

Rail Freight Action Plan

Overview

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Contents

1	Introduction	04
	Rail freight sector profile	05
	The value of rail freight	06
2	Industry Consultation	07
	Primary Issues	07
	Secondary Issues	09
	Conclusion	10
3	2021-2022 Action Plan	11
	Policy development and advocacy	11
	Research	12
	PR and communications	12
	Events	13

Introduction

The ARA's Rail Freight Executive Committee (RFEC) last year released its Strategic Plan for 2020-22, which outlines strategic objectives for rail freight and the key focus areas for the research and advocacy activity that underpin our efforts.

Our overarching objectives for rail freight in Australia are to improve the regulatory environment, promote investment in rail as an essential service, and increase rail freight's modal share.

In 2021, the ARA has undertaken to translate the existing strategy work, informed by contemporary industry consultation, into a specific and measurable work plan for the coming 12 months and beyond. This work has resulted in the development of the ARA's Rail Freight Action Plan. This action plan reflects the ARA's focus on rail freight and is the first of a multi-year strategy to raise the profile of rail freight.

This document provides an overview of the 2021 rail freight industry workshop findings and Rail Freight Action Plan priorities and actions.



Rail freight sector profile

We know the business case for investment in the growth and development of rail freight is clear – with patent advantages over our competitors in relation to resource efficiency and environmental impact, safety, reduction of congestion and pressure on road networks and contribution to regional communities. However, there remain some persistent challenges constraining the efficiency and competitiveness of freight rail in Australia.

There is no shortage of research and intelligence on the nature of these challenges. This plan for industry advocacy which specifically details how we will lead focused action against concrete goals to help address these issues. It is exactly this which this plan seeks to achieve.



The value of rail freight

Australia's population is forecast to double by 2070, reaching almost 45 million people. This growing population requires an increased allocation of goods, adding pressure on existing freight networks to deliver. Rail will be crucial to meeting our growing freight task. Moving more freight on rail delivers tangible environmental and safety benefits for the wider community.

According to the National Freight and Supply Chain Strategy, Australia's freight task is expected to grow by over 35 per cent between 2018 and 2040. This is an increase of 270 billion tonnes which will bring the total volume moved to just over 1000 billion tonne kilometres every year. The role of rail freight is critical in meeting this future demand and maintaining international competitiveness.

The ARA's Value of Rail Report 2020 found that for every 1% of the national freight task that moves to rail, there are benefits to society of around \$72 million a year.

Rail freight's contribution



Australia's freight task grew to 759.6 billion net tonne kilometres in 2019, with the rail industry the biggest contributor to meeting this need



Rail contributes to 56% of the national freight task



Rail carries five times more bulk freight than road



Rail will move 72% of the growth in freight expected by 2030

Rail freight compared to road freight



Lower carbon emissions

Rail freight produces 16 times less carbon pollution than road freight



A healthier choice

Rail freight generates 92 per cent less PM10 emissions than road freight



A safer choice

Accident costs associated with road freight are 20 times higher than rail



Community benefits

For every one per cent of national freight task that moves to rail, society gains \$72 million a year in benefits

Industry consultation

To inform the development of the Rail Freight Action Plan, the ARA conducted a series of four strategy workshops with freight sub-sectors to elicit industry feedback on the key rail freight industry issues and priorities.

To ensure the results of these discussions were truly reflective of shared industry priorities and can act to guide coordinated action on behalf of industry, we were pleased to secure participation from member and non-member organisations across the entire freight supply chain.

The following table aggregates all the key national issues or priorities facing the relevant rail freight sector identified by workshop participants, along with the issues identified in workshops as gaps following the initial discussion about top priorities.

Primary issues

Participants were asked to identify key national issues and priorities

ARA Rail Freight Members	Commodities or resources stakeholders	Interstate operators	Intermodal & metro operators
<ul style="list-style-type: none">• Productivity• Environmental, social and governance (ESG) issues• Regulation	<ul style="list-style-type: none">• Network access & regulation• Port access & capacity• Network infrastructure• Workforce development	<ul style="list-style-type: none">• Interoperability• Mode competition & road pricing• Regulatory issues & consistency• Inland Rail route and ports connectivity	<ul style="list-style-type: none">• Regulatory issues• Connectivity• Access & interoperability• Innovation• Corridor protection Advocacy & social licence



RAILROAD
CROSSING

STOP

LOOK
FOR
TRAINS



Secondary Issues

Participants were asked what matters were missed when prioritising primary issues

ARA Rail Freight Members	Commodities or resources stakeholders	Interstate operators	Intermodal & metro operators
<ul style="list-style-type: none"> • Land use planning & corridor protection • Inland Rail Connectivity with ports and intermodal terminals • Inconsistency in operating, network and asset standards • Broader network-level focus on infrastructure investment • Above rail investment barriers caused by inconsistent regulations and high asset costs. 	<ul style="list-style-type: none"> • Workforce diversity and changing skill needs • Attracting a new generation of rail workers • School programs to promote and reposition the industry • Mental health risks • Nationally recognised qualifications and portability • Blockchain manifest tracking • Embedding lessons learned from COVID for resilience and issues management • Opportunities for general freight from establishment of Special Economic Zones (SEZs) • Regional Freight investment barriers & incentivisation • Green energy 	<ul style="list-style-type: none"> • Building understanding of the value of rail within governments • Business development for growing freight volumes and service offerings • Lack of national vision for rail freight • Coastal shipping/sea freight competition • Passenger train conflicts 	<ul style="list-style-type: none"> • Better promote green credentials / ESG benefits for social licence • Threats to social licence from community acceptance • Market incentives that monetise rail freight's sustainability advantage (e.g. carbon pricing) • Role of government versus private sector investment



Conclusion

The findings from workshops can be distilled into the following six overarching key themes:

- **Achieving competitive neutrality**

Working to define the critical elements of inequality between transport modes and formulating policy to press for them to be neutralised.

- **ESG & sustainability**

Investing in the promotion of rail freight sustainability and ESG credentials and building rail freight social licence.

- **Regulation and interoperability**

Investigating the confusing and sometimes conflicting regulatory landscape across federal and state levels that impact rail freight operations to inform proactive advocacy, and attacking critical factors limiting interoperability or reducing network efficiency.

- **Informed investments**

Proactively influencing decisions about infrastructure investments to advantage rail freight, including informed positions about network factors impacting efficiency such as axel load capacity, passing loops, network standards etc.

- **Connectivity**

Forming and leading an industry position on key issues of connectivity, including terminal locations and intermodal connectivity, corridor protection etc.

- **Workforce**

Investing in workforce development initiatives that grow the available skills base for rail, promoting rail careers and building diversity within the rail workforce.

2021-22 Action Plan

The work to redefine rail freight advocacy priorities reflects the ARA's focus on rail freight. The following describes the proposed initiatives for action during 2021-22 financial year, the first of a multi-year strategy to raise the profile of rail freight.

Policy development and advocacy

Initiatives	Description
Position paper – Achieving rail freight mode shift	Develop a detailed policy position paper with a dedicated working group to identify measures with the potential to facilitate mode shift, including careful consideration of mode shift incentive schemes, to form the basis of a proactive advocacy program.
Position paper – Rail freight competitive neutrality	Develop a detailed policy position paper with a dedicated working group to identify the most critical elements of competitive inequality between modes and formulate government and possibly industry led solutions to effect change.
Position paper – Rail freight interoperability priorities	Develop a detailed policy position paper with a dedicated working group to select the interoperability challenges most negatively impacting rail freight efficiency or productivity. Workshop and other industry feedback indicates some priority issues include jurisdictional divergence on driver-only, fatigue management and drug and alcohol management for example
Rail freight infrastructure priorities pipeline	Develop a freight sector specific rolling public index of infrastructure investment priorities to support the growth and efficiency of national rail freight network similar to Infrastructure Australia priority projects list.
Rail freight policy mapping	Living database of rail freight policies, strategies, consultative committees, advisory panels and all other government and stakeholder forums relevant to rail freight with key contacts, links to online information, ARA relationship managers, ARA engagement etc. to maintain detailed watching brief on all relevant freight activity, commitments and announcements. Document will be for internal ARA use and available to ARA members.

Research

Initiatives	Description
Rail freight productivity research	The ARA has committed to a collaborative research project with Freight on Rail Group (FORG) to be managed by ACRI investigating the policy settings necessary to maximise the efficiency and productivity of rail freight in Australia in the context of the national intermodal freight task.
Sustainability research contribution	Contribute to a sustainability research project to provide a snapshot of rail industry's environmental credentials. Additional funds will be contributed to this project to allow for a more detailed scope for freight to deliver a freight specific report.
NHVR analysis	Commission an analysis of the National Heavy Vehicle Regulator's regulatory model and compare with the rail freight regulatory landscape and federal and state levels.

PR and communications

Initiatives	Description
Thought-leadership articles	Organise for a series of thought-leadership articles on relevant policy questions to be developed by ARA members or affiliates for attempted placement in mainstream media, and subsequent publication online, in Rail Express, on LinkedIn and other ARA channels.
Rail Freight website enhancement and branding	Delivery of dedicated freight rail campaign website content within the ARA online environment (with dedicated URL if desired) delivering a differentiated 'look and feel' using a specific 'campaign' page template to showcase policy content.

PR & communications continued

Rail freight communications plan	Develop a rail freight specific communications plan which includes member-only and industry-wide regular communications, event promotions and to report on progress against the Rail Freight Action Plan.
Establish Issues Management Framework	Work with industry to establish a national Issues Management Framework to be managed by the ARA on behalf of the rail freight industry to ensure issues that have the potential to impact rail freight operations (outside of BAU) or the reputation of the sector are managed in an efficient and coordinated way which maximises available resources in order to support effective resolution, improve communication and trust with key stakeholders including governments and position the rail freight industry as well organised and forward-thinking.

Events

The ARA will deliver a series of events targeted to the rail freight sector. These events will include a range of formats and locations to maximise participation across the ARA's membership and the broader rail freight sector.





Get involved

If you would like to be involved in any activities outlined in the Rail Freight Action Plan, please contact us to register your interest.

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