

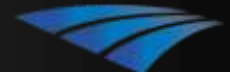
# **FREIGHT** 2013



## BlueScope Steel Rail

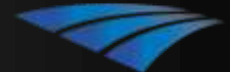
Jeff Moore – Manager Logistics, BlueScope Steel

### SPONSORS



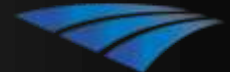
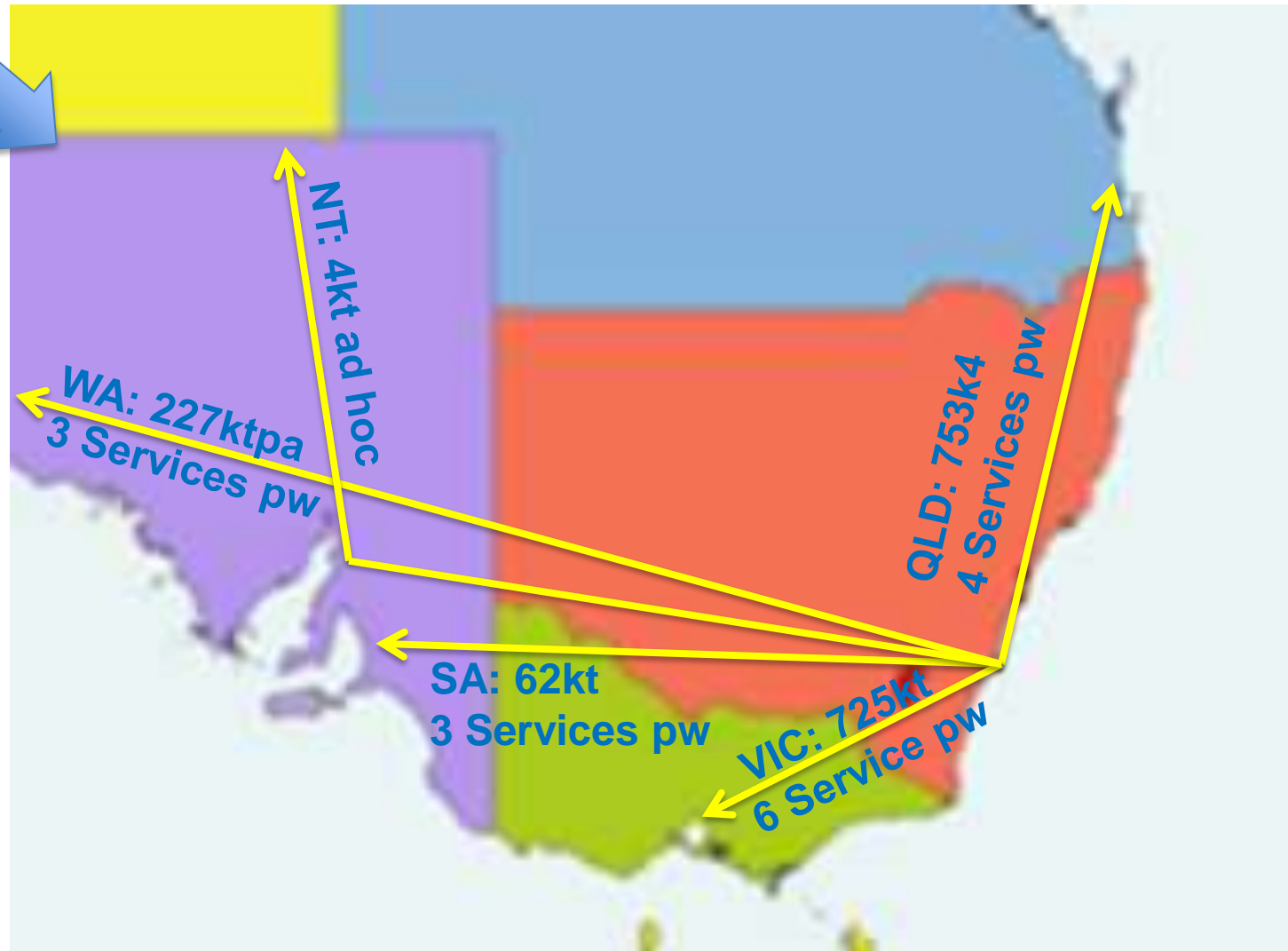
# Freight Movements & Metrics

- Pacific National transports approximately **2.3 Million tonnes** of steel on rail per year through a Tri-Party arrangement with BlueScope and Arrium
  - 1.38 Million is Port Kembla and Westernport outbound
  - 0.96 Million is transported on behalf of Onesteel
  - Additional 1.2 Million tonnes Raw Materials
- For BlueScope this represents approx. one third of our total freight movements nationally, with each piece moving an average of 3.2 times through manufacturing plants, rail terminals, distribution centres and customer sites



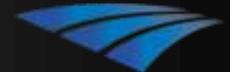
# BlueScope Rail Movements

Port Kembla Outbound








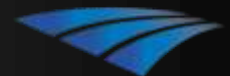
# BlueScope Rail Movements

## Western Port Outbound



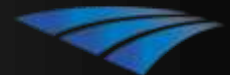
# Movements by Product

Product		End Use	Annual tonnes on rail	Rail % in these corridors
Plate		Infrastructure projects, mining equipment and structural applications	182,000	97%
Hot Rolled / Cold Rolled Coil		Mining equipment, racking, building and construction, tubing, pipelines and automotive components	1,070,000	99%
Galvanised		General manufacturing, automotive, structural sections for commercial and industrial buildings, structural decking	310,000	81%
Zincalume®		Commercial & industrial construction including roofing, walling, rainwater goods, residential framing	325,000	72%
Colorbond®		Residential, commercial and industrial construction incl. roofing, walling, fencing, rainwater goods, architectural panels, sheds and garages	43,000	85%



# BlueScope Operations Profile & Challenge

- Rail Operations Profile;
  - BlueScope Mills & Warehouses to dedicated BlueScope Terminals
  - 75km of Internal Rail (BlueScope are the Infrastructure owner)
  - Standard & Broad Gauge operations including gauge change operations in Victoria
- Freight is Heavy and Wagons are Specialised
  - Steel Coil 2.5-28t (*Horizontal and Vertical*) – 285 ‘butter box’ wagons
  - Steel Plate In & Out of Gauge – 67 flat wagons, 55 tilt wagons
  - Structural Beams – *Shared fleet, typical 5-15 wagon per week*
  - Scrap – 46 scrap box’s, 23 container wagons
  - Raw Materials – 3 Loco Sets, 100 wagons
- Mainly Specialised Rolling Stock
- Specialised Safe Loading requirements



# Sustainability of Rail Service

- BlueScope & Pacific National achieve service sustainability and reliability through joint, transparent and contracted incentive mechanisms;
  - Load Safety measures
  - Rail Market Share
  - Payloads
  - Wagons per Train targets
  - Weekly & Monthly Planning & Forecast mechanisms
  - Freight Availability & On Plan Service times at load and discharge points
  - Rail Equipment Availability measures
  - Harmonised Terminal Operations & Service mechanisms

# The Challenge for Rail

- Service Frequencies
- Commercial flexibility & agility through a manufacturers business cycle and over the long term
- Optimising the Broader Supply Chain (Network, Regulation & Policy, Informed end to end supply chain focus)
- Interoperable solutions for specialised freight
- Challenge from Road and Coastal Freight
- High speed vs standard speed capability