

Adelaide Rail Freight Movements Study

Submission in Response to the Discussion Paper October 2009.

General

Asciano is one of Australia's largest transport companies. Its principal operations comprise

- The Patrick ports and stevedoring business
- Pacific National bulk and intermodal rail operations

Pacific National is Australia's largest private sector rail operator, with operations in all Australian States.

Asciano welcomes the Discussion paper as a significant addition to knowledge on the options for future development and improvement of the corridor, and thereby providing a sound basis for future decision making.

The report is also timely in documenting the significance of this corridor for rail, and the material limitations on its capability

Significance of the Corridor

The discussion paper identifies the importance of the Melbourne-Adelaide corridor to the S Australian economy and the Australian rail industry. Forecasts reflect a broad range of traffics both between Melbourne and Adelaide, and also further west to Perth.

Some key traffic dependent on the corridor include:

1. Land bridging services for S Australian exporters and importers from the Port of Melbourne.
2. Steel products from OneSteel's Whyalla facility to customers in Victoria, and from the Eastern seaboard plants to Adelaide and Perth.
2. Intermodal traffics to and from Melbourne to Perth, which provides a key component of the supply chain for the growing WA economy.

Asciano endorses the assessment in the paper on the importance of the corridor.

Corridor Capability

The Report identifies significant shortcomings with the operational capability and amenity issues associated with the corridor. In particular the limitation of train length to 1500m single stack, compared to the industry standard 1800m double stack for operations West of Adelaide.

Resolving the limitations and amenity issues associated with the current Adelaide Hills alignment is in Asciano's view a significant priority within overall planning for the National network.

Response to Questions posed in the Discussion Paper

Asciano offers the following comments on the questions raised in the Discussion Paper:

Question	Comments
Other features of the route which it is important for the study to take into account	The noise issues associated with the current alignment, which are the subject of significant continuing industry work, are clearly a material factor in assessing the relative attractiveness of alternative options.
The economic growth forecasts underlying the freight forecasts	The basic GDP and other assumptions supporting the forecasts appear reasonable.
The base case forecast for traffic carried on the Adelaide Hills route	This appears reasonable.
The relative shares of traffic M:A and M:P	<p>In considering the Melbourne-Adelaide traffics, there are a number of traffics which are not solely related to the general forecasts of economic activity:</p> <p>In particular, land bridging is a significant proportion of the traffic originating or terminating in Adelaide. The sensitivity of this traffic to changes in vessel call patterns, or other changes to seaborne flows has already been raised with the study team.</p> <p>Steel product movements are also affected by supply sourcing and train routing decisions as well as economic activity.</p> <p>The relative shares of traffics for Adelaide and Perth (and return) will therefore be influenced by these specific factors as well as expected relative economic growth in the two States. We understand this has been considered by the team in their analysis.</p>
The extent to which a more effective alignment would improve services and lead to a greater use of rail instead of road	<p>A more effective alignment may improve services in two ways</p> <p>a) By allowing 1800m double stack trains, reduce cost and increase capacity at times preferred by the market. Achieving such gains is dependent on appropriate works occurring elsewhere along the whole corridor.</p> <p>b) Reduce transit time and hence the fit of the rail option with customer needs. Savings need however to be considered in the context of the door to door transit time (including terminal and PUD time.) Savings on such a short length of corridor therefore need to be very substantial to have a material impact on the door to door time.</p> <p>Such improvements have greater relative influence on traffics Melbourne-Adelaide. However, while important, only the southern bypass option offers material shortening of the Melbourne – Adelaide transit time. However a significant proportion of this traffic is land bridging, and unlikely to be materially affected by the change, so the overall increase in total corridor traffic</p>

Question	Comments
	through this better offer is likely to be fairly small.
The options identified and whether there are any alternative rail alignments that should be considered.	Asciano is not aware of materially different alignments which should be considered. We however understand that studies for upgrading the existing route have considered a number of options, which should be considered in this review also.
The assumed freight paths (routes) and whether these reflect the choices that above rail operators are likely to make.	Decisions will be driven by the underlying drivers of cost and transit time associated with each option. On the data presented, given the cost advantages of double stack, PN would use any of the new routes with that capability rather than continue with a single stack operation on the existing route.