0428 772 264
info@railfreightalliance.com
railfreightalliance.com

Rail Freight Alliance Submission to the Avonbank Mineral Sands Project

The Rail Freight Alliance (RFA) is made up of Rural, Regional and Metropolitan Councils across Victoria. The RFA represents the local government sector in Victoria and adjoining states in freight and logistics interests connecting Victoria Nationally and Internationally.

The Alliance specifically advocates for

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

The Alliance membership has a strong belief that more freight on rail will add to the efficiency, productivity, and prosperity of the nation.

The Rail Freight Alliance has established policy positions, based on extensive research into the merit of more of Victoria's freight task being conveyed via rail. The Alliance's latest policy paper is included as an Appendix to this submission.

There are a series of relevant policies within the RFA Policy Statement document that support the establishment facilities at Wimmera Intermodal Freight Terminal Precinct at Dooen to enable Heavy Mineral Concentrate (HMC) from the WIM Resource Pty Ltd, Avonbank mine to be transported by rail to the Port of Portland (PoP), in contrast to the proposal within the EES that this material be transported on trucks via the Henty Highway.

Project Context

The RFA recognises, and wishes to highlight, that the Avonbank project is centred around the Wimmera Intermodal Freight Terminal Precinct at Dooen. This facility resulted from significant investment by the Australian and Victorian Governments, and several local government Councils in the Wimmera Region. The purpose of establishing the Intermodal facility was to achieve a greater volume of freight movement on rail. This establishes a *prima facie* case to argue that the Project should utilise rail for its freight movements.

The sheer volume of freight movements, some 1430 tonnes per day of HMC, or around 12 million tonnes over the life of the project, is vast. This is a major freight task that lends itself to rail.

Given the scale of this project, and the benefits to the Victorian Government, through mining royalties, and the profits for WIM Resource, there appears to be a solid case to argue that these bodies, Local, State and Federal Governments and other stakeholders should invest in completing the works required so that the HMC can be freighted by rail to the Port of Portland.

Finally, the EES documents establish that moving freight through the urban communities along the Henty Highway will add to noise and amenity issues in these areas. The extra truck traffic also adds to greenhouse emissions, higher traffic volumes and associated risk of accidents.

The Victorian substandard road network and the availability of drivers also support an investment in rail freight to facilitate a consistent HMC freight movement to export.

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Victorian Freight Context

By 2050 the freight task is predicted to triple. The challenge of moving this freight throughout Victoria, keeping people safe, providing a livable Victoria, and keeping within designated emissions will be a challenge over the next decades.

The Alliance considers the freight task is well suited to rail and too large for road transport. Consideration should be given to the most appropriate means of transport, for high volumes of bulk product. Logistically, once established rail provides a more reliable supply to export than relying on road alone.

The Wimmera potentially has four mineral sand mines that could be operating concurrently in the very near future. Consideration of the freight impacts of the Avonbank project should not be done in isolation, but in the context of these four mines, and the broader growing freight task.

Relevant Rail Freight Alliance Policy Positions are: -

Policy 1.2 Access Regime

- *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.*

RFA Policy 5.4 – Equity between road and rail

- *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.*

The Alliance considers that the Avonbank project should move its HMC freight via rail, as there is an implicit subsidy by the Victorian government, and taxpayers generally in increased road maintenance and rehabilitation costs associated with additional traffic.

Significant Government investment has been required on sections of Henty Highway, due to high freight movements to the Port of Portland. While this freight has been a combination of grain and mineral sands, the Avonbank project presents the opportunity for the true cost of freight to be borne by the project, not taxpayers, by moving this material via rail.

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RFA Policy 3.6 – Maroona to Portland Line

- *The Alliance supports the upgrading of this line to 23 TAL, bringing it up to the same TAL as adjoining ARTC Track. (TAL = Tonnes Axle Loading)*
- *This upgrade would enhance the Murray Basin Rail Project (MBRP) and allow competition across the ports of Geelong, Melbourne, and Portland.*

The RFA is actively advocating to the Australian and Victorian Governments for the required upgrade to the Maroona-Portland rail line. This will be of advantage to the Avonbank project when completed. This is a vital link to enable freight to be moved to the Port of Portland.

WIM Resource must plan for the provision of a bulk loading facility on a rail siding connected to the Dooen Freight Terminal as soon as practically possible. A proactive position by WIM Resource in this regard may encourage the Government(s) to invest their share to enable the remainder of the upgrades to proceed.

Policy 3.11 – Infrastructure for Mineral Sands

The RFA Policy is:

- *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.*

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. The mineral sands sector remains active, rail infrastructure is vital for the transport of these resources.

The Alliance considers that all mineral sands mines in Victoria should be using rail to move their freight. It is incumbent on each successive project to make its incremental contribution to this vision.

RFA Policy 3.14 – Rail Access to Ports

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

This reinforces the benefit of rail in reducing some of the impacts identified in the Avonbank EES, including reductions in carbon emissions, and reducing risks associated with public safety and amenity, for example road noise. The case presented by WIM Resource to minimise greenhouse emissions would be enhanced by utilising rail for its HMC movement.

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Conclusion

The policy positions established by the Rail Freight Alliance have been refined over time based on ongoing research. As presented in this submission, these policies have strong relevance to the Avonbank mine and establish a clear case for the movement of the HMC freight by rail.

The Panel should require WIM Resource to move its freight by rail as soon as practicable and recommend to the Victorian Government that it support the relevant investment, in partnership with WIM Resource, to enable this. The full benefits of these investments will only be fully realised if they are made at the beginning of the project.