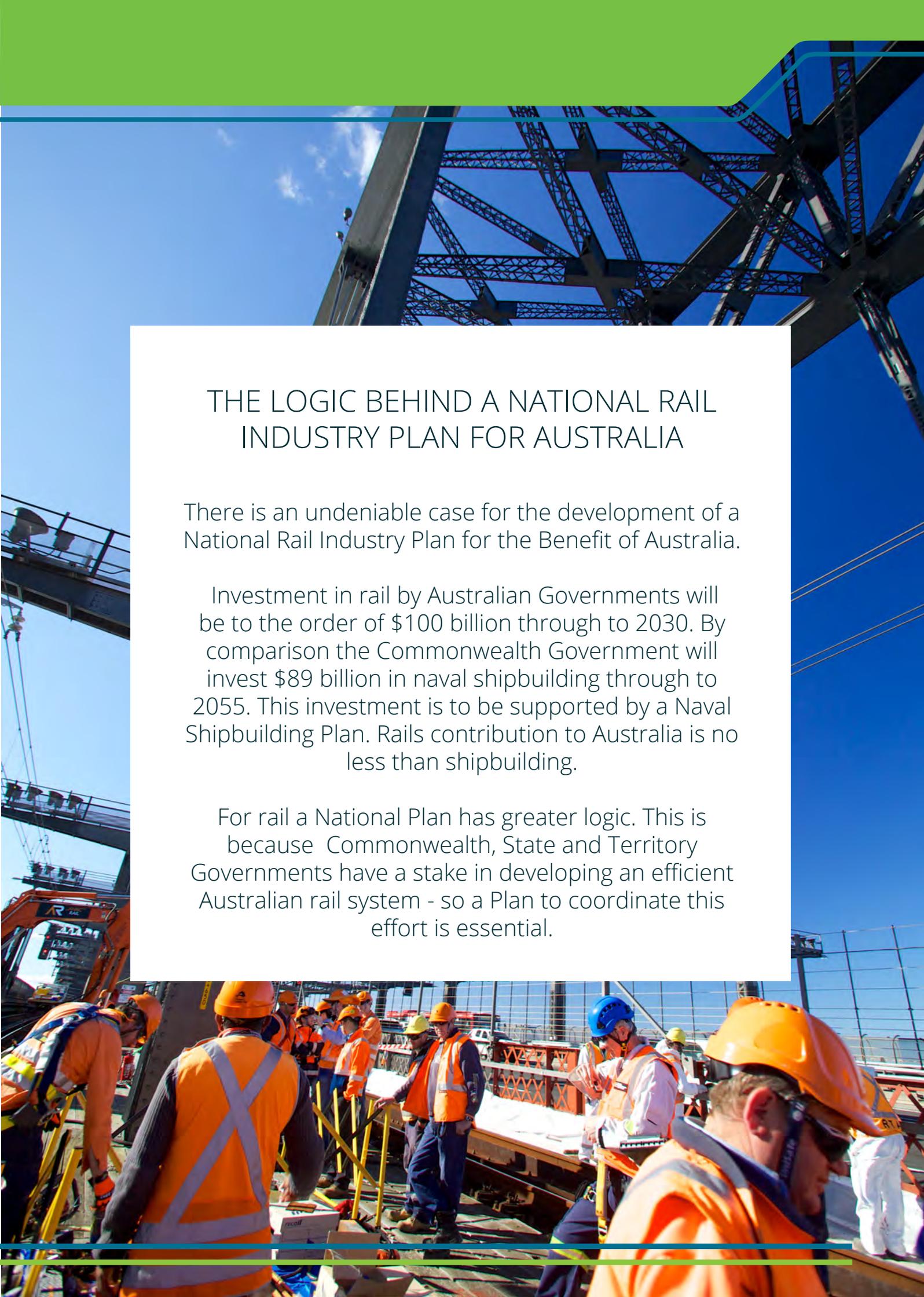


A NATIONAL RAIL INDUSTRY PLAN FOR THE BENEFIT OF AUSTRALIA

September 2017







THE LOGIC BEHIND A NATIONAL RAIL INDUSTRY PLAN FOR AUSTRALIA

There is an undeniable case for the development of a National Rail Industry Plan for the Benefit of Australia.

Investment in rail by Australian Governments will be to the order of \$100 billion through to 2030. By comparison the Commonwealth Government will invest \$89 billion in naval shipbuilding through to 2055. This investment is to be supported by a Naval Shipbuilding Plan. Rails contribution to Australia is no less than shipbuilding.

For rail a National Plan has greater logic. This is because Commonwealth, State and Territory Governments have a stake in developing an efficient Australian rail system - so a Plan to coordinate this effort is essential.



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A RAIL INDUSTRY PLAN FOR THE BENEFIT OF AUSTRALIA

Introduction

The rail industry makes a significant contribution to the Australian economy. Going forward, with proper planning, together with Commonwealth, State and Territory Government contribution, a National Rail Industry Plan for the Benefit of Australia will significantly assist the industry to achieve its full potential.

Australia depends on an efficient transport system. Each year almost one billion passenger journeys transport Australians on heavy and light rail networks in our capital cities and on regional services. Around 1.5 billion tonnes of freight, primarily bulk commodities, are moved on rail each year. This passenger and freight task is growing rapidly.

Rail is a large employer, with close to 200,000 directly or indirectly involved through freight and passenger operators, track owners and managers, manufacturers, suppliers, contractors, consultants and government administration. The contribution to the Australian economy now stands at about \$26 billion, but this can jump significantly with the right policy mix.

Commonwealth, State and Territory Governments recognise the significance of rail to Australia. Between them investment in rail is likely to exceed \$100 billion by 2030. This investment made in the national interest will enhance its contribution to our economy through greater efficiencies in public transport, in freight and in the jobs created in building, augmenting, managing and maintaining rail networks. All Australians will be the beneficiaries.

An important era lies ahead for rail. It is a pivotal time and a National Rail Industry Plan will ensure Australian rail can realise its full potential.

Why a National Rail Industry Plan is needed

Australian governments understand the increasing importance of both passenger and freight rail to Australia. They are motivated to commit to significant investments in rolling stock, integrated intermodal solutions and supporting rail infrastructure to address our growing transport needs, as well as efficiency and productivity gains.

These transport needs are driven by many factors. Dominant among them is congestion in our capital cities, particularly Sydney and Melbourne – a consequence of the continuing growth in the Australian population and in vehicle registrations:

- During 2016, Australia's population grew by 372,800 people - with 146,600 located in Victoria and 116,400 in New South Wales. In round terms, Melbourne and Sydney are growing at the rate of 10,000 people every month
- At January 2017 there were 18.8 million registered vehicles in Australia. In the preceding year both New South Wales and Victoria experienced a growth of about 2.5%, that is around 130,000 additional vehicles on the road in a year. The strongest growth was in light commercial vehicles (3.1%) and light rigid trucks (3.4%). The growth in articulated vehicles was circa 2%.

Further to this we live in a new age of consumerism. The trend of online shopping requires a pick-up from the supplier or wharf, then to the warehouse and onto the home, adding to road congestion. The growing population must be fed, so transporting product from our food bowls is on the increase. Rising demand for our produce, commodities and raw materials necessitates speed and efficiency in their delivery to markets. Housing affordability in our major cities is a recognised problem, giving rise to the need for options to improve access to and liveability in, our growth corridors and in our regions.

The imperative is to relieve congestion and to reduce the cost of mobility by efficient transport systems within our cities and our regions and to unclog our roads. Moreover, the lack of differentiation between the movement of passengers and freight within the major cities creates tension and potential conflict in the event of a breakdown or other incident.

The objective of a National Rail Industry Plan for the Benefit of Australia is to obtain maximum economic growth, efficiency, productivity and social benefits from the substantial investments currently being made. This will include in the areas of growth and employment; individual and company capabilities; productivity and innovation; integration of transport modes; local and export market opportunities; housing options and to provide the rail industry with greater certainty into the future.

Light and heavy rail can contribute significantly to a palatable transport solution for our cities and our regions. Freight on rail, as an option to road, offers equally palatable benefits in cost and efficiency, but we need to plan thoroughly to reap these benefits and to bolster those that rail currently generates.

The contribution rail already makes to our economy, environment and social cohesion cannot be underestimated. We cannot overlook fundamental benefits that are currently inherent in rail, namely:

- Rail's positive impact on road congestion – one passenger train takes 525 cars off the roads and one freight train takes 110 long haul trucks off the roads
- Rail's positive impact on costs – less congestion, fewer accidents and reduced road maintenance
- Rail's positive impact on emissions
- Rail's positive impact on commuting times and liveability in growth corridors and in our regions
- Rail's positive impact on social inclusion, health and amenity.

Appended to this Plan is Annexure 1 - Executive Summary of the ARA/Deloitte Access Economics Value of Rail Report that details the contribution rail makes to Australia. The Value of Rail Report is most compelling in laying plans for the future.

A collaborative approach which engages Commonwealth, State and Territory Governments can build on these attributes and serve to overcome the inefficiencies inherent in our current state-based systems.

Key government agencies, such as Infrastructure Australia, can feed into this collaborative process. A consolidated pipeline of projects around Australia will help identify priorities in addressing infrastructure needs, including the challenges of congestion, with funding approvals based on the compelling nature of the supporting business case.

The aims of a National Rail Industry Plan for the Benefit of Australia include:

- Highlighting the important role that rail plays in the national transport task and the economy
- Identifying the challenges and opportunities facing the national rail endeavour
- Providing a manageable, realistic set of initiatives for both government and industry to implement in a realistic timeframe
- To provide a structured way forward, seeking agreement amongst stakeholders, with outcomes that add value and that can be measured.

An integrated approach to transportation

The rail industry in Australia stands at the nexus between the opportunities presented by the significant and ongoing investment in systems and infrastructure. The challenges posed include ageing infrastructure, an ageing workforce and the historical separation of rail into discrete state-oriented networks. The way in which these challenges are addressed will determine the value derived from the current and future investment.

The situation now pertaining to rail in Australia is one of fragmentation. Historical events have resulted in a number of discrete, state-oriented networks with non-compatible infrastructure, differing regulatory frameworks and uncoordinated project schedules that compete for the same scarce resources. A National Rail Industry Plan for the Benefit of Australia aims to address these inefficiencies.

Rail cannot be considered in isolation. It is part of a broader transportation effort that includes road, air and sea for the movement of passengers and freight. Passengers must connect with rail transport from their homes and workplaces. A rail/road mix for freight is often required from key regional nodes and to the point of distribution.

Any rail industry plan must accommodate the broader transport requirements, particularly land transportation. This extends to passenger and freight intersections, integration into urban rail networks and improvement of efficiencies in moving freight over short haul or long distances. Levelling the playing field in road/rail pricing issues is integral to this. Propulsion/power/energy utilisation must also be included in the Plan.

Freight and passenger rail must co-exist in Australia's transport network. Each has policy priorities that must be understood.

Enabling a National Rail endeavour

Australia's rail endeavour is categorised as disparate, pursuing uncoordinated activities across multiple jurisdictions. As harsh as this commentary appears to be there are a myriad of examples which bear this out. Combined, these represent the foundation of the case for a national approach – a National Rail Industry Plan for the Benefit of Australia.

The Commonwealth Government has launched a Naval Shipbuilding Plan for Australia, affirming its commitment to build a sustainable naval shipbuilding capability in Australia based around an investment of \$89 billion out to 2055. The rationale for a national endeavour for naval ships is said to be “building and sustaining Australia's naval capabilities, creating economic growth through maximising Australian industry participation, and securing Australian jobs that will endure for decades to come.” A parallel can also be drawn for the Australian rail industry.

The Australian rail industry is no less important than shipbuilding – around \$100 billion in investments is on the drawing board out to 2030. However, these investments flow from Commonwealth, State and Territory Governments. Accordingly, it can be said that the case for a coordinated plan – a national rail endeavour – becomes even more logical than it is for shipbuilding.

This is easier said than done.

Coordinating Australian governments, all with differing political aspirations, into one national endeavour is a challenge. The Council of Australian Governments (COAG) is not suited to this endeavour. The Transport and Infrastructure Council (TIC) brings Commonwealth and State Government Transport Ministers together and could endorse the National Rail Industry Plan for the Benefit of Australia concept and perhaps undertake an overseeing role.

TIC has made modest progress in harmonising rail requirements in bogies and glass, but the agenda for any Plan is comprehensive, requiring specialist input from a range of stakeholders and there is a degree of urgency about it. There are various options to achieve traction for a National Rail Industry Plan for the Benefit of Australia. Fundamental to it is a declared commitment and goodwill among stakeholders. Options include:

- Establishing a specific Rail Industry 'coordinating' or 'implementing' body to work co-operatively for the purposes of the Plan, or
- Establishing an 'authority' with appropriate legislative support.

In either case, issues of structure and composition arise. Representation from government, the bureaucracy, industry and agencies would be required, timelines set, budget allocations made and support from a small resourced secretariat.

The UK approach

One approach to be considered is that being pursued successfully in the UK.

In the UK, the rail industry and government has pledged to make the UK a global railway leader. To this end, the Rail Supply Group has been formed, co-chaired by an industry leader, the Secretary of State for Transport and the Secretary of State for Business, Innovation and Skills.

Industry and the UK Government worked collaboratively to produce 'Fast Track to the Future – a strategy for productivity and growth in the UK rail supply industry'. In effect, this is the UK's Rail Industry Plan.

This is a comprehensive plan for UK rail. There are many parallels with the Australian rail environment and what can be done to enhance rail's contribution to the Australian economy.

The UK Rail Industry Plan can be accessed at <https://www.railsupplygroup.org/wp-content/uploads/2016/01/RSG-Brochure-Jan-2016.pdf>. This comprehensive implementation plan documents the UK Government and industries pledge, productivity building blocks, sector strategy initiatives, and a comprehensive list of action plans, annually refreshed and tracked out to 2020.



THE FOCUS OF A NATIONAL RAIL INDUSTRY PLAN FOR THE BENEFIT OF AUSTRALIA

The focus of a National Rail Industry Plan for the Benefit of Australia should be relevant to all sectors of the Australian rail industry. Specific requirements may differ according to the nature of the rail activity being undertaken. Passenger and freight operators will each have their particular detailed agenda to pursue. Suppliers and contractors will likewise have differing requirements for success.

Rail should be at the centre of planning. It should be a priority in town planning, such as precincts for education, health, administration and community. Rail needs to match population movements in cities, growth corridors and regional centres. Focus on a smart cities plan comes into play. Rail is an integral component of the national transport system and its impact on urban and regional development.

Looking to the future, a national framework for corridor protection should be developed. That involves how to capture value from these corridors and will typically involve tri-government interaction, including Commonwealth, State, Territory and Local Government. Land use planning across all jurisdictions is part of this.

The speed of a train is a contentious issue. The starting point should be to achieve faster trains. The very fast train will no doubt come in due course, but the priority for now is faster trains. This will require positive steps to optimise current infrastructure assets.

The focus of the agenda for a National Rail Industry Plan for the Benefit of Australia should be relevant to the rail industry as a whole, embracing all of its endeavours. The agenda must be manageable if tangible progress is to be made.

Accordingly, the focus proposed for the Plan embraces five key requirements, namely:

- Recognising the importance of rail for Australia's infrastructure development, urban planning and freight movements
- Harmonising standards, minimising regulations and maximising economies of scale
- Growing capabilities of individuals and companies
- Maximising opportunities for rail companies
- Fostering innovation, research and development.

These are complex issues. They warrant examination and discussion among all stakeholders and an agreed way forward determined. Solutions will not come overnight. Rather, those at the table should consider the enablers set out in the following pages and early in the process, identify the actions required and who is responsible for them – whether it be industry, government departments or its agencies, research bodies and the like.

THE FIVE KEY AREAS OF FOCUS:

1. Recognising the importance of rail for Australia's infrastructure development, urban planning and freight movements

Enablers to achieve this include:

1. Establishing and maintaining a complete catalogue of all rail industry projects/investments (commissioned and proposed) – the 'Rail Industry Investment Pipeline':

- This should reflect time lines
- Reflect costs of projects and employment potential
- Assess funding and resource issues
- Consider and rank priorities.

2. Draw on the study ARA has commissioned from Deloitte Access Economics reflecting the contribution rail makes to Australia:

- Spell out the impact rail has on the major economic drivers, both GDP and employment
- Reflect the impact rail has on externalities, such as congestion, commuting times, safety, emissions and social cohesion
- Present the 'true value' of rail findings in graphical format to aid wide distribution and understanding.

3. Removing any policy bias between transport modes:

- Road/rail pricing
- Corridor preservation for passenger, freight and high speed rail
- Salary sacrificing for public transport tickets
- Recognising the importance of integrated transport in city planning
- Supporting the development of intermodal freight hubs and rail to ports.

4. Promoting the advantages that flow from rail:

- Generating an improved mindset among policy makers about the benefits of rail
- Promoting the advantages of major rail projects such as Inland Rail and Sydney/Melbourne metros
- Educating patrons to see how rail fits into Australia's overall transport offering as a viable, alternative transport mode
- Cooperating with tourism promoters, such as cruise liners, airlines, hotel chains to include rail as part of the tourism offering
- Promoting rail as a worthy option for young career aspirants
- Generating improved diversity outcomes.

2. Harmonising standards, minimising regulations and maximising economies of scale

Enablers to achieve this include:

1. Progressing work being led by Victoria (through RISSB) in harmonising standards relating to bogies and glazing:

- Extending the harmonisation efforts to homologation and system specifications
- Removing conflicting requirements in emission standards.

2. Working with the Office of the National Rail Safety Regulator (ONRSR) to achieve harmonisation in all areas of safety, particularly:

- Completing the full engagement of all states with ONRSR
- Addressing the safety issues relating to the movement of vehicles in rail facilities
- Harmonising the requirements of drug, alcohol and fatigue management.

3. Reviewing the approach to tendering and procuring to achieve a greater consistency of approach and reducing costs:

- Drawing on ARA's analysis of recommendations from the Productivity Commission
- Developing education programs on 'best practice' tendering practices relevant to both procurers and suppliers.



3. Growing the capabilities of individuals and companies

Enablers to achieve this include:

1. Identifying the labour skills required for a high performing rail system that is abreast of emerging technologies:

- Commission a labour market analysis to identify gaps in required skills (Bis Oxford Economics has prepared a comprehensive proposal to undertake this analysis)
- Drawing on the skills analysis being undertaken by training academies in Victoria and New South Wales. Exchange best practices to avoid duplication of effort. In particular, extend interstate the progress being made by the Rail Academy Newport particularly in the area of signals engineering. Similarly, the approach of Sydney Metro to achieve groundings in demolition, tunnelling, civil construction, rail and heavy haul should be mirrored in other states
- Improving the linkages between government, industry and training institutions, including TAFE and universities.

2. Ensure training methodologies are leading edge and keep abreast of future skill needs and training requirements:

- The use of simulators and virtual reality should be pursued with some urgency noting Deakin University is renowned for its VR expertise and the wide spread use of simulators in NSW
- Engage with training institutions to share best practice
- Explore international approaches to training methodologies, noting that InnoTrans 2018 may provide this opportunity.

3. Don't assume current approaches to traineeships and apprenticeships best meet rail industry purposes:

- A need to engage with rail companies, including operators, suppliers and contractors to explore how traineeships and apprenticeships can be fit-for-purpose
- The old statement that rail provides a 'job for life' is no longer appropriate. Rather, developing an approach to training that builds 'skills for life' particularly in science, technology, engineering and mathematics (STEM)
- Encouraging the mobility of skilled labour to rail, especially those with STEM skills
- Considering the provision of incentives for companies undertaking training in areas of particular need.

4. Training at certificate, degree and post-graduate levels is to be encouraged:

- Companies should consider offering cadetships to attract talented people to careers in rail
- Work experience for individuals across a variety of functions within the rail industry should be on offer
- Scholarships that offer international experience should be explored.

5. Promoting a bold and exciting image of rail to attract talented people:

- Considering whether rail companies could combine to undertake a program similar to the Australian Defence Force offering of a Gap Year described as a “fulfilling year of adventure, experiences, mateship, learning, leadership, and travel...it is a unique opportunity to get a feel for a career in the Services, without committing to a longer period”
- Retaining talent is as important as attracting talent
- Flexibility in working arrangements is required to appeal to a wider cross section of employees
- Maximising the benefits of gender balance in the workforce by supporting initiatives that focus on attraction, profiling, retention and networking
- Mentoring should become regular practice.

6. Programs for local companies to improve their capabilities to international standards should be on offer:

- Recognising the adverse impact on Australian rail if our capability to manufacture, refurbish and maintain our rolling stock and rail systems is lost to international competitors
- Ensuring Australia’s rail industry maintenance capability is not diminished should local manufacturing of rolling stock move offshore
- Recognising the export potential of high tech, high value skills, particularly those in design. This includes Australia’s training capability in all areas of rail
- Understanding that optimising the useful life of current rail assets, including infrastructure provides opportunities for capable local suppliers
- Examining the Supplier Continuous Improvement Plan (SCIP) implemented in the automotive component sector as an option
- Encouraging companies in other industry sectors, with relevant capabilities, to engage with the rail industry
- With an increasing tendency for suppliers to be required to demonstrate their capabilities to meet the standards prescribed through procurement processes (eg. the AVETTA process), developing training programs to assist suppliers understand these processes and to meet the standards required.



4. Maximising opportunities for rail companies

The enablers to achieve this are:

1. Amending the Australian Industry Procurement (AIP) thresholds to better reflect rail industry project values:

- Major projects require procurers to examine the capability of local companies to supply
- Coordinate procurement policies across government jurisdictions to achieve greater consistency and to facilitate competent local companies into the supply chain
- Tie local content provisions to outcome based measures such as economic activity, employment, capability, skills development, innovation, investment and long term reliability.

2. Governments and industry procurers should work with and encourage local industry to increase its capability to qualify in the supply chain on a commercially and technologically sound basis:

- Procurers should provide fair and reasonable opportunity to local industry to pre-qualify, tender and participate in rail related projects
- Buying practices, procedures and specifications should not disadvantage local industry
- State jurisdictions to ensure regulations, tendering processes and project specifications do not impede local suppliers.

3. Long term planning for government procurement of rolling stock taking into account whole of life costs:

- The number of trains per order and their timing should be optimised to achieve economies of scale
- Variations in train standards should be avoided to reduce the need for one-off designs, removing significant design costs
- Ensuring funding requirements are based on need rather than when funding is available.

4. The Productivity Commission and the House of Representatives Standing Committee on Infrastructure and Communications has proposed reforms to infrastructure procurement. These reforms should be pursued:

- More streamlined information for bidders, with only the preferred tenderer being required to provide detailed, non-design management plans
- A greater investment by government in the initial concept design of specifications (even to the point of ownership) which will assist in reducing bid costs
- Building Information Modelling (BIM) should be used to provide concept designs to reduce costs
- The issue of risk and its mitigation requires effective identification, management and allocation in the early stages of procurement ideally before final strategies are decided
- Generally, there should be no more than three shortlisted proponents for design and construct or manage and construct tenders and no more than two for early contractor involvement processes
- Education programs and guidelines on best practice tendering for both project procurers and proponents should be developed.

5. The Australian rail industry should seek to maximise its engagement in international supply chains:

- Austrade should engage with the Australian rail industry to foster international trade opportunities
- The trade opportunities should extend beyond products and services to technologies and know-how and into the education and training market, particularly in Asia and the middle east
- Austrade, in conjunction with the Commonwealth, State and Territory Governments and the ARA should take a delegation of Australian rail companies to Innotrans 2018 in Berlin.

5. Fostering innovation, research and development

Enablers to achieve this include:

1. Consider the establishment of a Centre for Rail Industry Capability (CRIC) modelled on the Centre for Defence Industry Capability (CDIC):

- CRIC would be an industry led organisation with the primary goal to drive innovation, productivity, excellence and competitiveness in the national rail industry, maximising its contribution to the Australian economy
- CRIC would provide a national coordinated approach to research and development, maximising the contributions to innovation by the CRCs for manufacturing and for innovation, the CSIRO and Australian universities with rail research activities
- CRIC would aim to generate commercial outcomes from its activities
- CRIC would focus on areas of competitive strength and strategic priority for the Australian rail industry identified throughout this Plan
- CRIC would have the option to pursue a solution-driven or problem-driven approach to innovation
- CRIC would investigate existing adjacent industry technology applicable to the rail industry.

2. The role of the Australian Centre for Rail Innovation (ACRI) should be reviewed:

- Examine whether ACRI could be restructured and its role widened with a financial model to support the role
- Barriers to accessing ACRI's research outcomes, when not IP/commercially protected, should be removed.

3. The role of Australian universities in rail related research and development should be better coordinated to provide a strong academic base for innovation:

- Examine the UK model, managed by the Rail Research UK (RRUK) Association. RRUK is a partnership between rail and UK research institutions undertaking relevant R&D. It is funded by the Rail Safety and Standards Board and Network Rail. The advantage is that duplication of research by various institutions is minimised through identifying the research specialisation of each research institute
- Set about creating a culture of innovation by introducing incentives for innovative projects

- Collaboration enables sustained good performance through sharing information, clarity over standards and the understanding of needs.

4. Refresh the collaborative study undertaken in 2012/13 by the Commonwealth's Rail Industry Advocate on behalf of the Commonwealth Government and the rail industry 'On Track to 2040 -preparing the Australian Rail Supply Industry for Challenges and Growth':

- This study provides an important roadmap for rail. Its findings and recommendations remain relevant and its implementation could be led by CRIC. The document can be viewed here <https://industry.gov.au/industry/IndustryInitiatives/AustralianIndustryParticipation/SupplierAdvocates/Documents/OnTrackTo2040-Roadmap.pdf>

5. Technology opportunities were identified as follows:

- Materials and manufacturing, including advanced design, low cost manufacturing systems, high performance materials for heavy haul, advanced manufacturing, advanced materials for light-weighting, simulation for materials and manufacturing
- Monitoring and management, including automated health monitoring for smarter infrastructure, automated control and operations, advanced asset management systems, safety threat detection and intervention, advanced data analysis and information systems, advanced operations management
- Power and propulsion, including energy regeneration, advanced braking systems, energy use management tools, electric motors and systems, emission reduction technologies, gaseous fuels.

THE NEXT STEPS TO FURTHER DEVELOP THE PLAN

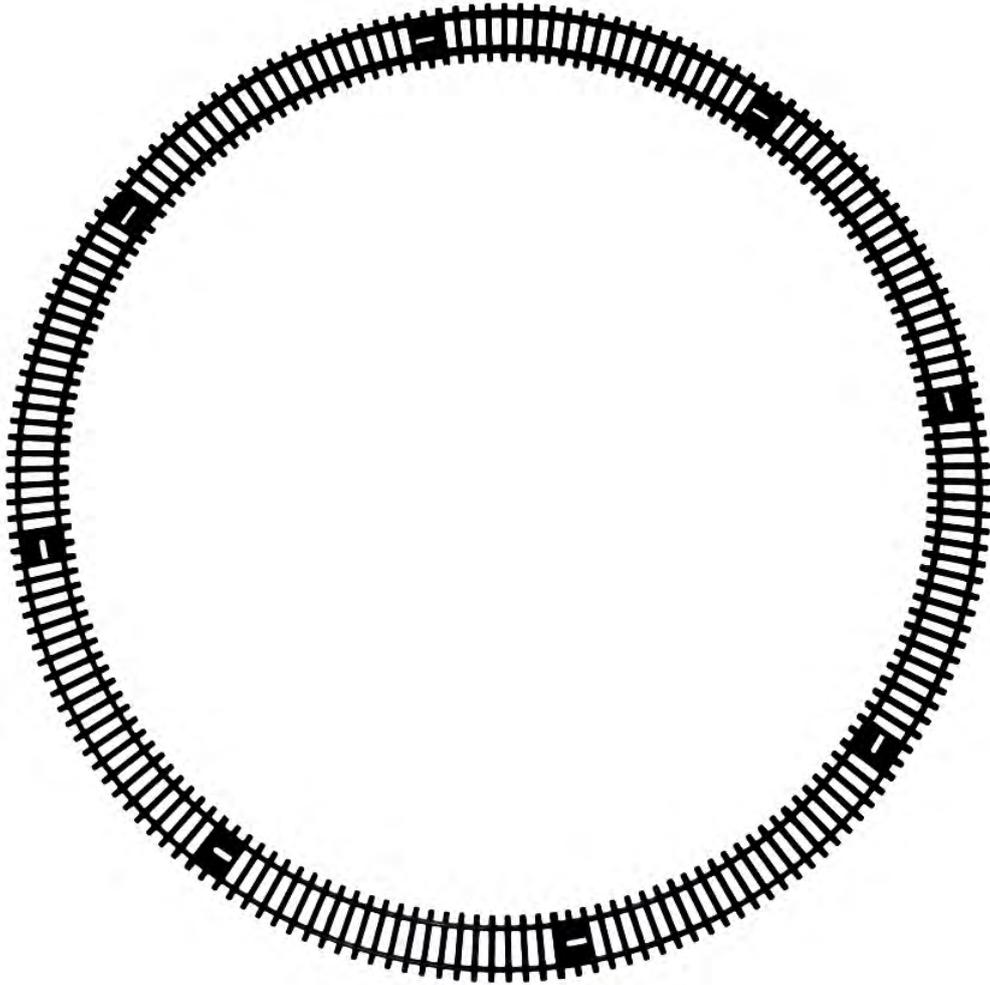
This National Rail Industry Plan for the Benefit of Australia is to be presented to stakeholders for review, seeking ultimate endorsement.

The proposed steps are:

- A Commonwealth Ministerial Roundtable to develop/adopt the Plan
- Discussion with State and Territory Governments
- Discussion with key bureaucrats from the departments of transport, industry, infrastructure, education and training at the federal level to refine an action plan, timelines and budget parameters
- Provide an outline of the Plan to the State of Australia's Rail Industry Senate Inquiry
- Engage with opposition parliamentarians
- Gain consensus with State and Territory Governments for their support for the Plan
- Finalise the coordinating and implementation process
- Launch of the National Rail Industry Plan for the Benefit of Australia
- Wide distribution of the Plan
- Planning and resourcing the implementation of the Plan.

Deloitte.

Access Economics



Value of Rail
The contribution of rail in Australia

August 2017

In 2016 rail's total economic contribution was:

\$26 Billion



Over 140,000 workers



But rail has wider reaching benefits:



Rail generates over 40% less carbon pollution than road

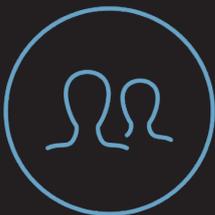


Road travel causes almost 8x more accident costs per kilometre travelled



Moving one person from road to rail can create congestion cost savings of up to \$9

And given expected growth...



Passenger task to grow 19% by 2026



Freight task to grow 26% by 2026

Government should focus on:



Independent prioritisation with assessment of costs and benefits



Road pricing reform



A skills and projects review

Executive Summary

Australia's population growth rate – around 1.5% a year – is among the highest in OECD countries and since the year 2000 our population has grown by more than 25%. This growth, projected into the future, has startling consequences: Australia's population is forecast to almost double by 2070 reaching almost 45 million people. This means that, on average, population will increase by 370,000 people every year for the next 50 years. To put this into perspective, by around 2035 it will be as if another NSW has been added to Australia, by around 2045 it will be as if the entire population of Greece has been added to Australia's population and by 2065 it will be as if the population of the Netherlands has been added to Australia's population.

This growth in population won't be evenly spread. The majority of this increase will occur in our major cities. In fact, Sydney and Melbourne will add the largest number of people to their current residents. Both Sydney and Melbourne will add approximately 3 million people each by around 2060. This is roughly equivalent to adding the population of Brisbane and Adelaide to both of these cities.

The challenge of accommodating this growth in population is exacerbated by the fact that our cities can't continue to grow in geographic size forever. Natural boundaries, preferences of residents and commuting challenges will work together to limit the growth of the footprint of our largest cities. This means that there will almost certainly be a major increase in the density of our cities: more people living closer together.

Larger, more populous and more dense cities create significant challenges for achieving quick, convenient and affordable transport. Projections indicate that, with current vehicle technology and ownership trends, the stock of private motor vehicles will grow from around 14.8 million today to around 28 million by 2050. That is, without a significant change in vehicle technology, we're likely to add around 380,000 new cars to the road each year over the coming decades. More vehicles will be accompanied by more travel and more congestion. Over the period to 2050 it's likely that travel in private motor vehicles will increase by 40% and congestion costs will increase by far more than this.

A similar, but more extreme story is seen in freight with growth likely to follow along the path of GDP rather than population: a potential 88% increase in kilometres travelled by 2050 and an increase in vehicle stock of some 2.5 million trucks and light commercial vehicles.

To manage these challenges Australia will have to significantly develop its transport infrastructure with rail in a central role. Currently rail is a significant industry in its own right and makes a large contribution to the Australian economy of around \$26 billion a year (1.6% of GDP) and 140,000 jobs. Rail is also an efficient, environmentally and socially beneficial mode of transport. Rail has lower emissions than road transport, is safer and can help reduce congestion in our cities.

Significant investments are being made into Australia's transport infrastructure, with projects such as Inland Rail and movements towards metro operations in Sydney and Melbourne underway. In some sense these investments are making up for a prolonged period of underinvestment in transport infrastructure. Looking to the future, rail will continue to have a central role as a focus for investment in transport infrastructure.

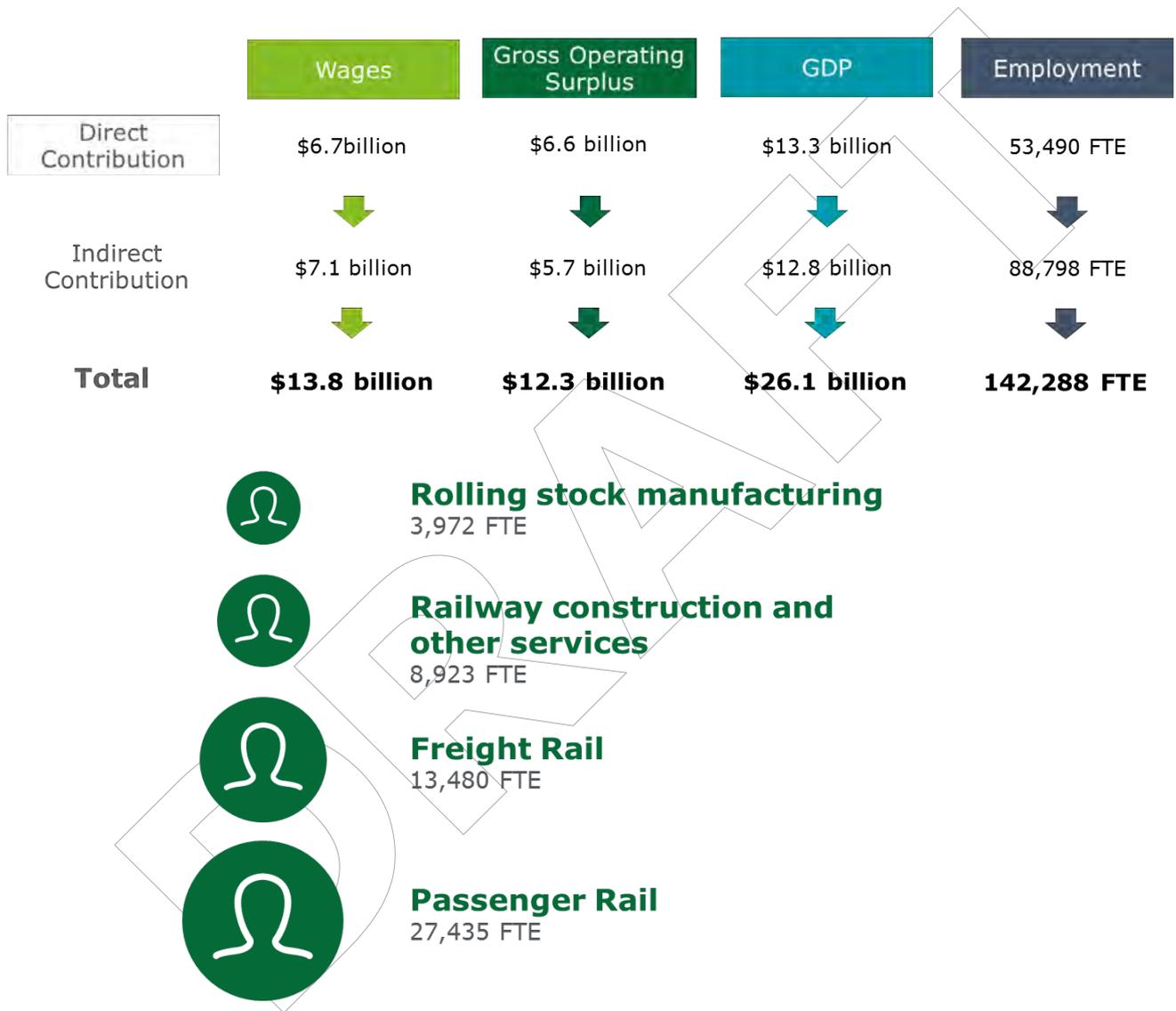
Sustained investment in transport infrastructure (and rail more specifically) will not only allow us to manage the challenge posed by population and economic growth but will allow us to develop a better integrated and prosperous society.

This report quantifies the current value of rail to the Australian economy in terms of its contribution to GDP and employment as well as its broader contribution to society through benefits such as reduced emissions, greater safety and reduced congestion. The key challenges facing transport in Australia are explored in more detail and areas of focus for Government and industry are identified in order to ensure that rail continues to generate value for the Australian economy and society. The main findings of this report are:

Key findings

The value of rail to the economy

- The rail industry directly contributes \$13.3 billion in value add and employed 53,490 FTE workers in 2016.
- The total contribution of the rail industry to GDP (direct and indirect) was \$26 billion and 142,288 FTE workers – making up to 1.6% of the Australian economy.



- Regional employment is a focus for the industry – more than half of rail freight workers are outside the eight major cities, and just under half of rail manufacturing jobs exist in regional areas.
- Rail enables exports from mining, manufacturing and agriculture. Around \$2.8 billion was spent by industry to transport goods by rail in 2013-14.

The value of rail to society

- Rail generates fewer costs in terms of accidents, congestion and emissions than road. These costs are not factored into transport prices.
- Each passenger journey made by rail instead of road generates benefits for society of between \$3.88 and \$10.64 by reducing congestion, accident and carbon costs.
- There are also health, social inclusion and amenity benefits from using rail.
- Road freight produces 14 times greater accident costs than rail freight per tonne kilometre and 16 times as much carbon pollution as rail freight per tonne kilometre.
- Moving freight by rail instead of road generates benefits for society of around 1.45 cents per tonne kilometre. This means that, if all road freight moving between Sydney and Melbourne travelled by rail, this would generate social benefits of \$111 million a year.



Carbon emissions are **40% higher** on road than rail for each km.



Road travel causes almost **eleven times more** accident costs per kilometre than rail



Every road journey replaced by rail is estimated to reduce congestion costs by between **\$2.46 and \$9.22.**



Every 10,000 commuters that switch from road to rail will reduce carbon emissions costs **by at least \$94,880** per year



Train users obtain health benefits of **\$6.62 per trip** from walking to the station



Every road journey replaced by rail can reduce time spent waiting in traffic by **7-27 minutes**



Road freight produces **16 times more carbon pollution** than rail freight per tonne kilometre

Moving a single container by rail instead of road can **save up to \$344.79** in carbon costs for movements between Australian major cities.



It is estimated that road freight crash costs were **14 times more per kilometre for road.**

Moving nine tonnes of freight by rail instead of road between Melbourne and Brisbane **saves around \$250 in accident and emission costs**

Case Studies

- Inland rail will provide a modern rail line connecting Brisbane and Melbourne, benefits include:
 - An increase in GDP by \$16 billion during construction and the first 50 years of its operation
 - The creation up to 16,000 new jobs at its peak
 - The elimination of around 200,000 truck movements and 15 serious crashes on roads per year
 - Encouragement of development of freight precincts in areas such as Parkes
- V/Line's Regional Rail Link improved services on the Geelong, Bendigo and Ballarat lines, benefits include:
 - Reduced travel times by rail which are similar (and sometimes better) than travel times by car
 - A roughly 60% increase in passengers on the Geelong and Ballarat lines
 - The enabling of population growth in areas such as Carline Springs
- Integration of rail modes in Sydney will enable a truly connected CBD to emerge:
 - A new metro line will connect with existing heavy rail enabling development in the Barangaroo area which is expected to provide 24,000 jobs and generate \$2 billion per year to the NSW economy
 - Light rail will reduce the number of buses in the CBD by 180 in the morning peak hour, equivalent to the number of busses the use Elizabeth St every morning.
 - Dedicated interchanges between these rail modes are being constructed throughout the CBD, including at Central, Town Hall, Wynyard and Circular Quay
- Rail is a good option for some businesses in making short journeys from the port to nearby factories
 - In Sydney, Woolworths makes use of rail at its distribution centre in Yennora where it has 74,000 square-metres of dedicated storage space. The use of rail at Yennora is cost effective for Woolworths and is estimated to eliminate 30 trucks from Woolworths' fleet – reducing congestion for Sydney's residents.
 - Breville has made a significant investment in relocating to a new, purpose designed national distribution centre at Minto Intermodal Terminal. By using rail, Breville reduces inefficient road handling movements and generates benefits for its business and the residents of Sydney.



Challenges for the future of transport in Australia and how to address them

The transport task is growing: Australia's population is forecast to double by 2075, and passenger and freight growth are both expected to outstrip this. Our transport networks will need to keep pace with this growth in demand.



- Technological change and policy which creates advantages for road transport are creating challenges for transport in Australia. New policy approaches will be needed to ensure we can meet the growing transport challenge.
- The upcoming stream of large infrastructure projects in road and rail will create constraints on skilled labour. We currently don't have a clear picture of the scale or specifics of skills that will be required to deliver these projects.
- The continued success of Australia's transport system and its ability to contribute to the economy and society is not guaranteed, and will require collaboration between industry and government to enable our transport networks to operate efficiently and allow the public to get the most out of the investments that are being made.
 - Government should continue to pursue improvements to planning decisions, procurement and regulation, including through road pricing reform.
 - Industry should pursue harmonisation of product designs and standards between jurisdictions and harness disruptive technologies with the potential to improve rail efficiency.
 - Government and industry should work together to improve customer experience, rail productivity and planning for the volumes and types of skilled workers required to deliver the ongoing stream of transport projects that will be required in the next 10-20 years.

Deloitte Access Economics



T +61 2 6270 4501 | **F** +61 2 6273 5581 | **E** ara@ara.net.au
Suite 4, Level 4, Plaza Offices (East), Canberra Airport ACT 2609
PO Box 4608, Kingston ACT 2604 Australia | www.ara.net.au

ARA18DS/35

27 April 2018

Mr Phil Davies
Chief Executive Officer
Infrastructure Australia
GPO Box 5417
Sydney, NSW 2001

Dear Phil,

OPTIMISING AUSTRALIAN RAIL

I refer to our previous discussions regarding optimising Australian rail and Infrastructure Australia's request for the Australasian Railway Association (ARA) to identify potential optimisation projects and initiatives.

As we have discussed, the ARA strongly supports rail optimisation as a concept. An update to the ARA's National Rail Industry Plan includes a commitment for the National Infrastructure Pipeline (an initiative of the Plan) to identify, highlight and prioritise rail optimisation projects where existing freight and passenger infrastructure could be optimised to achieve safety and efficiency improvements.

The ARA has been consulting with its members to obtain information on potential optimisation projects and initiatives and where investments can be made on either above or below rail projects to achieve faster, safer and more efficient rail services. We asked our members to identify such things as:

- Why the project is needed?
- What are the benefits?
- What are the costs if left unaddressed?

I have attached for your consideration some of our initial findings. This list is obviously not exhaustive, but it provides an overview of our members' priorities in this area. Please note, these proposed projects and initiatives are in addition to information ARA provided to Jeremy Parkinson on 14 November 2017.

Please do not hesitate to contact me if you wish to discuss further.

Yours sincerely



Danny Broad
Chief Executive Officer

| Project | Details |
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| Beerburrum to Nambour Rail Upgrade Project (Queensland) | <p>What</p> <p>The proposed Beerburrum to Nambour Rail Upgrade project involves duplicating 20 kilometres of rail line from Beerburrum to Landsborough, extend passing loops between Landsborough and Nambour, route realignments, level crossing removals, station improvements and supporting works.</p> <p>Why</p> <p>The 39-kilometre section of the North Coast line between Beerburrum and Nambour is constrained in its ability to effectively meet current and future freight and passenger transport demand. The section has a single-track configuration with passing loops at stations, poor horizontal and vertical alignments and level crossings which reduce speeds.</p> <p>The project will address capacity constraints on this section of the corridor by nearly doubling the capacity for freight paths and increasing the frequency of and reliability of passenger services, easing pressure on the Bruce Highway.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Increased freight and passenger capacity on this section of the North - South Line. - Reduced travel times for freight and passenger services on both road and rail networks - provision of a more integrated transport system by increasing intermodal connectivity for passenger services through additional platforms - increased reliability for passenger services |
| Faster rail between Sydney and Canberra (NSW and ACT) | <p>What</p> <p>Improve existing infrastructure and network optimisation by increasing capacity and efficiency to reduce travel time between Sydney and Canberra.</p> <p>Why</p> <p>The Sydney to Canberra corridor plays a significant role in Australia's regional transport network, linking the Global Gateway City of Sydney to the Global Gateway City of Canberra.</p> <p>Currently, road is the dominant mode of travel</p> |

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| | <p>in the corridor, whilst the existing rail service carries 850,000 trips annually.</p> <p>Infrastructure and service improvements that reduce journey times and improve the customer experience present an opportunity to not only improve rail mode share, but to support regional development, increase housing supply and accelerate economic growth.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Travelling time will be reduced from the current 4hr+ journey to 3hrs or under, better aligning with other transport modes and making rail a genuine transport choice for those travelling between Sydney and Canberra. - Rolling stock improvements will increase attractiveness of the journey and increase customer satisfaction. <p>What are the costs if left unaddressed?</p> <p>As Canberra and Sydney grow in their roles as Global Gateway Cities, travel between the two will increase. Without a viable alternative, this will lead to increased vehicle congestion on the main road corridors between Sydney and Canberra.</p> <p>The economic benefits that towns on an improved rail services would otherwise experience would not be realised (e.g. increased access to jobs, population growth, tourism, time savings).</p> |
| <p>Port Efficiency, Access and Integration Package (NSW)</p> | <p>What</p> <p>Road and rail projects to improve port access, efficiency and integration</p> <p>Why</p> <p>Road and rail projects focussed on improving port access, efficiency, and integration with the surrounding network.</p> <p>Benefits</p> <p>Improves the movement of goods to and from ports by reducing congestion in the surrounding road and rail networks. These projects will also assist in improving safety of the roads supporting port operations.</p> |

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| | <p>What are the costs if left unaddressed? Current inefficiencies remain, and issues not addressed causing economic impacts. Network integration and effectiveness not realised, impacting on benefits and economic realisation.</p> |
| Fixing Country Rail program continuation (NSW) | <p>What Projects funded under Fixing Country Rail could include sidings, passing loops, the reopening of non-operational sections and network enhancements that allow the use of faster, longer and heavier trains.</p> <p>Benefits</p> <ul style="list-style-type: none"> - enables larger freight loads to be moved faster - reduces freight costs - takes pressure off roads - enables primary producers to earn more money - strengthens local economies and creates stronger employment opportunities. <p>What are the costs if left unaddressed? Network integration and interdependencies not addressed; network efficiency and capacity issues not addressed; impacts on economic and social benefits in rural and regional areas.</p> |
| Transport Access Program (NSW) | <p>What Upgrade major interchanges to encourage public transport use by providing accessible, easy to use, safe and secure interchanges between coach/cars/parking/taxis & ride share/local buses/rail.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Enables fast and convenient interchanging by ensuring walking times between services are no longer than 5 minutes - Improves the range of services at interchanges to improve the attractiveness of interchanging, thereby boosting public transport mode share - Supports the activation of places around transport corridors by making interchanges attractive places - Improving accessibility of transport services <p>What are the costs if left unaddressed? Accessibility issues not addressed – current infrastructure limitation remain; poor</p> |

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| | <p>interchange model affecting network efficiency and customer satisfaction; poor dwell time and load management; does not realise economic and social benefits realised through effective interchange management.</p> |
| <p>Last Mile Productivity Program (NSW)</p> | <p>What Package of works that will focus on improving first and last mile connectivity and efficiency for passenger and freight networks</p> <p>Benefits Supports freight productivity by simplifying and reducing barriers to movement of passengers and goods.</p> <p>What are the costs if left unaddressed? An integrated transport model is not realised, thereby reinforcing current limitations and inefficiencies; economic and social benefits are not realised, particularly in rural and regional areas; Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Corridor Preservation for Higher Speed Connections (east coast)</p> | <p>What Confirm and begin the preservation of a corridor, based on the corridor set out in the Australian Government's High-Speed Rail Study Phase 2, for a high-speed rail link between Melbourne, Sydney and Brisbane.</p> <p>Benefits - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities.</p> <p>What are the costs if left unaddressed? - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities.</p> |

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| <p>Higher Speed Connections (east coast)</p> | <p>What Deliver a high-speed transport connection along the East Coast of NSW (traversing Greater Sydney)</p> <p>Benefits</p> <ul style="list-style-type: none"> - future connectivity between Western Sydney and Central Coast, Newcastle and Canberra - cross-border connections - connecting Sydney, Global Gateway Cities and Regional Cities and Centres <p>What are the costs if left unaddressed?</p> <ul style="list-style-type: none"> - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities. |
| <p>Sydney-Central Coast-Newcastle Faster Rail Improvement (NSW)</p> | <p>What A program of operational, fleet and targeted fixed infrastructure improvements (for example, new deviations to eliminate curvatures and flatten grades). This would include a new rail crossing of the Hawkesbury River.</p> <p>Benefits</p> <ul style="list-style-type: none"> - improved rail travel times - time and cost competitive freight corridor (when compared with road) - Improved rail services and facilities to enable increased capacity. - connect and develop greater economic synergies between Sydney and the Satellite City of Gosford and the Global Gateway City of Newcastle - easing housing affordability pressure - Provide a strategic connection between Sydney, the Satellite City of Gosford and the Global Gateway City of Newcastle <p>What are the costs if left unaddressed?</p> <ul style="list-style-type: none"> - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and |

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| | infrastructure within capital cities. |
| Main Northern Line - improvements to address pinch points (NSW) | <p>What Upgrade to the Northern Line in the Upper Hunter to address rail freight pinch points</p> <p>Benefits</p> <ul style="list-style-type: none"> - improved rail travel times for freight - reducing delays to passenger rail services - supporting growth in rail freight - improving rail access to the Port of Newcastle <p>What are the costs if left unaddressed?</p> <ul style="list-style-type: none"> - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities. |
| Lower Hunter Freight Corridor (NSW) | <p>What Lower Hunter Freight Corridor which will enable a future dedicated freight rail line to be constructed between Fassifern and Hexham; bypassing Newcastle while improving regional and interstate links.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Provide essential rail capacity for passenger and freight train growth across the broader rail network; - Increase the efficiency and reliability of the rail network by separating the majority of freight and passenger rail services on the congested area between Fassifern and Newcastle; - Enhance urban amenity and liveability in the Newcastle region by removing most of the freight trains from within the urban area and at the Adamstown and Islington Junction level crossings. <p>What are the costs if left unaddressed?</p> <ul style="list-style-type: none"> - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities. |

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| <p>Electrification of the Hunter Line to Telarah (NSW)</p> | <p>What Extension of the electrified Intercity Rail network to Telarah from Broadmeadow</p> <p>Benefits</p> <ul style="list-style-type: none"> - Provide a more convenient access point to the Intercity network within a Regional City - Provide efficient and reliable rail access to the Global Gateway City for customers that live in the Lower Hunter - Support an improvement in the sustainable movement of passengers through the extension of the electrification section of the rail network leading to reduce greenhouse gas emissions <p>What are the costs if left unaddressed?</p> <ul style="list-style-type: none"> - Supports reduced journey times for travel across NSW and into other states/ACT, - resulting in improvements to economy due to minimising lost time spent travelling. - Supports increased accessibility for people in Regional NSW to access services and infrastructure within capital cities. |
| <p>New rail alignment of North Coast Line between Newcastle and Stroud Road - investigation corridor (NSW)</p> | <p>What Creating a more direct rail connection between the Lower Hunter Freight corridor at Hexham to Stroud Road.</p> <p>Benefits</p> <ul style="list-style-type: none"> - improved rail travel times for freight and passenger services - reducing delays to passenger rail services which currently are delayed by freight movements - supporting growth in rail freight - improving rail access to the Global Gateway City of Newcastle <p>What are the cost if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Cessnock to Newcastle rail services via Kurri Kurri (NSW)</p> | <p>What Introduction of a passenger rail line between Cessnock and Newcastle</p> <p>Benefits Decreases the potential for conflict between</p> |

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| | <p>heavy vehicles, passenger vehicles and pedestrians in this built-up area.</p> <p>What are the cost if left unaddressed? Growth population area does not have access to rail public transport – impacts on economic and social benefit realisation for that regional area.</p> |
| <p>Outer Sydney Orbital - Stage 2 - Box Hill to Central Coast (NSW)</p> | <p>What A future North – South orbital transport corridor around Sydney. The OSO transport corridor will have the ultimate potential to co-locate a future motorway, freight rail and where possible passenger rail. Ultimately connecting the Western City with the Central Coast.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Support the efficient and reliable movement of freight bypassing Greater Sydney with a single dedicated outer bypass - Provide additional capacity for road transport between Greater Sydney and the Central Coast - Provide a strategic connection between the Western City and the Satellite City of Gosford <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Sydney-Wollongong Faster Rail Improvement (NSW)</p> | <p>What A program of operational, fleet and targeted fixed infrastructure improvements (for example, new deviations to eliminate curvatures and flatten grades). This would include a new rail crossing through the Illawarra Escarpment</p> <p>Benefits</p> <ul style="list-style-type: none"> - improved rail travel times - time and cost competitive freight corridor (when compared with road) - connect and develop greater economic synergies between Sydney and the Satellite City of Wollongong - easing housing affordability pressure - Improved rail services and facilities to enable increased capacity. <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised.</p> |

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| | <p>Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Completion of Maldon to Dombarton railway line (NSW)</p> | <p>What Complete the Maldon to Dombarton Railway, a 35-kilometre single-track rail freight line between the Main South Line at Maldon (in the Southern Highlands) and Dombarton (near Port Kembla), in the Illawarra region.</p> <p>Benefits</p> <ul style="list-style-type: none"> -Enable higher passenger train service frequencies on the T4 Illawarra Line by diverting rail freight movements between the Illawarra and Greater Sydney to the Maldon-Dombarton link -Improve the efficiency and reliability of rail freight movements between the Illawarra, Greater Sydney and regions to the north and west of Sydney with a dedicated, more direct freight rail link -Support the potential future growth of container movements to and from Port Kembla by providing dedicated 24/7 freight rail access between the port and intermodal terminals in the west of Sydney -Improve connections to Satellite City of Wollongong - Improve connections between Satellite City of Wollongong and the Western City <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Electrification of intercity to Bomaderry/Nowra (NSW)</p> | <p>What Extension of the electrified Intercity Rail network to Bomaderry from Kiama</p> <p>Benefits</p> <ul style="list-style-type: none"> - Provide a more convenient access point to the Intercity network within a Regional City (Nowra) - Provide efficient and reliable rail access to the Satellite City for customers that live on the South Coast - Support an improvement in the sustainable movement of passengers through the extension of the electrification section of the rail network leading to reduce greenhouse gas emissions |

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| | <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Moss Vale to Unanderra and Coniston Junction rail improvements in collaboration with ARTC (NSW)</p> | <p>What Upgrade to the Moss Vale to Unanderra Line in the Southern Highlands to address rail freight pinch points</p> <p>Benefits - improved rail travel times for freight - supporting growth in rail freight - improving rail access to the Port Kembla - relieve congestion on the Main South Line into Sydney</p> <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Electrification of intercity to Goulburn (NSW)</p> | <p>What Extension of the electrified Intercity Rail network to Goulburn from Macarthur</p> <p>Benefits - Provide a more convenient access point to the Intercity network within a Regional Centre (Goulburn) - Provide efficient and reliable rail access to the Western City for customers that live in the Southern Tablelands and Southern Highlands - Support an improvement in the sustainable movement of passengers through the extension of the electrification section of the rail network leading to reduce greenhouse gas emissions</p> <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| <p>Main South Freight Rail Capacity Enhancements in collaboration with ARTC (NSW)</p> | <p>What Main South rail duplication between Junee and Victorian Border and allow for double stacking of containers on Inland Rail alignment track. Bridge upgrades to increase height (7.1m from track) upgrades</p> |

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| | <p>Benefits Increasing freight movements along the Inland rail alignment will start to strain the existing line from late 2020's.</p> <ul style="list-style-type: none"> - Regional passenger services will require more frequent commuter services between key hubs like Wagga Wagga and Albury <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| Upgrades to Main West Line (NSW) | <p>What Upgraded rail infrastructure on the major railway between Parkes and the Blue Mountains within the Central West and Orana region for freight and passengers.</p> <p>Benefits</p> <ul style="list-style-type: none"> - Leverage off the benefits of Inland Rail connections at Parkes to facilitate improved East-West freight movements. - Allow the network to operate at greater capacity, including better signalling systems, track upgrades and station improvements to support communities in the Central West and Orana. - Support freight (Inland Rail) and passenger growth - improved rail travel times <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| Electrification of intercity to Bathurst (NSW) | <p>What Extension of the electrified Intercity Rail network to Bathurst from Lithgow</p> <p>Benefits</p> <ul style="list-style-type: none"> - Provide a more convenient access point to the Intercity network from a Regional City - Provide efficient and reliable rail access to the Western City and WSA for customers that live in |

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| | <p>the Central West and Orana</p> <ul style="list-style-type: none"> - Support an improvement in the sustainable movement of passengers through the extension of the electrification section of the rail network leading to reduce greenhouse gas emissions <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| Dubbo to Newcastle rail connection (NSW) | <p>What Develop existing coach connection between Dubbo and Newcastle into a passenger rail line</p> <p>Benefits Newcastle is the closest coastal city to Dubbo. There is growing passenger demand on this corridor which if developed can help alleviate congestion on the Main West line to Sydney.</p> <p>What are the Costs if left unaddressed? Network improvement, and the associated social and economic benefits, are not realised. Current limitations and inefficiencies remain. Network potential remains unlocked.</p> |
| Mt Isa – Townsville rail corridor upgrade (Queensland) | <p>What Existing project scope to be expanded to include track upgrading to enhance the operational performance and resilience of the line.</p> |
| Mount Lindesay Road upgrade (Queensland) | <p>What Provision of a high-standard road to the future Bromelton industrial site to enable the development of intermodal freight terminals to complement Acacia Ridge.</p> |
| Queensland North Coast crossing loop extensions (Queensland) | <p>What Extension of loops to enable longer trains to operate, increasing productivity and the attractiveness of rail.</p> |
| Queensland North Coast flood resilience (Queensland) | <p>What A program of works to increase robustness and reliability of the network against flooding.</p> |

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| Rockhampton and Bundaberg deviations (Queensland) | What Deviating sections of track that have level crossings and bridge, flooding and curve issues. |
| Northern Brisbane freight corridor planning and corridor preservation (Queensland) | What Identifying and preserving a dedicated freight rail corridor through northern Brisbane. |
| Sydney – Cootamundra double stacking (NSW) | What Enabling double-stacked freight trains between Sydney and Cootamundra to drive productivity and efficiency between Sydney and Melbourne / Adelaide / Perth. |
| Port of Melbourne holding roads (Victoria) | What Reducing freight rail congestion around Melbourne Port by providing dedicated holding roads for cross-metro shuttle operations. |
| Melbourne – Adelaide double-stacking (SA / Victoria) | What Facilitating long-term growth on the east-west corridor and enhancing productivity via enabling double-stacked freight trains. |
| Perth Metro Freight Rail Duplication (Western Australia) | What Duplication of remaining single line sections between Forrestfield and Kwinana to facilitate growing bulk, intermodal and cross-metro container shuttles. |
| Implement ERTMS rail traffic management systems (TMS) technology (national) | Why is it needed? - Provide more effective day-to-day operational management - Optimise recovery from operational incidents - Improve operational reliability What are the benefits? - Assist the rail network to cater for forecast patronage growth - Provide systems which more effectively deal with and recover from operational incidents and disruptions - Provide network operators with a 'single source of the truth' view of operational status and more accurate and timely information to customers and staff - Facilitate efficient and effective maintenance and operation of the rail network. - In Europe, Thales TMS systems have improved the efficiency of Operators by up to 35% |

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| | <p>through enabling them to focus on operational conflicts and resolving incidents in advance.</p> <p>What are the costs if left unaddressed? As an example, \$23 million/pa of lost or unproductive time resulting from up to 486,000 delay minutes each weekday due to delayed or cancelled services as the networks are unable to cope with increased patronage and more frequent operational incidents. This cost is spread across both TMS and ETCSL2 technology.</p> |
| <p>Implement ETCSL2 digital rail signalling technology (national)</p> | <p>Why is it needed?</p> <ul style="list-style-type: none"> - Provide increased rail network capacity to cater for forecast patronage growth - Replace end-of-life assets with new generation technology which minimises capital costs and network disruption and optimises maintainability <p>What are the benefits?</p> <ul style="list-style-type: none"> - Assist the rail network to cater for forecast patronage growth - Reduce whole-of-life costs and complexity to maintain signalling technology - Reduce the need and impact of future track possessions through less equipment in the 'danger zone'. - Facilitates more efficient use of existing infrastructure through increased utilisation and capacity. <p>What are the costs if left unaddressed? As an example, \$23 million/pa of lost or unproductive time resulting from up to 486,000 delay minutes each weekday due to delayed or cancelled services as the networks are unable to cope with increased patronage and more frequent operational incidents. This cost is spread across both TMS and ETCSL2 technology.</p> |