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Submission

Victorian Rail Freight Plan 2026–2036

Victorian Department of Transport and Planning

Executive Summary

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) welcome the opportunity to provide input into the development of the Victorian Rail Freight Plan 2026–2036.

FTA/APSA strongly supports the Victorian Government's commitment to increasing the role of rail within Victoria's freight network. Rail freight has an important role to play in improving supply chain resilience, reducing road congestion, lowering emissions and enhancing the long-term productivity and competitiveness of the Victorian economy.

The development of a dedicated Victorian Rail Freight Plan is a positive and timely initiative. FTA/APSA commends the Department of Transport and Planning (DTP) for undertaking extensive consultation across government, rail operators, infrastructure managers, intermodal terminal operators, freight customers and representative organisations in developing the Plan.

FTA/APSA has also consulted extensively with members following DTP's targeted stakeholder consultation. Feedback demonstrates broad support for the strategic direction of the Plan and the objective of increasing rail mode share. However, members consistently emphasised that while rail is operationally desirable, its long-term success will ultimately depend on commercial competitiveness rather than policy aspiration alone.

The consultation process identified many of the operational, infrastructure and governance issues affecting rail freight. However, FTA/APSA considers that greater emphasis should now be placed on creating the commercial conditions necessary to encourage sustained private sector investment and long-term freight mode shift.

The reality is that metropolitan container freight operates in an increasingly competitive environment. Improvements in Higher Productivity Freight Vehicles (HPFVs), including A-Doubles and other high-productivity combinations, continue to improve the economics of road freight servicing the Port of Melbourne. If rail is to secure a greater share of the metropolitan container task, it must offer a commercially viable alternative across the entire supply chain.

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Accordingly, FTA/APSA believes that the future success of the Port Rail Shuttle Network and broader metropolitan rail freight services will depend on collaborative commercial arrangements involving all participants, including government, the Port of Melbourne, rail infrastructure managers, metropolitan network operators, rail operators, intermodal terminal operators and freight customers. Sustainable rail growth cannot rely upon a single participant absorbing the additional costs associated with rail operations. Rather, the commercial benefits and obligations must be appropriately shared if rail is to compete effectively with road.

FTA/APSA particularly welcomes the proposed initiatives to:

- develop a long-term maintenance and network upgrade strategy;
- strengthen accountability for rail freight within the next Metropolitan Rail Franchise (MR5);
- review rail access pricing arrangements;
- establish a Rail Freight Concierge service to encourage investment; and
- continue supporting private investment in metropolitan intermodal terminals.

These initiatives provide an important foundation for future reform.

However, several additional implementation measures are required if the Plan is to achieve its objective of increasing rail freight mode share.

In particular, FTA/APSA recommends:

- urgent implementation of the Port Rail Access Coordinator identified in Action 20.1 of the Victorian Freight Plan 2025–30;
- stronger accountability and performance obligations for metropolitan rail operators in relation to freight access and rail path management;
- establishment of a permanent Port of Melbourne rail competitiveness framework that evolves beyond temporary commercial assistance arrangements;
- practical measures to improve the commercial competitiveness of rail servicing Webb Dock and future container capacity expansion;
- transparent reporting against measurable performance indicators; and
- ongoing collaboration between government and industry to ensure commercial settings support private investment in rail freight.

FTA/APSA believes the Victorian Rail Freight Plan provides a strong strategic framework for the next decade. The challenge now is implementation.

Introduction

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) represent a broad cross-section of Australia's international trade and logistics sector, including importers, exporters, freight forwarders, customs brokers, transport operators, shipping service providers and major freight customers.

Our members rely on efficient, competitive and integrated freight networks to support both domestic supply chains and Australia's international trade competitiveness.

FTA/APSA welcomes the opportunity to provide feedback following participation in the Department of Transport and Planning's targeted stakeholder consultation on the Victorian Rail Freight Plan 2026–2036.

In preparing this submission, FTA/APSA consulted with members representing a diverse range of supply chain participants, including freight customers, rail operators, metropolitan intermodal terminal operators and other businesses directly involved in Victoria's freight network.

That consultation identified strong support for the Victorian Government's vision of increasing rail freight across the State.

Members recognise the productivity, environmental and supply chain benefits that greater rail utilisation can deliver. At the same time, there was a consistent message that infrastructure investment alone will not achieve a significant shift from road to rail.

For rail to attract additional freight, the commercial settings must also stack up.

The following comments reflect the practical experience of FTA/APSA members and focus on the policy, operational and commercial measures that industry believes will be critical to the successful implementation of the Victorian Rail Freight Plan.

Commercial competitiveness

FTA/APSA's consultation consistently came back to one issue.

For rail to attract additional freight, the commercial settings have to stack up.

There is broad industry support for increasing rail's share of Victoria's freight task. Members recognise the wider benefits that rail can deliver, including improved supply chain resilience, reduced congestion, lower emissions and more efficient use of the transport network.

However, freight decisions are ultimately made on commercial grounds.

Importers, exporters and logistics providers will choose the mode that provides the best combination of cost, reliability and service. Rail therefore needs to compete not only as a policy objective, but as a commercially attractive transport option.

Victoria has already made significant public investment in rail infrastructure, while industry has invested heavily in metropolitan intermodal terminals. Those investments provide a strong foundation for future growth.

The next challenge is ensuring that the commercial environment encourages freight owners to use that infrastructure.

Throughout consultation, members consistently identified the same factors influencing that decision, including:

- reliable and predictable rail services;
- efficient terminal operations;
- competitive rail access and interface costs;
- transparent pricing arrangements;
- effective management of planned and unplanned network disruptions; and
- confidence that rail can compete with increasingly productive road freight operations.

These issues cannot be considered in isolation. Improving one part of the supply chain will have limited impact if barriers remain elsewhere.

The Victorian Rail Freight Plan provides an opportunity to address these issues through a coordinated approach involving government, the Port of Melbourne, network managers, terminal operators, rail operators and freight customers.

Ultimately, the success of the Plan will not be measured by the amount of infrastructure delivered. It will be measured by whether more freight moves by rail.

Port Rail Shuttle Network

FTA/APSA supports the significant investment made by the Victorian and Commonwealth Governments in the Port Rail Shuttle Network and acknowledges the confidence shown by industry through continued investment in metropolitan intermodal terminals.

These investments provide the physical infrastructure needed to increase rail's share of the metropolitan freight task.

However, infrastructure alone will not drive greater rail utilisation.

Our consultation consistently highlighted that the long-term success of the Port Rail Shuttle Network will depend on whether rail can provide a commercially competitive alternative to road.

Members noted that road freight continues to become more productive through improvements in vehicle productivity, road infrastructure and operational efficiency. Rail must therefore compete in an increasingly competitive freight environment.

This reinforces the importance of ensuring the entire supply chain works efficiently. Rail path availability, terminal performance, port interfaces, pricing arrangements and network reliability all contribute to the end-to-end cost of moving a container by rail.

If one part of the supply chain underperforms, the competitiveness of the entire rail service is affected.

FTA/APSA therefore supports continued collaboration between the Department of Transport and Planning, the Port of Melbourne, rail infrastructure managers, terminal operators and industry to remove unnecessary barriers and improve the commercial competitiveness of rail freight.

Victoria has already made the infrastructure investment.

The opportunity now is to ensure that investment delivers the intended increase in rail utilisation.

Metropolitan Rail Franchise

FTA/APSA strongly supports the proposal to strengthen freight accountability through the next Metropolitan Rail Franchise (MR5).

The metropolitan rail network will always be required to balance the competing demands of passenger and freight services. However, increasing rail's share of

Victoria's freight task will depend on freight operators having greater certainty when accessing the network especially for constrained path freight trains.

Our consultation identified three recurring themes.

The first is greater transparency around how freight services are planned and managed across the metropolitan network.

The second is improved communication with industry during both planned and unplanned disruptions.

The third is greater accountability for freight outcomes.

Taken together, these measures have the potential to improve confidence in the metropolitan rail network and encourage greater use of rail by freight customers.

FTA/APSA therefore supports DTP's proposal to include freight performance measures as part of the next Metropolitan Rail Franchise.

Those measures should extend beyond train running performance and recognise the broader freight journey. This includes rail path planning, communication with operators, disruption management and the overall customer experience.

Meaningful reporting will also be important.

Regular public reporting against agreed freight performance measures will provide greater transparency, demonstrate progress over time and help identify opportunities for continuous improvement.

Ultimately, stronger accountability within the Metropolitan Rail Franchise should help create a more reliable and predictable operating environment for freight services and support the broader objective of increasing rail utilisation across Victoria.

Port of Melbourne and Webb Dock

The Port of Melbourne will play a central role in determining whether the Victorian Rail Freight Plan achieves its objective of increasing rail's share of the metropolitan freight task.

Throughout consultation, members consistently highlighted the importance of ensuring rail remains commercially competitive with road when moving containers to and from the Port.

FTA/APSA welcomes DTP's recognition that improving rail competitiveness will require continued collaboration with the Port of Melbourne and industry.

This should remain a key focus during implementation of the Plan.

As Melbourne's container task continues to grow, Webb Dock will play an increasingly important role in the Port of Melbourne's future container capacity. Ensuring rail can service Webb Dock on a commercially competitive basis will therefore be essential if Victoria is to achieve a meaningful increase in rail mode share.

Unlike other areas of the Port, Webb Dock does not currently have a direct rail connection. This creates additional handling and transfer requirements for containers moving by rail, adding cost and complexity to the overall supply chain.

This is a structural challenge rather than a reflection on any individual participant.

Addressing that challenge will require practical collaboration between government, the Port of Melbourne and industry to improve the competitiveness of rail servicing Webb Dock. This should include consideration of transparent and enduring commercial framework that address the structural cost disadvantage associated with rail servicing Webb Dock.

That may include improvements to operational interfaces, more efficient transfer arrangements, appropriate commercial mechanisms and longer-term planning to ensure future port expansion considers the role of rail from the outset.

FTA/APSA is not advocating a single solution.

Rather, the objective should be to ensure that rail is able to compete on a commercially sustainable basis as Webb Dock continues to grow.

The consultation also reinforced a broader point.

Rail competitiveness should not rely on temporary commercial measures. The long-term objective should be a sustainable operating environment where rail is able to compete effectively with road and where all participants across the supply chain contribute to improved freight outcomes.

Victoria has invested heavily in rail infrastructure. The next step is ensuring those investments are fully utilised by creating the commercial conditions that encourage more freight to move by rail.

Implementation

The Victorian Rail Freight Plan provides a clear direction for the future of rail freight in Victoria. The next challenge is implementation.

Industry is looking for practical outcomes that improve the day-to-day operation and commercial competitiveness of rail freight.

One initiative that warrants particular attention is **Action 20.1** of the *Victorian Freight Plan 2025–30*, which committed to establishing a **Port Rail Access Coordinator** to bring together rail terminals and network managers to facilitate efficient and productive rail freight operations to and from the Port of Melbourne.

FTA/APSA strongly supported this commitment when it was announced and continues to regard it as an important enabler of improved rail freight outcomes.

More broadly, FTA/APSA encourages DTP to maintain the collaborative approach adopted during development of the Victorian Rail Freight Plan. Our consultation demonstrated that industry is willing to work together to improve rail freight outcomes, despite differing commercial interests. Maintaining that engagement during implementation will help ensure reforms remain practical, commercially realistic and responsive to changing operational requirements.

It was not clear during consultation whether Action 20.1 has been implemented. If not, FTA/APSA encourages DTP to progress this initiative as a priority. A dedicated coordinator would strengthen collaboration across government and industry, help resolve cross-agency operational issues and provide greater focus on implementation of the Victorian Rail Freight Plan.

The freight sector continues to evolve and implementation of the Plan will inevitably identify new challenges and opportunities. Regular engagement with freight customers, terminal operators, rail operators, network managers and the Port of Melbourne will help ensure the Plan remains responsive to operational experience and changing market conditions.

Transparency will also be important. Regular reporting on implementation and freight performance will enable industry to understand what progress is being made, identify where further attention is required and demonstrate the effectiveness of the reforms over time.

FTA/APSA looks forward to continuing to work with DTP and industry stakeholders to support implementation of the Victorian Rail Freight Plan and the shared objective of increasing rail's contribution to Victoria's freight network.

Conclusion

FTA/APSA appreciates the opportunity to contribute to the development of the Victorian Rail Freight Plan 2026–2036.

The consultation undertaken in preparing this submission demonstrated broad industry support for increasing rail's role within Victoria's freight network. Members recognise the productivity, environmental and supply chain benefits that greater rail utilisation can deliver.

Our consultation also delivered a consistent message. Victoria has made significant investments in rail infrastructure and industry has responded with substantial private investment in metropolitan intermodal terminals. The next step is ensuring those investments are supported by commercial settings that encourage more freight to move by rail.

The Victorian Rail Freight Plan provides a strong framework to achieve that objective. Successful implementation will depend on continued collaboration between government and industry, practical reforms that improve rail competitiveness and a focus on delivering measurable outcomes.

FTA/APSA appreciates the constructive engagement with the Department of Transport and Planning throughout development of the Plan and looks forward to continuing to work collaboratively as implementation progresses.



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