

Media Release

25 May 2020

Government projects must forge ahead, while COVID-19 offers opportunity for Australian suppliers

A survey of Australian rail suppliers, contractors and freight operators has found governments must keep the focus on progressing infrastructure projects in order to speed the post pandemic economic recovery.

The Australasian Railway Association (ARA) survey found maintaining current projects was the most important action governments could take to support the rail industry.

But it also uncovered new opportunities for local business and industry, with three quarters of businesses planning changes to their supply chain expecting to increase their use of local suppliers.

ARA Chief Executive Officer Caroline Wilkie said respondents also wanted governments to fund additional stimulus projects and provide stronger policies to support local content and more effective procurement processes as industry planned to shift its focus.

“The rail industry has continued to operate through COVID-19 despite 86 per cent of survey participants having their supply chains disrupted by the pandemic,” Ms Wilkie said.

“Many businesses are looking to change their supply chains in the future and this presents a real opportunity for Australian manufacturers and suppliers.

“This is the perfect time for governments to streamline procurement processes and boost local content policies to support the generation of new jobs in the rail supply chain.”

The survey found 91 per cent of respondents were concerned about the impact of COVID-19 on all or part of their business.

Respondents’ top three concerns were the financial impact on their operations, a slowing or reduction in government infrastructure projects and the potential for an Australian recession.

A quarter of respondents had experienced constraints on international shipments, while 22 per cent had seen a decline in customer spending.

Just over half of respondents planned to defer or cancel planned investment (53 per cent), with 68 per cent of those putting workforce expansions on hold and 65 per cent delaying capital expenditure.

But most expected these impacts could be short to medium term.

“Suppliers and contractors stand ready to bounce back quickly to support the recovery,” Ms Wilkie said.

“A third of respondents could be back to full capacity within a month of the return to normal operations if the policy settings and project pipeline is right.

“That confirms the vital role rail will play in strengthening our recovery.”

The ARA surveyed 58 rail suppliers, contractors and freight operators in April as part of the survey. For more information, view our report, [*Preparing for recovery: Rail suppliers, contractors and freight operators and COVID-19.*](#)

ENDS

Media contact: Joeley Pettit – 0407 061 421, jpettit@ara.net.au