



Creating a Rail Road National Highway

Presentation by David Marchant, CEO

Presentation to the UBS Warburg Transport Conference, Sydney, 8 April 2003

ARTC's Objectives

Provide efficient and seamless access to the interstate rail network

Improve infrastructure through better asset management and by managing an investment in interstate rail.

Increase rail's share of the interstate freight market

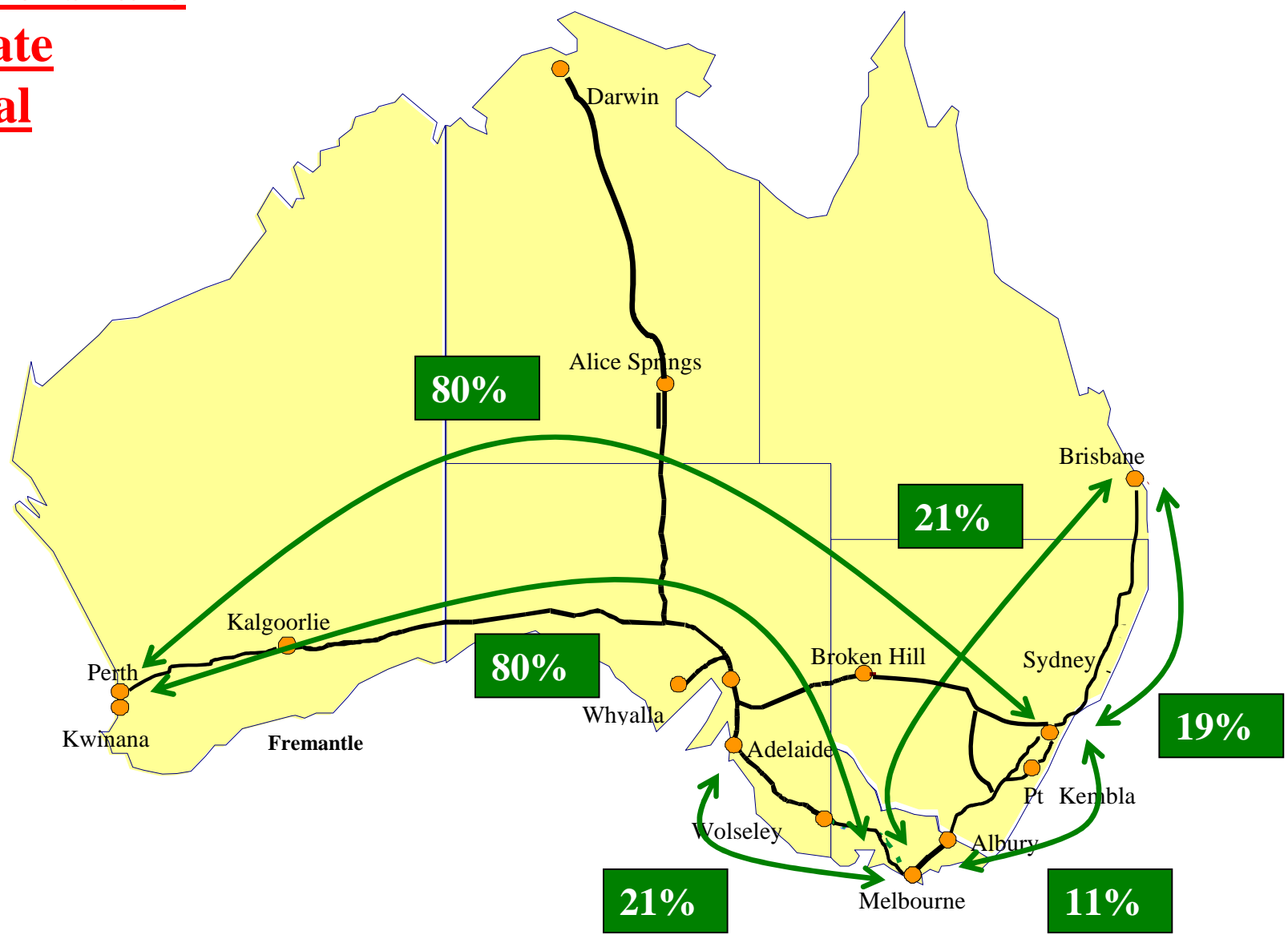
Foster a commercially viable Australian rail industry, thereby contributing to an efficient national transport

Promote operational efficiency and uniformity of operating, technical and safety standards and practices on the interstate rail network

Operate the business on commercially sound principles



Rail market share
of interstate
intermodal
markets

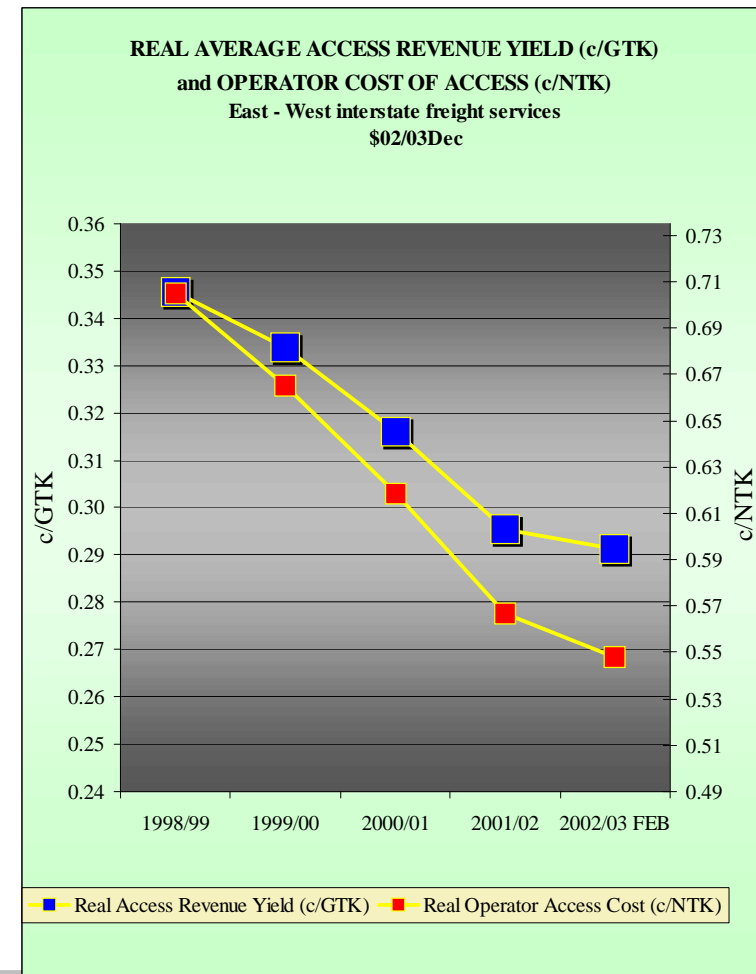


Objective: To pursue a growth strategy for interstate rail through improved efficiency and competitiveness

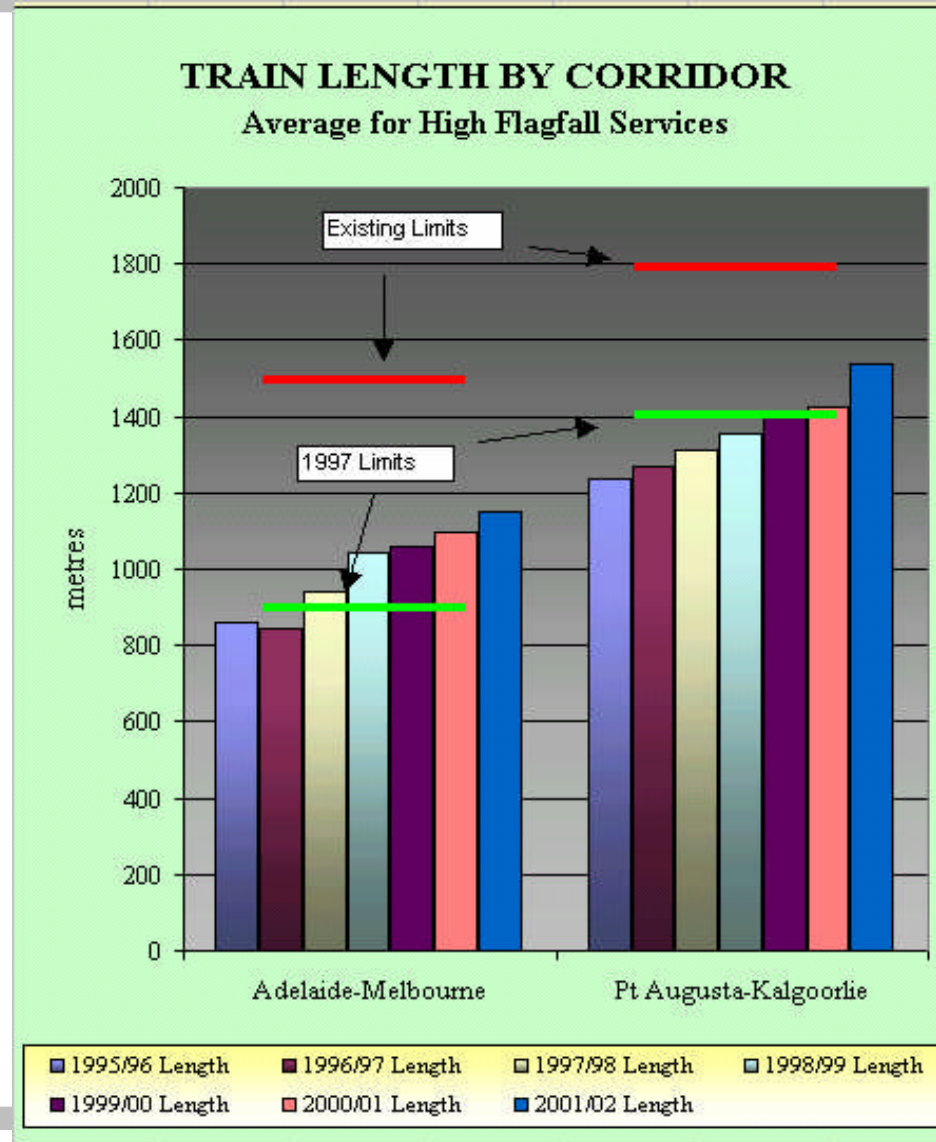
ARTC has promoted Improved operational efficiency and rail competitiveness on the interstate network

On East-West corridors....

- Operators have improved path utilisation by increasing train lengths and weights towards increased operational limits made available to them
- Melbourne - Perth transit times have reduced by around 2 1/2 hours
- Average speeds have increased resulting in improved fuel efficiency, reduced labour and improved asset turnaround
- As a result of improved path utilisation, the real cost of access (c/NTK) has reduced by 22% over the past 4 1/2 years. (14% nominal)



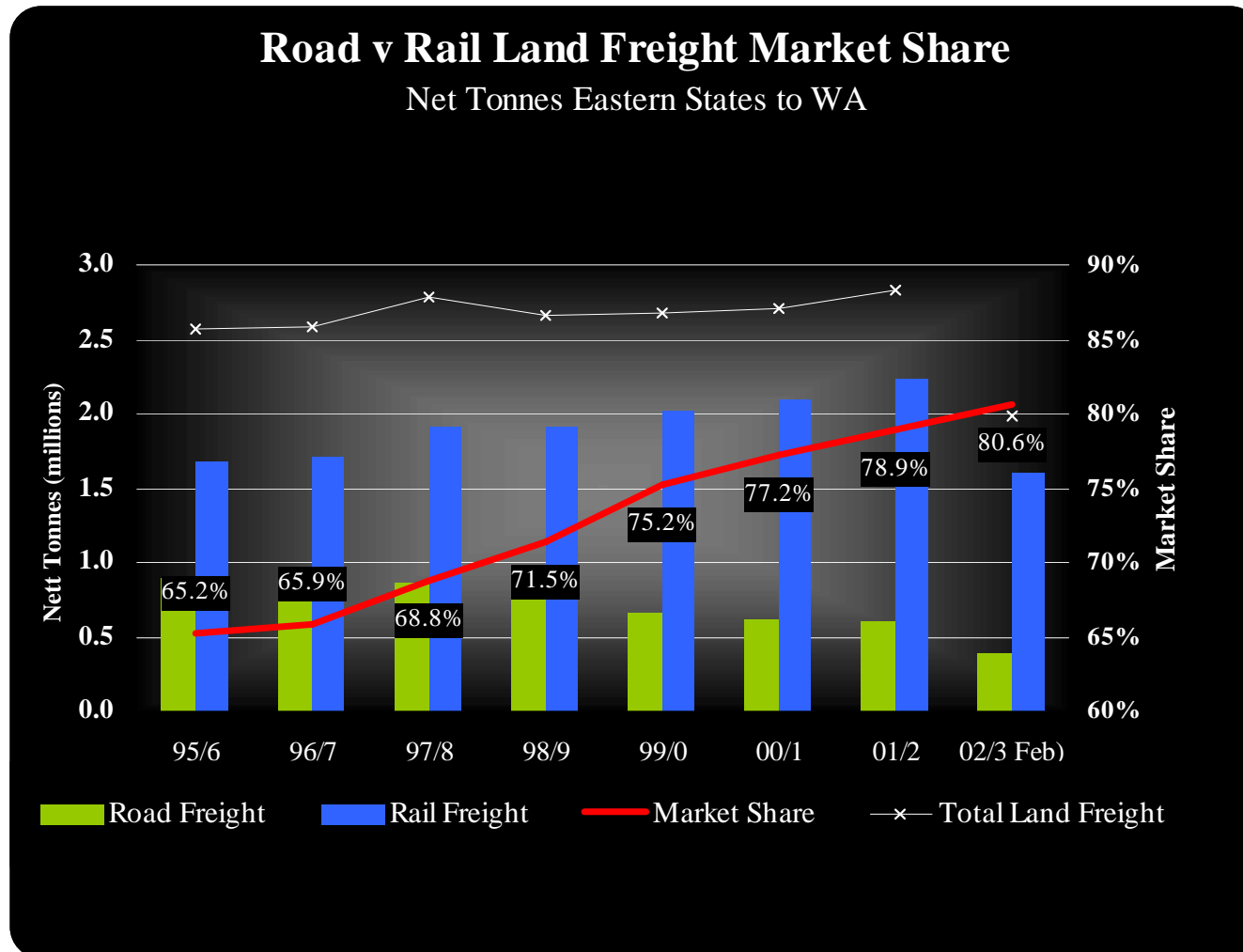
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ARTC has contributed to increased rail market share



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Why has rail improved its position in east-west markets?

Increased level of above rail competition

... resulting in service quality and delivery improvements

- improved transit times
- improved reliability/availability

... yield improvements

- above rail (asset utilisation, fuel, crew)
- below rail (cost of access)

... product diversification

- service tailoring
- niche services
- warehousing

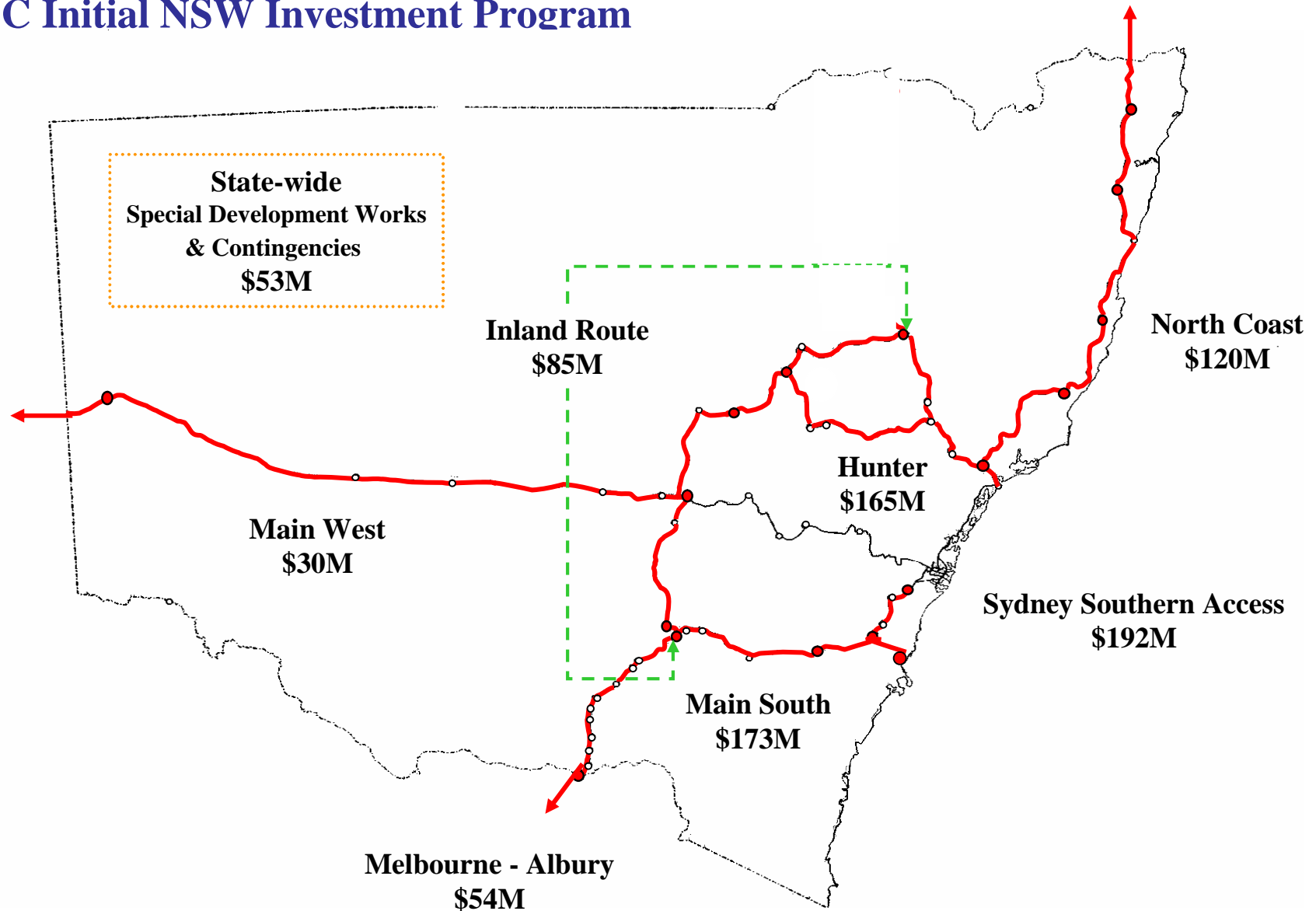
Objective: Provide efficient and seamless access to the interstate rail network.

ARTC's Agenda for the North – South corridors

- **Improve service reliability**
- **Improve service transit times**
- **Improve above and below rail yields**
- **Improve infrastructure to give rise to the above**
- **Improve efficiency of access to eastern seaboard ports**
- **INCREASE RAIL MODAL SHARE**



ARTC Initial NSW Investment Program



Objective: Provide efficient and seamless access to the interstate rail network.

Benefits to NSW

- Investment of more than \$800m in rail infrastructure
- \$2.5b of present value savings in existing Community Service Obligation payments. A minimum NPV benefit of \$1.2b.
- Significant improvements to safety through investment in new train control, signalling and safeworking technologies
- Enhanced urban passenger capacity, through the building of a new non-electrified rail route from Macarthur to Chullora, separate freight and mainline passenger services from the urban electrified passenger system.
- Guaranteed planning priority for passenger services and real access pricing reductions
- Investment of \$165m in the Hunter Valley rail system , combined with real access price reductions of around 20%

Objective: Provide efficient and seamless access to the interstate rail network.

Benefits to the Community

- **Increased rail freight market share**
- **Savings in existing Community Service Obligation payments by the State become available to the State for other high priority areas**
- **Enhanced capacity and reliability for the electric urban passenger system in southern Sydney through development of a non-electrified route, and for country passenger services in the upgrading of the leased network**
- **Improved rail capacity and quality of services for rural communities served by the leased network and connected branchlines**



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Benefits to Transport and Freight Operations ...

- National Audit outcomes will be achieved in the first five years:

	Transit Time (hours)		Reliability (%)		Service Availability (%)	
	from	to	from	to	from	To
Sydney - Melbourne	13.5	10.5	55	75	50	75
Sydney - Brisbane	21	17.5	50	75	25	60
Melbourne - Brisbane	36	29.5	45	75	60	85

- Increased train lengths (1,500m NS, 1,800m EW) will improve operator yields. Reduced operator costs, when combined with improved transit time, reliability and availability will assist in improving rail's market share.
- Improved rail safety through investment in new train control, signals and communication technology. This will also enable delays in one part of the system to be safely made up in another part (full corridor management).
- Increased capacity and reliability i.e. the Hunter Valley rail system ((85mTpa to over 100mT pa) plus reduced access pricing. ARTC will establish a logistics planning centre, co-located with Port and Rail Operators, to develop optimum efficiency in coal movements by rail from mine to port.



Opportunities Advancing for Rail

- **AusLink** - provides a basis for national land transport infrastructure development
- **NTAC** - National Transport Advisory Council - provides an opportunity for coherent infrastructure investment strategies
- **NTC** - National Transport Commission - provides a basis for cross-modal regulatory and risk framework
- **ALC** - Australian Logistics Council - provides opportunities to overcome silo mentalities and look at systemic improvements

**A PLATFORM FOR COHERENT, STRATEGIC IMPROVEMENTS
TO THE NATIONAL TRANSPORT LOGISTICS CHAIN
IS STARTING TO COME TOGETHER**