

INFORMATION SHEET # C01

IDENTIFYING WHAT GOVERNMENT CAN ACHIEVE IN NORTH WEST VICTORIA & BEYOND



The needs of Ouyen Intermodal, North West Vic. and beyond, with the next steps of the Murray Basin Rail Project (MBRP):

1. Adherence to the MBRP Business Case.

Page 7 of the MBRP Business Case states that the benefits of the MBRP investment would be *'significant to communities within the region, in terms of employment and business opportunities created by regional industries, as well the level of amenity afforded the community through the improved functioning of logistics chains whilst providing producers an alternative mode choice'*.

Why: To date, the Murray Basin Rail Project has done the opposite. It has delivered a 'net reduction' in opportunities for Ouyen and the broader region.

The removal of two rail sidings at Ouyen as part of the MBRP works in Dec 2017 and the lack of action by Government to work on a clearly viable solution (Ouyen Intermodal project) is contrary to the underlying intent of the Murray Basin Rail Project and those benefits outlined in its business case.

When: Dec 2021

Right now, **the benefits that will be generated from the Ouyen Intermodal include;**

- **generate 55 to 60 jobs (at the Ouyen intermodal and the hay export facility) another 20+ jobs in the broader region**, which in turn will create additional jobs and ensure services are retained in regional areas. Plus, Ouyen Intermodal will ensure mining resumes sooner and this will bring many jobs.
- **an ASX listed hay exporter** looking to invest ~\$10 million to construct a **50,00 to 75,000 tonne p.a. (5,500 TEU shipping containers) hay processing facility, adjacent to the rail siding at the Ouyen Intermodal**. The hay will come from an area spanning well over 1 million Hectares; from Pinnaroo to the Millewa across to the east side of Euston / Robinvale and Manangatang and down to Lascelles. This area is regarded as Victoria's best producer of A1 grade export grade hay, especially the highly sort after oaten hay.
- The feasibility work for the **Ouyen Intermodal project showing a throughput of up to 30,000 containers (TEU's)**,
- **A large national intermodal operator has entered into an exclusivity agreement with Ouyen Inc to work toward it being the terminal operator at the Ouyen Intermodal. If they proceed, it will be their first move into regional Australia,**
- for broad acre farmers, it will generate an additional estimated **\$2.8 million from hay** and an additional estimated **\$1.5 million from grain sales**.
- It will save almond and fresh fruit exporters and transport operators an estimated **\$1.5 – 1.8 million in direct transport costs** whilst helping to solve other issues such as underutilisation of assets and difficulty of recruiting seasonal truck drivers when there is an ongoing shortage and **the average age of a truck driver is 50 and one in five is at retirement age**.
- A letter of support from **Iluka Resources**, who have numerous mineral sand strands in the region, stating; *'the facility (Ouyen Intermodal sic) would certainly be an important consideration in its assessment of the economic viability of developing its deposits in north west Victoria'*
- **Mineral sand logistics for ore from south west NSW, namely Euston and Balranald regions.**
- **12 letters / emails of support for the Ouyen Intermodal from businesses including:** transport operators, three of the top four Australian almond exporters, table grape and citrus growers / exporters, grain container packing business at Ouyen, tartaric manufacturer and chemical and a fertiliser importer & retailer. Plus, many potential business not yet approached,

Urgency (this cannot be stressed enough)

If the Ouyen Intermodal is not constructed in the short term, the aforementioned hay facility proposal and other opportunities will be lost. The other opportunities include transporting almonds, citrus, grain

and table grapes on the train will be lost altogether because the exporters and transport operators will start investing in road trains and make long term storage arrangements in Melbourne. In addition, AQIS inspection and container packing jobs locally will be lost to Melbourne.

2. Ouyen to Ballarat to Gheringhap / Geelong (& to Melbourne): adherence to specifications of rail lines

- a. **complete the Maryborough to Ballarat to Gheringhap standard gauge compatible rail corridor,**
- b. **include an adequate number of long passing loops (min 1.2km long) in particular, the Maryborough to Ballarat to Gheringhap /Geelong corridor** which will become congested if the proposed new intermodals at Ballarat and Eaglehawk (and the reopening of the Bridgewater to Eaglehawk rail line – not part of the MBRP) are implemented. Our analysis has shown that there could be up to 23 train passes per day in this corridor in the peak grain season. For an efficient transport service, it is important that trains do not experience delays, especially in the Maryborough to Ballarat to Geelong corridor,
- c. **allow train travel at 80km/hr with 21 TAL and a wheel diameter of 840mm (most common size),**
- d. **attain a condition rating of better than 'Average'.** The Ouyen to Dunolly rail line is currently rated 'average' per the recent stakeholder information provided by Jacobs as part of the Victorian Rail Freight network review in May 2020.

Why: ensuring trains have good payload capacity, adequate speed and capable of consistently meet allocated time slots at point of loading and point discharge. This is fundamental to ensuring a cost effective and reliable rail system for the freighting of a significant portion of Victoria's export volumes.

Fundamental to the Ouyen Intermodal project is the ability for trains to go 498 kms from Melbourne to Ouyen and return, unload, reload, refuel and carry out train inspections in a 24-hour period consistently. Failure of the MBRP to achieve this will render the Ouyen Intermodal project as being untannable.

When: Dec 2021, in time for Ouyen Intermodal project construction and for the 2021 grain harvest

3. Government to work with Ouyen Inc, the Mallee Community and stakeholders to commence actual work on the \$24 million Ouyen Intermodal in December 2021.

Why: Following the December 2017 removal of two rail sidings at Ouyen, without consultation, the Victoria Dept of Transport held a stakeholder meeting in March 2018 to gauge support for an intermodal to be constructed at Ouyen. **It was a resounding success**, with support coming from almond, table grape, grain, citrus and hay producers who are clearly drawn to the Ouyen Intermodal and its 'natural' freight catchment area. In addition, **most of the support is from the road transport industry. Government has done nothing since and a tremendous amount of work and financial cost has instead been undertaken by Ouyen Inc.**

When: commence construction on Ouyen Intermodal in Dec 2021.

The Victoria Dept of Transport continued delay for the last two and half years, (since the stakeholder meeting in March 2018) in providing support to establish an intermodal solution at Ouyen whilst they open up the Calder and Henty Highways to HPFV's road trains, can only be described as being unintelligent, short sighted and truly not in the best interests of Victoria.

Ouyen Intermodal will get intermodal freight onto rail where it belongs.

If the Ouyen Intermodal is not constructed as part of finalising the MBRP, road transport will continue to be used to freight well over 80% of the produce exported in shipping container (the intermodal freight) , from North West Victoria to Melbourne.

This road transport task involves:

- 16,000 to 19,200 truck trips p.a. and **15,700,000 to 18,000,000 truck kilometres p.a.**
- **25,460 to 30,552 tonnes in carbon emissions p.a. and \$6.8 million in road maintenance p.a.,**
- **significant social and road trauma costs** which will increase following the full length of the Calder Highway having been opened to road trains without any passing lanes for a 355 kms section from north Hattah to Ravenswood, south Bendigo etc. These highways are used by all communities along the 500+km highways to Melbourne, by school buses, our elderly citizens, our footy and netball teams, our youth going to and from university, our tourists and of course, our public transport

The aforementioned road related issues will continue to get worse, even after the finalisation of the MBRP, unless the Ouyen Intermodal construction is included in the next stages of the MBRP works.

There are a number of inherent limitations with the location of the Merbein Intermodal that will continue to prevent a shift of freight from road to rail, post finalisation of the MBRP and the Ultima intermodal is too far away and more focused on the Swan Hill region. Ouyen Intermodal has the full support of Mildura Regional Development, large road transport operators and the Port of Melbourne.