

## FORECAST REPORT - 2011/12

### Introduction

Since establishment on 1 July 2010, Queensland Rail Limited's (Queensland Rail) safety, operational and financial performance has tracked in line with, and in some cases exceeded, the 2010/11 forecast targets. These results demonstrate that Queensland Rail has established a strong strategic foundation for future success.

Queensland Rail will build on these achievements and introduce a suite of initiatives to ensure the expectations of customers, shareholders and the people of Queensland are met.

Performance Outcome	Forecast for 2011/12	Explanation
EBIT (Earnings Before Interest and Tax)	\$404.33M*	Queensland Rail's financial performance, as measured by EBIT, is projected to decline marginally in 2011/2012 due to the expected increases in costs not fully offset by the uplift in revenue.
City network On-time Running	93.77%	The implementation of phase one of the timetable review was highly successful for customers, leading to a better passenger load spread and reduced dwell time at stations. A significant overhaul of the maintenance processes will produce improved unit availability and reliability.

### Strategic Priorities for 2011/12

Queensland Rail is committed to delivering strong performance around the strategic priorities of safety, customer, people, commercial and community by:

- continually promoting a safety-focused culture through initiatives such as the establishment of Safety Motivated Action Resource Teams (SMARTs)
- setting new standards of excellence in customer service through international customer service reaccreditation
- negotiating enterprise agreements that foster an integrated Queensland Rail with a high performance culture
- improving the cost base of the business through a sustained focus on productivity and efficiency enhancements
- delivering capital projects on time and within budget including: station upgrades; track upgrades and replacement City network rail infrastructure; new generation rollingstock; and rollingstock stabling facilities
- improving Travel network product offerings
- establishing Queensland Rail's Information and Communication Technology (ICT) systems and capability and finalising ICT separation from QR National Limited
- promoting community partnerships and engagement through education, sponsorships, charitable support and other activities.

### Major Projects for 2011/12

The capital program will ensure Queensland Rail is able to meet the growing need for public transport in South East and regional Queensland and the demands of a growing freight network. The forecast for Queensland Rail's total capital investment in 2011/12 is approximately \$1 billion including these key capital projects:

- New City network and Travel network rollingstock
- City network Disability Standards – rollingstock and infrastructure
- New stabling facilities
- Darra to Springfield line (Stage 2)
- Keperra to Ferny Grove duplication
- Moreton Bay rail link.

### Market environment for 2011/12

The major drivers impacting Queensland Rail in 2011/12 include:

- population growth leading to increased demand for public transport and rail freight infrastructure and services
- a strengthening economy led by the mining industry
- an increase in competition from alternative transport providers
- attraction, retention and succession planning challenges inherent with a large workforce
- energy and environmental sustainability issues
- a rapidly shifting technology environment.

Through delivery of its strategic priorities, Queensland Rail will ensure it has the people, culture, systems and learning framework required to meet these challenges and capitalise on strategic opportunities.