

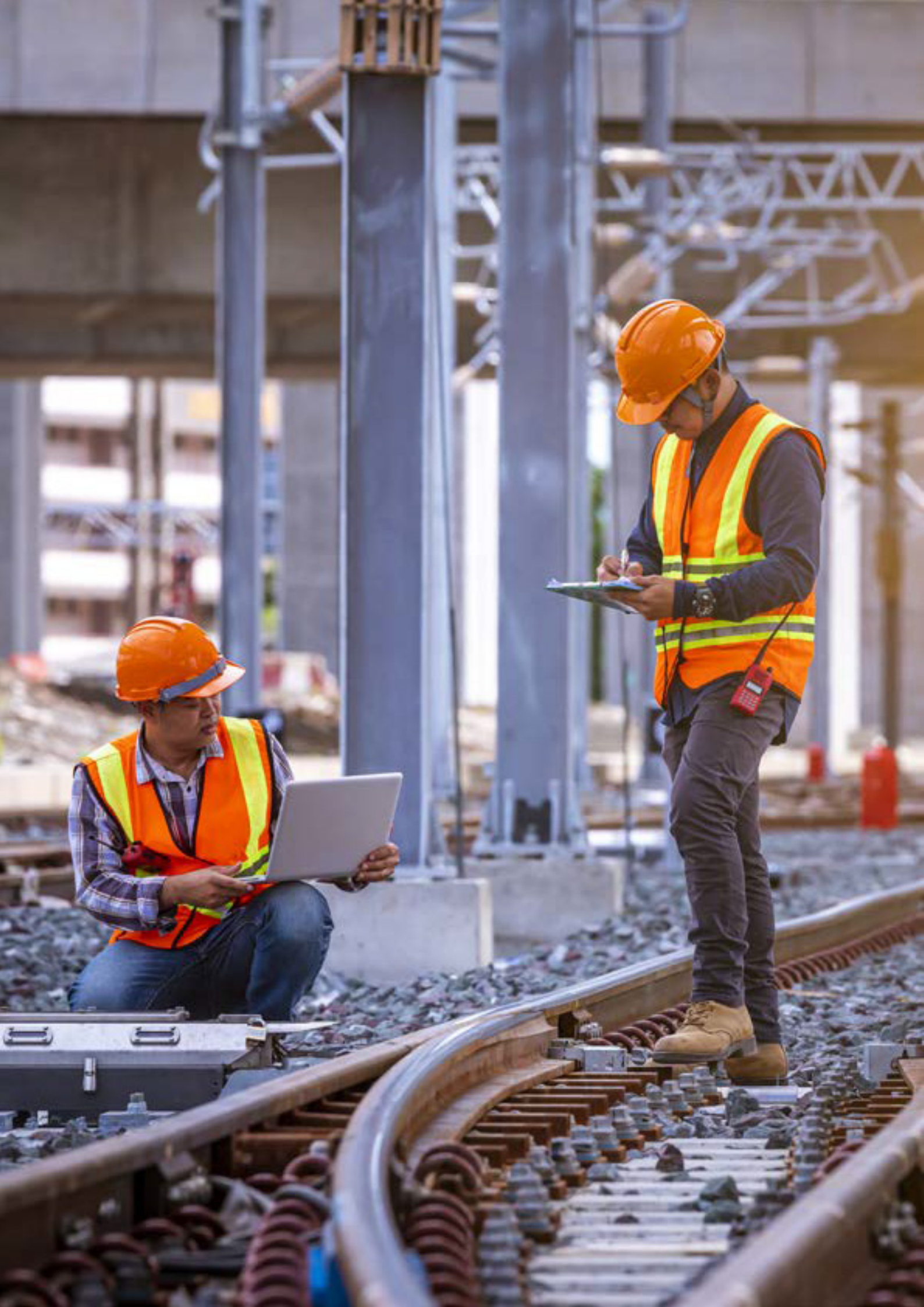


# Rail Supply Chain Blueprint

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## Rail Supply Chain Blueprint

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# Introduction

The Australian rail industry generates almost \$30 billion in economic activity every year, supporting 165,000 direct and indirect jobs. Over the last three years alone, the rail industry's economic contribution has risen by 16 per cent, adding 20,000 jobs to the national economy. In addition, more than \$14 billion in rail construction activity is planned over the next five years – more than double the activity experienced at the peak of the mining boom.

While rising investment in recent years has supported the industry's growth, changes are needed to ensure the long-term sustainability of the rail supply chain. The Australasian Railway Association (ARA) released the Australian Rail Supply Chain Report in March 2021. This report provided 39 recommendations across key focus areas to address the challenges and maximise the opportunities for the Australian rail industry.

In response, the ARA, in consultation with industry has developed a rail supply chain blueprint to progress areas of action from the Supply Chain report. The blueprint outlines practical steps and activities that ARA will lead over a three year period, working in collaboration with industry, government and stakeholders to support a more productive and sustainable Australian rail industry.

The blueprint lists a total of **50 actions** grouped under the following themes:

1. Procurement
2. Standards
3. Local Content Policy
4. Innovation & Technology
5. Type Approval
6. Sustainability
7. Skills
8. Export Promotion



# 1. Procurement

With a strong rail investment pipeline, it is critical to ensure that procurement processes are as efficient as possible, facilitate maximum participation of local industry, support the development of jobs, drive innovation and produce productive outcomes for rail users and the broader community.

	Actions	Priority Timeline	Key Stakeholders
a.	Progress the adoption of Best Practice Procurement Principles across all jurisdictions. <ul style="list-style-type: none"> <li>Pursue harmonisation in identified areas of alignment between jurisdictions.</li> </ul>	2021-22 underway	State governments and operators
b.	Establish a national procurement working group. <ul style="list-style-type: none"> <li>Mechanism to share models between government agencies and operators to address areas of possible harmonisation.</li> </ul>	2021-22 underway	State governments and operators
c.	Develop case studies to provide good and poor examples of tenders, and alignment to the best practice procurement principles. <ul style="list-style-type: none"> <li>Encourage government agencies to promote procurement good news stories.</li> </ul>	2021-22 underway	Government, operators and industry
d.	Support the expansion of Project i-TRACE to ensure a standardised approach for data capture, labelling, and electronic exchange to improve traceability of procured components to reduce costs and improve safety and reliability for asset management.	2021-22 underway	GS1, operators & suppliers
e.	Consult with industry and investigate opportunities to harmonise pre-qualification processes (as per Best Practice Procurement Principles recommendation), whilst meeting jurisdictional and organisational requirements.	2021-22 underway	State governments, industry
f.	Quantify the economic impact of the lack of harmonisation (relating to standards, requirements and procurement). <ul style="list-style-type: none"> <li>Quantify the value of adopting best practice procurement principles and undertake an economic impact assessment.</li> </ul>	2022-23	Jurisdictions and industry
g.	Promote the value of federal, state and territory governments publishing early visionary project schedule and technology roadmaps.	2022-23	Governments and the supply chain
h.	Consider incentivisation strategies for procurers to better engage with smaller local suppliers and with more supportive contract terms (relating to risk and payment).	2022-23	Transport agencies, rail operators
i.	Facilitate a roundtable discussion with jurisdictions around their sourcing strategies, and opportunities for businesses in local supply chains to introduce new products and services.	2023-24	Government and operators

## 2. Standards

Achieving greater harmonisation within Australia, and the application of more consistently applied standards, enables sustained operations which can build scale and expertise and opportunities for growth.

Actions	Priority Timeline	Key Stakeholders
a. Survey rail suppliers and contractors to identify standards that, if created or modified, would assist to improve procurement related to cost, time, risk, reliability and safety; as well as identifying what standards suppliers and contractors most often seek a waiver/concession for, and provide outcomes to National Rail Action Plan (NRAP) Harmonisation Committee	2021-22 completed	Suppliers and contractors, RISSB, operators
b. Survey rail suppliers to identify components that if harmonised would provide greatest benefit/ cost savings and provide input to the National Rail Action Plan Harmonisation Committee in supporting their work to quantifying the benefits of harmonising specific standards and componentry for rollingstock procurement.	2021-22 completed	Government departments, RISSB, NTC, NRAP Committee, suppliers, operators
c. Conduct research to better understand what, when and why local requirements and standards are specified in contracts by jurisdictions.	2022-23	State departments, operators, RISSB
d. Support National Transport Commission (NTC) and NRAP undertake an exercise to identify if some Australian standards should be mandated to support harmonised procurement.	2022-23	Government departments, RISSB, NTC, NRAP Committee





# 3. Local Content Policy

A nationally focused local procurement policy provides increased opportunities for jobs and growth, beyond state and territory based local content policy provisions.

Actions	Priority Timeline	Key Stakeholders
a. Carry out an in-depth review of each jurisdiction's local content policies and objectives and review effectiveness and compatibility across jurisdictions.	2021-22	Government departments, suppliers, contractors
b. Develop best practice principles for customers to consider when implementing a local content policy, including transparency of evaluation weightings.	2022-23	Jurisdictions and industry
c. Investigate the benefits of a reduction in threshold for the application of Australian Industry Participation Plans to ensure fair and reasonable opportunity for all local suppliers.	2022-23	Commonwealth Government
d. Advocate for a national local content policy. <ul style="list-style-type: none"><li>Gather evidence and case studies on the ramifications of state and territory based local content policies, as well as focusing on highlighting real benefits (economic, environmental, social) of a national local content approach for healthy, cost effective and sustainable supply chains.</li></ul>	2022-23	Jurisdictions and industry
e. Identify local capability in the rail supply chain and mechanisms to further support its future viability and sustainability.	2022-23	Industry
f. Determine governments' strategic focus to support the alignment of local content capability and capacity building.	2022-23	Government, industry

# 4. Innovation and Technology

Achieving greater harmonisation within Australia, and the application of more consistently applied standards, enables sustained operations which can build scale and expertise and opportunities for growth.

Actions	Priority Timeline	Key Stakeholders
a. Map key elements of a proposed R&D body, prioritise responsibilities based on industry needs and assess effectiveness of various R&D models in addressing elements.	2021-22 underway	ACRI, research organisations, industry
b. Establish 'Meet the Innovator' webinars or trade shows to showcase supply chain capabilities to purchasers.	2021-22	Suppliers, consultants, contractors, purchasers
c. Map capabilities across the different rail related universities/research organisations to improve targeted engagement with a new national R&D body.	2022-23	Research organisations
d. Identify champions and funding sources for technology and telecommunication priorities identified in Smart Rail Route Map (including being pursued through a new national R&D body).	2022-23	Industry, government
e. Support the establishment of a national R&D body to provide strategic and national alignment between governments, establish national centres of excellence to drive collaboration, and provide intermediary support for project identification, co-funding, and contractual arrangements.	2022-23	Industry departments, transport departments, operators, suppliers, ACRI
f. Encourage jurisdictions to establish and publish innovation or technology roadmaps to provide clearer signals to the market via the national R&D body.	2022-23	Jurisdictions, research organisations
g. Facilitate a roundtable with transport departments and operators to identify opportunities to present new innovations and technologies and facilitate trials (outside of tendering processes).	2022-23	Transport departments, operators, suppliers
h. Seek jurisdictions, operators and suppliers to facilitate opportunities to trial innovation via a national R&D body.	2023-24	Suppliers, operators



# 5. Type Approval

A procurement process that truly rewards innovation pushes the industry forward, with supporting type approval processes.

	Actions	Priority Timeline	Key Stakeholders
a.	Develop best practice principles for type approval and provide input into AS7702 review by RISSB.	2021-22	RISSB, government departments, operators, suppliers, contractors
b.	Investigate the benefit in establishing a process for mutual recognition of type approval compliance certification against any common requirements and development of a national register.	2022-23	Government departments and operators
c.	Investigate the benefits and challenges in establishing a national type approval model.	2022-23	Government departments, operators, suppliers, contractors, RISSB

# 6. Sustainability

Reducing carbon emissions, increasing recycling of decommissioned assets and re-directing waste are all industry growth enablers which offer opportunities for new and existing firms as well as potentially enhancing rail supply chain capacity.

	Actions	Priority Timeline	Key Stakeholders
a.	Identify and prioritise opportunities for the rail supply chain in the harmonisation of sustainability and circular economy objectives and leverage government initiatives.	2021-22	Jurisdictions, industry, research organisations
b.	Continue to support the verification and endorsement process of rail organisations seeking endorsement for sustainability, innovation and Australia first claims for procurement projects.	2021-22	ARA
c.	Proactively advocate green credentials and the role of rail sustainability, specifically relating to supply chain construction methods, products, management, and technologies. <ul style="list-style-type: none"> <li>Develop case studies that promote sustainability benefits in the rail investment projects of ARA members.</li> </ul>	2021-22	Jurisdictions, operators, research organisations
d.	Seek consistency from purchasers on how projects are assessed from a sustainability perspective and advocate for the inclusion of Environment and Social targets as part of quantified evaluation criteria (across various modes of transport) to better reward sustainable innovation.	2022-23	Jurisdictions, operators, research organisations
e.	Seek clarity from purchasers regarding procurement policy relating to use of recycled materials (approved for use) and recyclable materials (user accepts responsibility to recycle later).	2022-23	Jurisdictions, operators

# 7. Skills

The Australian rail industry is currently facing a skills crisis, driven by a combination of surging demand, fragmental regulatory and training infrastructure, an aging workforce, lack of national training delivery and investment in human capital, and competition from other industries.

	Actions	Priority Timeline	Key Stakeholders
a.	Continue engagement with and support for the National Rail Action Plan (NRAP) Skills Committee.	2021-22 underway	NTC, state governments, Commonwealth Government
b.	Support the establishment of a National Rail Skills Hub to co-ordinate between state academies and industry initiatives to improve access and pathways to current and future required rail skills.	2021-22 underway	Industry, government, training providers
c.	Continue the development of national competency matrices.	2021-22 underway	Operators
d.	Develop resources to demonstrate career pathways to rail jobs and careers.	2021-22 underway	Industry
e.	Revamp the Rail Careers website to include information on rail careers, qualification requirements, pathways, and a jobs portal.	2021-22 underway	Industry
f.	Review rail education providers to identify gaps in education options.	2021-22	Operators, industry, rail training providers, education providers
g.	Define and identify rail specialisations to support a more robust and timely development process for micro-credentials and/or skill sets that provide assurance to industry through establishing standards for recognition.	2021-22	Suppliers, professional bodies, the education sector
h.	Increase participation in the Rail Industry Worker program to ensure a nationally consistent approach to managing rail industry worker competencies, education and health records to enhance overall safety and support increased portability of workers.	2021-22	MTA, operators, contractors
i.	Establish a rebranding strategy for careers in the rail industry. <ul style="list-style-type: none"> <li>Develop an industry attraction strategy.</li> <li>Implement industry retention strategy.</li> </ul>	2022-23	Industry marketing professionals
j.	Develop a nationally coordinated approach to designing and delivering training/assessment for rail qualifications, skills sets and micro-credentials as part of NRAP.	2022-23	Industry, operators, government, training providers/educators
k.	Explore opportunities to incentivise training through procurement opportunities.	2023-24	Jurisdictions, industry

# 8. Export Promotion

Raising awareness of the current capabilities and capacity across the Australian rail industry will provide more tangible opportunities for local firms to engage in global supply chains.

Actions	Priority Timeline	Key Stakeholders
a. Support suppliers in accessing international opportunities by identifying key international markets to focus international promotion and trade missions.	2022-23	Suppliers
b. Develop an information summary with Austrade on businesses seeking advice and contacts.	2022-23	Austrade
c. Support an InnoTrans trade mission.	2023-24	Austrade, industry





