

10<sup>th</sup> September 2010

Department of Transport  
Freight Logistics and Marine Division  
Level 11, 121 Exhibition Street  
MELBOURNE VIC 3001

Dear Sir/Madam,

Please find attached a submission on the Shaping of Melbourne's Freight Future Report on behalf of the Western Transport Alliance & LeadWest Ltd.

Yours faithfully,

Kerry Thompson  
Chairperson  
Western Transport Alliance  
&  
Director  
LeadWest



# WESTERN TRANSPORT ALLIANCE

## Response to Shaping Melbourne's Freight Future Discussion Paper

### 1. Introduction

As the region with a direct interface with the Port of Melbourne, key road, rail and airport connections linking Melbourne with other regions, capital cities and international destinations, the western region of Melbourne plays an important role now, and will into the future, in the freight logistics industry.

Whilst the freight industry is a major employer in our region for too long the inner western suburbs of Melbourne have suffered from a loss of amenity due to the movement of freight by road both into and out of the port and the surrounding terminals. The proposed growth in port related activity will increase that amenity impact even further unless alternative plans are developed for the future. Shaping Melbourne's Freight Future provides that alternative plan and the Western Transport Alliance in conjunction with Lead West commends the State Government for both producing the report and providing the opportunity for comment on the report.

This submission will seek to address the various issues raised in the report.

### 2. The Case for a Metropolitan Intermodal Solution

In considering the freight growth figures provided in the report, the Western Transport Alliance accepts the growth in TEU's from just over 2 million in 2007 to 8 million in 2035 is unsustainable using our present road based system, despite planned improvements such as the Truck Action Plan, Westlink and the M1 Corridor improvements which will provide only a five year window of improved capacity.

We also note the economic cost of road congestion to all users is calculated at \$1.3 billion to \$2.6 billion per annum.

#### ***Response***

***The Western Transport Alliance and Lead West accept that a case has been proven for a changed approach to the movement of freight from the port.***

### 3. The Form of a Metropolitan Intermodal Solution

Having examined the three (3) options brought forward i.e.

- A design based on a network of road-road only terminals
- A design based on a network of rail-road only terminals
- A design based on a hybrid network of rail-road and road-road terminals.

#### **Response**

***The Western Transport Alliance and Lead West accept that a “Hybrid” model generates the best range of benefits but raises the following issues:***

- ***The line haul freight movement by rail from the port will impose greater traffic on the existing rail system particularly at grade level crossings. The cost of grade separation and rail upgrades will add significant costs to the proposal. Has this been calculated?***
- ***The location of intermodal terminals and access to them by high productivity vehicles needs to be carefully planned to avoid amenity issues which have impacted on Western Region residents on the past.***

### 4. The Business Model

What aspects of the business model will be critical to the success of the MFTN?

#### **Response**

##### **General**

***The Western Transport Alliance and Lead West consider the key to the success of the intermodal terminal is:***

- ***The movements of containers by rail from the port to the terminal must be cost effective and be able to compete with road transport.***
- ***Private sector investment using tax incentives points to the need for a partnership between both levels of government.***
- ***The end use customer needs being met at competitive rates***

##### **Port to Door Delivery**

***The concept is supported with line haul to the intermodal terminal.***

##### **Fully Integrated Inland Ports.**

*It is noted that broad gauge rail has been adopted due to the proposed South East terminal not having access to standard gauge. The long term implications of this decision need to be assessed.*

#### ***Locate Intermodal Terminals Within Freight Precincts***

*A must for efficient operations and access for HPFV whilst protecting residential amenity.*

### **5. The Operational Model**

How a MFTN might operate?

#### ***Response***

##### ***General***

- *Need to allocate TEU's to the three regional intermodal terminals.*
- *Is there sufficient rail capacity over varying periods of the day to satisfy customer demand?*
- *Can and will stevedores prioritise TEU's off the ship?*
- *Need to consider noise attenuation devices on metropolitan rail lines for late night deliveries.*
- *Intermodal terminals would need to be 24/7 operations.*

##### ***Line Haul combined road and rail modes:***

- *Only sensible approach in a hybrid system, retains flexibility in areas where there is no rail access.*

##### ***Shuttle trains to use single common gauge***

- *Given the cost of providing standard gauge to the South East the use of broad gauge across the system probably makes sense, provided the existing broad gauge network is in good working order. If the existing broad gauge system requires extensive investment a standard gauge solution may be the answer.*

##### ***Prioritise off peak road and rail***

- *Provided off peak meets shipping schedules and customer requirements.*
- *Grade separation issues on some lines maybe an issue.*
- *Maintenance schedules and increased duration of passenger services may impact.*

##### ***Use specialised rolling stock for rail and HPFV's for road.***

- *Performance will be the key to success*

- *Electric shuttles on the existing suburban network capable of high speeds and acceleration would be the answer.*

#### ***Metrol to control shuttle trams***

- *Single operator makes sense*
- *Need to upgrade existing signals network*

#### ***Use a single operating system***

- *Appears a practical consideration*

### **6. The Governance Model**

#### ***Response***

#### ***General***

***On the basis of the government already owning a substantial proportion of the components of the MFTN the proposal that the government own the terminal land with the associated PUD operations contracted to the private sector appears to be a sound proposition.***

***Government land ownership, terminal and PUD operations contracted to the market***

***Franchising a single MFTN line haul operator covering both road and rail appears to be the best way of managing container movements but it raises the issue of a monopoly.***

***MFTN to be oversighted by a single government owned authority.***

- ***Agree that a single authority will bring a focus and authority to the MFTN. The government should ensure the authority is separate but with strong links to the Port of Melbourne Authority. Existing government agencies do not have expertise in this field.***

### **7. Summary**

In summary the Western Transport Alliance and Lead West support the broad parameters of a Metropolitan Freight Terminal Network (MFTN) with the government retaining ownership of terminal land and the operations contracted to the private sector.

Considerable resources need to be allocated to the planning associated with the proposal and the need to consult widely with the freight industry, stevedores and end use customers.

Whilst we applaud the government's lengthy consultation process on the matter we are also mindful of the pressure on the small number of sites in the region which have the size, location pertinent to both road and rail access in a surrounding industrial precinct and we urge urgent steps be taken to acquire the necessary land.

Kerry Thompson  
Chairperson  
Western Transport Alliance

Director  
LeadWest Ltd  
September, 2010