

Our future on track

# *Growing the Tasmanian economy with a modern rail freight network*

*Tasmanian Minerals Conference*

*May 2011*



## *A quick overview*

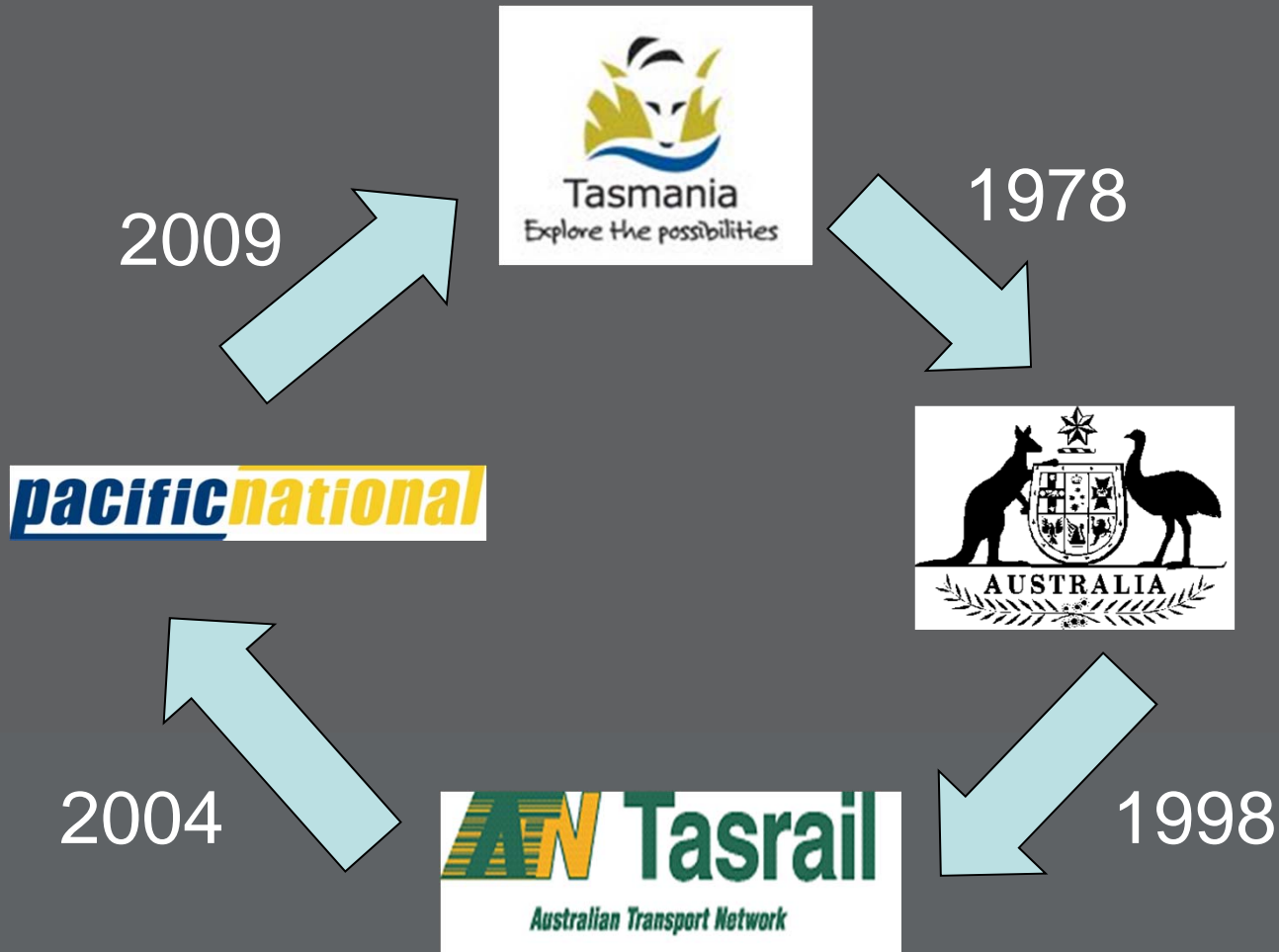
- *632km of operational track*
- *213km of non-operational track*
- *355 bridges*
- *120 active level crossings*
- *122 passive level crossings*
- *>300 private (eg. farm) crossings*
- *>1.3m sleepers*
- *3 tunnels*
- *3 freight terminals*
- *2 port terminals*

## *A quick overview*

- *~140 services per week*
- *34 locomotives*
- *374 wagons*
- *Melba & Burnie bulk handling facilities*
- *Around 200 employees*
- *2.5m tonnes of freight carried annually;*
  - *Containers*
  - *Paper*
  - *Cement*
  - *Concentrates*
  - *Coal*



# What goes around, comes around!



## ***“the roads aren’t expected to make a profit”***

- *We expect our freight operations to make a profit*
- *We consider the rail network is not unlike the road network – a critical piece of transport infrastructure*
- *Government ownership in rail provides the opportunity for rail to be an enabler for business and industry development*
- *Tasmania is unique – government ownership of roads, rail & ports – a great integration opportunity*

## *If there was no railway*

- There would be more than 100,000 additional B-Double road movements on Tasmanian roads each year*
- An additional 25m litres of fuel would be used each year*
- An additional 65,000 tonnes of greenhouse gases would be emitted each year*
- Some producers wouldn't be able to get product to market*

## *Current investment program*

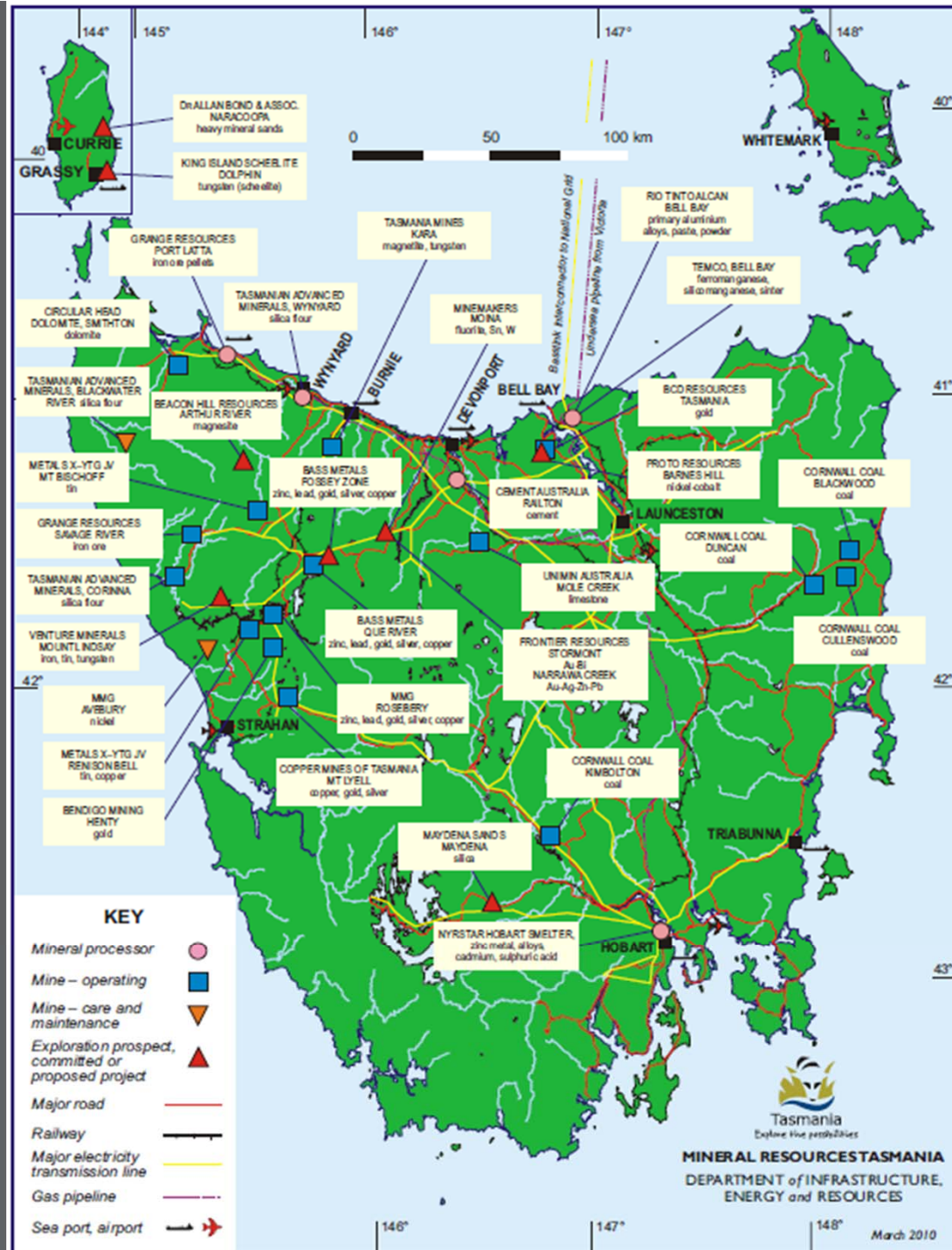
- *\$206m from Commonwealth Government for track rehabilitation (sleepers, rail, bridges, etc)*
- *\$130m from Tasmanian Government*
  - *New and overhauled locomotives*
  - *New and overhauled wagons*
  - *Track maintenance equipment*
  - *Modern train control system & communications*
  - *Upgrades to Burnie & Melba bulk handling facilities*
- *Investment in our people*
  - *Safety*
  - *Skills development*

## *Investment outcomes*

- *Safe & reliable rail network*
- *Lower network maintenance costs*
- *Faster transit times (how fast do we need to go?)*
- *More fuel efficient equipment*
- *Safe & reliable equipment*
- *Lower equipment maintenance costs*
- *Best practice Freight Terminals*
- *A safe, efficient & reliable business*

## *Our challenge*

- *Maximising volume opportunities*
  - *High fixed cost business*
- *Making a short-haul railway commercially viable*
  - *Innovative work practices*
  - *Innovative use of technology*
  - *Supply chain innovation*
  - *Working closely with customers and other interfaces*



## *Our collective challenge*

- *Better understanding the cost of getting product to market*
  - *Understanding each component in the supply chain*
  - *Maximising volume opportunities*
- *Understanding the life cycle of activity*
- *Collectively developing the business case for investment*
- *Is there a case for a “heavy haul” railway to support the Tasmanian mining industry?*

## *Finally, a quick comparison*

### *– Launceston*

- 100,000 people*
- Make beer*
- Old railway*
- ZERO freight by rail*

### *– Darwin*

- 120,000 people*
- Drink beer*
- Modern railway*
- 600,000t freight by rail pa*