

Rail Freight – Delivering for Australia

An efficient Rail Freight sector is a crucial element of our economy, our future international competitiveness and our quality of life.

The effective, safe and environmentally friendly movement of freight takes on added importance when you consider the enormous growth in our cities, Australia’s changing economy and the need to develop more socially responsible forms of transport.

Rail Freight’s benefits are clear, for Australian families, businesses, farmers, exporters and manufacturers.

The Australasian Railway Association, through its *Rail Freight and Ports Transport Group* in association with the *Freight on Rail Group (FORG)*, has developed an ambitious yet achievable future agenda outlining the steps industry will take to boost rail freight efficiency and to get more freight on to rail. Our advocacy agendas are being driven by the enormous benefits Rail Freight is delivering for all Australians, now and into the future.

<p>Delivering Everyday Essentials</p> <p>Whether it be bulky products delivered to major hardware chains, white goods to department stores or food to local supermarkets, rail freight is playing a growing role in the freight supply chain to ensure the safe, reliable and efficient delivery of every day essentials to support Australia families. Rail freight is increasingly being adopted by retailers as a cost effective, safe and environmentally beneficial transport option that can contribute to their logistics operations.</p>	
<p>A Safer Way to Transport Freight</p> <p>Ask any driver stuck on a major Australian highway if they’d like to see less trucks on the road and the answer will be the same. Yes. Rail freight gets heavy vehicle off the roads, not only on our highways but in our capital cities. Rail is up to nine times safer than road freight, and is an effective way to improve safety outcomes across Australia’s transport network¹.</p>	
<p>A Critical Part of the Logistics Supply Chain</p> <p>A growing economy means a growing freight task, with the amount of freight moved around Australia expected to increase by 26 percent over the next decade². Rail is the most cost-effective mode of transport for inter-capital containerised freight movements and has a critical role to play in meeting this freight growth, particularly for medium to long distance freight within a fully integrated multi-modal system.</p>	

¹ [https://ara.net.au/sites/default/files/u1/ARA_Freight-on-Rail-REDUCED\(1\).pdf](https://ara.net.au/sites/default/files/u1/ARA_Freight-on-Rail-REDUCED(1).pdf)

² [https://www.ntc.gov.au/Media/Reports/\(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE\).pdf](https://www.ntc.gov.au/Media/Reports/(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE).pdf)

<p>Supporting Key Industries Rail Freight is fundamental to maintaining the international competitiveness of Australia’s mining and resources industry. Every hour of every day, rail freight companies move thousands of tonnes of coal, iron ore and other minerals as well as agricultural and general freight around the nation. Around 98%, or 1.20 billion net tonnes, of Australia’s total rail freight task is bulk freight³.</p>	
<p>A Major Australian Employer Rail freight is a critical home-ground industry, employing approximately 15,000 people⁴ and supporting many local communities, including for example the Pilbara region of Western Australia and the Hunter Valley in New South Wales.</p>	
<p>The Environmentally Friendly Option Rail is the best performing land transport mode for large volumes of freight and is more fuel efficient and produces less carbon than heavy vehicles. Road generated nine times as much CO2 equivalent emission as rail freight in 2014-15 (29.4 million tonnes of CO2 equivalent for road compared to 3.5 million tonnes for rail)⁵.</p>	
<p>Reducing Maintenance Costs on Our Roads Studies show heavy vehicle road freight users do not face the full maintenance costs that they cause, and that under-recovery of these costs are around \$7,000 and \$10,500 per truck each year. Shifting more freight on to rail will result in less damage being done to our roads and will help to reduce the maintenance costs on our Australia’s major freight routes⁶.</p>	

³ https://bitre.gov.au/publications/2017/files/train_005.pdf

⁴ IBIS World – Rail Freight Transport in Australia, 2017

⁵ https://ara.net.au/sites/default/files/u647/ARA-Deloitte_Value%20of%20Rail_full%20report.pdf

⁶ https://ara.net.au/sites/default/files/u16/True_Value_of_Rail_Report_FINAL.pdf

<p>A Key Part of the Economy</p> <p>In terms of its economic impact, the Rail Freight Sector is continuing to grow. It’s contribution to the overall economy is forecast to grow at a rate of 2.8% to 2021-22, which is higher than GDP growth in the same period, which is expected to rise to an annual rate of 2.6%⁷.</p>	
<p>Reducing Congestion in our Cities</p> <p>The avoidable cost of congestion for Australian capital cities is estimated to be around \$16 billion, and will rise to around \$30 billion by 2030⁸. Nowhere is this felt more acutely in Australia than in and around our major ports, where trucks interact with commuters. Short haul rail shuttles in our cities – which connect our ports to inland freight hubs – are helping to manage freight growth and the surge of truck movements on our city roads.</p>	
<p>Supporting Rural and Regional Australia</p> <p>Regional freight rail is critical to ensuring efficient access to and from our regional markets and facilitating freight flows from farms, mines and ports to national and overseas markets. The inland rail project, linking Brisbane to Melbourne via New South Wales, will be vital to regional Australia in the future, with around 9 million tonnes of agricultural freight expected to divert to Inland Rail⁹.</p>	
<p>Despite these obvious benefits, there are still many challenges facing Australia’s rail freight industry. ARA and FORG are committed to working with governments to grasp the opportunities before the Australia rail industry and to maximise rail freight’s benefits to Australia. Rail freight’s top priorities are:</p> <ul style="list-style-type: none"> - Develop a national freight and supply chain strategy - Address policy imbalances in the Australian transport industry - Investing in the separation of freight and passenger lines in capital cities - Preserve corridors for future growth of freight rail - Port shuttles between intermodal terminals and major ports - Fund double stacked, longer and faster services between our cities, headlined by Inland Rail - Introduce road pricing for heavy vehicles 	

⁷ IBIS World – Rail Freight Transport in Australia, 2017

⁸ https://infrastructure.gov.au/infrastructure/publications/files/Trends_to_2040.pdf

⁹ <https://inlandrail.artc.com.au/13251/documents/31860>

