

# 07 National Transport Links – Growing Victoria's Economy



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## Message from the Premier

The Victorian Government is proud of our achievements in delivering transport projects of national importance with the support and cooperation of Victorian industry, the construction sector and local government. We are also proud of our record levels of State investment in transport and our commitment to building an efficient and safe transport network.

Thanks to this investment, Victoria's transport network is in good shape – but new challenges and pressures lie ahead. Further action and investment in land transport is needed to ensure that Victoria manages the rapidly growing freight task and provides the transport solutions our industries need to drive productivity, boost exports and secure new markets in an increasingly competitive world.

A key challenge for Victoria's transport network to 2015 is to manage the growth in freight moving to and from the Port of Melbourne along key national and regional corridors.

This document sets out Victoria's 30 priority projects along key transport corridors for the next round of AusLink funding from 2009- 2014. The Victorian Government has also identified other medium and longer term projects along these corridors.

Our proposals reflect the Victorian Government's long term vision for the State's transport network and are directed towards ensuring that Victoria remains one of the most liveable places in the world while meeting the significant transport challenges ahead, including:

- managing the increased demands that will be placed on existing infrastructure as a result of expected strong growth in road and rail freight;
- continuing to provide a highly competitive business environment by keeping transport costs down;
- increasing transport efficiencies through intermodal solutions and seamless road and rail connectors to our ports; and
- ensuring that the State's transport network delivers economic, social and environmental benefits to Victoria and Australia, including cutting congestion, reducing road trauma, improving connections between communities and developing smarter, cleaner and healthier forms of travel.

These priorities have been developed in consultation with Victorian industry, peak transport organisations and local government. We look forward to their ongoing support of and input into our AusLink priorities.

A handwritten signature in cursive script that reads "Steve Bracks".

Steve Bracks  
Premier of Victoria





## Message from the Minister for Roads and Ports

Victoria's role as the national transport and logistics hub is one of the key drivers of our nation's economy. High quality infrastructure is essential for the State to play its role in the national supply and logistics chain.

Victoria has been a strong supporter of AusLink's integrated, cooperative approach to funding the development of Australia's national transport network.

The Victorian Government recognises the value of such an approach in delivering transport projects of substantial economic, social and environmental benefit to Victoria and Australia. We acknowledge that we cannot achieve our goal of building a world class transport network for the State without the support, engagement and investment of the Commonwealth Government.

However, as the Victorian Government continues to deliver our long term plan for investment in the State's transport network, Victorians also expect the Commonwealth Government to contribute a fair share of funds. At present, while Victoria carries 25 per cent of the national transport task and Victorians contribute 25 per cent of fuel excise collected by the Commonwealth Government, we received only 16.5 per cent of the previous AusLink transport funding allocation for the AusLink national network. This share needs to be better.

Funding needs to be based on an economic responsibility that responds to the national economy's needs and the community's rights not to be treated adversely because Victoria has invested in and maintained its critical road network.

If Victoria had received a fair share of AusLink 1 funding, nine additional regional road projects with a value of \$1.27 billion could have commenced between 2004 and 2007. These projects would have generated benefits to the State's economy of around \$1.16 billion. Alternatively, if the funds had been invested in upgrading Melbourne's Western Ring Road, a benefit of around \$4.3 billion would have been generated.

The Victorian Government believes that Victoria has a compelling case for increasing our share of AusLink funding – a case based not just on fairness, but on the substantial contribution Victoria's transport network currently makes to the national economy and our potential to make an even greater contribution to Australia's future industry development, economic growth and national prosperity.

A handwritten signature in dark ink, appearing to read 'Tim Pallas'. The signature is stylized with a large 'T' and 'P'.

Tim Pallas  
Minister for Roads and Ports



# National Transport Links – Growing Victoria's Economy



# National Transport Links – Growing Victoria's Economy

National Transport Links – Growing Victoria's Economy is the Victorian Government's strategy to upgrade the State's transport network under AusLink 2 for the future growth and prosperity of Victoria and Australia.

The strategy proposes to deliver a significant upgrade of Victoria's key transport links on our road, rail and port networks between 2009 and 2014.

Thirty priority projects in regional Victoria and metropolitan Melbourne, have been identified for partnership with the Commonwealth Government.

These projects will:

- Address capacity constraints in key transport corridors;
- Enhance the efficient operation of Victoria's transport network for industry growth, regional development and export activity;
- Make our roads safer for truck drivers and Victorian motorists and deliver significant travel time savings;
- Reduce transport costs;
- Improve the international competitiveness of Australian industries;
- Make our rail system more competitive and efficient for freight companies; and
- Provide faster and enhanced connections to our trading ports for the export of Australian manufactured goods and agricultural products.

Completion of these projects will mean that by 2014, nearly all Victorian major regional centres located on the existing AusLink national network will be fully connected to Melbourne by a duplicated highway.

National Transport Links – Growing Victoria's Economy will give the Victorian transport network the capacity to meet the challenges posed by the predicted doubling of freight volumes in Australia over the next 20 years.

To ensure that Victoria has the best possible integrated transport network, the Victorian Government will continue to invest in off-network road and rail lines, and maintain these assets to the highest possible standard.

The estimated value of the 30 Victorian projects proposed for funding under AusLink 2 is in the range of \$9.5 – \$11.5 billion in 2007 dollars.

This is a preliminary estimate that will be substantially refined when the Victorian and Commonwealth Governments undertake business case studies for all potential AusLink 2 projects during 2007-08.

It is expected this process will take account of a range of factors that will have an impact on project costs including:

- trends in price movements in the Australian construction industry,
- the value of projects in nominal dollars at the time of construction, and
- the appropriate design and scope of projects so to maximise their economic, environmental and social benefits.

The Victorian Government is committed to delivering these projects in a genuine partnership with the Commonwealth. It accepts its responsibility to contribute to the funding of nationally-significant transport infrastructure.

The Victorian Government is therefore prepared to contribute 25 per cent to this package.

This would comprise a direct contribution from Victoria to each of the 30 projects (with the exception of those on the national rail network, given its status as an asset leased to the Commonwealth-owned ARTC).

The Victorian Government believes that in the spirit of a genuine partnership, the Commonwealth and Victorian Governments should agree to realistic arrangements to respond to price changes in projects. A realistic approach will ensure the management and delivery of AusLink projects is not hindered by inflexible 'caps' on funding contributions by either party.

The following table shows each of the Victorian projects proposed for AusLink 2 funding. The 30 projects are:

## Priority Victorian projects

### Melbourne Urban Corridor

Western Ring Road Capacity Enhancement  
West Gate Bridge Rehabilitation  
Dynon – Port-Rail Access  
Webb Dock Rail Access  
Dynon - Port Precinct Intermodal Terminal  
Metropolitan Intermodal Terminal Development (Altona/Laverton and Dandenong)  
Melbourne – Dandenong: Port Hastings Freight Link Stage 1

### Melbourne – Adelaide Corridor

Western Highway Duplication - Ballarat to Stawell  
Western Freeway Realignment - Melton to Bacchus Marsh  
Western Highway Access Control – Woodman's Hill Ballarat  
National Rail Improvement Program: East West Rail Line - Melbourne to South Australia border  
Dooen (Horsham) Intermodal Terminal  
Western Freeway Upgrade and Safety Improvements – Rockbank to Melton  
Western Highway Capacity and Safety Improvements – Stawell to South Australia border

### Mildura – Melbourne Corridor

Calder Freeway Safety and Capacity Improvements – Western Ring Road to Diggers Rest  
Calder Highway Interchange - Calder Alternative Route, Ravenswood

### **Melbourne – Geelong Corridor**

Geelong Ring Road – Stage 4A (Connection from Geelong Ring Road to Anglesea Road)  
Stage 4B (Connection from Anglesea Road - Princes Highway West)  
Stage 4C (Surf Coast connection)

Geelong Intermodal Terminal

### **Geelong – Portland – Mt Gambier - Adelaide Corridor**

Princes Highway West Duplication - Waurin Ponds to Colac

### **Melbourne – Sydney Corridor**

National Rail Improvement Program: North South Rail Line - Melbourne to Wodonga  
Wodonga Intermodal Terminal  
Somerton Intermodal Terminal  
Hume Highway Upgrade and Safety Improvements - Kalkallo to Beveridge

### **Melbourne – Brisbane Corridor**

Goulburn Valley Highway – Shepparton Bypass  
Goulburn Valley Highway – Nagambie Bypass  
Goulburn Valley Highway – Strathmerton Deviation  
Shepparton Intermodal Terminal

### **Sydney – Adelaide Corridor**

Sturt Highway – Mildura Truck Bypass

### **Sale – Melbourne Corridor**

Princes Highway East Duplication - Traralgon to Sale  
Princes Freeway East Upgrade and Safety Improvements – Nar Nar Goon to Longwarry North





# CHAPTER 1. Overview



## CHAPTER 1: Overview

The AusLink White Paper (2004) forecasts that the freight task in Australia will double over the next 20 years. The Victorian Freight and Logistics Council (2005) has identified that Victorian freight volumes will more than double by 2020.

Growth in Victorian freight is exemplified by Australia's largest container handling port, the Port of Melbourne, which handled approximately \$70 billion of trade in 2003/04 increasing to \$90 billion in 2006. The Port handled approximately 2 million TEUs (twenty foot equivalent units) in 2006, which is 37 per cent of Australia's container trade. By 2020, this figure is expected to rise to 3.8 million TEUs and 7 million by 2035.

A modern, efficient and safe transport network is critical to the future growth and prosperity of Victoria and Australia. The Victorian Government is building such a network through an integrated and strategic approach to transport planning and delivery – an approach that links investment in Victoria's transport system with sustainable economic growth and industry development, and that focuses on delivering significant long term economic, social and environmental benefits to the State.

Victoria has strongly supported the national AusLink program and the Commonwealth Government's adoption of a more integrated and cooperative model of funding transport infrastructure. The Victorian Government has backed this support with substantial investment in the State's transport network – investment that not only generates benefits for Victoria, but also is in the national interest.

### AusLink Strategic Directions

Victoria has identified key road and rail projects for priority funding under AusLink 2 consistent with the eight key strategic directions in the AusLink White Paper 2004. The strategic directions are:

1. Planning on an integrated long-term basis,
2. Improving the eastern seaboard north-south corridors,
3. Improving the capacity and reliability of other interstate and interregional corridors,
4. Addressing congestion on key urban links,
5. Utilising technology,
6. Improving safety and security,
7. Protecting past investment, and
8. Supporting regional and local economic growth.

A key component of the AusLink process is the development of a strategy for each corridor of the AusLink National Network. A corridor strategy is a statement of the shared strategic priorities of the Australian and State and Territory Governments for the long term (to 2030) development of the AusLink network.

The Victorian Government continues to work collaboratively with the Commonwealth, State and Territory Governments to develop the relevant corridor strategies. The projects identified in this document are consistent with the strategic directions contained in AusLink.

## Victoria: Australia's freight hub

Around 70 per cent of Australia's freight movements occur within or pass through the State of Victoria. As the engine room of the national economy and Australia's transport and logistics hub, Victoria has a strong case for receiving a greater share of transport investment through AusLink. Victoria generates 25 per cent of the nation's Gross Domestic Product (GDP), contributes 25 per cent of fuel excise collected by the Commonwealth Government and is home to 25 per cent of Australia's population. Victoria also carries 25 per cent of the national transport task. Despite this, Victoria received only 16.5 per cent of the previous AusLink funding allocation for the AusLink national network.

Victoria's transport network also plays a critical role in supporting the nation's export performance. The State's agricultural and manufacturing sectors are highly export-focused, accounting for 87 per cent of Australia's dairy exports, 39 per cent of horticultural exports, 37 per cent of wool and fibre products exports and 25 per cent of food exports. In addition, Victoria's imports form a large part of the freight task, and are vital to many industries and commercial activities as well as supplying the retail sector.

## Melbourne Airport

Melbourne Airport, Australia's only curfew-free major international airport, accounts for 32 per cent of the nation's air freight. It handles 350,000 tonnes of airfreight each year, giving it a 30 per cent share of Australia's airfreight and placing it in the top 50 world airports in terms of freight tonnage. In 2004-05, there were 28,000 international aircraft movements at Melbourne Airport (carrying 4.3 million passengers), and 151,000 domestic movements (carrying 21 million passengers). Melbourne Airport is central to the provision of airfreight services. Avalon, Essendon and Moorabbin Airports also contribute to the movement of freight and passengers.

## Victoria's manufacturing sector

Victoria's manufacturing sector is the largest in Australia, with trade in manufactured goods providing 60 per cent of Victoria's total exports.

Victoria's 17,000 manufacturers:

- Contribute more than \$26 billion to Australia's economy,
- Export \$14.6 billion of manufactured goods around the world, and
- Provide jobs for more than 336,000 Australians.

While Victoria's transport network makes a major contribution to the nation's industries, exports and economy, the pressures on the network will increase significantly over the next two decades. New investment will be needed to deal with predicted strong population growth, an expected doubling in freight volumes in Victoria every nine years, a 350 per cent increase in the number of containers handled by the Port of Melbourne over the next 25 years and the rising demand for efficient freight transport in industries such as plantation timber, mineral sands, dairy, horticulture and processed food.

## Emerging safety and capacity constraints

Victoria's transport network continues to be a competitive advantage for the State and a major contributor to national economic growth. However, a number of capacity constraints, bottlenecks and gaps are emerging. Unless these constraints are addressed over the next five years by all levels of Government, Victoria's efficiency and competitiveness will be adversely affected, with significant flow-on effects for the national economy.

The AusLink White Paper states that the Australian Government will periodically review the network's composition to assess whether particular corridors or links should be added or removed. The Victorian Government supports this review and believes an important addition to the national network must be the Geelong to Mt Gambier corridor which also runs through Colac, Warrnambool and the Port of Portland. This would provide a safer and more efficient link between expanding agricultural, timber and tourism industries in the resource rich south west of Victoria and south eastern South Australia, including 'The Green Triangle' and the Ports of Portland and Geelong.

The 30 priority projects Victoria has nominated for AusLink 2 funding will address capacity constraints in key freight corridors and enhance the efficient operation of the Victorian transport network for industry growth and development, freight movement and export activity. They will deliver major safety benefits and travel time savings.

## Melbourne's East-West Corridors

The West Gate Freeway at its busiest section carries 180,000 vehicles a day, of which approximately 25,000 are trucks. This figure is rising by up to 5 per cent every year, making it more congested and slowing travel time for passengers and freight vehicles. It is estimated that the Monash – West Gate Freeway will be at full capacity within two decades.

The Victorian Government is currently undertaking the East-West Link Needs Assessment, due to be completed in 2008, to identify the next steps in addressing the growing demand for personal, business and freight travel across Melbourne. The study is being chaired by Sir Rod Eddington.

Central to this assessment is the recognition that Melbourne is heavily reliant upon the Monash–City Link–West Gate corridor (part of the AusLink National Network) as the only major east-west road link to support travel between the industrial and residential growth areas to the west and south-east of Melbourne.

This corridor also plays a vital role in linking the Port of Melbourne with major industrial and commercial precincts, as well as linking Melbourne with regional Victoria and interstate freight corridors.

The capacity of the Monash- West Gate Freeway will be substantially upgraded as a result of a \$1 billion commitment by the Victorian Government announced in Meeting Our Transport Challenges in May 2006, including \$120 million towards rehabilitating the West Gate Bridge.

However, this will only provide limited additional capacity. Further network improvements will be required to meet Victoria's and Australia's long-term needs.

These improvements will be identified by the East-West Needs Assessment and they may involve significant infrastructure projects. Given the national significance of this corridor, the Victorian Government believes AusLink funding will be appropriate over the medium to long-term. The Victorian Government looks forward to working with the Commonwealth to develop agreed outcomes from the East-West Needs Assessment.

## CHAPTER 2. Victoria's investment in the transport network



## CHAPTER 2: Victoria's investment in the transport network

The Victorian Government, in partnership with the private sector and other levels of government, is currently undertaking the biggest investment in Victoria's rail, road and port network in the State's history. In his Budget Speech in May 2006, the Victorian Treasurer the Hon John Brumby MP, reported that the Government has invested \$13 billion in infrastructure in Victoria over the last six and a half years.

One of the key objectives of this investment is to create sufficient capacity in Victoria's transport network to perform the freight task over the next 20 years, including the movement of goods for export and the Australian domestic markets.

This investment is being undertaken within a comprehensive policy framework for integrated transport and land-use planning and economic development, consistent with the long-term objectives of the AusLink White Paper, key Victorian Government strategy documents such as Growing Victoria Together, Melbourne 2030, Moving Forward: Making Victoria the Best Place to Live, Work and Invest, Linking Melbourne – Metropolitan Transport Plan, Meeting our Transport Challenges and the Victorian Government Response to the Victorian Competition and Efficiency Commission report on Congestion (March 2007).

Over the last seven years, the Victorian Government has taken action to ensure that the State's transport network meets these challenges and has the capacity to support changing industry needs and the growing freight task. This action includes:

- Re-investing in the rail network by undertaking the biggest upgrade of key lines in the State's history, acquiring the below-rail regional network for \$134 million and committing to invest \$25 million on upgrading and consolidating the rail freight network,
- Successfully leveraging significant private sector investment in the expansion of the freight network, including the \$2.5 billion EastLink PPP project,
- Committing substantial additional funds to upgrade arterial roads and key freight routes in Melbourne and regional Victoria, including the \$1 billion Monash – CityLink – West Gate upgrade,
- Undertaking major regulatory reform to drive a more efficient freight system, including higher productivity freight vehicles, higher mass limits on bridges and roads, and pricing reform,
- Implementing the Victorian Ports Strategic Framework to guide future development of Victoria's four commercial trading ports: Melbourne, Hastings, Geelong and Portland, and
- Undertaken initiatives to expand Victoria's network of intermodal terminals, including funding of \$2.2 million for a new terminal at Dooen (near Horsham) and feasibility studies at Geelong and Shepparton.

### Planning for connectivity between AusLink corridors

Strong passenger and freight growth in Victoria, particularly around urban growth corridors, will mean that existing road infrastructure will come under increased pressure. The Victorian Government will continue to plan for arterial road connections in outer metropolitan areas, including to the north and west of Melbourne, to address these issues and provide increased connectivity between AusLink national corridors.

## AusLink 1

Through AusLink 1, Victoria committed to deliver nationally significant projects in key transport corridors and to undertake strategic improvements to regional transport infrastructure, local road upgrades and accident Black Spot initiatives.

Victoria received only 16.5 per cent of the previous AusLink funding allocation for the AusLink national network, despite generating 25 per cent of Australia's Gross Domestic Product, housing 25 per cent of Australia's population and contributing 25 per cent of fuel excise collected by the Commonwealth.

In addition, despite promising \$541.5 million to deliver a vital freight route in eastern Melbourne through the Scoresby corridor, the Commonwealth only provided \$310.7 million of these funds to Victoria.

Victoria continues to deliver nationally significant projects funded through AusLink. These projects include:

- Hume Freeway – Albury-Wodonga Bypass;
- Hume Freeway – Craigieburn Bypass\*; and
- Goulburn Valley Highway – Murchison East Deviation.\*

AusLink national projects that are currently underway or in planning/design phase include:

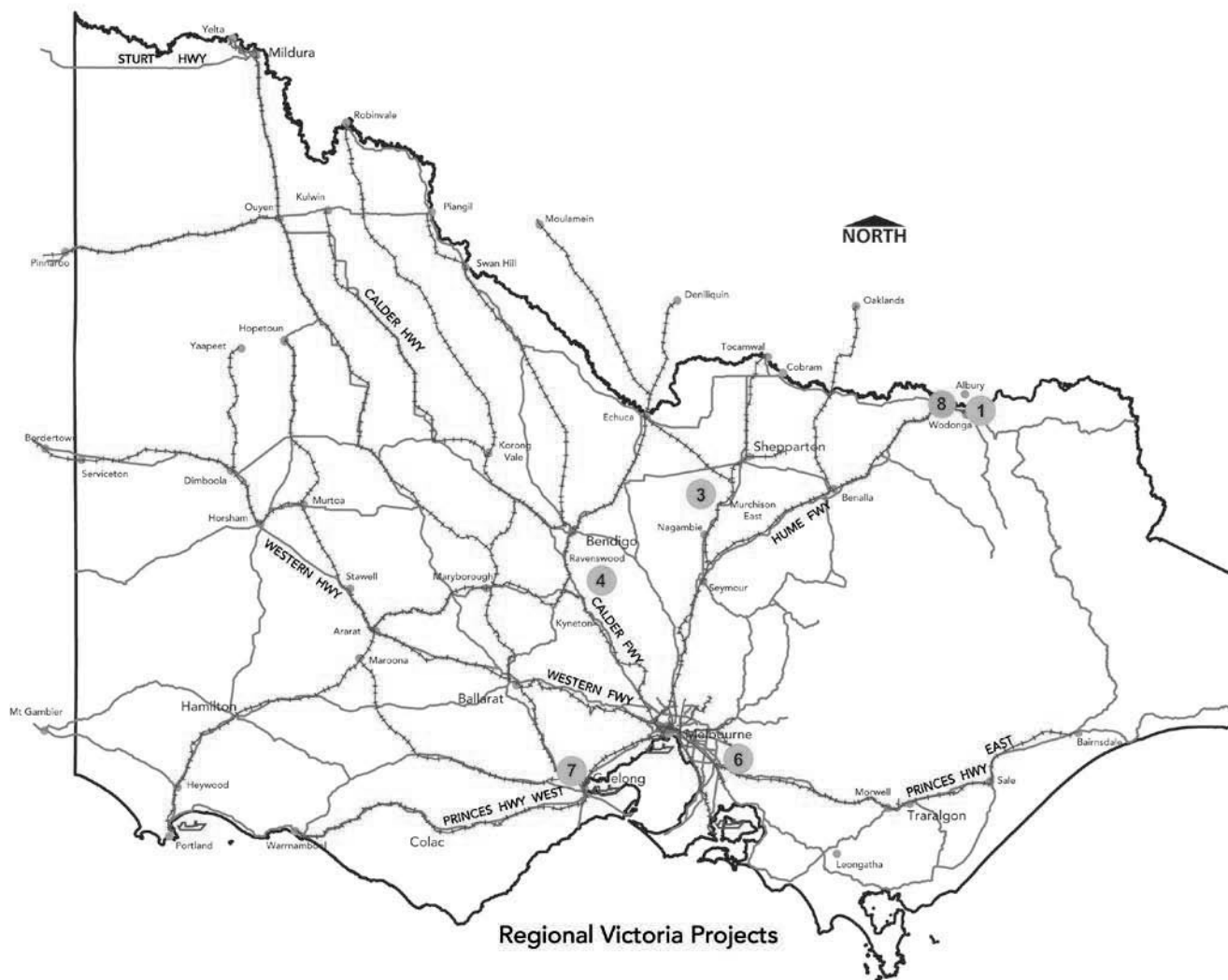
- Calder Highway – Kyneton to Ravenswood duplication;
- Western Freeway – Deer Park Bypass;
- Princes Freeway East – Pakenham Bypass;
- Princes Freeway – Geelong Ring Road (Stages 1, 2 and 3);
- Hume Freeway – Donnybrook Road;
- Goulburn Valley Highway - Arcadia;
- Wodonga Rail Bypass; and
- Dynon Port Rail Link.

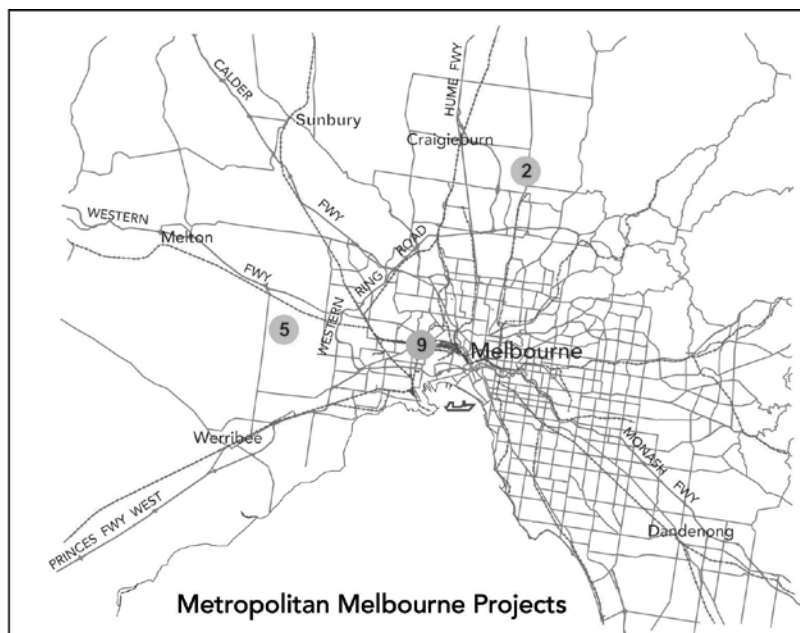
\* Funded by the Commonwealth prior to the creation of the AusLink National Network program.

These projects will deliver significant economic, environmental and social benefits to Victoria and Australia, including reduced congestion and travel times, improved safety, greater freight efficiency, and faster connections between Melbourne and regional Victoria.

Victoria has worked in partnership with the Commonwealth to deliver these projects, including jointly funding key projects, providing supporting transport links and connections, and undertaking planning studies. Victoria's sound project management practices have enabled key national transport projects to commence at the earliest possible time.

# AusLink 1 Projects





#### LEGEND

- Rail project
- Road Project
- Railway
- Major Road
- Port

#### COMPLETED PROJECTS

1. Hume Freeway - Albury-Wodonga Bypass
2. Hume Freeway - Craigieburn Bypass\*
3. Goulburn Valley Highway - Murchison East Deviation\*

#### PROJECTS CURRENTLY UNDER CONSTRUCTION

4. Calder Highway - Kyneton to Ravenswood Freeway
5. Western Freeway - Deer Park Bypass
6. Princes Freeway - Pakenham Bypass
7. Princes Freeway - Geelong Ring Road
8. Wodonga Rail Bypass
9. Dynon intermodal freight precinct rail link

\* Funded by the Commonwealth prior to the creation of the AusLink National Network program.

## Tacking urban congestion – Meeting Our Transport Challenges

Population is one of the most important drivers of infrastructure demand. Victoria's population is projected to increase from 5.1 million people in June 2006 to over 6.2 million people in June 2031. The majority of this increase in population will occur in the Melbourne urban area, which is expected to accommodate a million extra people by 2031.

In May 2006 the Victorian Premier, The Hon Steve Bracks MP, announced in Meeting Our Transport Challenges a \$10.5 billion investment plan for the State's transport system to 2016. The plan has a major focus in reducing the economic, social and environmental impacts of urban congestion. Some key priorities include:

- The biggest ever upgrades in Victoria's history to tram, train and bus services to encourage commuters to make more trips by public transport and help reduce congestion.
- Interconnecting key freight centres, including the Port of Melbourne and industrial areas in Melbourne's outer west, north and south-east.
- Providing efficient connections to the major highways to provincial Victoria and interstate.
- Improving the capacity of east-west connections across Melbourne to reduce freight congestion and meet the growing demand for cross-town travel.
- Identifying and securing reservations for future road and rail corridors, particularly in Melbourne's outer suburbs and the State's growing satellite towns such as Bacchus Marsh, Melton, Gisborne, Werribee and Sunbury.

## Council of Australian Governments (COAG) Reform Agenda

These key priorities contained within Meeting Our Transport Challenges are consistent with the policy responses recommended by the Council of Australian Governments (COAG) Urban Congestion Review Report (February 2006), which was subsequently endorsed by the 13 April 2007 meeting of COAG.

The COAG Report found that non-bulk ports (such as the Port of Melbourne) are accessed by the national road and rail network through capital cities: therefore, urban bottlenecks adversely affect supply chains for many regional exports. The Report also found that the value of investments in inter-urban links on the AusLink network is maximised when their urban connections function efficiently.

In its 13 April 2007 decision, COAG noted that AusLink contributions to future urban projects should continue to recognise the investments made by States and Territories in urban congestion initiatives on and off the national AusLink network. This approach was subsequently endorsed by the 2 May 2007 meeting of the Australian Transport Council.

Consistent with these decisions, AusLink planning and funding arrangements must reflect the integrated nature of urban transport networks and their significance to the efficient operation of national supply chains. AusLink arrangements should also reflect the role of each element of the freight and passenger systems, including the positive impact of investments made to corridors adjoining the AusLink national network.

## Regional Development – Moving Forward

In October 2005 the Victorian Government announced new initiatives in the Moving Forward statement that will significantly upgrade supply chain management for regional industries to allow faster access to domestic and international markets. Key infrastructure projects include:

- A \$20 million Intermodal Freight Program through the Regional Infrastructure Development Fund for new and upgraded freight terminals across regional Victoria. Under the program, funding of \$2.2 million has been allocated to a new intermodal terminal at Dooen near Horsham,
- A \$30 million upgrade of local regional ports, reflecting the \$546 million annual contribution these ports make to the State's economy by supporting the commercial and recreational fishing industries, the boating and tourism industries, and supply chain links for the ship repair industry, fish processing sector and charter/diving boat industry, and
- A \$6 million upgrade of local roads and dairy farm gate entrances to make them suitable for access by B-double tankers, allowing safer and more efficient access to domestic and international markets.

## Victoria's Public – Private Partnerships

The EastLink corridor through Melbourne's eastern suburbs will be a vital freight, passenger and business link, serving commercial and industrial businesses that generate more than 40 per cent of the State's manufacturing output.

The project is an example of Victoria's success in leveraging private sector investment in major infrastructure projects.

When completed in 2008, the EastLink project will form a vital connection in the State's logistics chain, cutting travel time for commercial and passenger vehicles to Melbourne's CBD, the Port of Melbourne, Melbourne Airport, key industrial areas and other interstate road and rail corridors.

The project, which is privately owned, built and operated, has been undertaken according to the State's Partnerships Victoria policy, a framework that has led Australia in the successful development of public-private partnerships.

## Road safety

Road safety is an important focus for the Victorian Government on all roads including those within AusLink corridors.

The National Road Safety Strategy 2001-2010 aims to dramatically reduce death and injury on Australian roads, with a target of a 40 per cent reduction in the number of fatalities per 100,000 population by 2010, from 9.3 in 1999 to no more than 5.6 in 2010.

Through its arrive alive! strategy, Victoria has achieved a dramatic reduction in the State's road toll. Between April 2002 and April 2004, Victorian road fatalities fell by 32 per cent, compared to a national reduction of six per cent during this period. At the end of 2006, Victoria recorded 6.6 road fatalities per 100,000 population, compared to 8.3 for the rest of Australia. As noted by the Australian Transport Council (ATC) meeting on 4 May 2007, Victoria has achieved a road safety record considerably superior to other states.

This outcome has been achieved by a combination of speed management initiatives, public education campaigns and new investment in road infrastructure.

Since 1999, the Victorian Government has committed more than \$500 million to deliver targeted road safety infrastructure programs. This has included the \$240 million state-wide Blackspot Program – the largest of its kind in Australian history – the current \$240 million Safer Roads Infrastructure Program, the \$20 million School Speed Zone program and \$20 million on motorcycle safety treatments.

A further \$600 million over 10 years has been committed as part of Meeting Our Transport Challenges for initiatives including a Greyspot Program to reduce crash risk at potentially high risk intersections and research into serious injury crashes and intersection crashes.

An additional \$200 million will be spent improving safety at rail level crossings. These programs complement the Federal Accident Blackspot Program, and safety upgrades to key national freight corridors made under the AusLink 1 National Network program.

The Victorian Government supports the National Road Safety Strategy developed by all jurisdictions through the Australian Transport Council, and supports the extension of federal blackspot funding as part of AusLink 2.

In addition to infrastructure improvements, gains in road safety have resulted from tougher enforcement around key known risks such as speed and drink driving. Further, in 2004, Victoria was the first jurisdiction in the world to introduce road side testing for driving while affected by illicit drugs. Current data shows that drugs are present in 40 per cent of all driver fatalities.

In terms of improving the safety of vehicles on Victoria's roads, a number of initiatives have been implemented to encourage all vehicle purchasers to make safety a top priority when purchasing their next vehicle.

Victoria's road safety initiatives have been strongly supported by innovative and educational mass media campaigns undertaken by the Transport Accident Commission.

## CHAPTER 3. Port infrastructure



## CHAPTER 3:

# Port infrastructure

The Port of Melbourne is Australia's largest container and general cargo port, handling 39 per cent of Australia's container trade each year.

The Port of Melbourne has experienced 15 consecutive years of trade growth. For the 12 months to March 2005, the Port experienced 14 per cent growth in container throughput. In the 12 months to March 2007, growth of 7 per cent occurred, despite Victoria experiencing its worst drought on record.

The Victorian Government has developed the Victorian Ports Strategic Framework to guide infrastructure and land-use planning at each of the State's four trading ports. Key issues addressed in the framework include:

- the use of new technology,
- intermodalism,
- land-use planning,
- environmental management, and
- safety and security systems.

Through AusLink and Victorian Government funding, the Victorian Government is improving rail and road connections to the Port of Melbourne and regional trading ports. A number of projects are being undertaken in cooperation with the Australian Rail Track Corporation. These upgrades will reduce bottlenecks in the supply chain and lower costs for exporters.

However, significantly higher levels of investment will be needed over the next five years to address capacity constraints, particularly within the Port of Melbourne and Dynon terminal precinct.

The Port is located close to the heart of Melbourne's metropolitan and central business areas. It has experienced 15 years of consecutive trade growth. Throughput is forecast to double by 2020 and triple by 2035, when 7 million TEUs are expected to be handled each year.

A key challenge for Victoria's transport network to 2015 is to manage the growth in freight moving to and from the Port of Melbourne along key national and regional corridors.

Each of these corridors traverse urban areas of Melbourne which are experiencing higher levels of congestion as a result of population growth, changing land-use patterns and strong economic growth.

The Australian economy will experience major bottlenecks in key supply chains unless improvements are made to the capacity and performance of each of these corridors. This will constrain economic development, export opportunities and jobs growth.

Capacity constraints currently occurring on these corridors include:

- Excessive travel times on the Melbourne-Sydney rail line due to ageing infrastructure and a lack of standard gauge capacity,
- Peak-hour congestion for freight on the Monash-West Gate Freeway and Western Ring Road,
- The need for improved rail connectivity to the Dynon Precinct and Port of Melbourne, and
- A lack of intermodal terminal capacity in Melbourne and inadequate access to existing terminals.

The Victorian Government has identified priority projects to address these constraints and enhance the productive capacity of Victoria's transport network. These projects include:

- Western Ring Road Capacity Enhancement,
- West Gate Rehabilitation,
- Dynon-Port-Rail Access,
- Melbourne-Sydney Rail Improvement Program, and
- Dynon Intermodal Terminal Project.

As well, the Victorian Government has commenced the East-West Needs Assessment to identify long-term options for an additional east-west corridor in Melbourne to serve the Port and relieve pressure on the West Gate-Monash Freeway and the Western Ring Road. This study is being chaired by Sir Rod Eddington and will be completed in early 2008.

## Adding ports infrastructure to the AusLink program

Victoria's commercial trading ports – at Melbourne, Geelong, Portland and Hastings – are key drivers of the State and national economies, handling more than \$90 billion per annum in import and export trade.

Trading ports play a vital role in the supply chain for south-eastern Australia, supporting the economies of Victoria, South Australia, southern New South Wales and Tasmania. They are the gateways to more than 300 markets for Australian industries, including dairy products, wool, grain, processed food, horticulture, timber and manufactured components.

The Exports and Infrastructure Taskforce Report to the Prime Minister in May 2005 recommended that AusLink be extended to include ports of national significance and their associated shipping channels.

The Victorian Government strongly supports this recommendation.

Australia's key trading ports play a crucial role in facilitating the movement of goods and services throughout the nation and overseas. The national significance of these ports to Australia's economy is obvious. However, there are increasing demands placed on both our land and port infrastructure to efficiently facilitate these transport movements.

Regional ports will also need infrastructure upgrades to handle higher volumes of exports over the next 10 years, such as the expected significant increase in the movement of wood fibre products and mineral sands through the Port of Portland.

## Channel deepening

The Victorian Government is committed to the channel deepening project proposed for Port Phillip Bay, provided it receives State and Federal environmental approvals. This project will maximize the efficient use of Victoria's major existing port infrastructure and is expected to generate up to \$2.2 billion in net economic benefits to Victoria over the next 30 years.

Should the channel deepening project receive relevant environmental approval, the Victorian Government believes it should be a priority for funding from a Ports sub-program of AusLink.



## CHAPTER 4. Victoria's vision for the national rail network



## CHAPTER 4:

# Victoria's vision for the national rail network

The amount of freight in Australia is forecast to almost double by 2024. To meet this challenge, the rail sector will need to play a much greater role in handling the movement of the non-bulk freight on key corridors.

Since 1999 the Victorian Government has undertaken the biggest investment in the State's rail system for more than a century. This has included upgrades to regional rail lines, funding for intermodal terminals and new and enhanced rail connections to the State's major trading Ports in Melbourne and Geelong.

Specific initiatives taken by the Victorian Government include:

- Rebuilding rail lines to regional centres as part of the Regional Fast Rail Project including improvements to track and signalling infrastructure for improved passenger services and resulting in better freight operations on these lines,
- Leasing the State's interstate rail lines to the Australian Rail Track Corporation for 15 years, to enable the creation of a sole owner and operator of the national standard gauge network,
- Funding, in partnership with the Commonwealth, the Dynon Port Rail Link Project,
- Committing \$19 million to improve rail connectivity to the Port of Geelong,
- Committing \$15 million for a port rail overpass at Portland,
- Committing \$53 million to the upgrade of the Mildura rail line to improve freight operations, and
- Buying back the regional rail network from Pacific National for \$134 million and committing \$25 million to improvements to the freight system.

The Victorian Government is committed to and planning further rail freight initiatives that will build a rail system capable of supporting the national freight task and providing a viable alternative for producers and manufacturers to transport their goods by rail.

These commitments will assist in lowering greenhouse emissions, reducing urban congestion, reducing business costs for industry and growing the Australian economy.

However, the Commonwealth Government, through AusLink, has a vital role to play in helping the States meet these objectives.

The Victorian Government believes projects funded under AusLink 2 should reflect priorities outlined in the Commonwealth Government's 2004 AusLink White Paper of:

- improving the capacity and performance of the eastern seaboard north-south interstate corridors, by upgrading critical road and rail links,
- increasing rail's market competitiveness and improving intermodal integration, and
- enhancing the capacity and reliability of other critical interstate and interregional corridors, including in remote areas, to ensure national connectivity.

## New technology

The Victorian Government believes world's best technology should be deployed as a matter of priority on the interstate rail network. Much of the signalling infrastructure is at the end of its physical life. The introduction of advanced train management systems would enable line-side infrastructure with communications-based control.

This new-generation technology would enable improved capacity and performance through shorter headways, greater use of multiple operators and bi-directional track.

## Melbourne – Sydney rail corridor

Freight between Sydney and Melbourne is projected to increase from 10.3 million tonnes to around 25 million tonnes by 2029. Bottlenecks on the main rail line between Melbourne – Sydney must be addressed to improve the efficiency of a significant portion of Australia's freight task.

Melbourne-Sydney is the busiest interstate freight corridor in Australia. Around 40 per cent of long-distance freight movements on the AusLink network use the Hume Highway for at least part of their trips. The Melbourne-Sydney corridor has more trucks on the roads than any other corridor.

Substantial funding should therefore be provided under AusLink 2 to upgrade the capacity and performance of the Melbourne-Sydney rail line, consistent with the North-South Investment Strategy developed by the Australian Rail Track Corporation.

## Melbourne – Brisbane Corridor

More than 4.5 million tonnes of goods moved between Melbourne and Brisbane in 2004, of which approximately 60 per cent moved by rail and 32 per cent was transported by road. As well, an additional 9.3 million tonnes moved from the Riverina and northern Victoria regions to Melbourne.

The Riverina – Shepparton corridor is served by the Goulburn Valley Highway and the broad gauge rail line from Tocumwal in NSW to Melbourne.

Within Victoria the North-South Rail Corridor Study proposed two alternative routes for Brisbane-Melbourne rail between Melbourne and Junee via Shepparton or Albury.

The Victorian Government believes that both options should be fully investigated. Melbourne-Brisbane via Albury would form a critical part of the improved links to Sydney and the Shepparton rail route forms part of a freight corridor of national significance.

The Victorian Government believes that given the vital freight task undertaken by both the Melbourne-Sydney and Tocumwal-Shepparton rail lines, any strategic studies or investment decisions by the Commonwealth, NSW and Victorian Governments should allow for necessary upgrades to these rail lines taking into account the projected growth in freight over the next 10-20 years.



## Intermodal freight terminals

Intermodal terminals are a key component of the national freight network and are playing an increasingly important role in improving freight efficiency, reducing traffic congestion and increasing the share of freight carried by rail. Victoria is developing a state-wide network of intermodal terminals and encouraging greater private sector investment in intermodal terminals.

Efficient intermodal terminals with strong road and rail connections and using modern distribution technologies are important components of the freight network for both interstate, intrastate and export trades.

The Melbourne-Sydney Corridor study identified inadequate intermodal terminal capacity in Melbourne and Sydney as a major impediment to higher levels of rail productivity.

According to the Victorian Competition and Efficiency Commission, intermodal hubs are an important link in the freight and logistics chain.

An increasing trend for business is to focus on reducing costs by improving the efficiency of their logistics chain through changes to the size, location and style of warehousing operations. This is leading to an increase in large distribution centres with significant cross-docking facilities, at the expense of smaller warehouses.

The greatest need for the development of intermodal terminals is in urban areas, particularly in Melbourne and Sydney. The Victorian Government also supports the development/enhancement of intermodal terminals in strategic regional locations eg. Dooen near Horsham. The Victorian Government is also undertaking further work to identify other suitable sites for the development of new intermodal terminals, including sites at Shepparton and Geelong.

Through the Victorian Freight and Logistics Council, the Government has supported the publication of A Toolkit for the Development of Intermodal Hubs in Victoria. This strategy is a natural progression from the Government's buyback of the Victorian rail network and complements the national intermodal study undertaken by the National Transport Commission, which identified the development of freight hubs as a key driver in reducing congestion and managing the freight task.

A black and white photograph showing a car accident scene. A car is on its side on a road with white lane markings. A person in a high-visibility vest is visible in the foreground, and another person is near the car. The scene is captured from a low angle, emphasizing the scale of the accident.

## CHAPTER 5. AusLink 2: Victoria's priority projects

## CHAPTER 5:

# AusLink 2: Victoria's priority projects

Victoria has identified 30 priority road, rail and intermodal projects for funding under AusLink 2. Based around the AusLink transport corridors that involve Victoria, these priority projects are critical to driving higher levels of economic growth and productivity at the regional, state and national levels. They will have the capacity to deliver substantial benefits to key industries and boost the capacity of Victoria's transport network to manage the rapidly growing and changing freight task efficiently, safely and sustainably.

### Priority Victorian projects

#### Melbourne Urban Corridor

Western Ring Road Capacity Enhancement  
West Gate Bridge Rehabilitation  
Dynon – Port-Rail Access  
Webb Dock Rail Access  
Dynon – Port Precinct Intermodal Terminal  
Metropolitan Intermodal Terminal Development (Altona/Laverton and Dandenong)  
Melbourne – Dandenong: Port Hastings Freight Link Stage 1

#### Melbourne – Adelaide Corridor

Western Highway Duplication - Ballarat to Stawell  
Western Freeway Realignment - Melton to Bacchus Marsh  
Western Highway Access Control – Woodman's Hill Ballarat  
National Rail Improvement Program: East West Rail Line - Melbourne to South Australia border  
Dooen (Horsham) Intermodal Terminal  
Western Freeway Upgrade and Safety Improvements – Rockbank to Melton  
Western Highway Capacity and Safety Improvements – Stawell to South Australia border

#### Mildura – Melbourne Corridor

Calder Freeway Safety and Capacity Improvements – Western Ring Road to Diggers Rest  
Calder Highway Interchange - Calder Alternative Route, Ravenswood

#### Melbourne – Geelong Corridor

Geelong Ring Road – Stage 4A (Connection from Geelong Ring Road to Anglesea Road)  
Stage 4B (Connection from Anglesea Road - Princes Highway West)  
Stage 4C (Surf Coast connection)  
  
Geelong Intermodal Terminal

#### **Geelong – Portland – Mt Gambier - Adelaide Corridor**

Princes Highway West Duplication - Waurn Ponds to Colac

#### **Melbourne – Sydney Corridor**

National Rail Improvement Program: North South Rail Line - Melbourne to Wodonga

Wodonga Intermodal Terminal

Somerton Intermodal Terminal

Hume Highway Upgrade and Safety Improvements - Kalkallo to Beveridge

#### **Melbourne – Brisbane Corridor**

Goulburn Valley Highway – Shepparton Bypass

Goulburn Valley Highway – Nagambie Bypass

Goulburn Valley Highway – Strathmerton Deviation

Shepparton Intermodal Terminal

#### **Sydney – Adelaide Corridor**

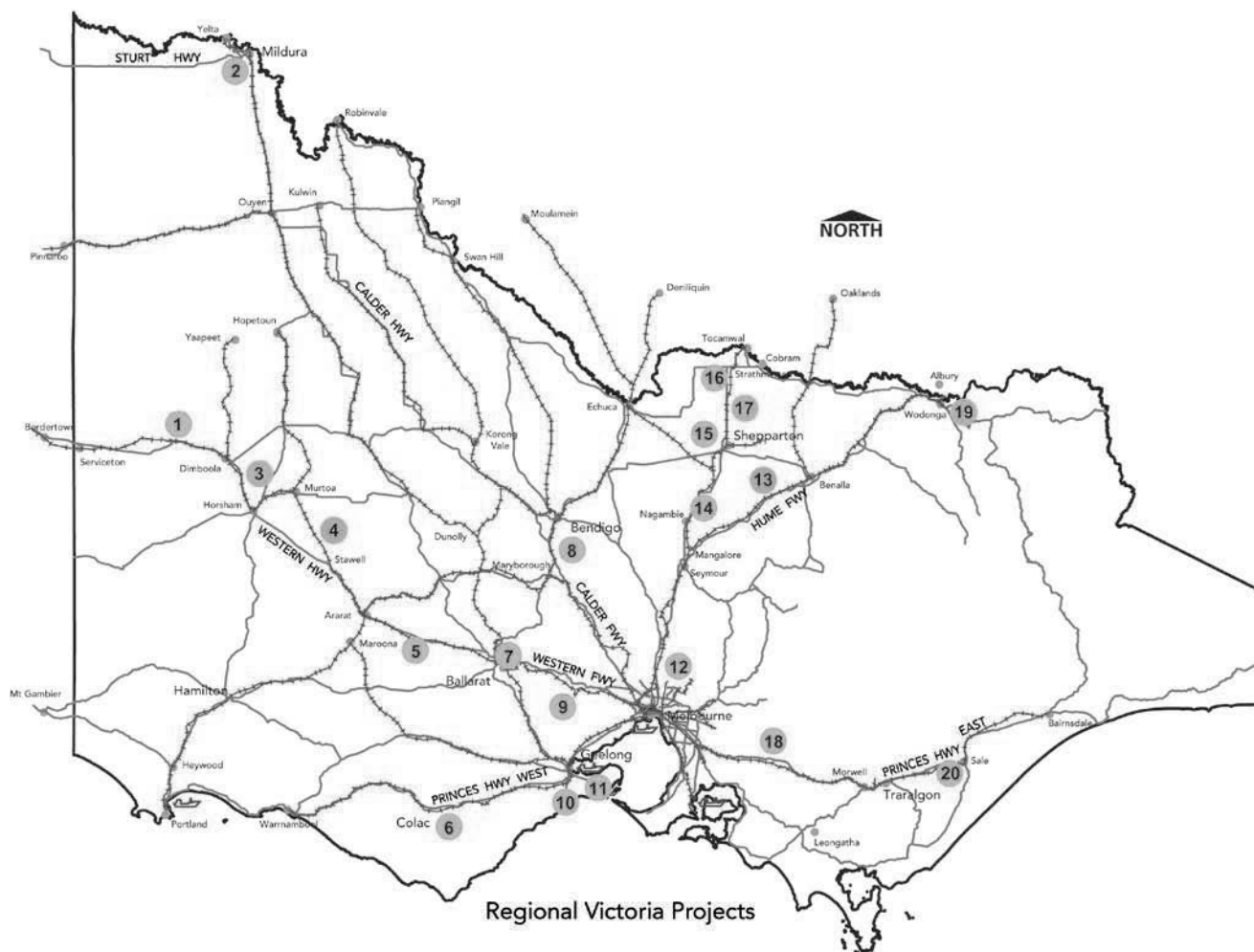
Sturt Highway – Mildura Truck Bypass

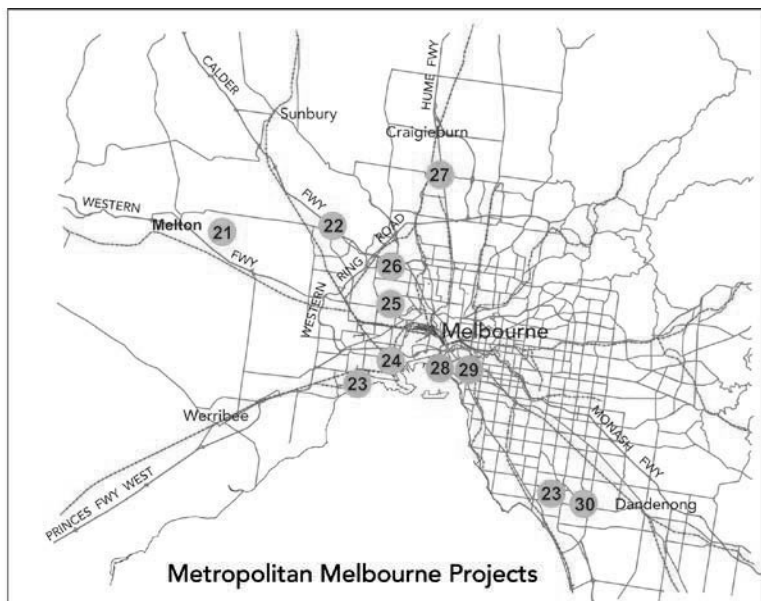
#### **Sale – Melbourne Corridor**

Princes Highway East Duplication - Traralgon to Sale

Princes Freeway East Upgrade and Safety Improvements – Nar Nar Goon to Longwarry North

## AusLink 2: Victoria's priority projects





## LEGEND

- Rail project
- Road Project
- Intermodal project
- Railway
- Major Road
- Port

## PROJECTS

1. Western Highway Capacity and Safety Improvements – Stawell to South Australia border
2. Sturt Highway – Mildura Truck Bypass
3. Dooen (Horsham) Intermodal Terminal
4. National Rail Improvement Program: East West Rail Line - Melbourne to South Australia border
5. Western Highway Duplication - Ballarat to Stawell
6. Princes Highway West Duplication - Waurin Ponds to Colac
7. Western Highway Access Control – Woodman's Hill Ballarat
8. Calder Highway Interchange - Calder Alternative Route, Ravenswood
9. Western Freeway Realignment - Melton to Bacchus Marsh
10. Geelong Ring Road – Stage 4A, Stage 4B, Stage 4C
11. Geelong Intermodal Terminal
12. Hume Highway Upgrade and Safety Improvements - Kalkallo to Beveridge
13. National Rail Improvement Program: North South Rail Line - Melbourne to Wodonga
14. Goulburn Valley Highway – Nagambie Bypass
15. Goulburn Valley Highway – Shepparton Bypass
16. Goulburn Valley Highway – Strathmerton Deviation
17. Shepparton Intermodal Terminal
18. Princes Freeway East Upgrade and Safety Improvements – Nar Nar Goon to Longwarry North
19. Wodonga Intermodal Terminal
20. Princes Highway East Duplication - Traralgon to Sale
21. Western Freeway Upgrade and Safety Improvements – Rockbank to Melton
22. Calder Freeway Safety and Capacity Improvements – Western Ring Road to Diggers Rest
23. Metropolitan Intermodal Terminal Development (Altona/Laverton and Dandenong)
24. West Gate Bridge Rehabilitation
25. Dynon – Port Precinct Intermodal Terminal
26. Western Ring Road Capacity Enhancement
27. Somerton Intermodal Terminal
28. Dynon – Port-Rail Access
29. Webb Dock Rail Access
30. Melbourne – Dandenong: Port Hastings Freight Link Stage 1





# Melbourne Urban Corridor

Melbourne accounts for around 20 per cent of national GDP and is recognised by the AusLink White Paper as a vitally important national transport corridor linking Australia's main eastern road and rail routes.

Melbourne contains Australia's largest container port and second largest air freight hub. Melbourne is also the second most populous city in Australia with 3.6 million residents. This is expected to grow by around 1 million people by 2030.

Melbourne's growth (48,945 people) for the year ending 30 June 2006 was the largest in Australia. In addition to managing a large intra-urban transport task, the Port of Melbourne serves Bass Strait (Tasmania) trade and supports freight activity of southern New South Wales, regional Victoria and South Australia.

Melbourne's intra-metropolitan road and rail freight has almost reached 200 million tonnes a year centred on five major industry and freight activity areas: Dynon-Port, Altona-Laverton, Somerton-Coolaroo, Dandenong-South East and Hastings.

The efficiency of the Melbourne Urban corridor has a significant impact on the efficiency and capability of connecting national corridors and is critical to:

- improving freight movement and reliability and managing growing freight volumes within Melbourne and between Melbourne and regional Victoria, the rest of Australia and international markets;
- boosting the capability of the Port of Melbourne and improving freight distribution to and from the Port;
- supporting the transport and export requirements of Victoria's manufacturing sector;
- supporting Melbourne's Eastlink corridor which has a population greater than Adelaide and generates 40 per cent of Victoria's manufacturing output;
- reducing congestion, addressing freight and transport needs in Melbourne's outer suburbs and managing the growing demand for urban travel; and
- managing the freight and transport demands generated by anticipated strong population growth (from an existing large population base) over the next 25 years.



## Western Ring Road Capacity Enhancement

PROJECT LOCATION:	Western Ring Road, including the Metropolitan Ring Road
PROJECT DESCRIPTION:	Widening of road and operational improvements

### Importance of project

The Western Ring Road (WRR) carries 105,000 to 130,000 vehicles per day, of which 13 to 16 per cent are freight vehicles. The road plays a major role in facilitating freight movements between each of the AusLink major national and interregional corridors within Victoria. This role will be further enhanced when the Melbourne Wholesale Fruit and Vegetable Market relocates to Epping in Melbourne's north by approximately 2011.

The WRR also provides an important connection to the Ports of Melbourne and Geelong and serves as a distribution route between metropolitan Melbourne, regional Victoria and interstate locations. Capacity is exceeded during peak periods, and peak periods are extending.

The Western Ring Road provides vital links between Melbourne, the Port of Melbourne, Melbourne Airport, regional Victoria, South Australia and New South Wales through the four connecting AusLink transport corridors. The Port of Melbourne and its import/export task has a major influence on the transport task along the corridor.

The Port of Melbourne is Australia's largest container and general cargo port, handling 39 per cent of the nation's container trade. The Port has 34 commercial berths that handle cargoes ranging from timber to motor vehicles, specialised berths for dry cargoes as well as specialist facilities for liquid cargoes. Grain exports from western and northern Victoria are also shipped in substantial volumes from the Port of Melbourne.

The Western Ring Road is currently experiencing traffic pressures and high levels of congestion during the morning and afternoon peaks. The Victorian Government notes that the corridor strategy recommended that a priority for AusLink should be boosting the capacity of the Western Ring Road.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would address capacity constraints on this heavily used link. Extra lanes and enhanced traffic management systems (including ramp metering) on the Western Ring Road would boost freight carrying capacity and improve travel times and reliability, especially during peak travel periods.

#### **Other benefits (safety, amenity and environmental)**

Road widening, ramp metering and other transport management initiatives will significantly improve traffic flow and safety by reducing unnecessary merging and weaving traffic. The project would also reduce travel times, particularly for freight vehicles.

### Why the Commonwealth should fund this project

The Commonwealth Government acknowledged the importance of the WRR to the national freight network by contributing 90 per cent of the funding for the road's original construction. Victoria has made – and continues to make – substantial contributions to road and public transport projects that support efficient freight movements on the WRR. However, a significant further investment is needed to maintain the efficiency of this crucial freight link.





## West Gate Bridge Rehabilitation

PROJECT LOCATION:	West Gate Bridge including approach and exit ramps
PROJECT DESCRIPTION:	Strengthening works to improve load carrying capacity of the Bridge

### Importance of project

The West Gate Bridge is a key component of the Melbourne Urban corridor, carrying a very large volume of vehicles (155,000 per day). The continued effectiveness of the West Gate Bridge is integral to the efficiency of freight movements between east and west Melbourne and to and from the Port of Melbourne.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would allow the West Gate Bridge to carry projected traffic volumes and extend its lifespan. It would also provide for high productivity freight vehicles to make use of this critical freight corridor in the future.

#### **Other benefits (safety, amenity and environmental)**

By facilitating continued high traffic flows across the Bridge, the project would avoid increased traffic volumes on roads off the Monash–West Gate Freeway (which would lead to increased congestion, reduced safety and poor amenity and environmental outcomes).

### Why the Commonwealth should fund this project

There is strong and widespread stakeholder support for this project. This is an important project that would accommodate increased freight movements across the Melbourne corridor and make a significant contribution to the national freight corridor. In May 2006, the Victorian Government committed \$120 million towards the project as part of its Meeting Our Transport Challenges statement.



## Dynon – Port - Rail Access

PROJECT LOCATION:	Rail corridors from the North and West of Melbourne into the Dynon rail terminal and Port precinct
PROJECT DESCRIPTION:	<p>The project has three components:</p> <p>(1) Improvements to port rail access</p> <p>Duplicate the rail line between Dock Link Road and Footscray Road to provide an additional rail line into the Port of Melbourne and a direct connection between the Dynon/North Dynon rail terminals and the Port.</p>



### Importance of project

Modern, efficient and reliable freight connections to and from the Port of Melbourne are essential to national economic growth and productivity. The Victorian and Commonwealth Governments are working in partnership to integrate the Port of Melbourne and its associated land transport facilities into a world class intermodal freight network.

This project would improve access to the Port precinct, increase freight capacity on interstate rail corridors and support a greater rail freight mode share. The Dynon terminals currently handle 500,000 containers per annum, consisting primarily of interstate and Victorian regional exports. Improving port rail access provides the capacity to maintain and grow port related rail freight in line with the Government's 30 per cent port rail freight target.

The Exports and Infrastructure Taskforce Report to the Prime Minister in May 2005 found that road and rail connections to ports are major issues for the Port of Melbourne and Port Botany. The taskforce noted that the Commonwealth Government has recognised the importance of developing good road and rail links to ports through AusLink. Transport links to ports traverse some of the most densely populated areas of Australia and the resulting infrastructure costs are extremely high. Particular bottlenecks identified included the poor road access to the Bunbury Street rail tunnel providing access to Dynon and the Port of Melbourne.

#### Freight benefits (capacity, efficiency and reliability)

The project would deliver substantial capacity and efficiency improvements on the AusLink interstate freight corridors and boost the capacity of the Port of Melbourne to manage the predicted increase in trade volumes over the next 15 years.

Improving rail access to the Port of Melbourne would boost Victoria's capacity to maintain and grow port-related rail freight, allow faster rail movements into and out of the Port with fewer delays and eliminate an anticipated bottleneck between Dock Link Road and Footscray Road. A direct rail connection between the two stevedoring terminals would enable more flexible and efficient operations (particularly for regional and interstate export container trains) and give trains from the south-east of Melbourne direct access to the Port.

Providing additional standard gauge capacity would reduce delays and transit times along congested metropolitan sections of the AusLink rail freight corridors and enhance the reliability and competitiveness of rail freight for interstate and regional businesses. It would also facilitate the development of port shuttles and the modal shift to rail for interstate freight.

#### Other benefits (safety, amenity and environmental)

The project would make a significant contribution to reducing congestion and improving amenity in communities adjacent to the Port of Melbourne.

## (2) Rail corridor capacity increases

Provide approximately 15 kilometres of additional standard gauge capacity in metropolitan sections of the main interstate rail corridors. Work will be undertaken between Newport and Brooklyn on the east-west corridor and between Jacana and Albion on the north-south corridor and in a section where the two main lines meet at Tottenham. In conjunction with the ARTC's Tottenham-Dynon Project, this project will provide bi-directional standard gauge lines over 15 kilometres between the Dynon-Port precinct and Newport and almost the entire 20 kilometres between the precinct and Jacana.

(3) Create additional standard gauge rail capacity between Sims Street and the Dynon Precinct.

## Why the Commonwealth should fund this project

The project would enhance national and regional connectivity and contribute to higher levels of productivity across the AusLink national network. It would significantly boost capacity on the network in Melbourne's western and northern suburbs, enabling rail operators to provide more reliable and faster services and increase market share. It would improve the efficiency of rail services for exports from South Australia, regional Victoria and southern New South Wales and increase capacity on critical long haul interstate trades. The project would also improve the Port of Melbourne's capacity to support rail based interstate and regional exports.



## Webb Dock Rail Access

PROJECT LOCATION:	Port Melbourne
PROJECT DESCRIPTION:	Reinstate the rail connection from the Dynon-Port precinct across the Yarra River to Webb Dock

### Importance of project

The reinstatement of the rail link to Webb Dock would enable greater use of this existing port facility and relieve truck congestion in Port Melbourne.

Currently Webb Dock is used for vehicle imports/exports, Bass Strait cargo operations, break-bulk and a small volume of international container traffic. A 30 year strategy plan for this precinct has been developed by the Port of Melbourne as part of its 2006-2035 Port Development Plan.

This provides for Webb Dock to continue its current use until 2015-17, from when its east dock will be progressively converted to accommodate international containers. Reconnection of the Webb Dock rail line will be necessary by 2015 to support international container activity.

In the long term it is proposed the west side of Webb Dock will become the Port's major coastal terminal precinct, with vehicles and break bulk loaded elsewhere.

The Port of Melbourne Corporation advises that development of Webb Dock for international containers may be brought forward to earlier than 2015 if Swanson Dock is unable to provide sufficient capacity or commercial considerations justify earlier development.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would provide improved freight access to the Webb Dock precinct, enabling that part of the Port of Melbourne to boost its capacity. There is also potential for expansion of Webb Dock loading and unloading capacities.

#### **Other benefits (safety, amenity and environmental)**

The project would improve safety and amenity in communities adjacent to the Port of Melbourne by reducing truck congestion and increasing the share of freight carried to and from the Port by rail.

### Why the Commonwealth should fund this project

The project would improve the efficiency of freight movements to and from an important dock in the Port of Melbourne precinct and allow the dock to meet its growth potential. The project is consistent with the Commonwealth Government's objectives of increasing the efficiency of freight movements to ports and supporting greater efficiency and productivity on the national rail network.





## Dynon - Port Precinct Intermodal Terminal

**PROJECT LOCATION:** Melbourne, Dynon-Port precinct

**PROJECT DESCRIPTION:** Build major new Melbourne Intermodal Terminal (MIMT) at the wholesale markets site north of Footscray Road in the Dynon-Port precinct

### Importance of project

The AusLink Corridor Strategy identified a lack of intermodal capacity and poor access to terminals in Melbourne and Sydney as key constraints in rail productivity and efficiency in this corridor.

The study found the current level of intermodal capacity was inadequate to meet the import/export port-rail targets of the Victorian and New South Wales Governments (30 per cent and 40 per cent respectively).

Efficient intermodal terminals with strong road and rail connections and using modern distribution technologies are important components of the freight network for both interstate and export trades.

As part of its commitment to developing a state-wide network of intermodal terminals, the Victorian Government is developing key metropolitan intermodal terminals. These intermodal terminals will improve access for industry to the Port of Melbourne, as well as enhancing the efficiency and reliability of intra-urban and interstate freight transport. It is proposed that a new IMT could be developed on the site when the Melbourne Wholesale Fruit and Vegetable Market relocates to Epping in Melbourne's north by approximately 2011.

#### **Freight benefits (capacity, efficiency and reliability)**

The principal intermodal terminals in the Melbourne metropolitan area are at Dynon, adjacent to the Port of Melbourne. Access to Dynon is becoming increasingly constrained as rail freight and port related traffic grows.

The proposed new Melbourne Intermodal Terminal would significantly improve freight efficiencies, enabling trains to be loaded and unloaded and containers to be moved more efficiently between the rail networks and stevedoring terminals. The new intermodal terminal would also contribute to the development of the Port of Melbourne and its associated land transport links into a world class intermodal freight hub.

#### **Other benefits (safety, amenity and environmental)**

This project would support a greater rail freight mode share, delivering benefits in terms of improved road safety, reduced congestion and emissions, fewer trucks travelling to and from the Port of Melbourne and greater amenity in local communities.

### Why the Commonwealth should fund this project

The project would deliver national economic and productivity benefits by making a significant contribution to efficient freight movements to and from the Port of Melbourne and between States. The metropolitan intermodal terminal would complement current rail projects and improve the national rail network's efficiency and capacity. They would also contribute to freight efficiency in the Dynon-Port precinct.

# Metropolitan Intermodal Terminal Development (Altona/Laverton & Dandenong)

PROJECT LOCATION: Laverton/Altona precinct and Dandenong

PROJECT DESCRIPTION: Develop Intermodal Terminals

## Importance of project

Several AusLink corridor studies have identified that a lack of intermodal capacity and poor access to terminals in capital cities, such as Melbourne and Sydney, are key constraints for rail productivity and efficiency. These studies have found that the level of intermodal capacity will need to be increased to meet the import/export port-rail targets of the Victorian Government (30 per cent).

Efficient intermodal terminals with strong road and rail connections – and using modern distribution technologies – are important components of the freight network for both interstate and export trades.

As part of its commitment to developing a state-wide network of intermodal terminals, the Victorian Government is planning for the development of metropolitan intermodal terminals at key locations. These intermodal terminals would enhance the efficiency and reliability of intra-urban and interstate freight transport and reduce road congestion. The project would also improve access for industry to the Port of Melbourne and relieve land-use pressure within the Port-Dynon precinct.

Altona has standard-gauge intermodal terminals at Altona and Altona North mostly for interstate freight. Shuttle trains have been operating on demand to/from the Port of Melbourne. These terminals have potential to serve the growing municipalities of Wyndham and Brimbank as far as Brooklyn and Derrimut where industry is rapidly spreading.

The Newport to Altona project (on the east-west rail line) would establish an independent standard gauge rail line between existing and proposed rail terminals at the Altona precinct in Melbourne's western suburbs, reducing conflicts on the main line and improving the effectiveness of train operations to and from these terminals.

In the Dandenong/Lyndhurst region there is strong private industry interest in developing new intermodal terminals that would capture the opportunity to service the growing freight volumes generated by the city's south eastern suburbs. This will be beneficial for freight efficiency in Melbourne and the Port of Hastings in the longer term.

### Other benefits (safety, amenity and environmental)

These metropolitan intermodal terminals would support a greater rail freight mode share, delivering benefits in terms of improved road safety, reduced congestion and emissions, fewer trucks travelling to and from the Port of Melbourne and greater amenity in local communities.

## Why the Commonwealth should fund this project

The project would deliver national economic and productivity benefits by making a significant contribution to efficient freight movements to and from the Port of Melbourne and between States.

The Melbourne-Sydney Corridor strategy identified inadequate terminal capacity, and insufficient access to terminals, as a factor impacting on rail productivity and competitiveness. The metropolitan intermodal terminals would complement current rail projects and improve the national rail network's efficiency and capacity. They would also contribute to freight efficiency in the Dynon-Port precinct.



## Melbourne – Dandenong: Port Hastings Freight Link Stage 1

PROJECT LOCATION:	Along the Dandenong rail corridor that parallels the Monash Freeway
PROJECT DESCRIPTION:	Road-rail grade separation

### Importance of project

The grade separations would relieve pressures on the Monash Freeway by encouraging greater use of arterial roads and less use of the Monash–West Gate Freeway for short trips. This would deliver benefits in terms of more efficient freight movements on the Freeway and across metropolitan Melbourne.

The Victorian Government has commenced planning and design work for the construction of a third rail line from Caulfield to Springvale and ultimately to Dandenong (Dandenong Rail Corridor Project). This project will significantly improve urban passenger services and create additional capacity for regional freight services operating on the Melbourne–Sale line.

The Government has also preserved an alignment in this corridor for a fourth rail line that would serve as a freight link to the Port of Hastings. This port has been identified by the Government as the preferred site for a future container port, once capacity at the Port of Melbourne is reached (expected around 2030.)

By undertaking grade separations at key locations while the Dandenong Rail Corridor Project is underway, the viability of a fourth rail line (for the Port of Hastings) would be enhanced and construction and engineering risks and community disruption would be significantly reduced.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would enhance long term freight efficiency on major north-south arterial roads and on the Monash–West Gate corridor. The grade separations would also assist freight movements along the rail corridor, including across Springvale Road (over-dimensional route) with trains able to move more seamlessly without having to slow down for level crossings.

#### **Other benefits (safety, amenity and environmental)**

The project would deliver substantial benefits to local communities along the corridor by improving safety, reducing congestion and promoting development around critical activity centres.

### Why the Commonwealth should fund this project

The project would significantly enhance long term freight efficiency on the Monash–West Gate corridor and across Melbourne, delivering substantial freight and industry benefits in an important AusLink corridor. Rail freight reliability and transit times would also improve. Local amenity benefits would be substantial. The project would also facilitate future growth in freight movements to and from the Port of Hastings.







## Melbourne – Adelaide Corridor

The Melbourne – Adelaide corridor plays an important role in supporting industries in Melbourne, Adelaide, south-eastern South Australia and south-western Victoria. In particular, efficient transport within the corridor is critical to:

- transporting manufacturing inputs and goods for the Australian car industry;
- providing timely access to the Ports of Melbourne, Geelong, Portland and Adelaide for bulk agricultural products produced in south-eastern South Australia and western Victoria;
- meeting the needs of the growing plantation timber industry in south-eastern South Australia and south-western Victoria (including the Green Triangle Region – the largest wood fibre producing region in Australia);
- meat and livestock (beef, sheep and pigs) dairy, wool, wineries and horticulture which are major products produced along the corridor; and
- supporting growth in tourism in regions in Victoria and South Australia such as the Grampians, Goldfields, Great Ocean Road, Limestone Coast and the Murray Riverland.

### Regional industries and companies

The Western Highway/Freeway serves important livestock, grain, wine, manufacturing and tourism industries. Major regional companies supported by the highway include Seppelt and Best Wineries at Great Western; Burns Philp (baking), Masterfoods (Mars confectionery), Rivers, FMP Bendix, Sunicrust, Gekko, Selkirk, Maxitrans, Haymes Paints, McCain Foods, Joe White Malting and Allied Milling in Ballarat; Frewstow Abattoir in Stawell, and B&M Fresh and Westside Meats in Bacchus Marsh.

Significant tourism is generated within the Goldfields and Grampians regions, including Sovereign Hill in Ballarat. Improvements to the priority road and rail projects in this AusLink corridor will help deliver better efficiency of freight movements between important manufacturers in regional areas, such as Ballarat, Horsham and Stawell, and the Port of Melbourne and the large Melbourne metropolitan market.



## Western Highway Duplication - Ballarat to Stawell

PROJECT LOCATION:	Western Highway, between Ballarat and Stawell
PROJECT DESCRIPTION:	Duplicate the Western Highway from Ballarat to Ararat and from Ararat to Stawell

### Importance of project

The Western Highway is the principal road link between Melbourne and Adelaide. These sections of the highway carry substantial interstate and interregional freight and tourist traffic. The traffic volume between Ballarat and Ararat is around 6,000 vehicles per day, with 25 per cent being commercial vehicles. Between Ararat and Stawell the traffic volume is around 6,500 vehicles per day, with approximately 20 per cent being commercial vehicles.

#### **Freight benefits (capacity, efficiency and reliability)**

Duplication would allow safe overtaking at all times and eliminate traffic queuing. Transit times would fall and travel on the highway would be safer and more reliable.

#### **Other benefits (safety, amenity and environmental)**

Crash rates are significant on these sections of the highway, with driver fatigue being a contributory factor. Freight movements at night contribute to safety concerns. The Ballarat–Ararat section has around nine casualty crashes per million vehicle kilometres travelled (MVKT) and the Ararat–Stawell section has 14 casualty crashes per MVKT.

Between 2000 and 2004, there were seven fatalities on the Ballarat–Ararat section and 10 fatalities on the Ararat–Stawell section.

### Why the Commonwealth should fund this project

These busy sections of the highway are an important part of the AusLink National Network between Melbourne and Adelaide. With much of the freight transported on the highway comprising exports shipped through the Ports of Melbourne and Adelaide – or inputs to exports manufactured along the corridor – the project would deliver significant national freight and industry benefits. Duplication would significantly improve safety along these sections.

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## Western Highway Realignment – Melton to Bacchus Marsh

PROJECT LOCATION:	Western Freeway, Melton to Bacchus Marsh – Anthony’s Cutting
PROJECT DESCRIPTION:	Realignment and upgrade to divided freeway standard to reduce road gradients and overall tightness of curves along this corridor

### Importance of project

The Western Freeway carries more than 28,000 vehicles per day between Melton and Bacchus Marsh. The Western Highway serves Victoria’s western districts, supporting the livestock industry, grain production and a range of manufacturing and service activities. Ballarat is the largest regional centre in western Victoria and is home to significant industrial, health, education and business operations.

Currently, the efficiency of this important section of the highway is reduced by speed restrictions and safety problems caused by poor alignment at Djerriwarrh Creek and Anthony’s Cutting between Melton and Bacchus Marsh. This 4.5km section of highway has steep grades, tight curves, carries high traffic volumes and has a high crash rate.

In an effort to reduce crashes, the speed limit is set at 90km/h – 20km/h below the general freeway speed limit between Melbourne and Ballarat. This causes delays to interstate and regional through traffic.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would eliminate the need for speed restrictions along Anthony’s Cutting and provide economic benefits to private and business road users through reductions in travel times and transport costs. The realignment would reduce steep grades and tight curves and would also improve freight movements between South Australia, western Victoria and Melbourne.


#### **Other benefits (safety, amenity and environmental)**

The project would improve safety along this section of highway, reducing the incidence of crashes and their associated economic and social costs.

### Why the Commonwealth should fund this project

This project would improve freight efficiency on this important AusLink corridor. It would deliver significant benefits to regional industry and enjoys strong community and stakeholder support. It would also play an important role in improving safety outcomes.





## Western Highway Access Control – Woodman’s Hill Ballarat

PROJECT LOCATION: Western Highway, east of Ballarat

PROJECT DESCRIPTION: Separate through traffic on the freeway from local traffic seeking access to the Ballarat Gateway

### Importance of project

This section of the Western Highway experiences substantial freight, tourist and local traffic. Traffic volume is around 17,000 vehicles per day, with 20 per cent being commercial vehicles. Crash rates are significant on this section of road.

At this location, the highway has several functions:

- facilitating the safe and efficient movement through the area of traffic travelling beyond Ballarat;
- providing a smooth transition from the highway to roadside services and back again in both directions; and
- providing safe movements for low speed local traffic and access to local businesses.

#### **Freight benefits (capacity, efficiency and reliability)**

Access control works (involving improved road design for vehicles entering and leaving the Western Highway) would create a safer road environment for traffic travelling long distances and local traffic wanting access to Ballarat. Transit times would improve and travel along this section of the highway would be more reliable.

#### **Other benefits (safety, amenity and environmental)**

In a three kilometre section there have been seven crashes resulting in four fatalities/serious injuries (over a five year period) on this section of the Western Highway. Access control works would contribute to reducing the incidence and severity of crashes at this location.

### Why the Commonwealth should fund this project

This is a busy part of the Western Highway, serving substantial freight and passenger movements between Melbourne and Adelaide. The project would improve freight efficiency and safety along the Melbourne – Adelaide corridor.



# National Rail Improvement Program: East West Line - Melbourne to South Australian border

## PROJECT LOCATION:

East West Rail Line, Melbourne to South Australian border

## PROJECT DESCRIPTION:

- Install concrete sleepers
- Provide more and longer passing loops between Melbourne and Adelaide
- Geelong Port Connection

## Importance of project

The Victorian Government is strongly committed to increasing the use of rail on major freight transport corridors and is delivering a range of initiatives that will help to achieve this goal.

The Government has identified priority rail improvements that will address specific deficiencies identified in the AusLink Melbourne – Adelaide corridor strategy and deliver significant benefits to businesses, industries and communities along the corridor.

Currently, 80 per cent of all freight moved between Melbourne and Perth is transported by rail, and freight volumes are growing by 7 per cent per annum. One of the busiest sections of this track is the Melbourne-Adelaide corridor.

The Australian Rail Track Corporation advises that the best way to accommodate growth on this corridor is through increases in train numbers. To facilitate this, longer passing loops of 1800 metres need to be constructed in six key locations between Murray Bridge and Bordertown in South Australia.

In addition, three new 1500 metre loops are needed around Geelong and Ararat in Victoria. Minor loop extensions are also required at a number of other locations.

Investment is also needed on the corridor to replace timber sleepers with concrete sleepers at priority locations. These include:

- North Geelong - Gheringhap;
- Tottenham - Newport; and
- Maroona - SA border.

These upgrades would enable higher levels of productivity to be achieved through better ride quality, lower maintenance costs and higher train speed.

As well, it is proposed that a new standard gauge link be built to the Geelong Port from the Adelaide – Melbourne line. The 1800 metre loop at the Geelong Port connection point would mean that standard gauge trains running to and from the north would not be required to run to Gheringhap to reverse direction, thus reducing congestion and enabling faster journey times.

### Freight benefits (capacity, efficiency and reliability)

The project would support the carriage of greater volumes of freight by rail and improve rail freight capacity, efficiency and reliability along the corridor. Improvements to the line between Melbourne and Serviceton (near the South Australian border) would boost the speed and reliability of transporting products such as grain, timber and wool from western Victoria to Geelong.

### Other benefits (safety, amenity and environmental)

These improvements would support a greater rail freight mode share and deliver benefits in terms of greater road safety, reduced congestion and emissions, and improved local amenity in communities along the corridor.

## Why the Commonwealth should fund this project

The project would address deficiencies identified in the AusLink Melbourne – Adelaide corridor strategy, contribute to greater freight efficiency on national corridors and help to alleviate safety concerns arising from a mix of trucks and cars on the Western Highway in Victoria and the Dukes and Princes Highways in South Australia.







## Dooen (Horsham) Intermodal Terminal

PROJECT LOCATION:	Dooen, near Horsham
PROJECT DESCRIPTION:	Develop a new Intermodal Terminal

### Importance of project

There is one intermodal terminal (IMT) situated along the Melbourne-Adelaide corridor at Horsham where the current throughput is 8,000 twenty foot equivalent units (TEU) of export grain, hay, gypsum and timber and imported fertiliser, and miscellaneous goods such as beer which are railed through the terminal to the Port of Melbourne. Export volumes through this location are expected to exceed 16,000 TEU by 2010.

The present terminal at Horsham is inefficient in its intermodal transfer as the limited space of the site means trains must be broken up to load and unload containers. It has an unsealed surface affecting its operational efficiency.

Limited space also creates difficulty for cranes to turn around with containers, forcing them to make three point turns. As a result, loading and unloading trains takes longer and this process is more costly than if a modern terminal was available.

Other operational issues also affect the terminal's efficiency. Consequently, a new inter-modal terminal has been proposed at Dooen, 11km north-east of Horsham, to overcome the constraints of the existing terminal

#### Freight benefits (capacity, efficiency and reliability)

Building an intermodal terminal at Dooen (10km north of Horsham) would boost the capacity of the existing terminal and allow larger trains to pick up grain exports. It would significantly improve freight efficiency for the major grain producing and exporting Wimmera and Mallee regions of Victoria.

The new IMT would also act as a catalyst for further investment in the grains industry, as the proposed site is a 'greenfields' site suitable for development by grain-related and complementary businesses.

The Dooen site would provide a central location for grain storage facilities and grain export processors. It would improve access to freight depots, grain silos and processing plants. The new facility would be able to handle 16,800 containers within 5-6 years – more than twice the number of containers handled at the existing facility.

#### Other benefits (safety, amenity and environmental)

The project would deliver safety and environmental benefits by acting as a catalyst for shifting freight from road to rail along the Melbourne – Adelaide corridor. The new terminal would reduce handling costs for freight operators and relieve demand for storage at the Port of Melbourne.

It would also allow for the relocation of the existing intermodal terminal from the centre of Horsham allowing improved urban amenity, the removal of truck queuing in surrounding streets and would remove the need to break-up trains when loading/unloading of containers occurs.

### Why the Commonwealth should fund this project

The project would improve freight efficiency and safety along the Melbourne – Adelaide corridor, delivering significant commercial and economic benefits to industry in the Wimmera and Mallee regions. It would also improve the competitiveness of Victoria's grain industry. The project also has the potential to attract new investment to Horsham and western Victoria.

This project has strong local municipal and industry support. In October 2006, the Minister for State and Regional Development, the Hon John Brumby MP, announced that State funding of \$2.2 million will be provided towards this project.



# Western Freeway Upgrade and Safety Improvements - Rockbank to Melton

PROJECT LOCATION: Western Freeway, between Rockbank and Melton

PROJECT DESCRIPTION: Access restoration between Rockbank and Melton



## Importance of project

The Western Freeway carries high volumes of commuter, freight and tourist traffic. It is the principal road link between Melbourne and Adelaide and provides vital access to regional and metropolitan areas.

The traffic volume in this area is approximately 50,000 vehicles per day. This project would remove inappropriate unrestricted at-grade access and improve safety and efficiency for traffic flow on this section of the corridor.

### **Freight benefits (capacity, efficiency and reliability)**

The project would improve the efficiency and reliability of travel along the Melbourne to Adelaide Corridor. This project would provide sufficient and safe access for the high volume of passengers and freight vehicles that use this corridor, while also alleviating congestion and reducing crashes.

### **Other benefits (safety, amenity and environmental)**

Between 2000 and 2004 there have been 38 casualty crashes on the Western Freeway between Rockbank and Melton of which 6 were fatalities. This project would remove inappropriate unrestricted at-grade access and improve safety and efficiency for traffic flow on this section of the corridor.

## Why the Commonwealth should fund this project

This busy section of the highway is an important part of the AusLink National Network between Melbourne and Adelaide. With much of the freight transported on the highway comprising exports shipped through the Ports of Melbourne and Adelaide – or inputs to exports manufactured in the two cities – the project would deliver significant national freight and industry benefits, as well as enhancing safety and amenity for local residents.

# Western Highway Capacity and Safety Improvements - Stawell to South Australia border

PROJECT LOCATION:	Western Highway, between Stawell and SA border
PROJECT DESCRIPTION:	Provide additional overtaking lanes and rest areas on the Western Highway from Stawell to the South Australian border. Planning for the Bypass of Horsham

## Importance of project

The Western Highway is the principal road link between Melbourne and Adelaide. These sections of the highway carry substantial interstate and interregional freight and tourist traffic.

The traffic volume between Stawell and the South Australian border ranges from 4,000 vpd to 2,500 vpd in the rural sections between the major towns, escalating to as high as 10,000 vpd where the highway passes through Horsham. There are limited overtaking lanes between Stawell and the State border.

There are few facilities at rest areas and limited parking opportunities for heavy vehicles, including B-doubles, along the highway. There are also fatigue management issues along the corridor, especially around the State border which is approximately half way between Melbourne and Adelaide.

### Freight benefits (capacity, efficiency and reliability)

The provision of overtaking lanes at appropriate locations would allow safe overtaking and eliminate traffic queueing. Transit times would fall and travel on the highway would be more reliable.

The bypass of Horsham would improve the level of service for commercial traffic along the highway, while also alleviating congestion and reducing crashes.

### Other benefits (safety, amenity and environmental)

General highway improvements such as overtaking lanes, shoulder and bellmouth sealing as well as road safety barriers have improved the overall safety of the highway in recent years. However, driver fatigue is still an issue.

Combined with the increasing heavy vehicle traffic, and the mix of local and through traffic along the route, safety concerns still exist. The appropriate location and design of rest areas would assist in fatigue management to help address this issue.

History shows casualty crash rates for the volume of traffic using the Highway between Stawell and the South Australian border have been high, with 100 crashes recorded between 2000 and 2004. Twenty-six of these crashes were fatalities.

## Why the Commonwealth should fund this project

These busy sections of the highway are an important part of the AusLink National Network between Melbourne and Adelaide. With much of the freight transported on the highway comprising exports shipped through the Ports of Melbourne and Adelaide – or inputs to exports manufactured in the two cities – the project would deliver significant national freight and industry benefits. The provision of overtaking lanes would also improve safety along these sections.





# Mildura – Melbourne Corridor

The Melbourne – Mildura corridor services a number of major population and commercial centres, including Bendigo, Ballarat, Mildura, Castlemaine, Sunbury and Maryborough as well as western New South Wales and South Australia's Riverlands.

The corridor plays a critical role in driving regional economic growth and industry development, delivering substantial economic and social benefits to some of the largest regional towns in Australia, and serving the freight needs of key regional industries such as mining, agriculture and tourism.

The corridor is important for:

- meeting the freight, transport and export requirements of companies and industries based in the large regional centres of Bendigo, Ballarat and Mildura;
- transporting a substantial proportion of the agricultural and processed food products of the Mildura region to markets in Melbourne and for export;
- supporting the growing export and processing activities of the wine, citrus and vegetable industries;
- transporting livestock and grain from the Wimmera and Mallee regions to regional selling, storage and distribution centres, abattoirs, domestic and international markets; and
- supporting strong growth in the mineral sands and tourism industries.

Over the short to medium term safety and capacity improvements to the Calder Highway at key strategic locations will be necessary.

## Regional industries and companies

The Mildura region is the centre of Australia's largest wine grape production and is the largest wine manufacturing and packaging centre in the nation. The Australian wine industry is dominated by four wine corporate groups which control about 70 per cent of labelled wine.

They are Hardy Wine Company, Fosters Group (including Southcorp Wines) McGuigan, Simeon Wines and Orlando Wyndham. Three of these major groups have substantial infrastructure and winemaking facilities in the Mildura region.

The Mildura region is also one of Australia's most important areas for agribusiness, and in particular horticultural production. Significant fruit, nut and olive production also occurs along the corridor.

Major regional companies supported by the Melbourne-Mildura corridor include grain companies ABB and AWB, mineral sands companies (Iluka Resources), Sunbeam Foods, Foster (Mildura plant), Beringer Blass, Mildura Fruit Company, Irymple Group, Nangiloc Colignan Farms, Sunbeam, Wakefield Transport Group and Southcorp.

In the Greater Bendigo region manufacturing is a key driver of the regional economy, generating an estimated \$1.96 billion of economic activity annually from a diverse range of value-adding activities undertaken by 400 plus businesses.

Mining is an emerging strong contributor to the local economy as gold production continues to ramp up. Mining is expected to generate in excess of \$200 million of economic activity annually from 2006/07.

Australian Defence Industries (ADI) and Australian Defence Apparel, Bendigo Brick, Empire Rubber and Jimmy Possum Furniture are located in Bendigo. Major food and Beverage companies include Hazeldenes Chickens, Gillies Pies, Pasta Master and Tip Top Bakeries. In addition there is a major book printing industry located in Maryborough.

# Calder Freeway Safety and Capacity Improvements - Western Ring Road to Diggers Rest

PROJECT LOCATION: Western Ring Road to Diggers Rest

PROJECT DESCRIPTION: Access management of the duplicated sections of the corridor to improve road safety, efficiency of traffic flow and ensure that the road operates at a full Freeway standard, particularly between the Western Ring Road and Diggers Rest



## Importance of project

The section of the Calder Highway between Keilor and Diggers Rest experiences high traffic volumes (in excess of 50,000 vehicles per day) and provides access to growing residential and commercial areas.

### Freight benefits (capacity, efficiency and reliability)

The project would provide improved local access to growing suburbs to the south of the freeway and establish a major regional road link between the Calder Freeway, Melton Highway and the Western Highway (AusLink corridor). Improvements to traffic flows in the Taylors Lakes area would improve freight efficiency between Melbourne, Bendigo, Mildura and Western NSW. The project would also reduce delays and improve freight efficiency on the Melton Highway which connects to the Western Highway.

### Other benefits (safety, amenity and environmental)

In recent years, there has been a significant increase in crashes on the section of the Calder Freeway between the Melton Highway and Holden Road, with more than half of the crashes resulting in fatalities and serious injuries. Improvements delivered through the project have the potential to significantly reduce fatalities and crashes along this section of the freeway.

## Why the Commonwealth should fund this project

The Calder Highway is a key part of the AusLink National Network and a vital strategic link in Victoria's road network. The highway carries a high volume of freight, business, commuter and tourist traffic between Melbourne, Bendigo and Mildura.

The Commonwealth Government has contributed to the Calder Freeway extension and the Victorian Government has applied for funding for the Kings Road interchange. Delivery of this project would reduce bottlenecks along this important corridor and provide substantial freight, transport and cost benefits to communities and industries in some of Victoria's largest regional centres.

# Calder Highway Interchange - Calder Alternative Route, Ravenswood

PROJECT LOCATION: Calder Highway - Calder Alt Route Intersection at Ravenswood

PROJECT DESCRIPTION: Upgrade the Calder Highway – Calder Alternative Route Intersection

## Importance of project

Many long distance freight vehicles bypass Bendigo via the Calder Alternative Highway, between Ravenswood and Marong. This section of the Calder Highway carries 12,500 vehicles per day including 12 per cent commercial vehicles. Traffic volumes on the Calder Alt at this intersection are approximately 2,000 vehicles per day.

The existing at-grade intersection is in a 100km/h zone and suffers from poor geometry and alignment which results in poor sight distances and increased safety concerns. Presently trucks heading south (i.e. towards Melbourne) are required to be stored in the median to access the Calder Highway.

Storage is limited to one heavy vehicle and the line of sight is impaired when completing the right hand turn. High traffic volumes limit access to the south-bound carriageways, particularly for heavy vehicles. This will only worsen as traffic volumes increase.

### **Freight benefits (capacity, efficiency and reliability)**

The project would provide improved access for freight vehicles using the Calder Alternative Highway.

### **Other benefits (safety, amenity and environmental)**

Safety and travel times would also be improved. In addition, the project would improve connectivity from northern Victoria and southern New South Wales to Melbourne.

## Why the Commonwealth should fund this project

The Calder Highway is a key part of the AusLink National Network and a vital strategic link in Victoria's road network. The highway carries a high volume of freight, business, commuter and tourist traffic between Melbourne, Bendigo and Mildura. Delivery of this project would reduce bottlenecks along this important corridor and provide substantial freight, transport and cost benefits to communities and industries in some of Victoria's largest regional centres.





# Melbourne – Geelong Corridor

The Melbourne – Geelong corridor is an important Victorian and Australian freight link, with two of the nation's major sea ports located on either end of the corridor. Fast, efficient and reliable service along this corridor is critical for:

- providing access to the Ports of Melbourne and Geelong for grain, wool, livestock, dairy and timber exports from western Victoria, northern Victoria and the Geelong region;
- providing access to the Melbourne market for companies and industries based in and around Geelong;
- supporting strong growth in the tourism industry, with Geelong acting as the gateway to the internationally renowned Great Ocean Road region, Bellarine Peninsula, Ballarat, the Grampians and other popular tourist destinations in south-western Victoria, such as the Great Ocean Road and Twelve Apostles Marine National Park;
- managing higher levels of freight and passenger traffic as a result of the increased use of Avalon Airport; and
- transporting manufactured goods from Melbourne to Geelong and the growing coastal and hinterland communities in south-western Victoria and managing the growing and changing transport needs of these communities.

## Regional industries and companies

Geelong is a major manufacturing and food processing centre with major companies such as Ford, Pilkington Glass, various car components makers, Shell refining, Orica and Timber Truss, Radiata Exporters and Midway wood products. Major food processing companies include Steggles (chicken products), MC Herd (meat products), Austrimi Seafoods, Mantzaris Fisheries, Barrett Burston Malting, International Malting, Sunicrust Bakeries, Beaumonts Pies and Cakes.

Other manufacturers include Smorgon ARC (steel products), Geelong Wool Combing, Godfrey Hirst (carpets), Brintons (carpets), Alcoa (aluminium), KAAL (aluminium coil), BHP Billiton (tyre cord and wire products). Aerospace companies operate at Avalon Airport along with passenger and freight services. Most of these companies have requirements to carry freight to and from Melbourne, providing inputs to 'sister' plants, products to the domestic Melbourne market, and exports to the Ports of Melbourne and Geelong.

# Geelong Ring Road

Stage 4A (Connection from Geelong Ring Road to Anglesea Rd)

Stage 4B (Connection from Anglesea Road - Princes Hwy West)

Stage 4C (Surf Coast connection)

## PROJECT LOCATION:

Stage 4A – Connection from GRR to Anglesea Road near Hams Road  
Stage 4B - Anglesea Road to Princes Hwy West, west of Waurin Ponds  
Stage 4C – Connection to the Surf Coast Highway

## Importance of project

Geelong is the second largest city in Victoria and an important port city with an urban population of 190,000 people. The Barwon Statistical division, including Geelong, Torquay and Colac, is anticipated to grow by 90,000 people between 2006 and 2031, placing increasing freight and commuter traffic demands on the Geelong Ring Road (GRR).

Funding has been committed by the State and Commonwealth Governments to Sections 1 to 3 of the GRR and a planning study is underway to finalise the costs and benefits of Section 4 of the GRR.

Section 4A of the GRR is at the southern end of the Melbourne – Geelong corridor. It will extend from the southern end of Section 3 of the GRR, over the existing Princes Highway West and along Anglesea Road, terminating near Hams Road.

Stage 4B would complement Stage 4A to provide a freeway standard connection from the Geelong Ring Road to the Princes Highway West. It would allow for an appropriate bypass of the environmentally sensitive Waurin Ponds area and allow freight from western Victoria to bypass Geelong. Stage 4B would also provide improved access to the nationally significant tourist facilities in south western Victoria.

Section 4C of the GRR is also at the southern end of the Melbourne – Geelong Corridor and would provide a highway standard connecting road from Anglesea Road to the Surf Coast highway.

### Freight benefits (capacity, efficiency and reliability)

The project would deliver a cost-effective, highway standard extension of the Geelong Ring Road and a link between the GRR at the Princes Highway Waurin Ponds and the Surf Coast Highway. Freight and car traffic to and from western Victoria would be able to bypass Geelong, improving transit times and reducing congestion.

The project would improve transit times for freight vehicles in south-west Victoria and between Geelong and Melbourne. The project would also improve access to nationally significant and busy tourist locations in south-western Victoria.

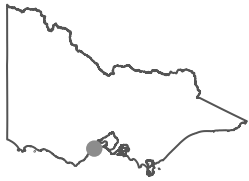
### Other benefits (safety, amenity and environmental)

Currently, freight and passenger vehicles must use the Princes Highway through Geelong, causing substantial driver frustration, congestion, crashes, reduced urban amenity for Geelong residents, access difficulties for pedestrians and cyclists, and increased vehicle emissions and noise.

Safety is an issue at the southern end of the corridor as a result of heavy tourist traffic to and from the Surf Coast and the Great Ocean Road. By further extending the GRR, the project would deliver significant safety and amenity benefits to residents in Geelong's southern suburbs and Grovedale.

## Why the Commonwealth should fund this project

The project would greatly enhance the efficiency of transport movements between Melbourne, Geelong and western Victoria, delivering substantial benefits and savings to industry in both cities and in south-western Victoria. By encouraging trucks and cars seeking access to the Surf Coast Highway to use the Geelong Ring Road (GRR), traffic congestion within and through Geelong's urban area would be reduced, increasing amenity in the Geelong central area and surrounding suburbs, and improving access to local businesses.



PROJECT DESCRIPTION:

Stage 4A - Extend the Geelong Ring Road over the existing Princes Highway West and along Anglesea Road, terminating near Hams Road.

Stage 4B - Provide a freeway standard connection from the Geelong Ring Road to the Princes Highway West.

Stage 4C - Provide a highway standard road link between Anglesea Road and the Surf Coast Highway.





## Geelong Intermodal Terminal

PROJECT LOCATION:	Geelong
PROJECT DESCRIPTION:	Develop a new Intermodal Terminal

### Importance of project

Regional intermodal terminals will play an increasingly important role as ports and capital cities become more congested. As part of its commitment to a state-wide network of intermodal terminals, the Victorian Government has identified Geelong as a priority location where the development of an intermodal terminal could deliver significant commercial and economic benefits to local industry and to national freight corridors.

In February 2007, the Minister for State and Regional Development, the Hon John Brumby MP, announced a joint study with the Geelong Council to identify the role that an intermodal terminal could play in enhancing rail freight in domestic and export trade.

This would include an assessment of the impact of container traffic being shuttled between Geelong and the Port of Melbourne. The Port of Geelong has the capacity for additional storage facilities as well as loading and holding points, and has the potential to attract new investment to Geelong.

#### **Freight benefits (capacity, efficiency and reliability)**

Geelong is a significant city for the origin and destination of freight both on regional and interstate transport corridors. An intermodal terminal servicing Geelong and the region to the north-west of the city would enhance efficiency in domestic and freight transport along the Melbourne– Geelong corridor. In particular, it would improve the efficiency of freight traffic being rail shuttled between Geelong and the Port of Melbourne.

#### **Other benefits (safety, amenity and environmental)**

The project would potentially deliver significant safety and environmental benefits by acting as a catalyst for shifting freight from road to rail.

### Why the Commonwealth should fund this project

The project would significantly improve freight efficiency along the Melbourne – Geelong corridor, delivering substantial benefits to industry in both cities. It would also improve the competitiveness of Victoria's freight and logistics industry by reducing freight costs to shippers.







# Extending the AusLink National Network for Victoria and South Australia

## Geelong – Portland - Mt Gambier - Adelaide Corridor

The AusLink White Paper states that the Australian Government will periodically review the network's composition to assess whether particular corridors or links should be added or removed. The Victorian Government believes an important addition to the national network would be the Geelong to Mt Gambier Corridor which also runs through the Victorian cities of Colac, Warrnambool and the port city of Portland (including the Henty Highway south of Portland North and to the Port of Portland). The rail line connecting Warrnambool to Geelong is also part of this corridor.

This inclusion would provide a safer and more efficient link between expanding agricultural, timber and tourism industries in the resource rich south western Victoria and south eastern South Australia, including 'The Green Triangle' and the Ports of Portland and Geelong.

The South Australian Government are best placed to advise the Commonwealth and Victoria on the most appropriate route on the AusLink National Network from Mt Gambier to Adelaide.

### Why this Corridor should be part of the AusLink national network

Princes Highway West is the only Victorian interstate highway (outside of the Port Phillip/Geelong conurbation) that links capital cities yet does not have AusLink status.

Inclusion of the Corridor on the Network is supported by 17 municipalities in Victoria and South Australia.

Over the next decade, the south-west-region of Victoria will experience strong economic growth. Much of this will be driven by the harvesting of blue gum plantations in the Green Triangle from 2009 and the development of new industries such as the mining, processing and exporting of mineral sands.

## Tourism

The Geelong – Mt Gambier Corridor takes in some of the nation's premier and growing tourism destinations, such as the Great Ocean Road, Twelve Apostles Marine National Park and Shipwreck Coast in Victoria and South Australia's Limestone Coast.

Domestic and international tourism to the Great Ocean Road region generates over \$1 billion annually. Daytrip visitation to the Great Ocean Road region has outperformed the national trend growing at an annual average rate of 1.2 per cent over the past five years.

## Exports and industry growth

The Port of Portland predicts exports handled by the Port will increase by \$1 billion per annum over the next decade. This will include a trebling of forestry products during the next 5-10 years. Other key industries in the region include aluminium, grains, livestock and wind turbines.

Major projects with an investment value of \$6.1 billion is proposed to be undertaken within the region in the short to medium term, including several major wind farms gas plants and gas power generator plants.

As well, the south-west Victoria/south-east SA is the fastest growing dairy region in Australia, accounting for 21 per cent of National milk production, with annual exports now exceeding \$1 billion.

The capacity of the road and rail infrastructure along the corridor will need to be significantly upgraded to meet forecast freight growth. This will include national highways, arterial roads, local roads and possibly rail links.

A pulp mill is proposed to be constructed at Penola in South Australia. The mill is expected to consume 1.5 million tonnes of woodchips and produce 0.75 million tonnes of pulp for export. Heywood in Victoria's side of the Green Triangle has also been identified as a potential site for a pulp mill.

## Green Triangle and South West Victoria – proposed planning study

It is recommended that a joint Commonwealth, Victoria and South Australia Government study be undertaken in collaboration with the timber and other industries to identify the transport needs arising from expected commodity growth in the Green Triangle region.

This includes significant Blue Gum plantations coming to harvest in 2009 – 2014 and on-going timber fibre harvesting from Australia's largest pine plantations. The study would draw on

extensive analysis that has already been undertaken by local and state governments to identify future transport needs. The focus on the study would include:

- identifying arterial and local road upgrades in the area resulting from predicted increases in freight activity; and
- establishing the viability of reopening the rail line between Heywood in Victoria and Mt Gambier in South Australia.

The study would be a successful collaborative effort similar to the study on the Mildura rail line upgrade carried out between the Commonwealth and Victorian Governments and industry under AusLink 1.

Priorities centre on the following strategic issues:

- the safety of passenger and freight movements along the corridor, such as the interaction of freight traffic with tourist traffic and local traffic across the corridor and the potential safety implications of such a mix,
- the condition of ageing road and rail infrastructure, which affects safety and efficiency,
- the amenity of towns along the route and urban growth areas such as Warrnambool and Colac,
- planning for longer term management of transport issues associated with industry growth areas, such as timber plantation harvesting, mineral sands processing and dairy land use increases and;
- improvement of the rail corridor to increase the capacity and competitiveness of rail.

## Regional industries and companies

Key towns on or near the Princes Highway West include Colac, Camperdown, Cobden, Terang, Warrnambool, Port Fairy, Portland (and Mt Gambier in South Australia).

Companies having significant freight/export operations within this corridor include: Murray Goulburn, Bonlac, Fonterra, Midfield Meats, Dairyfarmers, Regal Cream, Warrnambool Cheese and Butter Factory, Alcoa (Portland), Port of Portland, CRF (lamb exporter Colac), Camperdown Cheese Company, Cobden UHT Plant, Kalari Transport, Scott's Transport and Timbercorp.

The Melbourne to Warrnambool rail line performs an important freight task for this region, including the export meat and dairy products from the intermodal terminal at Warrnambool to Melbourne, and dairy products exported from Colac.



## Princes Highway West Duplication - Waurin Ponds to Colac

**PROJECT LOCATION:** Princes Highway, between Waurin Ponds and Colac

**PROJECT DESCRIPTION:** Duplicate the Princes Highway between Waurin Ponds to Winchelsea and between Winchelsea to Colac

### Importance of project

The Princes Highway between Waurin Ponds and Colac is a single carriageway with a significant ratio of trucks to cars and substantial traffic numbers. It is a key part of the important Princes Highway West link between Melbourne, Geelong, south-west Victoria and south-east South Australia. The Waurin Ponds to Colac section is a two-lane, two-way rural highway with sealed shoulders and a 100km/h speed zone.

#### **Freight benefits (capacity, efficiency and reliability)**

The project is off the AusLink corridors, but will facilitate greater freight efficiency and safety on the Princes Highway West, which experiences mixed traffic and a significant proportion of freight traffic carrying agricultural products and manufactured goods to and from western Victoria and south-eastern South Australia.

#### **Other benefits (safety, amenity and environmental)**

The duplication of the Princes Highway West would reduce the incidence of crashes by separating head-on traffic and reducing driver fatigue. Inter-regional freight volumes and passenger growth rates are between 2.5 per cent and 3.5 per cent per annum between Geelong - Warrnambool.

By 2014, average daily traffic between Geelong – Colac will be approximately 10,000 vehicles per day and between Colac and Warrnambool around 5,000 per day, with 25 per cent of such traffic being commercial vehicles.

### Why the Commonwealth should fund this project

The project would improve freight efficiency and safety on both the Melbourne – Geelong and Melbourne – Adelaide corridors. It would significantly improve access to ports and markets for vital agricultural, food processing and manufacturing industries in Victoria's Western District and south-eastern South Australia. Princes Highway West duplication between Waurin Ponds and Colac represents a significant improvement to the Geelong – Mt Gambier corridor.







## Melbourne – Sydney Corridor

The Melbourne – Sydney corridor is the busiest freight corridor in Australia. Around 40 per cent of long-distance freight movements on the AusLink network use the Hume Highway for at least part of their trips.

Road and rail freight on the corridor includes consumer goods, export commodities in bulk and containers and manufacturing components.

Freight between Sydney and Melbourne is projected to increase from 10.3 million tonnes to around 25 million in 2029.

Along the Victorian section of the corridor, efficient freight movement is particularly critical for:

- providing timely, reliable and cost-effective access to domestic and international markets for a range of industries;
- supporting the effectiveness of Melbourne's intermodal terminals, including in the Dynon Precinct and at Somerton;
- meeting the needs of strongly growing regional centres along the corridor; and
- managing Melbourne's predicted strong population growth, with significant population increase expected to occur in the city's northern region.

# National Rail Improvement Program: North South Rail Line - Melbourne to Wodonga

## PROJECT LOCATION:

North South Rail Line, Melbourne to Wodonga

## PROJECT DESCRIPTION:

Extensive duplication of the standard gauge rail line between Melbourne and Wodonga and associated infrastructure upgrades, including track and new train control technology

## The project

The current pattern of rail activity on this corridor reflects its critical role in freight and passenger movements on the national network. Rail services provide a direct freight link between Sydney and Melbourne, as well as between major regional centres. The corridor also supports interstate rail traffic to and from Queensland, South Australia and Western Australia.

Currently the Sydney-Melbourne rail link is standard gauge dual track south from Sydney to Junee, then single track to Melbourne. The performance of the track reflects its alignment which was established in the 19th Century.

There are many locations having tight curvature and steep grades, poor track quality and insufficient passing capacity. Rail freight movements are also highly constrained in the urban areas of Sydney with priority given to passenger services.

The combination of these factors inhibits the ability of rail to compete against road freight transport.

Currently only 9 per cent of total freight is carried by rail on the Melbourne – Sydney corridor. Rail transit time between Sydney and Melbourne is around 15 hours (compared to 10-12 hours for road) plus a combined pick-up delivery time of 6 hours.

Interstate freight between Sydney and Melbourne is forecast to increase by nearly 70 per cent over the next 20 years (average growth around 2.6 per cent per year).

This rise will be driven by growth in the national economy, consolidation trends in manufacturing and national distribution operations and strong population growth in the western Sydney, northern Melbourne and regional centres .

According to the Melbourne-Sydney AusLink Corridor Strategy, this growth will have major freight impacts, including intensifying problems created by large volumes of local and commuter traffic competing for road space with longer distance road freight and passenger vehicles.

Projects currently underway to upgrade the rail line are forecast to reduce travel times for freight trains to between 10½ - 11½ hours. These projects include construction of the new Southern Sydney Freight Line and additional passing lanes south of Junee.

However, even when these projects are finished, there will continue to be deficiencies on the line that seriously impact on the speed and efficiency of freight movements.

Without addressing these bottlenecks and capacity constraints, the efficiency of a large portion of Australia's freight task will be compromised.

The Corridor Strategy also identified lack of intermodal capacity in Melbourne and Sydney and poor access to terminals as key constraints on rail productivity and efficiency on this Corridor. Current levels of intermodal capacity are inadequate to meet the import/export port-rail targets for the New South Wales and Victorian Governments (40 per cent and 30 per cent respectively).



## Priority Projects

Priority projects on this corridor between 2009-14 include:

- Deployment of advanced train management system technology, to replace the existing signalling system and enable major productivity improvements through shorter headways, reduced operating costs and lower asset maintenance costs; and
- Additional standard gauge track capacity, either through new passing loops or standardisation of the parallel broad gauge line.

### **Freight benefits (capacity, efficiency and reliability)**

The project would help to secure the reliability of Victoria's rail infrastructure into the future. These improvements would support the carriage of greater volumes of freight by rail and improve rail freight capacity, efficiency and reliability along the corridor. The project would deliver improved access to the Port of Melbourne for industry in north-eastern Victoria, including food processing companies in the Goulburn Valley.

### **Other benefits (safety, amenity and environmental)**

These improvements would support a greater rail freight mode share and deliver benefits in greater road safety, reduced congestion and emissions, and improved local amenity in communities along the corridor.

## Why the Commonwealth should fund this project

The project would address deficiencies identified in the AusLink Melbourne – Sydney corridor strategy, contribute to greater freight efficiency on national corridors and help to alleviate safety concerns arising from a mix of trucks and cars on the Hume Highway.



## Wodonga Intermodal Terminal

PROJECT LOCATION: Barnawatha, near Wodonga

PROJECT DESCRIPTION: Develop a new intermodal terminal

### Importance of project

Regional intermodal terminals improve freight and supply chain efficiency, deliver substantial freight and logistics benefits to regional businesses and industries, and contribute to a greater rail freight mode share.

Regional intermodal terminals will play an increasingly important role as ports and capital cities become more congested. As part of its commitment to building a state-wide network of intermodal terminals, the Victorian Government has identified priority locations where the development of an intermodal terminal could deliver significant commercial and economic benefits to local industry and to national freight corridors.

The development of an Intermodal Freight Terminal, supported by Wodonga City Council, is proposed at the Barnawatha Freight and Logistics Precinct, 14 kilometres south of Wodonga. The facility would be on the Melbourne-Sydney main line and be owned by the Council and managed by a terminal operator. The 440-hectare site could accommodate trains up to 2,000 metres long. A major anchor tenant, Woolworths Distribution Centre, is already present on site. In 2004 the Victorian Government committed a funding contribution towards this project.

#### **Freight benefits (capacity, efficiency and reliability)**

There is potential for a Wodonga intermodal terminal to act as an important regional and national distribution hub, linking with the Port of Melbourne and Sydney's Botany Bay, and delivering substantial benefits to local exporters in north-eastern Victoria.

The intermodal terminal would also maximise the region's significant geographical transport advantage. The Victorian Government will continue to consult with Wodonga Council and the Commonwealth Government on the viability and potential development of this project.

### Why the Commonwealth should fund this project

The Melbourne – Sydney corridor is Australia's busiest interstate freight corridor, with volumes forecast to increase from 10.3 million tonnes to 25 million tonnes by 2029. The development of intermodal terminal at strategic locations along this corridor will assist in rail growing its share in the freight task between 2009 and 2015.





## Somerton Intermodal Terminal

PROJECT LOCATION: Somerton

PROJECT DESCRIPTION: Undertake rail enhancements near the Somerton intermodal terminal

### Importance of project

The Melbourne-Sydney AusLink Corridor Strategy identified a lack of intermodal capacity and poor access to terminals in Melbourne and Sydney as key constraints in rail productivity and efficiency in this corridor. The study found the current level of intermodal capacity was inadequate to meet the import/export port-rail targets of the Victorian and New South Wales Governments (30 per cent and 40 per cent respectively).

Intermodal terminals improve freight and supply chain efficiency, deliver substantial freight and logistics benefits to regional businesses and industries, and contribute to a greater rail freight mode share.

Somerton (P&O) commenced operations in July 2005 and is located to the north of Melbourne adjacent to both the interstate rail line and Hume Freeway and is anticipated to be developed to service both the domestic and port rail markets.

The current freight task sees imported containers being moved via road to companies locally in Somerton and taken to the Port for export. The proponent forecasts a throughput of 40,000 TEU rising to 100,000 within five years. The operator intends to utilise the facility as one end of a rail shuttle service to their facility at the port of Melbourne as well as attracting domestic rail services.

Development of additional rail connectivity to the Somerton terminal (on the north-south interstate line in northern Melbourne), adjacent to the current Austrak terminal, would provide further terminal capacity on the north-south corridor. Works would include changing the gradient of the existing lines and providing rail capacity for 1200m trains.

#### **Benefits (safety, amenity and environmental)**

The project would support a greater rail freight mode share, delivering benefits in terms of improved road safety, reduced congestion and greater amenity in local communities.

### Why the Commonwealth should fund this project

The project would make an important contribution to freight efficiency between Victoria and New South Wales. It would improve access to export ports for key rural production areas along the Melbourne – Sydney corridor.

# Hume Highway Upgrade and Safety Improvements - Kalkallo to Beveridge

PROJECT LOCATION: Hume Highway between Kalkallo and Beveridge

PROJECT DESCRIPTION: Upgrade to freeway conditions and remove direct access to freeway

## Importance of project

The project would resolve access management issues and remove inappropriate unrestricted at-grade access and improve safety and the efficiency of the traffic on this section of the corridor. The traffic volume on this section is around 30,000 vehicles per day, with 21 per cent being commercial vehicles.

### **Freight benefits (capacity, efficiency and reliability)**

The project would address deficiencies identified in the AusLink Melbourne – Sydney corridor strategy, contribute to greater freight efficiency on national corridors and help to alleviate safety concerns arising from a mix of long distance trucks and cars on local traffic movements on the Hume Freeway.

### **Other benefits (safety, amenity and environmental)**

Between 2000 and 2004, there were 58 crashes along this 7 kilometre section of highway. Improvements delivered through this project have the potential to significantly reduce crashes along this section of highway.

## Why the Commonwealth should fund this project

The Hume Freeway is a key part of the AusLink National Network and a vital strategic link in Victoria's road network. The highway carries a high volume of freight, business, commuter and tourist traffic between Melbourne and Sydney.

The Commonwealth Government has funded the Craigieburn Bypass and Donnybrook Road intersection upgrade, which would allow freeway conditions to be delivered. Delivery of this project would reduce congestion and conflicts between local and interstate traffic and provide substantial freight, transport and cost benefits to communities and industries.





## Melbourne – Brisbane Corridor

The Melbourne – Brisbane corridor links Australia's second and third largest capital cities along 1535 kilometres of road. The corridor is vitally important for:

- supplying the transport links needed to meet the processing and export requirements of the major fruit and dairy industries of the Goulburn Valley and southern NSW (which produce 75 per cent of the nation's canned fruit);
- providing access to export markets for the beef and sheep industries;
- transporting almost the entire Australian rice crop from the Murray Darling Basin to domestic mills and export markets through Victoria's ports; and
- transporting manufactured goods from Melbourne (and regional areas along the corridor) to sustain growth in South-east Queensland and Northern New South Wales.

More than 4.5 million tonnes of goods moved between Melbourne and Brisbane in 2004, of which approximately 60 per cent moved by rail and 32 per cent was transported by road. As well, an additional 9.3 million tonnes moved from the Riverina and northern Victoria regions to Melbourne.

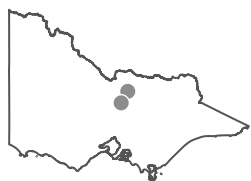
### Regional industries and companies

The Goulburn Valley's importance as a food-producing region is reflected in the fact that there are 23 food processing firms in the Goulburn Valley, with an annual turnover of around \$3.3 billion.

The dairy and fruit-growing regions of the Goulburn Valley and Riverina districts produce 75 per cent of Australia's canned fruit. There is a strong representation of large companies with major processing plants and a high level of export activity.

These companies include: SPC Ardmona/Coca-Cola Amatil; Simplot Australia; Amcor; Visy Board; Cedenco; Unilever; Heinz Watties; Murray Goulburn; Kraft; Bonlac; Campbell's Soups; Uncle Bens; and Nestlé. These companies have major plants in Shepparton, Mooroopna, Cobram, Stanhope, Tongala, Strathmerton and Tatura.

Improvements to the corridor would enhance the speed, reliability and efficiency of freight movement to the Port of Melbourne for export.



## Goulburn Valley Highway – Shepparton Bypass

PROJECT LOCATION: Shepparton

PROJECT DESCRIPTION: Goulburn Valley Highway Shepparton Bypass

### Importance of project

The Goulburn Valley Highway forms part of the AusLink Melbourne – Brisbane corridor. This important north-south freight link serves the Goulburn Valley, one of Australia's major agricultural and food processing regions. With strong population growth forecast for the region over the next 25 years, improvements are needed to the highway to manage higher volumes of freight and higher levels of commercial traffic, address capacity pressures and improve safety.

#### **Freight benefits (capacity, efficiency and reliability)**

Along with the proposed Nagambie Bypass and Strathmerton Deviation, the project would improve the efficiency and reliability of travel along the Melbourne – Brisbane corridor and through the Goulburn Valley region.

The Shepparton Bypass (40km in length) would improve the level of service for commercial traffic along the highway (total traffic volumes are 6,600 vehicles per day, of which 22 per cent are commercial vehicles), while also relieving congestion in Shepparton and Kialla West and reducing crashes.

#### **Other benefits (safety, amenity and environmental)**

The project would enhance amenity for local residents as a result of less through traffic in Shepparton. Safety would also be improved along this section of the highway. There would also be improved access to the Murray and Riverina regions of Echuca and Hay.

### Why the Commonwealth should fund this project

The project would enhance freight efficiency by removing a significant bottleneck along the major Melbourne – Brisbane corridor. It would improve the international competitiveness of food processing companies and industries in the Shepparton, New South Wales Riverina/ Murrumbidgee Irrigation Area region, as well as enhancing safety and amenity in Shepparton and outlying satellite towns.

# Goulburn Valley Highway – Nagambie Bypass

PROJECT LOCATION: Nagambie

PROJECT DESCRIPTION: Goulburn Valley Highway Nagambie Bypass

## Importance of project

Along with the proposed Shepparton Bypass and Strathmerton Deviation, the project would improve the efficiency and reliability of travel along the Melbourne – Brisbane corridor.

The Bypass is the missing link in the 60km duplicated four-lane corridor between the Hume Freeway at Seymour to the south of Shepparton.

### **Freight benefits (capacity, efficiency and reliability)**

The Nagambie Bypass (17.4km in length) would improve the efficient flow of traffic along this section of the highway (currently 7,500 vehicles per day, of which 21 per cent are commercial vehicles) and reduce travel times.

### **Other benefits (safety, amenity and environmental)**

The project would enhance amenity for local residents as a result of less through traffic in Nagambie. The project would also improve safety along this section of the highway.

## Why the Commonwealth should fund this project

The project would improve traffic flow and freight efficiency along the Melbourne – Brisbane corridor and through the Goulburn Valley. It would improve access to ports and markets for companies and industries in the Goulburn Valley, as well as enhancing safety and amenity in Nagambie.



## Goulburn Valley Highway – Strathmerton Deviation

PROJECT LOCATION: Strathmerton

PROJECT DESCRIPTION: Goulburn Valley Highway Strathmerton Deviation

### Importance of project

Along with proposed bypasses at Shepparton and Nagambie, the project would improve the efficiency and reliability of travel along the Melbourne – Brisbane corridor.

#### **Freight benefits (capacity, efficiency and reliability)**

The Strathmerton Deviation (20km) would eliminate the poor geometry and number of curves and narrow bridges approaching the Murray River, saving 9km of travel, improving traffic flow and reducing travel times. Current traffic volumes are 3,000 vehicles per day, of which 30 per cent are commercial vehicles.

#### **Other benefits (safety, amenity and environmental)**

The project would enhance amenity for local residents as a result of less through traffic in Strathmerton. Significant improvements to safety would be delivered along this section of the highway.

### Why the Commonwealth should fund this project

The project would improve freight efficiency along the Melbourne — Brisbane corridor, improve freight speed and reliability for industries in the Goulburn Valley and enhance safety and amenity in Strathmerton.

# Shepparton Intermodal Terminal

PROJECT LOCATION: Shepparton

PROJECT DESCRIPTION: Develop a new Intermodal Terminal

## Importance of project

The existing Mooroopna facility near Shepparton manages around 24,000 TEU per annum, with approximately 90 per cent travelling to Melbourne for export and the remainder travelling to the Western Australian domestic market. Train length is limited to 480 metres.

As part of its commitment to a state-wide network of intermodal terminals, the Victorian Government has identified Shepparton as a priority location where the development of an intermodal terminal could deliver significant commercial and economic benefits to local industry and to national freight corridors.

The proposed site is located two kilometres south of the Midland Highway and covers approximately 370 hectares of rural grazing land. The site would be bisected by the proposed Shepparton Bypass, and the Shepparton-Melbourne rail line passes through the eastern portion of the site.

### Freight benefits (capacity, efficiency and reliability)

Shepparton is an important freight origin and destination. The Shepparton region is recognised as the fruit bowl of Victoria and is home to large exporters of canned and processed foods. A new intermodal terminal at Shepparton would improve export food supply chains from the Goulburn Valley and facilitate more efficient freight movements of food and manufactured goods from the region.

The existing freight terminal at Mooroopna has limited opportunities for expansion. The project has strong support from industry and local government. The Victorian Government is currently discussing with Shepparton Council funding and staging options for developing the freight terminal, in partnership with the Commonwealth Government.

### Other benefits (safety, amenity and environmental)

The project would deliver significant safety and environmental benefits by acting as a catalyst for shifting freight from road to rail and relocating the existing intermodal terminal from Mooroopna, to a larger site that would be better served by road and rail links, including the proposed Shepparton Bypass.

## Why the Commonwealth should fund this project

The project would improve freight efficiency and connectivity along the Melbourne — Brisbane corridor and for industry in the Shepparton and Goulburn Valley region. The project also has the potential to attract new investment and business opportunities to the region.





## Sydney – Adelaide Corridor

The Sydney– Adelaide corridor is the main inland highway connecting Sydney and Adelaide. It is the principal route for the movement of road freight between the two cities and essential to the movement of freight between Sydney and Perth. The corridor also connects some of Australia's most important agricultural regions to domestic and international markets and provides vital transport links between large inland regional centres. The Sturt Highway traverses the centre of Mildura.

### Regional industries and companies

Companies with substantial plants in the Mildura region include: Sunbeam Foods, which produces dried fruit products; Mildura Fruit Company, which is a large citrus packing and marketing company that mainly serves export markets; Mildura Fruit Juices Australia, which is a major citrus juice processor; Irymple Citrus Products; SDS Beverages Food and Wine; Mildura Brewery; and Sunsalt. Murray Basin Titanium has a processing plant at Red Cliffs near Mildura.



## Sturt Highway – Mildura Truck Bypass

PROJECT LOCATION: Sturt Highway, Mildura

PROJECT DESCRIPTION: Provide a truck bypass at Mildura

### Importance of project

This section of the Sturt Highway on the Sydney – Adelaide corridor carries around 15,000 vehicles per day, of which 20 per cent are commercial vehicles. In the Mildura urban area, where the Sturt Highway (Deakin Avenue) traverses the centre of town, a better balance needs to be achieved between the role of Deakin Avenue in supporting the commercial and tourist centre of Mildura and the needs and impact of through traffic, particularly heavy vehicles.

The Rural City of Mildura has identified Benetook Avenue as an alternate heavy vehicle route with an extension beyond the Calder Highway to link directly with the Sturt Highway.

#### **Freight benefits (capacity, efficiency and reliability)**

The project would improve efficiency and travel times for interstate traffic, especially commercial vehicles.

#### **Other benefits (safety, amenity and environmental)**

The project would improve the amenity in the Mildura town centre, reduce heavy vehicle through traffic and improve access to local businesses.

### Why the Commonwealth should fund this project

The project would improve efficiency, safety and reliability along the Sydney – Adelaide corridor and enhance the efficiency of freight movements within north-western Victoria and between South Australia, Victoria and New South Wales. The bypass would also deliver benefits to business and industry within Mildura and the surrounding region.







## Sale – Melbourne Corridor

The Melbourne – Sale corridor supports key regional industries and the major regional centres of Warragul, Moe, Morwell, Traralgon and Sale. The corridor is a vital link between Victoria's Gippsland region and markets in Melbourne and beyond. Efficient freight connections along the corridor are essential for:

- access to domestic markets and the Port of Melbourne for the Gippsland dairy and livestock industries and delivering stock feed inputs;
- timber/paper products (eg. Maryvale Mill);
- supplying fresh produce from the Gippsland horticultural industry to Melbourne and wider domestic markets; and
- meeting the transport needs of a range of nationally significant regional industries, including agriculture, poultry, seafood, natural resources, tourism, gas and coal.

The City of Latrobe is currently investigating the feasibility of creating an intermodal terminal at Morwell. The Victorian Government will continue to liaise with industry and key stakeholders about the merits of this project and other potential initiatives to assist efficient freight movement on the Sale – Melbourne corridor.

### Regional industries and companies

Major food processing companies in the region with plants served by the Princes Highway include Bonlac (at Darnum), Flavorite and R. Radford and Sons (Warragul), Murray Goulburn (Maffra and Leongatha), National Foods (Morwell), Patties Pies and Vegco (Bairnsdale) and Tabro Meats (Wonthaggi).

Large energy companies are located in the Latrobe Valley (electricity) and Sale and Longford (gas), and have substantial needs for capital equipment and spare parts to be transported from Melbourne along the Princes Highway. There are also military bases east of Sale (RAAF).



## Princes Highway East Duplication – Traralgon to Sale

**PROJECT LOCATION:** Princes Highway East, between Traralgon and Sale

**PROJECT DESCRIPTION:** Duplicate the highway from Traralgon through to Sale (excluding the section that has already been duplicated through Rosedale)

### Importance of project

There is considerable freight traffic through and beyond this corridor, serving the major industries based in Gippsland. The project would improve safety, transit times and town amenity outcomes along this corridor.

#### **Freight benefits (capacity, efficiency and reliability)**

The duplication would be built to 'M' road standards which incorporates four traffic lanes with two carriageways, sealed shoulders and a central median dividing strip. This would significantly boost road freight capacity, reduce transit times and improve traffic flows.

#### **Other benefits (safety, amenity and environmental)**

A central median strip would improve safety outcomes.

### Why the Commonwealth should fund this project

The Princes Highway East is the primary connection between Gippsland and Melbourne and the Port of Melbourne. The project would improve freight efficiency on the Melbourne – Sale corridor, enhance safety and amenity along the corridor, and deliver major benefits to the diverse range of industries that depend upon the highway for access to inputs and domestic and export markets.

# Princes Freeway East Upgrade and Safety Improvements – Nar Nar Goon to Longwarry North

PROJECT LOCATION:	Princes Freeway East, Sands Road interchange and Access Restoration between Nar Nar Goon and Longwarry North
PROJECT DESCRIPTION:	Sands Road interchange and Access Restoration between Nar Nar Goon and Longwarry North

## Importance of project

The Princes Freeway/Highway is duplicated for most of the distance between Melbourne and Traralgon. However the freeway passes through areas where speed restrictions and delays are experienced. These projects would remove inappropriate unrestricted at-grade access and improve safety and efficiency for traffic flow on the duplicated sections of the corridor and allow the road to operate to freeway conditions.

### **Freight benefits (capacity, efficiency and reliability)**

Traffic volumes are in the vicinity of 40,000 vehicles per day with approximately 10 per cent commercial vehicles. These projects would provide sufficient and safe access for the high load of passengers and freight vehicles that use this corridor.

### **Other benefits (safety, amenity and environmental)**

Between 2000 and 2004 there were 79 crashes on the Princes Freeway East, between Nar Nar Goon and Longwarry. Seven of these were fatalities.

## Why the Commonwealth should fund this project

The Princes Freeway/Highway East is the primary connection between Gippsland and Melbourne and the Port of Melbourne. These projects would improve freight efficiency on the Melbourne – Sale corridor, enhance safety and amenity along the corridor, and deliver major benefits to the diverse range of industries that depend upon the freeway for access to inputs and domestic and export markets.





## CHAPTER 6. Promoting innovation and regional development

## CHAPTER 6:

# Promoting innovation and regional development

Alongside direct investment in the AusLink national network, the Victorian Government believes the Commonwealth Government must also play a leading role in three critical transport areas:

- promoting innovation and supporting regulatory reform to improve efficiency and productivity across the national transport network;
- rigorously targeted strategic transport investments to support regional economic growth and development; and
- ensuring that vital national transport assets are maintained.

## Innovation and regulatory reform

The Australian freight transport industry has a tradition of innovation. The Victorian Government has supported innovation in the industry through its support of the work of the National Transport Commission and its predecessor, the National Road Transport Commission. Victoria has also been a leader in supply chain and traffic management innovation, including establishing the National Intelligent Transport Systems Centre.

Victoria has implemented all available reforms under the Initial Reform Module and the first and second Heavy Vehicle Reform Packages as well as nine of the eleven reforms available for implementation under the Third Heavy Vehicle Reform Package – more than any other State or Territory.

In addition, Victoria was the first State or Territory to introduce a rail safety regulatory framework consistent with the national model.

Victoria has also provided access for Higher Mass Limit Vehicles to 99 per cent of the State's arterial road network.

The Victorian Premier, the Hon Steve Bracks – through his A Third Wave of National Reform proposals – has led debate on the need to pursue further national productivity reforms to continue to grow the economy of Victoria and Australia.

With a strong record of leadership on these issues, Victoria welcomes the new COAG reform agenda that includes further regulatory and pricing reforms in transport. However, the Government notes that a number of the Council of Australian Governments (COAG) reforms, such as the implementation of Performance Based Standards and the expansion of the B-triple network beyond the current road-train network, require investment in the national land transport network, as well as the introduction of a new heavy vehicle pricing regime.

## Strategic regional investment

The Strategic Regional Program was created within AusLink 1 to upgrade regional transport infrastructure to support industry, tourism and economic development.

The Victorian Government welcomed this initiative as a positive development in national road funding arrangements. However, the Victorian Government is concerned that under AusLink 1, available funds have not always been directed at the projects likely to deliver the greatest economic benefits.

For example, a number of important proposals to develop intermodal terminals have been overlooked, including Victoria's proposal for a new intermodal terminal at Dooen in western Victoria.

As well, over the next five years strong growth is set to occur in regional industry sectors that rely on efficient transport networks for freight exports and serving domestic markets. These sectors include timber plantations, mineral sands, dairy, horticulture and processed food.

## Green Triangle

For example, in the Green Triangle region in south-west Victoria, regional truck movements are expected to double by 2020 as a result of the growth in timber plantations. The south-west region of Victoria is the fastest growing dairy production area in Australia. It also has major investments underway in geoscience, mineral sands and natural gas developments worth billions of dollars.

## Northern Victoria

In the Swan Hill, Kerang and Robinvale districts, rapid growth is occurring in horticultural production, particularly of almonds and olives.

Almond product being freighted from the region is expected to grow 10-fold to about 360,000 tonnes per annum by 2015. Kernels will be moved to Melbourne for export and domestic production, and hulls distributed to feed lots across northern NSW and north-western Victoria.

Northern Victoria is also the location of new olive plantation developments. Victorian olive production is forecast to rise from the 2003 level of 840 tonnes to 73,000 tonnes of raw fruit in 2015. This will be processed locally to produce 15,000 tonnes of oil that will be transported to Melbourne, while 58,000 tonnes of by-product will be distributed to feedlots in southern NSW and northern Victoria.



## Regional population growth

Regional population in Victoria is currently growing at 1.41 per cent - the highest rate in 17 years. According to the Australian Bureau of Statistics, the four fastest growing statistical districts in Australia are all located in Victoria – Mildura, Bendigo, Ballarat and Shepparton. Victorian Building Commission data shows that the value of regional building approvals reached an all-time high in 2006 at \$4 billion – more than double the level six years previously.

Despite this strong economic growth, Victoria's local councils have also received a relatively small share of funds under this initiative – only 16 per cent of total national funding. This fails to take account of the significant freight task local roads will face over the next 10 years in various regions of Victoria as a result of significant growth in freight volumes in the horticultural, grain, timber, mineral sands and other industries.

In addition, greater transport benefits could be achieved by encouraging local governments to support access for higher productivity vehicles in urban areas to ports, major plants and industrial centres.

The Victorian Government welcomes Commonwealth investment in the Strategic Regional Program but recommends this funding be directed at improving freight connections between distribution points and the AusLink National Network, recognising the importance COAG has given to upgrading these local roads to Higher Mass Limit Standards.

## Maintenance

The Commonwealth and the States and Territories have undertaken significant capital investment in providing new transport infrastructure and in upgrading existing infrastructure. It is important that the value of this investment is not degraded over time through a lack of investment in asset maintenance.

Victoria has a strong history of maintaining its infrastructure to required standards. Having invested in the AusLink national network, Victoria believes it is important for the Commonwealth to provide ongoing funding to maintain the condition of the network's infrastructure.

Allocation of maintenance funding to States and Territories should be based on a formula that takes into account traffic volumes, as well as other factors that affect the condition of the infrastructure.

## CHAPTER 7. AusLink – the future



## CHAPTER 7:

# AusLink – the future

The Victorian Government has strongly supported efforts over the last decade at a State and Commonwealth level to develop an integrated approach to transport planning and delivery that recognises the critical role played by all modes of transport.

Growth trends in freight are reinforcing the need for this approach.

Victoria has a long history of bipartisan political support for the proposition that the State should receive its fair share of federal transport funding. For example, in 1997, the then Minister for Roads and Ports, the Hon Geoff Craigie, described Victoria's annual allocation of 16 per cent of Commonwealth funds as "highway robbery", noting that Federal funding to the States should be in line with their levels of economic and social activities because these activities determine the size of the transport task.

In addition, Mr Craigie said, "Transport efficiency is an important catalyst for Australia's economic growth and regional and social development."

"Victoria's arterial road system carries over 25 per cent of the Nation's travel, supporting major intrastate, interstate and international trade in primary produce, manufactures and services. Our roads, together with Melbourne's role as the National Transport Hub play an integral part in the national economic performance."

"It is essential that the Federal road funding to Victoria be lifted to a level commensurate with the national economic significance of Victoria's roads. The consequent improvements to transport efficiency will reap substantial benefit for all Victorians and all Australians."

A June 2007 report by the Australian Logistics Council found that the freight task for road and rail modes will grow by more than 50 per cent to 2015 alone.

Clearly this heightens the need for available transport funding to be allocated to the projects that deliver the greatest economic benefit to the nation.

This approach has been endorsed by Australian industry, as evidenced by calls by the Business Council of Australia for AusLink 2 funding to be prioritised to projects that will deliver the best economic outcomes.

Therefore, the Victorian Government believes the principles guiding AusLink funding should be reviewed to ensure states such as Victoria receive their fair share of funding.

In particular, greater weight should be placed on factors including

- Each state's share of national population
- The share of the national transport task performed by each state's transport network
- Recognising each state's contribution to national GDP
- Each state's contribution to fuel excises collected by the Commonwealth.

Consideration should also be given to the international models for allocating national land transport funding, including the US Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

This guarantees states a minimum return of 91.5 per cent on federal fuel tax contributions in 2007. The US legislation also includes an 'equity bonus' program which ensures that each state is guaranteed a minimum percentage of its relative share of fuel tax contributions. Clearly there are differences between Australia and the United States in respect of constitutional powers and tax policy. Nonetheless, the US legislation represents an approach that deserves to be considered closely by Australian governments. For example, it would provide greater certainty for States and Territories in planning for future land transport developments.

As well, AusLink decisions should also recognise the level of direct investment being made by State and Territory Governments in initiatives that reduce urban congestion, thereby allowing the faster movement of freight through urban corridors on and off the AusLink network.

Without this approach, the best possible outcomes from AusLink for the nation's economy, environment and communities would be compromised.





