

# PTUA statement: Freight and the Port of Melbourne

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8 February 2015

The Public Transport Users Association (PTUA) urges the Victorian Government to add an amendment, committing to a land-side integration plan that includes a modal shift to rail, to the legislation *Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Bill 2015* to be debated on 9 February 2016 in the Victorian Legislative Council.

PTUA urges that the originally designated funding for this project of \$58 million (\$38 million in Commonwealth funds plus \$20 million in state government funds) be used immediately to construct direct rail freight shuttle links to the Port. PTUA sees the completion at the earliest possible date of the rail freight shuttle as essential to the needs of Port area communities, the greater Melbourne and Victorian economy, and increased security by Customs for incoming container cargo.

A commitment in writing and completion of the rail freight shuttle and links to inner port distribution centres will ensure the Port of Melbourne's international competitiveness. Designated funding and a clear plan for this project have existed for many years under both Coalition and Labor governments. It is time to act on this essential project, not conduct more studies and wait for the Port's standing in the global top 100 to decline further. Present standing at 60th in world container port ranking is an excellent position, but unless this essential rail link upgrade is begun immediately that rank cannot possibly be maintained. Already, the Port of Botany in Sydney has a rail link and eventually will overtake Port of Melbourne if action is not taken and the outdated exclusively road-based container handling continues. Port of Melbourne is one of the only container ports in the developed world without such a rail shuttle link.

Benefits of immediate action on the freight rail shuttle link to Port and intermodal rail include:

## 1. Community benefits

The freight rail shuttle will help reduce and eventually eliminate container trucks travelling through local streets in neighbourhoods close to the Port. The proposed Western Distributor might contribute to the removal of truck movements out of neighbourhoods (depending on associated tolling and curfew arrangements) but is not expected to be completed until at least 2020 – four years from now. The freight rail shuttle, by contrast, could be completed in 18 months, in advance of Western Distributor completion.

Container trucks going through neighbourhoods like Yarraville, Kingsville, and Footscray travel past schools, parks, and homes, polluting air that impacts particularly on the health of

children. The weight of the container trucks creates excessive wear on these local roads and impacts negatively on the overall quality of life in the area, resembling mini-earthquakes when travelling constantly in the eight hours allowed.

Local community groups have consistently raised these concerns, but a workable solution has not been forthcoming from any state government. Four years to change this degradation of these communities is too long to wait and the outcome too uncertain.

## 2. Economic benefits

Acting immediately to build the freight rail shuttle and links will increase the Port's efficiency substantially. Whether one supports or opposes privatisation of the Port, completion of the rail link will markedly increase the Port's overall value as an asset and bring it into line with global container port standards.

The links to intermodal rail and inner port distribution centres will spur economic growth, increase jobs, and create new confidence in the Victorian economy. This view is shared by many business interests as well as major trade unions.

## 3. Security benefits

Moving containers from ship-to-rail directly will allow a modern x-ray security operation by Customs that is far superior to the current ship-to-truck system. Most major global ports in advanced economies operate security via the ship-to-rail system (e.g. Rotterdam, all U.S. container ports, Hong Kong). Port of Melbourne will be the first Australian port to come in line with world standards in port security of incoming container cargo. The current ship-to-truck system allows for only about a 3% check rate, whereas the ship-to-rail system would allow at least a 30% check rate. Containers also could be easily tracked along train lines to distribution centres, rather than the current haphazard individualised container truck system out of the Port to distribution centres.

In a time when national security has become crucial to Australia, whether in preventing illegal goods entering the country or preventing potential terrorism, this upgraded ship-to-rail system provides significant advantages.

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