

Chapter 3 – High standard, responsive land freight connections

Tasmania's land transport network facilitates freight movement to and from key export and intermodal points, industrial and population centres, and regions. The network is extensive, with nearly all major freight corridors operating as parallel road and rail networks. The cost of maintaining this infrastructure, much of which is ageing and substitutable, is high for Tasmania.

Current and future freight volumes are forecast to remain highest on the road network, and focused on the Burnie to Hobart corridor. Based on freight volumes and strategic linkages, this corridor is the state's key freight corridor.

Rail is important in meeting the needs of key bulk customers, but also carries an intermodal task. From a user's perspective, Tasmania's road and rail networks are efficient, with few capacity or travel time constraints. The rail network offers a commercially competitive alternative to road, particularly for bulk and higher-volume tasks where there is efficient proximity to a railhead.

Future upgrades to Tasmania's land transport network will require higher-standard infrastructure that meets changing vehicle productivity, user and safety requirements. At the same time, public funding for transport infrastructure will become more constrained and competitive.

Key observations

- In 2011-12, Tasmania's total land freight task was 23 million tonnes.
- Road carries the highest volumes at 20 million tonnes or 82 per cent net tonne kilometres, compared to just over 2.3 million tonnes or 18 per cent of net tonne kilometres for rail.
- Key commodities include construction inputs, agriculture, cement, forestry and consumer goods.
- Tasmania's land freight task is forecast to increase to 38 million tonnes by 2035. The agricultural sector is a key driver of future freight growth.
- The National Land Transport Network carries the highest freight volumes, with freight volumes highest between Burnie and Hobart.
- By 2035, the Bass Highway, between Launceston and Devonport, is forecast to carry the highest freight volumes of any land transport section.

3.1 Providing certainty on future freight investment across Tasmania's land freight network

The majority of Tasmania's land freight task is carried on road. Total and proportional freight volumes on rail are lower, but vary across lines.

Tasmania has a parallel road and rail connection between Burnie and Hobart, partially to Devonport Port (western side) and to Bell Bay. It also has parallel networks, where rail serves a specific freight task, on the West Coast and to Fingal.

Decisions on how road and rail should develop or interact affect investment and funding. Infrastructure Australia has sought clarification on the Tasmanian Government's objectives for its parallel road and rail networks, particularly between Burnie and Hobart.

Road is the preferred mode for freight transport in Tasmania, where movements are generally over short distances. Road is also the preferred mode for time-critical freight. Point-to-point bulk freight movements for which rail has an advantage are limited in Tasmania.

Road freight networks operate under a system of user pays from heavy vehicles, and contributions are regularly reviewed at a national level. Nationally, road transport is moving toward even higher productivity vehicles, which will require major road upgrades over the long term.

Tasmania's rail network operates under an open access framework, which regulates the cost of access to the rail network for train service operators. TasRail charges for the provision of train services and for some specific infrastructure upgrades.

The Australian and Tasmanian Governments provide the majority of funding for land transport infrastructure, particularly for major capital projects. The cost of delivering and maintaining this infrastructure is high. For example, the replacement value of the State Road network is just under \$7 billion. Capital investment in renewal of this asset has exceeded depreciation in only two of the last ten years. Clarifying future investment priorities across road and rail, including on the key Burnie to Hobart freight corridor, is a priority for government.

3.2 Delivering a single, high-standard, contestable freight corridor

By tonnage, traffic volumes, and strategic land use connections, the road and rail networks between Burnie and Hobart are Tasmania's most significant freight corridor. The corridor connects major ports at Burnie and Devonport, key population and industrial centres, and major intermodal hubs at Brighton and Burnie Port.

65 per cent of Tasmania's land freight task travels on this corridor for at least part of its journey, and most major freight origins and destinations are located within close proximity to the corridor. It is Tasmania's key corridor for the movement of containerised freight.

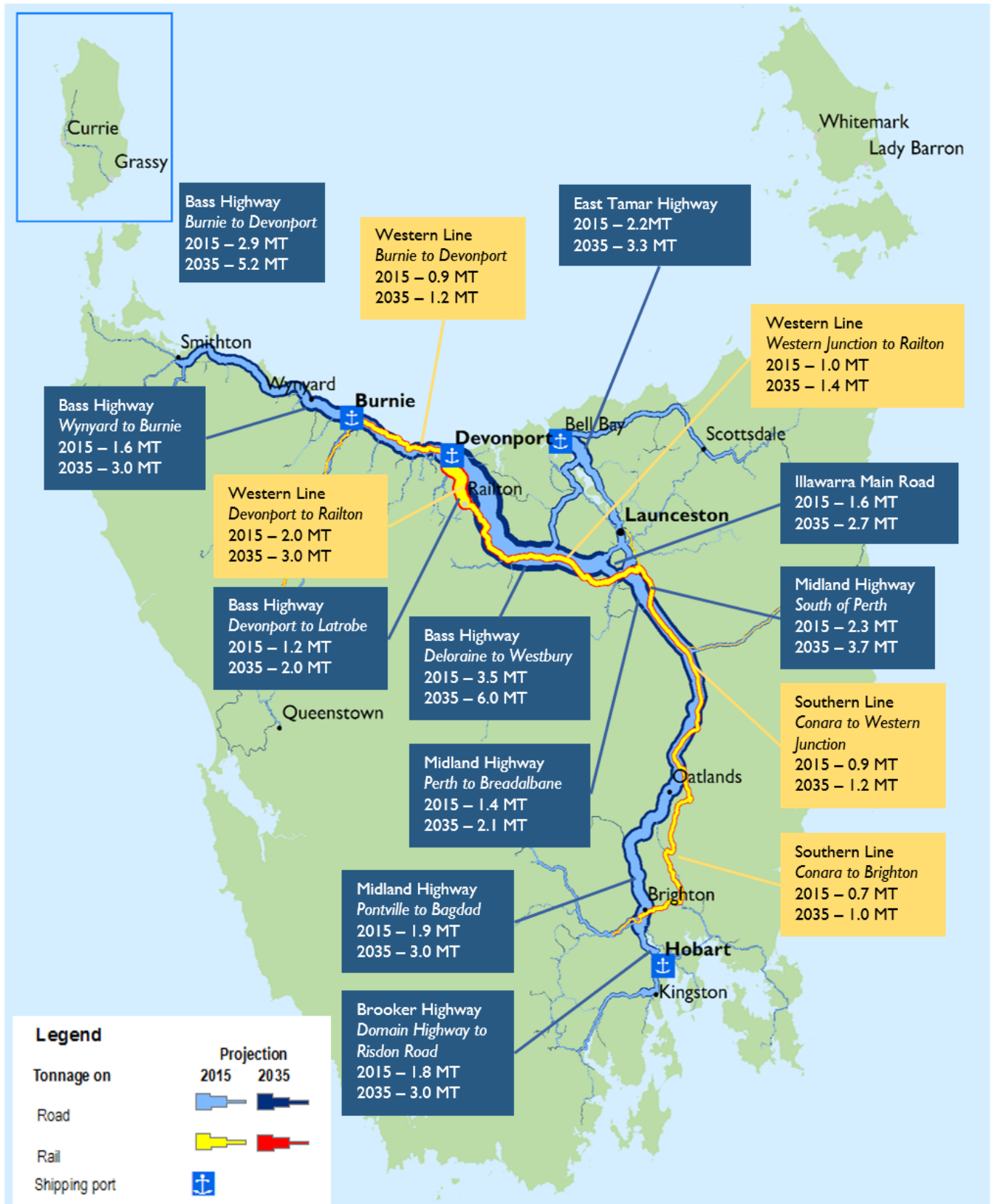
The Burnie to Hobart freight corridor is listed as a Priority Initiative on Infrastructure Australia's Infrastructure Priority List. It operates as a parallel road and rail route. Significant public investment has been made in both networks to improve both efficiency and safety, with further investment required.

3.2.1 Land transport freight growth and contestability

Over the long term, freight volumes will continue to increase and remain highest on this corridor (Figure 3), with the highest volumes on road.

Rail freight across the corridor includes both bulk and intermodal, and includes tasks that use only part of the corridor. The highest volume rail task on the corridor is the bulk cement task between Devonport and Railton, which operates as a closed loop system from factory to port. Two customers account for 60 per cent of rail's intermodal task.

Figure 3. Forecast freight volumes, Tasmanian land transport network



Source: Tasmanian Freight Survey 2012, Department of State Growth

3.2.2 Long-term corridor planning

The Burnie to Hobart rail corridor has formed the focus of rail investment, with significant funding committed to track and rolling stock upgrades. Under certain circumstances, deferred investment or maintenance can be an outcome of a parallel network. This means the proportion of freight carried on one mode increases to a point where investment or maintenance in the second mode, can be reduced or postponed.

Along the Burnie to Hobart corridor, current and forecast freight and general traffic volumes on road are high, with the volume of freight carried on rail unlikely to have a significant impact on required road funding.

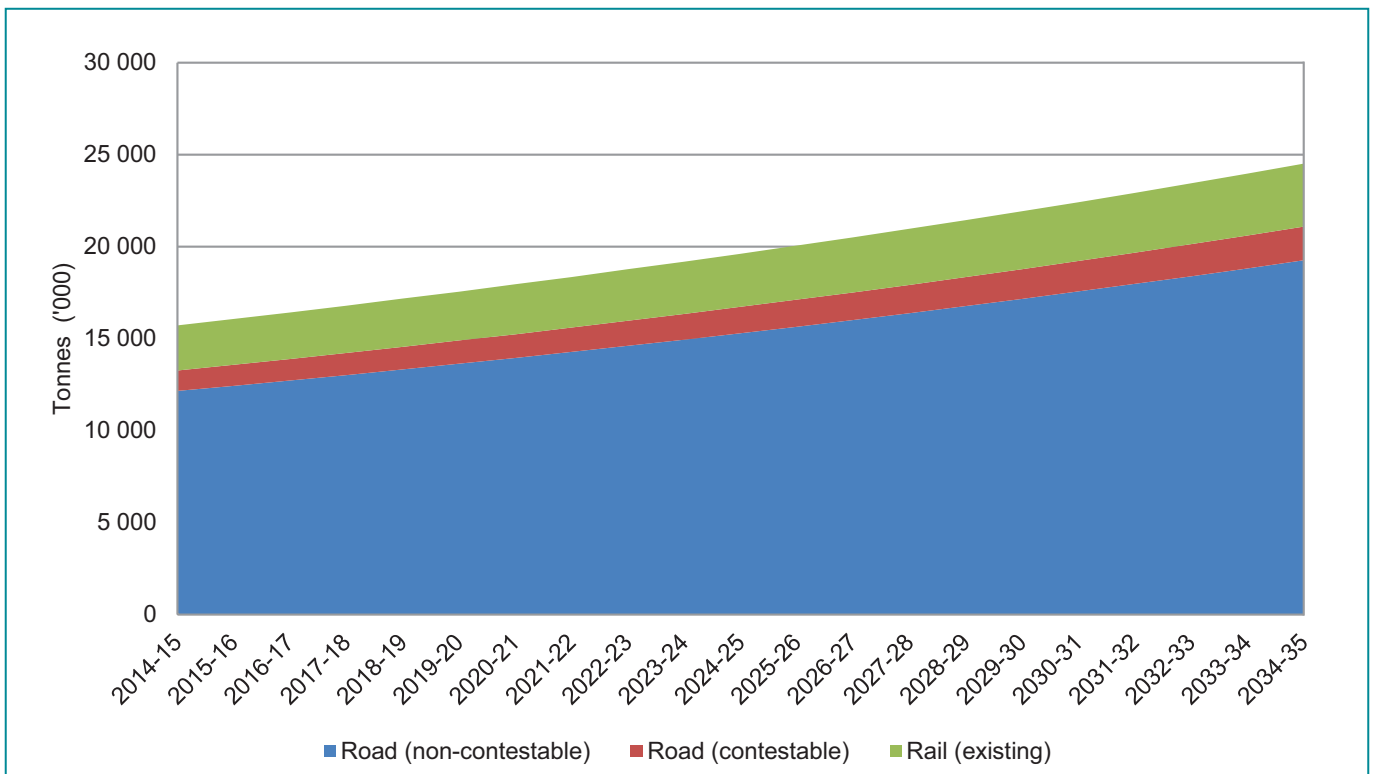
The contestable freight task describes that part of the existing freight task that could potentially switch to be carried on road or rail. Under general freight growth, an analysis of freight volumes across commodities indicates around 1.1 million tonnes of the current intermodal road freight task on the Burnie to Hobart corridor could be contestable by rail (Figure 4).

This figure does not consider emerging, and potentially significant bulk freight tasks, or the feasibility or desirability of a switch to rail for individual businesses.

Analysis undertaken by TasRail in 2015 considered both statewide freight contestability and the broader benefits of rail as a transport mode. The report is based on a different freight contestability methodology and considers future growth to 2019 only.

The Tasmanian Government has identified Burnie to Hobart as Tasmania's premier freight corridor, and will develop this corridor to deliver the highest standard freight infrastructure and service levels. Future planning on the Burnie to Hobart corridor must be demand-driven, mode-neutral and outcome-based. Investment will be made in the context of an integrated freight corridor, and informed by a uniform approach to quantifying freight demand.

Figure 4. Forecast and contestable freight tonnages, Burnie to Hobart, 2014-15 to 2034-35



Source: Department of State Growth, TasRail

The Government has prioritised the development of a Burnie to Hobart freight corridor strategy to guide future planning and investment.

The strategy will:

- identify a single, integrated package of investment priorities for road and rail based on freight demand, corridor and system outcomes
- prioritise major freight-related investment in support of general freight growth
- confirm required road and rail infrastructure standards and service levels
- plan for an appropriate level of service, including in support of major step changes in heavy vehicle productivity
- focus rail investment to support a safe, reliable and sustainable rail network
- consider broader and alternative mechanisms to support freight users to meet their supply chain needs.

The strategy will be underpinned by freight demand forecasts at the corridor, mode and segment level, together with an agreed, uniform methodology for estimating modal contestability across road and rail. The nature and volume of freight demand will inform infrastructure responses. Infrastructure Tasmania will lead this initiative, and will consult with major users of the corridor and other key stakeholders, including local government, in developing the strategy.

3.3 Providing direction on the future role of rail

Rail has attracted significant attention over the past decade, moving from a privately-owned business characterised by under-investment, to a Tasmanian Government-owned entity that has attracted higher levels of funding to deliver renewed infrastructure and rolling stock.

Rail's share of Tasmania's land freight task is around 22 per cent of net tonne kilometres. This is higher on some individual lines. The existing customer base is small, with a few large bulk freight customers accounting for a high proportion of total volumes.

3.3.1 Rail task and investment

Tasmania's rail task is spread across three corridors – Burnie to Hobart, Melba Flats to Burnie, and Fingal to Conara. The section of railway between Devonport and Railton carries high volumes for a single customer, and comprises around 50 per cent of rail's total freight volumes.

The Bell Bay line is currently used for a forestry trial, with future increases expected as a result of the redevelopment of the George Town railhead, together with opportunities associated with the reintroduction of international shipping services to Bell Bay.

Tasmania's rail network is managed by TasRail, which operates as a vertically integrated 'above rail' (train services) and 'below rail' (rail network) business. Under this business model, TasRail as the network operator charges users of the network for services provided. In 2014-15 network access fees of around \$3.3 million were paid by TasRail's above rail business for the use of rail infrastructure.

Both the Australian and Tasmanian Governments have made major investments in the rail network to improve reliability and safety. \$205 million was committed by the Australian Government to below rail projects as part of the Rail Rescue Package and 2007 election infrastructure commitments.

A further \$120 million has been committed as part of the new Infrastructure Investment Program. The Tasmanian Government also makes regular contributions to rail network maintenance through annual operating grants. A combined investment of \$96.5 million has been made on new locomotives and wagon fleets.

3.3.2 Future rail investment and supporting pricing framework

Investment in Tasmania's rail infrastructure and rolling stock has significantly improved safety and reliability across the network. As part of an integrated freight system, the ability of rail to provide a commercially competitive alternative to road, including for key bulk tasks, is a key objective and one that is now possible as a result of the major improvements made to the network and services.

Following significant investment, it is now appropriate to evaluate the broader competitive and system outcomes associated with this investment to clearly inform the role rail can play in Tasmania's freight system. The focus of this evaluation will be the Burnie to Hobart corridor, with future investment in rail considered as part of long-term planning on this corridor.

The Government will also update the existing Tasmanian Rail Access Framework, to deliver a contemporary access and pricing framework. The framework will formalise transparent arrangements for private sector contributions for specific rail investments.

3.4 Supporting freight growth and access on regional freight routes

Many businesses rely on regional freight networks to move product to/from processing centres and export points. Regional networks are particularly important to the agricultural, forestry, mining and construction sectors. Over the long-term, regional freight volumes are forecast to remain highest on the East Tamar Highway, north of the Batman Bridge; and the Bass Highway, west of Burnie. These roads are the priority for future freight-related regional road investment.

3.4.1 Regional road and rail access needs

Many parts of Tasmania's road network have restricted access or at risk of reduced access in the near future for high productivity (including Higher Mass Limit), and oversize and overmass (OSOM) vehicles, based largely on deficient bridge structures. An inability to access, or easily access, the road network impacts both general freight productivity, and increases the regulatory complexity of land development.

Many infrastructure improvements beneficial to heavy vehicles, including improved pavement strength and extended shoulder and lane width, can be delivered cost-effectively and efficiently through routine maintenance supported by small-scale upgrades.

The Tasmanian Government will work with the Department of State Growth to ensure freight improvements are built into capital programs, developing infrastructure to a uniform standard, consistent with

transparent service levels. Access for higher productivity vehicles will be considered as part of a state framework, supported by some flexibility at the corridor level to meet local and task-based needs. Allocation of resources will respond to statewide economic growth priorities.

Regional and rural roads form an important part of Tasmania's land freight network, connecting primary production areas to processing centres, and facilitating heavy vehicle access to rural and remote areas for a range of infrastructure and development purposes. Last mile access, which includes higher volume port and industrial centre connections, as well as lower volume rural roads, are critical. Bridge strength is a common constraint on rural networks. Coordinating and prioritising smaller-scale investment to ensure appropriate heavy vehicle access in regional and rural areas is a key issue.

Through the Department of State Growth, the Government is working with key stakeholders, including road managers, industry and the National Heavy Vehicle Regulator, with a view to facilitating efficient access to an integrated, harmonised, sustainable and safe Tasmanian road network. Rail infrastructure improvements on regional lines will focus on reliability and safety. Under current volumes and customer profiles, there is no identifiable need to invest for travel time savings.

3.4.2 Supporting regional economic development

The Tasmanian Government recognises the relationship between regional freight networks and regional economic development. A number of mines proposed across Tasmania, for example, will rely on regional road and rail connections to move product to market. The agricultural and aquaculture sectors also have a strong reliance on regional roads.

For major or specific, new freight tasks, the Government will work with businesses to understand their freight needs, and maximise alignment between these needs and existing freight infrastructure networks. Investment in support of a new freight task, outside the Tasmanian Land Freight Network, should consider broader statewide and regional economic development outcomes, and the potential to partner with industry to deliver any additional investment.

3.5 Achieving greater alignment between transport hubs, industrial areas and major freight routes

Industrial areas are major generators of freight. For example, the Bell Bay Industrial Estate and Glenorchy industrial areas account for 60 per cent and 40 per cent of freight originating in or destined for their respective regions.

Across all three regions, industrial areas account for a high proportion of the freight task.

- Bell Bay Industrial Estate has a number of high tonnage industries and is the largest freight generating industrial area in the state. Around 1 million tonnes of the state task originates within Bell Bay and a further 1.8 million tonnes travels to the area. An additional 1.5 million tonnes is handled within Bell Bay, moving between port and industry sites without using the land freight network.
- Glenorchy is a focus for manufacturing and processing in the south of the state with just under 0.6 million tonnes travelling to the area and around 0.9 million moving out. Further significant tonnages move through industries adjacent to Nyrstar's wharf at Lutana.

- Several locations are dominated by single, large freight-generating industries. For example, Norske Skog at Boyer, and Cement Australia at Railton.

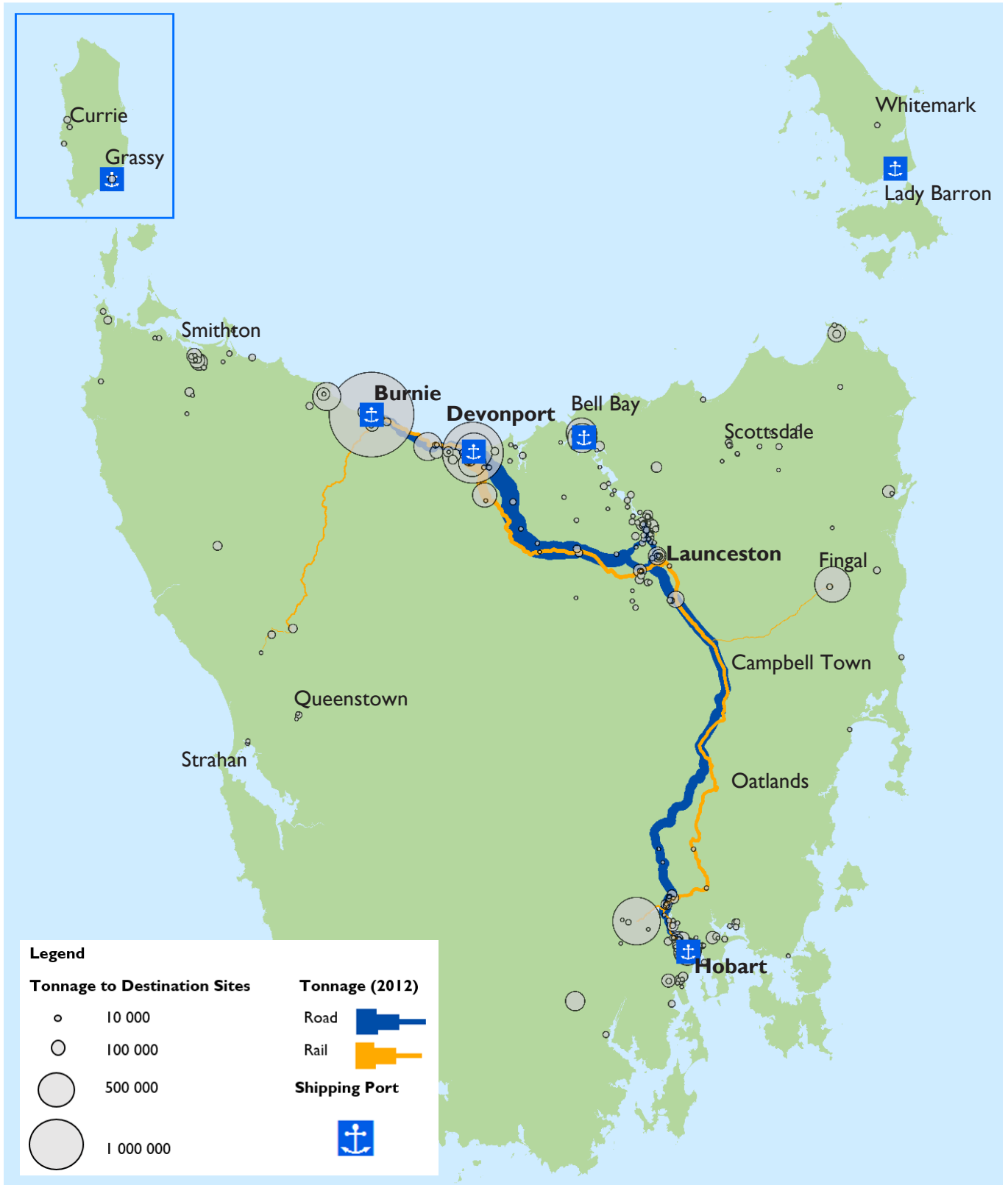
The Brighton Hub is a purpose-built road-rail hub located on the Burnie to Hobart freight corridor. It has played a key role in opening up large areas of industrial land, close to Hobart, with direct access to high-standard road and rail networks. The co-location of intermodal hubs with major industrial or freight-generating activities has the potential to support localised freight aggregation and maximise access to, and use of, key freight corridors and modes.

With the exception of the Brighton Hub, all of Tasmania's existing intermodal hubs are located at a port – Burnie, Devonport and Bell Bay ports.

Figure 5 shows the location of major industrial and freight-generating areas in relation to the Burnie to Hobart freight corridor.



Figure 5. Major freight generating areas, Tasmania



Local government and key stakeholders are currently investigating the development of a logistics and industrial hub adjacent to the Launceston Airport. The site is close to the strategic Burnie to Hobart freight corridor; includes both rail and air connections, and has significant areas of flat land available for future industrial development.

Urban freight networks form a key part of Tasmania's broader freight system. These networks support the last mile delivery of freight that has been deconsolidated at major intermodal or industrial sites, and facilitate the movement and exchange of smaller volumes of freight across the urban area.

Urban freight is characterised by flexible and responsive transport services, moving small volumes of diverse, low tonnage products. Urban freight networks are complex, and data on the level and nature of urban freight movements is limited. Planning for urban freight should consider the location of industrial areas and major commercial centres in relation to arterial and main roads.

The Government will continue to work with local government and the private sector to encourage consolidation of industrial and freight-generating activities in locations with good access to the strategic freight network, particularly the Burnie to Hobart freight corridor.

The Tasmanian Government will also work with local government to ensure planning frameworks support and reinforce key freight networks and assets.

3.6 An agreed statewide land freight network, delivering planning and investment certainty

The Tasmanian Government has developed a Tasmanian Land Freight Network (Table 2 and Figure 6), based on current and forecast freight demand, and network function. The Network identifies target freight outcomes across corridors, and infrastructure standards that are appropriate to the freight task.

Key elements of the Tasmanian Land Freight Network.

- **Burnie to Hobart as Tasmania's premier freight corridor.** This corridor is the priority for freight investment, including major capital upgrades. Short to medium-term investment will be focused on addressing deficiencies on the road network, reflecting freight volumes carried. The road corridor will be developed to Tasmania's highest freight infrastructure standards, including incremental upgrades to meet long-term, step-changes in vehicle productivity in Tasmania.
- **Principal freight routes.** These recognise the Bass Highway (west of Burnie) and East Tamar Highway as strategic freight corridors, forecast to carry the highest freight volumes outside the Burnie to Hobart corridor. The routes connect to major freight-generating areas between Smithton and Burnie, where agriculture is a major driver of future freight growth, and the Bell Bay Industrial Estate, a key bulk freight hub.
- **Key regional freight connections,** supporting the movement of freight from regional areas to processing and export ports. Generally, these corridors carry specific bulk freight tasks, including mining and forestry. The focus is on incremental upgrade of existing infrastructure to deliver improved freight access, productivity and safety outcomes over time.
- **Industrial and last mile access roads,** providing key local connections to major ports, industrial, processing and distribution centres. These roads are often local government-owned.

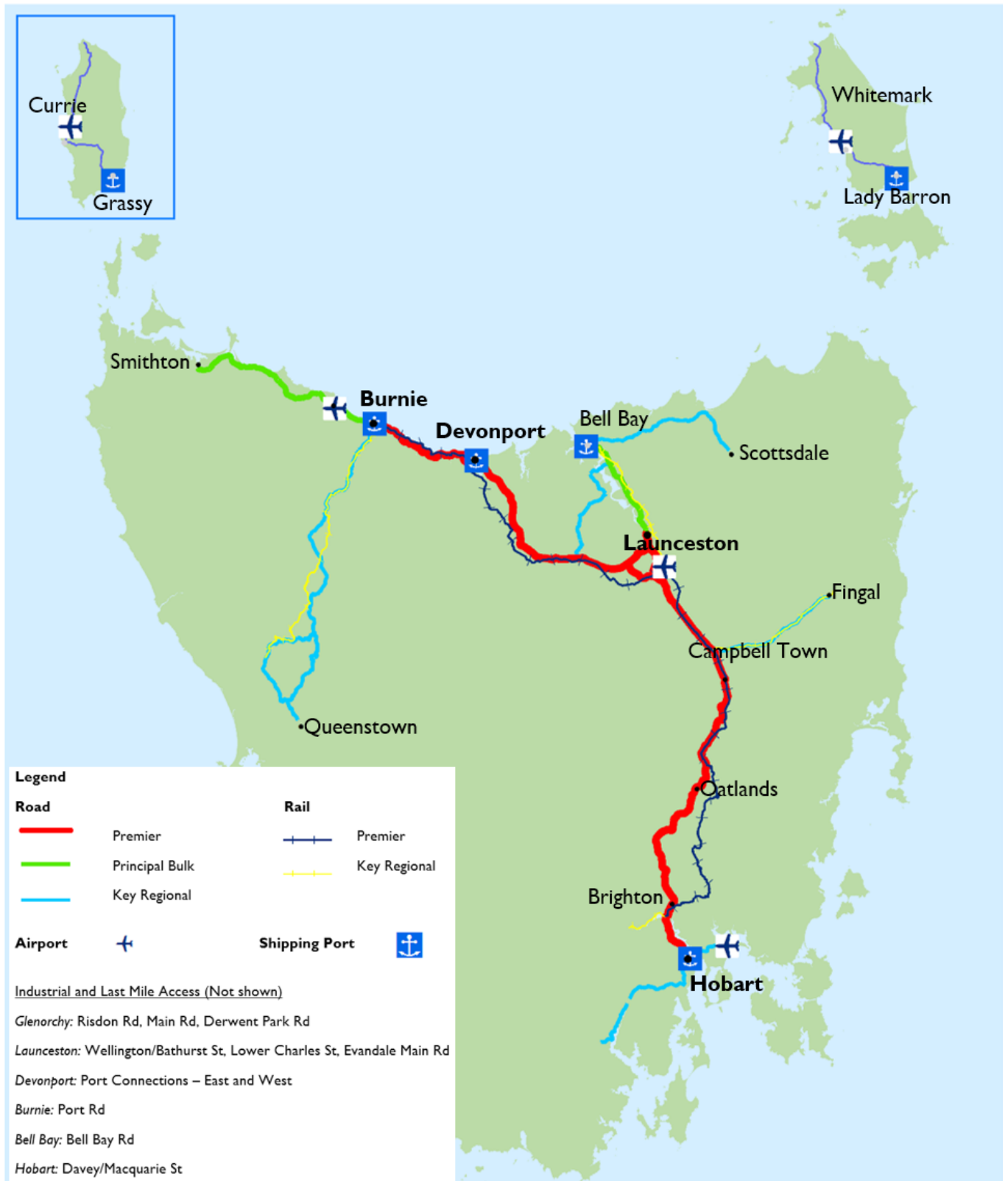
The Network is linked to the Government's freight investment priorities. The Network will be reviewed every five years, as well as in response to major changes in the freight system affecting freight volumes on individual links, to ensure the Network remains contemporary. It is supported by specific modal planning undertaken by both the Department of State Growth and TasRail, including in relation to infrastructure standards and service levels for users.

Table 2. Tasmanian Land Freight Network

Freight category	Outcomes	Investment principles
<p>Premier freight corridor</p> <p>Burnie to Hobart freight corridor</p>	<p>Priority for investment to support general freight growth and major step changes in vehicle productivity.</p> <p>Highest standard road freight productivity and efficiency, including:</p> <ul style="list-style-type: none"> • high level of service in terms of vehicle operating costs • pre-approved higher productivity vehicle routes, supporting more productive freight movements • pre-approved access for specified oversize/over-mass vehicles. <p>Alternative options to meet freight needs examined, across modes.</p> <p>Improved safety and reliability on the rail network.</p>	<p>Road</p> <p>Priority network for investment.</p> <p>Projects that address major freight infrastructure deficiencies.</p> <p>Infrastructure standards that cater for major step changes in heavy vehicle productivity.</p> <p>Upgrades to provide as of right access for specified classes of higher productivity vehicles; retain access controls for others.</p> <p>Delivery of capital works programmes that incorporate design standards for higher productivity and oversize/ overmass vehicles.</p> <p>Rail</p> <p>Target remaining safety and reliability deficiencies.</p> <p>Consolidate investment around current funding.</p> <p>Demand-driven investment, directly assessed against road capacity.</p>
<p>Principal bulk freight routes</p> <p>Bass Highway (west of Burnie)</p> <p>East Tamar Highway</p>	<p>Efficient, high-standard freight connections to export points and the Burnie to Hobart corridor, including:</p> <ul style="list-style-type: none"> • pre-approved higher productivity vehicle routes, supporting more productive freight movements • pre-approved access for specified oversize/over-mass vehicles. 	<p>Road</p> <p>Priority network for investment after premier corridor.</p> <p>Heavy vehicle standards (B-Double) delivered as part of routine capital and maintenance.</p> <p>Long-term network maintenance in support of a major bulk freight task.</p> <p>Upgrades to provide as of right access for specified classes of higher productivity vehicles; retain access controls for others.</p>

Freight category	Outcomes	Investment principles
<p>Key regional freight connections</p> <p>Tasman Highway (Hobart CBD to Hobart Airport)</p> <p>Frankford-Birralee-Batman corridor</p> <p>Murchison-Ridgley Highways</p> <p>Bridport Main Road</p> <p>Esk Main Road</p> <p>Huon Highway</p> <p>Bell Bay, Fingal, Derwent Valley and Melba rail lines</p>	<p>Safe, efficient regional freight networks, including:</p> <ul style="list-style-type: none"> • general access for standard higher productivity vehicles only; larger vehicles remain subject to access controls • oversize/ over-mass vehicles on gazetted routes with access controls. 	<p>Road</p> <p>Prioritise maintenance and renewal, and small-scale upgrades in support of moderate freight growth.</p> <p>Targeted investment to remove significant constraints.</p> <p>Consider non-infrastructure solutions.</p> <p>Some vehicles prohibited under certain conditions.</p> <p>Rail</p> <p>Demand-driven investment, directly assessed against road capacity.</p>
<p>Industrial and last mile access roads</p> <p>Burnie Port (Port Road)</p> <p>Devonport Port (to east and west port)</p> <p>Bell Bay Port (Bell Bay Road)</p> <p>Launceston (Bathurst, Wellington, Lower Charles Streets; Evandale Main Road to Launceston Airport)</p> <p>Glenorchy (Risdon, Main and Derwent Park Roads)</p> <p>Hobart (Davey and Macquarie Streets)</p>	<p>Local freight roads that are planned, protected and developed as part of a statewide freight system.</p>	<p>Appropriate land use planning provisions to protect road function.</p> <p>Prioritisation of local infrastructure investment to these roads.</p>

Figure 6. Tasmanian land freight network



Strategic response

In delivering a strategic, responsive and financially sustainable land freight system, the following are key policy recommendations and actions.

Policy positions

- 3.1 The Tasmanian Government has identified a strategic Tasmanian Land Freight Network as:
- premier freight corridor – Burnie to Hobart
 - principal bulk freight routes – East Tamar Highway, Bass Highway (west of Burnie)
 - key regional freight connections – Tasman Highway (Hobart CBD to Hobart Airport), Frankford-Birrreele-Batman corridor; Murchison-Ridgley Highways, Bridport Main Road, Esk Main Road, Huon Highway; Bell Bay, Fingal, Derwent Valley and Melba rail lines
 - industrial and last mile access roads – Burnie Port (Port Road); Devonport Port (east and west port connections); Bell Bay Port (Bell Bay Road); Launceston (Bathurst, Wellington, Lower Charles Streets; Evandale Main Road to Launceston Airport); Glenorchy (Risdon, Main and Derwent Park Roads); Hobart (Macquarie and Davey Streets).
- The Network will be reviewed every five years, and in response to major changes in demand, to ensure the network remains contemporary.
- 3.2 Major freight-related investment will be prioritised in support of general freight growth between Burnie and Hobart, delivering the highest standard freight productivity and efficiency outcomes on this key freight corridor.
- 3.3 Investment in freight infrastructure will be clearly linked to freight demand and function across all modes and assets, supported by a clear identification of the infrastructure standards required to support the freight task.
- 3.4 Appropriate partnerships will be sought with the private sector to invest in new freight tasks, particularly where investment is required outside the strategic freight network.
- 3.5 Work with local government to encourage consolidation of industrial activities in locations with good access to the strategic freight network, particularly the Burnie to Hobart corridor.

Actions the Tasmanian Government will undertake	Timeframe
Develop a Burnie to Hobart freight corridor strategy.	February 2017
Deliver a new <i>Tasmanian Rail Access Framework</i> .	October 2017
Periodically review the Tasmanian Land Freight Network to ensure it appropriately reflects freight demand and required infrastructure and service level standards.	Ongoing

Chapter 4 – Delivering a single, integrated freight system

Freight infrastructure is expensive to maintain and provide. Investment decisions are long-term and need to be supported by adequate freight demand.

The Tasmanian Government owns the majority of Tasmania's freight networks, and also provides supporting rail and sea freight services. The private sector provides road, sea and air freight and logistics services. Private infrastructure investment exists in niche parts of the freight system.

Tasmania's freight system is used by freight users who make freight transport decisions based on their own business needs, balancing service and cost. Tasmanian freight transport supply chains are typically multi-modal with Bass Strait a key part of the supply chain for most freight users.

While there is broad alignment in the planning and activities of major freight infrastructure providers and users operating within the Tasmanian freight transport system, there is opportunity for further improvement. Collaboration between freight users, service providers and government is central to effective freight outcomes. This is underpinned by current and accessible information on how Tasmania's freight system is used.

Key observations

- In 2011-12, Tasmania's total land freight task was 23 million tonnes and the sea freight task was 13 million tonnes.
- General freight growth is forecast at 1.7 per cent, with higher growth in the agricultural sector (four per cent) and in the container market (3 per cent).
- There is a significant uplift in trailerisation as the most effective mode of transport for speed to market, particularly in the fresh/perishable sectors.
- Land freight volumes are highest on the road network.
- Port throughput is focused on the three northern ports.
- The Tasmanian Government owns all major land transport infrastructure, managed through TasPorts, TasRail and the Department of State Growth (road).
- Infrastructure Tasmania will provide a coordinated approach to the planning and delivery of major infrastructure in Tasmania.
- The Tasmanian Government undertakes a triennial freight survey, providing comprehensive, business-derived freight data across Tasmania's land transport network.

4.1 Aligning objectives, planning and investment across freight infrastructure and service providers

The Tasmanian Government owns nearly all major freight infrastructure in Tasmania, across ports, road and rail as well as providing sea and rail freight services. The Government is committed to retaining ownership of these key public assets.

The Government manages its freight assets through four entities – TasPorts, TT-Line, TasRail and the Department of State Growth, each of which has responsibility to plan and manage specific freight infrastructure and modes.

With the exception of the Department of State Growth (roads), all operate as independent government-owned businesses, with associated strategic planning and public financial reporting responsibilities.

Tasmania's public infrastructure and service providers play a major role in the operation of Tasmania's freight system. The strategic plans of each are a key part of freight system planning, and can significantly influence planning and investment outcomes. Coordination across the strategic planning activities of these businesses is critical to meeting freight objectives. Customers and key stakeholders must be involved, and relevant business and freight-related information made publicly accessible.

The Tasmanian Government will seek to better coordinate the objectives of its infrastructure and service providers, working to:

- align business objectives, strategic plans and investment strategies with the Tasmanian Integrated Freight Strategy
- develop agreed and transparent strategic and project planning processes, based on common freight demand assumptions and a clearly articulated strategic freight network.

4.2 Establishment of Infrastructure Tasmania to lead best practice project evaluation and prioritisation

Infrastructure, and the way it is planned, provided, used and maintained, is one of the key levers the Tasmanian Government has to increase productivity and economic growth and meet its freight policy objectives.

In May 2015, the Government established Infrastructure Tasmania to lead best practice in the planning, evaluation and prioritisation of economic infrastructure in Tasmania. The creation of Infrastructure Tasmania represents a significant step forward for infrastructure planning in Tasmania, providing for the first time, an independent body to oversight, and advise on, major infrastructure policies, proposals and evaluation methodologies.

Key responsibilities of Infrastructure Tasmania include:

- development of a project pipeline and common project assessment methodology
- coordination of all major funding submissions to the Australian and Tasmanian Governments, including across and within sectors
- provision of independent advice on the benefits or need for specific infrastructure proposals, including the detailed review of major projects.

4.2.1 A focus on transparent, coordinated project evaluation

Improving the justification and evaluation of major infrastructure projects has been a focus of recent national infrastructure funding programs. Infrastructure Australia has led recent thinking on the evaluation of major infrastructure projects, including the development of detailed project assessment templates and supporting economic analysis for use by states.

The Tasmanian Government supports the intent and broad methodology outlined by Infrastructure Australia (IA). It also acknowledges the need for statewide coordination of major funding submissions. Infrastructure Tasmania will work with state proponents (departments/government businesses) on any business cases submitted to IA seeking endorsement for Australian Government funding.

Infrastructure Tasmania has also developed its own project assessment framework which integrates with the early stage, qualitative project assessments required by IA.

This framework will ensure project proponents demonstrate an appropriate evidence base for the problems or opportunities their project seeks to address, and will also ensure consistency in the structure of these assessments. This framework will be applied to relevant freight related infrastructure projects.

4.3 Providing accessible freight data to inform public and private sector freight planning

Freight planning must be established on a strong evidence base. This is particularly the case as governments and the private sector seek to maximise, and justify, the outcomes of their infrastructure investment.

Access to up-to-date, publicly accessible freight data and adoption of agreed freight assumptions (for example, container and industry sector growth rates) will ensure government, infrastructure providers, business and the private sector are working off a common freight planning platform.

The Tasmanian Government's Tasmanian Freight Survey has underpinned major capital investment for over a decade, forming a key component of major infrastructure funding bids across road and rail.

The Survey captures detailed freight movements across Tasmania's road and rail networks based on information direct from businesses. Figure 7 provides an example output from the most recent 2011-12 survey, showing freight flows across the north-west region based on volume, route, commodity, and vehicle type. The Tasmanian Government will shortly complete a fifth Tasmanian Freight Survey.

The Tasmanian Government has also established a dedicated web-based presence for freight, providing transparent information and data to industry and the public, regarding the operation of Tasmania's freight system.

A wide range of information will be provided, including:

- general information on Tasmania's freight system, its development and use
- investment commitments, project assessment and prioritisation
- project assessments and analysis
- strategic plans of public infrastructure providers.



Figure 7. Example freight flow map, Tasmanian Freight Survey 2011-12



Source: Tasmanian Freight Survey 2012, Department of State Growth

4.4 Working with industry to meet Tasmania's freight challenges

The effective delivery of the Tasmanian Integrated Freight Strategy requires a partnership approach between business and government. Each has a significant stake in Tasmania's freight system and can significantly influence outcomes.

The Tasmanian Government will continue to work with industry, including major Tasmanian freight users to better understand the issues facing Tasmania's freight system and opportunities for improvement.

In engaging with industry, the Government will focus on:

- progressing delivery of key actions identified in the Tasmanian Integrated Freight Strategy
- collecting and sharing information affecting Tasmania's freight system, with an initial focus on time sensitive freight data
- identifying opportunities to strengthen the role of lower volume shippers in the market, and to reduce the volume of empty containers crossing Bass Strait
- providing advice on relevant freight information and data, including industry-related data, to support an improved understanding of the operation of Tasmania's freight system.



Strategic response

In delivering a single, integrated freight system, the following are key policy recommendations and actions.

Policy positions

- 4.1 Strategic thinking, planning and evaluation of Tasmania's economic infrastructure will be led by, and coordinated through, Infrastructure Tasmania.
- 4.2 The strategic plans and investment strategies of TasPorts, TasRail, TT-Line and the Department of State Growth (road delivery agency) will align to the Tasmanian Integrated Freight Strategy.
- 4.3 Large-scale privatisation of publicly-owned freight infrastructure is not supported by the Tasmanian Government. However, the Government will work with the private sector to identify investment opportunities in specific freight assets, services or in support of discrete freight tasks.

Actions the Tasmanian Government will undertake	Timeframe
Provide regular, updated information on key freight policy initiatives, major system upgrades and the general operation of the freight system.	Ongoing
Complete a fifth Tasmanian Freight Survey.	June 2016
Undertake regular, structured consultation with industry on the key issues and opportunities facing Tasmania's freight system.	Ongoing



Appendix I. Key recommendations, *Tasmanian Integrated Freight Strategy*

I. Support service choice and competition across Bass Strait

Policy positions

- I.1 Private sector solutions to shipping capacity and service needs are the first and preferred response to capacity needs on Bass Strait. The Tasmanian Government supports planned investment in larger vessels by the two existing private operators.
- I.2 Service competition within the Bass Strait container market is critical. The Government supports a no-lessering of Bass Strait shipping competition that seeks to maintain at least two major private sector domestic container operators.
- I.3 The Government has established a tourism strategy for TT-Line that will maintain existing freight capacity. Opportunities to strengthen alignment with the time-sensitive market will be explored.
- I.4 The long-term continuation of existing TFES arrangements, including the recent extension of the TFES to goods destined for international markets, is essential to reducing the freight rate of eligible shippers.
- I.5 The Government supports balanced reforms to coastal shipping laws that will deliver cost competitive and expanded service choice to Tasmanian shippers.
- I.6 The Government will actively seek to engage and work with relevant providers and exporters to support further development of air freight solutions to provide a broader and more flexible freight system for Tasmanian exporters.



Actions the Tasmanian Government will undertake	Timeframe
Facilitate market-based solutions to Bass Strait container shipping needs, including the provision of transparent information to the market on shipping needs; identification of capacity and service gaps; and continued advocacy for regulatory changes that expand service choice for Tasmanian shippers.	Ongoing
Monitor container volumes with and across commodity sectors, to inform overall capacity and specific service needs.	Ongoing
<p>Work with industry, service providers and peak organisations to:</p> <ul style="list-style-type: none"> • define and quantify Tasmania's time sensitive freight market, including product volumes, future growth rates and supply chain needs • identify opportunities for the greater use of air freight. 	October 2016
Assess opportunities to reduce the volume of empty containers crossing Bass Strait.	Ongoing
Actions the Tasmanian Government will undertake	Timeframe
<p>Continued advocacy with the Australian Government to:</p> <ul style="list-style-type: none"> • secure the long-term continuation of existing TFES arrangements, including to transhipped freight • maximise service choice to Tasmanian shippers as a result of any changes to the Australian Government's coastal shipping laws. 	Ongoing
Support intermodal competition from air freight by working with targeted Australian and international airlines to develop a business case for one or more direct flights a week from Hobart to a key Asian hub.	Ongoing

2. Efficient freight gateways

Policy positions

- 2.1 Burnie Port is the logical location for prioritising long-term public sector investment for domestic container growth, but further work is needed to understand commercial and market benefits.
- 2.2 Individual ports have developed as natural gateways for specific bulk freight tasks, supporting investment by shipping companies and Tasmanian businesses. Reducing duplication where possible is important.
- 2.3 Access to the Port of Melbourne at fair and reasonable prices is critical for Tasmanian shippers. The location of Victoria's second container port is important, land freight costs for some Tasmanian shippers may increase. Private sector participation in port investment, where practical, is encouraged.

Actions the Tasmanian Government will undertake	Timeframe
Assess the benefits of a primary domestic container port at Burnie, examining supply chain, commercial and market outcomes for shippers, operators and the port manager.	June 2017
Develop a bulk freight port investment prioritisation plan.	December 2017
Finalise a Western Tasmanian Export Corridor Plan, focused on improving supply chain efficiency and productivity for key export sectors.	August 2016
Identify the long-term location and key demand drivers for a new minerals concentrate shiploader at Burnie Port.	August 2016
Continue to engage with the Victorian Government on port privatisation and future port planning in Victoria to ensure Tasmania's interests are fully considered.	Ongoing

3. High-standard, responsive land freight connections

Policy positions

3.1 The Tasmanian Government has identified a strategic Tasmanian Land Freight Network as:

- premier freight corridor – Burnie to Hobart
- principal bulk freight routes – East Tamar Highway, Bass Highway (west of Burnie)
- key regional freight connections – Tasman Highway (Hobart CBD to Hobart Airport), Frankford-Birralee-Batman corridor; Murchison-Ridgley Highways, Bridport Main Road, Esk Main Road, Huon Highway; Bell Bay, Fingal, Derwent Valley and Melba rail lines
- industrial and last mile access roads – Burnie Port (Port Road); Devonport Port (east and west port connections); Bell Bay Port (Bell Bay Road); Launceston (Bathurst, Wellington, Lower Charles Streets; Evandale Main Road to Launceston Airport); Glenorchy (Risdon, Main and Derwent Park Roads); Hobart (Macquarie and Davey Streets).

The Network will be reviewed every five years, and in response to major changes in demand, to ensure the network remains contemporary.

3.2 Major freight-related investment will be prioritised in support of general freight growth between Burnie and Hobart, delivering the highest standard freight productivity and efficiency outcomes on this key freight corridor.

3.3 Investment in freight infrastructure will be clearly linked to freight demand and function across all modes and assets, supported by a clear identification of the infrastructure standards required to support the freight task.

3.4 Appropriate partnerships will be sought with the private sector to invest in new freight tasks, particularly where investment is required outside the strategic freight network.

3.5 Work with local government to encourage consolidation of industrial activities in locations with good access to the strategic freight network, particularly the Burnie to Hobart corridor.

Actions the Tasmanian Government will undertake	Timeframe
Develop a <i>Burnie to Hobart Freight Corridor Strategy</i> .	February 2017
Deliver a new <i>Tasmanian Rail Access Framework</i> .	October 2017
Periodically review the Tasmanian Land Freight Network to ensure it appropriately reflects freight demand and required infrastructure and service level standards.	Ongoing

4. Delivering a single, integrated freight system

Policy positions

- 4.1 Strategic thinking, planning and evaluation of Tasmania's economic infrastructure will be led by, and coordinated through, Infrastructure Tasmania.
- 4.2 The strategic plans and investment strategies of TasPorts, TasRail, TT-Line and the Department of State Growth (road delivery agency) will align to the Tasmanian Integrated Freight Strategy.
- 4.3 Large-scale privatisation of publicly-owned freight infrastructure is not supported by the Tasmanian Government. However, the Government will work with the private sector to identify investment opportunities in specific freight assets, services or in support of discrete freight tasks.

Actions the Tasmanian Government will undertake	Timeframe
Provide regular, updated information on key freight policy initiatives, major system upgrades and the general operation of the freight system.	Ongoing
Complete a fifth <i>Tasmanian Freight Survey</i> .	June 2016
Undertake regular, structured consultation with industry on the key issues and opportunities facing Tasmania's freight system.	Ongoing



Appendix 2. Supporting information

The *Tasmanian Integrated Freight Strategy* is supported by a series of information papers and expert reports, providing information and expert perspectives on the operation of Tasmania's freight system.

The reports listed below can be sourced at www.stategrowth.tas.gov.au/freightstrategy

Information papers

1. An overview of Tasmania's freight system
2. Tasmanian freight supply chains
3. Tasmania's major ports and intermodal connections
4. Tasmanian sea freight
5. Land transport infrastructure
6. Container growth and capacity, Bass Strait

Key reports

- Final report of the Freight Logistics Coordination Team (December 2013)
- Tasmanian Supply Chains and Tasmanian Shipping and Ports, Aurecon (2013)
- Tasmanian Empty Container Movements Study, Aurecon (2013)
- Tasmanian Freight Infrastructure Systems, Juturna (2013)
- Tasmanian Freight Survey: data summary 2013



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