

**MEDIA STATEMENT**  
**13 April 2022**

**Freight on Rail Group Federal election policy priorities**

The industry group representing Australia's largest rail freight operators and infrastructure owners today released their policy priorities for the forthcoming Federal election.

Freight on Rail Group (FORG) members contribute more than \$11 billion to Australia's economy each year, employ almost 20,000 people, operate 1,600 freight locomotives and manage 23,000 kilometres of rail track. They include Pacific National, Australian Rail Track Corporation, One Rail Australia, Aurizon, Qube Holdings, SCT Logistics, Arc Infrastructure, Watco Australia and Southern Shorthaul Railroad.

Rail-based freight and logistics operations perform a vital role for Australia's export industries and in domestic markets. FORG recognises the importance of efficiently meeting future freight demand and continuing to improve the competitiveness of freight supply chains. As Australia moves rapidly to decarbonise the nation's supply chains, rail will have a pivotal role given the major safety, environmental and other community benefits it delivers, including reduced road congestion.

The following should be priorities for the elected Federal Government.

**Prioritise rail infrastructure resilience**

FORG welcomes the current [Review of Road and Rail Supply Chain Resilience](#). With "once in 100 year" events happening more regularly it will be important that:

- Resilience priorities are identified across Australia's rail freight network, including regional rail infrastructure and focusing on where the existing network requires improvement.
- The use of technology to detect when a network or particular sections of a network require mitigation and protection actions.
- Ensuring that rail networks are well prepared to undertake efficient recovery works when required.

The findings of the Review of Road and Rail Supply Chain Resilience need to be a key priority for the first six months of the new Federal term of office.

**Inland Rail Project**

Inland Rail will provide step-change improvement in the domestic and export supply chains for industries that are vital for Australia's economic prosperity.

A key infrastructure priority for an incoming Federal Government should be the delivery of the Inland Rail project, with a focus on supporting the large private sector investments that will be required to realise all the economic and regional benefits of the supply chain services that will use Inland Rail in the future.

**Provide a level playing field for rail and road with infrastructure pricing policy**

On freight corridors where rail and road compete to transport general freight, the current policy of Federal and State Governments has resulted in in favourable road user charges for trucks that are not cost reflective.

FORG recommends the Federal and State Governments introduce equivalent policies for rail and road infrastructure pricing, and achieve this by one of the following options:

- Road pricing reform that introduces cost-reflective user charging for heavy vehicles, as previously agreed by the Federal and State Governments; or

- Alternatively, the introduction of a rail freight utilisation incentive program, potentially linked to the value of the emissions reduction benefits of freight transported by rail.

### **Utilise rail freight to reduce transport sector greenhouse gas emissions**

Too often the emissions reduction strategies are compartmentalised to the specific mode of transport, road or rail, and handled separately. There is an opportunity for governments and industry to think across the different transport modes and to increase the utilisation of rail freight to reduce overall transport emissions, given that using rail freight produces 16 times less carbon pollution than road freight per tonne kilometre.

FORG recommends that emissions reduction programs should provide an incentive for future freight volumes to be carried by rail, recognising the environmental and community benefits from using rail. A rail freight utilisation program could also be linked to the larger infrastructure access costs paid by rail compared to road.

### **Coastal shipping regulation**

Coastal shipping regulation for the transportation of domestic freight should recognise investments in land transport operations and provide for efficient utilisation of land transport modes where infrastructure and services are available.

Coastal shipping regulation should not provide unreasonable competitive advantages to foreign flagged ships to enter and participate in Australia's domestic freight services market where ships compete with land transport supply chains. FORG recommends that transport policy and regulation should better protect the sovereignty and security of Australia's domestic supply chains against foreign-flagged ships.

### **Focus on improving the productivity of rail freight**

FORG recommends a nationally coordinated focus on improving the productivity of rail freight that involves the following priorities:

- Addressing impediments to rail freight productivity including those that are identified by the Review of Rail Freight Productivity chaired by former Deputy Prime Minister John Anderson.
- Making targeted investments in improving the productivity of existing rail infrastructure.
- Integrate rail-based supply chains with other transport modes so that the benefits of rail in carrying larger volumes of freight are realised, including 'first mile' and 'last mile' connections to production or distribution sites and end destinations.
- A coordinated Federal and State Government approach to consistently identifying and overseeing the implementation of rail freight productivity improvement priorities that is integrated with overall supply chain development programs.

### **Transport infrastructure investment proposals to recognise externality impacts of transport modes**

FORG recommends that transport infrastructure investment assessments should be required to consider and recognise the externality impacts of transport modes, including safety, environment and congestion benefits. These benefits should be identified and considered in relation to infrastructure investment priorities, including investments aimed at improving the productivity and utilisation of existing infrastructure.

### **For further information:**

Mark Hairsine  
[mark.hairsine@aurizon.com.au](mailto:mark.hairsine@aurizon.com.au)  
Mob: 0418877574

Melinda Hawkins  
[melinda\\_hawkins@pacificnational.com.au](mailto:melinda_hawkins@pacificnational.com.au)  
Mob: 0429 687 712