

MEMBERS' STATEMENT OF EXPECTATIONS


November 2025

TASMANIAN RAILWAY PTY LTD

This Members' Statement of Expectations is jointly approved by:



Hon Eric Abetz MP
Treasurer



Hon Kerry Vincent MLC
Minister for Infrastructure and
Transport

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Contents

1. INTRODUCTION 2

2. PURPOSE AND STRATEGIC EXPECTATIONS 2

2.1 Purpose 2

2.2 Objectives 2

2.3 Strategic Expectations 3

2.4 Compliance with Government Policies 5

3. NATURE AND SCOPE OF OPERATIONS 5

3.1 Core Business 5

3.2 Non-commercial Activities 5

3.3 Other Activities 5

3.4 Business Presence Outside the State 6

4. PERFORMANCE, OPERATING AND REPORTING EXPECTATIONS 6

4.1 Financial Performance Expectations 6

4.2 Service Delivery Expectations 6

4.3 Public Reporting and Transparency 6

4.4 Pricing 7

4.5 Borrowings and Investment Activities 7

5. OTHER EXPECTATIONS 7

5.1 Employee and Industrial Relations 7

5.2 Integrity and Ethics 8

5.3 Significant Developments 8

SCHEDULE 1 9

1. INTRODUCTION

- This Statement of Expectations has been prepared by the Treasurer and the Minister for Infrastructure and Transport (the Members), following consultation with Tasmanian Railway Pty Ltd (Tasmanian Railway), in accordance with section 20 of the *Rail Company Act 2009*.
- The Statement sets out the Government's broad policy expectations and requirements for Tasmanian Railway.
- The Members expect Tasmanian Railway to comply with the Statement.
- The *Corporations Act 2001* (Cth) and the Constitution of Tasmanian Railway govern the operation of the Company.
- The Statement should be read in conjunction with the following Acts and their respective Regulations:
 - *Rail Company Act 2009*;
 - *Rail Infrastructure Act 2007*;
 - *Rail Safety National Law (Tasmania) Act 2012*;
 - *Government Business Enterprises Act 1995*; and
 - any other applicable legislation.
- This Statement takes effect from the date it is signed and remains in effect until it is amended or revoked.
- This Statement is to be tabled in Parliament by the Portfolio Minister and published on the website of Tasmanian Railway.

2. PURPOSE AND STRATEGIC EXPECTATIONS

2.1 Purpose

- The principal purpose of Tasmanian Railway is to provide rail freight services in Tasmania.

2.2 Objectives

- The principal objectives of Tasmanian Railway are defined in section 6 of the *Rail Company Act 2009*.

2.3 Strategic Expectations

Business Specific Expectations

- In order to achieve its purpose and objectives, the Members expect Tasmanian Railway to:
 - provide a safe, reliable and efficient rail freight service in Tasmania that meets the expectations of its customers and supports Tasmanian economic growth;
 - seek to ensure the safety and security of the public and the Company's employees through the implementation and compliance with best practice operating procedures including compliance with the Rail Safety National Law;
 - maintain the safety and efficiency of the rail infrastructure through appropriate maintenance and capital improvement programs;
 - develop and implement strategies to create a strong corporate identity and grow the business through a focus on quality customer service;
 - develop and implement strategies to increase the Company's share of the Tasmanian freight market;
 - undertake related activities such as the operation of intermodal transport hubs, freight loading equipment, bulk mineral ship loading and storage sheds;
 - only undertake expansion activities where supported by commercial outcomes or where approved by the Members;
 - upgrade the network for specific third party access only where funded from the party seeking access;
 - ensure that the rolling stock matches the characteristics of the rail track infrastructure and the transport task by developing an appropriate maintenance and capital program;
 - use its best endeavours to undertake any necessary, remedial action to resolve any environmental issues as may be required by the Environment Protection Authority, noting that in the event that the Company has insufficient funds to undertake the required remedial works, the Government would give consideration to a request for additional funds on a case-by-case basis; and
 - actively pursue and implement cost reduction strategies and efficiency gains while attracting and retaining staff in key skill shortage classifications to ensure the Company is adequately resourced to deliver efficient rail services.

Specific Expectations for Business Segments

- The Members expect the Company to maintain an appropriate separation of accountability and transparency between above rail and below rail operations.
- Below rail infrastructure access fees must be transparent and levied on above rail operations of the Company in the same manner as imposed on third parties in accordance with the approved Tasmanian Rail Access Framework.

General Expectations

- The Members expect all Government businesses, including Tasmanian Railway, to:
 - consider the important contribution Tasmanian Railway makes to the Tasmanian economy and broader community and the impact its operations have on the Tasmanian economy and the broader community;
 - proactively engage with stakeholders;
 - be a successful business, by operating in accordance with sound commercial practice and as efficiently as possible to ensure ongoing financial sustainability;
 - prudently manage business risk through an effective and efficient risk management framework that reduces risks for Tasmanian Railway and the State;
 - maintain a strong understanding of the governance framework for Tasmanian Government businesses;
 - understand the impact of climate change on the business, including identifying any risks and implementing risk mitigation strategies;
 - manage and maintain its assets in accordance with prudent commercial practice to ensure the safety and continued operation of those assets;
 - subject any material capital investment proposal to rigorous and considered analysis prior to any decision to commit resources, including cost benefit analysis where appropriate;
 - consider diversity and inclusion principles in its employment and communication strategies;
 - maintain a culture of continuous improvement in business operations, systems, processes and services;
 - comply with any requests for information from Members in an accurate and timely manner; and
 - proactively seek to protect the personal information of its customers, employees and other stakeholders.

2.4 Compliance with Government Policies

- In pursuing the strategic expectations detailed in section 2.3, and undertaking its functions and exercising its powers as required by applicable legislative requirements, Tasmanian Railway shall act in accordance with:
 - the governance framework for Government businesses;
 - Treasurer's Instructions that are applicable to Tasmanian Railway;
 - the Guidelines for Tasmanian Government Businesses; and
 - any Government policies in addition to those detailed in this Statement specifically applying to Tasmanian Railway as advised in writing by the Members.

3. NATURE AND SCOPE OF OPERATIONS

3.1 Core Business

- The core business of Tasmanian Railway is to:
 - provide rail and associated freight services in Tasmania;
 - provide network control services;
 - manage freight terminals, including bulk handling and loading; and
 - maintain and upgrade the rail network infrastructure in Tasmania.

3.2 Non-commercial Activities

- Tasmanian Railway's non-commercial activities are:
 - any activity that has been declared a community service obligation by the Treasurer; and
 - any activity that the Members advise in writing is a non-commercial activity.
- The non-commercial activities of Tasmanian Railway, agreed as at the date of this Statement, are listed in Schedule 1.

3.3 Other Activities

- The Members may request Tasmanian Railway to prepare and submit for approval an exit strategy for an agreed other activity it is undertaking. Once approved by the Members, Tasmanian Railway must implement the exit strategy within the timeframe approved in the strategy.
- The Members may allow Tasmanian Railway to conduct other activities that are consistent with its core business and legislation on a case-by-case basis. Written approval of the Members must be obtained before undertaking any such activities.

3.4 Business Presence Outside the State

- Tasmanian Railway is not expected to operate outside Tasmania.
- Tasmanian Railway must seek the written approval of the Members before establishing any new business presence outside Tasmania. Any request must be accompanied with a compelling business case.

4. PERFORMANCE, OPERATING AND REPORTING EXPECTATIONS

4.1 Financial Performance Expectations

- The Members expect Tasmanian Railway to:
 - meet its key performance targets, including target dividends, as set out in the annual Statement of Corporate Intent. Target dividends are to be consistent with the Government's dividend policy for Tasmanian Railway and as agreed during the corporate planning process;
 - implement the business strategies contained in the Corporate Plan in order to meet the agreed long term performance targets for the business, consistent with the Government's expectations;
 - be proactive in identifying and implementing operational efficiencies and productivity measures to enhance financial performance; and
 - keep the Members, along with the Department of Treasury and Finance (Treasury), as principal financial advisor to the Treasurer, informed of any significant issues that may impact on the business' ability to meet its financial performance targets.

4.2 Service Delivery Expectations

- In delivering its services, the Members expect Tasmanian Railway to take account of contemporary practice and other management developments in the industry in which it operates and the commercial sector generally.
- Tasmanian Railway is to have in place and follow a customer service charter which is to be publicly available.
- The Members expect Tasmanian Railway to keep the Members, along with the Department of State Growth, as principal policy adviser to the Portfolio Minister, informed of any significant issues that may impact the business' ability to meet service delivery expectations.

4.3 Public Reporting and Transparency

- The Members expect Tasmanian Railway to proactively keep the Tasmanian community and stakeholders informed of its activities, major projects and performance (including financial and service delivery against the Key Performance Indicators articulated in the annual Statement of Corporate Intent approved by the Shareholding Ministers).

4.4 Pricing

- The Members expect Tasmanian Railway to set prices, fees and charges which:
 - support the entity's ongoing financial sustainability;
 - comply with all legislative and regulatory instruments;
 - take into consideration any relevant Government policies;
 - represent fair value to its customers; and
 - encourages, as far as is practical, increased usage of the rail network.

4.5 Borrowings and Investment Activities

- The Members expect Tasmanian Railway's borrowings to be consistent with any direction given under the *Tasmanian Public Finance Corporation Act 1985* and remain within the maximum borrowing limit determined for Tasmanian Railway under this Act.
- When investing any surplus funds, Tasmanian Railway should provide the Tasmanian Public Finance Corporation with the opportunity to offer its services.
- Capital structure and debt levels should be maintained at a level that is consistent with the long-term sustainability of Tasmanian Railway.

5. OTHER EXPECTATIONS

5.1 Employee and Industrial Relations

- The Members expect Tasmanian Railway to:
 - adhere to any Government policy and relevant Guidelines in regard to senior executive remuneration including performance pay or other forms of rewards;
 - be cognisant of any Government policy or other advice in regard to employee remuneration, consistent with contemporary public sector wages policy;
 - support diverse workforce participation and appropriate skills and training; and
 - provide a work environment that supports high levels of safety and wellbeing throughout the organisation, taking all practical steps to provide its employees and its contractors with safe working conditions.
- The Members are to be notified prior to any significant changes to the employee relations policy of Tasmanian Railway, including the finalisation of any workplace or enterprise agreements.

5.2 Integrity and Ethics

- The Members expect the Board, management and employees of Tasmanian Railway to exhibit the highest level of integrity and professionalism in undertaking their duties.
- The Members also expect the Board and senior management within Tasmanian Railway to instil and continually reinforce a culture across the organisation of acting lawfully, ethically, and responsibly.

5.3 Significant Developments

- The Members are to be kept informed immediately in writing of any matters of significance. Specifically, the Members expect to be notified of any adverse developments that may:
 - prevent the achievement of financial performance objectives;
 - significantly affect prices or outcomes to customers;
 - significantly affect the financial viability or operating ability of Tasmanian Railway; or
 - significantly impact on Government policy, stakeholder relations, customer relations, environmental issues or that have a wider public interest.
- The Members also expect to be kept informed immediately in writing of:
 - any potential material transactions not in the ordinary course of business before they take place;
 - any other significant developments that relate to an issue, financial or otherwise, on which the government may be required to comment; and
 - any other significant developments that represent a departure from the expectations outlined in this Members' Statement of Expectations.

SCHEDULE 1

NON-COMMERCIAL ACTIVITIES

The following non-commercial activities, as defined under Clause 3.2, shall be performed by Tasmanian Railway:

- upgrades, maintenance and operation of the rail network in Tasmania.