

Update of the Victorian Freight Plan

/ Conversation summary October 2024



ACKNOWLEDGEMENTS

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We proudly acknowledge First Peoples throughout Victoria. We acknowledge their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners' lands, waters and skies on which we live and work, and we pay our respects to Elders past and present.

We recognise the use of Song Lines as an integral part of First Peoples Culture which allowed First Peoples to easily connect their journeys across Victoria. We recognise the cultural significance of Song Lines as trade routes and ceremonial paths, and that some of the freight networks and assets we use today are on those traditional Song Line routes.

Description of artwork

Aaron (Gunaikurnai) 'Movements Between the Five Clans' 2019, acrylic on canvas.

'The tracks are going between the five clans of the Gunaikurnai and the hands are the symbols of my spirit travelling around the campsites.'

This artwork was created through programs provided by the Torch. The Torch provides art, cultural and arts industry support to Indigenous offenders and ex-offenders in Victoria. The Torch aims to reduce the rate of re-offending by encouraging the exploration of identity and culture through art programs to define new pathways upon release.



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INTRODUCTION

Victoria is the freight and logistics capital of Australia. Our state is the nation's largest exporter of agricultural commodities and generates more freight sector activity per person than any other state. Resilient, productive and sustainable freight connections are essential to the success of Victoria's businesses and communities.

The Victorian Freight Plan was published in 2018. Since then, a lot has changed both within Australia and across the world. Impacts from the pandemic, global conflict and local supply disruptions have highlighted the critical role of the freight sector.

The past few years have also seen growing momentum for decarbonisation of our economy, including through the introduction of stronger climate action targets, and growing community demand for action to improve air quality, particularly in industrialised areas of Melbourne. As the world has been going through significant change, technological innovation and improved access to data are also driving new opportunities to boost supply chain efficiency, safety and connectedness.

To respond to this changing environment, the Victorian Government is updating the Victorian Freight Plan. Input from stakeholders is vital to this update and the Department of Transport and Planning (DTP) is committed to authentic engagement that:

- builds productive partnerships between the department and industry and across government
- informs the initiation, design and development of our work
- creates better understanding of freight system issues and the impact of our work.

This document summarises the key themes from the broad engagement to inform the update.

The engagement has included:

- the establishment of a senior level Industry Stakeholder Reference Group to inform and guide the update process
- the release of a discussion paper setting the context for the update and seeking feedback on the key issues that need to be considered in an updated plan
- an industry summit held in June 2024 with 86 leaders from across the freight sector and government
- opportunities for one-on-one engagement
- an online survey and submission process open to all Victorians on Engage Victoria.

This wide-ranging engagement has attracted a strong response with over 200 potential actions for consideration. Common themes across those actions have been developed for the purpose of this summary and all detailed feedback will be considered in the updating of the plan.

We thank everyone who has given their time to contribute to the Victorian Freight Plan update, the roadmap for our freight system, giving long-term confidence to the sector and supporting the liveability and prosperity of all Victorians.



OUR STAKEHOLDER ENGAGEMENT STRATEGY

Through 2024, DTP undertook a comprehensive engagement program to inform the update of the plan that ensured meaningful collaboration with industry, across government, business and the community as described in the diagram below.

INDUSTRY STAKEHOLDER REFERENCE GROUP

- Australasian Railway Association
- Victorian Transport Association
- Australian Logistics Council
- Port of Melbourne
- Victorian Chamber of Commerce and Industry
- Victorian Farmers Federation
- Cement Concrete and Aggregates Australia
- Freight Trade Alliance
- Linfox

INTERDEPARTMENTAL WORKING GROUP

- Dept of Jobs, Skills, Industry and Regions
- Dept of Energy, Environment and Climate Action
- Dept of Treasury and Finance
- Dept of Premier and Cabinet
- Dept of Health
- Global Victoria
- Agriculture Victoria
- Resources Victoria
- V/Line
- VicTrack

DTP ENGAGEMENT

- Mobility and Insights
- Planning
- Chief Rail Planner
- Strategic Projects
- Freight Data
- Intergovernmental Relations
- Road Safety
- First Peoples Self Determination and Reform
- Plan for Victoria
- Major Projects

INDUSTRY, BUSINESS AND COMMUNITY ENGAGEMENT

One-on-one engagement, Industry Summit and discussion paper responses.

Led by Freight Victoria, these groups met regularly to advise on updated Freight Plan objectives, priority areas, actions and key performance indicators and provide feedback on economic analysis Provided specific feedback on proposed actions to ensure departmental connectedness, context for potential industry and community impact, and perspectives for real-world application

INDUSTRY SUMMIT

86 representatives from industry and government discussed challenges across the freight system and potential actions and opportunities for improvement

DISCUSSION PAPER

Provided context on the changed freight system environment since 2018 and posed a series of questions to receive feedback on freight system priorities to be addressed in the update of the plan, the role of government and measures for success

ENGAGE VICTORIA ONLINE PLATFORM

A public engagement system that hosted an online survey and ability to upload feedback and submissions to the update

TARGETED CONVERSATIONS

Freight Victoria held one-on-one conversations with freight system operators, peak organisations, councils, researchers and businesses

Stakeholder Reference Group

A senior level Industry Stakeholder Reference Group was established to guide the update process. The group provided advice on:

- assessing the current plan's goals to ensure relevance and ability to further improve Victoria's competitive advantage
- considering appropriate goals, objectives and initiatives for the updated plan, focussing on significant statewide actions
- Informing development of appropriate datadriven and high impact key performance indicators to measure the success of the plan.

The Industry Stakeholder Reference Group includes senior representatives from:

- Australasian Railway Association
- Australian Logistics Council
- Cement Concrete and Aggregates Australia
- Freight Trade Alliance
- Linfox
- Port of Melbourne
- Victorian Chamber of Commerce and Industry
- Victorian Farmers Federation
- Victorian Transport Association.

Industry summit

To gain broad sector input into the updating of the plan, on 5 June 2024, the Department of Transport and Planning hosted a Victorian Freight Plan Industry Summit with 86 representatives from the freight industry and government. The summit provided an opportunity for stakeholders to discuss challenges and actions that could be included in the updated Victorian Freight Plan.

Discussion paper

Ahead of the summit, a discussion paper on the update of the Victorian Freight Plan was released publicly on the Engage Victoria website, with responses invited until the end of June. We received 86 responses, which included 55 written submissions and 31 online survey responses.

Direct engagement

Freight Victoria met with 82 individual industry, government and community organisations to discuss their unique challenges and ideas for actions in the updated plan.



ENGAGEMENT HIGHLIGHTS

Over 150 stakeholders engaged, including:

- 140 separate freight industry organisations 58 at the industry summit and a further 82 at separate meetings
- **27** local government councils
 - 11 metropolitan
 - 16 regional and rural
- 86 responses to the discussion paper process including 55 industry submissions and 31 public online survey responses
 - Over **200** ideas for potential action



STAKEHOLDERS REPRESENTED

Stakeholders represented:



Commercial ports



Rail freight



Heavy vehicles



Logistics



Airports



Supply chain



Businesses



Universities



Councils



Tech innovators



Community groups



General public



Government and regulatory agencies

WHAT WE ASKED

The purpose of engagement was to provide stakeholders with an opportunity to identify their freight system challenges and how the Victorian Government could help address these challenges through an updated Victorian Freight Plan.

Our engagement sought feedback on topics important to protect the competitive advantage of freight and logistics in Victoria, including:

- Infrastructure
- Land use planning
- Harmonisation
- Freight task
- Supply chain performance
- Workforce planning
- Cost of operations
- Decarbonisation
- Safety.

We wanted to understand what the most important short, medium and long-term priorities are to support our freight and logistics system through this period of unprecedented growth and rapid change in the broader environment, while allowing us to embrace new opportunities in the future.

We asked stakeholders how we could improve the movement of goods to local, interstate and overseas markets. These discussions provided valuable insights to prepare a blueprint to position the freight sector to meet Victoria's future challenges and further strengthen the state's freight advantage.



Discussions provided valuable insights to prepare a blueprint to position the freight sector to meet Victoria's future challenges and further strengthen the state's freight advantage.



A SUMMARY OF WHAT WE HEARD

Moving goods to, from and around Victoria is vital to our economy and enhances our standard of living.

An increase in Victoria's gross product by \$30 billion over the next 2-3 decades will see freight volumes more than double. This growth brings economic prosperity and productivity. High-quality, reliable freight transport and logistics services are essential to our connectedness and liveability, for the success of Victorian businesses and primary producers and job creation across all parts of our economy.

Industry said to achieve this, more needs to be done to safeguard freight networks for the future, especially with Victoria growing faster than any other state. A word analysis of engagement feedback (see following word map) highlighted the need for a simplified and streamlined freight system that works across levels of governments and jurisdictions.

Longer term investment and support for a more competitive rail freight and intermodal network were commonly mentioned. Strongly reflected was the need to support rapid decarbonisation uptake. Road and bridge infrastructure investment and prioritisation for industrial land planning for freight were also highlighted.

In total, we received over 200 ideas for potential actions to consider as part of the update to the Victorian Freight Plan. In this report, we have highlighted the key themes and shown some initial priority areas for the updated plan.



Word cloud showing the priorities identified by stakeholders.

WIFT – Western Interstate Freight Terminal **BIFT** – Beveridge Interstate Freight Terminal

Infrastructure

Stakeholders consistently identified the need for upgrades to bridges and roads to ensure consistent, productive access for heavy vehicles across the network. Also highlighted was the need for investment in rail to improve the competitiveness of rail freight services with road. This includes investment in intermodal terminals and existing rail lines

Key themes

- Clearly prioritise maintenance, upgrades and new freight corridors that consider future use of low emission freight vehicles and climate change impacts
- Provide greater prominence to the Principal Freight Network for road and rail and provide clearer information about network capabilities – for example rail axle loads and line speeds, road access limitations, design standards, rest areas
- A commitment to rail, road and port optimised intermodals to create an efficient and productive freight system and give private investment confidence.

Land use planning

Stakeholders identified that the availability of industrial land for freight and logistics and associated freight corridors was a significant issue, particularly across Greater Melbourne. Slow planning processes and delays in developing supporting infrastructure, for example roads and utilities are constraining land use. Also raised was protection of land and access requirements for extractive and agricultural use.

Key themes

- Secure, protect, expand and unlock strategically located industrial land and associated freight corridors that are unencumbered by residential encroachment and curfews, that allow for future growth and are accessible to the workforce
- Educate urban planners and land planning decision makers on freight system requirements and ensure integration of future freight requirements in Plan for Victoria
- Designate strategic agricultural and extractive resource areas with buffers to ensure they are not built over and have adequate access.

Harmonisation

Stakeholders noted frustration and financial burden with the lack of consistency in administrative and regulatory requirements for freight movements across jurisdictions and levels of government and even between infrastructure managers.

Key themes

- Update the Victorian Freight Plan in alignment with other jurisdictional and Victorian Government plans
- Simplify and streamline regulations and policies, for example landside tariffs, planning approvals, access, permits
- Centralise and prioritise oversight of the Victorian rail freight system
- Protect rail freight capacity on shared rail networks
- Align rail signalling, systems, operating rules and standards across Australia.

Freight task

Stakeholders highlighted the need to focus on the expected increase in freight volumes and complexities.

Key themes

- Focus on a longer-term investment plan for regional rail freight
- Allow for future co-location of additional freight infrastructure around key intermodals and ports for warehousing, rail line amplification, new terminals and stabling
- Provide for greater use and access (including first and last mile) of high performance freight vehicles (HPFV) including further dimension increases.

Supply chain performance

Stakeholders noted the impact of disruption on the supply chain and lack of centralised information on supply chain performance.

Key themes

- Better manage, coordinate, consult and communicate with the freight industry on civil works and other supply chain disruptions. Potential for Freight Impact Statements for major works
- Support more consistent, authoritative and centralised freight data, for example supply chain mapping, freight movements, journey times, network reliability and capability, accidents, rest areas and facilities, intermodal use, average loads, and noise and emissions
- Improve traffic/rail management systems, for example synchronised traffic lights, harmonised train signalling, freight rail booking systems, telematics, smart onboard mass implementation, and route optimisation.

Workforce planning

Stakeholders highlighted industry skills shortages and their causes, including attractiveness of the industry, an ageing workforce, immigration policy and employment restrictions. Industrial relations challenges were also noted.

Key themes

- Undertake assessment of supply chain workforce
 current and future needs
- Work with reputable education and training providers to deliver accredited and affordable
- Provide guidance on improving workplace environments to attract and retain a diverse workforce
- Expand skilled migrant visas to supply chain roles.

Cost of operations

Stakeholders indicated the cost of moving freight was increasing and suggested the government could provide additional support.

Key themes

- Explore incentives, such as rebates, for mode shift to rail and for transitioning to more efficient and less polluting vehicles
- Reduce or remove land and payroll taxes, stamp duties, tolls and bridge assessment fees
- Ensure port fees are competitive with other states
- Assure timeframes for projects, infrastructure and policies to give private investment confidence.

Decarbonisation

Stakeholders wanted a clear and aligned roadmap to create confidence on investment in low emission vehicles and technology.

Key themes

- Provide a clear supply chain decarbonisation roadmap that harmonises nationally
- Provide industry guidance on decarbonisation adoption
- Explore potential incentives for transition grants, tax breaks, curfew exemptions, access.

Safety

Stakeholders wanted safety to be a key consideration of the Freight Plan, especially for the workforce with the risks inherent in the work.

Key themes

- Upgrade road and rail freight network, bridges, pavements, safety monitoring to improve driver safety
- Work with the Commonwealth to improve safety across the network – such as trialling new safety technology and encouraging more heavy vehicle rest stop areas
- Use smart infrastructure, telematics, automation, routing and encourage adoption of newer vehicles that provide data and video to help identify hazards.

PRIORITY AREAS

The engagement process has informed the development of 12 priority areas under four objectives with actions to be developed as part of an updated Victorian Freight Plan:

Ensure availability of fit for purpose freight network and gateway capacity to meet current and future need

- Support Victoria's gateways to meet the growing freight task
- Safeguard key freight routes and gateways through planning
- Optimise the capacity of the freight networks.

Enable more efficient and productive freight and supply chains

- More efficient network access
- Government supporting industry collaboration
- Supporting improved supply chain performance.

Manage the impacts of freight operations on communities and drive decarbonisation

- Create certainty for industry to invest in decarbonisation
- Support transition to low carbon freight operations
- Mitigating impact to surrounding communities.

Enhance the safety and resilience of Victoria's freight Industry

- Improving resilience of the freight networks
- Improve safety outcomes across freight networks
- Support for industry to source appropriately skilled workers.

The plan will also include a set of key performance indicators to measure progress towards the priority areas.



NEXT STEPS

Thank you to everyone who invested their time to give us feedback to inform the update of the Victorian Freight Plan.

We value your insights and perspectives and will consider the challenges and priorities you shared to guide our updated freight plan.

We are considering the feedback received to ensure the delivery of high-quality, reliable freight transport and logistics services. These services will continue to support connectedness, enhance liveability in Victoria, and contribute to the success of local businesses, primary producers, and job creation throughout the economy.

Information on the development of the updated Victorian Freight Plan is available at vic.gov.au/freight-victoria.

We aim to finalise an updated Victorian Freight Plan by the end of the year. We may call on industry and other stakeholders for further input before then. In the meantime, please contact us at freightvictoria@transport.vic.gov.au if you would like to make further contributions.



We value your insights and perspectives and will consider the challenges and priorities you shared to guide our updated plan.





CONTRIBUTORS

Thank you to everyone who has contributed to the conversation.

As well as many individual community members, we heard from:

- ACFS Port Logistics
- Advantia Transport Consulting
- Arrow Logistics
- Allied Seafreight
- Aurizon
- Austrak
- Australian Bluegum Plantations
- Australasian Railway Association
- Australia Post
- Australian Logistics Council
- Australian Peak Shippers Association / Freight Trade Alliance
- Australian Rail Track Corporation
- Austroads
- Avalon Airport
- Bass Coast Shire Council
- Baw Baw Shire Council
- Border Town Haulage, Karger Commodities
- Butler Freight Services
- Cartage Australia
- Cement Concrete & Aggregates Australia
- Central Goldfields Shire Council
- CHS Broadbent
- City of Mount Gambier
- City of Stonnington
- City of Whittlesea
- Climateworks Centre
- CMA CGM Group
- CMV Truck & Bus
- Committee for Greater Shepparton
- Committee for Melbourne
- Construction Material Processors Association
- Container Transport Alliance Australia
- Corangamite Shire Council
- CoreLogic Australia
- Crane Industry Council of Australia
- Cross Border Commissioner
- C.T. Freight

- Daimler Truck Australia Pacific
- Dairy Australia
- Darebin City Council
- Diamond Freight
- DP World
- Dronamics
- East Gippsland Shire Council
- ESR Australia
- FBT Transwest
- Fennell Forestry
- Frankston City Council
- Freightnet Vic
- Gannawarra Shire Council
- Gippsland Dairy
- Glenelg Shire Council
- Golden Plains Shire Council
- GrainCorp
- GrainGrowers
- Greater Shepparton City Council
- Greater South East Melbourne
- Green Triangle Freight Action Group
- Green Triangle Forest Industries Hub
- Heavy Vehicle Industry Australia
- Hyzon Motors
- IFC Global Logistics and Warehousing
- IKEA
- Intermodal Terminal Company
- International Forwarders and Customs Brokers Association of Australia
- K&S Corporation
- Linfox
- Livestock and Rural Transporters
 Association of Victoria
- Loddon Shire Council
- Logos Property Group
- Maribyrnong City Council
- Maribyrnong Truck Action Group
- McColls Transport
- Meat and Livestock Association

- Melbourne Airport
- Melbourne Market Authority
- Melbourne Seafood Centre
- Melton City Council
- Merrett Logging
- Metro Trains Melbourne
- Mildura Airport
- Mitchell Shire Council
- Mondiale VGL
- Mornington Peninsula Shire
- Mov3ment
- Moyne Shire Council
- Municipal Association of Victoria
- National Heavy Vehicle Regulator
- National Intermodal
- National Transport Commission
- National Transport Research Organisation
- NatRoad
- Nolan's Interstate Transport
- Northern Grampians Shire Council
- Pacific National
- Parks Victoria
- Patrick Terminals
- Port of Melbourne
- Port of Portland
- Ports Victoria
- Property Council of Australia
- Pure Foods
- Qube Logistics
- Rail Freight Alliance
- Rail Futures Institute
- Rail Operators Group
- Redi Milk
- Roads Australia

- Salta Properties
- Sargeant Transport
- SCT Logistics
- Seaway Intermodal
- Secon Freight Logistics
- Sidelink Transport
- Silk Logistics
- South East Melbourne Manufacturers Alliance
- South Gippsland Shire Council
- South West Fibre
- Southern Grampians Shire Council
- Southern Shorthaul Railroad
- Swan Hill Rural City Council
- Swinburne University of Technology
- Tasman Logistics Services
- Timber Towns Victoria
- Toll Group
- Transurban
- V-DAQ
- V/Line
- Valley Pack Cold Storage
- Vantrans Container Transport
- Victoria International Container Terminal Limited
- Victorian Chamber of Commerce and Industry
- Victorian Farmers Federation
- Victorian Forest Products Association
- Victorian Planning Authority
- Victorian Transport Association
- Volvo
- WCBM World Freight
- West Wimmera Shire Council
- Westlink Container Park
- Wyndham City Council



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