

RFA Submission to Infrastructure Victoria's 30-year Draft Infrastructure 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.

Victoria

Victoria is at a pivotal time in its history.

By 2050 the freight task is predicted to double, 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.

The task of moving this freight throughout Victoria, keeping people safe, providing a liveable 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.

Governments are offering a range of support measures to help assist households with the "cost of living crisis". All goods utilised by households have a freight component factored into the cost. This cost is shared with the producer and consumer. Improving efficiencies in freight in a competitive environment will have a direct impact on freight costs.

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.

Freight is not often considered by many Victorians, however freight impacts everyone. Congestion, road safety, greenhouse gas emissions, the cost of goods and the availability of goods are all impacted by freight services.

Successive governments have focused on the immediate transport issues, rather than a holistic approach to moving people and freight around Victoria and connecting states. The rise of the High Productive Freight Vehicles (HPFV) is evidence of this, a short-term solution to a longer-term issue of moving freight around and into connecting states, that does and will continue to have negative impact.

Transport investments are often made to fix a current problem to justify the investment, rather than future modelling. The Alliance is not recommending a "build it and they will come" approach, rather a considered infrastructure investment that will attract more above rail investment and considered government policy settings and incentives to reinvigorate rail freight in Victoria.

The Alliance is not suggesting creating a new network, rather improving the existing network and investing in connecting infrastructure and government policy supporting rail freight.

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.

The Alliance Submission will focus primarily on recommendations 41, 42, 43 & Future Option.

IV Recommendations

41 Make rail freight competitive, reliable and efficient

Develop and publish a 30-year integrated rail freight network plan and fund a 10-year rail freight maintenance program. Develop a freight network coordination policy.

Develop a network of urban freight delivery precincts in Melbourne to improve freight productivity and reduce emissions.

Future option

Plan for more efficient and sustainable urban freight

42 Encourage off-peak freight delivery in urban areas Prepare for growing freight volumes in urban areas by piloting an off-peak freight delivery program in a high-density area of Melbourne. If successful, expand off-peak delivery for more productive and sustainable freight movement.

43 Create and preserve opportunities for future major infrastructure projects

Create and preserve opportunities to build major infrastructure projects which might be required in the long term. This includes expanding desalination capacity, City Loop reconfiguration, extending and electrifying metropolitan trains to growth areas in Melbourne's north and south-east, Melbourne Metro 2, the Bay West port, the outer metropolitan road and rail corridor and connecting western intermodal freight terminal.

The Alliance supports draft recommendations 41, 42, 43 and future option and makes the following recommendations for consideration.

Recommendations

- 1. Freight Victoria be adequately resourced and responsible for coordinating rail freight access and policy recommendations to government.**

Background

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.

On January 1st, 2023, the Department of Transport and Planning (DTP) was created. The DTP's functions now include planning and has one (1) departmental secretary and six (6) deputy secretaries. The Department of Transport and Planning (DTP) is responsible to four ministers and one (1) parliamentary secretary and oversees several entities delivering infrastructure projects and services across Victoria. Freight Victoria is part of DTP.

In Victoria there are also four separate rail track access providers: VicTrack, VLine, Metro Trains, and the Australian Rail Track Corporation (ARTC). There is a mix of broad, standard and dual gauge lines.

A dedicated Minister for Freight and Ports allows a greater focus on logistics than previous governments and Freight Victoria is also a step in the right direction. The challenge is that rail freight is complex and not given the priority it needs to assist resolving the current and future Victorian freight task and meeting the Victorian and Australian government emissions targets, road longevity and keep community safe.

2. The Victorian Government take ownership and control of its intrastate rail network

Background

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.

3. Reassess the High Productivity Freight Vehicle Network

Background

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. The HPFV road network should be focused on access to intermodal hubs for rail distribution.

4. Increase train speeds to 100kmph

Background

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 40 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.

5. Rail track standardisation

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

Background

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

6. Increased Train Axle Loadings (TAL)

The Alliance recommends increasing TAL on the following 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
- Maroona to Portland 23 TAL (Currently Funded)
- Rainbow to Dimboola 23 TAL (Efficient access to ARTC Network)
- Hopetoun to Murtoa 23 TAL (Efficient access to ARTC Network)
- Pakenham to Bairnsdale 23 TAL
- Geelong to Warrnambool 23 TAL

Background

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.

7. Efficient access to the Beveridge Intermodal Freight Terminal (BIFT) immediate planning for the future Western Intermodal Freight Terminal (WIFT)

Background

The efficiency and investment made in the Melbourne to Brisbane Inland Rail Project (MBIRP) 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.

8. Targeted Government support of existing intermodal facilities

Background

The Alliance considers that existing intermodal facilities (Ballarat, Dooen, Gippsland, Mildura, Donald, Warrnambool) should be supported by the Victorian Government. Previously some Victorian Intermodal facilities were supported by the Mode Shift Incentive Scheme (MSIS), this assistance package is no longer available. Government can assist these facilities by improving road linkages and reviewing the High Productivity Freight Vehicle (HPFV) permits to contestable freight from these facilities.

Refer recommendation 12

9. Invest in rail freight access to Melbourne from the Gippsland Region

Background

The freight task from the Gippsland region continues to grow, however 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 on 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.

10. Invest in Long Haul Freight

Background

Rail Freight is more competitive than road freight over longer distances, provided the connecting infrastructure is supportive. The Alliance considers recommendations within this submission will make rail freight more competitive over shorter distances.

The freight task from the regions continues to grow and rail freight is important to ensure an efficient, reliable and cost-effective transport mode.

The Alliance considers rail freight an important transport mode to ensure regional freight can be efficiently transported to Victoria's export markets.

Refer Recommendations 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12 & 13

11. Task Freight Victoria to coordinate the Port Rail Shuttle

Background

The project funding was made up of \$38 Million from the Federal Government and \$20 Million from the Victorian Government.

In late 2018 the Victorian Government committed \$25.7 Million toward the Somerton and Altona facilities, leveraging a further \$45 Million in private sector investment towards the projects. In mid-2020 the Victorian Government committed \$28 Million towards the Dandenong facility, leveraging a further \$50 Million of private sector investment.

These upgrades will connect to the Port of Melbourne's \$125 million on-dock rail project, allowing shuttles to run directly into the Port of Melbourne

The interoperability of the current Port Rail Shuttle system is challenged by differing rail gauges, operators, access agreements and shared passenger and freight paths. The Alliance considers the system needs a coordinating body to manage access across the standard, board and dual gauge systems and navigate both freight and passenger pathways.

12. Plan and acquire land to access a second container Port.

Background

The first stage of the Beveridge Interstate Freight Intermodal (BIFT) is scheduled to be operational in 2026. The Alliance considers the Beveridge site an important first step in supporting the efficiencies of the MBIRP and acknowledges the National Intermodal and the Victorian Government recommendation regarding further planning for the Western Intermodal Freight Terminal (WIFT) at Truganina.

The Alliance considers that further planning is urgent for the WIFT. The planning should include access to the Truganina site via the Outer Metropolitan Ring Transport Corridor, access to the Port of Melbourne and access to a future freight terminal, once identified, these pathways must be protected.

13. Incentivise freight to rail.

Background

Recently the Victorian Government discontinued the Mode Shift Incentive Scheme (MSIS). The MSIS supported freight to rail by subsidising containerised freight to rail. The scheme was successful, however not all operators received payments from the scheme and the continuation of the scheme was reviewed annually.

The cost of carbon referenced in IV Draft recommendation 24 identifies carbon as an increasing cost to society. The Alliance considers this an extremely valid consideration and together with congestion should be part of offsetting incentivising freight to rail. Other states in Australia have incentivised freight to rail by schemes such as the Port Botany Regional Rail Incentive Scheme. This scheme incentivises containerised freight to rail by a \$150/ TEU container payment to the cargo owner, providing rail is utilised within a designated area. Such an incentive could be utilised in Victoria.

14. Develop a nationwide standard for measuring carbon

Background

Globally, governments are developing several initiatives to reduce carbon emissions. Australia has pledged with other countries to the Paris Climate Agreement to limit global temperature rise to below 2oC. Draft IV Recommendation 24 identifies the need to have a standard measure to value carbon. The transport industry is the third highest greenhouse gas emitter in Australia. The Alliance considers that a national standard be adopted to measure and value carbon.

15. Advocate for a Freight Taxation Scheme

Background

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.