



STATEMENT OF CORPORATE INTENT 2025-26



SAFETY



INTEGRITY



RESPECT



BEING REMARKABLE

TasRail Snapshot



Total freight task

498 m

Net Tonne Kilometres (NTK)
2024-25



Capital spend

\$58 m

2024-25



Annual revenue

\$47.2 m

2024-25

Strategic Direction

1. Introduction and overview of the operating environment

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

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

TasRail's core business is the:

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

TasRail is one of the State's largest logistics businesses and the supply chain partner of choice for Tasmania's heavy industries and freight forwarders. We provide approximately 120 services a week, equating to three million tonnes of freight rail capacity per annum to industry. We also supplied 475,000 tonnes of bulk mineral shiploading services in 2024-25. TasRail has long-term contracts in place with customers in the bulk, container and forestry markets that rely on rail logistics to transport cement, coal, paper, processed metals, industrial inputs, mineral ores and logs.

Despite some individual customers experiencing supply chain and production challenges, 2024-25 saw TasRail transport 498 million net tonne kilometres (NTK) of freight. An NTK is the most accurate measurement of a freight task, as it is the product of the weight of the freight carried and the distance covered. In trend terms, TasRail's rail freight task has grown by ~35 per cent since its inception in 2009.

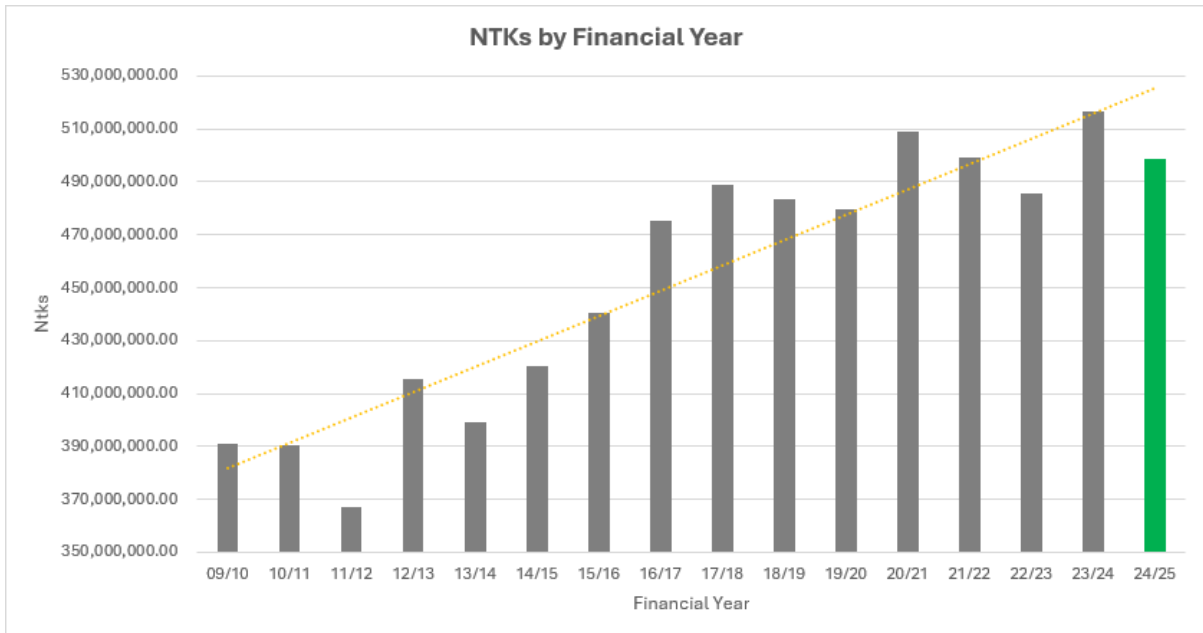


Figure 1: Total rail freight task from 2009-10 to 2024-25

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

To achieve this, an ongoing capital renewal program is required and, as part of this, delivery of the Tasmanian Freight Rail Revitalisation Program (TFRRP) continues to remain a focus and run to plan. 2024-25 was the first year of the \$120 million Tranche Four of the program. It is jointly funded by the Tasmanian (\$24.0 million) and the Australian (\$96.0 million) governments and will ensure that industry can continue to rely on TasRail for safe, reliable and efficient rail logistics for years to come. The scope and objectives are an extension of the successful Tranche Three program delivered from 2021-2024.

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

Given the ongoing success of these programs, it is TasRail’s intention during this planning period to also begin discussions with the Tasmanian and Australian Governments in relation to Tranche Five of the TFRRP.

TasRail was pleased to fully commission the new shiploader at the Port of Burnie during 2025. Since installation, the shiploader has loaded over 430,000 tonnes of mining concentrates and is capable of delivering much higher productivity through faster loading rates per hour (twice the old rate) and able to load larger ships. TasRail is proud to have balanced the successful delivery of the project with multiple stakeholders across a very active and busy port.

With this project successfully completed, we are now focused on expanding the adjacent Bulk Minerals Export Facility (BMEF) at a cost of \$18 million. This project is fully funded by the Australian Government and will increase the storage capacity of the BMEF by 15-20 per cent. Preliminary works for the project have commenced, with an expected delivery date in the later part of the 2027-28 financial year. The expanded BMEF will enable future growth in the State’s valuable mining sector and support further supply-chain improvements underway at Hampshire.

A further strategic project is the bulk minerals storage hub at Hampshire, in the State's north-west. This \$18 million project (jointly funded by the Australian and Tasmanian governments), will see the construction of a new bulk minerals storage hub at Hampshire, adjacent to the Melba Line. The project commenced in 2024-25 financial year with concept design, site surveys and on-ground investigations. With the project proceeding to detailed design, construction tenders and procurement, formal contractual negotiations have commenced with potential customers for the storage facility.

This new facility will provide additional storage capacity and transport options for the mining and forestry sectors, supporting future growth and better safety outcomes.

As part of a further combined commitment from the Australian and Tasmanian Government's, TasRail will also continue the roll out of projects as part of the Regional Level Crossing Upgrade Fund (RLCUF). The RLCUF is an Australian Government initiative aimed at making railway level crossings safer in regional areas, with up to \$40 million available per year from 2023-24 to 2026-27. The Tasmanian Government has committed \$1 million to projects under the fund, bringing the total available project funding in Tasmania to \$5 million.

The Australian Government confirmed its \$4 million commitment in July this year and TasRail has commenced projects in north-west Tasmania (Ulverstone). The remaining projects will be completed by 30 June 2026, and include:

- 1 x Passive to Active upgrade at Oonah Road (Melba Line)
- 5 X Engineering upgrades at Active Level Crossings at Ulverstone
- 2 x Installation of augmented stop signs at stop-controlled passive level crossings
- 3 x Installation of yellow box markings crossings where a queuing risk exists

Major Capital Projects 2025/26

Project Name	Total Cost	Tas. Govt Contribution	Spend to Date	Spend 2025-26
Hampshire Hub	\$18 million	\$3.6 million	\$ 0.574 million	\$ 2.2 million
BMEF Expansion	\$18 million	-	\$0.618 million	\$2.77 million
TFRRP Tranche 4	\$120 million	\$24 million	\$28.2 million	\$31.8 million
Bell Bay Upgrade	\$30 million	\$6 million	\$0.272 million	\$TBC
LLEP	\$15 million	\$15 million	\$11.3 million	\$3.7 million
RLCUF	\$5 million	\$1 million	\$0.2 million	\$4.8 million
TOTAL	\$206 million	\$53.6 million	\$46 million	\$45.27 million*

*Excludes capital spend on Bell Bay Upgrade in 2025-26

2. Strategic directions of the business

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

- ❖ Provide efficient, resilient and safe rail supply chains for current and new customers
- ❖ Deliver a Zero Harm environment for staff, customers, communities and contractors
- ❖ Grow Above Rail profit, building capacity for contingencies and long-term sustainability
- ❖ Deliver Tranche Four and prepare for Tranche Five of the TFRRP
- ❖ Focus on growing the capability and diversity of our workforce
- ❖ Develop and implement TasRail's Five-Year Strategic Plan, including the first phase of the Sustainability Initiative.

3. Key initiatives

3.1 Working towards Zero Harm

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

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

Safety culture

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

- ❖ Proactive identification of behaviours and hazards to minimise the potential for harm to our people and the environment
- ❖ SafetyCircle™ cultural change program valued and integrated into daily processes
- ❖ Increased surveillance and awareness of health exposures
- ❖ Mental health support framework and fit for purpose management of psychosocial hazards in the workplace
- ❖ Building on a positive safety culture to drive injury prevention
- ❖ Increasing focus on understanding human factors, and mitigation through engineering controls and understanding how human factors contribute to risk
- ❖ Increasing accountability for frontline teams to deliver improvements to safety

- ❖ Implementing engineering controls to replace existing manual methods
- ❖ Continual improvement in fatigue risk management
- ❖ Influencing TasRail's positive safety culture with its contractors.



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

3.2 Meeting industry expectations

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

As a key asset for the State, TasRail continues to enable economic benefits through our services, highlighting the positive impact of ongoing State and Australian Government investment in below-rail infrastructure. This investment is supporting and strengthening Tasmania's long-term land transport capability, enabling growth and resilience for current and future Tasmanian industries and businesses.

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

- ❖ Maintain reliable rollingstock that provides on-time rail capacity to industry
- ❖ Develop services for new customers that leverage TasRail's rail supply chains, terminals, and bulk mineral loading services

- ❖ Leverage the log haulage capacity from the Brighton Hub, Parattah Log Siding and emerging forestry opportunities at the Port of Burnie
- ❖ Enhance opportunities for the mining sector via an expanded Bulk Minerals Export Facility and a new Shiploader at the Port of Burnie
- ❖ Repurpose existing equipment where appropriate to reduce the capital cost for new projects.
- ❖ Continuing to build transport infrastructure for the state to support current and future Tasmanian industry
- ❖ Where advantageous, partner with the private sector to provide specialised terminal services, such as log loading and container handling services.

3.3 People, culture and capability

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

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

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

- ❖ Setting behavioural expectations that are linked to organisational vision and values
- ❖ Increasing focus on building a capable workforce profile by building on the strengths of the workforce and ensuring development opportunities are aligned with strategic goals
- ❖ Promoting diversity and inclusion throughout all levels of the business, including the removal of real and perceived barriers

- ❖ Ensuring that its industrial relations strategy is agile, responsive, commercially focused and in line with Shareholder expectations
- ❖ Establishing and prioritising performance development plans directly linked to business performance targets and operational plans
- ❖ Developing mature cross-functional pathways that can provide internal learning opportunities and secondments and inform recruitment and selection
- ❖ Implementing talent management and succession planning processes
- ❖ Contributing to the improvement of employee mental health by implementing contemporary trauma and mental health first aid support.

3.4 Strategic asset management

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

- ❖ Commencing works on the expanded Bulk Minerals Export Facility (BMEF) at the Port of Burnie
- ❖ Commencing Tranche Four and planning for Tranche 5 of the Tasmanian Freight Rail Revitalisation Program
- ❖ Continuing to deliver the Locomotive Life Extension Project
- ❖ Commencing construction of the bulk minerals storage hub at Hampshire.
- ❖ Continuing the roll out of the Regional Level Crossing Upgrade Fund (RLCUF).



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

3.5 Meeting Shareholder Expectations

In preparing this Statement of Corporate Intent, TasRail notes the revised Members' Statement of Expectations issued by Shareholders in January 2025. In particular, TasRail notes the following expectations and commits to meeting them over this planning period:

- ❖ Develop and implement strategies to increase the Company's share of the Tasmanian freight market
- ❖ Only undertake expansion activities where supported by commercial outcomes
- ❖ Upgrade the network for specific third-party access only where funded from the party seeking access
- ❖ Actively pursue and implement cost reduction strategies and efficiency gains
- ❖ Be a successful business, by operating in accordance with sound commercial practice and efficiently as possible to ensure ongoing financial sustainability
- ❖ Subject any material capital investment proposal to rigorous and considered analysis prior to any decision to commit resources, including cost benefit analysis where appropriate
- ❖ Be proactive in identifying and implementing operational efficiencies and productivity measures to enhance financial performance
- ❖ Set prices, fees and charges which support the entity's ongoing financial sustainability
- ❖ Keep Shareholder Members informed immediately in writing of any matters of significance.

Further to these requirements, TasRail also notes the initial outcomes of the State Government's GBE/SOC Governance Reform agenda. As part of these reforms, TasRail is committed to a greater level of transparency and accountability for all government businesses and will provide all necessary reporting requirements as part of the Corporate Planning cycle in early 2026. This will include a higher level of financial detail for all TasRail's major capital projects currently underway or advanced in the planning stage. For the purposes of this document, a high-level summary of capital projects and indicative spend over the planning period is provided on page 4.

4. TasRail value proposition

To highlight TasRail's ongoing role in the broader Tasmanian economy, we recently commissioned 2XF Advice Pty Ltd (2XF) to assess the economic value of freight rail in Tasmania and to compare this value with expected funding requirements over the coming 10-year period.

2XF used a cost benefit analysis as the basis for its assessment. The results confirming that "operating a freight rail system over the next 10 years is economically beneficial to Tasmania, with benefits exceeding costs". The report also produced a benefit-cost ratio (BCR) of 1.3. In simple terms this means that, for every \$1 invested, \$1.30 in economic investment is returned.

The report, *The Economic Value of TasRail*, by 2XF confirms that the historical and future investments made in the railway by both the Tasmanian and Australian governments are of a positive economic value. Considering the overall positive result, along with the range of contributing benefits that include a lower carbon footprint, a reduction in large truck movements on the State's highways, reduced port congestion and improved productivity, the true benefit of rail to Tasmania becomes more apparent.

TasRail's freight rail logistics also provide Tasmanian industry with:

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

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

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

Opportunities include:

- ❖ Delivering reliable and flexible rail freight services for industry, adding more tonnage to existing services, and rolling over long-term freight contracts
- ❖ Partnering with new mining developments to further utilise TasRail's unique bulk minerals storage and shiploading facilities at the Port of Burnie
- ❖ Partnering with the forestry sector to grow and enable new freight flows
- ❖ Marketing TasRail's competitive advantages as Tasmanian industry increasingly seeks a low-emission supply chain through the use of rail.

5. Performance agreement

5.1 Performance targets and actual results for 2024-25

Performance Target	Target Result for 2024-25	Actual results for 2024-25
Lost Time Injury Frequency Rate ¹	0	3.18
Recordable Injury Frequency Rate ²	3.0	6.30
Freight Availability (combined intermodal services) ³	96 per cent	99.07 per cent
Mainline derailments	0	0
Below Rail Infrastructure Cost (per track Kilometre)	\$26.8k	\$30.3k
Customer Revenue	\$51,800k	\$47,201k
Capital Spend	\$68,969k	\$58,049k
EBITDA (consolidated after BRIC) ⁴	\$110k	\$8,180k
Above Rail Net Profit (Loss) ⁵	(\$12,833k)	(\$15,754k)

(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.

It should be noted that TasRail continues to set ambitious targets for key safety results and maintains performance levels consistent with, and in many cases better than, broader industry benchmarks. While national LTIF rates are no longer published, TasRail's results demonstrate a positive trend typically reported across rail transport and infrastructure sectors.

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

It should be noted here that TasRail's Freight Availability continues to perform strongly when compared to mainland operations.

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

(5) Includes impairment.

5.2 Performance targets for FY 2025-26

Performance Target	FY 2025-26
Lost Time Injury Frequency Rate (1)	0.0
Recordable Injury Frequency Rate (2)	3.1
Freight Availability (Combined Intermodal Services) (3)	96 per cent
Mainline Derailments	0
Below Rail Infrastructure Cost (Per Track Kilometre)	\$27.38k
Customer Revenue	\$50.49m
Capital Spend (4)	\$78.94m
EBITDA (Consolidated after BRIC) (5)	\$10.32m
Above Rail Net Profit (loss) (6)	\$(0.56m)

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

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

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

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

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

(6) Excluding impairment of shiploader.

Directors' Statement of Corporate Intent and agreement of Shareholding Ministers

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

In signing this Statement of Corporate Intent, the Board of Tasmanian Railway Pty Ltd commits to the targets proposed for the 2025-26 financial year.

This Statement of Corporate Intent has been agreed between:

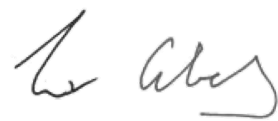


Stephen Cantwell
Chairman
Tasmanian Railway Pty Ltd
On behalf of the Board



The Hon Kerry Vincent MLC

Minister for Infrastructure and Transport



The Hon. Eric Abetz MP

Treasurer