



## **Submission to Infrastructure Victoria Draft Strategy October 2016**

The Rail Freight Alliance is made up of rural, regional and metropolitan Councils across Victoria. The Alliance membership has a strong belief that more freight on rail will add to the efficiency, productivity and prosperity of the nation.

Our Membership includes the Councils of Buloke, Central Goldfields, Ballarat City, City of Melbourne, City of Wodonga, East Gippsland, Gannawarra, Glenelg, Greater Shepparton, Hindmarsh, Horsham Rural City, Loddon, Mildura Rural City, Moyne, Pyrenees, South Gippsland, Southern Grampians, Swan Hill Rural City, Warrnambool, Wellington, Yarriambiack, Latrobe City and Northern Grampians.

Victoria's population is expected to grow by approximately 3.5 million people over the next 30 years. This growth is a great challenge to provide a livable, affordable and productive state and economy. The right balance needs to be struck between infrastructure development and the revenue raised to pay for this capital expenditure.

The Rail Freight Alliance believes that to achieve this challenge, a far greater share of the freight task will need to transfer from road to rail in the next 30 years. Rail provides a cost effective freight transport over longer distance, is a safe means of transport, reduces congestion and greenhouse gas emissions and prolongs the State and Local Government road networks.

The projected population concentration in Melbourne threatens the livability of future Victorians. Port access, congestion, community safety, vehicle emissions, continued road depreciation and road way capacity are factors to consider when planning the future infrastructure needs of Victoria.

Strategic Investment in rail freight infrastructure, focused government policy and coordination will create an environment for private investment in rail freight. Rail does provide the solution for many of the transport issues currently facing Victoria.

The Rail Freight Alliance believes the following should form part of Victoria's 30-year Infrastructure Strategy:

## **Western Interstate Freight Terminal (WIFT)**

The WIFT will be a critical piece of infrastructure for the Melbourne to Brisbane Inland Rail Project (MBIRP). The final report was completed in 2015 and some funds committed by the Federal Government for land acquisition. This is a land mark project that is expected to take a decade to construct. The efficiency of the line can only be realised if the freight can be efficiently unloaded and reloaded.

### **Recommendations**

**0 – 2 years** Identify and purchase the WIFT site and protect corridors for rail shuttle linkages to Lyndhurst, Somerton, Dandenong and Altona.

**5 – 10 years** Commence construction

## **Rail access to Port of Melbourne**

The Lonsdale Consortium was announced as the successful bidder for the Port of Melbourne lease recently. Currently the lease holder is required to provide a Port Access Strategy to the Victorian Government within 3 years. Currently rail freight is disadvantaged at the port due to inadequate infrastructure and lack of open access regimes and oversight.

### **Recommendations**

**0 – 1 years** Produce a port rail access strategy.

**0 – 1 years** Create a Port of Melbourne users group.

## **Murray Basin Region Freight Transport Project**

Victorian Government committed \$220 million towards this project costed at \$416 million in early 2014. In mid-2015 the Federal Government announced up to \$220 million matching funding towards the project. The project is forecast to be completed by 2018. Alteration of the scope of this project will provide a better utilisation of funds and allow greater freight and passenger access.

### **Recommendations**

**0 - 1 year** Standardise Yelta to Gheringhap line and Murrayville line

Upgrade and reopen for traffic Maryborough-Avoca Ararat line

Build direct connection at Ararat from Avoca line to Maroona line

Do not proceed with proposed dual gauging from Ballarat to Gheringhap

**0 – 1 years** Upgrade the Maroona to Portland Line to at least 21-ton axle loading.

**0 – 1 years** Identify the rail line efficiencies

**0 – 2 years** Complete the project.

## **Gippsland Region**

The freight task from the Gippsland region continues to grow. The region is not well supported by the current road network and the current rail infrastructure is poorly maintained and in some cases weight limits and speed restrictions have a profound impact of rail freight efficiency. Access into the Port of Melbourne is further hindered by the current rail access through the Dandenong to Caulfield section of line.

### **Recommendations**

**0 – 1 years** Reconstruction of the Avon River Bridge at Stratford

**0 – 5 years** Duplication of the Moe Station through the station, including a second platform

**0 – 2 years** Investigate a comprehensive freight strategy for the Gippsland region, the scope to consider the Bairnsdale and Leongatha lines.

**0 – 5 years** Duplication of seven kilometers of track from Bunyip to Longwarry, including widening Bunyip River Bridge.

## **North East Victoria**

A large amount of bulk and containerised freight is produced in North East Victoria and Southern New South Wales (NSW). This freight must be captured and transported through Victoria. The export freight from this area can move through NSW as price to dock is a determining factor. The value of the MBIRP must be utilised by rail connection.

### **Recommendations**

**0 - 5 Years** Line Standardization  
Tocumwal – Seymour,  
Deniliquin – Echuca - Toolamba,  
Dookie – Shepparton

## **High Productivity Freight Vehicles (HPFV)**

Australia is one of the few countries with such a high reliance on road freight. Currently both Federal and Victorian governments approach to congestion and the growing freight task is to build more roads. The future freight task cannot be addressed by building more roads and allowing bigger trucks. The issues of public amenity, community safety and continuing road maintenance are not addressed by HPFV. Ideally the HPFV road network should be focused on access to intermodal hubs for rail distribution.

### **Recommendations**

**0 – 2 years** limit the amount of HPFV registrations

**0 – 5 years** Invest in rail infrastructure

## **Rail Facilitation Unit**

There are currently five government agencies involved with managing the Victorian rail network being: The Department of Treasury and Finance, Department of Transport, Planning and Local Infrastructure, Vic Track, V Line and the State Department of Business and Innovation. There are also four separate access providers being: Vic Track, V Line, Metro Trains and Australian Rail Track Corporation. The current freight policy and management capacity within the Department of Transport has been reduced over recent years. A Rail Facilitation Unit would provide a focus for identifying and promoting rail freight opportunities.

### **Recommendation**

**0 – 2 years** Establish a Rail Facilitation Unit

## **Ministerial Portfolio for Rail and Ports.**

Currently responsibility for Rail transport and Ports is shared between, Ministers Allan and Donnellan, being Public Transport, Roads and Road Safety and Ports. The current portfolios do not reflect rail freight and the interface between mode share and Port interface. A dedicated department and ministerial portfolio would improve Victoria's port transport interface.

### **Recommendation**

**0 -1 year** Establish a dedicated Minister for Rail and Ports and supporting departmental unit.

## **Rail Track Maintenance**

The current investment in track maintenance is far less than should be budgeted for to maintain the current rail system. Successive governments have underinvested in track maintenance, resulting in poor train cycle times and at times train derailment. This underinvestment has disadvantaged rail as a transport provider and disenfranchised potential private investment in rail freight.

### **Recommendation**

**0 – 1 Year** Include regular provision in the 2017/18 Victorian Budget and subsequent budgets and forward estimates for adequate and planned track maintenance expenditure on the intrastate rail freight network.

## **Freight Taxation Scheme**

Currently there is an inequity between road and rail transport in the form of the taxes and charges collected. Truck operators pay registration on average road damage and fuel excise. Rail operators pay mass distance based on access fees. The current system does not deliver full cost recovery to road infrastructure from certain classes of vehicles, does not capture the social and environmental costs of road use and creates a price advantage for road freight to the detriment of rail. Technologies such as GPS and intelligent transport systems are currently available and will become increasingly affordable. A user pays system based on vehicle type and usage allows a level playing field for different modes of transport and would have the ability to direct revenue to asset owners.

### **Recommendation**

**5 -10 years** Work with the Commonwealth and other states to introduce a new system of taxation for freight based on vehicle type and usage.

## **A Transport Plan**

The Victorian Government is required by the *Transport Integration Act* to adopt a transport plan. Victoria has not had a transport plan since 2010. A transport plan is a key document for future targeted investment and would allow considered expenditure of the State's transport infrastructure

### **Recommendation**

**0 – 1 year** Develop and adopt a Transport Plan for Victoria.