Australian Rail Track Corporation





ANNUAL REPORT **2025–26**

ARTC

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Custodians of the Countries on which we work and live and appreciate the deep connection that is held to Land, Sea, Sky and Community by First Nations People.

We extend this respect to all Elders past and present who have preserved and cared for the Land and Waters for thousands of years.

About this report

As a Commonwealth Government Business Enterprise, ARTC is required to produce an Annual Report that is to be forwarded to Shareholder Ministers by 30 September each year for tabling in Parliament.

This report has been prepared in accordance with the *Corporations Act 2001 (Cth)*, *Public Governance, Performance and Accountability Act (Cth)* and Australian Government Department of Finance Resource Management Guides (RMG) 137 and 139.

The Annual Report is a comprehensive document that outlines ARTC's activities and financial results. ESG disclosures have been included to present a more integrated view of financial and non-financial performance.

All endeavours have been made to ensure the accuracy of the information, which covers the financial year 1 July 2025 to 30 June 2026.

Forward looking statements relating to ESG and climate action have been included in the report in anticipation of wider stakeholder interest. These are based on ARTC's best estimates and assumptions as of the date of preparation.

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Image: *Journey* artwork by Elenore Binge, Gomeroi/Kamilaroi woman

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MESSAGE FROM THE CHAIR AND CEO



PETER DUNCAN AM
ARTC CHAIR



WAYNE JOHNSON
ARTC CEO AND MANAGING DIRECTOR

Australia's growing freight task places rail at the centre of building a more resilient, productive and sustainable supply chain.

In 2025-26, ARTC remained focused on safely operating, maintaining and enhancing more than 9,600km of nationally significant infrastructure while investing in the network required to meet the nation's future transport needs.

Working closely with our customers, we enabled the movement of freight and passenger services that connect industries, regions and communities across the country, supporting more than 155,000 train journeys during the year, equivalent to an average of 425 services each day.

Delivering these services safely remained our highest priority. We made important progress in strengthening our safety culture, but our performance makes clear that there is still significant work ahead.

Our Total Recordable Injury Frequency Rate across the group (ARTC and Inland Rail Pty Ltd) increased from 4.29 to 5.51. The number of significant and high safety events attributable to ARTC decreased from 33 to 29, but this is still too many and not where we expect our safety performance to be. These results reinforce our determination to strengthen critical risk management, improve safety leadership and reduce work-related injuries across our network.

Improving safety performance requires us to move beyond a primary focus on compliance and incident response and strengthen how we proactively identify and manage critical risks. This includes stronger leadership capability, more effective critical controls, and continued investment in our people, infrastructure and technology.

A significant milestone during the year was the implementation of the first phase of the National Safeworking Framework. Developed collaboratively across the rail industry, it represents one of Australia's most significant rail safety reforms, introducing nationally consistent principles, terminology and controls that will help us improve safety and simplify rail operations across jurisdictions.

The year reinforced the importance of investing in a more resilient rail network. Widespread flooding across South Australia, western Victoria and New South Wales during February and March tested the resilience of the critical East-West rail corridor. Through improved preparedness, operational planning and close collaboration with industry partners, our teams restored the corridor ahead of schedule. However, the event also highlighted the need for continued investment in infrastructure that is better equipped to withstand severe weather events.

Responding to this need, the Australian Government increased investment in our Network Investment Program to almost $2.8 billion. This investment provides ARTC with a major opportunity to accelerate improvements across our infrastructure, technology and operational systems, strengthening the resilience and reliability of our rail network, while also placing a clear responsibility on us to deliver better outcomes for our customers and the broader economy.

Our Inland Rail subsidiary continued to progress one of Australia's largest infrastructure projects across Victoria and New South Wales to strengthen the future capacity and connectivity of the national freight network. Construction between Beveridge and Parkes remains on track for completion to enable double-stacked operations, with work to continue with the Government to preserve the corridor north of Narromine for potential future investment.

Additionally, the Australian Government announced the Transport Resilience and Capacity Kickstart (TRACK) pilot program to encourage greater movement of freight from road to rail, with ARTC supporting implementation through improved network coordination and industry collaboration.

Coal remained an important part of our business, with the Hunter Valley continuing to operate as one of the world's largest coal export rail networks. Across the broader network, we continued to support intermodal, agricultural, bulk freight and passenger services, while investing to meet changing demand and support rail's contribution to lower-emissions transport.

We also progressed strategic initiatives that will shape the future of rail operations across Australia. Working with governments, customers and industry, we advanced digital train control interoperability, expanded our Train Management and Control System (TMACS), improved operational planning and strengthened collaboration across the supply chain. Together, this work is helping create a more integrated and digitally enabled rail network, improving safety, productivity and customer outcomes.

Guided by our corporate charter and the Statement of Expectations from our Shareholder Ministers, our people continued to demonstrate professionalism and pride in operating and maintaining one of Australia's most important pieces of national infrastructure.

The achievements outlined throughout this report reflect the dedication of our employees and contractors who contribute to keeping Australia's rail network moving. We sincerely thank them, together with our Shareholder, the ARTC Board and Executive leadership team, for their commitment, expertise and support throughout another significant year.

As Australia grows, the rail network investments now underway bring significant opportunity and responsibility. Our challenge is to deliver them with discipline, in partnership with our customers, governments and industry, while maintaining a relentless focus on safety, operational excellence and value.

By doing so, we will deliver a more integrated, resilient and reliable rail network that supports Australia's transport task and underpins the nation's long-term productivity and prosperity.

Regards,



Peter Duncan AM
Chair



Wayne Johnson
CEO and
Managing Director

PERFORMANCE OVERVIEW

Safety
Top priority

2,072
People strong

9,600km+
Network managed



81.4%
Network availability

425
Daily trains

$863.5 million
Access revenue



PERFORMANCE OVERVIEW

SAFETY

Keeping our people, customers and communities safe

29
Significant and high actual and potential safety events attributable to ARTC*
FY25: 33

5.51
TRIFR – employees and contractors**
FY25: 4.29

*Significant and high safety events include injuries to workers, network breaches, derailments, collisions and near misses at level crossings (including near misses with trespassers on the network). Includes ARTC and Inland Rail.

**TRIFR (Total Recordable Injury Frequency Rate) is the frequency of recordable work-related injuries sustained for every million hours worked. Includes ARTC and Inland Rail.

PEOPLE

Investing in a future-ready, inclusive and engaged workforce

2,072†
People employed across Australia
FY25: 2,058

29.0%†
Women in workforce
FY25: 29.6%

4.3%†
First Nations people in workforce
FY25: 4.7%

48
Frontline trainees and apprentices
FY25: 58

NETWORK

Running a safe, reliable and efficient rail network

81.4%
Network availability
FY25: 86%

425
Trains on network every day (freight and passenger)
FY25: 415

61,245 million
Intermodal and bulk freight gross tonne kilometres transported
FY25: 61,520 million

44,278 million
Coal gross tonne kilometres transported
FY25: 42,561 million

†Includes ARTC and Inland Rail Pty Ltd.

FINANCE

Solid financial results to support sustainable long-term delivery outcomes for customers

$863.5 million
Access revenue
FY25: $854.6 million

$341.1 million
EBITDAI*
FY25: $304.5 million

*Earnings before interest, tax, depreciation, amortisation and impairment.

ENVIRONMENT

Investing in a climate-resilient, low-carbon railway

19,752 tCO_2e
Scope 1 & 2 greenhouse gas emissions
FY25: 18,571tCO_2e

0
Significant environmental non-conformance events
FY25: 0

STAKEHOLDERS

Partnering to deliver value for our customers and communities

71
ARTC stakeholder reputation
FY25: 59

5.46/10
ARTC customer satisfaction
FY25: 6.9/10

$600,450
Community donations and sponsorships†
FY25: $566,000

†Includes ARTC and Inland Rail Pty Ltd.



ABOUT ARTC

OUR PURPOSE

We deliver a safe and effective rail network operation that connects the nation, now and into the future

WHAT	HOW
We lead the nation in providing a safe, resilient and reliable network	A safe, accountable and innovative organisation A dynamic, enabling and collaborative team An efficient and commercially sustainable operating business
Grow rail's market share	
We work with community and the supply chain as a trusted partner	



OUR ROLE

ARTC plays a critical role in Australia's national freight and passenger rail system, stewarding more than 9,600km of rail infrastructure that connects regions, cities, ports and industries across five states and the lands of more than 50 First Nations.

Every day, we enable the safe, reliable and efficient movement of freight and passenger services, supporting national supply chains, economic productivity and community connectivity.

As Australia's freight task continues to grow, rail has an increasingly important role to play in delivering efficient end-to-end supply chains, reducing road congestion and lowering transport emissions. Through our operations, maintenance, investment and industry partnerships, we work to improve the safety, capacity, resilience and competitiveness of the national rail network.

As a Government Business Enterprise, we operate commercially while delivering nationally significant infrastructure outcomes for the Australian Government, our customers and the broader Australian community.

By enabling more freight to move by rail, we support stronger supply chains, national productivity and Australia's transition to a more sustainable, lower-carbon transport system.

OUR CHARTER

ARTC was established by the Commonwealth of Australia and commenced operations in 1998. Our corporate charter is to:

- Provide seamless and efficient access to users of the interstate rail network
- Pursue a growth strategy for rail through improved efficiency and competitiveness
- Improve rail infrastructure through better asset management and coordination of capital investment
- Encourage uniformity in access, technical, operating and safe working procedures
- Operate the business on commercially sound principles.

STATEMENT OF EXPECTATIONS

In addition to our corporate charter, our Shareholder Ministers have issued a Statement of Expectations, which applies to both ARTC and our subsidiary company Inland Rail Pty Ltd. It gives further direction regarding our:

- Objectives
- Role and responsibilities
- Service and policy expectations covering:
  - Network safety, conditions and performance
  - Interoperability of rail systems
  - Network resilience and security
  - Net zero emissions
  - First Nations Australians
  - Procurement
  - Delivery of Inland Rail by Inland Rail Pty Ltd
- Operating commercially
- Working with stakeholders
- Transparency, governance, and accountability.

The Statement of Expectations can be viewed on the Australian Government's website:

Statement of Expectations

OUR VALUES

NO HARM

In our world, safety is everything. We have an uncompromising commitment to people's wellbeing, so doing things right means doing things safely.

We must do everything we can to protect ourselves, each other and the communities in which we live, work and visit.

FUTURE THINKING

We encourage everyone to find better ways of working by simplifying systems and processes, learning from what we've done previously, challenging the norm and sharing ideas.

While we work hard to deliver today, we're also encouraged to think and plan for tomorrow.

ACTIVE ENGAGEMENT

When we're curious, ask questions, listen to one another and think positively, great things happen.

We're committed to the success of our customers, stakeholders and employees, and are always on the front foot to provide a great workplace and a strong business.

RESULTS

We're driven by results because they lead to progress.

Determined to improve Australia's productivity by making rail the mode of choice in the national logistics chain, we work together to achieve our personal and shared goals to deliver great outcomes for all.



OUR SUBSIDIARY

INLAND RAIL PTY LTD

Inland Rail Pty Ltd (IRPL) is a wholly owned subsidiary company of ARTC responsible for delivering Inland Rail on behalf of the Australian Government.

Governed by a dedicated Board established in July 2023, IRPL achieved full operational independence and financial separation from ARTC on 1 May 2024.

IRPL prepares separate financial statements and a financial report, while remaining fully consolidated within the ARTC Group. As a large proprietary company, IRPL is required to lodge its financial statements with the Australian Securities and Investments Commission (ASIC) by 31 October each year.

In accordance with the Statement of Expectations issued to ARTC and IRPL by our Shareholder Ministers, IRPL is responsible for the planning and delivery of Inland Rail for the Australian Government through a staged, transparent and cost-effective approach.

Inland Rail is a nationally significant project that will strengthen freight connections through upgrades to existing rail infrastructure and the construction of new track. The project is designed to improve the efficiency and reliability of freight transport, enhance national supply chain resilience, and create opportunities for regional communities and industries. For ARTC, Inland Rail represents a major long-term enhancement of the national rail network, creating additional capacity, improving network connectivity and supporting future growth in rail freight volumes.

Construction between Beveridge in Victoria and Parkes in New South Wales continued during the year and remains on track for completion to enable double-stacked operations.

As sections of Inland Rail are completed, they are progressively handed over to ARTC for management, operation and integration with Australia's broader freight network. This will expand ARTC's operational network and service offering, supporting longer, more efficient freight services and improved connectivity between key freight markets.

During the year, ARTC continued operational readiness activities to prepare for the safe and seamless integration of the Beveridge to Parkes section into the national rail network, including enabling double-stacked freight trains to operate between Melbourne and Perth via Parkes.

Following the Australian Government's May 2026 Budget announcement to consolidate activities north of Narromine, IRPL worked with the Commonwealth to progress corridor preservation arrangements. This work will continue in 2026-27 and help maintain long-term optionality for future investment in Inland Rail.

References throughout this Annual Report reflect currently Approved Project Works and the staged delivery approach based on those approved works.

GOVERNANCE AND RISK MANAGEMENT

IRPL continues to strengthen risk management, focusing on enhanced governance, reporting and assurance processes to support delivery of the current Inland Rail program.

Risks are regularly reviewed by management and the IRPL Board, with mitigation strategies and controls monitored to support informed decision-making. IRPL also works closely with Shareholder Departments, ARTC and delivery partners to identify, manage and mitigate shared risks across the program.

**See page 44 for more information about Inland Rail activities in FY26.*

OUR STRUCTURE

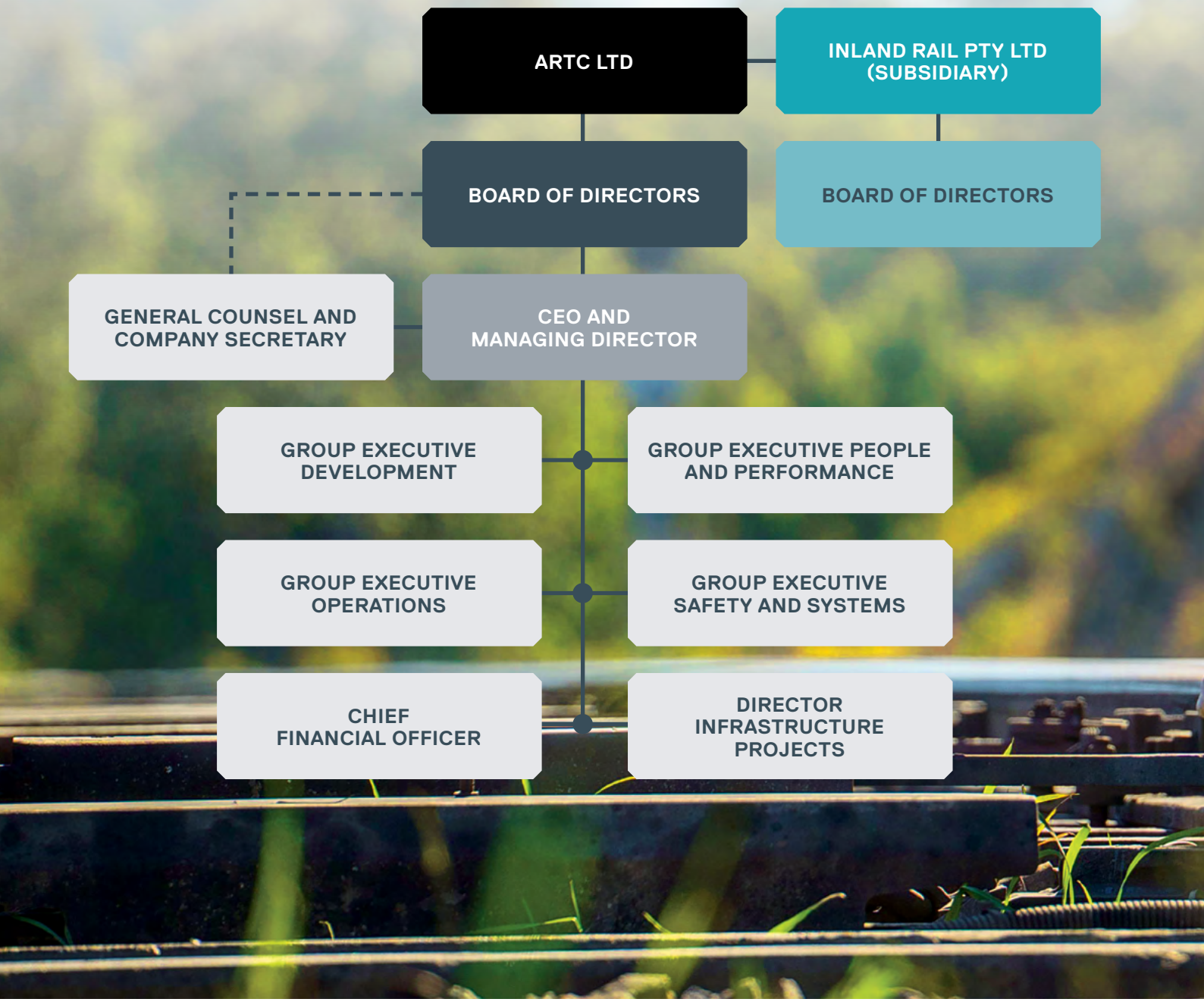
ARTC is an unlisted public company limited by shares incorporated under the *Corporations Act 2001* and a Commonwealth company for the purposes of the *Public Governance, Performance and Accountability (PGPA) Act*.

ARTC is wholly owned by the Australian Government represented by two Shareholder Ministers:

- **Minister for Infrastructure, Transport, Regional Development and Local Government** – the Hon Catherine King MP
- **Minister for Finance** – Senator the Hon Katy Gallagher

We are governed by a Board of Directors appointed by the Shareholder Ministers.

Inland Rail Pty Ltd (IRPL) is a wholly owned subsidiary company of ARTC, which operates with its own Board of Directors appointed by ARTC following approval by our Shareholder Ministers.




ARTC

OUR NETWORK

ARTC manages more than 9,600km of rail track across five states, comprised of two distinct segments:

- **National Network**
- **NSW Heavy Haul Network**

These networks facilitate safe passage for a diverse range of trains, including:

- **Intermodal freight** (manufactured and consumer goods)
- **Bulk freight** (iron ore, steel, grain, mineral ore, aggregates, cement, sugar, flour, timber and waste)
- **Coal freight** (thermal coal and metallurgical coal)
- **Passenger services** (long distance, regional and intercity, including the Indian Pacific, Ghan, Overland, Great Southern, NSW TrainLink and V/Line services).



NOTE: The Tarcoola to Alice Springs section of the rail line to Darwin is operated by Aurizon under a long-term lease. Connections between the ARTC network and key locations such as Perth, Darwin and central and northern Queensland are operated by third-party network owners.



National Network

Connects our regions and cities, including key links to ports and intermodal terminals.

The East-West corridor links Kalgoorlie in Western Australia to Whyalla and Crystal Brook in South Australia before diverging to Parkes and Melbourne via Adelaide.

The North-South corridor links Melbourne to Acacia Ridge in Queensland via Sydney along the east coast. As each section of Inland Rail is completed, it also becomes part of the National Network.

NSW Heavy Haul Network

Connects the Port of Newcastle with mines in the Hunter Valley, Gunnedah Basin and Ulan regions.

Inland Rail

Following the Australian Government's May 2026 Budget announcement, Inland Rail Pty Ltd is working with the Commonwealth to determine the scope required to preserve the Inland Rail corridor north of Narromine, helping maintain long-term optionality for future investment.

SUPPORTING OUR NETWORK

To maintain and operate our network, our team are spread across:

- **Six offices** – Adelaide, Sydney, Melbourne, Brisbane, Newcastle and Wagga Wagga
- **28 Provisioning Centres** in regional and urban areas
- **Three Network Control Centres** – Mile End (SA), Junee (NSW), Broadmeadow (NSW)

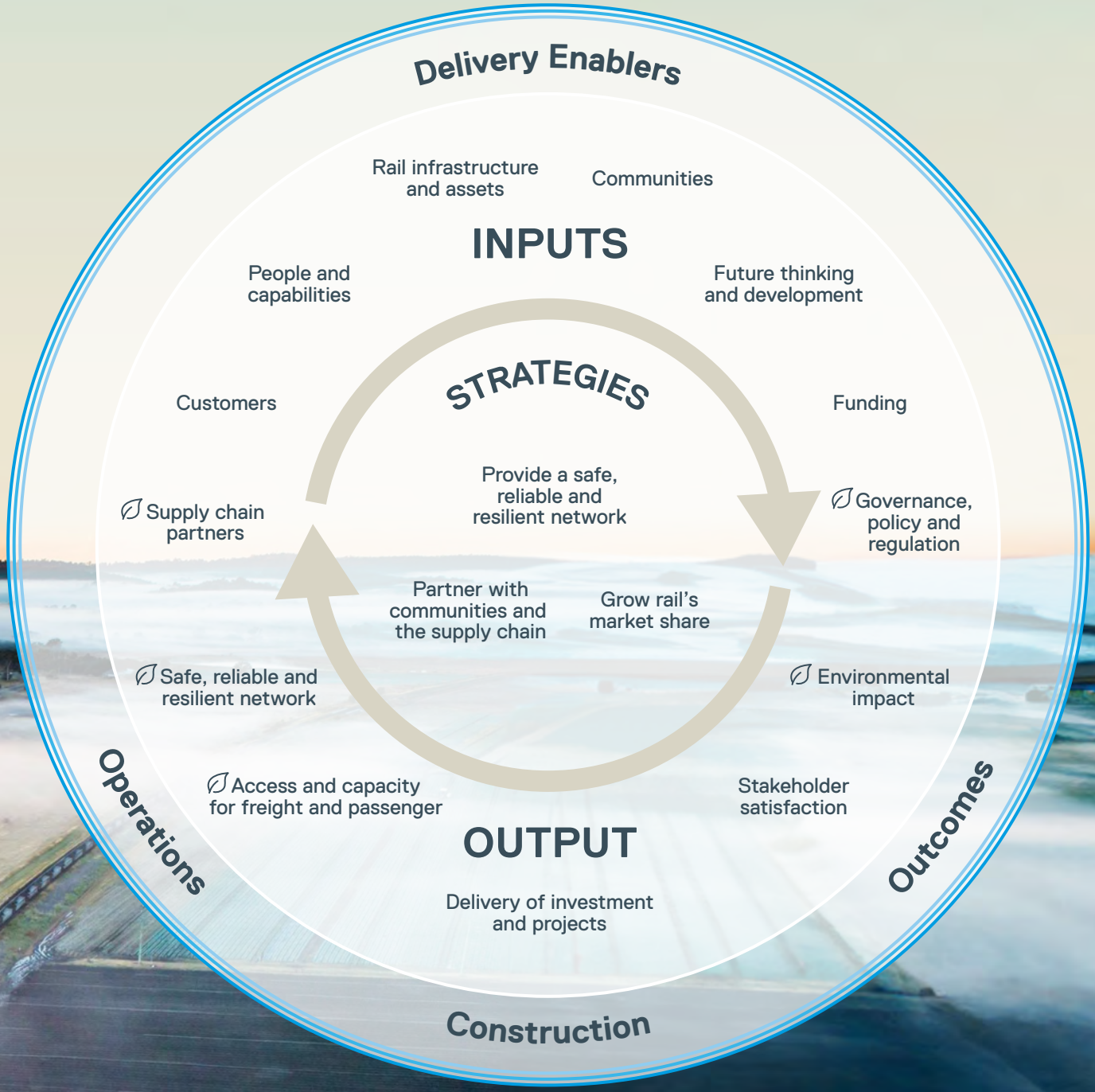
OUR VALUE CREATION STORY

ARTC creates value by providing safe, reliable and resilient rail infrastructure that connects producers, businesses, ports and communities across Australia.

Through collaboration with customers, supply chain partners, governments and communities, we facilitate the efficient movement of freight and passengers, enhance supply chain performance, support economic growth and regional prosperity, and contribute to Australia's sustainability objectives through more carbon-efficient transport.

Our ability to create value is supported by our people, partnerships, infrastructure, funding, governance and innovation capabilities. Together, these enablers help us deliver strategic outcomes as described and pictured below.

OUR ENABLERS	HOW ARTC CREATES VALUE	STRATEGIC OUTPUTS
Supply chain partners	Develop strong relationships with suppliers and contractors to deliver operational and project outcomes	**Grow rail's market share** through stronger supply chains, successful project delivery, increased freight on rail and supporting Australia's transition to a lower emissions economy through more carbon-efficient transport. **Trusted partner of stakeholders and communities** through strong relationships, collaboration and customer-focused outcomes. **Safe, reliable and resilient network** through operational excellence, innovation, safety culture and a high performing workforce. Sustainable business performance through strong governance, accountability and responsible stewardship.
Customers	Engage and collaborate with customers to deliver services that meet stakeholder needs	
Communities	Connect and collaborate with communities to ensure community considerations embedded in delivery	
People and capabilities	Attract, develop and retain a skilled, diverse and empowered workforce committed to safety, performance and continuous learning	
Rail infrastructure and assets	Maintain and optimise rail infrastructure and network assets to support safe, reliable and efficient operations	
Future thinking and development	Drive long-term network sustainability, efficiency, safety and resilience through strategic planning, technology and innovation	
Funding	Secure and deploy capital to invest in people, rail infrastructure and network improvements through internally generated earnings, debt markets and Commonwealth funding	
Governance, policy and regulation	Manage risks and make transparent, accountable decisions through strong governance frameworks that align with stakeholder expectations	


Delivery Enablers
Rail infrastructure and assets
Communities
INPUTS
People and capabilities
Future thinking and development
STRATEGIES
Customers
Funding
Provide a safe, reliable and resilient network
Supply chain partners
Governance, policy and regulation
Partner with communities and the supply chain
Grow rail's market share
Safe, reliable and resilient network
Environmental impact
Operations
Access and capacity for freight and passenger
Stakeholder satisfaction
Outcomes
OUTPUT
Delivery of investment and projects
Construction
Where climate related risks and opportunities are most material

STRATEGIC ACTIVITIES

During 2025-26, ARTC continued to progress priority initiatives that support our strategic objectives and long-term vision for rail freight in Australia.

Focused on improving network performance, growing rail's competitiveness and strengthening organisational capability, these activities advanced service delivery, operational efficiency, future network capacity and customer outcomes.

Delivered through ARTC's Futures Program, the initiatives outlined in this section demonstrate how we are investing in the systems, capabilities and partnerships required to support a safer, more resilient and more productive rail network for the future.

IMPROVING OUR SERVICE OFFERING

ENHANCING NETWORK PERFORMANCE AND CORRIDOR COMPETITIVENESS

During 2025-26, ARTC progressed a range of initiatives to enhance the productivity and competitiveness of the North-South corridor and improve the end-to-end performance of the national freight supply chain.

Working closely with above-rail operators, we developed a dynamic schedule and 96-hour rolling plan for implementation in 2026-27. The new approach will integrate real-time operational and maintenance information to support more effective capacity management, improve service reliability and strengthen network resilience.

Additional improvements were made to scheduling, network control and customer communication processes, creating a more consistent operating environment and supporting a shift towards condition-led maintenance planning. Collectively, these initiatives are expected to improve on-time running, reduce delays and increase customer confidence in the reliability and competitiveness of rail freight services.

ACTIVE AND ENABLED RISK MANAGEMENT

During the second year of ARTC's four-year Safety Plan, we continued to strengthen our approach to managing the risks with the greatest potential to impact people, operations and the community.

The plan focuses on four key safety risk areas: train-to-train collisions, workforce injuries, derailments and injuries to members of the public. Throughout the year, initiatives were progressed to strengthen leadership capability, improve critical control effectiveness, simplify safety processes and enhance assurance across the organisation.

These activities were supported by targeted investments in safety training, governance, weather monitoring and level crossing risk management. Together, they have contributed to improved visibility of safety risks, greater accountability for critical controls and continued progress in ARTC's safety maturity.





SUPPORTING FRONTLINE TEAMS THROUGH IMPROVED WORK MANAGEMENT

During 2025-26, ARTC commenced a pilot project within our Sydney Provisioning Centre to improve the planning and delivery of maintenance activities.

Using Operational Discipline in Work Management (ODWM), the pilot strengthened the way maintenance work is identified, prioritised, scheduled and reviewed. Improved track access planning and analysis of repeat asset failures enabled teams to better target maintenance activities and optimise the use of available resources.

The pilot contributed to reductions in high-priority known conditions and temporary speed restrictions, supporting improved network reliability and operational performance. Following its success, implementation commenced across additional parts of the National Network, including the Sydney-Melbourne corridor.





MODERNISING OUR OPERATIONAL SYSTEMS

ADVANCING A NATIONALLY INTEROPERABLE RAIL NETWORK

ARTC continued to play a leading role in progressing a more integrated and interoperable national rail network during 2025-26.

In August 2025, the Infrastructure and Transport Ministers' Meeting (ITMM) endorsed a national approach to digital train control technology (DTCT) across the National Network for Interoperability (NNI), supporting a coordinated industry approach to future rail operations. DTCT has the potential to enhance safety, productivity and operational performance through improved visibility of train movements, greater automation and more consistent management of rail operations.

As Australia's largest rail infrastructure manager, ARTC was tasked with leading the development of a scoping business case to assess the application of DTCT across the non-urban NNI, with a particular focus on freight operations. Delivered in collaboration with the National Transport Commission, the business case identified potential pathways for modernising and digitising the national rail freight network.

The work establishes an important foundation for future interoperability, supporting greater consistency of technology, standards and operating practices across Australia's rail industry.

TRAIN MANAGEMENT AND CONTROL SYSTEM (TMACS)

TMACS continued to support safe and efficient operations on more than 1,400km of track across the ARTC network in New South Wales.

A significant enhancement progressed during the year to replace manual train orders with electronic authorities in New South Wales from Q1 FY27, which will improve the consistency and reliability of safety-critical information for rail traffic crews.

A key strategic enabler of ARTC's network modernisation program, TMACS provides a standardised digital platform for managing train authorities and supports greater interoperability across networks and jurisdictions. The system also provides an important foundation for future DTCT implementation.

Progress also continued towards the deployment of TMACS across the 1,276km corridor between Tarcoola in South Australia and Kalgoorlie in Western Australia, with implementation remaining on track for June 2027. During the year, software development was substantially completed, and training simulators were installed at Network Control Centre West in Mile End and Kidman Park, South Australia. This work enables final system testing and user training activities to ensure operational readiness prior to deployment.

The Advanced Train Management System (ATMS) also continued to inform ARTC's broader digital train control strategy, with lessons learned and key capabilities being incorporated into future interoperability initiatives.



COMMUNICATING SAFETY-CRITICAL INFORMATION

ARTC continued to improve the management and communication of safety-critical information through the development of new digital tools and processes.

During the year, we introduced an internally developed notice creation tool that streamlines the preparation and publication of National Notices while integrating with existing operational systems. By consolidating activities within a single platform, the tool reduces manual handling and supports greater consistency and accuracy.

We also progressed development of a centralised solution for network controllers to access National Notices and temporary speed restriction information, replacing a range of manual processes with a more efficient and digitally enabled approach. In parallel, work continued on customer-facing solutions to strengthen closed-loop assurance and improve the management of safety-critical communications across the network.

GROWING RAIL'S MARKET SHARE

As Australia's largest rail infrastructure manager, ARTC is uniquely positioned to support a more connected, efficient and sustainable national freight system.

Throughout 2025-26, we continued to work with customers, operators and industry partners to identify opportunities to increase rail freight volumes and strengthen the competitiveness of rail across key freight corridors. These activities focused on improving service offerings, addressing supply chain constraints and supporting long-term commercial sustainability.

DELIVERING CORRIDOR-BASED GROWTH

ARTC continued to develop corridor-based growth plans focused on specific commodities, customer requirements and supply chain opportunities.

Working closely with operators and freight owners, we assessed barriers to rail uptake across key corridors, including terminal interfaces, first and last-mile connections, service frequency, operational complexity and relative transport costs. These insights are informing targeted service, pricing and infrastructure solutions designed to support sustainable freight growth.

We also continued to optimise corridor capacity through improvements to train path allocation, service planning and network utilisation, while supporting opportunities for longer and more productive train operations.

PARTNERING TO STRENGTHEN SUPPLY CHAINS

Partnership remains central to growing rail's share of the national freight task. During the year, ARTC continued to work with operators, freight owners, ports, intermodal terminals and other supply chain participants to better align operational planning, infrastructure interfaces and future investment priorities.

These partnerships support more integrated end-to-end freight solutions and help create the conditions required for sustainable growth across intermodal, import-export and bulk commodity markets. We also continued to pursue productivity improvements through initiatives that support longer trains, increased payloads and more efficient use of network capacity.





ETTAMOGAH RAIL LINE RETURNS TO SERVICE

During 2025-26, rail services resumed on the line connecting the former Norske Skog paper mill site at Ettamogah in New South Wales for the first time this century, supporting the development of a new regional intermodal hub by Visy Logistics.

Located north of Albury, the facility will connect Riverina industries with the Port of Melbourne through regular rail services operating on the ARTC network. The hub is expected to support a diverse range of freight markets, including agriculture, meat processing, timber, building products, consumer goods and bulk commodities.

ARTC worked with industry partners to facilitate the arrangements required for services to commence, helping unlock new freight flows and strengthen regional supply chain connectivity. The project demonstrates the role rail can play in supporting industry growth, improving freight efficiency and encouraging greater mode shift from road to rail.

INVESTING IN THE FUTURE OF RAIL FREIGHT

Australia's growing freight task requires sustained investment in rail infrastructure that delivers long-term value for customers, industry and the broader economy.

Rail plays an important role in supporting national productivity, supply chain efficiency and emissions reduction. At the same time, ARTC faces increasing demands on the network, evolving customer requirements and the need to renew and modernise ageing infrastructure.

These factors require disciplined investment decisions that deliver both commercial outcomes and broader economic benefits.

In 2025-26, we progressed a focused program of work to strengthen our financial foundations and support sustainable long-term growth. This included targeted reviews of operating expenditure to identify efficiency opportunities and the development of a formal capital prioritisation framework to assess investment decisions against asset risk, customer outcomes, revenue impacts and financial performance.

Maintaining an investment-grade credit rating is a key priority for ARTC. Throughout the year, we demonstrated disciplined financial management and a prudent approach to expenditure and investment decisions, supporting Moody's reaffirmation of ARTC's A1 (Stable) credit rating.





SUPPORTING MODE SHIFT FROM ROAD TO RAIL

During 2025-26, ARTC continued to work with government and industry to progress initiatives aimed at increasing rail freight volumes and supporting greater mode shift from road to rail.

This included supporting development of the Australian Government's Transport Resilience and Capacity Kickstart (TRACK) pilot program, which was announced in response to industry feedback and will provide financial incentives to encourage greater use of rail freight.

ARTC also progressed development of a national coordination mechanism that will bring together governments, rail infrastructure managers, operators, terminal providers and freight customers to improve network utilisation, strengthen cross-network alignment and identify opportunities to move more freight by rail.

These initiatives were further supported by the Australian Government's Federal Budget in May 2026, which included significant investment to strengthen the nation's rail network and improve freight productivity, resilience and reliability.

**See page 52 for more information about our Network Investment Program with the Australian Government.*

EXPLORING OPPORTUNITIES TO STRENGTHEN THE NATIONAL NETWORK

During 2025-26, ARTC continued to monitor developments associated with the Western Australian Government's proposed acquisition of the state's freight rail network.

While ARTC is not a participant in the acquisition process, we are supporting stakeholder discussions and assessing a potential future operating role should the transaction proceed.

Integration of the Western Australian freight network with ARTC's national operations could support greater interoperability, coordinated investment and improved end-to-end freight connectivity, including the potential to strengthen the corridor linking Kalgoorlie and Perth.

Any future involvement by ARTC would be subject to detailed technical, commercial and financial due diligence in consultation with the Western Australian and Australian Governments.

ALIGNING LEADERSHIP CULTURE AND OPERATIONS

LEADERSHIP CAPABILITY AND DEVELOPMENT

ARTC continued to invest in leadership capability in 2025-26, recognising the critical role leaders play in delivering safe, reliable and high-performing operations.

During the year, we developed and implemented an ARTC Leadership Framework that is designed to drive a consistent approach to leadership across the organisation and reinforce the values, behaviours and capabilities required to support our strategic priorities.

To support the framework, we invested in targeted development programs for employees at all stages of their leadership journey, including:

- Foundational leadership programs and nationally recognised Certificate IV and Diploma qualifications in Leadership and Management for frontline and aspiring leaders
- An Executive Leadership Program focused on strengthening adaptive leadership capabilities in a complex operating environment
- A new Senior Leadership Program that bridges foundational and Executive development pathways to support leadership effectiveness across the organisation.





CLARIFYING OPERATIONAL LEADERSHIP ROLES AND SPANS OF CONTROL

We also progressed a range of initiatives designed to strengthen operational leadership effectiveness, reduce administrative burden and enable greater focus on the safe and efficient delivery of frontline operations.

These activities targeted areas where fragmented processes, manual effort and complexity were contributing to inefficiencies, inconsistent outcomes and increased operational risk.

Key initiatives included:

- Strengthening extreme weather triage arrangements to support timely, risk-based decision-making and improve protection of people, assets and network availability
- Enhancing processes and standards between asset development and delivery functions to reduce rework, delays and costs
- Streamlining rail event management workflows to improve regulatory compliance, organisational learning and safety outcomes
- Simplifying the recording of daily activities while maintaining essential fatigue management and approval controls
- Improving processes for community engagement activities to support a more consistent enterprise-wide approach and better inform planning and investment decisions.

Together, these initiatives strengthened operational discipline, supported more effective decision-making and enabled leaders to focus on delivering safe, reliable and efficient outcomes across the network.

OPERATIONS

ARTC manages Australia's largest rail network, spanning more than 9,600km across South Australia, Victoria, New South Wales, Queensland and Western Australia.

During the year, we supported the movement of freight and passengers across key national supply chains and regional communities, including via our:

1. **National Network** – supported freight and passenger rail operators connect producers, businesses and communities across Australia.
2. **NSW Heavy Haul Network** – supported bulk commodity supply chains, primarily servicing the mining sector.

Operations across the network were coordinated through Network Control Centres in Adelaide (Mile End), Junee and Newcastle (Broadmeadow). These centres worked closely with customers to manage the safe and efficient movement of rail traffic every day throughout the year.

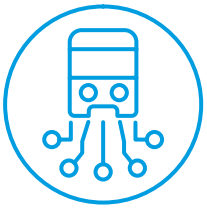
These operations were also supported by corporate functions and frontline maintenance teams located across 28 Provisioning Centres nationwide, who helped maintain and operate critical infrastructure along four strategic corridors in regional and urban areas including:

- **East-West corridor** – Kalgoorlie, Port Augusta, Mile End, Murray Bridge, Broken Hill, Dimboola, Ararat, Geelong, Kensington
- **North-South corridor** – Seymour, Wangaratta, Wagga Wagga, Cootamundra, Goulburn, Sydney, Dungog, Taree, Coffs Harbour, Casino
- **Central and North West corridor** – Parkes, Dubbo, Binnaway, Narrabri
- **Hunter Valley corridor** – Port Waratah, Maitland, Rutherford, Muswellbrook, Gunnedah

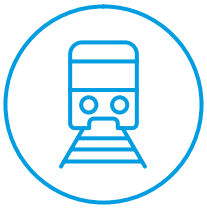


ARTC NETWORK-WIDE RESULTS

(National Network & NSW Heavy Haul Network)



81.4%
Network availability
FY25: 86%



425
Trains on network every day (freight and passenger)
FY25: 415



61,245 million
Intermodal and bulk freight gross tonne kilometres transported
FY25: 61,520 million



167.4 million
Coal tonnes
FY25: 160.7 million



56,969
Passenger trains – total
FY25: 55,825



156
Passenger trains per day
FY25: 152



$358.3 million
Access revenue – non-coal
FY25: $357.8 million



$505.3 million
Access revenue – coal
FY25: $496.8 million



$863.5 million
Access revenue – total
FY25: $854.6 million

NATIONAL NETWORK

ARTC's National Network connects major cities, regional centres, ports and intermodal terminals across Australia, supporting the movement of freight and passengers nationwide.

The network comprises three strategic corridors:

1. **East-West corridor** – linking Kalgoorlie in Western Australia to Whyalla and Crystal Brook in South Australia, before extending via Adelaide to Parkes and Melbourne.
2. **North-South corridor** – connecting Melbourne and Acacia Ridge in Queensland via Sydney along Australia's eastern seaboard.
3. **Central and North West corridor** – connecting Parkes, Dubbo, Binnaway and Narrabri in New South Wales.

The National Network is used by freight and passenger rail operators to service a broad range of markets across the Australian economy.

Freight tasks include intermodal services transporting containerised consumer and manufactured goods, alongside bulk commodities such as iron ore, steel, grain, mineral ore, aggregates, cement, sugar, flour, timber and waste.

In 2025-26, a revised methodology was introduced to measure National Network availability, expanding the measure to include a broader range of network disruptions and events. Under the revised measure, availability across the National Network was 79.5% in 2025-26, compared with 82.5% in 2024-25.

During the year, 61,245 million gross tonne kilometres (GTKs) of intermodal and bulk freight were transported across the ARTC network, steady with the 61,520 million GTKs in 2024-25. This included freight movements on both the National Network and NSW Heavy Haul Network, with the majority occurring on the National Network.



ARTC also facilitated the movement of 56,969 passenger train services across the network during 2025-26, up from 55,825 in 2024-25 – again primarily on the National Network but also including the NSW Heavy Haul Network.

Access revenue generated from intermodal, bulk freight and passenger services (i.e. all non-coal services ARTC-wide) totalled $358.3 million in 2025-26, slightly up from $357.8 million in 2024-25. These services represented 42% of total access revenue for the year (same as 2024-25), with coal freight accounting for the remaining share.

ARTC manages access to the National Network through a voluntary Interstate Access Undertaking overseen by the Australian Competition and Consumer Commission, which provides a structured and transparent process for rail operators and customers to negotiate and secure track access.





TRAINS ON TRACK TO SUPPORT OLYMPIC DAM MODAL SHIFT

In support of efforts to grow freight on rail, Aurizon commenced train services as part of a landmark logistics partnership with ARTC and BHP in South Australia to support the Olympic Dam, Carrapateena and Prominent Hill mine sites.

In October, Aurizon opened a new intermodal terminal at Pimba on a 32-hectare ARTC-owned site leased to BHP, where rail services are now operating to and from Port Adelaide.

As one of the largest road-to-rail freight conversions in Australia's history, the project is enabling BHP to transition its two-way freight task from road to rail and meet a forecast 70% increase in global copper demand by 2050.

Trains are set to replace more than 11,000 truck movements from regional roads each year and remove an estimated 20,000 tonnes of carbon dioxide from the supply chain annually.

The project's success was recognised in May 2026 when ARTC received the Australian Logistics Council's Supply Chain Industry & Government Partnership Award, highlighting the strength of the collaboration between ARTC, BHP, Aurizon and Symons Clark Logistics to deliver productivity, sustainability and regional connectivity outcomes.



NSW HEAVY HAUL NETWORK

ARTC's NSW Heavy Haul Network connects Port Waratah and Maitland areas with Muswellbrook, before extending north-west to Ulan and Narrabri across the Hunter Valley and Gunnedah Basin.

The network provides an integrated pit-to-port supply chain, linking coal mines in regional New South Wales with the Port of Newcastle for export to global markets.

Recognised as one of the world's largest coal export rail networks, the NSW Heavy Haul Network plays a critical role in supporting Australia's resources sector and export economy.

More than 90% of coal transported on the network is destined for export markets, including Japan, Korea and Taiwan.

The majority of coal hauled on the network is high-quality thermal coal used in high efficiency, low emissions (HELE) power generation, with the remainder comprising metallurgical coal used in steel production.

In 2025-26, 167.4 million tonnes of coal (44,278 million gross tonne kilometres) were transported on the network, up from 160.7 million tonnes (42,561 million GTKs) in 2024-25.

Of this total, 155.3 million tonnes were transported to the Port of Newcastle for export, up from 146.28 million tonnes in 2024-25.

On average, there were 55.1 loaded coal train journeys per day on the NSW Heavy Haul Network during the year, up from 52.6 in 2024-25.

Network availability for the NSW Heavy Haul Network was 82.8%, up from 78.7% in 2024-25.

While ARTC continues to pursue growth in non-coal freight across the National Network in recognition of the long-term structural transition in coal demand, coal remained a significant contributor to access revenue in 2025-26 – accounting for 58% of total access revenue (same as 2024-25).

Revenue generated from coal haulage is primarily governed by a voluntary Hunter Valley Access Undertaking overseen by the Australian Competition and Consumer Commission, which regulates access for coal producers to the NSW Heavy Haul Network.



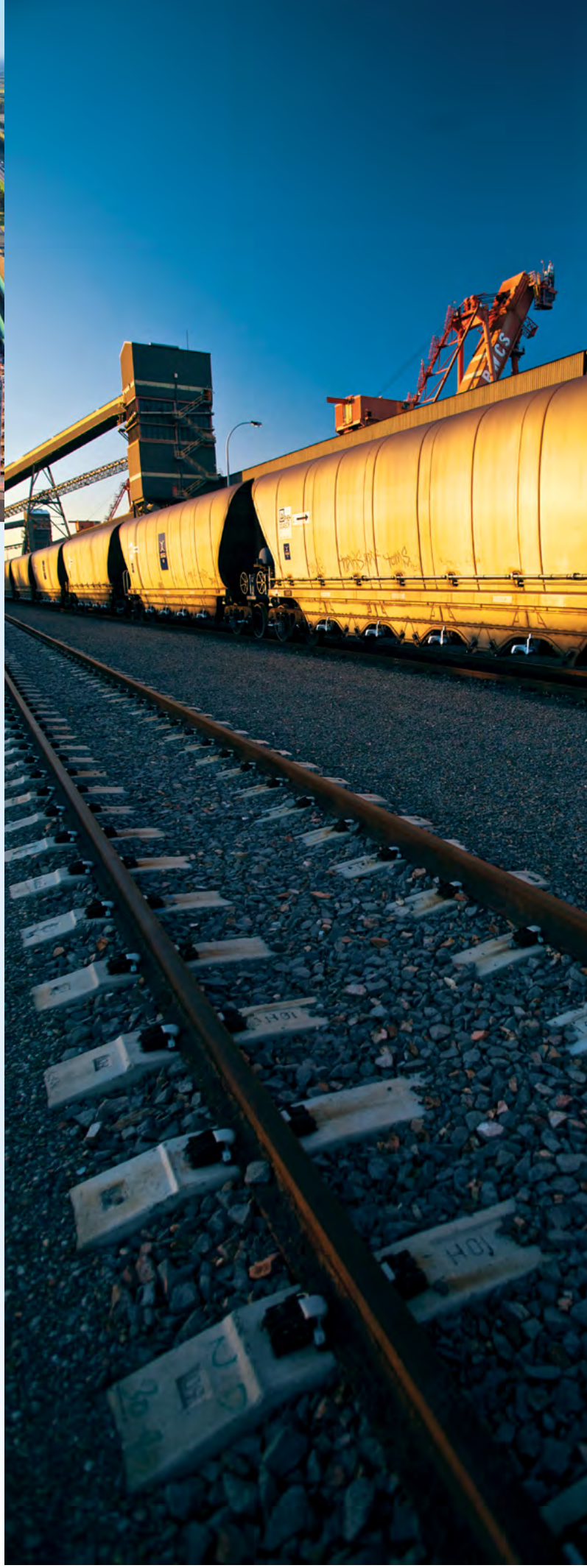
COORDINATING STRONG GRAIN VOLUMES

The NSW Heavy Haul Network continued to support strong grain movements in 2025-26, maintaining throughput levels comparable to the record volumes achieved in 2022-23.

While market conditions softened in the second half of the financial year – and with the Beni Creek bridge fire in December affecting some mineral and grain flows from western New South Wales to the Port of Newcastle – overall grain services and payloads remained at historically high levels.

Terminal management at the Port of Newcastle was a key focus during the year, supported by the introduction of a dedicated role to lead stakeholder engagement and coordinate train service planning between terminals and operators within the Hunter Bulk Terminal. Working closely with terminal operators, customers and rail operators, the role has improved visibility of demand, enhanced planning processes and contributed to more efficient use of network capacity.

ARTC continues to act as the central coordination point between customers, supply chain stakeholders and adjacent rail infrastructure managers. Ongoing improvements to planning, communication and operational processes have streamlined the management of network demand, supporting reliable service delivery and stronger alignment across the supply chain.



SAFETY

Safety is fundamental to ARTC's operations because effectively managing risk helps protect our people, industry partners and communities, while supporting the safe, reliable and efficient movement of freight and passenger trains across the country.

As the steward of nationally significant rail infrastructure, we identify critical risks and implement the controls needed to manage them effectively across the national rail network.

During 2025-26, we continued evolving our approach to safety from a traditional compliance and incident-focused model towards a more mature approach centred on proactive risk management, stronger leadership accountability and the effective management of critical controls.

These initiatives are strengthening ARTC's safety capability by improving how critical risks are identified, understood and controlled, providing a stronger foundation for preventing high-consequence events in support of a safer, more resilient and productive rail network.



In support of our Safety Plan, key areas of focus in 2025-26 included:

STRENGTHENING CRITICAL RISK MANAGEMENT

We further embedded a critical control framework focused on managing fatal and severe risks across our operations. This included improving how critical risks are identified, owned and monitored, strengthening assurance processes, and providing greater visibility of the controls relied upon to prevent high-consequence events.

As part of our Fatal & Severe Risk Program, teams completed 4,744 critical control verification activities across key risk areas during the year. These assurance activities provide confidence that key controls are operating effectively, while serving to strengthen organisational understanding of critical risks and supporting the ongoing prevention of serious incidents.

By focusing on the effectiveness of these controls, rather than relying solely on lag indicators or post-incident investigations, we are building a stronger foundation for proactive safety management across the organisation.

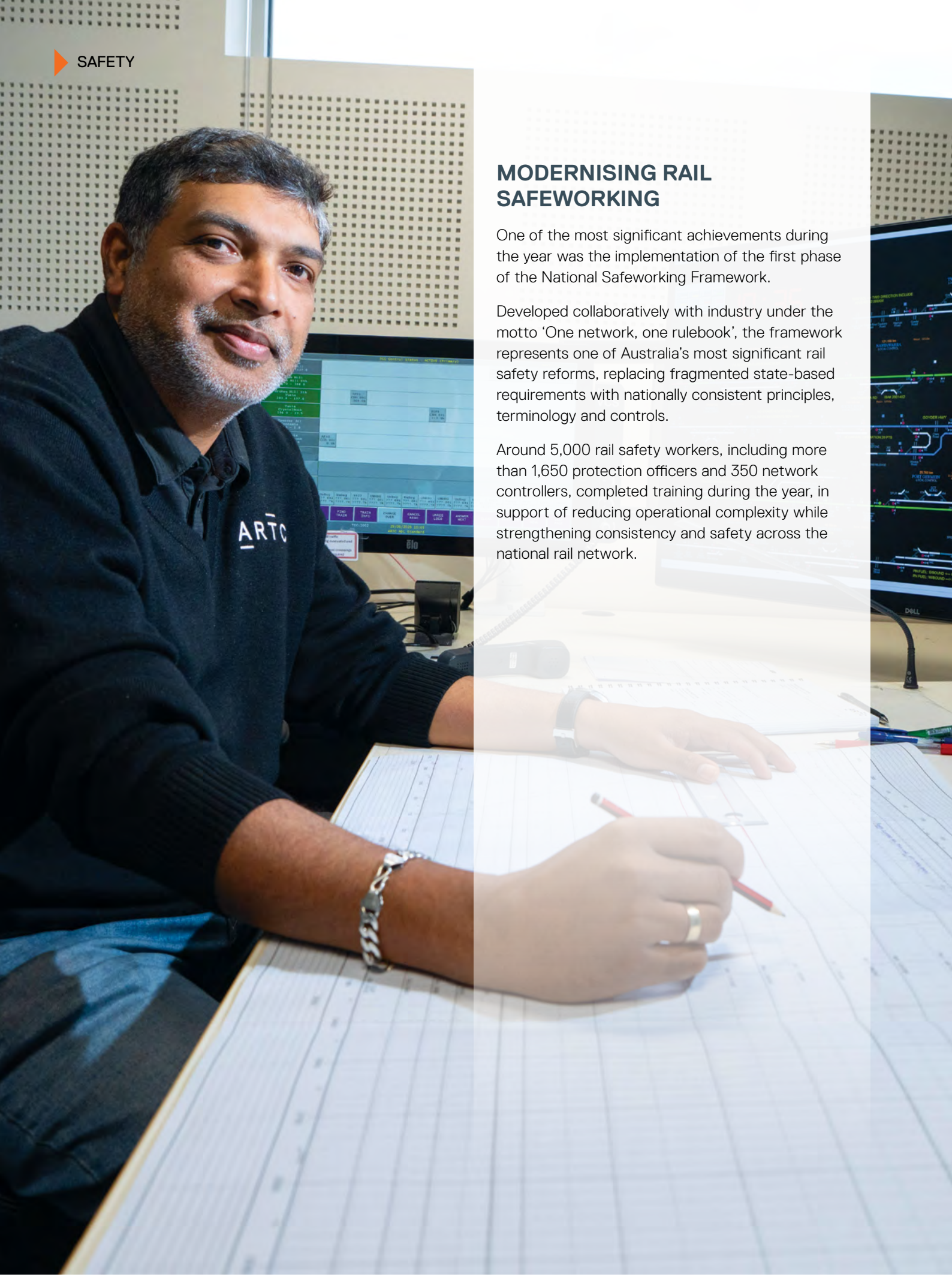
BUILDING LEADERSHIP CAPABILITY

Strong safety performance depends on capable leaders. During the year, we implemented a new Leadership Framework to define the behaviours, expectations and accountabilities required of leaders at every level of the organisation.

Supported by targeted leadership development programs, the framework is strengthening leadership capability across ARTC by reinforcing visible safety leadership, improving risk-informed decision-making and embedding a more consistent approach to managing operational risk.

It also reinforces that every ARTC employee has a responsibility to identify risks, raise concerns and stop work if conditions are unsafe.

See page 24 for more information about our Leadership Framework.



MODERNISING RAIL SAFEWORKING

One of the most significant achievements during the year was the implementation of the first phase of the National Safeworking Framework.

Developed collaboratively with industry under the motto ‘One network, one rulebook’, the framework represents one of Australia’s most significant rail safety reforms, replacing fragmented state-based requirements with nationally consistent principles, terminology and controls.

Around 5,000 rail safety workers, including more than 1,650 protection officers and 350 network controllers, completed training during the year, in support of reducing operational complexity while strengthening consistency and safety across the national rail network.

INVESTING IN SAFER INFRASTRUCTURE AND TECHNOLOGY

Safety depends on the integrity of our infrastructure and the systems used to operate it. During 2025-26, we continued investing in maintenance, renewals, technology and operational systems to strengthen the safety and reliability of our network.

Using risk and condition-based approaches, we prioritised maintenance and capital investment where it would deliver the greatest safety and operational benefit. Activities included track, signalling, structures, drainage and level crossing renewals, alongside resilience initiatives designed to reduce the likelihood of asset failures, derailments and other operational safety risks. Major maintenance possessions and infrastructure upgrades were also delivered across key freight corridors, enabling critical works to be completed safely while supporting the ongoing reliability of the network.

At the same time, technology initiatives including the Train Management and Control System (TMACS), digital safety information tools and interoperability activities continued to enhance operational visibility, decision-making and the safe management of train movements.

**See page 20 for more information about how we are modernising our operational systems.*

Key performance indicator	2024-25	2025-26
Significant and high actual and potential safety events attributable to ARTC*	33	**29**
Total Recordable Injury Frequency Rate (TRIFR) – employees and contractors*	4.29	**5.51**

**Significant and high actual and potential events include injuries to workers, network breaches, derailments, collisions and near misses at level crossings (including near misses with trespassers on the network).*

**TRIFR: The frequency of recordable work-related injuries sustained for every million hours worked. Reportable injuries include lost time injuries, medically treated injuries and restricted work injuries.*

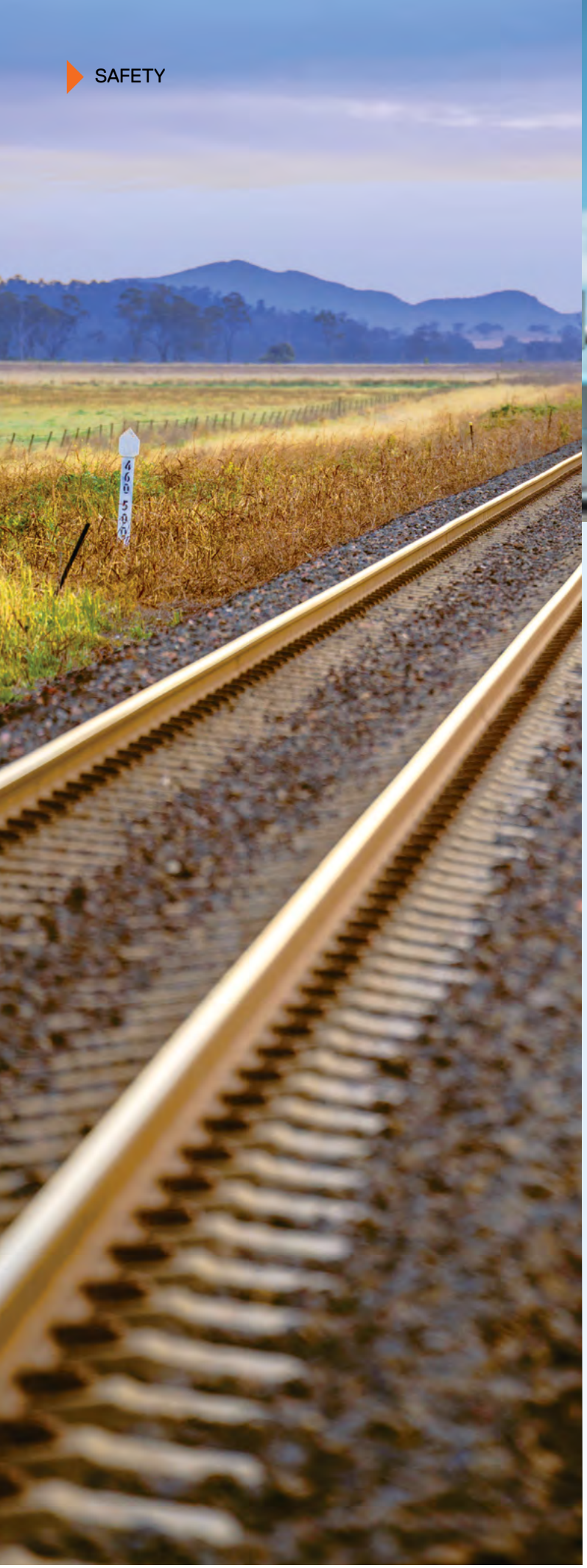
**Includes ARTC and Inland Rail.*

DRIVER AND VEHICLE SAFETY PROGRAM

Our people drive long distances to and from worksites across our network, with our fleet vehicles alone travelling more than 18 million kilometres during the year.

In 2025-26, we continued to implement our Driver and Vehicle Safety Program to advance ARTC's driving safe culture. This included an emphasis on:

- **Heavy vehicle compliance:** Continuing to undertake random heavy vehicle audits across our Provisioning Centres, with a focus on how vehicles are maintained as well as ensuring load management requirements are met. In 2025-26, we audited 10% of our heavy vehicle fleet.
- **Replacing aged fleet:** Newer vehicles are safer and more environmentally friendly, so we continued our program to replace aged light, heavy and road rail fleet with emphasis on heavy road rail fleet orders throughout the year.
- **Optimising fleet size:** Our focus on mobility solutions for our people continued, by providing fit-for purpose vehicles and vehicle build consistency leading to a considerable fleet reduction and supporting smarter, more efficient use of ARTC vehicles across the organisation.
- **Vehicle telematics systems:** We continued to review and distribute light and heavy fleet speed, seatbelt and fatigue exception reports across the business to ensure safe driving practices among employees as well as researching improved ways of real-time exception notifications to business units.
- **Advanced vehicle safety technology:** We continue to review and adopt increased vehicle safety technology offered by vehicle manufacturers to ensure maximum driver safety experience.





SAFELY DELIVERING INLAND RAIL

Safety remains central to the planning, design and delivery of the Inland Rail project, with a continued focus on proactive risk management, strong safety leadership and creating environments where employees, delivery partners and communities feel and are safe.

During 2025-26, Inland Rail Pty Ltd (IRPL) progressed a range of initiatives to strengthen safety performance, including embedding safety considerations into project planning and delivery, reinforcing critical risk controls and enhancing safety leadership capability. Targeted programs supporting leadership development, wellbeing and workforce engagement also helped strengthen a positive safety culture across the team.

IRPL continued to work closely with delivery partners to build a shared commitment to safety through increased leadership engagement, assurance activities and collaborative risk management. By leveraging data, shared learnings and leading indicators to identify and address risks early, the team remains focused on continuous improvement and the safe, sustainable delivery of the project.



LEVEL CROSSING SAFETY

Level crossing safety affects every community where roads, pathways and rail intersect.

As Australia's largest rail network manager, ARTC is committed to supporting efforts to reduce risk and improve safety outcomes at level crossings nationally.

With more than 2,900 open level crossings on our network (among more than 23,000 nationwide), we continued to work closely with governments, local councils and industry partners to reduce incidents and near misses through infrastructure upgrades, technology trials and community education initiatives.

In 2025-26, we:

- Progressed 19 level crossing upgrades across New South Wales, South Australia, Queensland, Victoria and Western Australia through the Commonwealth-funded Regional Level Crossing Upgrade Fund, including securing funding for two upgrades in each of Queensland, Victoria and Western Australia. We also progressed activities supporting 113 level crossing signage upgrades in South Australia, which we will complete in 2026-27.
- Partnered with the National Transport Research Organisation (NTRO) to trial augmented level crossing warning systems at Culcairn in New South Wales and Cressy in Victoria.
- Continued our partnership with Transport for NSW, including completion of design work for level crossing upgrades at Mary Gilmore Way (Bribbaree) and Yellow Rock Road (Raleigh) in New South Wales, trialling radar-activated LED stop signs and advance warning signs at three crossings at Bribbaree and Narromine in New South Wales, and supporting nine regional councils' inclusion in the Level Crossing Improvement Program – Regional Council Minor Works (LCIP-RCMW) program by assessing local government applications.
- Worked with the Victorian Government to implement upgrades at 12 crossings under the Low-Cost Level Crossing Upgrade Program, including signage, vegetation management and design activities to support future activation works.
- Continued working with the Australian Government, Transport for NSW and Rail Safety Systems on the Rail Active Crossing System (RAXS) trial at Quirindi in New South Wales.
- Delivered level crossing safety awareness initiatives in partnership with state governments, including education programs in schools and community engagement activities designed to promote safe behaviour around the rail network.

MAINTENANCE

ASSET MANAGEMENT

Maintaining the national rail network is critical to ensuring the safe and reliable movement of freight and passenger trains across Australia.

During the year, we delivered an extensive program of maintenance and improvement activities through our Asset Management Plan and Annual Works Program to strengthen network resilience and support safer, more reliable and efficient services.

Through risk and condition-based asset management practices, we prioritised investment where it would deliver the greatest benefit for safety, reliability and network performance.

Targeted maintenance and renewal activities were completed during scheduled track possessions across our National Network and NSW Heavy Haul Network, including re-railing, re-sleepering, track reconditioning, ballasting, tamping and drainage works, alongside signalling enhancements, vegetation management and other critical infrastructure upgrades.

Given the scale and age of the ARTC network – with some infrastructure more than 100 years old – ongoing maintenance remains essential to preserving the integrity, reliability and long-term resilience of the network. This is particularly important as customer demand continues to grow and the national freight task becomes increasingly reliant on rail.

Changing climate conditions and more frequent severe weather events continue to place additional pressure on rail infrastructure and network operations. In recent years, flooding, storms and extreme heat have highlighted vulnerabilities across parts of the network and reinforced the importance of proactive maintenance, monitoring and renewal activities.

In 2025-26, weather events caused 22.45 days of network interruptions – up from 17 days in 2024-25 (excludes an 11-day outage at Beni in New South Wales due to a bushfire and subsequent closure for the bridge to be replaced).

This included an extended outage on the East-West corridor in February/March following widespread rain and flooding that affected outback South Australia, western Victoria and New South Wales. Drawing on lessons from previous flood events, ARTC mobilised specialist engineering partners and pre-positioned resources to undertake repairs and restore services. The recovery effort was completed ahead of the original repair schedule, demonstrating improved preparedness, resilience and operational response capability.





STRENGTHENING SYDNEY TO MELBOURNE

We managed track possessions across our network throughout the year, ranging from two-hour closures to complete simple tasks, through to four-day closedowns to complete hundreds of projects.

For example, in May we completed one of the largest closedowns in our history. The 96-hour “super possession” between Sydney and Melbourne involved more than 1,300 track workers, who delivered more than 200 projects – resulting in 18 minutes of transit time gain for our customers.

Works included the installation of two new crossovers at Joppa Junction, track rehabilitation at Bargo, Tahmoor and Tennessee, in addition to a broad range of maintenance activities to strengthen the network, including upgrades to signalling systems and rail bridges.

Inland Rail works were also completed across eight Victorian sites from Wandong to Benalla, including bridge and track lowering works.

MAINTAINING THE HUNTER AND NORTH COAST

To help maintain the safety and reliability of our rail network across the Hunter Valley and North Coast of New South Wales, we managed multiple track possessions in 2025-26.

For example, in August we completed a three-day shutdown to deliver more than 900 maintenance activities between Newcastle and Maitland, and between Telarah and Acacia Ridge in Queensland.

Activities included re-railing, ballast cleaning, track reconditioning, turnout renewals, bridge construction, vegetation management and signalling maintenance.

Significantly, the works resulted in the removal of 9.4 minutes of temporary speed restrictions in support of faster train services and improved efficiency for our customers.



NEW TAMPER BOLSTERS TRACK MAINTENANCE

The largest tamping consist in the Southern Hemisphere commenced operating on our network during the year.

After extensive testing, we commissioned a new custom-built universal tamper – TDX102 – to help improve the safety and efficiency of our rail maintenance activities across Australia.

TDX102 features cutting-edge high-speed track measuring technology to significantly increase output performance, eliminate speed restrictions, and minimise the need for personnel to be on track during heavy maintenance activities.

It is the third of five cutting-edge track machines we are building in partnership with Plasser Australia as part of our ongoing efforts to deliver a more reliable network for freight and passenger trains across Australia.



BRIDGE REPLACEMENT BOOSTS RELIABILITY

As part of our ongoing efforts to strengthen rail network resilience across the country, we successfully replaced the 115-year-old, 44m long Chilcott's Creek bridge between Kankool and Willow Tree in New South Wales.

Teams had to overcome significant flooding events while constructing the bridge substructure, before more than 110 workers delivered the demolition and replacement during a network closedown in November.

With a 100-year design life and fewer serviceable parts to maintain, the new bridge boosts safety and features a ballasted track to improve ride quality and reliability for train operators.



AWARDS RECOGNISE MAINTENANCE FOCUS

During the year, our focus on innovation and maintenance excellence was recognised at the annual Permanent Way Institution NSW Awards, where ARTC received two industry honours.

In partnership with Cold Forge, we received the Ken Erickson Innovation Award for the development of a new heavy-duty bow plate solution used on our NSW Heavy Haul Network. The innovation enables weld breaks to be safely joined without the immediate need to install a new closure rail, reducing the operational impact of rail breaks and allowing permanent repairs to be completed in a planned and controlled manner.

Our Gunnedah Provisioning Centre team also received the Alan Barham Maintenance Award, recognising excellence in rail maintenance delivery, leadership and works planning maturity. The award highlights the team's strong focus on safe and efficient maintenance practices in support of reliable network operations.



FAST-TRACKED BRIDGE REBUILD

The new Beni Creek rail bridge opened in May after a grass fire destroyed the original bridge in December, which forced closure of the rail line between Dubbo and Elong Elong in regional New South Wales.

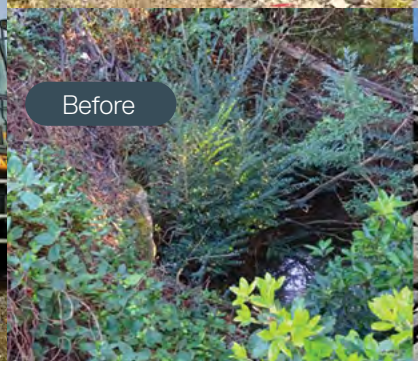
While working with train operators to keep freight moving via alternative routes, we expedited planning, design and construction activities with contracting partner Daracon to safely rebuild the bridge in a compressed timeframe to resume network operations ahead of schedule.

The new bridge is a two-span concrete ballast top structure, designed to improve load capacity and reliability, while reducing future maintenance requirements.











OTHER RESILIENCE WORKS

SYDNEY-NARROMINE-ALBURY CABLING UPGRADE (NSW)

In May 2026, a major milestone was delivered on the Sydney-Narromine-Albury Cabling Upgrade (SNACU), with commissioning completed on a key section between Joppa Junction and Cullerin on the Main South Line in New South Wales.

The SNACU was established to upgrade aged signalling infrastructure, including replacing legacy aerial line wire to improve network resilience, reliability and long-term performance, while also reducing the risk of unplanned outages.

As part of the Joppa Junction to Cullerin works, 29km of re-signalled track was brought into service. Commissioning included extensive testing of the new signalling system, with locomotives used to validate rail vehicle detection, signal aspect sequencing and interlocking to ensure safe and reliable operation. Redundant aerial line wire was decommissioned as part of these works, removing ageing assets vulnerable to theft and weather-related failure.

The milestone followed the delivery of extensive enabling works, including culverts, retaining structures, access platforms and roadways to support construction and ongoing maintenance.

NSW CULVERT UPGRADES RESILIENCE PROGRAM

The NSW Culvert Upgrades Resilience Program is delivering targeted infrastructure improvements to strengthen the resilience and reliability of the interstate rail network.

The program involves the installation of new reinforced concrete box culverts at priority locations to improve stormwater management and reduce flood risk along key sections of track. These upgrades support broader network outcomes by enhancing asset resilience and reducing the likelihood of weather-related disruptions to rail operations.

In 2025-26, significant progress was made across the corridor throughout New South Wales, with culvert upgrades completed at Tahmoor, Bargo, Yanderra, Yerrinbool, Wingello and Tallong.



NORTH EAST RAIL LINE BRIDGE DECK RENEWALS (VIC)

The North East Rail Line Bridge Deck Renewals project in Victoria was successfully completed in September, delivering critical upgrades to ageing rail infrastructure on this key interstate corridor.

Working with construction partner Brunton Engineering and Construction, the project initially targeted seven priority bridge sites, with scope flexibility enabling additional efficiencies during delivery. As a result, renewals were completed across 11 bridges, exceeding the original target and delivering improved value for money.

The works involved replacing ageing timber deck spans with modern concrete bridge decks designed to current structural standards. These upgrades significantly reduce reactive maintenance requirements, lower inspection frequency, and enhance safety and reliability across the corridor.

WALLAN SIGNALLING UPGRADE (VIC)

The Wallan Signalling Upgrade was successfully commissioned in September, completing a major signalling renewal on the North East Rail Line in Victoria.

Works included the replacement of life-expired signalling infrastructure between Donnybrook and Kilmore East, including the upgrade of the Wallan interlocking to a modern computer-based interlocking system, along with new signalling equipment, power systems and supporting civil works.

The upgrade improves the safety, reliability and resilience of the corridor by reducing signalling-related failures, and supporting the efficient movement of freight and passenger services on this important interstate rail route.

CONSTRUCTION

With the support of the Australian Government, ARTC continued to deliver significant infrastructure improvements across the national rail network during 2025-26, alongside ongoing maintenance and upgrade activities to support a safe, reliable and efficient network.



INLAND RAIL

Construction and development activities continued across Inland Rail during the year, with progress made on projects in Victoria and New South Wales.

Inland Rail comprises multiple sections, with some already operational, others under construction, and the remainder progressing through planning, approvals and corridor preservation activities. Delivery continues in stages in accordance with the Statement of Expectations issued to ARTC and IRPL by our Shareholder Ministers.

DELIVERY OVERVIEW

As with any nationally significant infrastructure program, Inland Rail navigated a range of delivery challenges during the year, including planning and environmental approvals, evolving design requirements, contractor performance, and the coordination of works across an operational railway. These factors influenced the timing of some activities and contributed to schedule and cost performance outcomes across parts of the program.

Despite these complexities, significant progress was achieved. Major construction advanced across multiple projects between Beveridge and Parkes and remains on track for completion to enable double-stacked operations, while governance, risk management and delivery assurance remained a strong focus to support the safe and effective delivery of the program.

Following the Australian Government's May 2026 Budget announcement, IRPL continues to work with ARTC and the Commonwealth to progress corridor preservation arrangements for sections north of Narromine, helping maintain long-term optionality for future investment in Inland Rail.



ACTIVITIES PROGRESSED SOUTH OF PARKES, NSW

In Victoria, the Beveridge to Albury Tranche 1 project was formally completed on 31 October 2025.

The Beveridge to Albury Tranche 2 (B2A) project has completed track commissioning at Euroa, Tallarook, Seymour and Short Street, with demolition and commissioning activities now complete for Euroa and Benalla. This followed major works undertaken in April 2026 and May 2026 during the 28-day occupation on the V/Line network and 86-hour possession on the ARTC network. A total of 10 of the 12 sites have achieved the required clearances for double-stacked freight operations with construction progressed across Broadford-Wandong Road, Marchbanks Road, Euroa and Benalla.

In New South Wales, works on the Albury to Illabo (A2I) project have progressed strongly, with several key milestones achieved in the period. The team demolished the Kemp Street bridge in Junee and the Edmondson Street bridge in Wagga Wagga, which included implementing a traffic management plan and securing Wagga Wagga City Council approval to close the bridge for 18 months. The team also removed pedestrian bridges at Mothers Bridge, Culcairn and Albury Station. The project remains on track to meet the agreed timeframes.

Works on the Illabo to Stockinbingal (I2S) project have progressed steadily, with significant achievements demonstrating continued momentum. The temporary workers' accommodation facility has been successfully completed, providing essential support for site crews. Rail delivery to Illabo from Whyalla Steelworks commenced, with remaining deliveries scheduled throughout 2026. Earthworks are continuing throughout the project section.

All major construction activities for the Stockinbingal to Parkes (S2P) project were completed in the period, and the project team issued Practical Completion certificates for all sites.

For the Narrabri to North Star Phase 1 (N2NS P1) project, the team progressed the completion of as built documentation and remediation works during the period. Activities include activating level crossings and completing level crossing panel replacements.



ACTIVITIES PROGRESSED NORTH OF NARROMINE, NSW

Following Federal Budget announcements in May 2026, IRPL is working with the Commonwealth to determine the scope required to preserve the Inland Rail corridor for sections north of Narromine. As a result, future activities and delivery pathways for these sections remain subject to further consideration.

During the year, activities with contractors and design consultants continued in line with Approved Project Works, including field surveys, studies and reports to inform cost and schedule certainty and improved design solutions. Work also progressed to support ongoing environmental and corridor approvals and land acquisition activities.

The Narromine to Narrabri (N2N) and Narrabri to North Star (N2NS P2) projects continued through preliminary design development following contract awards in June/July 2025. Supporting activities included field surveys, technical studies and reports to inform cost and schedule certainty and improved design solutions, along with other works supporting ongoing corridor approvals and land acquisition activities. While these activities demonstrate continued progress towards future delivery, no major construction has commenced on these sections following completion of Narrabri to North Star Phase 1.

The Narrabri to North Star Phase 2 project also secured key planning approvals during the year, receiving New South Wales planning approval in December 2025 and Australian Government approval in February 2026 under the *Environment Protection and Biodiversity Conservation Act 1999*.

The revised draft Environmental Impact Statement (EIS) for the Border to Gowrie (B2G) project was submitted to the Office of the Coordinator-General in May 2026 and followed the Response to Submissions report relating to the prior draft EIS and associated public consultation, which commenced on 10 May 2025. The public exhibition period concluded on 4 August 2025, with 120 submissions registered and supplied to Inland Rail by the Office of the Coordinator-General.

Following approval of an extension to the lapse date for the Gowrie to Kagaru (G2K) Environmental Impact Statements in January 2026, work commenced on procuring and delivering the required environmental assessment program, beginning with the Calvert to Kagaru (C2K) EIS.

INLAND RAIL PROGRESS AGAINST DELIVERABLES

CATEGORY	MILESTONE	COMMENT
Land access + biodiversity obligations	Beveridge to Albury (B2A) Tranche 2 – land access secured for construction*	The property access scope required to support delivery of the B2A Tranche 2 works is complete; all properties required under the original approved access scope secured.
Approvals	Narrabri to North Star (N2NS) SP2 – EPBC approval received	The EPBC approval for N2NS SP2 was received in February 2026, marking the successful completion of Project Development Agreement (PDA) Milestone 2.
	Border to Gowrie (B2G) – revised approvals, EPBC approval	The project schedule has been revised following the submission of EIS material to the Office of the Coordinator-General in May 2026. Mitigation actions are in place, including continued consultation with regulators, escalation of key interdependencies, a revised approach to milestone management and close-out, and onboarding an expert facilitator to support the resolution of complex technical matters.
	Gowrie to Kagaru (G2K) – EIS Primary Approval Strategy – Provisional	On 27 February 2026, the Calvert to Kagaru (C2K) Environmental Impact Statement Services Request for Tender was released to procure providers to secure primary approvals for the C2K sections of the Gowrie to Kagaru (G2K) projects, informed by the completed gap analysis and recent Office of the Coordinator-General engagement.
Detailed Design	Beveridge to Albury (B2A) Tranche 2 – Detailed Design complete	Additional design packages were required to be added later in the program as a result of changes identified during detailed design. The additional packages were required to mitigate the risk of design approval delays.
	Illabo to Stockinbingal (I2S) – Detailed Design complete	Design completion was impacted by approvals and interface requirements associated with the Flood Design Verification Report (FDVR) and Burley Griffin Way (BGW). During FY26 Q4, the majority of design packages progressed to Issued for Construction (IFC) status, with construction commencing on approved earthworks and bridge packages. Design completion remains forecast for September 2026.



CATEGORY	MILESTONE	COMMENT
	Albury to Illabo (A2I) – Detailed Design complete	Design development continued across bridge, signalling, level crossing and rail infrastructure packages. Progression of several detailed design packages affected by ongoing design reviews, possession changes and approval requirements. Design development is ongoing for a number of sites, including Albury Yard, Billy Hughes Bridge, Bomen Yard and Harefield Yard, where final approvals are required before all packages can achieve Issued for Construction (IFC) status. Detailed design completion forecast for September 2026.
Construction works	Beveridge to Albury (B2A) Trance 1 – project finalisation & close-out commence	Project close-out completed at the end of October 2025.
	Parkes to Narromine (P2N) – all remaining scope complete	All remaining scope has been completed.
	Narrabri to North Star (N2NS) SP1 – Trelleborg panels replacement complete	Physical work on panels completed July 2025.
	Narrabri to North Star (N2NS) SP1 – level crossings activations & trackwork complete	Two level crossing activations and associated signalling works were completed. Works to raise the western approach level crossing were completed in May 2026, with only as built documentation to complete.

**To the extent that a Jurisdiction Decision as defined under Project Development Agreement, Schedule 2, does not affect IRPL being able to achieve this milestone.*



INLAND RAIL KEY PERFORMANCE INDICATORS

	METRIC	FY26 ACTUAL	COMMENT
Safety and Environment (inc. Sustainability)	TRIFR (combined employee and contractor)*		Performance within target metric
	Significant Severity Frequency Rate		Performing within target metric; no significant events in FY26
	Significant pollution incidents during construction		Performance meets target metric
	Spend with local businesses		Performing above target metric
	Spend with First Nations businesses		Performing above target metric
	Workforce who are local First Nations residents		Performing above target metric
	Workforce who are local residents		Performing above target metric
People	Employee Engagement Score		The next EES is scheduled for notional implementation in November 2026
	Employee turnover (voluntary)		Performing within budget metric
	Female participation		Below the target metric due to higher rates of female voluntary turnover than males
	First Nations participation		Impacted by organisational restructure
Program	Project expenditure ($M)**		Performing within target metric
	Positive SPI and CPI for Beveridge to Albury T1***		Completed and metric will be removed from FY27 reports
	Positive SPI for Beveridge to Albury T2***		The SPI has been significantly impacted by delays, including in approvals to commence construction
	Positive CPI for Beveridge to Albury T2***		There are ongoing commercial challenges, risks and independent reviews
	Positive SPI for Albury to Illabo***		SPI is below target as the current baseline does not reflect significant changes required to the possession regime and the re-sequencing of activities. IRPL and the contractor are assessing cost and schedule following re-sequencing of works

Target achieved +/-10% of target >10% of target

	METRIC	FY26 ACTUAL	COMMENT
Program	Positive CPI for Albury to Illabo***		Performance within target metric
	Positive SPI for Illabo to Stockinbingal***		SPI is below target as construction could not commence as planned due to an extended Flood Design Verification Report (FDVR). IRPL and the contractor are assessing cost and schedule following conditional approval allowing commencement of construction at non-flood impacted sites
	Positive CPI for Illabo to Stockinbingal***		CPI is being impacted by delays from FDVR, difficult ground conditions that require additional drilling, blasting and rock crushing, and delays in securing a Works Authorisation Deed for the Burley Griffin Way bridge works from Transport for NSW to allow construction to commence
	Positive SPI for Stockinbingal to Parkes***		Practical completion achieved at all sites and metric will be removed from future reports
	Positive CPI for Stockinbingal to Parkes***		Practical completion achieved at all sites and metric will be removed from future reports
	% of women in executive leadership and governance positions		Impacted by organisational restructure

Target achieved +/-10% of target >10% of target

**Calculation for combined TRIFR: (employee + contractor recordable injuries) divided by (employee + contractor worked hours) multiplied by (1 million). Recordable injuries include, Lost Time Injury, Medically Treated Injury, Restricted Work Case.*

***Excludes land and biodiversity due to the variable nature of the transaction completions.*

****Commencement of reporting against the above (Schedule Performance Index (SPI) and Cost Performance Index (CPI)) KPIs to be within one quarter post contract award with a range included in the above figure to infer the range considered as positive.*

NETWORK INVESTMENT PROGRAM

As part of ARTC's major capital works portfolio, we are investing with the Australian Government to deliver a Network Investment Program (NIP) to improve the safety, resilience, capacity and productivity of Australia's interstate freight rail network.

The program commenced in 2024-25 with $1.04 billion allocated to an initial package of nine projects developed in consultation with industry to address critical constraints across the national rail network.

In the May 2026 Federal Budget, the Australian Government announced a further $1.75 billion over six years, expanding the scope of the NIP and bringing total program funding to almost $2.8 billion.

Together, these projects are designed to support key industry sectors including agriculture, mining and manufacturing by enhancing the reliability and efficiency of freight transport to domestic markets and ports, while contributing to lower freight emissions and stronger national economic competitiveness.

During 2025-26, the NIP progressed from planning into delivery, advancing a range of targeted infrastructure upgrades across multiple regions. These works included track rehabilitation, signalling upgrades, culvert renewals, re-railing and resilience initiatives designed to increase network reliability, support higher freight volumes and strengthen the network's ability to withstand extreme weather events.



Key achievements during the year included:

- Delivery of early works and asset renewals across priority locations
- Advancement of major projects into detailed design and construction phases
- Establishment of national supply chains, including agreements for culverts, sleepers and other critical materials
- Completion of hydrological and site investigations to inform resilient infrastructure design
- Continued governance, program oversight and delivery planning to support transparent and efficient project execution.

The expanded program will deliver targeted upgrades to enhance network performance and productivity, support larger and more efficient train configurations, strengthen resilience to extreme weather events, and advance real-time operational decision-making capabilities.

These initiatives will deliver system-wide benefits across the national rail network through improved infrastructure, technology enhancements, and the removal of key capacity and capability constraints.

By increasing network capacity, reliability and operational efficiency, the NIP will help move more freight by rail at lower cost and with greater certainty. This will strengthen national supply chains, improve connections between producers, ports and markets, and support Australia's broader economic and sustainability objectives.

NETWORK INVESTMENT PROGRAM

Delivery and benefits to date, July 2024 to June 2026

ARTC

PROGRAM STATUS:
On target against the approved spend profile | Key delivery measures on track | Rail replacement and First Nations participation ahead of plan

WORKS WE'VE DELIVERED

- **150km** RAIL REPLACED
- **260km** TRACK RESURFACED
- **14,600** TONNES BALLAST REPLACED
- **7.4km** TRACK BALLAST CLEANING
- **437** JUNCTION WELDS RENEWED
- **199** RAIL DEFECTS REMOVED
- **9** CULVERT SITES UPGRADED
- **11km** LEGACY UNDERGROUND CABLE REPLACED

UNDERWAY

- **25,000** SLEEPERS READY FOR DELIVERY

WHAT THIS MEANS FOR CUSTOMERS, COMMUNITIES AND THE NATIONAL FREIGHT NETWORK

TARGETED NETWORK INVESTMENT → A STRONGER, MORE RESILIENT NETWORK → MORE RELIABLE FREIGHT SERVICES → WIDER ECONOMIC AND COMMUNITY BENEFITS

More reliable freight services
Removing temporary speed restrictions helps reduce journey time variability and supports more reliable freight schedules.

- **58** TSRs REMOVED
- **99.5 min** REDUCTION IN TRAVEL TIME

Safer, more resilient rail corridors
Upgraded level crossing signage and vegetation management improve visibility and reduce hazards, while culvert remediation strengthens the network's resilience to severe weather.

- **17** LEVEL CROSSING SAFETY IMPROVEMENTS DELIVERED
- **173km** VEGETATION MANAGEMENT & ACCESS TRACK IMPROVEMENTS
- **27** CULVERT SITE DESIGN UPGRADES COMPLETED
- **9** CULVERT SITES' WASHAWAY RISK MITIGATED

Supporting outcomes aligned with Closing the Gap
By working with Traditional Custodians and creating opportunities for First Nations employment and business participation, the program is supporting practical economic participation and outcomes aligned with Closing the Gap.

- **28** TRADITIONAL CUSTODIAN GROUPS ENGAGED
- **17,927** FIRST NATIONS PARTICIPATION HOURS TO DATE
- **$1.725M** FIRST NATIONS PROCUREMENT SPEND TO DATE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PROJECTS – NETWORK INVESTMENT PROGRAM

**The table below outlines the initial nine Network Investment Program projects. Additional projects announced as part of the Australian Government's May 2026 Budget investment are not included, as detailed project scope, planning and delivery activities were still being developed at 30 June 2026.*

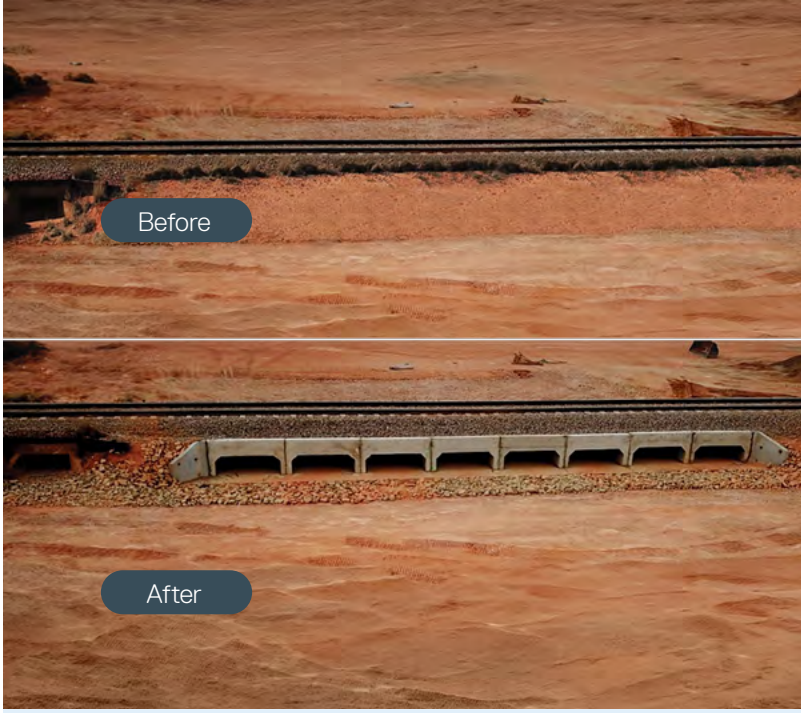
PROJECT	DESCRIPTION	BENEFITS	FY26 ACTIVITIES	FY27 ACTIVITIES	EXPECTED
Re-railing (Tarcoola to Kalgoorlie & National Network)	Between Tarcoola and Kalgoorlie, the replacement of 47kg rail with 60kg rail to reduce the likelihood of broken rails, which results in unplanned outages and delays to customers, and also carries a derailment risk. Heavier rail supports higher axle loads of 25TAL, the desired capacity baseline for the National Network, and in doing so provides consistency of service offering to customers. Delivery of re-railing in high priority areas of the National Network outside of Tarcoola to Kalgoorlie will also be conducted to maintain network reliability.	Safety Performance Resilience	Construction Project proposal submitted for approval	Construction	Q4 FY30
Culvert upgrades (Crystal Brook to Tarcoola, Tarcoola to Kalgoorlie, and Albury to Sydney)	At drainage culvert locations identified to have a high washaway risk, install robust concrete culverts with greater capacity to mitigate the risk of track and culvert damage to help avoid repair costs, track outages and associated delays to customers.	Resilience	Detailed Design, Procurement and Construction	Detailed Design, Procurement and Construction	Q4 FY30
Partial track duplications (Crystal Brook to Kalgoorlie)	Reduce risk of track closures and delays to customers caused by inundation of the track during 1:100-year flood events by providing up to 20km of duplicated track at an increased height and through other engineered controls.	Safety Performance Resilience Capacity	Feasibility	Reference Design, Detailed Design	Q4 FY30

PROJECT	DESCRIPTION	BENEFITS	FY26 ACTIVITIES	FY27 ACTIVITIES	EXPECTED
Signalling infrastructure upgrades – aerial line wire removal (Wolseley to Melbourne)	Undergrounding of overhead copper power and communications wires in critical locations to reduce risk of theft and associated disruption to network operations and associated delays to customers.	Safety Performance Resilience	Reference Design, Procurement and Early Works	Reference Design, Procurement and Early Works, Detailed Design & Construction	Q4 FY30
Signalling infrastructure upgrades – cable replacement (Crystal Brook to Wolseley)	Replacement of existing underground power and communications cables which have failing insulation, to reduce risk of signal outages and miscommunication, and associated safety risks and delays to customers.	Safety Performance Resilience	Detailed Design, Construction and Commissioning	Detailed Design, Construction and Commissioning	Q4 FY30
Replacement of sleepers (Maroona to Portland)	Replacement of timber sleepers with concrete sleepers to improve reliability (removal of temporary speed restrictions) and increase productivity (higher axle loads of 23 TAL and increased operating speeds) between Maroona and Portland, providing a faster, higher capacity service to customers.	Performance Resilience Productivity	Early Works, Procurement, and Reference Design Project proposal submitted for approval	Early Works, Procurement, and Construction	Q4 FY29
Track rehabilitation (Albury to Sydney)	Track upgrades addressing known and reoccurring temporary speed restrictions involving undercutting, replacement of ballast, replacing life expired points, track lowering, track reconditioning, drainage improvements and removal of mud holes to improve corridor reliability, increase ride quality and avoid temporary speed restrictions, thereby improving travel time and reliability for customers.	Performance Resilience	Detailed Design, Procurement, and delivery of works Project proposal submitted for approval	Detail Design, and continued delivery of works	Q4 FY30
Extension to existing crossing loops (Broken Hill to Parkes)	Crossing loops will be constructed to accommodate up to 1,800m trains between Broken Hill and Parkes. In Cab Activation of Points (ICAPs) or equivalent automated control system infrastructure will also be introduced onto crossing loops between Broken Hill and Parkes. Scope assists customers through operational flexibility and increased network capacity.	Performance Resilience Productivity Capacity	Feasibility and Market Readiness	Planning and Environmental Approvals, Procurement, Detailed Design, and early site works	Q4 FY30

PROJECT	DESCRIPTION	BENEFITS	FY26 ACTIVITIES	FY27 ACTIVITIES	EXPECTED
Interlocking and signalling upgrade to enable bi-directional operations	Interlocking upgrade to allow for bi-directional capability at key locations between Moss Vale and Goulburn. Allows trains to navigate around broken-down rollingstock where otherwise significant delays would be incurred, improving on-time service for customers.	Performance Resilience Capacity	Feasibility	Completion of Feasibility, Planning and Environmental Approvals, Market Readiness	Q2 FY30
Electronic Train Order Working System (Tarcoola to Kalgoorlie)	Modernising and enhancing safety for customers operating across the Tarcoola to Kalgoorlie rail corridor by replacing the current paper-based Manual Train Order Working system with an Electronic Train Order Working System (ETOWS).	Safety Performance Resilience Productivity	Implementation, software development, and testing	Implementation, software testing, trackside installation and system commissioning	Q4 FY27







MAROONA TO PORTLAND UPGRADE REACHES KEY MILESTONE

In February, ARTC awarded a contract to Vossloh Australia to manufacture and supply 250,000 concrete sleepers for the Maroona to Portland rail upgrade in Victoria, marking a significant milestone in the delivery of the project.

Funded through the Network Investment Program, the $166 million upgrade includes a $150 million Australian Government investment and up to $16 million in additional funding from ARTC. The project will strengthen the 173km rail corridor, improving safety, reliability and freight carrying capability.

The upgrade will replace degraded timber sleepers with more durable, low-profile concrete sleepers. Approximately 220,000 sleepers will be manufactured at Vossloh's Wagga Wagga facility in New South Wales, with a further 30,000 to be produced at its Geelong facility in Victoria.

Early works commenced in April 2026. Delivery of sleepers to site is expected to commence in September 2026 and continue over a 12-month period, with installation and associated works scheduled for completion in 2028, subject to approvals.

UPGRADES STRENGTHEN EAST-WEST CORRIDOR

As part of ongoing efforts to strengthen the resilience and reliability of one of Australia's most important freight routes, critical infrastructure upgrades were completed in the East-West rail corridor in September.

Delivered as part of the Network Investment Program, the works included the upgrade of five culverts between Bookaloo and Tarcoola in South Australia. New reinforced concrete box culverts were installed to increase stormwater management capacity and reduce the risk of flooding and associated service disruptions during extreme weather events.

The upgrades form part of ARTC's broader investment in strengthening the interstate rail network and improving the corridor's ability to withstand increasingly variable weather conditions while maintaining reliable freight operations.

SOUTHERN HIGHLANDS OVERTAKING OPPORTUNITIES

Major works progressed during 2025-26 on the Southern Highlands Overtaking Opportunities (SHOO) project in New South Wales, improving efficiency and reducing congestion on the key freight and passenger rail corridor between Sydney and Melbourne.

The $60 million project, including a $41.56 million contribution from the Australian Government, encompasses two locations – Werai, south of Moss Vale, and Joppa Junction, south of Goulburn.

Together, these upgrades will create additional opportunities for trains to safely pass one another, including enabling freight trains up to 1,800m in length to be overtaken by faster services, improving network capacity, flexibility and resilience.

The Southern Highlands corridor extends 170km from Macarthur to Goulburn and is the most heavily used section of ARTC's network outside the Hunter Valley, carrying more than three million tonnes of freight annually.

Following the commencement of early works in August 2024, major construction activities continued across both sites, including civil earthworks, signalling works and installation of new rail track crossovers. During the September 2025 major rail possession, the first site at Werai was successfully commissioned. Construction at the remaining site at Joppa Junction is continuing, with the project expected to be completed by mid-2027.



REGIONAL LEVEL CROSSINGS

In support of the Australian Government's Regional Australia Level Crossing Safety Program, we continued to make significant progress delivering level crossing safety improvements through the Commonwealth's Regional Level Crossing Upgrade Fund (RLCUF).

Across our network, work progressed on major upgrades at 14 regional level crossings in New South Wales, South Australia and Queensland, while state delivery partners also advanced RLCUF-funded projects on our network in Victoria and Western Australia. In addition, road signage upgrades progressed at 113 level crossings in South Australia.

The program is helping improve safety outcomes for regional communities by upgrading both passive and active level crossings using treatments tailored to local conditions, including improved signage, flashing lights, electronic warning systems and boom gates.

Activities during the year included:

- **New South Wales** – contracts were awarded and upgrade works commenced at Turanville Road in Togar, Mid Western Highway in Caragabal, Wongajong Road in Forbes, Kiacatoo Road in Condobolin, and Bylong Valley Way in Sandy Hollow. Design work was also completed and procurement activities commenced for upgrades at Bushland Drive in Taree, Sheepwash Road in Calwalla, and Sandy Creek Road in Muswellbrook.
- **South Australia** – contracts were awarded and upgrade works commenced at Montrose Lane in Crystal Brook and Port Davis Road in Warnertown. Design work was also completed and contract awarded for civil enabling works for upgrades at Caltowie-Georgetown Road in Caltowie and Railway Terrace (South) in Coonalpyn. Planning also progressed for the installation of additional signage at 113 passive level crossings across regional South Australia.
- **Queensland** – concept designs were completed and procurement activities commenced for upgrades at Camp Creek Road in Running Creek and Saville Road in Allenview.

OUR PEOPLE, COMMUNITIES AND SUSTAINABILITY

PEOPLE

ARTC employees are critical to the safe operation, maintenance and development of our national rail network.

Working across rail corridors, Network Control Centres, Provisioning Centres and offices nationwide, our people support the safe and reliable movement of freight and passenger train services that underpin national supply chains and economic activity.

Supported by contractors and delivery partners, our workforce continued to deliver operational services, maintenance activities and stakeholder engagement support to meet the evolving needs of our customers, industry partners and the communities we serve.



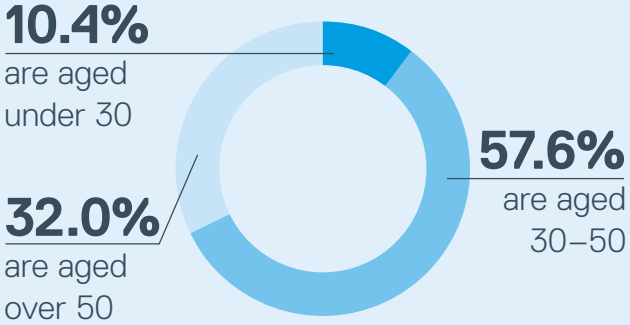
WORKFORCE*

2,072
employees

56.3%
located regionally

29.0%
identify as female

4.3%
identify as
First Nations people



*Includes ARTC and Inland Rail.

DIVERSITY, EQUITY AND INCLUSION

Throughout 2025-26, we continued to advance initiatives that support safe, respectful and inclusive workplaces and help create an environment where all employees can contribute and succeed.

Key activities included:

- **Gender equity** – Implemented our foundational 12-month Gender Equity Plan, focused on strengthening policies, practices and workplace conditions to support equitable outcomes for all genders. We also became a signatory to the Australasian Railway Association's Rail Gender Equity Charter, reinforcing our commitment to a more inclusive rail industry.
- **Reflect Reconciliation Action Plan (RAP)** – Successfully delivered our first Reflect RAP in December 2025 and commenced planning for the next phase of our reconciliation journey. *See page 70 for more information about our reconciliation activities in FY26.*
- **Cultural awareness** – Continued delivery of cultural awareness training through classroom, e-learning and online platforms.
- **International Women's Day** – Supported an employee-led donation drive across six worksites for Australian charity *Share the Dignity,* collecting essential sanitary items for people experiencing homelessness, escaping domestic violence or experiencing financial hardship.
- **Accessibility and inclusion** – Developed and implemented a workplace hearing guide to support employees with hearing loss and commenced planning for future neurodiversity initiatives, including policy development and e-learning resources.
- **Inclusive leadership** – Developed an in-house implicit bias training program, with delivery commencing through the Executive leadership team ahead of broader implementation in 2026-27.



CAPABILITY BUILDING

We continued to invest in workforce capability during 2025-26 through leadership development, technical training and learning opportunities that support organisational performance and future workforce needs.

Key initiatives included:

- **Launching ARTC's Leadership Framework**, creating a unified approach and common language for leadership at all levels of the organisation. Internal development programs are now being aligned to the framework.
- **Delivering ARTC's Certificate IV and Diploma of Leadership & Management programs to 55 employees**, bringing the total number of participants to 245 over the past six years.
- **Implementing a bespoke Executive development program** to strengthen leadership capability, build cohesion and support effective decision-making in complex operating environments.
- **Expanding in-house learning capability** through the development of 42 new e-learning modules, with employees completing 23,443 modules during the year.
- **Delivering external training programs**, including Contractor Safety Management and Mental Health First Aid, to strengthen workforce capability and support organisational sustainability.

We also continued to support future workforce development through participation in career expos across Australia, student visits to ARTC worksites and partnerships with local schools, helping promote the diverse range of career opportunities available across the rail industry.

EXECUTIVE LEADERSHIP TEAM APPOINTMENTS

In 2025-26, there were no new appointments to the ARTC Executive leadership team.

At Inland Rail Pty Ltd, the following key appointments were made:

- Fiona McDougall as IRPL Interim Chief Executive Officer (March 2026)
- Dr Sean Sweeney as IRPL Chief Executive Officer (commencing July 2026)
- Peter Ryan as IRPL Chief Operating Officer (March 2026)
- Amanda Holding as IRPL General Counsel (March 2026)

HEALTH AND WELLBEING

Supporting the health, wellbeing and resilience of our people remained a priority throughout 2025-26.

We continued to provide a range of initiatives designed to promote physical health, mental wellbeing and work-life balance across our workforce.

Key initiatives included:

- Fully subsidised influenza vaccinations
- Reimbursement of 50% of the cost of employee skin checks
- Paid leave for blood donation
- Health and wellbeing activities, including running events for charitable causes and employee step challenges





- Mental Health First Aid training
- Flexible working arrangements to support work-life balance
- A dedicated health and wellbeing intranet hub providing employees with access to information, resources and regular wellbeing updates
- Awareness campaigns supporting mental health and wellbeing, including R U OK? Day, Rail R U OK? Day and Men's Health Week
- Access to Fitness Passport, providing employees and eligible family members with discounted access to gyms, pools and other fitness facilities across Australia.

In addition, ARTC's Employee Assistance Program, delivered by Converge International, provides employees and their immediate family members with access to confidential counselling, support services, training and wellbeing resources.

Available 24 hours a day, the program supports a broad range of personal and professional needs, including mental health, relationships, family matters, financial wellbeing and career development. A dedicated First Nations support line is also available to support social, emotional and cultural wellbeing.

LARGE EMPLOYER OF THE YEAR AT NSW TRAINING AWARDS

ARTC was recognised as Large Employer of the Year at the NSW Training Awards in September, presented by the NSW Government to acknowledge outstanding contributions by registered training organisations and employers across the state.

The award recognised the strength of ARTC's Pathways Programs, including school-based apprenticeships and traineeships, electrical apprenticeships, signal electrician traineeships and work experience opportunities, which help build capability across the rail industry and support future workforce development.

The recognition reflects ARTC's commitment to structured learning and development pathways, supported by training frameworks that have provided career development opportunities for more than 1,000 employees across the organisation.

EMPLOYEE NUMBERS

All ongoing (permanent) employees in previous reporting period (2024-25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			TOTAL
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	789	7	796	245	34	279	–	–	–	3	–	3	2	–	2	1,080
QLD	158	–	158	125	15	140	–	–	–	1	–	1	–	–	–	299
SA	304	7	311	118	16	134	–	–	–	1	–	1	1	–	1	447
VIC	134	3	137	29	3	32	–	–	–	2	–	2	–	–	–	171
WA	15	–	15	2	–	2	–	–	–	–	–	–	–	–	–	17
TOTAL	1,400	17	1,417	519	68	587	–	–	–	7	–	7	3	–	3	2,014

All non-ongoing (temporary/contract) employees in previous reporting period (2024-25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			TOTAL
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	7	5	12	15	3	18	–	–	–	–	–	–	–	–	–	30
QLD	3	1	4	3	–	3	–	–	–	–	–	–	–	–	–	7
SA	4	1	5	–	–	–	–	–	–	–	–	–	–	–	–	5
VIC	–	–	–	2	–	2	–	–	–	–	–	–	–	–	–	2
WA	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	14	7	21	20	3	23	–	–	–	–	–	–	–	–	–	44



All ongoing (permanent) employees in current reporting period (2025-26)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			TOTAL
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	821	7	828	262	39	301	–	–	–	3	–	3	1	–	1	1,133
QLD	142	–	142	111	9	120	–	–	–	1	–	1	–	–	–	263
SA	304	5	309	116	14	130	–	–	–	1	–	1	1	–	1	441
VIC	139	4	143	32	4	36	–	–	–	2	–	2	–	–	–	181
WA	14	–	14	2	–	2	–	–	–	–	–	–	–	–	–	16
TOTAL	1,420	16	1,436	523	66	589	–	–	–	7	–	7	2	–	2	2,034

All non-ongoing (temporary/contract) employees in current reporting period (2025-26)

	Man/Male			Woman/Female			Non–binary			Prefers not to answer			Uses a different term			TOTAL
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	9	3	12	4	1	5	–	–	–	–	–	–	–	–	–	17
QLD	5	1	6	2	1	3	–	–	–	–	–	–	–	–	–	9
SA	4	–	4	1	1	2	–	–	–	–	–	–	–	–	–	6
VIC	4	–	4	1	1	2	–	–	–	–	–	–	–	–	–	6
WA	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	22	4	26	8	4	12	–	–	–	–	–	–	–	–	–	38

**Includes ARTC and Inland Rail.*

STAKEHOLDER ENGAGEMENT

At ARTC, stakeholder engagement is recognised as a critical enabler of safe and reliable operations, project delivery and long-term growth in freight on rail across Australia.

During 2025-26, we commenced implementation of a new enterprise Stakeholder Engagement Plan focused on embedding more consistent, coordinated and accountable engagement practices across the business to support proactive engagement, stronger relationships and improved stakeholder outcomes.

This work was undertaken in a complex operating environment, and it will continue to play an important role in 2026-27 and beyond to support operational resilience, project delivery and industry collaboration across the ARTC network.

Key stakeholder engagement activities during the year included:

- **Government engagement** – ongoing engagement with Australian and state governments on freight productivity, network investment, resilience and national rail priorities
- **Interoperability reform** – collaboration with governments and industry on nationally coordinated digital signalling and interoperability initiatives
- **Supply chain engagement** – engagement with ports and supply chain partners to support network performance and operational coordination
- **Safety and regulation** – continued engagement with the Office of the National Rail Safety Regulator (ONRSR) and other regulators focused on safety, operational performance and continuous improvement
- **Community and project engagement** – engagement with communities, councils and elected representatives regarding major works, possessions and operational impacts
- **Industry advocacy** – participation in Australasian Railway Association (ARA), Australian Logistics Council (ALC) and Freight on Rail Group (FORG) initiatives and events to support policy reform and freight on rail outcomes
- **Resilience and reliability** – stakeholder engagement to support network resilience and response to weather-related disruptions
- **First Nations engagement** – continued focus on strengthening engagement approaches with First Nations stakeholders and communities.





STRENGTHENING INDUSTRY RELATIONSHIPS

As part of strengthening relationships across the rail industry, we partnered with the Permanent Way Institution in October 2025 to help host the PWI NSW Convention in Newcastle.

The event brought together rail industry leaders, operators, suppliers and infrastructure professionals to discuss opportunities and challenges facing the sector, with ARTC hosting a site visit to showcase key rail infrastructure and operations at our Port Waratah and Carrington facilities.

The event provided delegates with firsthand insight into the scale and complexity of the national rail network, and created opportunities for knowledge sharing and collaboration in support of the long-term growth and sustainability of the Australian rail sector.

COMMUNITY SUPPORT

In 2025-26, our interactions with communities continued to be guided by the five key principles of our Community Engagement Framework: being considerate, fair, inclusive, trustworthy and connected.

Through the ARTC Community Line, we received 1,516 enquiries from members of the public across our network, covering a range of matters including vegetation management, fencing and gates, level crossings, noise and maintenance requests. These interactions provide valuable insights into community concerns and help us maintain open and transparent communication.

We also continued to promote rail safety awareness through school visits, level crossing safety campaigns and support for national awareness initiatives, including Rail Safety Week, National Safe Work Month and SPAD (Signal Passed At Danger) Awareness Week.

ARTC remained committed to supporting the communities in which we operate through sponsorships, donations and partnerships with local organisations. During the year, we supported initiatives including the Hunter Valley Steamfest, the Awabakal NAIDOC Week March & Celebration, Happy Boxes and Got Your Back Sista, helping deliver positive social, cultural and community outcomes.

Overall, the ARTC Group contributed $600,450 in community sponsorships and donations during 2025-26, including $214,806 through the Inland Rail Community Sponsorships and Donations Program.





COOKING UP FOR COMMUNITY

ARTC team members in Newcastle rolled up their sleeves for a cause close to the heart of their community, taking part in a cook-up with local charity Got Your Back Sista.

The charity works to give relief and support to women and children who have escaped domestic and family violence. In half a day, the group cooked 197 wholesome, nutritious frozen meals for women who are living on or below the poverty line.

As the charity puts it: “These meals serve as a lifeline for the brave women who attend Got Your Back Sista, offering not just sustenance, but a tangible symbol of community support and care”.

INLAND RAIL – ACTIVELY ENGAGING COMMUNITIES

The Inland Rail team is committed to engaging openly and proactively with communities along the alignment, building understanding, trust and local participation as planning and delivery activities progress.

During the year, this commitment was demonstrated through:

1. **Community engagement and participation:** Delivered workshops, information sessions and local events to keep communities informed and provide opportunities for feedback on planning and delivery activities.
2. **Environmental approvals and corridor protection:** Progressed environmental approvals and corridor protection activities north of Narromine, supported by regular updates to keep stakeholders informed of key milestones.
3. **Collaborative project development:** Worked closely with contractors and delivery partners to support a consistent and transparent approach to project development and construction.
4. **Landowner engagement:** Maintained direct engagement with landowners to understand concerns, address issues and build constructive relationships.
5. **Targeted engagement planning:** Developed tailored engagement approaches to support major project milestones and respond to emerging issues and stakeholder needs.



Community Benefits

Inland Rail is a national project with local benefits, generating jobs and economic opportunities for our regions and communities right across Australia.

9,449
People have worked on Inland Rail

965
Of whom are First Nations People

5,187
Local residents have worked on Inland Rail

568
Of whom are local First Nations People

Inland Rail Program

December 2018 to January 2026

921
Women employed

1,106
Tradespeople employed

3,380
Employed for 26 weeks or over for a minimum of 15 hours a week

1,227
Local businesses have supplied to Inland Rail

59
First Nations businesses Australia-wide

$673.2M
Total spend with local businesses

$61.1M
Total spend with First Nations businesses Australia-wide

Across individual project sections, engagement and activity plans were developed and implemented throughout the year. For sections north of Narromine in New South Wales, engagement approaches will continue to evolve as the scope required to preserve the full Inland Rail corridor is determined.

Inland Rail's partnerships with the Clontarf and Stars Foundations continued to support education, training and employment opportunities for First Nations youth in regional communities. During the year, funding benefitted more than 300 boys and girls along the alignment south of Parkes in New South Wales.

Partnerships with NSW TAFE and local training providers also helped regional residents access pre-employment and vocational training programs, creating pathways to employment with Inland Rail contractors and other regional businesses.

Through science, technology, engineering and mathematics (STEM) initiatives, including the STEM on Track partnership with the University of Newcastle and masterclasses by STEM Punks, Inland Rail is helping inspire the next generation of Australians to explore careers in transport, engineering and related industries.

RECONCILIATION

With a network that traverses the lands of more than 50 First Nations groups across Australia, reconciliation remains an important part of how we operate at ARTC.

Our Reflect Reconciliation Action Plan (RAP) has helped guide our efforts to strengthen community relationships, foster respect towards cultural understanding, and build opportunities that are more inclusive and culturally safe.

By December 2025, we had successfully implemented the deliverables from our inaugural Reflect RAP and commenced planning for our next plan, which is underway with an anticipated launch in late 2026/early 2027.

Key achievements in 2025-26 included:

- Aboriginal and Torres Strait Islander employee representation across ARTC and Inland Rail Pty Ltd averaged 4.3%, down slightly from 4.7% in 2024-25.
- More than 1,900 employees have completed cultural awareness training since the launch of our RAP, including over 60 employees during 2025-26
- In January 2026, we launched and delivered an internally facilitated and designed cultural awareness program led by our Manager, Organisational Wellbeing and Belonging – with lived experience – to continue to strengthen culturally informed and respectful engagement across our workforce.
- Throughout this financial year, we continued to engage with certified and registered First Nations businesses through our Supply Nation membership, resulting in 23 suppliers engaged and a total spend of $2.3 million across ARTC and Inland Rail Pty Ltd.
- We celebrated NAIDOC Week and National Reconciliation Week by participating in city marches and cultural activities, internal events and functions, sponsorships and learning opportunities across the business.



SUPPORTING FIRST NATIONS PARTICIPATION IN RAIL

During the year, ARTC partnered with the Australasian Railway Association on industry research into First Nations participation and engagement in the rail sector.

Launched in March, the report provides an important benchmark for the industry, identifying opportunities to strengthen inclusion, cultural safety and meaningful engagement with First Nations peoples, while reinforcing the importance of genuine partnership and sustained action.

The report also highlighted positive progress, including at ARTC where the number of First Nations employees increased from 30 to 80 following the launch of our first Reconciliation Action Plan in 2022. The findings will help inform our ongoing efforts to strengthen First Nations participation, support culturally safe workplaces and advance our reconciliation journey.





FIRST NATIONS MURAL UNVEILED IN GUNNEDAH

ARTC partnered with local First Nations artist Anthony (Jack) Conlan to deliver a new mural on the Marquis Street level crossing signal box in Gunnedah, New South Wales, transforming a highly visible piece of rail infrastructure into a celebration of local culture and storytelling.

The artwork incorporates culturally significant themes and imagery that reflect the history, connection and identity of the local community. Rendered in bold colours across the signal box, the mural enhances the local streetscape while creating a lasting visual acknowledgement of First Nations culture.

The mural reflects ARTC's commitment to building meaningful relationships with First Nations communities and supporting initiatives that celebrate cultural heritage, strengthen local connections and contribute positively to the communities in which we operate.

OUR COMMITMENT TO RECONCILIATION

Through our Reconciliation Action Plan, we have committed to laying a foundation that allows our Aboriginal and Torres Strait Islander employees to always feel safe, supported and heard.

We also continue to engage with local communities to foster employment and business opportunities with First Nations people, so that everyone can benefit in the future that we build together.

ENVIRONMENT, SOCIAL AND GOVERNANCE

ESG is a governance framework that demonstrates to our key stakeholders – including our employees, customers, communities and Shareholder – that we are managing environmental, social and governance risks and opportunities important to them while building a stronger and more sustainable business for the long-term.

At ARTC, we are embedding ESG into the way we do business and incorporating priority actions into how we design, operate and invest in our rail network, rather than treating ESG as a standalone program.

While key aspects of ESG have been integrated in our business for many years – such as safety, which remains our most important social priority – other ESG priorities are at different stages of maturity.

In 2025-26, we made significant progress on climate through the implementation of the Australian Sustainability Reporting Standard (ASRS) and preparation of our first climate disclosure (see Reports & Statements section), as well as ARTC Board approval in June 2026 of our first Emissions Reduction Plan (2027-30).

Together, these initiatives are important foundations for supporting the Australian Government's climate goals and help reinforce rail's position as the most sustainable and lowest emission land transport mode.

GOVERNANCE

Oversight of ESG, including setting of priorities and monitoring performance against targets is the responsibility of the ARTC Board.

The Board has delegated accountability for ESG to our Chief Financial Officer, who is responsible for establishing ARTC's ESG framework, and reporting on enterprise-wide performance.

The ARTC Executive team is accountable for ESG targets and actions within their areas of responsibility, while a cross-functional Steering Group of senior leaders meets quarterly to identify emerging issues, track progress and contribute to quarterly updates to the ARTC Executive and Board.

PERFORMANCE

FY26 was the second year of implementation for ARTC's 2025-30 ESG Strategy.

As stakeholder expectations and the broader ESG landscape continue to evolve, we accelerated the integration of our ESG Strategy into our Business Strategy in preparation for transitioning to a more embedded governance framework for next financial year.

Our 2025-26 performance is outlined below, with further information on key initiatives included throughout relevant sections of this Annual Report.



CONTINUALLY IMPROVING SAFETY

Our commitment: Enhanced safety on and around our network, including at level crossings and interfaces and a robust workplace safety culture modelled by our leaders that ensures the safety, health and wellbeing of our workforce. *Refer to the Safety section from page 32 for more information about 2025-26 activities.*

Our performance:

Target	Scope	2025-26 result	Description
5% reduction in Total Recordable Injury Frequency Rate (TRIFR) employees and contractors [from FY24 baseline] by 2027	Group		Combined TRIFR was 5.51; which is above the 2024-25 result of 4.29. Baseline was 4.50. We continue to strengthen our safety capability through our Safety Plan
Year-on-year reduction in Reportable Category A and B rail safety incidents [as reported to regulator]	Group		There were 1,024 reportable actual and potential Category A and B events, slightly higher than the 2024-25 result of 997*

**Events subject to ONRSR and RNSL review and adjustments; current at the time of reporting.*

ENHANCING CLIMATE RESILIENCE OF RAIL

Our commitment: A more climate resilient, decarbonised national rail network and adaptive business model for ARTC achieved through sector-wide collaboration, deep knowledge of our emissions, and responsiveness to a changing economy. *Refer to the ASRS disclosure in the Reports & Statements section, as well as the Growing Rail's Market Share section on page 21, Network Investment Program section on page 52, and Environment section on page 76 for more information about 2025-26 activities.*

Our performance:

Target	Scope	2025-26 result	Description
100% completion of scheduled network resilience upgrades	ARTC		Network resilience upgrades are tracking to schedule for their 2027 or 2030 completion dates
7.5% growth in non-coal volume by 2027 [FY24 baseline]	ARTC		Non-coal volumes have increased 3.2% from 2023-24 baseline and remain on track to meet our target
40% reduction for Scope 1 and 2 GHG emissions by 2030 [FY22 baseline]	Group		GHG emissions are 1% above the 2021-22 baseline, with mitigation actions underway to support target achievement

On target Below target

DESIGNING, CONSTRUCTING AND OPERATING SUSTAINABLE ASSETS

Our commitment: Reduced environmental impacts and enhanced land management outcomes achieved by prioritising circular principles, using sustainable rail materials, and biodiversity and restoration initiatives. *Refer to the Environment section on page 76 for more information about 2025-26 activities.*

Our performance:

Target	Scope	2025-26 result	Description
For capital infrastructure projects greater than $10 million in value, total waste recycled or re-used to exceed 50% [on a weighted average basis] by 2027	Group		Recycling and re-use of non-hazardous construction waste has achieved 82% diversion from landfill

DEVELOPING A SKILLED, DIVERSE AND INCLUSIVE WORKFORCE

Our commitment: A high performing rail workforce where individuals feel valued, respected and empowered, and our policies, systems and processes retain talent and provide equal opportunity to enable all our people to strive for excellence. *Refer to the People section on page 60 for more information about 2025-26 activities.*

Our performance:

Target	Scope	2025-26 result	Description
Year-on-year increase in female participation in workforce [based on previous year's actuals]	Group		Female employees in the workforce decreased slightly to 29.0% from 29.6% in 2024-25
4.5% Aboriginal and Torres Strait Islander people in the workforce by 2027	Group		Aboriginal and Torres Strait Islander employees in the workforce decreased slightly to 4.3% compared to 4.7% in 2024-25
10% increase in apprenticeships, training and graduate positions for frontline rail-specific positions [FY24 baseline] by 2027	ARTC		There were 48 frontline training and apprenticeship positions – down from 58 in 2024-25

On target Below target

CONTRIBUTING TO SOCIETY AND ECONOMY

Our commitment: Working with communities in a collaborative and trusted manner and investing in community initiatives to achieve mutually beneficial outcomes, including a positive contribution to First Nations reconciliation. *Refer to the Community Support (page 67) and Reconciliation sections (page 70) for more information about 2025-26 activities.*

Our performance:

Target	Scope	2025-26 result	Description
Year-on-year increase in spend with First Nations businesses [based on the previous year's actuals]	Group		Direct First Nations supplier spend reduced to $2.3 million from $7.6 million in 2024-25, and will be reviewed as part of planning for the new Reconciliation Action Plan
			Indirect cumulative spend with First Nations suppliers on active major projects > $10 million in value increased to $17.4 million from $11.6 million in 2024-25

On target Below target

ENVIRONMENT

In addition to our climate-related activities, we continued to strengthen environmental performance across our operations and projects during 2025-26 through initiatives focused on energy efficiency, waste reduction, environmental risk management and cultural heritage protection.

Key achievements included:

- **Environmental performance** – Recorded a 10th consecutive year without a significant environmental non-conformance event. During the year, 18 low and medium-level environmental non-conformance events were recorded (10 in 2024-25), with a continued focus on driving improvement across the business.
- **Energy reduction** – We continued to implement initiatives to improve carbon efficiency across our operations, including scheduling improvements for signalling maintenance activities that reduce travel kilometres; reallocating light vehicles across teams where possible to optimise fleet utilisation and avoid additional fleet acquisitions; and transitioning fleet to hybrid electric alternatives where appropriate.
- **Waste management** – Capital infrastructure projects exceeding $10 million continued to outperform the target of recycling or reusing more than 50% of inert waste, achieving 82%.
- **Environmental awareness** – Delivered targeted sustainability initiatives, including a focus on two key worksites to reduce greenhouse gas emissions, improve waste management practices, increase PPE and branded clothing recycling, and raise awareness of environmental sustainability opportunities.
- **Remediation and risk management** – Continued contaminated land remediation activities across the network, including asbestos removal, risk management measures, interim controls and site investigations to understand and manage risks.
- **Environmental assessment** – Developed a new environmental assessment tool to simplify assessment processes for routine maintenance activities and support more effective environmental risk management across the network.
- **Cultural heritage** – Developed cultural heritage consultation guides for project managers and achieved formal recognition as a land manager in Victoria, providing access to specialist databases that strengthen the identification and protection of First Nations cultural heritage sites and materials.





CYBER SECURITY

ARTC is vigilant and responsive in protecting our people, assets and stakeholders against an evolving cyber threat landscape.

During 2025-26, we progressed a range of initiatives to enhance business resilience and the maturity of our cyber security capabilities.

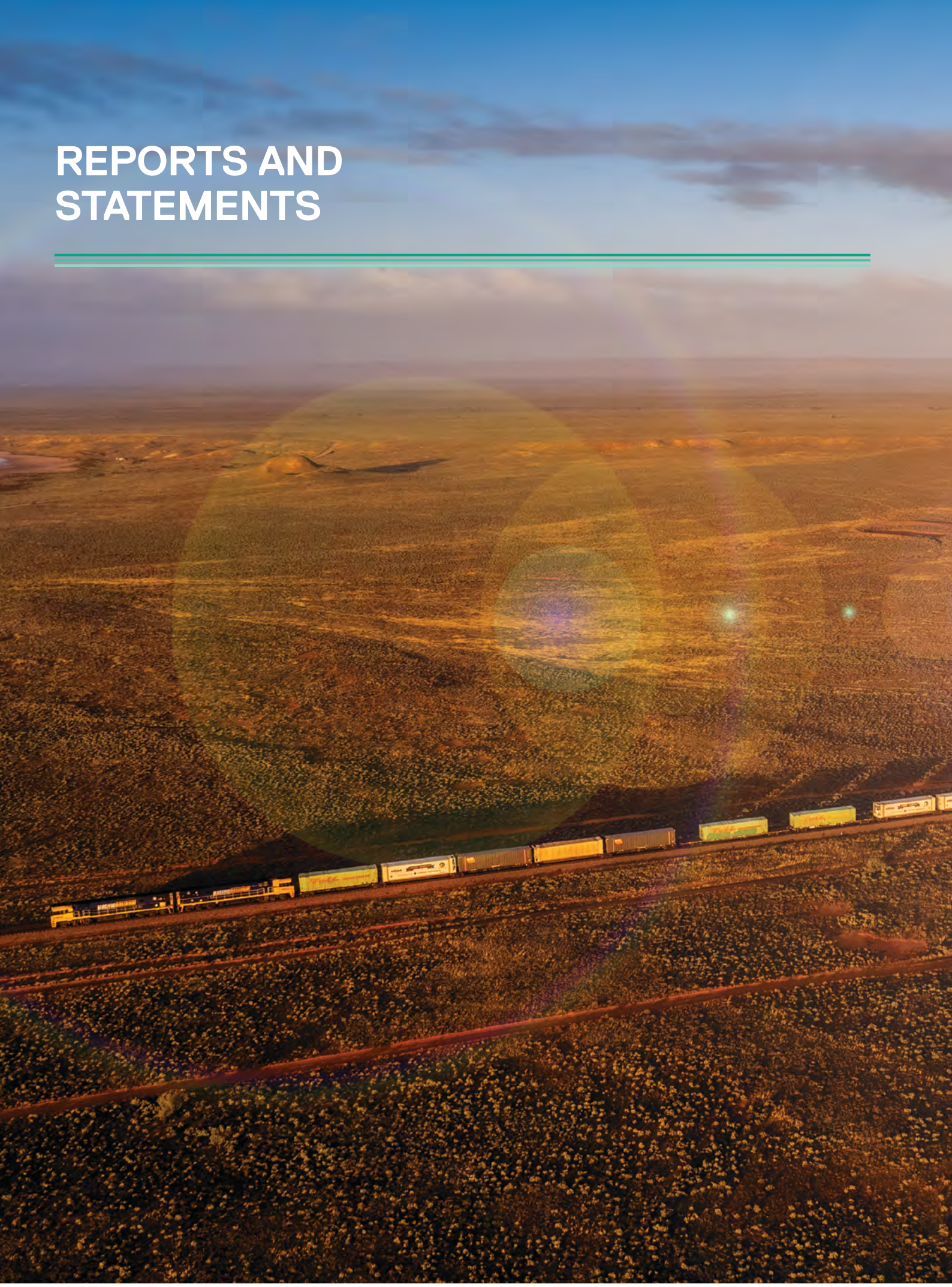
Key activities included:

- **Cyber security assessment** – Undertook a comprehensive assessment of ARTC's cyber security threat landscape, including risk exposure and maturity levels. Benchmarking against the National Institute of Standards and Technology (NIST) Cyber Security Framework helped identify priority areas for improvement and inform a targeted uplift roadmap, including focus on risks associated with data exposure and access governance.
- **Essential Eight maturity** – Continued implementation of the Australian Signals Directorate's Essential Eight mitigation strategies, strengthening security posture through enhancements to system hardening, authentication controls and access controls.
- **Incident preparedness** – Conducted cyber incident response exercises to test and refine response plans, strengthen organisational readiness and reinforce leadership accountability for cyber risk management.
- **Cyber security and phishing awareness and resilience** – Initial improvements to cyber training and targeted phishing simulation activities were undertaken, forming the foundation for further uplift to strengthen employee awareness and reduce susceptibility to social engineering threats.
- **Emerging technologies** – Explored and began formalising governance for the cyber security implications of artificial intelligence. This included assessment of risks associated with public AI tools and the transition toward secure, enterprise-controlled platforms.
- **Governance and assurance** – Reviewed cyber security policies against relevant frameworks and standards to strengthen data governance and access control practices to support evolving technology use and reduce the risk of unintended data exposure.

In addition, ARTC continued to collaborate with national and international cyber security and government agencies to leverage current threat intelligence and maintain a risk-informed approach to cyber security management.

These initiatives reflect our ongoing commitment to strengthening cyber resilience and ensuring our systems, information and operational technology remain secure, reliable and fit for purpose.

REPORTS AND STATEMENTS



DIRECTORS' REPORT

The Board of Directors of the Australian Rail Track Corporation Ltd (ARTC) has pleasure in submitting the Directors' Report together with the Financial Report of the Group (the Group comprises Australian Rail Track Corporation Ltd and Inland Rail Pty Ltd "IRPL") for the financial year ended 30 June 2026. This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the *Corporations Act 2001*.

OUR BOARD

Peter Duncan AM, JP, FIPAA, MAICD, CompIEA (Chair, Non-Executive Director)



Mr Peter Duncan AM was appointed Chair of the ARTC Board on 31 January 2023. Peter has over 40 years' experience in government and infrastructure, working at local, state and national level. He has held various senior public sector roles with local government, NSW Premier and Cabinet, Transport for NSW, Primary Industries and the Olympic Coordination Authority.

In May 2026 Peter also became Chair and independent director of the NorthWestern Roads Group, owners of the Westlink M7 and NorthConnex tunnel in Sydney. He is a board member of the Australian Public Policy Institute and the principal of his own advisory business.

Peter's other recent roles have included Chair of Water NSW, Chair of the Local Government Boundaries Commission, and board member of Infrastructure NSW and the Westpac Rescue Helicopter Service.

In addition, Peter has chaired and advised various boards, is a Fellow of the Institute of Public Administration Australia, and a Companion of the Institution of Engineers Australia.

Dr Collette Burke BE (Civil), M.Eng.Sci, PhD, FIEAust, CPEng EngExec APEC Engineer IntPE(Aus), GAICD (Deputy Chair, Non-Executive Director)



Dr Collette Burke was appointed to the ARTC Board as a Non-Executive Director on 30 January 2023 and appointed as Deputy Chair on 30 June 2025, which she later resigned from on 11 June 2026. Collette was appointed as Chair of the IRPL Board for an interim three-month period from 4 November 2025, and her substantive appointment as Chair commenced on 28 April 2026. Collette is a highly qualified engineer with over 30 years' experience in planning, procuring, and delivering complex infrastructure and construction projects, working with clients, stakeholders and subcontractors to ensure the successful delivery, and responsible for time, cost and ESG commitments.

She has held various Non-Executive board roles with VicTrack, Marinus Link Pty Ltd and the National Transport Research Organisation, and senior management roles with Leighton Contractors, Thiess and John Holland.

Collette was also recently the inaugural Victorian Chief Engineer overseeing the project delivery program of the Victorian State Government including planning and in contract, which has led to strong experience in rail, road, telecommunications, building projects both in construction and operation.

In addition, Collette has been appointed as Professor of Engineering Practice at La Trobe University and has lectured at the University of Melbourne and RMIT, and written and delivered many academic research papers concerning risks, project delivery and contract management. Her studies include a Masters of Engineering in Construction Management and a PhD in Risk Management of Construction projects, and also attending Harvard Business School to have the skills to effectively deliver projects, manage risks and develop high performing teams and businesses to maximise organisational and project outcomes. She is energetic and highly focused on strategic and forward planning, people development, effective delivery and strong commercial management.

Michael Carter MS, BBus, B.Eng. (Non-Executive Director)



Mr Michael Carter was appointed to the ARTC Board as a Non-Executive Director on 17 March 2025. Michael brings over 35 years of experience in the rail and logistics industries including 17 years in a wide range of Group Executive roles with Aurizon and Queensland Rail. He has held direct accountability for multi-billion dollar capital programmes and had significant involvement in intermodal, agriculture, passenger, and natural resources markets.

Michael is a former director of the Rail Industry Safety and Standards Board, the Australian Logistics Council, the Australasian Railway Association, and the Union of International Railways World Executive Council. He has been on a range of advisory boards for the freight and passenger transport sectors across Australia. He is currently the Deputy Chair of National Intermodal Corporation.

Ingilby Dickson GradDipAcc, BBus, CPA, GAICD, FALC, FCILT (Non-Executive Director)



Mr Ingilby Dickson was appointed to the ARTC Board as a Non-Executive Director on 30 March 2025. Ingilby has extensive supply chain experience and strong business expertise, gained both locally and internationally in a range of industries and with iconic companies, including Bluescope Steel, Goodman Fielder, Toll and Hutchinson Telecom.

He is recognised by industry as a champion of best practice and workplace safety, and has extensive board experience predominately in the logistics and transport sector, having previously sat on the boards of the Port of Melbourne Corporation and the Australian Logistics Council. Ingilby is a qualified Certified Practicing Accountant and a graduate of the Australian Institute of Company Directors. He is also a Fellow of Australian Logistics Council and Chartered Institute of Logistics and Transport.

Janet Finlay B.Com, FTI, FCA, FAICD (Non-Executive Director)



Ms Janet Finlay was appointed to the ARTC Board as a Non-Executive Director on 17 March 2025. A Chartered Accountant, Janet is an independent professional director and experienced business advisor, having worked in professional services for more than 25 years, including 15 years as a partner of EY.

In addition to her strong commercial and finance background across a range of industries and large organisations, Janet brings governance experience with long life infrastructure assets, complex networks and essential services. Accustomed to complex, highly regulated environments and leading through transformation, Janet has extensive board experience including roles with SA Water, Adelaide University, Helping Hand Aged Care, State Planning Commission of South Australia, Adelaide Oval SMA Limited and the South Australian National Football League. She is also a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Dr Marlene Kanga AO FTSE, FREng, FAA, DEng (Honorary) BTech (Chem Eng.), MSc (Chem Eng) PhD (Finance), CPEng EngExec APEC Engineer IntPE(Aus), FAICD (Non-Executive Director)



Dr Marlene Kanga AO was appointed to the ARTC Board as a Non-Executive Director on 30 March 2025. Marlene has more than 30 years' experience in complex systems safety and risk engineering, innovation and governance and has held national and international leadership roles. She has been a Non-Executive Director on numerous boards including Endeavour Energy, Sydney Water Corporation, Airservices Australia, Standards Australia, Innovation Australia and other boards involving innovation and the commercialisation of new technologies.

She was previously Chair of the Department of Industry Innovation and Science R&D Incentives Committee, the largest government support program for industry-based research and development in Australia. Recognised as one of the Top 10 women engineers in Australia, she is an Officer of the Order of Australia in recognition of her leadership of the engineering profession.

Jill Rossouw MPhil (Finance), BCom, GradDipAppFin, GAICD (Non-Executive Director)



Ms Jill Rossouw was appointed to the ARTC Board as a Non-Executive Director on 30 March 2025. Jill brings over 25 years of multi-sector infrastructure experience, operating in complex stakeholder environments and contributing governance oversight of major projects development and delivery, financial and commercial acumen and strategic leadership expertise. Jill's former executive career spans senior roles in global organisations across infrastructure funds management and investment, advisory and corporate.

Jill is Chair of the Board of the High Speed Rail Authority, and a Non-Executive Director of Marinus Link Pty Limited. Jill's prior board appointments include Non-Executive director at Port of Brisbane, Brisbane Airport, Northern Territory Airports, Southern Cross Station and other transport, health and social infrastructure entities. Jill is a former committee member and Chair of the Property Council (Victoria)'s Infrastructure, Industrial and Logistics Committee. Jill is a Graduate of the Australian Institute of Company Directors and holds multiple qualifications in the finance sector.

Wayne Johnson MBA, GAICD (Chief Executive Officer and Managing Director)



Mr Wayne Johnson has led ARTC as Chief Executive Officer and Managing Director since being appointed on 13 December 2023, guiding the organisation through a period of significant change and investment across Australia's national freight rail network.

A strong advocate for the role rail plays in Australia's future, Wayne is focused on building a safer, more reliable and resilient network that supports national productivity, regional communities and a more sustainable freight system. He is committed to enhancing collaboration across the supply chain, bringing together industry, governments, customers and communities to strengthen the performance and long-term capability of the national rail transport sector.

Wayne is committed to building a high-performing, accountable and inclusive organisation where people feel connected to purpose, supported to contribute and empowered to deliver for customers and communities. He is a strong believer in the role relationships, trust and shared ownership play in creating productive, safe and sustainable outcomes.

He is currently a Board member of the National Transport Research Organisation and the Australasian Railway Association, and carries more than 20 years of leadership experience across Australia's resources, freight and logistics industries spanning mine, port and rail operations.

Wayne holds a Master of Business Administration, Postgraduate Certificate in Management, statutory mining qualifications and has also completed executive education through the Australian Institute of Company Directors and the McKinsey Executive Leadership Program.

Gavin Carney BA, LLB, LLM, GradDip ACG, MAICD, FGIA, FCA (Company Secretary)



Mr Gavin Carney was appointed Company Secretary on 10 August 2009. Gavin joined ARTC in 2007 and is also the General Counsel. Gavin is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors. As Company Secretary of ARTC, Gavin is responsible for monitoring the Group's corporate governance framework and for managing all matters relating to the Board of Directors, Board Committees and Executive team.

MEETINGS OF DIRECTORS

The number of meetings of the Group's Board of Directors and of each Board Committee held during the year ended 30 June 2026, and the numbers of meetings attended by each Director, were:

MEETING OF DIRECTORS FOR BOARD COMMITTEES

	Full meeting of Directors		Audit, Finance and Risk Committee[1]		Environment, Safety and People Committee		Network Operations and Systems Committee	
	A	B	A	B	A	B	A	B
P Duncan[2]	8	8	–	–	–	–	–	–
C Burke	8	8	–	–	5	5	3	3
M Carter[3]	8	8	5	5	–	–	3	3
I Dickson[4]	8	8	–	–	5	5	3	3
J Finlay[5]	8	8	5	5	–	–	–	–
W Johnson[6]	8	8	–	–	–	–	–	–
M Kanga[7]	7	8	–	–	3	5	2	3
J Rossouw[8]	8	8	5	5	5	5	–	–

A = Number of meetings attended

B = Number of meetings held during the time the Director was a member of the committee during the year

(1) Audit, Finance and Risk Committee commenced on 23 July 2025.

(2) Mr Duncan attended four Audit, Finance and Risk Committee meetings, three Environment, Safety and People Committee meetings, and one Network Operations and Systems Committee meeting as an invitee.

(3) Mr Carter attended four Environment, Safety and People Committee meetings as an invitee.

(4) Mr Dickson attended two Audit, Finance and Risk Committee meetings as an invitee.

(5) Ms Finlay attended four Environment, Safety and People Committee meetings, and one Network Operations and Systems Committee meeting as an invitee.

(6) Mr Johnson attended five Audit, Finance and Risk Committee meetings, four Environment, Safety and People Committee meetings, and two Network Operations and Systems Committee meetings as an invitee.

(7) Ms Kanga attended three Audit, Finance and Risk Committee meetings as an invitee.

(8) Ms Rossouw attended one Network Operations and Systems Committee meeting as an invitee.

MEMBERS OF THE BOARD COMMITTEES DURING THE YEAR:

Audit, Finance and Risk Committee

Member	Membership period (if other than full year)
J Finlay	Chair
M Carter	
J Rossouw	

Environment, Safety and People Committee

Member	Membership period (if other than full year)
J Rossouw	Chair
C Burke	
I Dickson	
M Kanga	

Network Operations and Systems Committee

Member	Membership period (if other than full year)
C Burke	Chair
M Carter	
I Dickson	
M Kanga	

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the provision of rail access and infrastructure management of rail networks, either owned or leased by ARTC and the delivery of the Inland Rail project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

1. Inland Rail Activities

During the year, the Commonwealth Government announced a revised approach to the delivery of Inland Rail, focusing on completing the Beveridge to Parkes section and preserving of the northern corridor for future development. Targeting completion in late 2027, the Beveridge to Parkes section will enable double-stacked freight services between Melbourne and Perth via Parkes, a nationally significant freight hub. The project is expected to improve freight efficiency, strengthen supply chain resilience and support the long-term growth of Australia's rail freight network.

Construction activities continued to progress along the Beveridge to Parkes corridor during the year, with key milestones achieved in Victoria and New South Wales, including completion of the Beveridge to Albury Tranche 1 project, advancement of major construction works across the Beveridge to Albury Tranche 2 and Albury to Illabo sections, and practical completion of the Stockinbingal to Parkes project. In collaboration with the Commonwealth, work has commenced to determine the scope of activities required to preserve the Inland Rail corridor north of Narromine for future development.

The Group has assessed the implications of the revised delivery approach for FY26, including Inland Rail assets and associated contractual arrangements. As at 30 June 2026, no financial impacts on contractual arrangements on the Group had been identified arising from the Government's decision.

Consistent with prior years, and all ARTC assets, the Inland Rail assets vesting in ARTC have been assessed for impairment as required by Australian Accounting Standards (note 14). In undertaking this assessment, consideration was given to the fact that the Inland Rail project continues to be substantially funded by the Commonwealth Government under existing project agreements. The impairment assessment methodology applied during the year was consistent with prior periods and was not impacted by the revised delivery scope announced by the Commonwealth Government.

2. ARTC Market Conditions and Activities

During the year, ARTC continued to invest in the resilience, reliability and productivity of the network through the delivery of the Network Investment Program (NIP) Horizon 1. The program advances a range of targeted asset renewal and infrastructure enhancement initiatives designed to strengthen network performance and improve resilience to freight demand and extreme weather events. Weather related disruptions experienced during the year, particularly on the North South corridor, reinforced the importance of these investments in supporting a safer, more reliable and resilient freight rail network.

In addition, the Australian Government announced a further $1.75 billion equity injection into NIP Horizon 2 providing funding for future works that will enhance the long-term resilience, capacity and performance of Australia's national freight rail network.

The Group also successfully restructured its debt facilities during the year, extending debt maturities and maintaining appropriate liquidity to support ongoing investment in rail infrastructure and the long-term sustainability of the network.

3. Valuation

Market conditions and valuation assumptions have been reflected in ARTC's annual fair value assessment of the NSW Heavy Haul and National Networks.

The NSW Heavy Haul Network valuation decreased by $272.4 million, representing an 18% reduction compared to the prior year. The expected decrease reflects the ongoing investment required to maintain service standards across an asset base with an assumed finite remaining useful life. As a result an impairment of $288.1 million (2025: $22.3 million) was recorded in the Income Statement, with no impact on the Asset Revaluation Reserve (2025: nil).

The National Network valuation decreased by $670.2 million (2025: $178.2 million increase). This was primarily driven by continued significant catchup investment in network resilience and asset renewal programs, including the Network Investment Program (NIP). While these investments support the long term operation and reliability of the network, as they are funded by equity contribution they are not fully recoverable under the valuation methodology applied, resulting in a lower balance sheet valuation. An impairment of $815.3 million was recognised in the Income Statement (2025: $49.1 million impairment reversal) with no impact on the Asset Revaluation Reserve (2025: nil).

Refer to note 14 of the financial statements for further detail on asset values.

There were no other significant changes in the state of affairs of the Group during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No events have occurred after the balance sheet date that should be brought to account or disclosed in the year ended 30 June 2026 financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

All likely developments and the expected results of operations of ARTC are contained in the Chair and Chief Executive Officer's Report.

DIVIDENDS

There were no dividends paid in the financial year (2025: nil).

REVIEW OF OPERATIONS

The review of operations of the Group is contained in the Chair and Chief Executive Officer's Report.

ENVIRONMENTAL REGULATION

ARTC is committed to managing its operational activities and services in an environmentally responsible manner to meet its legal, social and ethical obligations. ARTC holds operational licences from both the Environment Protection Authority of South Australia and the Environment Protection Authority of New South Wales. In South Australia, the licence is held under Part 6 of the *Environment Protection Act 1993* to undertake the activity of "Railway Operations". The licence is due to expire on 31 January 2029. In New South Wales, the licence is held under Section 55 of the Protection of the *Environment Operations Act 1997* to undertake "Railway Systems Activities". The licence has an anniversary date of September 5 and subject to payment of the fee and provision of annual returns, continues until the parties agree to change or withdraw it. Other than in South Australia and New South Wales, ARTC is not required to be licensed.

INDEMNIFICATION OF OFFICERS

The Group has agreed to indemnify its Officers to the extent permitted by law against liabilities and legal costs incurred by the Officers in their capacity as an Officer of the Group from their appointment date.

During the reporting period, ARTC had in place insurance cover in respect of liabilities arising from the performance of the Directors and Officers of the Group.

The disclosure of the premium paid under Section 300(8) (b) of the *Corporations Act 2001* is not shown as the insurance contract between ARTC and the insurer prohibits ARTC from disclosing such information.

No known liability has arisen under the insurance contract as at the date of this report.

NON-AUDIT SERVICES FROM EXTERNAL AUDITORS

The External Auditors did not provide any non-audit services during 2025/26 (2024/25: nil).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as received by the Directors as required under Section 307C of the *Corporations Act 2001* is set out on page 85.

Signed in accordance with a resolution of the Directors:



P Duncan
Director

Signed on the 20th of August 2026

Australian National
Audit Office

Mr Peter Duncan AM
Chairman
Australian Rail Track Corporation Ltd
11 Sir Donald Bradman Drive
Keswick Terminal SA 5000

AUSTRALIAN RAIL TRACK CORPORATION LTD FINANCIAL REPORT 2025–26 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the Australian Rail Track Corporation Ltd and the consolidated entity and for the review of the selective sustainability information in the sustainability report for the year ended 30 June 2026, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Jeffrey Hobson
Executive Director
Delegate of the Auditor-General

Canberra
20 August 2026

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

REMUNERATION REPORT – UNAUDITED

1. INTRODUCTION

This report outlines the approach to setting remuneration and the outcomes for ARTC's Key Management Personnel (KMP) for the year ended 30 June 2026. The personnel covered in this report include Non-Executive Directors (NED) of ARTC, its Chief Executive Officer and Managing Director (CEO & MD), all senior executives appointed to roles that report directly to the CEO & MD and key IRPL personnel.

Name	Position	Term
	Non-Executive Directors	
Peter Duncan AM	Chair	Full year
Collette Burke	Deputy Chair Non-Executive Director	Ceased 11 June 2026 12 June – 30 June 2026
Michael Carter	Non-Executive Director	Full year
Ingilby Dickson	Non-Executive Director	Full year
Janet Finlay	Non-Executive Director	Full year
Marlene Kanga AO	Non-Executive Director	Full year
Jill Rossouw	Non-Executive Director	Full year
	Executive Directors	
Wayne Johnson	Chief Executive Officer and Managing Director	Full year
ARTC	**Other Key Management Personnel**	
Gavin Carney	General Counsel and Company Secretary (GC & CS)	Full year
Clinton Crump	Group Executive Operations (GEO)	Full year
Kylie Gallasch	Chief Financial Officer (CFO)	Full year
Jade Hooper	Group Executive Development (GED)	Full year
Brad Moorhouse	Group Executive Safety and Systems (GES&S)	Full year
Heather Parry	Director Infrastructure Projects (DIP)	Full year
Sarah Wilson	Group Executive People and Performance (GEP&P)	Full year
IRPL	**Other Key Management Personnel**	
Mike Zambelli	Interim Inland Rail Pty Ltd Chief Executive Officer	Ceased 2 March 2026
Fiona McDougall[9]	Interim Inland Rail Pty Ltd Chief Executive Officer	Appointed 2 March 2026 Ceased 1 June 2026

(9) Ms McDougall's formal appointment as Interim CEO ceased on 1 June 2026. The period between 1 June 2026 and 30 June 2026 was managed by IRPL through normal processes associated with the Deputy CEO providing necessary coverage until the appointment of new CEO Dr Sean Sweeney on 1 July 2026.

2. REMUNERATION PRINCIPLES

As a Government Business Enterprise (GBE), there is a greater expectation to ensure the prudent use of funds, including in the way we compensate our people. Accordingly, our reward practices within our remuneration framework enable us to attract and retain key talent to deliver on our Corporate Plan objectives, including long-term capital projects and fulfil our responsibilities to the Australian Government and community.

A key objective of ARTC is to operate on commercially sound principles as it fosters and supports a sustainable Australian rail industry which contributes to an efficient national transport system. Like many industries, rail continues to grapple with the challenge of attracting and growing a diverse, vibrant workforce, well-equipped to provide the skills needed to support services.

Remaining competitive on remuneration with the private sector construction and engineering industry is challenging, and we seek to find an appropriate balance between market competitiveness and our GBE status.

With this operating environment in mind, ARTC's remuneration practices are designed to:

- Create value for the company through effective and well governed reward practice;
- Attract, motivate and retain the talent we need to achieve our business objectives;
- Support ARTC's values, desired culture, fair and equitable pay, avoid bias, including gender;
- Align with business performance and contribution; apply effective risk management & governance; and
- Reflect our status as a Government Business Enterprise.

The CEO's remuneration is determined by the Remuneration Tribunal and includes an at-risk portion linked to performance outcomes (Variable Remuneration). Other Executive KMP also have a portion of their remuneration which is at risk and linked to performance outcomes in addition to fixed pay. The Variable Remuneration only delivers reward outcomes if a safety no-fatality gateway is achieved and performance targets are met. If achieved, any payment is subject to the overall discretion of the Board.

Changes to FY26 remuneration

Consistent with the Australian Public Service Commission (APSC) Performance Bonus Guidance, which requires annual review of performance bonus policies, the ARTC Key Management Personnel (KMP) Variable Reward Plan was reviewed for FY26. Two key changes were implemented to align more closely with contemporary market practice and reinforce individual accountability.

The APSC Guidance emphasises that performance bonuses should be based on measurable outcomes attributable to the individual, while also recognising broader organisational performance as a contributing factor. In line with this principle, the weighting of the Variable Reward scorecard was adjusted to better reflect the level of individual contribution expected of KMPs. For FY26, the balance between individual and corporate performance outcomes was rebalanced to 50% individual (FY25: 20%) and 50% corporate (FY25: 80%). This change strengthens the link between reward and individual performance outcomes while maintaining alignment with enterprise-wide results.

In addition, the target variable reward opportunity for the Chief Executive Officer and Managing Director was increased from 50% to 60% of Total Remuneration Package (TRP). This adjustment was made as a targeted retention measure to support leadership continuity during a period of organisational transition and remains within the limits prescribed by the Remuneration Tribunal.

Overview of FY26 company performance and link to remuneration

ARTC assesses financial performance for remuneration targets on the basis of operating profit performance against budget. Operating profit is defined as earnings before interest, tax, depreciation, amortisation and impairment (EBITDAI) excluding impacts on earnings from expenditure related to ARTC's major infrastructure works program and grant revenue. Operating profit was above threshold for the year despite increased costs.

From a non-financial performance perspective, extreme weather events are expected to continue whilst at the same time ARTC's customers seek to decarbonise their operations. Our customers' objective to decrease emissions is expected to increase demand for rail freight services reflecting the fact that its emissions intensity is significantly less than alternative modes of freight transport. However, this will take a significant period of time and ARTC must compete with continuing environment focused changes. Over an extended period of time this should increase the value of the network and highlight the importance of its resilience.

Stakeholder reputation continues to be impacted by community concerns around the building of Inland Rail and resilience. Whilst some safety performance indicators have improved in the year, focus will remain on the Board and management actively addressing all safety and performance indicators.

Executive KMP variable reward outcomes are reflective of the significant achievements in the year achieved despite ambitious bases for the targets set, reflecting our pay-for-performance philosophy.

3. REMUNERATION STRUCTURE

Based on ARTC's remuneration principles, the FY26 remuneration structure for Executive KMP is outlined below.

Remuneration Principles			
Attract, motivate and retain talent to achieve business objectives	Support ARTC's values and culture	Align with business performance and contribution	Reflect our status as a GBE

Remuneration Structure		
	Total Fixed Remuneration (TFR)	Variable Remuneration (VR)
Link to principles	To attract and retain key talent through competitive remuneration relative to market	To reward executives based on the achievement of company and individual objectives during the financial year, based on a rigorous performance assessment
Maximum opportunity	N/A	CEO and MD: 60% of TFR KMP: 30% of TFR
Delivery timeframe	1 year	1 year performance period
Delivery	Cash	Cash
Performance measures	N/A	Mix of quantitative financial and non-financial measures, assessed on a company-wide (50%) and individual basis (50%) as detailed in the next section.

The IRPL CEO remuneration structure and reward is not included in the above disclosure as IRPL runs a separate scheme for their KMPs.

4. EXECUTIVE KMP FY26 VARIABLE REMUNERATION OUTCOMES

The Board endorses the payment of the Variable Remuneration based on the CEO and Managing Director's assessment of each Executive KMP's performance against corporate and individual objectives. Payment under the Variable Remuneration plan is at the discretion of the Board and is dependent on the overall performance of the business.

Key elements of the scheme include:

- "Threshold" performance is set on the basis of prior years' performance and other factors and equates to 50% of the available Variable Remuneration;
- "On target" is set at a level that requires outperformance by incorporating improvement on the previous year's outcome and equates to 80% of the available Variable Remuneration; and
- "Stretch" represents an outstanding level of achievement above and beyond the already high bar set for "On target" level of performance and is capped at 100% of available Variable Remuneration.

Outlined below is ARTC's FY26 approach towards Variable Remuneration assessment.



OVERALL COMPANY PERFORMANCE OUTCOMES

ARTC corporate objectives performance outcomes for FY26 are summarised in the following table, which resulted in 30.4% of the available corporate portion being awarded and for individual objectives the outcomes ranged between 33% and 48%.

Category	Measure	Weighting	Outcome
Safety	Significant and High Safety Events/Rate (ARTC Attributable)	30%	15%
Network	Network Availability	30%	27.6%
	Key Investments		
Commercial and Efficiency	Non-Coal Volumes (bGTK)	20%	8.7%
	Operating Profit ($m)		
Reputation	Customer Satisfaction	20%	9.4%
	Stakeholder Reputation		
	Employee Enablement		
		100%	**60.7%**
	Weighted Outcome	**50%**	**30.4%**

Executive KMP Performance Outcomes (combining corporate and individual outcomes shown in prior table)

Role	Maximum Potential VR as % TFR	Actual VR as % TFR	VR Outcome %
ARTC CEO and MD	60	39	65
OTHER ELIGIBLE KMP	30	19-23	63-78

The performance of each KMP was subject to a moderation process with the Environment, Safety and People Committee and the Chief Executive Officer and Managing Director.

4. EXECUTIVE KMP FY26 VARIABLE REMUNERATION OUTCOMES (continued)

Executive Remuneration

The following table represents the remuneration receivable by KMP executives applicable to the relevant year.

The variable remuneration for financial year 2026 represent the amounts awarded to KMP for performance outcomes associated with FY26 and are to be paid in FY27.

			Short-term benefits			Post-employment	Other long-term benefits		Termination benefits	Total remuneration
Name	**Position Title**	**Year**	***Base salary and fees***	***STI/Bonuses***	***Non-cash benefits***	***Superannuation contributions***	***STI deferral***	***Long service leave***		
			$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
ARTC										
W Johnson	CEO & MD	**2026**	**839,950**	**339,723**	**–**	**30,115**	**–**	**21,005**	**–**	**1,230,793**
		2025	788,325	219,932	–	30,047	–	17,126	–	1,055,430
G Carney	GC & CS	**2026**	**424,463**	**107,497**	**–**	**30,115**	**–**	**11,717**	**–**	**573,792**
		2025	409,434	78,465	–	30,047	–	7,178	–	525,124
C Crump	GEO	**2026**	**461,613**	**96,927**	**–**	**30,115**	**–**	**12,552**	**–**	**601,207**
		2025	446,634	81,101	–	30,047	–	11,556	–	569,338
K Gallasch	CFO	**2026**	**501,556**	**119,860**	**–**	**30,115**	**–**	**17,198**	**–**	**668,729**
		2025	440,252	85,882	–	30,047	–	17,032	–	573,213
J Hooper	GED	**2026**	**461,377**	**93,281**	**–**	**30,115**	**–**	**7,864**	**–**	**592,637**
		2025	301,068	51,253	–	19,111	–	4,565	–	375,997
B Moorhouse	GES&S	**2026**	**441,834**	**94,036**	**–**	**30,115**	**–**	**14,537**	**–**	**580,522**
		2025	246,968	38,776	–	30,047	–	29,209	–	345,000
S Ormsby	Acting GED	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2025	1,720	–	–	6,524	–	–	–	8,244
H Parry	DIP	**2026**	**502,847**	**110,219**	**–**	**30,115**	**–**	**8,305**	**–**	**651,486**
		2025	390,010	70,896	–	26,018	–	6,144	–	493,068
S Wilson	GEP&P	**2026**	**446,877**	**91,569**	**–**	**30,115**	**–**	**7,548**	**–**	**576,109**
		2025	190,100	30,299	–	12,203	–	2,853	–	235,455
IRPL										
F McDougall[10]	ICEO	**2026**	**617,360**	**97,865**	**–**	**30,115**	**–**	**8,378**	**–**	**753,718**
		2025	–	–	–	–	–	–	–	–
N Miller[11]	CEO	**2026**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		2025	858,644	371,682	–	28,551	–	(2,324)	246,836	1,503,389
M Zambelli[12]	ICEO	**2026**	**536,982**	**–**	**–**	**21,808**	**–**	**(46,086)**	**594,482**	**1,107,186**
		2025	35,469	–	–	1,497	–	305	–	37,271
Total Executive KMP		**2026**	**5,234,859**	**1,150,977**	**–**	**292,843**	**–**	**63,018**	**594,482**	**7,336,179**
		2025	4,108,624	1,028,286	–	244,139	–	93,644	246,836	5,721,529
Total NED remuneration		**2026**	**840,649**	**–**	**–**	**100,921**	**–**	**–**	**–**	**941,570**
		2025	674,324	–	–	89,048	–	–	–	763,372
Total KMP remuneration expense		**2026**	**6,075,508**	**1,150,977**	**–**	**393,764**	**–**	**63,018**	**594,482**	**8,277,749**
		2025	4,782,948	1,028,286	–	333,187	–	93,644	246,836	6,484,901

(10) Ms McDougall's formal appointment as Interim CEO was from 2 March until 1 June 2026. Remuneration reported reflects both the Interim CEO role and Deputy CEO and Chief Commercial Officer from 1 July 2025 until 1 March 2026, and from 2 June to 30 June 2026.

(11) The comparative figure for N Miller's STI award has been corrected in the current year (reported $317,682 in the prior year).

(12) Included in termination benefits is $416,136 paid in accordance with Mr Zambelli's employment arrangements.

Please refer to section 1, the KMP listing and notes, for explanation of periods in position as these are the key drivers for significant variances in remuneration amounts in the table above.

5. REMUNERATION GOVERNANCE

ARTC's Board monitors performance and reward practice against its corporate governance objectives. The Board oversees remuneration related activities and the management of these matters through the Environment, Safety and People Committee (the Committee). As at 30 June 2026, the Committee comprised of Jill Rossouw (Chair), Ingilby Dickson, Marlene Kanga AO, and Dr Collette Burke.

The Committee assists the Board to fulfil its governance responsibilities in relation to people management, performance and remuneration policy and practice. The effectiveness of the Committee is assessed as part of the comprehensive annual Board Evaluation process, to ensure the Committee structure and capabilities are aligned to the overall business strategy.

The table below outlines the roles and responsibilities of the Board, the Committee, the Remuneration Tribunal and management in relation to the people, performance and remuneration agenda at ARTC.

	Management	Remuneration Tribunal	Committee	Board
Total Fixed Remuneration	**Manages** – Remuneration reviews and processes – Develops the reward frameworks to enable the attraction and retention of business-critical talent required to achieve our objectives – Strengthens the linkages between individual performance and effective reward practices that are affordable, sustainable, defensible and aligned with our Shareholder's interest.	**Determines** – Remuneration reference rates for the CEO and MD and Non-Executive Board members.	**Reviews and Recommends** – Remuneration (fixed and variable components) for CEO & MD – Recommendations from CEO & MD for KMP remuneration changes – Remuneration Report to be included within Annual Report.	**Approves** – Remuneration review practice – Any changes to CEO & MD and Key Management Personnel remuneration.
Variable Remuneration	**Manages** – Plan guidelines – Variable Reward calculations.		**Reviews and Recommends** – No-fatality Gateway outcome – Variable Remuneration payment amounts.	**Approves** – No-fatality Gateway outcome and Variable Remuneration eligibility – Variable Remuneration payment amounts.
Performance	**Manages** – Annual performance process including setting of goals and performance assessments for non-CEO KMP employees.		**Reviews and Recommends** – Strategies to ensure company culture and capability are aligned to support business strategy and performance – Processes for determining KMP targets and outcomes.	**Approves** – CEO & MD KPI targets and results – Balanced Scorecard targets and results.

From time to time, external advisors may also be engaged to provide remuneration advice.

6. NON-EXECUTIVE DIRECTOR REMUNERATION

All Non-Executive Directors of ARTC are appointed by the Commonwealth of Australia through the Shareholding Ministers. Fees for Non-Executive Directors are set by the Commonwealth Remuneration Tribunal. The Tribunal reviewed the Non-Executive Directors' remuneration and determined the new fees to be applicable from 1 July 2025.

The current fees paid to Non-Executive Directors (excluding superannuation) are outlined below. It is noted that the Chair receives no additional fees for membership on ARTC's Committees. The Deputy Chair receives the below fee in addition to the NED fee, when the occupant is also the ARTC ex-officio on the IRPL Board.

Position	FY26 fee ($)
Chair	188,350
Deputy Chair	47,090
Non-Executive Director	94,190
Audit Committee Chair	18,510
Audit Committee Member	9,260

Amounts paid to each Non-Executive Director are disclosed on an accruals basis below as required. The accrual basis does result in artificial differences to the fees indicated above.

Name	Year	Short-term benefits		Post-employment benefits	
		Directors fees	Audit committee fees	Superannuation	Total
		$	$	$	$
P Duncan	**2026**	**189,034**	**–**	**22,684**	**211,718**
	2025	184,578	–	21,226	205,804
R Arrold	**2026**	**–**	**–**	**–**	**–**
	2025	68,955	6,777	10,835	86,567
K Brennan	**2026**	**–**	**–**	**–**	**–**
	2025	68,955	6,777	9,908	85,640
C Burke	**2026**	**141,792**	**–**	**17,058**	**158,850**
	2025	92,303	–	10,615	102,918
M Carter	**2026**	**94,532**	**9,293**	**12,459**	**116,284**
	2025	26,886	1,495	3,264	31,645
I Dickson	**2026**	**94,532**	**–**	**11,344**	**105,876**
	2025	23,349	–	2,685	26,034
J Finlay	**2026**	**94,532**	**18,577**	**13,573**	**126,682**
	2025	26,886	2,989	3,436	33,311
R Garnon	**2026**	**–**	**–**	**–**	**–**
	2025	61,880	12,156	16,690	90,726
K Hodgkinson	**2026**	**–**	**–**	**–**	**–**
	2025	42,145	–	4,847	46,992
M Kanga	**2026**	**94,532**	**–**	**11,344**	**105,876**
	2025	23,349	–	2,685	26,034
J Rossouw	**2026**	**94,532**	**9,293**	**12,459**	**116,284**
	2025	23,349	1,495	2,857	27,701
Total Non-Executive Director remuneration	**2026**	**803,486**	**37,163**	**100,921**	**941,570**
	2025	642,635	31,689	89,048	763,372

CORPORATE GOVERNANCE STATEMENT

The ARTC Board currently comprises eight members. The Board is chaired by an Independent Non-Executive Director and the roles of the Chair and Managing Director are separate. The Managing Director is the only Executive Director on the Board and is also the Chief Executive Officer. The Deputy Chair of the Board also commenced as the Chair of the IRPL Board on 4 November 2025. All of the other Directors are Independent Non-Executive Directors.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

ARTC's system of corporate governance reflects the eight principles enunciated in the ASX "Corporate Governance Principles and Recommendations". The following table indicates where specific ASX Principles are dealt with in this statement:

ASX Principle	Reference
Principle 1: Lay solid foundations for management and oversight	The Board, Board Committees, Accountability and Audit
Principle 2: Structure the Board to be effective and add value	The Board, Board Committees
Principle 3: Instil a culture of acting lawfully, ethically and responsibly	Governance Policies
Principle 4: Safeguard the integrity of corporate reports	The Board, Accountability and Audit, Board Committees
Principle 5: Make timely and balanced disclosure	Our Shareholder
Principle 6: Respect the rights of security holders	Our Shareholder
Principle 7: Recognise and manage risk	Accountability and Audit
Principle 8: Remunerate fairly and responsibly	Board Committees

THE BOARD

Board role and responsibilities

ARTC recognises the respective roles and responsibilities of the Board and management through its system of formal delegations. This enables the Board to provide strategic guidance for the company and effective oversight of management. It also clarifies the respective roles and responsibilities of Board members and Senior Executives to facilitate Board and management accountability to both the Group and its Shareholder, which includes effective communication between ARTC and IRPL to support the operation of IRPL.

The major powers that the Board has reserved for itself are the approval of:

(a) Strategic Plan for the company;

(b) Annual Business Plan and Budget;

(c) Significant business initiatives that require notification to Shareholder Ministers;

(d) All expenditure and property transaction contracts greater than $5 million not subject to a specific Board approval;

(e) Access agreements that do not comply with Board agreed pricing and access principles and policies;

(f) Employment contract for the Chief Executive Officer and the organisational structure for direct reports;

(g) Parameters for Workplace Enterprise Agreements;

(h) Senior Executive variable reward scheme;

(i) Long term price paths for train operators;

(j) The framework for the Wholesale Sales Agreement;

(k) The framework for the Rail Access Agreement; and

(l) Lease expenditure commitments in excess of $5 million (net present value) or in excess of 5 years duration.

ARTC's Board has primary oversight of the company's strategic approach to Environment, Social and Governance (ESG) related issues, with ESG being a standing quarterly update agenda item.

THE BOARD (continued)

Board composition and membership

The Board's size and composition is subject to limits imposed by ARTC's Constitution, which provides for a minimum of three Directors and a maximum of eight Directors. The Board currently comprises seven Non-Executive Directors and one Executive Director. The Directors of ARTC are listed with a brief description of their qualifications and experience on pages 79 to 81 of this Annual Report. Directors are appointed by the Shareholder Ministers in accordance with the company's Constitution and GBE Guidelines.

Government policy (Annex 1, Section 5(c), Cabinet Handbook 2022, 15th Edition) requires that due regard be paid to gender balance in appointments. The GBE Guidelines refer to the Cabinet Handbook as per Section 2.14. Currently, the Board comprises four women and four men.

Conflicts of interest

The Directors of ARTC are requested to disclose to the company any interests or directorships which they hold with other organisations and to update this information if it changes during the course of the directorship.

Directors and senior management are also required to identify any conflicts of interest they may have in dealing with ARTC's affairs and refrain, where required, from participating in any discussion or voting on these matters.

Where a Director has declared a material personal interest and/or may be presented with a potential material conflict of interest in a matter presented to the Board or Committee, the Director does not receive copies of Board or Committee reports relating to the matter and recuse themselves from the Board meeting at the time the matter is considered. Disclosures are recorded in the minutes and recorded on the Statement of Interests Register.

Chair

The Chair of the Board is responsible for the leadership of the Board and for the efficient and proper functioning of the Board, including maintaining relationships with the Shareholder.

Board evaluation

In line with the GBE requirements, ARTC conducts an annual review of the Board's performance.

The Board determines the actions to be taken in relation to the recommendations arising from the assessments and regularly reviews progress against the action plans.

The Chair provides the Shareholder Ministers with written confirmation that this review process has been followed and raises any areas of concern at the Annual Shareholder Strategic Meeting.

Director induction and education

On appointment, each Director receives a formal letter of appointment from the Shareholder Ministers. ARTC has an induction program for new Directors which includes individual meetings with Executive members and Directors and visiting ARTC's operational locations. Directors are provided with a detailed manual with information on the company's corporate strategy, company policies, meeting arrangements, rail industry and general company matters. The Board has regular discussions with the CEO and management and attends site tours of ARTC's operational and customer sites.

Board access to information and independent advice

The Board has direct access to management and any company information management possess in order to make informed decisions and discharge its responsibility.

The Company Secretary in that capacity, is accountable to the Chair of the Board. The Board must approve the appointment and removal of the Company Secretary.

Any Director can seek independent professional advice in the discharge of their responsibilities, with the agreement of the Chair, and this cannot unreasonably be withheld.

Board Committees

To assist in the discharge of its responsibilities, the Board has established the following Board Committees:

- Audit, Finance and Risk Committee (view ARTC Audit, Finance and Risk Committee Charter at **www.artc.com.au/about/our-charter**)
- Environment, Safety and People Committee
- Network Operations and Systems Committee

Each Committee is chaired by a Non-Executive Director and comprises a majority of Independent Non-Executive Directors. Membership of the Committees is based on Director's qualifications, skills and experience. Each Committee is governed by its own Charter, detailing the Committee's role, membership requirements and duties. Each Charter is reviewed periodically and revised when appropriate.

Committee	Composition	Main Areas of Responsibility
Audit, Finance and Risk Committee	– At least two Non-Executive Directors appointed by the Board. – CEO, CFO and other company executives, and internal and external stakeholders attend by invitation.	The primary responsibility of the Committee is to assist the Board to fulfil its responsibilities for corporate governance, probity, due diligence, management of financial risks, financial and performance reporting and compliance with relevant laws and policies.
Environment, Safety and People Committee	– At least two Non-Executive Directors appointed by the Board. – CEO, Group Executive Safety & Systems, Group Executive People & Performance and other company executives, and internal and external stakeholders attend by invitation.	The primary responsibility of the Committee is to assist the Board to fulfil its responsibilities for the company's management of ARTC's environmental impact; physical and mental health of employees, contractors and other people working for the company; and safety of employees, customers and members of community. The Committee oversees the design of performance and reward frameworks and advises the Board on the performance targets and KPIs for the CEO.
Network Operations and Systems Committee	– At least two Non-Executive Directors appointed by the Board. – CEO, Group Executive Operations, Group Executive Safety & Systems and other company executives, and internal and external stakeholders attend by invitation. – Up to two external specialist advisors, invited as deemed necessary by the Committee Chair and CEO. – Any other Non-Executive Director can be asked to attend a meeting of the Committee.	The primary responsibility of the Committee is to assist the Board to fulfil its responsibilities in respect of asset related systems of work, risk management and improvement plans, ICT systems and asset operational control and monitory applications, and ARTC investment aimed at improvement of the Asset/Operational Capability or related ICT systems. The Committee oversees efforts to optimise network performance, alignment of asset and related system activities, and mitigation of risks related to network operations and asset performance.

ACCOUNTABILITY AND AUDIT

Risk Management

ARTC continues to enhance its risk management framework and maintains a comprehensive risk register that captures the material business risks facing the Group. The Audit, Finance and Risk Committee comprises three members of the Board who review the identified risks and monitor ARTC's overall risk management.

Insurance

The Group maintains appropriate insurance policies to ensure that its financial interests and liabilities are fully protected and that it complies with its various contractual obligations. The Group's insurance portfolio provides cover for damage or destruction of its rail network infrastructure assets including construction projects where required, liability protection for its general, professional and statutory liabilities and protection for its Board members and employees whilst such persons are engaged on Group related business and activities.

Internal Audit

The role of Internal Audit is to provide the Board, and Executive Committee, with independent and objective assurance over the adequacy and effectiveness of ARTC's governance, risk management and internal control processes to manage its significant risks. Each year ARTC's Internal Audit Plan is updated to ensure it remains focused on ARTC's significant risks, and is approved by the Executive Committee and the relevant Board sub-committee(s).

In April 2026, the Board approved the FY27 Internal Audit Plan. Progress against delivery of the Plan is reported at each Board sub-Committee meeting, and Internal Audit provides an annual summary report to provide insights on key findings, themes, and the status of management actions.

External Audit

Under Section 98 of the *PGPA Act*, the Auditor-General is responsible for auditing the financial statements. In addition, ARTC's Annual Report is tabled in Parliament and financial accounts are lodged with ASIC.

ANAO has contracted Ernst & Young (EY) to audit ARTC on behalf of the Auditor-General. The Audit, Finance and Risk Committee invite the external auditors to each Committee meeting and the papers for each meeting are provided to both ANAO and EY.

Our Shareholder

The Commonwealth of Australia holds all the shares in the Group. The responsible Shareholder Ministers are Senator the Hon Katy Gallagher, Minister for Finance and the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government. ARTC recognises, upholds and facilitates the effective exercise of the rights of the single Shareholder, the Commonwealth of Australia. In this regard, the company is subject to the PGPA legislation and the Commonwealth Government Business Enterprise Governance and Oversight Guidelines in addition to the *Corporations Act 2001*. ARTC has also negotiated a Commercial Freedoms Framework with the Shareholder which agrees ARTC's mandate. The objective of the Framework is to provide further guidance and limits on the Group's activities and ensures that the Shareholder Ministers are fully informed of activities that may impact on the Group's business and risk profile.

Shareholder Communication

ARTC complies with the Commonwealth Government Business Enterprise Governance and Oversight Guidelines, including the development of an annual Corporate Plan, the publication of an annual Statement of Corporate Intent and regular Shareholder liaison, including formal quarterly Shareholder meetings. ARTC's subsidiary (IRPL) is consolidated into ARTC's requirements and provides project reporting directly to ARTC's Shareholder due to the significance of the Inland Rail program.

GOVERNANCE POLICIES

ARTC has an established Integrity Unit that provides oversight of integrity matters across the organisation and promotes a strong culture of integrity and ethical behaviour. ARTC's integrity framework comprises a range of policies, procedures and practices. These include:

1. Code of Conduct

ARTC recognises the importance of integrity and ethical behaviour. This commitment is demonstrated in the company's Code of Conduct which sets out the principles of conduct and behaviour ARTC requires from its employees.

2. Whistleblower and Public Interest Disclosure Procedure

In accordance with the *Public Interest Disclosure Act*, ARTC has a framework for the disclosure of suspected wrongdoing and for the protection of whistleblowers. The framework applies to disclosures made by ARTC staff (current and former) as well as eligible whistle blowers as defined by the *Public Interest Disclosure Act*.

3. Conflicts of Interest and Gifts

Under the ARTC Code of Conduct and the ARTC Conflict of Interest and Gifts Policy, all staff are required to disclose any actual, perceived or potential conflicts of interest to the General Counsel and Company Secretary for subsequent evaluation and advice.

4. Equal Opportunity

The ARTC Corporate Plan recognises the importance of providing ARTC employees with a work environment that is safe, inclusive, engaging and fulfilling.

ARTC's Diversity Policy outlines the company's commitment to value diversity, treating all job applicants and employees in the same way, regardless of their sex, sexual orientation, age, race, ethnic origin or disability.

SUSTAINABILITY REPORT

BASIS OF PREPARATION

This report represents a complete set of climate related disclosure for Australian Rail Track Corporation and its subsidiary (Inland Rail Pty Ltd) (together referred to as "the Group"). It has been prepared in accordance with the *Australian Accounting Standards Board (AASB) S2 Climate-related Disclosures* and the requirements of the *Corporations Act 2001*. This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements (refer to Note 1 Reporting Entity in the financial statements). All monetary amounts in this report are expressed in Australian dollars, which is the presentation currency of the Group's Consolidated Financial Statements.

As this is the first year in which the Group has applied AASB S2, it has applied the following transition reliefs for the first annual reporting period:

- Not to disclose comparative information in this report; and
- Not to disclose Scope 3 GHG emissions.

The Group has early adopted the Amendments to *AASB S2 Climate-related Disclosures*, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

This report contains forward looking information based on projections and estimates as well as historical data. It includes predictive statements regarding the Group's future actions, such as climate change, sustainability and net-zero commitments, as well as related targets, commitments, estimates and assumptions. While the Group has made every effort to ground these forward looking statements in reasonable assumptions, they may be influenced by incorrect assumptions or by known and unknown risks, uncertainties, and events beyond the Group's control.

GOVERNANCE

Climate Governance

The Group Board provides ultimate oversight and accountability for Environmental, Social and Governance (ESG) ambition and strategy, including matters related to climate change. This extends to the oversight of climate related risks and opportunities (CRROs), and their potential impacts on the business model, strategy, and financial outcomes. These responsibilities are formally articulated in the Board Charter and supported by management through defined reporting and escalation processes, with the Chief Financial Officer (CFO) having the dual role of ESG Sponsor.

In May 2024, the Group Board approved the overarching 2025-2030 ESG Strategy, which defines ARTC's ESG ambitions and targets. This was developed through a comprehensive process involving evaluation of the completed 2021-24 strategy, market scan and industry benchmarking. Board and Executive ambition-setting exercises together with internal engagement, were then undertaken to define targets, initiatives and investment priorities. Three of the ten ESG focus areas relate to climate, with two of these being CRROs that could reasonably be expected to affect the Group's prospects and the third, relating to emissions reduction.

In June 2026, the Group Board approved the Emissions Reduction Plan 2027-2030 (ERP) for implementation commencing in FY27. The ERP establishes the actions required to achieve ARTC's emissions reduction objectives and further embeds climate related priorities, targets and management actions within existing business planning, investment, risk management and governance processes.

The Group Board is informed quarterly on ESG and climate related matters through the business strategy update presented by the CFO. These updates cover progress against ESG and climate related targets, which currently encompasses two of our three CRROs that could reasonably be expected to affect the Group's prospects, as well as the implementation of ESG initiatives. The remaining CRRO is monitored and reported through our broader risk management framework to ensure full oversight, with components of it coming through ARTC's Priority Projects reporting.

Committees and roles supporting climate governance

Audit, Finance and Risk Committee (AFRC): The AFRC assists the Group Board in fulfilling its responsibilities for climate governance, risk management, and disclosure oversight. The AFRC convenes five times a year and during these meetings, they review the effectiveness of financial governance and risk systems, discuss risks that are significant, escalating or emerging, including CRROs and review and recommend for the Group Board approval of the financial statements, including AASB S2 disclosures.

The Executive Committee: Develops ARTC's ESG ambition and is accountable for the successful implementation of the Group Board approved ESG Strategy, including allocating resources and investments to support the achievement of ESG and climate objectives. The CFO has specific responsibility for overseeing ESG and climate related financial reporting and disclosures.

ESG Steering Group: The ESG Steering Group supports the Executive Committee in implementing and reviewing ARTC's ESG strategy. It meets quarterly to assess performance towards ESG strategy, discuss and assess any new risks and opportunities including CRROs that have been identified and escalating matters to the CFO and the Executive Committee when required. The group also contributes annually to ARTC's CRRO assessment and provides input on ESG Strategy updates to ensure alignment with business objectives. Oversight of Inland Rail's ESG performance and CRRO management is also part of its remit.

Management (via the Executive Committee): Management is responsible for day-to-day implementation of the ESG strategy, including identifying and managing CRROs and integrating climate considerations into business operations and decision-making. Management is supported by the Risk team, which is responsible for management of CRROs in accordance with ARTC's enterprise risk management framework.

Controls and procedures

Management's oversight of CRROs is supported by a structured set of controls and procedures embedded within ARTC's enterprise risk management framework. Climate considerations including trade-offs are also required in all submissions for investment approvals that go to the Group Board, Executive Committee, or Finance and Governance Committee (FGC). The forum for approval depends on the cost associated with the investment. This standardised governance approach ensures climate impacts and related financial considerations are consistently evaluated in business planning and investment decisions.

Climate related skills and experience

The Group Board assesses whether it has appropriate skills and competencies to oversee climate related matters through its Board Skills Matrix which is reviewed and updated annually. This assessment is supported by independent evaluation by external advisers and further review by the Chair and Company Secretary.

In October 2025, the Group Board undertook targeted training to strengthen its capability in overseeing CRROs. This training contributed to enhancing the Group Board's overall understanding of climate related matters and its ability to appropriately consider these matters in decision making and governance oversight.

Remuneration

Climate related targets are not currently linked to remuneration for Key Management Personnel. However, progress against ESG and climate objectives is monitored and reported quarterly to ensure accountability and transparency.

STRATEGY

Rail has a critical role to play in meeting the future growth of national freight in a decarbonised economy. While the emissions benefits of rail compared with road are well recognised, ARTC's active management of CRROs is integral to maintaining the long-term resilience and value of the business.

Climate considerations are central to ARTC's strategic approach, informing how we plan, invest and operate in response to the risks and opportunities associated with the transition to a lower-emissions economy.

ARTC's strategy is anchored by three strategic pillars:

1. Lead the nation in providing a safe, resilient, and reliable rail network

This pillar focuses on improving network performance and resilience in the context of a changing climate and increasing demand on infrastructure. Key initiatives include the delivery of the $1.04 billion Network Investment Program Horizon 1 (2025-2030) and $1.75 billion Network Investment Program Horizon 2 (2026-2032), supported by the Australian Government, and the $187 million Resilience Program (2022-2027). Investment priorities under these programs are informed by factors including reducing train delays, improving reliability, enhancing climate resilience, and supporting capacity and growth across the network.

As part of this pillar, ARTC is also responding to the long-term structural decline in coal volumes by adjusting our business response through engagement with customers and regulators. ARTC monitors growth in non-coal volumes across the network through its Balanced Scorecard and ESG reporting, with diversification of revenue streams viewed as an important mitigant to our climate related transition risk.

2. Grow rail's market share

This pillar supports our climate related opportunity, encouraging modal shift to rail freight as a lower-emissions transport option. ARTC's priority under this pillar is to develop a market-driven, multimodal growth plan underpinned by a clear understanding of customer needs, key commodities and strategic corridors. Growth in rail freight volumes has the potential to reduce overall supply chain emissions and contribute to broader decarbonisation objectives.

3. Work with communities and the supply chain as a trusted partner

Collaboration with government, customers and other stakeholders is essential to shaping investment priorities and supporting the transition to lower-emissions freight and supply chains. Demonstrating that emissions benefits can be achieved through rail freight growth and modal shift is an increasing focus for ARTC and the sector more broadly.

Our Climate Related Risks and Opportunities

Below we detail the CRROs that could reasonably be expected to affect the Group's prospects, including their nature, expected time horizons aligned to strategic and financial planning cycles, current and potential financial impacts, vulnerabilities across the business model and value chain, and the management actions, mitigation strategies and funding approaches in place to address them. Time horizons were also established to align with strategic and financial planning cycles: current, short term (5 years) in line with our Corporate Plan, medium term (10 years) in line with our financial budget cycle, and long term (20 years) in line with our investment review period.

Physical Risk

Increasing frequency and severity of extreme rain and flooding events, driven by global warming, leads to more frequent and prolonged service disruptions. This reduces reliability and results in commercial impacts for rail freight in contestable markets.

Driver: Climate change is driving a potential increase in the frequency and severity of extreme rainfall and flooding events across ARTC's network, amplifying our exposure to physical climate risks.

Flooding can lead to full network shutdowns, cause erosion, destabilise track infrastructure, and accelerate asset deterioration. These disruptions result in higher maintenance costs, reduced service reliability, and reputational impacts across the freight network.

Time horizon: Short to long term

Geographical location: While flooding affects the entire network, it is particularly prevalent along the North–South and East–West corridors. These areas have been identified as priority zones for future investment under the Network Investment Programs.

Vulnerability: 32% of fixed assets ($778.7 million)

Current impacts	Anticipated impacts	Mitigation and adaption strategies
During the year, a significant flooding event affected the East-West corridor, resulting in estimated costs of $10.6 million. Certain sections of the network were temporarily closed as a result of the event. However, ARTC mitigated operational disruption by working closely with customers and suppliers to utilise alternative routes and manage network capacity, thereby maintaining continuity of supply while remediation works were undertaken. There are no anticipated material adjustments to the 2027 financial results from this risk based on current information.	Flood risk is expected to reduce future cash flows in the short to medium term due to business interruptions and increased operational costs associated with network damage. While weather management systems already implemented will help soften the impact, financial effects in the short term will also include costs to upgrade assets to mitigate and adapt to flood risk. A portion of these costs will be funded through government grants and additional equity via the Network Investment Program (NIP) Horizon 2, with the remainder financed via debt facilities. In the medium to long term, these impacts are expected to stabilise as investments under NIP are completed. Quantitative estimates have not been disclosed for each time horizon due to the high level of measurement uncertainty. This arises because key inputs and assumptions are subject to significant variability and limited asset level precision with a broad range of possible outcomes. The financial statement line items that may be impacted are: – Income statement: incident and insurance recovery, accelerated depreciation and amortisation expense, infrastructure and incident costs – Statement of financial position: Property, plant and equipment – Statement of cashflows: net cashflow from operating activities and capital expenditure	ARTC is delivering the NIP Horizon 1 for future proofing the network against climate volatility with the support of the Australian Government. Key initiatives include: – Flood-Resilient Infrastructure Upgrades: A major culvert upgrade program funded through a $140 million grant is increasing flood design capacity across high-risk corridors, reducing the likelihood of flood-related service interruptions. Completion is targeted for 2030. – Track Rehabilitation and Operational Upgrades: $195 million has been allocated to strengthen the Albury–Sydney corridor, including $150 million in government funding and $45 million from ARTC. Works focus on improving track condition and operational performance, with completion expected by 2027. – Track Duplication: ARTC is investing $92 million in track duplication on sections of the East-West network identified as flood-prone, improving service continuity and reducing disruption risk. Completion is expected in 2027. – Maroona–Portland Upgrade: A $150 million program will replace sleepers with concrete alternatives and deliver associated improvements to support heavier loads, higher speeds, and safer operations. This project, subject to approvals, is scheduled for completion in 2028. As part of the recent budget announcements in May 2026, ARTC will also be delivering the NIP Horizon 2 which will improve the productivity, resilience and reliability of critical rail infrastructure, supporting the safe and efficient movement of freight. Over 400 weather and water height monitoring systems at an investment over $4 million have been deployed across the network as part of the Resilience Program to support real time risk management. Integration of triaged alert systems and decision-support tools has also strengthened escalation processes for climate related events.

Transition Risk

Accelerated global decarbonisation reduces demand for thermal coal sooner than resource depletion, impacting the viability of Hunter Valley coal mines and leading to underutilisation of ARTC's NSW Heavy Haul Network.

Driver: Accelerated global decarbonisation is expected to reduce demand for thermal coal sooner than resource depletion. Revenue from coal is projected to progressively decline from around 2030 onwards, and ARTC may face increased exposure to underutilisation of the NSW Heavy Haul Network over the medium to long term.

Time horizon: Medium to long term

Geographical location: Hunter Valley region

Vulnerability: 43% of fixed assets ($1.0 billion)

Current impacts	Anticipated impacts	Mitigation and adaption strategies
Market impacts have been considered for the NSW Heavy Haul Network as part of the Group's fair value assessment. During the reporting period, the fair value of the NSW Heavy Haul Network decreased by $272.4 million. There are no anticipated material adjustments to the 2027 financial results from this risk based on current information.	In the short to medium term, revenue is expected to remain stable, supported by ongoing demand for Hunter Valley high-energy, low-emissions coal and the operation of existing and evergreen 10-year take-or-pay contracts with Access Holders, together with revenue protections under the Hunter Valley Access Undertaking (HVAU). However, cost recovery will require close monitoring as volumes begin to soften. In the medium term, a reduction in coal volumes is anticipated. While mitigation strategies are in place, ARTC does not expect to fully offset the revenue loss through diversification. Value at risk has been calculated at $98.0 million. In the long term, continued global decarbonisation and energy transition are likely to result in structural underutilisation of the Hunter Valley network. This may lead to stranded assets and a material decline in revenue, with limited ability to recover full costs. The financial statement line items that may be impacted are: – Income statement: access revenue, infrastructure maintenance and costs, accelerated depreciation and amortisation expense – Statement of financial position: Property, plant and equipment – Statement of cashflows: net cashflow from operating activities	To address the expected long-term reduction in coal volumes and the associated risk of underutilisation of the Hunter Valley network, ARTC is progressing a suite of mitigation and adaptation measures. A key initiative is the development of an updated HVAU, which will better support sustainable network management under changing demand conditions. As part of ARTC's annual Hunter Valley Capacity Strategy, regular assessments of forecast volumes, system capacity and infrastructure requirements are undertaken. These assessments enable ARTC to proactively align investment, maintenance and renewal activities with evolving demand. Through this process, ARTC closely monitors cost drivers and revenue impacts, ensuring that the network remains fit-for-purpose whilst mitigating financial risks associated with declining coal volumes. Diversification of revenue through growth in non-coal volumes is also an important mitigation to this risk. This is supported by targeted network investments across the network and engagement with supply chain partners. Collectively, these initiatives will broaden ARTC's revenue over time and reduce reliance on coal volumes. These activities are funded through reinvestment of ARTC funding into the network, accessing bank and debt capital markets and continued strong federal government support through both equity and grant funding arrangements.

Transition Opportunity

ARTC drives mode shift and grows rail freight volumes by partnering with major end users and producers, showing how rail improves competitiveness while cutting supply chain emissions in a decarbonising economy.

Driver: The transition to a low emissions economy is increasing demand for lower carbon freight solutions, creating opportunities for ARTC to gain market share from higher emissions transport modes.

Time horizon: Short to long term

Geographical location: Entire network

Alignment: 57% of fixed assets ($1.4 billion)

Current impacts	Anticipated impacts	Mitigation and adaption strategies
There are no material impacts in the current period nor any anticipated material adjustments to the 2027 financial results from this opportunity based on current information.	Financial impacts are expected to be limited in the short term, with costs primarily related to developing benchmarks, market engagement, and initial capacity planning. ARTC and the Government continue to invest in the rail network to build resilience and reliability, supporting a modal shift from road to rail. As a result, revenue growth is anticipated over the medium to long term. As rail freight is less emissions-intensive per tonne of freight moved; this transition aligns with customer decarbonisation objectives while also delivering broader benefits, including improved safety outcomes and reduced road congestion. Quantitative estimates have not been disclosed for each time horizon due to the high level of measurement uncertainty. This arises because key inputs and assumptions are highly variable and sensitive, resulting in a wide range of reasonably possible outcomes. The financial statement line items that may be impacted are: – Income statement: increased access revenue and associated infrastructure maintenance and costs, depreciation and amortisation expense – Statement of financial position: Property, plant and equipment – Statement of cashflows: net cashflow from operating activities, investing activities and capital expenditure	To support rail freight growth and capitalise on rail's position as a lower emissions transport mode, ARTC will be making use of calculation tools that enable us to measure avoided emissions benefits of mode shift and rail freight growth in contested markets for end users and to the supply chain more broadly. ARTC will also progress forward-looking capacity and demand forecasts, supported by targeted investment to unlock additional capacity and improve productivity. This includes continued investment in the network to enhance resilience and reliability, as well as initiatives to increase train length and expand double-stacking opportunities, enabling higher volumes to be moved without additional locomotives. Investment in strategic infrastructure plays a key role in supporting these outcomes. The delivery of the Parkes Key Connector as part of Inland Rail has connected the North-South rail corridor with ARTC's East-West network, reducing transit times and enabling further opportunities for double-stacking from Parkes. ARTC is also coordinating the $55 million Transport Resilience and Capacity Kickstart (TRACK) Pilot Program established by the Government to incentivise more freight to move via trains. In parallel, ARTC continues to engage with customers seeking to reduce their carbon footprint, positioning rail as a lower-emissions alternative to road transport. These activities are funded through reinvestment of ARTC funding into the network, accessing bank and debt capital markets and continued strong federal government support through both equity and grant funding arrangements.

CLIMATE SCENARIO ANALYSIS

ARTC assessed the resilience of its strategy and business model using a qualitative climate scenario analysis informed by the Climate Risk and Opportunity Management Program (CROMP) in FY26. Judgement was applied in determining the scenarios and key assumptions used in the assessment. Two scenarios were selected to capture a range of potential climate outcomes relevant to our operations: a lower emissions transition scenario aligned with the Network for Greening of the Financial System (NGFS) Low Demand and Net Zero by 2050 scenario, consistent with a 1.5°C pathway, and a higher emissions scenario aligned with the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway 8.5 (RCP 8.5), representing approximately 4°C of warming by 2100.

Judgement was also applied in assessing the relevance of climate related risks and opportunities under each scenario and their potential impacts on the Group's strategy and business model.

The analysis evaluated the potential implications of these scenarios to assess the resilience of the Group's strategy under different climate futures. The assessment is qualitative in nature and will continue to be refined as data, methodologies and modelling capabilities evolve.

Key assumptions

Low emissions scenario – NGFS Low Demand and Net Zero by 2050 (1.5ºC): Aggressive global mitigation efforts to meet the Paris Agreement, leading to steep decarbonisation, including the accelerated transition to renewables and electrification, and regulations limiting extraction and use of fossil fuels in all major economies.

High emissions scenario – IPCC RCP 8.5 (4ºC): Baseline of how global emissions would evolve if there is no real policy or productive investment in decarbonisation, requiring considerable adaptation to the physical impacts of climate change, including higher average temperatures, more hotter days, more extreme rainfall and increased fire weather.

The scenarios utilised are based on a range of assumptions and projections that carry inherent uncertainties. The applicability and accuracy of these pathways are subject to various external factors, including policy changes, technological advancements, and socio-economic developments, which may not be fully captured in the current analysis.

Climate resilience

			Time horizon		
Scenario	**CRRO**	**Impact Type**	**Short**	**Medium**	**Long**
NGFS Low Demand and Net Zero by 2050 (1.5ºC)	Accelerated global decarbonisation reduces demand for thermal coal sooner than resource depletion, impacting the viability of Hunter Valley coal mines and leading to underutilisation of ARTC's NSW Heavy Haul Network.	Transition risk		X	X
IPCC RCP 8.5 (4ºC)	Increasing frequency and severity of extreme rain and flooding events, driven by global warming, lead to more frequent and prolonged service disruptions. This reduces reliability and results in commercial impacts for rail freight in contestable markets.	Physical risk		X	X

Low emissions scenario (1.5°C global warming level)

Under a low emissions scenario, the Group demonstrates resilience to physical risks due to the relatively lower severity of extreme weather events and the planned completion of the Resilience Program and Network Investment Programs as described on page 101 by 2030. These investments are expected to improve asset resilience, reduce disruption risk and enhance recovery capability.

Transition risk is more pronounced under a low emissions scenario. Accelerated global decarbonisation is expected to reduce demand for thermal coal, increasing the risk of underutilisation of the NSW Heavy Haul Network.

The Group is progressing contractual negotiations in relation to the Hunter Valley Access Undertaking (HVAU), which has a maximum contractual term of five years and the ability to be extended. This supports the balancing of cost recovery with economically efficient pricing outcomes. The Group's ability to respond to changing demand is supported by established planning processes including the Hunter Valley Capacity Strategy described on page 102 as well as the governance oversight by the Finance Governance Committee. These frameworks enable the Group to balance investment priorities and reallocate capital in response to evolving market conditions.

In addition, the Group is engaging with key stakeholders to support freight diversification opportunities and innovation initiatives aligned with the decarbonisation of the Australian economy, with the aim of mitigating potential revenue impacts.

High emissions scenario (4°C global warming level)

Under a high emissions scenario, physical risks become the primary driver of impact. Increasing frequency and severity of rainfall and flooding events are expected to result in higher disruption risk, asset damage and increased operating and capital costs.

The Group has an established crisis management framework which continues to evolve and has supported effective response to historical natural disaster events. This includes the ability to restore network operations, maintain communication with customers, and deploy operational flexibility where available. Existing and planned adaptation strategies, including investment under the Network Investment Programs are expected to improve the network's ability to respond to and recover from climate related events. Similar to the low emissions scenario, the Finance Governance Committee continues to support the ability to reallocate capital in response to changing demand and operating conditions.

Transition risk is less pronounced in the near to medium term, as continued reliance on thermal coal supports network utilisation. Longer term uncertainty remains as global decarbonisation pressures may emerge over time.

Overall assessment

Based on the assessment performed the Group considers it is currently resilient to climate related risks. The Group continues to drive improvement into its strategy and mitigation and adaptation initiatives to support maintaining resilience over the longer term.

RISK MANAGEMENT

ARTC is committed to robust risk management to keep our people and the communities we work in safe, in support of our commercial performance objectives and stakeholder expectations.

Climate Related Risk and Opportunities Management Process

ARTC identifies and manages all risks in accordance with the Enterprise Risk Management Framework, which is consistent with ISO 31000 principles, the International Standard on Risk Management. This Framework is further supported by ARTC's Risk Appetite Statement and, within this, climate is recognised as one of eight key strategic risks or opportunities that can affect ARTC's key objectives. Therefore, CRROs are prioritised on the same basis as other material risks.

During FY26, ARTC finalised its first climate related risk and opportunity assessment by applying the Australian Government's Climate Risk and Opportunity Management Program (CROMP), administered by the Department of Climate Change, Energy, Environment and Water. At this stage, climate related scenario analysis is used qualitatively to support risk identification and prioritisation, with quantitative scenario analysis planned for future reporting periods.

The assessment followed a structured process:

Scoping

ARTC defined the assessment scope by consulting across the wider business, mapping geographic operations, value chain dependencies, and strategic objectives, and reviewing sector peer assessments. Recognising uncertainty in future climate impacts, ARTC incorporated qualitative scenario analysis into the scoping process, selecting a current day scenario, low-emissions scenario (1.5 °C) and a high-emissions scenario (4 °C). Time horizons were also established to align with strategic and financial planning cycles: current, short term (5 years) in line with our Corporate Plan, medium term (10 years) in line with our financial budget cycle, and long term (20 years) in line with our investment review period. These elements collectively framed the boundaries and assumptions for the climate related risk and opportunity assessment.

Assessment of current and future state

ARTC assessed historical physical and transition climate drivers and their impact on ARTC's strategic objectives. This analysis provided insight into past vulnerabilities and informed the identification of CRROs. From this, ARTC considered how these drivers may evolve under future climate scenarios.

Identifying risks and opportunities

ARTC engaged stakeholders and facilitated workshops across the business to assess potential impacts of climate related physical and transition risks across the value chain. Consideration was given to short, medium and long-term horizons, as well as how climate related matters could influence ARTC's strategy, business model, and financial performance. This collaborative process resulted in the development of a comprehensive list of CRROs.

Prioritisation of CRROs

The list of CRROs was then assessed and prioritised by using ARTC's risk management framework and the risk matrix. CRROs were evaluated based on both qualitative and quantitative criteria, including their likelihood of occurrence and the magnitude of financial impact on ARTC's financial position, performance, and cash flows across each time horizon. Likelihood was determined through historical data, expert judgment, and scenario analysis, while magnitude was assessed against financial impact thresholds defined in ARTC's risk appetite.

Management

CRROs that could reasonably be expected to affect the Group's prospects are monitored and managed in accordance with ARTC's risk management procedures including employing the four lines of defence model. Management actions are developed for each CRRO that could reasonably be expected to affect the Group's prospects, with accountability assigned to relevant leaders for implementation and ongoing oversight. Additional controls are applied across the business, including through capital investment and approval processes to support effective risk mitigation and opportunity identification.

Monitoring and communication of CRROs

CRROs that could reasonably be expected to affect the Group's prospects are reviewed at least every six months. Updates on the status of CRROs, including progress against management actions and any changes in risk profile, are reported to the Audit, Finance and Risk Committee every six months.

ARTC will undertake the CROMP process on an annual basis as part of our ongoing risk assessment of climate related risks and opportunities.

EMISSIONS REPORTING

Emissions methodology

The Group measures and reports its Scope 1 and Scope 2 GHG emissions in accordance with the National Greenhouse and Energy Reporting Scheme (NGER) established under the *National Greenhouse and Energy Reporting Act 2007*. The Group also defines its organisational boundary consistent with the NGER framework, under which emissions are reported for facilities over which it has operational control.

The Group has been reporting under this framework since the inception of the Scheme in 2008. Any differences between reported emissions and NGER disclosures arise from the application of accrual accounting, reflecting energy consumption incurred but not yet invoiced at the reporting date.

Activity data is primarily sourced from fuel purchase records, supplier invoices, and metered consumption data. Emissions are calculated by applying emissions factors (EF), global warming potentials (GWPs), and methodologies prescribed by the NGER Determination in effect during the reporting period. No contractual instruments such as energy attribute certificates or power purchase agreements were used.

There were no changes in our measurement approach during the period.

Scope	Emission category	Activity	Data Source	GWP and EF Source	Methodology, data quality and uncertainty
Scope 1	Stationary & Transport Combustion	Quantity of fuel used for plant facilities, company vehicles and logistics	Invoices for fuel purchase and model-based estimates derived from corridor activity data where direct consumption data is not available	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Methodology aligned to NGER (Measurement) Determination. Quantity of fuel consumed multiplied by the associated emission factor for each fuel type. Where fuel consumption is estimated for corridor activity, standardised assumptions consistent with Criterion BBB are applied. Moderate data quality, moderate uncertainty.
	Compressed Natural Gas & Gas distributed by pipeline	Quantity of fuel used for plant facilities	Invoices and gas purchased transaction history	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Methodology aligned to NGER (Measurement) Determination. Quantity of fuel consumed multiplied by the associated emission factor for each fuel type. High data quality, low uncertainty.
Scope 2	Purchased electricity	Electricity consumption	Invoices for electricity usage	EFs sourced from NGER (Measurement) Determination	Location-based method. Moderate data quality, moderate uncertainty. Accruals were used where data could not be obtained due to invoicing timing over 30 June, this makes up 11% of our Scope 2 emissions.

At the end of FY26, ARTC increased its emissions by 1% from FY22 baseline.

Emissions	FY26	FY22[1]	% change
Scope 1	11,582 tCO_2-e	10,869 tCO_2-e	6%
Scope 2 (location based)	8,170 tCO_2-e	8,629 tCO_2-e	(5%)
Total	**19,752 tCO_2-e**	**19,498 tCO_2-e**	**1%**

1 Comparative data for FY22 is being voluntarily disclosed and has not been assured.

METRICS AND TARGETS

The Group has established three climate related targets in our refreshed Environmental, Social and Governance (ESG) strategy which commenced reporting in 2024-25.

These targets are monitored on a quarterly basis as part of the Business Strategy update to the Executive and Group Board.

Target to reduce Scope 1 and 2 emissions by 40% by end of FY30	
Metric	Scope 1 and Scope 2 emissions measured in tonnes of carbon dioxide equivalent (tCO_2-e), relative to the FY22 baseline.
Objective	To reduce operational greenhouse gas emissions in support of the Group's Net Zero by 2050 target.
Scope	Applies to Scope 1 and Scope 2 emissions from Group operations.
Period over which target applies	FY22 to FY30
Base period	FY22
Milestones and interim targets	This is an interim target towards the Net Zero by 2050 target.
Target type	Absolute quantitative target.
Carbon credits	No carbon credits are being used or planned to be used to meet this target. ARTC will be sourcing renewable energy certificates to shift our electricity consumption to renewable sources. Net emissions reduction achieved by 2030 is equivalent to gross emissions reduction.
Alignment with jurisdictional commitment	The Group is not required by law or regulation to set or meet any greenhouse gas (GHG) emissions targets, but as a Government Business Enterprise is expected to act consistently with Australian Government policy in this case the *Climate Change Act 2022*. This expectation is set out in the Group's Shareholder Statement of Expectations.
Validation	Not externally validated.
Review process	Reviewed in FY26 as part of the development of the Emissions Reduction Plan, which was endorsed by the Group Board in June 2026.
Metrics for monitoring progress	% reduction in Scope 1 and Scope 2 emissions (tCO_2-e) relative to baseline, assessed annually.
Revisions	No revisions were made during the reporting period.
Progress achieved to date and during the year	As at FY26, total Scope 1 and Scope 2 emissions were 1% higher than the FY22 baseline. This result reflects the combined effect of increased operational activity and ongoing emission reduction initiatives. Emissions reduction activities undertaken during the year included the installation of solar photovoltaic and battery sites, scheduling improvements for signalling maintenance activities, optimising Maintenance Scheduled Tasks (MSTs) to reduce travel kilometres, as well as the reallocation of light vehicles across teams to optimise fleet utilisation and avoid additional fleet acquisitions. Progress towards the Group's FY30 emissions reduction target was partially offset by increased rail maintenance activities undertaken to improve network reliability and support the modal shift from road to rail. During FY26, these included network shutdowns to undertake large scale maintenance programs and the procurement of three new state-of-the-art rail tamping machines.

Target to reduce Scope 1 and 2 emissions by 40% by end of FY30	
Progress achieved to date and during the year (continued)	The completion of the Emissions Reduction Plan (ERP) in June 2026 established a pathway for integrating carbon efficiency considerations into priority business improvement projects and operational decision-making. Planned initiatives include the procurement of renewable electricity products and trials of battery electric vehicles. The Group's long-term strategy includes facilitating increased freight volumes across the network to support business growth. As a result, total Scope 1 emissions may increase over time, although the Group expects emissions intensity and carbon efficiency to improve through the implementation of emissions reduction initiatives.
Target setting approach	Emissions reduction targets are developed by management and reviewed and approved by the Group Board. Progress against the target is monitored and reported to the Group Board on a quarterly basis.

Target to grow non-coal volumes by 7.5% by end of FY27 (against FY24 baseline)	
Metric	Non-coal volumes measured in billion tonnes gross kilometre (bGTK).
Objective	To diversify revenue by increasing non coal freight volumes in response to changing market demand and the transition in the energy sector.
Scope	Applies to the Group.
Period over which target applies	FY24 to FY27
Base period	FY24
Milestones and interim targets	There are no milestones or interim targets set.
Target type	Absolute quantitative target.
Alignment with jurisdictional commitment	Not linked to a specific legislative or regulatory requirement.
Validation	Not externally validated.
Review process	Growth in non-coal volumes is reviewed annually for the five-year ARTC Corporate Plan and budget.
Metrics for monitoring progress	% increase in bGTK relative to baseline.
Revisions	No revisions were made during the reporting period.
Progress achieved to date and during the year	Non-coal volumes increase 3.2% above the FY24 baseline in FY26. The FY26 result reflected weaker volumes across several commodities, including intercapital, steel, grain and minerals. These impacts were partially offset by growth on the East-West corridor.
Target setting approach	Non-coal volume growth projections are based on five-year forecasts and updated annually as part of the Corporate Plan and budget cycle. Progress against the target is monitored and reported to the Board on a quarterly basis.

Target to complete all climate resilience projects on schedule by end of FY27	
Metric	% of scope delivered and expenditure in relation to project budget.
Objective	To enhance network resilience to increased frequency and severity of weather events and reduce climate-related service disruptions through targeted investment in asset reliability, redundancy and recovery capability.
Scope	Applies to the Group.
Period over which target applies	FY24 to FY27
Base period	FY24
Milestones and interim targets	There are no milestones or interim targets set.
Target type	Absolute quantitative target.
Alignment with jurisdictional commitment	Not linked to a specific legislative or regulatory requirement.
Validation	Not externally validated.
Review process	This target will be reviewed as part of ESG strategy refresh and integration which commenced in FY26.
Metrics for monitoring progress	% of scope delivered and % of expenditure in relation to project budget.
Revisions	No revisions were made during the reporting period.
Progress achieved to date and during the year	The Resilience Program projects were completed to schedule at the end of FY26.
Target setting approach	Climate resilience investment priorities are determined based on asset risk assessments, network performance requirements and long-term capital planning processes.

The Group does not currently apply an internal carbon price in its decision making processes. Accordingly, the Group does not use a specific price per metric tonne of greenhouse gas emissions to assess the cost of its emissions.

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION 30 JUNE 2026

In the opinion of the Directors' of Australian Rail Track Corporation Ltd.'s ("the Consolidated Entity"):

(a) the Consolidated Entity has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of ARTC and its subsidiaries (collectively the Group) for the year ended 30 June 2026, as presented on pages 98 to 110, are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

  (ii) containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.



P Duncan
Director

20th August 2026

Australian National Audit Office

INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES

To the members of Australian Rail Track Corporation Ltd

Review Conclusion

I have conducted a review of the following specified sustainability disclosures included in the Australian Rail Track Corporation Ltd (the Company) Sustainability Report for the year ended 30 June 2026 (the "sustainability information") as required by the Australian Standard on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

I have not become aware of any matter in the course of my review that makes me believe that the following sustainability information does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*, and the Australian Sustainability Reporting Standard AASB S2 *Climate-related disclosures* (AASB S2):

Specified Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	Disclosures on pages 98 to 99
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The title and description of the physical risks, transition risks and opportunities set out on pages 100 to 103
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Disclosures on page 107

Basis for Conclusion

I conducted my review in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Standard on Sustainability Assurance (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements*, issued by the Australian Auditing and Assurance Standards Board. My review includes obtaining limited assurance about whether the sustainability information is free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of the *Corporations Act 2001* includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of work* performed section of my report. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the sustainability information* section of my report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for reviews of sustainability information conducted

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by the Auditor-General and their delegates. These include the relevant independence 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 review of the sustainability information, to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other esponsibilities in accordance with the Code and the Australian National Audit Office Auditing Standards.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this assurance report.

The Australian National Audit Office applies the Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports, or Other Assurance or Related Services Engagements*, which requires the office to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026 but does not include the sustainability information and my assurance report thereon.

My review does not extend to the other information, and I do not express any form of assurance conclusion thereon. I have issued a separate opinion on the Financial Report included in the Annual Report.

In connection with my review of the sustainability information, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the sustainability information, my knowledge obtained during the review, 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.

Other matter – First year of assurance

I draw attention to the fact that this is the first year in which the Company's climate-related disclosures have been subject to assurance under ASSA 5010. Consequently, there are no prior-period assurance engagements for comparison. As a result, no assurance is provided over the comparative disclosures.

My conclusion is not modified in respect of this matter.

Directors' responsibility for the sustainability information

The directors of the Company are responsible for the preparation of the sustainability information in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard and for designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of the sustainability information, in accordance with the *Corporations Act 2001, Corporations Regulations 2001*, and the Australian Sustainability Reporting Standard, that is free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the sustainability information

The sustainability information includes estimates developed using the methods identified in the reporting policies in the sustainability information on page 32 for which the *National Greenhouse and Energy Reporting Act 2007* allow a choice of different methods in its development. The selection of acceptable different methods may result in different quantifications between different entities.

As discussed in Our Climate Related Risks and Opportunities to the sustainability information, the sustainability information includes information based on climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Forward-looking information, by its nature, is subject to significant uncertainty. This includes forecasts, projections, and future plans disclosed by the entity. These disclosures become increasingly speculative as the period covered extends further into the future, with uncertainty increasing accordingly. As a result:

- Actual outcomes may differ materially from the forecasted sustainability information due to the inherent unpredictability of future events, which may not occur as anticipated.
- For forecasts presented as a range, actual results may fall outside the stated range, and the variation could be material.
- Forward-looking sustainability information, such as projections or transition plans, is prepared for the specific purpose of disclosing the Company's future actions. These are based on assumptions, including hypothetical assumptions about future events and management's intended actions, which may not reflect actual future conditions or outcomes. Users are cautioned not to rely on such information for purposes other than those described.

There is inherent limitation in accessing information from the upstream and /or downstream value chain, which has led to the use of sector-average data, despite reasonable efforts to obtain the relevant information.

Emission quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emission factors and the values needed to combine emissions due to different gases.

Additionally non-financial data may be subject to more inherent limitations than financial data given both its nature and the methods used for determining calculating and sampling or estimating such data.

Auditor's responsibilities for the audit of the sustainability information

My objectives are to plan and perform the review to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Limited assurance is not a guarantee that a review conducted in accordance with the Australian National Audit Office 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 the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability information.

As part of a review in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Standard on Sustainability Assurance, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosures level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

I communicate with the directors regarding, among other matters, the planned scope and timing of the review and significant findings, including any significant deficiencies in internal control that I identify during my engagement.

Summary of work performed

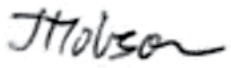
A review is a limited assurance engagement and involves performing procedures to obtain evidence about the sustainability information. The nature, timing, and extent of the procedures selected depend on professional judgment, including the assessed risks of material misstatement at the disclosures level, whether due to fraud or error.

My review consisted of making inquiries, primarily with persons responsible for preparing the sustainability information, and applying analytical and other appropriate procedures. The procedures I performed included, but were not limited to, the following:

Through enquiries, obtained an understanding of the Company's control environment, the results of the Company's risk assessment process, the results of the Company's process to monitor the system of internal control, and the Company's information system and communication relevant to the preparation of the sustainability information, including evaluating whether the Company's information system appropriately supports the preparation of the sustainability information in accordance with the applicable criteria. This did not include evaluation of the design of control activities, obtaining evidence about their implementation or testing their operating effectiveness.

- Reconciled the assessment sustainability information with the underlying records and through enquiry of management obtained an understanding of material adjustments made during the course of preparing the sustainability information.
- For the Company's Group sustainability information, through enquiry of management obtained an understanding of how management has aggregated the information, determined that all entities have been included in the Group sustainability information as required by the applicable criteria, and considered whether management's judgement made in the aggregation process give rise to indicators of possible management bias.
- Considered whether the presentation and disclosure of the sustainability information is in accordance with the framework criteria.
- Conducted interviews with key personnel to understand the business, sustainability reporting processes, and methodologies applied during the reporting period.
- Gained an understanding of the approach for collecting, collating, and reporting sustainability information, including boundaries, data sources, and criteria applied.
- Assessed whether the calculation methodologies were correctly applied in accordance with the defined criteria.
- Performed analytical review procedures to assess the reasonableness of data and identify potential anomalies.
- Inspected key documents, systems, and processes for aggregating and reporting sustainability information.
- Assessed key assumptions used in calculations and assessed the accuracy of transcribed data from corporate systems or supporting evidence.
- Assessed whether material topics, performance issues, and disclosures are appropriately presented and adequately supported by evidence.
- Reviewed the presentation of claims, case studies, and data for consistency with the relevant reporting criteria and principles.
- Evaluated the approach for defining reporting boundaries and identifying relevant emission sources.
- Compared overall data sets for the sustainability information to the final reported data, for alignment with the sustainability report or other relevant disclosures.

Australian National Audit Office



Jeffrey Hobson
Executive Director
Delegate of the Auditor-General

Canberra
21 August 2026

FINANCIAL STATEMENTS

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The notes have been grouped into sections to help readers understand how the Australian Rail Track Corporation Ltd (the "Group" or "ARTC") strategy, as outlined in the Annual Report, is reflected in the financial performance and position of the Group.

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CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue from contracts with customer			
Access revenue	7	**863,512**	854,630
Total revenue		**863,512**	854,630
Other income			
Incident and insurance recovery	7	**489**	(6,213)
Government grants and funding	7	**96,365**	67,381
Other income	7	**41,224**	45,637
Total other income		**138,078**	106,805
Total revenue and other income		**1,001,590**	961,435
Employee benefits expense	8	**(294,345)**	(284,356)
Infrastructure maintenance	8	**(150,050)**	(173,028)
Infrastructure costs	8	**(91,615)**	(84,379)
Depreciation and amortisation expense	8	**(242,196)**	(207,263)
Reversal/(recognition) of impairment	8	**(2,216,511)**	(658,037)
Incident costs	8	**(10,331)**	(10,622)
ICT Service agreements	8	**(23,082)**	(22,011)
Insurance and accreditation	8	**(17,927)**	(19,021)
Other expenses	8	**(73,176)**	(63,551)
Expenses, excluding finance costs		**(3,119,233)**	(1,522,268)
Profit/(Loss) from operating activities		**(2,117,643)**	(560,833)
Finance income		**2,314**	6,351
Finance expenses	23	**(71,596)**	(72,104)
Net Finance costs		**(69,282)**	(65,753)
Profit/(Loss) before income tax		**(2,186,925)**	(626,586)
Income tax (expense)/benefit	9	**54,782**	(14,556)
		(2,132,143)	(641,142)
Net Profit/(Loss) after tax			
Profit/(Loss) is attributable to: **Equity holder of Australian Rail Track Corporation Ltd**		**(2,132,143)**	(641,142)
Earnings metrics			
EBITDAI	11	**341,064**	304,467

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Consolidated	
	2026 $'000	2025 $'000
Profit/(Loss) for the year	**(2,132,143)**	(641,142)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss – net of tax		
Cash flow hedge charged to equity – interest rate swap	**5,043**	(8,507)
Cash flow hedge charged to equity – foreign exchange	**(1,724)**	1,201
Total items that may be reclassified subsequently to profit or loss	**3,319**	(7,306)
Items that will not be reclassified to profit or loss – net of tax		
Re-measurement gains/(losses) on defined benefit plans	**(860)**	(808)
Revaluation of land	**729**	–
Total items that will not be reclassified to profit or loss	**(131)**	(808)
Other comprehensive income/(loss) for the year, net of tax	**3,188**	(8,114)
Total comprehensive income/(loss) for the year, net of tax	**(2,128,955)**	(649,256)
Total comprehensive income/(loss) for the year is attributable to:		
Equity holder of Australian Rail Track Corporation Ltd	**(2,128,955)**	(649,256)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**54,032**	27,653
Trade and other receivables	12	**158,136**	179,148
Inventories – raw materials		**103,803**	90,952
Held for sale		**227**	–
Prepayments		**25,783**	25,554
Other financial assets	13	**2,490**	3,904
Total current assets		**344,471**	327,211
Non-current assets			
Trade and other receivables	12	**30,282**	22,357
Prepayments		**14,985**	14,297
Property, plant and equipment	14	**2,887,673**	3,862,119
Deferred tax assets	9	**104,130**	50,715
Intangible assets	16	**128,411**	137,177
Defined benefit plans	19	**216**	773
Other financial assets	13	**1,271**	2,887
Total non-current assets		**3,166,968**	4,090,325
Total assets		**3,511,439**	4,417,536
LIABILITIES			
Current liabilities			
Trade and other payables	22	**216,840**	244,392
Other provisions	17	**22,615**	22,584
Employee provisions	19	**67,179**	61,809
Other financial liabilities		**11,867**	11,606
Interest bearing liabilities	23	**18,924**	18,666
Deferred income	24	**75,782**	66,597
Total current liabilities		**413,207**	425,654
Non-current liabilities			
Other provisions	17	**581**	921
Employee provisions	19	**11,743**	11,612
Other financial liabilities		**6,072**	8,693
Interest bearing liabilities	23	**1,340,455**	1,286,288
Deferred income	24	**945,195**	1,010,518
Total non-current liabilities		**2,304,046**	2,318,032
Total liabilities		**2,717,253**	2,743,686
Net assets		**794,186**	1,673,850
EQUITY			
Contributed equity	25	**8,712,023**	7,462,732
Reserves	25	**356,133**	353,239
Retained earnings		**(8,273,970)**	(6,142,121)
Total equity		**794,186**	1,673,850

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

		Attributable to owners of Australian Rail Track Corporation Ltd					
Consolidated	Notes	**Contributed Equity $'000**	**Asset Revaluation Reserve $'000**	**Hedging Reserve $'000**	**Profit Reserve $'000**	**Retained Earnings $'000**	**Total Equity $'000**
Balance at 1 July 2024		6,747,961	354,745	5,800	–	**(5,500,171)**	**1,608,335**
Total loss for the year		–	–	–	–	**(641,142)**	**(641,142)**
Re-measurement gains/(losses) on defined benefit plans*		–	–	–	–	**(808)**	**(808)**
Cash flow hedge interest rate swap*		–	–	(8,507)	–	**–**	**(8,507)**
Cash flow hedge foreign exchange*		–	–	1,201	–	**–**	**1,201**
Total comprehensive income for the year		–	–	(7,306)	–	**(641,950)**	**(649,256)**
Contributions of equity	25	714,771	–	–	–	**–**	**714,771**
Balance at 30 June 2025		**7,462,732**	**354,745**	**(1,506)**	–	**(6,142,121)**	**1,673,850**

		Attributable to owners of Australian Rail Track Corporation Ltd					
Consolidated	Notes	**Contributed Equity $'000**	**Asset Revaluation Reserve $'000**	**Hedging Reserve $'000**	**Profit Reserve $'000**	**Retained Earnings $'000**	**Total Equity $'000**
Balance at 1 July 2025		7,462,732	354,745	(1,506)	–	**(6,142,121)**	**1,673,850**
Total loss for the year		–	–	–	–	**(2,132,143)**	**(2,132,143)**
Re-measurement gains/(losses) on defined benefit plans*		–	–	–	–	**(860)**	**(860)**
Cash flow hedge interest rate swap*		–	–	5,043	–	**–**	**5,043**
Cash flow hedge foreign exchange*		–	–	(1,724)	–	**–**	**(1,724)**
Asset revaluation reserve adjustment*	14	–	729	–	–	**–**	**729**
Total comprehensive income for the year		–	729	3,319	–	**(2,133,003)**	**(2,128,955)**
Asset disposal revaluation reserve adjustment		–	(1,154)	–	–	**1,154**	**–**
Contributions of equity	25	1,249,291	–	–	–	**–**	**1,249,291**
Balance at 30 June 2026		**8,712,023**	**354,320**	**1,813**	–	**(8,273,970)**	**794,186**

*net of tax

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from customers		**1,013,163**	979,630
Payments to suppliers and employees		**(798,523)**	(850,878)
Government grants and funding – revenue		**39,584**	13,982
		254,224	142,734
Interest received		**2,314**	6,351
Net cash flows from operating activities	10	**256,538**	149,085
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,435,155)**	(1,015,182)
Payments for intangibles		**(13,176)**	(27,193)
Proceeds from sale of property, plant and equipment		**970**	2,577
Proceeds from deposits held in trust		**–**	115,463
Net cash flows used in investing activities		**(1,447,361)**	(924,335)
Cash flows from financing activities			
Government grants – deferred		**643**	33,852
Payments for interest costs relating to borrowings		**(68,564)**	(70,457)
Payments for transaction costs relating to borrowings		**334**	80
Proceeds (repayments) for interest bearing liabilities		**61,678**	290,681
Repayment of bond		**–**	(125,000)
Proceeds from equity funding	25	**1,249,291**	714,771
Payments for the principal relating to leases		**(21,930)**	(71,570)
Payments for interest relating to leases	23	**(4,250)**	(4,450)
Net cash flows from financing activities		**1,217,202**	767,907
Net increase/(decrease) in cash and cash equivalents		**26,379**	(7,343)
Cash and cash equivalents at 1 January		**27,653**	34,996
Cash and cash equivalents at end of year	10	**54,032**	27,653

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

ABOUT THE FINANCIAL STATEMENTS

This section outlines the basis on which ARTC financial statements have been prepared.

1. REPORTING ENTITY

Australian Rail Track Corporation (the parent) is a company limited by shares incorporated in Australia located at 11 Sir Donald Bradman Drive, Keswick Terminal, South Australia. The consolidated financial statements of the company as at and for the year ended 30 June 2026 comprise the company and its subsidiary (IRPL) together referred to as the "Group". The Group is a Government Business Enterprise (GBE) and the ultimate controlling entity is the Commonwealth Government.

The financial report of ARTC for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the Directors on the 20th of August 2026.

2. BASIS OF ACCOUNTING

These general purpose financial statements have been prepared in accordance with *Public Governance Performance and Accountability Act 2013* (PGPA Act), Australian Accounting Standards, the requirements of the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for profit entity for the purpose of preparing the financial statements.

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Where necessary, comparative figures have been adjusted to conform to changes in the presentation of the Financial Statements in the current year.

The financial statements are prepared on a historical cost basis except for certain classes of property, plant and equipment and derivatives which are measured at fair value.

Where applicable the significant accounting policies are contained in the notes to the financial statements to which they relate and note 29 (Other accounting policies).

3. ROUNDING, FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in their functional currency, Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which the Instrument applies.

4. MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the individual carrying amounts of assets and liabilities or may involve a higher degree of judgement or complexity within the next financial year are found in the following notes:

	Note
Revenue from contracts with customers – Access revenue	7, 12
Deferred tax recognition	9
Fair value and carrying value of assets	14
Incident and biodiversity liability recognition	17, 24
Defined benefit plan	19

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Fair value measurements

(i) Fair value hierarchy and accounting classification

Judgements and estimates are made in determining the fair values of the items that are recognised and measured at fair value in the financial statements. The reliability of the inputs used in determining fair value has been classified into the three levels prescribed under AASB 13.

Level 1: The fair value of assets traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These assets are included in level 1.

Level 2: The fair value of assets that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. Interest rate swaps and foreign exchange contracts are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. Infrastructure assets are included in level 3.

Disclosed fair values

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the current or the previous financial year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value certain assets and liabilities include:

- The carrying amounts of trade receivables and payables, bonds, banking facilities, cash and short term deposits equates approximately to their fair values due to their current nature and are carried at amortised cost.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The present values and discount rates used were adjusted for counterparty and the Group's credit risk, which are not considered to materially alter the swap valuation outcome.
- The fair value of foreign contracts is calculated as the present value of the future cash flows based on the forward exchange rates at the Consolidated Balance Sheet date.
- The fair value of infrastructure assets is determined using discounted cash flow projections based on reasonable estimates of future cash flows.

5. GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis as the Directors consider that the Group will be able to meet the mandatory repayment terms of banking facilities see note 22 and other amounts payable.

At 30 June 2026, the Group has a net deficiency of current assets (2026: $344.5m, 2025: $327.2m) to current liabilities (2026: $413.2m, 2025: $425.7m) of $68.7m (2025: $98.4m). Notwithstanding this deficiency, the Directors remain confident that the Group will be able to meet its debts as and when they fall due. The Directors are of the opinion that the financial statements are appropriately prepared on a going concern basis having regard to the following:

As at 30 June 2026:

- The Group has net assets of $794.2m (2025: $1,673.9m).
- The Group generated cash from operating activities of $256.5m (2025: $149.1m).
- The Group expects to continue to generate positive cash flows from operating activities in the next twelve months.
- The Group has $558m (2025: $522m) of unutilised funds available through multiple Syndicated Debt Facility Agreements (as detailed in note 22).
- The Group engages in active financial risk management, which includes maintaining an average liquidity headroom of $250m over a forward 12-month horizon on a rolling basis and is subject to ongoing governance at all levels of the business (as detailed in note 22).
- The Group has an established debt capital market programme which is subject to ongoing governance at Committee and Board level (as detailed in note 22).
- The Group has an Equity Financing Agreement with the Commonwealth Government in relation to progressive funding to support the Inland Rail infrastructure project.

OUR BUSINESS PERFORMANCE

This section analyses the financial performance of the Group for the year ended 30 June 2026. The focus is on Group revenue streams, expenses, taxation, cash flows and dividend performance.

6. SEGMENT ANALYSIS

The Group is organised into two entities ARTC and IRPL based on rail access operations and Inland Rail construction. The two legal entities align with the two reportable segments, as follows:

- ARTC – Rail Access operations including operating the Rail Network and providing rail access to customers
- IRPL – Inland Rail construction including design construction and delivery responsibility for the Inland Rail program

Operating segments of National Network and NSW Heavy Haul Network have been aggregated into Rail Access operations as the nature of the services, methods used to provide the service, the type of customer, and voluntary regulation by the ACCC are sufficiently similar to justify the aggregation.

The Executive of each entity monitors the operating results separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on entity profit or loss and is measured consistently with profit or loss in the Consolidated financial statements. Inter-segment revenues arise between ARTC and IRPL as IRPL's sole contract for services is with ARTC, inter-segment revenues are eliminated upon consolidation. As treasury and tax functions are grouped and managed by ARTC, IRPL does not hold finance costs, or GST tax payable amounts.

Income statement by segment

2026	ARTC $'000	IRPL $'000	Elimination $'000	Consolidated $'000
Revenue from contracts with customers				
Access revenue	863,512	–	–	**863,512**
Construction revenue	–	1,161,331	(1,161,331)	**–**
Total Revenue	863,512	1,161,331	(1,161,331)	**863,512**
Other income				
Incident and insurance recovery	489	–	–	**489**
Government grants and funding	96,365	–	–	**96,365**
Other income	41,224	–	–	**41,224**
Total other income	138,078	–	–	**138,078**
Total revenue and other income	1,001,590	1,161,331	(1,161,331)	**1,001,590**
Employee benefits expense	(166,292)	(128,053)	–	**(294,345)**
Infrastructure maintenance	(155,439)	5,389	–	**(150,050)**
Infrastructure costs	(222,903)	128,053	3,235	**(91,615)**
Construction costs	–	(1,158,096)	1,158,096	**–**
Depreciation and amortisation expense	(234,094)	(8,102)	–	**(242,196)**
Reversal/(recognition) of impairment	(2,216,511)	–	–	**(2,216,511)**
Incident costs	(10,331)	–	–	**(10,331)**
ICT Service agreements	(23,082)	–	–	**(23,082)**
Insurance and accreditation	(17,927)	–	–	**(17,927)**
Other expenses	(73,186)	10	–	**(73,176)**
Expenses, excluding finance costs	(3,119,765)	(1,160,799)	1,161,331	**(3,119,233)**
Profit/(Loss) from operating activities	(2,118,175)	532	–	**(2,117,643)**
Finance income	2,314	–	–	**2,314**
Finance expenses	(67,346)	–	–	**(67,346)**
Leasing interest expense	(3,718)	(532)	–	**(4,250)**
Net Finance costs	(68,750)	(532)	–	**(69,282)**
Profit/(Loss) before income costs	(2,186,925)	–	–	**(2,186,925)**
Income tax (expense)/benefit	57,642	697	(3,557)	**54,782**
Net Profit/(Loss) after tax	**(2,129,283)**	**697**	**(3,557)**	**(2,132,143)**

6. SEGMENT ANALYSIS (continued)

Income statement by segment

2025	ARTC $'000	IRPL $'000	Elimination $'000	Consolidated $'000
Revenue from contracts with customers				
Access revenue	854,630	–	–	**854,630**
Construction revenue	–	663,984	(663,984)	**–**
Total Revenue	854,630	663,984	(663,984)	**854,630**
Other income				
Incident and insurance recovery	(6,213)	–	–	**(6,213)**
Government grants and funding	67,381	–	–	**67,381**
Other income	45,637	–	–	**45,637**
Total other income	106,805	–	–	**106,805**
Total revenue and other income	961,435	663,984	(663,984)	**961,435**
Employee benefits expense	(182,155)	(102,201)	–	**(284,356)**
Infrastructure maintenance	(177,285)	4,257	–	**(173,028)**
Infrastructure costs	(188,866)	102,201	2,286	**(84,379)**
Construction costs	–	(661,698)	661,698	**–**
Depreciation and amortisation expense	(201,321)	(5,942)	–	**(207,263)**
Reversal/(recognition) of impairment	(658,037)	–	–	**(658,037)**
Incident costs	(10,622)	–	–	**(10,622)**
ICT Service agreements	(22,011)	–	–	**(22,011)**
Insurance and accreditation	(19,021)	–	–	**(19,021)**
Other expenses	(63,524)	(27)	–	**(63,551)**
Expenses, excluding finance costs	(1,522,842)	(663,410)	663,984	**(1,522,268)**
Profit/(Loss) from operating activities	(561,407)	574	–	**(560,833)**
Finance income	6,351	–	–	**6,351**
Finance expenses	(67,654)	–	–	**(67,654)**
Leasing interest expense	(3,876)	(574)	–	**(4,450)**
Net Finance costs	(65,179)	(574)	–	**(65,753)**
Profit/(Loss) before income costs	(626,586)	–	–	**(626,586)**
Income tax (expense)/benefit	(18,210)	2,981	673	**(14,556)**
Net Profit/(Loss) after tax	**(644,796)**	**2,981**	**673**	**(641,142)**

Statement of financial position by segment

2026	ARTC $'000	IRPL $'000	Elimination $'000	Consolidated $'000
ASSETS				
Current Assets				
Cash and cash equivalents	54,032	–	–	**54,032**
Trade and other receivables	2,244,045	(2,087,983)	2,074	**158,136**
Inventories – raw materials	103,803	–	–	**103,803**
Held for sale	227	–	–	**227**
Prepayments	15,493	10,290	–	**25,783**
Other financial assets	2,485	5	–	**2,490**
Contract assets	–	552,922	(552,922)	**–**
Total current assets	2,420,085	(1,524,766)	(550,848)	**344,471**
Non-current assets				
Trade and other receivables	30,282	–	–	**30,282**
Prepayments	9,655	5,330	–	**14,985**
Property, plant and equipment	2,879,436	8,237	–	**2,887,673**
Deferred tax assets	104,699	5,951	(6,520)	**104,130**
Intangible assets	126,768	1,643	–	**128,411**
Defined benefit plans	216	–	–	**216**
Other financial assets	1,271	–	–	**1,271**
Investments	10	–	(10)	**–**
Contract assets	–	1,658,093	(1,658,093)	**–**
Total non-current assets	3,152,337	1,679,254	(1,664,623)	**3,166,968**
Total assets	5,572,422	154,488	(2,215,471)	**3,511,439**
LIABILITIES				
Current liabilities				
Trade and other payables	92,415	124,425	–	**216,840**
Other provisions	22,284	331	–	**22,615**
Employee provisions	51,977	15,202	–	**67,179**
Other financial liabilities	11,654	213	–	**11,867**
Interest bearing liabilities	14,858	4,066	–	**18,924**
Deferred income	75,782	–	–	**75,782**
Contract liability	552,922	–	(552,922)	**–**
Total current liabilities	821,892	144,237	(552,922)	**413,207**
Non-current liabilities				
Other provisions	281	300	–	**581**
Employee provisions	8,404	3,339	–	**11,743**
Other financial liabilities	6,072	–	–	**6,072**
Interest bearing liabilities	1,337,741	2,714	–	**1,340,455**
Deferred income	945,195	–	–	**945,195**
Contract liability	1,658,093	–	(1,658,093)	**–**
Total non-current liabilities	3,955,786	6,353	(1,658,093)	**2,304,046**
Total liabilities	4,777,678	150,590	(2,211,015)	**2,717,253**
Net assets	**794,744**	**3,898**	**(4,456)**	**794,186**
EQUITY				
Contributed equity	8,712,023	10	(10)	**8,712,023**
Reserves	356,133	–	–	**356,133**
Retained earnings	(8,273,402)	3,878	(4,446)	**(8,273,970)**
Total equity	**794,754**	**3,888**	**(4,456)**	**794,186**

6. SEGMENT ANALYSIS (continued)

Statement of financial position by segment

2025	ARTC $'000	IRPL $'000	Elimination $'000	Consolidated $'000
ASSETS				
Current Assets				
Cash and cash equivalents	27,653	–	–	**27,653**
Trade and other receivables	1,823,631	(1,645,469)	986	**179,148**
Inventories – raw materials	90,952	–	–	**90,952**
Prepayments	13,054	12,500	–	**25,554**
Other financial assets	3,899	5	–	**3,904**
Contract assets	–	1,771,037	(1,771,037)	**–**
Total current assets	1,959,189	138,073	(1,770,051)	**327,211**
Non-current assets				
Trade and other receivables	22,357	–	–	**22,357**
Prepayments	10,743	3,554	–	**14,297**
Property, plant and equipment	3,848,856	13,263	–	**3,862,119**
Deferred tax assets	48,424	4,166	(1,875)	**50,715**
Intangible assets	134,941	2,236	–	**137,177**
Defined benefit plans	773	–	–	**773**
Other financial assets	2,887	–	–	**2,887**
Investments	10	–	(10)	**–**
Total non-current assets	4,068,991	23,219	(1,885)	**4,090,325**
Total assets	6,028,180	161,292	(1,771,936)	**4,417,536**
LIABILITIES				
Current liabilities				
Trade and other payables	114,206	130,186	–	**244,392**
Other provisions	22,584	–	–	**22,584**
Employee provisions	47,829	13,980	–	**61,809**
Other financial liabilities	11,090	516	–	**11,606**
Interest bearing liabilities	15,122	3,544	–	**18,666**
Deferred income	66,597	–	–	**66,597**
Contract liability	1,771,037	–	(1,771,037)	**–**
Total current liabilities	2,048,465	148,226	(1,771,037)	**425,654**
Non-current liabilities				
Other provisions	621	300	–	**921**
Employee provisions	8,185	3,427	–	**11,612**
Other financial liabilities	8,693	–	–	**8,693**
Interest bearing liabilities	1,280,140	6,148	–	**1,286,288**
Deferred income	1,010,518	–	–	**1,010,518**
Total non-current liabilities	2,308,157	9,875	–	**2,318,032**
Total liabilities	4,356,622	158,101	(1,771,037)	**2,743,686**
Net assets	**1,671,558**	**3,191**	**(899)**	**1,673,850**
EQUITY				
Contributed equity	7,462,732	10	(10)	**7,462,732**
Reserves	353,239	–	–	**353,239**
Retained earnings	(6,144,413)	3,181	(889)	**(6,142,121)**
Total equity	**1,671,558**	**3,191**	**(899)**	**1,673,850**

7. REVENUE AND OTHER INCOME

	Consolidated	
	2026 $'000	2025 $'000
Access Revenue		
NSW Heavy Haul Network	**541,064**	528,042
National Network	**322,448**	326,588
Total revenue from contracts with customers	**863,512**	854,630
Incident and insurance recovery	**489**	(6,213)
Government grants and funding	**96,365**	67,381
Other income	**41,224**	45,637
Total other income	**138,078**	106,805
Total revenue and other income	**1,001,590**	961,435

Accounting policy

ARTC generates access revenue through granting of contracted or adhoc train paths to operators covered by either a Track Access Agreement or an Access Holder and Sub-Operator Agreement.

Under AASB 15 there is a distinct performance obligation in a contract for access to the National or NSW Heavy Haul Networks. Revenue is considered variable in nature and transaction prices for access and usage are consistent with the stand-alone selling price. The Group assessed that the point at which the performance obligation is satisfied is over time using the output method and therefore revenue is recorded for the portion of the obligations satisfied at the end of the reporting period.

All access pricing is currently regulated through two separate voluntary access undertakings with the ACCC.

The NSW Heavy Haul Network access revenue is determined on an economic cost basis through application of a Ceiling Limit for each combination of segments in compliance with the parameters of the Hunter Valley Access Undertaking (HVAU).

7. REVENUE AND OTHER INCOME (continued)

Material accounting estimates and judgements

Revenue recognition

The recovery of the economic cost estimate is subject to a compliance assessment by the ACCC, for each completed calendar year, to ensure that the amount recognised is within the guidelines of the HVAU Combinatorial Ceiling Test. As a result, the Group has recognised a refund liability or receivables asset being the estimated under or over recovery tested against the ceiling on an annual calendar year basis giving rise to the recognition of the estimated obligation for receipt or refund of some of the consideration received or receivable.

The Group updates its estimates of each refund liability or receivables asset at the end of each reporting period based on the outcomes of ACCC assessments. Refer to note 12.

Recoveries and costs associated with rail access related incidents

Income attributable to insurance or other recoveries arising from incidents is only recognised where a contractual agreement is in place and receipt of amounts outstanding is virtually certain. Costs of rectification are recognised when incurred in line with the company's accounting policies.

Where the Group has suffered damage to its rail network due to other parties, access agreements require the party in breach should bear responsibility for such loss or damage to the extent of such cause or contribution. The recourse is through reliance on the contractual mechanism supported by commercial negotiation. If this is not successful, legal proceedings are initiated, as appropriate.

Assets are raised when recoveries are virtually certain and not yet received. Provisions are raised for incident costs in line with note 17 noting that future capital works are only provided for on the balance sheet when they are legally obligated to be incurred. Adjustments to income and costs both increasing and decreasing, are made when further information becomes available with assets and liabilities adjusted as required.

8. EXPENSES

The components of expenses were as follows:

	Consolidated	
	2026 $'000	2025 $'000
Employee benefits expenses		
Short-term employee benefits	**443,345**	402,831
Workers' compensation	**3,770**	3,268
Defined benefit plan expense	**33**	25
Less: salaries capitalised[1]	**(152,803)**	(121,768)
Total employee benefits expenses	**294,345**	284,356
Infrastructure maintenance		
Direct maintenance costs	**140,441**	160,290
Expense relating to variable lease payments not included in the measurement of the lease liability[2]	**9,609**	12,738
Total infrastructure maintenance	**150,050**	173,028
Infrastructure costs	**91,615**	84,379
Depreciation and amortisation		
Property, plant and equipment	**197,136**	172,745
Right-of-use assets	**30,094**	27,005
Amortisation	**14,966**	7,513
Total depreciation and amortisation	**242,196**	207,263
Recognition of impairment		
Property, plant and equipment	**2,216,511**	658,037
Total Recognition of impairment	**2,216,511**	658,037
Incident costs[3]	**10,331**	10,622
ICT Service agreements	**23,082**	22,011
Insurance and accreditation	**17,927**	19,021
Other expenses		
Expense relating to short term leases[2]	**224**	373
Expense relating to leases of low value assets[2]	**210**	179
Other[4]	**72,742**	62,999
Total other expenses	**73,176**	63,551
Total expenses	**3,119,233**	1,522,268

1 Expenses capitalised as permitted by AASB 102 Inventories and AASB 116 Property, plant & equipment. Prior year restated to align with current year reporting between employee benefits and infrastructure costs.

2 Expenses recognised as per the application of AASB 16 Leases. Refer to note 15 for the accounting policy.

3 Net incident costs for the year ended 30 June 2026 was a cost of $9.8 million (2025: $16.8 million cost). Refer to note 7 for the accounting policy on incident recoveries.

4 Other expenses consist mainly of Property and related costs of $12.1 million (2025: $11.2 million); and motor vehicle expenses of $12.5 million (2025: $11 million).

Infrastructure maintenance

Infrastructure maintenance of infrastructure assets is classified as major periodic maintenance if it is part of a systematic planned program of works, occurs on a cyclical basis and is significant in monetary value. Major periodic maintenance may include significant corrective works, component replacement programs, and similar activities and these costs are expensed.

Infrastructure costs

Infrastructure costs expensed reflect Infrastructure Project costs that are not capital in nature, e.g. including pre construction concept and feasibility work. As these projects progress it is expected the expense component will reduce, however this is not expected to reduce to nil. Amounts will vary with the specific work undertaken each year.

9. TAXATION

	Consolidated	
	2026 $'000	2025 $'000
Current tax expense	**–**	–
Deferred tax relates to the following:		
Tax losses and offsets available for offsetting against future taxable income	**–**	7,219
Origination or reversal of temporary differences in relation to the following items:		
Property, plant and equipment	**(43,518)**	(24,877)
Other receivables	**(7,268)**	28,598
Interest rate swap	**(4,209)**	3,182
Other	**213**	434
Total income tax expense/(benefit)	**(54,782)**	14,556
Reconciliation of Tax Expense to Income Tax Payable		
Less movements in temporary differences recognised in deferred tax expense:		
Property, plant and equipment	**43,518**	24,877
Other amounts accrued	**11,264**	(32,214)
Recognition/(utilisation) tax losses and offset	**–**	(7,219)
Total movements in temporary differences recognised in deferred tax expense	**54,782**	(14,556)
Income tax payable in respect of financial year	**–**	–
Numerical reconciliation of profit before tax to income tax expense/(benefit)		
Profit from continuing operations before income tax	**(2,186,925)**	(626,586)
Tax at the Group's statutory tax rate of 30%	**(656,077)**	(187,976)
Unrecognised temporary differences	**602,563**	202,339
Amendments and prior year adjustments	**–**	48
Non-taxable items	**(1,268)**	145
Total income tax expense	**(54,782)**	14,556

ARTC had an Effective Tax Rate (ETR) of 2.51% (2025: -2.32%) as a result of the movement in unrecognised temporary differences. Excluding the deferred tax asset recognition issue, the normalised ETR is 30.06% (2025: 29.97%).

The Group's current tax expense for the year ended 30 June 2026 is nil (2025: nil) due mostly to the Group's ability to claim accelerated tax depreciation deductions on infrastructure assets (which have been subject to accounting fair value decrements and impairments) and on NSW lease assets (utilising Division 58 of the *Income Tax Assessment Act 1997*).

Amounts charged or credited directly to equity

	Consolidated	
	2026 $'000	2025 $'000
Deferred income tax related to items charged directly to equity		
Net (loss)/gain on revaluation of land	**313**	–
Net (loss)/gain on defined benefit plan	**(367)**	(346)
Net (loss)/gain on interest rate swap	**2,161**	(3,646)
Net (loss)/gain on foreign exchange hedge	**(739)**	515
	1,368	(3,477)
Deferred income tax charge included in equity comprises:		
(Decrease)/increase in deferred tax liabilities	**1,735**	(3,131)
(Increase)/decrease in deferred tax assets	**(367)**	(346)
	1,368	(3,477)

Deferred tax assets

	Consolidated	
	2026 $'000	2025 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**185,062**	139,850
Defined benefit plan	**–**	–
	185,062	139,850
Movements:		
Opening balance at 1 July	**139,850**	130,888
(Charged)/credited to the Consolidated Income Statement related to tax losses and offsets	**–**	(7,219)
(Charged)/credited to the Consolidated Income Statement related to property, plant and equipment	**45,212**	16,181
(Charged)/credited to the Consolidated Income Statement related to defined benefit fund	**(367)**	(346)
(Charged)/credited to equity related to defined benefit plan	**367**	346
Closing balance at 30 June before set off	**185,062**	139,850
Set off of deferred tax liabilities	**(80,932)**	(89,135)
Net deferred tax asset	**104,130**	50,715

Unrecognised deferred tax assets

We apply judgement to recognise a deferred tax asset and review its carrying amount at each reporting date.

At 30 June 2026, the Group has unrecognised deferred tax assets in relation to temporary differences of $2,566.5m (2025: $2,038.1m). Deductible temporary differences in relation to property, plant and equipment exist as a result of ARTC's ability to claim tax depreciation on its leased assets in NSW under Division 58 of the *Income Tax Assessment Act (1997)* in addition to the cumulative impact of impairments and fair value reductions to the accounting value of infrastructure assets.

The Group has an unrecognised deferred tax asset in relation to a carried forward tax loss of $269.8m (2025: $195.7m). It is not recognised on the basis that there is not sufficient forecast future taxable income against which the loss could be utilised.

The Group also has an unrecognised deferred tax asset in relation to a carried forward capital loss of $1.4m (2025: $1.2m). It is not recognised on the basis that there are no forecast future capital gains against which the loss could be utilised.

9. TAXATION (continued)

Material accounting estimates and judgements

Deferred tax recognition

The Group has recognised a net deferred tax asset as set out in this note in relation to deductible temporary differences to the extent that a deferred tax liability exists in relation to taxable temporary differences, which are expected to reverse over the same periods. In addition, an excess deferred tax asset has been recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The recognition of the net deferred tax asset is considered appropriate following an assessment of the overall forecast accounting profit and taxable income profile of the Group.

Deferred tax liabilities

	Consolidated	
	2026 $'000	2025 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**34,597**	32,591
Other receivables	**45,178**	52,446
Defined benefit fund	**65**	232
Cash flow hedges – interest rate swap	**1,068**	3,116
Cash flow hedges – foreign exchange	**24**	750
Deferred tax liabilities	**80,932**	89,135
Movements:		
Opening balance at 1 July	**89,135**	69,093
Charged/(credited) to the Consolidated Income Statement related to property, plant and equipment	**1,693**	(8,696)
Charged/(credited) to the Consolidated Income Statement related to other receivables	**(7,268)**	28,599
Charged/(credited) to the Consolidated Income Statement related to an interest rate swap	**(4,209)**	3,182
Charged/(credited) to the Consolidated Income Statement related to cash flow hedge – foreign exchange	**13**	12
(Charged)/credited to the Consolidated Income Statement related to defined benefit fund	**(167)**	76
Charged/(credited) to equity related to cash flow hedge – interest rate swap	**2,161**	(3,646)
Charged/(credited) to equity related to cash flow hedge – foreign exchange	**(739)**	515
Charged/(credited) to equity related to land	**313**	–
Closing balance at 30 June before set off	**80,932**	89,135
Set off to deferred tax assets	**(80,932)**	(89,135)
Net deferred tax liability	**–**	–

Accounting policy

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current periods taxable income and any adjustments in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax liabilities (DTLs) are recognised for all taxable temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for taxation purposes.

Deferred tax assets (DTAs) are recognised for all deductible temporary differences, carry forward of unused tax offsets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax offsets and losses can be utilised.

The cumulative impact of impairments and fair value reductions to the accounting value of infrastructure assets, results in significant deductible temporary differences and potential DTAs. The carrying amount of DTAs is reviewed at each reporting date and adjusted to the extent that it is probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised.

DTAs and DTLs are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. DTAs and DTLs are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the DTAs and DTLs relate to the same taxable entity and the same taxation authority.

Tax consolidation

Australian Rail Track Corporation Ltd and its wholly owned Australian controlled entities are consolidated for income tax purposes as of 1 July 2003.

The head entity, Australian Rail Track Corporation Ltd, and the controlled entities in the income tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the stand alone taxpayer approach, consistent with the requirements of Interpretation 1052 – *Tax Consolidation Accounting*, in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the income tax consolidated group. In addition to its own current and deferred tax amounts, Australian Rail Track Corporation Ltd also recognises the current tax liabilities (or assets) and the DTAs arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Tax strategy, risk management and governance

ARTC has a Board approved Tax Governance Policy aligned with its corporate governance framework, which reflects the ASX Corporate Governance Principles and Recommendations, and the Group's low risk appetite. The Policy is supported by procedures and processes to manage tax risk and ensure compliance, and aligns with the Group's business strategy, values and code of conduct.

As a Government Business Enterprise (GBE), ARTC operates in accordance with the *Public Governance, Performance and Accountability Act (2013)* (PGPA Act) and GBE Guidelines, and adopts a low risk approach to taxation having regard to its obligations and interest of its Shareholder. ARTC is committed to paying the right amount of tax, at the right time and in the appropriate jurisdiction, and to transparency in its tax affairs. ARTC has adopted the Australian Taxation Office's "Voluntary Tax Transparency Code" and publishes an annual Tax Transparency Report meeting all minimum and optional disclosure requirements.

Tax planning and relationship with tax authorities

ARTC does not undertake contrived or artificial transactions to obtain tax benefits. All transactions are driven by commercial needs. ARTC undertakes legitimate tax planning to achieve optimal after-tax outcomes, including claiming available deductions, rebates, offsets and credits, and complies with all applicable tax laws and regulations. Professional advice is obtained for significant or complex matters, and where appropriate, ARTC engages with tax authorities on complex or non-routine transactions.

10. CASH FLOWS

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

	Consolidated	
	2026 $'000	2025 $'000
Net profit/(loss) for the year after tax	**(2,132,143)**	(641,142)
Adjustments for:		
Depreciation	**227,230**	199,750
Amortisation	**14,966**	7,513
Recognition of impairment (reversal)/expense	**2,216,511**	658,037
Recognition of government grant income attributable to financing activities	**(56,782)**	(53,399)
Net loss/(gain) on sale of non-current assets	**(865)**	(1,960)
Finance costs including ROU leases interest	**71,596**	72,104
Income tax expense	**(54,782)**	14,556
Net (gain)/loss on leases	**(690)**	(533)
Operating profit before changes in working capital and provisions	**285,041**	254,926
Change in operating assets and liabilities:		
Change in trade debtors and other receivables	**13,843**	(6,723)
Change in inventories	**(12,851)**	3,274
Change in other and held for sale assets	**301**	(4,377)
Change in trade and other payables	**(39,644)**	3,838
Change in other liabilities	**4,656**	(11,702)
Change in provisions	**5,192**	(90,151)
Net cash inflow from operating activities	**256,538**	149,085

		Consolidated	
	Notes	**2026 $'000**	2025 $'000
Right-of-use assets – payments			
Fixed payments (included in lease)		**3,746**	4,086
Variable payments (excluded from lease)	8	**9,609**	12,738
		13,355	16,824

Some of the leases in which the Group is a lessee contain variable lease payment terms that are linked to usage rates of the assets. The breakdown of the Group's total lease payments for these leases are as per above.

	Consolidated	
	2026 $'000	2025 $'000
Cash and cash equivalents		
Cash at hand	**54,032**	27,653
	54,032	27,653

Accounting policy

Cash and cash equivalents comprise demand deposits and highly liquid investments such as term deposits. Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amount of cash and cash equivalents equates to the fair value. The Group's exposure to interest rate, credit risk and rates earned for the above is set out in note 22.

11. RECONCILIATION OF EBITDAI AND EBIT

	Consolidated	
	2026 $'000	2025 $'000
EBIT	**(2,117,643)**	(560,833)
Depreciation	**227,230**	199,750
Amortisation	**14,966**	7,513
Recognition of impairment loss	**2,216,511**	658,037
EBITDAI	**341,064**	304,467

Profit/(loss) from operating activities equates to Earnings before interest and tax (EBIT).

OUR ASSET PLATFORM

This section analyses the primary elements of our asset platform used to generate the Group's financial performance and operating liabilities incurred as a result.

12. TRADE AND OTHER RECEIVABLES

30 June 2026	Total $'000	Non Current $'000	Current $'000	>30 Days $'000	>60 Days $'000	>90 Days $'000	>90 Days (Specific Provision) $'000
Trade Receivables	62,399	–	59,479	934	513	1,275	198
Other Receivables	126,336	30,282	96,054	–	–	–	–
Total	**188,735**	**30,282**	**155,533**	**934**	**513**	**1,275**	**198**
Expected credit loss rate			0.05%	0.30%	0.90%	1.74%	–
Allowance for expected credit loss	(317)		(27)	(3)	(5)	(22)	(260)

Current receivables	158,136
Non-current receivables	30,282
	188,418

Trade receivables are measured at the transaction price determined under AASB 15 and subsequently carried at amortised cost.

Movements in the allowance for expected credit losses of trade receivables are as follows:

	Trade receivables	
	2026 $'000	2025 $'000
Opening balance at 1 July	**(241)**	(293)
Decrease/(Increase) in expected credit loss allowance recognised in profit or loss during the year	**47**	131
Receivables written back/(off) during the year as collectible/(uncollectible)	**46**	11
Change in provision amount	**(169)**	(90)
Closing balance at 30 June	**(317)**	(241)

The creation and release of the allowance for expected credit losses has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Credit quality: Allowance for impairment

The Group has chosen to use the Simplified Approach in determining its expected credit loss allowance for trade receivables, which is made up of accruals or amounts where credit risk is not significant and are assessed using relevant impairment indicators. Under the Simplified Approach, a matrix has been used as the practical expedient to determine expected credit losses on trade receivables. The matrix incorporates forward looking information and historical default rates which has been reassessed in light of the current economy. The inputs to the matrix include revenue, trade receivable collections, trade receivable write-offs and reasons for bad debts. The output of the matrix is an average three year default rate for each aged trade receivable range, with the addition of the specific provision for impaired receivables included. The average default rate is then applied to the aged trade receivable balances at each reporting date to calculate the expected credit loss allowance.

The individually impaired items primarily relate to rental on property where the lessees have fallen behind on lease payments.

The table above provides information about the exposure to credit risk and expected credit losses for trade receivables as at 30 June 2026.

Other receivables

Other receivables are primarily comprised of incident recoveries and receivables in respect of the under recovery of the constrained network coal revenue. Under recoveries on the constrained network coal revenue arise from Compliance Assessments which remain open pending final ACCC determination. Refer to note 7.

Information on credit risk, impairment and fair value of trade and other receivables can be found in note 22.

Material accounting estimate and judgements

Access Revenue – Coal asset

As at 30 June 2026 receivables have been recognised when applicable for the ACCC Compliance Assessments which remain open i.e. relating to the full calendar years 2024, 2025 and the half year to 30 June 2026 for the 2026 calendar year assessment (which is not due for lodgement until 2027).

13. OTHER FINANCIAL ASSETS

	Consolidated					
	2026			2025		
	Current $'000	**Non-current $'000**	**Total $'000**	Current $'000	Non-current $'000	Total $'000
Other financial assets						
Derivative financial instruments	**1,843**	**1,271**	**3,114**	2,502	2,887	5,389
Other assets	**647**	**–**	**647**	1,402	–	1,402
	2,490	**1,271**	**3,761**	3,904	2,887	6,791

Other financial assets

Other financial assets comprise derivative financial instruments and other assets including property bonds.

Accounting policy

Financial assets

Financial assets are classified as either amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification depends on the purpose for which the financial instruments were acquired and characteristics of the contractual terms of the instrument. Please refer to note 22 for policy on derivatives.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus transaction costs in the balance sheet, in the case of a financial asset not at fair value this is through profit or loss.

Subsequent to initial recognition assets held at fair value plus transaction costs are measured at amortised cost using the effective interest method. The Group's financial assets at amortised cost include trade, other receivables and deposits held in trust. The deposit held in trust was released in coordination with the NSW Government following the rescheduling of construction works.

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2026 $'000	2025 $'000
Construction in progress		
At cost	**471,519**	699,854
	471,519	699,854
Freehold land		
At cost	**154,348**	141,703
	154,348	141,703
Buildings		
At cost	**47,853**	45,248
Accumulated depreciation	**(15,755)**	(14,301)
	32,098	30,947
Leasehold buildings		
At cost	**81,472**	78,073
Accumulated depreciation	**(47,068)**	(39,368)
	34,404	38,705
Leasehold improvements – infrastructure		
At valuation	**2,501,894**	2,940,282
Accumulated depreciation	**(736,431)**	(584,005)
	1,765,463	2,356,277
Plant and equipment – infrastructure		
At valuation	**421,264**	583,398
Accumulated depreciation	**(122,851)**	(98,897)
	298,413	484,501
Plant and equipment – other		
At cost	**264,413**	223,898
Accumulated depreciation	**(159,278)**	(138,324)
	105,135	85,574
Motor vehicles		
At cost	**53,552**	46,677
Accumulated depreciation	**(27,259)**	(22,119)
	26,293	24,558
	2,887,673	3,862,119

At 30 June 2026 the Group undertook a fair value assessment using an income method approach as there are no similar market quoted assets for infrastructure assets. The Group undertook an impairment assessment on construction in progress assets prior to their inclusion in the fair value asset grouping. The assessment was made due to an impairment indicator being identified on the project. The recoverable amount under all methodologies was nil resulting in impairment.

At 30 June 2026 the Group undertook an impairment assessment on the construction in progress assets that are not in a fair value asset grouping. The expenditure has been assessed on an individual asset basis in accordance with each identifiable assets highest and best use and compared to market values where available. Where market values were not available, the Group determined the recoverable amount of assets using the income approach. While the assets are expected to make an operating profit on completion, capital recovery will take a significant period of time. As such, this assessment has resulted in impairment. The results of these assessments are shown in the following table.

Recognition/(reversal) of impairment ($'000s)

	National Network	NSW Heavy Haul Network	Construction in progress	Total
For year ended 30 June 2025				
Fair Value Revaluation decrement recognised through the revaluation reserve	–	–	–	–
Fair Value Impairment (reversal)/expense recognised in the Consolidated Income Statement	(49,105)	22,302	–	(26,803)
Impairment expense recognised in the Consolidated Income Statement	–	–	684,840	684,840
	(49,105)	**22,302**	**684,840**	**658,037**
For year ended 30 June 2026				
Fair Value Revaluation decrement recognised through the revaluation reserve	–	–	–	–
Fair Value Impairment expense/(reversal) recognised in the Consolidated Income Statement	574,230	288,118	241,024	1,103,372
Impairment (reversal)/expense recognised in the Consolidated Income Statement	(579)	–	1,113,718	1,113,139
	573,651	**288,118**	**1,354,742**	**2,216,511**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Consolidated	Construction in progress $'000	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000
At 1 July 2024				
Cost or fair value	732,143	110,185	41,216	87,090
Accumulated depreciation	–	–	(12,547)	(43,747)
Net book amount – year ended 30 June 2024	**732,143**	**110,185**	**28,669**	**43,343**
Opening net book amount	732,143	110,185	28,669	43,343
Additions	643,652	31,518	4,111	3,663
Transfers	(53,948)	–	–	–
Impairment expense	(621,993)	–	–	–
Depreciation charge	–	–	(1,833)	(8,301)
Written down value of assets disposed	–	–	–	–
Closing net book amount at 30 June 2025	**699,854**	**141,703**	**30,947**	**38,705**

Consolidated	Construction in progress $'000	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000
Opening net book amount	699,854	141,703	30,947	38,705
Additions	1,680,788	11,251	4,251	4,037
Reversal of impairment expense	–	579	–	–
Transfers	(677,392)	–	–	–
Impairment expense	(1,231,731)	–	–	–
Depreciation charge	–	–	(3,100)	(8,338)
Written down value of assets disposed	–	–	–	–
Revaluation of assets	–	1,042	–	–
Transfer to held for sale assets	–	(227)	–	–
Closing net book amount at 30 June 2026	**471,519**	**154,348**	**32,098**	**34,404**

Leasehold Improvements – Infrastructure $'000	Plant and Equipment – Infrastructure $'000	Plant and Equipment – Other $'000	Motor Vehicles $'000	Total $'000
2,588,834	530,329	195,074	42,159	4,327,030
(439,482)	(79,293)	(124,918)	(20,542)	(720,529)
2,149,352	**451,036**	**70,156**	**21,617**	**3,606,501**
2,149,352	451,036	70,156	21,617	3,606,501
310,654	76,550	31,351	12,046	1,113,545
77,219	(22,642)	(260)	–	369
(36,411)	367	–	–	(658,037)
(144,537)	(20,810)	(15,164)	(9,105)	(199,750)
–	–	(509)	–	(509)
2,356,277	**484,501**	**85,574**	**24,558**	**3,862,119**

Leasehold Improvements – Infrastructure $'000	Plant and Equipment – Infrastructure $'000	Plant and Equipment – Other $'000	Motor Vehicles $'000	Total $'000
2,356,277	484,501	85,574	24,558	3,862,119
346,569	45,371	42,427	11,362	2,146,056
–	–	–	–	579
–	–	–	–	(677,392)
(777,855)	(207,504)	–	–	(2,217,090)
(159,346)	(23,955)	(22,864)	(9,627)	(227,230)
(182)	–	(2)	–	(184)
–	–	–	–	1,042
–	–	–	–	(227)
1,765,463	**298,413**	**105,135**	**26,293**	**2,887,673**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy

Land

Land is initially recognised at cost, which includes the purchase price and all directly attributable costs incurred. After initial recognition, land is carried at cost less impairment. Land with covenants associated with Biodiversity Stewardship Agreements (BSA) are assessed for impairment on an annual basis, and when there are impairment indicators, using a valuation undertaken by an appropriately qualified professional. Land with covenants associated with BSAs are tested annually due to the developing nature of the market for the land. All other land holdings will be assessed if impairment indicators are identified.

Property, plant and equipment

Infrastructure is valued on a fair value basis and subject to revaluation assessment at each reporting date. While all non-infrastructure is on a cost basis and subject to an impairment assessment at each reporting date.

Revaluation

The Group's infrastructure assets are revalued each year end as a result of the fair value assessment. Infrastructure assets are shown at fair value (inclusive of revaluations and impairments) less accumulated depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the Consolidated Balance Sheet, except to the extent that it reverses a revaluation decrement of the same asset previously recognised in the Consolidated Income Statement, in which case the increase is recognised in the Consolidated Income Statement (net of tax). Revaluation increments and decrements recognised are allocated to the infrastructure asset carrying amounts within the asset grouping on a pro rata basis.

The Group elected that the deemed cost of assets on hand at 30 June 2005 was the revalued amount of those assets. Items of property, plant and equipment are either derecognised on disposal or when no further future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated income statement. Upon disposal or derecognition, any revaluation reserve relating to the asset is transferred to retained earnings.

Material accounting estimates and judgements

Fair Value

In order to comply with relevant accounting standards the Group undertook a fair value assessment of its infrastructure assets, the results of which are detailed in this note. Key assumptions when completing the assessment are: forecast data including revenue, expense and capital cash flows and the discount rate used. Therefore, management has reviewed the cash flow to account for any known variables and to ensure a market participant would view the positions taken as reasonable. In addition, the discount rate used is compiled with the support of an external specialist. The Group chooses on occasion to utilise expert valuation reports. The infrastructure assets valued at fair value were measured at level 3, with no transfers between fair value hierarchy levels at the end of the reporting period.

The fair value for infrastructure assets is calculated using the income method approach taking into account the characteristics of the asset that market participants would consider, whereby the measurement reflects current market expectations of future cashflows discounted to their present value for each asset grouping that would be considered reasonable by a normal market participant. The estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects an expert's assessment of current market assessments of the time value of money and the business risk.

All other property, plant and equipment are stated at historical cost less accumulated depreciation, and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items (Infrastructure assets) for the periods ended 30 June 2025 and 30 June 2026 for the Group:

	$'000
Opening balance 1 July 2024	**2,600,388**
Additions	441,781
Impairment included in expenses	(36,044)
Depreciation	(165,347)
Closing balance 30 June 2025	**2,840,778**
Additions	391,940
Impairment included in expenses	(985,359)
Disposals	(182)
Depreciation	(183,301)
Closing balance 30 June 2026	**2,063,876**

Valuation inputs and relationships to fair value

The following table summarises the information about the significant unobservable inputs used in level 3 fair value infrastructure asset measurements. See above for the valuation techniques adopted.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the cashflow forecasts for each business unit which is comprised of the relevant CGUs. Risk adjustments are made and terminal value calculations are completed either on a probability basis or the Gordon growth method.	– Forecast annual revenue, – Maintenance and capital expenditure, – Risk-adjusted discount rate, – Terminal growth rate.	The estimated fair value would increase (decrease) if: – the annual revenue growth rate was higher (lower); – if maintenance and capital expenditure were lower (higher); – if the risk-adjusted discount rate were lower (higher); – or if terminal growth rates were higher (lower). Generally, a change in the annual revenue growth rate is accompanied by a directionally similar change in maintenance and capital expenditure.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Valuation processes

The asset groupings for fair value have been assessed as NSW Heavy Haul and National Networks.

The main level 3 inputs used by the Group for this process are derived and evaluated as follows:

- Due to the long life of the asset base of the business, cash flows are considered for the ACCC approved remaining mine life for NSW Heavy Haul and 20 years for the National Network.
- National Network comprises the East-West and North-South corridors, the underlying cash flows are compiled on the basis that the CGUs operate as combined.
- Expected cash flows are based on the terms of existing contracts, along with the entity's knowledge of the business and assessment of the likely economic, climate and risk environment impacts. The most likely forecast cashflow impact of resilience programs is incorporated based on the information available at the time of valuation. Cash flows are then adjusted to account for an expected arm's length market participant's view of cash flow risks.
- Growth rates for income are derived from the underlying contract data, GDP growth rates, inflation estimates, pricing and market contraction assumptions. Long term average growth rates used range from 0.4% to 4.7% (2025: 0.4% to 4.3%).
- Terminal valuation probabilities include an annual assessment of climate, other emerging environmental and market risk impacts.
- An external expert is used to determine a nominal post-tax weighted average cost of capital and valuation range that reflects current market assessments of the time value of money and the risks specific to the relevant networks. As at 30 June 2026, the range determined across all networks is 7.1%-8.3% (2025: 6.8%-8.0%). The valuation adopted is the mid of the range applicable to each network.

It should be noted that equity funding is excluded from the valuation process as required by Australian accounting standards.

Summarised sensitivity analysis

For the fair values of infrastructure assets, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects:

	Fair Value Impact			
	2026		2025	
	Increase $'000	**Decrease $'000**	Increase $'000	Decrease $'000
Annual revenue (1% revenue movement p.a.)	**118,531**	**(118,697)**	118,705	(118,750)
Maintenance and capital expenditure (1% cost movement p.a.)	**(57,123)**	**57,122**	(45,056)	45,075
Discount rate (+/– 100bps movement)	**(280,814)**	**389,615**	(341,010)	459,204
Terminal growth rate (+/– 100bps movement)	**126,138**	**(90,416)**	129,888	(90,898)

The impact of the above sensitivities of the infrastructure asset value in percentage terms would be as follows:

	2026		2025	
	Increase %	**Decrease %**	Increase %	Decrease %
Annual revenue (1% revenue movement p.a.)	**12.0**	**(12.0)**	5.2	(5.2)
Maintenance and capital expenditure (1% cost movement p.a.)	**(5.8)**	**5.8**	(2.0)	2.0
Discount rate (+/– 100bps movement)	**(28.4)**	**39.3**	(14.8)	20.0
Terminal growth rate (+/– 100bps movement)	**12.7**	**(9.1)**	5.7	(4.0)

Cost

Subsequent capital costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Income Statement during the financial period in which they are incurred.

Depreciation

Land is not depreciated. The cost of improvements to or on leasehold properties is amortised over the expected lease term or the estimated useful life of the improvement to the Group, whichever is the shorter. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Maximum Useful Life*

Infrastructure assets

Ballast 60 years

Bridges 100 years

Culverts 100 years

Rail 110 years

Sleepers 70 years

Signals and Communications 30 years

Turnouts 60 years

Tunnels 100 years

Non-infrastructure assets

Buildings 50 years

Information technology and other equipment 4 years

Motor vehicles 5 years

Other equipment 40 years

*Depending on the age and location of particular assets, the useful life may vary. The maximum economic useful lives are reviewed at the end of each financial year end and adjusted if required.

Capital work in progress and capitalisation

Work in progress comprises expenditure on incomplete capital works. Expenditure on the acquisition of new infrastructure assets are transferred when these new assets are ready for economic use.

Infrastructure assets in the course of construction are classified as capital work in progress. Capital works in progress are recorded at cost less impairment, including borrowing costs capitalised where applicable and are not depreciated until they have been completed and the assets are ready for economic use.

Impairment

The carrying amounts of the Group's non-financial assets, other than inventories, deferred tax assets and infrastructure assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated. An impairment expense is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds it recoverable amount.

The recoverable amount of non-infrastructure assets is determined based on the fair value less costs of disposal. If infrastructure assets were stated on the historical cost basis less impairment, the amounts would be as follows:

	Consolidated	
	2026 $'000	2025 $'000
Infrastructure assets		
Plant and Equipment		
Cost less impairment	**1,075,456**	1,029,718
Accumulated depreciation	**(160,512)**	(145,819)
Net book amount	**914,944**	883,899
Leasehold Improvements		
Cost less impairment	**7,008,276**	6,712,445
Accumulated depreciation	**(1,034,213)**	(885,982)
Net book amount	**5,974,063**	5,826,463

15. LEASES

Group as a Lessee

ARTC assesses whether a contract is or contains a lease, at inception of a contract. ARTC recognises a right-of-use (ROU) asset and a corresponding lease liability at commencement date with respect to all lease agreements in which it is the lessee, except where there is a lease exclusion.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (AUD$10,000 or less when new), ARTC has opted to recognise a lease expense on a straight line basis as permitted by AASB 16.6. This expense is presented within other expenses in profit or loss.

Arrangements not assessed as leases under AASB 16 are charged to the Consolidated Income Statement on a straight line basis over the period of the arrangement. For leases of intangible assets, ARTC has opted to continue to apply AASB 138 Intangible Assets as permitted by AASB 16.4.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, ARTC uses the incremental borrowing rates determined by applying the debt-linked component in its WACC as a proxy for the discount rate.

Lease payments included in the measurement of the lease liability comprise:

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

The lease liability is presented within ‘interest bearing liabilities’ in the Consolidated Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

ARTC remeasures the lease liability by discounting the revised lease payments using a revised discount rate (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the amount expected to be payable under a residual value guarantee has changed due to a change in a floating interest rate.
- the lease term has changed or there is a change in the assessment of exercise of a purchase option.
- a lease contract is modified and the lease modification is not accounted for as a separate lease. ARTC remeasures the lease liability by discounting the revised lease payments using the initial discount rate when the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value (unless the lease payments change is due to a change in a floating interest rate).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment.

Whenever ARTC incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If a lease transfers ownership of the underlying asset, the related right-of-use asset is depreciated over the useful life of the underlying asset starting at the commencement date of the lease. The right-of-use assets are presented with ‘property, plant and equipment’ in the Consolidated Balance Sheet.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. ARTC has not applied this practical expedient. Information about leases for which the Group is a lessee is presented below.

The Group leases several assets including buildings, equipment (including 4G equipment) and motor vehicles. The average lease term is 4.3 years (2025: 4.2 years). The Group has options to extend for an additional period at the end of the lease term for a number of contracts. Where the Group is reasonably certain to exercise the option, the measurement of the right-of-use assets and lease liability takes into account payments made during the extended period.

At 30 June 2026, the Group is committed to $0.2m (2025: nil) for short-term leases and $9.5m (2025: $2.7m) for leases for which the contract terms have been agreed but the lease has not yet commenced.

Additions to right-of-use assets during the financial year were $14.7m (2025: $68.1m).

Right-of-use assets presented as Property, Plant and Equipment and Intangibles (see note 14 and 16)

	Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Land Usage Rights* $'000
Balance at 1 July 2024	**25,912**	**67,969**	**21,617**	**527**
Depreciation/amortisation charge for the year	(7,484)	(10,416)	(9,105)	(711)
Additions to the right-of-use assets	3,422	50,364	12,046	2,236
Balance at 30 June 2025	**21,850**	**107,917**	**24,558**	**2,052**
Balance at 1 July 2025	**21,850**	**107,917**	**24,558**	**2,052**
Depreciation/amortisation charge for the year	(7,319)	(13,147)	(9,627)	(1,462)
Additions to the right-of-use assets	1,928	20	11,362	1,373
Balance at 30 June 2026	**16,459**	**94,790**	**26,293**	**1,963**

*asset categorised as intangible.

		Consolidated	
	Notes	**2026 $'000**	2025 $'000
Amounts recognised in the Comprehensive Income Statement			
Interest on lease liabilities	23	**4,250**	4,450
Expense relating to short term leases	8	**224**	373
Expense relating to leases of low value assets*	8	**210**	179
		4,684	5,002
Amounts recognised in the Statement of Cash Flows			
Fixed payments (included in lease)**		**3,746**	4,086
Variable payments (excluded from lease)		**9,609**	12,738
Cash flow impact for leases with variable and fixed components		**13,355**	16,824

*excluding short term leases of low value assets.

**Variance in current year fixed payments due to a variability of the timing of cash payments, with the extra payment being made next year.

15. LEASES (continued)

Group as a Lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

Rental income arising is accounted for on a straight line basis over the lease terms and is included in revenue in the Consolidated Statement of Income due to its operating nature.

ARTC enters into lease agreements as a lessor with respect to some of its properties. Leases for which ARTC is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When ARTC is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of ARTC's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on ARTC's net investment outstanding in respect of the leases.

16. INTANGIBLE ASSETS

Consolidated	Computer Software $'000	Land Usage Rights $'000	Biodiversity Credits $'000	Other $'000	Total $'000
At 1 July 2024					
Cost	36,078	47,666	120,462	55,778	259,984
Accumulated amortisation	(30,590)	(10,254)	–	(43,696)	(84,540)
Net book amount	**5,488**	**37,412**	**120,462**	**12,082**	**175,444**
Year ended 30 June 2025					
Opening net book amount as at 1 July	5,488	37,412	120,462	12,082	175,444
Additions	743	2,236	24,214	–	27,193
Amortisation charge	(2,109)	(1,632)	–	(3,772)	(7,513)
Transfers*	–	–	(57,947)	–	(57,947)
Closing net book amount	**4,122**	**38,016**	**86,729**	**8,310**	**137,177**
At 30 June 2025					
Cost	36,589	49,530	86,729	55,779	228,627
Accumulated amortisation	(32,467)	(11,514)	–	(47,469)	(91,450)
Net book amount	**4,122**	**38,016**	**86,729**	**8,310**	**137,177**
Year ended 30 June 2026					
Opening net book amount as at 1 July	4,122	38,016	86,729	8,310	137,177
Additions	11,803	1,373	–	–	13,176
Amortisation charge	(8,812)	(2,382)	–	(3,772)	(14,966)
Transfers*	–	–	(6,976)	–	(6,976)
Closing net book amount	**7,113**	**37,007**	**79,753**	**4,538**	**128,411**
At 30 June 2026					
Cost	48,392	50,903	79,753	55,779	234,827
Accumulated amortisation	(41,279)	(13,896)	–	(51,241)	(106,416)
Net book amount	**7,113**	**37,007**	**79,753**	**4,538**	**128,411**

*Biodiversity credit costs are transferred when utilised to settle obligations under the NSW Biodiversity Offset Scheme and associated legislation.

Accounting policy

Intangible assets

Computer software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of computer software over its estimated useful life of four years.

ARTC recognises corridor land access rights when costs are incurred to obtain land which ARTC does not retain title to but through operating agreements has the ability to utilise the land. Under operating arrangements, ARTC may provide funds to other government bodies to acquire additional land holdings to enable the infrastructure to be expanded. ARTC is not entitled to be reimbursed for this expenditure but has the right to use the land. These land rights have a finite useful life, expiring in conjunction with the relevant network operating arrangements and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of land rights over its estimated useful life.

Within intangible assets, other land access rights exist for land that has been leased by the Group. These are accounted for as ROU leases and their asset lives are recorded in line with the signed contract.

Biodiversity credits are carried at cost less impairment and have indefinite lives.

Other intangible assets relate to contractual rights in relation to a wholesale access agreement which provides a pricing cap over the third party infrastructure asset between Kalgoorlie and Perth which completes track access between the east and west coast of Australia. These rights have a finite useful life and amortisation is calculated using the straight line method to allocate cost over the estimated useful life of 14.6 years.

Annual impairment considerations are performed as part of the impairment analysis in note 14.

17. OTHER PROVISIONS

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

2026	Restructuring Costs $'000	Incidents $'000	Make Good $'000	Other $'000	Total $'000
Carrying amount at 1 July	–	22,584	921	–	**23,505**
Additional provisions recognised	935	10,331	–	1,050	**12,316**
Amounts used during the year	–	(12,390)	(235)	–	**(12,625)**
Carrying amount at 30 June	**935**	**20,525**	**686**	**1,050**	**23,196**

Information about individual provisions and significant estimates

As required by Accounting Standards, the Group notes that future capital works estimated at $10.8m (2025: $3.1m) will be required due to incidents that are not included in the above provision. These are excluded in the provisioning as the expenditure is not as yet legally obligated to be incurred.

Other provision classes relate to restructuring costs, make good contractual obligations for restoration of leased buildings, legal claims and contract negotiation costs.

Accounting policy

Provisions

Provisions for legal claims, restructuring, incident provisions, service warranties, contract negotiation fees and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses or capital improvements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date.

17. OTHER PROVISIONS (continued)

Material accounting estimates and judgements

Incident recognition

The provision for incidents recognises the Group's estimated liability with respect to costs associated with damage caused by incidents such as force majeure events, derailments and extreme weather with potential for third party and/or insurance recoveries to be recognised as an asset when virtually certain. Significant judgement is required to estimate the cost to repair damaged assets due to the nature of incidents.

18. COMMITMENTS AND CONTINGENCIES

Capital commitments

At 30 June 2026, the Group has commitments in the order of $1,143.4m (2025: $1,480.6m) relating to the investment program that the Group will be undertaking in the coming years.

The Group has committed to improving the rail infrastructure through a range of projects such as Inland Rail, while renovating and rebuilding the corridor assets to enhance performance.

Lease commitments: Group as the lessor

The Group has entered into various property leases with terms of the lease ranging from one year to indefinite. The future minimum lease payments receivable under operating leases are as follows:

	Consolidated	
	2026 $'000	2025 $'000
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as assets, receivable:		
Within one year	**6,692**	5,642
Later than one year but not later than five years	**17,432**	15,239
Later than five years	**16,317**	11,531
	40,441	32,412

Contingencies

The Group accounts for costs associated with rectifying rail infrastructure related incidents following their occurrence. Income from subsequent insurance and other recoveries is recognised only when a contractual arrangement is in place and receipt of the income is virtually certain. As a result, certain potential insurance and/or other recoveries have not been recognised at year end, as their ultimate collection is not considered virtually certain.

As part of the review of the Inland Rail project following the Government's announcement in the May 2026 Federal Budget, several components of the project are being considered. Accordingly, potential changes to contract arrangements may result in a future obligation. However, it is not possible to quantify or define the specific obligations at this point in time.

OUR PEOPLE

This section describes a range of employment and post employment benefits provided to our people.

19. EMPLOYEE BENEFITS

	Consolidated	
	2026 $'000	2025 $'000
Net defined benefit (asset)/liability	**(216)**	(773)
Short term employee benefits provision	**67,179**	61,809
Long term employee benefits provision	**11,743**	11,612
	78,706	72,648
Current liability	**67,179**	61,809
Non-current assets	**(216)**	(773)
Non-current liabilities	**11,743**	11,612
	78,706	72,648

Accounting policy

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised 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.

Long-term obligations

The liability for long service leave and associated on-costs is accumulated from the date of commencement. They are measured at the amounts expected to be paid when the liabilities are settled and discounted to determine their present value. Consideration is given to expected future wage and salary levels with an allowance for expected future increases.

Annual leave is measured on a discounted basis utilising high quality corporate bond rates when there is an expectation of the leave not being taken within 12 months. Otherwise they are measured at the amounts expected to be paid when the liabilities are settled.

Defined benefit plans

There are three defined benefits schemes that a small number of employees belong to: the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS).

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-contributory Superannuation Scheme Act 1987*, and their associated regulations.

All schemes are closed to new members.

19. EMPLOYEE BENEFITS (continued)

Movement in net defined asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit asset and its components.

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2026 $'000	2025 $'000	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000
Balance as at 1 July	**(34,314)**	(34,227)	**35,087**	34,747	**773**	520
Included in Consolidated Income Statement						
Current service cost	**(68)**	(87)	**–**	–	**(68)**	(87)
Interest on the effect of asset ceiling	**–**	–	**(25)**	–	**(25)**	–
Interest expense/(income)	**(1,764)**	(1,818)	**1,824**	1,886	**60**	68
	(1,832)	(1,905)	**1,799**	1,886	**(33)**	(19)
Included in Other Comprehensive Income						
Change in the effect of asset ceiling*	**–**	–	**(3,268)**	–	**(3,268)**	–
Return on plan assets excluding interest income	**–**	–	**1,064**	1,247	**1,064**	1,247
Actuarial loss (gain) arising from assumptions and experience	**980**	(2,405)	**–**	–	**980**	(2,405)
	980	(2,405)	**(2,204)**	1,247	**(1,224)**	(1,158)
Contributions						
Employers	**–**	–	**700**	1,430	**700**	1,430
Plan participants	**(105)**	(126)	**105**	126	**–**	–
Benefits paid	**5,468**	4,349	**(5,468)**	(4,349)	**–**	–
Balance as at 30 June	**(29,803)**	(34,314)	**30,019**	35,087	**216**	773

*Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

Accounting policy

Defined benefit plan

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are recognised in the period in which they occur, in other comprehensive income. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The net defined benefit asset or liability recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, less the fair value of the plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

High quality corporate bond rates have been utilised when discounting employee benefit liabilities as of 30 June 2026.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2024. The next actuarial investigation will be performed as at 30 June 2027.

Contributions to defined benefit plans for the year ending 30 June 2026 are $0.7m. Following the triennial review of the Defined Benefit Fund as at 30 June 2026, it was determined that ARTC employer contributions would reduce to zero termed as a payment holiday and be subject to ongoing annual review.

The weighted average duration of the defined benefit obligation is 11.3 years (2025: 11.2 years).

Material accounting estimates and judgements

Defined benefit plan

Various actuarial assumptions are required when determining the Group's defined benefit obligations that are highlighted in this note.

Actuarial assumptions and sensitivity

Actuarial assessment undertaken by Mercer as at 30 June 2026 contains the following significant independent actuarial assumptions (expressed as weighted averages):

	Consolidated	
	2026	2025
Discount rate	**5.9%**	5.4%
Rate of CPI increase	**2.8%**	2.6%
Future salary increases	**3.5%**	3.5%

The pensioner mortality assumptions are those used for the 2024 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available on the trustee's website. The report shows the pension mortality rates for each age.

Scenarios related to changes to the discount rate (effectively investment return), salary growth rate and rate of CPI increase relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios related to pensioner mortality relate to sensitivity to demographic assumptions. The assumption as to the expected rate of return on assets is determined by weighing the expected long term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

19. EMPLOYEE BENEFITS (continued)

Actuarial assumptions and sensitivity (continued)

The sensitivity of the total defined benefit obligation as at 30 June 2026 under several scenarios is shown below.

		Impact on defined benefit obligation			
	Change in assumption	**Increase in assumption**		**Decrease in assumption**	
		2026 $'000	2025 $'000	**2026 $'000**	2025 $'000
Discount rate	0.5%	**1,331**	1,545	**(1,220)**	(1,409)
Salary growth rate	0.5%	**116**	181	**(113)**	(176)
Rate of CPI increase	0.5%	**1,266**	1,400	**(1,164)**	(1,280)
Pensioner mortality rate	Higher mortality** /Lower mortality*	**493**	485	**(516)**	(508)

*Assumes mortality rates, including future improvements, are as if the pensioner were 1 year younger than actual.

**Assumes mortality rates, including future improvements, are as if the pensioner were 1 year older than actual.

All funding and valuation information has been advised by Mercer as per AASB 119. There are a number of risks to which the Fund exposes the employer. Investment risk, longevity, pension indexation, salary growth and legislative risk are the more significant risks relating to the defined benefits. The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix.

Further disclosures have not been included by ARTC for the Pooled Fund as the impact is not material to the Financial Statements. No known plan amendments, curtailments or settlements which would affect ARTC's liability or contribution to the schemes have occurred in the year.

20. KEY MANAGEMENT PERSONNEL

	Consolidated	
	2026 $	2025 $
Short-term employee benefits	**7,226,485**	5,811,234
Post-employment benefits	**393,764**	333,187
Other long-term benefits	**63,018**	93,644
Termination benefits	**594,482**	246,836
	8,277,749	6,484,901

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The prior year disclosure has been updated to correct a $54,000 error in short term employee benefits. The correction has been applied in accordance with *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors*.

Remuneration to Non-Executive Directors for the year end 30 June 2026 was $941,570 (2025: $763,372).

OUR FUNDING STRUCTURE AND MANAGING OUR RISKS

As a result of its operations, the Group is exposed to multiple forms of risk. This section sets out the nature of the financial risks and their quantification and management. This section also sets out the strategies and practices the Group utilises to minimise the exposure to these risks in order to execute our Group strategy as well as outlining the current Group funding structure.

21. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- safeguard the ability to continue as a long-term going concern (refer to note 5), so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital, and comply with Government Business Enterprise (GBE) guidelines.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Gearing ratios are one component considered when ensuring compliance with the GBE guidelines. The gearing ratios were as follows:

		Consolidated	
	Notes	**2026 $'000**	2025 $'000
Trade and other payables		**216,840**	244,392
Interest bearing liabilities	23	**1,359,379**	1,304,954
Less cash and cash equivalents	10	**(54,032)**	(27,653)
Net debt		**1,522,187**	1,521,693
Total equity		**794,186**	1,673,850
Adjusted equity		**2,316,373**	3,195,543
Net debt to adjusted equity ratio		**65.7%**	47.6%

22. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, banking facilities, cash, short term deposits and derivatives. The carrying amount equates to the fair value of the financial instruments.

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework, including establishing a Treasury Policy to manage risks relating to Treasury activities. Management provides updates to the Audit, Finance and Risk Committee, which oversees adequacy, quality and effectiveness of governance and financial risk management. In addition, recurring monitoring of Treasury activities is undertaken by the Financial Governance Committee, a committee reporting to the CEO.

The Group's activities expose it to the financial risks shown below. The Group's current activities do not expose it to price risk. The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Derivative financial instruments are exclusively used for hedging purposes, that is, not as trading or other speculative instruments. The Group uses different methods to identify and measure various different types of risk to which it is exposed.

Market risk

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions such as purchases of equipment and supplies denominated in foreign currency. All significant foreign currency payments require Treasury to assess and mitigate the Group's foreign exchange risk. Forward exchange contracts are generally used to manage foreign exchange risk predominantly denominated in USD and Euro.

During the year ended 30 June 2026 there was $0.1m of cash flow hedge balances released from equity to the income statement (2025: $0.3m). There was no hedge ineffectiveness in the current year expensed to the income statement (2025: nil).

Interest rate risk

The Group's policy is to invest its available cash reserves with due regard to the timing and magnitude of operational cash flow requirements. As at reporting date, all cash reserves are being held as cash. The Group has borrowings through its Syndicated Debt Facility which have variable interest rates.

The Group manages its interest rate risk on a portfolio basis by entering into and designating interest rate related authorised hedging instruments as hedges. The objective is to reduce the impact of material adverse interest rate movements arising from the Group's borrowings and minimise volatility in interest costs for the business. Interest rate hedging levels are based on assessment of core debt requirements and duration of debt holdings.

As at 30 June 2026, the Group had interest rate swap agreements in place with a notional value of $458.1 million (2025: $785.1 million restated). The swaps are being used to hedge the base rate (BBSY) of the Group's floating rate unsecured banking facility.

	Notional ($m)	Rate		Fair Value Asset ($m)
		Payable	Receivable	
6 Interest Rate Swaps	118.8	Fixed 1.574%*	Variable 3mth BBSY	1.7
2 Interest Rate Swaps	131.3	Fixed 3.569%**	Variable 3mth BBSY	1.3
2 Interest Rate Swaps	208.0	Fixed 4.592%***	Variable 3mth BBSY	(0.4)
	458.1			**2.6**

*The fixed rate of 1.574% includes credit and execution charges of 0.010%.

**The fixed rate of 3.569% includes credit and execution charges of 0.025%.

***The fixed rate of 4.592% includes credit and execution charges of 0.015%.

Details of the accounting policy follow after the maturity analysis.

Sensitivity analysis – interest rate

	Interest rate risk			
	-0.5%		+0.5%	
	Profit $'000	Equity $'000	Profit $'000	Equity $'000
30 June 2026				
Financial assets				
Cash and cash equivalents	(270)	(270)	270	270
Total increase/(decrease) in financial assets	**(270)**	**(270)**	**270**	**270**
Financial liabilities				
Interest Bearing Liabilities	2,964	2,964	(2,964)	(2,964)
Total increase/(decrease) in financial liabilities	**2,964**	**2,964**	**(2,964)**	**(2,964)**
Net increase/(decrease)	**2,694**	**2,694**	**(2,694)**	**(2,694)**
30 June 2025				
Financial assets				
Cash and cash equivalents	(138)	(138)	138	138
Total increase/(decrease) in financial assets	**(138)**	**(138)**	**138**	**138**
Financial liabilities				
Interest Bearing Liabilities	2,795	2,795	(2,795)	(2,795)
Net increase/(decrease)	**2,657**	**2,657**	**(2,657)**	**(2,657)**

This analysis assumes all other variables are constant. All bonds are issued at fixed rates and excluded from the above analysis. Foreign currency derivatives balances were low or nil in both the current and previous financial periods and therefore excluded from the above sensitivity analysis.

22. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Risk management

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount. Default arises when, in management's view, debts are considered no longer collectable.

Credit risk is managed on a Group basis. Credit risk arises predominantly from trade and other receivables and a very minimal amount from cash and cash equivalents. The Group does not hold any credit derivatives to offset its credit exposure.

The Group's Treasury Policy mitigates credit risk including risk related to cash and cash equivalents by outlining the approach to the management of counterparty credit risk as approved by the Board. The Group generally utilises large banks with credit ratings in the AA and A rating bands, and therefore as a result credit risk is very minimal on cash and cash equivalents.

The Group's policy is that all customers enter into access agreements meeting the terms and conditions as set out in the agreement before entering the Group's rail network and receiving any trade credit facilities.

The Group's exposure to bad debts has been historically low and statistically insignificant which has continued this year. The Group does have significant concentration of credit risk associated with major customers providing a high proportion of access revenue. Bad debt provisions are assessed on an individual basis in addition to an expected credit loss calculation. Information on the credit quality of the trade and other receivables can be found in note 12.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of committed credit facilities to support funding requirements and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining adequate liquidity reserves to support forecast net business expenditure requirements for a minimum of 12 months on a rolling monthly basis.

The Group has senior unsecured bank facilities in place of $1,400 million, comprised of a five year $500 million revolving syndicated loan facility maturing in May 2030, a five year $500 million revolving syndicated loan facility maturing in June 2031, a two year $400 million revolving syndicated loan facility maturing in June 2028. As at 30 June 2026, $842.0 million of bank facilities were drawn (2025: $778.0m).

The Group has a $2,000.0 million program established in May 2024 under which one $450.0 million bond is currently issued (2025: $450.0m), maturing in June 2031.

The Group also has access to business card facilities of $5m (2025: $5m).

Maturities of financial liabilities based on contractual maturities

The following tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual principal and accrued interest undiscounted cash flows.

	Less than 6 months	6-12 months	Between 1 and 5 years	Over 5 years	Total cash-flows
At 30 June 2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities					
Trade and other payables	216,840	–	–	–	216,840
Bond issue	12,596	12,596	100,764	–	125,956
Borrowings	845,138	–	–	–	845,138
Other financial liabilities	11,867	83	5,646	343	17,939
Lease liability	11,456	10,641	46,696	7,280	76,073
Total financial liabilities	**1,097,897**	**23,320**	**153,106**	**7,623**	**1,281,946**
30 June 2025					
Financial liabilities					
Trade and other payables	244,392	–	–	–	244,392
Bond issue	12,596	12,596	100,764	475,191	601,147
Borrowings	787,670	–	–	–	787,670
Other financial liabilities	11,606	–	8,337	356	20,299
Lease liability	11,581	10,715	50,075	12,637	85,008
Total financial liabilities	1,067,845	23,311	159,176	488,184	1,738,516

The above maturity for borrowings is not based on the facility maturity date, rather the individual drawing maturity dates, as stated in the previous liquidity risk section. This demonstrates when ARTC has the choice to either extend or repay the individual drawings on the facility.

Accounting policy

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other than derivatives, all financial liabilities are accounted for using amortised cost.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. The Group only currently utilises cash flow hedges to hedge exposure to variability in cash flows such as forecast foreign currency transactions and variable interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value with any gain or loss on remeasurement being recognised through other comprehensive income and later reclassified to profit or loss when the hedge item affects profit or loss. Any hedging ineffectiveness is recognised through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of the hedging transaction, the Group formally designates and documents each hedge in line with Treasury Policy. Where a hedge qualifies for hedge accounting, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess the hedged item's fair value or cash flows attributable to the hedged risk. Hedge accounting allows the matching of the gains and losses on hedged items and associated hedging instruments in the same accounting period to minimise volatility in the income statement. In all our hedge relationships, the critical terms of the hedging instrument and hedged item are generally aligned. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine their effectiveness.

23. INTEREST BEARING LIABILITIES

	Consolidated					
	2026			2025		
	Current $'000	**Non-current $'000**	**Total $'000**	Current $'000	Non-current $'000	Total $'000
Bonds – maturing:						
12 June 2031	**–**	**449,342**	**449,342**	–	449,008	449,008
Syndicated debt facility	**–**	**843,856**	**843,856**	–	782,736	782,736
Lease liabilities	**18,924**	**47,257**	**66,181**	18,666	54,544	73,210
	18,924	**1,340,455**	**1,359,379**	18,666	1,286,288	1,304,954

Changes in liabilities

			Non-cash changes		
Consolidated	**1 July $'000**	**Cashflow $'000**	**Transfer $'000**	**Other $'000**	**30 June $'000**
Financial liabilities					
2026					
Current					
Interest bearing liabilities	**18,666**	**258**	**–**	**–**	**18,924**
Non-Current					
Interest bearing liabilities	**1,286,288**	**54,167**	**–**	**–**	**1,340,455**
	1,304,954	**54,425**	**–**	**–**	**1,359,379**
2025					
Current					
Interest bearing liabilities	140,673	(122,007)	–	–	18,666
Non-Current					
Interest bearing liabilities	1,002,021	284,267	–	–	1,286,288
	1,142,694	162,260	–	–	1,304,954

The cashflow movement (excluding lease liabilities) of $54.4m (2025: $162.3m) differs from the variance between the balances above due to the impact of effective interest. The cashflow movement on lease liabilities of $26.2m does not relate to the current component of lease liabilities due to additions, variations and terminations in the year.

Other movements include lease liability additions in the year and effective interest elements.

Finance costs

	Consolidated	
	2026 $'000	2025 $'000
Financing costs – borrowings	**67,346**	67,654
Lease liability interest	**4,250**	4,450
	71,596	72,104

Accounting policy

Finance costs

Borrowings are initially recognised at fair value, net of directly attributable transaction costs incurred and thereafter at amortised cost.

Borrowing costs on bonds, including fees paid on establishment, are recognised as they accrue using the effective interest method. This is a method of calculating the amortised cost of a financial liability and allocating the interest and other costs over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial liability to the net carrying amount of the financial liability.

Syndicated Debt Facility borrowing costs are recognised as they accrue using the effective interest method, however the fees and interest applicable have different durations to the facility and the variable rates are linked to the market. As a result the shorter period is utilised to undertake the recognition of the individual components of the borrowing costs. As the duration is generally shorter than a year, there is generally no difference between effective interest method and straight line recognition.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

From time to time the Group may undertake short term borrowings, such as bridging facilities for contingency or other purposes, and to the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Refer to the lease liability interest accounting policy in note 15.

24. DEFERRED INCOME

	Consolidated					
	2026			2025		
	Current $'000	**Non-current $'000**	**Total $'000**	Current $'000	Non-current $'000	Total $'000
Government grants	**74,024**	**945,195**	**1,019,219**	66,461	1,010,518	1,076,979
Other deferred income	**1,758**	**–**	**1,758**	136	–	136
	75,782	**945,195**	**1,020,977**	66,597	1,010,518	1,077,115

The Government grants received primarily arise from rail projects delivered under the Infrastructure Investment Program, including the Inland Rail project, to improve efficiency and safety of the National Land Transport Network. Previously the Group has been awarded other grants from the Government of Victoria and other state funded projects.

24. DEFERRED INCOME (continued)

Accounting policy

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Where the grants have attached conditions and/or are project specific, they are recognised at their fair value and initially credited to deferred income upon receipt, then recognised in the Consolidated Income Statement over the period necessary to match them with the costs that they are intended to compensate. Where those grants relate to expenditure that is to be capitalised, they are credited to the Consolidated Income Statement on a straight line basis over the expected lives of the related assets from the date of commissioning. Grants that compensate the Group for expenses incurred are recognised in the Consolidated Income Statement on a systematic basis in the periods in which expenses are recognised e.g. Inland Rail project.

Biodiversity Stewardship Agreement (BSA)

A BSA is a legal agreement between the Biodiversity Conservation Trust (BCT) and landowner to establish a biodiversity site to enable the generation of biodiversity credits (recognised as intangible assets as per note 15). It sets out the actions that need to be taken by the landowner to improve and maintain biodiversity values into perpetuity, the cost to improve and maintain the land (Total Fund Deposit – TFD) and the biodiversity credits that can be generated from doing so.

Once the TFD is paid in full to the BCT, it triggers an active management phase whereby the landowner has an ongoing annual obligation to satisfy the management actions outlined in the BSA. Management actions are pre-defined actions agreed between the landowner and the BCT for improving the biodiversity of the land and maintaining the desired level of biodiversity into the future. At this point in time, the landowner will also be entitled to an annual income stream from the BCT which is calculated based on the TFD to offset the maintenance costs. Future income is contingent on successful inspection by the BCT. On receipt of the annual income stream, it is recognised as deferred income and released to the Consolidated Income Statement to match with the maintenance costs they are intended to compensate.

Material accounting estimates and judgements

Biodiversity Stewardship Agreement (BSA)

ARTC judgement is that the BSA obligation and income streams fall within the definition of an Executory Contract. This is due to obligations on both ARTC and the BCT being of equal monetary value and equally unperformed at the time of commencement of the active management phase. Additionally, the risk of forfeiture of the credits in the situation of non-performance is considered negligible, supporting the determination of the arrangement as an Executory Contract.

25. CAPITAL AND RESERVES

Contributed equity

Share capital	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares – fully paid	**8,620,272,100**	7,370,981,100	**8,712,023**	7,462,732
	8,620,272,100	7,370,981,100	**8,712,023**	7,462,732

Equity injections, all for the Inland Rail project, of $1,249.3m (2025: $714.8m) have been received throughout the year.

Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

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

Accounting policy

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds, where applicable.

Reserves

	Consolidated	
	2026 $'000	2025 $'000
Asset revaluation reserve	**354,320**	354,745
Cash flow hedging reserve	**1,813**	(1,506)
	356,133	353,239

Asset revaluation reserve

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of infrastructure assets, including land.

Hedge reserve – cash flow hedges

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (foreign exchange and interest rate swaps) related to hedged transactions that have not yet occurred. Amounts are reclassified to the consolidated income statement when the associated hedged transaction settles.

OTHER INFORMATION

This section includes additional financial information that is required by either accounting standards or the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015. In addition it includes discussion on any new accounting standards or government rules that directly impact financial report disclosure requirements.

26. RELATED PARTY DISCLOSURES

Ultimate controlling entity

ARTC is the ultimate Australian parent entity within the Group and the ultimate controlling entity of the Group is the Commonwealth Government.

Directors

There were no related party transactions with Directors at year end (2025: nil).

There were no loans to Directors at year end (2025: nil).

Significant investment in subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following principal operating subsidiary in accordance with the accounting policy.

Name of subsidiary	Country of Incorporation	Equity holding	
		2026 %	2025 %
Inland Rail Pty Ltd	Australia	**100**	100

Accounting policy

Subsidiary

The consolidated financial statements incorporate the assets and liabilities of the entity controlled by the Australian Rail Track Corporation Ltd ("Company" or "Parent entity") as at each balance date and the results of the controlled entity for the year then ended. Australian Rail Track Corporation Ltd and its controlled entity are referred to in this financial report as the "Consolidated Entity" or "the Group". The effects of all transactions between entities in the Consolidated Entity are eliminated in full.

Investment in subsidiary is accounted for at cost less any impairment in the individual financial statements of Australian Rail Track Corporation Ltd.

27. REMUNERATION OF AUDITORS

During the year the following fees (exclusive of GST) were paid or payable for services provided by the auditor of the Consolidated Entity, its related practices and non-related audit firms:

Audit and other assurance services

	Consolidated	
	2026 $	2025 $
Audit Services		
The following total remuneration was received or is due and receivable, by the Australian National Audit Office in respect of its services, including those performed by its contractors Ernst & Young for auditing the financial reports of the Group (GST exclusive)	**476,000**	534,000
Other statutory assurance services related to Sustainability Reporting (GST exclusive)	**63,000**	–
Other assurance services		
The following total remuneration was received or is due and receivable, by the Australian National Audit Office in respect of its services, including those performed by its contractors Ernst & Young relating to fees for Infrastructure Investment Grant Audit (GST exclusive)	**17,500**	14,250
Total remuneration services for audit and other assurance services	**556,500**	548,250

28. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No events have occurred after the balance sheet date that should be brought to account or disclosed in the year ended 30 June 2026 financial statements.

29. OTHER ACCOUNTING POLICIES

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Inventories

Inventories are valued at lower of cost and net realisable value. Cost is assigned on a weighted average basis.

Prepayments

Prepayments are inclusive of amounts paid in advance for services to be performed in the future. This includes amounts paid in advance for insurance and other general expenses.

Other financial liabilities

Other financial liabilities are amounts such as coal payables, contract retentions and liability derivative balances. With the exception of derivative balances these liabilities will be settled in cash and are therefore held at amortised cost. Please refer to note 22 for policy on derivatives.

New and amended standards

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 as noted below:

- *Lack of Exchangeability (AASB 2023-5)*
- *Disclosures about Uncertainties in the Financial Statement (AASB 2026-1)*
- *ASRS 2 Climate-related Financial Disclosures (AASB S2)*

The adoption of AASB 2023-5 and AASB 2026-1 had no impact on the Group's financial statements. The adoption of AASB S2 resulted in additional climate-related disclosures. Refer to the Sustainability Report on page 98 for further information.

Certain new accounting standards have been published that are not mandatory for the reporting period ended 30 June 2026 and have not been early adopted by the Group. Except for *AASB 18 Presentation and Disclosure in Financial Statements*, these standards and interpretations are not expected to have a material impact on the Group's financial statements. AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 and impacts are still to be assessed.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2026

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Australian Rail Track Corporation Ltd	Body corporate	–	–	Australia	Australian	N/A
Inland Rail Pty Ltd	Body corporate	–	100	Australia	Australian	N/A

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION 30 JUNE 2026

In the opinion of the Directors' of Australian Rail Track Corporation Ltd.'s ("the Consolidated Entity"):

(a) the consolidated financial statements and notes set out on pages 116-168 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, *Public Governance, Performance and Accountability Act 2013*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the year ended on that date, and

(b) the financial statements and notes set out on pages 116-168 are also in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board;

(c) the Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* is true and correct; and

(d) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



P Duncan
Director

20th August 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Rail Track Corporation Ltd

Opinion

In my opinion, the financial report of Australian Rail Track Corporation Ltd ('the Company') and its subsidiaries (together 'the Group') for the year ended 30 June 2026 is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year then ended; and

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the Group, which I have audited, comprises the following as at 30 June 2026 and for the year then ended:

- Consolidated Income Statement;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash Flows;
- Notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information;
- Consolidated Entity Disclosure Statement; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

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

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. I have issued a separate review conclusion on specified Sustainability

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Disclosures within the Sustainability Report, in accordance with the scope of Australian Standard on Sustainability Assurance ASSA 5010: *Timeline for Audits and Reviews of information in Sustainability Reports under the Corporations Act 2001*.

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.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct and in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objective is 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 National Audit Office 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on

the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office



Jeffrey Hobson
Executive Director
Delegate of the Auditor-General

Canberra
21 August 2026

ESG DATA

SAFETY*

Metric	Unit	Scope	2025-26	2024-25	2023-24
TRIFR (employees and contractors)[1]	#	Group	5.51	4.29	4.36
Reportable Category A and B rail safety events[2]	#	Group	1,024	997	1,007
Significant and high actual and potential events attributable to ARTC[3]	#	Group	29	33	39
Fatalities and serious injuries on network outside ARTC control	#	ARTC	7 fatalities 0 serious injuries	2 fatalities 1 serious injury	2 fatalities 1 serious injury
Work-related injuries – fatalities or serious injuries[4]	#	Group	0	0	0
Work-related ill-health – fatalities or serious ill-health[5]	#	Group	0	0	0

CLIMATE AND ENVIRONMENT

Metric	Unit	Scope	2025-26	2024-25	2023-24
Revenue associated with coal	%	ARTC	58%	58%	59%
Non-coal volumes moved on network[6]	bGTK	ARTC	61.2	61.5	59.4
Coal volumes moved on network	bGTK	ARTC	44.3	42.6	44.1
Network availability[7]	%	ARTC	81.4%	86%	86.1%
Scope 1 GHG emissions[8]	tCO_2e	Group	11,582	10,986	10,256
Scope 2 GHG emissions[8]	tCO_2e	Group	8,170	7.586	7,622
Total land under ARTC ownership and management[9]	Ha	Group	156,000	152,000	140,000
Major project waste diverted from landfill[10]	%	Group	82%	92%	89%

1 TRIFR is determined based on (number of recordable injuries ÷ by number of hours worked) x 1,000,000.
2 Reportable to the Office of the National Rail Safety Regulator. Dataset is subject to third party adjustments and is current at the time of reporting.
3 Significant and high safety events include injuries to workers, network breaches, derailments, collisions and near misses at level crossings (including near misses with trespassers on the network). Includes ARTC and Inland Rail.
4 Fatalities or serious injuries can involve train and vehicle events at level crossings and other incidents. Serious injuries are defined as resulting in long-term or permanent impairment of the individual.
5 Potential hazards that pose a risk of ill-health include exposure to manual handling, asbestos, lead, silica, noise and vibration.
6 bGTK is billion gross tonne kilometres.
7 Network availability is measured as the proportion of available time per corridor/pricing zone for trains to be able to run, considering planned time lost (maintenance) as well as unplanned (significant disruptions, ARTC attributable cancellations)
8 FY24 and FY25 emissions are being voluntarily disclosed and have not been assured.
9 Area of land under ARTC management and ownership is subject to fluctuation due to major project delivery requirements. Revised data collation methodology commenced in 2022-23.
10 Determined based on a weighted average of cumulative total construction waste (m^3) diverted from landfill for currently active major projects (delivered through a Principal Contractor) – ARTC: Southern Highlands Overtaking Opportunities; Network Investment Program Culvert Upgrades, IRPL: Beveridge to Albury (Tranche 2), Albury to Illabo, Illabo to Stockinbingal.

PEOPLE

Metric	Unit	Scope	2025-26	2024-25	2023-24
Total employees[11]	#	Group	2,072 Female 601 Male 1,462 Other 2 Not disclosed 7	2,058 Female 610 Male 1,438 Other 3 Not disclosed 7	1,981 Female 564 Male 1,410 Other 1 Not disclosed 6
Permanent employees	#	Group	2,034 Female 589 Male 1,436 Other 2 Not disclosed 7	2014 Female 587 Male 1,417 Other 3 Not disclosed 7	1927 Female 539 Male 1,381 Other 1 Not disclosed 6
Total full-time employees	#	Group	1,982 Female 531 Male 1,442 Other 2 Not disclosed 7	1929 Female 519 Male 1,400 Other 3 Not disclosed 7	1880 Female 491 Male 1,382 Other 1 Not disclosed 6
Total part-time employees	#	Group	Female 70 Male 20	Female 68 Male 17	Female 73 Male 28
Non-employees whose work is controlled by ARTC and Inland Rail Pty Ltd	#	Group	19 agency contractors 14 service consultants	67 agency contractors 134 service consultants	32 agency contractors 45 service consultants
Gender representation of ARTC Board[12]	%	ARTC	Female 50% Male 50%	Female 57% Male 43%	Female 57% Male 43%
Age representation of Board	%	ARTC	30-50 years 0% Over 50 years 100%	30-50 years 0% Over 50 years 100%	30-50 years 29% Over 50 years 71%
Gender representation of ARTC Executive Committee[13]	%	ARTC	Female 60% Male 40%	Female 50% Male 50%	Female 33% Male 67%
Age representation of Executive Committee	%	ARTC	30-50 years 40% Over 50 years 60%	30-50 years 60% Over 50 years 40%	30-50 years 67% Over 50 years 33%
Gender representation of senior leadership[14]	%	ARTC	Female 43% Male 57%	Female 50% Male 50%	Female 46.7% Male 53.3%
Female employees in workforce	%	Group	29.0%	29.7%	28.5%
First Nations employees in workforce	%	Group	4.3%	4.7%	4.4%
Age representation of employees	%	Group	Less than 30 years 10.4% 30-50 years 57.6% Over 50 years 32.0%	Less than 30 years 10.8% 30-50 years 57.3% Over 50 years 31.9%	Less than 30 years 12.9% 30-50 years 56.9% Over 50 years 30.2%

11 All employee data considers head count at end of reporting period 2025-26.
12 All Board representation metrics calculated based on directors who were current appointments as of 30 June.
13 Executive Committee are leaders who report directly to the Chief Executive Officer as of 30 June.
14 Number of female employees in senior leadership positions (Chief Executive, Executive and General Managers) divided by total number of employees in these leadership positions as of 30 June.

Metric	Unit	Scope	2025-26	2024-25	2023-24
Location of employees	%	Group	Capital city 43.7% Regional 56.3%	Capital city 42.5% Regional 54.8%	Capital city 46.5% Regional 53.5%
Employee turnover rate[15]	%	ARTC	9.1%	9.7%	13.4%
Employees covered by collective bargaining agreement	%	ARTC	93.0%	91.4%	91.9%
Employee engagement score[16]	%	ARTC	62	N/A	N/A
Annual compensation ratio[17]	%	ARTC	6.67	6.77	4.7
Gender pay gap (average)[18]	%	ARTC	11.9%	15.0%	17.8%

COMMUNITY AND STAKEHOLDERS

Metric	Unit	Scope	2025-26	2024-25	2023-24
Stakeholder reputation/trust score[19]	#	ARTC	71	59	62
Customer satisfaction score[20]	#	ARTC	5.46/10	6.9/10	7.2/10
Community matters received and logged[21]	#	Group	ARTC 1,516 Inland Rail 3,907	ARTC 1,428 Inland Rail 3,962	ARTC 1,303 Inland Rail 2,704
Community donations and sponsorship	$	Group	$600,450	$566,000	$604,000
Spend with First Nations suppliers[22]	$	Group	Direct $2.3m Indirect cumulative $17.4m	Direct $7.6m Indirect cumulative $11.6m	Direct $7.5m Indirect cumulative $6.4m

15 Number of employees' exits divided by average headcount over 12 months.
16 ARTC's annual Employee Engagement/Enablement Survey was not conducted in 2023-24 or 2024-25, with feedback sourced through other means.
17 The ratio reports the annualised actual earnings for the organisation's highest-paid individual to the median annualised actual earnings for all employees (excluding the highest paid individual) as of 31 December 2025.
18 Calculated using the 2025 WGEA methodology: (average remuneration of men minus average remuneration of women) divided by average remuneration of men times 100. Data has been reinstated for previous three years replacing median with average remuneration.
19 Measures how ARTC is perceived by key stakeholders who have regular interactions with our business. Survey respondents' feedback is calculated into an overall 'trust score' which is an indicator of sentiment toward ARTC. In 2025-26, the survey methodology changed from researcher-led interviews to an online survey.
20 Measures customer overall experience and relationships with ARTC, as well as future needs, priorities and where we can improve our service offering.
21 Includes all matters raised by members of the community as logged and processed in ARTC and Inland Rail reporting platforms.
22 First Nations businesses are registered with Supply Nation or similar and are at least 50% or more Aboriginal and Torres Strait Islander owned. Direct suppliers are engaged through ARTC and IRPL and indirect suppliers are engaged through ARTC and IRPL principal contractors to deliver major construction projects and this metric is measured for currently active projects – ARTC: Southern Highlands Overtaking Opportunities; Network Investment Program Culvert Upgrades, IRPL: Beveridge to Albury (Tranche 2), Albury to Illabo, Illabo to Stockinbingal.

LIST OF ANNUAL REPORT REQUIREMENTS

As a Commonwealth company, ARTC's 2025-26 Annual Report addresses the following requirements as specified by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule):

PGPA Rule Reference	Part of Report	Description	Requirement
28E	**Contents of annual report**		
28E(a)	About ARTC	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	Performance Overview; Reports & Statements	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Mandatory
28E(b)	About ARTC	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	Not applicable	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	Not applicable	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	Not applicable	Particulars of non compliance with: (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	Reports & Statements	Information on each director of the company during the reporting period	Mandatory
28E(g)	About ARTC	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	Our People, Communities & Sustainability	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees (b) statistics on part time employees (c) statistics on gender (d) statistics on staff location	Mandatory
28E(h)	About ARTC	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	Reports & Statements	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
28E(j), 28E(k)	Not applicable	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	Message from the Chair & CEO; Reports & Statements	Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	Not applicable	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory
28E(n)	Not applicable	Particulars of any reports on the company given by: (a) the Auditor General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	Not applicable	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	Reports & Statements	Information about executive remuneration	Mandatory
28E(ob)	Reports & Statements	The following information about the audit committee for the company: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
28F	**Disclosure requirements for government business enterprises**		
28F(1)(a)(i)	Reports & Statements	An assessment of significant changes in the company's overall financial structure and financial conditions	If applicable, mandatory
28F(1)(a)(ii)	Not applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	If applicable, mandatory
28F(1)(b)	Reports & Statements	Information on dividends paid or recommended	If applicable, mandatory
28F(1)(c)	Not applicable	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
28F(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory


ON
SIDE ROAD



