

# 20

ANNUAL REPORT

# 19



Tasmanian Railway Pty Limited

ACN 139 383 761

ABN 83 139 383 761

HEAD OFFICE

11 Techno Park Drive  
(PO Box 335)  
Kings Meadows 7249

BURNIE TERMINAL

Marine Terrace  
Burnie 7320

HOBART TERMINAL

1 Evans Street  
Hobart 7000

BRIGHTON TERMINAL

Glenstone Road  
(PO Box 163)  
Brighton 7030

TELEPHONE: 1300 TASRAIL

WEBSITE: [www.tasrail.com.au](http://www.tasrail.com.au)



[www.facebook.com/Follow.TasRail](http://www.facebook.com/Follow.TasRail)



[www.twitter.com/TasRail](http://www.twitter.com/TasRail)





A long-exposure photograph of a high-speed train at night, blurred to convey motion. The train is dark with bright lights, and the background is a dark blue sky. The foreground shows a blurred ground surface.

Mission	02
Report from the Chairman	11
Report from the CEO	15
Corporate Priorities	18
Corporate Intent	20
Performance Results	22
Zero Harm	24
People	30
Infrastructure	34
Customer Focus	40
Community Rail Safety	54
Governance Principles	60
Glossary	62
Financial Report	63



*To be a world class, vertically integrated, short haul freight railway.*

Achieving this ambitious goal requires that we challenge traditional thinking, relentlessly pursue value adding activities with our customers and within the context of our business plan, while simultaneously improving our safety, service quality, reliability and organisational development.





# Who we are

Tasmanian Railway Pty Limited (TasRail) is a State-owned Company established by an *Act of the Tasmanian Parliament*.

The principal objectives of the business are set out in the *Rail Company Act 2009* and require the Company to:

- Operate a rail business in Tasmania effectively and efficiently;
- Operate its activities in accordance with sound commercial practice; and
- Maximise sustainable returns to its Shareholder Members.

At the time of its establishment on 1 December 2009, TasRail inherited a business characterised by many decades of underinvestment. Under previous owners, the business had been run down to the point where it was no longer able to provide reliable and competitive services. As a consequence, customers had lost confidence in rail and considerable freight volumes shifted to road transport.

Funding commitments from the Australian and Tasmanian Governments have enabled TasRail to successfully implement the major elements of its Rail Recovery Plan. This highly ambitious capital program, the likes of which the transport sector in Tasmania has not seen for many decades, is now well progressed and paying dividends.

However, the scale of the task to rebuild, revitalise and grow the rail freight business in Tasmania should not be underestimated, particularly in the short to medium term while the business awaits delivery of its new locomotive and wagon fleet and continues to prioritise and address the inherited backlog of track and infrastructure maintenance with available funds.

In just two and a half years, TasRail has already achieved substantial improvements to overall business performance, particularly in the safety and reliability of its operations. Importantly, it has been able to accomplish all of this, whilst at the same time it has developed the new organisation; built relationships with its customers and other stakeholders; maintained existing operations and commenced new services and facilities; explored new business opportunities; developed and implemented an ambitious capital program and progressively restored both the credibility and capability of the freight rail business in Tasmania.

The TasRail story is only just beginning.



# What we do

TasRail is a vertically integrated, short haul, freight rail business that was created by combining the Below Rail assets (that the State had assumed responsibility for in 2007) with all of the Above Rail and Business Assets purchased from Pacific National in late 2009, including the Emu Bay Railway. Administration of rail funding from the Australian Government transferred from the Rail Management Branch within the Department of Infrastructure, Energy and Resources to TasRail late in 2009. This completed the amalgamation of the whole operating rail network within Tasmania, along with responsibility for future upgrading of the Below and Above Rail elements of the business.

Below Rail operations are responsible to upgrade, maintain and operate the railway network and supporting infrastructure. Similar to the State's road network, the rail network is a critical piece of infrastructure that generates only limited revenue and requires annual government funding to ensure that it is maintained to an appropriate safety standard.

The Above Rail business operates terminals, bulk handling and shiploading facilities and train services in response to customer requirements. It is also responsible to upgrade, maintain and operate the rollingstock fleet and to manage safe and authorised access to the network.

As an integrated business, TasRail is committed to delivering transport and logistics solutions that are safe, reliable and sustainable.

ABOVE  
BELOW

- 1 shiploader
- 374 wagons
- 36 locomotives
- 6 freight terminals
- 2 bulk handling facilities
- 115 train services every week
- 632 route kilometres of operational track
- 211 route kilometres of non-operational track
- 1.25 million sleepers
- ~500 level crossings
- 355 bridges
- 3 tunnels









# Creating jobs, showcasing local skills

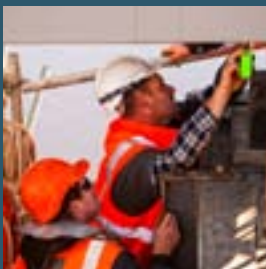
The funds being invested in the upgrade of the Tasmanian Rail Network, plus the revenue generated by TasRail's rail freight operations and the salaries it pays to its workforce are providing a welcome economic stimulus for the State.

Since it was established on 1 December 2009 TasRail has spent \$97.7 million purchasing goods and services from more than 900 Tasmanian registered companies (to 30 June 2012). The socio-economic benefits that flow from this activity are helping to support regional economies and to create many new direct and indirect employment opportunities.

To 30 June 2012, some \$54.2 million of project works has been awarded to TasRail's preferred Contactor Panel. The Panel was appointed through an open market tender process and comprises VEC Civil Engineering, John Holland, Downer-EDI, Abi Group (partnering with Gradco) for rail specific work; and Digga Excavations Pty Limited and Sutcliffes Earthmoving Pty Limited for corridor maintenance and emergency works.

Each of the six companies appointed to the Panel has successfully demonstrated they have the prerequisite skills and competency to complete works on the rail network to the required Standard, in effect being awarded 'Contractor Preferred' status.

The Tasmanian companies represented on TasRail's Contactor Panel have benefited from works to the value of \$39.3 million, representing 73 per cent of the total contractor spend to 30 June 2012.



*Ulverstone based VEC Civil Engineering Pty Limited estimate that the contracts it has been awarded by TasRail to replace and/or renew four bridges on the Western Line have created 35 new direct jobs and employment for up to an additional 20 contractors. The North West Bridge project is funded by the Australian Government's Nation Building Program.*

## 260

Total Direct Employees



## 900+

Tasmanian Suppliers



## \$51million

Capital Investment



FAST FACTS





# Where we operate

The Tasmanian Rail Network dates from the late 1800s and its alignment has changed little since. The network is a single rail line, narrow gauge (1,067 millimetre) transport system and consists of a total of 632 route kilometres of operational lines and a further 211 kilometres of non-operational lines.

The operational network extends from Hobart to Western Junction and to the Port of Bell Bay in the north east and Burnie in the north west. Connections are also provided to Fingal in the east and Boyer in the Derwent Valley. The Melba Line (formerly named the Emu Bay Line) connects the West Coast to Burnie.



South	Approximately 199 kilometres running from the Hobart Rail Yards to Western Junction.
Derwent Valley	Approximately 71 kilometres running from the Bridgewater Junction to the Florentine Rail Yard west of Maydena. The section of line between Boyer and Maydena is currently non-operational.
Western	Approximately 259 kilometres commencing at the Inveresk Rail Yard and running to Wiltshire via East Tamar and Western Junction. The section of the line that runs between Burnie and Wiltshire is currently non operational.
Melba	Approximately 130 kilometres running from the Port of Burnie to Melba Flats.
Bell Bay	Approximately 57 kilometres running from the East Tamar Junction to the Port of Bell Bay.
Fingal	Approximately 55 kilometres running from Conara Junction to Fingal.
North East	Approximately 73 kilometres running from Coldwater Creek Junction to Tonganah. This Line is currently non-operational.

Rail Loading Points
 Ports
 Non Operational Line

# Our milestones



## July 2011

Severe storms create hazardous conditions across parts of the railway network. Heavy snow and tree limbs on the Melba Line keep Infrastructure work crews busy, while a boom gate at Brighton is sheared from its mooring.



New TasRail signage is installed at all Active Level Crossings across the State. The new signs make it easier for Emergency Services and members of the general public to report signal faults by prominently displaying the level crossing identification number (Kilometre Peg reference) and telephone number.

## August 2011

Agility Shipping withdraws its containerised shipping service between Melbourne and Bell Bay. The announcement is made just days before Agility planned to execute a Commercial Agreement with TasRail for the operation of full rail line haul services between Bell Bay and Hobart. In the aftermath, TasRail proactively works with the Bell Bay Industry Group to investigate potential for a Bell Bay to Burnie rail service.



TasRail is named a Finalist in the Employer of the Year category at the 2011 Skills Tasmania Annual Training Awards.



Heavy rainfall causes temporary line closures on the Southern and Fingal rail lines. It is the fourth time that a significant flood event occurs in the 2011 calendar year.



TasRail begins National Rail Safety Week 2011 with the launch of its social media tools and a new level crossing awareness campaign.

## September 2011

TasRail nominates its new fleet of hi-rail vehicles for a WorkSafe Tasmania Award (Best Solution to an identified Workplace Health and Safety Issue). The entry is recognised with a Highly Commended Award.



Works to track infrastructure are completed at the new Brighton Transport Hub, including tamping, regulating and lining tracks and turnouts.



TasRail awards the contract for 100,000 concrete sleepers.



The TasRail Board approves the purchase of four 2150 Class Locomotives ex Queensland Rail to increase haulage capacity and to support demand for new business opportunities.

## October 2011

Work commences on the replacement of numerous, high priority road crossings on the TasRail Network.



DuPont Safety Awareness training is delivered to a second group of TasRail's Frontline Leaders.



The closure of Intec's mining operations results in the loss of 100,000 tonnes through TasRail's Bulk Storage and Shiploading facility at Burnie.

## November 2011

TasRail conducts preliminary investigations into loading and haulage configurations to support a planned trial of logs returning to rail transport.



TasRail successfully implements its in-house payroll system and transfers this function from an external provider.



TasRail Chairman Bob Annells delivers a presentation about the future of TasRail to Business Leaders' Luncheons in the North and South of the State. More than 110 guests attend the event at Launceston and 130 guests at Hobart, including His Excellency the Governor of Tasmania.





## December 2011

TasRail announces the signing of a major contract with Downer EDI Rail Pty Ltd in partnership with Progress Rail for the design, manufacture, delivery and commissioning of a new fleet of 17 PR22L locomotives. The total value of the project is \$68 million.

## January 2012

TasRail recruits a Customer Account Manager to further enhance the organisation's Contract Management and Business development capability.



Portable Thermit Weld Tents are introduced for field work as a safety measure to prevent the risk of sparks causing vegetation fires in the railway corridor.

## February 2012

Production commences for the first of TasRail's new concrete sleepers at the Busck production facility in New Zealand.

## March 2012

A significant milestone in the resurgence of rail, with TasRail partnering with Forestry Tasmania to trial the transport of logs by rail. It has been a decade since logs were last transported by train.



TasRail re-opens a rail siding at the Toll Launceston Depot and commences wagon loading at that site for the first time in five years. The re-opening of the rail siding enables the introduction of new and additional intermodal freight flows between Launceston and Burnie and Launceston and Hobart.



Construction of the first of four North West Rail Bridges to be replaced or renewed commences with VEC Civil Engineering Pty Limited mobilising its work crews at the Blythe River Rail Bridge.



TasRail attends the national launch of the trackSAFE Foundation. The not-for-profit organisation enables an all of industry approach to improve community rail safety, particularly level crossing safety and a reduction in the number of trespass and rail suicide events. It will also provide additional support for rail industry employees impacted by these traumatic events.

## April 2012

TasRail relocates its Head Office to the former Telstra Call Centre at the Launceston Techno Park. The move enables TasRail to centralise a majority of its project teams, administration and service support staff.



TasRail secures approximately 20 Twenty Foot Equivalent Units (TEU) of additional freight between Burnie and Hobart via Cadbury's Sugar Tanks.

## May 2012

TasRail's Members' Statement of Expectations is tabled in both Houses of the Tasmanian Parliament.

## June 2012

The Wagon Fleet Tender closes on 8 June attracting interest from eight suppliers.



Bass Metals cease operations, resulting in the loss of 80,000 tonnes of bulk handling and shiploading volumes.



A major upgrade of the rail/road crossing at Granton is completed, at a cost of \$280k.



TasRail ends the 2011/12 Financial Year having operated for 240 consecutive days without a mainline train derailment. A significant milestone.

Our ref: TR-011012

Hon. David O'Byrne MP  
Minister for Infrastructure and  
Member, Tasmanian Railway Pty Limited  
Executive Building  
15 Murray Street  
HOBART TAS 7000

Hon. Lara Giddings MP  
Premier, Treasurer and  
Member, Tasmanian Railway Pty Limited  
Executive Building  
15 Murray Street  
HOBART TAS 7000

Dear Ministers

**ANNUAL REPORT 2011-2012**

I write to you in your capacity as a Member of Tasmanian Railway Pty Limited.

In accordance with Section 22 (1) (b) of the *Rail Company Act 2009*, we hereby submit for your information and presentation to Parliament, the report of Tasmanian Railway Pty Limited covering the period 1 July 2011 to 30 June 2012.

Signed in accordance with a resolution of Directors.

Yours sincerely,



Bob Annells  
**Chairman**

24 October 2012





# Report from the Chairman

Robert Annells



As hopefully is evident from reading this 2011-2012 Annual Report, all of the hard work of the last two years to establish the appropriate corporate governance, procurement processes, technical and engineering standards and expertise is now bearing fruit, and TasRail is now in a position where it can start to make its primary focus the growth and effectiveness of its commercial operations.

From the onset, the Board made a very deliberate decision not to be rushed into making substantial forward commitments until the organisation had achieved considerable advances in its capability to operate efficiently and had secured the right level of skills required to implement its ambitious capital program, both in-house and through the likes of its accredited Contractor Panel.

Through the development of category leading Procurement Standards, the business has worked hard to ensure that it manages the roll out of its very considerable capital program in a responsible and efficient manner. As far as possible, it utilises local capacity and tries at all times to balance the desire to utilise Tasmanian companies, goods and services consistent with achieving prudent commercial outcomes.

Major contracts awarded during 2011-2012 included for the supply and delivery of 17 new locomotives and the replacement of two major North West Bridges. Additionally, TasRail placed an order for 100,000 concrete sleepers following an exhaustive search for the right quality and technical specification; and it secured the first batch of 400 tonnes out of an anticipated 20,000 tonnes of heavier gauge rail, following an acceptable commercial arrangement being agreed with the Australian Rail Track Corporation.

This has therefore been the last year where the Board expects its primary focus to be on the mechanics of delivering the remaining aspects of the Rail Recovery Plan. Whilst this will remain an important focus, particularly as TasRail seeks to replace its aging wagon fleet and further progress the track upgrade, the business has now reached a watershed, where it can begin to shift its focus on growing the business.

It is important to recognise that all of this has only been possible because of the substantial funding committed by the Tasmanian and Australian Governments. The capital committed by the State has enabled the replacement of life expired Above Rail assets, and access to Nation Building funds will continue to deliver a major improvement in both network condition and modal shift from road to rail.

It is therefore rewarding to see a number of new commercial opportunities on the horizon and TasRail is working hard to secure these for the future. In doing so however, we need to be mindful that TasRail has only limited resources and there are challenging logistic and infrastructure issues to be confronted. We also need to be cognisant that while we seek to gain new business, we cannot compromise service delivery and quality to existing customers, who have been most patient over many years.

As at the end of this financial year, TasRail's plans for the Brighton Hub remain on track. We are working to achieve the required Rail Safety Accreditation to facilitate the start-up of operations and to complete the fit-out of the workshop, administration and other necessary facilities. However it needs to be clearly understood that commencement of operations at Brighton Hub will be in two distinct parts. The first will utilise the hardstand to create a classic terminal operation whereby containers arrive directly to the hardstand either by train or truck for loading and unloading from/to trains. The second will seek to establish an adjacent warehouse facility designed to complement enhanced rail activity, but wherever commercially possible, it must also recognise that the Brighton Hub has been designed and constructed as both a road/road as well as a road/rail transfer facility.

At the time of writing this report negotiations are well advanced with TasRail's most significant customer, designed to achieve the relocation of their main warehouse facilities in Southern Tasmania to the Hub. These negotiations are however complex, given the myriad of issues to be dealt with, including the pre-condition of entering into a lease and a commitment from the Lessee for a major investment at that site.

TasRail believes that the timing of its transition to full operations at the Brighton Hub , and the cessation of operations at its Evans Street terminal, remain broadly on schedule.

TasRail's relationship with the Department of Infrastructure, Energy and Resources and through it, with Infrastructure Australia and the Federal Department of Infrastructure and Transport continues to be extremely positive and co-operative. TasRail's request to Infrastructure Australia for significant capital funds beyond 2014 seeks to enable the continuation of the very good rebuilding work started by the Rail Recovery Plan, primarily through completion of concrete sleeper installation across the north-south corridor. This is likely to take a number of years to achieve but would go a considerable way towards future-proofing the business.





Picture above: The TasRail Board of Directors from left. Roger Gill, David George, Sarah Merridew, Bob Neil and Bob Annells (Chairman).

In closing I must acknowledge the performance of the Chief Executive Damien White and his staff over the past 12 months. In particular, the consistently high standard of response by staff to emergency issues such as the floods and wild weather that affected rail operations on a number of occasions during the year. From my position as Chairman, relationships between the Board and Management are very effective and it is satisfying to see the organisation morphing into an extremely efficient and tight knit unit.

I must also thank and commend my fellow Directors for their commitment and hard work over the past year. The amount of time that they have committed to both Board and Committee work has been extensive and the expertise they bring to the organisation is substantial and of great value.

Finally, to Minister David O'Byrne and his staff I would like to express my sincere appreciation for their assistance and support through what has been both a challenging and immensely rewarding year.

Bob Annells  
Chairman









# Report from the CEO

Damien White



The past financial year for TasRail has been one best described as a year whereby we largely completed the stabilisation of the network and operations after years of decline, and where our management processes, our commercial relationships, and our approach to new business opportunities matured to the extent that we are now undertaking those activities with a new level of confidence. And despite challenging economic conditions, it has been pleasing to see a continuing appetite for the use of rail, evident by the response from existing customers and industry in general.

Our capital projects and procurement processes gathered full steam throughout the year with the following projects substantially progressed:

The contract for the replacement of the locomotive fleet was awarded to Downer EDI Rail Pty Ltd in partnership with Progress Rail after an exhaustive, international engagement with suppliers;

The tender process commenced for the wagon fleet replacement project with a local and international search for suitable supply arrangements;

The tender process commenced for a replacement, electronic data and GPS-based Train Control System;

The contract for the supply of 100,000 concrete sleepers was awarded;

Contracts were awarded for the replacement and refurbishing of four major bridge structures on the North West Coast;

The tender process was undertaken for concrete sleeper insertion and associated track formation rehabilitation.

In total, TasRail committed to more than \$50 million of capital works throughout the year, consisting of nearly \$29 million of Australian Government funding for track and associated infrastructure, and more than \$21 million for operating equipment projects funded by the Tasmanian Government. Considering that many of these projects will ultimately be implemented in parallel, a significant challenge for us is to manage the associated and



considerable change management requirements to ensure that they deliver the expected safety, financial, and service quality benefits. Just like any other organisation, our future success will be based on how well we engage our people throughout the change process.

Unlike when TasRail was established, we now have a growing confidence in our ability to understand and control track infrastructure condition, in order to prevent major disruptions such as mainline derailments. Notwithstanding the recent investment of significant funds into track structures, there still remains much work to do in order for the infrastructure to be able to support anticipated business requirements. Whilst safety and reliability of the network are primary concerns, so too is the ability to efficiently maintain the network into the future. Our ability to progress from what has been largely a reactive maintenance regime, to a more planned maintenance environment, is a fundamental part of our strategy moving forward. This will enable us to achieve a track structure that is not only safe, but is also able to be maintained at a sustainable cost.

On reflection, the business environment for TasRail during 2011-2012 was very mixed. We started the financial year full of expectation. We had everything in place to re-commence scheduled rail services between Bell Bay and Hobart, only to see that new development cancelled at the eleventh-hour due to a cessation of shipping services into Bell Bay. Conversely, the re-commencement of container services between Launceston and Burnie, and the trialling of log traffic, continues to give us real confidence that a reliable and responsive rail service is something that Tasmanian industries really do value. Notwithstanding the carbon related tax impost on rail services to take effect from 1 July 2012, we are confident that the inherent fuel efficiency and environmental benefits of rail, coupled with the strategic investments in new state-of-the-art operating equipment and systems will give Tasmanian industries the efficient freight rail network it deserves.

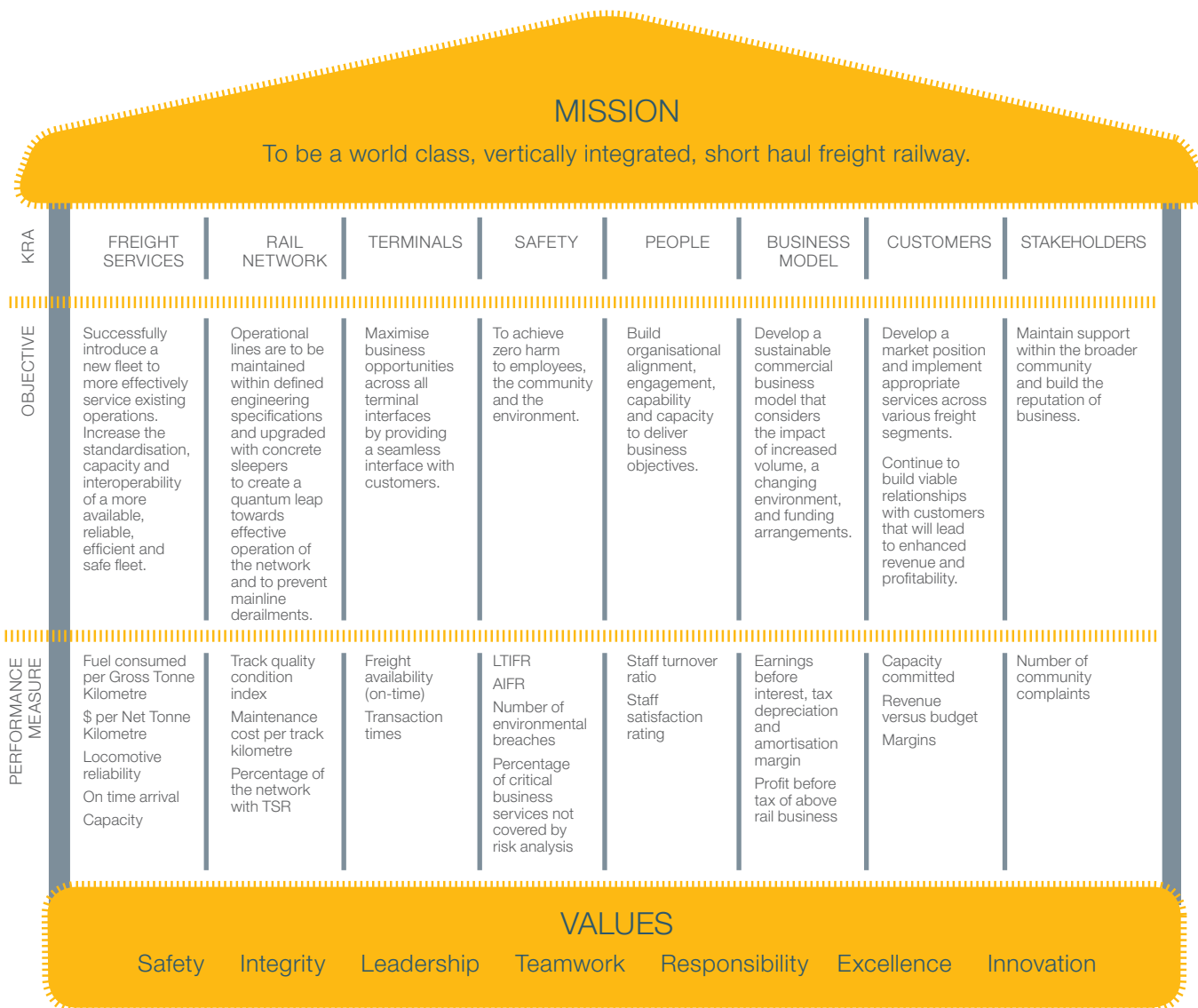
Despite the significant funds currently being expended on our track infrastructure, further funds are ultimately required to complete the rebuilding of Tasmania's Rail Network. TasRail's current funding resources from the Australian Government are now fully committed to June 2014, when the funding arrangement ceases. Consequently, we are now well down the path of a detailed funding submission to complete the job of rebuilding our infrastructure network. Fundamental to this submission is the Tasmanian Government's vision for the role of rail in a truly integrated network of ports, roads and rail that will provide a vibrant and responsive freight network to better support Tasmanian industry.

In summary, another year of solid progress in the redevelopment of rail as a leading provider of freight services for the State of Tasmania. We have arrested the decline in network condition and service quality and are now impatient to get on with the implementation of some exciting investment projects that really will transform freight logistics within the State. With a number of very real business development projects on the horizon, we are at a point of a renewed renaissance for rail in Tasmania.



Damien White  
Chief Executive Officer





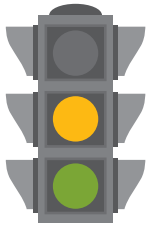
TasRail’s Corporate Plan is based on a five year strategy that builds on the very good progress to date of the Rail Recovery Plan and seeks to transform the Above Rail business towards a more sustainable future.

It should be noted that the Below Rail operations will always be expected to require an Annual Operating Grant from the Tasmanian Government for maintenance of the extensive railway network and associated infrastructure.



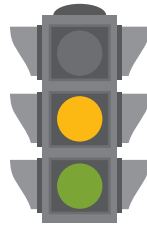
Underpinning TasRail's business strategy are eight Key Result Areas (KRAs). TasRail has adopted a simple traffic light approach to report performance against the initiatives to be implemented for each KRA.

## KRA 1: FREIGHT SERVICES



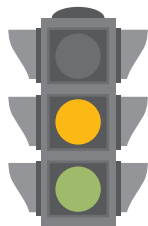
- Engage train drivers and maintainers in planning the transition and implementation of new rollingstock.
- Retain, attract and skill sufficient Train Drivers to meet business needs.
- Develop and implement a contemporary Asset Management Plan for rollingstock.
- Procure a modern Train Control System.

## KRA 2: RAIL NETWORK



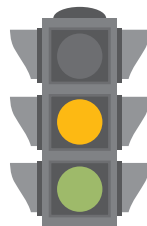
- Continue to implement asset rectification program.
- Develop and implement a contemporary Asset Management Plan for Network Infrastructure.
- Upskill track maintenance capability.
- Develop future track specifications to suit customer needs.

## KRA 3: TERMINALS



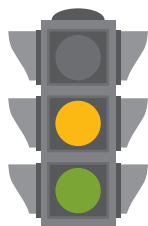
- Develop terminal management capability
- Maximise opportunities from the Brighton Hub development.
- Interact/integrate with other terminals including Burnie and George Town.
- Work with stakeholders to develop an exit strategy for the Hobart Rail Yards.

## KRA 4: SAFETY



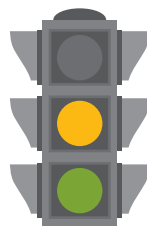
- Promote a 'work safe' culture and implement a behavioural-based safety program.
- Manage all hazards based on risk principles.
- Implement an internal audit program.
- Implement a safety management program for contractors and third parties.

## KRA 5: PEOPLE



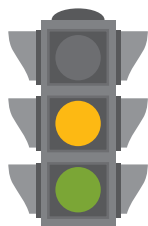
- Foster a 'can do' culture.
- Identify and address workforce skills gap.
- Develop and implement a workforce planning strategy.
- Develop project management capability.

## KRA 6: BUSINESS MODEL



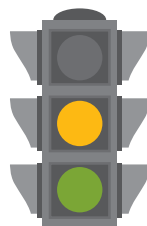
- Define current service offering and consider opportunities to enhance customer value.
- Maintain effective cost control.
- Implement sound capital investment and maintenance program.
- Evaluate growth opportunities.

## KRA 7: CUSTOMERS



- Foster a culture of customer service and quality.
- Develop customer relationship/account management capability.
- Develop a marketing program to increase share of contestable freight.
- Respond to new business opportunities.

## KRA 8: STAKEHOLDERS



- Continue to engage with key stakeholders and leverage relationships.
- Develop communications to build awareness of TasRail.
- Develop communications programs to minimise business risks including level crossing safety.
- Consider longer term brand opportunities and alliances with customers.

# Performance targets

TasRail's Statement of Corporate Intent was submitted to its Shareholder Members in 2012 in compliance with Department of Finance and Treasury Reporting Guidelines for State-owned Companies. The document sets out TasRail's Strategic Direction, Key Initiatives and Performance Targets for the 2012/2013 financial year, as well as Performance Estimates for the period 2013/2014 through to 2015/2016.

Performance Target	2011/2012 Result	2012/2013 Forecast
Recordable Injury Frequency Rate*	33.8	16.3
On Time Arrivals (Intermodal and Paper)	82 per cent	83 per cent
Main Line Derailments	2	2
Customer Revenue	\$33.49 million	\$35.62 million
Capital Spend	\$63.57 million	\$88.46 million
EBITDA	(\$1.82 million)	(\$1.49 million)
Tasmanian Government Operating Grant	\$18.77 million	\$16.28 million

\*Injury Frequency Rate =  $\frac{\text{Number of relevant injuries in the period} \times 1,000,000}{\text{Number of exposure hours worked for the period}}$

The TasRail Statement of Corporate Intent is available for download at [www.tasrail.com.au](http://www.tasrail.com.au)



# Our values

*Safety*

A genuine care for the health and wellbeing of staff, contractors, customers and the wider community.

*Integrity*

Staying true to our values, even when it's hard.

*Leadership*

Clarity of vision and strategies, to drive a culture of unity and achievement.

*Teamwork*

Working together to achieve common goals and shared outcomes.

*Responsibility*

Owning actions and outcomes.

*Excellence*

Seeking and achieving exceptional outcomes in everything we do.

*Innovation*

Embracing new ideas, concepts and systems to create added value.



*Pictured above from left: Michael Smith, Joel Stevenson, Chris Rousell, John Pedder, Gavin Brooks, Colin Curley, Tim Perchard, Alex Bartels.*



# Our results

TasRail delivered a solid performance in 2011/2012 earning a 7.4 per cent increase in total revenue up \$2.3 million to \$33.5 million.

The Above Rail result saw profit down from a modest \$40k in 2010/2011 to a loss of \$1.1 million in 2011/12. The decrease in profit is a direct result of the reduced intermodal volumes carried during the period. The fall in containerised freight volumes was predominantly caused by the demise of a major new customer (Agility Shipping) and another significant end customer electing to intermittently break-bulk substantial volumes of its commodity product via direct shipment. Despite this, TasRail largely maintained total freight volumes with only a 1.6 per cent reduction compared to the previous year's result. This was achieved through an increase in bulk freight and Shiploader throughput as well as through the introduction of new intermodal services.

Total State Government Operating Grant for 2011/2012 was \$18.8 million, a reduction of \$0.66 million compared to the \$19.46 million allocated in the previous financial year. Overall operating expenditure was in line with budget.

Trading Operating Loss (Before Tax) was \$4.3 million equating to a 6.5 per cent improvement compared to the 2010/2011 result. This can be explained by a combination of the improved external revenue result and greater than budgeted interest earnings.

Total Comprehensive Loss was \$36.3 million after impairment expense of \$31.7 million. When compared to the previous financial year, this represents a variance of negative \$8.45 million but it should be noted that the 2011/2012 result was offset by an inventory revaluation of \$7.2 million. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The accounting treatment for Australian Government funding received for Below Rail requirements is treated as equity in the accounts of TasRail. As these assets do not provide a return now or into the foreseeable future and the assets are not able to be sold (have a notional residual value), the assets are subsequently impaired to nil value which creates an impairment charge to the profit and loss - generating a loss which is then offset against equity. It is important to note that these significant impairment expenses are not cash losses.

**\$26.9million**  
Total Freight Revenue



**\$3.6million**  
Total Shiploader Revenue



**\$2.82million**  
Total Other Revenue

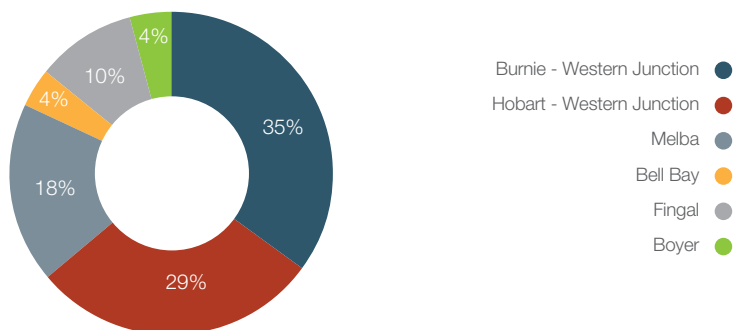


FAST FACTS

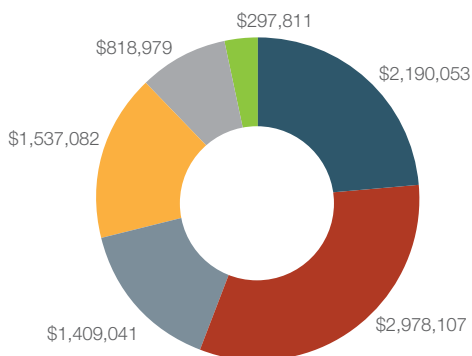
Since TasRail's establishment, the unprecedented investment in the rail network to date, combined with improved operational practices and a strong commercial focus has realised a significant improvement in the performance of the business, particularly in the areas of safety and reliability. However, there still remains much work to be undertaken to bring the infrastructure up to a modern day standard.

The Tasmanian Government is providing a total of \$139 million of capital funding over seven years to 2015/2016 for the replacement of life expired and obsolete assets including the purchase of 17 new locomotives, a new wagon fleet, a modern Train Control system and upgrades to bulk handling facilities. All of these projects were substantially progressed during 2011/2012. Of the total \$206.6 million of Nation Building Funding committed by the Australian Government for approved Below Rail projects to 2013/2014, TasRail has committed approximately \$130 million, or 63 per cent of that amount. The remaining available funds will be used for bridge replacements and the commencement of a concrete resleepering program.

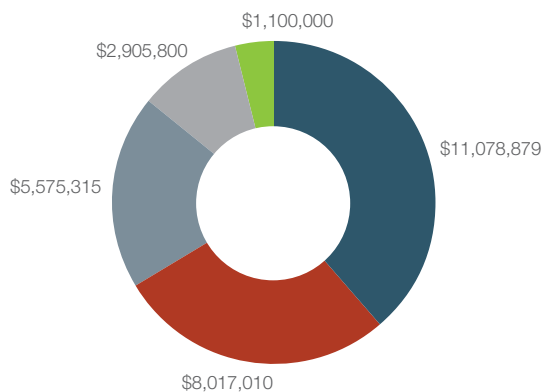
### Spend by Line



### Maintenance Spend by Line



### Capital Spend by Line



### TasRail Total Capital Improvement Activity as at 30 June 2012

TasRail Total Capital Improvement Activity as at 30 June 2012	Quantity
Number of new sleepers replaced	293,481
Metres of rail replaced	51,690
Number of rail welds completed	5,006
Tonnes of ballast replaced	61,991
Number of bridges upgraded or replaced	38
Number of bridge transoms replaced	5,069
Number of level crossing equipment upgrades	124
Number of road crossings upgraded	162
Number of creep monuments	2,032

# safety is a core value

Working safely is fundamental to TasRail's success. All employees have the right to go about their work safely and with confidence that they will return home at the end of each shift injury free. We are confident that our goal of zero harm is ultimately achievable but it requires a genuine passion and belief by our employees, contractors and the community that all injuries and incidents can be prevented and that all tasks can be done safely.

TasRail is committed to being a leader in safety, health and environment (SHE) performance and to achieving a culture that empowers all employees to assume accountability for SHE performance. Significant resources were committed to the identification and elimination of unsafe/less safe behaviours and conditions in 2011/2012 and to mentoring and coaching frontline leaders to identify, eliminate and/or control workplace hazards. The participation by all employees in safety interactions and pre-task hazard assessments is also proving effective in helping to encourage and promote personal safety habits.

TasRail's run of 207 consecutive days without a Lost Time Injury (LTI) came to an end on 30 August 2011 (reported back injury). Of the five Lost Time Injuries reported for 2011/2012, three involved back injuries, one was a leg injury and one related to an occupational medical condition. While it is disappointing that the Lost Time Injury Frequency Rate for the year improved only marginally, there is strong evidence to show that the workforce is taking a more proactive approach to working safely. The statistical increase in the number of Medical Treatment Injuries for 2011/2012 reinforces this point, and is directly attributed to improved reporting and proactive post injury efforts. In the past, many of these injuries would have gone unreported.

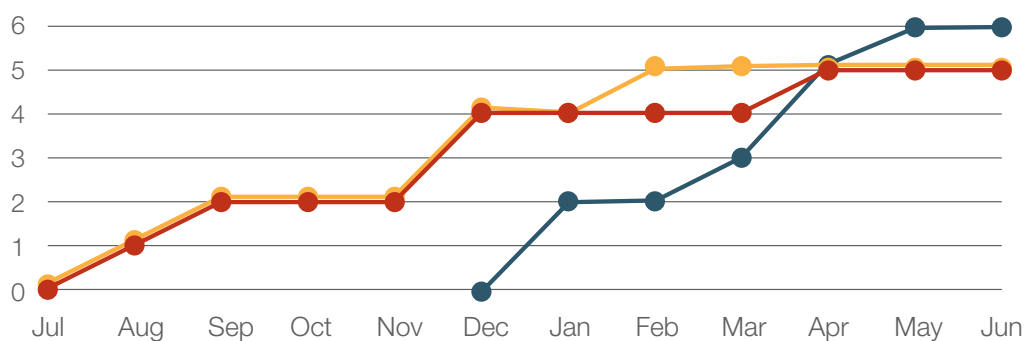
Key Performance Indicator	2011/2012	2010/2011
Number of Lost Time Injuries	5	5
Lost Time Injury Frequency Rate*	8.1	9.5
Number of Medical Treatment Injuries	16	8
All Injury Frequency Rate*	90.2	101.2

*\*Injury Frequency Rate =  $\frac{\text{Number of relevant Injuries in the period} \times 1,000,000}{\text{Number of exposure hours worked for the period}}$*

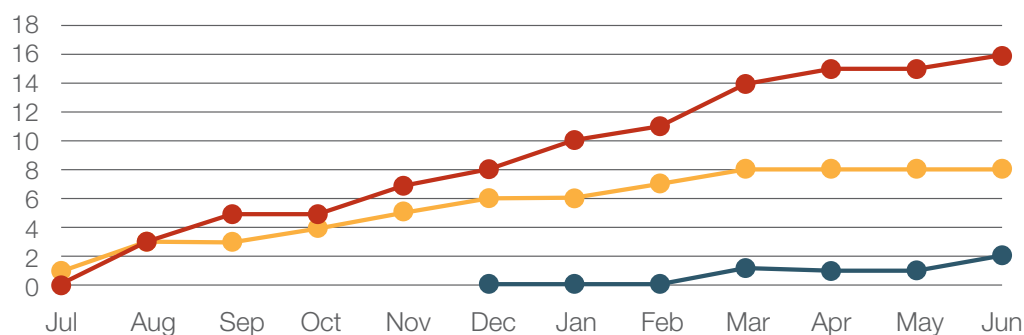




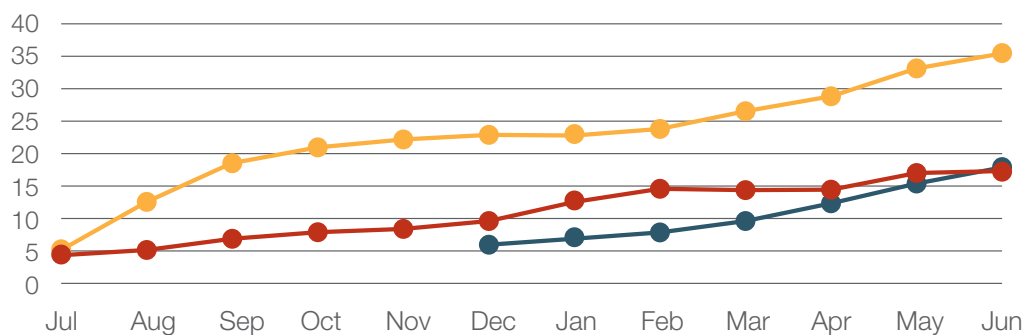
### Lost Time Injuries 2011-2012



### Medical Treatment Injuries 2011-2012



### Safeworking Breaches 2011-2012



● Total 2011/2012  
● Total 2010/2011  
● Total 2009/2010 (7 months only)

### Drug and Alcohol Testing

	2011/2012	2010/2011
Number of random drug tests	85	23
Number of routine drug tests - post incident	26	1
Number of positive drug test results	1	2
Number of random alcohol tests	199	178
Number of routine alcohol tests - post incident	34	61
Number of positive alcohol test results	0	1





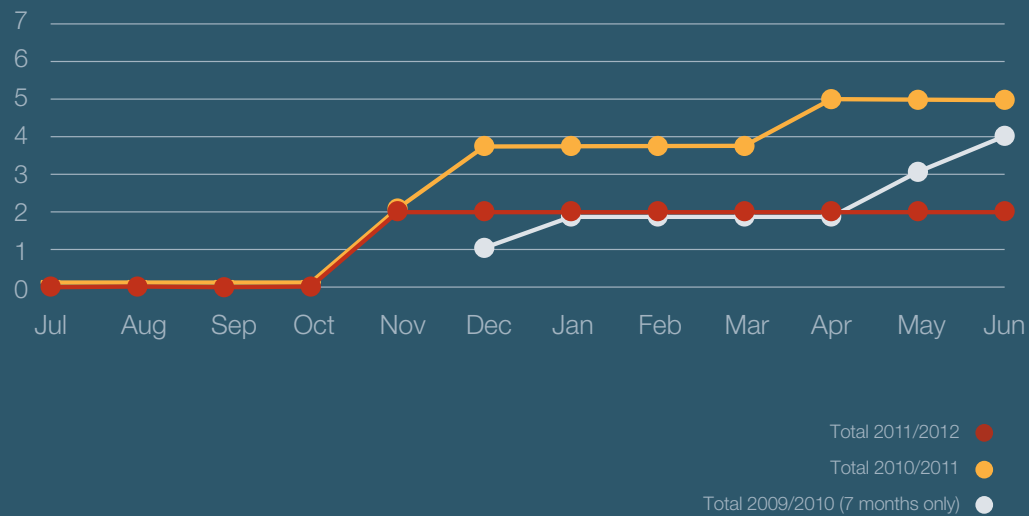
# Reducing derailments

Mainline derailments have the potential to undermine customer, industry and community confidence. Therefore, one of the best measures of TasRail's much improved performance is the 60 per cent reduction in mainline derailments for 2011/2012. Two mainline derailments were recorded for the reporting period, compared to five for the previous year.

A most significant milestone saw TasRail end the 2011/2012 financial year having operated for 240 consecutive days without a mainline derailment.

Each derailment is reported to the Rail Safety Regulator and subject to thorough investigation. In most cases, preventative actions are identified and every effort made to prevent a recurrence. It must be acknowledged that the condition of the rail track, combined with the age and design of the current fleet of locomotives and wagons are consistently identified as contributing factors to derailments.

## Mainline Derailments 2011-2012

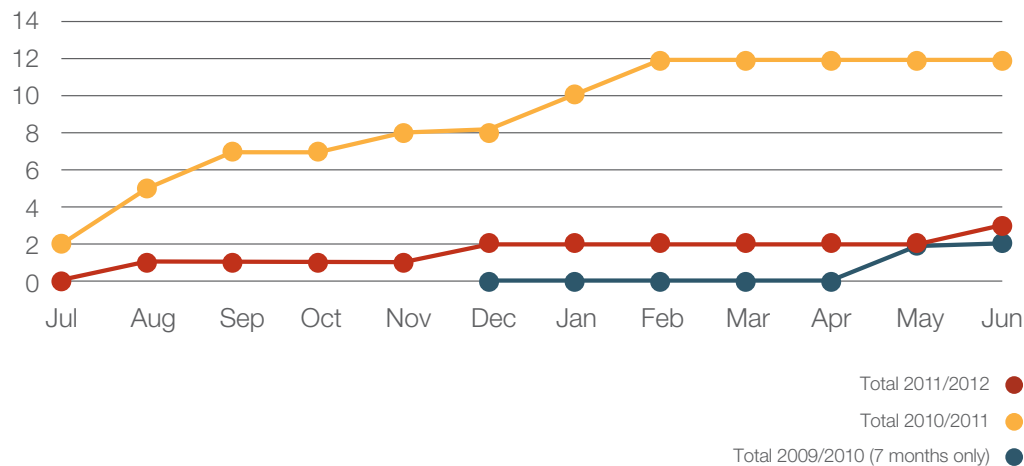


Derailment Date	Location	Details	Root Cause
28 October 2011	Lowdina KPS48.80	A total of 9 wagons derailed in an upright position.	Combination of issues including track geometry, unstable formation and wagon loading.
3 November 2011	Campbell Town KPS146.5	A total of 18 wagons derailed in an upright position.	The primary contributing factor was the condition of the track caused by formation variances and aged and interspersed sleepers.



The number of yard derailments reported for 2011/2012 also dramatically reduced by 75 per cent, with a total of three compared to 12 the previous year.

## Yard Derailments 2011-2012



Derailment Date	Location	Details	Root Cause
31 August 2011	East Tamar	One locomotive derailed.	Human error due to inattention.
8 December 2011	Boyer	Two wagons derailed over a road crossing.	An air brake mechanical failure caused wagon wheels to lock-up. Subsequently a quantity of material built-up on the wheel surface.
26 June 2012	Burnie	One wagon lifted during unloading causing two wheels to derail only to rerail after travelling a short distance.	Customer had inadvertently lifted wagon during unloading process.

New Harmonised Workplace Health and Safety Laws that are set to come into effect from 1 January 2013, prompted TasRail to review its current SHE systems, policies and practices to ensure alignment with the new requirements. Demonstrating continuous improvement using the recognised model of Plan, Do, Check and Review, streamlining existing documentation, and overhauling the safety management system to improve usability and functionality have formed the basis of work undertaken over the past 12 months.

A new Rail Safety National Law and new National Rail Regulations are proposed to come into effect in January 2013, subject to the approval of the Tasmanian Parliament. TasRail's preliminary analysis of the new Law and Regulations suggests there will be no substantial change to the way it currently manages rail safety, worker competency and risk management. Notable differences with the existing framework are the adoption of a National Rail Safety Regulator (NRSR), required to monitor the effectiveness of TasRail's safety management system and general obligations; and the change to appoint the Australian Transport Safety Bureau as the national investigating agency for serious rail incidents.

TasRail seeks to maintain a proactive relationship with Regulatory authorities and will work to ensure compliance with both the new Rail Safety National Law and the new Occupational Health and Safety Model Legislation.



# Our green credentials

TasRail will be impacted by the introduction of the Australian Government's carbon pricing measures, most directly through a reduction in the claimable Fuel Tax Credit with effect from 1 July 2012. These cuts to the Fuel Tax Credit do not apply to the road transport sector. Under the Legislation, heavy on-road vehicles will also benefit from a blanket exemption on petrol and the decision not to apply a carbon tax to this sector until July 2014. As the voice for the rail industry, the Australasian Railway Association (ARA) contends that the Legislation's different treatment of road transport versus rail transport will result in a competitive disadvantage to rail. Research by the ARA reveals that intermodal rail has up to three times fewer emissions compared to heavy road freight. Although it appears counterintuitive to attach additional cost to the more emissions friendly mode of transport, TasRail remains confident that its lower carbon footprint will result in a competitive advantage over road transport in the longer term. In the meantime, TasRail has advised its customers that a Carbon Cost Surcharge will apply to all rail services from next financial year.

Looking forward to 2014/2015, TasRail's new locomotive fleet is to be fitted with European IIIA certified engines and is expected to deliver fuel and emission savings in the order of 10 to 15 per cent. The new fleet will also be capable of using Bio Diesel (B40 Fuel) should the technology advance and the fuel become readily available in the local market.

TasRail reports its greenhouse gas emissions to the Australian Government Department of Climate Change and Energy Efficiency. Emissions are calculated in accordance with the On-line System for Comprehensive Activity Reporting (OSCAR) administered by the Office of the Clean Energy Regulator.

Performance Indicator	2011/2012	2010/2011
Reported Scope 1 <sup>1</sup> (FUEL ) tonnes of CO <sup>2</sup> emissions	18,189	18,197
Reported Scope 2 <sup>2</sup> (ENERGY) tonnes of CO <sup>2</sup> emissions based on annual consumption of 268,862 (GJ)	552	491
TOTAL tonnes of CO <sup>2</sup> equivalent emissions	18,741	19,188
Number of environmental breaches	Zero	Zero

<sup>1</sup> Scope 1 (Fuel) defined as the release of greenhouse gas into the atmosphere as a direct result of an activity or series of activities (including ancillary activities) that constitute the facility.

<sup>2</sup> Scope 2 (Energy) defined as the release of greenhouse gas as a result of one or more activities that generate electricity, heating, cooling or steam that is consumed by the facility but that do not form part of the facility.

railed **2.34**million tonnes

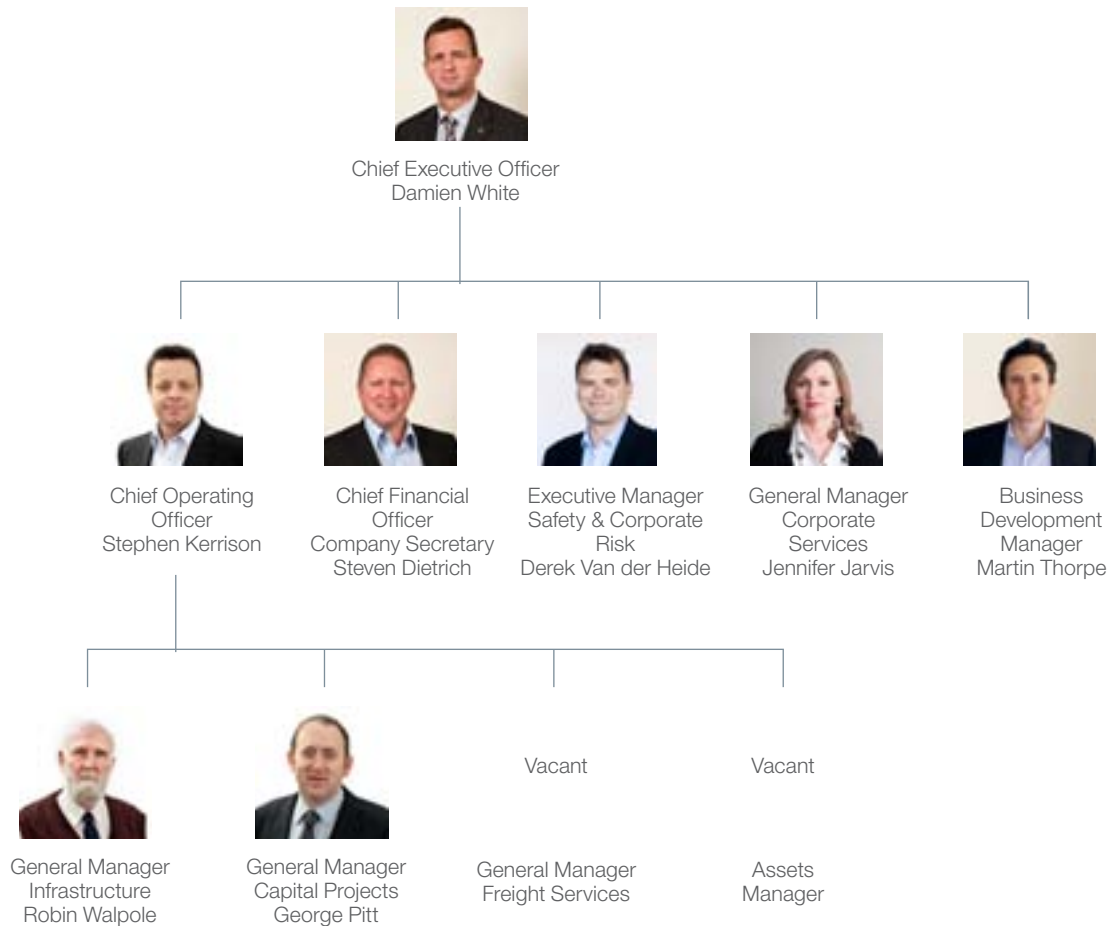
removed **100,000** Bdouble truck movement equivalents

saved **46,259**tonnes CO<sup>2</sup>

\* Assumes 100,000 Bdouble truck movements generate 65,000 tonnes of CO<sup>2</sup>.

# Our Executive Team

As at 30 June 2012



*Cameron Simpkins was appointed to the role of General Manager Freight Services, with effect from 27 August, 2012.*

TasRail continued to invest in locomotive driver recruitment and training during 2011/2012. With more than half of TasRail's current team of train drivers aged 55 years and over, a significant number are likely to retire in coming years. This reality, combined with expected levels of business growth and market interest in new business opportunities, mandated the development and implementation of an attraction and retention strategy to ensure the sustainability of TasRail's operations in the medium to long term.

Train driving is a highly specialist skill. The training pathway is such that for a rookie recruit, it can take up to two years to attain the required level of competency. Even for a qualified interstate train driver, it can take up to six months to achieve all of the new competencies that are unique to TasRail, for example, route knowledge and required train handling skills to support what is a predominantly driver-only operation.

During the past year, TasRail has internally recruited 8 trainee drivers and attracted 11 qualified interstate train drivers to join its team.





# Breaking new ground



*Picture above: Karen Brodie is a great role model for young women contemplating a career in a non-traditional role.*

History shows that recruitment of train drivers has always attracted strong interest, but not from the female population. That all changed in 2011/12 when TasRail's campaign to recruit qualified train drivers attracted the interest of two women, both well credentialed to take on the role. Karen Brodie's locomotive driving career began as one of the inaugural intake of female train drivers on the Queensland coalfields. She joined TasRail's East Tamar Depot in January 2012 and quickly established herself as a capable and highly respected peer.

Briony Bansemer was driving trains for TransAdelaide when she decided to take up the opportunity to join TasRail. While Karen and Briony have both found the train driver role in Tasmania quite different to their previous experience, they are enjoying their new challenge and progressing well as they assimilate route and equipment knowledge on the TasRail Network. As TasRail's first ever female train drivers, they can also be considered pioneers. They are part of a new generation being mentored by TasRail's long serving team of professional and experienced train drivers who have made a considerable contribution to the State's rail industry over many decades.

Carolyn Watkins can also consider herself a trail blazer. Carolyn is TasRail's first female Track Maintainer, appointed in August 2011. Working on the Melba Line, Carolyn is responsible to maintain track infrastructure in accordance with required Standards.

Joining Carolyn in the Infrastructure Department is Leaselle Archer. Leaselle is TasRail's first female Signals Electrician, Leaselle was recruited in February 2012. She is responsible to maintain, repair and upgrade signals and level crossing warning equipment.



# Our Workforce profile

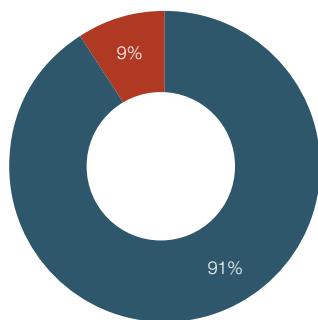
as at 30 June 2012

This is an exciting time to be employed at TasRail.

The recruitment of new and additional skills, the development of new business systems and the integrated management of the inherently complex change that is associated with the implementation of an ambitious capital program, all combine to offer employees a once in a generation opportunity to rebuild and transform the State's rail freight business.

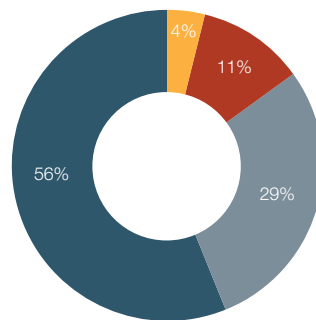
Since its establishment in December 2009, TasRail has worked to attract the additional capability and new skills required to successfully implement the Rail Recovery Plan. Of equal importance has been the work to ensure the business retains its core skills base, and the knowledge and expertise that has kept the business operational over many years and in challenging times.

**By Gender**



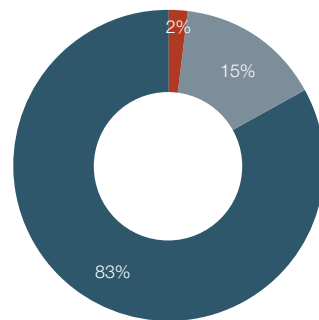
Female ●  
Male ●

**By Department**



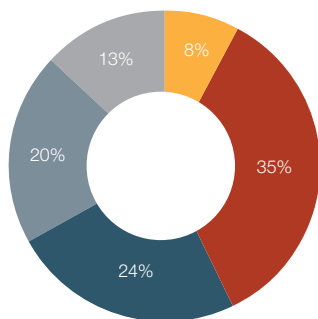
Infrastructure ●  
Freight Services/Operations ●  
Capital Projects ●  
Administration and Support Services ●

**By Employment Type**



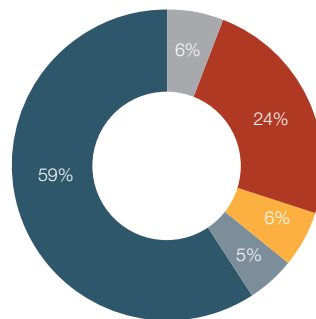
Permanent Full Time ●  
Permanent Part Time ●  
Casual ●

**By Age Group**



Aged 60+ Years ●  
Aged 51-60 Years ●  
Aged 41-50 Years ●  
Aged 31-40 Years ●  
Aged 17-30 Years ●

**By Years of Service**



40+ Years ●  
31-40 Years ●  
21-30 Years ●  
11-20 Years ●  
Less Than 10 Years ●

**1.3%**  
Absenteeism



**11%**  
Turnover



**260**  
Full Time Equivalent Employees



FAST FACTS



# A dynasty CONTINUES



Picture above from left: Steven Youd - Track Inspector South, Barry Youd - Track Inspector North West and Grant Youd - Locomotive Driver.

Three brothers with a shared passion for rail, and who collectively have contributed well over a century of service to the rail industry is an achievement worthy of public acknowledgement. Add to this the 17 years of service to the same industry by their father, and the word dynasty comes to mind.

Steven Youd started with the Tasmanian Railway in 1974 as a Fettler in Launceston, but quickly earned the opportunity to take on Statewide responsibility for the operation of the tamper and ballast regulator in 1975. He transferred to the Legerwood gang in 1976 and was appointed to the Ganger in Charge role in 1980 before being appointed Track Supervisor in 1983 responsible for Bell Bay to Western Junction and Conara Junction to Fingal. Steven decided to leave the industry in 1994 before returning in 2008. He is currently employed as a Track Inspector on the South Line.

Barry Youd started in 1968 as a Fencer working with the Mole Creek Gang but in 1971 he moved to the Moltema Gang. He spent seven years working on the various track machines before becoming a Ganger at Westbury. Barry took on the role of Supervisor from 1979 to 2004 until being appointed to his current position as Track Inspector for the North West.

Grant Youd has worked for the Tasmanian Rail Industry since 1973, spending the first sixteen years working at Deloraine under the then Station Master. He then took on the role of Lad Porter at Railton where his tasks included selling passenger tickets for the Tasman Limited. Next, he moved on to Staff Working Porter then onto Shunting. Grant progressed to relief Station Supervisor, but transferred from operating grades to Locomotive Driving. Grant is passionate about his work and is a strong advocate of level crossing safety awareness, often promoting the rail safety message in schools and the media on behalf of TasRail.

Undoubtedly, the brothers' interest and love of all things rail was inspired by Joseph Youd. Joseph started his rail career in 1963, spending 17 years as a Fettler with the Moltema Infrastructure Gang. Son Barry joined his dad just five years later, and the two worked together in the same gang until 1972.





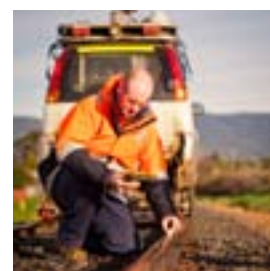


# Restoring network integrity

The safety, reliability and integrity of the TasRail Network and associated infrastructure have improved considerably over the past 12 months, as evidenced by the 60 per cent reduction in mainline derailments for 2011/2012. This is in contrast to TasRail's first 18 months of operation when almost all of the Infrastructure maintenance efforts were reactionary, largely in response to ad hoc network defects. As the condition of the network has progressively improved, TasRail has been in a position to schedule increasing levels of planned maintenance. Additionally, internal maintenance staff have progressively developed the capability to perform required major rehabilitation works whereas historically, such works were only undertaken by specialist contractors. By shifting to a position where TasRail can perform more planned and less reactive maintenance, the business is better able to align its performance with customer expectations.

The improvement in overall track performance is even more notable, considering the first months of the 2011/2012 financial year were marked by multiple extreme weather events that caused havoc across parts of the rail network. Severe flooding saw sections of the track under water in the South Esk catchment in July and August, resulting in a 48 hour cancellation of train services on the South Line. Despite heavy rainfall, snow and strong winds on the West and North West Coast, train services on the Melba Line continued to operate as scheduled. However, Infrastructure work crews were kept busy at all hours, inspecting the track and clearing obstructions such as fallen tree limbs and debris. The Fingal Line required substantial repairs and rehabilitation after sections of track were washed away on 19 August 2011, also causing disruptions to train services. The cost of these unplanned repairs totalled more than a million dollars, not including the loss of revenue that resulted from the consequential train delays.

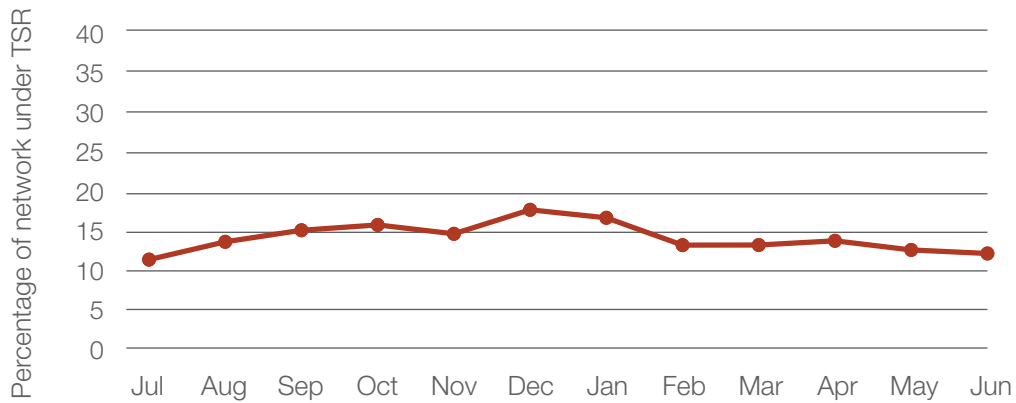
In addition to routine 96 hour track inspections and tamping activities, TasRail introduced new technology for the conducting of its six monthly track geometry monitoring of the entire rail network. A hi-rail vehicle fitted with laser equipment enables the track twist, gauge, cant, top and line to be measured. Each of these elements is a key parameter to ensuring a smooth and safe track for the passage of trains. As the hi-rail vehicle proceeds through the network at speeds of up to 30 kilometres per hour, a laser measurement is taken every 250 millimetres and the data is processed and provided in electronic form to TasRail. The results are particularly useful for comparing overall changes in track condition and to assist with the prioritising and programming of network maintenance and capital works.



*Rail flaw detection work is carried out by Nicholas Radosavchevic.*

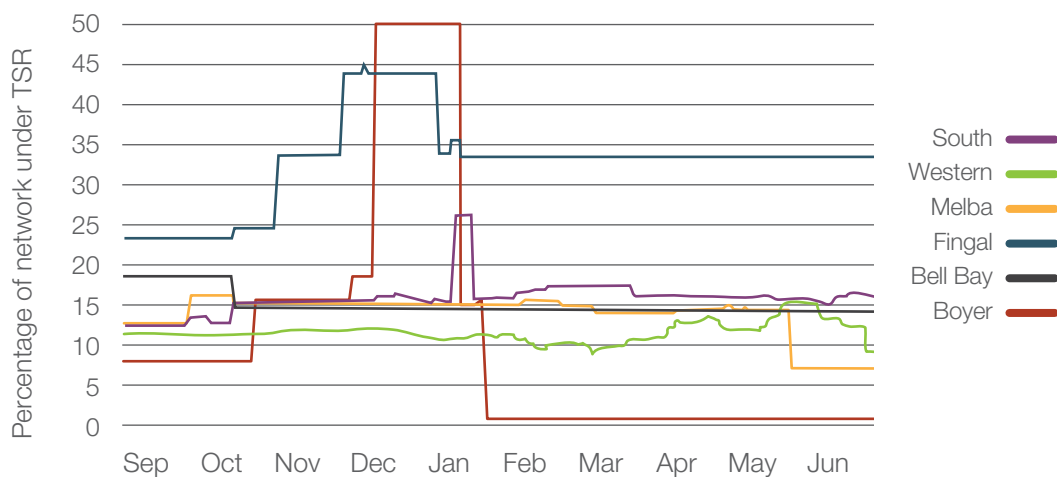
Where track condition may present particular issues or concerns, a Temporary Speed Restriction (TSR) may be imposed to minimise the risk of derailment. As sections of the track are restored to comply with correct Engineering and Operating Standards, the TSR is eased or removed. During 2011/2012, the percentage of the network under a TSR reduced compared to performance for the previous financial year. As can be seen from the graph below, the number of TSRs imposed increased during the warmer weather months due to re-sleepering works, particularly on the Fingal and Melba lines, together with heat induced track stability provisions. By imposing TSRs TasRail was able to better prevent and manage misalignments that have the potential to cause track buckles.

## Temporary Speed Restrictions 2011/2012



An analysis of TSR performance by Line Section (see graph below) highlights the merit of TasRail's effort to reduce TSRs on those parts of the network used to rail freight that is more dependent on transit reliability. For example, Intermodal freight on the north-south corridor (comprising the South Line and the Western Line). The peaks shown on the graph during the months of December through to February are representative of the additional TSRs proactively imposed by TasRail during periods of hot weather.

## Temporary Speed Restrictions by Line Section 2011/2012



Tamping machines are an essential tool for maintaining the track and reducing the requirement for TSRs. TasRail has two aged tamping machines, each of which has been in service for more than 20 years, and this has resulted in a requirement to hire a third machine that is principally allocated to Capital Projects. During 2011/2012 TasRail initiated a procurement process for the construction of a new tamper and regulator. The new machines represent a significant investment and are expected to be delivered and commissioned in late 2013.









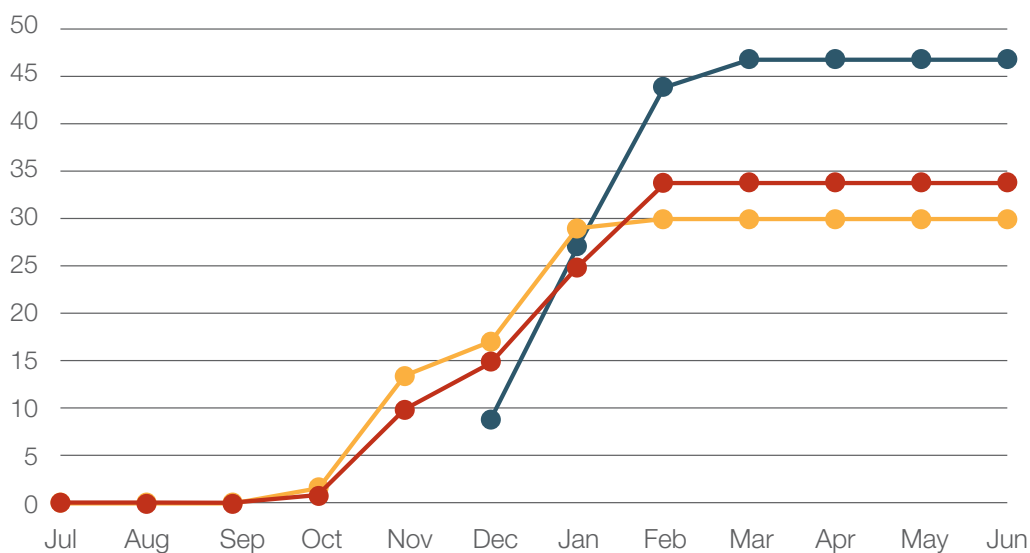
*Pictured above before and after the formation works.*

An example of upgrade works completed during 2011/2012 is the formation rebuild on the Melba Line during February. The works were necessary across a section of track that had caused continual 'rough riding' issues. When the formation under the track fails, it is difficult to maintain 'Top and Line'. As this was occurring over an extended section of track, the solution was to fix the drainage, remove the track, repair the formation and then replace the track.

The task involved removing 120 metres of track and excavating the fouled ballast back to the original base and grading to allow foundation drainage. Additionally, the embankment on the low side of the track was removed and graded to allow drainage. A new 300 millimetre culvert was installed at the centre of the rebuild. Geo Fabric was laid over the full distance and on top to prevent mud from entering the ballast bed and to hold the base of the ballast together. New ballast was laid to a depth of 300 millimetres<sup>2</sup>. New track-lock sleepers were then placed at 650 millimetres and new 41 kilogram continuous welded rail positioned. New ballast was then added to rail height and lining, tamping and ballast regulating finished the process.

All of the works were performed during normal traffic conditions.

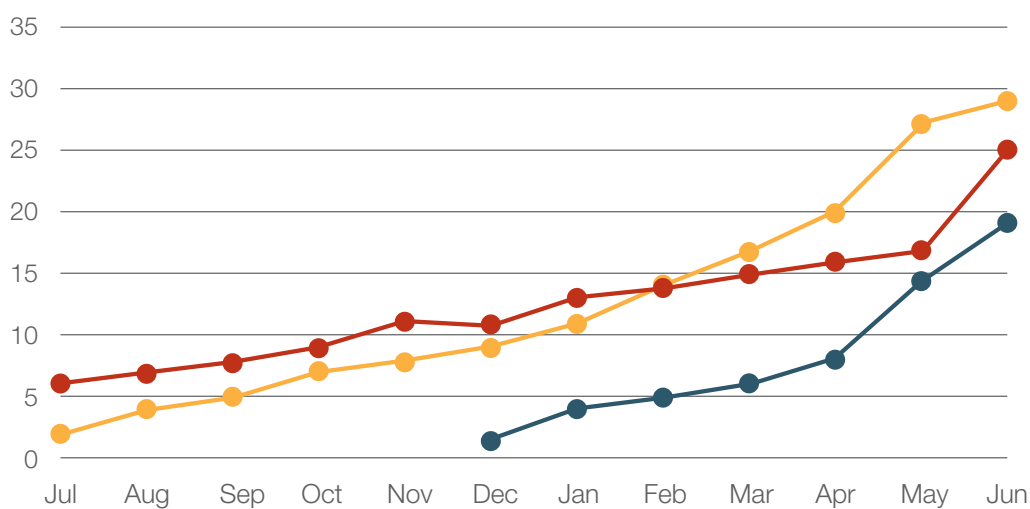
### Total Heat Buckles and Misalignments 2011/2012



A heat buckle is defined as a track disturbance that renders the line unsafe for rail movements. A misalignment is defined as a track disturbance but allows rail movements over the line at restricted speed.

Total 2011/2012 ●  
 Total 2010/2011 ●  
 Total 2009/2010 (7 months only) ●

### Total Rail Breaks 2011/2012



While the rate of track and infrastructure improvements is encouraging there are parts of the network that remain in poor condition. Close monitoring and intervention will be required to sustain safe operations until further funding is available for Below Rail upgrades. The current Memorandum of Understanding with the Australian Government expires in June 2014.



# A Customer driven organisation

TasRail's efforts to date have been focused on stabilising the existing operations in order to restore credibility with our valued customers.

The frequency and extent of major network disruptions such as derailments has improved considerably since TasRail was established, but the business has higher expectations about its capability to further satisfy customer requirements. The introduction of new locomotives, wagons, terminals, and the further track improvements that are planned over the next few years will greatly assist this undertaking, but it is vitally important that TasRail continues to incrementally improve both its service levels and capacity within the constraints of the currently available equipment.

TasRail's customers are grouped into two very discrete industry segments, Bulk and Intermodal. Each segment has very different service requirements.

Our strategy for the Bulk business segment is to further expand into the supply chains of our customers wherever possible, with the aim to provide a full 'Pit to Port' logistics solution. TasRail already provides such a fully-integrated solution for a number of its existing customers, and it seeks to further develop this approach for new business opportunities.

The strategy for TasRail's Intermodal business segment is to create close and value-adding relationships with the State's Freight Forwarders. This approach is designed to enable customers to leverage TasRail's terminal and line-haul efficiencies, and will enable TasRail to make the most of its customers' presence within the Intermodal freight market. Such an approach is designed to provide best value to TasRail's customers, to exploit rail's natural advantages, and ultimately to provide improved access to markets for Tasmanian business and industry.

TasRail is increasingly optimistic about the growing appetite for rail freight transport within Tasmania, particularly as business and industry gain a better understanding of the role and opportunities that an efficient and customer-responsive network of rail services can offer in a carbon-constrained environment, and where improved levels of safety are a valued point of difference compared to our competitors.

The early accomplishments of TasRail demonstrate the value that a reliable rail service provides. We are confident that with the impending arrival of new equipment, the business will deliver further reliability, efficiency, and capacity to cater for the increasing demand for rail freight services.







# Service quality

TasRail's Intermodal customers require consistent and reliable train arrival and departure times. This is particularly important for those customers that require their product loading and/or unloading activities to be co-ordinated with domestic and international shipping schedules. Our credibility to attract and grow freight volumes for this business segment requires continuous improvement of performance and service levels, and it is pleasing to report that Intermodal train arrival performance improved from 77 per cent in 2010/2011 to 81.5 per cent in 2011/2012. Train departure performance, which significantly influences train arrival times, also increased to 91 per cent in 2011/2012, up from 84 per cent the previous financial year.

For Bulk commodity customers, their priority is to ensure that TasRail provides a constant service that meets the required accumulated tonnage movement over a period of time. A measure of TasRail's service performance is therefore our capacity to ensure all required volumes are ship loaded and exported in quantities consistent with customer orders, shipping manifests and sailing schedules. In 2011/2012 TasRail met all required shipments for Bulk commodities.

Train Type	Number of Services 2011/2012	Number of Services 2010/2011	Change in Performance
Intermodal	1369	1252	↑ 117
Bulk	4580	4542	↑ 38

## 115

Train services each week



## 91%

Train departure performance (within 30 minutes)



## 81.5%

Train arrival performance (within 30 minutes)



FAST FACTS





# Establishing new services

A major milestone during the reporting period was the recommencement of freight services between Launceston and Burnie and Launceston and Hobart. Integral to TasRail's ability to start-up these new services was the re-opening of the rail siding at East Tamar, owned by the Toll Group. It had been five years since container rail services had last operated into and out of Launceston and when Toll approached TasRail to undertake the task as a matter of urgency, it was satisfying to demonstrate our capability to quickly respond to customer need by successfully mobilising our resources within the timeframe required. Initial freight volumes have been solid with 7,542 tonnes (568 TEU) being railed from Launceston to Burnie and 6,312 tonnes (368 TEU) between Burnie and Launceston. As at 30 June 2012, the Launceston to Hobart service had only just commenced, but forecast freight volumes are promising for 2012/2013. TasRail considers that servicing this region is key to market growth.

Other accomplishments of note during the reporting period included the relocation of the TasRail Train Control Centre from East Tamar to TasRail's Head Office at the Launceston Techno Park. The Train Control Centre operates 24/7 and is a critical function accountable for controlling all track access and safe rail movement across the network. The relocation was not without challenge, but was achieved without issue. The new Train Control Centre offers improved amenities and an improved interface with Train Planning and Customer Service Staff. There is also the capacity to operate two Train Control desks if required during peak access periods. The East Tamar Train Control Centre will remain in situ until TasRail's plans for a more modern Train Control System are implemented. TasRail went to the market in November 2011 (through an Expressions of Interest process) for the design, supply and installation of the new system. At the time of writing this report, negotiations with a preferred supplier are well progressed.

In tandem with the relocation of Train Control to the Techno Park, TasRail commenced a review to optimise the way its Customer Service, Train Planning and Train Control functions interface. TasRail expects to implement the review recommendations by the end of 2012.

**1,534,996 tonnes**  
Bulk freight



**812,109 tonnes**  
Intermodal freight



**574,251 tonnes**  
Shiploader volumes





# A new locomotive fleet



*Pictured above: A computer generated image of the new TasRail locomotive prototype.*

A significant milestone in the revitalisation of Tasmanian Rail was realised on 13 December 2011 with a major contract signing for the supply of 17 new PR22L locomotives, the first of which are expected to start arriving by mid 2013. The signing of the contract concluded an extensive and comprehensive commercial tender process that had attracted worldwide interest. The TasRail model, developed to analyse tender bids, considered a whole of life cost analysis that assessed factors such as maintenance costs, reliability, fuel costs and efficiencies, emission performance, proven record, longevity of design, warranty and service support.

Downer EDI Rail Pty Ltd, in partnership with Progress Rail USA was awarded the \$60 million plus contract. Progress Rail is a wholly owned subsidiary of Caterpillar Inc, one of the largest suppliers of Diesel Electric locomotives in the world.

TasRail train drivers and maintainers are intimately involved in the design process having travelled to the USA to provide input and to review cabin layout and functionality.



*Pictured left: A 3D rendering of the new locomotive.*

The current TasRail fleet	The new locomotive fleet
Life expired condition and beyond end of useful operating life (30 plus years old).	Proven design adapted for TasRail's unique operating environment.
Characterised by three compatibility types, four engine types, five generator types. Limited inter-operability. System is capacity constrained.	Single locomotive design able to cater for differing axle loads.
Train consist requires three to four locomotives to haul.	Train consist requires two locomotives to haul.
Maximum ruling grade haulage capacity of 450 tonnes.	Maximum ruling grade haulage capacity of 750 tonnes.
Unreliable with frequent breakdowns and very high level of intervention and unplanned maintenance.	High level of reliability.
Spare parts no longer available.	Readily available parts, service and warranty support.
Planned scheduled maintenance cycle of a maximum of 90 days.	Planned scheduled maintenance cycle of 180 days.
Fuel inefficient.	Significant fuel and emission savings.
Tunnel operations present significant risk of breakdown and related OH&S issues.	Improved performance through tunnel operations.
Safety features progressively retrofitted by TasRail.	Superior driver safety including improved collision protection in design.
Diesel only operation.	Capable of Bio Diesel (B40 fuel) should technology advance/fuel become available.

With commissioning of the new locomotive fleet not expected to start until 2013/2014, TasRail needs to continue operation of its fragile, 40 year old existing fleet. This is an increasingly significant challenge that should not be underestimated.

To ensure that TasRail can continue to meet customer needs and respond to market demand for new services, the Board of Directors approved the purchase of four second hand locomotives from Queensland Rail (QR). The initiative enables TasRail to more effectively manage constraints in haulage capacity and fleet compatibility until the new locomotives arrive, and to defer the planned overhaul of some of the older locomotives in the existing fleet. The ex QR locomotives arrived from Brisbane in late November and were progressively entered into service through February and March 2012. They are now numbered 2051, 2052, 2053 and 2054.



# New wagon fleet

A tender process for the procurement of a new wagon fleet was issued to the market on 23 April, 2012. The age and lack of compatibility of TasRail's inherited fleet is a known contributor to the risk of derailment and the need to replace these life expired, unreliable and inefficient wagons is urgent. Many are of obsolete design with structural and corrosion issues, requiring high levels of maintenance intervention. The fleet's performance is not conducive to a vibrant and customer responsive rail operation and it is no longer able to handle increasing volumes of heavy container traffic.

TasRail took the initiative to work with the Department of Economic Development and the Industry Capability Network to facilitate briefings with potential Tasmanian suppliers, including holding one-on-one briefings with local manufacturers prior to conducting the formal process. The tender closed on 8 June 2012, attracting offers from eight proponents. All bids will be subject to comprehensive evaluation and assessment, and TasRail expects to announce a preferred supplier by the fourth quarter of 2012.

The purchase of new cement, coal, ore and intermodal wagons, combined with new locomotives and a much improved track condition will position TasRail well into the future so it can continue to support Tasmanian business and industry.



Picture above: TasRail's current wagon fleet is urgent need of replacement.

## 40years

Average age of inherited wagon fleet



## 378wagons

Of seven different classes and three different capacities



## 74%

Availability due to obsolete design and condition



FAST FACTS







# Developing new business

TasRail continues to pursue and develop long term strategies focussed on improving performance, increasing revenue and generating new opportunities. In early 2012 TasRail identified the opportunity to re-enter the log traffic market after an absence of nearly a decade.

A new partnership between TasRail and Forestry Tasmania was established to facilitate the return of logs to the rail network. A six week feasibility commenced in March 2012 to identify the most suitable wagon type and method of haulage. The trials involved assessment of loading options and load restraints with 720 tonnes of pine and hardwood logs railed between Boyer and Burnie.

The logs were monitored closely to observe dynamic stability behaviour and log movement. Whilst the return of logs to rail presented some challenges for TasRail's current wagon size and loading techniques, the trial demonstrated TasRail's ability to understand and overcome the issues.

The trial was judged a success and TasRail is currently working with a number of parties to agree commercial terms that should see a more regular service between the South and North of the State and long term efficient line haul solutions. This will be a significant milestone for the resurgence of rail freight operations in Tasmania.

TasRail has been working with the logistics industry in Tasmania to combine certain road interface operations with Rail to provide complete supply chain logistics solutions such as mining 'Pit to Port' operations.

TasRail ended the 2011/2012 financial year greatly encouraged by the number of new business opportunities it currently has under active development. Although each of these new business proposals is not without challenge and subject to intense competition from road transport providers, they are a clear indication of the renewed interest in rail that has been achieved in only a relatively short time. TasRail will continue to build its capability to respond to customer requirements and to increase its share of the contestable freight market, but it is important to reflect on the journey, the hard work and the investment that has enabled this turnaround in reputation. The reality is that business and industry can again depend on access to a viable rail service.











# Integrated transport solutions

Over the past 12 months, much planning and consultation has been undertaken by TasRail to create a more efficient interface between road and rail freight transport and the State's ports by creating a network of integrated transport solutions. This approach will not only result in vastly improved intermodal interfaces, but will improve utilisation of the rail network, deliver productivity efficiencies and make Tasmanian roads safer.

## BURNIE OPTIMISATION

A tripartite approach to unlocking capacity constraints that currently exist at the Burnie Wharf has resulted in a redevelopment proposal for a new rail/port interface. TasRail, TasPorts and Toll have worked together to develop a solution to achieve a more efficient handling of freight arriving and departing by ship. The project received \$4 million in funding from the Australian Government in May 2012 and is currently in its final scoping phase. Construction is expected to begin in 2013.

## GEORGE TOWN YARD

This development will see TasRail rebuild an existing rail siding that has not been in service for many years, to more efficiently handle the road and rail interface for Bell Bay industries. With the loss of the State's direct international container shipping service into the Port of Bell Bay, major industry is now required to 'land bridge' containers to either Burnie or Devonport for on-shipment via Melbourne. The George Town development will also support the return to rail of log consignments into Bell Bay.

## BRIGHTON HUB

TasRail's role as operator of the Brighton Transport Hub is consistent with the Company's objective to become a leader in the Tasmanian Freight Logistics Industry. Relocation to the Hub represents the single biggest change to the way road and rail freight is moved between the north and south of the State and it will enable TasRail to more efficiently transact with both large and small transport companies. Ultimately it will deliver significant commercial opportunities through wide ranging efficiency gains, available only through a development of this nature.

Since being appointed to the role of Operator of the Brighton Transport Hub in June 2011, TasRail has assumed management and operational responsibility for both the hardstand and warehouse zone. At senior level, TasRail has been working to conclude commercial negotiations with a number of freight forwarding companies but these negotiations are complex, and by necessity, will require those businesses to evaluate and assess what are considerable and long-term investment decisions. In the meantime, steady progress is being made to facilitate the progressive start-up of operations by mid 2013, subject to successful conclusion of the negotiations. Work to date has included the installation of critical infrastructure to support TasRail's required Rail Safety Accreditation, the fit-out of the Quick Fix Workshop, establishment of office facilities, ICT infrastructure, security and staff amenities, and appropriate signage.



Picture above left: Philip Clark, AM - Chairman, Tasmania Infrastructure Advisory Council, with (centre) Sir Rod Eddington - Chairman, Infrastructure Australia, and (right) TasRail's Terminal Manager, Russell Jager toured the Brighton Transport Hub in May 2012.

## HOBART RAIL YARDS

TasRail's existing southern rail terminal is a constrained operating environment. Volume growth is problematic at this location, there is no interface with the Hobart port and the road-rail interface is much less efficient than that which has been established at the Brighton Transport Hub.

TasRail's impending relocation to the Brighton Transport Hub therefore opens up a unique opportunity for the Hobart Rail Yards to be re-developed for other purposes. However, the future use of the 8.4 hectare waterfront site is a matter for the Department of Economic Development and the Crown to determine, not TasRail. In June 2012 the Tasmanian and Australian Governments signed a Project Agreement to underpin a \$50 million grant being provided for remediation of the site. TasRail is represented on the Steering Committee responsible to oversee the remediation and consultation process.

A number of interested parties have also expressed interest in utilising the Hobart to Brighton Rail Line that is currently leased to TasRail by the Crown. This particular section of the network runs for approximately 20 kilometres and includes some 25 level crossings. Any proposal to continue its operational status beyond TasRail's relocation to Brighton will therefore need to sustain the costs of maintaining the railway line to an appropriate standard as well as maintain and service related infrastructure and level crossings. Until such time as a feasible and approved purpose is determined for this section of the network, TasRail plans to maintain the infrastructure on a non-operational basis.



# Planning ahead

As stated elsewhere in this report, the incremental recovery in the condition of the rail infrastructure has progressed to a point where resources can be largely focussed on a planned maintenance regime, rather than being continually diverted to reactive or crisis situations.

TasRail has only been able to achieve this improvement in performance turnaround because of substantial funding commitments by the Australian and Tasmanian Governments. With all of this funding now either invested or allocated it is imperative that TasRail looks beyond the term of the existing funding arrangements to ensure there is not a return to the problems created by the past years of underinvestment.

TasRail will complete the replacement and/or refurbishment of the four North West Rail Bridges, and the insertion of 100,000 concrete sleepers on the tightest curves on the South and Western Lines by June 2014. Beyond this time there is no further funding currently available to TasRail to enable it to continue the upgrade of track. This means that large sections of the network will continue to operate with near life expired rail. Additionally, TasRail will not be able to achieve reductions in the cost of maintaining the network without extending its coverage of concrete sleepers on the network.

*Pictured below: The new Blythe River Rail Bridge is on schedule for completion by the end of 2012.*







*TasRail is set to commence its concrete sleeper installation program across some 70 kilometres of the rail network.*

To this end, and as part of the Tasmanian Government's submission to Infrastructure Australia, TasRail has submitted a funding request that provides for replacement of all life expired or near life expired rail, and a continuation of concrete sleeper installation across the entire north-south corridor between Brighton and Burnie. The requested funds for this purpose amounts to a total of \$240 million. It is likely that if approved, this funding would be spread across a number of years. This investment will deliver a long-term, sustainable rail network for Tasmania and would enable TasRail to finish the very good work started by the Rail Recovery Plan.

TasRail recognises that a key determinant in funding decisions by Infrastructure Australia is the inclusion of a well developed and plausible business case that is aligned to an overall Infrastructure Strategy for the State. TasRail works co-operatively with road and port authorities, business and industry to ensure that its planning and desired strategic outcomes are consistent with those for roads and ports and will ultimately deliver an integrated, competitive, reliable and safe transport system for Tasmania.

In terms of TasRail's operational assets, its replacement program is well advanced. To ensure the full benefits of the new assets are able to be realised and exploited to the maximum extent possible, a comprehensive change program is being developed. The introduction of a new locomotive and wagon fleet, upgraded terminal facilities and a new Train Control System combined with an advanced understanding of freight market opportunities will enable TasRail to aggressively market its newly established freight service capability. The result will deliver benefits to Tasmanian business and industry and economic development. Less trucks and more rail freight will also reduce carbon emissions and make our roads safer and less congested.





# Lose a minute, NOT your life

TasRail's work to create greater awareness of Level Crossing Safety is paying dividends with a 41 per cent reduction in the number of reported near miss incidents in 2011/2012 compared to 2010/2011. Whilst the improvement is encouraging, each of these incidents can cause trauma and severely impact the health and well being of train drivers, their family relationships and their quality of life.

Key Performance Indicator	2011/2012	2010/2011	Change in Performance
Number of reported near miss incidents at railway level crossings	69	118	↓ 41 per cent
Number of level crossing vehicle collisions	2*	7*	↓ 71 per cent
Number of level crossing pedestrian collisions	Zero	2*	↓ 100 per cent

*\*Includes one fatality*

Disturbingly, every one of these incidents could have been prevented if motorists and pedestrians were more attentive and always obeyed level crossing warning signs and signals.

Of the 69 reported near miss incidents reported in 2011/2012, an alarming 32 incidents (46 per cent) occurred in the North West of the State, 18 incidents (26 per cent) occurred in the South and 19 incidents (27 per cent) occurred in the North. The two vehicle collisions occurred at the same level crossing (Wilmore's Lane) in the North of the State. Each collision was subject to thorough investigation, and the findings confirmed that the level of protection installed at the crossing is appropriate for the locations and compliant with Australian Standards. The fatality remains subject to Coronial Investigation but TasRail notes Tasmania Police were reported to attribute motorist inattention as the cause of both collisions.

## 248

Level crossings on public roads



## ~250

Level crossings on private property



## too many

Level crossing near miss incidents and collisions







# Stay off the tracks

The trackSAFE Foundation was officially launched in November 2011 by the Australasian Railway Association (ARA), of which TasRail is an active member. Developed as a concept over two years, the trackSAFE Foundation works with official agencies, schools and community groups to raise awareness about rail safety, as well as with mental health institutions to try to understand and alleviate suicides on the rail network.

A tragedy happens every day somewhere on Australia's rail network due to level crossing accidents, incidents of trespass and suicide. Such incidents have a profound impact on railway staff who can suffer from stress and trauma for many years. During 2011/2012 TasRail actively participated in a series of trackSAFE workshops aimed at developing a National Best Practice Trauma Counselling Framework. The Framework will complement range of support services offered to employees including the Peer Trauma Support Group.

There are more than 30 fatalities a year on the 23,500 level crossings in Australia, as well as more than 200 suicides on the rail network. For more information and to watch a series of interviews with train drivers, go to [www.tracksafefoundation.com.au](http://www.tracksafefoundation.com.au)



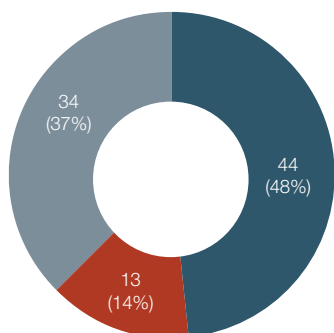
It is incredibly dangerous for persons to enter the rail corridor without appropriate authorisation and track protection.

In addition to level crossing incidents, 2011/2012 saw an increase in the number of reported incidents of Trespass. This trend is of concern to TasRail and further work is underway to educate the community about the risks of trespassing on TasRail property.

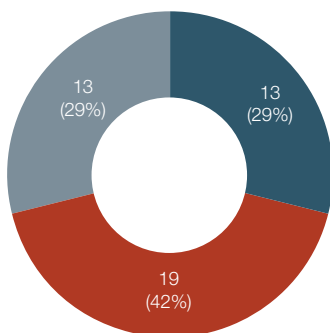
Key Performance Indicator	2011/2012	2010/2011	Change in Performance
Number of reported incidents of vandalism	45	47	↓ 4 per cent
Number of reported trespass incidents	91	54	↑ 68 per cent
Number of trespass incidents involving illegal riding on rollingstock	4	6	↓ 33 per cent

Livestock collisions have high potential to cause significant damage to TasRail assets including the risk of derailment. They also cause harm and distress to the animals, our train drivers and those involved in the aftermath. TasRail acknowledges and appreciates the assistance it receives from Tasmania Police and the Tasmanian Farmers and Graziers Association to address the increasing problem of livestock in the corridor.

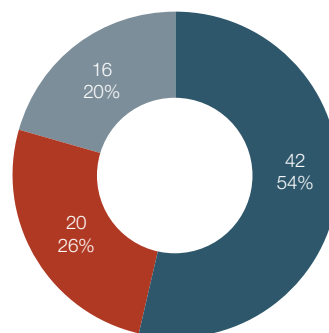
**Number of Trespass Incidents by Region 2011/2012**



**Number of Vandalism Incidents by Region 2011/2012**



**Number of Incidents Involving Livestock in the Rail Corridor 2011/2012**



North ●  
 South ●  
 North West ●











# Working collaboratively

The results of a year-long investigation into the potential for a return of tourist and heritage passenger rail services to the TasRail Network concluded in December 2011, that Main Line access is not possible in the short to medium term.

A roundtable forum convened by TasRail and comprising representatives of Tasmanian Tourist and Heritage Rail Societies, the Rail Safety Unit and the Tourism Tasmania, committed to the research project early in 2011. The objectives of the study included research into the different public liability insurance models in place for tourist and heritage rail operations in other jurisdictions; and confirmation of the sections of TasRail's network that are of most interest to tourist and heritage rail operators. The latter phase of the project included documenting the type and frequency of services that operators aspire to access.

In parallel with this work, TasRail completed its own due diligence review of the risks associated with the single line freight railway network being used to carry passengers at present. That investigation revealed significant implications for TasRail in relation to the cost and coverage of its own insurance protection. It also highlighted commercial risks and the need for a more modern Train Control System to be commissioned as a prerequisite.

Each of the roundtable participants agreed that the current barriers to achieving access to the railway network are substantive and complex. However they are unanimous in their belief that the output from the research has provided an invaluable resource that will contribute to the business case for future heritage train operations in Tasmania.

TasRail acknowledges that there is significant community interest and support for tourist and heritage rail in the State, and it has agreed to review the situation in two to three years time. In the meantime, TasRail will continue to host the roundtable forum and to work co-operatively on matters of mutual interest. During 2011/2012 TasRail donated a number of redundant assets to tourist and heritage operators including Don River Railway, Derwent Valley Railway, Diesel Traction Tasmania, Tasmanian Transport Museum and the West Coast Wilderness Railway.



*TasRail seeks to work with Tasmanian Tourist and Heritage Rail Societies on matters of mutual interest. During 2011/2012 redundant items of equipment were donated to each including four of its recently replaced hi-rail vehicles.*

# Good Corporate Governance

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

The Company operates to a Corporate Governance System that is consistent with the eight principles of Good Corporate Governance, published by the ASX Corporate Governance Council.

Corporate Governance Principle	Adopted by TasRail
1 Lay solid foundations for management and oversight.	Yes
2 Structure the Board to add value.	Yes
3 Promote ethical and responsible decision making.	Yes
4 Safeguard integrity in financial reporting.	Yes
5 Make timely and balanced disclosures.	Yes
6 Respect the rights of Shareholders.	Yes
7 Recognise and manage risk.	Yes
8 Remunerate fairly and responsibly.	Yes

In addition to the above Corporate Governance Principles, TasRail complies with the Department of Treasury and Finance Governance Framework and Guidelines in relation to:

- ✓ Board appointments
- ✓ Director induction, education and training
- ✓ Assessing Board Performance

TasRail complies with its obligations pursuant to the following Key Governance Documents:

- ✓ *Corporations Act 2001*
- ✓ *Rail Company Act 2009*
- ✓ Shareholder Members' Letter of Expectations
- ✓ Treasurer's Instructions
- ✓ Guidelines for Tasmanian Government Businesses
- ✓ Tasmanian Railway Pty Limited Directors' Code of Conduct

TasRail has two Shareholder Members – The Tasmanian Minister for Infrastructure, the Honourable David O'Byrne MP as the Portfolio Minister; and the Tasmanian Treasurer, the Hon. Lara Giddings MP.

The Company is managed by a Shareholder-appointed Board of five Directors that meets monthly. The Chairman and Directors are independent Non-Executive.





# Glossary

<b>Active Level Crossing</b>	A railway level crossing protected by warning bells and lights	<b>Intermodal Train</b>	Wagons set-up with twist locks or pockets to haul a combination of TEU or FEU Intermodal containers
<b>AIFR</b>	All Injury Frequency Rate	<b>LTI</b>	Lost Time Injury
<b>ARTC</b>	Australian Rail Track Corporation. A National body established in 1997 by Commonwealth and State Governments	<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>Bulk Commodity</b>	Non-containerised bulk products including coal and minerals	<b>LGAT</b>	Local Government Authority of Tasmania
<b>CEO</b>	Chief Executive Officer	<b>MOU</b>	Memorandum of Understanding
<b>CFO</b>	Chief Financial Officer	<b>MTI</b>	Medical Treatment Injury
<b>CO<sup>2</sup></b>	Carbon dioxide	<b>Network</b>	Tasmania's rail system including all operational and non-operational railway lines, shunt yards, bulk storage and shiploading facilities and other infrastructure including level crossings, bridges and tunnels
<b>CO<sub>2</sub>-e</b>	Carbon dioxide equivalent	<b>Passive Level Crossing</b>	A railway crossing protected by signs
<b>EA</b>	Enterprise Agreement	<b>Rollingstock</b>	Locomotives and wagons
<b>EBIT</b>	Earnings Before Interest and Tax	<b>SOC</b>	State-owned Company
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortisation	<b>TEU</b>	Twenty Foot Equivalent Unit
<b>FEU</b>	Intermodal container that is 12.2 metres long (forty foot equivalent unit)	<b>Train Control</b>	Staffed 24/7 by highly skilled and experienced Train Controllers, Train Control is responsible for monitoring the network and ensuring Safe Working access for all authorised users across the entire rail network. It is staffed 24/7
<b>FTE</b>	Full Time Equivalent	<b>TSR</b>	Temporary Speed Restriction
<b>GHG</b>	Greenhouse Gas	<b>Zero Harm</b>	Aspirational goal to eliminate health, safety and environmental incidents and workplace injuries
<b>Intermodal Containers</b>	Standardised re-usable steel box used for the movement of materials and products. 'Intermodal' implies that the container can be moved from one mode of transport to another without unloading and reloading. Lengths, heights and types of containers may vary but are generally 6.1 metres long and commonly referred to as TEU		

*Locomotive Driver Terry Thomson retired in April 2012 after more than 50 years of service to the Tasmanian Rail Industry.*



20  
11



[www.tasrail.com.au](http://www.tasrail.com.au)