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## **Submission to Transport for New South Wales regarding *Freight Policy Reform: Interim Directions*, October 2024**

### **Summary**

Taking the perspective of regional people, we encourage a participative approach which would thoroughly investigate the viability of branch lines, without prejudice, and account for concerns about road conditions and the safety of all road users. We support improved data collection. We also support the development of access charging for road as well as rail, fully reflecting all costs. Looking to well-established international experience, we propose some alternative directions. Acknowledging that the regional network is dependent on the main line system, the submission concludes with five pillars for rail freight.

### **Introduction**

The Lachlan Regional Transport Committee (LRTC) is a non-partisan group formed to discuss transport issues affecting regional New South Wales and communicate the concerns of regional people to government and other organisations. We comment on a range of transport problems and developments. Our advocacy spans policy issues and large infrastructure projects.

We acknowledge the need for a comprehensive freight plan and support the Guiding Principles expressed in the April Consultation Paper. However, we also see narrow interpretations of these principles in the *Interim Directions* which leave questions begging and opportunities missed.

## Interim Directions Part 1: Industry wide framework

### 2.1 Improved data across the national freight logistics chain

Improved data collection and availability are very important and LRTC supports all such moves.

We point out that the Independent Pricing and Regulatory Tribunal (IPART) in its 2012 *Review of Access Pricing for the NSW Grain Line Network* found a reasonable level of cost recovery was determined for rail freight of grain. This followed studies in 2004 and 2009 which examined the relative costs of road and rail transport, both of which reported in favour of retaining many branch lines due to the high costs of supporting road transport.

### 3.6 Strategic planning for the grain network

The passage beginning 'The high variability of the annual grain harvest...' raises questions. On-farm storage has certainly increased in the eastern states but the grain still has to be moved.

- Which lines are referred to – those which have not been maintained for many years, those which are not used as often as others, or both? We believe that lines like, for example, Lake Cargelligo, are still used and could be used more frequently.
- What is the cost of maintaining non-operational lines? How far could those savings go toward making local roads suitable for heavier traffic over long distances?
- Is there an intention to apply technology to police the routes taken by grain trucks so that they only use genuinely suitable and safe roads?

Given the principles expressed in the Consultation Paper, the notion that grain should be diverted to travel on local roads to silos on main lines is questionable, especially where trains of efficient length remain able to serve silos on branch lines. They do so despite operational complexity and cost. There are modern, large and efficient silos on branch lines and very old and inefficient silos still used on regional main lines.<sup>i</sup>

There are some disused lines which are considered by local interests to be potentially viable



but problems are said to be encountered in obtaining a realistic view of viability. The reinstatement of one line – Blayney to Demondrille, has been supported since 2009 by LRTC. Its viability has been assessed with positive outcomes several times but the issue of its reinstatement has not been fully resolved.

The Narrandera to Tocumwal line is another seen locally to have potential. Again there seems to be a lack of persuasive evidence that the line cannot be made viable. These issues should not be dismissed as optimistic dreaming.

Any consideration of the future of any branch line, used or disused, should start from a full assessment of all the costs, including externalities, including reliable figures for

maintenance. After thorough assessment involving local participation, LRTC could support the closure of disused lines, as long as rights-of-way are preserved, especially where land and environment issues for landholders could be resolved thereby.

Utilisation of railways also begs the question as to why some silos on branch lines attract less grain. Part of the explanation could lie in the cost of train operations and regulations compared with road. Train operators may be discouraged from competing for contracts where operating costs are high. As acknowledged, train capacities in terms of axle load and speed are variously constrained across the Country Rail Network (CRN).



20 kph speed limits are imposed on several branch lines. The more powerful locomotive types cannot be used and wagons cannot be loaded fully.

Trains of efficient length often have to be divided because sidings are short and/or because level crossings would otherwise be blocked during loading.



There is much variation in train loading times.

At some silos, trains of 50 wagons can be loaded in a day while at others, loading shorter trains can span two days.



Some silos are also restricted in their use for grain.

### ***An alternative direction***

Local participation should go beyond consultation and into partnerships. Partnerships would be consistent with the Panel's principle 1 above by promoting the use of infrastructure. Consideration should be given to support for local promotion of rail freight. Community rail in the UK offers many examples of what can be achieved by partnerships in the passenger context.

Community rail is a unique and growing grassroots movement made up of 75 community rail partnerships (locally-based community organisations), 1,300 station volunteer groups, and other community-led initiatives across Britain, engaging and empowering communities, and helping them get the most from their railways.<sup>ii</sup>

The same concept can be applied to freight by engaging with local industry and other interests.

### **3.8.2 Strategic planning - directions**

The recommendation involving

'work with the grain industry stakeholders, including growers, silo operators, rail operators and network managers, to determine the optimal end to end network, including rail lines, that should make up the grain network for long term investment.'

is positive, but it misses an important interest group – local people and others who use local and regional roads.

LRTC agrees with the point made on p. 60 of the Consultation Paper that 'the advantages of modern higher productivity vehicles, including PBS vehicles, need to be balanced alongside consideration of smaller passenger cars on the same roads.' However, the solution proposed seems only to involve achieving 'greater acceptance and understanding of the role of heavy vehicles sharing roads with passenger vehicles and their contribution to road charges...' by way of 'consultation'. This assumes that heavy vehicles can be made acceptable.

We have evidence of trucks taking grain very long distances now. Long distance road transport is a significant aspect of the grain transport problem. People are aware of the steady process of change as silo catchment areas have been extended by the use of heavier vehicles, though not to the same extent where grain is handled by a farmer co-operative<sup>iii</sup>. Farmers' journeys to silos have been made longer. Local people are well aware of this process and its detrimental effects on roads and safety.





It's hard to think about the advantages of heavy vehicles when

- deciding whether or not to overtake a long vehicle
- seeing an 80 tonne truck threatening your exhaust pipe
- comprehending the great over-representation of heavy vehicles in road crashes

On 4 December 2023, the Wagga Wagga Daily Advertiser reported, under the headline 'Another fatality on Sturt [Highway]' that



- two trucks had collided head-on killing a driver aged 48
- an 18 year-old was killed 'after **three trucks travelling in the same direction collided** [our emphasis] at a roadworks site...'
- a 24 year-old had died in a 'fiery crash involving a truck and a car'.

totalling three deaths in three weeks.

Australia's acceptance of even heavier road vehicles should not be assumed, despite our heavy dependence on road transport.

'Because our economy is so dependent on trucking..., we have these massive vehicles like nowhere else in the world... In the United States, B-doubles... are highly restricted in their movements... But here in Australia, even bigger B-triple trucks and road trains up to 53.5 metres are in regular use on our roads.'<sup>iv</sup>



Australia is so dependent on trucking partly because our railways are below international standards.

‘In general, the quality of Australia’s railroad infrastructure ranks poorly compared with that of most of our major grain export competitors.’  
 Australian Export Grains  
 Innovation Centre <sup>v</sup>

At the same time as trucking has grown in extent, our railways remain undercapitalised. Many local roads have been allowed to deteriorate.



‘Our local roads, especially in the bush, are a dangerous disgrace... Many of our roads are in poor condition, suffering from increased heavy vehicle traffic. Roads matter to all sectors of the economy and all parts of society, and it’s not surprising that road use has increased steadily over time. This is particularly true for trucks, which are responsible for most of the damage to roads.’<sup>vi</sup>

### ***An alternative direction***

More consideration should be given to well-established, alternative models of rail operations such as localised railways, or ‘shortlines’, and ‘producer cars’ (grain wagons loaded by farmers) as they are known in North America. Farmers load wagons either individually or collectively. Under the *Canada Grain Act*, the Canadian Grain Commission requires railways to provide individual or short rakes of wagons for farmers to load. Individual wagons and short rakes are picked up by main line (Class 1) railways as well as shortlines.

The advantages of the Canadian shortline system, including the availability of farmer wagons, has been made known in Australia by LRTC among other organisations. Following a Study Tour in New South Wales by the Railway Technical Society (RTSA) in 2006, Mr Ed Zsombor, Director of Rail Services for the Government of Saskatchewan, was invited to address a symposium organised by RTSA and Charles Sturt University. Mr Zsombor pointed to the advantages of farmer wagons and shortline operations. He also addressed a conference about the Blayney-Demondrille line organised by LRTC in 2013.

The idea has received support but has not yet been delivered. In 2007, The Commonwealth Parliamentary report *The Great Freight Task* acknowledged that the shortline concept could help to keep infrastructure available. Later, the Western Australian Parliament’s Economics and Industry Standing Committee chairman said that North American governments had realised the importance of branch lines, facilitated investment and encouraged their use.



Alongside the shortline system, the farmer wagon system has spawned innovative means of bulk loading for small rakes of wagons. The facilities, which farmers own and control, offer an attractive alternative to large scale grain handling. Farmers can deal directly with their ultimate customers. Or farmers can work through agents.

As stated by the Government of Alberta<sup>vii</sup>, the advantages of farmer wagons (producer cars) include

- Producer cars usually produce higher net returns on grain sales. At the very least, there is a saving of elevation [silo] charges.
- A producer car is only for a producer's use. A producer may not have to truck the grain as far as for alternate delivery points [and by putting grain on rail earlier, takes advantage of rail's lower costs], and may avoid waiting in delivery lines at an elevator.

Shorter trucking distances are also attractive to local government and residents because of fewer road upgrade, maintenance and safety issues, and overall lower costs. Shortlines obtain efficiencies by flexible working without compromising safety. Flexible working can lessen the need for infrastructure upgrades. They promote rail freight and facilitate volume growth.

The establishment process for farmer wagons ('cars') and shortline railways would be different in New South Wales, but could be accommodated within the vertical separation model, if that model is required.

Shortlines become agents for rail freight, attracting new business to rail for themselves and the main lines. The industry in the photo at left was made possible by the shortline Great Sandhills Railway at Leader, Saskatchewan.



### 5.3 Actions and directions for decarbonisation

LRTC supports action for decarbonisation.

#### Regarding 5.3.1 Immediate actions

With our membership spanning inland and coastal regions, we recognise that all communities along all routes to ports would benefit from modal shift towards rail, not just urban and intercity routes.



Identification of the possibilities for modal shift should take account of the alternative directions suggested above.

#### Regarding 5.3.2 directions

LRTC supports the direction 2:

Consider, with the Australian Government, imposing charges on vehicles to reflect the impact of carbon emissions. Similar charges are being implemented in other countries and their experiences should be examined.

#### 7.1 Integrated pricing

At present the road and rail pricing regimes are completely different and in terms of user cost, greatly favour road use. LRTC supports a better balance between access pricing to rail track (often high) and road user charges for heavy trucks (arguably too low for the larger trucks with high payloads and hauling long distances each year). In access pricing, consideration needs to be given to external costs.

#### 7.2 Investing in the right infrastructure

LRTC believes that the regional rail network, including branch lines, suffers from the sub-standard infrastructure of the main lines.

##### 7.2.1 Maldon-Dombarton

The completion of the Maldon-Dombarton rail link has been put off for years. However, despite this issue being raised in several submissions apart from our own, it is not even mentioned in the Interim Directions Report. Nor was it shown on any maps – including that of the Western Sydney Freight line corridor.

The other submissions include those of Wollongong City Council, an official submission from the University of Wollongong Government Relations, the Western Sydney Leadership Dialogue, The Rail Futures Institute and Fastrack.

Most tellingly, the Australasian Railway Association in its submission states, inter alia, re advancing Maldon to Dombarton: “There is strong support for this next step from local MPs, local Councils (Wollongong, Wollondilly, Campbelltown, Shellharbour, Shoalhaven), Business Illawarra, Business Western Sydney, the University of Wollongong, and RDA Illawarra/Shoalhaven, along with freight customers including Cement Australia, Bluescope and GrainCorp.”



If this is not enough, the 2021 Illawarra-Shoalhaven Regional Transport Plan notes (page 51) that “The transport of freight via the shared rail network is constrained by the needs of passenger transport, particularly during morning and afternoon passenger peaks. Transport freight services are often held for up to 11 hours as passenger services are given priority.

To address the growing need for additional rail capacity to and from the Port of Port Kembla, Transport for NSW will investigate the completion of Maldon to Dombarton Line to facilitate additional freight movement between the Illawarra-Shoalhaven and Western Sydney.”

The closures of the South Coast line in 2022 and in 2024 following heavy rain events is another reason for inclusion of the need to consider completing this rail link in the final report.

### **7.2.1 The Main South line**

At present, the Main South line has too many temporary speed restrictions (TSRs). A significant amount of NSW intrastate freight, including grain, uses the NSW Main South line. Bringing this line up to standard needs more attention from the NSW Government.

As noted in the recent ARTC NSW Lease Annual Condition Report 2023-24 ‘the rail age and wear on the North Coast and South is reaching end of life in numerous locations and inherently the number of fatigue related defects increases as rail ages.’ This is likely to lead to more TSRs.

The Main South line also has too many permanent speed restrictions (winding track over 100 years old). The final report could usefully address these issues.

### **7.3 National standards for rail**

In the same way that the Interim Report supports a national approach to higher road standards, the final report could and should give support to a national approach to higher mainline rail track standards.

In 1997, the Australian Transport Council comprising federal, state and territory transport Ministers agreed that the interstate network should provide the following levels of service within five years:

- less than 2% of track subject to temporary speed restrictions;
- at axle loads up to 21 tonnes, a maximum speed of 115km/h and an average speed of 80 km/h (kilometres per hour);
- at axle loads between 21 and 25 tonnes a maximum speed of 80km/h and average speed of 60km/h; and

train lengths of 1800m on the east-west corridor and 1500m on the north-south corridor. Progress has only been made on train lengths to 1800 metres, that are now modest by North American standards. Progress now needs to be made on the speed weight performance standard.

## 7.4 Distance-based road charging

Such options could include pricing initiatives (including incentives) for freight tasks where there is a significant opportunity to decarbonise a freight transport chain through modal shift. This should include the Port Botany container task and the export grain task. External costs should always be taken into account in assessment of major infrastructure projects.

### 9.3 Service offering and 9.5.1

LRTC supports 'more active specification by Transport of the level of service to be provided by the rail network managers' particularly in the light of problems with CRN management. Enforcement of service levels should be considered.

### 9.5.2 Direction 1

The concept of 'underutilised' begs the question as to why, and what constitutes under-utilisation? Alternative models for branch lines deserve examination. The '100 car' rule is often applied to branch line closures in the USA. When traffic falls below 100 wagons per mile per year, a line can be closed. But we know that in Canada, lines can be considered viable at just 40 wagons per mile per year. Each line has to be considered in the light of its full potential, not just recent traffic volumes.

## Conclusion

LRTC believes that, with Australia's regional rail infrastructure being in generally bad shape and the New South Wales rail system being dependent on the national network, policy for all railways, including branch lines, should stand on the following five pillars in addition to the *alternative directions* above.

### Pillar 1: Strong partnerships

#### Collaborate with stakeholders to support and improve access

1.1 Engage with local councils to inform and encourage the development of a rail network that will improve rail freight productivity. This may include double stacked container carrying capacity along with facilitating "faster and heavier freight trains"

1.2 Investigate opportunities to leverage existing rail track grant funding programs.

1.3 Work with jurisdictions and the Commonwealth to progress Land Transport Market Reform to establish a transparent national road user charging system that fully supports road maintenance and improvement and covers some of the high external costs of road freight.

1.4 Work with jurisdictions and the Commonwealth to develop National Standards for Mainline track, in line with fewer temporary speed restrictions, higher average speeds and higher axle loads

1.5 Develop guidance materials to support transport and land-use planners in considering requirements for improved rail freight productivity, particularly for strategic precincts, intermodal terminals and logistics hubs

1.6 Work with local councils and other stakeholders to improve community understanding of the benefits improved rail freight productivity.

## **Pillar 2: Innovative freight trains**

### **Encourage new and innovative freight trains that can deliver improved freight outcomes**

2.1 Investigate measures employed overseas and interstate to improve rail freight productivity. These measures should include those of Canadian Pacific (now CPKC) for high productivity grain trains with lower tare wagons and longer trains (8500 feet as opposed to Australian Rail Track Corporation (ARTC 1800 metres (just 5905 feet) and new loading facilities – see

<https://www.cpkcr.com/en/our-markets/canadian-grain>)

2.2 Develop a database of standard design templates to encourage further innovation in freight trains that is best suited to the freight network.

2.3 Facilitate industry trials and evaluation of innovative trains and technologies, such as distributed power on each axle (as used in the Tokaido Shinkansen for the past 60 years).

2.4 Support a rail freight Testing and Research Centre to improve freight wagon payloads

2.5 Investigate measures as to how more use of rail can help achieve commitments in the Towards Net Zero Emissions Freight Policy.

## **Pillar 3: Streamlined access**

### **Reduce administrative and regulatory burden and prioritise access for all freight trains**

3.1 Develop a process to prioritise and streamline access approvals for freight trains to gain access to rail track infrastructure, including attention to manager approvals

3.2 Support the National approach to rail harmonisation

3.3 Explore opportunities to reduce rail access charges and to bring them more into line with road track access pricing – both in method of charging and the quantum of charges

## **Pillar 4: Telematics and data**

### **Leverage telematics, data and other technologies to improve network management**

4.1 Work with industry and government partners to trial and implement innovative solutions, including safety enhancements, to improve safety at level crossings. This may include operator licensing for all articulated trucks

4.2 Investigate opportunities for data to improve access, identify and assess network constraints, and inform network planning and investment prioritisation

4.3 Progressively implement telematics as a condition of access for all restricted access road vehicles under notice and permit in NSW

## **Pillar 5: Agile and resilient networks**

### **Expand access and optimise network capacity and capability**

5.1 Continually improve safety for all road users to mitigate risks– in line with commitments in the 2026 Road Safety Action Plan – augmented by more freight on rail

5.2 Collaborate with industry, local councils, road infrastructure managers, Commonwealth and State agencies to develop end-to-end rail networks and further national harmonisation

5.3 Support the development of rail track infrastructure for faster and heavier freight trains

- 5.4 Undertake a network analysis to understand the impact of increased rail freight efficiency and productivity
- 5.5 Develop guidance materials to inform business cases for investment in rail network improvements to facilitate increased rail freight efficiency and productivity
- 5.6 Review the principles and standards for the design and maintenance of rail track on the freight network to facilitate access for trains with higher axle loadings

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<sup>i</sup> The old silos we see along railway lines are products of the motor vehicle age, having been built from 1918. Bulk grain handling was, and still is, made possible by motor vehicles. The problem now is not that there are too many silos still in use but rather too few are in use, extending farm-to-silo journeys and that many of them are very inefficient. Rail transport is disadvantaged by that inefficiency.

<sup>ii</sup> Community Rail Network (2024) <https://communityrail.org.uk/about-us/what-is-community-rail/>

<sup>iii</sup> R. Kingwell (2017) 'Changes in grain handling catchments in Australia: an historical perspective', Australian Journal of Agricultural and Resource Economics, 61, pp. 443–461.

<sup>iv</sup> R. Gray (2020) quoting Dr Christopher Walker 'High fatalities from truck crashes demand greater safety standards', UNSW Newsroom, <https://newsroom.unsw.edu.au/news/social-affairs/high-fatalities-truck-crashes-demand-greater-safety-standards>

<sup>v</sup> Australian Export Grains Innovation Centre (2018) *Australia's grain supply chains: Costs, risks and opportunities* <http://www.aegic.org.au/>

<sup>vi</sup> M. Terrill, N. Bradshaw and D. Jones, (2023) *Potholes and pitfalls: How to fix local roads*, Grattan Institute.

<sup>vii</sup> <https://www.alberta.ca/using-producer-cars-to-ship-prairie-grain>