

**TERMS OF REFERENCE
OF AN INDEPENDENT ASSESSMENT OF TASMANIA'S RAIL SYSTEM**

The independent assessment is to be oversighted by the Australian Government's Department of Transport and Regional Services and the Tasmanian Department of Infrastructure, Energy and Resources and is to report to the Australian Government Minister for Transport and Regional Services, the Hon Warren Truss MP and the Tasmanian Minister for Department of Infrastructure, Energy and Resources, the Hon Bryan Green MHA by 30 November 2005. Pacific National has agreed to fully participate in the assessment.

The report of the assessment will be provided on a confidential basis to Ministers because of the commercial sensitivity of much of the data that will need to be provided by Pacific National. However, it is expected that Ministers will release a public report on the findings of the assessment (which does not breach any confidentiality undertakings established with Pacific National).

The assessment will be using a 10-year planning horizon and having regard to any available information from the existing rail operator and other sources, examine two major issues:

1. Commercial/Financial Viability of Tasmanian Rail Operations

- current, and future forecasts of, rail container and bulk freight volumes and revenue in Tasmania;
- the current condition of the rail track, other infrastructure and rolling stock and required future upgrading and maintenance costs to adequately service current and future freight traffic; and
- using (a) and (b), assess the current and future commercial and financial viability of Tasmanian rail operations.

2. Economic and other Impacts of Rail on the Tasmanian Economy

- (a) outline the economic, environmental and other costs/benefits of rail on the Tasmanian economy; and
- (b) assess the future costs/benefits of transferring freight between transport modes in Tasmania.

Using the assessment report, officials will provide advice to Ministers on alternative options for meeting the strategic requirements of the Tasmanian freight transport task.

The assessment will be jointly funded by the two Departments.