

The future of freight



**Images in link below*

Future of rail freight will make or break Australia's freight task

Urgent action is needed to increase rail's share of freight to meet future transport needs, reduce emissions and foster economic growth, a landmark research project has concluded.

Federal Minister for Infrastructure, Transport, Regional Development and Communities, Catherine King, together with the Australasian Railway Association and key industry representatives, released the research today at Pacific National's intermodal terminal in Melbourne.

The rail industry also launched the Future of Freight campaign in response to the research, which makes several key recommendations for industry and government to enable rail to play a far greater role in Australia's growing freight task.

The campaign is centred on the comprehensive research, which was led by the Australasian Centre for Rail Innovation (ACRI), with input from the ARA and Freight on Rail Group (FORG), and supported by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

ARA CEO Caroline Wilkie said the research found the underutilisation of rail freight is a missed opportunity that is costing the Australian economy and stands in the way of reaching net zero targets.

"Our freight task is significant and growing and we need a resilient, reliable and efficient national rail freight network to support the economy and community," Ms Wilkie said.

"Road and shipping cannot alone meet this demand, and new policies and more strategic investment is needed to support greater use of rail."

Previous ARA research shows that a 10 per cent mode shift away from road to rail between major capital cities in Australia will reduce the social costs created through emissions, crashes and accidents and health costs from emissions, with total estimated benefits of more than \$700 million per year.

Rail's share of inter-capital freight is only 11 per cent across the Eastern seaboard, and as little as two per cent on Australia's busiest freight corridor between Melbourne and Sydney, the research showed. Less than a third of freight (28 per cent) is on rail between Melbourne and Brisbane, the future service area for the Inland Rail project.

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FORG Chairman and Aurizon Managing Director & Chief Executive Officer Andrew Harding said boosting the role of rail freight on key interstate freight routes, particularly between Melbourne-Sydney-Brisbane, should be a key focus for governments and the rail industry.

“The pandemic illustrated the essential role of a strong national supply chain and the importance of rail as part of our national network, but more investment is urgently needed to increase the resilience and productivity of the network,” Mr Harding said.

“Melbourne-Sydney-Brisbane is a corridor where rail can do the heavy lifting for customers and the economy, while significantly reducing carbon emissions for the transport sector. Rail freight is up to 16 times less carbon intensive than road freight.”

Some of the constraints identified as hampering rail’s share of freight include:

- A lack of a ‘level playing field’ between modes, making it harder to compete with road;
- Lack of interoperability between jurisdictions - rail operators using multiple networks to have to manage seven different regulatory frameworks;
- Poor harmonisation of safety standards, operating rules and processes and regulations;
- Rail infrastructure gaps impacting transit time, reliability and availability;
- No national body to mandate harmonised principles, standards and processes;
- Lack of transparent freight data and accurate cost benefit analysis in determining private and public investments infrastructure.

ARTC’s Acting CEO Wayne Johnson said rail is a vital link in the national supply chain and an effective mechanism for Government and industry to work towards contributing to the Net Zero targets by 2050.

“This report highlights that a robust and effective rail network can only strengthen our supply chains and enable growth of our markets to compete in the global economy,” Mr Johnson said.

“To this end, investment is continuing to improve the resilience and reliability of the freight rail network on the back of unprecedented flooding events. However, there is more to do so that rail operators, customers and businesses have confidence in the reliability of rail services, aligning to their expectations.”

The CEO of the National Transport Research Organisation (NTRO), Michael Caltabiano, said the transition of ACRI into NTRO offers the ideal opportunity to deliver a more integrated transport system with freight delivery on rail a key consideration.

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“Increased use of freight rail could bring great economic and environmental benefits but a lack of reliable infrastructure, inadequate focus on productivity and inconsistent standards and regulations across the continent are preventing this,” Mr Caltabiano said.

The research suggests several practical steps to increasing mode share of rail, including investments in infrastructure with a focus on resilience and reliability initiatives, enhanced collection of road and rail use and train service reliability data and a review of cost-benefit analyses to ensure economic, social and environmental benefits are fully considered in rail/road investment decisions.

Freight images:

<https://www.dropbox.com/scl/fo/cf53v5kh58wzzyvhw4xz2/h?rlkey=fqw3uhipq2iwdoawg8du8m8oh&dl=0>

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