

Australia Rail Freight Transport - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 120 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

Australia Rail Freight Transport Market Analysis

The Australia Rail Freight Transport Market is expected to grow from USD 13.07 billion in 2025 to USD 13.57 billion in 2026 and is forecast to reach USD 16.36 billion by 2031 at 3.82% CAGR over 2026-2031.

Rail presently carries close to 49% of all domestic freight tonnage, and more than 80% of that volume is iron ore and coal bound for export terminals, indicating a continued reliance on bulk commodities even as container volumes accelerate. Growth is anchored by the USD 31 billion Inland Rail corridor that will slash Melbourne-to-Brisbane transit times to under 24 hours and shift roughly 2 million t of agricultural cargo from road to rail each year. Decarbonization policy provides an additional tailwind: rail generates 16 times less CO₂ than road freight, making it integral to Australia's 2050 net-zero target. Counterbalancing these positives are aging tracks, extreme-weather disruptions that cost USD 320 million in 2022, and intensifying wage pressures that expose operators to industrial-action risks.

Australia Rail Freight Transport Market Trends and Insights

Inland Rail Mega-Project Accelerating Inter-State Capacity

Construction of the USD 31 billion Inland Rail spine is reshaping the Australia rail freight transport market by adding a 1,700 km double-stack-ready corridor that bypasses Sydney gridlock. Each 1,800 m train will remove 108 B-double trucks from highways,

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

cutting road congestion and boosting network redundancy. Completed segments such as Parkes-to-Narromine illustrate on-schedule execution, while the 39 km Illabo-Stockinbingal link approved in November 2024 starts construction in late 2025. Although costs have more than doubled from initial projections to USD 31.4 billion, bipartisan political backing limits cancellation risk and sustains private-sector confidence. Over the long term the corridor expands market reach for regional grain, cotton and beef exporters, directly lifting rail's share of east-coast agricultural logistics.

Surge in Bulk Mineral Exports Driving Rail Demand

Bulk commodities underpin the Australia rail freight transport market, with iron ore and coal still generating over 80% of rail tonnage despite cyclical pricing. Western Australia's Pilbara network alone hauls more ore than the rest of the national system combined, aided by 100 Mtpa capacity expansions from miners such as Rio Tinto that rely on autonomous heavy-haul trains to limit operating costs. Federal forecasts place resource export earnings at USD 417 billion in 2023-24, down from the 2022-23 peak but still historically high, ensuring rail utilization stays elevated. Inter-state coal traffic from Queensland's Bowen Basin to East-Coast ports echoes the same pattern, with contract structures locking in rail take-or-pay volumes even during price troughs. As new energy-transition minerals (lithium, rare earths) ramp up, bulk rail corridors gain fresh relevance, reinforcing the segment's structural dominance.

Aging Infrastructure Creating Systemic Bottlenecks

Key east-coast mainlines still rely on legacy timber sleepers and color-light signaling first installed in the 1970s, capping average freight speeds at 80 km/h compared with 110 km/h road equivalents. Federal and state budgets have earmarked over USD 1 billion for fast-tracked upgrades, yet project sequencing clashes with passenger-train priorities and track-possession windows remain scarce. Urban-freight initiatives such as the USD 183 million Port Rail Shuttle in Melbourne have slipped behind schedule, maintaining truck dependency at the nation's busiest container port. Capacity pinch-points ripple across the network, inflating wagon dwell times and undermining the service reliability bar required by time-sensitive shippers. Without sustained capital alignment between governments and private track managers, congestion costs risk outpacing the modal-shift benefits promised by Inland Rail.

Other drivers and restraints analyzed in the detailed report include:

Rapid E-Commerce Growth Boosting Intermodal Container Demand
Government Decarbonization Mandate Reshaping Modal Choice
Labor Market Tensions Threatening Operational Stability

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Transportation services captured 85.35% of the Australia rail freight transport market share in 2025, reflecting their core role in moving bulk minerals, grain and containers over long distances. Operators such as Pacific National run more than 600 line-haul services each week across the interstate network, underpinning the sheer scale of this segment. Allied services, though smaller, are scaling quickly at a 7.68% CAGR to 2031 as shippers outsource integrated solutions ranging from wagon maintenance to in-yard container stuffing. The shift supports margin expansion because value-added activities carry higher earnings before interest and tax than haulage alone. Queensland's USD 22.9 billion capital plan for 2024-25 dedicates funds to rail manufacturing precincts that supply components to operators nationwide, reinforcing the allied-services ecosystem.

A second driver of allied-services momentum is digitalization: predictive-maintenance contracts embedded in locomotive supply deals, such as the USD 594 million agreement between Pacific National and UGL, fuse rolling-stock lifecycle services with line-haul

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

operations. Intermodal terminals mirror the same convergence; Moorebank Logistics Park integrates warehousing, customs clearance and automated gantry cranes with on-dock rail loading bays to present shippers a single invoice rather than disparate charges. Taken together, these developments suggest the Australia rail freight transport market will increasingly reward end-to-end service depth, not simply lowest per-ton-kilometer rates.

The Australia Rail Freight Transport Market Report is Segmented by Service Type (Transportation and Services Allied To Transportation), by Cargo Type (Containerized Intermodal, Non-Containerized Bulk, Liquid Bulk), and by Operational Scope (Intrastate and Interstate Freight Corridors and Port-Linked Freight Movements). The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Aurizon Holdings Limited Pacific National Holdings Pty Ltd Southern Shorthaul Railroad SCT Logistics KTI Transport DHL Global Forwarding Bowmans Rail Qube Holdings Ltd Linfox Pty Ltd Toll Group One Rail Australia Watco Australia Intermodal Group WA TasRail Clenton's Transport National Freight Management Aussie Trident Group Crawfords Freightlines Seaway Logistics Express-Link Global

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

- 1 Introduction
 - 1.1 Study Assumptions & Market Definition
 - 1.2 Scope of the Study
- 2 Research Methodology
- 3 Executive Summary
- 4 Market Landscape
 - 4.1 Market Overview
 - 4.2 Market Drivers
 - 4.2.1 Inland Rail mega?project accelerating inter-state capacity
 - 4.2.2 Surge in bulk mineral exports (iron ore, coal)
 - 4.2.3 Government decarbonisation push favouring rail over road
 - 4.2.4 Rapid e-commerce growth boosting intermodal container flows
 - 4.2.5 Autonomous/driver-assist train technology pilots
 - 4.2.6 Shipper demand for ESG-audited low-carbon logistics
 - 4.3 Market Restraints
 - 4.3.1 Ageing track & signalling bottlenecks on key corridors
 - 4.3.2 Road freight's price-speed flexibility on short hauls
 - 4.3.3 Skilled-labour shortages & industrial action risk
 - 4.3.4 Extreme-weather-driven washouts and heat-stress limits
 - 4.4 Value / Supply-Chain Analysis
 - 4.5 Regulatory Landscape

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 4.6 Technological Outlook
- 4.7 Porter's Five Forces
 - 4.7.1 Threat of New Entrants
 - 4.7.2 Bargaining Power of Suppliers
 - 4.7.3 Bargaining Power of Buyers
 - 4.7.4 Threat of Substitutes
 - 4.7.5 Competitive Rivalry
- 4.8 Freight Transportation Cost Review
- 4.9 Impact of Geopolitics & Pandemic
- 4.10 Trade-Agreement Analysis

5 Market Size & Growth Forecasts

- 5.1 By Service Type (Value, USD)
 - 5.1.1 Transportation
 - 5.1.2 Services Allied to Transportation
- 5.2 By Cargo Type (Value, USD)
 - 5.2.1 Containerized (Intermodal)
 - 5.2.1.1 20-foot TEU
 - 5.2.1.2 40-foot TEU
 - 5.2.2 Non-Containerized Bulk
 - 5.2.2.1 Iron Ore
 - 5.2.2.2 Coal
 - 5.2.2.3 Grain
 - 5.2.2.4 Other Minerals & Commodities
 - 5.2.3 Liquid Bulk
 - 5.2.3.1 Petroleum & Fuel
 - 5.2.3.2 Chemicals
 - 5.2.3.3 Other Liquids
- 5.3 By Operational Scope (Value, USD)
 - 5.3.1 Intrastate and Interstate Freight Corridors
 - 5.3.1.1 Interstate Corridors
 - 5.3.1.2 Intrastate Movements
 - 5.3.2 Port-Linked Freight Movements
 - 5.3.2.1 Export to Port
 - 5.3.2.2 Import from Port

6 Competitive Landscape

- 6.1 Market Concentration
- 6.2 Strategic Moves
- 6.3 Market Share Analysis
- 6.4 Company Profiles (includes Global level Overview, Market level overview, Core Segments, Financials as available, Strategic Information, Market Rank/Share for key companies, Products & Services, and Recent Developments)
 - 6.4.1 Aurizon Holdings Limited
 - 6.4.2 Pacific National Holdings Pty Ltd
 - 6.4.3 Southern Shorthaul Railroad
 - 6.4.4 SCT Logistics
 - 6.4.5 KTI Transport

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 6.4.6 DHL Global Forwarding
- 6.4.7 Bowmans Rail
- 6.4.8 Qube Holdings Ltd
- 6.4.9 Linfox Pty Ltd
- 6.4.10 Toll Group
- 6.4.11 One Rail Australia
- 6.4.12 Watco Australia
- 6.4.13 Intermodal Group WA
- 6.4.14 TasRail
- 6.4.15 Clenton's Transport
- 6.4.16 National Freight Management
- 6.4.17 Aussie Trident Group
- 6.4.18 Crawford's Freightlines
- 6.4.19 Seaway Logistics
- 6.4.20 Express-Link Global

7 Market Opportunities & Future Outlook

7.1 White-Space & Unmet-Need Assessment

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Australia Rail Freight Transport - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 120 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-02-26"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

