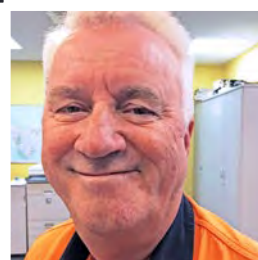
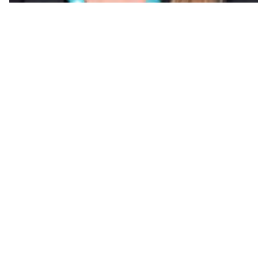
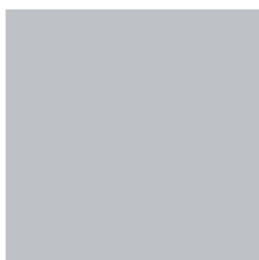
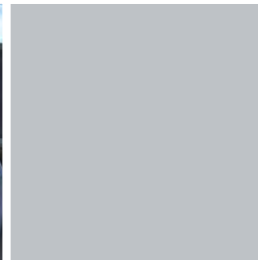
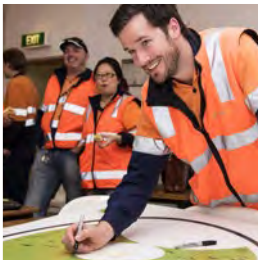
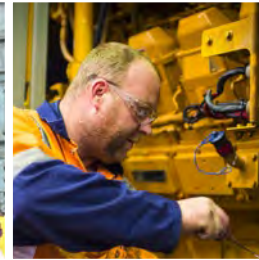




annual report  
2016/17



TasRail is the proud custodian of Tasmania's 150-year-old rail network.

As a vertically-integrated State-owned business, Tasmanian Railway Pty Ltd (TasRail) strives to set new benchmarks of excellence through the safe, reliable and competitive delivery of innovative and integrated logistics solutions.

TasRail's highly-valued team of employees and contractors continuously challenge traditional thinking and relentlessly pursue value-adding activities to achieve economic, social, environmental and leadership distinction for our customers, Shareholder Members and the wider Tasmanian community.

Established on December 1, 2009 by an Act of Parliament, TasRail is actively managing a \$119.6 million investment jointly funded by State and Federal Governments into Tasmania's rail infrastructure and is poised to present an unprecedented chapter in Tasmania's remarkable rail history.

# OUR PEOPLE DELIVERING EXCELLENCE IN INNOVATIVE FREIGHT LOGISTICS SOLUTIONS



**Tasmanian Railway Pty Ltd**  
ACN 139 383 761  
ABN 83 139 383 761

☎ 1300 TASRAIL  
🌐 [www.tasrail.com.au](http://www.tasrail.com.au)  
📘 [facebook.com/Follow.TasRail](https://facebook.com/Follow.TasRail)  
🐦 [twitter.com/TasRail](https://twitter.com/TasRail)

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

VISION

**TO BE A WORLD CLASS, VERTICALLY INTEGRATED,  
SHORT HAUL FREIGHT RAILWAY**

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# OUR BUSINESS

Tasmanian Railway Pty Ltd (TasRail) is a State-owned Company and was created as a vertically integrated railway by combining the Below Rail assets that the State had assumed responsibility for in 2007 with all the Above Rail and Business Assets purchased from Pacific National in 2009, including the Emu Bay Railway.

The principal objectives of the business are listed 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.

The Treasurer and the Minister for Infrastructure are the two Shareholder Members of the Company.

TasRail is managing a significant joint State and Federal Government funded upgrade of Tasmania’s railway infrastructure that has enabled TasRail to increase its freight haulage business by more than 30 per cent over the past seven years.

The \$119.6 million funding commitment will ensure TasRail further cements its key focus of delivering optimal and innovative logistics solutions to its customers and in a safe, reliable and competitive manner.

TasRail's core business focus includes:

- Multi modal haulage services for intermodal and bulk freight, such as logs, paper, coal, cement, mineral ores, processed metals and domestic consumables;
- Supply chain partnerships;
- Bulk handling and storage;
- Ship loading;
- Seamless interconnectivity between freight rail and mining and manufacturing facilities; and
- Design of tailored solutions including Greenfield developments and Brownfield operations.

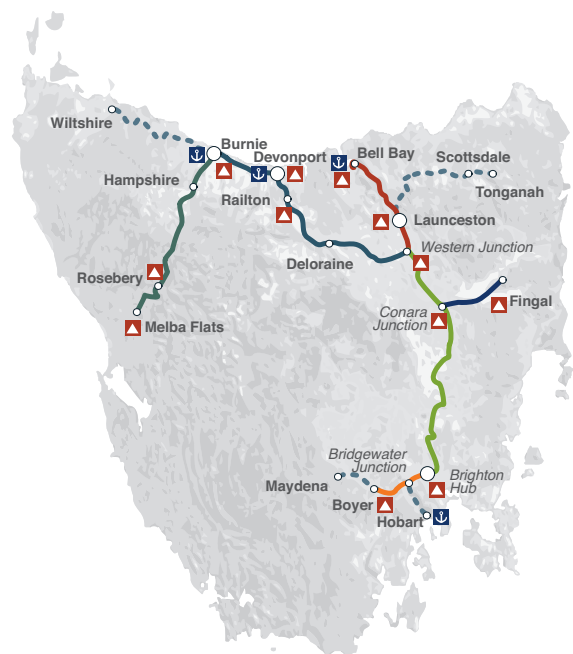
## ABOVE RAIL ASSETS

17	locomotives TR Class
8	legacy locomotives 2000 Class
54	ore wagons
18	cement wagons
40	logtainers
37	coal wagons
166	intermodal wagons
35	legacy wagons
1	shiploader

## BELOW RAIL ASSETS

611	route kilometres of operational track
232	route kilometres of non-operational track
1.3	million sleepers
3	tunnels
355	bridges
23	hi-rail vehicles
2	ballast tampers
1	ballast regulator
106	active level crossings
143	passive level crossings

## OUR NETWORK AND TERMINALS



**Derwent Valley Line**

**South Line**

**Western Line**

**Melba Line**

**Bell Bay Line**

**Fingal Line**

**Non Operational Line**

# STATEMENT OF CORPORATE INTENT

TasRail measures its performance against a range of financial and non-financial targets. These targets are agreed between the Company and its Shareholder Members prior to each financial year, and are published in an annual Statement of Corporate Intent. The table below shows TasRail's actual performance against the agreed measures and targets for 2016/17.

Performance Target	2016/17 Target Result	2016/17 Actual Result	Comments
Lost Time Injury Frequency Rate <sup>^</sup>	2	4.6	TasRail is committed to safety excellence. Three Lost Time Injuries were classified in 2016/17. One LTI was incurred by a contractor on a TasRail site. The other two LTIs occurred from events in 2015/16 and resulted in days away from work in 2016/17. It was commendable that no TasRail employee was involved in a LTI event in 2016/17
Recordable Injury Frequency Rate*	12	13.3	
Freight Availability <i>General Intermodal</i>	98 %	92.5 %	TasRail has embarked on significant track work in this financial year, that has impacted on Freight Availability but has also cemented a strong platform for the ongoing safe, reliable and competitive delivery of freight on behalf of our customers
Main Line Derailments	0	1	TasRail recorded zero mainline derailments on running lines outside of yards. The one minor derailment occurred on the mainline within a yard. There were no injuries and no damage to freight. TasRail's derailment prevention strategy continues to decrease the likelihood of derailments across the network
Below Rail Infrastructure Cost <i>Per track kilometre</i>	\$23.8 thousand	\$23.5 thousand	Infrastructure maintenance expenditure was on budget across the network
Customer Revenue	\$32.5 million	\$32.9 million	Strong performance from the bulk sector underpinned revenue exceeding budget target in the reporting period
Capital Spend	\$49.2 million	\$52.2 million	Capital expenditure in the Infrastructure Investment Program was over budget due to timing impacts on planned inventory procurement
EBITDA <i>Consolidated after Tas Govt Below Rail Infrastructure Contribution</i>	\$(2.2) million	\$(1.8) million	Combination of better than budget revenue and strong cost stewardship resulted in above budget financial performance
Above Rail Net Profit (Loss)	\$(3.8) million	\$(2.2) million	

<sup>^</sup> Lost Time Injury is defined as the sum of Lost Time Injuries per million person work hours.

\* Recordable Injury is defined as the sum of Lost Time Injuries and Medical Treatment Injuries per million person work hours.

Note: Customer revenue is for freight haulage and shiploading revenue only.



**ROBERT ANNELLS PSM**  
CHAIRMAN

**CUSTOMER SURVEY**



**85%**  
"VERY SATISFIED"  
WITH TASRAIL SERVICE

**77%**  
"HIGHLY VALUE"  
TASRAIL'S BUSINESS PARTNERSHIP  
*(COMPARED TO 33% IN 2014)*

DESCRIBED  
TASRAIL'S 2016  
FLOOD RESPONSE AS:

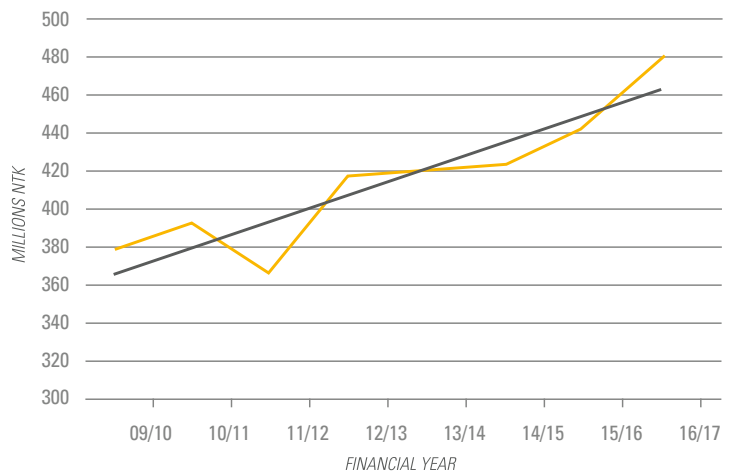
**"UNBELIEVABLE"**  
**"REMARKABLE"**  
**"EXCELLENT"**  
**"MAGNIFICENT EFFORT"**

## CHAIRMAN'S REPORT

2016/17 has been a very successful year for TasRail with considerable growth achieved in its commercial Above Rail division. This growth is a pleasing demonstration that Tasmanian businesses now regard rail as a safe, reliable and cost effective alternative freight option.

Total container volumes (TEU) increased by 7 per cent year on year despite challenging market conditions. TasRail's bulk customer segment continued to perform well and a strong end of year performance resulted in finishing 14 per cent above budget.

### FREIGHT GROWTH (NET TONNE KILOMETRES)



Total tonnes of coal delivered by rail increased by 43 per cent. This is a direct result of most of the Fingal to Boyer volumes being converted from road to rail.

It was also pleasing to note that an Audit of Customer Perceptions and Expectations in November 2016 revealed TasRail has significantly improved its performance over the past two years. Customers described TasRail's current performance as "customer focused"; "willing to help"; "good people"; "genuine attempt to get it right"; and "safe".

### Some of our customers made the following statements:

*"There is now a very different attitude and culture in TasRail."*

*"They're reliable, efficient, cost competitive and customer focused."*

*"They are customer oriented...their flood performance was outstanding."*

*"There has been positive change in TasRail. They are a real partner."*



As part of TasRail's commitment to environmental excellence, the organisation has committed to a challenging fuel conservation target. A 2.4 per cent improvement in fuel consumption was recorded in 2016/17 compared to the previous financial year.

The Drive to 75 Program was introduced in early 2017 as a cost-reduction initiative aimed at lowering expenditure and increasing revenue to meet TasRail's financial objectives. I am delighted that this program is being successfully implemented and that management and the TasRail team are deploying a wide range of cost control measures and revenue growth initiatives.

TasRail has also achieved considerable improvements in safety with no TasRail employee suffering a Lost Time Injury in 2016/17. This is a pleasing achievement and in part due to each TasRail team member embracing the proactive SafetyCircle concept focused on "Home Safe and Well Today".

The State and Federal Governments' ongoing commitment to the Tasmanian Freight Rail Revitalisation Program has enabled significant upgrades to the rail network, in particular level crossings, bridges, track and culverts.

As a result, TasRail only recorded one minor mainline derailment in 2016/17, which occurred in a yard and resulted in no injuries or damage to freight. TasRail is well on track to its target of zero mainline derailments.

After eight years as Chair of TasRail, it is an incredible honour to reflect on how far the organisation has progressed.

While there have been many highlights, the standardisation of the locomotive and wagon fleet is a key achievement, as well as the introduction of the state-of-the-art Advanced Network Control System enabling the real-time monitoring of each locomotive's speed and location, whilst also ensuring the protection of our track maintenance staff.

The diversification of our customers and freight; the genuine partnerships now established to deliver sustainable logistics solutions for our customers; increasing operating efficiencies and the ongoing customer engagement focus of the TasRail team are also high points of my term at TasRail.

***I have no doubt that TasRail is poised for future great success based on the strong foundations already paved.***

I would like to sincerely thank my fellow Directors for their much-appreciated contribution to TasRail, as well as CEO Damien White, his Executive and the entire TasRail team for their passion, perseverance and hard work to ensure we are on track.

And on behalf of the Board, I would also like to thank TasRail's Shareholder Members the Hon. Rene Hidding MP and the Hon. Peter Gutwein MP for their ongoing support and commitment to a bright and prosperous future for rail in Tasmania.



**DAMIEN WHITE**  
CHIEF EXECUTIVE  
OFFICER

**"FOR THE FIRST  
TIME, TASRAIL  
FREIGHTED MORE  
THAN 3 MILLION  
TONNES IN A YEAR,  
WHICH EQUATES TO  
AT LEAST 140,000  
LESS HEAVY VEHICLE  
MOVEMENTS ON  
OUR ROADS AND  
55,000 LESS TONNES  
OF HARMFUL  
EMISSIONS."**

## OUR CEO

I am incredibly proud of the TasRail team and its achievements over the 2016/17 financial year. The combination of further growth in freight volumes, strong revenue, sound cost control measures and the absence of any significant operating incidents ensured TasRail was able to deliver financial results better than budgeted and consistent with our trajectory towards commercial sustainability.

In 2016/17, TasRail hauled 3 million tonnes of freight in a year for the first time on the Tasmanian freight rail network. A significant increase in coal volumes, as well as sound growth in the cement and paper sectors, was witnessed as more road movements were converted to rail.

A renewed and reinvigorated focus on our people and our safety has also delivered real results.

While TasRail has recorded significant improvements in its key safety measures since inception, some results in recent years had plateaued. As a consequence, during 2016/17 TasRail embarked upon a behavioural-based safety improvement program known as SafetyCircle. The concept of SafetyCircle is to reinforce individual employees' accountability to driving improved safety results – for the benefit of them at work and at home. The phrase "Home Safe and Well Today" is designed to emphasise that every decision we make has the potential to influence whether our staff are able to go home safe and well each day.

***"I am delighted to report that no TasRail employee has suffered a Lost Time Injury since the completion of SafetyCircle training in July 2017."***

TasRail undertook its second Employee Engagement Survey during the year. While the results were a significant improvement over the previous survey, much work remains to ensure our workplace is one where all employees are able to further develop their roles to provide higher levels of employee satisfaction. A critical component of this is further enhancing our leadership capability across the entire organisation. This past year saw a renewed focus on leadership, specifically to develop respectful and rewarding relationships at TasRail workplaces. We are starting to see some great improvements in this area.

TasRail has now cemented itself as a key member of the Business Action Learning Tasmania (BALT) team, working closely with companies such as Bell Bay Aluminium, Cement Australia, Tasmanian Alkaloids and others. This platform provides an invaluable environment for the TasRail team to interact with other employees to develop and deliver business improvement projects. Employees gain valuable skills and form relationships that continue beyond these projects. TasRail is proud to be involved in this program that provides great value to employees and industry.





FREIGHT GROWTH 2016/17 COMPARED TO PREVIOUS FINANCIAL YEAR



**COAL**  
total tonnes delivered

**43%**  
increase



**CEMENT**  
total net tonnes delivered

**9%**  
increase



**TEU**  
twenty foot equivalent containers hauled

**7%**  
increase

The Tasmanian Government’s May 2017 budget announcement of the State’s co-contribution to the re-building of Tasmania’s rail infrastructure demonstrated the Government’s commitment to the rebuilding program, and the value that TasRail is delivering to Tasmania’s key industries. The funding is designed to bring the rail network up to a standard that ensures TasRail’s freight operations can continue to deliver value to customers, and that ongoing infrastructure maintenance and renewals can be funded by a combination of the State Operating Grant and surpluses generated by TasRail’s freight business. Such an operating model is designed to avoid the network deteriorating as it has over the past three decades or more, so that rail is positioned to assist existing and new industries with efficient freight transport solutions.

As part of the identification of future growth prospects, TasRail has determined there is little likelihood of requiring current non-operational lines. The State Government developed the *Strategic Infrastructure Corridors (Strategic and Recreational Use) Bill 2016* to facilitate the use of these corridors for other purposes. As a consequence, TasRail has no formal role in determining the future use of such

corridors, however, the Bill does provide for the corridor(s) returning to TasRail in the future if a commercial prospect materialises.

The impact from the June 2016 flood event carried through into the start of the 2016/17 financial year. However, the TasRail team and its contractors delivered on our promise to minimise the impact of the flood event on our customers. The repairs to the Kimberley Bridge, which was partially destroyed during the floods, were completed within 45 days from commencement, and enabled TasRail to re-establish normal services to its customers. The new bridge has increased capacity and resilience to better cope with any future flood events. Whilst the floods had a devastating impact on many of Tasmania’s communities, TasRail employees demonstrated their resolve to keep Tasmania’s key industries operating during this time.

Our ongoing business growth, continuously improving safety performance, and financial results consistent with our commercial sustainability objectives would not have been possible without the focus and assistance from every employee at TasRail – a genuine and much-appreciated team effort. Finally, I would like to thank the TasRail Board for their continued guidance and assistance.


## OUR ACHIEVEMENTS IN 2016/17

CAPITAL INVESTMENT:


**\$52.2**   
MILLION CAPITAL SPEND

  
TRAINEE DRIVERS:  
**LARGEST INTAKE**  
SINCE TASRAIL'S INCEPTION

FREIGHT GROWTH:

**43%**   
GROWTH IN COAL TONNES HAULED

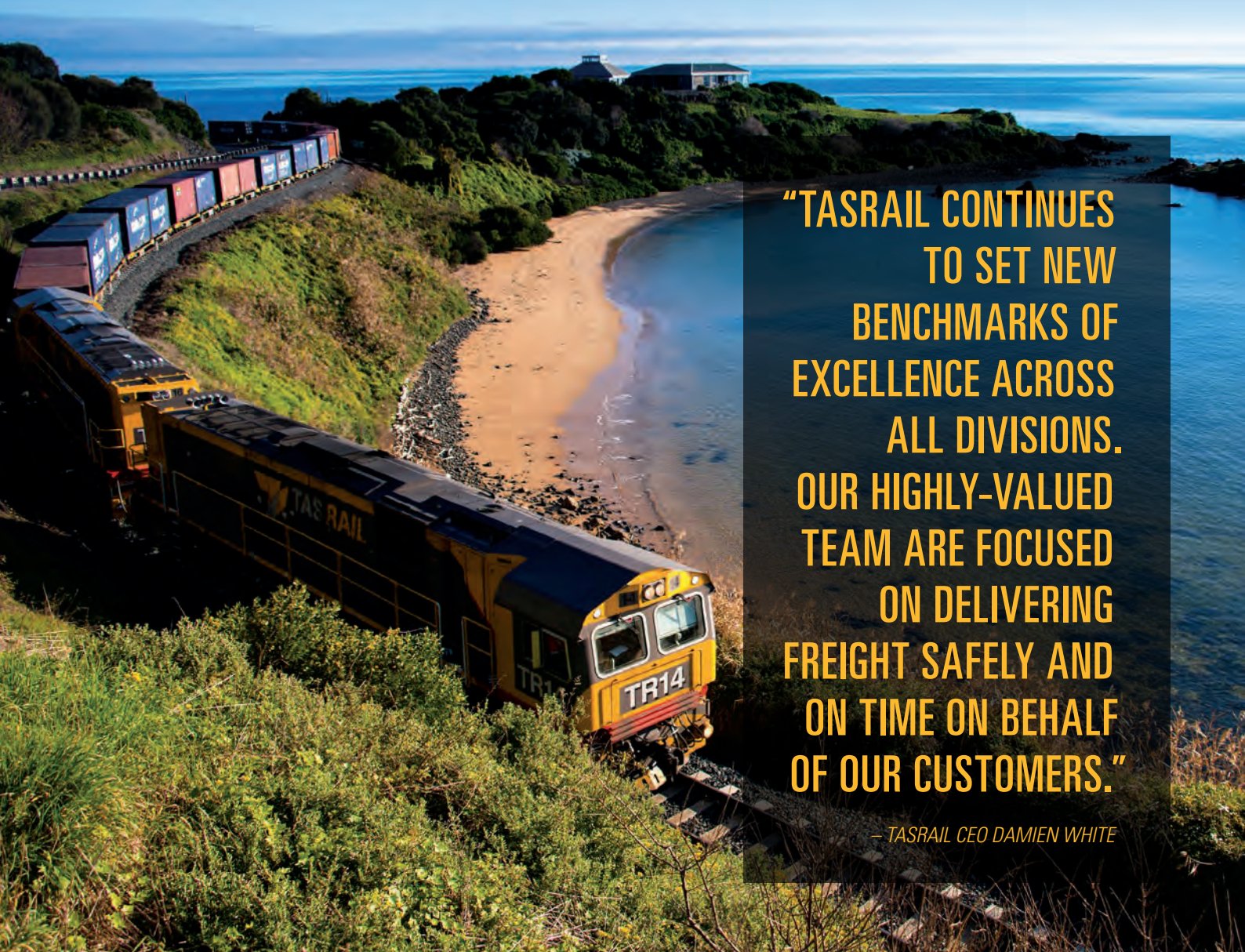
**NO**  
TASRAIL EMPLOYEE  
WAS INVOLVED IN A  
**LOST TIME**  
**INJURY EVENT** 

ABOVE RAIL NET PROFIT/LOSS:  
 **42%**  
AHEAD OF TARGET

DECLARATION OF  
**SAFETYCIRCLE**  
INITIATIVE  
FOCUSED ON  
"GOING HOME SAFE  
AND WELL TODAY" 

**"TASRAIL CONTINUES TO SET NEW BENCHMARKS OF EXCELLENCE ACROSS ALL DIVISIONS. OUR HIGHLY-VALUED TEAM ARE FOCUSED ON DELIVERING FREIGHT SAFELY AND ON TIME ON BEHALF OF OUR CUSTOMERS."**

— TASRAIL CEO DAMIEN WHITE



# OUR PEOPLE



From left to right: Nick Shackleton, Damien White, Kyung Boo, Robbie Box, Marko Stepanovic

As part of TasRail’s ongoing commitment to its team, the TasRail People Strategy 2016-18 was released and implemented. This strategy is focused on the key challenge of improving employee engagement and moving the organisation and its workforce from a more traditional organisational profile, to one that can be considered high performance.

This ‘People First’ principle is centred on the belief that employee engagement is integral to driving success.

As a consequence, TasRail’s strategic human resource priority is “People First”. Engagement is about a sense of belonging, an alignment to the organisation’s values leading to commitment, discretionary effort and enhanced performance.

This commitment to People, Culture and Capability will be fulfilled by the achievement of three primary Strategic Outcomes which are:

## TRANSITION THE WORKFORCE

ensuring every employee understands their individual responsibilities in helping grow the business through meeting and exceeding customer expectations

## OPTIMISE PERFORMANCE AND PRODUCTIVITY

aligning operations with market needs and expectations through continuous improvement, engaging, consulting and collaborating with the workforce and making best use of their expertise and skills base

## MANAGE AND DEVELOP CAPABILITY

retain, source and strengthen workforce capability in order to develop high performance teams to support long term business sustainability and strategically manage key talent to drive high performance, lead change and deliver competitive advantage

The People Strategy’s three critical imperatives identified are leadership effectiveness; aligned engagement; and continuous learning and development.

TasRail recognises the importance of supporting and equipping leaders at all levels to motivate and develop their employees to meet departmental and corporate goals, and to achieve their potential, and it has invested in quality leadership programs to achieve this outcome.

TasRail also acknowledges the value of continuing to attract and retain exceptional employees in all areas which is fundamental to TasRail’s success as a leading freight logistics supplier for Tasmania.

# OUR WORKFORCE

**TasRail has been working proactively with its team to focus on employee engagement and leader empowerment in a bid to boost employee job satisfaction and TasRail's capacity to achieve success.**

A follow-up employee engagement survey was completed in April 2017 following the first survey two years prior, and an 84 per cent response rate was achieved. TasRail showed marked improvement from an employees' perspective in its commitment to high levels of occupational health and safety, its commitment to best practice in our industry and ensuring chosen values and behaviours are demonstrated every day in my work team.

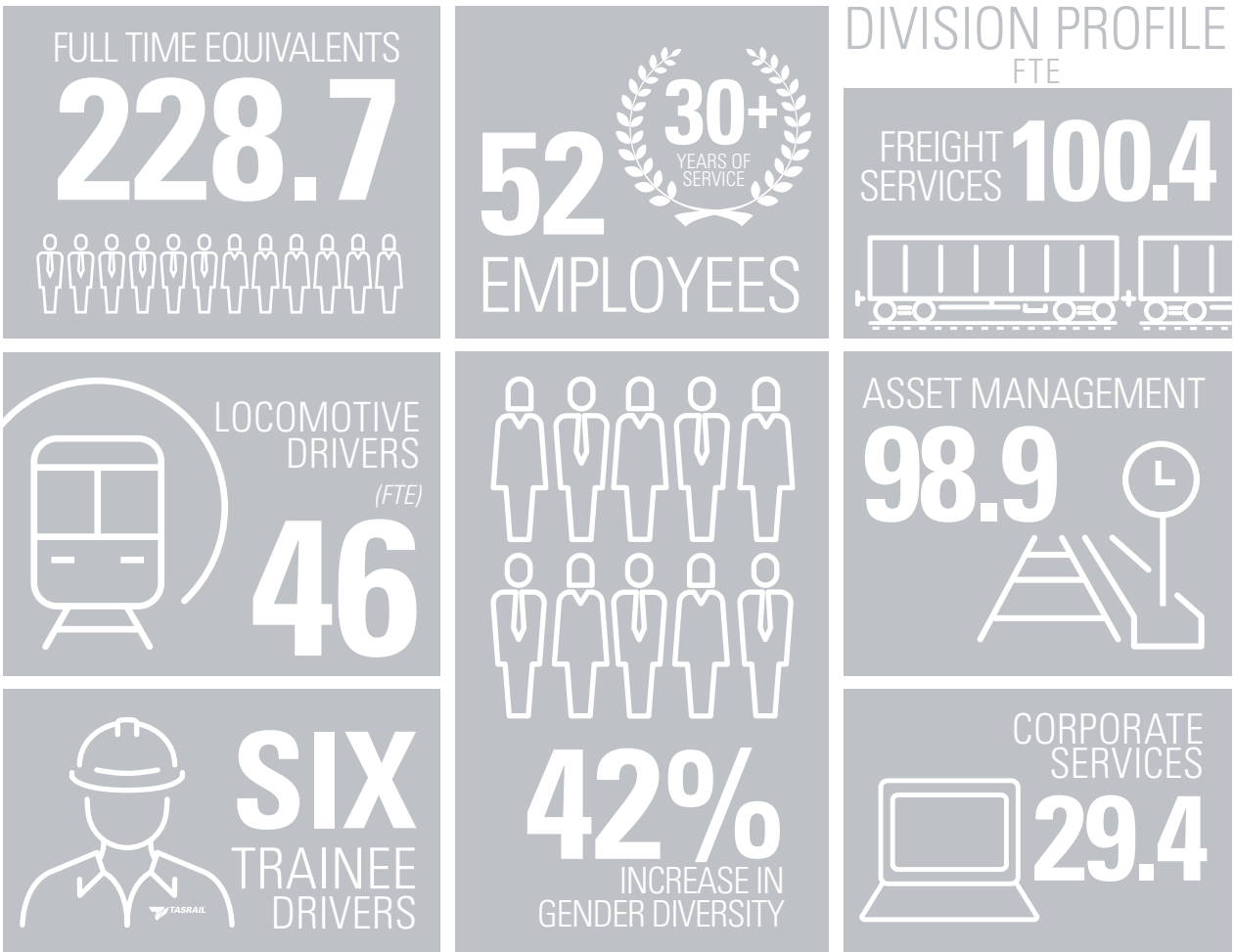
TasRail has also focused on improving gender diversity with a 42 per cent increase in the number of females employed in 2016/17 compared to the previous financial year.

The largest number of trainee drivers since TasRail commenced in 2009 was appointed in 2016/17. Six trainee drivers – Andrew English, Chris Walker and Nick Shackleton (Brighton); Josh Barnett and Tom Hudson (East Tamar); and Ron Grave (Burnie) – were appointed in early 2017 in a bid to secure driver numbers to meet future business growth projections and to replace drivers planning to retire.



From left to right: Adam Willis and Angela Jeffery

## WORKFORCE SNAPSHOT 2016/17





*Following in Dad's tracks: trainee driver Josh Barnett with his father Peter, one of TasRail's locomotive drivers*

## OUR BOARD



TasRail Board in June 2017 from left to right – Robert Annells, David George, Sarah Merridew, Stephen Cantwell and Samantha Hogg

TasRail has a skills-based Board of Non-Executive Directors led by Chairman Robert Annells. The Board in 2016/17 comprised:

### ROBERT ANNELLS

Bob is the Chairman of the Melbourne Convention Centre and Exhibition Trust, and former Chair of VicTrack, Tourism Tasmania and Forestry Tasmania. He was previously Executive Chairman of Connex Melbourne and Chair of Veolia Australia and of two subsidiary companies, Connex Auckland and Mainco Melbourne, and served as a Director of the Tasmanian Development Board.

### SARAH MERRIDEW

Sarah is an experienced Company Director and a former Partner of Deloitte Touche Tohmatsu. She is a Director of the Royal Flying Doctor Service Tasmania and recently retired as a Director of MyState. Sarah was previously a Director of TasWater, TasCorp and Tasmanian Perpetual Trustees. She is a chartered accountant and Fellow of the Australian Institute of Company Directors.

### SAMANTHA HOGG

Samantha has extensive executive management experience in the resources and infrastructure sectors, as well as in Australian and international finance, marketing and strategic projects. Samantha was previously Chief Financial Officer of Transurban. She is a fellow of the Australian Institute of Company Directors, a Non-Executive Director of Hydro Tasmania and MaxiTrans Industries Limited and Chair of Tasmanian Irrigation.

### STEPHEN CANTWELL

Stephen was appointed to the TasRail Board in December 2016. He was previously Executive General Manager Mineral Processing at Bradken and interim CEO of Queensland Rail where he worked for 33 years. Stephen is also a Fellow of the Chartered Institute of Transport and Logistics, a Fellow of the Centre for Integrated Engineering Management, and a Graduate Member of the Australian Institute of Company Directors.

### RETIRED DIRECTORS

The TasRail Board thanks the following Directors for their much-appreciated contribution:

#### Robert Neil

Bob joined the TasRail Board in November 2009 and retired from the Board in November 2016.

#### David George

David joined the TasRail Board in May 2011 and retired from the Board in June 2017.

### NEW DIRECTORS

The TasRail Board welcomes the following Directors:

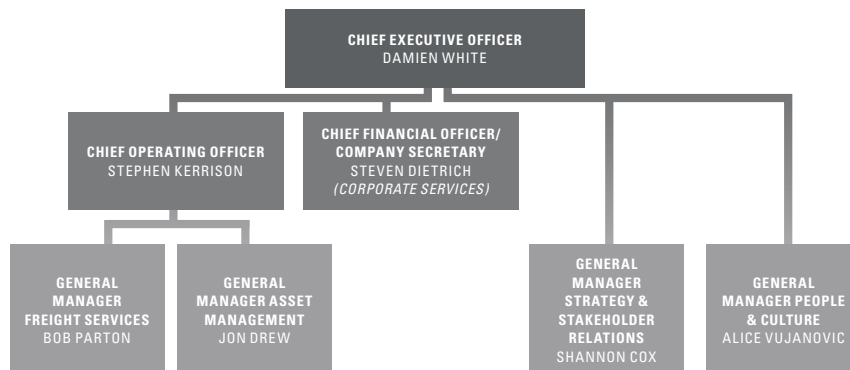
#### Janine Healey

Janine joined the TasRail Board on July 1, 2017.

#### Ian Dobbs

Ian joined the TasRail Board on July 1, 2017.

# OUR EXECUTIVE TEAM



<p><b>DAMIEN WHITE</b> Chief Executive Officer (CEO)</p>	<p><b>STEPHEN KERRISON</b> Chief Operating Officer (COO)</p>	<p><b>STEVEN DIETRICH</b> Chief Financial Officer (CFO) and Company Secretary</p>	<p><b>BOB PARTON</b> General Manager Freight Services (GMFS)</p>	<p><b>JON DREW</b> General Manager Asset Management (GMAM)</p>	<p><b>SHANNON COX</b> General Manager Strategy and Stakeholder Relations</p>	<p><b>ALICE VUJANOVIC</b> General Manager People and Culture</p>
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<p><b>FREIGHT SERVICES</b></p> <p>Our Freight Services team provides safe, reliable and sustainable rail freight and logistics services, and operates TasRail's terminals. Freight Services is also responsible for operating the rollingstock fleet and managing safe and authorised access to the network.</p>	<p><b>ASSET MANAGEMENT</b></p> <p>Our Asset Management team focuses on upgrading and maintaining the rail network and all associated infrastructure, such as level crossings, bridges and tunnels. Asset Management is also responsible for the maintenance and servicing of the rollingstock fleet.</p>	<p><b>CORPORATE SERVICES</b></p> <p>Our Corporate Services team is responsible for financial reporting, auditing, accounts receivable/payable, procurement, IT management, land and property management, business development, customer account management, facilities management, Board administration and business performance modelling.</p>	<p><b>STRATEGY AND STAKEHOLDER RELATIONS</b></p> <p>Our Strategy and Stakeholder Relations team works with all TasRail departments to facilitate the communication of key messages to all internal and external stakeholders, including employees, customers, community, government, industry, media and other key stakeholders. The team also focuses on managing corporate risk and developing corporate strategy.</p>	<p><b>PEOPLE AND CULTURE</b></p> <p>Our People and Culture team is focused on engaging our people to build a values-based culture and grow capability through inclusion, diversity and collaboration. The team manages and implements human resource policy, remuneration and reward, industrial relations, training and development and performance management.</p>

## OUR SAFETY



**The TasRail team has been extremely focused during the 2016/17 financial year in a bid to further improve on the safety achievements recorded in recent years.**

There has been a renewed focus on:

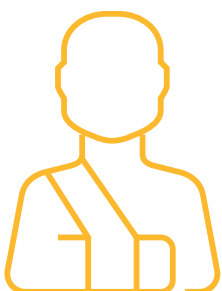
- Injury prevention;
- Safety culture and leadership;
- Hazard identification and risk control;
- Providing a safe workplace;
- Integration of environment management guided by the Environmental Management System; and
- Having simple and effective systems to support safety, health and environment exposures.

TasRail recognises the effectiveness of any safety strategy is linked to having a fully engaged and positive safety culture at all levels within the business.

The introduction of the SafetyCircle program has been a crucial and successful step in the journey towards zero harm.

Reducing TasRail's injury rates is a key objective as TasRail believes all employees and contractors have the right to be free from injury and harm. The goal is not just to eliminate Lost Time Injuries but any injury that requires medical treatment or re-allocation to alternative duties for all employees, contractors and visitors.

Through national initiatives, such as R U OK? Day and Rail Safety Week, TasRail has played an important role in communicating key safety messages to both employees and the wider community. As a result, there has been a significant reduction in the number of incidents at level crossings and trespass in rail corridor. However, there was a slight increase in vandalism incidents.



**“SINCE THE COMPLETION OF SAFETYCIRCLE TRAINING IN JULY 2017, TASRAIL EMPLOYEES HAVE PROACTIVELY IDENTIFIED AND ADDRESSED SAFETY RISKS TO ENSURE THEY GO HOME SAFE AND WELL EACH DAY.”**



## COMMUNITY-BASED SAFETY INCIDENTS



	2014/15	2015/16	2016/17
Level crossing failure to stop or give way	94	123	76



	2014/15	2015/16	2016/17
Level crossing collisions	1	1	1



	2014/15	2015/16	2016/17
Trespass	85	67	43



	2014/15	2015/16	2016/17
Vandalism and theft	48	52	55

TasRail has also been proactively working with farmers, landowners and trackside residents to address community concerns, as well as issues that affect TasRail operations:



	2014/15	2015/16	2016/17
Train horn complaints	88	35	20



	2014/15	2015/16	2016/17
Livestock in rail corridor	95	86	64



	2014/15	2015/16	2016/7
Animal collisions with trains	40	32	10

TasRail recorded one mainline derailment on June 29 in the Devonport yard. There were no injuries and no damage to freight as a result of this incident.



## SafetyCircle®

- ✓ HOME SAFE AND WELL TODAY
- ✓ AVOID THE PAIN. USE YOUR BRAIN
- ✓ STOP. THINK. CHOOSE. ACT
- ✓ STAY SWITCHED ON
- ✓ WORK SAFE – ENJOY LIFE

One of TasRail's key safety initiatives for 2016/17 was the induction of all TasRail employees to SafetyCircle, a powerful workplace cultural change program that is underpinned by straightforward language and ideas. SafetyCircle builds a positive safety culture by empowering each employee and leader to make their workplace healthy and safe.

SafetyCircle encourages employees to:

- Maintain a high standard of work organisation;
- Control and/or report unsafe work conditions;
- Look after tools and equipment;
- Follow policies, procedures and rules;
- Speak up;
- Interrupt unsafe and unhealthy acts; and
- Be grateful for interruptions about health and safety concerns.

While one contractor working on a TasRail site did record an LTI injury during this period, it is heartening that TasRail contractors are now also introducing SafetyCircle to their workplaces.



## ABOVE RAIL

Above Rail is the commercial arm of TasRail that provides safe, reliable and sustainable rail freight and logistics services to the market. Operations include freight terminals, bulk handling, storage and shiploading facilities and train services. The Above Rail business is also responsible for operating the rollingstock fleet and to manage safe and authorised access to the network.

In meeting the expectations of our customers, TasRail is committed to:

- Providing freight handling and delivery services that are reliable, safe, efficient and price competitive;
- Building strong business partnerships with our customers by understanding and meeting their needs and by providing responsive customer service and attention to detail; and
- Delivering a social and environmental dividend to our customers and the community by facilitating a reduction in transport related emissions and heavy vehicle movements across the state's road network.

Through the combination of new assets and improved rail infrastructure, as well as new innovations, TasRail has been able to improve the competitiveness and profitability of its Above Rail services.

Moderate freight growth was recorded in this financial year in the haulage of containers, mineral concentrates, cement and other freight.

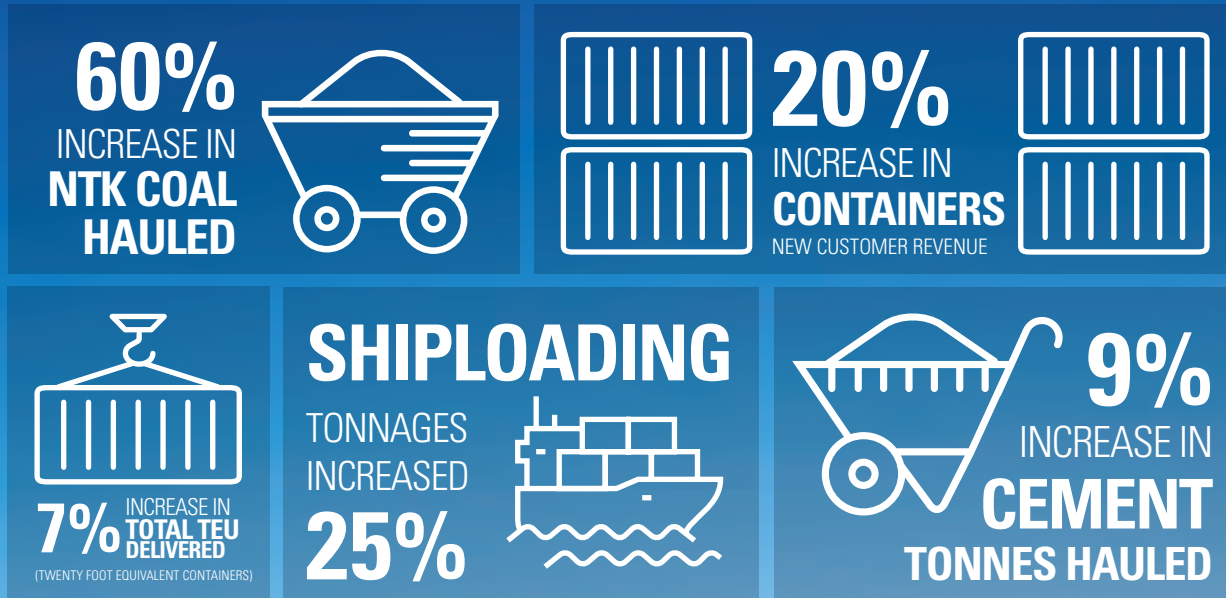
### TOTAL FREIGHT TASK 2016/17 COMPARED TO 2015/16 AND BY ROUTE

Segment	2015/16	2016/17	% change year on year	Route
	NTK	NTK		
Coal	28,001,167	44,863,564	60%	Fingal-Boyer and Fingal-Railton
Cement	25,743,097	28,136,132	9%	Railton-Devonport
Mineral concentrates	22,434,584	22,923,272	2%	Primrose-Burnie
Bauxite	5,205,395	-	-100%	Conara-Bell Bay
Logs	18,810,476	19,285,427	2.5%	Brighton-George Town
Intermodal general	220,180,774	229,820,283	4%	Brighton-Devonport-Burnie-Launceston-George Town-Brighton
Intermodal paper	122,470,351	127,867,540	4%	Boyer-Burnie
<b>Total</b>	<b>442,845,844</b>	<b>472,896,217</b>	<b>7%</b>	



**THE INTRODUCTION OF THE HAULAGE OF COAL FROM FINGAL TO BOYER, WHICH HAD BEEN SUSPENDED IN 2009, IS A HUGE SIGN OF CONFIDENCE IN TASMANIA'S RAIL NETWORK.**

ABOVE RAIL SNAPSHOT (COMPARING 2016/17 TO 2015/16)



**"TASRAIL RECOGNISES ITS CUSTOMERS, ALONG WITH OUR EMPLOYEES, ARE THE LIFEBLOOD OF THE COMPANY'S FUTURE SUCCESS AS A MAJOR FREIGHT LOGISTICS ENTERPRISE."**

## ROLLINGSTOCK ASSET UTILISATION

TasRail did not purchase any new locomotives or wagons during the 2016/17 financial year. However, due to increased freight demands, the TasRail team worked hard to recommission one locomotive and 39 wagons that were introduced back into the fleet.

The additional locomotive, a DQ class, was reinstated on the Melba Line to optimise new freight scheduling. Previously, 20 wagons were hauled six days a week. With the additional locomotive, 26 wagons could be hauled four days a week, achieving significant cost savings and efficiencies.

The additional rollingstock enabled TasRail to efficiently and effectively manage the 7 per cent increase in customers' total Net Tonne Kilometres (NTK) railed and ensure optimisation of rollingstock assets.

<b>2015/16</b>	<b>24 locos</b>	<b>18,451,910 NTK per locomotive</b>
<b>2016/17</b>	<b>25 locos</b>	<b>19,201,848 NTK per locomotive</b>
<b>2015/16</b>	<b>267 wagons</b>	<b>1,658,599 NTK per wagon</b>
<b>2016/17</b>	<b>306 wagons</b>	<b>1,568,778 NTK per wagon</b>

## SHIPLOADER VOLUMES

TasRail recorded a 25 per cent increase in shiploader volumes in 2016/17 compared to the previous financial year. The number of tonnes of concentrate materials loaded onto ships through the Burnie shiploader grew as a result of higher tonnages of concentrate hauled from the West Coast and a unique opportunity from customers to store and move other concentrates.



# BELOW RAIL

**TasRail's Below Rail business is responsible for the upgrade, maintenance and operation of the rail network and the entire supporting infrastructure, including bridges, culverts, tunnels, formation, level crossings and network inspections. Below Rail also manages the Infrastructure Investment Program jointly funded by State and Federal Government.**

Like the State's road network, rail infrastructure will always require funding to ensure ongoing maintenance and upgrades.

Valued at \$119.6 million, Tranche One of the Tasmanian Freight Rail Revitalisation Program continued to be rolled out in 2016/17 with an ongoing focus on key works that further improve the safety and reliability of Tasmania's Rail Network.

Principal projects in the reporting period included repairs and strengthening of bridges, level crossing upgrades, track works and joint welding.

TasRail maintains the operational network in accordance with Track Engineering Standards that are consistent with industry best practice and in the context of TasRail's business needs. This includes the physical inspection of the infrastructure every 96 hours to identify any non-compliance with the Standard and to detect and mitigate derailment risk.

Ultrasonic testing is utilised to detect rail defects. Short pulse waves are sent through the track to detect the health of the line and to identify the presence of any flaws. The use of digital track geometry trolleys has enhanced the effectiveness of track inspections by providing more consistent and accurate data.

Further improvements in assessing network condition and predicting rail breaks are expected through an innovative collaborative Sens-T program with the University of Tasmania. Sens-T is focused on predicting rail breaks using machine learning.

TasRail has also been working to procure its own track geometry measuring system to replace the current contracted service and provide more regular and frequent information on the condition of the track.

TasRail would like to recognise the work by Vernon Hawes and the TasRail track inspecting team who have had an outstanding year, particularly in relation to the reduction in derailments related to geometry defects.

TasRail has also recorded an improvement in asset reliability due to:

- Reduction in Temporary Speed Restrictions from 17 per cent to 12 per cent across entire network due to improved maintenance and asset renewals; and
- Innovation in level crossing security systems to improve reliability of level crossing assets.

## TAMPING

Track resurfacing is the process of lifting and lining the track with special machines to restore the correct track geometry. The specialist work is carried out as part of major renewal projects or as part of the regular maintenance cycle. A ballast tamper, or track resurfacing machine, picks up and resurfaces the track by packing the ballast around the sleepers.

This ensures the track is aligned correctly, providing a more solid foundation for the track and a smoother ride.

Recent efforts by the resurfacing crew to improve both reliability and performance of tamping machine TT7 has resulted in a significant increase in productivity, more efficient fueling, ease of repairs and reduced downtime.

The total distance tamped by TasRail in 2016/17 was 161 kilometres plus a further 66 kilometres under IIP.

Tamping is fundamental to maintaining good track condition so TasRail can continue to provide safe, reliable and competitive freight services.

## FLOODS

The June 2016 floods had an immense impact on TasRail's freight operations, with a number of bridges and lines impacted by flood debris. Rail infrastructure was damaged at 65 locations around the State, with the most significant damage recorded to the Kimberley Rail Bridge. One span and the western embankment washed away in surging flood waters, severing the critically important rail link between the major ports of Burnie and Devonport and the rest of the rail network.

TasRail Chairman Bob Annells described the work of the TasRail team in protecting the interests of customers during the aftermath of the floods and in restoring the damaged rail networks as "nothing short of inspiring".

"It's not the first time TasRail employees have demonstrated an extraordinary capacity to deal with a crisis," Mr Annells said.

"The recent floods – said to be the worst in 90 years – put that level of resilience to the test."

"I'm proud to say the organisation's response has been fantastic."

TasRail was also delighted to report that there were no serious injury incidents involving employees or contractors during and after the flood, despite the cold and wet conditions and challenging tasks undertaken.

# BELOW RAIL

## TRACK/INFRASTRUCTURE IRREGULARITIES



### BUCKLES/ MISALIGNMENTS

2015/16	44
<b>2016/17</b>	<b>7</b>



### BROKEN RAIL (RUNNING LINE)

2015/16	13
<b>2016/17</b>	<b>16</b>



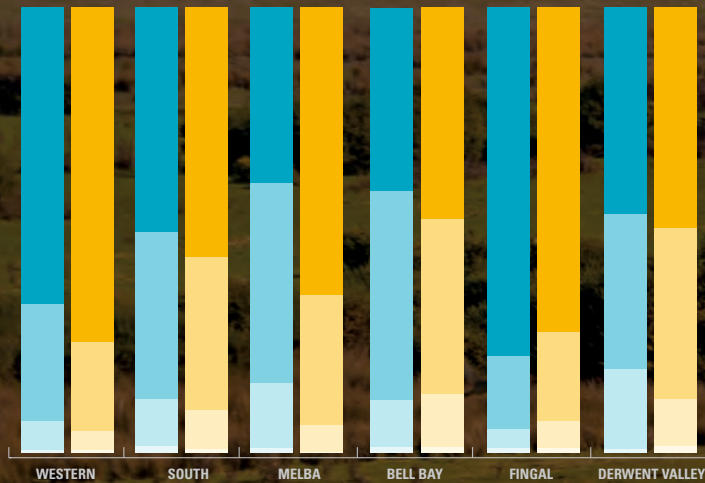
### BROKEN RAIL (YARD)

2015/16	2
<b>2016/17</b>	<b>1</b>

## TRACK QUALITY INDEX

As a result of the Melba Line capital works in 2016/17, there has been a dramatic improvement in track quality.

2015/16 | %GOOD %FAIR %POOR %VERY POOR  
2016/17 | %GOOD %FAIR %POOR %VERY POOR





**“TASRAIL IS COMMITTED TO ENVIRONMENTAL, SOCIAL AND ECONOMIC EXCELLENCE.”**

# OUR INFRASTRUCTURE INVESTMENT PROGRAM

## SOME OF THE KEY IIP PROJECTS COMPLETED IN THE 2016/17 FINANCIAL YEAR INCLUDE:

- ✓ Track works and joint welding on the Melba Line
- ✓ Strengthening repairs to heritage-listed Longford Bridge
- ✓ Painting and repairs to Clarendon Bridge
- ✓ Critical level crossing upgrades

### Tasmanian Freight Rail Revitalisation Program

The Infrastructure Investment Program (IIP) is jointly-funded by the Tasmanian and Federal Governments to rejuvenate the operational freight rail network in Tasmania.

This investment in rail infrastructure recognises the integral role rail plays in the State's freight transport system.

The funding is largely directed to maintaining the safety and reliability of the network and has predominantly been allocated to the major freight corridors of the South Line, the Western Line and the Melba Line.

Provision has also been made for selected re-sleeping and re-railing on the Fingal Line and the Bell Bay Lines, as well as priority sections of the operational Derwent Valley Line to Boyer.

TasRail has a proven record delivering multiple and complex projects on time and on budget. In the first two years of the program, TasRail's IIP Management team has committed expenditure of \$84.96 million.

A total of 19 contracts were awarded to predominantly Tasmanian companies as part of TasRail's 'Buy Local Policy'. These contracts included major works on track, level crossings, bridges, rail defects, joint welding and track monitoring equipment.

This investment enables TasRail to address decades of deferred capital renewal and maintenance activity. The TasRail team is proud to be managing the upgrade of this vital infrastructure for all Tasmanians.





INFRASTRUCTURE INVESTMENT PROGRAM ACTIVITY IN 2016/17



**“THE INVESTMENT BY THE STATE AND FEDERAL GOVERNMENTS INTO TASMANIA’S RAIL INFRASTRUCTURE WILL ASSIST IN MEETING TARGETS FOR THE SAFE AND TIMELY DELIVERY OF FREIGHT ON BEHALF OF OUR HIGHLY VALUED CUSTOMERS.”**



# CORPORATE GOVERNANCE

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

## CORPORATE GOVERNANCE FRAMEWORK

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

### **Principle 1 – Lay solid foundations for management and oversight:**

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

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

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

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

### **Principle 2 – Structure the Board to add value:**

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

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

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

### **Principle 3 – Act ethically and responsibly:**

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

Each Director is bound to uphold the Code of Conduct by exhibiting model performance, behaviour and conduct that is in line with the Code during the course of their employment. They must promote the Code and ensure that any potential breaches are taken seriously, identified and reported and acted upon appropriately. The Code of Conduct is underpinned by other policies and procedures that articulate the expectation to act ethically and responsibly, as well as comply with legislative and regulatory obligations. These include the Right to Information Policy, Privacy Policy, Procurement Procedure, Public Interest Disclosures Policy and People Management Business Critical Process.

### **Principle 4 – Safeguard integrity in corporate reporting:**

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

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

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

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

**Principle 5 – Make timely and balanced disclosure:**

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

Details about disclosures made under the *Right to Information Act 2009*; the *Public Interest Disclosures Act 2002*; and the *Personal Information Protection Act 2004* are set out on page 26 and 27 of this document.

**Principle 6 – Respect the rights of Shareholders:**

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

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

**Principle 7 – Recognise and manage risk:**

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

TasRail's Risk Management Framework is approved and overseen by the Board. The Executive Team discuss and review emerging and actual risks in the Company's external and internal environment and use this analysis to make decisions and agree on risk mitigation plans. They report on risk and risk management to the Strategy and Risk Management Committee.

This Committee assists the Board to discharge its duties by reviewing and supplementing the reports provided by the Executive Team, monitoring the strength and reliability of the framework and reporting to the Board on the status of risk in the Company.

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

**Principle 8 – Remunerate fairly and responsibly:**

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

The Governance and Remuneration Committee comprises five independent Non-Executive Directors. Its Charter sets out the Committee's role as assisting the Board to meet its responsibilities by:

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

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



## PUBLIC INTEREST DISCLOSURES

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

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

TasRail has adopted model procedures to be followed by Public Bodies in relation to Public Interest Disclosure (PID). These procedures establish a system for reporting disclosures of improper conduct or detrimental action by TasRail or members, officers or employees of the public body. They are also intended to assist TasRail's members, officers and employees to understand the way in which the *Public Interest Disclosures Act 2002* operates and is to be administered.

The procedures are designed to complement normal communication channels between supervisors and employees and have been prepared in accordance with Guidelines and Standards published by the Ombudsman under Section 38(1)(c) of the Act.

Under the *Public Interest Disclosures Act 2002* TasRail is required to report on any disclosures about improper conduct by its public officers or TasRail.

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

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

## RIGHT TO INFORMATION

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

During 2016/17, TasRail received a total of three applications for Assessed Disclosure. Two applications were accepted for decision, with information provided in full in one determination, and in part for the other. One application was refused following a determination that the request would substantially and unreasonably divert resources as per Section 19 of the Act. In this instance, the applicant was invited to redefine the search scope, but declined the opportunity to do so.

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

## PERSONAL INFORMATION PROTECTION

TasRail values and respects the privacy of all personal and sensitive information. The Company is committed to protecting the information it collects, stores, handles, uses and discloses in accordance with the requirements of the *Personal Information Protection Act 2004 (Tas)* which prescribes Personal Information Protection Principles for Tasmania, as well as the National Privacy Principles prescribed under the *Privacy Act 1988 (Cwth)*.

Procedures that define the way TasRail collects, stores, handles, uses and discloses information are published on TasRail's website at [www.tasrail.com.au](http://www.tasrail.com.au)

No reports were made under this regime for the 2016/17 reporting period.

## BUY LOCAL

TasRail complies with the Tasmanian Government's Buy Local Policy for its procurement processes, including the requirement to provide transparency about procurement outcomes.

A Tasmanian business is defined as a business operating in Tasmania, which has a permanent office or presence in Tasmania and employs Tasmanian workers. TasRail endeavours to support many local businesses, but is effectively only able to identify a business as being

Tasmanian if the invoice payment and/or the Australian Business Number (ABN) is registered to an address within the State.

Purchases are defined to include operating expenses together with capital expenditure. The above excludes employment and finance expenses and depreciation.

## PURCHASES FROM TASMANIAN BUSINESSES

Buy Local Performance	2016/17
Percentage of purchases from Tasmanian businesses	58%
Value of purchases from Tasmanian businesses	\$50,197,940

As part of TasRail's Buy Local Policy, a 10 per cent increase in purchases from Tasmanian business from 48 per cent to 58 per cent was recorded in 2016/17 compared to the previous financial year.

This represents an increase in value of 67 per cent from approximately \$30.03 million to \$50.2 million.

## PAYMENT OF ACCOUNTS

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

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

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

Accounts due or paid within 2016/17	
Creditor Days	22
Number of accounts due for payment	11,347
Number of accounts paid on time	11,347
Amount due for payment	\$85,665,948
Amount paid on time	\$85,665,948
Number of payments for interest on overdue accounts	0
Interest paid on overdue accounts (including late fees)	\$ 0

## CONTRACTORS

There were a number of contracts let in 2015/16 and some of that commitment carried to this financial year. Additionally, TasRail has awarded contracts in the 2016/17 year that have commitment values into the next financial year.

The Kimberley Bridge repairs were an emergency procurement, hence the contract was awarded based

on available resources and expertise. The principles of the Buy Local Policy were applied in the absence of a tender process (due to the tight time frame) and the contract was awarded to a Tasmanian-based firm.

Individual contracts awarded in 2016/17 were as follows:

### Values over \$5 million

Contract/works package	Procurement method	Buy local policy applied	Successful tenderer	State
Manufacture and delivery of rail and steel sleepers	Select tender	Yes	OneSteel Manufacturing	South Australia
South and Derwent Valley Line track works	Open tender	Yes	VEC Civil Engineering Pty Ltd	Tasmania

### Values over \$2 million but less than \$5 million

Contract/works package	Procurement method	Buy local policy applied	Successful tenderer	State
Flood repair of Kimberley Bridge	Single source	No	VEC Civil Engineering Pty Ltd	Tasmania

## CONSULTANTS

The guideline defines a Consultant as a particular type of contractor who is engaged to provide recommendations or specialist or professional advice to an entity. A Contractor is defined as an individual or organisation engaged under a contract (other than as an employee) to provide goods and or services to an entity. The following consultancies were valued at more than \$50,000 (excluding GST):

Name of consultant	Location	Description	Period of engagement	Amount (\$)
Pitt & Sherry	TAS	Engineering advice - wheel lathe, flood event & bridges	Jul 16 - Jun 17	597,465
Impact Solutions	TAS	Leadership & training services	Sep 16 - Jun 17	261,117
GHD Pty Ltd	TAS	Remediation design, site investigation & assessment	Jul 16 - Jun 17	242,792
Alexandrides Engineering	SA	Engineering & project management services	Aug 16 - Jun 17	162,434
Timmins Ray	TAS	Professional services	Jul 16 - Jun 17	146,714
PJ Connections	TAS	Contractor management review	Sep 16 - Jun 17	135,036
Interface Rail	VIC	Project management services - flood event	Jul 16 - Sep 16	128,411
Serve-Ag	TAS	Agronomic advice	Jul 16 - Jun 17	116,140
Excellent Outcomes	TAS	Business improvement & leadership development services	Jul 16 - Jun 17	102,636
IPM Safety	TAS	Safety training program, specialist SHE services & advice	Jul 16 - May 17	72,211
PDA Surveyors	TAS	Surveying, engineering & planning services	Jul 16 - Jun 17	64,321
<b>Sub total</b>				<b>2,029,277</b>
There were 29 consultants engaged for \$50,000 or less totalling				354,861
<b>Total payments to consultants for 2016/17</b>				<b>2,384,138</b>



*TasRail track re-surfacing crew: from left John Duffy, Marko Stepanovic, Ian Hunter and Gang Leader Darren Hawkins*



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Hon. Rene Hidding MP  
Minister for Infrastructure  
Member, Tasmanian Railway Pty Ltd  
Level 5, 4 Salamanca Place  
HOBART TAS 7000

Hon. Peter Gutwein MP  
Treasurer  
Member, Tasmanian Railway Pty Ltd  
Level 9 Executive Buildings  
HOBART TAS 7000

Dear Shareholder Members

**TASRAIL ANNUAL REPORT 2016/17**

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

In accordance with Section 22 (1) (b) of the *Rail Company Act 2009* I hereby submit for your information and presentation to the Parliament, the Annual Report of Tasmanian Railway Pty Ltd covering the period 1 July 2016 to 30 June 2017.

Signed in accordance with a resolution of Directors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bob Annells', is written over a light grey rectangular background.


**Bob Annells PSM**  
Chairman


October 1, 2017






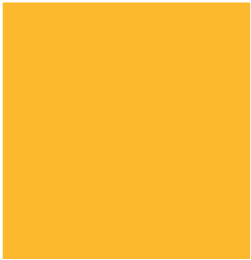
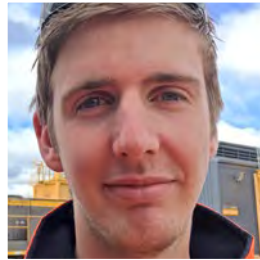
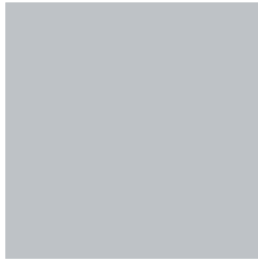
**TASRAIL**

 1300 TASRAIL

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