liabilities	12	**55,535**	23,367
		43,372	26,713

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

	2025 $'000	2024 $'000
Profit from continuing operations before income tax expense	**293,095**	199,516
Tax at the Australian tax rate of 30% (2024: 30%)	**87,929**	59,855
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Entertainment	**-**	3
Research and development	**67**	319
Luxury car tax	**5**	59
Other	**460**	(1,118)
Adjustments for current tax of prior periods	**2,992**	(213)
	3,524	(950)
Total income tax expense	**91,453**	58,905

(c) Amounts recognised directly in equity

	Notes	2025 $'000	2024 $'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:			
Net deferred tax - debited / (credited) directly to equity	9, 12	**-**	144
		-	144

3 Income tax expense (continued)

(d) Income tax consolidation

Queensland Rail, as the parent entity and its wholly-owned Australian subsidiaries Queensland Rail Limited and On Track Insurance Pty Ltd, are part of the Queensland Rail National Tax Equivalents Regime (NTER) income tax consolidated group. Income tax equivalent payments are made to the Queensland Government.

Under Interpretation 1052 *Tax Consolidation Accounting*, each subsidiary recognises the tax effects of its own transactions, while the parent entity records the group's aggregate current income tax liability and the benefit of any tax losses transferred to subsidiaries, to the extent that it is probable future taxable profits will be available to utilise them.

The income tax consolidated group compensates Queensland Rail for any current tax payable assumed and is compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Queensland Rail under income tax consolidation legislation. These amounts are recognised as non-current inter-company receivables or payables.

Notes to the consolidated balance sheet

4 Trade and other receivables

	2025 $'000	2024 $'000
Trade receivables	**233,402**	49,381
Less: allowance for impairment of trade receivables	**(34)**	(115)
	233,368	49,266
Rail Transport Service Contract receivables	**16,334**	8,173
Other receivables	**19,635**	23,512
	35,969	31,685
Total trade and other receivables	**269,337**	80,951

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 group 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debt. Trade receivables have not had a significant increase in credit risk since they were originated.

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

5 Inventories

	2025 Current $'000	2025 Non-current $'000	2025 Total $'000	2024 Current $'000	2024 Non-current $'000	2024 Total $'000
Raw materials and stores	**144,115**	**43,128**	**187,243**	143,532	50,760	194,292
Work in progress	**4,087**	**-**	**4,087**	3,779	-	3,779
Less: allowance for obsolescence and excess inventory	**(31,491)**	**-**	**(31,491)**	(9,730)	-	(9,730)
	116,711	**43,128**	**159,839**	137,581	50,760	188,341

(a) Inventory expense

Inventory recognised as expense during the year ended 30 June 2025 amounted to $79.7 million (2024: $68.4 million). Inventory capitalised to property, plant and equipment during the year ended 30 June 2025 amounted to $66.3 million (2024: $58.8 million).

Judgements and estimates

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.

The allowance for inventory obsolescence is determined based on management's assessment of specific inventory classes, primarily relating to infrastructure and rollingstock maintenance items. The allowance reflects a proportion of the value of inventory identified as slow-moving or obsolete during the reporting period. Damaged inventory is separately assessed and provided for as required.

During the current reporting period, management introduced enhanced reporting capabilities to improve the assessment of inventory levels, particularly in identifying excess inventory. This reporting provides greater detail and accuracy in evaluating inventory holdings, resulting in a revised estimate for the provision for excess inventory. This change, based on new information, has been recognised in the current reporting period.

6 Property, plant and equipment

(a) Movements in property, plant and equipment

	Work in progress $'000	Land $'000	Leased property $'000	Buildings $'000	Plant and equipment $'000	Major plant and equipment $'000	Infrastructure $'000	Leased plant and equipment $'000	Total $'000
At 1 July 2024									
Cost	1,877,046	90,714	21,700	957,399	445,323	2,138,346	8,245,004	-	13,775,532
Accumulated depreciation and impairment losses	-	(509)	(20,306)	(402,795)	(236,859)	(1,234,537)	(2,575,488)	-	(4,470,494)
Net book amount	1,877,046	90,205	1,394	554,604	208,464	903,809	5,669,516	-	9,305,038
Year ended 30 June 2025									
Opening net book amount	1,877,046	90,205	1,394	554,604	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)	-	100	84,127	42,221	174,722	606,203	6,107	-
Transfers to supplies and services	(270)	-	-	-	-	-	-	-	(270)
Transfers to State Government	-	(1,988)	-	-	-	-	-	-	(1,988)
Transfers from State Government	-	-	-	113,613	45,191	-	285,409	-	444,213
Disposals	-	(165)	(47)	(490)	(5,091)	(921)	(2,573)	-	(9,287)
Depreciation expense	-	-	(505)	(35,763)	(30,428)	(120,338)	(239,676)	(74)	(426,784)
Closing net book amount	2,165,874	88,052	942	716,091	260,546	957,272	6,318,879	6,033	10,513,689
At 30 June 2025									
Cost	2,165,874	88,190	21,531	1,151,760	508,240	2,182,503	9,111,575	6,107	15,235,780
Accumulated depreciation and impairment losses	-	(138)	(20,589)	(435,669)	(247,694)	(1,225,231)	(2,792,696)	(74)	(4,722,091)
Net book amount	2,165,874	88,052	942	716,091	260,546	957,272	6,318,879	6,033	10,513,689

6 Property, plant and equipment (continued)

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

	Work in progress $'000	Land $'000	Leased property $'000	Buildings $'000	Plant and equipment $'000	Major plant and equipment $'000	Infrastructure $'000	Leased plant and equipment $'000	Total $'000
At 1 July 2023									
Cost	1,410,393	91,208	21,700	923,999	436,412	2,040,667	7,955,529	-	12,879,908
Accumulated depreciation and impairment losses	-	(509)	(19,698)	(374,940)	(220,607)	(1,189,871)	(2,382,821)	-	(4,188,446)
Net book amount	1,410,393	90,699	2,002	549,059	215,805	850,796	5,572,708	-	8,691,462
Year ended 30 June 2024									
Opening net book amount	1,410,393	90,699	2,002	549,059	215,805	850,796	5,572,708	-	8,691,462
Additions	1,031,314	-	-	-	-	-	-	-	1,031,314
Transfers between asset classes	(553,578)	-	-	39,018	23,944	153,812	336,804	-	-
Transfers to supplies and services	(11,083)	-	-	-	-	-	-	-	(11,083)
Disposals	-	(494)	-	(572)	(3,037)	(651)	(9,724)	-	(14,478)
Depreciation expense	-	-	(608)	(32,901)	(28,248)	(100,148)	(230,272)	-	(392,177)
Closing net book amount	1,877,046	90,205	1,394	554,604	208,464	903,809	5,669,516	-	9,305,038
At 30 June 2024									
Cost	1,877,046	90,714	21,700	957,399	445,323	2,138,346	8,245,004	-	13,775,532
Accumulated depreciation and impairment losses	-	(509)	(20,306)	(402,795)	(236,859)	(1,234,537)	(2,575,488)	-	(4,470,494)
Net book amount	1,877,046	90,205	1,394	554,604	208,464	903,809	5,669,516	-	9,305,038

6 Property, plant and equipment (continued)

(b) Initial recognition

Items of expenditure which are expected to provide future economic benefits are recognised as an item of property, plant and equipment, when in excess of:
- $1 for land;
- $5,000 for plant and equipment and major plant and equipment;
- $10,000 for infrastructure and building assets; and
- $20,000 for capital spares.

Expenditure that does not meet the definition of an asset is treated as an operating expense in the period in which the expenditure is incurred. If capital spares cost less than $20,000, the item is recorded in inventory.

Property, plant and equipment is measured at cost less accumulated depreciation.

Work in progress

The cost of property, plant and equipment constructed by the group 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.

The transfers to supplies and services represent expenditure incurred over the life of capital projects that are expensed in the current year on the basis that they are operational in nature or comprise expenditure on capital works on behalf of third parties in accordance with the group's capitalisation policy.

Land

The *Transport Infrastructure Act 1994* stipulates that the group 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 group for no cost. The sublease term is for an initial term of 100 years with a renewal option for an additional 100 years.

Major plant and equipment

Rollingstock is considered to be major plant and equipment.

Gifted and donated assets

Assets received from government at no cost are measured at fair value and recognised as income in advance which is subsequently amortised to government grants revenue over the useful life of the asset. Fair value means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(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 group 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.

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.

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 (percentages range from 13.64% to 33.00%).

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

6 Property, plant and equipment (continued)

(d) Depreciation (continued)

Major spares purchased specifically for particular assets are recognised as an item of property, plant and equipment and depreciated in line with standard asset class lives.

Land and work in progress are not depreciated.

The depreciation rates used during the year were based on the following range of useful lives:

Infrastructure 6 - 100 years including:	
Rail	45 - 50 years
Sleepers	17 - 70 years
Ballast	30 years
Civil works	20 - 100 years
Bridges and tunnels	20 - 100 years
Electrification	15 - 50 years
Field signals	15 - 40 years
Infrastructure facilities	7 - 99 years
Telecommunications	6 - 50 years
Control and monitoring systems	10 - 30 years
Buildings 10 - 50 years including:	
Structures	15 - 50 years
Lifts and escalators	10 - 50 years
Air conditioning units	10 - 25 years
Fire and security equipment	10 - 30 years
Fit outs	10 - 15 years
Major plant and equipment 8 - 40 years including:	
Country and suburban cars	35 - 40 years
Locomotives	30 - 40 years
Overhauls	8 - 16 years
Plant and equipment	4 - 25 years

The remaining useful lives and residual value of assets are reviewed annually.

Judgements and estimates

On initial recognition management estimates the useful lives and residual value of property, plant and equipment. The useful life is based on the expected period of time over which economic benefits from use of the asset will be derived and the residual value is based on the consideration that may be received from a willing buyer at the end of the asset's useful life. Management reviews useful life and residual value assumptions on an annual basis having given consideration to variables including historical and forecast usage rates, technological advancements, changes in legal and economic conditions, condition of the asset and movement in market indices and prices. Any change in useful lives and residual values of property, plant and equipment is accounted for prospectively.

All asset classes are capitalised at their optimum componentised level to reflect current business replacement forecasts.

(e) Impairment

Assets, including work in progress, are tested for impairment annually to determine whether their carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's 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. The group identified three CGUs, being South East Queensland, Regional and Mount Isa.

Queensland Rail Limited's impairment calculations are based on the most recent budgets and forecast cash flow projections, which are prepared separately for each CGU.

An impairment assessment was performed as at 30 June 2025. No impairment losses were recognised in the current or prior reporting period.

6 Property, plant and equipment (continued)

(e) Impairment (continued)

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. These include:

- 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) Non-current assets pledged as security

No assets have been pledged as security by the group.

(g) Cross River Rail

In the 2018/19 financial year, the Queensland Government announced the delivery of the Cross River Rail (CRR) program comprising three major packages of work which will be delivered by a Consortia. This program includes:

- Tunnel, Stations and Development (TSD);
- Rail, Integration and Systems (RIS); and
- European Train Control System (ETCS) Level 2.

The CRR program will deliver vital infrastructure to support the growth and transformation of the group into a modern, customer-focused, world-class rail service and to cater for future public transport demand.

CRR comprises a 10.2 kilometre rail line, including 5.9 kilometres of twin tunnels under the Brisbane River and Central Business District (CBD). The program includes four new high-capacity underground stations, along with upgrades to existing stations owned by Queensland Rail Limited.

Delivery of the program is led by the Cross River Rail Delivery Authority (CRRDA), established under the *Cross River Rail Delivery Authority Act 2016*. Upon completion of this program, the group will operate the CRR network and provide passenger rail services in Queensland. This will require the safe and efficient delivery and integration of the CRR infrastructure into the existing South East Queensland rail network and operations.

During the current financial year, assets delivered as Work Package 1 (WP1) were recognised in Queensland Rail Limited's Fixed Asset Register following the gazettal of the Transfer Notice by the Queensland Government on 27 September 2024. These assets included:

- Mayne Yard North ($123.2 million);
- Yeronga Station and Overpass ($40.2 million); and
- Fairfield Station ($37.1 million).

An Enduring Designation and Section 78 Amendment to the Transfer Notice - Rail Related Assets was gazetted on 30 May 2025. This authorised the transfer of specified CRRDA delivered RIS assets under the Enduring Designation by way of an equity transfer. Following gazettal of this notice, contributions to the following RIS assets were transferred to Queensland Rail Limited:

- Rocklea Station ($37.9 million);
- Dutton Park Station ($49.0 million);
- Yeerongpilly Station ($14.5 million);
- Exhibition Station ($141.7 million); and
- Fairfield Station (additional costs to WP1 $0.6 million).

Judgements and estimates

The group will own and manage a portion of the assets associated with the CRR program including the ETCS Inner City network and RIS. Queensland Rail Limited, CRRDA and the Department of Transport and Main Roads are working collaboratively on the financial governance associated with this program.

The group recognises costs associated with the CRR RIS and ETCS programs as work in progress progressively as costs are incurred by the CRRDA and transferred to the group. The balance of work in progress includes costs directly attributable to the acquisition of the infrastructure assets, that is expected to generate future economic benefits to the group.

Assets funded by Queensland Rail Limited and delivered under the RIS and ETCS programs are recognised as work in progress in the consolidated balance sheet and transferred from work in progress to the Fixed Assets Register progressively as they are available for use and capable of operating in the manner intended by management.

6 Property, plant and equipment (continued)

(g) Cross River Rail (continued)

As at the reporting date, the composition of all CRR assets and their legal ownership was still to be determined by the Queensland Government.

7 Intangible assets

	Software under development $'000	Software $'000	Total $'000
At 1 July 2024			
Cost	12,392	172,287	184,679
Accumulated amortisation and impairment losses	-	(141,896)	(141,896)
Net book amount	12,392	30,391	42,783
Year ended 30 June 2025			
Opening net book amount	12,392	30,391	42,783
Additions	12,834	-	12,834
Transfers between asset classes	(5,092)	5,092	-
Disposals	-	(64)	(64)
Amortisation expense	-	(11,609)	(11,609)
Closing net book amount	20,134	23,810	43,944
At 30 June 2025			
Cost	20,134	174,135	194,269
Accumulated amortisation and impairment losses	-	(150,325)	(150,325)
Net book amount	20,134	23,810	43,944
At 1 July 2023			
Cost	9,517	170,140	179,657
Accumulated amortisation and impairment losses	-	(130,419)	(130,419)
Net book amount	9,517	39,721	49,238
Year ended 30 June 2024			
Opening net book amount	9,517	39,721	49,238
Additions	7,473	-	7,473
Transfers between asset classes	(4,152)	4,152	-
Transfers to supplies and services	(446)	-	(446)
Disposals	-	(269)	(269)
Amortisation expense	-	(13,213)	(13,213)
Closing net book amount	12,392	30,391	42,783
At 30 June 2024			
Cost	12,392	172,287	184,679
Accumulated amortisation and impairment losses	-	(141,896)	(141,896)
Net book amount	12,392	30,391	42,783

Costs incurred in developing products or systems and costs incurred in acquiring software and perpetual licence fees that will contribute to future period financial benefits are recognised as intangible assets. Costs recognised as intangible assets include external direct costs of materials and service and direct payroll related costs of employees' time spent on the project. Software under development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset. Software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the useful life which varies from 4 to 21 years.

7 Intangible assets (continued)

Software-as-a-Service (SaaS) arrangements are service contracts which provide the right to access the cloud provider's application software over the contract period. Costs incurred to access the application software are recognised as an expense in profit or loss over the period the services are provided. Costs incurred for configuration or customisation are usually expensed in profit or loss, except where these costs are for the development of software code that enhances or creates additional capability to existing systems or development costs of bridging modules and are recognised as an intangible asset when the recognition criteria are met.

Intangible assets have a threshold of $100,000. If the cost is under $100,000, expenditure is not recognised as an intangible asset and is treated as an operating expense in the period in which the expenditure is incurred.

Impairment of intangible assets is considered along with property, plant and equipment. Refer to note 6(e).

8 Leases

(a) Details of leasing arrangements as lessee

The group routinely enters into leases for land and buildings, telecommunication infrastructure and plant and equipment. Lease terms for leases that are recognised on the consolidated balance sheet can range from 1 to 30 years. Several leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use (ROU) asset or lease liability unless the group is reasonably certain it will renew the lease.

The group 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 group recognises the 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 group 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 group 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 group, 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 group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group 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 group, the group'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 group 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 group'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.

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.

8 Leases (continued)

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

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 group'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
- reasonably certainty of exercising options.

(i) Amounts recognised in the consolidated balance sheet

Right-of-use assets

	Land and buildings $'000	Infrastructure $'000	Plant and equipment $'000	Total $'000
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**
At 1 July 2023	**58,802**	**11,675**	**355**	**70,832**
Additions	1,557	1,009	625	3,191
Remeasurement	259	63	-	322
Depreciation / amortisation expense	(10,684)	(1,170)	(367)	(12,221)
Derecognised	-	(31)	-	(31)
At 30 June 2024	**49,934**	**11,546**	**613**	**62,093**

8 Leases (continued)

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

Lease liabilities

	Land and buildings $'000	Infrastructure $'000	Plant and equipment $'000	Total $'000
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**
At 1 July 2023	**70,046**	**9,862**	**362**	**80,270**
Additions	1,557	1,009	625	3,191
Remeasurement	259	63	-	322
Lease payments	(11,710)	(1,203)	(354)	(13,267)
Interest expense	1,186	247	21	1,454
Derecognised	-	(44)	-	(44)
At 30 June 2024	**61,338**	**9,934**	**654**	**71,926**

	2025 $'000	2024 $'000
Current lease liabilities	**14,077**	13,973
Non-current lease liabilities	**49,648**	57,953
	63,725	71,926

(ii) Amounts recognised in the consolidated statement of comprehensive income

	2025 $'000	2024 $'000
Depreciation charge of right-of-use assets		
Land and buildings	**11,224**	10,684
Infrastructure	**1,178**	1,170
Plant and equipment	**366**	367
	12,768	12,221
Lease liability - interest expense	**1,329**	1,454
Other - rental expense*	**684**	610

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

(iii) Amounts recognised in the consolidated statement of cash flows

The total cash outflow for leases in 2025 was $14.8 million (2024: $12.0 million).

8 Leases (continued)

(b) Details of leasing arrangements as lessor

The group 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:

	2025 $'000	2024 $'000
Within one year	**3,252**	5,228
Later than one year but not later than five years	**9,075**	8,332
Later than five years	**20,758**	19,757
	33,085	33,317

The total cash inflow for leases in 2025 was $5.8 million (2024: $6.1 million).

9 Deferred tax assets

	Notes	**2025 $'000**	2024 $'000
The balance comprises temporary differences attributable to:			
Accrued expenses		**7,529**	8,775
Capital losses		**3,290**	1,498
Provisions		**12,894**	6,209
Lease liabilities		**19,117**	21,578
Unearned revenue		**26,281**	17,096
Total deferred tax assets		**69,111**	55,156
Set-off of deferred tax liabilities pursuant to set-off provisions	12	**(69,111)**	(55,156)
Net deferred tax assets		**-**	-
Movements:			
Opening balance		**-**	-
Credited / (charged) to the consolidated statement of comprehensive income	3	**12,163**	(3,346)
Cash flow hedges		**-**	(144)
Recognition of unused capital tax loss		**1,792**	-
Set-off of deferred tax liabilities pursuant to set-off provisions	12	**(13,955)**	3,490
Closing balance at 30 June		**-**	-

Deferred tax is recognised for all taxable temporary differences between the carrying amount of assets and the corresponding tax base. Deferred tax assets and liabilities are offset only when there is a legally enforceable right and an intention to settle them on a net basis or simultaneously. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Judgements and estimates

The group's accounting policy for taxation involves management judgement, particularly in determining which arrangements are subject to a tax. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated balance sheet. Deferred tax assets, including those arising from unused tax losses and temporary differences, are recognised only when future taxable profits are considered probable.

10 Trade and other payables

	2025 Current $'000	2025 Non-current $'000	2025 Total $'000	2024 Current $'000	2024 Non-current $'000	2024 Total $'000
Trade payables	**423,560**	**-**	**423,560**	298,164	-	298,164
Inter-company payables	**428,006**	**52,190**	**480,196**	428,265	46,776	475,041
Dividend payable	**201,642**	**-**	**201,642**	140,611	-	140,611
Other payables	**29,340**	**-**	**29,340**	16,638	-	16,638
	1,082,548	**52,190**	**1,134,738**	883,678	46,776	930,454

Trade and other payables represent liabilities for goods and services provided to the group 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.

11 Provisions

	2025 Current $'000	2025 Non-current $'000	2025 Total $'000	2024 Current $'000	2024 Non-current $'000	2024 Total $'000
Litigation provision	**2,962**	**430**	**3,392**	3,878	841	4,719
Land remediation provision	**-**	**4,533**	**4,533**	49	4,519	4,568
Make good provision	**-**	**37**	**37**	-	36	36
Other provisions	**1,963**	**-**	**1,963**	-	-	-
	4,925	**5,000**	**9,925**	3,927	5,396	9,323

Provisions are recognised when the group 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. Provisions are not recognised for future operating losses.

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) Litigation provision

Provision is made for the estimated liability for litigation claims. Litigation claims are assessed separately for common law, statutory and asbestos claims.

Judgements and estimates

The determination of the provision required is dependent on a number of assumptions including the total future cost to finalise existing open claims.

(b) Land remediation provision

This provision recognises the estimated costs to remediate potential contaminated land in accordance with the group'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 is the present value of management's best estimate of the expenditure required to remediate and / or manage potentially affected land at the reporting date. Management undertake an annual review of provision balances. Detailed reviews supported by a suitable qualified external party are carried out approximately every 5 years with consideration given to technology developments and industry standards, and provisions updated accordingly.

11 Provisions (continued)

(b) Land remediation provision (continued)

Judgements and estimates

The determination of the provision required is dependent on estimations of the expenditure required to settle the land remediation or management obligation.

(c) Other provisions

A provision for flood repair expenditure resulting from North Queensland flooding in January and February 2025, Ex-Tropical Cyclone Alfred in March 2025 and heavy rainfall events in March 2025 was recognised in the period. Flood repair works commenced in February 2025 and are anticipated to be completed by December 2025.

The provision for flood repair costs represents the present value of management's best estimate of the incremental expenditure required to return impacted assets to their required operational condition.

(d) Movements in provisions

Movements in each class of provision during the financial year are set out below:

2025	Litigation 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	4,719	4,568	36		9,323
Charged / (credited) to profit or loss					
- additional provisions recognised	2,000	-	-	7,826	9,826
- unused amounts released	(288)	(245)	-	-	(533)
- unwind discount	-	210	1	-	211
Amounts used during the year	(3,039)	-	-	(5,863)	(8,902)
Carrying amount at end of year	3,392	4,533	37	1,963	9,925

12 Deferred tax liabilities

	Notes	2025 $'000	2024 $'000
The balance comprises temporary differences attributable to:			
Accrued income		**5,346**	1,332
Consumables and spare parts		**7,498**	10,492
Property, plant and equipment		**601,162**	544,338
Right-of-use assets		**16,307**	18,628
Prepayments		**263**	251
Total deferred tax liabilities		**630,576**	575,041
Set-off of deferred tax liabilities pursuant to set-off provisions	9	**(69,111)**	(55,156)
Net deferred tax liabilities		**561,465**	519,885
Movements:			
Opening balance		**519,885**	493,028
Charged to the consolidated statement of comprehensive income	3	**55,535**	23,367
Set-off of deferred tax liabilities pursuant to set-off provisions	9	**(13,955)**	3,490
Closing balance at 30 June		**561,465**	519,885
Deferred tax liabilities expected to be settled within 12 months		**(11,615)**	(7,388)
Deferred tax liabilities expected to be settled after more than 12 months		**573,080**	527,273

13 Contributed equity

(a) Share capital

	2025 $'000	2024 $'000
Ordinary shares		
Fully paid	**3,083,918**	3,083,918
Distributions of equity	**(1,988)**	-
Equity injections	**444,213**	-
Total contributed equity	**3,526,143**	3,083,918

(b) Movements in ordinary share capital

Details	**Number of shares**	**$'000**
Opening balance 1 July 2024	100	3,083,918
Capital distributions	-	(1,988)
Equity injections	-	444,213
Closing balance 30 June 2025	100	3,526,143
Opening balance 1 July 2023	100	3,083,918
Closing balance 30 June 2024	100	3,083,918

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

Ordinary shares are classified as equity.

Equity injections are treated as an increase in the value of issued shares.

14 Dividends

	2025 $'000	2024 $'000
Dividend declared	**201,642**	140,611
Dividend paid	**140,611**	149,793

A dividend of 2,016,423 dollars per share (2024: 1,406,114) was declared by the Board for the year ended 30 June 2025.

Notes to the consolidated statement of cash flows

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

	2025 $'000	2024 $'000
Profit for the year	**201,642**	140,611
Depreciation and amortisation	**451,161**	417,611
Losses on sale of non-current assets	**2,167**	8,978
Impairment of trade receivables	**44**	42
Inventory obsolescence	**25,388**	2,877
Change in operating assets and liabilities:		
(Increase) in trade receivables	**(188,409)**	(5,564)
(Increase) / decrease in inventories	**3,113**	(22,882)
(Increase) / decrease in other operating assets	**(3,885)**	181
Increase / (decrease) in trade payables	**5,113**	(36,672)
Increase in other liabilities	**123,148**	54,300
Increase / (decrease) in provisions	**602**	(4,681)
Net cash inflow from operating activities	**620,084**	554,801

16 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 6(a));
- transfer of property, plant and equipment from State Government (note 6(a)); and
- acquisition of right-of-use assets (note 8(a)(i)).

17 Reconciliation of liabilities arising from financing activities

	Borrowings $'000	Leases $'000	Total $'000
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
At 1 July 2023	4,460,000	80,270	4,540,270
Cash flows	538,634	(11,440)	527,194
Non-cash lease swaps	-	(373)	(373)
Acquisitions - finance leases	-	3,191	3,191
Revaluations - finance leases	-	322	322
Release - finance leases	-	(44)	(44)
At 30 June 2024	4,998,634	71,926	5,070,560

Risk

18 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 consolidated balance sheet when the group becomes party to the contractual provisions of the financial instrument. The group has the following categories of financial assets and financial liabilities:

	2025 $'000	2024 $'000
Financial assets		
Financial assets at AC		
Cash and cash equivalents	**201,559**	1,933
Trade and other receivables	**269,337**	80,951
Total financial assets	**470,896**	82,884
Financial liabilities		
Financial liabilities at AC		
Trade and other payables	**1,134,738**	930,454
Borrowings	**5,803,000**	4,998,634
Lease liabilities	**63,725**	71,926
Total financial liabilities	**7,001,463**	6,001,014

(b) Risks arising from financial instruments

The group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk.

Financial risk management is carried out by the group under policies approved by the Board of Directors (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 group 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 group's exposure to foreign exchange risk at reporting date was as follows:

	30 June 2025				30 June 2024			
	USD $'000	**EUR €'000**	**JPY ¥'000**	**GBP £'000**	USD $'000	EUR €'000	JPY ¥'000	GBP £'000
Cash and cash equivalents	**39**	**76**	**69,312**	**14**	13	388	81,850	1
Net exposure	**39**	**76**	**69,312**	**14**	13	388	81,850	1

The group uses derivative financial instruments such as foreign exchange contracts to hedge risk exposures. The derivative financial assets and liabilities held by the group 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 group'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. The group applies hedge accounting to transactions which are highly probable.

18 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

Interest rate risk

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

Borrowings are classified as current liabilities unless the group 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:

	2025		2024	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Non-traded financial liabilities				
Current lease liabilities (secured)	**14,077**	**14,077**	13,973	13,973
Non-current lease liabilities (secured)	**49,648**	**49,648**	57,953	57,953
Current borrowings (unsecured)	**-**	**-**	75,634	75,634
Non-current borrowings (unsecured)	**5,803,000**	**5,711,363**	4,923,000	4,663,132
	5,866,725	**5,775,088**	5,070,560	4,810,692
Weighted average interest rate	**4.5%**		4.0%	

The carrying amount of current borrowings in the prior year of $75.6 million represents the drawdown of funds from the working capital facility with QTC. In the current period the working capital facility was in credit to the amount of $199.7 million and is included in cash and cash equivalents.

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

		Interest rate risk			
		-1%		**+1%**	
30 June 2025	**Carrying amount $'000**	**Profit $'000**	**Equity $'000**	**Profit $'000**	**Equity $'000**
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)
30 June 2024					
Client Specific Debt Pool	4,508,000	2,889	2,889	(2,572)	(2,572)
Total increase / (decrease)		2,889	2,889	(2,572)	(2,572)

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.

18 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

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 group's outstanding borrowings during the year, in this case 4.49% (2024: 4.01%). During the year, interest costs of $57.1 million were capitalised (2024: $43.7 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 consolidated balance sheet and notes to the consolidated 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 group has policies that limit the amount of credit exposure to any one financial institution.

The group 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 unless the ratings decrease significantly.

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

(iii) Liquidity risk

Liquidity risk management within the group 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 (2024: $174.4 million).

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

Borrowings are not secured.

18 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

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.

30 June 2025	**Less than 1 year $'000**	**Between 1 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**
Non-derivatives				
Trade payables	880,906	52,190	-	933,096
Borrowings	236,345	954,118	5,837,922	7,028,385
Lease liabilities	14,217	44,787	10,942	69,946
Total non-derivatives	1,131,468	1,051,095	5,848,864	8,031,427
30 June 2024				
Non-derivatives				
Trade payables	743,067	46,776	-	789,843
Borrowings	259,715	743,742	4,982,488	5,985,945
Lease liabilities	12,902	12,370	7,717	32,989
Total non-derivatives	1,015,684	802,888	4,990,205	6,808,777

19 Capital risk management

The group'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 group 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 consolidated balance sheet. Total capital is calculated as equity as shown in the consolidated balance sheet plus total debt.

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

	Notes	**2025 $'000**	2024 $'000
Borrowings	18	**5,803,000**	4,998,634
Lease liabilities	8	**63,725**	71,926
Total debt		**5,866,725**	5,070,560
Total equity		**3,638,832**	3,196,607
Total capital		**9,505,557**	8,267,167
Total debt to total capital ratio		**62%**	61%

The group 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 group has complied with this requirement for both the current and prior reporting periods.

Unrecognised items

20 Contingencies

Contingencies comprise guarantees either held or issued by the group 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 group had contingencies at reporting date in respect of:

(a) Contingent assets

	2025 Fair value $'000	2024 Fair value $'000
Third party guarantees	**10,100**	10,100
Bank guarantees	**88,257**	99,506
Insurance company guarantees	**-**	2,129
	98,357	111,735

(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.

	2025 Fair value $'000	2024 Fair value $'000
Non-qualifying liabilities	**1,500**	1,500
Bank guarantees	**41,599**	32,640
	43,099	34,140

Litigation

A number of common law claims are pending against the group. Provisions are taken up for some of these exposures based on the Board's determination and are included as such in note 11.

21 Commitments

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

	2025 $'000	2024 $'000
Within one year	**164,442**	98,650
Later than one year but not later than five years	**209,216**	316,093
Later than five years	**1,132**	1,132
	374,790	415,875

22 Events occurring after the reporting period

On 8 August 2025, the Queensland Government announced changes to the Queensland Rail Limited Board. No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group.

Other items

23 Key management personnel disclosures

(a) Responsible Ministers

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The group 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 2025 were:

- D Janetzki MP
  Treasurer, Minister for Energy and Minister for Home Ownership
  (appointed 1 November 2024)
- B Mickelberg MP
  Minister for Transport and Main Roads
  (appointed 1 November 2024)
- C Dick MP
  Treasurer and Minister for Trade and Investment
  (ceased 27 October 2024)
- B Mellish MP
  Minister for Transport and Main Roads and Minister for Digital Services
  (ceased 27 October 2024)

(b) 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 Director and executive are as follows:

	2025 **$'000**	2024* $'000
Short-term benefits	**5,818**	5,509
Long-term benefits	**89**	58
Post-employment benefits	**567**	468
Termination benefits	**142**	-
	6,616	6,035

* The prior year aggregate includes all compensation provided to individuals who held a key management personnel role, however, the remuneration tables for 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.

23 Key management personnel disclosures (continued)

(c) Key management personnel compensation

(i) Directors of Queensland Rail Limited and On Track Insurance Pty Ltd

2025		**Short-term**	**Post-employment**	
Directors		**Director fees $'000**	**Super-annuation $'000**	**Total $'000**
D Marchant AM Reappointment date: 1 October 2023 Reappointment term: 2 years	Chair	132	16	148
S Cantwell* Reappointment date: 1 October 2023 Reappointment term: 2 years	Director	66	8	74
V Doogan Appointment date: 1 October 2023 Appointment term: 3 years	Director	59	7	66
M Goss Ceased: 31 May 2025	Director	59	7	66
L Lynch Appointment date: 1 October 2023 Appointment term: 3 years	Director	64	7	71
H Watson Reappointment date: 1 October 2023 Reappointment term: 2 years	Director	66	8	74
T Winters Ceased: 27 June 2025	Director	62	7	69
Total		508	60	568

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

2024		Short-term	Post-employment	
Directors		Director fees $'000	Super-annuation $'000	Total $'000
D Marchant AM	Chair	132	17	149
S Cantwell	Director	61	7	68
V Doogan	Director	42	5	47
M Goss	Director	58	6	64
L Lynch	Director	44	5	49
H Watson	Director	60	8	68
T Winters	Director	57	7	64

23 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

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 Directors' remuneration are amounts recharged from Queensland Rail in accordance with the Managed Services Agreement. The amounts were incurred by Queensland Rail on behalf of the company and are also disclosed in the Key Management Personnel note of the Queensland Rail financial statements.

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

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

(ii) Specified executives of the company

2025	**Short-term**		**Long-term**	**Post-employment**		
Specified executives	**Monetary benefits[1] $'000**	**Non-monetary benefits $'000**	**Long service leave[2] $'000**	**Super-annuation $'000**	**Term-ination benefits $'000**	**Total $'000**
K Stapleton Chief Executive Officer Appointment date: 12 April 2022 Appointment term: 5 years	926	7	33	116	-	1,082
N Backer* Head of SEQ	650	7	20	83	-	760
S Burton^† Acting Chief Financial Officer and Group Executive Finance and Corporate Services (from 7 January 2025 until 31 May 2025)	163	3	3	16	-	185
D Cavanagh* Group Executive Digital and Information	479	7	11	59	-	556
B Clark^† Acting Chief Financial Officer and Group Executive Finance and Corporate Services (from 7 October 2024 until 2 February 2025)	123	2	6	12	-	143
L Collins* Group Executive Strategy and Transformation (from 26 August 2024)	362	6	11	48	-	427
S Cornish* Head of Regional	639	7	27	30	-	703
R Holloway* Group Executive Major Projects, Engineering and Rail Safety (until 30 August 2024)	111	1	(72)	13	-	53

23 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2025	Short-term		Long-term	Post-employment		
Specified executives	**Monetary benefits[1] $'000**	**Non-monetary benefits $'000**	**Long service leave[2] $'000**	**Super-annuation $'000**	**Term-ination benefits $'000**	**Total $'000**
K Jones*† Chief Financial Officer and Group Executive Finance and Corporate Services (from 12 May 2025)	85	1	2	7	-	95
W McReight* Group Executive Major Projects, Engineering and Rail Safety (from 20 January 2025) Acting Group Executive Major Projects, Engineering and Rail Safety (from 31 August 2024 until 19 January 2025)	387	5	34	50	-	476
R Munn* Group Executive People, Safety and Sustainability	549	7	20	30	-	606
R Peters* Acting Group Executive Strategy and Transformation (until 25 August 2024) Group Executive Strategic Projects, Property and Portfolio	553	7	15	30	-	605
A Sehgal* Chief Financial Officer and Group Executive Finance and Corporate Services (until 31 October 2024)	221	2	(21)	13	142	357
Total	5,248	62	89	507	142	6,048

[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 coverage during leave or handover arrangements.

23 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2024	Short-term		Long-term	Post-employment	
Specified executives	Monetary benefits[1] $'000	Non-monetary benefits $'000	Long service leave[2] $'000	Super-annuation $'000	Total $'000
K Stapleton Chief Executive Officer	841	7	28	105	981
N Backer Head of SEQ	357	4	8	42	411
D Cavanagh Group Executive Digital and Information	29	-	1	3	33
S Cornish Head of Regional	612	7	25	29	673
R Holloway Group Executive Major Projects, Engineering and Rail Safety	565	7	18	74	664
R Munn Group Executive People, Safety and Sustainability	539	7	13	28	587
R Peters Acting Group Executive Strategy and Transformation Group Executive Strategic Projects, Property and Portfolio	554	7	13	27	601
A Sehgal Chief Financial Officer and Group Executive Finance and Corporate Services	576	7	14	28	625

[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 above executives' remuneration are amounts recharged from Queensland Rail in accordance with the Managed Services Agreement. The amounts were incurred by Queensland Rail on behalf of the company and are also disclosed in the Key Management Personnel note of the Queensland Rail financial statements.

The above are the key executives representing the group. These executives provide advice in relation to strategy and future direction of the group under the business model adopted. The subsidiary entity does not have any senior executives who are involved in setting strategy or future direction for the entity and no subsidiary 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. The formal policy concerning the termination of employment of Queensland Rail chief and senior executives is the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements (version dated 31 July 2024). This policy was issued by the Government in the 2014/15 period and is applicable to arrangements issued from this period.

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*.

23 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 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 6 months' salary.

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

Under the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements (version dated 31 July 2024), all new appointments to senior executives are on an ongoing (tenured) basis with no specific end date. 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 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 3 months' salary.

Queensland Rail reviews the total fixed remuneration of eligible employees on 1 July each year. Senior Executives' individual remuneration reviews require Board approval under the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements (version dated 31 July 2024). Under these provisions, the Board has the discretion to approve annual total fixed remuneration increases to a maximum of 10% 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 Chief and Senior Executives participate in the Queensland Rail performance management process based on biannual and annual performance reviews. Annual performance results of the Executives are assessed and calibrated by the Chief Executive Officer and Group Executive People, Safety 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.

(d) Transactions with key management personnel

During the current and prior reporting periods:

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

23 Key management personnel disclosures (continued)

(d) Transactions with key management personnel (continued)

During the current reporting period:

- T Winters, 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.

During the prior reporting period:

- S Riedel, specified executive of Queensland Rail Limited until 6 February 2024, was a Director of Move Bank. Queensland Rail Limited provided rental accommodation to Move Bank during this period. During the prior reporting period, the nephew of S Riedel provided electrical works to Queensland Rail Limited through his company South East Electrical and Airconditioning.
- S Cantwell, Director of Queensland Rail Limited, was a Director of Port of Brisbane Pty Ltd. Queensland Rail Limited paid for hire charges during this period to Port of Brisbane Pty Ltd.

All figures displayed below are exclusive of GST.

	2025 $'000	2024 $'000
Corporate membership, conferences and course fees - Australasian Railway Association	**256**	156
Medical services - Metro South Hospital and Health Services	**156**	32
Corporate membership and course fees - Rail Industry Safety and Standards Board	**109**	533
Corporate contribution and course fees - TrackSAFE Foundation	**80**	67
Electrical works - South East Electrical and Airconditioning	-	226
Hire charges - Port of Brisbane	-	4
Fee recovery - Santos	**(42)**	-
Rental revenue - Move Bank	-	(82)
	559	936

24 Related party transactions

(a) Transactions with related parties

The following transactions occurred with related parties:

	2025 $'000	2024 $'000
Purchase of goods and services from Queensland Rail	**1,476,709**	1,364,505
Dividend payable to Queensland Rail	**201,642**	140,611
Payables to Queensland Rail - current	**428,006**	428,265
Payables to Queensland Rail - non-current	**52,190**	46,776

(b) Loans from / (to) related parties

	2025 $'000	2024 $'000
Loans from / (to) parent		
Beginning of the year	**(87,179)**	(33,592)
Loans advanced	**92,929**	33,283
Loans repayments made	**(44,389)**	(86,870)
End of year	**(38,639)**	(87,179)

24 Related party transactions (continued)

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

The company is limited by shares with all shares held by Queensland Rail. Queensland Rail is owned by the Queensland State Government. All material related party transactions are negotiated under commercial terms.

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

	Notes	**2025 $'000**	2024 $'000	**Nature of transaction**
Revenue from continuing operations	1	**2,636,437**	2,375,582	Rail Transport Service Contract, government concessions and sales
Supplies and services		**576,118**	432,724	Consumables
Employee benefits expense		-	(22)	Payroll tax
Other expenses		**7,034**	5,183	Land tax, stamp duties and audit fees
Finance income		**458**	1,154	Interest revenue
Finance expenses	2	**240,512**	188,476	Interest and financing costs
Income tax expense	3	**91,453**	58,905	Income tax
Cash and cash equivalents		**199,731**	-	Short-term investments
Trade and other receivables	4	**226,471**	45,995	Rail Transport Service Contract and other accounts receivables
Current prepayments		**509**	478	Prepaid consumables -
Trade and other payables	10	**250,603**	139,868	Rail Transport Service Contract, interest, capital works, consumables and payroll tax payables
Current borrowings		-	75,634	Short-term borrowings
Other current liabilities		**3,096**	4,210	Asset funding and other income in advance
Non-current borrowings		**5,803,000**	4,923,000	Long-term borrowings
Other non-current liabilities		**66,270**	34,384	Asset funding in advance

25 Subsidiary

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

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding 2025 %**	2024 %
On Track Insurance Pty Ltd	Australia	Ordinary	**100**	100

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.

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

25 Subsidiary (continued)

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 group.

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 group.

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

26 Remuneration of auditors

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

	2025 $'000	2024 $'000
Queensland Audit Office		
Audit of the financial statements	**732**	557
	732	557

27 Superannuation expenses

	2025 $'000	2024 $'000
Defined benefit superannuation expense*	**12,085**	12,664
Defined contribution superannuation expense*	**124,911**	110,665
	136,996	123,329

* Forms part of reimbursement of employee costs.

28 Climate change

The group acknowledges climate change and is aware of the State of Queensland's wide range of information and resources relating to climate change risks, strategies and actions. Future reporting and disclosure on sustainability and ESG through the annual report will be aligned with government policy and the Queensland Government's Sustainability Reporting and disclosure requirements.

The group maintains an understanding of the key climate change hazards and the impacts physical climate risks may pose to its operations and asset base, including disruptions, incidents and changed maintenance / repair regimes. It also recognises there are risks and opportunities associated with a global and local transition to a low carbon economy. The group is progressing additional climate related risk and opportunity assessments, and the embedding of climate change considerations into strategy, planning and investment processes where applicable, to facilitate delivery of sustainable, resilient and fit for purpose operations.

Assessments of material accounting judgement and estimates associated with climate change risks are able to be considered through extant processes including those for potential changes in useful asset life, fair value of assets and the recognition of provisions or possible contingent liabilities.

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year as a result of climate-related risks impacting the current accounting estimates and judgements. The group continues to monitor the emergence of material climate-related risks that may impact financial statements, including those that may arise under Queensland Government climate-related policies or directives.

29 Parent entity financial information

The financial information for the parent entity, Queensland Rail Limited, has been prepared on the same basis as the consolidated financial statements, except that investments in subsidiaries are accounted for at cost in the financial statements of Queensland Rail Limited.

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Balance sheet	2025 $'000	2024 $'000
Current assets	**618,034**	248,310
Non-current assets	**10,703,729**	9,556,902
Total assets	**11,321,763**	9,805,212
Current liabilities	**1,115,346**	991,028
Non-current liabilities	**6,575,334**	5,625,326
Total liabilities	**7,690,680**	6,616,354
Net assets	**3,631,083**	3,188,858
Contributed equity	**3,520,339**	3,078,114
Retained earnings	**110,744**	110,744
Total equity	**3,631,083**	3,188,858
Profit or loss for the year	**201,642**	140,611
Total comprehensive income	**201,642**	140,946

(b) Guarantees entered into by the parent entity

The parent entity has not provided financial guarantees in respect of bank overdrafts and loans of subsidiaries.

In addition, there is no cross guarantee given by Queensland Rail Limited to On Track Insurance Pty Ltd.

(c) Contingent liabilities of the parent entity

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 except as outlined in note 20. All provisions except provision for insurance claims relate to the parent entity.

(d) Contractual commitments for the acquisition of property, plant or equipment

At reporting date, the parent entity had contractual commitments. For information about these commitments please see note 21. All commitments outlined in this note relate to the parent entity.

30 Summary of other accounting policies

The principal accounting policies adopted in the preparation of these consolidated 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 Limited and its subsidiary, On Track Insurance Pty Ltd.

Queensland Rail Limited is a for-profit corporation limited by shares, incorporated and domiciled in Australia and owned by Queensland Rail. Queensland Rail Limited is a wholly-owned subsidiary of Queensland Rail. 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*. Queensland Rail may carry out those functions directly, or indirectly via its subsidiary. These financial statements are denominated in Australian dollars.

30 Summary of other accounting policies (continued)

Queensland Rail Limited is referred to in this financial report as the "company" or the "parent". Queensland Rail Limited together with its subsidiary, On Track Insurance Pty Ltd, are collectively referred to as the "group".

These financial statements were approved for issue by the Directors on 29 August 2025. The Directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

(i) Compliance with Australian Financial Reporting Standards

The consolidated financial statements of the group comply with the Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2024:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current [AASB 101]; and*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants [AASB 101].*

After evaluating the amendments listed above, the group 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 group has reviewed new standards and amendments available for early adoption for the current financial year beginning 1 July 2024. These were not early adopted and based on current assessments, the group does not expect a material impact on the financial statements in future 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 group is prepared on a going concern basis. Current liabilities exceed current assets by $502.8 million. The group 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 18(b)(iii)). The group has also secured approval from the Queensland Government to source additional long-term borrowings in the 2025/26 financial year up to an amount of $1,060.0 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 group's status as a going concern.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group'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 group's functional and presentation currency.

(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.

30 Summary of other accounting policies (continued)

(c) Rounding of amounts / comparative restatements

The company is of a kind referred to in the *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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, except where GST is not recoverable from the Australian Taxation Office (ATO), in which case it is included in the cost of acquisition or expense.

Trade receivables and trade payables are shown inclusive of GST in the consolidated balance sheet. The net GST recoverable from, or payable to, the ATO is included with other receivables or payables.

Cash flows are presented on a gross basis, except for the GST component of investing or financing activities, which are disclosed as operating cash flow.

Queensland Rail and its subsidiaries are grouped for GST purposes. This means that any inter-company transactions within the group do not attract GST. Queensland Rail is the representative member of the GST group and is responsible for reporting all GST liabilities and credits on behalf of the group.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

(f) Reimbursement of employee costs

Queensland Rail Limited does not have any employees. The reimbursement of Queensland Rail employee costs disclosed in the consolidated statement of comprehensive income are amounts recharged by Queensland Rail in accordance with the Managed Services Agreement and external contractors engaged by Queensland Rail Limited.

(g) Insurance

The group 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 Limited'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 Limited and the Aurizon Operations Limited group.

(h) Environmental regulation

The group is subject to a variety of laws and regulations in the jurisdiction in which it operates or maintains land. Where remediation measures are probable and can be reliably measured, such costs incurred in complying with relevant laws and regulations are accounted for in accordance with the policy in note 11.