



**GAMUT**



**Media Release – GAMUT (Australasian Centre for the Governance and Management of Urban Transport) in conjunction with the Alliance of Councils for Rail Freight:**

**BETTER GOVERNANCE CONFIRMED AS ONE OF THE KEYS TO RAIL FREIGHT RESCUE**

A forum at Melbourne University on Monday has confirmed that better governance was urgently needed to rescue Victoria's ailing rail freight network.

Attended by representatives of rail operators, track managers and state and local government, the need for better governance was seen to be an urgent priority for the revitalization of rail.

Deputy Director of GAMUT (the Australasian Centre for Governance and Management of Urban Transport), Professor Bill Russell suggested that "the future of rail in terms of Victoria's freight task has already reached the cross-roads."

"Rail now accounts for just 2% of Victoria's freight and we obviously need to act now to have any hope of salvaging the situation."

His concerns were supported by the Chair of the Alliance of Councils for Rail Freight Development, Cr Vernon Knight.

"With rail at the tipping point, we face real threats to the liveability of regional communities and major centres, including Melbourne, already choked by the rapid and continuing growth of trucks on roads."

Participants expressed grave concerns about the inevitable cost to Victoria's road network, public safety and pollution in the event of any further contraction in the use of rail.

"We clearly need a triple-bottom line to Victoria's freight task so that we can fully appreciate what is at stake," said Professor Russell.

A presenter from Sturt University Professor Ian Gray was at pains to make the point that "rail was never designed to make money . . . its role is to save money!"

"Rail is central to growing business, especially in regional areas and any future which is wholly dependent on road will be costly and short-sighted."

Reflecting on the parlous state of Victoria's freight rail, the forum identified poor governance as a significant contributor to the problem.

Cr Knight believes that the absence of a single authority for the oversight of Victoria's rail activity has resulted in uncertainty, a lack of vision and a general reluctance to invest in its future.

"As a consequence, Victoria's past investment in the rail network is now at risk."

"The \$1.2 billion already invested by the Labor Government may prove to be sunk capital and a very costly loss of opportunity."

Professor Russell sees an urgent need to invest in new rolling stock pointing to the fact that there are now only six train sets available to this year's harvest.

"Without new confidence in a future for freight on rail, that investment seems increasingly remote."

The forum heard calls for an immediate reduction in access charges in order that rail could be made more competitive in terms of bulk, long-haul freight."

The Alliance of Councils for Rail Freight Development has already called on the Essential Services Commission to halve the current access charges in its Review of the Access Charge Regime.

"But better governance remains central to developing a rail freight future for Victoria," according to Cr Knight.

"Without single point of contact and a Minister with full responsibility for rail, Victoria runs the very real risk of a future with more and bigger trucks and impossible congestion."

"We have lost sight of the fact that historically, our locomotives and rolling stock were government-owned."

“While buy-back of the tracks may have put the network back in government hands, any future for rail assumes that private enterprise will be prepared to foot the bill for above-rail investment.”

“Access charges and a flawed governance model seem certain to guarantee that this won’t happen.”

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