

Media Release

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Competitiveness is key to inland rail infrastructure investment

Aurizon, Australia's largest rail freight operator, supports the Federal Government's decision to provide an additional \$8.4 billion equity investment to the Australian Rail Track Corporation to assist in delivering the Brisbane to Melbourne Inland Rail.

Aurizon's Managing Director & CEO Andrew Harding said he was pleased to see the Government commit in last night's 2017-18 Budget to investing in freight rail infrastructure and believes Governments, at both the Federal and State level, have key roles to play in implementing sound policy and regulatory frameworks to support a competitive rail industry.

"To improve the competitiveness of rail freight, the Inland Rail project and linked supply chains will need more than the correct design and construction, they will require major transport policy reform," said Mr Harding.

"Rail freight companies need to be able to compete on equal footing with other transport modes and allow rail to do more of the heavy-lifting in Australia's freight transport task."

Mr Harding said the previously announced decision taken by the Federal and State Governments to introduce heavy vehicle pricing and investment reform over five years was welcome. However, there needs to be a strong focus on the detailed implementation of a new pricing methodology and governance to ensure the outcome of reform is a consistent pricing framework applied across the haulage of both heavy vehicles and rail freight.

"Currently heavy vehicles are charged indirectly by government through diesel excise and registration to recover an historical average of spending on road infrastructure. Whereas rail freight operators are directly charged for access to, and use of, rail infrastructure, with prices that are more cost-reflective and overseen by an independent economic regulator."

Improving productivity and efficiently integrating existing freight supply chains will be key during construction and in the future management of the rail infrastructure.

"The design will need to allow longer and heavier trains and double stacking of containers on the network and efficiently integrate existing freight supply chains to enable customers to move their freight to, and from, major export ports," said Mr Harding.

"The announcement is a big step in the right direction, and should be used as the basis for a major modal shift from road to rail along the east coast, while delivering substantial economic, community and environmental benefits along the way.

"In our grain haulage business for example, we estimate a fully loaded train carries up to 1,750 tonnes of grain to export, which is the equivalent to 44 trucks on the road. Adopting rail over road for long-distance haulage of freight offers improved safety outcomes for the community by helping to prevent and reduce road fatalities and road trauma. Rail freight also produces an estimated 10 times less carbon dioxide than road freight per tonne-kilometre travelled."

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