

Vic funding injection will help get Murray Basin Rail Project back on track

Freight on Rail Group (FORG) of Australia chair Dean Dalla Valle has welcomed the Victorian Government's commitment to inject an extra \$48.8 million towards upgrading the Murray Basin rail network.

"The Murray Basin is one of the major food and fibre bowls of Australia – its agricultural and regional industries help generate tens of thousands of jobs both directly and indirectly, including employment at the ports of Melbourne, Geelong and Portland," he said.

Mr Dalla Valle said governments which upgrade and strengthen their critical supply lines will emerge stronger in the new COVID world.

"Inefficient transport supply chains corrode the core fundamentals of state and national economic productivity; destroying jobs and increasing cost of living pressures for millions of Australians," he said.

Mr Dalla Valle said being able to efficiently haul goods and commodities by rail from paddock, pit and plant to ports improves road safety, reduces truck 'wear and tear' on local and state roads, and lowers traffic congestion and vehicle emissions.

"Due to well-documented problems with rail infrastructure in the basin, I've heard almost 70 percent of export grain this season will be transported by truck to Victorian ports – this is an extremely poor outcome for society; and certainly not good for regional councils already struggling to repair and maintain large road networks.

"This commitment from the Victorian Government is welcome – as a nation we need to get this rail freight network humming again. Given we could see another bumper crop next year, industry encourages the Commonwealth to also commit extra funding to help get the network back on track," he said.

A 2017 Deloitte Access Economics report found for every tonne of freight hauled a kilometre, rail freight produces 16 times less carbon pollution than road freight and 14 times less accident costs¹.

A 2017 federal government report found freight and passenger rail transport accounted for a mere 4 per cent of total transport sector greenhouse gas emissions. In comparison, the report found heavy vehicles in 2017 accounted for more than 20 per cent of total transport emissions in Australia; growing to almost 30 per cent by 2030².

Mr Dalla Valle said Australian farmers, exporters and importers operate in cut-throat international markets, meaning efficient and cost-effective rail freight operations are vital to help our nation remain globally competitive.

¹ Value of Rail. The contribution of rail in Australia. A report commissioned by the Australasian Railway Association (ARA). November 2017. Deloitte Access Economics.

² Australia's emissions projections 2017. Table 7: Emissions by sector (Mt CO₂-e). Australian Government. Department of the Environment and Energy. December 2017.

“Rail freight networks tend to be out of sight of most Australians – but that doesn’t mean critical rail freight infrastructure should be taken for granted to the point of neglect,” he said.

Mr Dalla Valle said the Murray Basin Rail Project also presented a perfect opportunity for governments to create new jobs and support local manufacturing.

“Just imagine all the Australian-made steel that will be used in upgrading and standardising the network with new track – additional support for this project should be of the highest national priority,” he added.

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About FORG

FORG consists of Australia’s nine major rail freight businesses: Pacific National, Australian Rail Track Corporation (ARTC), One Rail Australia, Aurizon, Qube Holdings, SCT Logistics, Arc Infrastructure, Watco Australia and Southern Shorthaul Railroad.

These rail freight companies contribute more than \$11 billion to the nation’s economy each year, employ almost 20,000 Australians (many based in the regions), operate in every Australian state and territory (except Tasmania), use 1,600 locomotives and 34,000 wagons serviced and maintained in Australia, and manage and operate 23,000 kilometres of critical rail track connecting the country.