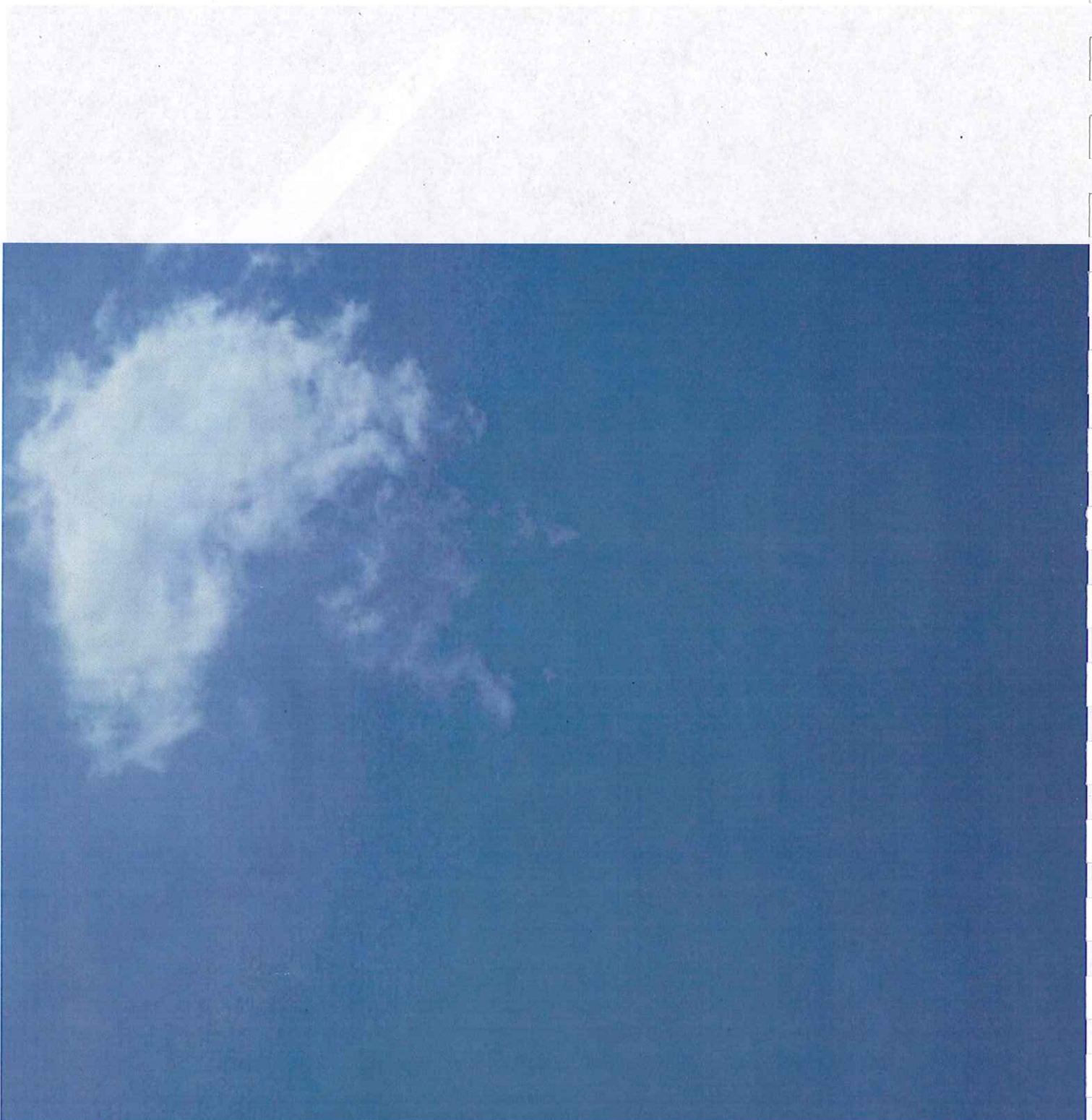




Victorian Government response to the Grain Logistics Taskforce Report

November 2012



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Introduction

The Grain Logistics Taskforce presented its report to the Minister for Ports in December 2011. Since then, the government has implemented a number of the recommendations of the Taskforce, and is making progress on many more.

The Department of Transport has worked with VicRoads and V/Line to review the recommendations in the Taskforce's report and to provide advice to government regarding their implementation.

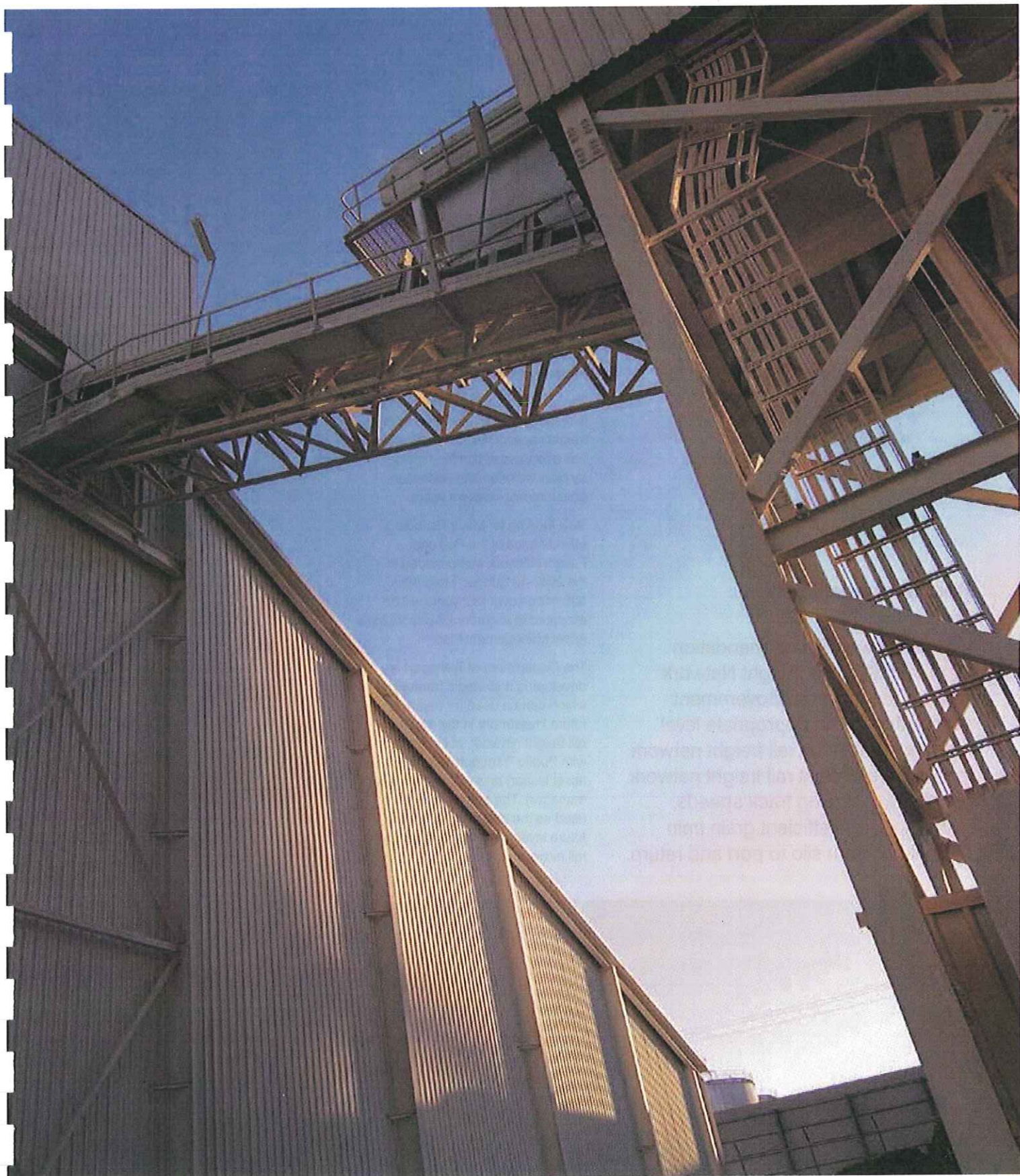
The government response to the taskforce recommendations together with commentary on their implementation is presented here.

At the request of the Minister for Ports, the Grain Logistics Taskforce reconvened in July and October 2012 to review the report's recommendations and update their advice with regard to any current issues for the coming harvest.

The taskforce considered that the grain supply chain is currently performing well compared to this time last year and that progress has been made in a number of areas, by both industry and government, to improve the smooth functioning of the supply chain.

The taskforce will continue to meet and provide advice to government as needed on grain supply chain issues into the future.





Improved train productivity

Response: Supported-in-principle

This recommendation is being **actioned** as follows:

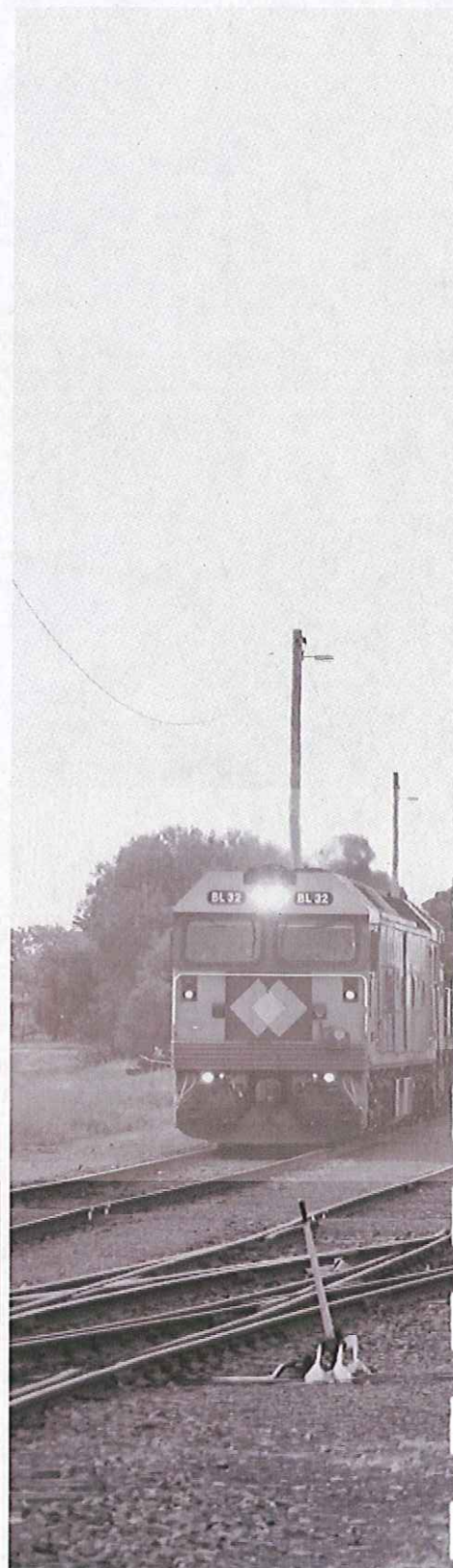
The Victorian Government owns and is responsible for the regional rail freight network. More than \$1 billion has been invested in the network by both Victorian and Australian governments in recent years.

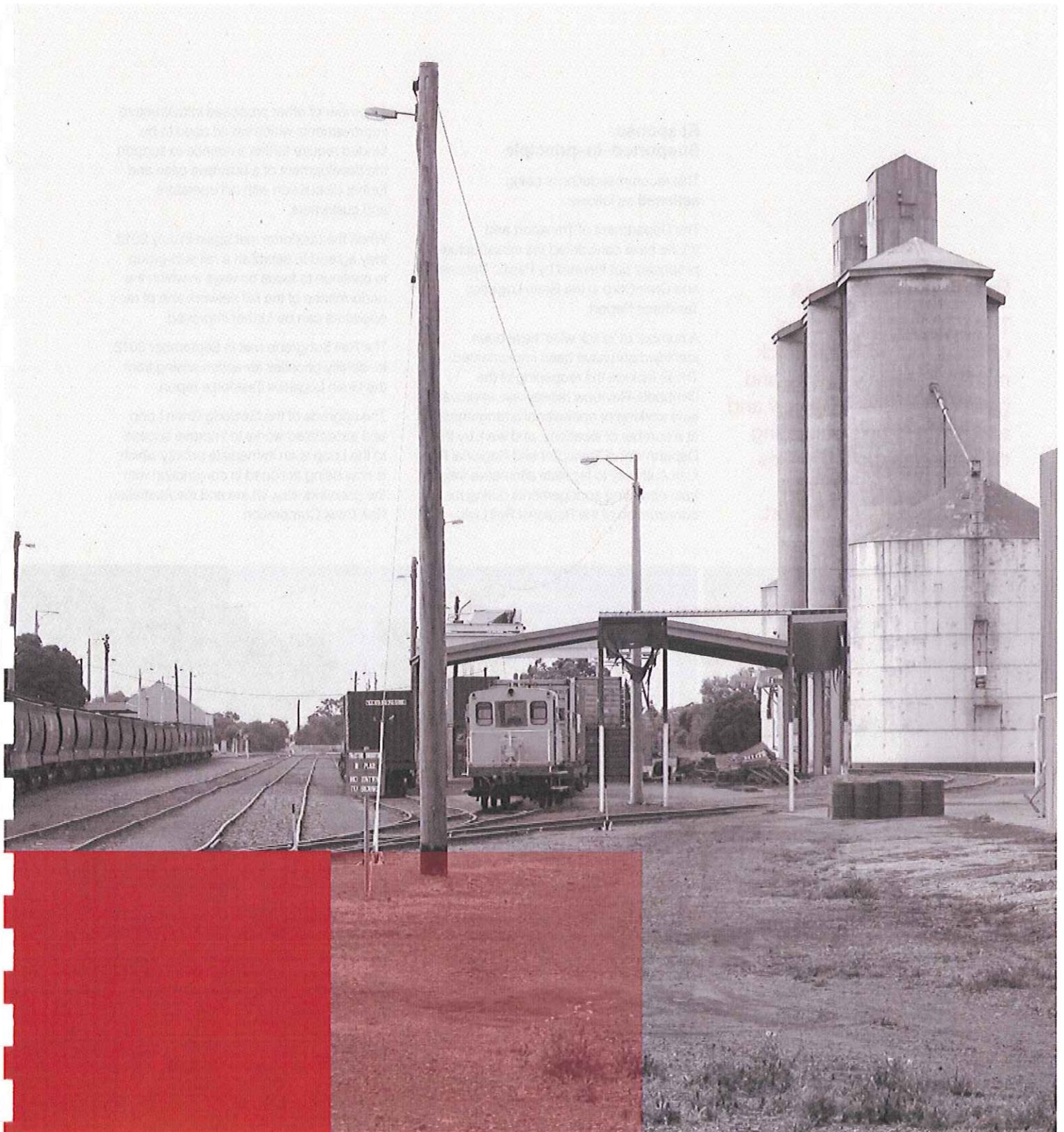
New funding for Major Periodic Maintenance of the Regional Freight Network was provided in the 2012-13 Budget. More than \$30 million over four years will be allocated in accordance with V/Line's Asset Management Plan.

The Department of Transport is developing a strategic framework which can be used for planning future investment in the regional rail freight network, in conjunction with Public Transport Victoria (the asset lessor) and V/Line (the asset manager). The framework will be used as the basis for prioritising future investment in the regional rail network.

Recommendation 1

Consistent with Recommendation 12 of the 2007 Rail Freight Network Review, the Victorian Government ensure there is an appropriate level of investment in the rail freight network to provide sufficient rail freight network capability, including track speeds, which supports efficient grain train cycle times from silo to port and return.





Recommendation 2a

The Victorian Department of Transport work with track managers, rail operators and grain companies to review and assess the merits of funding the rail infrastructure issues referred to in the Grain Logistics Taskforce Report.

Response: Supported-in-principle

This recommendation is being **actioned** as follows:

The Department of Transport and V/Line have considered the infrastructure proposals put forward by Pacific National and GrainCorp in the Grain Logistics Taskforce Report.

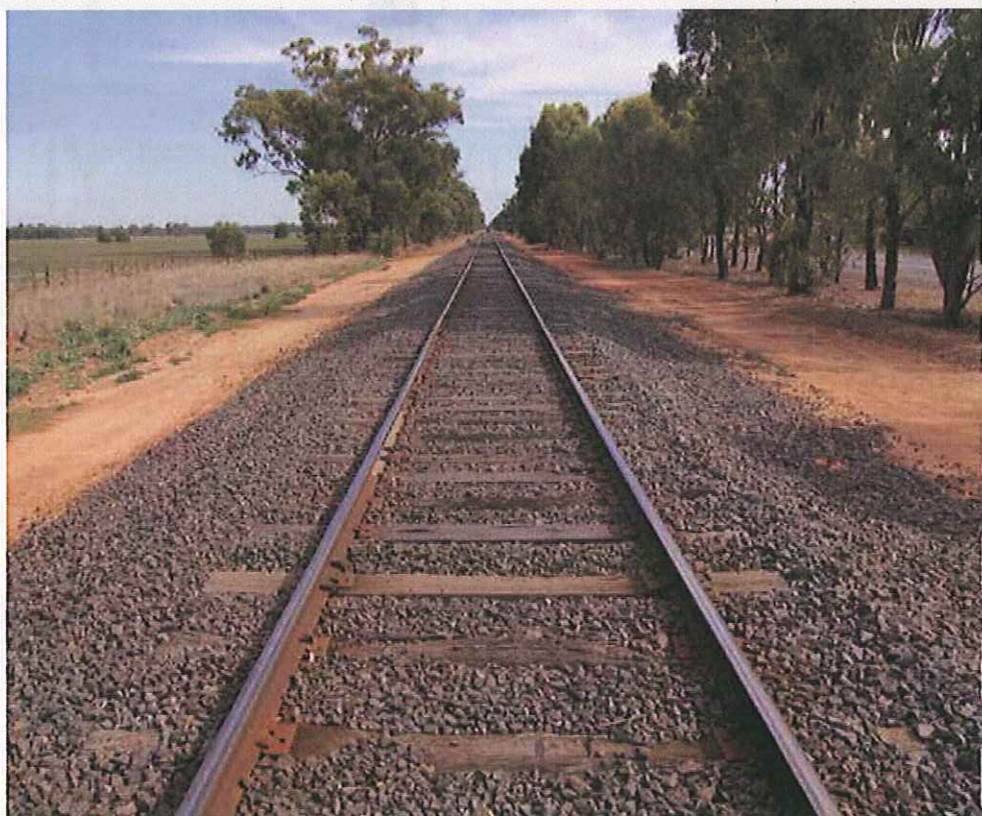
A number of 'quick wins' have been identified and have been implemented. These include the reopening of the Dimboola-Rainbow railway line, improved safe working or operational arrangements at a number of locations, and work by the Department of Transport and Regional Rail Link Authority to facilitate alternative freight train operating arrangements during the construction of the Regional Rail Link.

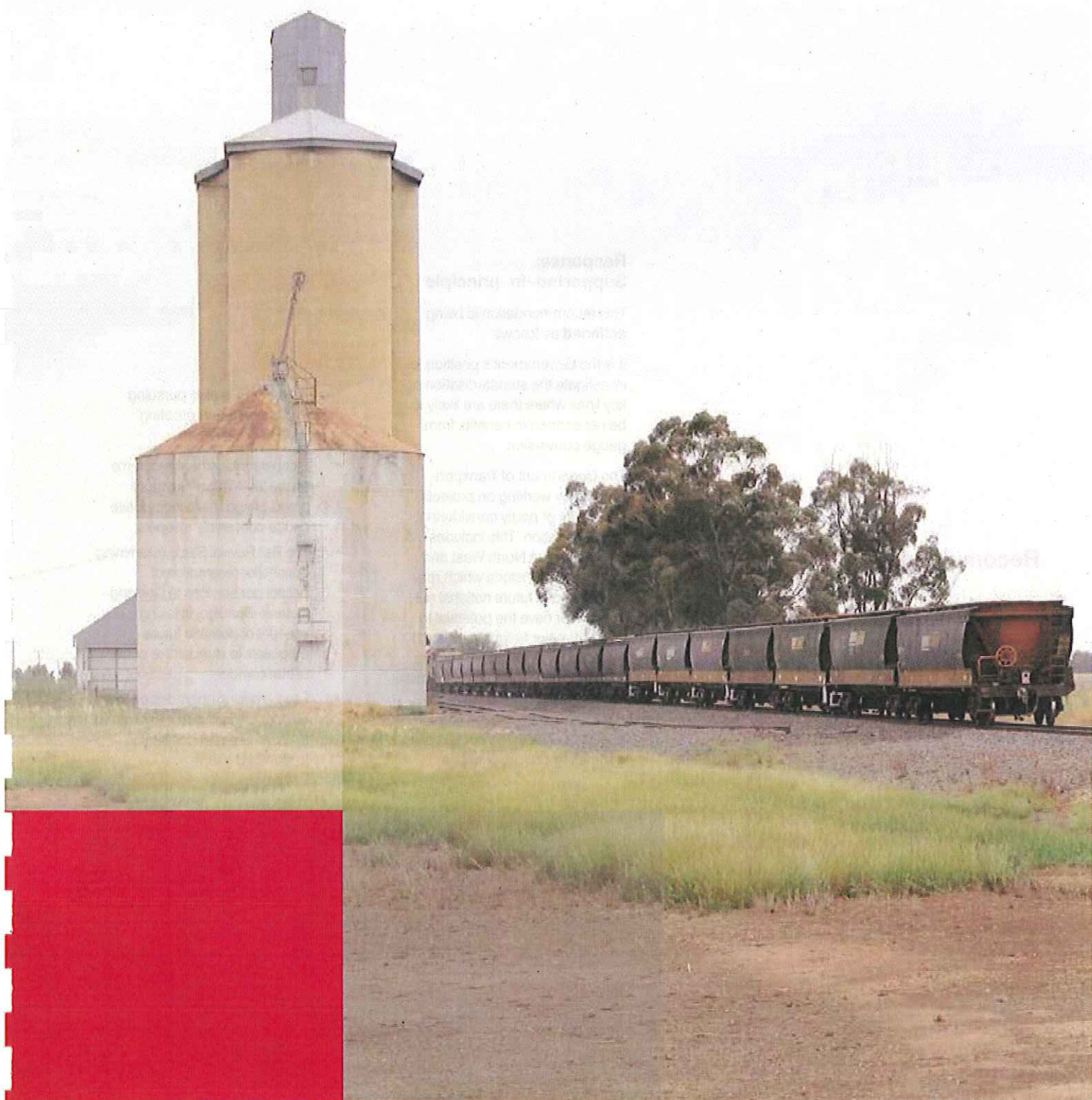
A number of other proposed infrastructure improvements which would need to be funded require further evidence to support the development of a business case and further discussion with rail operators and customers.

When the taskforce met again in July 2012, they agreed to establish a rail sub-group to continue to focus on ways in which the performance of the rail network and of rail operators can be further improved.

The Rail Subgroup met in September 2012 to identify priorities for action arising from the Grain Logistics Taskforce report.

The upgrade of the Geelong Grain Loop and associated works to improve access to the Loop is an immediate priority which is now being actioned in conjunction with the grain industry, V/Line and the Australian Rail Track Corporation.





Recommendation 2b

The Victorian Department of Transport work with track managers, rail operators and grain companies to assess opportunities to standardise the rail freight network where economic circumstances justify gauge conversion.

Response: Supported-in-principle

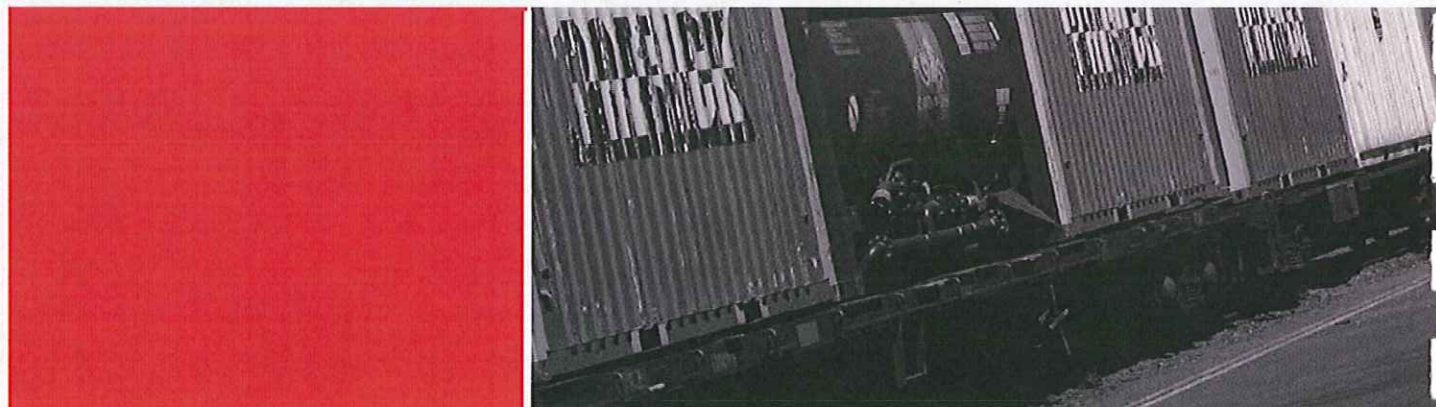
This recommendation is being **actioned** as follows:

It is the Government's position to investigate the standardisation of key lines where there are likely to be net economic benefits from gauge conversion.

The Department of Transport is currently working on projects either fully or partly considering standardisation. This includes key lines in the North West and North East of Victoria which may form part of a future national rail network or have the potential to support major freight tasks such as mineral resources. These are long-term projects and government commitment to them would be subject to consideration of a full business case in the context of competing budget priorities.

The department is also pursuing the principle of 'future proofing' in a number of instances:

- Sleeper replacement programs on the 'up' Wallan–Seymour broad gauge line to incorporate gauge convertible sleepers;
- The Rail Revival Study (examining options for resumption of passenger services to Geelong–Ballarat–Bendigo) is taking account of possible future proposals to standardise parts of that corridor;
- Level crossing upgrades on the Mildura line included a third rail to allow for easier conversion to standard gauge.



Recommendation 2c

The Victorian Department of Transport work with track managers, rail operators and grain companies to assess the benefits and costs of increasing axle loads on the Victorian regional rail network to at least 21 tonnes to improve rail freight efficiency and reduce transport costs while maintaining grain train cycle times from silo to port and return.

Response: Supported-in-principle

This recommendation is being **actioned** as follows:

An initial and high level assessment has been undertaken of increasing axle loading to 21 tonnes for three Victorian lines that connect to the Australian Rail Track Corporation (ARTC) network. They are:

- Benalla-Oaklands
- Murtoa-Hopetoun
- Dimboola-Rainbow

These lines have been selected for initial assessment as the ARTC network is currently rated for 21 tonnes or more so increasing loading on these lines could provide improved productivity within the regional rail network.

More detailed work will need to be done to prepare a business case for Government consideration in future funding rounds. The business case could also consider the scope for user contributions to the project.

Recommendation 2d

The Victorian Department of Transport work with track managers, rail operators and grain companies to work with the Port of Melbourne Corporation to improve train turnaround times in the port precinct as well as train stabling facilities.

Response: Supported-in-principle

This recommendation is being **actioned** as follows:

The Minister for Ports has written to the Chairman of the Port of Melbourne Corporation seeking the Corporation's cooperation to optimise the use of the port rail terminals including improving train turnaround times.

Feedback gathered during consultations for the preparation of the Victorian Freight and Logistics Plan has identified the Port of Melbourne rail interface as critical to the efficiency of the supply chain. Actions are being developed for consideration in this strategy which will seek to target that issue.



Improved truck productivity

Recommendation 3

Transport companies increase their use of the Performance Based Standards scheme to improve the efficiency of road transport of grain and road managers approve these vehicles where the route is capable of accommodating them.

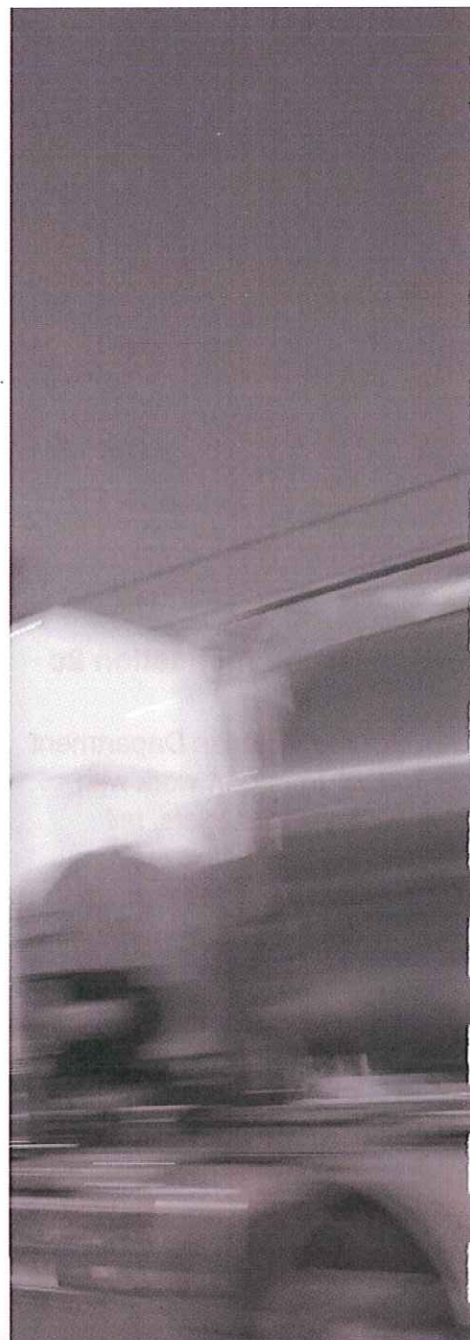
Response: Supported

This recommendation is being **actioned** as follows:

VicRoads is working with Department of Transport and the Municipal Association of Victoria (MAV) to promote the benefits of the Performance Based Standards (PBS) scheme, and the route assessment tool. VicRoads will continue to work with the Victorian Farmers Federation to promote PBS and work is underway to improve the information on PBS on the VicRoads website.

A route assessment tool for PBS vehicles has been developed with funding from VicRoads, the Port of Melbourne Corporation and other stakeholders. The tool has been fully developed, trialled and rolled out to councils across Victoria. Some councils have already assessed 20–30 routes using the tool. There has been a very positive response to the tool and other states have expressed interest in using it.

There has been a significant increase in PBS applications to VicRoads in the past 10 months. VicRoads has issued 125 permits in response to PBS applications since August 2011, which makes up to 41 percent of the total number of permits issued since 2008.





Recommendation 4

The Victorian, New South Wales and South Australian governments identify important differences in truck weight regulations and where possible harmonise, similar to the process used in the Green Triangle region of Victoria and South Australia in order to improve road freight efficiency.

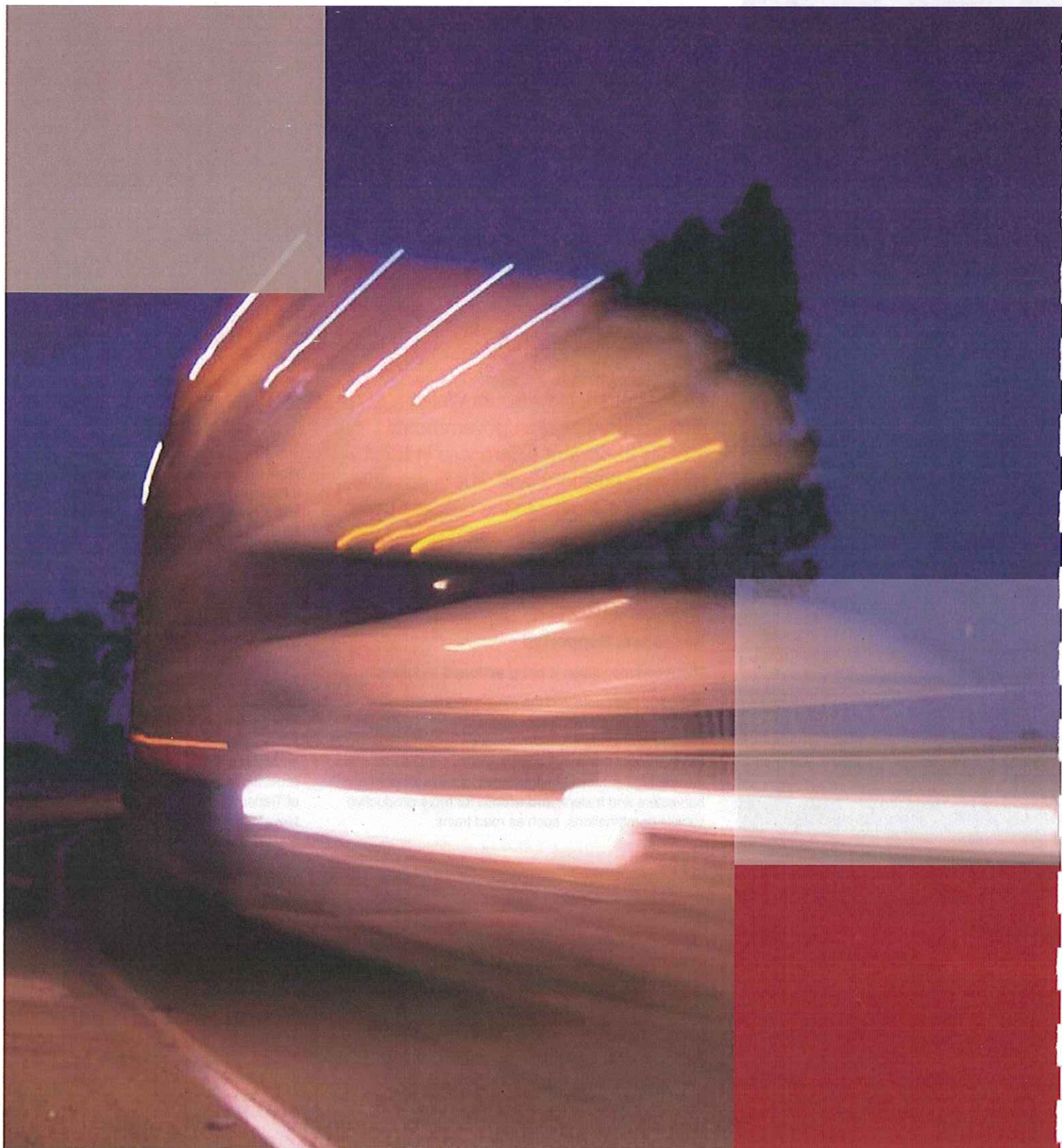
Response: Supported

This recommendation is being **actioned** as follows:

VicRoads has contacted the road authorities in NSW and SA to identify regulatory issues affecting the grain industry and to identify harmonisation opportunities. Opportunities that may be identified as priorities for effort include Higher Mass Limits access, access for combine harvesters and trailers, and access for more productive vehicle combinations, such as road trains.

Work that is underway to implement a National Heavy Vehicle Regulator and a single body of Heavy Vehicle National Law, to operate from 2013, is a significant opportunity to reduce regulatory inconsistencies and regulatory and administrative burden.

The South East Australian Transport Strategy Inc (SEATS) has secured funding from the Department of Transport (\$25,000) and a matching contribution from NSW for a Cross Border Heavy Vehicle Freight Study in the region. A consultant has been engaged and a draft report was provided to the Victorian Department of Transport and Transport NSW in November 2012.



Recommendation 5

VicRoads and the grain industry give further consideration to implementing a Grain Harvest Management Scheme which would assist industry to comply with mass limit regulations in the cartage of grain off farms into receival silos.

Response:
Supported-in-principle

This recommendation is being **actioned** as follows:

VicRoads and the Victorian Farmers Federation are currently in discussions about detailed aspects of the operation of a scheme.

Recommendation 6

Encourage industry to adopt improved truck scheduling and notification systems into ports to reduce truck queuing and improve truck throughput.

Response: Supported

This recommendation is being **actioned** as follows:

GrainCorp has implemented improved grain truck management systems to reduce delays and congestion at silos and ports.

Recommendation 7

The Victorian Government support the campaign by local governments for continuation of the Federal Government's Roads to Recovery program for funding of local roads beyond 2014.

Response: Supported

This recommendation has been **actioned** as follows:

The Minister for Ports wrote to Commonwealth Minister for Transport, expressing Victorian Government support for continuing the 'Roads to Recovery' scheme (funding for local road maintenance). In the 2012-13 Budget, the Commonwealth Government announced that it will provide a further \$1.75 billion (\$350 million per annum) to extend the Roads to Recovery Program for five years from 2014-15 to 2018-19.

Ship surveys

Recommendation 8

The Victorian Government support the recommendations of the Federal Export Certification Reform process which will enable industry employed AQIS Authorised Officers to undertake inspections of grain ships at anchor.

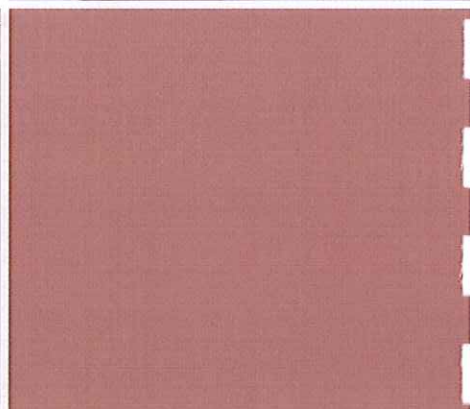
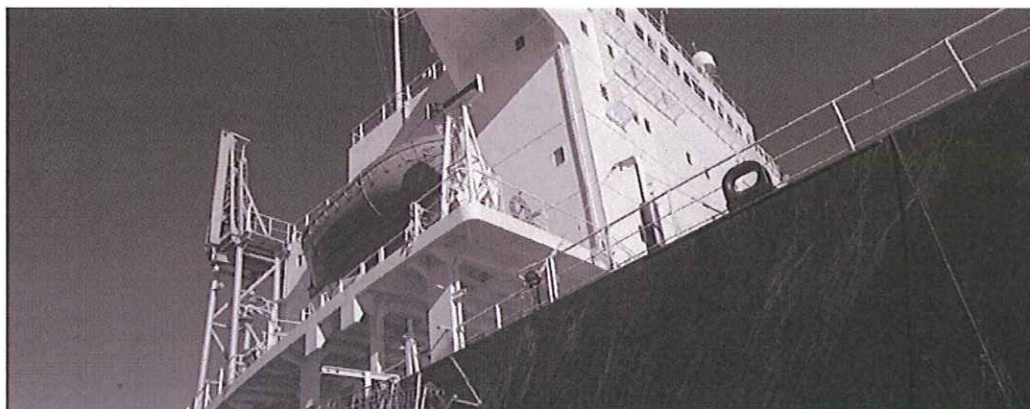
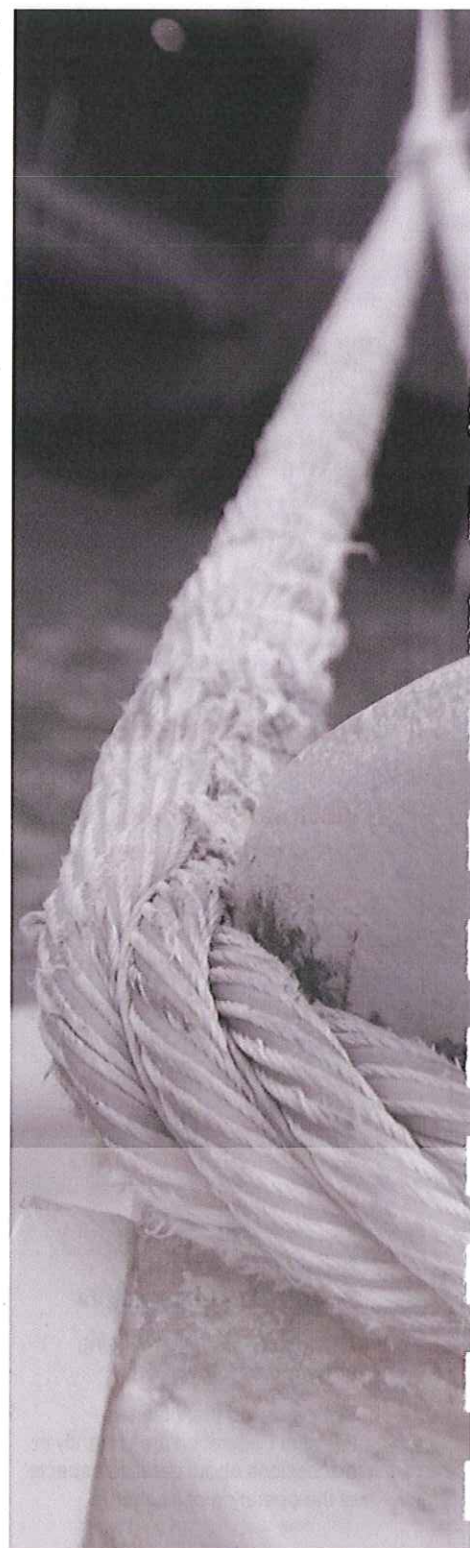
Response: Supported

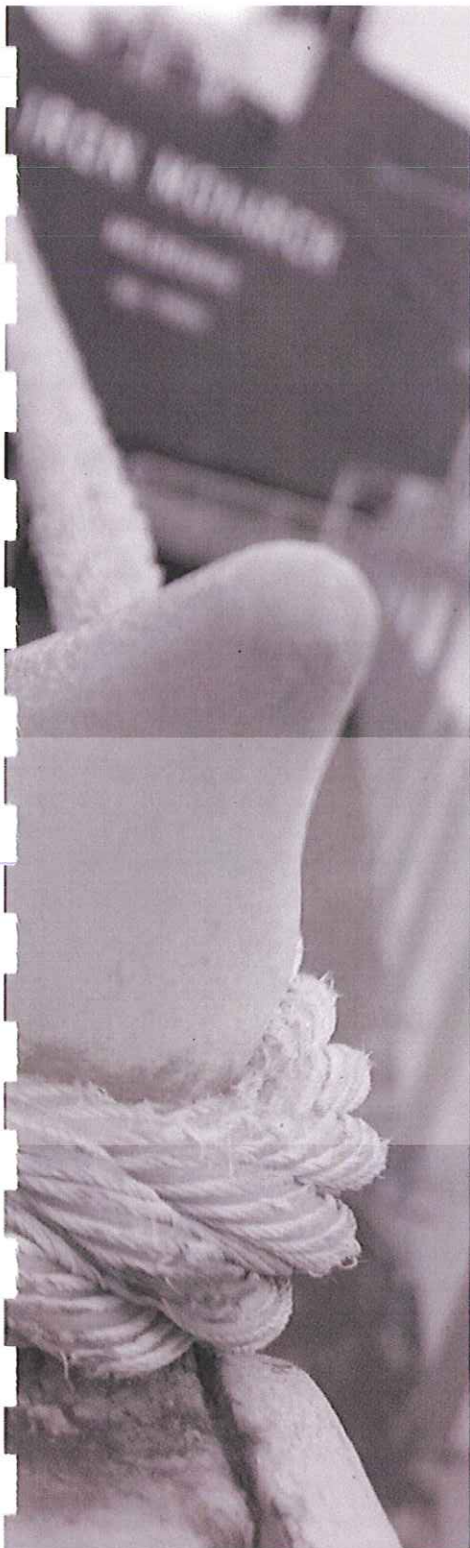
This recommendation is being **actioned** as follows:

The Minister for Ports wrote to the Commonwealth Minister for Agriculture, responsible for the Australian Quarantine Inspection Service (AQIS), expressing Victorian Government support for AQIS Authorised Officers to undertake inspections of grain ships at anchor.

The Minister for Agriculture responded, stating:

- The Department of Agriculture Fisheries and Forestry (DAFF) is committed to implementing reforms that benefit the grain export industry and deliver a more efficient export inspection and certification service.
- The Export Control (Plants and Plant Products) Order 2011 gave effect to a range of export certification reform initiatives including industry based personnel being able to apply for Authorised Officer (AO) status, potentially allowing them to perform bulk vessel inspections off shore.
- DAFF has received 37 applications from marine surveyors and others seeking to become Authorised Officers.





Recommendation 9

The grain industry review and improve its ship chartering processes to reduce the incidence of ships failing survey.

Response: Supported

This recommendation has been **actioned** as follows:

The Minister for Ports wrote to the relevant grain industry associations seeking their cooperation in improving their ship chartering processes. Letters were addressed to Chief Executives of the Australian Grain Exporters Association, the Grain Industry Association of Victoria and Grain Trade Australia.

The Commonwealth Minister for Agriculture further indicated that:

- DAFF has instituted new reporting and auditing procedures that will assist in identifying those exporters and/or shipping lines that continue to present vessels of a low standard.
- DAFF will continue to work with the Australasian Institute of Marine Surveyors and Shipping Australia Limited to ensure the export certification reform initiatives are implemented throughout Australia.

Other

Recommendation 10

The Grain Logistics Taskforce is maintained as a forum to review harvest management plans and consider continuous improvements in grain supply chain efficiencies in Victoria.

Response: Supported

This recommendation is being **actioned** as follows:

At the request of the Minister for Ports the Grain Logistics taskforce met in July 2012 and October 2012 to review progress and update their advice prior to the 2012–2013 harvest. It is anticipated they will continue to meet at six monthly intervals or as needed. It will meet again in February 2013.

Recommendation 11

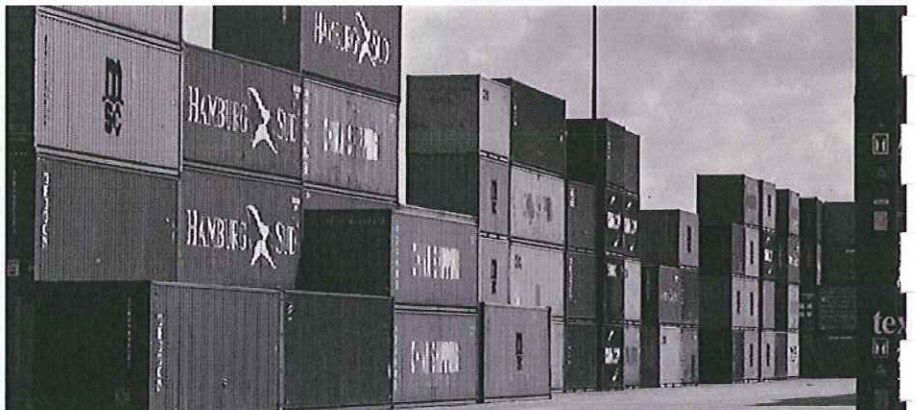
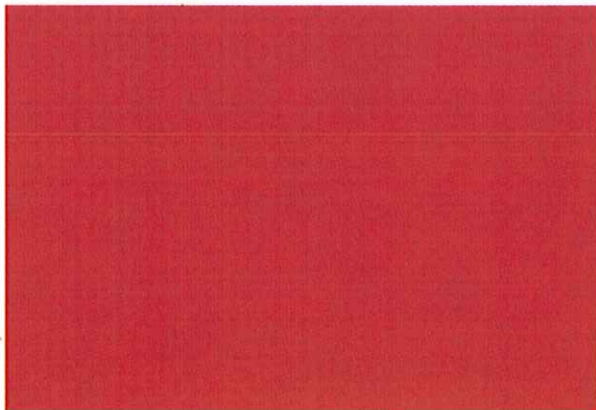
The training and competency assessment criteria for train and truck drivers be reviewed by relevant agencies to ascertain if they can be streamlined, without affecting safety, to assist in addressing train and truck driver shortages.

Response: Supported—in-principle

This recommendation has been **actioned** as follows:

A proposal to trial accelerated heavy vehicle driver training is being considered jointly by the Victorian Transport Association, VicRoads and the Department of Transport.

The Department of Transport is seeking further information with a view to identifying if there are regulatory impediments to more efficient train driver training.







More information

Website www.transport.vic.gov.au/freight

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Authorised by the Victorian Government, 121 Exhibition Street, Melbourne.

