



POLICY STATEMENT

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FOREWORD



The Rail Freight Alliance (RFA) is focused on increased rail mode share, 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. The Rail Freight Alliance is made up of Victorian rural, and regional and metropolitan Local Government Councils.

The Rail Freight Alliance represents the Local Government Sector in Victoria and adjoining States in freight logistics interests connecting Victoria nationally and internationally.

The Alliance was first formed in 1997 due to growing frustration with the lack of rail connectivity both within Victoria and with the neighbouring States and the lack of investment in Victoria's antiquated 19th century rail freight system.

The Alliance's mission is to advocate for:

- Rail standardisation of all key rail lines in Victoria
- Upgrading and connecting to a National Rail Freight Network
- A competitive, independent and open access rail freight system
- Seamless freight logistics that will facilitate efficient rail freight movement

This policy statement has been developed by RFA to advocate for and 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 & REGULATION

1.1 Rail Freight Victoria

ISSUES

In January 2019 the Department of Economic Development Jobs Transport and Resources (DEDJTR), transitioned to two new departments, being the Department of Transport (DOT) and the Department of Jobs, Precincts and Regions (DJPR).

The Department of Transport (DOT) is responsible to three ministers and two parliamentary secretaries and brings together Transport for Victoria, Freight Victoria (a division of Transport for Victoria), Public Transport Victoria, VicRoads, VLine, Commercial Passenger Vehicles Victoria, Victorian Ports Corporation (Melbourne), Victorian Regional Channels Authority, Port of Hastings Development Authority, Victorian Fisheries Authority, Gippsland Ports, VicTrack, Transport Safety Victoria, Transport Accident Commission, Office of the Chief Investigator, Transport Safety and the Melbourne Port Lessor.

At the same time the Major Transport Infrastructure Authority was established to oversee, Rail Projects Victoria, the Level Crossing Removal Authority, the West Gate Tunnel Project, the North East Link Project and Major Road Projects Victoria.

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

Whilst in 2018 the Victorian Government created Freight Victoria, a central point of contact for Victoria's freight industry to help grow our economy, create jobs and take more trucks off local roads.

A dedicated Minister for Freight and Ports allows a greater focus on logistics than previous governments, however adding additional duties to a Minister holding that position, diverts focus from freight.

Freight Victoria is also a step in the right direction, but a department sitting as a division of a department, within a larger department is not the solution.

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 Ports.

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 Ports.

Creation of Rail Freight Victoria as a Statutory Authority reporting to the Minister for Freight and Ports.

1.2 Access Regime and Access Charges

ISSUES

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

There are several different access providers including VicTrack, VLine, Metro Trains and the ARTC.

Access charges are 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 5.4.

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 reflective of the track conditions and tonnage constraints and 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 program designed to encourage rail freight and mode shifting from road to rail.

Twenty million dollars was allocated over 4 years with the funding concluded at June 2018. In June 2018 the Victorian Government announced a \$4 million allocation of funds to June 2019.

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

The total amount of funds provided, though useful, is proportionately inadequate when compared to subsidies and infrastructure provision afforded to road freight operators.

The current allocation of funding for the Mode Shift Incentive Scheme runs out in June 2019.

ALLIANCE POLICY

The Alliance considers the Mode Shift Incentive Scheme (MSIS) vital to 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 \$16 million provided to June 2022.

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 government 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 a need to inform statewide transport plans about regional issues and ensure there is alignment between State and regional planning documents 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 25 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 25% of all freight in Victoria to be transported by rail 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

The Victorian Government ensures that 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 agribusiness, farms and forest and mineral projects.

Excluding the Australian Rail Track Corporation, Victoria has approximately 2,500 kilometres of active rail track.

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 four 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.

A rolling program of annual track maintenance across the network 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. Speed

ISSUES

The speed trains can travel along rail is critically important for the productivity of Rail Freight in Victoria.

Currently all State-owned rail lines in Victoria are regulated by VLine.

Some sections of line are gazetted as low as 40 kilometres per hour.

ALLIANCE POLICY

All freight lines in Victoria should be regulated and maintained to a standard that allows for rail speeds of at least 100 km/h to maintain competitiveness with Road Transport

RECOMMENDATIONS

Peer review of VLine Speed Standards

Review should incorporate any track work that needs to be done, to bring rail speed up to acceptable standards.

3.3 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.

Since 1997, there has been a significant resurgence in regional passenger services on the VLine network, which has been largely reconstructed with non-gauge convertible sleepers. On this network patronage and train frequencies have grown significantly.

ALLIANCE POLICY

The Alliance supports standardisation of freight lines outside the core VLine 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 VLine passenger network by 2025.

All new rail infrastructure includes gauge convertible sleepers.

Refer also Section 6.2.

3.4 First and Last Mile

ISSUES

Freight cycle times are critical to the efficiency of rail freight operations. The current rail freight access regulation and infrastructure does not allow rail freight to efficiently access Victorian Ports.

Rail Freight is prioritised behind the passenger network.

Increased passenger numbers and increased passenger train frequencies have reduced the available paths for freight trains on the VLine core network.

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

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 metropolitan VLine passenger network.

RECOMMENDATIONS

Establish dedicated freight train routes where operationally efficient.

3.5 Murray Basin Rail Project

ISSUES

The Murray Basin Rail Project (MBRP) was heralded a game changer for the regions. Opening competition at the Ports of Portland, Geelong and Melbourne, giving producers, operators and stevedores choice. A project with a targeted completion date towards the end of 2018.

The MBRP was funded by part of the sale of the Rural Finance Corporation, contribution \$220 million of the \$440 million sale, the remaining \$220 million was funded by the Federal Government. A further \$130 million was announced in June 2018 to Stage 3 of MBRP, a project scheduled to be fully operational at the end of 2018.

This project would allow passenger services to be returned to Mildura and communities within the rail corridor.

The Alliance considers Stage 3 of the project unnecessary and expensive to construct and maintain.

Currently Stage 2 is not complete nor fully operational as the section of track between Maryborough to Ararat is operating at 40km/h at 21TAL, automated signaling is not operational and stages 3, 4 or 5 have been announced. Currently the Murrayville to Ouyen line is only operating at 25 km/h.

PROJECT STATUS

STAGE 1	Sleeper replacement on the Mildura and Hopetoun Lines	Completed
STAGE 2	Murrayville to Ouyen at 19 TAL	Completed
	Standardisation of Yelta to Dunolly at 21 TAL	Completed
	Reopening of Maryborough to Ararat at 21 TAL	Incomplete
STAGE 3	Dual Gauge the Maryborough to Ballarat Line	Yet to Commence
STAGE 4 or 5	Standardise the Sea Lake and Manangatang Lines	Yet to Commence
STAGE 4 or 5	Standardise the Ballarat to Gheringhap Line	Yet to Commence

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.

To ensure competition at the Ports of Melbourne, Geelong and Portland, the Maroona to Portland Line must be upgraded to 23 TAL and be included as part of the Murray Basin Rail Project.

RECOMMENDATIONS

Standardise the section of track between Maryborough and Ballarat and run a dedicated passenger service from Maryborough to Ballarat.

Complete Stages 4 and 5.

Negotiate the upgrading of the Maroona to Portland Line to 23TAL.

CURRENT VICTORIAN RAIL NETWORK



COMPLETED MURRAY BASIN RAIL



3.6 Maroona to Portland Line

ISSUES

The Maroona to Portland Line is part of the ARTC Network and is critical to Australia's economy. This 172 kilometre stretch of standard gauge line links the Western half of Victoria to the National Grid and the Port of Portland, creating a pathway to export from some of Australia's most productive farmland and mining commodities.

This deep-water Port is considered the best in Regional Victoria.

Maroona to Portland Line is currently 19 TAL. The Alliance recommends increasing ton axle loading to 23TAL in line with the adjoining ARTC Network.

This would create above rail competition at the Ports of Geelong, Melbourne and Portland, increasing international competitiveness and creating jobs and investment in the national economy.

These works would involve:

- Replacement of 71,400 sleepers with new sleepers. Equating to 25 per cent replacement over the 172km track.
- Supply and placement of additional ballast and re-tamping the track.
- Restoring the track formation and ballast profile.
- Upgrade level crossings and signalling as required.
- Track grinding and straightening as required.

ALLIANCE POLICY

The Alliance supports the upgrading of this line to 23TAL, bringing it up to the same TAL as adjoining ARTC Track.

This upgrade would enhance the Murray Basin rail Project (MBRP) and allow competition across the Ports of Geelong, Melbourne and Portland.

RECOMMENDATIONS

The Victorian Government negotiate the upgrading of the Maroona to Portland Line to 23TAL with the Federal Government.



3.7 Caulfield to Dandenong Corridor

ISSUES

In early 2019 a new 2-line corridor was completed. The RFA believes that four lines are needed to service the Gippsland Region.

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 used intensively 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 four track capacity is essential.

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

RECOMMENDATIONS

This section of track must have four line capacity.

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

3.8 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.

There are several extractive resources located in the Gippsland area and projects such as the Waste to Energy project that require an ongoing freight transport solution.

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 TAL.

ALLIANCE POLICY

The Alliance supports infrastructure improvements for freight trains on the Gippsland line, including improving bridges to allow 23 TAL 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 four lines on this corridor.

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

RECOMMENDATIONS

The Caulfield to Dandenong Corridor must have four lines.

Assess the reinstatement of the Leongatha to Cranbourne line. Continuation of the Regional Rail package for Gippsland.



3.9 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 livability and safety.

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

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

ALLIANCE POLICY

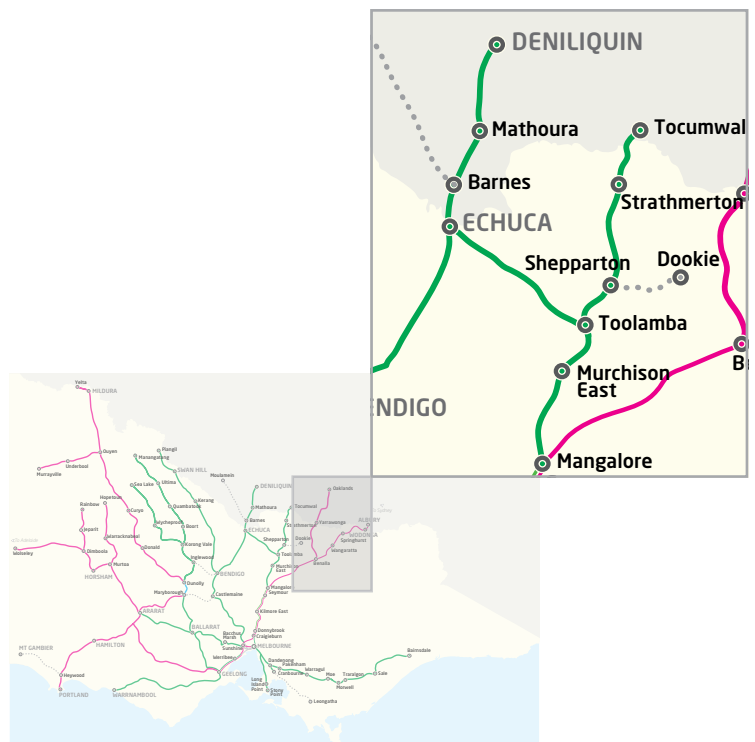
The Alliance supports the standardisation and upgrade of the Tocumwal - Seymour, Deniliquin - Echuca - Toolamba lines and the Shepparton - Dookie line.

The Alliance recognises how imperative it is that the Shepparton Region has access to this network.

RECOMMENDATIONS

Standardisation and upgrade of the:

- Tocumwal - Seymour Line to 23 TAL and negotiate the reopening to the Tocumwal - Narrandera Line.
- Deniliquin - Echuca Line.
- Echuca - Toolamba Line.
- Reopening of the Shepparton to Dookie Line.



3.10 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.

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.

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 believes passing loops along the Ballarat to Geelong line would enhance train cycle times.

RECOMMENDATIONS

Create a strategic financial plan for grain line maintenance and refurbishment. Resource the strategic financial plan.

Reconstruct passing loops where appropriate.

3.11 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 Mineral sands industry activity 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. The Alliance also supports costs being fairly and appropriately allocated across mine operators and the State Government.

RECOMMENDATIONS

Maintain the rail network, to the standards current rail projects are constructed at.

3.12 High Productivity Freight Vehicles (HPFV)

ISSUES

High Productivity Freight Vehicles (HPFV) offer cost savings and benefits compared with conventional trucks. However, these vehicles 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 neither adequate nor 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, meet 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.

3.13 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 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). The Alliance considers Truganina a suitable site.

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, Mangalore, 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 must support the MBIRP and must have access to the Port Rail Shuttle network.

The Alliance supports the network of regional intermodal terminals, such as Ballarat, Donald, Dooen, Mangalore, 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 the new Intrastate Freight Terminal, assessing the utilisation of the Outer Metro Ring

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

The new freight intrastate terminal be located as close to the Port of Melbourne as possible.

3.14 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.

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. The Port of Melbourne has created a Rail Access Strategy to address many of these issues.

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

The Melbourne to Brisbane Inland Rail Project (MBIRP) will need to be supported by a Western Intrastate Freight Terminal (WIFT) located as close to the Port of Melbourne as feasibly possible. Truganina is an important site to support the movement of freight through the Port of Melbourne.

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 investment 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.

The WIFT should be located as close to the Port of Melbourne as feasibly possible.

RECOMMENDATIONS

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

The MBIRP should be served by a WIFT, located as close to the Port of Melbourne as feasibly possible.

Truganina is a suitable site.

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

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

Set a rail freight mode share target for all Victorian Ports.

3.15 Rainbow and Hoptoun Lines

ISSUES

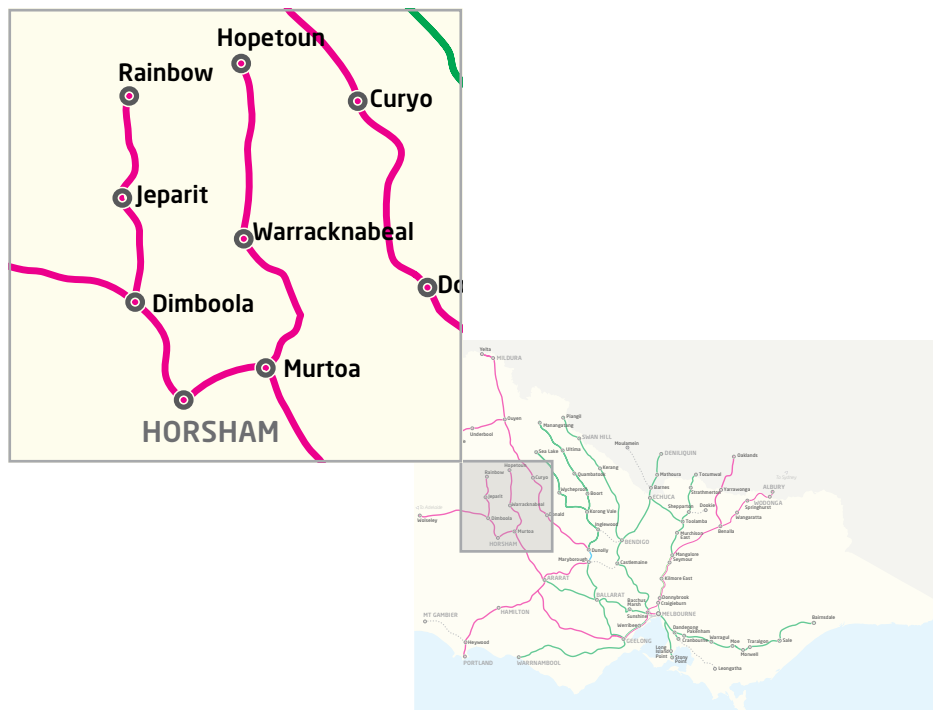
The Southern Mallee and Wimmera Regions are rich in mineral sands deposits and are proven grain production areas within Victoria. Currently the Rainbow and Hopetoun lines are 19TAL. Upgrading these lines to 21 TAL would increase freight productivity and enhance the investments made in grain accumulation in these regions. It would also support Victorian Ports and the ARTC and state rail networks.

ALLIANCE POLICY

The Alliance believes that these two lines should be upgraded to 21TAL to allow greater efficiencies in rail freight on these lines. The upgrading of these lines would enhance the Murray Basin Rail Project, reduce road transport and freight costs from these regions.

RECOMMENDATION

Rainbow and Hopetoun Lines Upgraded to 21TAL



3.16 Ballarat to Ararat Line

ISSUES

The Western Rail Project is made up of a consortium of Councils in Western Victoria. Members of the Western Rail Group of Councils are Ararat Rural City, Horsham Rural City, Southern Grampians, Northern Grampians, Glenelg, Hindmarsh, West Wimmera and Yarriambiack Shire Councils.

The project seeks to return rail passenger services to Western Victoria.

One of the key infrastructure requirements to achieve this rail connectivity is standardisation on the line between Ballarat and Ararat.

ALLIANCE POLICY

The Alliance believes that rail line currently outside the core passenger service network should be standardised. Standardisation of the Ballarat to Ararat Line would allow access to Western Victoria, not only for passenger services to access Melbourne via Ballarat but allow rail freight access to the ARTC rail network.

RECOMMENDATION

Standardise the line between Ballarat and Ararat and investigate the return of passenger and freight rail services.



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, whilst 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 of the 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 115km/h 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 to accommodate 23 tonne axle loads and capable of supporting sustained 115km/h 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, signaling improvements and managing rail congestion around ports.

ALLIANCE POLICY

The Alliance supports investment designed to ensure effective cycle times for intermodal, grain and mineral sands trains to ensure efficient utilisation of track and equipment whilst maintaining 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 statewide issue 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 as defined in the Australian Level Crossing Assessment Model (ALCAM); the removal of level crossings that are no longer necessary through 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 are detrimental to train cycle times and reliability.

The revised VLine service standards adopted in December 2016 had a highly 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 via 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 Melbourne to Brisbane Inland Rail Project is a 1,771 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.

Estimates of the cost of handling freight on this railway when completed will be 48% of the cost of road transport, with a rail market share of 80% by 2060.

In May 2017 the Federal Government announced \$8.4 Billion equity investment towards this project, taking the total investment in this project to approximately \$10 Billion Dollars.

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

The Melbourne to Brisbane Inland Rail Project (MBIRP) will need to be supported by a Western Intrastate Freight Terminal (WIFT) located as close to the Port of Melbourne as feasibly possible. Truganina is an important site to support the movement of freight through the Port of Melbourne.

ALLIANCE POLICY

The Alliance supports the Melbourne to Brisbane Inland Rail Project (MBIRP). This project will allow Victorian producers to access northern markets, reduce truck numbers and cost inefficiencies.

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

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

RECOMMENDATIONS

Plan for a new intermodal facility located as close to the Port of Melbourne as feasibly possible 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.

Consideration should be given to 23 TAL to 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 following standardisation of the Mildura line.

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 Mount Gambier Connection

ISSUES

The Limestone Coast and South West Victoria have a diversity of agriculture and forestry based activities, including dairy, grains, cattle, sheep, horticulture and viticulture. Currently these commodities are transported by road between South Australia and Victoria.

The Commonwealth Scientific Industrial & Research Organisation (CSIRO) is assessing the current supply chains to estimate road and rail transport costs for each commodity in this catchment. The study will identify the commodities and supply chain paths that would benefit from the rail line reinstatement, along with the transport cost savings by using rail.

This is a 6-month project scheduled for completion in August 2019.

ALLIANCE POLICY

The Alliance understands that this is early-stage planning for this region.

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

RECOMMENDATIONS

The final report should be assessed and recommendations considered.

5.4 Equity Between Road and Rail

ISSUES

Current Government tax and expenditure arrangements are not conducive to a level playing field between heavy road freight and rail. Heavy road freight, for example, does not pay its way in terms of the full cost of infrastructure investment and maintenance, nor the external costs it imposes in respect of accidents, pollution and greenhouse gases.

This issue was investigated, resulting in a recommendation 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. Rail is required to recover its infrastructure and other capital costs

Refer also Section 1.2

ALLIANCE POLICY

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

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

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

RECOMMENDATIONS

On routes where road freight is in direct competition with rail, rail freight operators should receive an equivalent subsidy on a comparable basis to heavy vehicles

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 but have not been dismantled or abandoned.

The Port Rail Shuttle Project (PRS) has been funded for several years.

The Alliance supports the government's announcement in late 2018 of \$16.2 Million at Somerton and \$9.5 million at Altona for upgrades at these two facilities.

The ability of the Port of Melbourne to increase throughput will become increasingly dependent on rail transport.

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

The Melbourne to Brisbane Inland Rail Project (MBIRP) will need to be supported by a Western Intrastate Freight Terminal (WIFT) located as close to the Port of Melbourne as feasibly possible. Truganina is an important site to support the movement of freight through the Port of Melbourne.

The necessary 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 second container port and connection to the PRS will quickly become urbanised if no action is taken.

ALLIANCE POLICY

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

The MBIRP should be served by a WIFT, located as close to the Port of Melbourne as feasibly possible.

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.

6.2 Gauge Convertible Sleepers

ISSUES

The Rail Freight Alliance considers the entire Victorian Network should be standardised by 2025.

There has been a significant resurgence in regional passenger services on the VLine network. Network patronage and train frequencies have grown significantly which has predominantly been reconstructed with non-gauge convertible sleepers.

VLocity trains are scheduled to operate on the standardised North East Line by 2022.

A standardised network would allow greater utilisation of passenger and freight rolling stock as well as facilitate interstate connectedness.

Currently new track is being laid and sleeper replacements are being implemented on the broad-gauge network.

ALLIANCE POLICY

The Alliance believes that continuing to upgrade, repair and construct lines on the broad gauge network will only serve to make standardisation of the Victorian Rail Network unachievable.

If all future works were to utilise gauge convertible sleepers, the cost of standardising the Victorian Network would be greatly reduced.

Refer also to Section 3.3.

RECOMMENDATIONS

Investigate long-term benefits and cost-savings in using gauge convertible sleepers.



