



ANNUAL REPORT 2023-24

VISION

TASMANIA'S TRUSTED PROVIDER
OF SAFE AND DEPENDABLE RAIL
LOGISTICS SOLUTIONS



We will never compromise on safety.
We recognise that people need mental
and physical health to thrive.



SAFETY

INTEGRITY

We do what we say we will do. We are fair,
ethical, and honest and we take responsibility.



RESPECT

We are inclusive and value each other's
differences and ideas. We embrace diversity.



We are passionate about our success.
We continually strive for excellence and performance.
We will make a difference and be remarkable!



BEING REMARKABLE

MAXIMISING THE BENEFITS OF
SUSTAINABLE RAIL LOGISTICS
SERVICES FOR TASMANIA

PURPOSE



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CHAIRMAN'S REMARKS

Not unlike the previous financial year, 2023-24 saw the continuation of economic and geopolitical headwinds impacting global supply chains and broader market conditions.

Despite these challenges, TasRail has delivered another strong result, with the largest single year of rail haulage in its history. This positive result is reflected in a 6.3 per cent increase in Net Tonne Kilometres, driven by growth in the intermodal and bulk segments. Sustained growth like this is only made possible through the long-term infrastructure funding commitments from the State and Federal Governments.

For TasRail, this is realised through the strategic objective of both governments to continue to revitalise the Tasmanian Rail Network (TRN) after

historic under-investment by previous owners. TasRail continues to deliver on this objective via the Tasmanian Freight Rail Revitalisation Program (TFRRP).

Under the Australian Government's Infrastructure Investment Program (IIP), the TFRRP is being delivered via a series of packages, each matched to contractor capacity and the requirement to maintain continuous services for industry. The TFRRP is invested in those freight rail lines that form part of the TRN, with the majority directed at the South, Western and Bell Bay lines.

Building on the success of earlier tranches, the ongoing investment in the network through Tranche Three focused on the replacement of near-life expired rail and sleepers, bridge and culvert upgrades, level crossing

renewals, coastal erosion protection and formation renewal projects. I am pleased to report that Tranche Three (\$96m) of the TFRRP delivered its objectives and was completed on time and budget in June 2024.

In addition to its funding commitments to the TFRRP, the Tasmanian Government continues to invest directly into TasRail's operations via rollingstock upgrades, terminal improvements and annual network maintenance funding. I would like to take this opportunity on behalf of my fellow Directors and the business more broadly to acknowledge this.

This level of support and investment continues to underpin our performance, ensuring that Tasmania's critical industries can rely on rail logistics to reach their export markets.



It is important to note, while Tasmania may be a small jurisdiction in terms of population size and corresponding freight task, it does produce and export a range of materials that are nationally significant, including aluminium, zinc, copper, cement, forestry products and newsprint.

Owing to its efficiency, safety and ultra-low emission profile (just 25 per cent of equivalent road transport in Tasmania), freight rail is the mode of choice for Tasmania's major miners, manufacturers, freight forwarders and forest industry. To support this, TasRail holds long-term contracts to supply approximately 3 million tonnes per annum of rail capacity, with over 2.6 million tonnes of that volume exported from Tasmania (or used in the production of export goods).

In addition to rail logistics, TasRail owns and operates Tasmania's only open-access bulk minerals shiploader at the Port of Burnie, providing 500 – 600 thousand tonnes per annum of export minerals shiploading services to industry. Currently, the old shiploader (in service for over 50 years) is being decommissioned, with the new shiploader expected to be operational in the second half of 2024. This is one of the largest infrastructure projects TasRail has undertaken and its successful delivery will provide long-term export supply chain solutions for the mining sector.

I would like to acknowledge and thank my fellow Directors for their support and guidance over the past year. I would also like to thank our CEO, Steven Dietrich, for his ongoing leadership, and recognise the passion

with which the entire TasRail team approaches its work. The past 12 months have provided many successes as well as some challenges, and our sustained growth relies on the efforts of our people and their ongoing commitment to the TasRail business. I know I speak for the entire Board in thanking everyone for this.

Finally, I'd like to thank our Shareholder Ministers, in particular Deputy Premier and Treasurer the Hon. Michael Ferguson MP. The Tasmanian Government continues to be a strong supporter of TasRail, and we look forward to working with them to deliver safe, reliable and effective rail solutions for Tasmania.

STEPHEN CANTWELL

BOARD OF DIRECTORS

STEPHEN CANTWELL CHAIRMAN

Stephen Cantwell joined the TasRail Board in December 2016 and was appointed Chair in January 2020. He has over 40 years' experience in a broad range of strategic, functional, and customer-facing roles within

multi-billion dollar national and international businesses in the freight rail and heavy industry manufacturing sectors.

In his lengthy executive career, Stephen built strong national and international business credentials in the transport, logistics, manufacturing and infrastructure sectors. He continues to work with a range of global

corporations and governments to advise in the areas of transport, logistics and infrastructure.

Stephen is a fellow of the Chartered Institute of Transport and Logistics, a Fellow of the Centre for Integrated Engineering Management, and a Graduate Member of the Australian Institute of Company Directors.



ALISON CHAN

Alison Chan was appointed to the TasRail Board in February 2020. She has over 20 years' experience leading innovative, strategic projects as a sustainable finance, legal and governance professional.

Alison applies her passion for sustainability to the finance

sector, working directly with investors and investees to develop strategies to maximise opportunities, reduce risk, and meet stakeholder expectations on ESG transparency and governance. She has led projects to measure the Scope 1, 2 and 3 emissions of a leading asset management business and set near-term science-based

emissions reduction targets. She was recognised by the United Nations Global Compact as an SDG Pioneer in 2024.



ANITA ROBERTSON

Anita Robertson was appointed to the TasRail Board in December 2021. She is a Chartered Accountant and Chartered Secretary with more than 25 years' experience in finance and governance. Anita is currently a Director of General Practice

Training Tasmania, the Business Manager of St Virgil's College Hobart, an independent Panel Member of the Risk & Audit Committee for the Department of Natural Resources and Environment Tasmania, and a Tasmanian State Councillor for the Governance Institute of Australia. She has held CFO positions with prominent

Tasmanian businesses and senior finance roles with Deloitte and PwC. Anita is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Chartered Accountants Australia New Zealand, and the Governance Institute of Australia.



MICHAEL SCANLAN

Michael was appointed to the TasRail Board in November 2022. He has more than 30 years of rail industry experience through engineering, commercial, operational and leadership roles with Queensland Rail, leading best practice

achievements in safety and operations and achieving significant improvement in commercial outcomes. Michael also spent more than a decade as a specialist rail consultant, undertaking interstate and international assignments for government and private sector clients.

Michael has considerable previous board experience in the finance, transport and tourism sectors. He is a fellow of the Australian Institute of Company Directors and the Chartered Institute of Logistics and Transport. He is also a member of the Institution of Engineers Australia.



IAN VANDERBEEK

Ian Vanderbeek was appointed to the TasRail Board in July 2021. He has over 40 years operational and management experience in the transport industry, leading teams in Australia, Europe, the US, the Middle East and Africa. Ian's most recent executive

role was as Chief Executive Officer of specialist helicopter operator Aviator Group, from which he retired in June 2020. He currently consults to SMEs across a range of sectors and serves as an independent director on several private and public sector boards.

Ian holds a Bachelor of Business Degree and is a Graduate Member of the Australian Institute of Company Directors.



EXECUTIVE TEAM



CHIEF EXECUTIVE OFFICER
STEVEN DIETRICH

Asset Management

Asset Management maintains the rail network and infrastructure, such as level crossings, bridges, culverts etc. It also maintains the rollingstock fleet, bulk storage assets including the Burnie Shiploader, and state-wide facilities. Asset management is also responsible for vegetation management activities and authorised safe access to the network.

Operations

Operations provides safe, reliable and sustainable rail freight and logistics services, and operates TasRail's terminals. It is also responsible for operating the rollingstock fleet, and the storage and shiploading of bulk minerals.

Safety, Health and Environment / Risk and Compliance

TasRail's dedicated SHE team of specialists supports all operational areas with a particular focus on continuous improvement in TasRail's safety culture, risk and compliance management and effective management of the environment in which the Company operates.



CHIEF PROJECTS OFFICER
STEPHEN KERRISON

Capital Investment / Business Improvement

Oversight of the Capital investment program, including the Infrastructure Investment Program, the new Shiploader Project, the Locomotive Life Extension Project, as well as business strategy and sustainability goals. The role also involves responsibility for business improvement associated with project management and change management.



CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY
JOE TIDEY

Corporate Services

Corporate Services is responsible for financial reporting, auditing, accounts receivable, accounts payable, payroll, procurement, IT, business systems and property management. This team is also responsible for Board administration and business performance reporting.



MANAGER, CORPORATE AFFAIRS AND COMMUNICATIONS
JOSHUA BRADSHAW

Corporate Affairs and Communications

Corporate Affairs and Communications is focused on Shareholder, government, and business relations. It also manages community and stakeholder engagement, internal and external communications, including traditional and digital media, publications, branding and marketing, and other corporate reporting requirements.



MATTHEW WHEATLEY
MANAGER, PEOPLE AND CAPABILITY

People and Capability

People and Capability is focused on building a values-based culture and growing organisational capability through inclusion, diversity, and collaboration. The team manages and implements human resource policy including recruitment, remuneration and recognition, industrial relations, workers compensation, and training and development.



MANAGER, CUSTOMER SERVICE AND BUSINESS DEVELOPMENT
VANESSA SULLIVAN

Customer Service and Business Development

Customer Service and Business Development

Customer Service and Business Development ensure streamlined service for customers and Tasmanian industry from their first point of contact with TasRail through to booking their freight on rail. The team manages the functions of business development, supply chain development, customer account management, customer communications, market analysis, logistics design, freight planning and, importantly, customer service delivery.



CEO'S REMARKS

TasRail continues to haul record quantities of freight across Tasmania, supporting local, national and international businesses to deliver a range of products to market safely and reliably.

We do this day and night, in all weather and with an ongoing commitment to our customers to continue to provide freight logistics solutions that are competitive and dependable.

This commitment is reflected in our 2023-24 freight results, with a 6.3 per cent increase in Net Tonne Kilometres recorded since last year (NTKs are the sum of the tonnes carried multiplied by the distance travelled). This growth, largely driven by containers and bulk commodities, represents the largest single year of rail haulage we've had

since TasRail's inception and is a result to be proud of.

Growth in the intermodal sector has also been particularly strong this year with consistent flows of containers through the network. This is despite a few challenges, such as external market and economic forces, impacting volumes for short periods. The 2023-24 reporting period also saw TasRail deliver near record volumes of TEUs (Twenty Foot Equivalent Units), with 85,163 TEU on rail (and off roads) for the financial year, highlighting another strong result.

Bulk minerals shiploading volumes have remained steady this year and came in just under last year's highs but still ahead of budget. This consistent result relies on our long-

term customers who, through the bulk handling facility, have provided a steady flow of product this year.

These kinds of results are testament to our reputation for being a reliable, safe and efficient transport option. This just doesn't happen on its own, it takes all of our dedicated people to deliver this; improvements in track quality from our below rail capital program, managing our contractor base and our network, and the safety of our operations. All of this relies on TasRail's people, and I take this opportunity to say thank you to all our staff for the roles they individually play in this.

Our financial results for 2023-24 are a reflection of volumes for the year, with a modest Above Rail Net Profit of approximately \$400,000.



In the 2023-24 financial year, we also celebrated the successful completion of Tranche Three of the Tasmanian Freight Rail Revitalisation Program (TFRRP) on time and budget. As part of delivering Tranche Three, we have invested over \$96 million into the network over the past four years, installing over 57,000 sleepers, 115,000 metres of rail replacement, and upgrades to 18 culverts and 22 level crossings, equating to approximately 624,000 hours of labour across TasRail staff and contractors.

The continued investment in the TFRRP by the Tasmanian and Australian governments will bring further enhancements to the rail network. The TFRRP has already resulted in improvements in Track Quality

Index and reductions in Temporary Speed Restrictions across the network. The value of this investment is also reflected in the fact that TasRail experienced zero mainline derailments in 2023-24. TasRail has now commenced Tranche Four of the TFRRP, with a projected expenditure of \$120 million over the next four years.

The past financial year also saw efforts continue on one of our largest construction projects, the new Shiploader at the Port of Burnie. The Shiploader is critical export infrastructure for the mining sector and, along with a planned expansion of the adjacent Bulk Minerals Export Facility, will provide significant benefits to the mining industry. Over the past twelve months, the new shiploader unit has

undergone construction on the wharf at Burnie, with commissioning works now well underway. The new shiploader is expected to be operational in the later half of 2024.

I would like to take this opportunity to acknowledge the work and support provided to me by the TasRail leadership team and the entire workforce. It makes me extremely proud to see our people building the business through strong endeavour and it's this teamwork that is positioning us well for future growth.



STEVEN DIETRICH

STATEMENT OF CORPORATE INTENT

Performance Target	Target result for 2023-24	Actual result for 2023-24	Comments
Lost Time Injury Frequency Rate ¹	0.0	7.5	While a reduction on last year's results, disappointingly, 23-24 results exceeded the targets set. TasRail remains committed to a zero-harm environment.
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	The derailment recorded occurred after a serious level crossing collision at Westbury.
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) ⁵	\$(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.



TASMANIAN FREIGHT RAIL REVITALISATION PROGRAM

11

LEVEL CROSSINGS
UPGRADED

5

NEW TURNOUTS

3X

FORMATIONS

44,790

METRES OF NEW RAIL

25,919

SLEEPERS INSTALLED

2023-24 Figures



The Tasmanian and Australian governments have provided record funding to the renewal of the Tasmanian Rail Network through the Tasmanian Freight Rail Revitalisation Program (TFRRP). The TFRRP continues to be delivered via a series of funding tranches that focus on the replacement of near-life expired rail and sleepers, structure upgrades (bridges and culverts), level crossing renewals and formation projects.

TasRail is proud to report that 2023-24 saw the completion of the \$96 million Tranche Three of the TFRRP on time and budget. Building on previous tranches, the four-year program has driven record levels of investment in rail, supporting local construction, employment, and economic growth. TasRail estimates that there are approximately 150 jobs supported by the delivery of the TFRRP.

Pleasingly, this industry confidence will remain steadfast as TasRail delivers a fourth tranche of the TFRRP over the next four years. The four-year \$120 million program commenced in July 2024, targeting completion in June 2028.

This on-going investment into the State's rail network by the Tasmanian and Australian governments continues to apply downward pressure on derailment risk and allow for the removal of temporary speed restrictions. This results in improvements to on-time running. TasRail's Freight Availability for 2023-24 was 97.2 per cent against a target of 96 per cent. The TFRRP also enables TasRail to maintain a high overall freight task. In 2023-24 the business transported a record ~516.4 million net tonne kilometres of freight across Tasmania.



PROJECT: SHIPLOADER REPLACEMENT

Funded by: The Australian Government under Tranche Three of the Tasmanian Freight Rail Revitalisation Program

During the 2023-24 financial year, TasRail made significant strides in the development of its new \$64 million Shiploader at the Port of Burnie.

The project has continued to bolster local employment and skills throughout its various stages, including mobilisation, transport, off-berth construction, wharf strengthening and the initial commissioning phase.



Our shiploading and storage facilities are vital assets for Tasmania's mining sector, and this new Shiploader, supported fully by our customers throughout the design and build stage, represents a major leap forward.

Once complete, the new Shiploader and its associated infrastructure will expand upon our services to industry, providing:

- Double the average hourly load rate
- Improved reliability
- Increased on-wharf storage
- Best-practice environmental and safety performance

The shutdown period for installing the Shiploader on Berth 5 will begin in mid-August, during which time the old Shiploader and its components will be safely removed. The installation of the new reclaim system, wharf galleries, and the Shiploader itself is progressing, with in-situ commissioning to follow soon after.

The project is set for completion in the latter half of 2024.



PROJECT: LOCOMOTIVE LIFE EXTENSION

Funded by: The Tasmanian Government in its 2022-23 Budget.

The Locomotive Life Extension Project (LLEP) is a significant initiative aimed at enhancing the reliability and performance of TasRail's legacy locomotive fleet. With a budget of \$15 million spread across multiple years, the project focuses on refurbishing the critical 2050 and 2000 class locomotives that are essential for hauling power, servicing key customers, and supporting maintenance operations.

The comprehensive overhauls involve:

- Engine Replacement: Installing new engines to improve performance and reliability.
- Component Overhaul: Revamping major components such as traction motors, generators, braking systems, control systems, and locomotive wiring.
- Driver's Cabin Upgrades: Enhancing the driver's cabins in consultation with TasRail's operational team to improve operational efficiency and comfort.

The first refurbished 2050 class locomotive, 2053, is now in service, delivering reliable performance to industry. The second locomotive, 2052, is currently undergoing network testing and is expected to be fully operational by late 2024.

The refurbishment work is taking place at TasRail's East Tamar Junction site in Launceston. The project is being carried out by a dedicated team of TasRail staff and local contractors, ensuring a combination of expertise and regional engagement in the project's execution. This initiative extends the service life of TasRail's locomotives and paves the way for future low-emission fleet alternatives.



SAFETY, HEALTH & ENVIRONMENT

TasRail continues its unwavering commitment to the safety of its staff, contractors and the Tasmanian communities in which we work. Safety is entrenched as one of our four key values and the mantra of going 'Home Safe and Well Today and Every Day' is part of the company ethos, with new employees inducted into our SafetyCircle™ soon after their arrival.

The business continues to set ambitious safety targets and was pleased to see a slight improvement in performance in 2023-24. Disappointingly, recordable injuries slightly exceeded our target.

Importantly, each of the six incidents led to refined controls and enhanced risk management strategies, reinforcing our commitment to safety through the "Stop, Think, Choose, Act" approach.

Internal reporting statistics continue to highlight TasRail's robust safety culture, proactive hazard identification and an increasing awareness of the role of human factors in the workplace.

TasRail also continues its strong commitment to environmental stewardship, working constantly to integrate best practice environmental management activities across its operations supported by a team of

subject matter experts. New internal environmental performance metrics were successfully integrated in 2023-24, establishing a baseline for future improvements.

Moving forward, the Board-endorsed Safety, Health and Environment (SHE) Strategic Plan for 2024-2025 emphasises continuous improvement in hazard assessment, safety leadership, and risk management, guided by a 'Do it and Do it Well' philosophy.

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Level crossing failure to stop or give way	68	39	44	42	33	85	72	76
Level crossing collisions	1	2	1	1	1	2	1	1
Trespass	79	83	79	69	57	58	69	43
Vandalism and theft	37	38	38	32	37	31	72	55
Livestock in the rail corridor	153	124	153	106	167	104	122	64
Animal collisions with trains	15	33	30	25	33	19	20	10
Train horn complaints	6	14	19	17	16	22	21	20
Vegetation Complaints	36	34	30	55	49	64	30	79

LEVEL CROSSING SAFETY

TasRail plays a crucial role in transporting freight across Tasmania, with our network intersecting hundreds of roads, highways and pedestrian thoroughfares. These rail crossings present significant safety challenges.

Although collisions at level crossings are infrequent, they can lead to service disruptions, delays, property damage, and, in severe cases, injury or fatality. The impact on communities and the economy can be substantial, underscoring the importance of vigilance and adherence to road rules at these crossings.

Between July 2018 and June 2024, TasRail recorded eight collisions and 311 near misses at level crossings. Each incident affects not only those directly involved, but also train drivers and their families, other railway employees, and emergency services. Recognising the inherent risks, TasRail continually strives to enhance safety through engineering improvements, upgraded signage, warning systems, and community education.

More than \$2 million in funding from Tranche Four of the Tasmanian Freight Rail Revitalisation Program (TFRRP) has been allocated to level crossing safety improvements and upgrades across Tasmania. Since TFRRP began, more than a decade ago, more than \$20 million has been spent in this area.

Despite our efforts, the 2023-24 reporting period revealed some disappointing trends.

There was a very serious collision at a Westbury level crossing in April, and a collision with a recently abandoned motor vehicle at Spreyton in May. Both collisions were a result of very poor choices by road users.

Reports of level crossing failure to stop or give way by road users nearly doubled, rising from 39 in 2022-23 to 68. Notably, the Northern region saw a dramatic increase in incidents, with 20 cases reported compared to just 4 the previous year. The Northwest, historically the most problematic area, also experienced a rise from 31 to 42 incidents.

In response to these challenges, TasRail is committed to ongoing collaboration with the rail industry and enforcement agencies to improve safety outcomes. We continue to work with the TrackSafe Foundation and the Australasian Rail Association (ARA) to promote rail safety initiatives at a national level. The business also collaborates closely with Tasmania Police to ensure effective enforcement measures.

In conjunction with Rail Safety Week this year TasRail launched an online video campaign – ‘What’s it going to take?’ This initiative aims to heighten awareness of level crossing safety and encourage responsible behaviour among road users. Through the personal stories of TasRail team members and public engagement, the business intent is to drive a positive shift in public behaviour and improve safety outcomes.







Our operations staff using a screen mock-up to determine where all information systems should be displayed in 2053 (LLEP), being observed by our rollingstock technicians, assessing positioning for reachability, glare and general operator comfort.

HUMAN FACTORS CASE STUDY

Human factors is the science of people at work. It integrates knowledge from psychology, engineering, design, and ergonomics to better understand how people’s abilities and limitations affect their behaviour in complex settings.

In the past year, TasRail has made substantial advancements in its human factors capability.

By investing in specialist training for an internal resource to lead this discipline, the organisation has successfully

developed comprehensive, high-quality systems – comparable to that of larger mainland operators.

These systems are now integral to identifying, assessing, and managing human factors as part of TasRail’s overall risk management strategy.

TasRail has not only grown its own capability, but has shared these learnings with the Tasmanian community through interactive learning sessions conducted through WorkSafe

Tasmania events, such as the Safe Bodies, Safe Minds Conference and WorkSafe Month. TasRail is now viewed as a Tasmanian leader in the discipline of human factors. It continues to develop and grow through annual improvement strategies aimed at technical skill advancement and an embedded consideration to human capabilities, limitations and decision-making in all facets of business operations.

ENVIRONMENT CASE STUDY

TasRail's recent formation realignment project at Lowdina exemplifies the business's commitment to sustainable practices and environmental stewardship. The initiative focused on reusing approximately 17,500 m³ of construction material, substantially lowering costs and minimising disruption to local traffic and landowners.

TasRail's Environmental Advisors, external ecological consultants, affected landowners, and the project team developed a methodology that emphasised practical construction techniques and effective environmental

management. A key challenge was the presence of Chilean Needle Grass (CNG), which required careful handling. All CNG-affected areas were treated with herbicides before construction, and clean material from the new alignment was used to cover these areas, thereby preventing regrowth. The final landforms were designed to blend with the existing topography.

Material from the formation tie-in points was utilised to fill gaps between old and new railway sections, averting potential drainage issues. Regular machinery washdowns and CNG

monitoring were integral to maintaining biosecurity.

Additional environmental measures included establishing exclusion zones around two trees with ecological significance, timing the work to avoid the wedge-tail eagle breeding season, and implementing sediment controls and seeding to prevent erosion.

This successful project highlights TasRail's dedication to minimising waste, reusing materials, and protecting local ecosystems while adhering to our biosecurity and environmental obligations.



Pic 1



Pic 2



Pic 3



Pic 4

Pic 1: Clean spoils from the Lowdina formation works being beneficially reused onsite to cover CNG impacted pasture.

Pic 2: Infill of the area between the existing and new formation.

Pic 3: Tree with hollows suitable for Tasmanian masked owl protected during works.

Pic 4: Mapped potential Wedge Tail Eagle nesting habitat within 1 km of the proposed project site.



ABOVE RAIL BUSINESS

The Above Rail business is the commercial arm of TasRail and provides rail logistics to Tasmanian industry across four market categories – intermodal (containers), bulk, forestry and minerals shiploading services. TasRail's contracts require high levels of service delivery for industry, and this can only be achieved by maintaining the fleet of locomotives and wagons to exacting standards.

TOTAL FREIGHT TASK (NET TONNE KILOMETRES)

Commodity	2023-24 NTK	2022-23 NTK	Percentage change Year on Year
Paper	112,003,602	114,966,969	-2.58%
General Intermodal	261,493,729	226,448,770	15.48%
Logs	53,368,841	58,817,537	-9.26%
Mineral Concentrates	17,691,980	14,643,554	20.82%
Coal	49,569,690	47,421,938	4.53%
Cement	22,234,900	23,317,494	-4.64%
TOTAL	516,452,742	485,616,262	6.3%

The Above Rail teams have been integral to TasRail providing a high standard of service in 2023-24. Their commitment to providing excellent, tailored customer service has cemented TasRail's value proposition of being a safe and dependable provider of rail logistics services.

In addition to rail logistics, the Above Rail business operates:

- A state-wide network of terminals
- Container handling operations
- Bulk minerals storage and shiploading
- Bulk log handling, weighbridges, storage and loading.



TOTAL NET TONNE KILOMETRES

2023-24	516,452,742
2022-23	485,616,262
2021-22	498,855,612

Net tonne kilometres are calculated by multiplying the total distance travelled (in km) by the net weight of the freight

In 2023-24 TasRail transported a record ~516.4 million net tonne kilometres of freight – up 6.3 per cent from 2022-23. This was led by growth in the intermodal sector and a strong year by our mining customers.

SHIPLOADING OPERATIONS

In its final financial year of operation, TasRail's current shiploader at the Port of Burnie continued to play a vital role in the export supply chain of the Tasmanian mining industry.

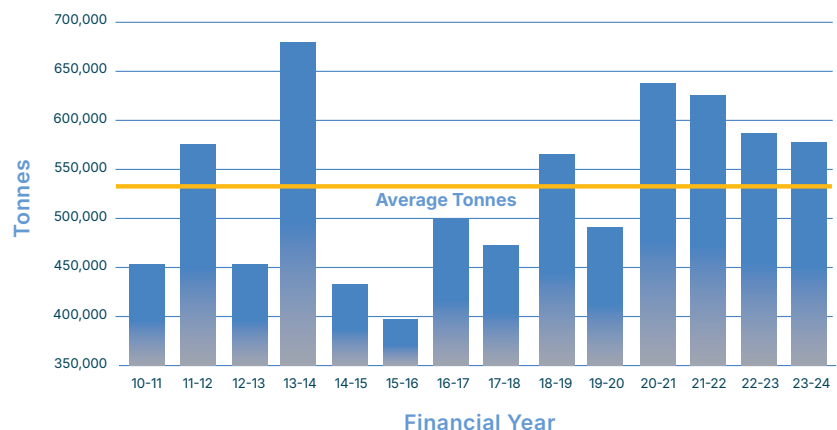
In 2023-24, TasRail ship loaded 575,047 tonnes for west coast miners, down on last year due to inclement weather in the final days of the

financial year, but still 8 per cent higher than the long-run average.

Total shiploading volumes

2023-24	575,047 tonnes
2022-23	585,604 tonnes
2021-22	650,365 tonnes

TasRail's annual shiploading volumes



BUSINESS

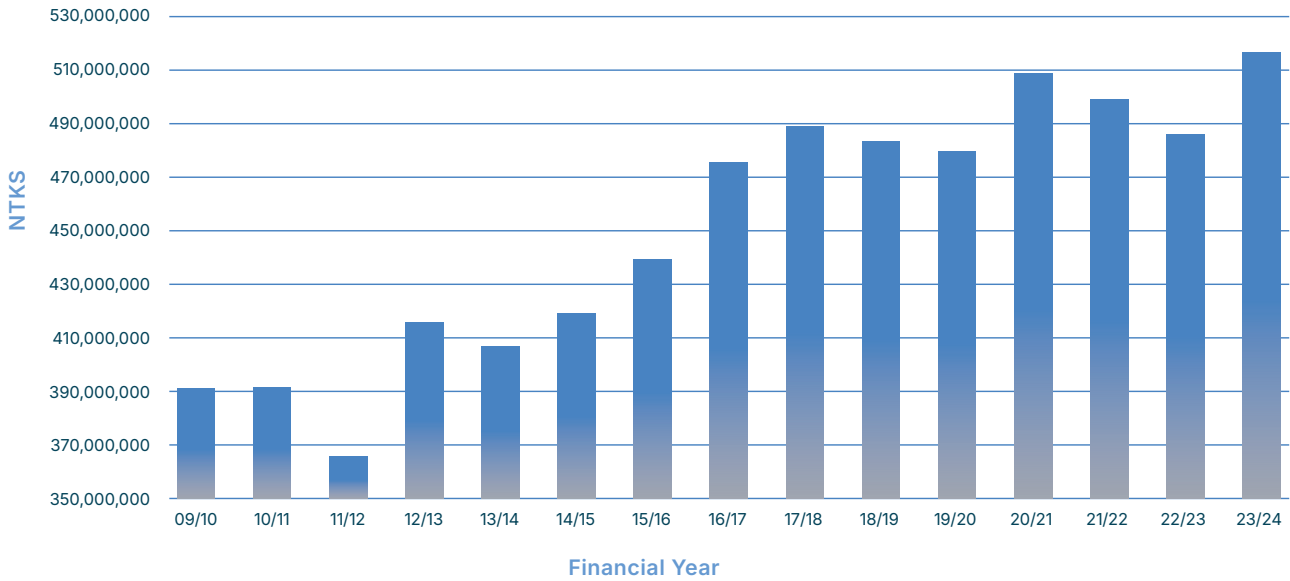
TasRail delivered a strong business result during the reporting period, despite challenging market conditions impacted by cost-of-living and inflationary pressures.

This result is reflected in our 2023-24 freight results, with a 6.3 per cent increase in Net Tonne Kilometres recorded since last year. This increase was largely driven by the containers

and bulk commodities sectors. It represents the largest single year of rail haulage in TasRail's history.

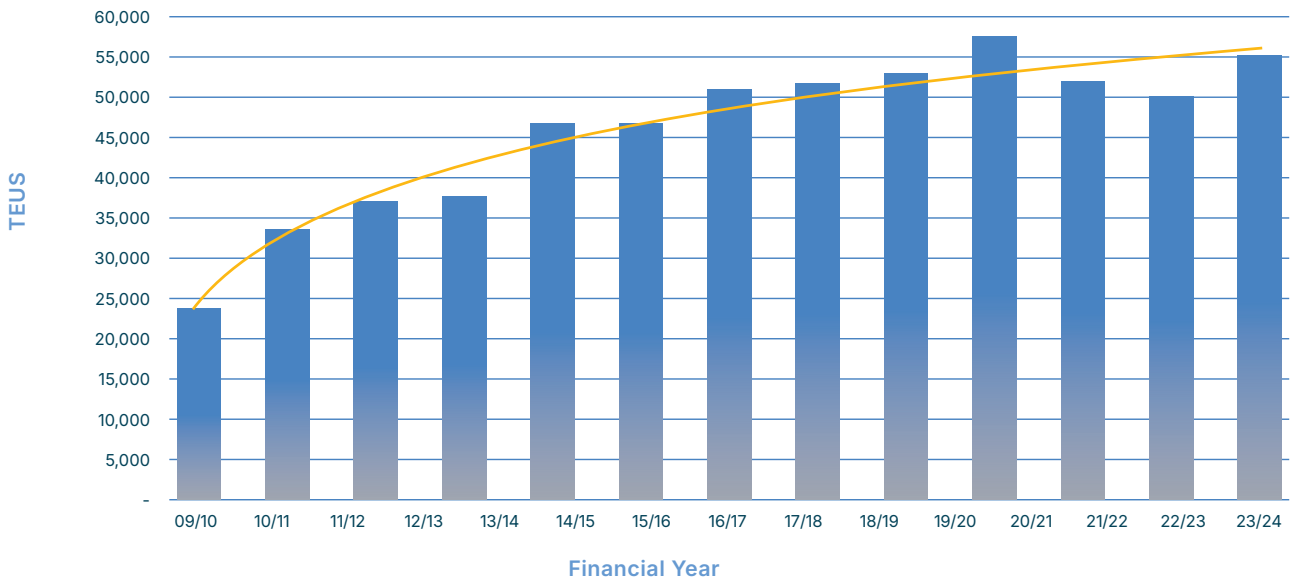


NTKs



Growth in the intermodal sector has been particularly strong this year, with consistent flows of containers through the network. 2023-24 saw TasRail record its second highest-ever haulage of TEUs (Twenty Foot Equivalent Units), with 85,163 TEU on rail (and off roads) for the financial year, highlighting another strong result.

TEUs (General Intermodal)



Demand for TasRail's mineral concentrates services has been strong this year, up ~20 per cent on last year's result. This reflects TasRail's ongoing commitment to the mining sector and the strength of relationships with the sector's key operators. TasRail will continue to deliver on this commitment with the new shiploader and Bulk Minerals Export Facility expansion at the Port of Burnie.

Other commodity segments have performed consistently, but we have seen a slight reduction in forestry log volumes due to an international market oversupply of woodchips.

Being on time is critical to our commercial reputation as a business that supplies rail logistics solutions to all of the State's biggest industries. 'Freight Availability' is a key metric for TasRail, and it measures performance

in customer freight being available to unload at the agreed time. In 2023-24, TasRail had a combined Freight Availability target for its six daily intermodal services of 96 per cent and achieved an actual result of 97.2 per cent. This result is a credit to the entire TasRail team.

PEOPLE AND CAPABILITY

Throughout the 2023-24 reporting period, the People and Capability team underwent a strategic transformation to deliver a more agile and modern service to our business. Despite a challenging labour market, TasRail continues to stand out as a preferred employer locally, offering stability, professional growth, attractive benefits, and engaging projects that draw top talent.

TasRail's commitment to its core values, teamwork, and investment in our people has solidified our reputation as Tasmania's trusted provider of reliable rail logistics solutions. Over the past year, we welcomed 54 new team members.

Engagement Survey

During the reporting period, we conducted our first comprehensive Staff Engagement Survey in several years, leveraging a fully online tool to gather targeted feedback. With an 80 per cent response rate, the survey provided valuable insights into our culture and engagement levels. The overall engagement score of 61 per cent aligns with industry benchmarks for Australian Transport and Logistics organisations.

Our leadership teams are actively addressing feedback and working with the People and Capability team to implement

changes that enhance engagement and drive continuous improvement.

Capability

During the 2023-24 period, the Capability Team provided 466 units of nationally accredited training across operations, rollingstock, infrastructure, and corporate sectors. We also completed 755 assessments for 210 employees and contractors and 361 recertifications throughout Tasmania.

Our training efforts are aligned with both business objectives and employee development goals, underscoring our focus on enhancing the professionalism of the TasRail team. This year also saw the launch of a comprehensive Leadership Development Program, aimed at upskilling our leadership team and introducing formal training for emerging leaders.

Industrial Relations

The year saw the successful negotiation and approval of the Bulk Handlers Enterprise Agreement (2024), which enhances pay and conditions for essential frontline staff. This agreement supports our growth strategy, facilitating expansion into off-site bulk storage locations and supporting the commissioning of the new Burnie Shiploader.



WORKFORCE FACTS AND DEMOGRAPHICS (AS OF 30 JUNE 2024)

280

FULL-TIME
EQUIVALENT
EMPLOYEES

78%

OF STAFF ARE
PERMANENT
EMPLOYEES

54

NEW EMPLOYEES
IN LAST FY

AS OF
JUNE 24

20%

OF THE WORKFORCE
ARE FEMALE

OLDEST
EMPLOYEE

72yrs

YOUNGEST
EMPLOYEE

19yrs

AVERAGE AGE
IN OPERATIONS

43yrs

AVERAGE LENGTH
OF SERVICE

9yrs

ASSET MANAGEMENT
AND INFRASTRUCTURE
INVESTMENT PROGRAM
TEAM MEMBERS

124

FULL-TIME EQUIVALENTS



COMMUNITY

At TasRail, we understand that our most valuable assets are our people and the communities they belong to. In 2023-24, we proudly continued our support for grassroots initiatives through a range of donations and sponsorships.

Several staff-led initiatives remain causes close to our hearts in the festive season, including the Salvation Army's Bags of Hope. The TasRail Christmas train also continues to be a family favourite, with up to 20,000 users visiting its dedicated website in the lead-up to 25 December.

Our connections within the community enabled us to support various sporting organisations, including the Latrobe Football Club's ANZAC Day event and the Northern Tasmanian Junior Soccer Association's (NTJSA) under-12 girls' Kanga Cup team, which triumphed in Canberra; and educational opportunities with ongoing sponsorship

of the Queechy High School F1 in Schools senior team.

We extended our financial backing to numerous community events across Tasmania, such as the Mt Lyell/Strahan picnic, the Rosebery Athletics Carnival, and the Rosebery Festival.

The business was pleased to donate PPE to a number of organisations doing great work within the Northern Tasmanian community, including the Migrant Resource Centre, and the Northern Suburbs Community Centre.

One of our proudest achievements in 2023-24 was assisting Wings Wildlife Park at Gunns Plains, severely impacted by the 2022 floods. We provided two 60ft wagon bases, including logistics and delivery, to aid their infrastructure recovery efforts. This donation will help the park rebuild and improve access within their site.





BELOW RAIL SEGMENT

TasRail's Below Rail segment is managed by the Engineering and Infrastructure function within Asset Management. The function is responsible for the management and maintenance of the Tasmanian Rail Network. It also includes dedicated Signals Management and Land and Vegetation Management teams. TasRail's land tenure comprises both operational and non-operational rail corridors (745 route kilometres).

TRACK QUALITY INDEX (TQI)

The TQI is derived from mandatory, scheduled recordings taken by TasRail's Track Geometry Measurement System (TGMS). The outputs of the TGMS allow the Asset Management team to make informed decisions on network maintenance and renewal priorities.

The TQI two-year trend shows an overall improvement in the condition of all lines in the 2023-24 reporting period, particularly in the South Line which saw a focussed investment in rail and sleeper renewal.

Percentage Rated: Good, Fair, Poor, Very Poor

	June 2024 (Good)	June 2023 (Good)	June 2024 (Fair)	June 2023 (Fair)	June 2024 (Poor)	June 2023 (Poor)	June 2024 (V. Poor)	June 2023 (V. Poor)
West	78.5%	79.5%	18.9%	17.5%	2.3%	2.4%	0.2%	0.5%
South	70.6%	64.9%	23.7%	25.9%	4.8%	7.7%	0.8%	1.4%
Melba	93.4%	90.3%	6.3%	9.5%	0.3%	0.2%	0.0%	0.1%
Bell Bay	50.9%	53.0%	35.8%	35.0%	12.0%	10.0%	1.3%	2.0%
Fingal	76.4%	81.2%	19.5%	14.6%	3.6%	3.4%	0.5%	0.7%
DV line	75.4%	48.9%	13.4%	33.8%	11.2%	17.3%	0.0%	0.0%
Network	76.0%	74.1%	19.5%	20.3%	3.9%	4.8%	0.5%	0.9%



TAMPING

TasRail's tamper tamped 113km of track during 2023-24. This is less than the previous reporting period as the tamper was extensively utilised to support Tasmanian Freight Rail Revitalisation Program activities across the State. Effective and strategic use of TasRail's tamper and ballast regulating machines is vital to network maintenance and ensures that track geometry and quality are maintained.

	2023-24	2022-23	2021-22	2020-21
Tamped Kilometres	113	133	156	102



TEMPORARY SPEED RESTRICTIONS (TSR)

TasRail's extensive capital and maintenance program in 2023-24 saw a temporary increase in the percentage of the operational network under TSR as of 30 June. The increase to 8.6 per cent reflects the number of worksite TSRs in place. These are imposed when major works are underway.

TasRail's detailed rail inspection process highlights specific locations on the network where it may be necessary to mitigate risk by introducing a track speed restriction (TSR). A TSR is introduced pending a permanent engineering solution.

Percentage of the Network under TSR

As of 30 June 2024	8.60%
As of 30 June 2023	8.78%
As of 30 June 2022	7.55%



CORPORATE GOVERNANCE FRAMEWORK

At TasRail, Corporate Governance relates to the system by which the business is directed and managed. Much of its success is underpinned by strong and effective relationships between the Board and the Management Team, the Shareholder Members and other stakeholders.

TasRail is governed by a Shareholder-appointed Board of Directors. The Board operates under a framework that is consistent with the ASX Corporate Governance principles and Recommendations:

Principle 1 – Lay solid foundations for governance and oversight:

The TasRail Board is made up of five independent Non-Executive Directors. The responsibilities of individual Directors and the Company's expectations of them are set out in their letter of appointment and the Board Charter.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The Board Charter requires annual reviews of the Board, its Committees and Directors. The process for evaluations is in line with the Guidelines Assessing Board Performance issued by the Shareholders.

The Chairman and the CEO, along with the Portfolio Minister appear before and respond to Parliamentary Government Business Scrutiny Committee(s) as and when required.

Principle 2 – Structure the Board to add value:

All TasRail Directors are independent of management. Directors have an ongoing requirement to notify the Board of any material personal interest in any matter relating to the affairs of TasRail. The Chairman is an Independent Director and is not an Executive of the Company.

Directors are selected and appointed based on their skills and experiences and in consideration of diversity and independence, probity and background checks. The appointment involves the creation of a Director Selection Advisory Panel. An executive search firm is appointed to assist the panel to identify potential candidates. TasRail maintains a Board Skills Matrix, setting out the mix of skills and diversity that the Board has.

The Board Charter recognises the importance of effectively inducting new Directors and the value of continuing professional development for its members. An induction program is administered by the Chairman with the support of the Company Secretary and CEO.

Principle 3 – Act ethically and responsibly:

The Board Charter commits the Board to maintaining the highest ethical standards. It expects that Directors will demonstrate the spirit and intent of its Code of Conduct as well as comply with all applicable legislation, lawful directions from Shareholders and Company policies.

Each Director is bound to uphold the Code of Conduct by exhibiting model performance, behaviour and conduct that is in line with the Code during

the course of their employment. They must promote the Code and ensure that any potential breaches are taken seriously, identified and reported and acted upon appropriately. The Code of Conduct is underpinned by other policies and procedures that articulate the expectation to act ethically and responsibly, as well as comply with legislative and regulatory obligations. These include the Right to Information Policy, Privacy Policy, Procurement Procedure, Public Interest Disclosures ('Whistleblowers') Policy and People Management Business Critical Process.

Principle 4 – Safeguard integrity in corporate reports:

The Board operates an Audit, Risk and Compliance Committee that assists the Board to discharge its duties in relation to its corporate and financial reporting processes, internal and external audit, and compliance.

The Committee reviews the Company's financial statements and associated reports and recommends them to the Board for consideration. As part of the end-of-year processes, the Committee ensures the CEO and CFO provide the required declarations under S295A of the *Corporations Act 2001* and formally sign the accounts before it makes any recommendations to the Board.

The TasRail Constitution provides that the Company is required to use the Tasmanian Auditor-General for its external audit. Members confirm the appointment of the external auditor at each Annual General Meeting. The auditor attends the Annual General Meeting to discuss any issues with members. The Audit, Risk and Compliance Committee also meets with the external auditor without management present from time to time.

TasRail's Annual Reports are provided to Shareholders by the end of October each year. The Reports are tabled in each House of the Tasmanian Parliament and are therefore subject to the scrutiny of all Members of the Parliament and the community.

Principle 5 – Make timely and balanced disclosure:

TasRail is required by its Constitution to communicate with its Shareholders and others, via regular and irregular reporting and other means of communication. In practice, there is a flow of information throughout the year on important matters to ensure Shareholders are kept informed. If the Directors at any time form the view that matters have arisen that may prevent, or significantly affect achievement of the objective, strategies, policies or financial targets of the Company, the Directors must promptly notify the Shareholder Members.

Details about disclosures are made under the *Right to Information Act 2009*; the *Public Interest Disclosures Act 2002*; and the *Personal Information Protection Act 2004* are set out in the Annual Report.

Principle 6 – Respect the rights of shareholders:

TasRail's Constitution specifies the rights and powers of the Shareholder Members. The Board has procedures for communication with Shareholder Members to ensure they have timely access to information about the Company, including its financial situation, performance, governance and any sensitive matters about which they need to be aware.

Consistent with the *Rail Company Act 2009*, Directors must comply with the lawful directions given in writing by the Shareholder Members.

Principle 7 – Recognise and manage risk:

Under its Charter, the Board commits to ensuring TasRail effectively manages its strategic, financial, operational, reputational and emerging risks. The Board also ensures that an effective system of risk management and internal control operates within the Company and that it regularly monitors the performance of that system.

TasRail's Risk Management Framework is approved and overseen by the Board. The Executive Team discuss and review emerging and actual risks in the Company's external and internal environment and use this analysis to make decisions and agree on risk mitigation plans. They report on risk and risk management to the Audit, Risk and Compliance Committee. This Committee assists the Board to discharge its duties by reviewing and supplementing the reports provided by the Executive Team, monitoring the strength and reliability of the framework and reporting to the Board on the status of risk in the Company.

TasRail provides Shareholder Members with information about risk by including key financial and operational risks in the annual corporate plan and regularly discussing risks at Shareholder Member briefings.

Principle 8 – Remunerate fairly and responsibly:

The Board has specifically retained responsibility for approving the Remuneration Framework and Policies, Organisational Structure amendments and conditions of employment.

The Board's responsibilities are:

- Ensuring TasRail's remuneration policies, practices and performance indicators are aligned to the Company's vision, values and overall business objectives;
- Ensuring TasRail's remuneration policies meet the requirements outlined in the Guidelines for Tasmanian Government Businesses, Director and Executive Remuneration;
- Reviewing annual remuneration policies and practices to be introduced at TasRail;
- Reviewing principal terms of employment contracts including the remuneration package for the CEO;
- Reviewing remuneration of the CEO annually;
- Monitoring the performance of the CEO and key performance indicators to determine performance criteria;
- Reviewing the CEO's recommendations regarding Enterprise Agreement strategy and remuneration under other arrangements for company staff, and ensuring remuneration is aligned with market trends.

The Board also ensures remuneration reports are provided to Shareholder Members as required.



RIGHT TO INFORMATION

TasRail is committed to compliance with the *Right to Information Act 2009* and to act in a fair, objective and timely manner to ensure the spirit of the Act is upheld. Information about the *Right to Information Act 2009* and TasRail's obligations under it are available at www.tasrail.com.au or email righttoinformation@tasrail.com.au

During 2023-24, TasRail received two Right to Information requests.

TasRail embraces the objectives of the *Right to Information Act 2009* by routinely publishing information that it considers to be of interest to the public. TasRail's preferred method of disclosure of information is proactive disclosure via its publications, website and social media.

PUBLIC INTEREST DISCLOSURES

TasRail is committed to the aims and objectives of the *Public Interest Disclosures Act 2002* and does not tolerate improper conduct by its employees, officers or members, or the taking of detrimental action against those who come forward to disclose such conduct.

The *Public Interest Disclosures Act 2002* provides protection to persons who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying actions to be taken.

TasRail has adopted model procedures to be followed by Public Bodies in relation to Public Interest Disclosure (PID). These procedures establish a

system for reporting disclosures of improper conduct or detrimental action by TasRail or members, officers or employees of the public body.

They are also intended to assist TasRail's members, officers and employees to understand the way in which the *Public Interest Disclosures Act 2002* operates and is to be administered. The procedures are designed to complement normal communication channels between supervisors and employees and have been prepared in accordance with Guidelines and Standards published by the Ombudsman under Section 38(1) (c) of the Act.

Under the Act, TasRail is required to report on any disclosures about improper conduct by its public officers or TasRail.

In accordance with the requirements of Section 86 of the Act, TasRail advises that:

- (a) TasRail's procedures under the Act are available at www.tasrail.com.au or email PD.Officer@tasrail.com.au. Alternatively, you can write to: Public Interest Disclosure Officer, TasRail, PO Box 335, Kings Meadows, Tasmania 7249.
- (b) No disclosures were made to TasRail during the 2023-24 financial year.
- (c) No Public Interest Disclosures were investigated by TasRail during the year.
- (d) No disclosed matters were referred to TasRail during the year by the Ombudsman.
- (e) No disclosed matters were referred by TasRail during the year to the Ombudsman to investigate.
- (f) No investigations of disclosed matters were taken over by the Ombudsman from TasRail during the year.
- (g) There were no disclosed matters that TasRail decided not to investigate during the year.
- (h) There were no disclosed matters that were substantiated on investigation.
- (i) The Ombudsman made no recommendations under the Act that relate to TasRail.

PERSONAL INFORMATION PROTECTION

TasRail values and respects the privacy of all personal and sensitive information. The Company is committed to protecting the information it collects, stores, handles, uses and discloses in accordance with the requirements of the *Personal Information Protection Act 2004* (Tas.), which prescribes Personal Information

Protection Principles for Tasmania, as well as the National Privacy Principles prescribed under the *Privacy Act 1988* (Cth).

Procedures that define the way TasRail collects, stores, handles, uses and discloses information are published on TasRail's website at www.tasrail.com.au. No reports were made under this regime for the 2023-24 reporting period.

BUY LOCAL

TasRail complies with the Tasmanian Government's Buy Local Policy for its procurement processes, including the requirement to provide transparency about procurement outcomes. A Tasmanian business is defined as a business operating in Tasmania, which has a permanent office or presence in Tasmania and employs Tasmanian workers.

TasRail endeavours to support many local businesses but is effectively only able to identify a business as being Tasmanian if the invoice payment and/or the Australian Business Number (ABN) are registered to an address within the State. Purchases are defined to include operating expenses together with capital expenditure. The table below excludes employment and finance expenses and depreciation.

Buy Local performance

Value of purchases from Tasmanian businesses	\$54,795,878
Percentage of purchases from Tasmanian businesses	45.08%

Rail uses specialised materials that are not available for local purchase, production or manufacture. For example, rail and sleepers.

Payment of accounts

TasRail complies with the Tasmanian Government Policy that requires State-owned Companies to:

- Implement appropriate policies and procedures to ensure that all accounts are paid on time, and if not, interest is to be paid for late payments
- pay invoices of less than \$50,000 within 30 days, or if a shorter term has been agreed, within the shorter term
- Pay invoices with a value above \$50,000 in accordance with the agreed terms and by the due date.

The expectation is that TasRail will pay all invoices correctly rendered by suppliers within the period specified by the supplier; or where the contract is silent on payment requirements, within 30 calendar days of the date of the correctly rendered invoice.

Accounts due or paid within 2023-24

Creditor Days	14
Number of accounts due for payment	11,364
Number of accounts paid on time	11,363
Amount due for payment	\$129,257,048
Amount paid on time	\$129,257,048
Number of payments for interest on overdue accounts	1
Interest paid on overdue accounts	\$28.60

Contractors

There were a number of contracts let in 2022-23 where commitments carried forward into this financial year. Additionally, TasRail has awarded contracts in the 2023-24 year that have commitment values into the next financial year.

Contracts valued over \$2 million but less than \$5 million

Contract/Works Package	Procurement Method	Buy Local Policy Applied	Contractor	Contractor State of Operations
TR-230011 - South Line and Western Line Head Worn Rail Replacement	Open Tender	Yes	DT Infrastructure Pty Ltd	TAS
TR-230054 - Overhaul of Motors	Open Tender	Yes	Alpha Electrics & Water Pty Ltd	TAS
TR-230064 - RRV Hi-Rail Conversions	Open Tender	Yes	Manco Engineering	NSW
TR-230069 - Formation Renewals	Open Tender	Yes	Gradco Pty Ltd	TAS

Consultants

The guideline defines a Consultant as a particular type of contractor who is engaged to provide recommendations or specialist or professional advice to an entity. A Contractor is defined as an individual or organisation engaged under a contract (other than as an employee) to provide goods and or services to an entity.

The following consultancies were valued at more than \$50,000 (excluding GST):

Name of consultant	Location	Description	Amount \$
GHD Pty Ltd	TAS	Engineering advice	524,165
Pitt & Sherry	TAS	Engineering advice	1,039,920
Scherzic Pty Lt	TAS	Engineering advice	151,445
HSEQ Services Australia Pty Ltd	TAS	Safety Advice	181,666
SMEC Australia	TAS	Engineering advice	1,366,941
ISW Development Pty Ltd	VIC	Professional services	233,458
BetterAIM Pty Ltd	WA	Professional services	120,790
Alexandrides Engineering	SA	Engineering advice	60,204
Worley Services Pty Ltd	NSW	Professional services	97,980
Industrial Water Services	TAS	Professional services	70,316
PDA Surveyors	TAS	Survey Services	91,246
Sub Total			3,938,131
There were 30 Consultants engaged for \$50,000 or less totalling			362,732
Total (Net) Payments for Consultants to June 2024			4,300,863

FINANCIAL REPORT

30 JUNE 2024

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TASMANIAN RAILWAY PTY LIMITED
DIRECTORS' REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

The Directors present their report together with the financial report of Tasmanian Railway Pty Limited ("the Company") for the financial year ended 30 June 2024 and the Independent Auditor's Report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name and independence status	Special responsibilities and other directorships
<p>Stephen Cantwell Independent Non-Executive Director, Chairperson</p> <p>Appointed 1 December 2016</p> <p>Reappointed 15 November 2022 until the 2025 Annual General Meeting</p> <p>Appointed Chair 1 January 2020</p>	<p>Member, Audit, Risk & Compliance Committee</p> <p>Member, Major Projects Committee</p> <p>Member, People, Safety and Environment Committee</p> <p>Member, West Coast Wilderness Railway Committee</p> <p>Director, Port of Brisbane Pty Ltd</p> <p>Director, Queensland Rail Pty Ltd (QR)</p> <p>Director, Lindsay Australia</p>
<p>Alison Chan Independent Non-Executive Director</p> <p>Appointed 15 February 2020</p> <p>Reappointed on 18 April 2023 until the 2025 Annual General Meeting</p>	<p>Chair, Major Projects Committee</p> <p>Member, Audit, Risk & Compliance Committee</p> <p>Member, People, Safety and Environment Committee</p> <p>Member, West Coast Wilderness Railway Committee</p> <p>Director, Rollhelp Limited</p> <p>Executive, Metrics Credit Partners</p>
<p>Ian Vanderbeek Independent Non-Executive Director</p> <p>Appointed for a 3-year term commencing 1 July 2021</p>	<p>Chair, People, Safety and Environment Committee</p> <p>Member, Audit, Risk & Compliance Committee</p> <p>Member, Major Projects Committee</p> <p>Member, West Coast Wilderness Railway Committee</p> <p>Director, CareFlight Limited</p> <p>Director, Edward Street Property Pty Ltd</p> <p>Director, Whivan Capital Pty Ltd</p> <p>Director, Birrong Investments (NSW) Pty Ltd</p> <p>Director, Metro Tasmania</p>
<p>Anita Robertson Independent Non-Executive Director</p> <p>Appointed for a 3-year term commencing 1 December 2021</p>	<p>Chair, Audit, Risk & Compliance Committee</p> <p>Member, Major Projects Committee</p> <p>Member, People, Safety and Environment Committee</p> <p>Member, West Coast Wilderness Railway Committee</p> <p>Director, General Practice Training Tasmania Pty Ltd</p> <p>Independent Panel Member, Department of Natural Resources & Environment Tasmania, Risk and Audit Committee</p> <p>Councillor, Governance Institute of Australia – Tasmanian State Council</p> <p>Executive, St Virgil's College</p>
<p>Michael Scanlan Independent Non-Executive Director</p> <p>Appointed 15 November 2022 until the 2025 Annual General Meeting</p>	<p>Chair, West Coast Wilderness Railway Committee</p> <p>Member, Audit, Risk & Compliance Committee</p> <p>Member, Major Projects Committee</p> <p>Member, People, Safety and Environment Committee</p> <p>Director of the Company Trustee of Westwood Superannuation Fund</p>

TASMANIAN RAILWAY PTY LIMITED
DIRECTORS' REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

The number of Directors' Board and Board Committee Meetings and the number attended by each of the Directors of the Company for the year ended 30 June 2024 are:

Director	Meetings of committees									
	Board		ARCC		PSEC		MPC		WCWR	
	H	A	H	A	H	A	H	A	H	A
Stephen Cantwell	9	9	4	4	4	4	4	4	4	4
Alison Chan	9	9	4	4	4	4	4	3	4	4
Anita Robertson	9	9	4	4	4	4	4	4	4	4
Michael Scanlan	9	9	4	4	4	4	4	4	4	4
Ian Vanderbeek	9	9	4	4	4	4	4	4	4	4

Board = Full meetings of Directors

ARCC = Audit, Risk & Compliance Committee

PSEC = People, Safety and Environment Committee

MPC = Major Projects Committee

WCWR = West Coast Wilderness Railway Committee

A = Number of meetings attended

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

2. PRINCIPAL ACTIVITIES

The Company is a vertically integrated Company which owns and operates the rail business in Tasmania. The Company is a State-owned company, the shareholders being the Tasmanian Treasurer and the Tasmanian Minister for Infrastructure.

The principal activity of the Company during the course of the financial year was the provision of rail freight operations in Tasmania. There were no significant changes in the nature of the activities of the Company during the year.

3. OPERATING AND FINANCIAL REVIEW

Operating segments

Consistent with the Tasmanian *Rail Company Act 2009*, the Company's business is operated in two distinct segments, Below Rail and Above Rail.

Below Rail

This segment relates to the management and operation of the Tasmanian rail network and related infrastructure, including all maintenance and related capital programs. The railway is a narrow-gauge railway built in the late 1800s and the current line still uses much of the original formation and alignment. The Tasmanian rail network consists of 612km of operational track and 132km of non-operational track.

Above rail

This segment relates to the provision of safe, reliable and sustainable rail freight and logistics services, operates TasRail's terminals and is responsible for operating the rollingstock fleet. This segment also manages authorised access to the rail freight network in Tasmania. In addition, the Company owns and operates the Burnie bulk storage and shiploader facility.

Operating result

For the year ended 30 June	2024 (\$'000)	2023 (\$'000)
Net loss after tax before other comprehensive income was	73,235	91,127
After:		
- grant income for capital works of	64	64
- an impairment expense of	67,942	82,052
- depreciation and amortisation expenses of	9,230	8,368

TASMANIAN RAILWAY PTY LIMITED
DIRECTORS' REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

This has been calculated in accordance with Australian Accounting Standards (AASBs).

The infrastructure impairment loss in the current year relates to capital expenditure on the Below Rail infrastructure funded by the Australian and Tasmanian governments. The infrastructure assets constructed are impaired as they do not generate sufficient revenue to sustain the Below Rail segment of the Company without recurrent Tasmanian Government contributions. Under accounting standards and direction from the Tasmanian Treasurer, contributions to fund capital expenditure on infrastructure assets are recognised in the following manner:

- Australian Government contributions to fund infrastructure assets are recognised directly as equity, not as revenue and therefore do not offset the impairment loss. The total amount received in 2023-24 was \$18.0m (2022-23: \$41.072m).
- Tasmanian Government contributions to fund infrastructure assets are recognised directly as equity, not as revenue and therefore do not offset the impairment loss. The total amount received in 2023-24 was \$37.8m (2022-23: \$31.572m).

Segment results for the year were made up of the following:

For the year ended 30 June	2024 (\$'000)	2023 (\$'000)
Below Rail net loss before income tax of	59,521	52,957
After:		
- impairment, depreciation and amortisation expenses of	18,517	47,768
Above Rail net profit/(loss) before income tax of	(13,716)	(38,170)
After:		
- impairment, depreciation and amortisation expenses of	58,716	42,652

The Tasmanian Government provides recurrent operating grant funding for the below rail segment of the business.

The Above Rail segment result for the year has been impacted by the impairment of the expenditure on the construction of the new shiploader of \$14.7m (2022-23: \$36m).

4. ENVIRONMENTAL REGULATIONS

The Company's operations are subject to significant environmental regulations under both Commonwealth and State legislation. The primary legislation is the *Environmental Protection Act 1994*. No breaches of the above-mentioned legislation were notified in 2023-24.

Under the terms of the Lease from the Minister for Infrastructure for the Rail Corridor and associated infrastructure, the Company is responsible for remediation of any environmental obligations that may become apparent as a result of the Company's operations. There were no new environmental liabilities identified at balance date that would have a material effect on the Company's Financial Report at 30 June 2024. If significant environmental liabilities are identified in the future, relating to the period prior to the commencement of the Company, the Company would require financial support from the Tasmanian Government to fund the remediation.

5. DIVIDENDS

No dividends were paid or declared by the Company to Members in 2023-24.

6. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

7. LIKELY DEVELOPMENTS

The Company is continuing to invest and upgrade critical rail infrastructure to ensure a sustainable rail service and shiploading service in line with approved capital funding instruments in place.

The Australian Government and Tasmanian Governments have both committed a further funding package of \$120m to continue investment in rail infrastructure across the network. This infrastructure funding is scheduled to commence at the conclusion of the current funding packages at 30 June 2024 and continue until 30 June 2028.

8. DIRECTORS' INTERESTS

The Directors have no interest in the shares of the Company.

9. INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

Indemnities have been provided to all current Directors and officers of the Company.

Insurance premiums

The Company has paid insurance premiums of \$66,550 in respect of insurance contracts for Directors' and officers' liability and legal expenses, for current Directors and officers, including senior executives of the Company.

The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an auditor of the Company.

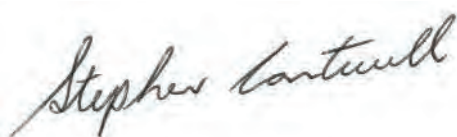
10. AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report for the financial year ended 30 June 2024.

11. ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Stephen Cantwell

Chairman

Dated at Launceston this 13th day of August 2024.

16 August 2024

Mr S Cantwell
Chair
Tasmanian Railway Pty Ltd
PO Box 335
LAUNCESTON TAS 7249

Issued by email only

Dear Mr Cantwell

Tasmanian Railway Pty Ltd – Audit opinion - Audit of Financial Report for the Year Ended 30 June 2024

The audit of the financial report for Tasmanian Railway Pty Ltd (the Company) has been completed in accordance with the agreed financial audit strategy. I have issued my audit report on the financial report, a copy of which is enclosed.

I have prepared this letter solely for the use of the Company. As you know, this letter forms part of a continuing dialogue between the Board and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

Audit findings

A memorandum of audit findings has been drafted, setting out matters that came to my attention during the audit and my recommendations for improvements. These matters will be provided to management for review and response. The finalised memorandum of audit findings will be forwarded to you upon completion.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

Review of the annual report

Please will you forward to me a copy of the final draft of the Company's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information in*

Documents Containing Audited Financial Report to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

Appreciation for assistance and co-operation

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the auditor's report will be provided to the Minister for Infrastructure and Transport, The Hon M Ferguson MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact myself or Hanna Jones on (03) 6173 0900.

Yours sincerely



Stephen Morrison
Assistant Auditor-General

Encl.

Copy for:

Mr S Dietrich, Chief Executive Officer

Mr J Tidey, Chief Financial Officer

Ms A Robertson, Chair of Audit and Risk Committee

Mr B Coull, Director - Synectic

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 (\$'000)	2023 (\$'000)
Continuing operations			
Revenue from freight services	A1	47,692	43,530
Grant income for operating activities	A1	13,898	13,902
Grant income for capital works	A1	64	64
Other income	A1	2,457	2,159
Finance income		653	554
Total income		64,764	60,209
Expenses			
Employee benefits expense		(32,267)	(32,618)
Depreciation and amortisation expense	B2, B3	(9,230)	(8,368)
Impairment expense	B2	(67,942)	(82,052)
Other expenses	A2	(28,296)	(28,089)
Finance expense	A2	(264)	(209)
Total Expense		(137,999)	(151,337)
Loss from continuing operations		(73,235)	(91,127)
Discontinued operations			
Taxation equivalent benefit (expense)	A3	-	-
Loss for the year after tax before comprehensive income		(73,235)	(91,127)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	B2	-	-
Total items that will not be reclassified to profit or loss		-	-
Total comprehensive loss for the year		(73,235)	(91,127)

This statement should be read in conjunction with the accompanying notes.

TASMANIAN RAILWAY PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 (\$'000)	2023 (\$'000)
Assets			
Cash and cash equivalents		13,516	20,511
Trade and other receivables	B1	8,342	8,255
Inventories	B5	23,155	23,202
Total Current Assets		45,013	51,968
Property, plant and equipment	B2	122,383	116,357
Intangibles	B3	491	276
Total Non-current Assets		122,874	116,633
Total Assets		167,887	168,601
Liabilities			
Trade and other payables	B4	17,092	11,929
Deferred grant income	B4	352	413
Loans and Borrowings	B6	11,858	1,011
Employee provisions	C1	7,372	7,000
Total Current Liabilities		36,674	20,353
Loans and Borrowings	B6	2,437	2,004
Employee provisions	C1	1,052	1,082
Total Non-current Liabilities		3,489	3,086
Total Liabilities		40,163	23,439
Net Assets		127,724	145,162
Equity			
Share Capital	D1	724,394	668,597
Reserves	D2	16,587	16,587
Accumulated losses		(613,257)	(540,022)
Total Equity		127,724	145,162

This statement should be read in conjunction with the accompanying notes.

TASMANIAN RAILWAY PTY LTD
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2024

	Note	Share Capital (\$'000)	Asset Revaluation Reserve (\$'000)	Accumulated Losses (\$'000)	Total Equity (\$'000)
At 1 July 2022		595,954	16,587	(448,895)	163,646
Equity contributed	D1	72,643	-	-	72,643
Total comprehensive loss for the year		-	-	(91,127)	(91,127)
At 30 June 2023		668,597	16,587	(540,022)	145,162
Balance at 1 July 2023		668,597	16,587	(540,022)	145,162
Equity contributed	D1	55,797	-	-	55,797
Total comprehensive loss for the year		-	-	(73,235)	(73,235)
At 30 June 2024		724,394	16,587	(613,257)	127,724

This statement should be read in conjunction with the accompanying notes.

TASMANIAN RAILWAY PTY LTD
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2024

	Note	2024 (\$'000)	2023 (\$'000)
Cash flows from operating activities			
Receipts from customers		58,685	48,594
Grants received for operating activities		13,898	13,902
Payments to suppliers and employees		(61,527)	(67,828)
Cash generated from/(used in) operations		11,056	(5,332)
Interest received		653	554
Interest paid		(264)	(209)
Net cash from/(used in) operating activities	A4	11,445	(4,987)
Cash flows from investing activities			
Purchase of property, plant and equipment		(84,127)	(80,384)
Proceeds from sale of plant and equipment		91	11
Net cash from/(used in) investing activities		(84,036)	(80,373)
Cash flows from financing activities			
Proceeds from borrowings	A4	11,015	-
Payment of lease liabilities	A4	(1,215)	(1,174)
Equity contributions	D1	55,796	72,643
Net cash provided by financing activities		65,596	71,469
Net increase/(decrease) in cash and cash equivalents		(6,995)	(13,891)
Cash and cash equivalents at start of period		20,511	34,402
Cash and cash equivalents at 30 June		13,516	20,511

This statement should be read in conjunction with the accompanying notes.

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Corporate Information

Tasmanian Railway Pty Ltd (the "Company") was incorporated on 4 November 2009 and is a company domiciled in Australia. The address of the Company's registered office is 11 Techno Park Drive, Kings Meadows, Tasmania 7249.

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board ("AASB"), and the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on 13 August 2024.

The financial statements are prepared on the historical costs basis, except for certain non-current assets, available for sale assets and prior year financial instruments that are measured at revalued amounts or fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

All amounts are presented in Australian dollars, which is the Company's functional currency, unless otherwise noted.

Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

The Company is of the kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements and Director's Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Key judgements and estimates

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to changes in estimates and assumptions.

Information about each of these areas is set out in Note B2:

- Useful lives of non-current assets. The Company reviews the estimated useful life of property, plant and equipment during each reporting period;
- The Company has impaired all below rail infrastructure assets; and
- The Company's rollingstock assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. The Company engages qualified third-party valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Significant judgements made in determining carrying amount of the Company's rollingstock include:

- The valuation notes Replacement Cost New (RCN) values are sensitive to foreign exchange fluctuations;
- The assessment of useful life;
- The current market demand for the assets; and
- The location of potential markets for rollingstock.

Notes to the Financial Statements

The notes to the financial statements include information that is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the Company;
- It helps explain the impact of significant changes in the Company; and
- It relates to an aspect of the Company's operations that is important to its future performance.

The notes have been grouped into sections to help readers understand the financial performance and position of the Company. These sections comprise:

A: Financial Performance

B: Operating assets and liabilities

C: People

D: Capital structuring and financing

E: Additional information.

Material changes in the current reporting period

There have been no significant and unusual changes in the operation of the Company during the current reporting period.

Changes in material accounting policies

There have been no material changes in accounting policies adopted by the Company during the current reporting period.

A - FINANCIAL PERFORMANCE

This section provides further information in respect to the financial performance of the Company for the year ended 30 June 2024. The focus is on operating segments, revenue, expenses and cashflow disclosures. Certain operational expenses such as impairments are disclosed in the notes with the associated operating asset or liability in Section B: 'Operating assets and liabilities'. Employee-related expenses are disclosed in Section C: 'People'.

A1 REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable. The following is a breakdown of the Company's revenue from continuing operations for the year.

	2024 (\$'000)	2023 (\$'000)
Operating revenue		
Revenue from freight services	47,692	43,530
Grant income for operating activities		
Tasmanian Government	13,898	13,902
Grant income for capital works		
Australian Government	64	64
Other income		
Sundry	1,533	1,336
Profit/(Loss) on sale of disposal of fixed assets	10	-
Property Rental	914	823
	2,457	2,159

Recognition and measurement

Revenue from the provision of freight services

Revenue from freight services is recognised in proportion to the services rendered. The performance obligation is satisfied once freight has been delivered to the agreed location. Payment terms are negotiated with customers on an individual basis but are typically between 14 - 30 days. There are no obligations on the Company in relation to returns, refunds, warranties or related obligations.

Government grants

Government grants assist with the purchase, maintenance and construction of rail network assets.

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as income in the same periods in which the expenses are recognised. Grants that compensate the Company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset unless they have been designated as an equity contribution by the Tasmanian State Treasurer. Where this occurs the funding is allocated directly to "Share Capital" and is reflected in the Statement of Changes in Equity.

A - FINANCIAL PERFORMANCE

A2 EXPENSES

Loss from continuing operations was calculated after charging the following:

	2024 (\$'000)	2023 (\$'000)
Other expenses		
Maintenance and consumables expense	7,260	8,767
Fuel expense	7,025	7,445
Property and lease expense	2,246	2,059
Administration expense	6,847	5,585
(Profit)/Loss on sale of disposal of fixed assets	-	(11)
Other expenses	4,918	4,279
Total other expenses	28,296	28,124
Finance expenses	(\$'000)	(\$'000)
Interest on Borrowings	35	-
Interest on lease liabilities	230	209
	264	209

Recognition and measurement

Expenses

Expenses are recognised in the Statement of Profit and Loss and Other Comprehensive Income when it is probable that the outflow or the other depletion of future economic benefits has occurred and can be reliably measured.

A - FINANCIAL PERFORMANCE

A3 TAXATION

The Company is subject to the National Tax Equivalent Regime which is broadly based on the provisions of the *Income Tax Assessment Act 1997*.

	2024 (\$'000)	2023 (\$'000)
Tax Equivalent Expense		
Adjustments for prior years	(175)	-
Deferred tax expense:		
Origination and reversal of temporary differences:		
Increase/(Decrease) in deferred tax liability	(2,865)	1,184
Decrease/(Increase) in deferred tax asset	(18,946)	(28,437)
Non-recognition of temporary differences and tax equivalent losses	21,986	27,253
Income tax expense/(benefit) attributable to profit/(loss) before other comprehensive income	-	-
Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income rate		
Loss before tax	(73,235)	(91,127)
Income tax using the domestic corporation tax rate of 30%	(21,970)	(27,338)
Increase in income tax expense due to:		
Non-deductible expenses	160	85
	(21,810)	(27,253)
Add prior year under/(over) provision	(175)	-
Non-recognition of temporary differences & tax equivalent losses	21,986	27,253
Total taxation equivalent expense/benefit	-	-

A - FINANCIAL PERFORMANCE

Taxation recognition and measurement

Income tax expense comprises current and deferred tax. Current and deferred income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2024 (\$'000)	2023 (\$'000)
Deferred tax assets		
Employee benefits	2,518	2,417
Trade and other payables	47	-
Property, plant and equipment	119,643	103,857
Grant funds in advance	106	125
Trade and other receivables	17	32
Carried forward tax losses - Revenue Losses	50,759	46,019
Tax assets	173,089	152,450
Not recognised as not being probable of recovery	(172,898)	(150,911)
Set-off against deferred tax liability	(191)	(1,539)
Net deferred tax asset	-	-
Deferred tax liabilities		
Inventory	108	91
Trade and other receivables	83	78
Lease Liability	-	1,370
Tax liabilities	191	1,539
Set-off against deferred tax asset	(191)	(1,539)
Net deferred tax liability	-	-

A - FINANCIAL PERFORMANCE

A4 CASH FLOWS

The reconciliation of profit for the year to net cash provided by operating activities at the reporting date is as follows:

	2024 (\$'000)	2023 (\$'000)
Cash flows from operating activities		
Loss for the period	(73,235)	(91,127)
Adjustments for:		
Depreciation & Amortisation	9,230	8,368
Impairment	67,942	82,052
Amortised grant income for capital works	(64)	(64)
(Gain) loss on disposal of property, plant and equipment	(91)	(11)
Cash generated from/(used in) operations before movements in working capital	3,783	(782)
Movements in working capital:		
- Increase/(Decrease) in payables	7,460	36
- Increase/(Decrease) in employee benefits	341	242
- (Increase)/Decrease in receivables	(534)	(1,438)
- (Increase)/Decrease in inventories	396	(3,045)
Net Cash flows from/(used in) operating activities	11,445	(4,987)
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.		
Reconciliation of liabilities from financing activities		
<i>Borrowings</i>		
Opening balance	-	-
Cash flows - borrowings repaid	-	-
Cash flows - cash received	11,015	-
Closing balance	11,015	-
<i>Lease liabilities</i>		
Opening balance	3,014	3,525
Lease additions during the year	1,484	664
Lease interest paid	236	209
Less repayments	(1,682)	(1,384)
Closing balance	3,052	3,014

A - FINANCIAL PERFORMANCE

A5 OPERATING SEGMENTS

The Company is required under the Government Business Enterprises Act 1995 to provide segment reporting in accordance with AASB 8 *Segment Reporting*. The Company determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer (CEO) and the Board of Directors.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment for the benefit of each segment.

The Company has two reportable segments:

Above Rail - This segment relates to the provision of rail and freight logistics services in Tasmania.

Below Rail - This segment relates to the management and operation of the rail network and related infrastructure in Tasmania. Inter-segment revenue represents access fees charged to the Above Rail segment in accordance with the *Tasmanian Rail Access Framework Policy*.

	Year ended 30 June 2024			Year ended 30 June 2023		
	Above Rail (\$'000)	Below Rail (\$'000)	Total (\$'000)	Above Rail (\$'000)	Below Rail (\$'000)	Total (\$'000)
External revenues	49,982	13,973	63,955	45,431	14,156	59,587
Inter-segment revenue	-	3,992	3,992	-	3,619	3,619
Interest revenue	653	-	653	554	-	554
Interest expense	82	182	264	65	144	209
Impairment	16,428	51,514	67,942	35,993	46,059	82,052
Depreciation and amortisation	7,441	1,850	9,291	6,659	1,709	8,368
Reportable segment profit / (loss) before income tax	(15,379)	(57,858)	(73,237)	(38,170)	(52,957)	(91,127)
Reportable segment assets	138,695	14,131	152,825	126,819	21,271	148,090
Add: cash and cash equivalents not allocable to segments	-	-	13,516	-	-	20,511
Total assets			166,342			168,601
Capital expenditure	29,664	52,100	81,764	34,770	44,919	79,689

Major customers	2024 (\$'000)	2023 (\$'000)
Revenue from three parties represent 62.46% (2023: 59.03%) of freight services and other income as follows:		
- Party 1 (freight services - Above Rail)	13,301	12,002
- Party 2 (freight services - Above Rail)	11,660	8,317
- Party 3 (freight services - Above Rail)	4,827	5,380

B - OPERATING ASSETS AND LIABILITIES

This section analyses the primary elements of the assets used to generate the Company's financial performance and the operating liabilities incurred as a result. Employee-related liabilities are discussed in note C1: 'Employee provisions' and deferred tax asset and liabilities are discussed in note A3: 'Taxation'.

B1 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables at the reporting date is as follows:

Trade and other receivables	2024 (\$'000)	2023 (\$'000)
Trade receivables	5,369	6,206
Sundry receivables	272	639
Prepayments	1,156	842
GST receivable	1,545	567
Total trade and other receivables	8,342	8,255

Impairment

The Company recognises impairment allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, an informed credit assessment and forward-looking information. The Company's assessment is made on an individual basis.

Recognition and measurement

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition are measured at amortised cost using the effective interest method, less any expected credit losses.

The average credit period on freight services is 41 days (2023: 39 days). No interest is charged on trade receivables. Before accepting any new customers, the company conducts credit and reference checks to assess the potential customer's credit quality and defines credit limits by customer.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

B - OPERATING ASSETS AND LIABILITIES

B2 PROPERTY PLANT AND EQUIPMENT

The reconciliation of the opening and closing balances of property, plant and equipment at 30 June 2024 is as follows:

	Leasehold Improvements (Buildings) at cost (\$'000)	Infrastructure at cost (\$'000)	Plant Equipment & Motor Vehicles at cost (\$'000)	Rollingstock (Refurbished) at fair value (\$'000)	Rollingstock (New) at fair value (\$'000)	Capital Projects work in progress (\$'000)	Total (\$'000)
Balance at 30 June 2022							
Gross carrying amount	14,292	396,500	24,003	2,313	98,629	33,070	568,807
Depreciation and impairment losses	(10,262)	(396,500)	(14,998)	(275)	(4,201)	(16,315)	(442,551)
Net carrying amount	4,030	-	9,005	2,038	94,428	16,755	126,257
Year ended 30 June 2023							
Opening balance	4,030	-	9,005	2,038	94,428	16,755	126,257
Additions	-	-	665	-	-	79,684	80,349
Transfers from WIP	-	53,355	65	17	7,148	(60,585)	-
Transfers to expenses	-	-	-	-	-	(77)	(77)
Disposals	-	-	-	-	-	-	-
Depreciation	(831)	-	(2,091)	(273)	(4,925)	-	(8,120)
Impairment loss	-	(53,355)	-	-	-	(28,697)	(82,052)
Balance at 30 June 2023	3,199	-	7,644	1,782	96,651	7,080	116,357
Balance at 30 June 2023							
Gross carrying amount	14,292	449,855	24,733	2,330	105,777	50,771	647,758
Depreciation and impairment losses	(11,093)	(449,855)	(17,089)	(548)	(9,126)	(43,691)	(531,402)
Net carrying amount	3,199	-	7,644	1,782	96,651	7,080	116,356
Year ended 30 June 2024							
Opening balance	3,199	-	7,644	1,782	96,651	7,080	116,356
Additions	191	-	1,456	-	-	81,768	83,415
Transfers from WIP	-	51,709	920	-	6,217	(59,215)	(369)
Transfers to expenses	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Depreciation	(791)	(12)	(1,802)	(279)	(6,193)	-	(9,077)
Impairment loss *	-	(50,890)	(1,664)	-	-	(15,388)	(67,942)
Balance at 30 June 2024	2,599	807	6,554	1,503	96,675	14,245	122,383
Balance at 30 June 2024							
Gross carrying amount	14,483	501,564	27,109	2,330	111,994	73,324	730,804
Depreciation and impairment losses	(11,884)	(500,757)	(20,555)	(827)	(15,319)	(59,079)	(608,421)
Net carrying amount	2,599	807	6,554	1,503	96,675	14,245	122,383

* = Impairment loss includes an amount of \$14,765,000 for the Shiploader under construction.

B - OPERATING ASSETS AND LIABILITIES

The Company leases many assets including land and buildings, vehicles, machinery and IT equipment. Information on right-of-use assets is presented below.

Right-of-use assets	Property (\$'000)	Vehicles (\$'000)	Total (\$'000)
Balance at 1 July 2022	949	2,363	3,312
Additions	-	664	664
Depreciation charge for the year	(274)	(1,016)	(1,290)
Balance at 30 June 2023	675	2,011	2,686
Balance at 1 July 2023	675	2,011	2,686
Additions	191	1,450	1,641
Depreciation charge for the year	(428)	(931)	(1,359)
Balance at 30 June 2024	438	2,530	2,968

Recognition and measurement

Rollingstock assets are stated at fair value on the basis of an independent market valuation by external valuation experts. Revaluations will be performed with sufficient regularity, not exceeding a period between revaluations of 5 years, so that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. If the rollingstock had been carried at cost, the depreciated carrying value would be \$81,778,000 (2023: \$86,446,000).

Independent Valuation Rollingstock

An independent valuation of rollingstock assets, which includes locomotives, wagons and rotatable spares, was undertaken by Ernst & Young as at 30 June 2020. The fair value of rollingstock assets is based on market prices of comparable assets. The Directors have completed their assessment of fair value at the end of the current reporting period for these rollingstock assets and have determined that they are fairly stated.

Any revaluation increase is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in the profit or loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued assets is recognised in profit and loss. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Other items of property, plant and equipment, including Right-of-Use assets, are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials, direct labour and, where relevant, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Assets under the amount of \$5,000 are recognised in the income statement at the point of acquisition.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus an initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Depreciation

Depreciation is calculated on the depreciable amount, which is the fair value or cost of an asset, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

B - OPERATING ASSETS AND LIABILITIES

The estimated useful lives for each class of asset, for the current and prior years are as follows:

Class of Asset	Useful Life
Buildings	9 - 33.3 years
Rollingstock - refurbished	3 - 8 years
Rollingstock - new	25 - 30 years
Plant, equipment & motor vehicles	3 - 18 years
Right-of-use asset	Lease term

These estimated useful lives are reviewed at the end of each reporting period.

Infrastructure assets have been fully impaired and will not be depreciated in future years.

The Company is the lessee and operator of the Brighton Transport Hub in Brighton, Tasmania. The land and improvements for the Brighton Transport Hub are owned by the Crown and have been recognised in the financial statements of the Department of State Growth.

Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested

individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" - CGU). The Company has two reportable segments (CGUs) represented by Above Rail and Below Rail.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis. Below Rail infrastructure assets are impaired as they are constructed, as these assets do not generate sufficient revenues to sustain the segment without appropriate recurrent operating grant funding from the Tasmanian Government.

A review of the Above Rail CGU has highlighted the need to impair expenditure incurred on the construction of the replacement shiploader to date, and has resulted in an impairment expense of \$50,758,000 recorded against the Above Rail segment in relation to this asset. It is anticipated that future costs incurred in relation to the completion of this asset will also be impaired.

Fair Value Measurement

The table below presents the Company's assets measured and recognised at fair value:

Level 2	2024 (\$'000)	2023 (\$'000)
Rollingstock (refurbished)	1,503	1,782
Rollingstock (new)	96,675	96,651
	98,178	98,433

B3 INTANGIBLE ASSETS - SOFTWARE

	2024 (\$'000)	2023 (\$'000)
Software - at cost	9,746	9,379
Accumulated amortisation	(9,255)	(9,103)
	491	276
Carrying amount at the beginning of the period	276	524
Additions	368	-
Amortisation	(153)	(248)
Carrying amount at the end of the period	491	276

The balance of Intangibles is predominantly Train Control and Train Planning & Scheduling software.

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.

B - OPERATING ASSETS AND LIABILITIES

B4 PAYABLES AND OTHER LIABILITIES

The composition of trade and other payables and other liabilities at the reporting date is as follows:

	2024 (\$'000)	2023 (\$'000)
Trade and other payables		
Trade payables	9,997	2,298
Other payables	2,028	1,637
Accrued expenses	5,067	7,993
Total trade and other payables	17,092	11,927

Recognition and measurement

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

The average credit period on purchase of goods and services (excluding capital works) is 28.9 days (2023: 29.8 days). The Company has financial risk management policies in place to ensure all payables are paid within the credit timeframe. The Company's exposure to liquidity risk related to trade and other payables is disclosed in D3 Financial Instruments.

	2024 (\$'000)	2023 (\$'000)
Deferred Grant Income		
Australian Government capital works funding	352	414
Total Deferred Grant Income	352	414

B5 INVENTORIES

The composition of inventories at the reporting date is as follows:

	2024 (\$'000)	2023 (\$'000)
Inventories		
Consumables and spare parts - at cost		
Rollingstock, plant and equipment	15,681	7,499
Infrastructure	7,114	15,402
Fuel stock - at cost	359	302
Total Inventories	23,155	23,202

Inventories are measured at the lower of cost and net realisable value. The cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

The cost of inventory consumed during the year was \$33,491,022 (2023: \$27,126,317).

B - OPERATING ASSETS AND LIABILITIES

B6 LOANS AND BORROWINGS

The composition of loans and borrowings at the reporting date is as follows:

	2024 (\$'000)	2023 (\$'000)
Borrowings		
Current		
Lease liability	843	1,011
Loan from TasCorp	11,015	-
	11,858	1,011
Non Current		
Lease liability	2,437	2,004
	2,437	2,004
Total borrowings	14,295	3,015
Lease liabilities		
Maturity analysis - contractual undiscounted cashflows		
Less than one year	950	1,384
One to five years	1,790	1,636
More than five years	542	572
Total undiscounted lease liabilities at 30 June	3,282	3,592

The Company recognises a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of fixed lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Total interest expense on the lease liability is \$236,000 (2023: \$209,000). Other variable components, such as exercise options to extend, are included where it is reasonably certain that the Company is likely to extend.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in assessments of inputs. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Total lease payments of these leases is \$150,000 (2023: \$237,000).

C - PEOPLE

This section describes a range of employment and post-employment benefits provided to our people.

C1 EMPLOYEE PROVISIONS

The components of employee provisions at the reporting date are as follows:

	2024 (\$'000)	2023 (\$'000)
Employee Provisions		
Current		
Liability for annual leave	4,193	3,810
Liability for long-service leave	3,178	3,190
	7,372	7,000
Non Current		
Liability for long-service leave	1,052	1,080
Total Employee Provisions	8,423	8,080

Recognition and measurement

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Long term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. The provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. TasRail has complied with its obligations under the *Superannuation Guarantee (Administration) Act 1992* (Cth) in respect of employees of TasRail who are members of complying superannuation schemes.

C2 DIRECTOR AND KEY MANAGEMENT PERSONNEL REMUNERATION

The aggregate compensation to key management personnel of the company is set out below:

	Director Remuneration		Executive Remuneration		Consolidated	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Short-term employee benefits	273,042	273,042	1,551,934	1,413,503	1,824,976	1,686,545
Post-employment benefits	30,246	28,669	163,503	142,514	193,749	171,183
Other long-term employee benefits	-	-	6,376	79,552	6,376	79,552
Termination benefits	-	-	24,910	-	24,910	-
Total	303,288	301,711	1,746,723	1,635,569	2,050,011	1,937,280

C - PEOPLE

For Director remuneration, Short term employment benefits includes Director fees, Committee fees and Other benefits. Post employment benefits represents superannuation contributions.

For Executive remuneration, Short-term employment benefits includes Salary, other monetary benefits, Vehicle benefits and Other non-monetary benefits. Post employment benefits represents superannuation contributions and Long-term employee benefits includes leave movements.

Non-executive directors

Non-Executive Directors are appointed by the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be re-appointed in accordance with the relevant *Guidelines for Tasmanian Government Businesses - Board Appointments*. The level of fees paid to Non-Executive Directors is administered by the Department of Premier and Cabinet, as is additional fees paid in respect of their work on Board committees.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to Directors. Directors are entitled to reimbursement of expenses incurred while attending to Board business. Non-executive directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

The following tables disclose the remuneration details for each person that acted as a Non-Executive Director during the current and previous financial year. Amounts include all forms of consideration paid, payable or provided by the entity:

	Directors' fees \$	Committee fees \$	Superannuation * \$	Other benefits \$	Total 2024 \$
Non-executive director - 2024					
S Cantwell (Chairperson)	81,075	7,123	9,702	-	97,900
A Chan	39,088	7,123	5,136	-	51,347
A Robertson	39,088	7,123	5,136	-	51,347
M Scanlan	39,088	7,123	5,136	-	51,347
I Vanderbeek	39,088	7,123	5,136	-	51,347
Total	237,427	35,615	30,246	-	303,288

	Directors' fees \$	Committee fees \$	Superannuation * \$	Other benefits \$	Total 2023 \$
Non-executive director - 2023					
S Cantwell (Chairperson)	81,075	7,123	9,261	-	97,459
A Chan	39,088	7,123	4,852	-	51,063
J Healey - until 15 November 2022	14,658	2,671	1,819	-	19,148
A Robertson	39,088	7,123	4,852	-	51,063
M Scanlan - from 15 November 2022	24,430	4,452	3,033	-	31,915
I Vanderbeek	39,088	7,123	4,852	-	51,063
Total	237,427	35,615	28,669	-	301,711

* Superannuation represents employer contributions to the super fund of the individual.

C - PEOPLE

Executive remuneration

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and previous financial year. Amounts include all forms of consideration paid, payable or provided by the entity:

Senior executive - 2024	Salary ¹ €	Other Monetary Benefits ² €	Superannuation ³ €	Vehicle Benefits ⁴ €	Reported Remuneration 2024 €	Other long term benefits ⁵ €	Termination ⁶ €	Total 2024 €
S Dietrich (CEO)	371,701	-	40,887	13,708	426,296	25,986	-	452,282
S Kerrison (CPO)	297,020	-	32,672	14,714	344,406	15,136	-	359,542
K van der Aa (CFO) until 31 Dec 2023	126,669	-	13,934	-	140,603	(82,029)	24,910	83,484
J Tidey (CFO) from 8 Feb 2024	101,190	-	11,131	-	112,321	11,071	-	123,392
J Bradshaw (Corporate Affairs & Communications Manager)	182,841	-	20,112	-	202,953	6,919	-	209,872
V Sullivan (Customer & Business Development Manager) from 18 Sept 2023	174,473	-	19,192	23,650	217,315	19,189	-	236,504
M Wheatley (People & Capability Manager)	210,396	-	23,144	13,474	247,014	10,104	-	257,118
K Graham (Acting CFO) - from 18 Dec 2023 to 1 Feb 2024	22,098	-	2,431	-	24,529	-	-	24,529
Total	1,486,388	-	163,503	65,546	1,715,437	6,376	24,910	1,746,723

Senior executive - 2023

S Dietrich - Chief Executive Officer	360,500	-	37,853	14,993	413,346	24,242	-	437,588
S Kerrison - COO until 28 August 2022, Chief Projects Officer from 29 August 2022	288,302	-	30,272	6,531	325,105	23,350	-	348,455
K van der Aa - Chief Financial Officer	245,245	-	25,751	-	270,996	12,238	-	283,234
N Tomlin - Corporate Affairs and Strategy Manager until 6 February 2023	123,700	-	12,989	-	136,689	7,601	-	144,290
J Bradshaw - Corporate Affairs and Communications Manager from 6 February 2023	71,538	-	7,511	-	79,049	9,127	-	88,176
V Sullivan - Customer & Business Development Manager on leave from 1 September 2022	64,653	-	6,789	22,563	94,005	1,175	-	95,180
M Wheatley - Manager People & Culture	203,327	-	21,349	12,151	236,827	1,819	-	238,646
Total	1,357,265	-	142,514	56,238	1,556,017	79,552	-	1,635,569

Executive remuneration notes and statements

¹ Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.

² Other monetary benefits includes cashing out of leave.

³ Superannuation represents employer and employee salary sacrificed contributions to the super fund of the individual.

⁴ Vehicle benefits include the personal use component of the total cost of providing and maintaining a vehicle for an executive's use, calculated using the FBT taxable value of the personal use component for the financial year plus the FBT payable thereon.

⁵ Other long-term benefits include movements in annual leave accruals and long service leave provisions.

⁶ Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including leave entitlements paid out on termination.

C - PEOPLE

Executive Remuneration

Remuneration levels for key management personnel are set in accordance with the Guidelines for *Tasmanian Government Businesses – Director and Executive Remuneration*. Under these Guidelines, remuneration bands for Chief Executive Officers (CEOs) are determined by the Government Business Executive Remuneration Panel and reflect the principles outlined in the Guidelines and broadly align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's approved remuneration band..

The CEO is appointed by the Board. The Board consults with the Government Business Executive Remuneration Panel when determining the CEO's remuneration package.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, motor vehicle and salary sacrifice provision. No other monetary or non-monetary benefits other than motor vehicles are paid.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executive or the Board to provide a minimum notice period of up to 6 months prior to termination of the contract. Whilst not automatic, contracts can be extended.

No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

Incentive Payments

No long or short-term incentive payments were paid during either reporting period.

Termination Benefits

Termination payments during the current year included:

K van der Aa ceased employment effective 31 Dec 2023 and was paid \$24,910 representing the balance of accrued annual leave entitlements.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a continuous period of one month.

- In the current year, K Graham acted as CFO for the period shown, whilst the CFO position was vacant.

D - CAPITAL STRUCTURING AND FINANCING

As a result of its operations, the Company is exposed to multiple forms of risk. This section sets out the nature of the significant financial risks and their quantification and management. It also sets out the strategies and practices the Company uses to minimise its exposure to these risks.

D1 CAPITAL MANAGEMENT

The capital base of the Company has been contributed by the Australian and Tasmanian Governments since commencement. The Company will continue to depend upon these contributions to maintain creditor and market confidence and to sustain future operation of the business.

	2024 (\$'000)	2023 (\$'000)
Equity Contributions		
Opening Balance - Two fully paid ordinary shares	668,597	595,954
Australian Government Capital Investment	18,000	41,071
Tasmanian Government Capital Investment	37,797	31,572
Closing Balance - Two fully paid ordinary shares	724,394	668,597

This is funding provided to the Company which has been formally designated as equity in accordance with the accounting policy in A1.

D2 RESERVES

	2024 (\$'000)	2023 (\$'000)
<i>Asset revaluation reserve - rollingstock</i>		
Opening balance	16,587	16,587
Closing balance	16,587	16,587
Total Reserves	16,587	16,587

D3 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The company is exposed to a number of financial risks including credit risk and liquidity risk.

Credit Risk

Credit risk is the risk of loss to the Company if a customer or counterparty fails to meet its contractual obligations. The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's policy only allows investment and cash holdings to be deposited with major Australian financial institutions.

D - CAPITAL STRUCTURING AND FINANCING

Trade receivables consist of a limited number of customers based in Australia. Ongoing credit evaluation is performed on the financial condition of these counterparties.

The ageing of trade receivables at the reporting date was:

	2024 (\$'000)	2023 (\$'000)
Not past due	4,852	5,507
Past due 0-30 days, but not impaired	317	550
Past due 31-60 days, but not impaired	54	-
Past due more than 60 days, but not impaired	146	149
Total	5,369	6,206

Refer to Note B1 for details of the Company's policy relating to impairment of receivables. The Company has assessed the debts past due and determined that a loss allowance for Expected Credit Losses (ECLs) is not necessary at reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity by maintaining adequate cash reserves and committed undrawn debt facilities. Refer also E9 Economic Dependency.

The following are the carrying amounts and contractual maturity dates of financial liabilities:

	2024 (\$'000)	2023 (\$'000)
Financial liabilities		
Trade and other payables - payable in 6 months or less	15,523	11,753
Borrowings - payable in 12 months or less	11,015	-
Lease liabilities - payable in 12 months or less	843	1,011
Lease liabilities - payable in greater than 12 months	2,437	2,004
	29,818	14,768

Undrawn financing facilities

The Company had access to the following undrawn and committed financing facilities at the end of the reporting period:

	2024 (\$'000)	2023 (\$'000)
Corporate charge card facility	100	100
Borrowings	8,985	20,000
	9,085	20,100

The Tasmanian Public Finance Corporation (Tascorp) borrowing facility is secured by way of a first ranking fixed and floating charge over the assets of the Company and Under the Tasmanian Public Finance Corporation Act 1985, the Government has provided a guarantee of TasRail's borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2024, this support was limited to a maximum amount of \$20.0 million. Interest is payable monthly in arrears at a variable rate which is determined at the time of the drawdown of the facility.

E - ADDITIONAL INFORMATION

This section includes additional information that is required by accounting standards.

E1 CAPITAL EXPENDITURE COMMITMENTS

	2024 (\$'000)	2023 (\$'000)
Capital expenditure commitments		
Above Rail - payable in 12 months or less	8,389	16,159
Below Rail - payable in 12 months or less	4,076	12,175
	12,465	28,334

E2 AUDITORS REMUNERATION

	2024 (\$'000)	2023 (\$'000)
Audit Services		
Auditors of the Company:		
Tasmanian Audit Office		
Audit of the financial report	65,700	62,600
	65,700	62,600

E3 DIVIDENDS

No dividends were proposed or paid by the Company during either year.

E4 CONTINGENCIES

Under the terms of the Lease from the Minister for Infrastructure for the Rail Corridor and associated infrastructure, the Company is responsible for remediation of any environmental obligations that may become apparent as a result of the Company's operations. There were no new environmental liabilities identified at balance date that would have a material effect on the Company's Financial Report at 30 June 2024. If significant environmental liabilities are identified in the future, relating to the period prior to the commencement of the Company, the Company would require financial support from the Tasmanian Government to fund the remediation.

E5 SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

E6 TRANSACTIONS WITH OTHER RELATED PARTIES

There were no transactions with related parties.

E - ADDITIONAL INFORMATION

E7 ULTIMATE OWNER

The ultimate owner of the Company is The Crown in the Right of Tasmania.

E8 OVERSEAS RELATED TRAVEL

There has been no overseas business travel undertaken by the Directors, the Chief Executive Officer or other employees in 2024 or 2023.

E9 ECONOMIC DEPENDENCY

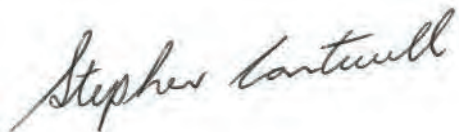
The Company depends on funding from the Tasmanian State Government to continue operating as a viable entity in carrying out its normal activities.

TASMANIAN RAILWAY PTY LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2024

In the opinion of the Directors of Tasmanian Railway Pty Limited ('the Company'):

- (a) the financial statements and notes, are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in the 'Basis of Preparation';
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. The Directors draw attention to note E9 which includes a statement regarding the Company's dependence on government contributions; and
- (d) the Directors have been given the declarations as set out in S295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors:



Stephen Cantwell

Chairman

Dated at Launceston this 13th day of August 2024.

Independent Auditor's Report

To the Members of Tasmanian Railway Pty Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Tasmanian Railway Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2024 and statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration signed by the directors.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 13 August 2024 and included in the Directors'

Report, would be in the same terms if provided to the directors 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.

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Capital Work in Progress <i>Refer to note B2</i></p>	
<p>The Company expended \$81.77m on capital expenditure and major projects during 2023-24. The majority of funds were provided through the Tasmanian Freight Rail Revitalisation Program, jointly funded by the Tasmanian and Australian governments.</p> <p>The purpose of the program is to remediate the rail network and deliver works designed to further improve safety and reliability.</p> <p>This is a key audit matter due to the level of capital expenditure incurred, judgement involved in the allocation of expenditure as either capital, maintenance or impaired, the timing of commissioning of assets constructed or remediated and the risk of non-compliance with the conditions of the funding instruments.</p>	<ul style="list-style-type: none"> • Reviewing the process for monitoring capital and project expenditure and budgets. • Testing, on a sample basis, authorisation and compliance with delegations and probity requirements in relation to capital procurement decisions. • Verifying material additions to ensure they were recorded correctly and represent assets acquired during the year. • Reviewing the nature of capital projects to assess consistency with funding purposes. • Assessing the adequacy of disclosures in the financial statements. Reviewed process for monitoring capital project expenditure and budgets.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company’s Directors’ Report for the year ended 30 June 2024, 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.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian 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 Company'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 Company'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

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.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Stephen Morrison
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

16 August 2024
Hobart



CUSTOMER VALUE PROPOSITION

TasRail is the trusted provider of safe and dependable rail logistics solutions for Tasmanian industry. TasRail's infrastructure advantages, along with a culture that is focused on its customers, make it an ideal partner for existing and potential clients from key heavy industries throughout the State.

TASRAIL PROVIDES INDUSTRY:



Long-term business partnerships providing surety of rail haulage capacity and bulk shiploading services



The ability to haul heavyweight and dangerous goods containers as well as bulk cargos to reduce total supply chain costs



Innovative and progressive Tasmanian rail transport solutions across all major freight sectors for containers, bulk and forestry freight



Opportunities to campaign in large volumes of freight to meet customer requirements



Connectivity with a statewide network of rail terminals that interface with major ports, freight precincts and industries



Reduced exposure to heavy vehicle accident risk and NHVR Chain of Responsibility requirements for fatigue and mass management



Seamless connectivity with Tasmania's only open access bulk minerals shiploader



Valuable safety and environmental benefits



Operational reliability, safety and simplicity across all heavy freight modes, including road, port and shipping operations



Dedicated industry specialised customer account and service management teams engaged to provide leading-edge customer outcomes



www.tasrail.com.au

