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Australian rail projects to average \$14.4 billion per year over the next five years

A new BIS Oxford Economics report released by the Australasian Railway Association (ARA) today found rail construction and maintenance activity will rise to \$14.4 billion per year over the next five years, increasing from a record year that saw \$12.9 billion in rail civil construction and maintenance activity in 2021-22.

The *Australian Rail Market Outlook* report confirmed the sector was growing, with \$129 billion in rail construction and maintenance forecast in the 10 years to 2031-32, compared to \$96 billion over the previous decade.

Over the next 15 years, \$154 billion in rail construction work is expected as the wave of new projects continues to meet the country's future transport needs.

ARA Chief Executive Officer Caroline Wilkie said the report confirmed Australia was embarking on a period of railway construction that will transform the rail network for generations to come.

"The strong pipeline of rail projects recognises the essential role rail will continue to play as part of our public transport networks and freight operations," Ms Wilkie said.

"In the short to medium term, these projects will help meet Australia's transport needs and enable our sustainable growth.

"Longer term, these projects will support our rising population and help achieve the country's net-zero targets, by taking more cars and trucks off the road and encouraging greater use of sustainable transport options.

"This strong focus on new projects recognises the value of rail to our economy and community and addresses decades of historic underinvestment when compared to other transport modes."

In 2021-22, there was \$10.73 billion in rail civil construction activity – surpassing 2018 forecasts for the period – and \$2.13 billion in maintenance activity.

Rail construction work increased by 2.9 per cent in real terms in 2021-22, representing the sixth consecutive year of growth in rail construction.

The report found publicly funded major projects across New South Wales, Victoria and Queensland would account for 77 per cent of major project work in 2023-24, with key projects such as the Sydney Metro, Inland Rail and Melbourne Airport Rail driving growth over the medium term.

Western Australian rail activity, whilst historically heavily driven by private funding, will be boosted over the next two years as the WA Government's METRONET program ramps up, while activity in the Australian Capital Territory will increase in 2023-24 due to the Canberra Light Rail Stage 2 development.

Ms Wilkie said this next phase of growth represented a tremendous opportunity to drive innovation and ensure greater productivity and efficiency for the rail industry.

"With so many significant construction and maintenance projects occurring or planned across the country, policy changes that improve outcomes for both government and industry could have a huge impact on the value we derive from this period of investment," Ms Wilkie said.

"The right reforms could save money, improve efficiency and create the opportunity for innovation to flourish.

"Reforms that create national approaches to procurement, local content policies and type approvals would support better outcomes for governments, the rail industry and the supply chain as they deliver this significant pipeline of projects."

The report confirmed Australian railway construction activity (excluding maintenance) is expected to peak at \$13.3 billion in 2023-24.

It is set to remain above current levels until 2026-27 before reducing to \$8.6 billion in 2031-32.

For more information, view the report [here](#).

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Further information

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