

ceda 2009

Rail Reform

Getting Freight Back on Track

Bryan Nye
Chief Executive Officer



Seven Kingdoms

- Federated History – 22 gauges now there are 9
- Standard – NSW, Inter Capital (WA, SA, VIC)
- Broad – VIC, SA
- Narrow – QLD, WA
- 22 Communications Networks





AUSTRALASIAN RAILWAY ASSOCIATION INC

AUSTRALIA



LEGEND

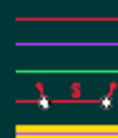
NARROW GAUGE

STANDARD GAUGE

BROAD GAUGE

SERVICE SUSPENDED

INTERSTATE STANDARD GAUGE NETWORK



NORTHERN TERRITORY

QUEENSLAND

WESTERN AUSTRALIA

SOUTH AUSTRALIA

NEW SOUTH WALES

ACT

VICTORIA

TASMANIA

NEW ZEALAND

NORTH IS.

SOUTH IS.



Rail Industry: Size

- Labour force: 42,000 people
(+70,000 working in industries supporting rail.)
- Investment Commitments:
 - Rollingstock and track \$30 BN
- Track: 44,262 km

TODAY



Track Ownership

Private Rail (BHP, Rio Tinto, FMG)	7,000 km
QR	9,521 km
RailCorp	1,700 km
WestNet Rail	6,622 km
ARTC (pre ARTC/NSW lease)	10,000 km
Sugar Cane Railways	4,150 km
VicTrack	3,676 km
Asia Pacific Rail	2,251 km

Freight Operators

HIRE AND REWARD

- Pacific National (PN) includes Tasrail
- Queensland Rail (QR)
- Specialised Container Services (SCT)
- FreightLink
- Genesee and Wyoming (G&W)
- Southern Shorthaul Railroad / Silverton
- Independent Rail Australia
- Chicago Freight Car Leasing Australia (CFCL)
- EL Zorro

Freight Operators

Special Operators

- BHP Billiton Iron Ore
- Pilbara Rail Company
- Comalco
- Sugar cane railways



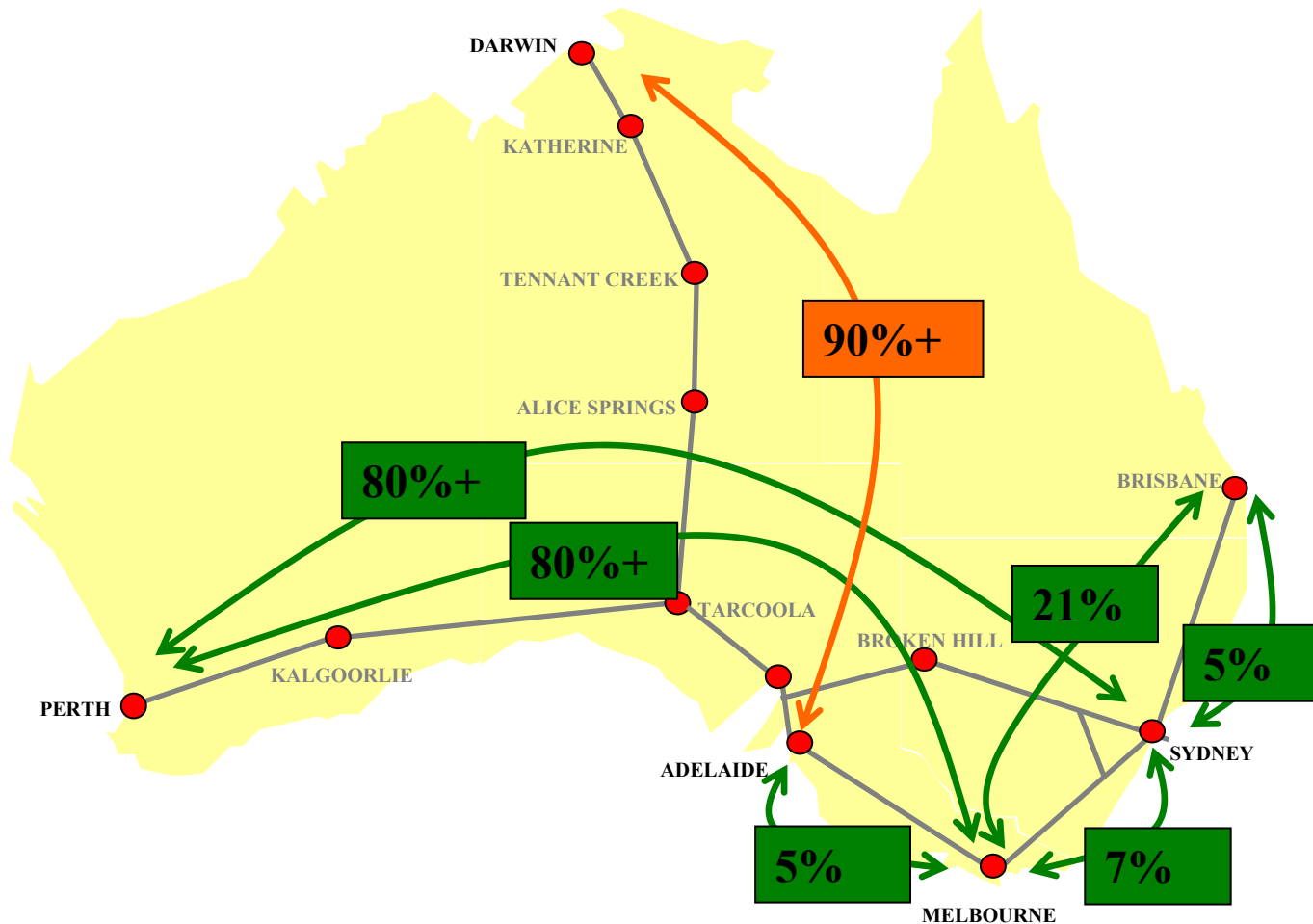
Rail Freight Big Picture

	2003/04	2006/07	Change
Coal	239.06	265.79	9.6%
Ore	219.35	274.12	24.9%
Sugar	34.84	31.27	-10.1%
Grain	17.72	9.79	-44.7%
Bauxite	15.90	10.18	-35.9%
Other Bulk	51.79	55.90	7.9%

Non-Bulk	16.06	18.58	15.6%
Total	594.70	634.64	11.9%

* Numbers in million tones.

Rail Market Share of Interstate Freight Movements



Projected Market - 2010

➤ Melbourne – Brisbane:

- 53% (7.4 mt)
(26% cheaper) (25.6 hrs)

➤ Melbourne – Sydney:

- 13%
(6% cheaper) (10.5 hrs)

➤ Sydney – Brisbane:

- 11%
(4% cheaper) (15.1 hrs)



Transport Challenge

- Volume & Movement of Freight will Double Over Next 10 Years
- Congestion Cost 13BN in 1995, \$30 BN by 2015
- Current Road & Rail Inadequate
- Climate Change
- Community Expectation



Government Challenges

- Ongoing Microeconomic Reform
- National Plan Development
- Urban Mobility
- Incentives to Invest
- Regional Rail



Regulatory Framework

- One Safety Regulator not seven
- One Safety Investigator
- Economic , Environment, OH&S, Noise, Training, Skills et al

East Coast Challenge

- Transit Time
- Reliability
- Availability
- Price
- Capacity



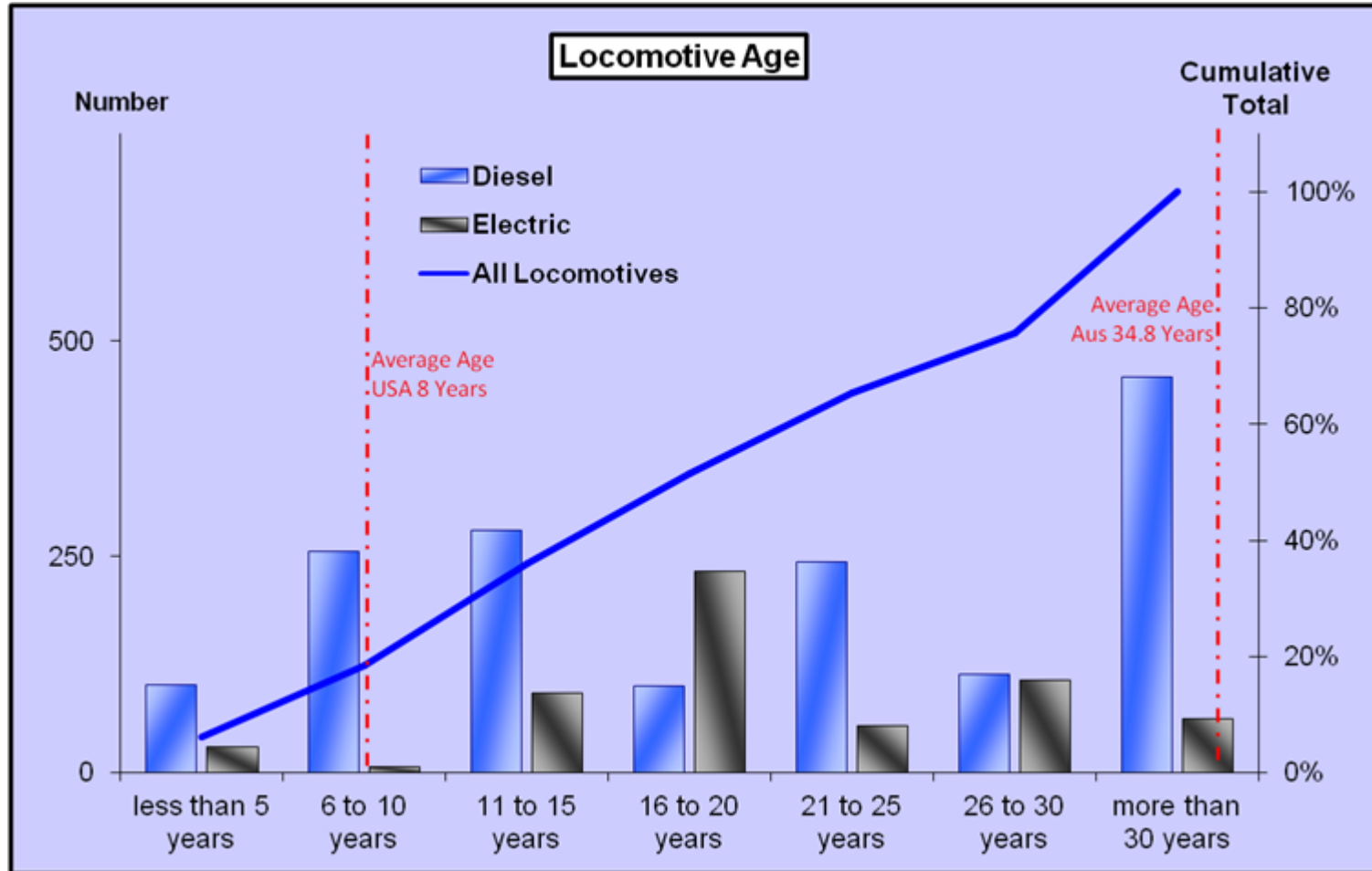
Dedicated Sydney Freight Corridor Corridor

- Southern Sydney Freight Line
- Port Botany + Moorebank
- Strathfield North – Stage 1 \$800 M
(Yet to be funded) Stage 2 \$1.5 BN
Stage 3 \$ 2.0 BN

Urban Mobility and Planning



Locomotive Fleet



Regional Rail





RAIL – Today's Solutions For Tomorrow's Problems