



**Rail Freight**  
Alliance

Policy Manual || 2015





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# Foreword



The Rail Freight Alliance is primarily focussed on providing improved rail connectivity within Victoria (and into neighboring states); and working to ensure increased investment in Victoria's rail freight system in the future to support the efficient movement of freight across Australia.

This policy manual has been developed by RFA to provide input to the development and subsequent implementation of key government policy rail freight initiatives in Victoria; more particularly from a local government perspective as a key stakeholder in the provision of transport infrastructure and related services.

The RFA has a long history of advocating for improvements, efficiencies, and greater investment in the transportation of freight by rail both intrastate and interstate. The policy positions outlined by the RFA in this report have been endorsed by the membership and provide an advocacy platform for the Alliance.

I take this opportunity to thank the membership and the executive for their contributions to this report and Prof E W Russell who assisted in the preparation of the report.

**Cr Mark Byatt**

Chairman – Rail Freight Alliance (RFA)

# 1. Governance and Regulation

## 1.1 Management of the Victorian rail network

Issues	Alliance Policy
<p>There are currently five government agencies involved in managing the network (DTF, DEDJTR, Vic Track and V/Line and PTV).</p> <p>There are also four separate access providers: Vic Track V Line/Line, Metro Trains, and the Port of Melbourne.</p> <p>There is no unified management or regional representation in relation to marketing rail freight.</p>	<p>The Alliance supports creating a specialist unit to manage regional rail freight in Victoria.</p> <p>This unit should have an independent Board, regional representation and the capacity to promote rail freight services to customers.</p> <p>It should be located within the Transport Portfolio, as an independent statutory authority reporting directly to the Minister, not within the Department.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• The Fischer Report (Switchpoint, 2007) recommended creating a Rail Freight Facilitation Unit.</li><li>• The Alliance has previously proposed creating a Victorian Rail Freight Authority as an independent statutory authority.</li></ul>	

## 1.2 Access Regime and access charges

Issues	Alliance Policy
<p>The rail access regime in Victoria is controlled by the Essential Services Commission.</p> <p>There are several different access providers including V/Line, Metro Trains, the Port of Melbourne and the Australian Rail Track Corporation.</p> <p>Imposition of access charges is designed to recover the economic cost of infrastructure provision from train operators.</p> <p>However road operators do not pay the full cost of their infrastructure so the playing field is not level. Charges and subsidies should be aligned between road and rail freight.</p> <p>Refer also to Section 5.3.</p>	<p>The Alliance supports in principle the Victorian Rail Access Regime.</p> <p>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.</p> <p>The Alliance considers it is appropriate to levy full access charges where lines have been rehabilitated to modern standards.</p> <p>The Alliance considers access charges should be waived where lines are not in a suitable condition for normal freight operations.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• The Alliance has previously supported the Victorian Rail Access Regime in principle.</li><li>• However it has submitted that access charges should be set at zero while the rail system recovers from years of neglected maintenance.</li></ul>	

## 1.3 Mode Shift Incentive Scheme

Issues	Alliance Policy
<p>The Mode Shift Incentive Scheme (MSIS) is a \$20 million 4 year program designed to encourage rail freight and mode shifting from road to rail, to protect regional roads.</p> <p>The MSIS provides assistance to the maintenance of intermodal rail freight on the Tcumwal, Horsham, Warrnambool, Mildura, Deniliquin and Maryvale corridors.</p> <p>Because the MSIS is renewed annually in the Victorian Budget, it does not provide long term certainty for investment by intermodal operators.</p> <p>The total amount of funds provided, though useful, is extremely limited especially when compared with subsidies and infrastructure provision afforded to road freight operators.</p>	<p>The Alliance considers the Mode Shift Incentive Scheme (MSIS) vital in maintaining and growing freight to rail (particularly container freight).</p> <p>The Alliance and the Victorian Government have a shared interest in 'freight mode shift' and the sustainability of State and Local road networks.</p> <p>The MSIS should be continued until a satisfactory level of mode shift has been achieved.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• Alliance letter of 16 04 2014 to Minister of Transport supported the MSIS.</li></ul>	
<ul style="list-style-type: none"><li>• Alliance letter of 03 03 2015 to the Victorian Premier supported the MSIS.</li></ul>	



## 1.4 Co-operation with private sector in rail investment

Issues	Alliance Policy
<p>Between 1997 and 2007 the entire Victorian country rail freight network was privatised under a 40 year lease arrangement. During this period, maintenance of the network was neglected and rolling stock and locomotives were sold or exported to other states.</p> <p>Since 2007, more targeted relationships with specific private sector users including Sunrice and Graincorp have allowed co-investment, new rail traffic, and the re-opening of formerly closed lines such as the Rainbow and Echuca to Toolamba lines.</p> <p>Such co-operation can be extremely beneficial so long as the railway remains a common carrier open to all; where unsolicited bids for rail investment are received from the private sector, they should be transparently considered against public interest criteria.</p>	<p>The Alliance supports public ownership and regulation of the Victorian country rail freight network and its infrastructure.</p> <p>The Alliance also supports targeted co-investment by government and specific private firms for particular lines, providing that the railway remains open to all and that the investment does not result in working arrangements or equipment incompatible with an open competitive state railway system.</p>
<b>Previous Recommendations</b>	
<ul style="list-style-type: none"><li>• No previous statement by Alliance.</li></ul>	

## 1.5 Consultation with Local Government in rail planning

Issues	Alliance Policy
<p>In the past, consultation between rail planners and local government has been limited. However in recent times, local governments have recognized the importance of maintaining and developing rail freight facilities in their areas. Rail management bodies have been increasingly prepared to discuss rail planning issues with local government.</p> <p>There has also been support, funding and participation by state governments in regional transport forums, including forums in the North West and South West that cross state borders.</p> <p>RDA Investment prospectuses have also highlighted rail investment needs.</p> <p>It is important that these initiatives be developed.</p>	<p>The Alliance believes ongoing consultation between state rail planners and local government is vital and should be developed.</p> <p>The Alliance supports the development of regional transport plans and believes state agencies should support such developments.</p> <p>The Alliance encourages RDAs to study and advocate rail investment opportunities in their regions.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• Submission to Government November 2013, <i>Recommendation 18</i>.</li></ul>	

## 1.6 Regional Transport Forums

Issues	Alliance Policy
<p>Most transport issues in Victoria and the Riverina, especially those involving rail freight and long distance haulage of bulk commodities, cross many local government boundaries, and often regional and state boundaries as well.</p> <p>Regional Transport Forums, as have been established in the South West, Wimmera, Central Murray and Gippsland, provide an opportunity for council to work together to solve common regional freight issues and to advocate for rail freight enhancement where that is appropriate.</p>	<p>The Alliance supports the establishment of regional transport forums, crossing local government, regional and state boundaries where necessary.</p> <p>The Alliance believes state rail and road agencies should engage actively with these Forums.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous statement by Alliance.</li></ul>	

## 2. Strategic Planning

### 2.1 Victorian Freight and Logistics Plan – “Victoria: the Freight State”

Issues	Alliance Policy
<p>The purpose of the Plan is to outline the Victorian Government's long term strategy to improve freight efficiency, grow productivity and better connect Victorian businesses with their markets, whether local, national or international.</p> <p>However it is also important to manage externalities that may arise in the quest for efficiency, for example, road safety, emissions, and road damage and amenity impacts of the wider use of heavy road freight vehicles.</p> <p>This recognition supports accelerated investment in rail freight.</p>	<p>The Alliance supports the target of an overall 20% mode share for rail freight by 2025.</p> <p>The Alliance calls upon the government to set targets and timelines for the following rail freight markets:</p> <ul style="list-style-type: none"><li>• Grain</li><li>• Containers to and from the Port of Melbourne</li><li>• Intrastate intermodal traffic</li><li>• Minerals</li></ul>
Previous Recommendations	
<ul style="list-style-type: none"><li>• Alliance Submission to Government November 2013.</li><li>• The Alliance made 18 detailed recommendations in response to the Victorian Freight and Logistics Plan. Most of these related to specific projects proposed by the Plan.</li></ul>	



## 2.2 Metropolitan Planning, Regional Growth Plans, & Victorian Transport Plan

Issues	Alliance Policy
<p>It is vital that there is integration between strategic transport planning and strategic land use planning.</p> <p>Freight movements in the Melbourne Metropolitan area are expected to grow strongly (9 million containers annually by 2050) so it is vital that planning occurs now for freight routes and corridors, including rail freight routes.</p> <p>These considerations also apply in regional areas and should be addressed by Regional Growth Plans.</p> <p>The Transport Integration Act also requires a consolidated Victorian Transport Plan, but no such plan currently exists.</p>	<p>The Alliance believes Melbourne Metropolitan Planning and Regional Growth Plans should be supplemented by a consolidated transport strategy applying to Melbourne and regional areas. Growth strategies for the regions should be reflected in this transport strategy.</p> <p>This strategy should outline rail and road routes and corridors and how they will interact over the planning horizon of the state's land use strategies.</p> <p>A stand-alone Victorian Transport Plan, as required by the Transport Integration Act, should be published by government outlining these forward plans.</p>
<p><b>Previous Recommendations</b></p>	
<ul style="list-style-type: none"> <li>No previous statement by Alliance.</li> </ul>	

# 3. Infrastructure Development

## 3.1 Investment in and maintenance of the rail freight network

Issues	Alliance Policy
<p>Maintenance funding for both regional road and regional rail networks should be given strong priority; as such networks are key to the success of regional and rural agribusinesses, farms, and forest and mineral projects.</p> <p>The Track manager (V/Line) has established a required maintenance cost in its Asset Management Plan of \$29,532 per km for freight rail routes. There is a significant gap in asset renewal and maintenance funding.</p> <p>Major one-off investments in rail freight infrastructure are also made by governments in particular lines from time to time – such as in the Mildura, Albury/Wodonga, Yaaapeet and Echuca Toolamba lines.</p>	<p>The Alliance supports a significant increase in the State Budget allocation for Major Periodic Maintenance of the intrastate rail freight network and the preparation of a strategic framework for investment. The Alliance considers this strategic framework should include: a financial plan that incorporates Major Periodic Maintenance allocations that reflect (at least for the most important freight rail lines), the average annual maintenance cost per kilometre proposed by the track manager, V/Line, in its 2012-2017 Asset Management Plan, i.e. \$29,532 per track km.</p>
<b>Previous Recommendations</b>	
<ul style="list-style-type: none"><li>Alliance Submission to Government November 2013, <i>Recommendation 9</i>.</li></ul>	

## 3.2 Standardization of the Victorian rail freight network

Issues	Alliance Policy
<p>Since its formation in 1998, the Alliance has regarded standardization of the Victorian Rail freight Network as a key goal. Perceived benefits include greater competition among rail service providers, access to a wider and more modern pool of rolling stock, and avoidance of costly break of gauge trans-shipment.</p> <p>However since 1998, there has been a significant resurgence in regional passenger services on the V/Line network, which has been largely reconstructed with non-gauge convertible sleepers. On this network patronage and train frequencies have grown significantly, and an objective to standardize such lines is less relevant.</p> <p>The Murray Basin Infrastructure Strategy supports standardization of the Mildura line and its branches and the rehabilitation of the standard gauge connection from Maryborough to Ararat.</p>	<p>The Alliance supports standardization of freight lines to the extent that it is economically viable to do so, outside the core V/Line passenger network.</p> <p>The Alliance supports the standardisation of the Geelong to Mildura Line including the Murrayville, Sea Lake and Manangatang lines and the rehabilitation of the Maryborough to Ararat Link.</p> <p>A standard gauge connection is required from the national network to Hastings via the proposed South Eastern Rail Link and at this time consideration be given to standardizing Gippsland line passenger and freight services.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• Alliance Submission to Government November 2013, <i>Recommendations 7, 8 and 11</i>.</li> <li>• Alliance Submission on the Victorian State Budget 2015-16.</li> </ul>	

### 3.3 Separation of the passenger and freight networks

Issues	Alliance Policy
<p>The success of the Regional Fast Rail project, increased passenger numbers and increased passenger train frequencies have reduced the available paths for freight trains on the V/Line core network.</p> <p>Opportunities to develop freight routes that are independent of busy passenger train routes exist in various locations for example, routing grain trains to Geelong via Ballarat; routing rice trains from Deniliquin via the Echuca Toolamba line instead of via Bendigo, and routing Swan Hill line grain via Manangatang and Quambatook rather than via the Swan Hill line and Bendigo. The proposed South Eastern Rail Link would remove Hastings traffic from passenger lines.</p> <p>In the longer term, it may be anticipated that most freight will be transported on the standard gauge network; while most (but not all) passenger trains will operate on the broad gauge network, sometimes in shared corridors.</p>	<p>The Alliance supports initiatives to establish dedicated freight train routes separate from the V Line passenger network where it is operationally and economically efficient to do so.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous statement by Alliance.</li></ul>	



## 3.4 Murray Basin Infrastructure and Mildura Line

Issues	Alliance Policy
<p>In May 2014 the Victorian Government announced a \$220 million program to upgrade and standardize the Geelong to Mildura line.</p> <p>Some details of the upgrade remain to be resolved by subsequent business cases.</p> <p>Standardization of the Murrayville line is not part of the initial package.</p>	<p>The Alliance supports the Government's announced intention to invest \$220 million in the upgrade and standardization of the Mildura to Geelong line.</p> <p>The Alliance considers that the lines to be standardized should be:</p> <ul style="list-style-type: none"> <li>• Geelong to Mildura and Yelta</li> <li>• the Sea Lake line</li> <li>• the Manangatang line</li> <li>• the Ouyen to Murrayville line</li> </ul> <p>The Alliance considers that the Maryborough to Ararat line (which is already standard gauge) should be rehabilitated and re-opened as part of the package to provide access for grain and mineral sands trains from these lines to Hamilton and Portland.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• Alliance Submission to Government November 2013, <i>Recommendation 11</i>.</li> </ul>	
<ul style="list-style-type: none"> <li>• Murray Basin Region Freight Transport Project Position Paper.</li> </ul>	
<ul style="list-style-type: none"> <li>• Alliance Submission on the Victorian State Budget 2015-16.</li> </ul>	

## 3.5 South Eastern Rail Link (SERL) and Hastings rail connection

Issues	Alliance Policy
<p>Over the years there have been proposals to develop Hastings as Victoria's second container port, with a capacity of 9 million TEU (4 times the size of the current Port of Melbourne) by 2050.</p> <p>The South Eastern Rail Link would be a dedicated corridor from Hastings to the Gippsland line and thence beside the Dandenong Line to Melbourne, allowing connection of Hastings by rail to the national standard gauge network.</p> <p>The line would also serve Gippsland trains.</p> <p>A dedicated corridor for freight and regional passenger trains is needed as the Dandenong line is intensively used by suburban trains.</p> <p>Construction of the Melbourne Rail Link or Metro (South Yarra-Domain-Southern Cross) is a pre-requisite to provide necessary trackage between South Yarra and North Melbourne.</p>	<p>The Alliance supports the South Eastern Rail Link concept, and requests government to expedite planning and corridor acquisition.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• Alliance Submission to Government November 2013, <i>Recommendation 7</i>.</li></ul>	

## 3.6 Rail freight infrastructure for Gippsland

Issues	Alliance Policy
<p>Rail Freight services to Gippsland including paper trains and container services are important now and will continue to be an important service to the region.</p> <p>However the Dandenong corridor is an extremely busy passenger corridor and paths for freight trains are limited. Sections of the line beyond Pakenham are not duplicated, and some do not allow 23 tonne axle loads.</p> <p>In the long term, the South Eastern Rail Link will provide additional capacity for freight trains from Gippsland, but in the meantime investment to upgrade the line is needed.</p>	<p>The Alliance supports short term measures to improve infrastructure for freight trains on the Gippsland line, including improving bridges to allow 23 tonne axle loads and some duplication.</p> <p>In the longer term the Alliance supports the provision of a Gippsland connection via the South East Rail Link and a connection from Gippsland to Hastings.</p> <p>The Alliance supports the reinstatement of rail freight capacity in south west Gippsland.</p>
<b>Previous Recommendations</b>	
<ul style="list-style-type: none"><li>• Alliance Submission to Government November 2013, <i>Recommendation 7</i>.</li></ul>	

## 3.7 Grain logistics

Issues	Alliance Policy
<p>Since the end of the single desk wheat export marketing arrangements in June 2008, there are now several independent wheat export companies, each with separate arrangements and prices to purchase, store and transport grain.</p> <p>Despite considerable investment by Victorian Governments in grain line rehabilitation, there remains many weaknesses in infrastructure, including speed restrictions ,inadequate axle load capacity, track damaged by subsidence and sand drifts, as well as insufficient passing loops, port stabling and automatic controls.</p> <p>Opportunities to recommission viable grain lines such as Shepparton-Dookie should be pursued.</p>	<p>The Alliance supports the creation of a strategic financial plan for grain line refurbishment with Major Periodic Maintenance allocations that reflect (at least for the most important freight rail lines), the average annual maintenance cost per kilometre proposed by the track manager, V/Line, in its 2012-2017 Asset Management Plan, i.e. \$29,532 per track km. The Alliance urges government to re-construct the crossing loops at Meredith and Tourello (or alternatives as appropriate), as the current situation of loaded trains being held as far back as Maryborough (due to inability to progress further toward Geelong in the absence of crossing loops) can result in very poor grain train cycle times and ineffective use of rolling stock and infrastructure.</p> <p>The Alliance supports the re-opening of the Shepparton-Dookie line, which has a positive benefit cost ratio of 2.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• Alliance Submission to Government, August 2013, <i>passim</i>.</li> <li>• Alliance Submission on the Victorian State Budget 2015-16.</li> </ul>	



## 3.8 Infrastructure for mineral sands traffic

Issues	Alliance Policy
<p>The mineral sand resources are located in a broad area stretching from south of Horsham north to Ouyen and into south west New South Wales in Wentworth and Balranald Shires.</p> <p>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.</p> <p>The location of mineral sands infrastructure is important to country communities as it affects employment, local roads and local economies.</p>	<p>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 and support costs being fairly and appropriately allocated across mine operators, local councils and the State Government.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous policy</li></ul>	

## 3.9 HPFV truck routes to freight terminals

Issues	Alliance Policy
<p>HPFV Heavy road vehicles offer cost savings and safety benefits compared with conventional trucks, however require identified routes that are safe and provide the necessary bridge and pavement strength for their safe operation.</p> <p>There remain many local roads and bridges that are not appropriate to the operation of these vehicles.</p> <p>HPFV networks can be designed to support and complement rail freight and rail infrastructure and protect rather than reduce residential amenity in regional cities and towns.</p>	<p>The Alliance supports the creation of a HPFV network that supports transfer of bulk merchandise and containers from road to rail rather than one that supports only long distance road freight.</p> <p>The Alliance believes local governments and road agencies should co-operate to develop HPFV routes that are safe, minimise road damage and amenity requirements, and complement where possible the role of rail freight infrastructure.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous policy</li></ul>	

## 3.10 Metropolitan intermodal terminal network & regional intermodal terminals

Issues	Alliance Policy
<p>A strong and effective metropolitan and regional intermodal terminal network is required for the efficient development of Victoria's freight network. The proposal requires government leadership in conjunction with local government, freight operators and customers.</p> <p>Such a network is essential if truck gridlock and unsustainable investment in the road network is to be avoided.</p> <p>Rail shuttles from ports to metropolitan intermodal terminals are used successfully at many major ports overseas as well as Sydney and Perth.</p> <p>Regional intermodal terminals provide a regional focus for the receipt and dispatch of containers by rail. Regional intermodal terminals such as those at Donald, Dooen, Maryvale, Merbein, Tocumwal, Shepparton (GV Link), Warrnambool and Wodonga (Logic) play an important regional role. Intermodal freight from Gippsland is being developed.</p>	<p>The Alliance supports the development of the Metropolitan Intermodal System comprising terminals east, north, and west of Melbourne (such as Lyndhurst, Somerton and Altona), and an appropriate network of regional intermodal terminals, such as Donald, Dooen, Maryvale, Merbein, Tocumwal, Shepparton (GV Link), Warrnambool and Wodonga (Logic) with inland port powers to clear cargo where appropriate.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• Alliance Submission to Government, November 2013, <i>Recommendation 10</i>.</li> </ul>	

## 3.11 Rail access to ports

Issues	Alliance Policy
<p>Efficient rail access to the Ports of Melbourne, Geelong, Portland and Hastings is a critical part of an effective rail freight network both in regard to bulk commodities and containers.</p> <p>Currently rail freight is not fully supported at the Port of Melbourne with sidings closed off and penalties imposed on rail freight users.</p> <p>At Geelong and Portland, there is scope for more investment to improve train cycle times through those ports.</p> <p>Planning and land acquisition for a standard gauge link to Victoria's planned second container port has been slow in its delivery.</p>	<p>The Alliance considers the state government should encourage stevedores in the Port of Melbourne and the Melbourne Ports Corporation to facilitate rail port access.</p> <p>Measures taken to artificially impede rail access to the Port should be the subject of government action by regulation or legislation. Such action should precede any planned privatization of the Port of Melbourne, or be included in privatization contracts.</p> <p>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.</p> <p>Standard gauge rail access to the Port of Hastings should be a goal of government and planning and land acquisition should be expedited.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• Alliance Submission to Government, on the Grain Logistics Task Force, August 2013, <i>Recommendation 7</i>.</li> <li>• RFA Executive Representation to Member for Ports, 2014.</li> </ul>	



# 4. Rail Freight Operations

## 4.1 Competition among rail service providers

Issues	Alliance Policy
<p>The basic model of railway freight organisations in Victoria is that the State provides infrastructure and regulates the system, while private firms such as Pacific National and Qube operate trains, paying a fee for access to the track infrastructure.</p> <p>Whereas there is a multiplicity of operators on the national standard gauge rail system, the relatively small scope of the remaining broad gauge network has limited competition to some extent.</p> <p>Competition may be around price but can also include type and frequency of service, the type of contracts offered, and innovation in locomotives and rolling stock in the interests of users.</p> <p>The Alliance has long advocated for standardization of most of the remaining broad gauge freight network on the basis of likely improved competition, but in recent times there has been some competition and innovation on broad gauge freight services, such as the Gippsland paper train.</p>	<p>The Alliance considers that competition within the Victorian rail freight market is an important goal; The Alliance considers that competition in the sector is likely to be enhanced as more of the rail freight system is standardized.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>No considered statement by Alliance, apart from passing comments in Submission on Grain Logistics task Force, August 2013.</li></ul>	

## 4.2 Freight rolling stock

Issues	Alliance Policy
<p>For a number of years, particularly during the period in which the regional freight rail system was privatised, there was little investment in freight rolling stock. Rolling stock and locomotives were scrapped or removed from Victoria at that time.</p> <p>By 2007 when the infrastructure was bought back, much rolling stock was in poor condition, up to 40 years old, and suitable only for lower speed operations.</p> <p>In recent years there has been some improvement in this area, with the delivery of new container wagons, new grain fleets owned by grain marketers and new specialised train sets on order for the paper train.</p>	<p>The Alliance supports the creation of a fleet of modern rolling stock and locomotives for use in Victoria, regardless of ownership, in which all vehicles are capable of sustained operation at modern freight train operating speeds.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous considered statement by Alliance.</li></ul>	

## 4.3 Axle loads and rail productivity

Issues	Alliance Policy
<p>Higher axle loads are an important factor in improving freight train productivity. In the past, a 19-tonne axle load was common on Victorian lines.</p> <p>Improvement in axle loads requires investment in track, bridges, and rolling stock.</p> <p>A reasonable objective is a standard 23-tonne axle load, at which 115kph train speeds are appropriate. Higher axle loads than these involve a trade off in lower train speeds.</p>	<p>The Alliance supports the goal of creating track bridges and rail freight rolling stock in Victoria of 23 tonnes axle load, capable of supporting sustained 115 kph train speeds.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>No previous considered statement by Alliance.</li></ul>	

## 4.4 Train cycle times

Issues	Alliance Policy
<p>Rail efficiency for intermodal, grain and mineral sands traffic requires cycle time between the point of origin and the port to be managed efficiently. Typically the objective is set in terms of the time taken to port (or processing centre) and return.</p> <p>Improved cycle times were a key recommendation of the Grain Logistics Task Force, and have also been the basis for investment in the Hopetoun line to improve mineral sands train cycle times.</p> <p>Cycle time improvement can involve track upgrades, providing passing loops, signaling improvements and managing rail congestion around ports.</p>	<p>The Alliance supports investments designed to ensure effective cycle times for intermodal, grain and mineral sands trains to ensure efficient utilisation of track and equipment and maintain rail as a competitive mode.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous considered statement by Alliance.</li></ul>	

## 4.5 Level crossings

Issues	Alliance Policy
<p>Level crossings are a significant state wide issue both with respect to safety, the cost of improving or removing them, and the impact they have on train speeds and cycle times.</p> <p>Removal of infrequently used crossings can be facilitated if financial assistance is provided to local government. Where emergency access is needed, barriers capable of removal by emergency services personnel can be provided.</p> <p>Temporary Speed restrictions imposed on freight trains following the Kerang Level Crossing Accident are detrimental to train cycle time and reliability and have no demonstrated safety benefit.</p>	<p>In relation to level crossings, the Alliance supports safety upgrades according to priorities in the Australian Level Crossing Assessment Model (ALCAM); the removal of level crossings that are no longer necessary in consultation with local Government, local farmers and emergency services; the provision of a regular subsidy to local governments to facilitate level crossing improvements; continuous improvement of warnings on unprotected level crossings and the removal of Temporary Speed Restrictions on trains passing through level crossings.</p>
Previous Recommendations	
<ul style="list-style-type: none"> <li>• No previous considered statement by Alliance.</li> </ul>	
<ul style="list-style-type: none"> <li>• Murray Basin Region Freight Transport Project Position Paper.</li> </ul>	



## 4.6 Temporary Speed Restrictions

Issues	Alliance Policy
Temporary Speed Restrictions imposed on freight trains following the Kerang Level Crossing Accident are detrimental to train cycle time and reliability and have no demonstrated safety benefit.	The Alliance believes an accelerated program is needed to overcome TSRs by upgrading crossings on the Mildura line according to priorities derived the ALCAM level crossing assessment model. The Alliance advocates an allocation of \$6 million per year for the next decade to overcome this problem.
Previous Recommendations	
<ul style="list-style-type: none"><li>Alliance Submission on Grain Logistics Task Force August 2013, <i>Recommendation 4</i>.</li></ul>	

# 5. National Rail Freight Issues

## 5.1 Melbourne to Brisbane Inland Rail project

Issues	Alliance Policy
<p>The Australian Rail Track Corporation was commissioned to study this issue in 2008 and reported in <i>The Melbourne to Brisbane Inland Rail Alignment Study</i> in July 2010. They recommended a 1731 km route from Melbourne to Brisbane via Albury, Junee, Parkes, Moree and Toowoomba. This route would serve many highly productive agricultural regions including the Lachlan Valley and the Toowoomba area. The consultants estimate that the cost of handling freight on this railway when completed will be 48% of the cost of road transport, with rail market share of 80% by 2060.</p> <p>A Steering Committee headed by former Transport Minister John Anderson has been appointed to progress corridor identification. An alternative private sector proposal has also been put forward; Its proponents argue that they have a shorter route with a better alignment capable of delivering greater benefits than the ARTC version, which they say uses many existing rail alignments with sharper curves and steeper gradients than are needed.</p>	<p>The Alliance supports in principle the development of a Melbourne to Brisbane inland railway, in the interests of better access by Victorian producers to northern markets, and the reduction in truck numbers and cost efficiencies offered by such a project.</p> <p>The Alliance believes corridor planning in Victoria and the Riverina should proceed in consultation with local Government. This should include corridors in the metropolitan area and the connections to intermodal terminals.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• The Alliance is a member of the Melbourne-Brisbane Inland Rail Alliance and has adopted a position paper currently on its website on this project.</li></ul>	

## 5.2 Mildura to Menindee Transcontinental Rail project

Issues	Alliance Policy
<p>For a number of years there has been a proposal to build a transcontinental rail connection from Mildura to Menindee. Menindee is on the Sydney to Perth Transcontinental railway.</p> <p>Such a proposal would only be feasible if the Mildura line is standardized. It would allow 23 tonne axle loads and potentially permit cost-effective double-stacked containers to reach Melbourne.</p> <p>The Murray Basin Infrastructure Study has examined the viability of this proposal, and noted that this project could become viable in the decade 2020-2030.</p> <p>The proposal would need to be supported by a viable business case.</p>	<p>The Alliance believes this issue should remain as a possible future development once the Mildura line is standardized.</p> <p>A viable business case would be required for the project to proceed.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• Alliance Submission on Victorian Freight and Logistics Plan, November 2013, <i>Recommendation 8</i>.</li></ul>	

## 5.3 Tax Equity between road and rail

Issues	Alliance Policy
<p>Government tax and expenditure arrangements do not result in a level playing field between heavy road freight and rail, as heavy road freight does not pay its way in terms of the full cost of infrastructure nor the external costs it imposes in respect of accidents, pollution and greenhouse gases. This issue was investigated by the Henry Review of Taxation, which recommended that COAG accelerate the development of mass-distance-location pricing for heavy vehicles; as well as an additional charge to be applied to heavy vehicles on routes where road freight is in direct competition with rail, as the railway is required to recover its infrastructure and other capital costs.</p> <p><i>Recommendation 64</i> of the Henry Review stated On routes where road freight is in direct competition with rail that is required to recover its capital costs, heavy vehicles should face an additional charge on a comparable basis, where this improves the efficient allocation of freight between transport modes.</p> <p>This recommendation has not been accepted or rejected by national political parties.</p>	<p>The Alliance believes <i>Recommendation 64</i> of the Henry Review of Taxation should be implemented.</p>
<b>Previous Recommendations</b>	
<ul style="list-style-type: none"><li>No previous statement by Alliance.</li></ul>	

# 6. Future Proofing

## 6.1 Future Proofing – corridor retention

Issues	Alliance Policy
<p>Several rail corridors within the regional rail freight network are currently closed, however have not been dismantled or abandoned.</p> <p>Because infrastructure needs change over time, it is important that these vital corridors, which are a valuable community asset, are retained.</p> <p>Often this can be accomplished in conjunction with the establishment of a rail trail. Such corridors currently include Bendigo-Inglewood, Ararat-Avoca, Cranbourne-Yarram, Moama-Wakool and others.</p> <p>This issue was discussed in more detail in the document Railing Ahead – Rail Opportunities for the Loddon mallee Region with regard to that region.</p>	<p>The Alliance believes key disused rail corridors should be protected so as to permit their future use as rail corridors should circumstances change.</p> <p>These corridors include. Bendigo-Inglewood, Ararat-Maryborough, Cranbourne-Yarram, Moama-Wakool, Maryborough-Castlemaine and others.</p>
Previous Recommendations	
<ul style="list-style-type: none"><li>• No previous statement by Alliance.</li></ul>	

# Victorian Rail System 2015



