AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

To the
Department of Infrastructure, Transport, Regional Development and Communications
On the
National Freight Data Hub Options Discussion Paper
THE INDUSTRY

The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia and New Zealand. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia’s passenger and freight transport systems are well represented and will continue to provide improved services for Australia’s growing population.

Australia’s population is forecast to double by 2070, reaching almost 45 million people. This growing population requires an increased allocation of goods, adding pressure on our existing freight networks to deliver. According to the National Freight and Supply Chain Strategy, Australia’s freight task is expected to grow by over 35 per cent between 2018 and 2040, an increase of 270 billion tonnes, bringing the total volume moved to just over 1000 billion tonne-kilometres.

The role of rail freight is critical in meeting this future demand and maintaining our international competitiveness. The Value of Rail study commissioned by ARA in 2017 highlights that a 1 per cent improvement in freight productivity could generate $8-20 billion in savings to the national economy over 20 years. Rail freight provides a cost-effective, safe and environmentally sound solution for reducing congestion from heavy vehicles on urban, regional and interstate roads. Just one freight train alone can take 110 trucks off our already congested roads and rail is up to nine times safer than road freight.

In light of these significant benefits, the ARA is working with governments and industry on behalf of our members to get more freight on to rail, and to improve the efficiency and productivity of Australia’s rail freight supply chains. Achieving modal shift to rail is critical to increasing economic growth, improving the liveability of our cities and supporting regional communities.

The ARA and its members thank the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) for the opportunity to provide a submission on the National Freight Data Hub Options Discussion Paper.
GENERAL COMMENTS

The ARA have been long-time supporters of the National Freight Data Hub project. We are members of the Industry Advisory Panel and commend DITRDC for the work that has been undertaken to date.

Access to more timely and relevant freight data is critical to industry and government. If designed correctly, the freight data hub will allow for evidence-based decisions that can greatly improve the productivity of our supply chains.

This has become increasingly more apparent as a result of COVID-19 which has highlighted the importance of a productive, efficient and resilience supply chain like never before. Being able to use data to manage risks and plan for a range of future freight scenarios will be extremely beneficial.

Whilst the ARA supports the data hub concept, we have a range of specific comments below for DITRDC.

**Purposes and Functions**

These are broadly supported, but we would recommend that further detail is developed on how these functions will specifically facilitate each purpose.

We note that there have been a number of discussions during Industry Advisory Panel meetings about the level of granularity of data that the hub will capture – particularly in relation to any operational issues. We believe that this is a key issue that needs to be resolved early as it will strongly influence the final business case.

**Data Principles**

We support the data principles as outlined. Having a level of independence from industry and government ultimately makes sense but it is critical that proper funding and governance arrangements are in place to support and foster its early development.

In relation to demonstrating value, this can be done not only through implementation and early wins but through more communication and engagement during this current planning phase.

As we have raised in a number of Industry Advisory Panel meetings, we still don’t believe that the value proposition to Industry has been as strongly articulated as it could be – in particular how will DITRDC use it to improve policy and regulation for industry?

Without a demonstrated commitment upfront from DITRDC to use this data to improve the regulatory environment it could be difficult to garner commitment from industry.
**Option Design Framework**

In relation to the option design framework, we support a number of the conversations that have occurred as part of the Industry Advisory Panel and our comments below reflect this.

We agree with the list of data priorities and recommend only considering a small or medium change in the first instance, in preference to jumping straight to the large change.

In relation to the technology options we support firstly examining the practicality of making use of or adapting existing technology systems, with the view to potentially moving towards a limited technology uplift solution. Both the centralised and federated architecture systems have pros and cons and the final decision on the architecture should ultimately be made based on a more detailed assessment of the available technology platforms and an analysis of the costs and resources required to embed these platforms within this architecture.

In terms of governance, the initial focus should be on developing collaboration between industry and government to maximise participation and involvement. This would require seed funding from Government over the short-to-medium term to properly establish the hub but may present opportunities for commercialisation in the long term.

Finally, in terms of regulation the first step should be to encourage participation rather than enforce it. Promoting the value proposition during this planning period will greatly assist in encouraging participation.