Rail Freight Alliance

0428 772 264
info@railfreightalliance.com
railfreightalliance.com

Rail Freight Alliance Submission to the Victorian Freight Plan

The Rail Freight Alliance

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.

Rail Freight Investment for Victoria

Victoria, like many states around Australia are preparing for an unprecedented increase in freight over the next 30 years. How this task is managed and what investments are made will impact the economic, environmental, and social outcomes of Australians for generations.
By 2050 the freight task is predicted to nearly triple, and Melbourne is forecast to be the biggest city in Australia. Victoria's freight task will triple over the next 30 years, this does not include the mineral sands freight task.
The Port of Melbourne is expected to increase its freight task three-fold from today's freight task.
The challenge of moving this freight throughout Victoria, keeping people safe and providing a liveable state and keeping within designated emissions will be a challenge over the next decades.
Congestion within Melbourne is now a major factor 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, this trend is not predicted to decrease.
What is required to meet this growing freight task 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 challenge the Victorian Government have is managing a rapidly growing population while maintaining the Livability of Victoria, while continuing to increase imports and exports. The environment that these challenges will need to be addressed will be within the Commonwealth Government's legislated emissions reduction target of 43% by 2030 and zero emissions by 2050.
The Rail Freight Alliance believes that a far greater share of the freight task will need to transfer from road to rail in the next 20 years.
Rail provides cost effective freight transport over longer distances, is a safe means of transport, reduces congestion and greenhouse gas emissions and prolongs the State and Local Government Road networks.

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The Rail Freight Alliance make the following recommendations for infrastructure investment and policy considerations to the Victorian Government.

Surety of continued investment in rail

For rail freight companies to maintain service to their customers and continue to invest in rail freight they need surety of maintenance and continued investment to enhance the rail network in Victoria. A future freight system in Victoria must include functioning rail and cannot be constrained during key windows for exports, resilience must be built into the system.
In October 2023 the Victorian Government released the Victoria's Rail Infrastructure, Statement of Freight Network Capacity

DTP0458-Statement-of-Freight-Network_v5_FA-[accessible].pdf (content.vic.gov.au)

The document provides a comprehensive overview of the intrastate system in Victoria. The document also highlights the very low track speeds that are gazetted in Victoria.

Recommendations

- The new freight plan must have an investment strategy for rail investment and maintenance and timelines for investment detailed within the document.
- 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.

Victoria's Rail Asset.

Victoria's freight task to rail has continued to decline over many years. The easy option has been to allow the increase in High Productive Freight Vehicles. The future freight task cannot be efficiently met under the current road rail share. For Victoria to be able have an efficient future freight network a greater focus on rail freight is essential.
The current freight share is due to a number of factors being: -

- The state of repair of the Victorian Rail Network
- The mix broad gauge and standard gauge networks in Victoria.
- The investment into the High Productive Freight Vehicle Network
- A lack of holistic freight planning.
- Access to rail is complicated by multiple managers.

These factors have resulted in a greater share of the freight task going to road.

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Recommendations

- Create a government entity tasked with the governance and management of the Victorian Rail Freight System.
- Build and maintain the necessary rail lines.
- Create a freight equalisation scheme to encourage freight back to rail.
- Ensure that the rail system remains competitive and open access.

Victorian Government commitment to rail freight as a significant and meaningful contributor to freight challenge

Victoria is a relatively small state, and much of its freight task is serviced by road. The challenge of accessing Ports will increase as the freight task grows. The Port of Melbourne is currently Australia's largest container Port and Melbourne is forecast to be the largest city in Australia with 25 years. If the current trend of road and rail share were to continue as the freight task grows a future Victoria would have constraints to access global markets. The Victorian Government have the ability to make investments and change policy to direct where and how freight is moved in Victoria. The new transport plan must have a demonstrated commitment to growing rail freight in Victoria.

Recommendations

- Endorse a set of targets and timelines for mode shift for the following: -
  - Grain
  - Containers to & from the Port of Melbourne
  - Intrastate and Interstate intermodal traffic
  - Mineral Sands

The Melbourne to Brisbane Inland Rail Project & Melbourne connection.

Efficient intermodal terminals are critical in capturing the investment and creating efficient utilisation of the Melbourne to Brisbane Inland Rail Project.

The RFA supports the current actions scheduled to be undertaken by the National Intermodal Corporation at Beveridge.

The Alliance acknowledges the Victorian Government statement of May 2024, regarding its Interstate Freight Terminal Strategy, to commence planning for the Western Interstate Freight Terminal (WIFT).

The Alliance is extremely concerned that further delaying this investment will not achieve the promised efficiencies of the of the MBIRP. By not accelerating this project, Western Melbourne have increased congestion and emissions and constrained pathways to access the Port of Melbourne and a future container port.

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Recommendations

- The business case to progress the Outer Metropolitan Ring Transport Corridor and Western Intermodal Freight site in Truganina site should include both the Port Rail Shuttle connection and corridor protection to a future container port, should be pursued as a matter of urgency.

An Efficient Gippsland Connection

As the Gippsland Region is continues to grow, and its freight task is continuing to increase, this region must have capacity and to access to an efficient rail system with efficient access to Victorian Ports.
The Victorian Government upgrading and grade separation projects between Caulfield to Packenham, has constrained rail freight access from Gippsland.

Recommendations

- Create efficient rail access to the Port of Melbourne
- Create efficient rail access to the Port Rail Shuttle.
- Create a dedicated corridor for freight and regional passenger Caulfield to Pakenham

Warrnambool Rail Freight Access

The Warrnambool region has a rail freight service operating from an intermodal facility. This broad-gauge track is also utilised by a passenger service. The rail freight service provided is vitally important to the business of this region.

Recommendations

- Continue to allow freight access to this line.
- Continue to maintain the Warrnambool Dennington section of track.

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Interoperability

Standardisation of the Victorian Network

Standardisation of rail lines allows greater flexibility of Australia's rail network and creates competition among service providers.
The Alliance recommends the following sections of track for standardisation: -

- Maryborough to Ballarat
- Ballarat to Geelong
- Korong Vale to Dunolly
- Sea Lake to Korong Vale
- Manangatang to Korong Vale
- Ballarat to Ararat Line

Maryborough Ballarat

This line should be standardised and maintain a dedicated passenger service between Maryborough and Ballarat.

Ballarat to Geelong

Standardisation of this section of line would enable greater efficiency of rail freight to the Ports of Geelong and Melbourne as well as accessing the Melbourne to Brisbane Inland Rail Network.

Korong Vale to Dunolly, Sea Lake to Korong Vale, & Manangatang to Korong Vale

Standardisation of this section of line would enable greater efficiency of rail freight by allowing access to Geelong to the Ports of Geelong and Melbourne as well as accessing the Melbourne to Brisbane Inland Rail Network via Ballarat.

Ballarat to Ararat

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.

Access through Ballarat

The RFA has put forward a credible solution to allow rail freight access through Ballarat.
The paper can be accessed here:-

MBRP_Position_Paper_2021.pdf (railfreightalliance.com)

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Ton 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.
The Rail Freight Alliance recommends investing in the following lines: -

Recommended TAL

- 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
- Maroona to Portland 23 TAL
- Rainbow to Dimboola 21 TAL
- Hopetoun to Murtoa 21 TAL
- Bairnsdale to Packenham 23 TAL

Maroona to Portland Line

The Rail Freight Alliance welcomes the Commonwealth Government 150-million-dollar investment to this line. 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.

Rainbow to Dimboola and Hopetoun to Murtoa Lines

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.

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Port Rail Shuttle

The Port Rail Shuttle have attracted private investment to the Altona, Somerton, and Dandenong sites.

Recommendations

- The Bairnsdale line should have access to the Dandenong intermodal facility to support rail freight capacity from the Gippsland Region.
- Needs to be managed by a government entity tasked with the governance and management of the Victorian Rail Freight System.

Equity between Road and Rail

Current Government tax and expenditure arrangements are not conducive to a level playing field between heavy road freight and rail. Heavy road freight 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.

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.

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.

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