

# RAIL FREIGHT AND PORTS EXECUTIVE COMMITTEE

2020 - 2022 STRATEGIC PLAN





## **The Australasian Railway Association (ARA) is the peak body for the rail industry throughout Australia and New Zealand.**

We represent more than 150 member organisations including passenger and freight operators, track owners and managers, suppliers, manufacturers, contractors and consultants. Members include listed and private rail-related companies, government agencies and franchisees.

The ARA provides a coordinated and unified voice on relevant issues of national importance, engaging political leaders at both the state and federal levels in forward-looking discussions around industry potential.

We actively pursue key policy reforms to effectively enhance Australia's productivity, economic and social prosperity, as well as its international competitiveness.

Further, the ARA creates an avenue for industry to connect, knowledge-share and work together to achieve greater results for rail.

As Australia and New Zealand's leading voice for rail, the ARA works to create an environment for the industry to prosper and ensure a better rail future for all.

## **Rail, Freight And Ports Executive Committee**

The ARA Rail Freight and Ports Executive Committee includes rail operators, track managers and port and intermodal managers in Australia and New Zealand.

The Committee works on a range of freight-related policy matters aimed at improving the efficiency and productivity of Australia's rail freight supply chains.

# CONTENTS

<b>Rail freight in Australia</b>	<b>2</b>
<b>Strategic framework</b>	<b>3</b>
<b>ARA strategy</b>	<b>4</b>
<b>Rail freight and ports work program</b>	<b>5</b>
Rail freight and ports strategic objectives	5
Rail freight and ports key messages	5
<b>Research</b>	<b>6</b>
<b>Advocacy</b>	<b>7</b>
Policy development and submissions	7

# Rail freight in Australia

**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.**

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.

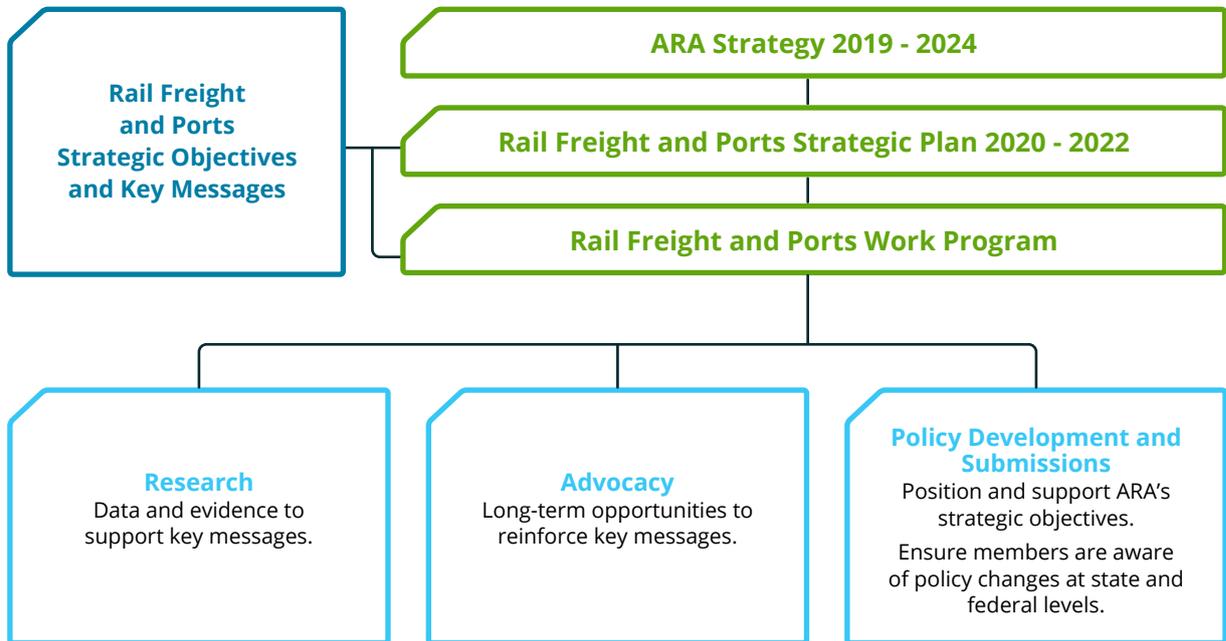
The Value of Rail study commissioned by the ARA in 2017 found a one per cent improvement in freight productivity could generate \$8-20 billion in savings to the national economy over 20 years. Rail freight provides a cost-effective, safe and environmentally sound solution for reducing congestion from heavy vehicles on urban, regional and interstate roads.

In light of these significant benefits, the ARA is working with governments and industry on behalf of our members to get more freight on to rail, and to improve the efficiency and productivity of Australia's rail freight supply chains. Achieving modal shift to rail is critical to increasing economic growth, improving the liveability of our cities and supporting regional communities.

Just one freight train alone can take 110 trucks off our already congested roads and rail is up to nine times safer than road freight.



# Strategic framework



The ARA's Rail Freight and Ports Strategic Plan 2020-2022 is informed by ARA's corporate strategy and features three main focus areas – **research**, **advocacy** and **policy**. All three focus areas align with our strategic objectives and key messages for rail freight and ports.



# ARA strategy

The ARA, in consultation with the 150+ rail organisations it represents, has developed an advocacy framework against which the Rail Freight and Ports Group Strategic Plan is set.

The strategy's key priorities are:

- **Making cities liveable** – by continuing to increase government funding of rail projects to reduce road congestion, improve the quality of life in major cities and increase economic productivity.
- **Supporting employment** – industry and government working together to address critical skilled labour shortages in the rail industry.
- **Strengthening our economy** – implementation of national mode-neutral freight strategies, policies and investment and independent price regulation of heavy vehicles to establish an even playing field between road and rail.
- **Supporting national industry** – development of a National Rail Industry Plan to make way for a more coherent national approach to rail involving all state and territory governments and industry.
- **Connecting our regions** – by planning and resourcing both inter-regional Fast Rail projects and East Coast High Speed Rail through a national planning agency.



# Rail freight and ports work program

To support this strategic plan, a rolling work program has been developed.

The Rail Freight and Ports Executive Committee currently meets every quarter to review this program and determine priorities and actions.

The ARA coordinates the delivery of actions with input from committee members as required.

## Rail freight and ports strategic objectives

- Support all members and advocate for key issues on their behalf at a local, state and national level
- Be a strong and influential voice on national and state freight policy
- Conduct valuable research that can help inform policy and improve rail freight productivity
- Engage in effective collaborations and partnerships that provide benefits to the rail freight sector
- Encourage greater modal shift to rail freight
- Increase infrastructure investment in priority freight rail projects

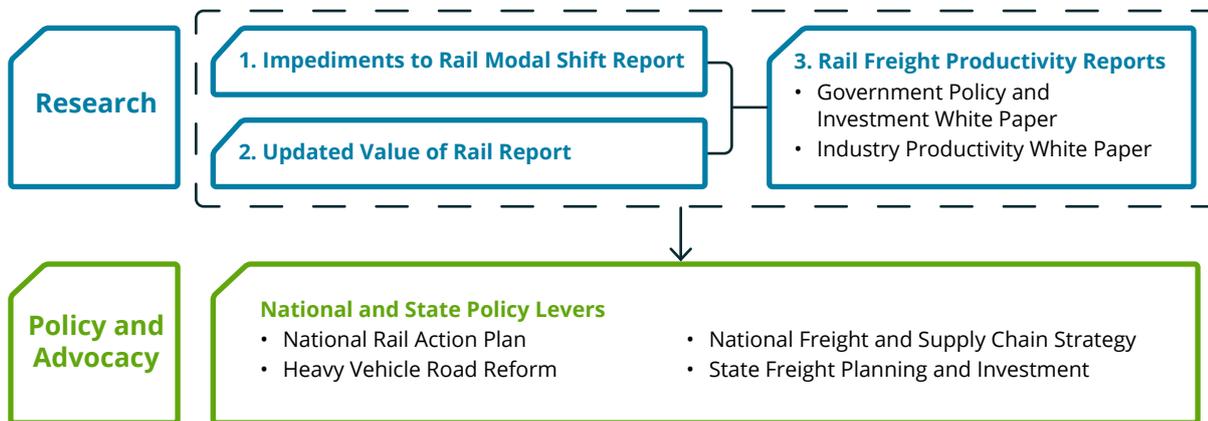
## Rail freight and ports key messages

- As our population grows the importance of a highly productive, efficient and safe supply chain will only become greater
- Rail freight is a critical part of the supply chain
- Rail freight provides a cost-effective, safe and environmentally sound solution for reducing congestion
- Greater modal shift to rail freight is needed to be able sustainably address Australia's growing freight task
- Investment in rail freight delivers enormous long term value. Improved supply chain connectivity and productivity benefits the economy and the environment and helps provide resilience in the face of emergencies
- Freight rail businesses operate in an environment of significant competitive pressure and have been adversely impacted by a combination of fiscal and regulatory decisions by government, supported by advocacy from the heavy vehicle lobby, that provide an uneven economic playing field
- We must take a national approach with all modes working together to deliver an integrated freight market. This requires all modes to operate from a level playing field with equal treatment in terms of access pricing, government policies and the role of productivity in regulation



# Research

To support the rail freight and ports work program, the following research will be undertaken throughout 2020 and beyond. This research is aimed at generating data and evidence which can be used to support key messages and guide the ARA's advocacy efforts.



## Phase 1

The first phase is to clearly articulate the problem and establish the benefit that rail freight provides as a solution. This will be done through the following work.

### 1. Impediments to rail modal shift

- A whole of supply chain review of the productivity of Australia's rail freight network
- Examine why freight rail has suffered a declining modal share
- Consider opportunities for freight rail to improve its service offering

### 2. Value of rail report

- Update the 2017 Value of Rail Report
- Capture the positive externalities of rail (pollution, congestion, and safety and the delivery of essential goods during COVID-19)

## Phase 2

The second phase involves providing specific guidance on how rail modal shift can be increased through actions by both government and industry. Reports that will be prepared as part of this phase include:

### 3. Rail freight productivity reports

#### *Government policy and investment white paper*

- Define how the positive externalities of rail can be used as a productivity, investment or modal shift incentive
- Evaluate the current regulatory framework and compare and contrast with other industries (such as maritime and heavy vehicles)

#### *Industry productivity white paper*

- Review the impediments to rail freight productivity and advise on how rail operators can improve their service offering and increase rail's modal share
- Review and advise on best practice methodologies for assessing and managing performance (above and below rail)
- Focus on key corridors in the context of an entire supply chain

These reports will be action-focused and forward-looking. They will present clear and tangible solutions for industry and government and identify policy levers which can be used to improve outcomes for rail freight.

# Advocacy

## Using our key messages, along with data and evidence gathered from research, the ARA's advocacy will focus on:

- Working with jurisdictions to support the implementation of national and state freight policy, including greater recognition of the importance of integrated urban planning and corridor protection to support rail freight requirements.
- Highlighting the important role rail freight plays in supporting efficient and cost-effective supply chains and proactively communicating rail's positive safety and environmental credentials
- Achieving the right modal balance across modes by supporting the implementation of mode-neutral independent price regulation of heavy vehicles
- Promoting greater consideration by governments of rail freight productivity through reform and rationalisation of environmental, safety and economic regulation
- Promoting the importance of an interoperable rail network through the adoption and roll-out of new technology and supporting ARTC's efforts to implement the Advanced Train Management System (ATMS) on the interstate network
- Drawing attention to the increased costs and timing issues associated with major project delivery, with the Port Botany duplication and Murray Basin line potentially serving as case studies
- Continuing to promote the introduction of direct heavy vehicle user charging and investment reforms by way of mass distance and location charging, based on the economic principles of cost reflective pricing
- Strongly promoting the urgent need for a single Rail Safety National Law including harmonising drug and alcohol laws and fatigue management to gain national consistency
- Highlighting the benefits of short-haul rail, particularly port shuttles and working with port owners/managers to promote freight rail into ports
- Advocating for a greater focus by the commonwealth on the development of business plans and development strategies for inland ports along the Inland Rail route to achieve a more coordinated and integrated rail freight network
- Advocating for increased infrastructure investment in priority freight rail projects, with a focus on supporting projects aimed at increasing port freight modal share and separating passenger and freight services in metropolitan areas
- Working with jurisdictions to support the development of intermodal facilities in major capital cities
- Supporting the construction of Inland Rail, including working with governments and industry to help meet the project's significant skill requirements
- Actively identifying policy matters under consideration and planned policy reviews yet to commence, with RFPG members to contribute to ARA submissions to articulate industry views on issues

## Policy development and submissions

Influencing policy outcomes is a key priority. To do this we will:

- Actively identifying policy matters under consideration and planned policy reviews yet to commence
- Coordinating policy submissions and input from Executive Committee members to ensure that all submissions properly articulate the industry's views on issues





## Contact us

P: (02) 6270 4501 E: [ara@ara.net.au](mailto:ara@ara.net.au)

A: PO Box 4608, Kingston ACT 2604 Australia

