



Submission to Infrastructure Victoria – Second Container Port Advice

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 will be great challenge to provide a liveable, affordable and productive state and economy.

Where and when the second container port should be constructed cannot be assessed without consideration of all of Victoria. The current political discussion is centred on a site, rather than this new facility being an enabler for future prosperity for all Victorians.

The projected population concentration in Melbourne threatens the liveability of future Victorians. Port access, congestion, community safety, vehicle emissions, continued road depreciation and road way capacity are important considerations when planning Victoria's next Port.

The Rail Freight Alliance believes that maintaining the Liveability of Victoria, while continuing to increase imports and exports, a far greater share of the freight task will need to transfer from road to rail in the next 20 years. Rail provides cost effective freight transport over longer distances, is a safe means of transport, reduces congestion and greenhouse gas emissions and prolongs the State and Local Government road networks.

Enabling Infrastructure

The Victorian Government invests in millions of dollars into enabling infrastructure every year. Apart from the more visible assets like schools, jails, police stations and hospitals, freight and logistic assets such as roads, rail and port infrastructure are vital for the future prosperity and liveability of the Victorian community.

The entire state should be considered when making a decision such as the location of a second container port and connecting freight links. The Alliance is of the strong view that one region of Victoria should not be disadvantaged over another as part of the development of a second container port.

Recommendation

Consideration of social amenity, prosperity and isolation should be given to all regions of Victoria when making a final recommendation of a second container port.

Port Design and connecting freight access

The Alliance considers the next 2 decades will see enormous growth in imports and exports it is important that the planning and access corridors be protected as a matter of urgency. The growing freight task cannot be serviced by the current road/rail mode share. It is essential that the new port is designed around on-dock rail and complementary connecting rail infrastructure.

Recommendation

On-dock rail access be incorporated into design and constructed at the first stage of port construction.

Freight pathways to port sites must be identified and protected for both potential sites and held by the Victorian Government until construction has commenced on a preferred site.

Competition

Competition at port, road and rail is a positive for businesses in and along the supply chain. It is important that the appropriate rail infrastructure and policy settings do not disadvantage rail freight. Private and public companies will investment in above rail assets and freight operations if the Victorian Government creates the right environment.

Recommendation

Government request Infrastructure Victoria to examine measures which could be taken to incentivise greater use of rail by industry and to seek an industry review of final recommendations.

Can Road Freight meet the growing freight challenge?

Road freight costs such as diesel, wages and on costs, repairs and maintenance, and more recently road toll fees continue to rise. These road costs cannot be amortised over the freight movements of that of rail freight. The trucking industry has currently identified a shortage of drivers (ref 1). "Just in time delivery", will be a feature of a future port. Rail Freight will be the future of an efficient port in 2040.

Recommendation

On-dock rail access must be an investment of the first stage of the new container port.

Predicted Demand

The Alliance understands that Victoria will continue to have fluctuations in imports and exports and agrees with the range estimate identified in the discussion paper.

Recommendation

Alliance agrees with the projected demand estimate.

Planning and Construction

The Alliance considers the discussion paper an essential first step in a second container port for Victoria. Based on the information provided in the Infrastructure Victoria discussion paper, further planning work, construction of the new port and connecting freight links, Victoria needs to plan now. Regardless of the final recommendation and any future government approach to a second container port, port site and connecting road and rail corridor protection is essential.

Recommendation

The port sites and connecting rail infrastructure at both Bay West and Hastings should be identified and protected until construction at the preferred site has commenced.

Corridor protection

There have been many examples of trying to create pathways through urban areas, the most recent being the sky rail project. To have to reengineer these pathways is expensive and creates community uncertainty and threaten social amenity. The areas identified for potential future development should be preserved as soon as possible.

Recommendation

The port sites and connecting rail infrastructure at both Bay West and Hastings should be identified and protected until construction at the preferred site has commenced.

Household Affordability

Both the Victorian and Commonwealth Governments have focused on household affordability recently. The affordability of imports (goods purchased by the consumer) and exports (profitability to the producer) are directly impacted by an efficient rail and road access to the port and competition at port. These costs are often hidden in the supply chain costs, however do impact the final purchase cost (household affordability) or farm gate price (regional prosperity).

Recommendation

Consideration must be given to the access, competitiveness and operational costs of the new container port.

Port design to incorporate rail access

The Alliance rejects the staged approach to rail access at the new container port. Rail freight will need to take a greater share of freight transport task in the next 20 years, therefore it must be considered, central to the design and freight access.

Recommendation

On-dock rail access to be incorporated into the first stage of the new container port.

Set Mode shift targets

The Alliance does not support the projected 90/10 freight mode share at port. Globally, rail has demonstrated the ability to move freight far more efficiently than road. The current road/rail share at port is the result of, years of underinvestment in rail infrastructure over successive governments. The Alliance believes that targets should be set for transport mode share to every rail-connected Victorian Port, (Ref 1).

Recommendation

Victorian Freight Targets should be adopted, in conjunction with measures by government to incentivise greater use of rail by industry, as follows:

2020 15% Rail Share

2025 20% Rail Share

2030 30% Rail Share

2040 50% Rail Share

Ports and Connectivity

Connectivity to existing or any new container Port will be essential to the liveability of Victorians. It is not inconceivable the new Melbourne to Brisbane Inland Rail Project will be completed within a decade as well as the Western Interstate Freight Terminal. The connectivity to a Port Rail Shuttle and the second container port must be planned for and access pathways protected.

Recommendation

Plan and protect corridor transport linkages to the Western Intrastate Freight Terminal, Port Rail Shuttle and second container Port.

Port Rail Shuttle

The Alliance is disappointed with the progress of this Port Rail Shuttle project, as little of the allocated \$58 million has been utilised over successive years. This project has the capacity to enhance the Port of Melbourne and improve social amenity by reducing truck movements, pollution, noise, congestion and improved safety. Planning for the second container port must allow corridor protection to link into the Port Rail Shuttle.

Recommendation

Protect corridors for rail shuttle linkages to Lyndhurst, Somerton, Dandenong and Altona.

Plan and protect corridor transport linkages to the Western Interstate Freight Terminal and second container Port.

Access to and from Gippsland

The Gippsland region is an important region and a large container exporter for Victoria. The Alliance is of the strong view that no region should be disadvantaged as part of the second container port considerations. The current condition of Gippsland road and rail access to Melbourne and ports is poor, evidenced by congested road and rail access and poor road condition. Regardless of where the second container port is located, investment in access to and from Gippsland is an investment that is well overdue.

Recommendation

The Melbourne to Dandenong rail corridor must have 4 line capacity.

Duplication of the single line Bunyip to Longwarry.

Upgrade of both tracks between Pakenham and Moe to allow 23 axle loads.

Provide a long extended crossing loop between Morwell and Traralgon.

Provide an automated connection to the branch line serving the Australian Paper Mill at Maryvale.

3 km passing loop between Beaconsfield and Officer.

Reconstruction of the Avon River Bridge at Stratford.

A Transport Plan for Victoria

The Victorian Government is required by the *Transport Integration Act* to adopt a transport plan. Victoria has not had a transport plan since 2008. The Alliance considers this a key document when investing in Victoria's transport future and should be integrated into any second container port planning considerations.

Recommendation

The Victorian Government must adopt a Transport Plan which provides for rail linkages to Victoria's current and proposed ports.

References

(1) *Professional Truck Driver Shortage: How driver availability impacts the transport industry & Australian society* © Volvo Group Australia Pty Ltd 2016