

CEDA - 24 March 2009

GETTING FREIGHT BACK ON TRACK



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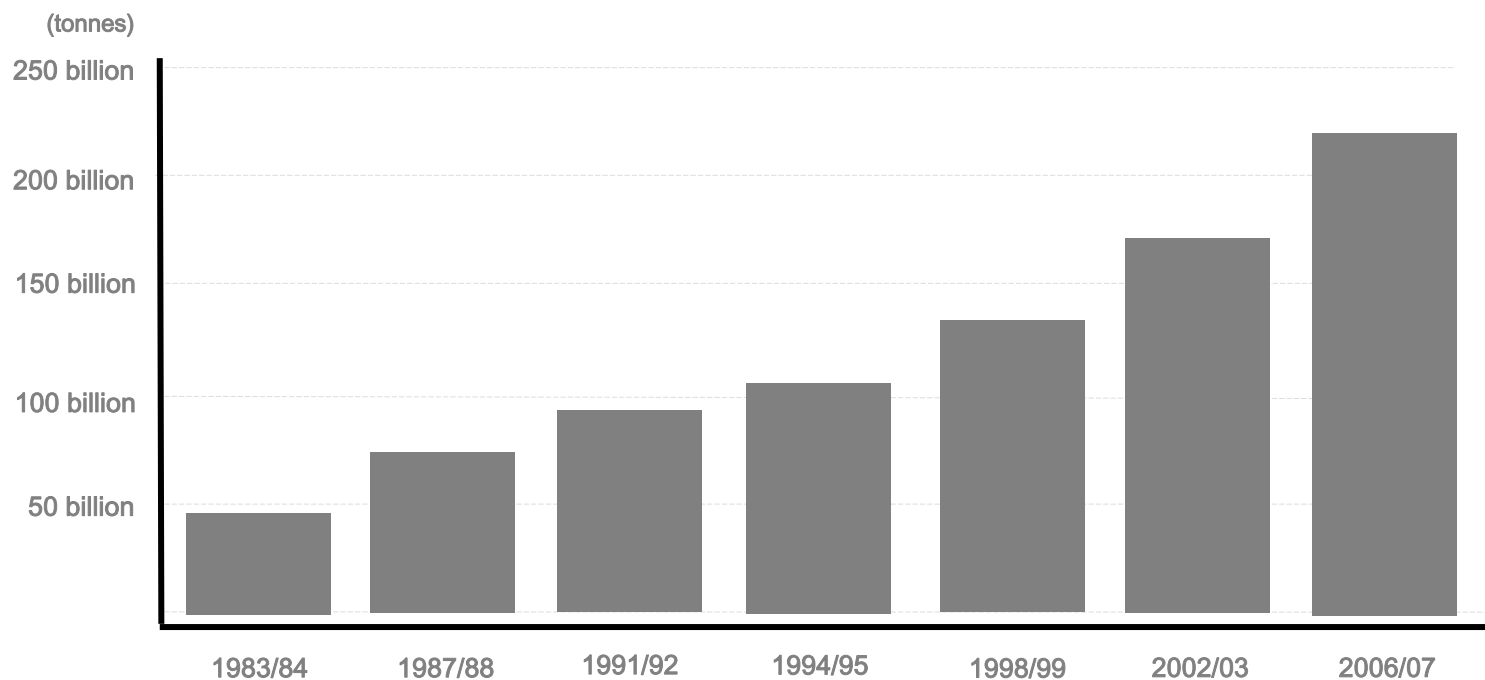
Freight Futures – Our vision for a smart freight network



Population growth

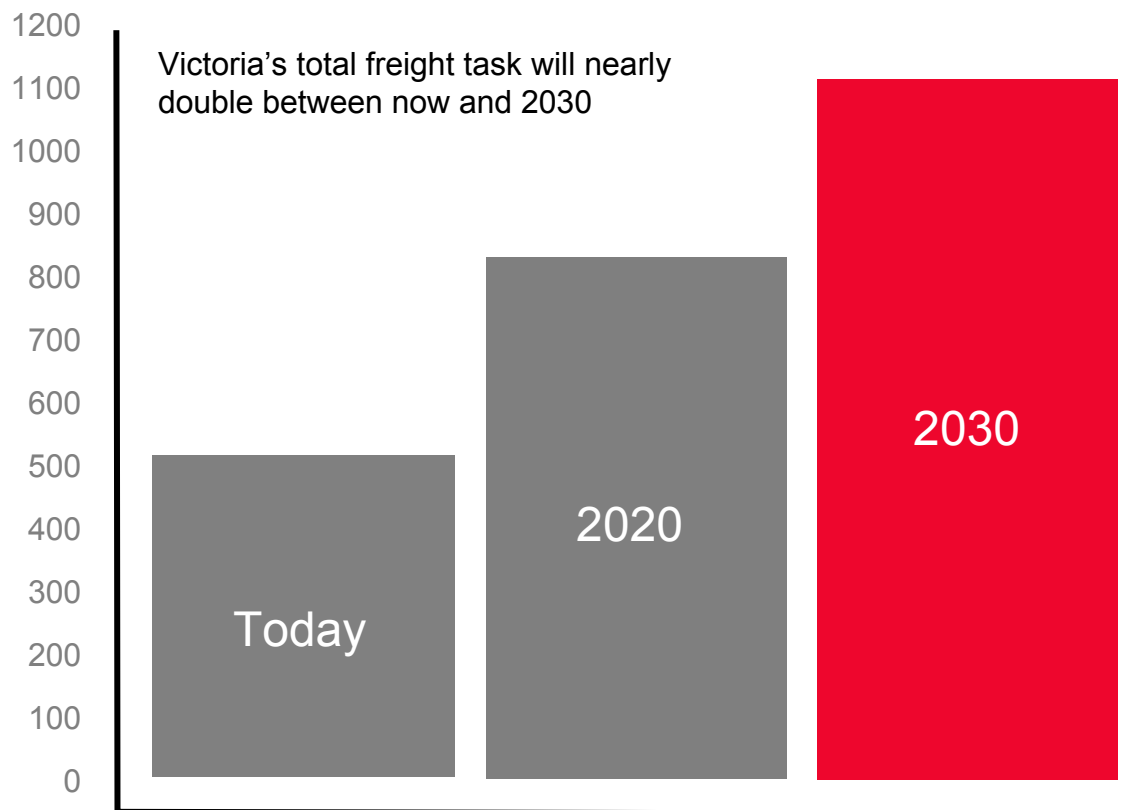


Growth in gross state product



Growth in freight

(million tonnes)



The Overall Freight Challenge

The freight & logistics industry has also been experiencing significant change over the same period

- Reduced levels of domestic manufacturing
- Globalisation and cheaper imports
- Greater concentration of large scale warehousing
- Just in time business operations

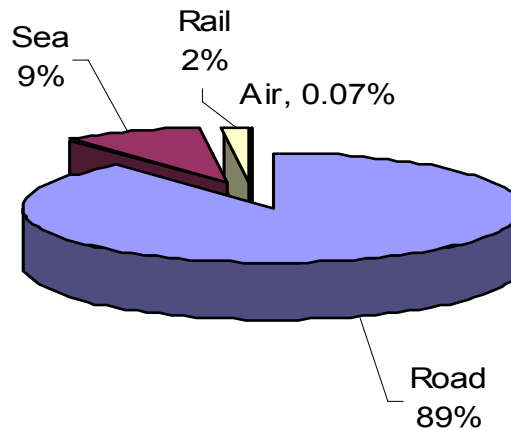
Many of these trends have contributed to increasing the volumes and numbers of freight movements.

Parts of the freight network are at or reaching capacity

Road freight currently dominates freight movements

- Across Victoria, 89% of the freight task is carried by road
- Rail has an important strategic role which must be supported and enhanced.

**Victorian Freight Task 2006
(tonnes)**



Source: BTRE



Rail Freight Markets

- *Interstate rail*
- *Intrastate regional rail*
- *Metropolitan rail*

Competitive Service Package

- ***Timeliness***
- ***Reliability***
- ***Price***

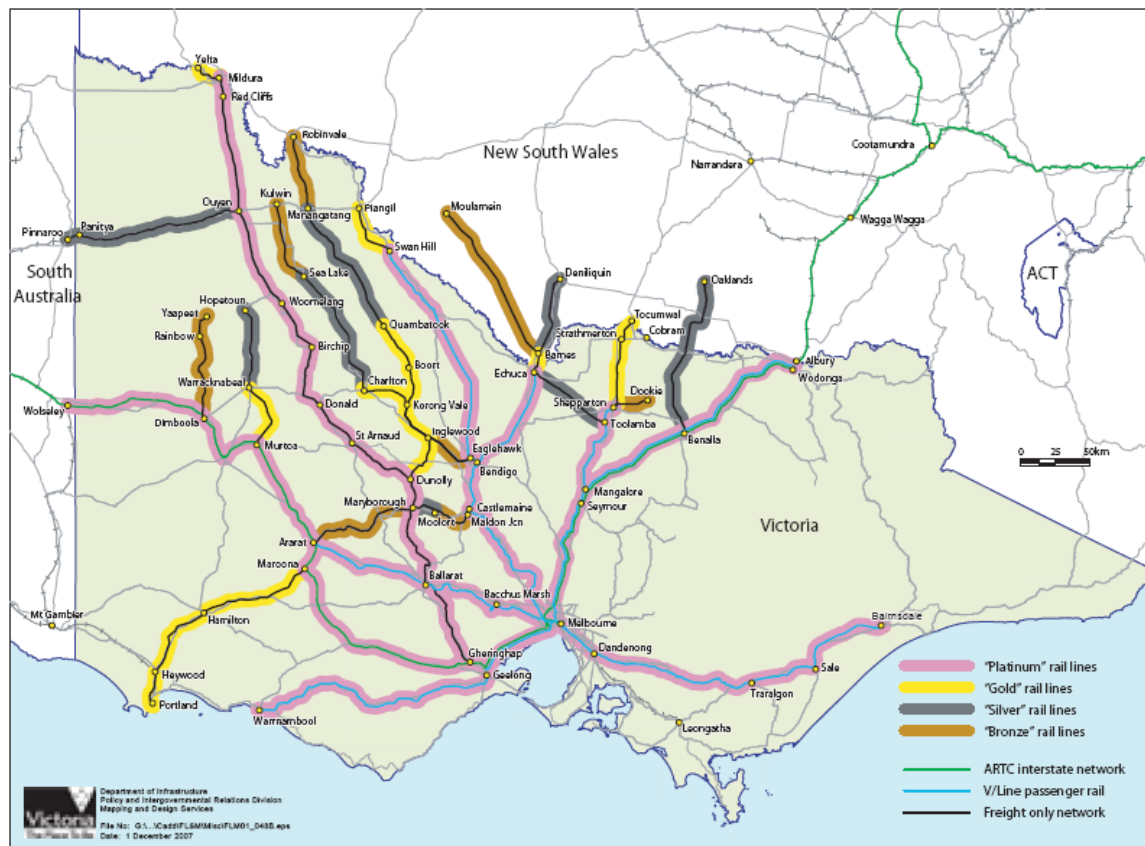
Interstate Freight - North East Rail Revitalisation Project

\$501million to convert 208 km broad gauge track between Seymour and Albury to standard gauge and construct a rail by pass of Wodonga.

70 percent of the Melbourne Sydney rail corridor being double track

Melbourne –Sydney freight transit times reducing from 14 to 11.5 hours.

Intrastate Freight



Metropolitan Freight – Reshaping Flows



- Planning for the future development of the Port/Dynon precinct:
- Encourage consolidation of flows between the port and terminals in key industrial zones to the north, west and south east

In Conclusion

Our rail network is a critical part of Victoria's Principal Freight Network

The government has a role: to plan, to build and invest, and to manage and regulate the network.

Planning is continuing and building is well under way.

The Victorian government believes there are real opportunities for rail to play an increasing role as recognised in Freight Futures and The Victorian Transport Plan.

Investment

Over \$1 billion in rail freight projects presently being undertaken in Victoria:

- Regional rail network buyback: \$134m (5/07)
- \$45m Tottenham – Dynon project (AusLink) (5/07)
- \$15m Tottenham flyover (ARTC) (5/07)
- \$173m+ Dynon Port Rail Link (\$110m AusLink, \$63m State) (6/07)
- \$73m Mildura line upgrade (\$53m State, \$20m AusLink) (12/07)
- \$33.4m Geelong Rail Access Improvement Project (State) (3/08)
- \$42.7m in Gold line funding and freight network maintenance (State)
- \$33.7m in Silver line funding (State) (10/08)
- \$551m North-East Rail Revitalisation Project (\$285m ARTC, \$45m Federal, \$171m State) (5/08)
- \$50m Seymour – Sunshine crossing loop extensions (ARTC) (2/08)
- \$15m Maroona – Portland upgrade (ARTC) (7/08)
- \$50m Port of Melbourne Rail Access Improvement Project (\$13.5m State, \$10m Federal and \$16.5m ARTC) (9/08)
- Rail Freight Support Package: \$20m (2/08)

Thank you
Any questions?