

# Media Release

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## **New report confirms need to get more passengers, freight on rail**

Australia must increase the use of rail to avoid rising environmental, safety and social costs over the next decade.

The Australasian Railway Association's (ARA) Value of Rail 2020 report was released today, confirming the wider community benefits of moving more passengers and freight to rail.

ARA Chief Executive Officer Caroline Wilkie said the trend towards using private vehicles during the pandemic would need to be reversed post COVID-19 to avoid congested city centres, while rail must take on the lion's share of the nation's growing freight task.

The call came as the report confirmed the rail industry's \$29.8 billion contribution to the economy, with the industry supporting 165,000 direct and indirect jobs.

The rollingstock manufacturing and repair industry generated \$2.4 billion in revenue, while more rail construction has driven jobs growth.

The Sydney Metro, Melbourne Metro Tunnel, Inland Rail and Cross River Rail projects were all currently underway, creating jobs and supporting skills development to underpin the country's economic stimulus.

### Passenger rail

Ms Wilkie said the report confirmed the need to make sure people returned to rail after COVID-19.

"If just 20 per cent more people used trains or trams for their commute compared to 2016, it would deliver \$1.2 billion in social and environmental benefits to Australia," Ms Wilkie said.

"Patronage has been hit hard by COVID-19, but this report confirms it is absolutely essential we move quickly to get people back on rail where it is safe to do so.

“Every full commuter train takes 578 cars off the road, with rail passenger travel generating 30 per cent less carbon pollution than road travel.

“If just one in 10 people who moved to using their cars instead of rail during the pandemic don’t return to the network, Australia faces \$4 million in additional environmental costs and \$55 million in crash costs.”

The report found steady long term growth in demand for passenger services, with more people choosing rail over any other mode of public transport.

The industry supported more than 962 million passenger journeys in 2018, equating to 3.5 million passenger journeys every weekday in Australia.

While COVID-19 had severely impacted patronage on the rail network, long term trends predicted 16 per cent growth in the use of passenger services by 2026.

### Freight rail

Ms Wilkie said rail would account for 72 per cent of the expected growth in Australia’s freight task, with Inland Rail to be a key contributor to improving the rail freight network.

“Rail freight produces 16 times less carbon pollution than road and improves the safety of our highways and country roads,” she said.

“Road accident costs associated with freight transport are 20 times that of rail.

“It is clear wider use of rail freight delivers tangible community benefits, confirming the need for a level playing field for all modes of freight transport.”

Rail freight was taking on the heavy lifting when it came to meeting growing demand, accounting for 56 per cent of national freight movements.

The rail freight sector was expected to grow 41 per cent by 2030, accounting for almost three quarters of the total growth in the sector.

The report confirmed rail freight’s essential role in supporting the nation’s resources sector, with one automated train in the Pilbara carrying the equivalent on 631 B-Double trucks.

Ms Wilkie said new measures to optimise rail freight were needed to ensure the industry met growing demand and maximised the social and environmental benefits rail delivers.

“While rail freight has played a crucial role in the resources sector, limited containerised freight facilities in city centres and the absence of policy settings to ensure a level playing field has limited its growth in other areas,” she said.

“With Inland Rail to deliver more capacity on the network, we must focus now on ensuring the right policies are in place to support greater use of rail freight by other sectors.”

### About the report

The Value of Rail provides a snapshot of Australia’s rail industry and is the first report of its kind since 2016.

Ms Wilkie said the report highlighted the value rail delivers as an essential part of our daily lives.

“So many Australians rely on rail to get to school or work, connect with customers and bring together healthy and vibrant communities,” she said.

“The report confirms rail is essential to our economy and provides safety, sustainability and health benefits to cities and towns.”

Ms Wilkie said it was important new investment decisions made by governments appropriately considered the social and environmental benefits of rail.

The report also highlighted the need to strengthen opportunities for Australian rail manufacturers and suppliers.

“The ARA has long campaigned for a new approach to government procurement processes to give the Australian rail manufacturing sector the scale it needs to invest and innovate,” she said.

“The report confirms that this is critical to make sure we realise the full potential of the capability that already exists in the country.”

The [Value of Rail 2020](#) was prepared by Deloitte Access Economics on behalf of the ARA.

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