



# STATEMENT OF CORPORATE INTENT

2024-25  
2027-28



SAFETY



INTEGRITY



RESPECT



BEING REMARKABLE

# TasRail Snapshot (please note: any figures denoted as XXX will be updated post 30 June)



**Total freight task**  
**516.4 m**

Net Tonne Kilometres (NTK)  
2023-24



**Capital spend**  
**\$81.1 m**

2023-24



**Annual revenue**  
**\$47.7 m**

2023-24

## Strategic Direction

### 1. Introduction and overview of the operating environment

Tasmanian Railway Pty Ltd (TasRail) was established on 1 December 2009 by an Act of Parliament. The principal objectives of the business are to:

- ❖ operate a rail business in Tasmania safely, effectively and efficiently
- ❖ operate its activities in accordance with sound commercial practice
- ❖ maximise sustainable returns to its Shareholder Members.

TasRail's core business is the:

- ❖ provision of rail and associated freight services in Tasmania
- ❖ provision of train control services
- ❖ management of terminals, including bulk handling and shiploading
- ❖ maintaining and upgrading rail network infrastructure

TasRail is one of the State's largest logistics businesses and the supply chain partner of choice for Tasmania's heavy industries and freight forwarders. It provides approximately three million tonnes of rail freight capacity per annum to industry, 120 services a week, and supplied 575,000 tonnes of bulk mineral shiploading services in 2023-24. TasRail has long-term contracts in place with customers in the bulk, container and forestry markets that rely on rail logistics to transport cement, coal, paper, processed metals, industrial inputs, mineral ores and logs.

Despite some individual customers experiencing supply chain and production challenges, 2023-24 saw TasRail transport 516 million net tonne kilometres (NTK) of freight. An NTK is the most accurate measurement of a freight task, as it is the product of the weight of the freight carried and the distance covered. In trend terms, TasRail's rail freight task has grown by ~35 per cent since its inception in 2009.

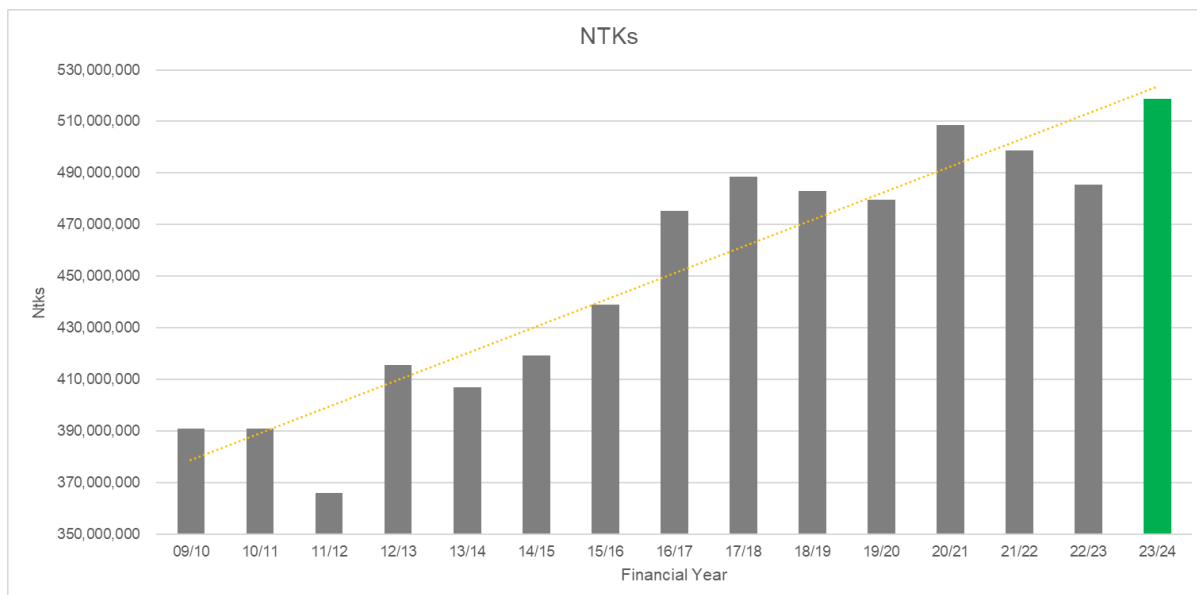


Figure 1: Total rail freight task from 2009-10 to 2023-24 (finalise graph at EOFY 23/24)

Consistent with the Shareholder Members' Statement of Expectations, TasRail is required to provide a safe, reliable and efficient rail freight service and to maintain the safety and efficiency of the rail track infrastructure through appropriate maintenance and capital improvement programs.

To achieve this, an ongoing capital renewal program is required and, as part of this, delivery of the \$455.2 million Tasmanian Freight Rail Revitalisation Program (TFRRP) continues to run to plan. 2023-24 will be the fourth and final year of the \$96 million Tranche Three of the program. It is jointly funded by the Tasmanian (\$68.0 million) and the Australian (\$28.0 million) governments. The scope and objectives are an extension of the successful Tranche Two program delivered from 2019-2023.

As with Tranche Two, the key objectives of Tranche Three have been to reduce single points of failure (reducing derailment risk), remove temporary speed restrictions (improving on-time running), and deliver sustainable maintenance costs.

In their 2022-23 budgets, the Australian Government and the Tasmanian Government committed further funding to Tranche Four of the TFRRP. Tranche Four (a four-year \$120 million program) will commence in 2024-25. It will ensure that industry can continue to rely on TasRail for safe, reliable and efficient rail logistics for years to come.

TasRail owns and operates Tasmania's only open-access bulk minerals Shiploader. This unique and critical infrastructure directly loads a range of bulk commodities and is connected to the rail and road network via the Bulk Minerals Export Facility (BMEF).

Located within the Port of Burnie, the Shiploader has been the export gateway for the West Coast mines for over 50 years. TasRail holds direct contracts with key businesses in the mining industry to provide bulk mineral storage and shiploading services.

In 2019, the Australian Government committed \$40 million in funding to a new bulk minerals Shiploader. In the 2021-22 Federal Budget, this funding commitment was increased to \$64 million.

In a key milestone, off-site steel fabrication commenced in May 2022 and at the time of writing the new Shiploader is almost completely constructed at the Port of Burnie and commissioning is about to commence.

A further strategic project is the bulk minerals storage hub at Hampshire, in the State's north-west. This \$18 million project (jointly funded by the Australian and Tasmanian Governments), will see the construction of a new bulk minerals storage hub at Hampshire, adjacent to the Melba Line. A feasibility study is currently underway, and the project is anticipated to start in 2024-25 financial year.

## 2. Strategic directions of the business

TasRail's long-term strategic objectives remain consistent with previous planning periods:

- ❖ Provide efficient, resilient and safe rail supply chains for current and new customers
- ❖ Deliver a Zero Harm environment for staff, customers, communities and contractors
- ❖ Grow Above Rail profit, building capacity for contingencies and long-term sustainability
- ❖ Deliver Tranches Three (including the shiploader) and Tranche Four of the TFRRP
- ❖ Focus on growing the capability and diversity of our workforce
- ❖ Promote the environmental benefits of rail logistics and continue to investigate emerging low/zero emission locomotive technology.

## 3. Key initiatives

### 3.1 Working towards Zero Harm

TasRail is committed to achieving Zero Harm by continuing the cultural transformation SafetyCircle™ program, improving safety performance across the business, and further evolving derailment prevention and the level crossing strategy.

TasRail's safety performance and journey towards Zero Harm is a commitment to ensure each employee can go home safe and well every day. The strategies below are the key elements of TasRail's overarching Safety Strategy.

#### Safety culture

TasRail will continue to deploy a series of initiatives aimed at further embedding its safety culture among all staff and contractors. These initiatives include:

- ❖ Proactive identification of behaviours and hazards to minimise the potential for harm to our people and the environment.
- ❖ SafetyCircle™ cultural change program valued and integrated into daily processes.
- ❖ Increased surveillance and awareness of health exposures.
- ❖ Mental health support framework.
- ❖ Building on a positive safety culture to drive injury prevention.



- ❖ Increasing focus on understanding human factors, and mitigation through engineering controls and how human factors contribute to risk.
- ❖ Continued reinforcement of the successful culture safety program, SafetyCircle™ where safety is valued over production.
- ❖ Increasing accountability for frontline teams to deliver improvements to safety.
- ❖ Implementing engineering controls to replace existing manual methods.
- ❖ Delivering improvements in fatigue management.
- ❖ Influencing TasRail's positive safety culture with its contractors.

### 3.2 Meeting industry expectations

TasRail operates efficient, on-time and safe train services that meet the needs of Tasmania's major industrials and freight forwarders. A commitment to on-time running, safe working systems and enthusiasm for new projects have enhanced TasRail's reputation for sustainable supply chains and excellent service standards (targeting 96 per cent Freight Availability for its six daily intermodal services).

The initiatives to meet these objectives during the planning period are to:

- ❖ maintain reliable rollingstock that provides on-time rail capacity to industry
- ❖ develop services for new customers that leverage TasRail's rail supply chains, terminals, and bulk mineral loading services
- ❖ leverage the log haulage capacity from the Brighton Hub and the Parattah Log Siding
- ❖ enhance opportunities for the mining sector via an expanded Bulk Minerals Export Facility and a new Shiploader at the Port of Burnie
- ❖ where advantageous, partner with the private sector to provide specialised terminal services, such as log loading and container handling services
- ❖ repurpose existing equipment where appropriate to reduce the capital cost for new projects.



*Figure 2: TasRail's new Shiploader will enhance opportunities for the Tasmanian mining sector.*

### 3.3 Delivering business sustainability

TasRail understands that ongoing business sustainability is critical and has worked with industry to secure long-term freight contracts and a competitive cost base.

TasRail will focus on the following sustainability initiatives during the planning period:

- ❖ investing Tranches Three and Tranches Four of the Tasmanian Freight Rail Revitalisation Program into infrastructure that supports the existing customer base and enables industry to transition from road to rail
- ❖ using new technology to better monitor track conditions and renewing rail assets to deliver a fit-for-purpose network
- ❖ commissioning the new Shiploader at the Port of Burnie and expanding the Bulk Minerals Export Facility to provide supply chain surety to Tasmania's mining industry
- ❖ Commence construction of the bulk minerals storage hub at Hampshire, supporting further growth in Tasmania's mining industry.

### 3.4 People, culture and capability

The growth of any organisation's capability is tied to the engagement and development of its people. In this planning period, TasRail will continue to implement its People and Culture Strategy through the following:

- ❖ Organisational Culture: Creating an organisational culture where people have a strong sense of ownership and purpose and feel empowered to lead
- ❖ Increasing Organisational Capability: Developing high-performance teams and individuals by ensuring training and development opportunities are aligned with organisational objectives
- ❖ Increasing Workforce Diversity: Creatively recruiting from the broadest talent pool, thereby securing the best candidates and bringing diversity and depth of thinking and perspective to TasRail
- ❖ Sustainability: Ensuring sustainable performance development and workforce planning in line with corporate objectives
- ❖ Governance: Providing simple, fair and effective people systems that provide support for the workforce and maintain legislative compliance
- ❖ Health and Wellness: Promoting workforce wellbeing and safety sessions that align with the needs of our people.

TasRail will deliver on its key strategies and business plans by:

- ❖ setting behavioural expectations that are linked to organisational vision and values

- ❖ increasing focus on building a capable workforce profile by building on the strengths of the workforce and ensuring development opportunities are aligned with strategic goals
- ❖ promoting diversity and inclusion throughout all levels of the business, including the removal of real and perceived barriers
- ❖ ensuring that its industrial relations strategy is agile, responsive, commercially focused and in line with Shareholder expectations
- ❖ establishing and prioritising performance development plans directly linked to business performance targets and operational plans
- ❖ developing mature cross-functional pathways that can provide internal learning opportunities and secondments and inform recruitment and selection
- ❖ implementing talent management and succession planning processes
- ❖ contributing to the improvement of employee mental health by implementing contemporary trauma and mental health first aid support.

### 3.5 Strategic asset management

TasRail has adopted a proactive approach to ensure that investment in rollingstock, terminals and the rail network delivers anticipated long-term benefits for customers. In this planning period, TasRail will continue to bolster its strategic asset management by:

- ❖ commissioning and operating the new bulk minerals Shiploader at the Port of Burnie
- ❖ completing Tranche Three (on time and on budget) and commencing Tranche Four of the Tasmanian Freight Rail Revitalisation Program
- ❖ delivering the Locomotive Life Extension Project
- ❖ commencing construction of the bulk minerals storage hub at Hampshire.



*Figure 3: During this period TasRail will continue to deliver its Locomotive Life Extension Project.*

## 4. TasRail value proposition

TasRail's freight rail logistics provide Tasmanian industry with:

- ❖ long-term surety of haulage capacity and customer charges
- ❖ fit-for-purpose rail infrastructure designed for the bulk, intermodal and log sectors
- ❖ connectivity with a state-wide network of rail terminals that interface with the ports, including bulk shiploading services and Tasmania's only open-access bulk shiploader
- ❖ operational safety and simplicity – a single train clearing a day's production as opposed to coordinating a fleet of trucks
- ❖ the ability to haul heavyweight and dangerous goods containers (challenging by road and sea) to reduce total supply chain costs
- ❖ reduced exposure to heavy vehicle accident risk and legal liability
- ❖ the opportunity to deliver surge volumes of freight to meet shiploading windows
- ❖ a low-emission supply chain (one-quarter the carbon intensity of the equivalent freight task transported by road in Tasmania).

TasRail continues to harness its infrastructure advantages with a culture that is focused on its customers. This is achieved by having a highly flexible delivery model that responds to changes in the intermodal and forestry markets in real-time.

TasRail has worked with existing and new customers to substantially increase freight hauled by rail since the Company was formed in December 2009. Industry has supported TasRail's low-risk, reliable and efficient business model and the positive impact this has had on commercial, safety and sustainability outcomes. In this planning period, there are further opportunities to meet customer expectations and grow rail volumes.

Opportunities include:

- ❖ delivering reliable and flexible rail freight services for industry, adding more tonnage to existing services, and rolling over long-term freight contracts
- ❖ partnering with new mining developments to further utilise TasRail's unique bulk minerals storage and shiploading facilities at the Port of Burnie
- ❖ partnering with the forestry sector to grow and enable new freight flows
- ❖ marketing TasRail's competitive advantages as Tasmanian industry increasingly seeks a low-emission supply chain, along with investigating emerging low / zero emissions locomotive technology.



## 5. Performance agreement

### 5.1 Performance targets and actual results for 2023-24

Performance Target	Target Result for FY 2023-24	Actual Result for FY 2023-24
Lost Time Injury Frequency Rate (1)	0.0	7.5
Recordable Injury Frequency Rate (2)	3.0	9.1
Freight Availability (Combined Intermodal Services) (3)	96 per cent	97.2 per cent
Mainline Derailments	0	1
Below Rail Infrastructure Cost (Per Track Kilometre)	\$25.2 thousand	\$26.1 thousand
Customer Revenue	\$49.1 million	\$47.6 million
Capital Spend	\$82.3 million	\$81.1 million
EBITDA (Consolidated after BRIC) (4)	\$1.9 million	\$3.3 million
Above Rail Net Profit (Loss)	\$(27.7 million)	\$(16 million)

(1) Lost time injury frequency rate is defined as the sum of lost time injuries per million work hours.

(2) Recordable injury frequency rate is defined as the sum of lost time injuries and medical treatment injuries per million work hours.

(3) Combined Intermodal Services are defined as TasRail's six daily intermodal services.

(4) BRIC – Tasmanian Government Below Rail Infrastructure Contribution.

(5) Above Rail Net Loss includes an impairment expense for works completed to 30 June 2024 on the shiploader. Excluding shiploader impairment, an Above Rail Net Profit (after tax) of \$1.04 million was recorded, returning the Above Rail segment to profitability.

## 5.2 Performance targets to FY 2027-28

Performance Target	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Lost Time Injury Frequency Rate (1)	0.0	0.0	0.0	0.0
Recordable Injury Frequency Rate (2)	3.1	3.1	3.1	3.1
Freight Availability (Combined Intermodal Services) (3)	96 per cent	96 per cent	96 per cent	96 per cent
Mainline Derailments	0	0	0	0
Below Rail Infrastructure Cost (Per Track Kilometre)	\$26.8 thousand	\$27.4 thousand	\$28.8 thousand	\$30.0 thousand
Customer Revenue	\$51.8 million	\$53.9 million	\$57.4 million	\$56.6 million
Capital Spend (4)	\$68.9 million	\$50.3 million	\$39.0 million	\$33.0 million
EBITDA (Consolidated after BRIC) (5)	\$0.1 million	\$0.4 million	\$1.1 million	\$(1.9) million
Above Rail Net Profit (loss)	\$(13) million	\$(2.0) million	\$(0.98) million	\$(3.6) million

(1) Lost time injury frequency rate is defined as the sum of lost time injuries per million work hours.

(2) Recordable injury frequency rate is defined as the sum of lost time injuries and medical treatment injuries per million work hours.

(3) Combined Intermodal Services are defined as TasRail's six daily intermodal services.

(4) Phasing of the Capital Spend is based on agreed reprofiling with both the Tasmanian and Australian governments. Capital expenditure targets exclude the costs to remediate the Burnie hardstand.

(5) BRIC – Tasmanian Government Below Rail Infrastructure Contribution.

## **Directors' Statement of Corporate Intent and agreement of Shareholding Ministers**

The Board of Tasmanian Railway Pty Ltd agrees to provide the Shareholding Ministers with financial and other information as set out in this Statement of Corporate Intent.

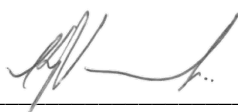
In signing this Statement of Corporate Intent, the Board of Tasmanian Railway Pty Ltd commits to the targets proposed for the 2024-25 financial year.

This Statement of Corporate Intent has been agreed between:



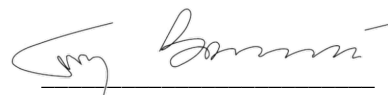
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Stephen Cantwell  
**Chairman**  
**Tasmanian Railway Pty Ltd**  
On behalf of the Board



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The Hon. Kerry Vincent MP  
**Minister for Infrastructure**



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The Hon. Guy Barnett MP  
**Deputy Premier**  
**Treasurer**