

Rail industry welcomes freight funding to drive productivity and respond to fuel crisis

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The Australasian Railway Association (ARA) has welcomed the investment of \$1.75 billion in funding for the national rail freight network to build a more resilient, productive system.

ARA Chief Executive Officer Caroline Wilkie said the new measures recognised the critical role of rail freight to the national economy.

The Federal Budget will provide \$1.75 billion in new network investment funding for the Australian Rail Track Corporation (ARTC), building on earlier funding in 2024.

“Today’s funding is welcome recognition that we must invest in the future of freight and promote greater use of rail to increase productivity and resilience across the national network,” Ms Wilkie said.

The ARA called for additional ARTC funding as part of its pre-budget submission to support the maintenance, upgrade, modernisation and resilience of the national network.

“The ARA has been a strong advocate for increased ARTC funding to improve the productivity and efficiency of the network,” Ms Wilkie said.

“Today’s commitment will support a more productive freight system, delivering reduced service disruptions, improved climate resilience, lower operating costs and faster, more frequent services.”

The Government also announced a new \$55 million incentive scheme to promote the greater use of rail freight as part of the response to the fuel crisis.

“Rail freight is central to managing Australia’s fuel challenge,” Ms Wilkie said.

“Moving more freight on rail reduces national diesel consumption at scale, easing pressure on the supply and lowering costs across the economy.

“In a constrained fuel environment, this investment strengthens energy security while improving the efficiency of key industries.”

The ARA convened a workshop with industry and government stakeholders to discuss the rail industry’s role in responding to the fuel crisis in April, providing recommendations to the government for an incentive scheme for rail freight operators.

“Australia can save 200,000 litres of diesel for every rail journey on the east-west route that replaces moving the equivalent freight on road,” Ms Wilkie said.

“This represents a huge saving at a time where every litre counts, and the ARA is pleased to see incentives confirmed for the rail industry, just as they have been for the trucking sector.”

The allocation will include the establishment of a coordinator within the ARTC to work with rail infrastructure managers on the safe and efficient movement of longer and heavier freight trains on key corridors to maximise productivity and fuel savings. This was also a recommendation of the ARA.

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