Mr Paul Weller MP,
Please find attached Wakefields Submission to the current inquiry, My submission takes the form of a letter sent to the Premier and other ministers in relation to the disgraceful condition of the Freight Line which services Sunraysia. This Freight line is one of only three platinum lines in the state the other two service Adelaide/Perth and North, to Sydney/Brisbane, as you can see by its status as a Platinum line its is a freight line of national significance, its is also the longest line in the state of Victoria and the one best suited to take advantage of the significant benefits of long haul rail freight. The externality benefits are outlined in the attached letter. The Rail freight service draws customers from South Australia and lower NSW as well as capturing the largest food bowl in Victoria (Sunraysia/Mallee) (ABARE).
This last 7 months we have experienced 3 derailments and one track burnout with more than 2 months in 7 the track has not been able to provide services to our local and interstate exporters, the condition of the track (mainly due to the 2011 floods) is close to unserviceable with numerous speed restrictions extending the transit time from 9.15hrs in 2009 (under the previous Labour Minister Lynne Kosky) to now 14 and 15 hrs. This track need to be standardised and able to meet a 24 hr turnaround window (allowing 2.5hrs each end for load/unload) during the service issues faced over recent months we lost 200 x 20’ containers of grain and around 400 teu of other containers that needed to be serviced through Adelaide and by road to Melbourne. We need a rail freight service that is reliable, efficient and timely without this basic essential service our exporters are hamstrung and need to build unnecessary cost into there supply chain to cover events like described above. The state Government has outlines there vision and it squarely states Rail Freight will play a centre point in there strategy (refer to Letter) Why then do Government wish to increase the hardship on our community by delaying the rail freight recovery? This is SIGNIFICANT opportunity for your enquiry I am more that happy to meet at your convenience to discuss any and all matters I raise.

P.S. With the Sunraysia Modernisation Project under way (117m funding) this will only increase the demand on Export transport from our area this is critical NOW not in another budget cycle

Regards

Ken Wakefield
Managing Director
Wakefield Transport Group
Hon Dr Denis Napthine MP
Premier Of Victoria and Minister for Regional Cities and Racing
Level 1, 1 Treasury Place, Melbourne, VIC 3002

Dear Premier,

I hope this correspondence finds you well and in the mood to assist in the ongoing saga of the Mildura Rail line and associated infrastructure. Of my many letters to Ministers I believe this is the most important given the upcoming budget and election. I have had the opportunity over recent months to attend the Freight State document release and the Food to Asia Action Release and thank Government for my inclusion. In both documents there is a strong emphasis on improving the supply chain and supporting rail initiatives that will see a more robust alternative to decades of a road bias. I do applaud this as we have invested heavily to support these Government policies and are yet to see funding to match our significant investments (Outlined later).

I would like to spend a small section of this letter outlining the key points that support our rail strategy in Wakefields.

The Freight state Document

Page 24/25
“The Governments highest priority for securing Victoria’s long-term leadership in freight and logistics is to ensure that adequate gateway capacity exists for moving freight in and out of the state. Well functioning freight gateways - our ports, airports and Rail terminals support both efficiencies and market share priorities. Failure to provide capacity when its needed will mean congestion, disruption and cost to business and the economy”

“For Rail, Government will continue to progress a program of strategic investments in priority freight links on the regional rail freight network. For example increased axle loadings and speed standards will, in turn increase efficiency and productivity of services supporting regional export markets”

“The Government also sees a growing opportunity for rail in providing a viable alternative to road for suitable freight tasks in strategic corridors thereby relieving the pressure on the road network”

Strategies and Actions

“6. Continue to support Mode Shift Incentive Scheme (MSIS) subject to regular evaluation”

“7. Supporting annual maintenance and renewal works on the Victoria’s rail freight network”

Direction 19: Promote improved rail network efficiency and increased network access for HPV’s “funding in the 2012-13 budget for major periodic maintenance of regional freight network”

The document also mentions the standard gauge and increased axle loadings for the Mildura line

Food to Asia action plan

4/Page 31
“Addressing regional supply chain bottlenecks and promoting more efficient access for regional produce international markets (direction 6 & 19)”

“Supporting and increased role for rail freight (Direction 10)”

Page 33
“Initiatives to increase the capacity and efficiency of our rail network and encourage greater use of rail to move freight”

Premier Dr Napthine Letter re rail 26-03-14
We can clearly see the Government has a priority for rail freight to complement road and there long term objectives of being “The freight state” its unfortunate this is not backed by funding to ensure the infrastructure is maintained in a cargo worthy condition.

Rail Infrastructure issues

Recent requests under FOI by Wakefield Transport show the spend on the Mildura corridor for Rail.

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Description</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track Sleepers</td>
<td>Mildura - Yula - Install new Timber sleepers, tieens.</td>
<td>$ 2,394,995</td>
<td>$ 2,394,995</td>
<td></td>
<td></td>
<td>$ 2,394,995</td>
</tr>
<tr>
<td>Level Crossings</td>
<td>Removing the level crossing with new sleepers, rail if required, tacks, subgrade and steel rail, surface, Works at severe locations.</td>
<td>$ 372,711</td>
<td>$ 164,106</td>
<td>$ 556,731</td>
<td></td>
<td>$ 556,731</td>
</tr>
<tr>
<td>Points and Crossings</td>
<td>Includes removing barriers and straightening the track at 16 locations, where the barriers were no longer required for operational purposes. Replacing the barrier at Box Hill Junction.</td>
<td>$ 201,309</td>
<td>$ 205,212</td>
<td></td>
<td></td>
<td>$ 406,521</td>
</tr>
<tr>
<td>Signalling Crossings</td>
<td>Improving opening, power supplies and other components at现有 ensuring continuity by installing lights and rear barriers.</td>
<td>$ 340,354</td>
<td></td>
<td>$ 160,000</td>
<td></td>
<td>$ 500,354</td>
</tr>
<tr>
<td>Bridges and Structures</td>
<td>Includes move trestles, installing new piers, bridge and culverts.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I am lead to believe the funds allocated for rail over the last 4 budgets have done nothing to improve or maintain the Corridor it’s more of a critical patch job funding approach.

I am still awaiting the VicRoads information in relation to the spend on the Calder from Ravenswood to Mildura but the recent announcement of 82 Million on the Ravenswood overpass is testament to the imbalanced approach of the current funding model. (I will provide a follow up once this FOI information is received which was lodged in December)

Premier is aware of the shortcomings in the current Mildura Line and as a result we have experienced 2 derailments and one track burn out, just in the past five months alone. Each event has cost Wakefields in excess of $200,000. This amount of additional cost to the business is crippling, as road carriers inflate prices to take advantage of a short window of opportunity while we try to maintain our customer base for the return of service, trucks travelled from as far away as Adelaide to take part in the feeding frenzy as we migrated many containers to Adelaide to reduce our spend. Taking the Fire incident out, over $400,000 was required to maintain customer loyalty. The fact that we were unable to claim any MSIS rebate while the track was down only added salt to our open wound.

Government was extremely responsive in bringing the track back, as soon as possible, and we are grateful for the way this was expedited, but still don’t understand why dedicated rail freight could not use the rebate under such circumstances? If a Passenger train is disrupted a bus is provided at no additional cost to the traveler?

I have spoken before about the significant contribution the Mildura line adds to SDP and international trade. In the 2012/2013 FY Wakefields had more than $554,000,000 worth of export product travel to Melbourne by rail, that went out through the Port Of Melbourne.

Our current portfolio of exported product is gathered from a 200 klm radius of Merbein and crosses the borders of S.A. and N.S.W it encompasses Grain, Legumes, cottonseed, cotton bales, mineralsand, concentrates, dried fruits, stone fruit, table grapes, citrus, carrots, vegetables, wine and almonds. Wakefields believe if we are able to offer a reliable and efficient service the opportunities will grow.

The negativities of poor infrastructure and a Broad gauge network are many, but some critical factors are that we have only one real service provider and that provider build the infrastructure deficiencies into the price

“The road to transport excellence is the track we’re on – Rail and Road”

“On time – Intact”

Premier Dr Napthine Letter re rail 26-03-14
offering which we then pass to our customers. It is getting to the point where our service provider has discussed walking if there is no improvement as it effects them significantly when there is a derailment as well. In the current format we are clearly not as competitive as road and do not have the diversity to choose Adelaide over Melbourne and take advantage of the distance difference, I understand the MSIS is used to soak up this difference but it falls short when we have repeat derailments and track speed restrictions we need to contend with.

The Premier told me at the recent Freight State launch that Government were prepared to invest if the Private sector invested, since 2010 Wakefields have invested over $6,000,000 in infrastructure improvements to support our rail business, this is without plant and equipment investments. I would argue to the Premier, we are making our investments to ensure he can deliver the Freight State.

Wakefields looks with promise on the newly formed the rail facilitation unit and hopes it will deliver better outcomes and hopefully streamline the over regulated rail freight industry in Victoria, where we have Victrack/V/Line/PTV/TSV/metro/ARTC, it’s a mine field of layered hurdles that needs overhauling.

Key Actions for Government in this Budget

- Continuation of the MSIS (Funded in the Budget until the infrastructure is 80kms @ 23 tonnes)
- Mechanism in place so when the rail is out (derailment, track work) the MSIS can still be received
- Ensure funding is provided to allow a 24hr turnaround on the Mildura corridor
- Standardization of the Mildura Line (This will allow a competitive tender for our freight services and open possibilities for Mineral Sands)
- As the POMC is a nett beneficiary of export containers from regional hubs and in particular Merbein, as it’s all contestable, POMC should fund a campaign to covert cargo to rail for port deliveries from Regional hubs.
- Continuation of the Rail Facilitation unit with direct access to the Minister for Transport.
- Continue to pursue waterfront interface efficiencies to enhance the rail experience for customers.

Regional rail freight gives back to its community in, amenity, reduced GHG’s, significantly less road trauma, less road wear and scale. The more Government improves rail freight the more we can give back!

I would be very happy to show Minister our site and its recent improvements and answer any questions this letter raises. If you are unavailable to visit our site in the near future, I am available to travel to your office at your immediate convenience

If you seek clarification on any points I have raised please don’t hesitate to contact me 0418502034

Regards

Managing Director
Wakefield Transport Group & Ironhorse Intermodal

“The road to transport excellence is the track we’re on – Rail and Road”
“On time – Intact”

Premier Dr Napthine Letter re rail 26-03-14