

Annual and Financial Report

2024-2025

General information

This is the consolidated Annual and Financial Report 2024-2025 (“the report”) of Queensland Rail (ABN 68 598 268 528) and its subsidiaries, Queensland Rail Limited (ABN 71 132 181 090) (QRL) and On Track Insurance Pty Ltd (ABN 18 095 032 670) (OTI). Queensland Rail is a statutory authority established under the *Queensland Rail Transit Authority Act 2013* (Qld) (*QRTA Act*) and is a statutory body for the purposes of the *Financial Accountability Act 2009* (Qld) and the *Statutory Bodies Financial Arrangements Act 1982* (Qld).

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

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

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

This report is available, along with other useful resources, via the Queensland Rail website: queenslandrail.com.au.

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Translation and interpreting assistance

Queensland Rail is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the report, please contact Queensland Rail on 13 16 17 and we will arrange an interpreter to share the report with you.



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The Honourable David Janetzki MP

Treasurer, Minister for Energy and Minister for Home Ownership
GPO Box 611
Brisbane Qld 4001

The Honourable Brent Mickelberg MP

Minister for Transport and Main Roads
GPO Box 1549
Brisbane Qld 4001

Dear Treasurer and Minister

Queensland Rail Annual and Financial Report 2024-2025

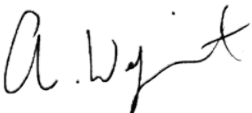
I am pleased to submit for presentation to the Queensland Parliament the Queensland Rail Annual and Financial Report 2024-2025. I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2019* (Qld); and
- the *Queensland Rail Transit Authority Act 2013* (Qld) and the *Corporations Act 2001* (Cth), and the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on pages 44-45 of this annual report. As outlined in the report, a dividend of \$191.6 million was declared for the year ended 30 June 2025.

The Board unanimously endorses the Queensland Rail Annual and Financial Report 2024-2025.

Yours sincerely



Andrew Wellington
Chair

8 September 2025

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Our business

Queensland Rail has been connecting communities for 160 years, supporting local jobs, industries and economies. We are committed to delivering world-class rail services that are safe and reliable for our customers.

With total assets of \$11.3 billion and a network that extends more than 6,600 kilometres (km) across the state, we are focused on delivering our services efficiently and sustainably to create value for our customers and Queenslanders.

Our 8,000-strong workforce delivers services across our South East Queensland (SEQ) and Regional networks, including Travel and Tourism services, and freight.

Our SEQ business provides 8,503 services each week, supporting our customers to reach their destinations safely and on time. Across the last financial year (FY25), 54.9 million passenger trips were taken on the SEQ network, an increase of more than 16 per cent when compared with FY24.

The regional commuter and rail tourism markets are serviced by the Travel and Tourism team. There are eight different service types connecting regional communities across Queensland with other regional centres and SEQ. These services support the Queensland tourism industry through the provision of unique rail tourism experiences.

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

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

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

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

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

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

Acknowledgement of Traditional Owners and Elders

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

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

We acknowledge that Reconciliation is an ongoing journey, and we are committed to walking it together, step by step. To learn more about our commitment to reconciliation, view Queensland Rail's Innovate Reconciliation Action Plan (RAP) at queenslandrail.com.au/aboutus/organisation/reconciliation-action-plan.

Chair's message

On behalf of the Board, I am pleased to present Queensland Rail's Annual and Financial Report 2024-2025.

I was delighted to accept the Queensland Government's invitation in August this year to serve as Queensland Rail's Chair. From humble beginnings in 1865, Queensland Rail has been more than a transport provider — it is a pillar of Queensland's history and identity. Today, the railways continue to connect communities and transform how the people of Queensland live, work and travel.

Congratulations to my fellow new Directors — Julian Haber, Lisa Hewitt and Wendy McMillan — on their appointments. Together, along with continuing Director Loretta Lynch, I am confident that we can help build upon the organisation's long and proud history.

As a state-owned rail operator, we will contribute to achieving the Queensland Government's objectives for the community and Queensland Rail's purpose and vision. We will also continue working diligently to achieve our strategic objectives for FY26 and beyond, with a focus on safety, customers and the community, and people.

We look forward to working in partnership with the Queensland Government, in particular the Department of Transport and Main Roads (TMR) and Queensland Treasury, to deliver strategic and long-term outcomes for Queensland.

On behalf of Directors, I thank our responsible Ministers for their support and acknowledge Queensland Rail's close strategic partnerships with the Queensland Government.

I also thank our outgoing Directors — David Marchant AM, Stephen Cantwell, Michael Goss, Vivienne Doogan, Heather Watson and Tracey Winters — for their dedicated service and contributions to Queensland Rail throughout their tenures.

Under their stewardship, and with the support of Queensland Rail's Executive Leadership Team, Queensland Rail had another successful year in FY25. This included support for the permanent implementation of the Queensland Government's 50-cent fares across the public transport network, introducing 111 new services on the SEQ network for customers, reopening six stations following major accessibility upgrades and supporting the safe transport of more than 14.7 billion gross tonne km of essential freight throughout Queensland.

As we progress to the Brisbane 2032 Olympic and Paralympic Games, I thank everyone at Queensland Rail for their passion and ongoing dedication to connecting communities across Queensland every day — now and into the future.

Andrew Wellington
Chair

CEO's report

Queensland Rail's purpose is connecting communities, and FY25 has provided many opportunities for us to deliver on this commitment.

The Queensland Government's permanent introduction of 50-cent fares saw a significant uplift in metropolitan travel, with 54.9 million SEQ passenger trips during the year. In another boost for customers, we added 111 weekly services to our SEQ timetable, now delivering 8,503 services every week across the network. It was also encouraging to see more customers choosing to travel on our iconic regional tourism services, with more than 400,000 trips on the Kuranda Scenic Railway (KSR) throughout the financial year.

While more customers chose to travel by rail, we continued to modernise and prepare our network for future growth, completing accessibility upgrades at Bundamba, Burpengary, Lindum, Morningside, Banyo and Buranda stations. In September 2024, we achieved a significant milestone in preparation for future network expansion, with a test train successfully entering and exiting a Cross River Rail (CRR) tunnel.

This year, our resilience was tested again when extreme rainfall impacted our network across much of North Queensland causing significant damage to rail infrastructure. Just weeks later, Tropical Cyclone (TC) Alfred became the first cyclone in 50 years to hit SEQ, requiring significant preparation and recovery efforts, with all SEQ services suspended for four days.

As always, our people rose to the occasion, working as 1TEAM to safely and quickly restore services for customers. Through both major weather events, and as we restored services, our commitment to the safety of our people, our customers and our communities was our priority.

These efforts were recognised in May 2025, when our team received the Community Safety Award at the Rail Industry Safety and Standards Board (RISSB) Rail Safety Awards for the innovative way they transported residents, emergency personnel and essential supplies across flooded creeks in North Queensland in a hi-rail bus affectionately known as 'Olly'.

Earlier in the financial year at the Australia and New Zealand Rail Industry Awards, Queensland Rail also received the Safety Excellence Award for the Mental Health Co-deployment Trial, the Diversity and Inclusion Excellence Award for the Engineering Pathways Program, and a Highly Commended for Sustainability Excellence, recognising the success of the Tully Revegetation Project.

Our people are at the heart of all our organisation does. In FY25 we recognised the special role they play, hosting our inaugural QR Celebrate Enterprise Awards. The awards recognised teams and individuals across Queensland Rail for their commitment to safety, customer service, innovation and our 1TEAM values.

I am incredibly proud to lead Queensland Rail and excited about the opportunities ahead as our state continues to grow and we prepare to be on the world-stage for the Brisbane 2032 Olympic and Paralympic Games.

On behalf of the Executive Leadership Team, thank you to our people who have demonstrated great resilience, agility and commitment over the past 12 months.

I am grateful to the Board for their oversight and strategic guidance, and to the Executive Leadership Team for their ongoing passion, leadership and professionalism contributing to Queensland Rail's success this financial year.

I look forward to working with the Government, TMR, key partners and everyone at Queensland Rail to ensure another successful 12 months.

Kat Stapleton
Chief Executive Officer (CEO)

Our safety

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

Key highlights:

- Continued focus on customer safety through targeted safety awareness campaigns, resulting in improved customer injury rate.
- Signal Passed at Danger (SPAD) rate per million train km improved to 1.49 (down from 1.79 and below target).
- Employee safety improved with Total Recordable Injury Frequency Rate (TRIFR) at 7.04 (down from 11.27 and below target).
- 524 joint operations with Queensland Police Service (QPS) Railway Squad and Queensland Rail for customer safety.
- Established inter-agency Bridge Strike Reduction Group to reduce the frequency and impact of bridge strikes across the state.
- 2025 RISSB Rail Safety Award – Community Safety Initiative - Ollera Creek Emergency Response.

Customer injury prevention

Queensland Rail continues to focus on preventing customer injuries across the rail network, particularly reducing instances of slips, trips and falls, both at stations and on trains on the network.

In April 2025, Queensland Rail rolled out its refreshed 'Travel with Care' campaign to encourage customers to use the lift when carrying luggage or large items, and to hold the handrail and avoid distractions on stairs and escalators. By highlighting safe behaviours, it aims to create positive associations with, and educate customers on, the safest ways to travel.

Queensland Rail also refreshed the 'Act Safe. Arrive Safe.' campaign across the regional network in FY25. The campaign focuses on helping customers navigate tricky environments when travelling on long distance rail services, such as managing motion, narrow spaces and gaps.

As a result of this continued focus on customer safety, the customer injury rate for FY25 improved to 10.26 injuries per million passenger journeys (down from 10.82 and below target of 12.8).

Signals passed at danger prevention

Every SPAD event is taken seriously and investigated thoroughly. Queensland Rail's SPAD rates have reduced over the FY25 period.

However, SPAD prevention continues to remain a critical safety focus. In FY25, Queensland Rail continued to deliver several SPAD prevention initiatives including working groups, innovative technologies – such as the progressive implementation of the European Train Control System (ETCS) – and driver training and education.

The Queensland Rail Operator SPAD rate per million train km for FY25 was 1.49, representing a decrease from 1.79 in FY24.

Bridge strike prevention

In FY25, 105 vehicles struck Queensland Rail bridges (83 on the SEQ network and 22 on the Regional network), nine more than the previous financial year. Queensland Rail continued its focus on reducing the likelihood of vehicles striking bridges and the adverse impacts bridge strikes have on customers and community safety.

To address this, Queensland Rail established the Bridge Strike Reduction Group in FY25. This cross-sector initiative brings together representatives from state and local government, the road and rail industry and QPS, with a shared objective to reduce the frequency and impact of bridge strikes throughout the state.

Led by Queensland Rail, the group focused on enhanced bridge signage, the application of engineering and technology solutions, and community engagement. Public awareness was also a key priority, supported by targeted campaigns and partnerships.

In September 2024, Queensland Rail partnered with TMR and the Queensland Trucking Association (QTA) to launch the 'Truckload of Trouble' campaign. This joint initiative encouraged heavy vehicle drivers to know their vehicle height and plan their journey to avoid low-clearance bridges.

In May 2025, a revised 'Don't get your truck stuck' campaign for heavy and high vehicles and 'Know your load, before hitting the road' for vehicles with unusual loads, including equipment, was launched at the Brisbane Truck Show.

Also in FY25, a series of targeted enforcement and education operations were rolled out in partnership with the QPS Railway Squad and the National Heavy Vehicle Regulator (NHVR).

These initiatives reflect Queensland Rail's ongoing commitment to protecting community safety and maintaining network availability and reliability.

Level crossing safety

Queensland Rail remains committed to improving safety and compliance at level crossings across its network. All public level crossings have a level of protection to ensure the safety of road users. In FY25, Queensland Rail continued to prioritise driver, pedestrian and student education to promote safety at level crossings.

Level crossing elimination, through grade separation projects, progressed throughout the financial year with Beams Road, Carseldine (being led by TMR) due for completion at the end of 2025. Queensland Rail continued to work with TMR on its SEQ Level Crossing Program, including the removal of five level crossings at Kuraby, Woodridge, Bethania, Holmview and Beenleigh as part of the Logan and Gold Coast Faster Rail project.

As part of the \$7.75 million Level Crossing Signal Renewals Program, upgrades were completed to two level crossings at Blackwood Street, Mitchelton, and Rowley Road, Burpengary. Boom and flashing light equipment was renewed as part of the upgrade. A total of eight level crossings are being upgraded through the program.

Rail safety investigations

In FY25, one final report was delivered by the Australian Transport Safety Bureau (ATSB) in respect to a level crossing collision between a freight train and a truck on Gooray Road, Gooray on the South West rail line on 23 May 2024. The ATSB report highlighted the risk of expectation bias in road users when negotiating passive level crossings. No safety issues were assigned to Queensland Rail in the final report.

In June 2025, the ATSB also released a report into a SPAD that occurred between Fortitude Valley and Bowen Hills stations on 24 May 2023. SPAD prevention continues to remain a critical safety focus. Alongside SPAD prevention initiatives, Queensland Rail has also progressed initiatives such as adjustments to the volume of alert signals, upgrades to LED aspects of signals to improve sighting, installing additional warning signals and updating the SPAD risk management framework.

Security in the community

Throughout FY25, Queensland Rail continued its long-standing partnership with the QPS. The 98-strong Railway Squad continued to strengthen police presence to prevent, disrupt, respond to and investigate criminal and antisocial behaviour on the rail network.

In FY25, 524 joint operations involving Railway Squad and Authorised Officers were undertaken, which included 'wandering' operations to prevent knives on public transport. There were 119 weapons seized in the joint operations, significantly reducing the likelihood and impact of knife crimes on the network.

The Railway Squad undertakes regular patrols and coordinates its responses out of nine purpose-built outposts on the rail network located at Roma Street, Central, Northgate, Petrie, Beenleigh, Robina, Manly, Ipswich and Redbank railway stations, in addition to officers at Fortitude Valley and the new Exhibition station. These are supported by two Police Hubs at Kippa-Ring and Helensvale railway stations for both Railway Squad and local police.

The officers are supported by Queensland Rail's 24-hour Security Monitoring team based at the Rail Management Centre (RMC). The team monitor more than 12,000 CCTV cameras across the network, and work in coordination with Authorised Officer teams, security guards, mobile security dog teams, and nightly Guardian train services to keep customers and employees safe.

Guardian trains have security officers on board for some or all of the journey on selected rail services leaving Central station after 7pm on a Sunday to Thursday, and most timetable services on Friday and Saturday nights. These services are listed on the train timetable so customers can choose to travel on these services for additional security.

In September 2024, Queensland Rail extended its award-winning Mental Health Co-deployment initiative – a first of its kind in Australia. The initiative has Queensland Rail partnering with the Railway Squad and Metro South Addiction and Mental Health Services (MSAMHS) to detect and respond to people in crisis on the railway.

Employee safety

Throughout FY25, Queensland Rail's employee safety performance has improved. Queensland Rail has continued to prioritise the safety and wellbeing of employees by focusing on both physical and psychosocial safety, including a focus on visible felt safety leadership across operational areas.

The Queensland Rail TRIFR for FY25 was 7.04, representing a decrease from 11.27 in FY24. This represents fewer Queensland Rail employees getting hurt while at work and is due to focused efforts on improving safety practices and behaviours. Queensland Rail looks forward to this trend continuing.

Following the release of the Healthy Minds Strategy 2024-2028 in FY24, Queensland Rail made progress embedding psychosocial safety across the business. In FY25, key achievements included the delivery of mental health training for leaders, introduction of new tools to help teams identify and manage psychosocial risks and improved access to support services for employees.

Queensland Rail also maintained a comprehensive Alcohol and Other Drugs (AOD) management program, which includes a rigorous testing regime and robust procedures for management of employees who test positive for alcohol and drugs. In FY25, 13,096 AOD tests were conducted on workers resulting in 51 positive AOD results (resulting from 39 individual workers), compared with 48 positive results (resulting from 46 individual workers) from 13,421 tests in FY24. Queensland Rail is focused on reiterating its strict policy with all employees and educating them on being fit for work.

Digital security

Queensland Rail is committed to improving digital security and promoting positive security behaviours through employee education programs and improved response times.

In FY25, digital security was uplifted through implementing technology that significantly enhances Queensland Rail's ability to detect and respond to cyber threats in real-time.

Queensland Rail will continue to invest in detection and prevention initiatives and proactively educate employees about cyber risks, encouraging good cyber judgement in the workplace and at home.

Queensland Rail's year in review: Monthly highlights

July

- Rocklea station reopened following a full upgrade that included an extra platform, new pedestrian overpass, three lifts and stairs, in preparation for CRR.
- Partnered with Australia Post to trial free 24/7 Parcel Lockers at five stations across the SEQ network.
- Delivered education sessions focused on staying safe around trains and tracks to more than 4,000 students at schools across Central and Far North Queensland.

August

- Supported steam train services for the historic Cobb & Co festival, in partnership with the Australian Railway Historical Society (ARHS) Queensland Division, transporting customers back in time from Toowoomba to Roma.
- Recognised Rail Safety Week with an important safety message for customers and the community around level crossings.
- Transitioned Park Road station to its new name, Boggo Road station, making the rail network easier to navigate ahead of changes to be introduced through CRR.

September

- Reopened Burpengary station following a full accessibility upgrade that included lift installation, an overpass and raised platforms, making catching the train easier for everyone, including those travelling with a wheelchair, pushing prams or carrying luggage.
- Completed significant maintenance upgrades through a scheduled closure on the North Coast and West Moreton rail lines, future-proofing the network for customers and the community.
- Launched a new campaign to reduce the number of vehicles striking rail bridges across Queensland in partnership with TMR and the QTA.

October

- Redbank station celebrated 150 years of connecting communities.
- Queensland Rail trains stopped at a new-look Bundamba station, and customers were once again making tracks after the station reopened following its major accessibility upgrade.
- More adventurers chose to head to the outback by rail, as Queensland Rail brought back two for the price of one train tickets on its Western lines.

November

- Two Rockhampton landmarks reached major milestones — the Alexandria Railway Bridge and Archer Park railway station turned 125 years old.
- Queensland Rail reaffirmed its commitment to a rail service that is accessible to all by launching a new campaign during Disability Action Week, 'Everybody's train journey is different', to make train travel choices easier for everybody.
- Queensland Rail celebrated 100 years of transporting customers on the North Coast line – a vital rail link which changed travel to North Queensland forever a century ago.

December

- Santa Claus dropped into town in December and used the Queensland Rail network to spread the festive joy far and wide on board the Santa Express.
- In a major milestone for heritage rail groups and tourism, Queensland Rail completed restoration works at the Ballandean rail siding, paving the way for heritage train services to once again connect communities and attract visitors to the region.
- Lindum and Morningside stations reopened in time for Christmas and New Year's Eve celebrations, respectively, after major upgrades that improved accessibility for all customers and community members.

January

- A new lease for the historic Wallangara station was signed, following a plan to make the beautiful heritage buildings a 'must stop' food and beverage destination for travellers.
- Severe weather impacted Queensland Rail's regional network, with ongoing heavy rainfall across North Queensland forcing closures across Queensland Rail's North Coast and Mount Isa lines.

February

- Recovery works got underway on Queensland Rail's regional network following the North Queensland flooding event.
- Queensland Rail connected communities with vital supplies, more than 3,500 locals, emergency services personnel and representatives from essential service providers, transported across flooded Ollera and Plantation Creeks in North Queensland on board a special hi-rail bus now affectionately known as 'Olly'.

March

- Queensland Rail's North Coast and Mount Isa lines fully reopened to freight and passenger trains following major flooding in North Queensland.
- Queensland Rail monitored weather conditions across the rail network as TC Alfred approached the SEQ coastline. All SEQ train services were suspended for four days while recovery works were undertaken.
- Queensland Rail began transformation of two former crew-quarters in Acacia Ridge into affordable housing for up to 14 older women.

April

- Queensland Rail participated in Rail R U OK? Day with events held across the state.
- Queensland Rail's dedicated Community Education team toured across Queensland to engage with students on the importance of staying safe around the rail corridor.
- A four-day closure along the Beenleigh and Gold Coast lines was conducted from Good Friday (18 April) to Easter Monday (21 April), allowing crucial works to be carried out safely and efficiently in the rail corridor. The closure allowed essential works such as track maintenance, Loganlea station relocation works and supporting works for CRR.

May

- Queensland Rail offered start-up businesses on the Mount Isa line in the rock phosphate industry an innovative pricing structure that provides significant savings on access charges and will help increase freight volumes.
- Queensland Rail's Banyo station reopened to customers, after being temporarily closed in 2024 for major construction and accessibility upgrades.
- Queensland Rail's legendary Gulflander train returned to service after the wet season.
- After its successful debut in 2024, Queensland Rail partnered again with Opera Queensland to deliver another unforgettable train journey on board the Spirit of the Outback, following overwhelmingly positive feedback from customers.

June

- Exhibition station reopened for customers attending the Let's Go Queensland: Caravan and Camping Supershow, following a full rebuild to support CRR integration.
- Queensland Rail unveiled new Indigenous artwork adorning the Inlander train, telling the story of connection across the outback.
- A heritage goods shed was donated to the Thallon Progress Association, to serve as a Rail Interpretive Centre, bringing the history of Thallon and its connection to rail to life.
- Buranda station reopened for customers following its major accessibility upgrade, bringing the total of stations to receive a full accessibility upgrade in FY25 to six.

Our operational performance

Strategic key performance measures

Performance measure	Unit	FY24 actual	FY25 target	FY25 actual
On-Time Running – Citytrain 24/7 (Adjusted for Force Majeure)	%	94.22	95.00	94.51 [^]
On-Time Running – Travel Services (Adjusted for Force Majeure)	%	69.34	75.00	73.34
Reliability – Citytrain 24/7 (Adjusted for Force Majeure)	%	99.55	99.50	99.61 [^]
Reliability – Traveltrain 24/7 (Adjusted for Force Majeure)	%	98.29	93.00	99.40
Citytrain Customer Index (score out of five)	Index	4.16	4.00	4.25
Travel Customer Index (score out of five)	Index	4.22	4.10	4.34
Total Recordable Injury Frequency Rate	Rate	11.27	7.80	7.04
Capital Expenditure	\$M	650.11	980.12	701.09 [*]

Consistent with Queensland Rail's commitment to openness and transparency, we proactively publish operational performance data on our website each month. For more performance data, please visit queenslandrail.com.au.

[^]The On-Time Running and Reliability measures have been reverted to the Strategic Key Performance Indicators (KPIs) set out in the Queensland Rail FY24 Operational Plan that excluded New Generation Rollingstock (NGR) as a force majeure event. This adjustment brings these KPIs into alignment with current public facing KPI reports.

^{*}Metric relates only to expenditure for Queensland Rail-led capital projects. Amount is all project outlays, including interest capitalised and amounts incurred on projects that cannot be capitalised to assets and will be expensed to the profit and loss statement (e.g. profitability costs). Amount includes grants and equity injections received to fund projects.

Our financial performance

Consolidated income statement for the year ended 30 June 2025

Income statement category	2024-2025 actual \$M	2023-2024 actual \$M
Revenue	2,963.8	2,664.8
Operating expenses	(2,035.1)	(1,902.7)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	928.7	762.1
Depreciation and amortisation expense	(451.2)	(417.6)
Earnings before interest and tax (EBIT)	477.5	344.5
Net finance costs	(184.4)	(144.9)
Income tax expense	(91.5)	(58.9)
Net profit	201.6	140.6

Numbers include rounding.

The Queensland Rail consolidated entity's EBIT increased by \$133.0 million.

Revenue increased 11.2 per cent on the prior year mainly attributable to higher Rail Transport Services Contract (TSC) and network access revenues.

Operating expenses increased 7.0 per cent on the prior year as a result of higher labour costs, supplies and services, and other expenses.

Depreciation and amortisation expense increased 8.0 per cent as a result of greater depreciation of property, plant and equipment assets reflecting an increased asset base.

A dividend of \$191.6 million was declared in respect of the year ended 30 June 2025. This dividend will be paid during FY26.

Financial performance measures compared to the FY25 Operational Plan

Performance measure	Unit	2024-2025 Actual	2024-2025 Target
Earnings before interest and tax	\$M	477.5	514.7
Net profit after tax	\$M	201.6	231.2
Return on operating assets	%	5.53	5.80
Debt to (Debt + Equity)	%	60.98	63.06

The KPIs listed above are as per those included in the Queensland Rail FY25 Operational Plan.

Our financial performance (cont.)

Consolidated balance sheet as at 30 June 2025

Balance sheet category	2024-2025 actual \$M	2023-2024 actual \$M
Current assets	612.6	289.1
Non-current assets	10,656.6	9,461.3
Total assets	11,269.2	9,750.4
Current liabilities	1,069.1	953.6
Non-current liabilities	6,446.3	5,495.3
Total liabilities	7,515.4	6,448.8
Net assets	3,753.8	3,301.5
Contributed equity	3,532.7	3,090.5
Retained earnings	221.1	211.0
Total equity	3,753.8	3,301.5

The consolidated entity's current assets increased 111.9 per cent to \$612.6 million primarily as a result of an increase in cash assets and trade and other receivables partially offset by a decrease in current tax assets and inventory.

The consolidated entity's non-current assets increased 12.6 per cent to \$10,656.6 million primarily due to a net increase in property, plant and equipment partially offset by a decrease in right-of-use assets and inventory.

The consolidated entity's current liabilities increased 12.1 per cent to \$1,069.1 million primarily as a result of an increase in trade and other payables and provisions partially offset by a decrease in short-term borrowings.

The consolidated entity's non-current liabilities increased 17.3 per cent to \$6,446.3 million primarily as a result of an increase in long-term borrowings, deferred tax liabilities and other liabilities.

The consolidated entity's contributed equity increased 14.3 per cent to \$3,532.7 million as a result of equity transfers of property, plant and equipment assets relating to CRR.

Consolidated cash flows for the year ended 30 June 2025

Cash flow category	2024-2025 Actual \$M	2023-2024 Actual \$M
Net cash inflow from operating activities	623.9	472.1
Net cash (outflow) from investing activities	(1,075.2)	(956.1)
Net cash inflow from financing activities	650.9	377.4
Net increase/(decrease) in cash and cash equivalents	199.6	(106.6)

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

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

The increase in cash inflows from financing activities is mainly attributable to increased borrowings and a lower dividend payment.

Regional

Queensland Rail focused on improving network resilience and reliability for its regional customers in FY25, including works to meet the challenges and demands of the future.

Key highlights:

- More than 737,000 passenger journeys on long-distance and tourism services.
- Supported the transportation of more than 14.7 billion gross tonne km of freight across Queensland.
- Connected communities at Ingham and Ayr through flooding with 'Olly' the hi-rail bus.

Travel and Tourism services

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

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

Patronage across the eight long-distance Travel and Tourism service types was 737,822 in FY25, an increase of 20 per cent from FY24 (614,845).

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

Freight network

Throughout FY25, Queensland Rail continued to support freight customers to transport more than 14.7 billion gross tonne km of mining and industrial, coal, general freight and agricultural products across the state.

To support the rock phosphate industry in North West Queensland, in May 2025 Queensland Rail released an innovative pricing structure for prospective Mount Isa line users. The pricing structure provides significant savings on access charges and will help increase freight volumes. The incentive is a substantial discount linked to the rock phosphate commodity price and applies to all eligible rock phosphate loads on rail.

In FY25, Queensland Rail, in consultation with the independent QCA, negotiated a new access undertaking for the Queensland Rail network (AU3). The access undertaking sets out the terms and conditions under which Queensland Rail provides access to its rail infrastructure. Stakeholders and customers were consulted throughout the process and the QCA approved AU3, which came into effect on 1 July 2025. A copy of the undertaking is available on the Queensland Rail website.

North Queensland flood recovery

In early 2025, North Queensland experienced heavy rainfall due to two tropical lows that produced near-cyclonic conditions. Key centres, including Townsville, Ingham, Cardwell and Giru, experienced major flooding due to the significant and heavy rainfall, with some areas recording up to 600 millimetres of rain over a 24-hour period.

Flooding and track damage led to the closure of the North Coast line between 29 January and 1 March, significantly impacting passengers travelling on the Spirit of Queensland services, which run eight times per week between Brisbane and Cairns. Similarly on the Mount Isa line, closures between 31 January and 19 February led to the cancellation of the Inlander, which runs between Townsville and Mount Isa four times per week, and provides vital connections to North West towns such as Cloncurry, Julia Creek, Hughenden, Richmond and Charters Towers.

Queensland Rail crews worked tirelessly to repair more than eight km of track across the North Coast and Mount Isa lines, with damage to 177 different sites. After just weeks, Queensland Rail successfully reopened the full North Coast line between Townsville and Cairns on 1 March 2025.

Arguably, the biggest achievement was finding ways to live Queensland Rail's purpose of 'connecting communities', even with so much damage to the network. Queensland Rail provided a hi-rail bus, that became affectionately known as 'Olly', to ferry emergency services personnel, vital supplies and local residents across Ollera Creek (north of Townsville) and Plantation Creek (south of Townsville) over a two-week period. More than 3,500 passengers were transported across the swollen rivers during this period, with this critical service helping to ensure the safety of these communities during this natural disaster.

North Coast line improvements

The North Coast line is the principal regional freight and passenger line within the Queensland Rail network, running the length of coastal Queensland between Nambour in the south and Cairns in the north.

In September 2024, major maintenance upgrades were completed on Queensland Rail's North Coast line, significantly improving safety, reliability and resilience across the regional network. Delivered in coordination with Aurizon and CRR closures, the works included track, signal and bridge enhancements—most notably the full reconstruction of the Alligator Creek rail bridge with new concrete piers.

These upgrades, which spanned 1,700km of track, also saw the replacement of timber sleepers with concrete sleepers and installation of new rail, enabling more weather-resilient operations and the removal of long-term speed restrictions.

Travel and Tourism fleet improvements

Throughout FY25, overhaul, upgrade and improvement works continued across Queensland Rail's Travel and Tourism train fleet, focusing on fleet compliance and reliability to improve service delivery for customers, while also maximising opportunities to conduct maintenance in-house to ensure commercial responsibility and enhance employee experience.

Queensland Rail operates two Electric Tilt Trains to connect regional Queenslanders with Brisbane and the greater SEQ network. Throughout FY25, these trains continued to be progressively and temporarily taken offline to conduct essential traction package upgrades and future-proof service delivery.

In September 2024, the Electric Tilt Train fleet safely and successfully returned to full service, after all major maintenance works were completed. These works, which were completed in-house, ensured Queensland Rail's Travel fleet could continue to provide safe and reliable services to customers well into the future.

In FY25, Queensland Rail successfully completed a project converting five heavy locomotives to a modernised 2900 locomotive configuration, undergoing testing and compliance before entering revenue service. This conversion included design modifications, mechanical and electrical upgrades, and installation of new systems and components. By undertaking the conversion works, locomotive life has been extended, and reliability has been improved.

Additionally, life extension works on heavy and light locomotive fleets commenced in FY25, aimed at maintaining compliance with Safety and Environment Management System (SEMS) requirements for core safety systems. Targeted refurbishment is also underway.

In April 2025, Queensland Rail completed a project to improve the safety and performance of the KSR carriages, improving reliability of the two daily services by adding a back-up brake to train consists. Fitment of these brakes enables all 10 of the 1720 class locomotives to lead the consist, improving service reliability.

In June 2025, Queensland Rail completed the application of a new Indigenous artwork – Tracks Across Country – to its carriages that deliver the Inlander service. The artwork tells the story of the importance of connection, community and Country, no matter the location across Outback Queensland. Interior refurbishment works have also been undertaken to support a greater customer experience.

South East Queensland

Queensland Rail continues to deliver the largest number of services in the organisation's history, with 8,503 weekly services operating across SEQ and 54.9 million passenger trips recorded across the SEQ network in FY25.

Key highlights:

- 54.9 million passenger trips — a 16 per cent increase on FY24.
- More than a million passengers safely travelled to special events including Brisbane Riverfire and New Year's Eve celebrations.
- More than 238,000 customer trips taken across the SEQ network in a single day.
- 111 additional services for SEQ commuters thanks to a timetable refresh on the Cleveland, Ferny Grove and Doomben lines

Delivering services to South East Queenslanders

Throughout FY25, Queensland Rail remained focused on delivering safe and reliable services for its customers while mitigating impacts when operational challenges emerged.

In FY25, Queensland Rail reached record post-pandemic patronage levels, driven in part by the introduction of permanent 50-cent fares for all trips across the SEQ network. Patronage increased by more than 16 per cent in the last financial year, to a total of 54.9 million (47.3 million in FY24). A new daily record was also set in March 2025, with more than 238,000 customer trips taken across the SEQ network in a single day.

Across the SEQ network, 94.51 per cent of all services arrived on time (adjusted for force majeure), marginally below the target of 95 per cent. Queensland Rail delivered 99.61 per cent of SEQ scheduled services (adjusted for force majeure) across FY25, above its reliability target of 99.5 per cent.

To lift operational performance, a multi-disciplinary approach was taken to implement a range of initiatives throughout FY25. These included a continued focus on safely reducing the time trains 'dwell' at stations during service to support the increase in customers; using technology for track inspections and rollingstock to identify faults and prioritise maintenance; introducing a new lubricant to reduce points failure at critical locations across the network; and enhancing incident response times to minimise service disruptions.

Timetable refresh

In May and June 2025, Queensland Rail implemented a timetable refresh with 111 additional weekly passenger train services on the Cleveland, Ferny Grove and Doomben lines. The Doomben line commenced operating hourly services on Sundays, on 1 June 2025, for the first time in more than 60 years. With the additional services, Queensland Rail is now delivering 8,503 weekly services across the SEQ network to get customers to and from their destinations safely and on time.

Customer satisfaction reaches record high

In August 2024, SEQ achieved its highest customer satisfaction result since April 2021 with a Citytrain Customer Satisfaction Index (CCI) score of 4.32 out of five, along with the highest lift in overall customer satisfaction compared to other public transport providers in the SEQ region, in part due to the successful implementation of the Queensland Government's permanent 50-cent fares. Across every month of the financial year, Queensland Rail recorded above the target of 4 for CCI results, recording 4.25 for the financial year.

Permanent implementation of 50-cent fares

For the first time in Australia's commuter rail industry, Queensland Rail successfully implemented and operationalised the Queensland Government's significantly reduced fare structure, with permanent 50-cent fares introduced for all trips across the SEQ network (excluding Airtrain services). This initiative has been rolled out to all public transport in Queensland, led by the State Government.

To support the rollout, Queensland Rail boosted customer service staff, security personnel and traincrew at key stations, particularly during peak times and weekends. Maintenance crews were strategically placed across the network to respond quickly to incidents, and extra focus was placed on station presentation, graffiti removal and rollingstock maintenance.

To support increased patronage and maintain high service levels, Queensland Rail worked to increase train availability, refined traincrew rosters and ensured operational readiness. Many of these improvements have now been embedded into daily operations to ensure a consistent and positive customer experience for South East Queenslanders.

Tropical Cyclone Alfred response and recovery

When TC Alfred descended on SEQ in early March 2025, Queensland Rail swiftly responded to protect its employees, customers and assets. After the Australian Bureau of Meteorology (BoM) announced a tropical low was developing in the Coral Sea, Queensland Rail activated a six-phase response and recovery framework: Shutdown; Monitor TC impact; Inspect; Design recovery; Recover network; and safely Resume services, to manage one of the biggest operational challenges in its history.

For the safety of customers and the community, the decision was made to suspend rail services across the entire network on 5 March 2025, allowing crews to safely perform shutdown protocols in advance of the predicted impact. This included safely shutting down 152 stations and lifts, checking power generators and supplies, securing priority infrastructure such as level crossing boom arms, and ensuring equipment and supplies like ballast, flood rock, sleepers and rail stockpiles were strategically placed across the network. Rollingstock was safely stowed at key locations away from areas most vulnerable to flooding, and security personnel were deployed to ensure the security of Queensland Rail's property, rollingstock and other assets.

TC Alfred made landfall on Moreton Island, more than 50km north-east of Brisbane, on 7 March 2025, bringing strong winds, heavy rain and flooding. While it weakened to a trough as it crossed the mainland, this was a weather event that had been unseen in the region for 50 years. More than 900 people worked across the weekend following TC Alfred inspecting and repairing more than 850km of track and 900km of overhead line equipment (OHLE) to recover the network. On 12 March 2025, all rail services safely returned to a regular timetable.

Queensland Rail enacted key elements of its Emergency Management Framework to support, plan and execute the safe shutdown and reopening of the network.

Major track closures

In FY25, several major track closures occurred to facilitate critical Cross River Rail Delivery Authority (CRRDA) works. These included extended closures in June and July 2024, September 2024, December 2024 through to January 2025, Easter 2025 and in June 2025.

During its most complex closure to date (December 2024 – January 2025), Queensland Rail successfully executed a service plan to facilitate a handback of the possession for services to connect customers to and from New Year's Eve festivities in Brisbane's Central Business District. This resulted in more than 170,000 customers safely travelling with Queensland Rail during the event, before the track closure was re-instated for the remainder of planned works to be completed.

Queensland Rail continues to support the CRRDA and delivery partners in their work while minimising customer impacts. In FY25, Queensland Rail, TMR, and the CRRDA continued improvements to the management of planned disruptions, to prioritise service continuity via alternative transport arrangements and rail replacement buses around the track closure sites and to reduce the impacts of closures and temporary changes to the network on on-time running. All major closures also provided an opportunity for Queensland Rail to undertake routine maintenance.

Special event services

Queensland Rail continued to support special event service delivery, connecting community members with events such as sporting games, concerts and major events including Riverfire and New Year's Eve in SEQ. In FY25, more than 850 special event services were delivered, safely moving more than a million customers. Special event services are an important way that Queensland Rail supports all community members to actively participate in society.

Integrating and operationalising Cross River Rail

In FY25, Queensland Rail continued to collaborate with the CRRDA and contractors to deliver key project milestones. On 13 September 2024, the first test train entered one of the CRR tunnels, arriving at the new Roma Street underground station and returning to Mayne Yard. Station accessibility upgrades at Rocklea, Yeerongpilly, Dutton Park and Exhibition stations were completed and Queensland Rail continued to deliver complex track closures to facilitate integration works across the SEQ network. Construction on the Freight Bypass Road was also completed, allowing critical freight to continue moving through Mayne Yard to the North Coast line.

In FY25, as part of the Sequence Alliance, dynamic testing of ETCS on the Shorncliffe line was successfully undertaken, marking an important milestone as Queensland Rail continues preparations to integrate and operationalise CRR and enhanced safety technology through ETCS.

Improving station accessibility

Throughout FY25, Queensland Rail invested in station accessibility upgrades.

Lindum, Morningside, Buranda, Banyo, Bundamba and Burpengary stations underwent major accessibility upgrades and reopened to customers after required closure periods that ensured safety while the vital works were carried out.

These vital upgrades ensure that all members of the community are able to better access the rail network, improving service delivery for our customers.

Improving network availability and reliability

In FY25, as part of a \$67 million investment plan, Queensland Rail has renewed the booms and signalling equipment at two level crossings (Rowley Road, Burpengary and South Pine Road, Strathpine); replaced booster transformers and section insulators to improve the reliability of the overhead traction power network; renewed 1,281 metres (m) of worn rail; undercut 2,330m of contaminated ballast to improve track condition; and completed 400m of track reconditioning work.

Additionally, in FY25 Queensland Rail completed the \$48 million investment in upgrading two feeder electrical substations at Caboolture and Corinda, bolstering network reliability and efficiency for rail services during power outages and planned maintenance. These upgrades will help to future-proof the SEQ network.

Improving rollingstock availability and reliability

Throughout FY25, Queensland Rail continued to improve rollingstock availability and reliability. A number of trains servicing the SEQ network underwent critical maintenance to ensure safety and compliance is to standards. In FY25, 14 Queensland Rail train units being overhauled by Downer in Maryborough were returned to service on the SEQ network. These trains feature accessibility improvements, interior upgrades and engineering enhancements.

Accessibility upgrades on 75 NGR trains were also completed in FY25. The fleet was upgraded in consultation with the disability sector to include larger toilet modules, additional priority seats, greater signage including tactile text and braille, extra grab and handrails, and redesigned equipment to make it easier for customers with accessibility requirements.

Our people

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

Key highlights:

- Embedded a culture of respect in workplaces with 7,677 employees (96 per cent) completing respect training.
- Built a more diverse workforce with 26.4 per cent of employees identifying as female.
- More than 160 Queensland Rail staff took part in the 'Darkness to Daylight' challenge in support of Domestic and Family Violence (DFV) prevention.

Apprentices and graduates

In FY25, 22 graduates completed the Graduate Development Program, successfully securing permanent positions with Queensland Rail in fields such as engineering, Information Technology (IT), safety and data analytics. As at 30 June 2025, there were 106 apprentices in training throughout the business and 25 graduates completing rotations as part of their Graduate Development Program.

Registered Training Organisation

Queensland Rail has a proud history of supporting apprentices and trainees by providing them with the skills and support to build their career. Importantly, throughout FY25, Queensland Rail continued to build core skills in train driving, train control, rail infrastructure, safety and frontline customer services, with the completion of 8,876 units of competency from both nationally accredited and enterprise qualifications.

Connected, capable and engaged employees

Queensland Rail sought feedback from its employees in its fifth annual QR Engage employee engagement survey. The response from the workforce remained steady and continued to be encouraging, with 5,447 employees (68 per cent) participating in the survey. Queensland Rail's top performing categories included a commitment to safety, respect and balancing workloads.

Areas of focus include simplifying processes, leadership, growth and development, celebrating people and respect. These results have been used to inform and shape action plans that will continue to help build a constructive workplace culture throughout the business.

Diversity and inclusion

Queensland Rail proudly supported initiatives and events to promote diversity and inclusion throughout the year, including:

- International Women's Day and Queensland Women's Week to recognise the importance of workplaces that are gender equal and free from bias, as well as International Men's Day with a focus on men's health and wellbeing.
- DFV Prevention Month and 'Darkness to Daylight' challenge to demonstrate commitment to supporting affected employees and help end DFV in the community.
- Queensland Seniors Month to reflect on the importance of age, experience and diversity of its workforce.
- Disability Action Week and Neurodiversity Celebration Week to understand, advocate and support people with disability and their community at Queensland Rail.
- Queensland Multicultural Month and Harmony Week to celebrate multiculturalism.
- NAIDOC Week and National Reconciliation Week in recognition of First Nations people and their cultures.
- International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT), Wear it Purple Day and the Brisbane Pride Festival Rally and March in support of Queensland Rail's LGBTIQ+ people and community.

Queensland Rail believes a diverse and inclusive workforce encourages different and valuable perspectives that enrich the workplace and allow people and the business to thrive. Queensland Rail has 7,996.04 full time equivalent (FTE) staff and the following workforce profile:

- 20.72 per cent under the age of 35.
- 24.83 per cent over the age of 55.
- 26.37 per cent female, and 27.20 per cent female leadership.
- 13.86 per cent identify as having a culturally diverse background.
- 3.72 per cent identify as having a First Nations background.
- 2.68 per cent identify as living with a disability.

Since its establishment in 2020, Queensland Rail's Inclusion Council continued to strengthen executive level sponsorship, alignment through action plans and focus across the seven key inclusion communities of:

- Gender.
- First Nations.
- LGBTIQ+.
- Age.
- DFV Prevention.
- Multiculturalism.
- Disability.

DFV prevention

As the first railway organisation in Australia to achieve White Ribbon Workplace accreditation in 2019 (and reaccreditation in 2022), Queensland Rail values a workplace where everyone feels safe and respected. Queensland Rail proudly supported the Challenge DV 'Darkness to Daylight' event in May 2025. More than 160 employees participated virtually from across the state, and walked or ran the 110km, 10km or 3km events in Brisbane to raise awareness and more than \$18,000 in support of ending DFV. Queensland Rail remains a proud sponsor of the event.

Leadership development programs

In FY25, Queensland Rail continued to invest in its people. More than 729 employees participated in modules forming part of the in-house, Queensland Rail developed and delivered 'Leadership Fundamentals' course. A further 60 people participated in the Leadership Development 2024 and New Generation Leader programs.

The QRWomen program, now in its seventh year, saw 70 emerging female leaders build their confidence to lead in an increasingly complex business environment. In FY25 the QRWomen program continued its QRWomen Collective offering with an additional mentoring program.

The program is accessible to all female employees at Queensland Rail to enable connection, development and networking opportunities.

Healthy Minds Strategy implementation

Queensland Rail continued implementing the Healthy Minds Strategy 2024-28, which was established to develop a comprehensive framework for championing health, preventing harm, and responding to and supporting the mental health of all Queensland Rail employees.

In FY25, the Healthy Minds for Leaders course was launched to help enhance understanding of the Healthy Minds Strategy and Workplace Mental Health Framework. Queensland Rail continued to champion mental health awareness through supporting initiatives including Rail R U OK? Day and Queensland Mental Health Week. Other achievements included the development of the Healthy Minds Evaluation Framework and convening a national rail Psychosocial Risk Management Working Group (Australia and New Zealand).

The strategy complements Queensland Rail's existing mental health initiatives, including the support network – the Healthy Minds Support Crew – that was established in 2023. This initiative creates and maintains a safe workplace by providing an opportunity and environment for people to feel safe and comfortable seeking help. As at 30 June 2025, the Healthy Minds Support Crew had:

- 120 employee supporter volunteers.
- 338 trained leaders.
- facilitated approximately 225 one-on-one support conversations.

Treating others with respect at work

In FY25, Queensland Rail continued to focus its efforts on creating respectful workplaces through its QR Respect program, which takes a multi-pronged approach to creating psychologically safer workplaces through reforming policy, educating and raising awareness. A key component of the QR Respect program includes training for staff at all levels of the organisation on appropriate and respectful behaviour.

As at the completion of the initial phase of the QR Respect program, on 30 June 2025:

- 975 leaders participated in a full-day QR Respect training course.
- 6,702 employees participated in a half-day training course.
- 5,277 leaders and employees participated in online training — 'It's a matter of respect'.

Additionally, Queensland Rail continued to make meaningful change within its workplace through strengthening policies, processes and procedures in relation to inappropriate behaviour. One way this has been achieved is through Safe Station — a mechanism for complaints management that includes a dedicated team to triage and manage complaints and provide support to staff.

Safe Station provides a service where employees can raise concerns about inappropriate workplace conduct and receive support, advice, referrals and information. Safe Station also provides case management support to those affected by formal complaints and investigations.

Our communities

Queensland Rail is proud to have been connecting communities since 1865 and supports communities across the state through a range of initiatives and proactive strategies.

Key highlights:

- More than 560 rail safety presentations delivered to young children, students and the community.
- Progressed RAP commitments to elevate First Nations knowledge and voices.
- Completed a 900km steam train trip from the Ipswich Workshops to Roma to celebrate the 100-year anniversary of the last mail delivery via horse and carriage and steam train by Cobb & Co.
- Delivered six new art projects as part of the Positive pARTnerships program.
- Work commenced to convert two former crew-quarters in Acacia Ridge to be converted into affordable housing for up to 14 older women.

Rail safety education

In FY25, Queensland Rail's Community Education team continued its mission to educate community members across the state on rail safety, delivering 562 rail safety presentations to more than 64,000 participants from kindergartens, childcare centres, primary and high schools, community groups and youth education centres. These sessions focused on educating the community about being aware of their surroundings, obeying signs and signals, and the consequences of unsafe behaviour at stations and around the rail corridor.

In June 2025, Queensland Rail representatives presented key rail safety messages at the Rockhampton Show, such as level crossing safety for motorists and pedestrians. The team also reinforced the dangers and consequences of trespass on the rail network.

Queensland Rail, along with partners QPS, TMR and Brisbane City Council (BCC), continued to deliver Rail Safety Days with school and adult students from culturally and linguistically diverse backgrounds. Across four separate events, more than 400 students, many from refugee and migrant backgrounds, attended and explored a stationary train with Queensland Rail Community Education officers.

They also met members of the security and customer service teams to receive valuable and practical rail safety information to build their confidence for future travel on the network.

Community partnerships and support

Queensland Rail is committed to supporting communities through partnership and engagement activities. Queensland Rail facilitated station promotions to support charity organisations and community groups including Cancer Council Queensland, Guide Dogs Queensland, Returned Services League Queensland (ANZAC and Remembrance days), Salvation Army (Red Shield Appeal), Red Nose Day and Police Legacy (National Police Remembrance Day).

Queensland Rail team members showed their community spirit in FY25, contributing more than \$25,635.11 to Australian charities through the Payroll Giving Program.

Queensland Rail partnered with Containers for Change to establish collection points at Cairns, Freshwater, Kuranda, Townsville and Rockhampton stations, as well as expanding into SEQ locations. In addition to the environmental benefits delivered from recycling bottles and cans, the funds have generated support for charities, with employees nominating the Reef Restoration Foundation (RRF) and the Cairns and Far North Environment Centre (CAFNEC) to receive funds.

Since establishing Containers for Change collection points, Queensland Rail has diverted more than 17,000 containers from landfill. This equates to greenhouse gas reductions of approximately 1.8 tonnes of CO², energy savings of 27.2 gigajoules, and water savings of 4,686.1 kilolitres (around 1.9 Olympic swimming pools).

Queensland Rail's heritage and history

Queensland Rail is proud to support community groups, councils, heritage organisations, museums and cultural institutions with in-kind donations of assets and decommissioned equipment, including peppercorn lease arrangements for heritage rollingstock and stations.

In FY25, rail enthusiasts enjoyed regular heritage charter services between Ipswich and Grandchester stations, in partnership with the ARHS Queensland Division. Six steam train services were supported, transporting more than 1,500 passengers.

In August 2024, Queensland Rail completed a 900km steam train trip from the Ipswich Workshops to Toowoomba to Miles, Yuleba and Roma as part of celebrations for the 100-year anniversary of the last mail delivery via horse and carriage and steam train by Cobb & Co from Surat. The trip brought joy to people from regional areas, many of whom had never seen a steam train.

The Spring Bluff shuttle returned to the Toowoomba Carnival of Flowers in FY25, delighting almost 5,400 visitors with a rich rail heritage experience traveling from Toowoomba to Spring Bluff station on Queensland Rail's heritage rollingstock. In addition to the Spring Bluff shuttle, Queensland Rail partnered with the ARHS to offer a one-day steam train trip from Ipswich to Toowoomba as part of the Carnival.

Queensland Rail also released eight new episodes of its popular Queensland Rail History podcast, which have been downloaded more than 6,000 times. Episodes explore railway stories in Queensland, from its beginnings through to the present day. In FY25, topics included the construction of the Merivale bridge, history of the North Coast line and how two Tilt Trains revolutionised train services between Brisbane and Rockhampton.

Positive pARTnerships program

Queensland Rail's Positive pARTnerships program aims to produce high-quality public artwork, foster community pride in rail infrastructure, and reduce graffiti and vandalism. To date, 221 art projects, that cover 33,200 square metres across the Queensland Rail network have been delivered, including six new projects in FY25.

FY25 marked the 10th and final year of the longstanding Pillars Project at South Brisbane, with the final pillar completed by Joel Fergie, also known as 'The Zookeeper' with a nostalgic artwork "I remember when".

As part of the program, 28 artwork maintenance tasks were completed across the network.

Reconciliation Action Plan

More than a year on from launching the Innovate RAP in May 2024, Queensland Rail has made strong progress on its RAP commitments, including elevating First Nations knowledge and voices to create a future where connections are strengthened by a shared acknowledgement and appreciation of history, cultures and truth-telling.

To date Queensland Rail has refreshed guidelines for Acknowledgements of Traditional Owners and Elders, created First Nations Engagement Guidelines and a centralised First Nations engagement plan, developed a social procurement strategy with First Nations businesses, delivered cultural confidence training to executive leaders and key teams, and celebrated its largest ever NAIDOC Week in July 2024.

Working with Traditional Owners

Queensland Rail has engaged with more than 10 distinct Traditional Owner groups across the network in FY25. These consultations have led to meaningful outcomes, including the integration of Indigenous knowledge into project planning and the establishment of solid working relationships.

A key milestone was the collaborative environment and cultural tour of the Kuranda Range aboard a rail motor, which provided an opportunity for Traditional Owners to share cultural knowledge and perspectives directly with employees and project teams.

This initiative deepened mutual understanding of culturally significant sites and strengthened relationships that will guide future project stages for the Kuranda Range Slope Stabilisation project. Queensland Rail is committed to deepening these partnerships by expanding engagement to additional Traditional Owner groups.

Understanding climate risk

Queensland Rail is building a better understanding of key climate risk exposures for the business to support the identification and implementation of appropriate risk mitigation strategies.

In FY25 significant efforts were devoted to reviewing physical climate risks for some of the most impacted rail lines. Acute and chronic physical risk exposures were assessed for the Mount Isa and North Coast lines, including assessing current risks and leveraging future climate data projections. Risk assessment is also underway for the SEQ region.

This information will be integrated into planning processes, where it will help to inform strategic and investment decision-making.

Focus on alternative materials

Queensland Rail increased its focus on the fit for purpose uptake of alternative and low-carbon materials where appropriate, with the goal of delivering environmental and cost benefits throughout the lifecycle of its rail assets. Work with design and engineering teams has progressed where it will help to inform strategic and corporate planning and potential future investment decisions, in consultation with the Queensland Government.

Sustainability Assessment requirements have been developed to support the identification and consistent consideration of sustainable design options, as part of internal and external project delivery. Additional guidance materials are also being developed, to give project and design teams access to practical information and solutions, suited to rail applications.

Supporting affordable housing

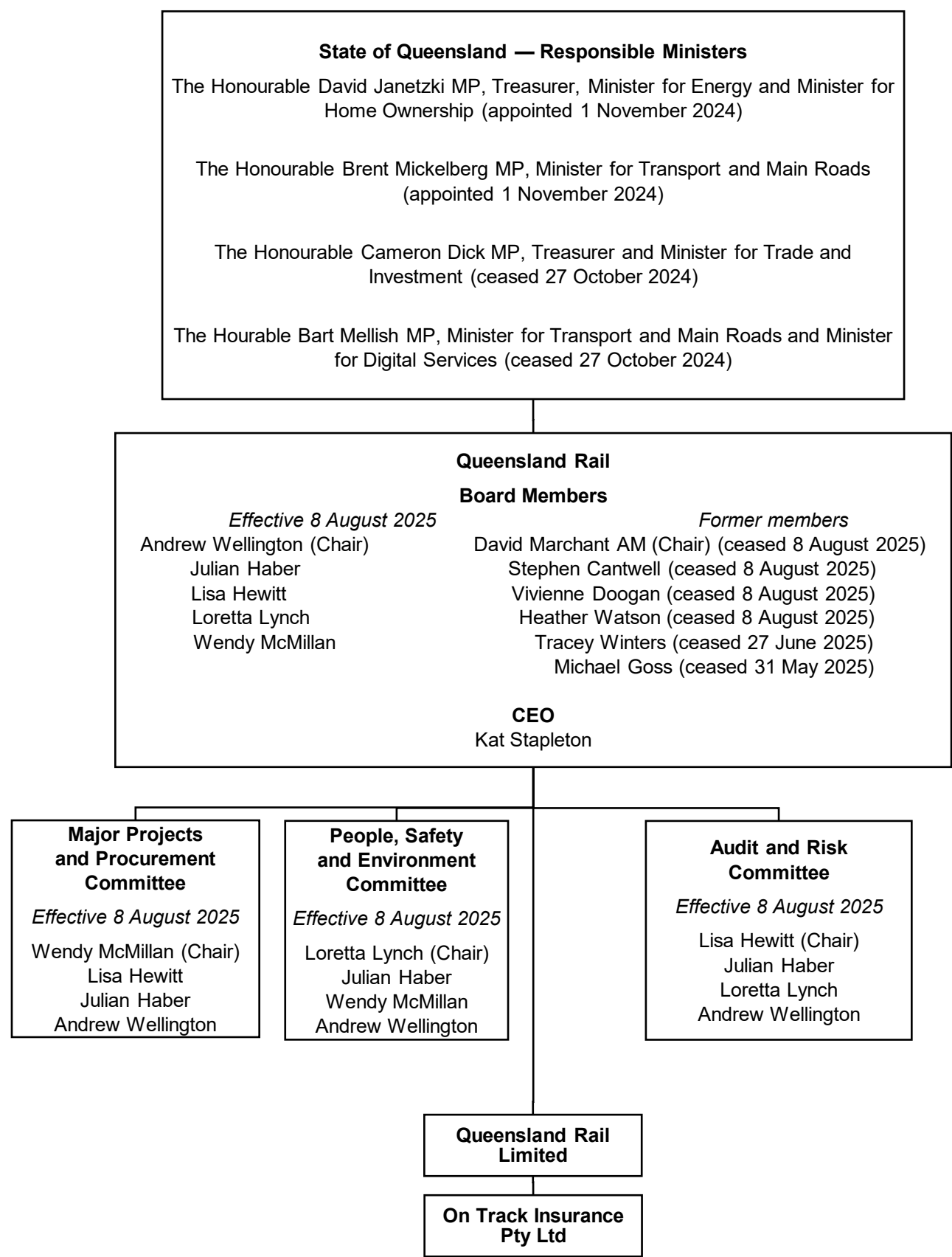
Queensland Rail is working alongside the Queensland Government and non-government organisations to support people in need of safe, secure housing by transforming unused Queensland Rail properties into affordable homes. In March 2025, it was announced that two former crew-quarters in Acacia Ridge will be converted into housing for up to 14 older women.

Refurbishment of the properties will be led by Housing All Australians (HAA), while Churches of Christ Housing Services Limited (CCHSL) will manage the properties and allocate tenants once the works are completed in FY26.

Additional sites throughout the state are being explored as options for affordable housing.

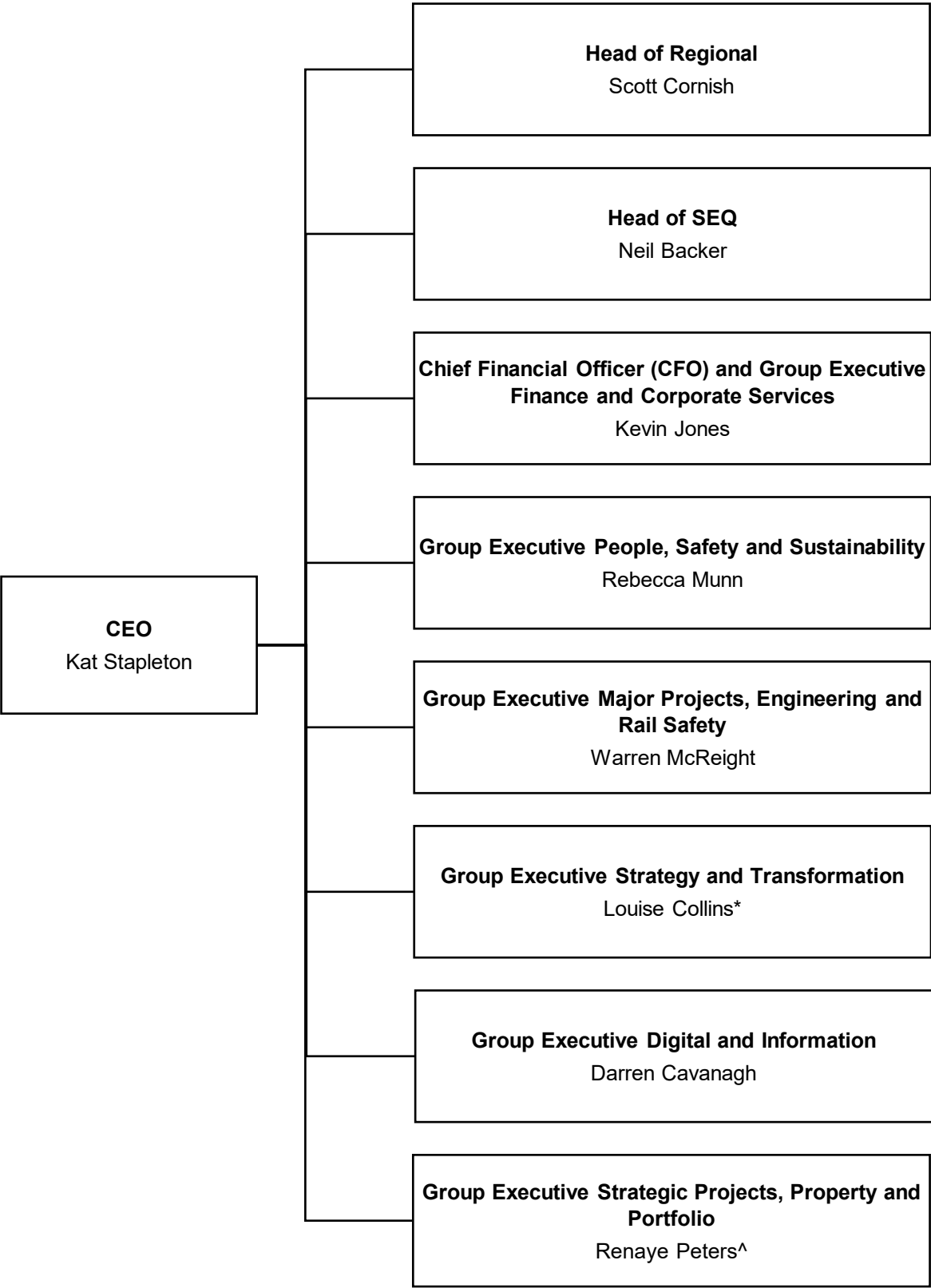
Governance structure

(as at 8 August 2025)



Organisational structure

(as at 8 August 2025)



*Louise Collins resigned from Queensland Rail effective from Friday, 15 August 2025.

^Renaye Peters took up a six-month secondment with Economic Development Queensland effective from Monday, 1 September 2025.

Board

Andrew Wellington

Chair, Independent Non-Executive Director

Appointed: 8 August 2025

Appointed Chair: 8 August 2025

Tenure ceases: 31 May 2028

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

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

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

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

Qualifications: BCom (Hons), MAcc, CA, GAICD, Senior Fellow FINSIA.

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

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

Julian Haber

Independent Non-Executive Director

Appointed: 8 August 2025

Tenure ceases: 31 May 2028

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

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

Julian served as Non-Executive Director of 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.

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

Qualifications: Nil.

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

Other Board and Committee memberships: Nil.

Lisa Hewitt

Independent Non-Executive Director

Appointed: 8 August 2025

Tenure ceases: 31 May 2028

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

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

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

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

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

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

Loretta Lynch

Independent Non-Executive Director

Appointed: 1 October 2023

Tenure ceases: 30 September 2026

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

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

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

Qualifications: B.Bus (Accountancy), MBA, FCPA, GAICD.

Member of: Audit and Risk Committee; Major Projects and Procurement Committee; People, Safety and Environment Committee (Chair effective 27 June 2025).

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

Wendy McMillan

Independent Non-Executive Director

Appointed: 8 August 2025

Tenure ceases: 31 May 2028

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

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

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

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

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

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

Other Board and Committee memberships: Director of MPR Advisory.

Board composition changes during FY25

Mr Michael Goss resigned as a member of the Board on 31 May 2025. Mr Goss was appointed as an Independent Non-Executive Director on 1 October 2020 and reappointed on 1 October 2023.

Ms Tracey Winters resigned as a member of the Board on 27 June 2025. Ms Winters was appointed as an Independent Non-Executive Director on 1 October 2020 and reappointed on 1 October 2023.

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

Mr Stephen Cantwell ceased as a member of the Board on 8 August 2025. Mr Cantwell was appointed as an Independent Non-Executive Director on 1 October 2016 and reappointed on 18 October 2022.

Ms Heather Watson ceased as a member of the Board on 8 August 2025. Ms Watson was appointed as an Independent Non-Executive Director on 6 June 2018 and was reappointed on 1 October 2025.

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

Executive Leadership Team

Kat Stapleton

CEO

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

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

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

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

Scott Cornish

Head of Regional

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

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

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

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

Neil Backer

Head of SEQ

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

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

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

Rebecca Munn

Group Executive People, Safety and Sustainability

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

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

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

Warren McReight

Group Executive Major Projects, Engineering and Rail Safety

Warren is a Chartered Professional Engineer with more than 35 years' experience delivering diverse multi-billion dollar projects throughout Australia.

His proven leadership experience brings creativity, strong team culture, commercial acumen, risk and governance management, strategic planning and networking skills to Queensland Rail.

As Group Executive Major Projects, Engineering and Rail Safety, Warren is accountable for the performance of Queensland Rail's major project delivery, and for leading Queensland Rail's activities in relation to the CRR and ETCS projects. Warren is also responsible for driving excellence in engineering and safety.

Kevin Jones

CFO and Group Executive Finance and Corporate Services

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

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

As CFO, Kevin is responsible for providing commercial leadership to achieve organisational financial goals, while also ensuring the organisation's compliance with relevant financial regulations, government policies and legislation. He is also responsible for Queensland Rail's supply chain, corporate services and procurement, and is focused on driving long-term financial discipline and sustainability across the organisation.

Darren Cavanagh

Group Executive Digital and Information

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

During his career, Darren has led significant Enterprise Resource Planning (ERP) and S4Hana implementations, along with technology enablement of the New South Wales Rail Operations Centre, Metro Integration and the new Waratah train fleet. He has also introduced new capabilities such as cyber defence, Cloud, agile and digital teams, enterprise-wide data platforms and innovation processes.

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

Renaye Peters

Group Executive Strategic Projects, Property and Portfolio

Renaye is an experienced executive with more than 25 years' experience across the infrastructure, property and corporate sector.

Renaye specialises in building high performance teams to deliver results and has contributed to many significant infrastructure projects, including Brisbane's Eastern Busway and Inner Northern Busway. Renaye is an outspoken advocate for delivering more for communities when delivering infrastructure and highlights the importance of weaving infrastructure back into the urban fabric, creating added economic benefits and engaging with the community.

As Group Executive Strategic Projects, Property and Portfolio, Renaye plays a key role in the development of commercial opportunities for Queensland Rail, unlocking incremental revenue streams for strategic property decisions as well as leading major precinct transformations.

Corporate Governance

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

Guidelines

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

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

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

Corporate governance statement FY25

Principle 1 – Foundations for management and oversight

The roles and responsibilities of the Board and individual members are defined in the Board Charter. These roles and responsibilities are reviewed by the Board at least biennially and a copy of the charter is available at queenslandrail.com.au.

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

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

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

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

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

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

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

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

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

Principle 2 – Structure the Board to add value

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

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

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

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

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

Details of the current Board members' experience and expertise are disclosed in this annual report, as is information on attendance at Board and Committee meetings. Information in relation to composition of the Board and terms of appointment for all members in office as at 30 June 2025 is set out on pages 29 to 31 of the Annual and Financial Report FY2024-2025.

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

Members are encouraged to further their knowledge through participation in industry, governance and government forums and attend seminars hosted by the AICD, Governance Institute of Australia and other peak professional bodies. In addition to peer review, interaction and networking with other directors and industry leaders, Queensland Rail Board members participate in Queensland Rail forums, actively engage with Queensland Rail employees and visit Queensland Rail operations to gain an understanding of operational requirements, challenges and issues.

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

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

The Board undertakes performance evaluations on a periodic basis to achieve and maintain corporate governance best practice and continual improvement. The purpose of the evaluations is to assess the performance of the Board as a whole, the Chair, and the effectiveness of the Board committees. An external party is engaged on a periodic basis to assist the evaluation and provide an independent review of Board performance. An external Board performance evaluation was completed during FY25. Written advice on the outcome of evaluations is provided to responsible Ministers.

Principle 3 – Promote ethical and responsible decision making

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

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

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

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

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

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

Principle 4 - Safeguard integrity in financial reporting

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

The role of the Chair of the Committee is not held by the Chair of the Board and all Committee members are independent non-executive members. Membership of the Committee and details of attendance at meetings is disclosed on page 40 of the Annual and Financial Report 2024-2025.

The CEO and CFO certify in writing that the Queensland Rail financial report represents a true and fair view of Queensland Rail's financial position and performance, and that it has been prepared in accordance with the appropriate Australian and Queensland Accounting Standards, Statement of Accounting Concepts, Interpretations and Framework for the Preparation and Presentation of Financial Statements in all material respects.

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

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

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

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

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

Principle 5 – Make timely and balanced disclosure

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

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

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

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

Principle 6 – Respect the rights of shareholders

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

As at 30 June 2025, Queensland Rail's responsible Ministers were the Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Honourable Brent Mickelberg MP, Minister for Transport and Main Roads. Queensland Rail is committed to ensuring responsible Ministers and their representatives are provided with information to make informed assessments of Queensland Rail's operational and financial performance and position.

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

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

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

Principle 7 – Recognise and manage risk

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

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

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

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

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

The Executive Risk Committee monitors the effectiveness of compliance and assurance activities and assists in the monitoring and escalation of risk

issues and continuous improvement opportunities to the Audit and Risk Committee.

The Board has assigned management with the responsibility for managing risk within the organisation and the implementation of mitigation measures, under the direction of the CEO and supported by senior executives. The Risk and Compliance Group Function, led by the Group Executive, Strategy and Transformation, facilitates the process by providing a centralised role in advising the various business functions on executing risk, compliance and assurance management, as well as consolidating reporting to Executive Risk Committee, Audit and Risk Committee, and the Board.

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

Principle 8 – Remunerate fairly and responsibly

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

Membership of the Committee and details of attendance at meetings are disclosed on page 40 of the Annual and Financial Report 2024-2025. Queensland Rail recognises that the achievement of its corporate objectives is dependent on the efforts of its people and has established remuneration policies, procedures and frameworks designed to attract and retain high calibre employees and to align individual and team efforts to agreed KPIs linked to the Operational and Strategic Plans of the organisation.

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

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

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

Government policies and guidelines

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

Board meetings

The Board held 11 meetings during the financial year. Typically, at Board meetings the agenda will include the following:

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

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

Member attendance at FY25 Board meetings is detailed below:

Board Member	Attended	Meetings eligible to attend
David Marchant AM (Former Chair) ³	11	11
Stephen Cantwell ³	10	11
Vivienne Doogan ³	10	11
Michael Goss ¹	9	10
Loretta Lynch	11	11
Heather Watson ³	11	11
Tracey Winters ²	9	11

¹Resigned as Board member 31 May 2025.

²Resigned as Board member 27 June 2025.

³Ceased as Board member 8 August 2025.

Board committees

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

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

Audit and Risk Committee

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

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

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

Committee member attendance at FY25 Audit and Risk Committee meetings is detailed below:

Board Member	Attended	Meetings eligible to attend
Heather Watson (Former Chair) ²	4	4
Michael Goss ¹	3	3
Loretta Lynch	4	4
David Marchant AM ²	4	4

¹Resigned as Board member 31 May 2025.

²Ceased as Board member 8 August 2025.

People, Safety and Environment Committee

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

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

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

Committee member attendance at FY25 People, Safety and Environment Committee meetings is detailed below:

Board Member	Attended	Meetings eligible to attend
Loretta Lynch (Chair) ¹	4 ²	0
Stephen Cantwell (Former Chair) ^{3,4}	4	4
Vivienne Doogan ⁴	4	4
David Marchant AM ⁴	4	4
Heather Watson ⁴	4	4
Michael Goss ⁵	3	3

¹Appointed as Committee Chair 27 June 2025.

²Attended as a non-member during FY25

³Ceased as Committee Chair 26 June 2025.

⁴Ceased as Board member 8 August 2025.

⁵Ceased as Board member 31 May 2025.

Major Projects and Procurement Committee

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

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

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

Committee member attendance at FY25 Major Projects and Procurement Committee meetings is detailed below:

Board Member	Attended	Meetings eligible to attend
Tracey Winters (Former Chair) ¹	3	4
Stephen Cantwell ²	4	4
Loretta Lynch	4	4
David Marchant AM ²	4	4

¹Resigned as Board member 27 June 2025.

²Ceased as Board member 8 August 2025.

Information management

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

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

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

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

- continue to provide a reliable service and accurate information to customers, with greater efficiency
- improve asset management capability through information and data management systems
- support the CRR project
- undertake integrated planning across rail and network operations
- enable data-driven decisions through accessible and relevant information
- mitigate cyber and information security risks that present an increased risk to business continuity and reputation.

Open data

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

In FY25, Queensland Rail’s consultancy expenses were nil. There were three instances of overseas travel, with a total of \$66,800 expenses incurred.

Corporate entertainment and hospitality

Queensland Rail hosted four events in FY25 that exceeded a cost of \$5,000. These were an International Women’s Day event with an overall cost of \$24,508, staff recognition function with an overall cost of \$11,356, NAIDOC Week events with an overall cost of \$8,561 and a community engagement with Opera Queensland at an overall cost of \$12,090.

Human Rights

Queensland Rail is committed to ensuring it acts and makes decisions compatible with the *Human Rights Act 2019 (Qld)* (HRA). Queensland Rail continually looks for process improvements to ensure any decisions made give consideration to their potential to impact an individual’s human rights.

In circumstances where an individual’s human rights may have been impacted, an impact assessment is undertaken.

During FY25, Queensland Rail:

- Assessed all new and relevant policies and procedures for compatibility with the HRA, making changes where necessary.
- Continued to raise awareness about the HRA and its effect on Queensland Rail’s operations.
- Considered the nature of human rights complaints and made adjustments to existing policies and procedures as part of its commitment to continuous improvement to adjust to consumer demands and expectations.
- Received four human rights complaints.

Notifications by responsible Ministers

Queensland Rail dividends

By letter dated 29 June 2025, pursuant to section 56 of the *QRTA Act*, responsible Ministers approved Queensland Rail's dividend recommendation and directed Queensland Rail to pay a dividend equal to 100 per cent of the Queensland Rail Group's final adjusted Net Profit After Tax (NPAT) for the FY25 period. The dividend is to be paid to the Consolidated Fund no later than 28 November 2025.

Transfer of land to Department of Transport and Main Roads for the Logan and Gold Coast Faster Rail Project

By letter dated 13 June 2025, in accordance with section 54 of the *QRTA Act*, responsible Ministers notified and directed Queensland Rail and its subsidiaries to transfer 13 parcels of land to TMR for the Logan and Gold Coast Faster Rail Project.

Summary of the FY25 Operational Plan

World-class services for our customers.

The FY25 Operational Plan (“the Plan”) was the formal statement of Queensland Rail’s strategic direction, including objectives and performance outcomes, for FY25.

In preparing the Plan, Queensland Rail reflected key strategic documents and priorities released by the Queensland Government.

This Annual and Financial Report provides a summary of performance against the Plan, including key performance measures that tracked progress against targets.

Key inclusions

Key components of the Plan included a 12-month view of:

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

Government revenues and funding

The Plan reflected funding under the Rail TSC for:

- SEQ services
- Travel and Tourism services
- Regional network (including provision of rail access).

Employment and Industrial Relations

The Employment and Industrial Relations Plan aligned with the organisation’s values and supported its people to deliver its strategy by:

- Helping to build a culture that provided opportunities for people to develop, lead, make a difference and perform.
- Developing workplace relations instruments (agreements and policies) and positive relationships that promoted fairness, employee engagement and high performance.

Performance outcomes

The Plan represented the formal performance agreement between Queensland Rail’s Board of Directors and responsible Ministers for FY25 and contained a summary of organisational objectives, consistent with its longer-term Strategic Plan.

For FY25, the Plan outlined key priorities for the organisation.

The Plan also contained financial and non-financial KPIs, the performance of which were reported to

responsible Ministers each quarter. Refer to Our Operational Performance section for a summary of annual performance results.

Significant achievements

Priority: Operating safely

- Refreshed SEQ and Regional customer awareness safety campaigns (Travel with Care and Act Safe. Arrive Safe.) ensuring these addressed the number one cause of injury - customer slips, trips and falls. Also delivered targeted bridge strike reduction campaign and enhanced bridge strike prevention infrastructure in SEQ.
- Won an award at the 2025 RISSB Rail Safety Awards in the Community Safety category for the Ollera Creek emergency response.
- Continued to strengthen controls to mitigate cyber security risks.

Priority: Lifting operational performance

- SEQ patronage increased by 16 per cent from FY24 levels.
- 124 non-traincrew master rosters reviewed based on current demand, with three master rosters implemented to improve efficiency.
- Inspected 850km of track and nearly 900km of OHLE to support the safe return of the SEQ network to full service following TC Alfred.

Priority: Scaling the network

- Tested modern, mobile and fit-for-purpose Digital Maintainer solution to support employees in the office and field. Digital Maintainer will provide a more effective mobile solution for the maintenance workforce, improving maintenance management and efficiency.
- Value based maintenance pilot commenced on Track, Civil and Traction asset classes, incorporating digital asset inspections. Pilot program to improve track closure utilisation through digitised planning also commenced.

Priority: Engaging our employees

- 68 per cent of employees responded to the 2025 QR Engage employee engagement survey, up from 67 per cent in 2024. The engagement score also increased to 68 per cent (a one percentage point increase from 2024).
- Inclusion Community action plans were developed and implemented across all communities.

Priority: Building the future workforce

- LinkedIn Learning launched with initial employee uptake of more than 45 per cent.
- Career Connector was established to enhance internal opportunities for employees through redeployment and reskilling programs.
- Strategic operating model enhancements were made to align structure with future capability needs in the areas of Procurement and Supply Chain; Brand, Reputation and Corporate Affairs; Safety; Learning; and Portfolio, Program and Project Management.
- Recruitment processes were redesigned and priority system enhancements are in progress for implementation by December 2025.

Priority: Simplifying our business

- Enterprise Process Hierarchy (EPH) was endorsed, and process mapping standards and specifications developed to drive process efficiency, ownership and deliver time and cost benefits.
- Visual management was embedded in day-to-day working across the enterprise to drive accountability and performance outcomes.
- Broader foundational capability was put in place, including process standards and business process management knowledge platform (Signavio).

Priority: Integrating our planning

- Introduced new budget optimisation processes, supported by cost models, in key areas of spend, resulting in multi-million dollar cost savings across the business.
- Continued to embed product planning processes, connecting customer-oriented products to more sustainable budget and investment decisions.
- Developed 11 supporting Corridor Plans informed by the FY26-FY30 budget review process and the 10-year capital Investment Plan.
- Introduced new inventory software to optimise daily inventory levels.

Priority: Advancing our digital capabilities

- Established Digital Centre of Excellence to drive digital innovation and adoption, integrating insights from IT and Operational Technology (OT) systems.
- Mobilised multi-disciplinary team to showcase digital solutions using AI, machine learning, augmented reality and other emerging technologies to solve complex business problems.
- Commenced implementation of tools, technologies, processes and practices to build foundational capabilities in data quality and governance, initially within five data domains.

- Continued progress for cloud modernisation, to simplify Queensland Rail's Information and Communication Technology (ICT) data centre environment, reduce cyber risk, support costs, reduce carbon footprint and increase speed of delivery.

Looking ahead

Moving to FY26, Queensland Rail's refreshed plan will focus on safety, customers and community, and its people. The Plan directly aligns to Government's Objectives for the Community and a multi-billion dollar rail expansion program that includes CRR, the introduction of ETCS, line duplications and extensions, and various other major rail projects across the state.

Queensland Rail's purpose and vision will remain unchanged, with an unwavering commitment to connecting communities across Queensland and pursuing world-class rail services for customers.

Queensland Rail's 1TEAM values and behaviours will remain central to continue the organisation's focus on service delivery excellence, guiding the way employees treat each other, deliver services to customers, and partner with stakeholders.

As the organisation delivers its strategic priorities through products and transformation programs in FY26, Queensland Rail will aim to optimise the substantial investment in rail by Government. Queensland Rail will continue to transform the way it operates to be more efficient, productive and customer-oriented. Queensland Rail will also continue to deliver against its agreed Operating Budget and Investment Plan, which supports significant policy and investment decisions by the Queensland Government.

Modifications to the Operational Plan

The *QRTA Act* requires that Queensland Rail's Annual and Financial Report include particulars of any direction given to Queensland Rail to modify its Operational Plan during the relevant year.

Queensland Rail did not materially modify its Operational Plan during this financial year

Compliance checklist

Letter of compliance

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

Accessibility

Summary of requirement	Basis for requirement	Annual report reference
Table of contents and glossary	ARRs – section 9.1	Page 4; Page 46
Public availability	ARRs – section 9.2	Page 2
Interpreter service statement	<i>Queensland Government Language Services Policy</i> ; ARRs – section 9.3	Page 2
Copyright notice	<i>Copyright Act 1968</i> ; ARRs – section 9.4	Page 2
Information licensing	<i>QGEA – Information Licensing</i> ; ARRs – section 9.5	Page 2

General information

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

Non-financial performance

Summary of requirement	Basis for requirement	Annual report reference
Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 6-12; 16-26; 42-43
Agency objectives and performance indicators	ARRs – section 11.2	Page 6-7, 13, 42-43
Agency service areas and service standards	ARRs – section 11.3	Page 42-43

Financial performance

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

Governance – management and structure

Summary of requirement	Basis for requirement	Annual report reference
Organisational structure	ARRs – section 13.1	Page 28
Executive management	ARRs – section 13.2	Page 29-33
Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 2
Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ; ARRAs – section 13.4	Page 35-36
Human Rights	<i>Human Rights Act 2019</i> ; ARRs – section 13.5	Page 40
Queensland public service values	ARRs – section 13.6	Pages 6-10, 16-26, 42-43

Governance – risk management and accountability

Summary of requirement	Basis for requirement	Annual report reference
Risk management	ARRs – section 14.1	Page 37-38
Audit committee	ARRs – section 14.2	Page 39
Internal audit	ARRs – section 14.3	Page 36
External scrutiny	ARRs – section 14.4	N/A
Information systems and recordkeeping	ARRs – section 14.5	Page 40
Information security attestation	ARRs – section 14.6	N/A

Governance – human resources

Summary of requirement	Basis for requirement	Annual report reference
Strategic workforce planning and performance	ARRs – section 15.1	Page 21-23
Early retirement, redundancy and retrenchment	<i>Directive No. 04/18 Early Retirement, Redundancy and Retrenchment;</i> ARRs – section 15.2	N/A

Open data

Summary of requirement	Basis for requirement	Annual report reference
Statement advising publication of information	ARRs – section 16	Page 2
Consultancies	ARRs – section 31.1	Page 40; <i>data.qld.gov.au</i>
Overseas travel	ARRs – section 31.2	Page 40; <i>data.qld.gov.au</i>
Queensland Language Services Policy	ARRs – section 31.3	Page 40; <i>data.qld.gov.au</i>

Financial statements

Summary of requirement	Basis for requirement	Annual report reference
Certification of financial statements	FAA – section 62; FPMS – sections 38, 39 and 46; ARRs – section 17.1	Page 102
Independent Auditor's Report	FAA – section 62; FPMS – section 46; ARRAs – section 17.2	Pages 103-106

Glossary and acronyms

Glossary

1TEAM

Queensland Rail's values framework, with a focus on being one business and a performance-focused organisation.

Customer

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

Force Majeure

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

Freight

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

Network

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

Positive pARTnerships Program

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

Rail Management Centre (RMC)

Queensland Rail's network control centre for the SEQ network, in Bowen Hills. Activities such as train control and monitoring are undertaken at this location.

Return on Assets (ROA)

Defined as EBIT less income from investments, dividend by average operating assets.

Return on Equity (ROE)

Defined as operating profit after tax dividend by average equity.

Rollingstock

Rail locomotives and wagons.

SEQ network

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

Travel and Tourism network

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

Acronyms

ABN

Australian Business Number

ACS

Australian Computer Society

AFL

Australian Football League

AI

Artificial Intelligence

AISA

Australian Information Security Association

AM

Member of the Order of Australia

ANZAC

Australia and New Zealand Army Corps

AOD

Alcohol and Other Drugs

ARHS

Australian Railway Historical Society

ARRs

Annual report requirements for Queensland Government agencies

ASX

Australian Securities Exchange

ATSB

Australian Transport Safety Bureau

AU3

Access Undertaking 3

BCC

Brisbane City Council

BoM

Bureau of Meteorology

CAFNEC

Cairns and Far North Environment Fund

CCHSL

Churches of Christ Housing Services Limited

CCTV

Closed Circuit Television

CEO

Chief Executive Officer

CFO Chief Financial Officer	KSR Kuranda Scenic Railway
Corporations Act Corporations Act 2001 (Cth)	LGBTIQ+ Lesbian, Gay, Bisexual, Transgender, Intersex, Queer plus others not specifically listed
CRR Cross River Rail	MSAMHS Metro South Addiction and Mental Health Services
CRRDA Cross River Rail Delivery Authority	NAIDOC National Aboriginal and Islanders Day Observance Committee
DFV Domestic and Family Violence	NGR New Generation Rollingstock
EBIT Earnings Before Interest and Tax	NHVR National Heavy Vehicle Regulator
EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation	NPAT Net Profit After Tax
ETCS European Train Control System	OHLE Overhead power line equipment
FAA Financial Accountability Act 2009 (Qld)	OTI On Track Insurance Pty Ltd
FINSIA Financial Services Institute of Australia	QCA Queensland Competition Authority
FPMS Financial and Performance Management Standard 2019	QPS Queensland Police Service
FTE Full-time equivalent	QRL Queensland Rail Limited
FY Financial Year	QRTA Act Queensland Rail Transit Authority Act 2013 (Qld)
GST Goods and Services Tax	QTA Queensland Trucking Association
GTK Gross Tonne Kilometres	RAP Reconciliation Action Plan
HAA Housing All Australians	RISSB Rail Industry Safety and Standards Board
HRA Human Rights Act 2019 (Qld)	RRF Reef Restoration Fund
IDAHOBIT International Day Against Homophobia, Biphobia and Transphobia	SEQ South East Queensland
IT Information Technology	SEMS Safety and Environment Management System
KPI Key Performance Indicator	SPAD Signal Passed at Danger

TC

Tropical Cyclone

TMR

Department of Transport and Main Roads

TRIFR

Total Recordable Injury Frequency Rate

TSC

Rail Transport Services Contract

Queensland Rail

ABN 68 598 268 528

Financial report for the year ended 30 June 2025

Queensland Rail
ABN 68 598 268 528
Financial report - 30 June 2025

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These financial statements cover Queensland Rail and its controlled entities.

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

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

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

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

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

Statements of comprehensive income
for the year ended 30 June 2025

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Revenue from operations	1	2,959,671	2,660,434	1,678,351	1,505,116
Other income		4,126	4,326	-	-
Total revenue and other income		2,963,797	2,664,760	1,678,351	1,505,116
Supplies and services		(611,098)	(615,176)	-	-
Employee benefits expense	3	(1,355,006)	(1,271,257)	(1,476,376)	(1,363,730)
Depreciation and amortisation		(451,161)	(417,611)	-	-
Other expenses		(69,040)	(16,251)	(194)	(775)
Total expenses		(2,486,305)	(2,320,295)	(1,476,570)	(1,364,505)
Operating profit		477,492	344,465	201,781	140,611
Finance income		703	1,462	-	-
Finance expenses	4	(185,100)	(146,411)	(139)	-
Net finance costs		(184,397)	(144,949)	(139)	-
Profit before income tax		293,095	199,516	201,642	140,611
Income tax expense	5	(91,453)	(58,905)	-	-
Profit for the year		201,642	140,611	201,642	140,611
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Changes in the fair value of cash flow hedges		-	479	-	-
Income tax relating to changes in the fair value of cash flow hedges	5	-	(144)	-	-
Other comprehensive income for the year		-	335	-	-
Total comprehensive income for the year		201,642	140,946	201,642	140,611

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

Balance sheets
as at 30 June 2025

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		201,559	1,933	-	-
Trade and other receivables	6	269,337	80,951	629,648	568,876
Prepayments		24,961	22,379	-	-
Inventories	7	116,711	137,581	-	-
Current tax assets		-	46,249	-	46,249
Total current assets		612,568	289,093	629,648	615,125
Non-current assets					
Trade and other receivables		-	-	52,190	46,776
Prepayments		1,506	584	-	-
Inventories	7	43,128	50,760	-	-
Property, plant and equipment	8	10,513,689	9,305,038	-	-
Intangible assets	9	43,944	42,783	-	-
Right-of-use assets	10	54,358	62,093	-	-
Deferred tax assets	11	-	-	107,359	108,384
Investment in subsidiary		-	-	3,287,549	2,845,324
Other assets		-	-	3,465	3,465
Total non-current assets		10,656,625	9,461,258	3,450,563	3,003,949
Total assets		11,269,193	9,750,351	4,080,211	3,619,074
LIABILITIES					
Current liabilities					
Trade and other payables	12	712,714	534,162	259,814	219,359
Borrowings	19	-	75,634	-	-
Lease liabilities	10	14,077	13,973	-	-
Provisions	13	326,158	315,324	321,233	311,397
Current tax liabilities		2,203	-	2,203	-
Other liabilities		13,956	14,482	159	665
Total current liabilities		1,069,108	953,575	583,409	531,421
Non-current liabilities					
Borrowings	19	5,803,000	4,923,000	-	-
Lease liabilities	10	49,648	57,953	-	-
Provisions	13	57,190	52,172	52,190	46,776
Deferred tax liabilities	14	454,106	411,500	-	-
Other liabilities		82,350	50,635	42,104	90,644
Total non-current liabilities		6,446,294	5,495,260	94,294	137,420
Total liabilities		7,515,402	6,448,835	677,703	668,841
Net assets		3,753,791	3,301,516	3,402,508	2,950,233
EQUITY					
Contributed equity		3,532,725	3,090,500	3,294,131	2,851,906
Retained earnings		221,066	211,016	108,377	98,327
Total equity		3,753,791	3,301,516	3,402,508	2,950,233

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

Statements of changes in equity
for the year ended 30 June 2025

Consolidated	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		3,090,500	-	211,016	3,301,516
Profit for the year		-	-	201,642	201,642
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	201,642	201,642
Transactions with owners in their capacity as owners:					
Contributions of equity		444,213	-	-	444,213
Distributions of equity		(1,988)	-	-	(1,988)
Dividends provided for or paid	15	-	-	(191,592)	(191,592)
		442,225	-	(191,592)	250,633
Balance at 30 June 2025		3,532,725	-	221,066	3,753,791
Balance at 1 July 2023		3,090,500	(335)	211,016	3,301,181
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	15	-	-	(140,611)	(140,611)
		-	-	(140,611)	(140,611)
Balance at 30 June 2024		3,090,500	-	211,016	3,301,516

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

Statements of changes in equity
for the year ended 30 June 2025 (continued)

Parent	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		2,851,906	-	98,327	2,950,233
Profit for the year		-	-	201,642	201,642
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	201,642	201,642
Transactions with owners in their capacity as owners:					
Contributions of equity		444,213	-	-	444,213
Distributions of equity		(1,988)	-	-	(1,988)
Dividends provided for or paid	15	-	-	(191,592)	(191,592)
		442,225	-	(191,592)	250,633
Balance at 30 June 2025		3,294,131	-	108,377	3,402,508
Balance at 1 July 2023		2,851,906	-	98,327	2,950,233
Profit for the year		-	-	140,611	140,611
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	140,611	140,611
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	15	-	-	(140,611)	(140,611)
		-	-	(140,611)	(140,611)
Balance at 30 June 2024		2,851,906	-	98,327	2,950,233

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

Statements of cash flows
for the year ended 30 June 2025

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		503,291	403,636	1,476,709	1,364,505
Receipts from Rail Transport Service Contract (inclusive of GST)		2,651,576	2,488,364	-	-
Dividends received from subsidiaries		-	-	140,611	149,793
Interest received		252	1,452	-	-
Payments to suppliers and employees (inclusive of GST)		(2,168,026)	(2,037,588)	(1,473,715)	(1,363,369)
Interest and other costs of finance paid		(236,037)	(185,242)	-	-
GST input tax credits		157,823	148,144	1,225	975
GST remitted		(284,576)	(261,854)	-	-
Other		(1)	(21)	(1)	(21)
Income taxes paid		(396)	(84,750)	(396)	(84,750)
Net cash inflow from operating activities	16	623,906	472,141	144,433	67,133
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 to related parties		-	-	(3,822)	-
Repayment of loans to related parties		-	-	-	82,660
Net cash (outflow) / inflow from investing activities		(1,075,182)	(956,098)	(3,822)	82,660
Cash flows from financing activities					
Proceeds from borrowings	18	804,366	538,634	-	-
Repayments of principal element of lease liabilities	18	(12,853)	(11,440)	-	-
Dividends paid	15	(140,611)	(149,793)	(140,611)	(149,793)
Net cash inflow / (outflow) from financing activities		650,902	377,401	(140,611)	(149,793)
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 statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the statements of comprehensive income

1 Revenue from operations

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<i>Revenue from contracts with customers</i>				
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	-	-
Managed services revenue	-	-	1,476,709	1,364,505
<i>Other revenue</i>				
Other revenue	2,755	2,658	-	-
Inter-company dividend revenue	-	-	201,642	140,611
	2,959,671	2,660,434	1,678,351	1,505,116

The consolidated entity recognises revenue as performance obligations are satisfied and it is probable that future economic benefits will flow to the consolidated entity. 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.

1 Revenue from operations (continued)

(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.

(c) Travel and Tourism

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

(d) Managed Services Agreement

Revenue generated from the provision of personnel services to Queensland Rail Limited includes direct and indirect costs as per the Managed Services Agreement. All employees within the consolidated entity reside in Queensland Rail. The Managed Services Agreement facilitates the invoicing of all employee related costs, including their associated leave entitlement expenses, to Queensland Rail Limited. Revenue generated from the Managed Services Agreement is recognised over time as the services are provided.

(e) Income in advance from contracts with customers

Consolidated	Travel and Tourism revenue \$'000	Other revenue from customer contracts \$'000	Rail Transport Service Contract revenue \$'000	Total \$'000
2025				
Opening balance	5,545	18,616	3,757	27,918
Revenue recognised from the opening balance as performance obligations are satisfied	(5,545)	(2,536)	(1,112)	(9,193)
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

The parent entity does not have any income in advance.

2 Supplies and services

	Consolidated 2025 \$'000	2024 \$'000
Materials and consumable items	178,602	176,736
Trade services	165,675	155,503
Professional services and fees	117,570	109,399
Traction electricity and train fuel	41,297	41,232
Utilities	28,378	28,373
Lease and hire charges	28,309	43,941
Other supplies and services	26,473	28,279
Vehicle running expenses	18,417	20,298
Capital and external works	6,377	11,415
	611,098	615,176

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

3 Employee benefits expense

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Wages and salaries	940,526	881,116	1,053,400	964,002
Annual leave	98,787	98,789	98,787	98,789
Long service leave	36,518	36,895	36,518	36,895
Superannuation				
Defined benefit superannuation expense	12,085	12,664	12,085	12,664
Defined contribution superannuation expense	124,911	110,665	124,911	110,665
Other employee benefits	51,096	47,275	51,096	47,275
Employee related expenses	91,083	83,853	99,579	93,440
	1,355,006	1,271,257	1,476,376	1,363,730

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

The consolidated entity's total employee benefits expense was \$1,503.7 million (2024: \$1,389.6 million). Of this \$148.7 million (2024: \$118.3 million) was recognised directly in property, plant and equipment leaving \$1,355.0 million (2024: \$1,271.3 million) reported as employee benefits expense.

The number of full-time equivalent (FTE) employees as at reporting date was 7,996.0 (2024: 7,909.0). FTEs include full-time, part-time and casual employees based on a thirty-eight hour week.

4 Finance expenses

	Consolidated 2025 \$'000	2024 \$'000	Parent 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	139	-
	185,100	146,411	139	-

5 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 statements 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	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Current tax		45,855	29,558	(1,025)	(2,847)
Deferred tax		44,398	29,560	1,025	2,847
Adjustments for current tax of prior periods		2,992	(213)	-	-
Recognition of capital tax loss		(1,792)	-	-	-
		91,453	58,905	-	-
Deferred income tax expense / (benefit) included in income tax expense comprises:					
(Increase) / decrease in deferred tax assets	11	(11,137)	6,193	1,025	2,847
Increase in deferred tax liabilities	14	55,535	23,367	-	-
		44,398	29,560	1,025	2,847

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

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Profit from continuing operations before income tax expense	293,095	199,516	201,642	140,611
Tax at the Australian tax rate of 30% (2024: 30%)	87,929	59,855	60,493	42,183
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
Entertainment	-	3	-	-
Research and development	67	319	-	-
Dividends received from subsidiaries	-	-	(60,493)	(42,183)
Luxury car tax	5	59	-	-
Other	460	(1,118)	-	-
Adjustments for current tax of prior periods	2,992	(213)	-	-
	3,524	(950)	(60,493)	(42,183)
Total income tax expense	91,453	58,905	-	-

5 Income tax expense (continued)

(c) Amounts recognised directly in equity

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 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	11, 14	-	144	-	-
		-	144	-	-

(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 balance sheets

6 Trade and other receivables

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Trade receivables	233,402	49,381	-	-
Less: allowance for impairment of trade receivables	(34)	(115)	-	-
	233,368	49,266	-	-
Net related party receivables	-	-	428,006	428,265
Inter-company dividend receivables	-	-	201,642	140,611
	-	-	629,648	568,876
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	629,648	568,876

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

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 consolidated entity 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.

7 Inventories

Consolidated	2025			2024		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	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)
	<u>116,711</u>	<u>43,128</u>	<u>159,839</u>	<u>137,581</u>	<u>50,760</u>	<u>188,341</u>

The parent entity does not hold any inventories.

(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.

8 Property, plant and equipment

(a) Movements in property, plant and equipment

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Major plant and equipment \$'000	Infrastructure \$'000	Total \$'000
At 1 July 2024							
Cost	1,877,046	90,714	979,099	445,323	2,138,346	8,245,004	13,775,532
Accumulated depreciation and impairment losses	-	(509)	(423,101)	(236,859)	(1,234,537)	(2,575,488)	(4,470,494)
Net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038
Year ended 30 June 2025							
Opening net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038
Additions	1,239,999	-	-	189	-	-	1,240,188
Loss on asset derecognition	(37,421)	-	-	-	-	-	(37,421)
Transfers between asset classes	(913,480)	-	84,227	48,328	174,722	606,203	-
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)	(537)	(5,091)	(921)	(2,573)	(9,287)
Depreciation expense	-	-	(36,268)	(30,502)	(120,338)	(239,676)	(426,784)
Closing net book amount	2,165,874	88,052	717,033	266,579	957,272	6,318,879	10,513,689
At 30 June 2025							
Cost	2,165,874	88,190	1,173,291	514,347	2,182,503	9,111,575	15,235,780
Accumulated depreciation and impairment losses	-	(138)	(456,258)	(247,768)	(1,225,231)	(2,792,696)	(4,722,091)
Net book amount	2,165,874	88,052	717,033	266,579	957,272	6,318,879	10,513,689

8 Property, plant and equipment (continued)

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

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Major plant and equipment \$'000	Infrastructure \$'000	Total \$'000
At 1 July 2023							
Cost	1,410,393	91,208	945,699	436,412	2,040,667	7,955,529	12,879,908
Accumulated depreciation and impairment losses	-	(509)	(394,638)	(220,607)	(1,189,871)	(2,382,821)	(4,188,446)
Net book amount	1,410,393	90,699	551,061	215,805	850,796	5,572,708	8,691,462
Year ended 30 June 2024							
Opening net book amount	1,410,393	90,699	551,061	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	-	-	(33,509)	(28,248)	(100,148)	(230,272)	(392,177)
Closing net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038
At 30 June 2024							
Cost	1,877,046	90,714	979,099	445,323	2,138,346	8,245,004	13,775,532
Accumulated depreciation and impairment losses	-	(509)	(423,101)	(236,859)	(1,234,537)	(2,575,488)	(4,470,494)
Net book amount	1,877,046	90,205	555,998	208,464	903,809	5,669,516	9,305,038

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

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

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

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 consolidated entity's capitalisation policy.

Land

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

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 consolidated entity and the cost can be measured reliably. Costs related to repairs and maintenance activities are expensed when incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

(d) Depreciation

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

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.

8 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 consolidated entity identified three CGUs, being South East Queensland, Regional and Mount Isa.

Queensland Rail'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.

8 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 consolidated entity.

(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 consolidated entity 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.

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 consolidated entity 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'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:

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

The consolidated entity 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 consolidated entity. 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 consolidated entity.

Assets funded by Queensland Rail Limited and delivered under the RIS and ETCS programs are recognised as work in progress in the balance sheets 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.

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

9 Intangible assets

Consolidated	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

The parent entity does not hold any intangible assets.

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 consolidated entity 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.

9 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 8(e).

10 Leases

(a) Details of leasing arrangements as lessee

The consolidated entity routinely enters into leases for land and buildings, telecommunication infrastructure and plant and equipment. Lease terms for leases that are recognised on the balance sheets 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 consolidated entity is reasonably certain it will renew the lease.

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

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

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

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

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

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

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

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

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

10 Leases (continued)

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

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

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

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

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

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

Judgements and estimates

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

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

(i) Amounts recognised in the balance sheets

Right-of-use assets

Consolidated	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

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

10 Leases (continued)

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

Lease liabilities

Consolidated	Land and buildings \$'000	Infrastructure \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 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

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

The parent entity does not have any lease liabilities.

(ii) Amounts recognised in the statements of comprehensive income

	Consolidated 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

The parent entity does not incur any depreciation charge of right-of-use assets, interest expense or rental expense.

(iii) Amounts recognised in the statements of cash flows

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

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

10 Leases (continued)

(b) Details of leasing arrangements as lessor

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

Consolidated	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 parent entity does not have any lease payments receivable.

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

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

11 Deferred tax assets

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
The balance comprises temporary differences attributable to:					
Accrued expenses		10,121	16,578	2,592	7,802
Capital losses		3,290	1,498	-	-
Provisions		117,661	106,791	104,767	100,582
Lease liabilities		19,117	21,578	-	-
Unearned revenue		26,281	17,096	-	-
Total deferred tax assets		176,470	163,541	107,359	108,384
Set-off of deferred tax liabilities pursuant to set-off provisions	14	(176,470)	(163,541)	-	-
Net deferred tax assets		-	-	107,359	108,384
Movements:					
Opening balance		-	-	108,384	111,231
Credited / (charged) to the statements of comprehensive income	5	11,137	(6,193)	(1,025)	(2,847)
Cash flow hedges		-	(144)	-	-
Recognition of unused capital tax loss		1,792	-	-	-
Set-off of deferred tax liabilities pursuant to set-off provisions	14	(12,929)	6,337	-	-
Closing balance at 30 June		-	-	107,359	108,384
Deferred tax assets expected to be recovered within 12 months		-	-	96,605	98,895
Deferred tax assets expected to be recovered after more than 12 months		-	-	10,754	9,489

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.

11 Deferred tax assets (continued)

Judgements and estimates

The consolidated entity'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 balance sheets. Deferred tax assets, including those arising from unused tax losses and temporary differences, are recognised only when future taxable profits are considered probable.

12 Trade and other payables

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade payables	476,269	363,307	52,709	65,142
Dividend payable	191,592	140,611	191,592	140,611
Other payables	25,106	23,815	15,636	13,688
	692,967	527,733	259,937	219,441
GST input tax credits receivable	(18,237)	(16,038)	(123)	(82)
GST payable	37,984	22,467	-	-
	19,747	6,429	(123)	(82)
Total trade and other payables	712,714	534,162	259,814	219,359

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

13 Provisions

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits	312,733	34,590	347,323	302,997	30,376	333,373
Litigation and workers' compensation provision	11,462	18,030	29,492	12,278	17,241	29,519
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	-	-	-
	326,158	57,190	383,348	315,324	52,172	367,496
	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits	312,733	34,590	347,323	302,997	30,376	333,373
Litigation and workers' compensation provision	8,500	17,600	26,100	8,400	16,400	24,800
Land remediation provision	-	-	-	-	-	-
Make good provision	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-
	321,233	52,190	373,423	311,397	46,776	358,173

13 Provisions (continued)

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

Employee obligations are presented as current liabilities in the balance sheets if the entity does not have the right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. The remaining non-vested employee obligations are included as non-current liabilities. Employee benefits include wages and salaries, annual leave, leave loading, long service leave, retiring allowance and related on-costs (where applicable). Sick leave is not provided for on the grounds that it is non-vesting.

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

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

(i) Short-term employee benefit obligations

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

(ii) Long-term employee benefit obligations

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

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

Judgements and estimates

The determination of the provisions required is dependent on a number of assumptions including expected wage increases, probability of meeting the conditions of the benefit and the estimation of the length of time before the benefit is utilised. Wage increases are based on the current agreements in place and long-term estimates of future salary inflation and promotional increases.

Superannuation

Contributions are expensed as they are made.

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

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

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

13 Provisions (continued)

(b) Litigation and workers' compensation provision

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

Judgements and estimates

The determination of the provisions required is dependent on a number of assumptions including the total future cost to finalise existing open claims, wage increases that will impact existing claims, inflation and the amount of claims that have been incurred but not yet reported. Estimates are made based on the average number of claims and average claim payments over a specified period of time. Claims Incurred But Not Reported (IBNR) are also included in the estimate. Claims are expected to be paid over a period exceeding more than one year.

(c) Land remediation provision

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

The provision for land remediation 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.

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.

(d) 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.

13 Provisions (continued)

(e) Movements in provisions

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

Consolidated 2025	Litigation and workers' compensation provision \$'000	Land remediation provision \$'000	Make good provision \$'000	Other provisions \$'000	Total \$'000
Current and non-current					
Carrying amount at start of year	29,519	4,568	36	-	34,123
Charged / (credited) to profit or loss					
- additional provisions recognised	18,579	-	-	7,826	26,405
- unused amounts released	(1,021)	(245)	-	-	(1,266)
- unwind discount	-	210	1	-	211
Amounts used during the year	(17,585)	-	-	(5,863)	(23,448)
Carrying amount at end of year	29,492	4,533	37	1,963	36,025

Parent 2025	Litigation and workers' compensation provision \$'000	Land remediation provision \$'000	Make good provision \$'000	Other provisions \$'000	Total \$'000
Current and non-current					
Carrying amount at start of year	24,800	-	-	-	24,800
Charged / (credited) to profit or loss					
- additional provisions recognised	16,579	-	-	-	16,579
- unused amounts released	(733)	-	-	-	(733)
- unwind discount	-	-	-	-	-
Amounts used during the year	(14,546)	-	-	-	(14,546)
Carrying amount at end of year	26,100	-	-	-	26,100

14 Deferred tax liabilities

	Notes	Consolidated 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		<u>630,576</u>	<u>575,041</u>
Set-off of deferred tax liabilities pursuant to set-off provisions	11	<u>(176,470)</u>	<u>(163,541)</u>
Net deferred tax liabilities		<u>454,106</u>	<u>411,500</u>
Movements:			
Opening balance		411,500	381,796
Charged to the statements of comprehensive income	5	55,535	23,367
Set-off of deferred tax liabilities pursuant to set-off provisions	11	<u>(12,929)</u>	<u>6,337</u>
Closing balance at 30 June		<u>454,106</u>	<u>411,500</u>
Deferred tax liabilities expected to be settled within 12 months		(108,219)	(106,283)
Deferred tax liabilities expected to be settled after more than 12 months		562,325	517,783

The parent entity does not have any deferred tax liabilities.

15 Dividends

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Dividend declared	191,592	140,611	191,592	140,611
Dividend paid	140,611	149,793	140,611	149,793

Notes to the statements of cash flows

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

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Profit for the year	201,642	140,611	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) / decrease in trade receivables	(188,409)	(5,564)	(61,031)	9,181
(Increase) / decrease in inventories	3,113	(22,882)	-	-
(Increase) / decrease in other operating assets	42,364	(46,068)	(2,599)	(75,594)
(Decrease) in trade payables	(5,412)	(55,306)	(10,526)	(18,632)
Increase / (decrease) in other liabilities	75,996	16,230	1,697	(8,725)
Increase in provisions	15,852	15,612	15,250	20,292
Net cash inflow from operating activities	623,906	472,141	144,433	67,133

17 Non-cash investing and financing activities

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

- transfer of property, plant and equipment to State Government (note 8(a));
- transfer of property, plant and equipment from State Government (note 8(a)); and
- acquisition of right-of-use assets (note 10(a)(i)).

18 Reconciliation of liabilities arising from financing activities

Consolidated	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

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

Risk

19 Financial risk management

(a) Financial instruments categories

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

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

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Financial assets				
<i>Financial assets at AC</i>				
Cash and cash equivalents	201,559	1,933	-	-
Trade and other receivables	269,337	80,951	681,838	615,652
Total financial assets	470,896	82,884	681,838	615,652
Financial liabilities				
<i>Financial liabilities at AC</i>				
Trade and other payables	712,714	534,162	259,814	219,359
Borrowings	5,803,000	4,998,634	-	-
Lease liabilities	63,725	71,926	-	-
Total financial liabilities	6,579,439	5,604,722	259,814	219,359

(b) Risks arising from financial instruments

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

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

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

(i) Market risk

Foreign exchange risk

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

The consolidated entity's exposure to foreign exchange risk at reporting date was as follows:

	30 June 2025				30 June 2024			
Consolidated	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 consolidated entity uses derivative financial instruments such as foreign exchange contracts to hedge risk exposures. The derivative financial assets and liabilities held by the consolidated entity have been classified as level 2 on the fair value hierarchy as values are indirectly derived from market indices. Trading for profit is strictly prohibited.

19 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

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

Derivatives are recognised at fair value. The consolidated entity applies hedge accounting to transactions which are highly probable.

Interest rate risk

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

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

Financial liabilities at amortised cost

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

Consolidated	2025		2024	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<i>Non-traded financial liabilities</i>				
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%
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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 consolidated entity's debt with QTC to interest rate risk:

Consolidated	Carrying amount \$'000	Interest rate risk			
		-1%		+1%	
30 June 2025		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.

19 Financial risk management (continued)

(b) Risks arising from financial instruments (continued)

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

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

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

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

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

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

(iii) Liquidity risk

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

Financing arrangements

The amount of undrawn working capital facilities with QTC available at reporting date is \$250.0 million (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 consolidated entity may draw up to the amount of the approved borrowing program.

Borrowings are not secured.

19 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.

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

30 June 2024

Non-derivatives				
Trade payables	393,551	-	-	393,551
Borrowings	259,715	743,742	4,982,488	5,985,945
Lease liabilities	12,902	12,370	7,717	32,989
Total non-derivatives	666,168	756,112	4,990,205	6,412,485

20 Capital risk management

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

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

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

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

	Notes	Consolidated 2025 \$'000	2024 \$'000
Borrowings	19	5,803,000	4,998,634
Lease liabilities	10	63,725	71,926
Total debt		5,866,725	5,070,560
Total equity		3,753,791	3,301,516
Total capital		9,620,516	8,372,076

Total debt to total capital ratio	Consolidated
	61% 61%

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

Unrecognised items

21 Contingencies

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

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

(a) Contingent assets

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

The parent entity does not hold any guarantees.

(b) Contingent liabilities

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

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

The parent entity has not issued any guarantees.

Litigation

A number of common law claims are pending against the consolidated entity. Provisions are taken up for some of these exposures based on the Board's determination and are included as such in note 13.

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

	Consolidated 2025	2024	Parent 2025	2024
Number of cases before the Federal Circuit Court	-	2	-	2
Number of cases before the Supreme Court	2	4	2	1
Number of cases before the District Court	7	9	7	7
Number of cases before the Magistrates Court	1	3	1	2

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

22 Commitments

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

Consolidated	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

The parent entity does not have any commitments payable.

23 Events occurring after the reporting period

On 8 August 2025, the Queensland Government announced changes to the Queensland Rail 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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

Other items

24 Key management personnel disclosures

(a) Responsible Ministers

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

The responsible Ministers of Queensland Rail and its subsidiaries during the year ended 30 June 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) Members, Directors and specified executives

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

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

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

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

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

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation

(i) Members and Directors of Queensland Rail and subsidiaries

2025

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

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

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

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

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

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

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

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

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

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

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

(ii) Specified executives of the consolidated entity

2025	Short-term		Long-term	Post-employment	Term-in		Total
	Monetary benefits ¹ \$'000	Non-monetary benefits \$'000	Long service leave ² \$'000	Super-annuation \$'000	ation benefits \$'000		\$'000
Specified executives							
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
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

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2025	Short-term		Long-term	Post-employment		
	Monetary	Non-monetary	Long service	Super-	Term-	Total
Specified executives	benefits ¹	benefits	leave ²	annuation	ination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
R Munn*	549	7	20	30	-	606
Group Executive People, Safety and Sustainability						
R Peters*	553	7	15	30	-	605
Acting Group Executive Strategy and Transformation (until 25 August 2024)						
Group Executive Strategic Projects, Property and Portfolio						
A Sehgal*	221	2	(21)	13	142	357
Chief Financial Officer and Group Executive Finance and Corporate Services (until 31 October 2024)						
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.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

2024	Short-term	Long-term	Post-employment		
	Monetary benefits ¹ \$'000	Non- monetary benefits \$'000	Long service leave ² \$'000	Super- annuation \$'000	Total \$'000
Specified executives					
K Stapleton Chief Executive Officer	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 appointment authority for all specified executives is section 35 of the *Queensland Rail Transit Authority Act 2013*, with the exception of the Chief Executive Officer who is appointed under section 29. The responsibilities for each specified executive position are detailed in the Annual Report.

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

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

Termination of the employment of an executive can be made by Queensland Rail to the specified executive either with notice, without notice or due to the incapacity of the specified executive. 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.

24 Key management personnel disclosures (continued)

(c) Key management personnel compensation (continued)

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*.

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.

24 Key management personnel disclosures (continued)

(d) Transactions with key management personnel

During the current and prior reporting periods:

- K Stapleton, specified executive of Queensland Rail and Queensland Rail Limited, was a Director of Australasian Railway Association. Queensland Rail Limited paid course and conference fees during these periods and corporate membership in the current reporting period to Australasian Railway Association.
- M Goss, Member of Queensland Rail and Director of Queensland Rail Limited until 31 May 2025, was a Director of Metro South Hospital and Health Services. Queensland Rail Limited paid for medical services during these periods to Metro South Hospital and Health Services.
- S Cornish, specified executive of Queensland Rail and 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 and Queensland Rail Limited, was a Director of TrackSAFE Foundation. Queensland Rail Limited paid corporate contribution and course fees to TrackSAFE Foundation during these periods.

During the current reporting period:

- T Winters, Member of Queensland Rail and Director of Queensland Rail Limited until 27 June 2025, was a non-executive leader of Santos. Queensland Rail Limited recovered fees associated with a wayleave agreement during this period.

During the prior reporting period:

- S Riedel, specified executive of Queensland Rail and 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, Member of Queensland Rail and 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.

	Consolidated 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

25 Related party transactions

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

(a) Transactions with related parties

The following transactions occurred with related parties:

	Parent 2025 \$'000	2024 \$'000
Sale of goods and services to subsidiaries	1,476,709	1,364,505
Dividend revenue from subsidiaries	201,642	140,611
Dividend receivable from subsidiaries	201,642	140,611
Receivables from subsidiaries - current	428,006	428,265
Receivables from subsidiaries - non-current	52,190	46,776
Shares in subsidiaries	3,287,549	2,845,324

(b) Loans to / (from) related parties

	Parent 2025 \$'000	2024 \$'000
<i>Loans to / (from) subsidiaries</i>		
Beginning of the year	(87,179)	(33,592)
Loans advanced	92,929	33,283
Loans repayments received	(44,389)	(86,870)
End of year	<u>(38,639)</u>	<u>(87,179)</u>

25 Related party transactions (continued)

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

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

All material related party transactions are negotiated under commercial terms.

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

	Notes	Consolidated 2025 \$'000	2024 \$'000	Parent 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	2	576,118	432,724	-	-	Consumables
Employee benefits expense	3	75,335	70,229	75,335	70,251	Payroll tax
Other expenses		7,034	5,183	-	-	Land tax, stamp duties and audit fees
Finance income		458	1,154	-	-	Interest revenue
Finance expenses	4	240,512	188,476	-	-	Interest and financing costs
Income tax expense	5	91,453	58,905	-	-	Income tax
Cash and cash equivalents		199,731	-	-	-	Short-term investments
Trade and other receivables	6	226,471	45,995	-	-	Rail Transport Service Contract and other accounts receivables
Current prepayments		509	478	-	-	Prepaid consumables
Current tax assets		-	46,249	-	46,249	Current tax receivable
Trade and other payables	12	455,572	288,589	200,663	148,719	Dividend, Rail Transport Service Contract, interest, capital works, consumables and payroll tax payables
Current borrowings	19	-	75,634	-	-	Short-term borrowings
Current tax liabilities		2,203	-	2,203	-	Current tax payable
Other current liabilities		3,096	4,210	-	-	Asset funding and other income in advance
Non-current borrowings	19	5,803,000	4,923,000	-	-	Long-term borrowings
Other non-current liabilities		66,270	34,384	-	-	Asset funding in advance
Contributed equity		442,225	-	442,225	-	Capital contributions / (distributions)
Dividend declared	15	191,592	140,611	191,592	140,611	Dividend declared

26 Subsidiaries

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

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

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

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

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

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

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

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

Accounting policies have been adopted consistently across the consolidated entity.

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

27 Remuneration of auditors

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

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
<i>Queensland Audit Office</i>				
Audit of the financial statements	798	616	65	59
	798	616	65	59

28 Special payments

	Consolidated 2025 \$'000	2024 \$'000	Parent 2025 \$'000	2024 \$'000
Ex-gratia payments	191	775	191	775
	191	775	191	775

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

Special payments greater than \$5,000 include:

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

29 Climate change

The consolidated entity 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 consolidated entity 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 consolidated entity 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 consolidated entity 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.

30 Queensland Rail Limited consolidated financial information

The Queensland Rail Limited consolidated entity, comprising Queensland Rail Limited and its subsidiary, On Track Insurance Pty Ltd, is wholly-owned by Queensland Rail.

Queensland Rail is required to provide the annual report, which includes the Queensland Rail financial statements, to responsible Ministers for tabling in Parliament. This is in accordance with section 62 of the *Financial Accountability Act 2009*.

The financial statements of Queensland Rail Limited are not required to be included in the Queensland Rail annual report.

The financial results of the Queensland Rail Limited consolidated entity are significant and represent a substantial portion of the Queensland Rail consolidated entity's results. This note is disclosed to provide users of these financial statements more clarity concerning the financial results of the Queensland Rail consolidated entity.

30 Queensland Rail Limited consolidated financial information (continued)

A summarised version of the Queensland Rail Limited consolidated financial statements are disclosed below:

	2025 \$'000	2024 \$'000
Consolidated statement of comprehensive income		
Revenue	2,963,797	2,664,760
Expenses	(2,486,305)	(2,320,295)
Operating profit	477,492	344,465
Net finance costs	(184,397)	(144,949)
Profit before income tax	293,095	199,516
Income tax expense	(91,453)	(58,905)
Profit for the year	201,642	140,611
Other comprehensive income for the year	-	335
Total comprehensive income for the year	201,642	140,946
Consolidated balance sheet		
Current assets	612,568	242,844
Non-current assets	10,698,729	9,551,902
Total assets	11,311,297	9,794,746
Current liabilities	1,115,347	991,029
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
Total equity	3,638,832	3,196,607
Consolidated statement of changes in equity		
Balance at the beginning of the financial year	3,196,607	3,196,272
Total comprehensive income for the year	201,642	140,946
Transactions with owners in their capacity as owners	240,583	(140,611)
Balance at end of year	3,638,832	3,196,607

30 Queensland Rail Limited consolidated financial information (continued)

	2025 \$'000	2024 \$'000
Consolidated statement of cash flows		
Cash flows from operating activities	620,084	554,801
Cash flows from investing activities	(1,071,360)	(1,038,758)
Cash flows 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

31 Summary of other accounting policies

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

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

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

The consolidated entity'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 consolidated entity 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 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.

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

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

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

(a) Basis of preparation

(i) Statement of compliance

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

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

31 Summary of other accounting policies (continued)

(a) Basis of preparation (continued)

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

The consolidated entity has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 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 consolidated entity concluded that they did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) New standards and interpretations not yet adopted

The consolidated entity has reviewed new standards and amendments available for early adoption for the current financial year beginning 1 July 2024. These were not early adopted and based on current assessments, the consolidated entity 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 consolidated entity is prepared on a going concern basis. Current liabilities exceed current assets by \$456.5 million. The consolidated entity has access to a short-term borrowing facility up to the amount of \$250.0 million of which \$250.0 million is undrawn as at reporting date (refer note 19(b)(iii)). The consolidated entity has also secured approval from the Queensland Government to source additional long-term borrowings in the 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 consolidated entity's status as a going concern.

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(c) Rounding of amounts / comparative restatements

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

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

31 Summary of other accounting policies (continued)

(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 balance sheets. 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) Contributed equity

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

(g) Insurance

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

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

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

(h) Environmental regulation

The consolidated entity 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 13.

Management certificate

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material aspects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland Rail and its controlled entities for the financial year ended 30 June 2025 and of the financial position of the consolidated entity at the end of that year.

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



K Stapleton
Chief Executive Officer

Brisbane, Qld
29 August 2025



A Wellington
Chair

Brisbane, Qld
29 August 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Rail

Report on the audit of the financial report

Opinion

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

The financial report comprises the balance sheets as at 30 June 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2025, and their financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

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

Depreciation expense (\$426.7 million)

Refer to note 8(a) and 8(d) in the financial report

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

Indicators of impairment of property, plant and equipment

Refer to note 8(e) of the financial report

Key audit matter	How my audit addressed the key audit matter
Management have considered the existence of impairment indicators during 2024–25 and performed an impairment test to ensure that the assets carrying value was greater than its value in use.	My procedures included but were not limited to: - assessing the adequacy of management's review of the impairment process - obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness for the impairment test with reference to common industry practice - challenging the reasonableness of key assumptions based on my knowledge of the entity and industry

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

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the *Financial and Performance Management Standard 2019*. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Rachel Vagg
Auditor-General

29 August 2025

Queensland Audit Office
Brisbane

Queensland Rail Transit Authority Act 2013

Section 54

Ministerial Direction

1. Pursuant to section 54 of the *Queensland Rail Transit Authority Act 2013*, we, the responsible Ministers, direct Queensland Rail to:
 - (a) do all things necessary to transfer:
 - (i) the right, title, and interests in the assets listed in 1. (b) which are registered in the name of Queensland Rail Limited, to the Department of Transport and Main Roads, in freehold; and
 - (ii) Queensland Rail's equity in the assets listed in 1. (b) to the Department of Transport and Main Roads.
 - (b) assets to be transferred are identified as land that forms the whole of:
 - (i) Lot 14 on SP108695
 - (ii) Lot 3 on RP168713
 - (iii) Lot 2 on RP168714
 - (iv) Lot 17 on SP114587
 - (v) Lot 18 on SP114582
 - (vi) Lot 19 on SP114586
 - (vii) Lot 23 on SP116625
 - (viii) Lot 3 on RP229789
 - (ix) Lot 26 on SP118730
 - (x) Lot 27, Lot 28, Lot 29 and Lot 30 on SP118729

- (c) designate the transfer to be recorded as an adjustment of contributed equity, using the carrying value of the assets at the date of transfer, in line with the Australian Accounting Standards Board Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' and Financial Reporting Requirement 4F 'Equity, Contributions by Owners and Distributions to Owners';

This transfer is designated as contributions by owners for the recipient, which is to be adjusted against Queensland Rail's and the Department of Transport and Main Roads' Contributed Equity. To the extent that this would cause the Contributed Equity of Queensland Rail to reduce below \$0, the balance is to be adjusted against Queensland Rail's Accumulated Surplus. To the extent that this would cause Queensland Rail's Accumulated Surplus to reduce below \$0, the balance is to be recognised as an expense by Queensland Rail and corresponding revenue by the Department of Transport and Main Roads.

- (d) as far as practicable, ensure that this Direction is complied with in relation to the subsidiaries of Queensland Rail.

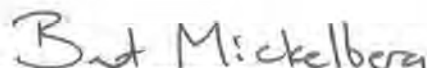
2. For the purpose of this direction:

- (a) Queensland Rail means the Queensland Rail Transit Authority established under the Act; and
- (b) a term used in this direction which is not otherwise defined has the same meaning as that term is given in the Act.

Dated at Brisbane on the 13 day of June 2025.



HON. DAVID JANETZKI MP
Treasurer
Minister for Energy
Minister for Home Ownership



HON. BRENT MICKELBERG MP
Minister for Transport and Main Roads