

Annex 11

Model Statement of Corporate Intent

1. Introduction

[Insert name of the Company] is a State Owned Enterprise that was formed in [Insert year]. The Company has since developed a strategic plan (Turnaround Plan) with the objective to build, over 10 years, a business able to meet its long run investment requirements, following an initial investment period from the State. This prioritized investment plan includes upgrading the network, rolling stock, plant, equipment, facilities and systems. The plan will be delivered by improving reliability, timeliness and providing more flexible services underpinned by the implementation of an organization-wide customer focused culture. This will attract more freight and enable yield growth.

The 2011 financial year was the first full year of implementing the Turnaround Plan (TAP). Like many businesses, the last 12 to 18 months have been remarkably challenging with a flat economy following the global financial crisis. Overall these have had a negative impact on our performance; however, we have been encouraged by many aspects of the past year including substantial support from our customers resulting in excellent growth in our domestic and import/export freight markets. We have also made strong progress on our asset investment plans. Further insights into key performance outcomes for the 2011 financial year are included in section 5 of this statement.

2. The Rail Business

The Company operates as a single entity with multiple business units. Key elements of the business are:

- Freight provides rail freight services and locomotives for passenger services. This includes:
 - The movement of bulk freight such as export coal, milk, steel, meat, horticultural products and forestry;
 - The movement of containerized freight for import and export and domestic full container load customers
 - Metro Maintenance, which provides locomotive engineers and maintains rolling stock
- Ferry operates the ferry passenger and freight services. This includes: three “roll-on, roll-off” ferries carrying rail freight, commercial vehicles, passenger vehicles and foot passengers

- Passenger provides urban passenger services in and long distance passenger rail services. This includes:
 - Long distance passenger services as well as special charter services
 - Urban passenger
- Mechanical which includes:
 - Workshops for heavy engineering maintenance and specialized manufacturing
 - Maintenance and service repairs to rolling stock (locomotives, wagons, EMUs, DMUs and carriages)
- Network
 - Maintains the rail network and controls the operation of trains on the network

3. Nature and Scope of the Business

The business activities of The Company over the next three years will be:

- To own and operate a national rail network
- To provide for the transport of bulk and consolidated freight
- To provide ferry services for rail, commercial freight, and passenger services and their vehicles
- To provide rail passenger services in metropolitan areas and long distance services for both domestic and tourist markets
- To manage and develop property holdings for rail operations and appropriate third party land use
- To develop rail and ferry services and intellectual property in expanded markets
- To undertake or participate in business activities which add value for customers and leverage the capabilities of The Company.

4. Corporate Responsibility Commitment

- To deliver to our customers what we have promised; we will listen to them and involve them in our solutions and innovations
- To be a good employer, treating our people fairly and with respect, and valuing their diversity. We are committed to creating a workplace that makes people want to join, stay and work to their full potential. Our commitment to the safety and well-being of our people is a priority
- To work with our suppliers to develop long term partnerships based on best practice procurement methods which reflect mutually agreeable codes of conduct

- To recognize the environmental, social and economic needs of the communities we work in and endeavor to be a good neighbor. We will involve relevant communities in initiatives we implement
- To help protect the environment by better understanding, managing and measuring our environmental impacts and minimizing the carbon intensity of our services. We will do this by commissioning new, more fuel efficient locomotives, increasing our focus on fuel saving behavior and opportunities to improve efficiency.