

Address by David Marchant
At Industry Briefing
North South Strategy
31 May 2005

Welcome to this Industry Briefing.

The objective of this afternoon is to outline the strategy ARTC intends to pursue over the next few years and to seek your expressions of interest in joining with us in undertaking the tasks ARTC wishes to achieve.

Today represents another milestone in a four year journey ARTC has embarked upon.

A journey directed to achieving a turn around in the market performance of rail.

The program which we will outline today is focussed on repairing, renovating and rebuilding the rail infrastructure assets, so that we can address rails performance on the North – South corridor and its market share.

The works are not aimed to achieve some rail engineering utopia but rather to clearly achieve the market performance requirements.

Our objectives are clear. We wish to improve
Transit Time;
Reliability;
Capacity; and
Yield (above and below rail)

All works undertaken must have a benefit or multiple benefits to these objectives. Fundamental to all is achieving these safely and operating safely.

ARTC is seeking alliance partners for the implementation of the strategy who share our objectives and who can provide efficient and effective contribution in its delivery.

The outcomes from the strategy will see significant improvement from present performance and enhanced outcomes compared to our original business case for NSW.

Transit time will be reduced from 13 hours 30 minutes for 1500m super freighters to 10 hours 40 minutes from Melbourne to Sydney. 1800 meter super freighters will be able to achieve 11 hours 30 minutes.

Melbourne – Brisbane transit times at 1500 metres will be reduced from the present 35 hours, 46 minutes to 26 hours, 10 minutes.

Sydney – Brisbane transit times for super freighters will reduce from the present 19 hours, 22 minutes to 15 hours, 30 minutes.

All of these transit times are based on projected 2015 train numbers – in advance of achieving these numbers of trains the transit times will be even better.

Capacity will be significantly enhanced to enable the reliable movement of 10 full length superfreighters each way between Sydney and Melbourne and 9 each way between Sydney and Brisbane 365 days of the year. This compares to the current numbers of 4 to 5 superfreighters on each corridor, with some of these restricted to less than 1500 metres.

The transit time and capacity enhancement are premised on an increase in volume on the North – South corridor of over 119%.

The strategy produces a superior outcome to the original ARTC business case for NSW and we are now targeting a speedy completion of most works in 3 to 4 years rather than the 5 to 6 years.

ARTC is seeking alliance partners to help build the operating and asset improvements over the next 3 to 4 years to achieve these outcomes.

Our alliance will essentially be by rail corridor. This is to ensure alignment between our works, our corridor staff and structure, our markets and our regular maintenance programs. The process by corridor requires a genuine alliance between our ARTC asset maintenance and operating groups and the alliance provider.

Works need to be sequenced and coordinated along the corridors so that optimum results are achieved without negatively impacting upon the markets we are seeking to build. We are seeking the alliance partners to be a fundamental part of the planning, coordination and delivery with our corridor staff.

The alliance process enables the participants to have a reliable base of work and contribution to the results over the 3 to 4 years. This enables a smooth and reliable program to the provider.

As expressed in the Chinese proverb we are seeking partners “who not only share the same bed as us, but also the same dreams”.

Many in the industry have indicated that we should concrete sleeper the whole of the corridors. I have resisted this as the cost / benefit between concrete and timber is not yet to the level where concrete can demonstrate a superior cost / benefit ratio on the Eastern seaboard. In light of the market indicating that it could match timber prices delivered with appropriate jewellery if a large enough order was provided, ARTC will seek expressions of interest for the delivery of 1 million concrete sleepers. Subject to the outcomes of the expressions we may add to the order and progressively fully concrete sleeper the corridor.

This afternoon you will receive 3 presentations. One from Malcolm Owens outlining the strategy and projects. The second from Nick Economos who will outline the expression of interest process. The third from Wayne James who will outline the structure of the arrangements we are seeking.

In the end we are seeking alliance partners who are competent, efficient and effective, who are flexible and lateral thinking and also share our objectives, our values and who will work with us, recognising our constraints, to achieve the outcomes in a form which helps deliver the results without negatively impacting on the market.

Now the challenge is for us to repair, renovate and rebuild the North – South corridor so that rail can grow its market share, I hope you can join with us in this task.