

# Laying the tracks for productivity gains:



## Reinvigorating Rail to the Limestone Coast

Our freight network connects us to the world. It is the means by which our products reach global markets. Opportunities exist to enhance the efficiency of this network to build a commercially strong and competitive region.

### Why now, why consider rail?

Rail projects are occurring across Australia, from new lines, reinvigoration of closed lines, upgrades and new state of the art intermodal terminals.

In an arc surrounding the region substantial investment in rail is occurring, high productivity corridors that the Limestone Coast has no rail connection to. These catalytic projects make now a key time to revisit the rail freight opportunity in the Limestone Coast.

The inland rail corridor project between Brisbane and Melbourne is predicted to result in 2 million tonnes of agricultural freight moving from road to rail by 2050. The \$440 million Murray Basin Rail Project will bring immense supply chain efficiencies boosting productivity. The South Australian Governments Globelink project commits the state to the development of a high productivity rail bypass straight to the port.

This nation-wide investment in rail provides significant competitive advantages for the regions it connects. For excluded regions, their businesses are at risk of falling behind.

Fig 1.

The proposed area for reinvigoration is the rail line from Mt Gambier to Heywood. The Mount Gambier to Wolseley line will also be explored as a comparison in relation to the costs and predicted benefits.



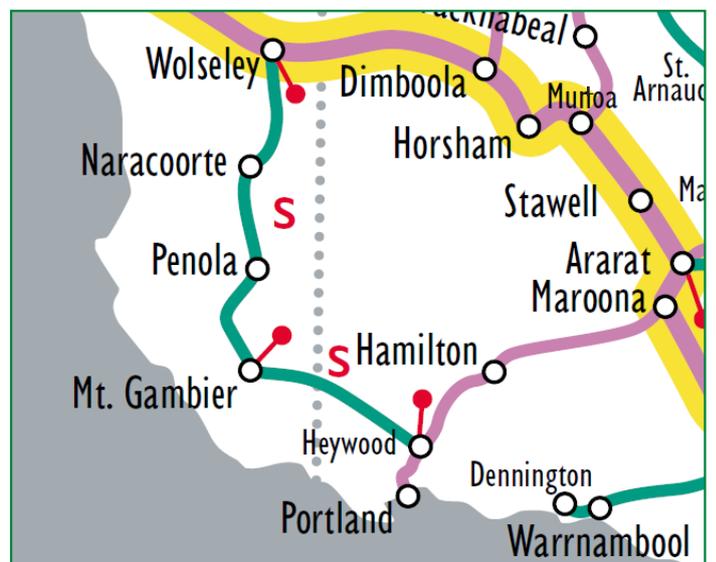
### Freight - the task, the challenges

Nationally, by 2030, total road freight is likely to increase by over 80% from 2010 levels, practically, this will mean approximately 300,000 more trucks on the road.

The regions freight task is predominantly moved by road with over 700 heavy vehicle movements occurring on key freight corridors in a 24-hour period. Many challenges exist:

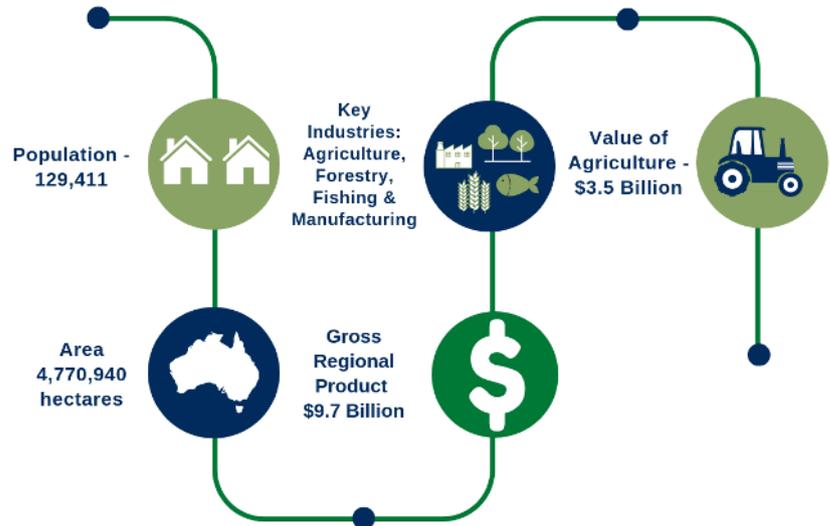
- » Agricultural and forestry supply chains can be vast, sometimes over 1,000 km between production, processing and markets
- » Transport costs are high, accounting for 21% to 48.5% of farm gate value
- » Agricultural freight is often time critical
- » The trucking industry workforce is ageing and the industry is experiencing a skills shortage
- » Australia spends over \$26 billion annually in road related expenditure

For the Limestone Coast to remain competitive in a global market place freight transport efficiency must be realised.



# The Limestone Coast & South West Victoria

South West Victoria and the Limestone Coast are economically interlinked and have strategic directions to achieve growth in agriculture and forestry. Freight network efficiency will be key to unlocking this potential. Both regions rank in the top 20 in Australia for natural resources, agriculture and timber resources.



## The opportunity

### Key corridors:

The rail corridor from Mount Gambier to Heywood, approximately 90 km, remains largely intact. Reinvigorating this line would have a positive impact on the freight network and supply chains and likely brings the greatest benefits in relation to cost.

The corridor from Mount Gambier to Wolsley, around 180 km, would link into the Northern Adelaide rail bypass. It also remains largely intact and will be explored for comparative purposes. Reinvigorating this corridor could have a positive impact on the freight network but has extensive challenges and would require significant investment. Understanding the cost benefits in comparison to the Heywood link is key to clarity around the opportunities.

### The way forward:

Regional Development Australia Limestone Coast will commission an economic study to analyse transport and logistic options for the region.

The project will deliver three key outputs:

1. Total and per tonne transport costs/savings disaggregated by commodity, transport mode (road, rail) and vehicle class
2. Pinch point analysis for road transport
3. Freight density maps for the road and rail network including destinations disaggregated by commodity, major freight path and vehicle type

If you have relevant business knowledge to contribute to our study, please contact RDALC on the following:

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## Social & tourism benefits:

While the economic benefits of rail are key, the benefits to the local and visiting population could be significant. With the national passenger task set to increase by more than 19% by 2026, rail can achieve:

- Additional, accessible and equitable transport options
- New tourism opportunities, attracting greater visitation for both regions, boosting a key industry already valued at \$1.1 billion
- Positive impacts for the regions liveability and tourism potential by providing safer transport options for local residents and visitors alike