

## Submission to Infrastructure Victoria's 30 Year Draft Strategy

### Rail Freight Alliance

The Rail Freight Alliance is made up of rural, regional, and metropolitan Councils across Victoria.

The Alliance membership strongly believes that more freight on rail will add to the efficiency, productivity, and prosperity of the nation.

Our Membership includes the Councils of Ararat City, Buloke, Central Goldfields, Ballarat City, City of Melbourne, East Gippsland, Latrobe City, Loddon, Gannawarra, Glenelg, Greater City of Bendigo, Greater Shepparton, Hindmarsh, Horsham Rural City, Maribyrnong City, Melton City, Mildura Rural City, Moyne, Northern Grampians, Pyrenees, Southern Grampians, Strathbogie, Swan Hill Rural City, Warrnambool, West Wimmera, Wyndham City and Yarriambiack.

### Victoria 2021

Victoria is at a pivotal time in its history.

By 2050 the freight task is predicted to triple, and Melbourne is forecast to be the biggest city in Australia.

The freight task is not unique to Victoria or Australia, globally countries are investing in rail freight to meet this challenge, it is disappointing this is not the direction the Victorian Government is taking.

The Port of Melbourne is expected to increase its freight task three-fold from today's freight task. The task of moving this freight throughout Victoria, keeping people safe, providing a livable state and keeping within designated emissions and air quality will be a challenge over the next decades.

Congestion within Melbourne is now a major issue and the cost of using Victoria's toll road system continues to climb well above CPI. One in five vehicles on Melbourne's toll roads is now a heavy vehicle and this trend is not predicted to decrease.

What is required to meet this growing freight needs to be planned and actioned today as the "do nothing" approach will leave Victoria with a legacy that may never be rectified.

The movement of freight across Victoria and Australia will continue to remain vitally important. The ability for uninterrupted supply chains has been highlighted through the COVID 19 Pandemic. Rail freight offers the ability to move large volumes of freight efficiently and cost effectively across intra and interstate network regardless of borders.

The right balance needs to be struck between infrastructure development and the revenue raised to pay for this capital expenditure.

The Rail Freight Alliance believes that to achieve this challenge, a far greater share of the freight task will need to transfer from road to rail in the next 30 years.

Rail provides a cost-effective freight transport over longer distance, is a safe means of transport, reduces congestion and greenhouse gas emissions and prolongs the State and Local Government road networks.

### **Tackling Congestion**

Melbourne's congestion will continue to increase, and actions must be taken to mitigate. One measure put forward is to increase toll roadways and consider a congestion tax as a deterrent to change user behaviour.

The current and ongoing challenge for freight operators and users of that service is that today's infrastructure and the current infrastructure construction leaves little option but to utilise the road network. Successive Governments continue to build roads to address today's demands but do not consider the future. Continuing to play catch up to traffic demands by building more roads will not fix congestion, other modes need to play a significant role to solve congestion.

Governments often comment that they are supporting households, however all goods utilised by households have a freight component factored into the cost. This cost will inevitably be shared with the producer and consumer, under the current and proposed scenario.

Globally rail is an important component in the decentralisation of population. While much of this submission is focused on rail freight, being able to connect the regions to regional cities and Melbourne is vitally important to reduce disadvantage and provide a fairer Victoria for all.

The recommendations below set out some government policy changes and infrastructure investments that will lift productivity, improve community safety and amenity, improve air quality, reduce emissions, and prolong Victoria's road network.

### **Victorian Transport Plan**

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

#### **Recommendation**

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

### **Rail Freight Victoria**

The current structures within the Victorian Government's Departments are complex and difficult to navigate.

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 one 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).

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.

**Recommendation**

0 – 2 Years Establish a Statutory Authority reporting directly to the Minister for Ports and Freight.

**State ownership of the intrastate network**

The Victorian Rail Network is owned and controlled by the Victorian Government, except for the designated interstate network, the Maroona to Portland Line and the Benalla – Oaklands Line (via branch line agreement), which are controlled by the Australian Rail Track Corporation (ARTC).

The Alliance considers it essential the Victorian Government have direct control over its intrastate assets to allow government investment and policy to control freight traffic within its state.

**Recommendations**

0 – 2 Years The Victorian Government take ownership and control of all its intrastate rail network.

**High Productivity Freight Vehicles**

Australia is one of the few countries with such a high reliance on road freight. The RFA considers the future freight task cannot be addressed by building more roads and allowing bigger trucks and is opposed to High Productivity Freight Vehicles (HPFV) where Rail Freight is an alternative. The issues of public amenity, community safety, air quality and continuing road maintenance are not addressed by HPFVs. Ideally the HPFV road network should be focused on access to intermodal hubs for rail distribution.

**Recommendations**

0 – 1 Years Reassess the HPFV Network.

0 – 5 Years Invest in rail infrastructure and intermodal connections.

0 – 5 Years Mandate HPFV can only be used where there is no rail option.

**The Melbourne to Brisbane Inland Rail Project and Victoria's Future.**

The Melbourne to Brisbane Inland Rail Project (MBIRP) is scheduled to be operational by 2024/2025. The efficiency of the line can only be realised if the freight can be efficiently unloaded and reloaded. The Beveridge Intermodal Terminal (BIFT) and Western Interstate Terminal (WIFT) are important precincts to enhance the MBIRP investment. It is vital that access to a future container port is available.

**Recommendations**

0 – 2 Years Identify and purchase a site at Truganina

0 – 2 Years Identify and support planning and development at the Beveridge site.

0 – 5 Years Build the supporting rail and road infrastructure utilising the Outer Metropolitan Road.

0 - 5 Years Commence construction Rail access to the Port Rail Shuttle network.

0 – 5 Years Identify and acquire land to access & construct a second container Port.

### **Murray Basin Rail Project**

The Murray Basin Rail Project (MBRP) is a 5-stage project scheduled to be completed by 2018. The Victorian Government has received further funding from the Federal Government to complete Stage 2. The MBRP Catchment produces 70% of Victoria's agriculture exports. The MBRP was heralded as a game changer, reducing truck movements, and reducing freight costs. To date this project has failed, resulting in freight from this region being more expensive. The direct costs of this project are borne by primary producers receiving a reduced income due to increased freight costs and poor access to export. The indirect costs are borne road authorities and Victorians with congestion and amenity.

#### **Recommendations**

- 0 - 1 Years Match the Federal Government \$5 million to plan for standardisation of the MBRP network
- 0 – 2 Years Fix works on stages 1 and 2.
- 0 – 2 Years Complete the project to full standardisation.
- 0 – 2 Years Maroona to Portland

### **Rail Track Maintenance**

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

In early 2020 VLine closed the Rainbow to Dimboola Line, due to the condition of the track. GrainCorp had invested in rail out loading facilities at their Rainbow site and had over 160,000 tons of grain scheduled to be moved via rail. Through lobbying by RFA and others, the Victorian Government funded the reopening of this section of line. Uncertainty such as this makes it difficult to attract private investment for rail in Victoria.

#### **Recommendation**

- 0 – 1 Year Include regular provision for adequate and planned track maintenance expenditure on the intrastate rail freight network.

### **Train Speeds**

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, with some sections of line gazetted as low as 15 kilometres per hour.

The Alliance considers that freight lines in Victoria should be regulated and maintained to a standard that allows for rail speeds of at least 100 kilometres per hour to maintain competitiveness with Road Transport.

#### **Recommendation**

- 0 – 5 Years Plan and invest in Victoria's Rail Network

### **Standardisation of the Victorian Network**

Standardisation of rail lines allows greater flexibility of Australia's network and creates competition among service providers.

The Alliance recommends the following sections of track for Standardisation: -

- Maryborough to Ballarat (run a dedicated passenger service)
- Ballarat to Ararat (run a dedicated passenger service)
- Ballarat to Geelong
- Korong Vale to Dunolly
- Sea Lake to Korong Vale
- Manangatang to Korong Vale
- Ballarat to Ararat Line
- Tocumwal to Mangalore
- Deniliquin to Echuca Line
- Echuca to Toolamba Line
- Shepparton to Dookie Line

### **Tonne Axle Loadings**

Tonne Axle Loadings (TAL) and Rail Productivity Higher axle loads are an important factor in improving freight train productivity.

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.

### **Recommendations**

0 – 5 Years Standardisation these lines.

- Maryborough to Ballarat 21 TAL
- Ballarat to Geelong 21 TAL
- Ballarat to Ararat Line 23 TAL
- Korong Vale to Dunolly 21 TAL
- Sea Lake to Korong Vale 21 TAL
- Manangatang to Korong Vale 21 TAL
- Tocumwal to Mangalore 23 TAL
- Deniliquin to Echuca Line 23 TAL
- Echuca to Toolamba Line 23 TAL
- Shepparton to Dookie Line 23 TAL
- Maroona to Portland 23 TAL
- Rainbow to Dimboola 23 TAL
- Hopetoun to Murtoa 23 TAL

### **Freight Taxation Scheme**

Currently there is an inequity between road and rail transport in the form of the taxes and charges collected. Truck operators pay registration on average road damage and fuel excise. Rail operators pay mass distance based on access fees. The current system does not deliver full cost recovery to road infrastructure from certain classes of vehicles, does not capture the social and environmental costs of road use and creates a price advantage for road freight to the detriment of rail.

Technologies such as GPS and intelligent transport systems are currently available and will become increasingly affordable. A user pays system based on vehicle type and usage allows a level playing field for different modes of transport and would have the ability to direct revenue to asset owners.

### **Recommendation**

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

### **Gippsland Region**

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

In early 2019 a new 2-line corridor was completed between Caulfield and Dandenong. The Victorian Government is planning further upgrading and grade separation projects between Dandenong and Pakenham. Four lines are needed between Caulfield to Pakenham to service the freight and passenger needs. A dedicated corridor for freight and regional passenger trains is needed as the Caulfield to Pakenham line is used intensively by suburban trains. The Alliance considers that the corridor between Caulfield and Pakenham being serviced by 4 rail lines, essential for the Gippsland Region and Melbourne's Eastern Suburbs.

#### **Recommendations**

- 0 – 2 Years Plan to add 2 additional lines between Caulfield to Pakenham
- 1 – 5 Years Construct 2 additional lines between Caulfield and Pakenham.

### **North East Victoria**

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

There are strategic investments that can be made in Victorian Rail that will enhance the network; one such investment is the 28-kilometre Shepparton to Dookie Line, which was suspended in 2007. This line could service more than 100,000 tonnes of grain currently being transported by road.

#### **Recommendations**

- 0 - 2 Years Plan for the reinstatement of the Tocumwal to Narrandera Line
- 0 – 5 Years Reinstatement of the Tocumwal to Narrandera Line
- 0 - 5 Years Line Standardisation of these lines.
  - Tocumwal – Seymour Line
  - Deniliquin – Echuca Line
  - Dookie – Shepparton

### **Maryborough Ballarat**

Currently this section of line services freight and a passenger service between Maryborough and Ballarat. Currently freight trains are diverted via Ararat adding an additional 3 hours travel time to access the Port of Melbourne. The Alliance considers that this line should be standardised whilst maintaining a dedicated passenger service between Maryborough and Ballarat.

#### **Recommendation**

- 0 – 2 Years Standardise this section of line and run a dedicated passenger service.

### **Maroona to Portland Line**

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, considered the best deep-sea Port in Regional Victoria.

The Maroona to Portland Line is currently 19 TAL.

#### **Recommendation**

0 – 2 Years Increase tonne axle loading to 23 TAL in line with the adjoining ARTC Network.

### **Rainbow to Dimboola and Hopetoun to Murtoa Lines**

Rainbow to Dimboola and Hopetoun to Murtoa Lines Currently the Rainbow and Hopetoun lines are 19 TAL. Upgrading these lines to 23 TAL would increase freight productivity and enhance the investments and allow access to the Commonwealth Rail Network.

#### **Recommendation**

0 – 2 years Increase these lines TAL to 23TAL.

### **Ararat to Ballarat Line**

Transport connectivity from Regional Victoria continues to rely on motor vehicles, often access to professional services is difficult from these areas. The Western Rail Project is made up of a consortium of Councils in Western Victoria, seeking 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.

A further outcome of standardising this section of line would allow the Ballarat catchment access to the ARTC Network.

#### **Recommendations**

0 – 5 years Standardise the line between Ballarat and Ararat and investigate the return of passenger and freight rail services.

