



AUSTRALASIAN RAILWAY ASSOCIATION INC
Association Number A03958 ABN 64 217 302 489

Jason Maher
General Manager
Rail and Intermodal
Nation Building – Infrastructure Investment
Department of Infrastructure, Transport, Regional Development and Local Government
GPO Box 594
Canberra ACT 2601

24 November 2009

Dear Mr Maher,

Adelaide Rail Freight Movements Study

I refer to your invitation to provide submission on the Adelaide Rail Freight Movements Study. The ARA welcomes the discussion paper as a crucial step forward in investigating options for future development and improvement of the corridor, and thereby providing a sound basis for future decision making.

The discussion paper provides a good introduction to the topic's background and issues. The ARA appreciates DITRDLG's commitment to further understand rail freight movements across the Adelaide region, including an assessment of the economic, social and environmental issues.

The ARA looks forward to continuing to working co-operatively with DITRDLG on all issues relevant to the rail industry. The ARA will be pleased to continue this productive dialogue and suggests you also liaise directly with our rail industry members within this region. The key contacts within the ARA are Vicki Brown, Director Transport Policy (02 62704508) and Rhianna Piamsa-Art, Manager Rail Policy (02 62704504, rpiamsa-art@ara.net.au)

Yours sincerely

Bryan Nye
Chief Executive Officer

Discussion Paper: Adelaide Rail Freight Movements Study

Australasian Railway Association comments to Department of Infrastructure, Transport, Regional Development and Local Government

Introduction

This submission is by the Australasian Railway Association (ARA) on behalf of its members. The ARA is a member-based association that represents the interests of the rail sector in Australia and New Zealand. The ARA assists its members by providing relevant information on a wide range of topics affecting the rail industry including: rail research, technology, safety, and infrastructure. The ARA is also actively involved in the development of rail industry policy to ensure the industry's views are represented in policy decisions. It must be noted that the ARA members may also choose to make submissions independently.

Rail Industry Background

Rail should be the preferred mode of transport for mass public transport and high volume, long distance freight. The ARA submits that greater use of both passenger and freight rail will benefit business, the environment and the Australian community in general. Increased rail transport in Australia can result in reduced environmental impacts, fewer deaths and injuries from crashes and health effects, cheaper transport and reduced negative community impacts.

The industry is moving forward with rapid and significant growth in both passenger and freight businesses. The below information reflects this growth and the significant contribution rail makes to the nation.

Transport Task: Passenger

- Urban light and heavy rail passenger journeys grew by 47.6 million or 7.0 per cent to 724.7 million in 2007/08. The vast majority of journeys (80.4 per cent or 711.3 million journeys) emanated from urban heavy rail services.
- Non-urban heavy rail journeys grew (for the second consecutive year) by 19.2 per cent (or 2.2 million journeys) in 2007/08, largely reflecting the impact of substantial investment in rollingstock and below rail infrastructure in Victoria. Compared with 2002/03, non-urban passenger journeys have grown by 3.0 million journeys or 28.5 per cent.
- Despite a 10.7 per cent decline in the average trip distance, the non-urban passenger task grew by 0.12 billion passenger-kilometres or 6.5 per cent. Since 2002/03, the annual non-urban passenger task has declined by 0.05 billion passenger-kilometres or 2.4 per cent.
- The urban passenger task (measured by passenger-kilometres) grew by 1.0 billion or 7.9 per cent to 13.3 billion passenger-kilometres in 2007/08.

Transport Task: Freight

- Freight carried by survey respondents totalled 719.1 million in 2007/08, an increase of 53.5 million tonnes or 8.0 per cent. The growth in the national rail trade was largely influenced by a 15.2 per cent and 4.8 per cent increase in iron ore and coal respectively, with the iron ore trade constituting 77.8 per cent of the annual growth.
- The role of hire and reward (H&R) rail services in the movement of cargo carried by Australian rail freight services has steadily declined from 57.3 per cent (of total cargoes) in 2002/03 to 53.1 per cent in 2007/08.
- The annual net tonne-kilometre task grew by 18.5 billion tonne-kilometres or 9.3 per cent to 217.1 billion tonne-kilometres in 2007/08.
- The ancillary rail freight task grew by 16.9 billion tonne-kilometres, or 18.4 per cent in 2007/08, to 108.6 billion tonne-kilometres.

Employment

- The number of personnel directly employed by survey respondents totalled 44,210 (on a full time and contractual basis) as at the last pay period in 2007/08. On a constant group basis, persons employed grew by 3,809 personnel or 9.5 per cent, compared with 2004/05.
- Contractors as a substitute for full time employees totalled 1,249 personnel, or 2.8 per cent of total industry employment.

Investment Outlook

- Ongoing investment in the Australian rail industry is expected to grow substantially with the national capital expenditure budget totalling \$15.0 billion, an increase of 277.0 per cent compared with 2004/05.
- About 73 per cent (or \$11.1 billion) of expenditure planned beyond 2007/08 is attributable to rollingstock (largely for passenger rail), followed by track infrastructure (15.2 per cent or \$2.3 billion) and land and buildings (3.8 per cent or \$0.6 billion).

The above information is extracted from Australian Rail Industry Report 2008¹

¹<http://www.ara.net.au/UserFiles/file/Publications/ARA%20Industry%20Report%202008.pdf>

Discussion Questions

Question	Comments
<p>Other features of the route which it is important for the study to take into account</p>	<p>Features that should be taken into account in the study include the integration of long term freight transport planning and land use planning, the ability to enhance freight capacity, the reduction in transit time, relevant environmental impacts (including noise, vibration, dust, pollution etc.) and various safety issues (including level crossings).</p> <p>A number of our industry members have specifically stressed that the issue of noise, and safety at level crossings are of high significance and should be taken into consideration.</p>
<p>The economic growth forecasts underlying the freight forecasts</p>	<p>The basic GDP and other assumptions supporting the forecasts appear to be reasonable.</p>
<p>The base case forecast for traffic carried on the Adelaide Hills route</p>	<p>The base case forecast for traffic carried on the Adelaide Hills route appears to be reasonable.</p>
<p>The relative shares of traffic Melbourne - Adelaide and Melbourne – Perth</p>	<p>With respect to the Melbourne – Adelaide traffic, the ARA has been advised that there are a number of traffics which are not solely related to the general forecasts of economic activity. In particular, land bridging is a significant proportion of the traffic originating or terminating in Adelaide. The ARA was advised that the sensitivity of this traffic to changes in vessel call patterns, or other changes to seaborne flows has already been raised with the study team. In addition, steel product movements are also affected by supply sourcing and train routing decisions as well as economic activity.</p> <p>The relative shares of traffics for Adelaide and Perth (and return) will therefore be influenced by these specific factors as well as expected relative economic growth in the two States. The ARA has also been advised that this issue has been considered by the study team in their analysis.</p>
<p>The extent to which a more effective alignment would improve services and lead to a greater use of rail instead of road</p>	<p>The ARA believes that a more efficient alignment will enable longer and heavier trains (1800m, double stack) to operate at reduced transit times. This should enable greater flexibility to our existing customers. It is also likely that the operating costs may reduce, which consequently will</p>

Question	Comments
	change customer's perception of rail services. This change in perception could lead to a further modal shift from road to rail between Melbourne and Adelaide.
The options identified and whether there are any alternative rail alignments that should be considered.	The ARA is not aware of any alternative alignments that should be considered however the ARA is aware that studies for upgrading the existing route have considered a number of options, which should be considered in this review also.
The assumed freight paths (routes) and whether these reflect the choices that above rail operators are likely to make.	<p>It is arguable that business decisions will be driven by the underlying drivers of cost and transit time associated with each option. This is because most business model of our above rail operators are based on safe, efficient and cost-effective operations that is able to meet customers' needs. On the data presented, given the cost advantages of double stack, it is likely that the above rail operators would use new routes with that capability rather than continue with a single stack operation on the existing route.</p> <p>Furthermore, the criteria which satisfies community's needs, economical and future expectations would also be taken into account by above rail operators.</p>