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Foreword

The Rail Freight Alliance (RFA) is primarily focused on providing improved rail connectivity within Victoria (and into neighboring states); and working to ensure increased investment in Victoria’s rail freight system in the future to support the efficient movement of freight across Australia.

This policy statement has been developed by RFA to provide input to the development and subsequent implementation of key government policy rail freight initiatives in Victoria; more particularly from a local government perspective as a key stakeholder in the provision of transport infrastructure and related services.

The RFA has a long history of advocating for improvements, efficiencies, and greater investment in the transportation of freight by rail both intrastate and interstate. The policy positions outlined by the RFA in this report have been endorsed by the membership and provide an advocacy platform for the Alliance.

Cr Glenn Milne
Chairman – Rail Freight Alliance (RFA)
1. Governance and Regulation

1.1 Rail Freight Victoria

Issues
There is currently no Minister with sole responsibility for rail freight in Victoria. This is currently shared between the Ministers for Public Transport and Minister for Roads and Road Safety and Minister for Ports.

In addition, there are currently five government agencies involved in managing the network, Department of Treasury and Finance (DTF), Department of Economic Development Jobs Transport and Resources (DEDJTR), VicTrack, V/Line, and Public Transport Victoria (PTV).

There are also four separate access providers: VicTrack, V/Line, Metro Trains, and the Australian Rail Track Corporation (ARTC).

There is no unified management or regional representation in relation to marketing rail freight.

A key recommendation of the Fischer Report was the establishment of a Rail Freight Facilitation Unit. The Rail Freight Alliance has, for many years, endorsed and supported this recommendation.

Alliance Policy
The Alliance proposes that the Victorian Government establish a rail freight authority with responsibility to provide strategic advice and support to a dedicated Minister for Freight and Logistics.

This authority, Rail Freight Victoria, should have an independent Board, regional representation and the capacity to promote rail freight services to customers.

It should be located within the Transport Portfolio, as an independent statutory authority reporting directly to a dedicated Minister.

Recommendations
Appointment of a dedicated Minister for Freight and Logistics.

Creation of Rail Freight Victoria as a statutory authority reporting to the Minister for Freight and Logistics.
1.2 Access Regime and Access Charges

Issues
The rail access regime in Victoria, with the exception Australian Rail Track Corporation (ARTC), is controlled by the Essential Services Commission.

There are several different access providers including VicTrack, V/Line, Metro Trains and the ARTC.

Imposition of access charges is designed to recover the economic cost of infrastructure provision from train operators.

However road operators do not pay the full cost of their infrastructure so the playing field is not level. Charges and subsidies should be aligned between road and rail freight.

Refer also to Section 5.3.

Alliance Policy
The Alliance supports, in principle, the Victorian Rail Access Regime.

The Alliance considers that if rail operators are to pay for the cost of rail infrastructure, road operators should also be required to pay for the cost of their infrastructure.

The Alliance considers it is appropriate to levy full access charges where lines have been rehabilitated to modern standards.

The Alliance considers access charges should be waived where lines are not in a suitable condition for normal freight operations.

Recommendations
Access charges should be waived on lines that are not in a suitable condition for normal freight operations.
1.3 Mode Shift Incentive Scheme

Issues

The Mode Shift Incentive Scheme (MSIS) is a $20 million 4 year program designed to encourage rail freight and mode shifting from road to rail.

The MSIS provides assistance to the maintenance of intermodal rail freight on the Tocumwal, Horsham, Warrnambool, Mildura, Deniliquin and Maryvale corridors.

The total amount of funds provided, though useful, is extremely limited especially when compared with subsidies and infrastructure provision afforded to road freight operators.

The current allocation of funding for the Mode Shift Incentive Scheme runs out in June 2018.

Alliance Policy

The Alliance considers the Mode Shift Incentive Scheme (MSIS) vital in maintaining and growing freight to rail (particularly container freight).

The Alliance and the Victorian Government have a shared interest in ‘freight mode shift’ and the sustainability of State and Local road networks.

The MSIS should be continued until a satisfactory level of mode shift has been achieved.

Recommendations

Continuation of the MSIS at an allocated funding level of $20 million provided over 4 years, 2018-19 to 2022-23.
1.4 Co-operation with Private Sector in Rail Investment

Issues

Between 1997 and 2007 the entire Victorian country rail freight network was privatised under a 45 year lease arrangement. During this period, maintenance of the network was neglected and rolling stock and locomotives were sold or exported to other states.

Since 2007, when the infrastructure lease was bought back by the state, more targeted relationships with specific private sector users including Sunrice and GrainCorp have allowed co-investment, new rail traffic, and the re-opening of formerly closed lines such as the Rainbow and Echuca to Toolamba lines.

Such co-operation can be extremely beneficial so long as the railway remains “open access”; where unsolicited bids for rail investment are received from the private sector, they should be transparently considered against public interest criteria.

Alliance Policy

The Alliance supports public ownership and regulation of the Victorian country rail freight network and its infrastructure.

The Alliance also supports targeted co-investment by government and specific private firms for particular lines, providing that the railway remains open to all and that the investment does not result in working arrangements or equipment incompatible with an open competitive state railway system.

Recommendations

Continued development of Public-Private Partnerships.

Continued State ownership of Victoria’s rail network.

Maintain open access to Victorian Rail Network.
1.5 Consultation with Local Government in Rail Planning

Issues
In the past, consultation between rail planners and local government has been limited.

Local governments understand the importance of maintaining and developing rail freight facilities in their areas.

Whilst there has been support, funding and participation by state governments in regional transport forums, including forums in the North West and South West that cross state borders, further opportunities exist.

It is important that these initiatives be developed.

Alliance Policy
The Alliance considers that the Victorian Government must consult with Local Government in future rail planning.

Recommendations
Victorian Government commits to greater consultation with Local Government around rail planning.
2. Strategic Planning

2.1 Regional Transport Plans

Issues
Most transport issues in Victoria and the Riverina, especially those involving rail freight and long distance haulage of bulk commodities, cross many local government boundaries, and often regional and state boundaries as well.

There is also a need to inform statewide transport plans about regional issues and ensure there is alignment between State and regional planning documents as to allow for clear strategic direction and integration.

There is a need for greater and ongoing regional planning in the area of transport which includes rail freight as an integrated part of the transport network.

Alliance Policy
The Alliance supports the establishment of ongoing Regional Integrated Transport Plans to provide an opportunity for State and Local Government to work together to solve common regional freight issues and to advocate for rail freight enhancement within that regional area.

Recommendations
Victorian Government support the establishment of Regional Integrated Freight Transport Plans.

These plans should inform the Victorian Transport Plan and include the involvement of appropriate State Government departments and entities.
2.2 A Victorian Transport Plan

Issues
The purpose of a transport plan is to outline the Victorian Government’s long term strategy to improve freight efficiency, grow productivity and better connect Victorian businesses with their markets, whether local, national or international.

However it is also important to manage externalities that may arise in the quest for efficiency, for example, road safety, emissions, and road damage and amenity impacts of the wider use of heavy road freight vehicles.

This recognition supports accelerated investment in rail freight.

The Transport Integration Act 2010 mandates the Victorian government to have a transport plan, currently no plan has been endorsed by the State Government.

Alliance Policy
The Alliance calls on the government to endorse a Victorian Transport Plan with set targets and timelines for the following Rail Freight Markets:

- Grain
- Containers to and from the Port of Melbourne
- Intrastate and Interstate intermodal traffic
- Mineral sands

The Alliance supports an overall mode share for rail freight of 20 per cent or more by 2025.

The Victorian Transport Plan should be informed and align with Regional Freight Transport Plans as outlined in Section 2.1.

Recommendations
Victorian Government complete a Victorian Transport Plan which includes a Freight and Ports Strategy.

Victorian Government provides adequate resourcing in order to implement the Victorian Transport Plan.

Victorian Government commits to an overall mode share for rail freight of 20 per cent or more by 2025.
2.3 Metropolitan Planning, Regional Transport Plans and a Victorian Transport Plan

Issues

It is vital that there is integration between strategic transport planning and strategic land use planning.

Freight movements in the Melbourne Metropolitan area are expected to grow strongly (8 million containers annually by 2050) so it is vital that planning occurs now for freight routes and corridors, including rail freight routes.

Alliance Policy

The Alliance believes Plan Melbourne 2017-2050 and Regional Growth Plans should be supplemented by a consolidated transport strategy applying to Melbourne and regional areas. Growth strategies for the regions should be reflected in this transport strategy.

This strategy should outline rail and road routes and corridors and how they will interact over the planning horizon of the state’s land use strategies.

Recommendations

All metropolitan and regional planning strategies integrate.
3. Infrastructure Development

3.1 Investment in and Maintenance of the Rail Freight Network

Issues
Maintenance funding for both regional road and regional rail networks should be given strong priority; as such networks are key to the success of regional and rural agribusinesses, farms, and forest and mineral projects.

The Alliance considers a reasonable allowance for maintenance of the freight rail network would be $25,000 per kilometre.

The Victorian Government in its 2017-18 Budget, provided $316 million over 4 years for the ongoing maintenance of the Victorian rail network.

Alliance Policy
The Alliance supports recent increases in funding for Major Periodic Maintenance of the intrastate rail freight network and the preparation of a strategic framework for investment.

Annual funding should be allocated at $25,000 per kilometre of track.

Recommendations
The Alliance supports recent increases in funding for Major Periodic Maintenance of the intrastate rail freight network and the preparation of a strategic framework for investment.

Annual funding should be set at $25,000 per kilometre of track.
3.2 Standardisation of the Victorian Rail Freight Network

Issues
Since its formation in 1997, the Alliance has regarded standardisation of the Victorian Rail freight Network as a key goal. Perceived benefits include greater competition among rail service providers, access to a wider and more modern pool of rolling stock, and avoidance of costly break of gauge trans-shipment.

However since 1997, there has been a significant resurgence in regional passenger services on the V/Line network, which has been largely reconstructed with non-gauge convertible sleepers. On this network patronage and train frequencies have grown significantly, and an objective to standardise such lines is less relevant.

Alliance Policy
The Alliance supports standardisation of freight lines to the extent that it is economically viable to do so, outside the core V/Line passenger network.

A standard gauge connection is required from the national network to Hastings via the proposed Caulfield to Dandenong Corridor and at this time consideration be given to standardising Gippsland line passenger and freight services.

Recommendations
Standardisation of all freight network outside the core V/Line passenger network by 2025.
3.3 Separation of the Passenger and Freight Networks

Issues
The success of the Regional Fast Rail project, increased passenger numbers and increased passenger train frequencies have reduced the available paths for freight trains on the V/Line core network.

Opportunities to develop freight routes that are independent of busy passenger train routes exist in various locations.

In the longer term, it is anticipated that most freight will be transported on the standard gauge network; while most (but not all) passenger trains will operate on the broad gauge network, sometimes in shared corridors.

Where it is not practicable to separate freight and passenger services, consideration should be given to measures which enhance the efficiency of operation of both services.

Alliance Policy
The Alliance supports initiatives to establish dedicated freight train routes separate from the V Line passenger network where it is operationally efficient to do so.

Recommendations
Establish dedicated freight train routes where operationally efficient.
3.4 Murray Basin Rail Project

Issues
In May 2014 the Victorian Government committed $220 million towards the Murray Basin Rail Project and a subsequent business case.
In February 2015 the government committed to the continuation of the initial work of the project and an assessment of the business case.
In August 2015 the State government released their business case and announced their commitment to the project.
In March 2016 the Commonwealth Government committed $220 million dollars towards the project. The project to be completed before 2018 with a budget of $440 million to standardise the network and increase axle loadings to 21 ton capacity.
In July 2017 Joint venture team, McConnell Dowell Martinus Rail were awarded stages 2, 3 and 4 of the project.
The final stage is being assessed.

Alliance Policy
The Alliance believes that this project will allow greater competition between rail operators. This is a vital piece of infrastructure that will provide jobs and prosperity to Victorians.
There must be competition at the Ports of Melbourne, Geelong and Portland, the Maroona to Portland Line must be upgraded to 23 ton axle loading and be included as part of the Murray Basin Rail Project.
Assess Stage 5 of the Maryborough to Warrenheip section of this project, assuring current passenger services are not reduced.

Recommendations
Upgrade the section of track between Maroona to Portland to 23 ton axle loading.
Assess stage 5, assuring current passenger services are not reduced.
Utilise the full $440 million allocated to this project, based on best value efficiencies.
Assess and invest in level crossing upgrades across the Murray Basin catchment to improve train cycle times.
3.5 Caulfield to Dandenong Corridor

**Issues**

In February 2016 the government released to concept designs for Caulfield to Dandenong Corridor.

In April 2016 a consortium of CPB Contractors and Lend Lease were awarded the contract to build the project, which is due to be completed by November 2018.

The Gippsland region needs a dedicated corridor to allow access to the national standard gauge network and efficient access to the Port of Melbourne and a future Victorian Port.

The line would also serve Gippsland trains.

A dedicated corridor for freight and regional passenger trains is needed as the Dandenong line is intensively used by suburban trains.

Construction of the Metro Rail Project (South Yarra-Domain-South Kensington), will release two tracks for regional use between Flinders Street and South Yarra.

**Alliance Policy**

The Alliance supports the Caulfield to Dandenong Corridor concept and considers that 4 track capacity is essential.

The Gippsland Region must be able to efficiently access the Port of Melbourne.

**Recommendations**

This section of track must have 4 line capacity.

This section of track must have a dedicated corridor for freight and regional passenger trains.
3.6 Rail Freight for Gippsland

Issues

Rail Freight services to Gippsland including paper trains and container services are important now and will continue to be an important service to the region.

In June 2017 the Victorian Government announced the Regional Rail Revival package, $530 million of which is allocated to the Gippsland Region.

The Dandenong corridor is an extremely busy passenger corridor and paths for freight trains are limited. Sections of the line beyond Pakenham are not duplicated, and some do not allow 23 tonne axle loads.

The Caulfield to Dandenong Corridor will provide additional capacity for freight trains from Gippsland, but 4 lines should be constructed as part of the current project.

Alliance Policy

The Alliance supports short term measures to improve infrastructure for freight trains on the Gippsland line, including improving bridges to allow 23 tonne axle loads and some duplication.

The Alliance supports the provision of a Gippsland connection via the Caulfield to Dandenong Line.

The Alliance supports and requests the immediate provision of 4 lines on this corridor.

The Alliance supports the reinstatement of rail freight capacity in south west Gippsland.

Recommendations

Provision of 4 lines on the Caulfield to Dandenong Corridor.

Assess the restatement of the Leongatha to Cranbourne line.

Commencement of the Regional rail package for Gippsland.
3.7 Shepparton and District Rail Infrastructure

Issues
The domestic and export freight task from the Shepparton region continues to grow.

The two rail gauges in the region, results in reduced competition and inefficient rail freight access to ports.

Efficient freight transport movement is critical to the ongoing growth and competitiveness of business and industry in the Shepparton region.

Standardisation and upgrade of the Tocumwal - Seymour, Deniliquin - Echuca - Toolamba and Shepparton - Dookie lines will increase rail freight, reduce transport costs, increase flexibility, reliability and efficiency and will greatly enhance productivity.

This investment will decrease road maintenance and congestion, whilst increasing liveability and safety.

The Melbourne to Brisbane Inland Rail Project is a critical project for Australia and continues to gain support from Commonwealth Government.

The Alliance considers the Shepparton Region must have access to this network.

Alliance Policy
The Alliance supports the standardisation and upgrade of the Tocumwal – Seymour, Deniliquin – Echuca – Toolamba lines and the Shepparton - Dookie line.

The Alliance considers it is critical the Shepparton Region has access to the Melbourne to Brisbane Inland Rail Project (MBIRP) Network.

Recommendations
Standardisation and upgrade of the:

- Tocumwal – Seymour and Deniliquin – Echuca – Toolamba lines
- Shepparton to Dookie line
3.8 Grain Logistics

Issues
Despite considerable investment by Victorian Governments in grain line rehabilitation, there remains many weaknesses in infrastructure, including speed restrictions, inadequate axle load capacity, track damaged by subsidence, as well as insufficient passing loops, port stabling and automatic controls. Opportunities to recommission viable grain lines such as Shepparton-Dookie should be pursued.

Alliance Policy
Opportunities to recommission viable grain lines such as Shepparton-Dookie should be pursued. The Alliance considers that an annual maintenance cost is $25,000 per kilometre of track. The Alliance urges government to re-construct the crossing loops at Meredith and Tourello (or alternatives as appropriate), as the current situation of loaded trains being held as far back as Maryborough (due to inability to progress further toward Geelong in the absence of crossing loops) can result in very poor grain train cycle times and ineffective use of rolling stock and infrastructure.

Recommendations
Create a strategic financial plan for grain line maintenance and refurbishment. Resource the strategic financial plan. Reconstruct passing loops where appropriate.
3.9 Infrastructure for Mineral Sands

Issues
The deposits in Victoria are estimated to be 260 million tonnes, including 8 million tonnes of rutile and 6 million tonnes of zircon. With an estimated 50 year reserve, a significant and ongoing freight operation will be required. This is large bulk freight most suited to long distance rail transport.

The location of mineral sands infrastructure is important to country communities as it affects employment, local roads and local economies.

Currently the Mineral sands industry has slowed, however rail infrastructure will be vital in the future.

The current rail is being utilised by grain freight.

Alliance Policy
The Alliance supports the development of routes to railheads from mineral sands mines, designed to maximize the use of rail in the haulage of mine products and which support local employment, the regional economy, and the maintenance of a safe local road network and support costs being fairly and appropriately allocated across mine operators, local councils and the State Government.

Many of these lines are within the Murray Basin Catchment and are being utilised by grain freight.

Recommendations
Maintain the rail network to the standards current rail projects are constructed to.
3.10 High Productivity Freight Vehicles (HPFV)

Issues
High Productivity Freight Vehicles (HPFV) offer cost savings and benefits compared with conventional trucks, however require identified routes that are safe and provide the necessary bridge and pavement strength for their safe operation.

There remain many local roads and bridges that are not appropriate to the operation of these vehicles. The HPFV network is aligned with the current rail network in Victoria and New South Wales.

Alliance Policy
The Alliance supports the creation of a freight network that supports transfer of bulk merchandise and containers from road to rail rather than one that supports only long distance road freight.

Local governments and road agencies should co-operate to develop freight routes that are safe, minimise road damage and amenity requirements, and complement the role of rail freight infrastructure.

The Alliance believes that a focused investment in rail freight as opposed a HPFV investment in major highways is a sensible outcome for Victoria.

The Alliance does not support HPFVs where in competition with the rail freight network.

Recommendations
The Victorian government remove HPFVs from the network where rail freight is available and invest in an integrated and resourced freight plan including road and rail.
3.11 Metropolitan Intermodal Terminal Network & Regional Intermodal Terminals

Issues
A strong and effective metropolitan and regional intermodal terminal network is required for the efficient development of Victoria’s freight network. The proposal requires government leadership in conjunction with local government, freight operators and customers.

Such a network is essential if truck gridlock and the continued unsustainable investment in the road network is to be avoided.

Port Rail Shuttles (PRS) from ports to metropolitan intermodal terminals are used successfully at many major ports overseas as well as Sydney and Perth.

A new intermodal facility will need to be created to support the Melbourne to Brisbane Inland Rail Project (MBIRP).

Regional intermodal terminals provide a regional focus for the receipt and dispatch of containers by rail. Regional intermodal terminals such as those at Ballarat, Donald, Dooen, Maryvale, Merbein, Tocumwal, Shepparton (GV Link), Warrnambool and Wodonga (Logic) play an important regional role. Intermodal freight from Gippsland is being developed.

Alliance Policy
The Alliance supports the development of the Port Rail Shuttle network, comprising terminals east, north, and west of Melbourne (such as Lyndhurst, Somerton and Altona).

The new terminal to support the MBIRP must have access to the Port Rail Shuttle network.

The Alliance supports the network of regional intermodal terminals, such as Ballarat, Donald, Dooen, Maryvale, Merbein, Tocumwal, Shepparton (GV Link), Warrnambool and Wodonga (Logic) with inland port powers to clear cargo where appropriate.

Recommendations
The Victorian Government assist, plan and support metropolitan and regional intermodal facilities.

The Victorian Government plan for a Melbourne to Brisbane Inland Rail Project supporting terminal.

The Melbourne to Brisbane Inland Rail Project terminal must have connectivity to the Port Rail Shuttle network.
3.12 Rail Access to Ports

Issues

Efficient access to Victorian ports is a critical part of an effective freight network both in regard to bulk commodities and containers.

The Port of Melbourne Corporation is currently creating a Rail Access Strategy.

Currently rail freight is not fully supported at the Port of Melbourne with sidings closed off and penalties imposed on rail freight users, due to the current inefficient methods of handling export containers arriving by rail.

At Geelong and Portland, there is scope for more investment to improve train cycle times through those ports.

Planning and land acquisition for a standard gauge link to Victoria’s planned second container port has been slow in its delivery.

Alliance Policy

Rail corridor protection is vital to Victoria’s future prosperity, livability and safety.

The Alliance considers that it is incumbent on successive Victorian Governments to plan for rail access to ports.

The Alliance considers that the Victorian Government should encourage rail access to shipside at Swanson Dock and investing in rail connectivity to Webb Dock.

The current port access arrangements greatly disadvantage rail freight and have a negative impact on carbon emissions, public safety and amenity.

Continued investment in rail facilities at the Port of Portland and the Port of Geelong should be directed at reducing train cycle times and increasing efficient throughput.

Recommendations

Assess opportunities to improve access to the ports of Geelong, Melbourne and Portland.

Create a corridor access plan with acquisition and timelines to future proof port access.

Invest in rail access to shipside at Swanson and Web Docks.

Set a rail freight mode share target for all Victorian Ports.
4. Rail Freight Operations

4.1 Competition Among Rail Service Providers

Issues
The basic model of railway freight organisations in Victoria is that the State provides infrastructure and regulates the system, while private firms such as Pacific National and Qube operate trains, paying a fee for access to the track infrastructure.

Whereas there is a multiplicity of operators on the national standard gauge rail system, the remaining broad gauge network has limited competition.

Competition may be around price but can also include type and frequency of service, the type of contracts offered, and innovation in locomotives and rolling stock in the interests of users.

The Alliance has long advocated for standardisation remaining broad gauge freight network on the basis of improved competition.

Alliance Policy
The Alliance considers that competition within the Victorian rail freight market is an important goal. The Alliance considers that competition in the sector is likely to be enhanced as more of the rail freight system is standardised.

Recommendations
Plan for all Victoria freight lines to be standardised by 2025.

Resource and maintain the Victorian rail freight network.
4.2 Axle Loadings and Rail Productivity

Issues

Higher axle loads are an important factor in improving freight train productivity.

In the past, a 19-tonne axle load was common on Victorian lines.

There has been an increased investment in the High Productivity Freight Vehicle network and subsequent investment in road transport. Rail Freight has not had the same investment in new technologies.

Improvement in axle loads requires investment in track, bridges, and rolling stock.

A reasonable objective is a standard 23-tonne axle load, at which 115kph train speeds are appropriate. Higher axle loads than these involve a trade off in lower train speeds.

Alliance Policy

The Alliance supports the goal of creating rail track and bridges in Victoria of 23 tonnes axle load, capable of supporting sustained 115 kph train speeds.

Recommendations

Increase axle loadings to 23-tonne on rail freight lines by 2025.
4.3 Train Cycle Times

Issues
Rail efficiency for intermodal, grain and mineral sands traffic requires cycle time between the point of origin and the port to be managed efficiently. Typically the objective is set in terms of the time taken to port (or processing centre) and return.

Cycle time improvement can involve track upgrades, providing passing loops, signalling improvements and managing rail congestion around ports.

Alliance Policy
The Alliance supports investments designed to ensure effective cycle times for intermodal, grain and mineral sands trains to ensure efficient utilisation of track and equipment and maintain rail as a competitive mode.

Recommendations
Assess and invest in infrastructure that will increase efficiencies in train cycle times.
4.4 Level Crossings

Issues
Level crossings are a significant state wide issue both with respect to safety, the cost of improving or removing them, and the impact they have on train speeds and cycle times.

Removal of infrequently used crossings can be facilitated if financial assistance is provided to local government. Where emergency access is needed, barriers capable of removal by emergency services personnel can be provided.

Temporary Speed Restrictions (TSR) imposed on freight trains following the Kerang Level Crossing Accident are detrimental to train cycle time and reliability.

Alliance Policy
In relation to level crossings, the Alliance supports safety upgrades according to priorities in the Australian Level Crossing Assessment Model (ALCAM); the removal of level crossings that are no longer necessary in consultation with local Government, local farmers and emergency services; the provision of a regular subsidy to local governments to facilitate level crossing improvements; continuous improvement of warnings on unprotected level crossings and the removal of TSRs on trains passing through level crossings.

Recommendations
Removal and upgrading of level crossings in consultation with local government.
4.5 Temporary Speed Restrictions

**Issues**
Temporary Speed Restrictions (TSR) imposed on freight trains following the Kerang Level Crossing Accident are detrimental to train cycle time and reliability.

The revised V/Line service standards adopted in December 2016 had a detrimental impact on primary producer and associated businesses.

**Alliance Policy**
The Alliance believes an accelerated program is needed to overcome TSRs by upgrading crossings across the Victorian network according to priorities derived from the Australian Level Crossing Assessment Model (ALCAM) level crossing assessment model. The Alliance advocates an allocation of $6 million per year for the next decade to overcome this problem.

**Recommendations**
Allocate $25,000 per kilometre of track per year.
Allocate $6 million per year for rail freight level crossing upgrades.
5. National Rail Freight Issues

5.1 Melbourne to Brisbane Inland Rail Project

Issues
The Australian Rail Track Corporation was commissioned to study this issue in 2008 and reported in The Melbourne to Brisbane Inland Rail Alignment Study in July 2010.

They recommended a 1731 km route from Melbourne to Brisbane via Albury, Junee, Parkes, Moree and Toowoomba. This route would serve many highly productive agricultural regions including the Lachlan Valley and the Toowoomba area. The consultants estimate that the cost of handling freight on this railway when completed will be 48% of the cost of road transport, with rail market share of 80% by 2060.

In November 2013, John Anderson AO, was appointed Chair of the Inland Rail Implementation Group (IRIG) to progress corridor identification. In September 2015, John Anderson formally submitted the IRIG report on Inland Rail to the Australian Government alongside the Inland Rail Business Case.

In May 2017 the Federal Government announced $8.4 Billion equity investment towards this project.

The Inland Rail project is expected to be operational by 2024/2025.

Alliance Policy
The Alliance supports the Melbourne to Brisbane Inland Rail Project (MBIRP). This project will allow Victorian producers to northern markets, and the reduction in truck numbers and cost efficiencies.

The Alliance believes that the planning for the corridors in the metropolitan area and the connections to intermodal terminals commence immediately.

This planning should include the Port Rail Shuttle connection and corridor protection to a future container port.

Recommendations
Plan for a new intermodal facility and connectivity to the Port Rail Shuttle to service the MBIRP.

Identify and acquire future corridors to connect Victoria’s second container port.
5.2 Mildura to Menindee Transcontinental Rail Project

Issues
For a number of years there has been a proposal to build a transcontinental rail connection from Mildura to Menindee. Menindee is on the Sydney to Perth Transcontinental railway.

Such a proposal would only be feasible if the Mildura line is standardised. It would allow 23 tonne axle loads and potentially permit cost-effective double-stacked containers to reach Melbourne.

The Murray Basin Infrastructure Study has examined the viability of this proposal, and noted that this project could become viable in the decade 2020-2030.

The proposal would need to be supported by a viable business case.

Alliance Policy
The Alliance believes this issue should remain as a possible future development once the Mildura line is standardised.

A viable business case would be required for the project to proceed.

Recommendations
This project should be assessed once the Murray Basin Project is completed.
5.3 Equity Between Road and Rail

Issues
Government tax and expenditure arrangements do not result in a level playing field between heavy road freight and rail, as heavy road freight does not pay its way in terms of the full cost of infrastructure nor the external costs it imposes in respect of accidents, pollution and greenhouse gases. This issue was investigated by the Henry Review of Taxation, which recommended that COAG accelerate the development of mass-distance-location pricing for heavy vehicles; as well as an additional charge to be applied to heavy vehicles on routes where road freight is in direct competition with rail, as the railway is required to recover its infrastructure and other capital costs.

Recommendation 64 of the Henry Review stated, “On routes where road freight is in direct competition with rail that is required to recover its capital costs, heavy vehicles should face an additional charge on a comparable basis, where this improves the efficient allocation of freight between transport modes”.

Alliance Policy
The Alliance believes Recommendation 64 of the Henry Review of Taxation should be implemented.

The Alliance has consistently stated that rail freight operators are severely disadvantaged over road freight.

Rail is currently paying a price per ton per kilometre, whereas road is paying a set charge regardless of kilometres and tonnage carried (and road access tolls if applicable).

This system is not reflective of the true costs of road and rail freight.

Recommendations
Implement Recommendation 64 of the Henry Review.

Assess possible methods of implementation.
6. Future Proofing

6.1 Future Proofing - corridor retention

Issues
Several rail corridors within the Regional Rail Freight Network are currently closed, however have not been dismantled or abandoned.

The Port Rail Shuttle Project (PRS) has been funded for several years. The ability of the Port of Melbourne to increase throughput will be become increasingly dependent on rail transport.

Planning and corridor acquisition to access to the Port of Melbourne and PRS Project is vital

The recently announced Melbourne to Brisbane Inland Rail Project (MBIRP) will require an intrastate terminal capable of receiving double stacked containers trains.

The terminal site and its connections to Victorian Ports need to be identified and acquired immediately.

Melbourne is experiencing unprecedented growth. Many potential pathways for access to a 2nd container port and connection to the PRS will become urbanised if no action is taken.

Alliance Policy
The Alliance believes key disused rail corridors should be protected so as to permit their future use as rail corridors should circumstances change. These corridors include. Bendigo-Inglewood, Cranbourne-Yarram, Barnes-Moulamein, Maryborough-Castlemaine and others.

Access to the Port of Melbourne is vital for the future success of the port, public amenity, safety and Victoria’s prosperity.

Recommendations
Protect key disused rail corridors.

Planning and corridor acquisition for access to the Port of Melbourne and Port Rail Shuttle Project.

The Intrastate terminal site needs to be identified and acquired immediately.

The Port Rail Shuttle and Melbourne to Brisbane Inland Rail Intrastate terminal must have rail links and corridors for the second container port identified and acquired.