

Brookfield Rail

Reliably Delivering for CUSTONERS

With a strong focus on safety, efficiency, and reliability, Brookfield Rail has delivered on the needs of its customers, increasing the volume of freight transported on its network by more than 50 per cent since Paul Larsen became CEO.

Images provided by Brookfield Rail

ith a rail network that services twice the area of Great Britain, Brookfield Rail has achieved success that is vital to ensuring the movement of freight in Western Australia.

CEO Paul Larsen and the Brookfield Rail team have helped grow the company, increasing the tonnes of freight that run on the railway by more than 120 per cent since privatisation and steering it through difficult times. Under his stewardship, there have been cultural changes to the company, an increased focus on innovation and technology, and a shift to being more customer focused.

Paul started his career in 1988 at a steel business just south of Perth. "I started with a company better known now as OneSteel, and at the time it was Australia's largest steel distribution business. I started my career doing a cadetship, where I worked in every aspect of the business from loading trucks on the warehouse floor right through to being a sales representative, and ultimately becoming management accountant of their largest division."

While working full time at OneSteel and gaining experience in all areas of the company, Paul was also completing a business degree. After graduating in 1994, he moved into the transportation and logistics industry, and followed this with a brief stint in the technology sector. "I moved to Toll, the transport and logistics company, in Western Australia as their commercial manager and worked there for four years in their trucking and logistics business servicing the oil and gas industry.

"From 1998 to 2002, when the whole 'dot com' era was occurring, I went into the technology sector with two different companies but working on similar projects. One of those companies was ERG, the smartcard company, and another smaller technology company by the name of Beacon Technology. I worked on a range of projects as a project manager in San Francisco, Sydney, India, Thailand, and of course in Western Australia."

After working for technology companies overseas, Paul got what he calls his 'big break' in his career—working in railways. "I got involved in the rail industry in late 2002 and have been in the railways ever since with the business that was formerly known as WestNet Rail and is now known as Brookfield Rail. I started as the commercial manager and remained in that job until around 2006, following which I became the > "I'm proud to be involved in a company that has a positive impact on the West Australian economy, being a born-andbred West Australian." - Paul Larsen



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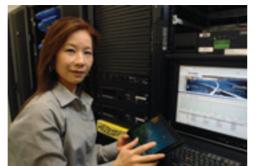
general manager of commercial and operations. In 2007, I was appointed general manager of the business and in 2008 the CEO, and I've been the CEO since then."

Paul is passionate not only about Brookfield Rail but about what the company does for his home state. "I am a born-and-bred West Australian," Paul says. "I grew up in regional Western Australia and have spent time overseas, but I'm proud to be working for Brookfield Rail, a company that on the back of more than 100 years of experience is delivering a positive impact on development and growth of the economy of Western Australia. It was really good to go from working on projects that were benefiting other states and other economies to something that really is playing such a vital role in our own Western Australia economy."

Brookfield Rail provides two key services that are extremely important to Western Australia. "We have two key purposes," Paul says. "One is to enable the exports of bulk minerals, ores, and agricultural products out through the ports of Western Australia to bring wealth and revenue back into Western Australia. The second key role of our business is to maintain the rail connection to the eastern states.

"Western Australia doesn't have a large manufacturing base. That means a huge amount of the goods that sit in our supermarkets and in our retail sector and are consumed by industry come across from the manufacturing base of the east coast. Around 80 per cent of the freight that comes across from the east coast comes on the railway. The vital rail link between Western Australia and the eastern states is a very important economic link because rail is in a very strong position in comparison to road for bulk freight across long distances. They're the two key purposes of the business-exports and maintaining the link to the eastern states."

Since the privatisation of the Western Australian State Government-owned rail network in 2001 when Brookfield Rail was awarded the long-term lease, freight volumes transported on the rail network have increased from 30 million tonnes to nearly 75 million tonnes in 2014. The company is currently moving record volumes, and there is still capacity to do more.



"We want to facilitate as much freight on rail as possible. Our biggest competition comes from road. Road versus rail is an issue that is faced in all jurisdictions and isn't unique to Western Australia. My team are constantly scanning the globe to ensure we are implementing the best models here. We have it pretty right in Western Australia, but we need to keep the dialogue open with customers, government, and stakeholders to ensure we achieve the most commercially sustainable outcomes for freight on rail."

Over the past five years, Brookfield Rail has worked closely with its customers to invest in the rail infrastructure to increase freight volumes and ultimately deliver on its customers' and industry's goals.

"We have worked hand in hand with our customers to facilitate their growth in recent years. And now, Brookfield Rail, like many of our customers, is impacted by the pressures that the drop in commodity prices has placed on the Western Australian economy. We are continuously looking at ways to streamline our offerings and increase reliability and efficiency. There is no doubt that there currently are challenges being faced across the board in the Western Australian economy, and I am proud to say that my team are tackling these challenges head on to ensure that we remain a strong business." >

"John Holland has worked in partnership with Brookfield Rail for almost 19 years delivering rail maintenance and construction services to their network. The relationship has been one of mutual trust and respect contributing greatly to the longevity and success of the contract." - Richard Stewart, General Manager - Rail Australia, John Holland

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Paul is passionate about ensuring that the needs of Brookfield Rail's customers are not only understood but met. The company does have robust contract negotiations with its customers, but at the end of the day a deal that meets the customer's objectives in a commercially viable framework is what Brookfield Rail seeks to achieve.

"Our customers are absolutely critical to us, and their challenges are our challenges. We work very closely with them-the companies that run the trains and the portsin order to optimise the supply chain. We're constantly sharing information, continually measuring and monitoring our performance as a supply chain against what we've established to be best practice, identifying where there might be issues in the supply chain. We work together collaboratively and cooperatively across the supply chain to resolve those issues. As a result, our customer supply chains are all running in the low to high nineties in terms of percentage reliability."

Brookfield Rail uses high-tech solutions to ensure the safety and efficiency of the railway, something it has also invested heavily in. By monitoring the railway and the trains constantly, it is aware of any changes and heads off potential risks. "We're here to make sure that our customers get their tonnes through, plus more if possible. To do that, we have to invest in technology to ensure we have a safe, reliable, and efficient railway.

"We have a range of technologies that we have out in the field that measure and monitor the physical performance of trains on the track, and we make that information available to our customers to help them identify forthcoming problems they might be having with their trains. For example, the conditions of the wheels and the bearings, the weights, and load distributions of trains are constantly monitored. We measure the surface of each and every wheel and whether there are any hollow spots or flat spots on those wheels.

"They're just some examples of the sorts of things we're doing. The focus on measuring and monitoring performance to stay on top of risk has increased substantially. All of this information we share so that we can cooperatively and collaboratively make sure that the supply chain is as safe, efficient, and reliable as possible."

Paul also believes in cooperation with other rail operators in these important areas. "We have strong



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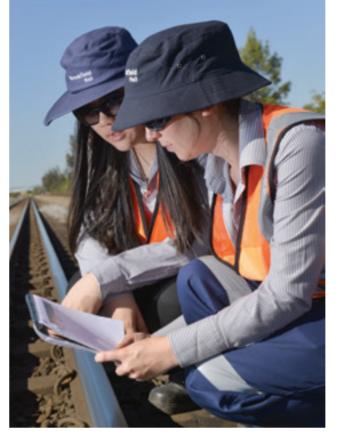
- Paul Larsen

relationships with the other railways across Australia at all levels. If we see other railways doing things better than us, we'll go and have a look. In most cases, the doors are very open to that sort of cooperation, particularly on safety matters."

Paul says he is immensely proud of the staff and the culture at Brookfield Rail, and believes without their contribution and commitment this company's achievements would never have occurred. "I'm extremely proud of the company but even more proud of the people in our company who have contributed to the transformation and success of the business.

"We've really worked well as a team. That team has more than 3,500 years of rail experience in terms of years working in the rail industry. We have a really wonderful mixture of people who have been working in the railways for a long time and dedicated their careers to it, along with a whole lot of fresh new faces that have come from other industries and who are bringing new ideas. Those two groups of people are working together really well, so it's a really good balance of experience along with innovation and energy from newcomers to the industry."

Historically, the number of women employed by the company was extremely low. "Across the business, we've substantially increased the number of women



"Brookfield Rail is committed to providing a safe, efficient, and reliable freight rail network in Western Australia, to the benefit of the rail operators and producers. Congratulations to Paul Larsen on his successful leadership of Brookfield Rail." - David MacKenzie, Executive General Manager - Technology Systems, UGL



maintaining today creating tomorrow working in the business, and I have to say it has been one of the keys to what has helped transform our company. If you're not bringing strong, capable women into your business, you're missing out on 50 per cent of the population and talent pool.

"In the past five years, we have increased the percentage of women working in our business from low single digits to close to 20 per cent. We've had a very strong focus on bringing more women into our business into senior positions and not just the traditional corporate areas. We now have the most female railway engineers we've ever had working, the most female train controllers, and the most female front-line signal technicians."

In the end, Paul believes, Brookfield Rail will continue to succeed because of the passion of its people. "We have within our business a very strong culture of doing things right the first time, and that is driven by the safety focus of the business. But it's also about pride—pride in how our railway performs and how that reflects on us as a company. We have people who are absolutely dedicated to doing things right the first time. We don't stick band-aids on things and say, 'We'll come back to that later'. We do things right the first time. What is behind the passion? That is it. I see it every day in everything we do.

"We know rail in Western Australia. With over a century in the business, we have lived and created this history. However-and more importantly in a rapidly changing economic, political, and social environment-we are able to move with the times. We have become consultative, responsive, and nimble and more than ever up to the challenges we face, able to meet the needs and challenges of our customers. This is what keeps us in business and will enable us to continue to grow the freight-onrail story in Western Australia." •

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