



Freight on track: The Victorian Rail Freight Plan 2026-2036

 Building a commercially
strong rail freight sector



Department
of Transport
and Planning

IMAGES: David Hill, Department of Transport and Planning,
V/Line, Intermodal Terminal Company,
Pacific National, Southern Shorthaul Railroad.

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ACKNOWLEDGEMENT OF COUNTRY

We proudly acknowledge the First Peoples of Victoria and their ongoing strength in practising the world's oldest living culture.

We acknowledge the Traditional Owners' lands, waters and skies on which we live and work and pay our respects to their Elders past and present.

The Department of Transport and Planning recognise that many of today's modern freight modalities and routes – from rail lines, to roads,

to water crossings – follow traditional Song Lines used by First Peoples for travel, trade and ceremony.

This Rail Freight Plan is an opportunity to strengthen our partnerships with Traditional Owners and First Peoples in Victoria to ensure their aspirations are realised.

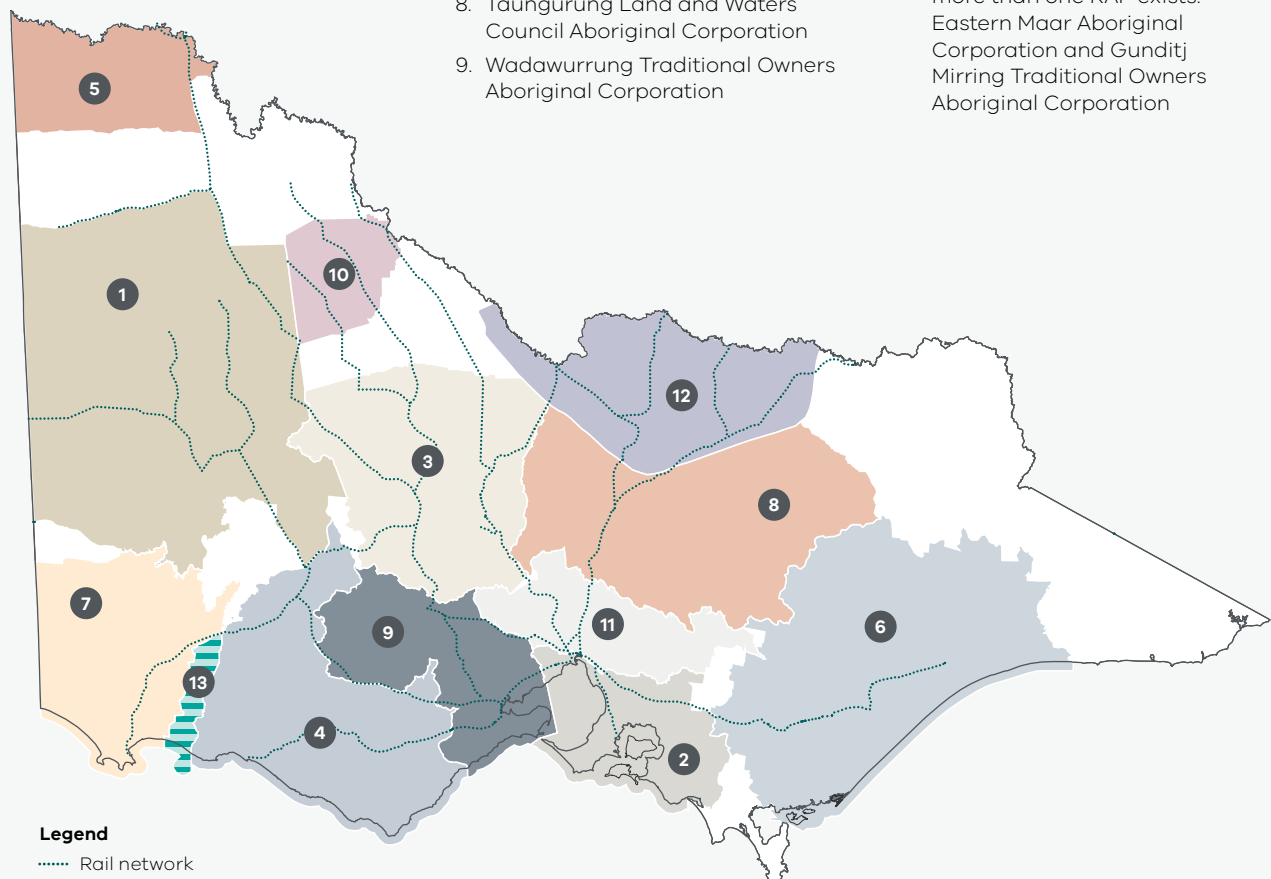
Victoria's rail freight network and the twelve Registered Aboriginal Parties of Victoria

Registered Aboriginal Parties

1. Barengi Gadjin Land Council Aboriginal Corporation
2. Bunurong Land Council Aboriginal Corporation
3. Dja Dja Wurrung Clans Aboriginal Corporation

4. Eastern Maar Aboriginal Corporation
5. First People of the Millewa-Mallee Aboriginal Corporation
6. Gunaikurai Land and Waters Aboriginal Corporation
7. Gunditj Mirring Traditional Owners Aboriginal Corporation
8. Taungurung Land and Waters Council Aboriginal Corporation
9. Wadawurrung Traditional Owners Aboriginal Corporation

10. Wamba Wemba Aboriginal Corporation
11. Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation
12. Yorta Yorta Nation Aboriginal Corporation
13. Indicates an area where more than one RAP exists: Eastern Maar Aboriginal Corporation and Gunditj Mirring Traditional Owners Aboriginal Corporation



MINISTERIAL FOREWORD

Victoria's rail freight network is a critical part of our economy. As a key part of the state's supply chains, rail freight is essential to the success of many Victorian businesses and primary producers. Our freight task is expected to double by 2050, and rail freight will need to play an increasingly important role in Victoria's future.

The Victorian Government has strongly supported the sector and has invested almost \$600 million in Victoria's regional rail freight network since 2020. We now have heavier axle loads, increased track speeds, improved reliability, new and extended passing loops and increased capacity on key rail freight routes.

These improvements have boosted rail freight and its economic, social and environmental benefits, including fewer emissions.

Confidence in Victoria's rail freight industry is growing, driven by investment, including locomotive leasing and new wagons. We have also seen the start of Port Rail Shuttle train services from the Intermodal Terminal Company's (ITC) Somerton terminal in 2025. Victoria's grain and mineral sands exporters are increasing their rail freight volumes, highlighting the rail network's long-term potential.

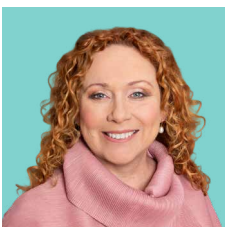
To meet the challenge of our freight task, we cannot rely on trucks alone. We need a rail freight network that gives industry confidence to continue to invest and deliver reliable and cost-effective services that support exporters and industries, ultimately boosting the Victorian economy.

This Plan is the next step in our commitment to supporting rail freight. A year on from our refreshed Victorian Freight Plan: Victoria Delivers 2025-30, the Rail Freight Plan builds on our efforts to meet the state's growing freight task and sets out a clear framework for increasing rail freight volumes over the next decade.

The Plan aims to enhance network access, strengthening consideration of rail freight in transport decisions and supporting industry investment in rail freight growth in Victoria.

Rail freight is three times more fuel efficient than truck transport, reduces reliance on imported diesel, eases pressure on our roads and lowers transport emissions.

This Plan, created in partnership between government, industry and customers, aims to strengthen the freight sector as the economic engine for Victoria. As the Minister for Ports and Freight, I am excited to present this plan for a successful and reliable rail freight system for our growing state of Victoria.



◀ **Melissa Horne MP**
Minister for Ports and Freight



1. INTRODUCTION

Building a commercially strong rail freight sector

The Victorian Rail Freight Plan recognises rail freight as part of an integrated transport network operating alongside rail passenger services, ports, roads and intermodal terminals.

The Plan provides a framework to support the rail freight industry to grow and thrive through a range of actions to provide the certainty and predictability in network availability and access that industry needs to invest in the operation and use of rail freight services.

Victoria's regional rail freight services transport around 3 million tonnes of freight per annum with an economic value of \$35 million¹. They are a critical part of the state's economy. Regional container trains transport \$2 billion worth of freight annually and grain trains transport over \$400 million worth of exports.²

Regional rail freight services transport containerised agricultural products (grain, hay, wine, fruit, rice, dairy), export and domestic grain, paper products, ingots, mineral sands and quarry products for use in construction. They have an integral role in export supply chains while supporting jobs in intermodal terminals, rail freight operations and track maintenance.

The forecast doubling of Victoria's freight task to over 900 million tonnes per annum by 2050³ cannot be met by trucks alone, particularly with a shortage of truck drivers.

Increasing the amount of freight on rail will help meet growing demand while improving road safety and reducing road maintenance costs and truck congestion on increasingly busy roads. It also aligns with state, national and global objectives to reduce emissions and minimise the environmental impact of freight transport.

The Victorian Rail Freight Plan supports increased use of rail freight through network investment and improved system management to support industry to invest in and use rail freight. Actions in this plan will provide increased confidence in the rail freight system for rail freight operators and customers.

The Plan has been developed through extensive consultation with industry including rail freight operators, existing and potential customers, track managers, industry advocacy groups and local governments. Their input has been integral to shaping the Plan and informed how the rail freight system should be managed and maintained to ensure rail freight's significant benefit to Victoria's economy and future growth continues.

The Victorian Rail Freight Plan provides the framework for the role of rail in Victoria's freight transport future.

1 Economic Value of Rail Freight, Deloitte 2022 for Department of Transport and Planning (figures adjusted for CPI).

2 V/Line data.

3 Victorian Freight Plan 2025 – 2030: Victoria Delivers, p8.





2. OUR PLAN FOR THE RAIL FREIGHT SYSTEM

The Rail Freight Plan – a key component of the Victorian Freight Plan

Development of the Victorian Rail Freight Plan was a commitment of the Victorian Freight Plan 2025–2030: *Victoria Delivers* released in August 2025.

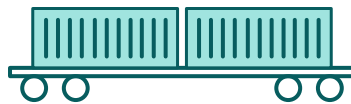
Victoria Delivers referred to the importance of rail freight to Victoria's competitiveness and liveability, providing the foundation for long-term reform and investment in rail freight.

Rail freight is a key component of meeting the four objectives of *Victoria Delivers*:

- Fit-for-purpose freight network capacity.
- Efficient and productive freight supply chains.
- Climate and sustainability goals.
- Safety and resilience.

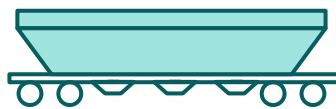
The Victorian Rail Freight Plan supports greater use of rail freight by enhancing the capacity and resilience of the rail freight system as part of an integrated transport network. This reflects the growing role of rail in supporting freight task growth, decarbonisation and road safety objectives, supply-chain resilience and decreasing reliance on imported diesel fuel.

Victorian regional rail network



The Plan supports greater use of rail freight by enhancing the capacity and resilience of the rail freight system.

Victorian rail freight terminals



The vision will support growth in rail freight to reduce reliance on trucks for the State's increasing freight task.



Victoria's rail freight system operates as a reliable, predictable and efficient part of an integrated transport network supporting economic productivity, emissions reduction and road safety.

Vision

The Victorian Rail Freight Plan sets out the vision for how rail freight should operate within Victoria's integrated freight transport network.

This vision recognises that rail freight operates within an integrated transport system alongside passenger services and other freight modes. Increased use of rail freight depends on rail network capacity and capability and how well the rail freight system is coordinated and managed.

As the State's freight task grows, rail freight will be able to provide a bigger role in regional freight transport (containers, bulk grain, mineral sands) to ports and some domestic freight tasks (eg grain and quarry products). While the Plan focuses on the regional rail freight task, it recognises the key role that interstate rail freight services have in the State's transport task to reduce emissions and road damage and improve road safety.

There are many tasks that rail freight can undertake from container transport to bulk freight. The Plan's vision is to ensure that rail freight can capitalise on the freight transport opportunities available now and in the future. It is to ensure that the State's freight growth is managed in an economically, environmentally and socially sustainable way through increased use of rail freight.

The vision will support growth in rail freight to reduce reliance on trucks for the State's increasing freight task, particularly in an increasingly fuel constrained environment.

Actions of the Victorian Rail Freight Plan have been developed to achieve three broad objectives that were informed through extensive engagement with the rail freight industry and its existing and potential customers.

Objectives

1 Improve predictability and confidence in Victoria's rail freight network

Action under this objective is focused on ensuring that industry has the confidence that Victoria's rail freight network will be well maintained and available for use – providing confidence for industry to invest in facilities and equipment to provide rail services to freight customers.

2 Strengthen consideration of rail freight access in network coordination and project delivery decision making

Action under this objective is focused on improving the management of access to the rail network to provide certainty for customers that rail freight will provide an efficient and reliable supply chain for their products.

3 Support industry to invest in the growth of rail freight in Victoria

Action under this objective is focused on supporting industry to develop and invest in growing existing rail freight services and take advantage of opportunities for new facilities and services.



3. THE ROLE OF GOVERNMENT IN VICTORIA'S RAIL FREIGHT SECTOR

The primary role of Government in the rail freight sector is through the State's ownership and development of the rail network the rail freight industry uses.

The success of Victoria's rail freight sector relies on a partnership between Government, rail freight operators and their customers. Actions in the Victorian Rail Freight Plan are designed to build on the two core roles of Government providing the network on which the rail freight industry operates and the terms and conditions of access to use the network.

Since 2020, the State Government has invested \$598 million in Victoria's regional rail freight network, including \$127 million in the 2026-27 State Budget. This investment has enabled the network to be maintained and upgraded to enable longer, faster and heavier freight trains that have reduced costs to regional exporters and encouraged increased use of the rail freight network.

Ensuring the rail freight network is predictably maintained to a good standard is a core function of the Government supporting the development and growth of the rail freight industry.

In addition to developing and managing the rail network, the Government also oversees the framework managing the terms and conditions of network access through a range of policy tools set out in the *Rail Management Act 1996 (Act)*. There are three key components set out in the Act which create this access framework including how access pricing is set, how the current state of the network standard and capacity to accommodate services is communicated to the industry and how the terms and conditions of network access are to be managed. The three components include:

Minister setting maximum prices

Section 38K of the *Rail Management Act 1996* allows the responsible Ministers to specify new maximum prices for declared rail transport services provided by an access provider by means of a declared rail network. Maximum prices under this new regime were set for the first time commencing from 1 July 2024. Under these new provisions the responsible Minister is able to set prices having regard to the Government's rail freight policy and programs – allowing Government to use access pricing to support policy objectives such as the start-up of new services or encouraging changes in demand through higher prices to avoid peak times.

Statement of freight network capability

The *Rail Management Act 1996* also provides for the Secretary of the Department of Transport and Planning to publish a Statement of Freight Network Capability. The Statement is intended to provide a clear statement about the current capacity and capability of Victoria's rail network to accommodate freight services to provide clarity and certainty to rail freight operators and customers using the rail network.

The purpose of the Statement is to assist rail freight operators in their planning and assessment for existing or new services through provision of detailed information on network standards and availability. The Statement provides access seekers with information about rail network capacity and availability to inform service planning before engaging with network managers.

Rail access guidelines

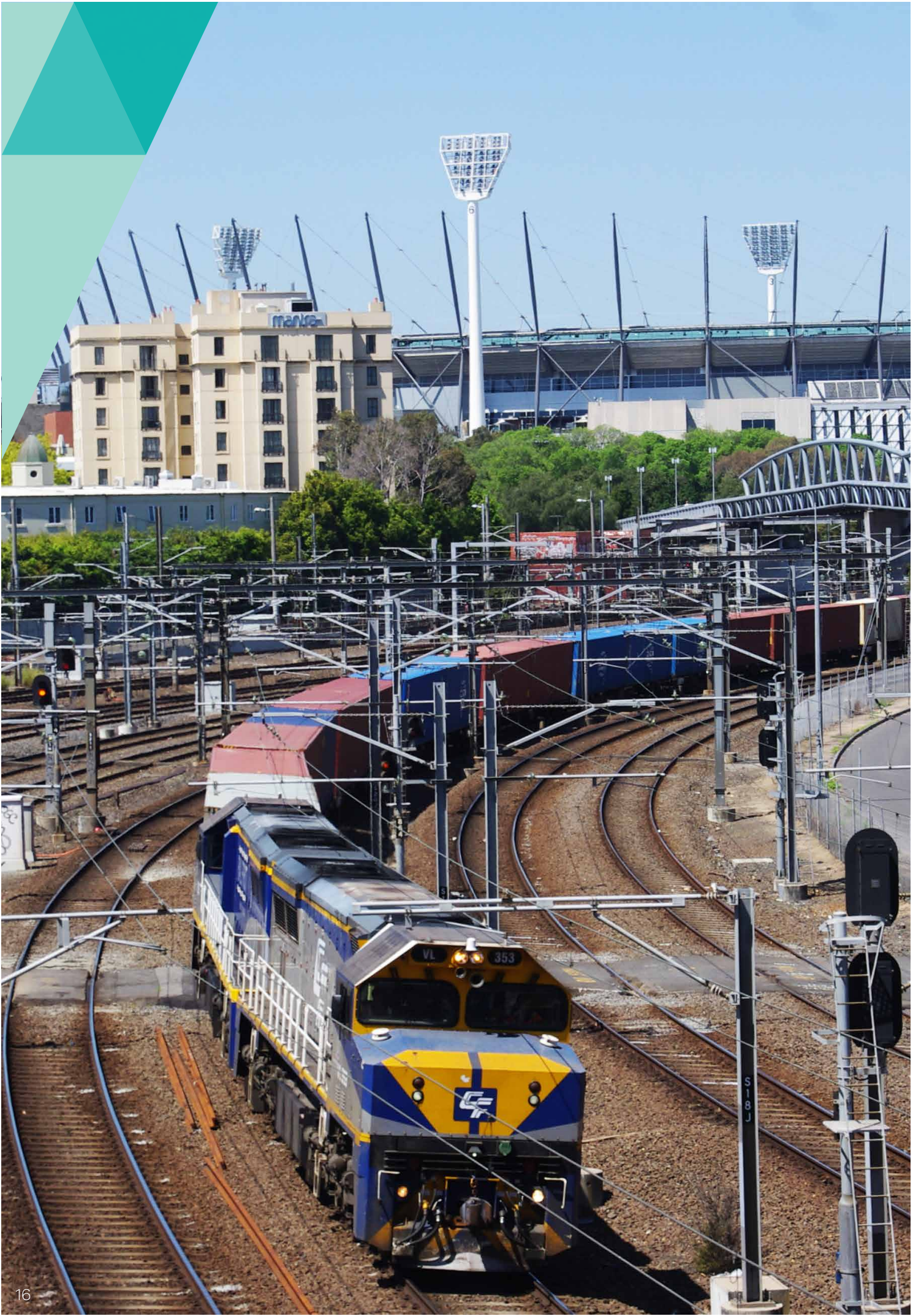
The *Rail Management Act 1996* provides for the responsible Minister to release rail access guidelines which provide a framework which rail network managers must consider in preparing access arrangements for rail freight operators seeking access to the rail network.

The rail access guidelines:

- specify what an Access Arrangement should include, providing a framework for negotiating Access Agreements between access providers and access seekers.
- outline maximum prices for rail access, which are set to ensure that access seekers can operate competitively while providing a fair return to access providers.
- emphasize the principle of passenger priority (under the *Rail Management Act 1996*), ensuring that passenger services are not unduly affected by freight operations. This includes management and notification arrangements for temporary track closures and freight train path availability.
- provide processes for resolving disputes between access providers and access seekers regarding access to declared rail transport services.
- adopt a high-level principles approach rather than overly prescriptive directions, allowing for flexibility in commercial negotiations between parties involved in rail access.



Since 2020 the State Government has invested \$598 million in Victoria's regional rail freight network, including \$127 million in the 2026-27 State Budget.



4. VICTORIA'S RAIL FREIGHT SECTOR

Key rail freight corridors

Victoria's freight corridors differ in their geographic, economic and operational characteristics. The rail freight network consists of interstate and regional corridors that transport different amounts and types of freight, all of which are important to the State's freight transport task.

These rail freight corridors are:

- Interstate: domestic goods, steel, grain.
- West and North-West: containers, mineral sands and grain.
- South-West: containers.
- North and North-East: containers and grain.
- Eastern corridor: paper and other potential rail freight tasks (eg mineral sands).

Collectively, these rail freight corridors provide significant benefit to the State by reducing road damage and emissions, improving road safety, reducing truck traffic on regional and metropolitan roads and reducing congestion at ports.

Protection of rail corridors and rail access to key freight precincts is important in supporting continued growth in the State's rail freight task.

Port of Melbourne – taking Victorian exports to the world

The Port of Melbourne's container throughput is predicted to more than double to over 6 million containers per annum by 2050⁴ in parallel with the overall increase in the State's freight task.

With its inner-city location, it is critical that the Port of Melbourne has efficient road and rail connections to allow high-volume global trade and nearby local infrastructure to co exist without creating gridlock or increasing freight costs.

To reduce congestion on inner city roads and at the Port of Melbourne, rail freight must increase its share of freight to the Port of Melbourne (bulk grain, containers, mineral sands). Improving port rail interfaces is a major strategic priority for the Plan to enable more freight to be transported by rail to and from the Port of Melbourne and the regional ports of Geelong and Portland.

Export rail corridors include:



4 2055 Port Development Strategy, Port of Melbourne, p55.



The Port Rail Shuttle Network – Government’s plan for growing movement of imports by rail

Transporting containers between the Port of Melbourne and suburban intermodal terminals by rail will reduce congestion on inner urban roads while improving road safety and reducing emissions as rail freight produces less than one third of the emissions of trucks per tonne of freight moved.⁵ Trucks can then do the distribution tasks from those terminals. Today, there is limited movements of imports through the Port of Melbourne by rail – Government is working with key industry partners to grow this market.

The Port Rail Shuttle Network (PRSN) is a \$58 million joint Federal and State Government initiative designed to connect the Port of Melbourne to existing or proposed intermodal terminals in Melbourne’s west, north and south-east.

Industry has committed to the PRSN by investing in complementary rail infrastructure at intermodal terminals (eg SCT in Altona and ITC at Somerton) and at the Port of Melbourne (the \$125 million Port Rail Transformation Project).

The PRSN will provide an efficient, cost-effective alternative to road freight by shifting more container movements onto rail. Currently 87 per cent of import containers travel to destinations within 50 km of the Port of Melbourne making them potentially suitable for shorthaul rail services to metropolitan intermodal terminals.

However, it needs to be recognised that PRSN services from Melbourne’s south-east need to operate within the constraints of an increasingly congested metropolitan rail network.

The development of the PRSN will facilitate short haul rail transport of containers to and from the Port of Melbourne to outer urban freight terminals which will reduce congestion at the Port of Melbourne and the number of trucks on suburban roads.

Future development of the Outer Metropolitan Ring corridor will assist the transition of trucks away from the inner-west/Port of Melbourne area to outer-western industrial areas.

Port rail shuttle trains commenced operations from Somerton in November 2025, initially between the Intermodal Terminal Corporation’s Somerton terminal and the Port of Melbourne. Additional rail shuttle services are expected to progressively commence from Altona (SCT) and Dandenong South.

Ports of Geelong and Portland – key regional export gateways for bulk products

The regional ports of Geelong and Portland are integral parts of Victoria’s rail export supply chains. While this is primarily for bulk grain from both the interstate and regional rail networks, opportunities are arising for rail export mineral sands from mines in the State’s west and north-west.

⁵ V/Line data.



The Port of Geelong is a key part of Victoria's export grain supply chain with a throughput of nearly two million tonnes of grain per annum through GrainCorp's facility, about 15 per cent of the port's throughput. Rail is a key part of the port's grain transport task to the port with each grain train transporting over 2,000 tonnes of grain per train to the port to enable efficient loading of 50,000 tonne grain ships.

The ARTC's \$150 million investment to upgrade the Maroona to Portland line will improve the line's ability to handle increasing volumes of rail freight, particularly mineral sands and export grain. This will ensure that the Port of Portland, which exports over 6 million tonnes of bulk product per annum, can continue to play a key role in the State's bulk export freight task along with the Port of Geelong.

The interstate rail network – connecting Victoria to domestic and overseas markets

The Plan also supports Victoria's interstate rail network which is an integral part of the State's economy.

The Victorian interstate rail network to Albury and the SA border is leased to the Australian Rail Track Corporation (ARTC) under the Interstate Infrastructure Lease (IIL).

The ARTC network plays a critical role in Victoria's interstate freight task while also enabling freight from regional standard gauge lines to reach ports. Grain trains from the Rainbow and Hopetoun lines in western Victoria use the ARTC's western line to get to the ports of Portland and Geelong, while grain trains from the Oaklands line or elsewhere in southern NSW use the ARTC's north-east line to get to the ports of Melbourne or Geelong. Similarly, container trains from Merbein and Dooen use the ARTC's western line to get to the Port of Melbourne.

Dynon – Melbourne's primary rail freight precinct

The Dynon rail freight terminals at North and South Dynon are integral to Melbourne's interstate rail freight supply chains. There are over 100 interstate rail freight services per week using the Dynon freight terminals and the adjacent Port of Melbourne. These services transport a wide range of commodities from retail and refrigerated goods (food and beverages), parcel post, vehicles, machinery and mining equipment, raw and finished steel (roofs, fencing etc) and export grain.

The North Dynon terminal, in particular, is critical to the transshipment of steel from standard gauge to broad gauge trains for rail to BlueScope Steel's plant at Hastings. This plant employs 760 people and has an output of 1 million tonnes each year⁶, demonstrating the importance of rail freight and the North Dynon terminal to BlueScope Steel's operations.

The Dynon terminals provide a central location for rail freight services that are major contributors to Victoria's economy and support Melbourne's position as a key national logistics hub.

⁶ Advice from BlueScope Steel.



5. SHAPING VICTORIAN RAIL FREIGHT

Victoria's freight task is growing

Ongoing population growth is leading to higher freight volumes across supply chains. Victoria's population grew by 1.7 percent in 2025 to 7.1 million⁷ and is forecast to increase to 10.3 million by 2050⁸.

The forecast doubling of the Victorian freight task to over 900 million tonnes per annum by 2050 will continue to place pressure on rail freight and intermodal networks to expand and modernise to support the increased movement of freight across Victoria. Nationally, the domestic freight task is forecast to increase by approximately 26 per cent between 2020 and 2050 from 768 billion net tonne kilometres (tonnes by distance) in 2020 to 962 billion net tonne kilometres in 2050⁹.

As Victoria's freight task grows, rail freight can play a key role in transporting export containerised and bulk freight, short haul domestic freight and longer distance interstate freight. Increased use of rail freight will reduce road maintenance costs, improve road safety and reduce emissions from freight transport, in accordance with the Government's objective of net zero emissions by 2045¹⁰.

The economic value of growing rail freight

Freight and logistics activities directly contribute an estimated \$36 billion to Victoria's Gross State Product and employ around 240,000 full-time equivalent workers. The sector has consistently contributed around 6-8 per cent of the State's Gross State Product over the past 20 years.

Victoria exports 27 per cent of the nation's food and fibre production, more than any other state¹¹. These products include grain, dairy, meat and wine, all products transported by Victoria's regional rail freight services as well as paper products from Gippsland.

Rail freight supports supply chains by efficiently moving freight that benefits from scale economies. This includes interstate freight, bulk export and domestic commodities and containerised freight linking regional terminals to ports. For these supply chains rail freight reduces transport costs, supports regional industries and improves access to domestic and international markets. Victoria's interstate and regional rail freight services transport 14 per cent of the state's non-urban freight task¹² measured in billion net tonne kilometres.

As the State's freight task grows, rail freight will have an increasingly important role in supporting Victoria's economic activity and liveability as not all this freight can be transported by truck. Rail freight already plays a key role in transporting large volumes of freight over longer distances or where transport of bulk freight to ports is required eg grain. A 50,000 tonne grain ship can be loaded by 25 trains, but requires 1250 truck trips.

There are also many examples from Victoria and interstate that show rail freight is also suitable for short haul transport depending on the task and volume eg quarry products less than 100 kilometres to suburban terminals or container transport from ports to suburban intermodal terminals.

Each 1100 tonne grain-train serving Allied Pinnacle's Kensington flour mill delivers enough wheat to make 2 million loaves of bread



7 National, State and Territory Population Growth 2025, ABS.

8 Victoria in Future, Victorian Department of Transport and Planning, p4.

9 Australian aggregate freight forecasts – 2022 update, BITRE, p xv.

10 Victoria's Climate Strategy 2026-30.

11 Victorian Food and Fibre Export Summary Report 2023-24, p6.

12 Economic Value of Rail Freight, Deloitte for DTP, 2022; Australian Infrastructure and Transport Statistics Yearbook 2025, BITRE, pp24,27.

EACH LOADED REGIONAL CONTAINER TRAIN



TRANSPORTS AN AVERAGE OF

\$2.5 million

worth of freight & replaces



14.5 million tonnes

P/A OF FREIGHT IS MOVED ON RAIL
(REGIONAL & INTERSTATE)



in Victoria provides over

\$296 million

**IN ECONOMIC, SOCIAL AND
ENVIRONMENTAL BENEFITS**

Road freight emits around three times more
carbon per tonne-kilometre than rail freight

The potential of rail freight to reduce transport externalities and social impacts

Increased road freight places immediate and long-term pressure on Victoria's roads. If there was no rail freight, the Government would be facing significant additional costs in road upgrades, pavement renewals and maintenance programs to safely accommodate increased truck movements. These costs would be substantial, particularly where road freight corridors are already at or near capacity.

Additional trucks on roads also generate measurable externalities that affect communities, industry and the whole transport system. These include:

- Higher congestion levels on key freight and commuter routes.
- Increased crash risks associated with more truck movements.
- Increased road damage and road maintenance costs.
- Greater emissions and noise pollution, limiting progress toward state decarbonisation and liveability goals.

Rail freight can mitigate many of these impacts – particularly on high-volume freight corridors and in metropolitan areas where mode shift to rail can reduce road congestion and improve amenity.

Underinvestment in the rail freight network will:

- Reduce the competitiveness of rail freight operators.
- Cause greater use of trucks.
- Shift costs to road infrastructure budgets.
- Increase environmental and social impacts on communities.

A network-wide approach ensures Victoria's investment decisions support the most efficient, safe and sustainable distribution of freight across modes, supporting long-term productivity and the State's decarbonisation and other objectives including regional development.

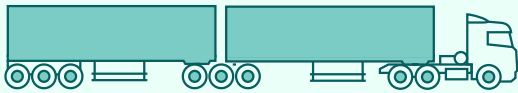
Fuel security

Fuel supply issues arising from the Middle East conflict have placed pressure on national and global supply chains. Given rising fuel costs, there is a significant opportunity to leverage the Government's \$598 million investment in Victoria's regional rail freight network since 2020 (including \$127 million in the 2026/27 State Budget) and attract more freight onto rail which will reduce the use of imported diesel for freight transport.

A 50 WAGON GRAIN TRAIN TRANSPORTS



\$1.2 million
worth of grain and replaces



70 B-DOUBLE TRUCKS

A TYPICAL FREIGHT TRAIN CARRYING

2200 tonnes

300 KILOMETRES CONTRIBUTES



\$15,000

more to the Victorian economy
than when it is transported by road

Rail freight is over three times more fuel efficient than trucks per tonne of freight hauled. One freight train can replace over 100 trucks. Transporting 100 containers 250 kilometres to port by rail uses 4,100 litres of fuel, including train weight, compared with 12,500 litres by truck¹³.

The lower fuel consumption and labour input per tonne transported of freight highlights the need to better understand the barriers to shifting freight from road to rail.

It should be noted that battery technology for trains and trucks is still being trialled and is some years away from being used in regular service for general access freight trains or long-haul truck transport.

Improved road safety outcomes

Rail freight can contribute to safer use of the road network.

In the 12 months to December 2025, 290 people lost their lives¹⁴ on Victorian roads with 28 of those, or nearly 10 per cent, in crashes involving articulated trucks.¹⁵

Where rail can substitute for road freight, it can reduce heavy vehicle kilometres travelled and support road safety and amenity outcomes. Increased use of rail freight will also reduce the cost of road crashes involving trucks as road crash costs are over 20 times higher than rail per tonne kilometre of freight transported (ARA Value of Rail 2025).

Emissions reduction

Victoria's commitment to reduce carbon emissions to zero by 2045 (and its endorsement of the Global Memorandum of Understanding on Zero Emission Freight Transport) means rail will need to play a bigger role in transporting freight, given that rail freight produces 3-4 times fewer carbon emissions than trucks per tonne kilometre of freight moved.

As outlined in the Victorian Freight Plan, rail is a critical mode for both sustainability and freight transport efficiency, supporting a growing freight task while reducing the environmental impact of supply chains.

13 Analysis based on rail freight fuel use of 4 litres per 1,000 Gross Tonne Kilometres and truck fuel use of 50 litres per 100 kilometres (semi-trailer).

14 Road deaths Australia – December 2025, BITRE, Table 2.2.

15 Heavy Vehicle Road Deaths Australia Quarterly Bulletin December 2025, BITRE, Table 5.3.

6. WHAT WE HEARD FROM INDUSTRY

The Department of Transport and Planning consulted extensively to inform development of the Victorian Rail Freight Plan.

What we heard through this engagement has directly informed the actions that have been developed in this plan.

The freight task is overwhelmingly generated by the private sector. The growth of the rail freight sector relies on the Government and private sector working together to leverage opportunities for growing existing services and identifying opportunities for new services.

Key considerations raised during consultation with industry include:

- Understanding industry's commercial case for investment: including rollingstock acquisition and terminal development that could complement network investment.
- Operator presence: interest by rail freight operators in providing a service to meet existing or new demand.
- Projected freight volumes: contestable tonnage and expected service frequency.
- Competing road freight costs: which determine the realistic potential for rail to attract or retain market share.
- Demand mechanisms: such as cooperative marketing, consolidation points or integrated logistics planning.
- Infrastructure and other barriers: including access fees, operational disruptions, passenger rail priority, rail network capacity or supply chain fragmentation.
- Alignment with regional development objectives: supporting long-term economic growth, industry expansion and improved liveability across regional Victoria.



Encouraging industry investment

Industry has demonstrated confidence to invest in rollingstock, terminals and long-term freight contracts when rail freight services are able to be reliable, predictable and competitive with road freight. Industry has been raising concerns around inconsistent pathing, the impacts of disruptions management and network governance.

Operational reliability and path certainty

- Industry feedback highlighted service disruptions and inconsistent network performance as key barriers to committing freight volumes to rail.

- Operators require assured pathing to provide confidence that services will run reliably. Scheduled paths are important to provide this reliability, but it needs to be recognised that the shared passenger/freight broad-gauge network is highly congested with numerous infrastructure constraints.
- Alternative paths are not always readily available when there are unplanned disruptions or may not be available at the most suitable times.

Governance and commercial constraints

- Existing governance arrangements are perceived as fragmented, with complex commercial and approval processes.
- Short-term focus is needed to resolve governance and commercial barriers to enable greater use of the existing rail freight network while planning long-term investment decisions.

What success will look like for Industry

The success of the Plan will be assessed against the following outcomes that we have heard from industry:

Freight operators and customers can plan services with confidence, based on clear and consistent information about access, constraints and disruptions.

Confidence is a system-level outcome. Reforms are assessed not only on whether access is physically available, but also on whether users can reasonably plan, commit and invest with confidence in how the network will perform over time.

Network capability is clear at a system level, allowing users to distinguish between temporary disruption and longer-term operating conditions.

By improving governance first, the Plan creates clearer signals about where future investment is most needed and how it should be sequenced without pre-empting funding decisions or constraining passenger priorities.

Decisions affecting freight transport are coordinated and transparent, with trade-offs clearly articulated.

Reform efforts focus on improving how trade-offs are identified, balanced and communicated so that outcomes are more predictable and understood.

Rail and road freight operate as complementary parts of end-to-end supply chains, supported by productive first and last kilometre connections to terminals, ports and freight precincts.

Rail freight is part of an end-to-end supply chain rather than a standalone mode.

Rail freight outcomes depend on productive first and last kilometre road connections to ports, intermodal terminals and freight precincts. Efficient road access for trucks to intermodal terminals enables rail freight to perform its core task of transporting containers and bulk freight over varying distances, while trucks can provide connectivity at either end of the freight task.

Rail freight is recognised for the value it delivers supporting broader public outcomes, including emissions reduction and road safety, without undermining passenger priorities.

The Plan focuses on strengthening the conditions for market-led growth and network investment, without committing funding or diminishing passenger priorities. This focus keeps future options open, supports decision-making and allows responses to be adjusted as circumstances change.



7. OUR ACTION PLAN FOR VICTORIA'S RAIL FREIGHT SYSTEM

Objectives

1

Improve predictability and confidence in Victoria's rail freight network

This objective focuses on providing confidence for industry that Victoria's rail network will be available at a good standard over the medium to longer term that supports efficient, reliable and competitive rail freight services. The Government is aware that operating rail freight services and investing to establish new rail-based supply chains requires investment in equipment and facilities that needs to be recovered over several years. Government has an important role to play providing industry with the confidence that networks will be available at a good standard to ensure industry can achieve minimum return on their investments to operate and use rail freight.

Confidence is shaped by the cumulative effect of governance arrangements, decision-making processes, information quality and the management of change. The Government is committed to action to support freight users to commit to rail services, make informed investment decisions and integrate rail into long-term supply chains.

The Plan treats confidence to invest in and use rail freight as a core outcome. Improving confidence supports market-led growth, supports new users and enables the rail network to perform to its potential.

Actions

1

DTP will develop a 10 year plan for maintenance and upgrade of the regional rail network to achieve a minimum of 21 TAL across the network.

A long-term and planned funding strategy for regional rail freight network maintenance and upgrades including passing loops and signalling, will improve network efficiency and capacity over time. Prioritisation of rail freight network maintenance and upgrades across the network will be informed by the economic and commercial assessment undertaken at Action 9.

2

DTP will regularly monitor and publicly report on key indicators of progress and performance implementing the Victorian Rail Freight Plan.

DTP will develop an on-line dashboard to regularly report against a range of key performance indicator data aligned with the Victorian Rail Freight Plan.

3

DTP will continue to support work enhancing the harmonisation and integration of rail information and management systems.

DTP will develop a program to improve visibility and interoperability of rail freight information across access, operations, maintenance and planning systems.

DTP will assess how this can be aligned with the National Rail Action Plan's work on Digital Train Control Technology.

2

Strengthen consideration of rail freight access in network coordination and project delivery decision making

This objective focuses on action to ensure that access to Victoria's rail network for rail freight operators and their customers is consistent and predictable.

Actions will strengthen system coordination and governance so freight impacts, including from network disruptions, are considered early and consistently across the rail network.

It recognises that freight outcomes are determined by cumulative and interacting decisions across policy, planning, access, operations, maintenance and project implementation and that improved coordination can minimise avoidable disruptions and improve decision quality.

Management of access to the Victorian rail network is complex, requiring interaction with multiple track managers and approval processes that require understanding of how the system works, including access to terminals.

Actions

4

DTP will develop a Freight Rail Disruption and Service Continuity Management Framework.

This Framework will establish shared principles and processes for identifying, planning for and mitigating freight impacts during disruptions. This will improve predictability and recovery for affected rail freight operations and industries through:

- ensuring project and business case development considers the benefits and costs of impacts on rail freight through the assessment of project options.
- requiring consultation with freight operators to align disruption timing with freight paths and industry operating cycles (e.g. avoiding peak harvest periods).
- improve the governance and coordination of disruptions across agencies.
- assessing opportunities for providing targeted support for operators during longer, project related disruptions.

5

DTP will implement reforms to require reporting and performance monitoring of rail freight impacts through the next Metropolitan Rail Franchise (MR5).

The next metropolitan rail network franchise agreement will include several improvements for the freight sector including:

- new key performance indicators to monitor punctuality of freight movements on the metropolitan network.
- an updated Freight Access Arrangement which will feed into individual freight access agreements.
- requirement to adhere to the Rail Access Guidelines.
- new governance arrangements to improve inter-organisational working.
- review and strengthening of the existing Rail Access Guidelines to ensure the benefits of the new MR5 arrangements are fully implemented.

6

DTP will review and update the Rail Access Guidelines and arrangements for Maximum Rail Access pricing in consultation with industry to leverage the changes introduced through the next metropolitan rail franchise.

In July 2024, the Government implemented significant reform of rail access in Victoria, with the responsible Minister for the first time setting new 'maximum prices' for rail access.

This new arrangement creates a framework for rail access pricing to be a tool of freight policy and strategy such as encouraging and supporting new services through lower prices or alternatively using higher prices to reduce demand for freight paths during peak periods or where there are other premium conditions applied to a path.

The Minister is also responsible for publishing Rail Access Guidelines that set expectations for how access is to be managed by network providers. Following completion of the MR5 process, DTP will work with all participants in the rail freight system to update the Rail Access Guidelines and maximum pricing arrangements to encourage efficient freight network operations and support sustainable growth of the rail freight sector.

7

DTP will establish a cross-transport agency committee to oversee freight rail network planning and performance. The scope of the new committee will include engagement with industry.

DTP will task the committee with:

- overseeing the implementation of the Rail Access Guidelines.
- coordinating relevant freight planning and performance discussions.
- establishing a process to consider and ensure adequate availability of freight paths that support efficient cycle times.
- establishing a process to prepare, communicate and administer the Freight Rail Disruption and Service Continuity Management Framework.



3

Support industry to invest in the growth of rail freight in Victoria

This objective focuses on building the environment for industry to invest in and commit to operating rail freight services in Victoria.

The intent is to improve the quality of freight-related opportunities and issues that inform infrastructure strategy without pre-committing to projects or funding. This objective recognises that rail freight growth requires commercial viability and operational reliability combined with network investment and network change. It further recognises that rail network managers must harmonise with private freight terminals and rolling-stock investment to support mode shift and network change.

Infrastructure provides network capability while governance, decision making and information determine how that capability is used.

As network operational complexity increases, transparent decision making and clear visibility of constraints become essential to converting infrastructure investment into predictable outcomes for rail freight users.

While further standardisation of the broad-gauge network opens it to greater competition and newer rollingstock, it is unlikely in the medium term. It requires further economic assessment as it is highly capital intensive and may reduce the viability of the remaining broad-gauge freight network with potential disadvantages for some operators. However, it is recognised that Victoria's broad-gauge freight network is unique in Australia which limits the availability of new rollingstock and its use on other networks (eg standard-gauge rollingstock can be interchanged between states, if required).

Actions

8

DTP will establish a Rail Freight Concierge service to support industry to establish and grow rail freight services.

A defined internal government facilitation and coordination function within the department to:

- provide early, non-binding practical and technical guidance to freight operators regarding train paths, network capability and efficiencies, feasibility and constraints.
- collect information from industry on investment and co-investment opportunities to inform action to support proposal development.
- facilitate improved proposal quality prior to formal access requests to network managers.
- understand and communicate rail freight impacts within policy, planning, projects, maintenance and operations across transport agencies.
- support decision making during disruption planning.

9

DTP will partner with industry to prepare a long-term rail freight network vision that identifies rail freight opportunities by corridor. Work will identify, assess and prioritise opportunities such as upgrading major lines to 23TAL, the role of standardisation, benefits of new holding tracks and passing loops and reopening of booked out lines. The goal of the work will be to identify a shared direction that will support private investment in rail freight.

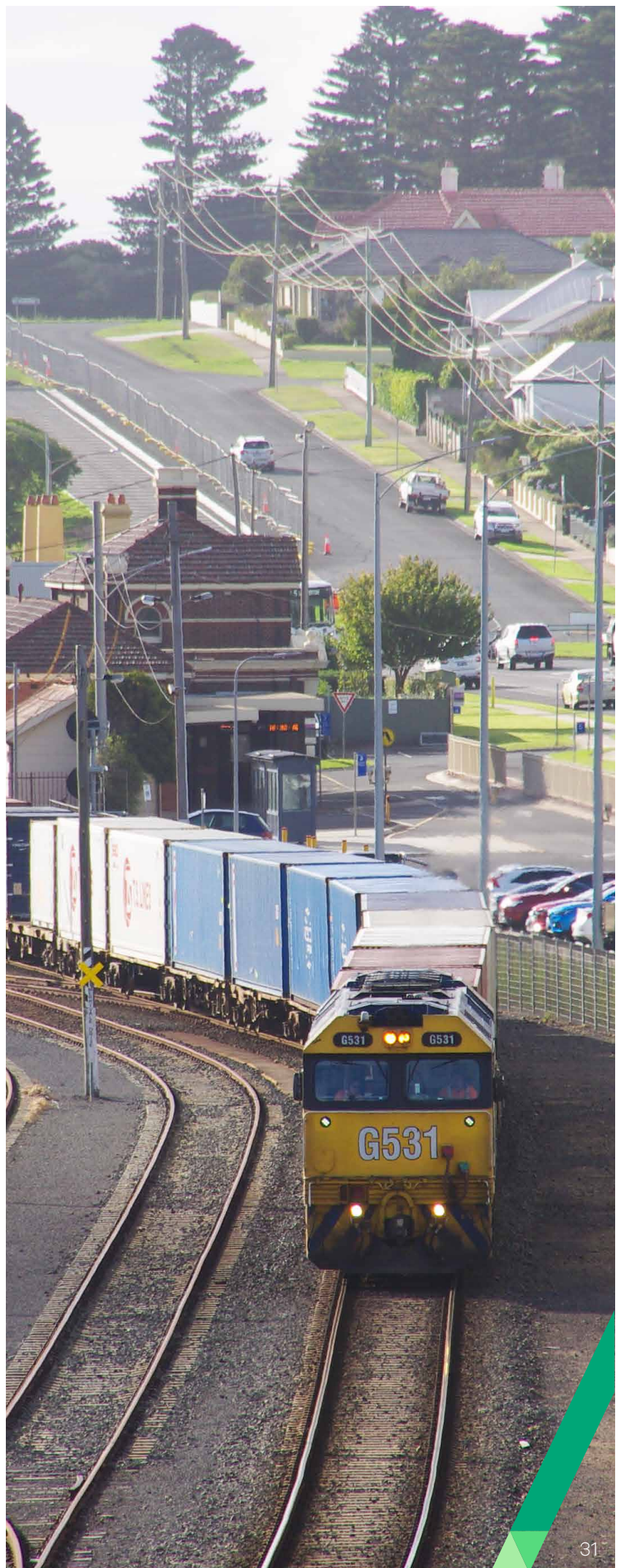
DTP will work with industry to better understand network requirements including upgrades, network changes and other changes that would improve rail freight productivity and efficiency and support private sector investment including in the network. Work will also assess whether consideration of any further standardisation of the Victorian rail freight network would benefit the industry.

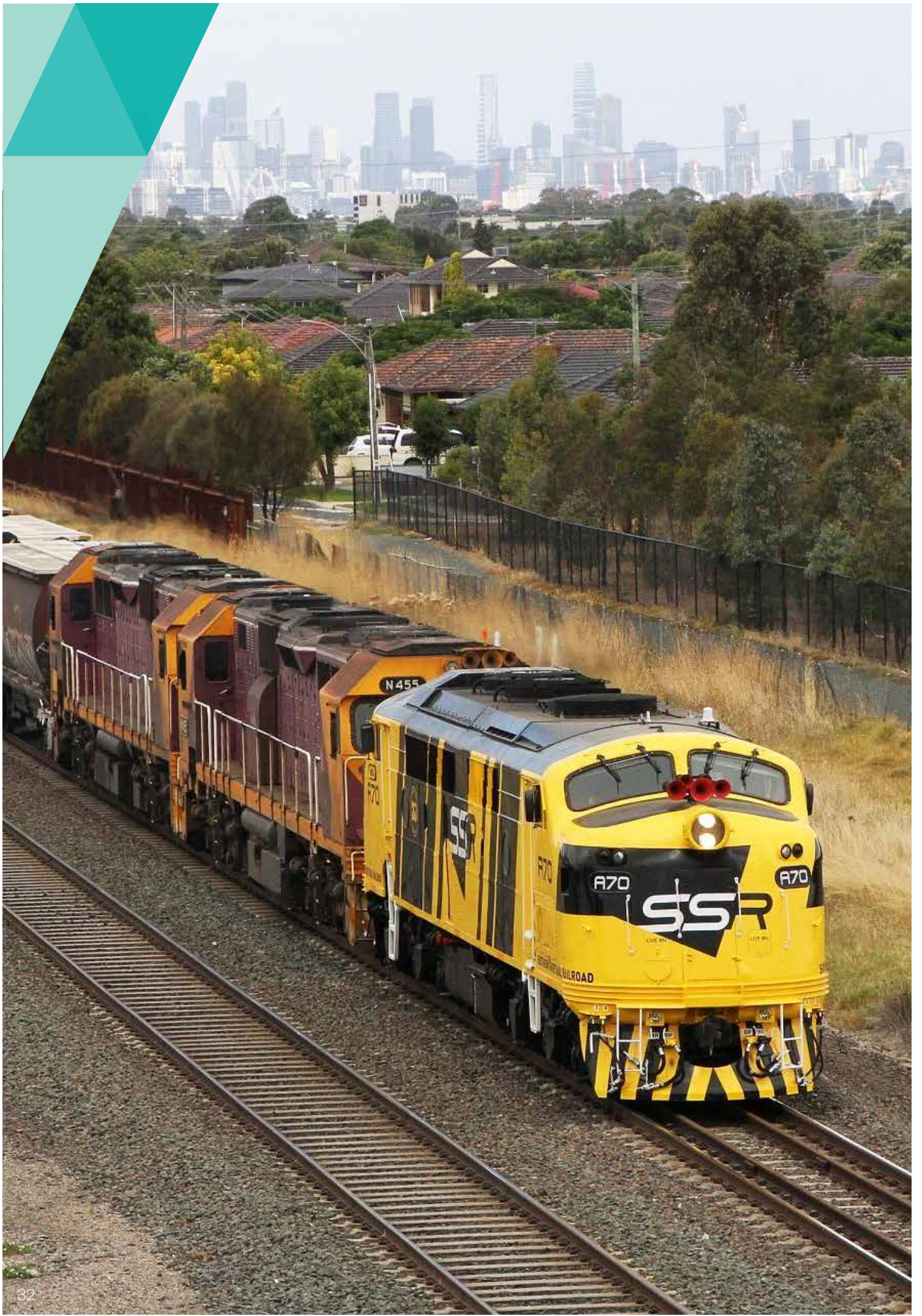
An economic and commercial assessment will be completed to consider the economic value of each rail freight corridor and consider the value of reopening closed lines, new passing loops or holding tracks informed by catchment analysis for existing and emerging markets. It will compare road and rail costs and consider matters such as the impacts of disruptions, track axle loads, line speeds and cycle times on corridor performance. It will also analyse whether any rail access pricing settings could improve rail freight mode share.

10

DTP will continue to work with the Port of Melbourne and all Port Rail Shuttle Network (PRSN) rail services and terminal operators to ensure that rail access to the Port operates on an efficient and fair basis relative to road.

Through the Port Rail Transformation Deed the Government and the Port of Melbourne agreed to work together on transformational investment in new on-dock facilities at the port that would enable more efficient rail freight operations. DTP will continue to work with the Port of Melbourne to ensure ongoing arrangements are in place to realise the full benefits of this investment through efficient movement of containers between trains and ships to increase rail competitiveness relative to road transport access at the port.





8. MEASURING OUR SUCCESS

The Actions in this Plan are intended to provide greater clarity and predictability about Victoria's rail freight network to operators, customers and government.

By improving how rail freight decisions are made and how freight impacts are identified, managed and communicated, the Plan will support better coordination across agencies and industry, enabling stronger integration of existing and potential services.

A more structured approach to monitoring performance, prioritising maintenance requirements and infrastructure planning will provide clearer visibility of constraints, priorities and sequencing helping to determine staged improvements and future investment over time.

Key performance indicators

Transparency of freight information continues to be a priority for government and industry to improve decision making, efficiency and productivity of the industry. *Victoria Delivers: The Victorian Freight Plan 2025-30* includes Key Performance Indicators (KPIs), which were developed to monitor the implementation of our actions and their performance towards meeting our objectives.

Some of these measures will be further developed over the five-year life of the Plan, including the economic value of freight by line/service/industry/commodity. DTP has developed an online dashboard to regularly publish reports on the success of the Plan which are part of the Victorian Freight Plan. The rail freight related KPIs include:

PRIORITY	AREA	MEASURE
Maintaining levels of service on the Principal Freight Network	Rail capacity and utilisation	Proportion of freight services where access was provided on time, including paths lost to network disruptions.
		Number of temporary speed restrictions on the rail freight network.
Increasing freight efficiency and productivity	Productivity/empty running	Percentage of rail freight network rated 21 TAL.
		Percentage of available capacity used (train length, load, frequency).
Reducing freight sector externalities, including emissions	Fleet emissions profile	Emissions per tonne km per mode (including overall total, bulk and non-bulk).
Increasing rail's share of freight	Rail mode share	Share of freight transported by rail to the Port of Melbourne and to the ports of Geelong and Portland.
Improving the resilience of the freight network	Freight network resilience	Number of unplanned closures and number of days of unplanned closures of key routes.

9. RELATED GOVERNMENT PLANS

Transport Adaptation Action Plan

The Transport Adaptation Action Plan (Transport AAP) is one of seven system-wide Adaptation Action Plans prepared under the *Climate Change Act 2017*, and outlines the actions required to ensure Victoria's transport system becomes climate-resilient through to 2045.

The Transport AAP considers all elements of the transport system including customers, freight transport operators, rail and road networks and operations as well as the climate-related risks associated with these elements. These risks are already significant and highlight the need for increased rail network resilience to climate related weather events.

Climate related road and rail incidents cost approximately \$220 million between 2004 and 2020, with flooding accounting for around 80 per cent of these costs.¹⁶ Fires and floods have affected Victoria's rail freight network in recent years which has interrupted supply chains dependent on rail freight. Ensuring the rail freight network is more resilient to these events will improve supply chain reliability for regional exporters.

The Transport Adaptation Plan builds on more than a decade of work in which Victorian transport agencies have already incorporated climate change into long-term planning, asset design, construction and operations. The Transport AAP formalises and broadens these efforts across the entire transport system to strengthen resilience and ensure continuity of essential services.

Economic Growth Statement

The Victorian Economic Growth Statement outlines the State Government's plan to boost economic growth, productivity, investment and job creation across Victoria. The Statement's core pillars and economic priorities directly connect to rail freight productivity, investment and regulatory reform.

This Plan is integral to the Victorian Economic Growth Statement supporting improved regulatory arrangements that will facilitate more efficient rail freight movements; support the rail freight workforce through development programs that address skills shortages and align closely with the Victorian Freight Plan's strong push for mode shift to rail. This is essential for improving productivity, sustainability and reducing congestion across the freight network.

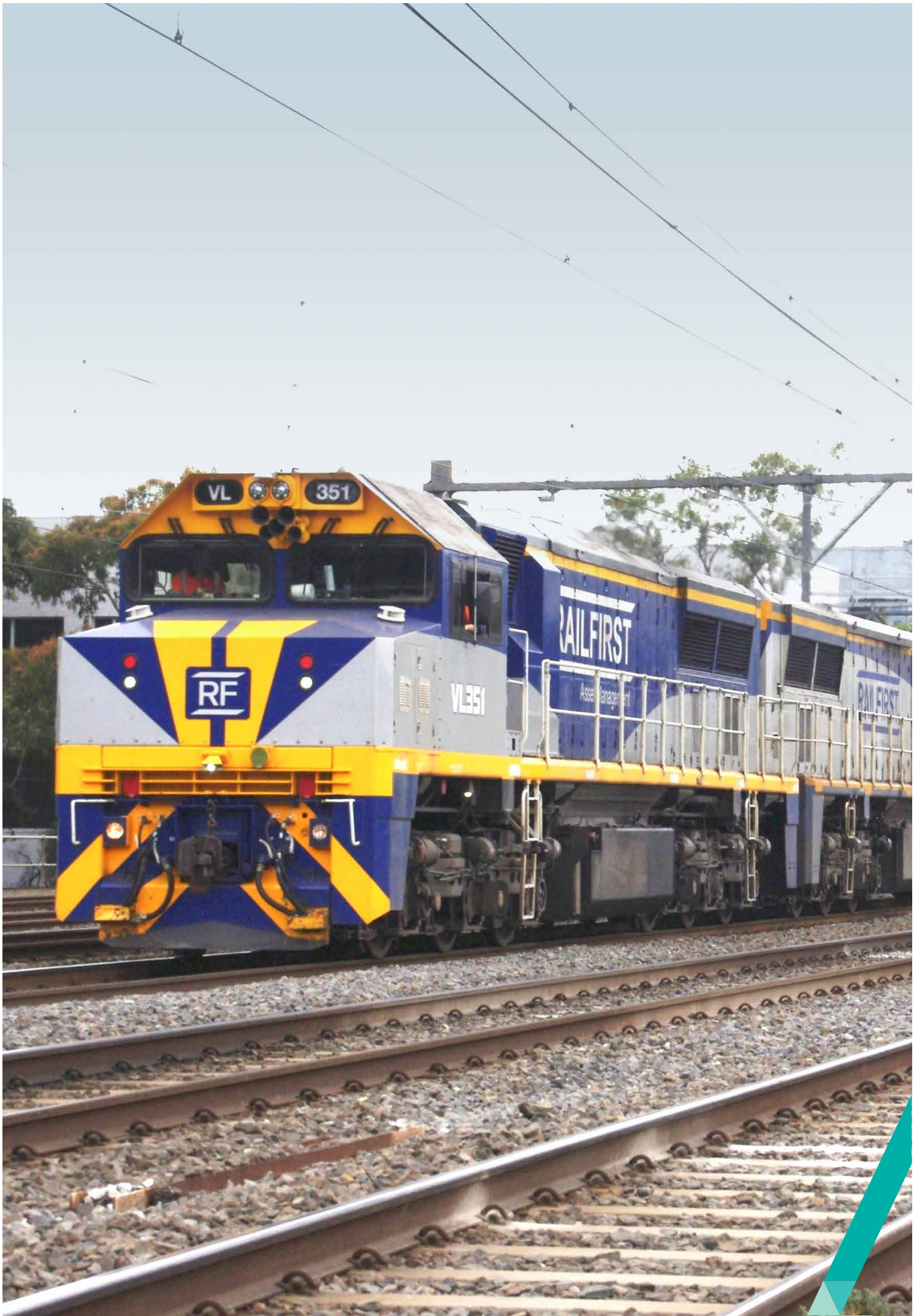
Victoria's Climate Strategy 2026-30

Rail freight is highly fuel efficient, generating less than one-third of the emissions of trucks per tonne kilometre of freight transported. Increased use of rail freight supports Victoria's emissions reduction objectives by providing a lower-emissions freight transport option for suitable freight tasks.

Victoria's *Climate Action Act 2017* embeds climate considerations into government decision-making and sets legislated emissions reduction targets, including a long-term net zero target.¹⁷ Victoria's Climate Strategy 2026-30 has the objective of net zero emissions by 2045. As the freight task grows, improving the efficiency and reliability of lower-emissions freight transport can help achieve this objective. Increased use of rail freight plays an important role in reducing freight transport emissions.

¹⁶ Transport Adaptation Action Plan – a snapshot.

¹⁷ Climate Action Act 2017.





Department
of Transport
and Planning