



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Railways Pty Ltd

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Verney
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Roger Jaensch
Ms Anita Dow
Ms Jen Butler
Prof George Razay

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MP, Minister for Infrastructure and Transport

Tasmanian Railways Pty Ltd

Stephen Cantwell
Chair

Steven Dietrich
CEO

Josh Bradshaw
Manager Corporate Affairs

(In support)

Joe Tidey
Chief Financial Officer

Stephen Kerrison
Chief Projects Officer

PUBLIC

Tasmanian Railways Pty Ltd

CHAIR - The time being a little after midday, scrutiny of Tasmanian Railways will now begin. I welcome the minister and representatives of Tasmanian Railways, along with the others at the table. The time for scrutiny is one hour, or just shy of one hour, we will finish on-the-dot at 1 o'clock.

Members would be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the questions handed in writing to the secretary.

I invite the minister to introduce any other persons at the table, including names and positions, and invite you, minister, to make an opening statement. Given the brevity of this session, if it could be a fairly short statement, thanks minister.

Mr VINCENT - Thank you. On my right-hand side I have my chief of staff, Tim Lovibond. I will ask chair of TasRail to introduce his team, please.

Mr CANTWELL - Thanks, minister. Stephen Cantwell, Chair of TasRail, and to my left, Steven Dietrich, CEO, and Josh Bradshaw, our executive responsible for communication. Behind us we have Joe Tidey, the CFO, and Stephen Kerrison, chief projects officer.

CHAIR - Thank you.

Mr VINCENT - Thank you, Chair. It's pleasing to report that TasRail has continued to provide safe and reliable services to all its customers during the past financial year. As the state's biggest mover of freight, that's a considerable achievement and doesn't happen by chance. Over the past 10 years, the Tasmanian government has continued to support the rebuilding of the state's rail infrastructure, after significant underinvestment while it was in private hands, and that is paying off.

TasRail moves almost a third of Tasmania's freight task at just over 3 million tonnes per annum, which means fewer trucks on the road, improved safety and lower road maintenance cost. Moving goods by rail is also four times less greenhouse-intensive than truck, which means that every tonne of freight on one of our TasRail wagons is better for the environment.

2024-25 saw TasRail transport 498.3 million net tonne kilometres and, while slightly down on last year's record of 516.4 million, this remains above the five-year average.

The above rail business was ahead of budget by \$2.2 million before impairment, with \$3.8 million in cost savings contributed as a result.

In line with TasRail's continual focus on safety for fit-for-purpose asset, it recorded zero mainline derailments during the year. This continued investment will allow TasRail to maintain and grow its current freight task and provide safe and on time competitive services.

Concerningly, we continue to see examples of poor driver and pedestrian behaviour on and around level crossings. TasRail is continuing to work with Tasmania Police and the Road Safety Advisory Council to address these behaviours.

I'd like to thank TasRail's chairman and board of directors for all their guidance and oversight over the past financial year, as well as the company's management and staff. TasRail continues to set the example of how to be an exemplar of strong and reliable management as a state-owned company and I appreciate all those who contribute towards this. Thank you, Chair.

Ms DOW - Minister, I will take you to the northern suburbs rail line and I want to ask, through you to the chair, has TasRail done any research or study in the past 10 years regarding passenger services on that railway line through Hobart's northern suburbs?

Mr CANTWELL - The short answer to your question, member, is no; but obviously, as a rail organisation, we keep across developments outside of our remit. TasRail's charter is very, very specifically focused on the movement of freight. I think this was a topic of discussion at last year's scrutiny where there was some interest from the committee about the potential reconstitution of that northern line for passenger light rail. I think the records will show that we provided some insight into that proposition at the time: light rail is very much, around the world, a standard-gauge operation. That's a narrow-gauge corridor. Anything's possible, but there would be quite a significant task before the Tasmanian people and Tasmanian government to reconstitute that corridor in a light rail configuration.

Ms DOW - My second question, minister, is around the Derwent River crossing and what options there are to connect Hobart to the main line in the future, now that the Bridgewater Bridge crossing is closed?

Mr CANTWELL - That would be very difficult. The new Bridgewater Bridge doesn't accommodate rail geometry, so it would be almost impossible, we would say, to bring trains across the river back into central Hobart.

Ms DOW - TasRail's annual report states freight availability at 99 per cent, which is pretty outstanding and exceptionally high. What do you think is specifically driving that result?

Mr CANTWELL - It's appropriate to observe that TasRail stands apart, not only in the Australian rail context, but in the global freight rail context, in being able to deliver freight availability at that level. It comes down to laser-like focus and discipline within the organisation on what the customer requires; also, it reinforces the extent to which there is not one piece of business that TasRail does that it doesn't have to compete intensively for with the road transport sector, which is different to mainland railroads. It's down to the good efforts of the people of TasRail.

Ms DOW - On that topic, then, and your targets around freight and increased capacity for TasRail to take on more; as an organisation, have you set yourself a goal or a target that you want to meet to increase rail freight in the state?

Mr CANTWELL - Absolutely. The organisation is very enthusiastic about increasing the volume of freight on rail for the reasons that the minister identified earlier. It's much more environmentally friendly to have freight on rail. It delivers a significant level of amenity to the community relative to the large vehicles on road. We have pretty much all the contestable rail freight task in the intermodal sector on the north-south corridor. We've grown the forestry business manyfold. The CEO might be able to give the exact number in the last several years.

PUBLIC

Our focus now, through the investment in both the Hampshire hub, and the redevelopment of the Bell Bay area from a rail perspective, is to attract more bulk volume. Specifically we'd like woodchip, but there's no doubt in our minds that another million tonne of freight to rail would certainly put TasRail on a much more sustainable position from a commercial perspective. The organisation is relentless in its pursuit of that business development. There are plans in place and there is work happening to provide the infrastructure upon which those increases in volume can be delivered.

Ms DOW - That's going to be my next question: what those infrastructure requirements would be.

CHAIR - There are two of us who want to ask questions, but okay, just ask the question then.

Mr CANTWELL - Very quickly: the infrastructure requirements are continuing investment in the existing below-rail infrastructure to maintain the quality of that, which I might add is essentially century-before-last railway technology, but it's in good order. It's about investment in the Hampshire hub, the new inland port facility in the north, and rebuilding the infrastructure in and around the Bell Bay port area.

CHAIR - My question, through you, minister, is around the workforce profile. I'm wondering about the gender balance - there are 20 per cent of females working with TasRail. What are you doing to address some of those issues of gender diversity, but diversity of employees more generally?

Mr DIETRICH - It's an excellent observation. When I first walked into this business, we only had about 5 per cent diversity in female participation and I think we can be incredibly proud to say that we've got 20 per cent. We operate a 24/7, 365-day business, mostly at night in all conditions: snow, winter, rain, hail. It does require a certain person to be able to work those conditions in our business. I'm pleased to say we don't just have female participation in the back office, but it's at the front line.

We now have four fully-qualified train drivers who are driving \$30 million to \$40 million assets across the network. We have six rail operators now working in shunting at all times of the day; we have two network controllers - we haven't had female network controllers for some time, so it's great to hear a female voice across the airwaves for all the infrastructure and train operations; and out of our three track engineers, two of them are female. We've really focused on - and everyone gets the job in their own right - but we've been open around how we can improve diversity in our business.

We sponsor the diversity and inclusion award at the Tasmanian Transport Association. We have been a very proud sponsor of that for many, many years and we continue to encourage female participation, and look to how we can get to schools and universities about encouraging more female participation to apply for positions at TasRail, but generally in the broader transport industry as well.

CHAIR - How does that compare to other jurisdictions, obviously larger populations, but how are you comparing?

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Mr CANTWELL - The Australasian Railway Association set a target of 27 per cent female participation, and it's interesting, most of the conversation is around gender diversity. The mainland railways sit somewhere between 20 per cent and 27 per cent, so we're certainly within the pack of the rail organisations nationally.

What we've done in TasRail is we've reviewed every single work description to give ourselves the confidence that we've removed structural impediments to participation by all employees. We have in TasRail, relative to the mainland railways, quite a stable workforce skewed to the older end or the more mature end of the workforce spectrum, so we have less churn. People like working in TasRail. The opportunity to get that diversification mix, that percentage up, the pace with which we can do it, is lower than what some of our mainland counterparts can do it.

On diversity more generally, it's a hard one to measure, but it's a source of satisfaction. As a director, and as executives, as we go around to staff barbecues and the like - these days we have to provide for all sorts of different dietary requirements and so forth. It's great to intermingle amongst a bunch of infrastructure workers; some are wearing turbans, and some are telling us that they come from the country that has the best cricket team in the world and so forth.

CHAIR - Twenty per cent is still pretty low. Do you think there's a culture problem at TasRail?

Mr CANTWELL - Absolutely not. It's a very inclusive workforce.

Mr DIETRICH - We've done a lot of work to make sure the culture's right to continue to grow that trend, and it's been a trend - it takes some work. We've also been improving the amenities - toilets across the network, so when trains need to stop, there's the right amenities and there should be the right amenities, whether it's male or female. We've done a lot of work around improving that but improving the culture and making sure that everyone feels comfortable in the organisation. It is a lot of shift work as well, so we do have to be conscious of that and how we treat people.

CHAIR - I was going to ask, given there was the survey done recently, maybe by one of the unions, I can't remember - RTBU was it? Yes. I'm wondering if there were people from TasRail who were surveyed in that, and are there concerns still for staff with toilets?

Mr CANTWELL - We survey our staff comprehensively about once every three years with a pulse survey in the intervening period. We would say that the absence of feedback from our people who are fairly generous in their comments as they respond to those surveys, that there isn't a culture issue that points to any sort of impediment to the establishment of the building of an appropriately diverse workforce.

Mr DIETRICH - I do know that RTBU survey recently and I know some of our female workers advise that TasRail's amenities are certainly of a high standard. We have done a lot of work, even before this was identified, to put facilities down the Melba line to make sure we've got the right things in place.

CHAIR - Thank you, Mr Jaensch.

PUBLIC

Mr JAENSCH - Good afternoon. Roger Jaensch, Liberal member for Braddon. The minister, in his opening comments, made reference to our rail network as an economic asset and chair, in yours, you talked about the contribution of rail freight to growth in a number of industries in Tasmania. Has the value of Tasmania's investment in rail been calculated and how do you go about putting a measurement on that?

Mr CANTWELL - Yes, thank you for the question. Good question. To bring that into the specifics, the minister in his opening statement talked about approximately one-third of the freight moved on the island is moved by TasRail. That's mostly export. That's about a \$5 billion per annum task, and TasRail's share of that is about \$1.6 billion per annum. So TasRail contributes to the movement of about \$1.6 billion-worth of freight per annum. Most recently, though, there's been a study commissioned, which is now available on the TasRail website by 2XF that demonstrates very clearly that, for every dollar invested in the Tasmanian rail infrastructure, the state achieves a return of \$1.30.

Mr DIETRICH - Can I just add, I wouldn't mind tabling the economic value of TasRail report that's been recently commissioned by 2XF, so that's available and you can get that link through the annual report by scanning the QR code as well, to see the full detail of that report.

CHAIR - Excellent, thank you. Ms Dow.

Ms DOW - Thank you. I want to take you to the Melba hub that you mentioned before and the Melba Line. I'm from the north-west coast, so I have an interest in this and understand the economic potential of this investment. Can you provide the committee with an update on progress to date and talk about any type of business case that's been undertaken around the future viability of the Melba line as well, given some of the developments that may occur with the mining industry on the west coast to support that investment?

Mr CANTWELL - Sure, it would probably be appropriate to pass that straight to the CEO.

Mr DIETRICH - Excellent question, Ms Dow. As you know, the north-west is an incredibly important area for our business, for industry and for Tasmania. Pleasingly, it was great to see the Australian Government sign an agreement with the US around critical minerals. We've invested and implemented a project of complex significance and delivered that shiploader, the mineral shiploader, on the Burnie Wharf. That was a \$64 million project to replace a unit that had been there for 50 years, that was tired and needed to support the existing mining industry. This new shiploader, along with the expansion of the bulk minerals export facility, another \$18 million, fully funded by the Australian Government, will invest \$82 million into the Burnie Port on berth 5 that we own and operate the facilities there.

This is what I call 'the shop window'; we have pulled the curtains back and we're open for business. So, this will give confidence to industry around looking at opportunities for concentrates, minerals and so forth from the north-west region that they can efficiently and competitively get their products to market; it's critically important to them around the supply chain and how they can get their products to market.

Along with that, we've also got \$18 million to build a new facility which we are looking at a location around the Hampshire region, that's co-funded between the Australian Government and the state government on an 80-20 basis. That's to create more storage capacity

PUBLIC

for a mine and other business opportunities in the region. It is very close to where the Forico plant works. So, that's an opportunity to almost convert 300 000 tonnes to 400 000 tonnes of product that's on-road, going up the Murchison Highway through Ridgley onto the rail and then down through our services into the Burnie Port. So, it's a very exciting opportunity.

The \$18 million that I mentioned that's being invested on the bulk minerals export facility, that will create an extra 20,000 to 30,000 tonnes of capacity in that storage facility, so at the moment it has a storage capability of 130,000 tonnes. We service multiple customers across multiple products, everything from zinc, copper, lead, pyrite, iron ore. That will then also provide more storage for the future.

This project was not only to make sure that there was a sustainable solution and reliable safe solution for existing customers, but also for the next 10 to 20 to 30 years. It's been an exciting investment. It's a fully integrated, seamless supply chain that will be here for a long time, supporting a lot of jobs on the north-west.

Ms DOW - When can we expect that to be complete? The construction of the hub or in place -

Mr DIETRICH - The Hampshire Hub, that's over the next two years. We're well progressed in design. We're well progressed in land acquisition with the neighbouring property owner, which is a large forestry owner. That's basically all been ticked off and we're well progressed with commercial discussions with the proposed user-anchor tenant, or anchor-user for that facility, so it's all coming together. We're also now starting to field a lot of other enquiries from businesses that are keen to explore what that opportunity means to them and put their product onto rail and or utilise some of the storage capability there as well.

Ms DOW - The extension of the line to Melba Flats, the reopening of that line - what work needs to be done or what would need to happen or level of investment from government to see that come to fruition?

Mr DIETRICH - Yes, that's a very good question. We've done a series of assessments on that over the last couple of years. It does need some significant work because it's been unoperational for some time.

The Melba Flats facility and the storage facility there is actually a very good facility. We're quite excited about the prospect that at Queenstown and the Copper Mine Tasmania, now owned by Sibanye-Stillwater are looking at opportunities around reopening that and processing tailing dams, et cetera, in the future. So we're very closely working with them. We're in discussions and what that looks like for reopening the line.

I don't have an exact number now, but depending on how much maintenance we want to do on that facility, we're talking anywhere from \$8 million to \$10 million to potentially reopen that part of the line.

There's been a lot of, as you'd appreciate, weather impacts down there. A lot of cobble work needs to be done. Bridges need to be fixed. But we've got our eye to it.

CHAIR - Minister, I wanted to go to the issue around level crossings. Do you think that drivers are sufficiently aware of the dangers around rail lines?

PUBLIC

Mr VINCENT - No, I don't, having stood there with Stephen and the police at Ulverstone and a couple of different spots. Some people are very observant. Other people just go and park on the line. There is a program in place, federally funded with the state at the moment, for yellow boxes around some of the crossings, which is proving quite beneficial already. To stand there and actually watch it, it's quite amazing that people have a complacency towards the lines in some towns.

But TasRail has an amazing safety-conscious focus; we start any of our regular fortnightly or monthly meetings with a discussion on various safety things that may have occurred or just that they would like to talk about. I think that focus is making a difference to how TasRail views some of these projects as they do come available from the mainland for funding.

I will hand to the CEO to talk a little bit about the yellow box.

CHAIR - Yes, because there's been a rise in incidents.

Mr VINCENT - Yes, there has been. A lot more cameras around these days, so a lot more of it's being filmed, which is handy for obvious reasons.

CHAIR - Best avoidable.

Mr VINCENT - Yes, but it's teaching us things also about driver habits and how they rush it. I will hand over to the CEO to explain a little bit more of the work they're doing in there because it's quite significant even with the timing of when the lights come on and the automation of that.

Mr DIETRICH - I have a little prop. There's some recent works just been completed in Ulverstone. I will hand that through to the committee.

CHAIR - Yes. Thank you.

Mr DIETRICH - Yes, we've seen certainly an increase in level crossing near-hits from one year to the other. We are out there doing a lot of campaign work with education, schools, media to try to reinforce the safety message. I've been very appreciative of the minister along with TasPolice, who have been excellent around supporting safety initiatives around level crossings.

Through that process our train drivers have been incredibly excellent around reporting incidents and also the technology we now have on locomotives with forward-facing cameras is picking up members of the public - and its only small percentage; 99 per cent of the people do the right thing, but the one per centers continue to not obey road rules.

Level crossings are not rail rules. They are road rules. I can tell you now that locomotives do not apologise. What I'd say to the community is lose a minute not your life by trying to beat the train across a level crossing. We will continue to promote that. We've done some excellent media. If you look at our socials on Facebook back to about 10 August, we published a great video regarding the safety and the consequences of not obeying road rules at level crossings.

PUBLIC

As part of that, we've been very fortunate to pick up some precious funding through a regional level crossing fund by the Australian Government and supported by the state government. That came about after two train drivers lost their lives on New Year's Eve a couple of years ago on the South Australian/Victorian border.

There's some funding available that we have managed to secure, and we've secured five million, four million from the Australian Government and co-contribution from the state government, a million. At the moment, we are in the process of upgrading 10 different sites across the north of the state: Oonah Road, Highclere, Buttons Avenue, Alexander Parade, Water Street, Ulverston; Main Street, Ulverston, and Ribey Street, Ulverston.

We're putting in illuminated stop signs, so the stop signs will start flashing as the car approaches to try to get the driver to focus.

CHAIR - Would that be on all level crossings?

Mr DIETRICH - No, that will be on Picnic Point at Ulverston, Deviation Road, Westbury East and West and then we've got the yellow box markings that I've just provided.

Mr CANTWELL - It's not the higher risk, but it's worth emphasising that is a new technology that TasRail is investigating that flips the coin if you like traditionally the warning systems have been rail-activated. This is road-activated warning. This is so the level crossing lights traditionally have been on high volume level crossings activated by the locomotive. This flips it round and sends a message to the road users that you're approaching a level crossing and that you've got a requirement to stop and look or whatever the level of protection is.

Mr VINCENT - Also while we're looking at it, I had a meeting the other day with the national safety body for rail, both on a national link-up and then one-on-one in the office. They're even looking at the lighting technology on the various engines and so forth as well to see how that can be improved with modern technology to be a greater warning when they're approaching intersections. There is a lot of work being done from both sides on this.

CHAIR - Minister, just to finish on this, is there a discussion with the Road Safety Advisory Council and do you have an issue with driver knowledge generally?

Mr VINCENT - Yes, there is discussion through the Road Safety Advisory Council regarding this. I'd have to say by the increase that there is a level of complacency with driver knowledge. We hope that the yellow boxes will highlight a few things, but it certainly needs to be part of the increased knowledge that we're passing on to our younger drivers. It's also the older drivers too that park across the railway line, so constant work needs to be done.

Ms BUTLER - May I suggest on the yellow box evidence that has been provided for the *Hansard* that won't make any sense. It might be a good opportunity for you to explain what that picture is that is the prop.

Mr CANTWELL - It's simply an additional indication on the road, a painted indication to warn road users that they're approaching a high-risk point in the road network. It's high-vis, highly visible, highly obvious hatching on the road surface as an additional warning to road users.

Mr DIETRICH - What it also does is - the sites we've identified quite often there can be congestion. Traffic is queued up from a set of traffic lights further up. This will make sure people aren't stopping on the network on the track when they're in traffic congestion or something of that nature, that they totally keep clear of this area.

Mr CANTWELL - The hatching, that yellow box, represents an exclusion zone for drivers. It effectively says do not park here. As the minister said: don't park on level crossings. Well, this says this is a level crossing.

Mr JAENSCH - The annual report makes a number of references to significant investment in asset maintenance and refurbishment of rail and of locomotives and other things. How does this translate into reduced costs or increased efficiencies or productivity of the rail system and how do you measure that?

Mr VINCENT - Before passing to the CEO, the upgrade of existing locomotives is quite interesting. The industry is going through a transformation to new technology over coming years and it's hard to know which way to jump or when to jump with that sort of thing. So extending their life has given TasRail a lot more capacity before it has to make a decision on new technology towards environmentally friendly locomotives. I will also pass to CEO to talk a little bit more or the chair if he likes.

Mr CANTWELL - TasRail needs locomotives to accommodate the freight task. New locomotives are very expensive kit. If we were to pursue additional new locomotives, we'd be looking probably north of \$10 million per unit. So, as an alternative to that approach to provide the capacity that we need to accommodate the freight volume, we're remanufacturing up to ten 60-year-old locomotives. These locomotives have been in service for a long time. TasRail, in looking at all the options, came to the conclusion that the most effective approach, to pick up on the minister's comment about a stepped or a phased approach to asset renewal to allow us to keep our eye open for new and more environmentally friendly propulsion systems, is to do our own work.

At TasRail we're rebuilding in our ETJ workshops these locomotives. They're being repowered with refurbished diesel engines. What comes with the refurbishment process is a whole new set of computerised controlled systems that controls the power to the ground, it controls the fuel into the system. So while they are a 60-year-old locomotive, they come with current technology control systems. They use less fuel; they deliver more attractive efforts. They are making, if you like, grandfather's axe new again. It gives us a unit - and the CEO will correct me if I'm wrong here - at about \$2.5 million per unit. The remanufactured same unit on the mainland comes the price tag of about \$5 million.

As I said earlier, if we were looking for a new locomotive it would be about \$10 million, So we get for \$2.5 million a locomotive that will give us another 10 years minimum service and this renewal of an old asset approach. It's living within our means and delivering a fit-for-purpose piece of kit to accommodate the freight task going forward.

Mr VINCENT - Bring insurance premiums down too, I suppose.

Mr DIETRICH - If I could further add to that, it circles back to that 99 per cent freight availability. That doesn't happen by chance. Obviously good drivers, but it requires a lot of parts of our business to make sure we hit that performance metric and rolling stock,

maintenance, good driver performance training. What also is delivered through our maintenance program is the impressive result that if people who know this business going back 15 to 20 years ago, it was quite regular for a train to have a derailment. As of today, we have gone 576 days mainline derailment free and that's over 120 services a day.

I use the analogy in the business that it's like sweeping water uphill. If you stop, it will be all over you. You cannot stop. So, it's only a statistic. It's as good as today. But if we go back to - we had an incident at Westbury where a truck collided with our train. That was probably the last severe derailment not caused by infrastructure, rolling stock or equipment. So, that was one.

If we look prior to that Westbury incident, we're 1072 days, and if we go prior to the previous mainline derailments, which were two front wheels off the track due to the weather, we're actually 2334 days mainline derailment free, from an infrastructure/rolling stock perspective. That's incredible.

What that's manifesting itself into is our discussions with our underwriters and insurance and risk profile. This financial year, we managed to save 18 per cent on our insurance premium. In a rising insurance market that's been very high. We managed to save 18 per cent on our insurance premiums by demonstrating this type of performance. The confidence and the confidence with our customers is putting the reliability back into the system and, hence, managing that risk profile; we've seen some really great outcomes.

Mr JAENSCH - As well as safety and environmental from less derailment.

CHAIR - Thank you. Given we have a very short amount of time and Prof Razay has just arrived.

Prof RAZAY - Yes, it's encouraging to see that TasRail recognises its essential role in Tasmanian life, particularly as a provider of sustainable freight transport and logistics. The railway line in Tasmania goes back to 1876, when they opened the line between Hobart and - was it Launceston?

Mr CANTWELL - Yes.

Prof RAZAY - I live not far away from Evandale and Western Junction - it's 199 km - and I'm thinking for the future. My question is, could the south line be used to connect people between north and south? I'm thinking particularly of tourists and even Tasmanians who would like a unique Tasmanian tourism experience. Especially as we see there is a growing congestion in our cities. Do you know there are 500,000 registered vehicles in Tasmania? I wonder if there is a case in the future that there might be a role for trains.

Mr CANTWELL - When you say the south line, are you talking about from Bridgewater into Hobart?

Mr DIETRICH - No, Brighton up to Launceston.

Prof RAZAY - Up to Launceston. Western Junction, Westbury, yes.

PUBLIC

Mr CANTWELL - Okay. Your point is well made. For our core infrastructure, we're not using last century's railway. We are using the century before last's railway. So, that's the technology upon which we're offering a service up to the freight community. It takes about 12 hours to get a freight train from Brighton through to Burnie. A truck can do that in 3.5 hours. However, what TasRail can offer to the community is that 99.7 per cent of the time we will get that train to whichever end we're promising to get it to within the window and, as we have talked about, with the derailment statistics, we can do it safely and reliably.

We're certainly open to the notion of passenger trains operating on the network, particularly along the north-west coast. It presents an iconic piece of corridor for tourist-type rail operation. But the headspace that we're in regarding those discussions, is that any passenger operation on the TasRail network would be for experiential as distinct from commuter, or as distinct from people movement because time is a premium for people and, if you're going to travel from north to south or south to north, the Midland Highway is probably the most efficient way to get you there.

So, to answer your question, TasRail is open to the notion of passenger trains operating on the network. Whether they're under the banner of TasRail or not is a question to be answered, but certainly there are opportunities there and we would say particularly in regard to tourist activity on the north-west corridor.

Mr DIETRICH - I think, to add quickly, never say never, but we're working closely with Don River Railway and what they're looking to do with the tourist experience coming at around the Coles Beach area and how they can access the mainline. We're very supportive of their endeavours and working very closely with them but, as the chairman said, and as you've highlighted, we have some iconic areas, and it would be lovely to see some commuter transport, more in a tourist aspect of things, but never say never.

Ms DOW - Minister, I understand that TasRail has a proposal to extend and expand the mineral shed at the Burnie Port in line with their developments with the hub at Melba. Is the Tasmanian government supportive of that, or have you been approached for funding, or will you be providing funding to ensure that happens?

Mr VINCENT - I will check with the CEO, but I'm pretty sure that was part of the deal with the shiploader. There is \$20 million -

Mr CANTWELL - \$18 million.

Mr VINCENT - \$18 million - pretty close - set aside for that. They've been working through the extension onto the corner of the shed there and that is funded already.

Ms DOW - I thought there was a requirement for additional funding, but is that not correct?

Mr DIETRICH - No. We have additional funding - the shiploader itself was \$64 million, and we have an additional \$18 million, which will take it to \$82 million.

Ms DOW - So it's covered?

PUBLIC

Mr DIETRICH - Yes. We're looking at the south-east corner, working very closely with TasPorts and we're doing a lot of GOs and trying to work out exactly what needs to be done to be able to expand the footprint of that facility. If you add then - sorry, for the confusion - another \$18 million, which is the Hampshire hub, it's actually a \$100 million investment into that whole supply chain on the north-west coast, which is very exciting.

Mr VINCENT - I might draw attention to the fact that TasRail is working pretty closely with Strait Link from our previous hearing. They've been able to move buildings and the use of the port facility to be able to increase Strait Link's - I was about to say floorspace but - areas for containers and shorten up their movement. There's been a level of cooperation on the Burnie site between TasRail, TasPorts and Strait Link to maximise Strait Link's usage of the port area.

Ms DOW - Can you provide an update please - through you, minister - to the committee on your EBA negotiations?

Mr DIETRICH - Yes. EBA negotiations are continuing. We're working with both unions through the process, the RTBU and the CEPU. There have been quite a few meetings working through the various areas of the agreements. We do know that the unions have put a ballot toward, or a request to Fair Work for protected action, and are seeking approval to look at that, but we continue to bargain in good faith. We've put an offer on the table, which is 13.5 per cent over four years and an early sign-on incentive, along with appropriate back pay. We continue to engage with both the RTBU and the CEPU - there was a meeting just yesterday working that through and there is another meeting scheduled for next week. We have some independent bargaining reps attending that meeting as well.

Would we like to be a bit more progressed? We would, but there's been some changes on the union side of things, with the delegate leaving and some new people coming on board. We're going to continue to push as hard for our people - we want our people to get a pay increase, but we also have to continue to make sure that it's affordable and sustainable for TasRail for the long-term future.

We want the best for our people. We've been looking at classification structures. We're conscious that - particularly with some areas within our trades - that we need to make sure we're looking at those classification structures. But, from our perspective, we're working as well as we can, as hard as we can, and we just want an outcome.

CHAIR - Minister, the question to you first - it's a policy decision relating to enabling things to happen for the Macquarie Point Stadium, but it goes to the heart of the Northern Access Road, which I understand forgoes some of the rail corridors. Most cities would give their right arm to have a rail corridor intact for future use. What's your decision-making in relation to this, and advocating for that corridor to stay intact?

Mr VINCENT - Certainly, the Northern Access Road does cut across part of the rail corridor there, but State Growth has made provisions for it to interlink, should that corridor be used for anything in the future.

CHAIR - Has TasRail disposed of any land along there, as yet?

Mr DIETRICH - No. On the Hobart non-operational line?

CHAIR - Yes.

Mr DIETRICH - The only thing we've done is through the Strategic Infrastructure Corridors act provided a section to the Tasmanian Transport Museum, who are looking to come out.

CHAIR - Alright. It's great to hear that they're going further. Does that involve any level crossings for the operation?

Mr DIETRICH - It does for them, but that's been removed from our remit.

CHAIR - You don't have any safety or responsibility for that? So, that falls back to you, minister, to make sure that those little crossings are safe?

Mr VINCENT - When those sorts of projects happen, there is a lot to do with safety and how it's to happen. I don't think we're at that stage with them.

CHAIR - Lastly, because it deals with the rail corridor, there are moves afoot to have a rapid transit bus and I'm curious, minister, how that project will determine the fate of the very precious rail corridor.

Mr VINCENT - Yes, certainly I can say that, as discussed last week, the funding is being sourced at the moment to do a full strategic plan on that corridor and there will be more information available publicly as that strategic plan is developed.

CHAIR - Is there anything more for the chair or the CEO to add to that?

Mr CANTWELL - No. We are the servants of the state and where we have capability to add, we're very happy to make that available.

Mr DIETRICH - Just back on the Tasmania Transport Museum, as part of the Strategic Infrastructure Corridor act, they become the rail infrastructure manager so they're responsible for the level crossings and the upgrade of the network of this section that they have under their control.

CHAIR - It's no longer in your purview?

Mr DIETRICH - No. They did some test running, as I understand, recently, and they're using some people at level crossings to secure and do different things to make sure the safety of those trains.

Mr CANTWELL - They will have had a safety case that they would put to the rail regulator in the same way that we do.

Mr DIETRICH - That's correct.

Mr CANTWELL - The rail regulator will have signed off on, however it is that they propose to manage the safety of operations on that corridor.

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Mr RAZAY - Going back to the importance of rail in reducing carbon footprints. We have an enormous number of trucks delivering containers to TasPorts. How are we doing with that because using the rails can make a big difference in reducing our carbon footprint?

Mr DIETRICH - It's a great observation. I'm pleased to say we moved the most number of containers in the history of TasRail last year - over 86,000 TEU (20-foot equivalent) containers, but there is more work to do. The volume that we move - we are the biggest mover of freight in Tasmania, and our estimation is that we keep, basically, the equivalent of 200,000 trucks off the road in terms of the volume we move.

We are focused on our relationship, particularly through the Burnie Port and the connection with the shipping operations that freight is coming off the ship and straight onto the train. The trains are just effectively a big conveyor system. It's the arterial of Tasmania and we're just transporting down a big conveyor system bulk freight, in significant movements. We certainly moved the most amount of container freight in the history of the business last year. That's on a footprint - effectively, we're four times less from a carbon emissions perspective to road. So, for every four black balloons going up on road per tonne of freight moved per kilometre, we only put up one.

Now, does that mean we're sitting on our hands because we still burn some diesel? We are looking at the new technologies and the chairman mentioned that earlier around battery locomotives, what new engine technologies may look like. As we know, this is - we're very much a net zero state and - hydropower. It would be great to have a battery powered locomotive moving freight across Tasmania, but a little bit more time and a little bit more work to do in that space.

CHAIR - Mr Jaensch, do you want to ask your question?

Mr JAENSCH - Yes, I do. Definitely.

CHAIR - Alright.

Mr JAENSCH - Thank you very much. Through you, minister, there was some information volunteered about support for tourist rail in the north-west. Apart from access and negotiating how to share, the mainline for that operation is TasRail proactively supporting their bids for the rail regulator's approval to do so on those sorts of matters?

Mr DIETRICH - You're referring to Don River Railway?

Mr JAENSCH - Don River Railway. Yes.

Mr DIETRICH - We're certainly engaging. I had our senior engineers meet with their people. They've just engaged to look at what the safety management systems are, what our braking systems are, and how they can build their rolling stock and effectively safely get onto the network. It really is up to Don River Railway to build their own safety management system and get accreditation, approval and endorsement from the rail regulator. They need to do that in their own right, but we're supporting anything we can help them facilitate that, but they need to develop it themselves, ultimately.

Mr JAENSCH - I think in previous iterations -

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CHAIR - Ms Butler, we've had an answer. Ms Butler, would you like to ask your question?

Ms BUTLER - How much are the top two executives of TasRail paid including allowances? Through the minister, of course.

Mr CANTWELL - It's in the annual report.

Ms BUTLER - Yes.

Mr DIETRICH - Not enough.

For myself, a base salary of \$381,000, super \$43,000, vehicle \$12,600 which is \$438,000 TRP. For the chief projects officer: \$305,000 base salary, superannuation \$35,000, \$17,000 for a vehicle, \$358,000 TRP. We don't have any incentives or bonuses within the business.

Ms BUTLER - There are no performance bonuses?

Mr CANTWELL - No, we specifically engineered those out of the business.

Ms BUTLER - When did you do that?

Mr CANTWELL - Three or four years ago. I can't remember the date, but we specifically negotiated those away from senior executives on the basis that we believed they were inconsistent with serving a government-owned corporation.

Ms BUTLER - Was there an increment to the salary level based on the loss of those performance -

Mr CANTWELL - Yes, there was, I can't remember the percentage. Was it 7 per cent?

Mr DIETRICH - Yes, it was a portion that was just applied to the base. We sit within the banding that's provided by Treasury. There's a banding level for all state-owned corporations and GBEs and we sit below that banding level for what the CEO position remuneration is, then from that, you have the other Treasury guideline requirements for the next executive [Inaudible] up to 80 per cent of that value and the whole executive team can only be 70 per cent of that banding value.

Ms BUTLER - I'm going to jump here if that's alright, Chair.

I have a question on shoulder injuries for locomotive drivers. Is that an issue, and if it is, how is TasRail addressing it?

Mr DIETRICH - It's predominantly been on the south line due to all the tight curves and the geometry and the topography we have to transit. There is a lot of movements by particularly our train drivers. Last year we only had two incidents of someone providing notification, so no lost time, no injury that caused a person not to be able to come to work.

We've recently, over the last six months, engaged some biometric people who have wired up some of our train drivers to look at all the different muscle movements. We're analysing all

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that information as we speak. It's provided some great information which then we're feeding into the design and any engineering improvements that we can put into any of the trains.

Ms BUTLER - Yes, because do you have any -

CHAIR - The time for scrutiny has just expired, unfortunately. I thank the minister and representatives of TasRail for attending, and the committee. Thank you very much.

We will be back at 2.00 p.m. with the Motor Accidents Insurance Board.

The Committee suspended from 1.00 p.m. to 2.00 p.m.