

ALLIANCE OF COUNCILS FOR RAIL FREIGHT DEVELOPMENT
Submission to Standing Committee on Transport and Regional Services on
Integration of Regional Road and Rail Networks and their Connectivity to Ports

ABOUT THE ALLIANCE:

The Alliance of Councils for Rail Freight Development represents a group of 24 rural and regional Local Government Councils spread across Central and Western Victoria and Southern NSW. The Alliance was first formed in 1997 due to growing frustration with the lack of rail connectivity both within Victoria and with the neighbouring State's of NSW and South Australia; and the lack of investment in Victoria's antiquated 19th century rail freight system. Lobbying resulted in the Victorian Government announcing a four year rail gauge standardisation program in 2001, which was to have been completed in 2005. To date, there has been no conversion of the State's broad gauge rail track to standard gauge. As a result connectivity to the State's ports is restricted to limited areas of the State. This is not in the national freight interest.

The Alliance's Vision is:

For Rural and Regional Victoria, Southern NSW and the SE of SA, to have a seamless, connective and competitive rail freight system of global standing.

The Alliance's Mission is:

To advocate for rail standardisation of all key rail lines in Victoria including those to Southern NSW and the SE of South Australia;
To advocate for upgrading of all key rail lines and infrastructure in Victoria to world class transport standards;
To advocate for a competitive, independent and non-discriminatory Open Access rail freight system in Victoria; and
To advocate for seamless freight logistics that will facilitate the movement of bulk freight by rail, rather than by road.

The benefits for Local Government from the achievement of the above objectives will be:

The facilitation of regional economic development through having an efficient, competitive and connective rail freight system.

Significant social, environmental and economic community benefits derived from having fewer bulk haulage trucks on our roads.

THE ALLIANCE'S SUBMISSION IN RELATION TO YOUR TERMS OF REFERENCE:

Summary

The lack of rail connectivity both within Victoria and with its neighbouring States, results in vast amounts of freight being transported to Victorian ports on road rather than rail. Containerised freight from the SE of SA or Shepparton cannot get to the Port of Melbourne or connect into the national rail freight network without double handling. This is time consuming, costly inefficient and a disincentive to use rail for the freight task.

This has serious implications for the flow of bulk freight into the Port of Portland as follows:

- **Wood Chips**

The standardising of the broad gauge line between Ararat and Portland in 1996 resulted in the closure of the broad gauge line between Mt.Gambier (SA) and Heywood (Vic). With the huge growth in the export of both softwood and hardwood chips, derived from the SE of SA and Western Victoria, the Port of Portland estimates that truck movements at the Port in 2009 will be one every 29 seconds (24 hours a day, 7 days a week). Many of these movements will be B-doubles. As is, there will be no wood chips delivered on rail. In the years leading up to 2009, wood chip tonnage exported annually through the Port of Portland is expected to be in the order of 2 million tonnes pa and in the 5 years thereafter, increase to over 5 million tonnes pa.

Significant work has been done by municipalities in the SE of SA (Limestone Coast Region) and Glenelg Shire Council (Victoria) on transferring the huge quantities of wood chip from road to rail. No Local Government wants to see more trucks on its roads. By using an innovative approach of loading chips directly from the chipper into containers that are then easily transferable onto rail, the transfer of millions of tonnes of road freight to rail is achievable, if rail lines are re-opened and standardised. The benefits are significantly improved bulk freight logistics, reduced congestion and waiting time at the Port of Portland, reduced costs, improved social conditions for residents throughout the regions and tourist traffic alike and improved environmental conditions.

Submission 1:

That the rail line between Mt.Gambier and Heywood be standardised as a matter of urgency, in conjunction with key lines in the SE of SA, linking into Mt. Gambier.

- **Mineral Sand Movement**

With the recent opening up of the Murray Basin to mineral sands mining and the present construction of the Iluka Mineral Sands Processing Plant at Hamilton (approx. 80 kilometres north of the Port of Portland), significant mineral sands quantities will be exported through the Port of Portland, commencing in 2005. During 2007. Iluka plans on opening its Ouyen deposits, which will also be processed in Hamilton. Given that the Mildura rail line is broad gauge, there is no rail connectivity between Ouyen (situated on the Mildura line) and Hamilton / Portland. This means that all mineral sands from Ouyen will be carried on road rather than rail. Due to the heavy nature of mineral sands and despite load limits, significant further road damage can be expected to roads already in a poor state.

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Ouyen is just one of many proposed mineral sands developments in the Mallee and south-western NSW unserved by rail connectivity.

Submission 2:

That in the national freight interest, the Mildura to North Geelong rail corridor be standardised as a matter of urgency.

This rail corridor has recently been recognised by AusLink, with the support of the Alliance as being of national freight significance. Standardisation of the Mildura line would help create a seamless, connective and competitive rail freight-forwarding route to the Port of Melbourne for container exports and for the movement of bulk product to the ports of Geelong and Portland.

- **Grain Movement**

Any grain flowing from the Mallee area of Victoria or the SE of SA has to come to the Port of Portland on road, due to lack of rail connectivity. The above two recommendations would resolve this problem.

- **General freight**

As the map on the preceding pages clearly shows, large chunks of Victoria are disconnected from each other due to the vagaries of differing rail gauges. Only through a large-scale standardisation program as proposed by the Victorian Government in 2001 (but undelivered) can this be resolved. Until then, the Murray Goulbourn Valley (Shepparton) will remain unconnected to the national freight network. This area is one of the Australia's largest fruit growing regions and has no direct rail link with Sydney or Adelaide without rail freight having to change gauges, thereby making the use of rail inefficient, slow and expensive, compared to trucking this product to market and or ports for export.

Submission 3:

That this Inquiry urges the Victorian State Government to urgently proceed with the stalled rail gauge standardisation program in the national freight interest.

2. The need for connectivity between SE of SA and the NSW Riverina to Victorian Ports

The standardisation recommended above of lines into the SE of SA will see the transfer of road freight to rail not just to the Port of Portland but also to the ports of Geelong and Melbourne. There is significant potential to transfer paper product made in the SE of SA to rail for export through the port of Melbourne. This is currently carried by road transport because there is no port connectivity, to the detriment of all communities in between (socially and environmentally).

Providing standard gauge connectivity between the Riverina and the Port of Melbourne would see significant quantities of grain flow through that Port on rail. This would have huge economic benefits to the Riverina grain growers and represents the fundamental reason for Riverina councils being represented in our Alliance. They need rail connectivity to Victorian ports and haven't got it! Being able to export through the closest port to where the grain is grown has implicit economic advantages.

Submission 4:

That the Benalla – Oakland and Melbourne – Shepparton – Tocumwal rail lines and related lines be standardised.

3. The need for an Inland rail line between Melbourne and Brisbane

The Alliance is supportive of the proposed inland rail line between Melbourne and Brisbane. The Alliance however has a clear preference for the southern end of this rail link is to go through Shepparton, Tocumwal and Narrandera, rather than through Albury. Our reasons for supporting and advocating the Shepparton – Narrandera route are as follows:

- In our view this route will provide the greatest economic benefit for Victoria and southern NSW and indeed the nation;
- The route will allow for a greater capture of freight en-route to the economic benefit of the rail operators;
- The route will create greater social and environmental benefits through reduced road freight,
- This route will make a significant and beneficial contribution to Victoria's rail gauge standardisation program, and
- That this route is likely to allow for faster movement of freight between Melbourne and Brisbane.

Submission 5:

The Alliance believes that the proposed inland rail route between Melbourne and Brisbane should proceed as an integral and much needed link between producer and ports and that this will be further benefited by the route going through Shepparton, Tocumwal and Narrandera rather than Albury.

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The above recommendations to this Inquiry represent a tangible way to improving the efficiency and cost of bulk and containerised product flow from regions to ports and at the same time improving the social and environmental outcomes for affected communities.

This submission is made with the authority of the Alliance Steering Committee and is signed by the chairman of the Alliance. The Chairman maybe contacted in writing as follows:

Cr. Geoff White, Chairman
Alliance of Councils for Rail Freight Development,
PO Box 126,
Portland Vic 3305

The Chairman may also be contacted directly on 03.55231685.

The Secretary can be contacted on 0408 994952 or by email as follows:
philruge@anson.com.au

Yours in building a better community,

Geoff White (signed)

Cr. GEOFF WHITE
Chairman