

Highlights

Queensland Rail Limited (Queensland Rail) achieved legal separation from QR Limited on 1 July 2010 and commenced operation as a new Government Owned Corporation (GOC), focussing on passenger transport, network and infrastructure services with a strong commitment to safety and customers.

Separation and establishment achievements include:

- accreditation as a rail operator and manager to begin operations on 1 July 2010;
- commenced operation of the corporate structure and workforce plan;
- commenced operation of Queensland Rail's safety systems;
- establishment of Queensland Rail's financial systems, processes and reporting;
- service contracts negotiated and underway;
- creation of Queensland Rail's fixed asset register;
- development of Queensland Rail's Statement of Corporate Intent and Corporate Plan; and
- establishment of the Information and Communication Technology (ICT) function, including successful separation of SAP and payroll systems.

Queensland Rail continues its commitment to safety and Zero Harm, with new initiatives including the Protecting People Trackside and the Train Safety Innovation campaign.

The results for the first half year show safety, operational and financial performance in line with, or exceeding, budgets and plans.

Financial Results*

Six months to 31 December	2010	2009
EBIT (\$m)	255.61	^
NPAT (\$m)	102.15	^
Return on Equity (%)	10.32	^
Return on Assets (%)	8.61	^

Queensland Rail's EBIT for the six months to December was \$256M, \$47M ahead of plan. This was primarily due to additional Transport Services Contract (TSC) revenues resulting from an increased rate of return for both the City network and Traveltrain TSC's and reduced depreciation expenses as a result of the delay in the transfer of approximately \$500M of assets from QR National Limited.

^ Queensland Rail Limited was created on 1 July 2010, therefore no direct prior year financial comparators exist.

Capital Program

Expenditure to 31 December 2010 totalled \$377M. Major outlays included \$179M for South East Queensland Infrastructure Plan and Program, \$79M for Regional Network, \$36M for Network programs, \$18M on rollingstock overhaul programs, \$16M for South East Queensland TSC programs, \$14M for ICT Separation programs, and \$11M for Sunlander14 project.

Non-Financial Results

Six months to 31 December	2010	2009
Lost Time Injury Frequency Rate	7.78	13.47#
Freight GTKs (B)	7.75	7.97#
City network Customer Satisfaction	69	66#
City network OTR (%)	93.68	93.20#

Lost Time Injury Frequency Rate (LTIFR) is trending downward to 7.78 injuries per million hours worked, which represents a 42% reduction in the injury rate compared to the December 2009 result.

Freight Gross Tonne Kilometres (GTK) are 2.7% down on 2009. Heavy rains in the northern regions of the state contributed to widespread service cancellations. City network Customer Satisfaction is based on an index out of 100. Results continue to improve in the areas of Comfort, Accessibility and Staff. Queensland Rail has delivered a solid On Time Running (OTR) performance.

Prior year non-financial results are based on results for similar functional units within QR Limited which now make up Queensland Rail.

Corporate Entertainment and Hospitality

No events costing more than \$5,000 occurred in the half year ending 31 December 2010.