



**Media Release**  
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## **Study reveals rail to deliver \$159 million in savings by 2019**

A major study into the benefits of rail freight in Tasmania has revealed that moving freight by rail rather than road will deliver an estimated \$159 million in savings to the state's economy over the five years to 2019.

In 2013-14 alone, those savings were worth approximately \$26 million to the Tasmanian community.

The study, commissioned by TasRail and undertaken by leading infrastructure consultants Pitt&Sherry, shows the savings were generated by reducing costs related to road accidents, pollution and road maintenance as well as the operating costs of industry and commerce.

TasRail Chief Executive Damien White said the purpose of the study, commissioned in January this year, was to quantify the underlying benefits of the state's rail freight system at a time when it was enjoying significant growth.

"The study highlights one of TasRail's important competitive advantages, which is to help industries strengthen their social licences by moving freight by rail rather than by road, is providing vital social, environmental and economic benefits," Mr White said.

"Over the past five years, the Tasmanian and Australian Governments have provided the funds to rejuvenate the state's rail system, which they clearly recognise as a critical part of Tasmania's transport infrastructure."

A Spokesman for Pitt&Sherry said the statistical data used in the study, which was drawn from a range of official government studies and reports, revealed that in 2013-14 the use of rail freight in Tasmania rather than road freight saved around \$7 million in road accident costs; \$1 million in environmental costs; \$9 million in road maintenance costs; and up to \$9 million in the operating costs of business and industry.

The Spokesman said the savings were forecast to rise over the five year period to 30 June 2019 and continue well into the future

The data on which these conclusions were based include:

- The Department of State Growth's Freight Demand Surveys;
- Road accident statistics and costs;
- Austroads publications relating to environmental costs of freight transport;
- The National Transport Commission's valuations of road maintenance costs; and
- The Bureau of Infrastructure, Transport and Regional Economics report on road operating costs.

Mr White said the essence of the Pitt&Sherry study findings was that on major freight corridors, such as between Brighton and Burnie, rail was the most efficient freight mode.



“While there is an investment cost in rail – as there is with roads and shipping – it delivers statewide benefits that are significantly greater than the investment costs,” Mr White said.

“The report shows freight transport efficiency is maximised when freight can be moved at the lowest possible cost to customers (senders and receivers) and the community at large.

“It explains that a single train can move hundreds of tonnes of freight and the rolling resistance faced by a steel wheel on a steel track is small compared to that of a rubber tyre on a road.

“These physical and economy-of-scale advantages translate to very low overall costs on a per tonne kilometre basis (the cost of moving one tonne of freight the distance of one kilometre).

“Investment in TasRail infrastructure allows these fundamental rail efficiency advantages to be captured by the Tasmanian freight system.

“Track upgrades improve the performance of Tasmania’s rail network to an acceptable level that enable rail to compete with road for certain freight tasks.”

Mr White said the study concluded that rail freight was a safe freight mode with a lower accident incidence than road – and therefore smaller accident costs.

“Greenhouse emissions are lower, reducing environmental costs and using rail rather than road reduces heavy vehicle trips, in turn reducing road damage and therefore road maintenance costs,” he said.

“The result is an overall increase in Tasmania’s transport system efficiency, delivering lower costs in two major ways. The most obvious effect is lower costs to freight customers, which in turn reduce the drag of freight costs on the whole economy.”

The study further concludes that over the next five years, the total government investment in TasRail will be approximately equal to the total benefits to the Tasmanian community in dollar terms. From that point on, however, savings will far exceed investment.

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