

The Habitat Melbourne Trust

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The Hon. Daniel Andrews MP.

Premier of Victoria,
Parliament House,
Melbourne.

25th June 2015

Dear Mr. Premier,

Towards a 21st Century Transport System for Victoria Logistics and Primary Freight

Earlier this year I wrote to you with copies to nine of your Ministers (see attachment). I was advised by your Department Secretary, Chris Eccles, that I should expect responses from the various Ministers and their Departments. Some have replied.

Since I wrote Habitat has had our proposals up on the web. Presentations have also been made at the invitation of LeadWest and the Western Transport Alliance. Discussions have been held with participants in the Victorian Transport Association and with various professionals, associations and businesses. We have been encouraged by the responses and have received some valuable comments and advice. Through that process we have been reconsidering and refining our proposition.

There is unequivocal support for the general idea of having a system of inland ports. This also extends to the desirability of having a dedicated, stand-alone, track-based system of transportation between the waterside and the inland ports. Not so clear is how this could be achieved by any of the present participants - except if it were undertaken by the State Government. There is also recognition that any such system would take a considerable time to formulate, test and establish. Alongside this it is clearly recognised by the community and the logistics industry that the present system is highly unsatisfactory and that action to remedy this is badly and urgently needed.

Two news items in the past week or so demonstrate the urgency of the present situation. Firstly, Qube and Aurizon announced a joint venture costing in excess of \$1.3B to establish a new inland port for Sydney. This was followed a few days later by an edition of "The Business" on the ABC showing recent developments that substantially automate waterfront operations at Botany Bay and connect directly by rail to the inland ports. It is available at: iView; Programs A-Z; The Business (under 'B'); starting at +9 minutes.

Clearly, Victoria needs to take decisive and immediate action to ensure that Melbourne remains the preeminent and most efficient port in Australia and, in particular, the principal logistics hub for the four-state hinterland of south and east Australia.

Recently, we at Habitat have had more detailed access to the facilities already developed and proposed by Sam Tarascio and Salta Properties. Following that we have engaged in discussions with a senior executive of the company. Our purpose has been to assess the Salta propositions in terms of their potential contribution to the public good. In this we are endeavouring to align our appraisal criteria with those that you and your government would normally apply.

Our assessment is that Salta's financial and organisational commitment to the creation of inland ports and to rail freight services to and from these ports offers a very effective response to the present situation. It offers significant reductions in the traffic flow of heavy freight between the Port of Melbourne and the inland ports in Altona, Somerton and Dandenong. With that it would significantly reduce traffic load and congestion on the road network. This change would reduce atmospheric pollution, including particulates, particularly in the major areas of Greater Melbourne between the waterside and these ports. A further attraction is that much of the investment in land, property and rail has already been made. What remains to be done is relatively minor both in the extent of the works and the costs involved. We understand directly from discussions with Salta that the proposed system could be operating in approximately one year from a decision by the State Government, subject to the following actions:

1. Reactivation of Rail Infrastructure (Tracks and Signaling) at the Metropolitan Intermodal Rail Terminal at Swanston Dock (MIRT).
2. Closure of Coode Road within the Swanson Dock precinct to allow direct movement of containers between the MIRT and the ship-side Stevedoring Operations.
3. Design and construct Last Kilometre Rail Spur (siding) off the Dandenong/Cranbourne rail line up to the adjoining Dandenong South Intermodal Terminal. (This work includes broad gauge turnout, approx 1km of rail siding and necessary signaling upgrade)
4. At Somerton design and construct southern entry and exit rail track

infrastructure to and from the Somerton Intermodal Terminal. This work includes rail turnouts, rail track and associated signaling upgrade.

5. Design and construct rail infrastructure works at Altona Intermodal Terminal. (\$34m has already been spent to install turnouts and upgrade signaling to ARTC standard gauge rail corridor. This work included an upgrade to the below-track Shell White Oil Pipeline that the rail siding will cross.)

All this proposed work is to be undertaken by the State Government on government owned land holdings. This investment is scheduled to be covered by the current \$58m Government Funding Allocation. All rail and other works that are still required within the three inland ports would be undertaken and paid for by Salta and Austrak (the proprietors of the inland ports) within the same time frame.

Habitat has been concerned that this Salta proposition would exclude other operators. We have been assured that both the rail access as already negotiated and the inland ports themselves would be available to others participants - though there is a clear operational requirement that some points in the system would necessarily be under the control of a single operator.

It is against this background that Habitat supports the Salta proposals. Indeed it advocates that the State Government adopts and facilitates its implementation. Habitat does so recognizing the current urgency of the situation and the efficacy, low cost and ready availability of the Salta proposal. It also considers that it provides a realistic short-term and medium-term contribution to the strategically important logistics activities of Melbourne and Victoria.

Habitat also considers that the Salta proposals establish a context within which it would be appropriate to investigate longer-term opportunities. Clearly, the Habitat proposals for a dedicated, smart, tracked system of freight transport connecting the waterside to inland ports is a desirable long-term solution. This is widely recognized as a real possibility within the logistics industry. If it were available the industry could readily migrate its operations across into the new technology within the available time frame. Equally, the Habitat proposition is not capable of providing a solution to the immediate problems facing Melbourne and Victoria. The Salta proposition provides the time frame within which such a system could be developed and implemented. Far from by-passing the Habitat proposition the Salta scenario provides the time that is needed for its development and implementation.

In sending this to you we are also sending it to the various Ministers mentioned in our previous letter. In addition we will make it available to many individuals and organizations have been a part of the discussions

through which we have developed and tested the ideas. In time we will share these ideas with the wider community across the web.

Yours Sincerely,

Allan Rodger
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