



AUSTRALIAN RAIL TRACK CORPORATION LTD

MEDIA RELEASE

DAY ONE: NEW ARTC CEO OUTLINES VISION FOR RAIL FREIGHT

Australian Rail Track Corporation (ARTC)'s new CEO, John Fullerton, has used his first day on the job to outline his views on the future direction of rail freight as part of the national transport and logistics framework.

"The improvement to the reliability and efficiency of rail freight over the last decade has been significant. Rail has become a competitive and value adding component in Australia's interstate transport market," he said.

"However the simple truth is that there is still uncertainty in the market place as to rail's capability to deliver as a transport solution."

"**This must change**," Mr Fullerton said.

"We need to work with customers and potential customers to position rail freight as a cost effective transport alternative and to address the incorrect perception that rail is not up to the task as a long haul logistics solution"

"Rail is now cheaper, more fuel efficient and more environmentally friendly than long haul road transport. On average rail is around 20% cheaper door-to-door on long haul routes."

"An important priority for me is to convince customers to switch to rail as there are potentially significant cost benefits available for them."

"ARTC will continue to drive the revitalisation of rail freight as a competitive option to trucks and our focus especially will be between Brisbane, Sydney and Melbourne."

"**As a nation we do not do enough research into freight transport and related long term planning.** Our country is totally reliant on transport, both for import/export and domestically and it is vital that we build the appropriate infrastructure to handle the future freight task in an efficient manner."

"ARTC has undertaken detailed studies that have taken a long term view of the transport market factoring in fuel prices, labour costs, congestion and carbon costs."

"The conclusion we have reached is that as demand doubles over the next decade, the obstacles facing road transport mean that the increasing logistics burden cannot be handled by trucking alone."

Mr Fullerton highlighted that part of the solution is the move toward the effective pricing of transport infrastructure.

“The Henry Tax Review called for road pricing reform and heavy vehicle charges on long haul routes where road and rail compete. This would help rail take some of the heavy lifting from the trucking industry in meeting the growing demand and the need for more efficient logistics solutions,” Mr Fullerton said.

“The real challenge for ARTC and its customers in the future will be working with freight forwarders, rail customers and other end users to see how we can make access to the network easier to them. It’s a broad challenge, but as an industry we need to become more flexible and responsive.”

Mr Fullerton was emphatic that the revitalisation work must continue.

“While our new timetables are already revealing significant time saving improvements between the East Coast capitals, there is more to be done.”

“This month we start work on the North Coast curve easing programme at 58 sites on the Northern line, brought forward as part of the Australian Government’s Productivity Package.”

“Reducing the severity of the track curves on these specific sites will lead to an increase in line capacity through a further reduction in transit times,” he said.

“In addition, we need to continue our current billion dollar upgrade of coal lines in the Hunter Valley to ensure that the vital rail link between the coal basins and the Port of Newcastle stays ahead of increasing market demand.”

Mr Fullerton explained that capacity north of Sydney was also an area of critical focus as freight volumes continue to grow.

“We need to be able to convince customers that rail can cope with these increased volumes. The \$840 million currently budgeted for capacity improvement works north of Sydney will be sufficient to cope with the demands over the next decade, however beyond that we need to be looking at a total separation of freight and passenger services wherever possible between Sydney and Newcastle.

Background

John Fullerton held the position of Chief Executive Officer for Asia Pacific Transport Pty Ltd and Freight Link Pty Ltd for the past six years.

Prior to this John was Divisional General Manager of Operation Services at Pacific National and has also held several senior roles with (the former) National Rail Corporation including Chief Operating Officer. His experience will be of immense benefit to ARTC.

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