



George Passmore
Director – Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
BRISBANE QLD 4000

16 May 2024

Dear George

Regulatory Asset Base roll-forward - Financial Year (FY) 2023

In compliance with Schedule E, clause 1.3 of the 2017 Access Undertaking (**2017AU**), I am pleased to submit:

- the FY2023 Regulatory Asset Base roll-forward (**RAB roll-forward**) Report to the Queensland Competition Authority (**QCA**) for approval; and
- a statement signed by Aurizon Network's Executive Officer in accordance with Schedule E, clause 1.3(d).

The RAB roll-forward reflects the QCA's final decision¹ to approve Aurizon Network's FY2023 capital expenditure claim (totalling \$298.1 million in mid-year terms²) for inclusion into the RAB.

A summary of the RAB roll-forward for FY2023 is provided in **Attachment A** and a list of disposals from the RAB is provided in **Attachment B**. Aurizon Network confirms that there were no RAB related asset transfers in FY2023 and that the RAB roll-forward was conducted in accordance with the principles in Schedule E, clause 1.1.

Aurizon Network notes that a variance, specifically a \$12.4m reduction, exists between the opening RAB value for FY2023 and the closing RAB value for FY2022. This outcome is attributable to:

1. the permanent removal of \$12.7m Minerva user-funded assets from 1 July 2022, consistent with the QCA's final decision on the Minerva DAAU on 16 February 2023; and
2. correction of minor formula errors, which have the effect of increasing the Byerwen (NAPE) opening asset value by approximately \$0.36m.

Further information is included within the financial models provided to QCA in support of this submission.

¹ QCA (2024), Aurizon Network's 2022-23 capital expenditure claim, 18 April 2024.

² Or \$289.2m in 'Start of year' terms as reflected in the Roll-forward table provided in Attachment A.



These financial models contain commercially sensitive information and Aurizon Network requests that they are not published by the QCA.

Should you have any questions in relation to the RAB roll-forward, please do not hesitate to contact Sandra Xia via email: Sandra.Xia@aurizon.com.au.

Sincerely,

A handwritten signature in blue ink that reads "Dan Kearney".

Dan Kearney
Head of Finance and Regulation
Aurizon Network Pty Ltd

Attachment A

Central Queensland Coal Network – Regulatory Asset Base roll-forward

Figure 1 Total value of assets in the Regulatory Asset Base (RAB) as 30 June 2023

System	Opening Asset Value 2022/23 \$000s	2022/23 Capex \$000s	Plus inflation \$000s	less depreciation \$000s	Closing Asset Value 2022/23 \$000s	Disposals/transfers \$000s	Closing Asset Value as 30 June 2023 \$000s
Gooniyella Blackwater (incl WIRP but excl Rolleston, Minerva and MDS) (Rolleston incl WIRP)	1,565,341	115,099	106,423	129,361	1,657,502	-	1,657,502
Blackwater (Minerva) (MDS)	1,516,844	122,897	103,846	132,808	1,610,779	-	1,610,779
Blackwater (incl WIRP)	699,743	-	44,315	58,058	686,001	-	686,001
Moura (incl NAPE)	38,273	-	2,416	1,302	39,388	-	39,388
Newlands GAPE (incl Byerwen NAPE)	338,990	16,991	22,545	25,079	353,446	-	353,446
Gooniyella (Electric) GAPE (Electric)	386,198	21,543	25,774	19,945	413,570	-	413,570
Blackwater (Electric) Blackwater (Electric)	802,796	3,983	51,087	82,193	775,672	-	775,672
	229,096	4,993	14,825	18,324	230,590	-	230,590
	3,295	-	209	237	3,267	-	3,267
	210,925	3,655	13,590	18,749	209,421	-	209,421
	171,700	-	10,874	12,779	169,795	-	169,795
Total	5,963,202	289,160	395,904	498,836	6,149,431	-	6,149,431

Note: Capex is in start of year term

Figure 2 Value of RAB assets that are not included within a Reference Tariff

System	Opening Asset Value 2022/23 \$000s	2022/23 Capex \$000s	Plus inflation \$000s	less depreciation \$000s	Closing Asset Value 2022/23 \$000s	Disposals/transfers \$000s	Closing Asset Value as 30 June 2023 \$000s
Blackwater (deferred Minerva - coal)	22,693	-	1,430	-	24,123	-	24,123
Blackwater (Minerva - non-coal)	15,580	-	987	1,302	15,265	-	15,265
Newlands (NAPE)	146,792	-	9,248	-	156,040	-	156,040
GAPE (deferred RCS)	20,430	-	1,287	-	21,717	-	21,717
Total assets not included in Reference tariffs from FY2023	205,495	-	12,951	1,302	217,144	-	217,144

Please note that the total RAB values reported in Figure 1 include the asset values specified in Figure 2. Furthermore, it should be noted that the impacts of the GAPE and Newlands Pricing DAAU (approved by the QCA on 22 February 2024), take effect from 1 July 2023, and will be reflected in the FY2024 and FY2025 RAB roll-forward submissions.

Attachment B

Central Queensland Coal Network - Asset Disposals and Transfers

Figure 3 Asset Disposals

Asset ID	Description	Asset Class	Location	System	Net Proceeds
3989030	Mobile Radio	3501	JILALAN	GOONYELLA	0
3991940	Mobile Radio	3501	YUKAN	GOONYELLA	0
3993230	Mobile Radio	3501	YUKAN	GOONYELLA	0

Asset Transfers

There were no RAB related asset transfers in FY2023.



Aurizon Network Executive Officer Statement

**Pursuant to Schedule E, clause 1.3(d) of
Aurizon Network's 2017 Access Undertaking (2017AU)**

I confirm, to the best of my knowledge, that the information contained within Aurizon Network's Regulatory Asset Base roll-forward for Financial Year (FY) 2023 is, in all material respects, correct and based on the roll-forward principles outlined in Schedule E, clause 1.1.

A handwritten signature in blue ink, appearing to read "Pam Bains".

Pam Bains
Group Executive Network

15 May 2024