



MEDIA RELEASE

Date Monday, 14 July 2008

Asciano offers rail solution for Garnaut

Asciano welcomes the draft Climate Change Review report by Professor Garnaut and supports the introduction of an Emissions Trading Scheme that extends across many different industries and includes liquid fuels.

While freight transport was not specifically addressed in Professor Garnaut's draft report we expect that his supplementary report will make specific comment on policies necessary to correct market failures in the transport sector and recommend an increase in the use of rail.

Asciano Chief Executive Officer, Mark Rowsthorn explained, "Right now transport is responsible for 14% of Australia's green house gas emissions. Rail uses two thirds less fuel than road per tonne of goods carried and is three times more environmentally efficient. These statistics alone make it impossible for Professor Garnaut to ignore a rail solution in his Review".

There are key areas that need to be addressed by both the Public and Private sectors in order to achieve a rail solution.

"With Australia's freight task expected to double over the next 20 years we need to have the capacity to handle this growth and also be prepared for an increase in rail mode share.

In order to attract more freight to rail we need to ensure it is an efficient and commercially viable option for freight transport users," Mr Rowsthorn said.

The Australian Government has realised the historical underinvestment in rail and is willing to address this through initiatives such as Auslink. Many projects are underway to alleviate some of the problems in the network however investment on a much larger scale is necessary.

In order for rail to compete with road we must improve rail service quality with more efficient infrastructure and a rail access pricing structure that addresses the imbalance with road pricing.

Further information about Asciano can be found on our internet site: www.asciano.com

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“Australia needs an integrated national transport plan that encourages a greater use of rail. Governments across Australia must make the hard decisions and introduce policies that will assist a transition to rail”, Mr Rowsthorn said.

Mr Rowsthorn explained, “without a commitment from Government to address these issues the transport sector will not be able to achieve a significant reduction in green house gas emissions by 2050. We are hopeful that Professor Garnaut will consider the benefits of freight rail in his supplementary report.”

To view Asciano’s submission to Garnaut please visit:

http://www.asciano.com.au/Articles/080411_ver_4_Garnaut_Forum_5_Issues_Paper_Submission_-_Asciano.pdf

Summary of key points made in Asciano Submission:

- Infrastructure investment to improve rail service quality and competitiveness with road.
- The development an integrated national transport plan.
- The release and zoning of land for transport to provide terminals and corridors in metropolitan areas to grow capacity and provide service quality.
- Security of land tenure – by increasing lease periods of terminals and infrastructure and provide security from third parties seeking access.
- Accelerated asset depreciation to encourage early investment in newer low emissions equipment.
- Congestion charges on key corridors or metropolitan areas to assist modal shift to rail.
- Appropriate truck sizes to ensure the benefits of large trucks in the most appropriate situations and not at the expense of the mode best suited for the task.

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