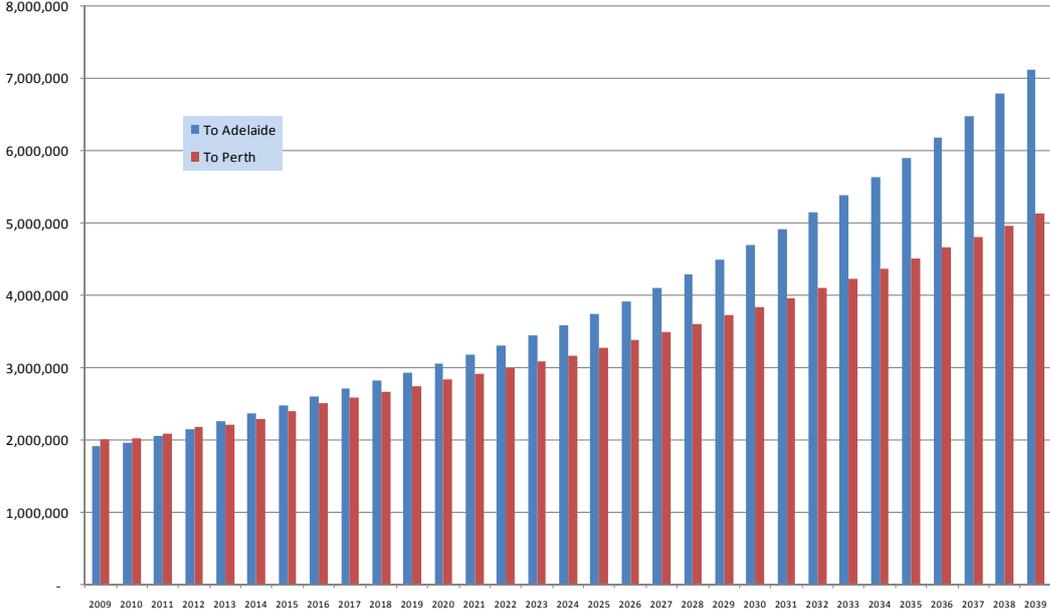


Adelaide Rail Freight Movements Study

ARTC Response to the Discussion Paper Questions.

Question	Comments
Other features of the route which it is important for the study to take into account	<p>It would provide an additional level of clarity to describe the amenity issues for residents in the Adelaide Hills, in particular the nature of the noise problem and potential mitigations.</p> <p>ARTC's assessment of capacity suggests that practical capacity is a little below the 10.7 mtpa suggested in Section 2.1 and that a capacity constraint is likely to arise around 2025 on current forecasts. Due to the difficulty of adding loops on this section it is likely that moving to 1800 m trains and/or double stacking is likely to be the most cost effective solution to further capacity enhancement.</p>
The economic growth forecasts underlying the freight forecasts	<p>The assumptions for GSP growth appear reasonable. However, as a methodological approach, ARTC takes the average of GSP for a traffic's origin and destination. The discussion implies that SA and WA GSP have been used without regard to the GSP of the other end of the traffic movement.</p>
The base case forecast for traffic carried on the Adelaide Hills route	<p>ARTC's budget volume forecasts align closely with the Base Case outcome of a threefold increase over 30 years.</p>
The relative shares of traffic M:A and M:P	<p>ARTC has a materially different split for traffic to and through Adelaide compared to that set out in the Study. ARTC modelling suggests that rail's competitive position on traffics to Adelaide should firm over time while rail's position on traffic to Perth will come under pressure from sea. As already noted, ARTC also uses the average of origin and destination GSP, which will approximately halve the differential between SA and WA in underlying volume growth. A third factor is that ARTC anticipates increasing real freight costs, which will suppress the rate of growth in transport relative to growth in GSP. As a result ARTC's split of traffic sees stronger growth in traffic to Adelaide and weaker growth in traffic through Adelaide. This is illustrated in the following graphic:</p>

Question	Comments																																																																																																
	<p data-bbox="427 241 735 271">Split of Intermodal Volume</p> <p data-bbox="427 275 517 297">Net Tonnes</p>  <table border="1" data-bbox="427 302 1477 913"> <caption>Estimated Intermodal Volume Data (Net Tonnes)</caption> <thead> <tr> <th>Year</th> <th>To Adelaide</th> <th>To Perth</th> </tr> </thead> <tbody> <tr><td>2009</td><td>1,900,000</td><td>2,000,000</td></tr> <tr><td>2010</td><td>2,000,000</td><td>2,100,000</td></tr> <tr><td>2011</td><td>2,100,000</td><td>2,200,000</td></tr> <tr><td>2012</td><td>2,200,000</td><td>2,300,000</td></tr> <tr><td>2013</td><td>2,300,000</td><td>2,400,000</td></tr> <tr><td>2014</td><td>2,400,000</td><td>2,500,000</td></tr> <tr><td>2015</td><td>2,500,000</td><td>2,600,000</td></tr> <tr><td>2016</td><td>2,600,000</td><td>2,700,000</td></tr> <tr><td>2017</td><td>2,700,000</td><td>2,800,000</td></tr> <tr><td>2018</td><td>2,800,000</td><td>2,900,000</td></tr> <tr><td>2019</td><td>2,900,000</td><td>3,000,000</td></tr> <tr><td>2020</td><td>3,000,000</td><td>3,100,000</td></tr> <tr><td>2021</td><td>3,100,000</td><td>3,200,000</td></tr> <tr><td>2022</td><td>3,200,000</td><td>3,300,000</td></tr> <tr><td>2023</td><td>3,300,000</td><td>3,400,000</td></tr> <tr><td>2024</td><td>3,400,000</td><td>3,500,000</td></tr> <tr><td>2025</td><td>3,500,000</td><td>3,600,000</td></tr> <tr><td>2026</td><td>3,600,000</td><td>3,700,000</td></tr> <tr><td>2027</td><td>3,700,000</td><td>3,800,000</td></tr> <tr><td>2028</td><td>3,800,000</td><td>3,900,000</td></tr> <tr><td>2029</td><td>3,900,000</td><td>4,000,000</td></tr> <tr><td>2030</td><td>4,000,000</td><td>4,100,000</td></tr> <tr><td>2031</td><td>4,100,000</td><td>4,200,000</td></tr> <tr><td>2032</td><td>4,200,000</td><td>4,300,000</td></tr> <tr><td>2033</td><td>4,300,000</td><td>4,400,000</td></tr> <tr><td>2034</td><td>4,400,000</td><td>4,500,000</td></tr> <tr><td>2035</td><td>4,500,000</td><td>4,600,000</td></tr> <tr><td>2036</td><td>4,600,000</td><td>4,700,000</td></tr> <tr><td>2037</td><td>4,700,000</td><td>4,800,000</td></tr> <tr><td>2038</td><td>4,800,000</td><td>4,900,000</td></tr> <tr><td>2039</td><td>4,900,000</td><td>5,000,000</td></tr> </tbody> </table>	Year	To Adelaide	To Perth	2009	1,900,000	2,000,000	2010	2,000,000	2,100,000	2011	2,100,000	2,200,000	2012	2,200,000	2,300,000	2013	2,300,000	2,400,000	2014	2,400,000	2,500,000	2015	2,500,000	2,600,000	2016	2,600,000	2,700,000	2017	2,700,000	2,800,000	2018	2,800,000	2,900,000	2019	2,900,000	3,000,000	2020	3,000,000	3,100,000	2021	3,100,000	3,200,000	2022	3,200,000	3,300,000	2023	3,300,000	3,400,000	2024	3,400,000	3,500,000	2025	3,500,000	3,600,000	2026	3,600,000	3,700,000	2027	3,700,000	3,800,000	2028	3,800,000	3,900,000	2029	3,900,000	4,000,000	2030	4,000,000	4,100,000	2031	4,100,000	4,200,000	2032	4,200,000	4,300,000	2033	4,300,000	4,400,000	2034	4,400,000	4,500,000	2035	4,500,000	4,600,000	2036	4,600,000	4,700,000	2037	4,700,000	4,800,000	2038	4,800,000	4,900,000	2039	4,900,000	5,000,000
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<p data-bbox="156 974 373 1249">The extent to which a more effective alignment would improve services and lead to a greater use of rail instead of road</p>	<p data-bbox="395 974 1442 1077">Any change to rail’s service quality or price will have some impact on rail market share. However, without doing a detailed modelling exercise it is difficult to predict what the scale of the impact would be for the options analysed by the Study.</p> <p data-bbox="395 1088 1453 1227">As a general principle, service and productivity improvements will have more impact on services to Adelaide than they will on services to Perth due to the significantly different starting rail market shares. There is unlikely to be any competitiveness impact on landbridging or bulk traffic.</p> <p data-bbox="395 1238 1469 1377">Given the significant increase in rail distance with the northern bypass option, there is likely to be a net reduction in rail competitiveness for Adelaide services under this option despite the elimination of the need for additional locomotives and (potentially) the ability to double-stack.</p>																																																																																																
<p data-bbox="156 1400 352 1675">The options identified and whether there are any alternative rail alignments that should be considered.</p>	<p data-bbox="395 1400 1433 1429">ARTC is not aware of any other potential solutions that could or should be considered.</p>																																																																																																
<p data-bbox="156 1702 336 2018">The assumed freight paths (routes) and whether these reflect the choices that above rail operators are likely to make.</p>	<p data-bbox="395 1702 1474 1771">ARTC considers that the route outcomes described in Section 4.2 are reasonable with two qualifications:</p> <ul data-bbox="443 1783 1461 2029" style="list-style-type: none"> <li data-bbox="443 1783 1461 2029">• Under option 5 some intermodal freight to Adelaide may be operated via the northern bypass option. The Bunbury Street tunnel immediately to the west of Dynon represents a major impediment to introducing double-stacking. Adoption of double-stacking between Melbourne and Adelaide would therefore only be likely to apply to domestic freight originating from terminals that avoid the Bunbury Street tunnel. Landbridging traffic, which must necessarily use the tunnel to access the port, is unlikely to become double-stacked. 																																																																																																

Question	Comments
	<ul style="list-style-type: none"><li data-bbox="448 239 1469 412">• Under options 2 and 3 Sydney – Adelaide and Brisbane – Adelaide traffic might divert to the route via Broken Hill and access Adelaide from the north. The route via Broken Hill is slightly longer than the route via Melbourne but offers better grades. If the route into Adelaide from Melbourne is lengthened it is quite likely to tip the balance in favour of the Broken Hill route.