

7th June, 2024



NSW Freight Policy Reform Program
Transport for NSW
Freight Branch, Regional & Outer Metropolitan
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Submission on **Freight Policy Reform: Consultation Paper**

Thank you for granting us an extension of time to make a submission on this important consultation. We are responding mainly to Question 2 of the discussion questions raised in Chapter 5 of the Consultation Paper, and to the supplementary questions provided to assist with developing a response.

Trains North Incorporated is not a freight carrier or user of freight services. We are a voluntary association advocating for a change of public policy towards greater investment in rail infrastructure in the north of New South Wales and in particular for the activation of the existing asset of the Main North Line from Werris Creek, via Tamworth, Armidale and Glen Innes to the Queensland border. At Wallangarra the line meets the Queensland Southern Railway which extends north to Toowoomba. We argue that this railway should be re-examined for the transport of freight both to and from this region and interstate.

We are very aware that along the part of the line that is currently non-operational, the 214 kilometres north of Armidale, there is a lingering legacy of dissatisfaction among those who last used rail freight services, mainly graziers and farmers, who recall with a mixture of bitterness and regret the appallingly poor service that Freight Rail provided in its final decade or so up to 1988. Nevertheless, there is a growing realization at all levels that those bad experiences and the inherited break of gauge at the state border should not stand in the way of good freight logistics planning today.

Discussion question two:

Do you have recommendations or issues to note about rail freight policy?

NSW Freight policy is clearly not fit for purpose because it continues to deliver such a bad outcome. While studies of logistics optimisation agree that general freight goes better by rail for distances greater than 250 km, eastern Australia persists in moving 80 to 85 per cent of interstate freight by road, in the face of rising costs, a declining driver workforce, and in defiance of the need to decarbonise the output of the energy that moves freight. At the same time, those regional areas that are without a railway, or where the line has been neglected, face economic disadvantage as opportunities to develop new industries or exploit natural resources are lost.

Housing is another policy issue : the MNL, if re-activated could provide public transport to support substantial amounts of affordable housing in our region, which has beautiful rural towns, villages and cities crying out for population growth. However the city centric population assumptions underpinning the Consultation Paper (no to low growth in regional centres, especially north of the Hunter Valley,) deny opportunities for people wishing to find affordable housing outside of Sydney but still within NSW. The assumption that people want to live in congested mega cities is unsound. They do not, but they cannot live in regional centres which have no public transport or other social supports.

As many commentators have pointed out, the best way to begin to address this is by investing in the existing railway lines that would deliver an immediate improvement in the contribution to freight logistics by rail. The current concentration of effort for Inland Rail on the existing lines south of Parkes demonstrates the truth of this proposition.

The Main North Line (MNL), north of Werris Creek is already being harnessed to carry regular containerised freight to and from the new inter-modal depot at Tamworth and is a critical connection and “missing piece” in a robust future logistics network for eastern Australia. Combined with other existing lines from Parkes, via Dubbo to Werris Creek, and from Wallangarra in Queensland to Toowoomba, it offers what we call “The New England Connection”, an almost immediately available complement to Inland Rail. It is a vital piece offering redundancy protection to three critical NSW rail corridors that deliver freight and passenger services west (Main West Line) and the North Coast Line (currently the only general freight and passenger service connecting Sydney to Brisbane.) The third is the North West Line between Moree and Werris Creek. This line is a major coal and grain route to export bulk commodities to the port of Newcastle from the North West of NSW.

Various recent Commonwealth reviews, studies etc on Australia’s freight resilience all identify profound weaknesses in our road/rail infrastructure as it currently exists. These relate to the growing national freight task, as well as the upscaling of risk from climate change and geopolitical changes. State governments often have different priorities and policy positions from Canberra which add complexity to this challenge. There are also mode inequities, especially in NSW which seem to apply a preferential bias to road transport modality over rail in benefit cost analyses. Ultimately this adds another dangerous level of risk to the national supply chain.

The MNL, fully reactivated, would solve a lot of risk identified in the Road and Rail Supply Chain Resilience Review (the Resilience Review) which itself references the National Disaster Risk Reduction Framework and related National Action Plans. The Resilience Review, noted above, is referred to in the recently released Review of the National Freight and Supply Chain Strategy (released 22, May 2024). There is an immediate need for redundancy to counterbalance the assessed high risk on the Main West Line around Orange for seismic and extreme heat, which would cut that line’s access to Parkes and further west. Frequent flooding around Maitland on the Hunter Valley part of the Main North Line also disrupts services to the North Coast Line and the North West Line. This would obstruct access from Sydney to Brisbane and Sydney and Newcastle ports to coal and grain fields in North Western NSW.

However if the MNL was reinstated on the Northern Tablelands (at a cost estimated by us as \$1.2 to \$2B) this would provide permanent redundancy for these connections, by means of Werris Creek to Dubbo line (which is currently in use for freight only.)

Please refer to the maps provided in our paper, *The New England Connection*, attached.

Moreover, if and when Inland Rail is completed north into Queensland, the MNL would provide a complete redundancy option between Parkes and Toowoomba with a lot more weather and extreme climate resilience than the black soil foundation which will always be a major challenge for Inland Rail.


There are other reasons for our concern. These are briefly, defence ,with the bridge over the Hawkesbury River a major high risk point for both the North Coast Line, and the Hunter Valley and MNL to Armidale. (The MNL was used during WW2 for troop movements. It was also used generally for water carting during droughts and bush fires.) MNL return to service would enable a detour between Werris Creek/Dubbo/Sydney in the event of a breach of the Hawkesbury River bridge.

It is estimated that completion of the Inland Rail will require total funding of about \$35 billion and the Federal Labor Government, following the Kerry Schott 90 day review, has ceased funding any further construction work, with any future funding at this stage being only for planning work. We believe the MNL could be a "drop in" alternative to the Inland Rail until it is completed and offer robust redundancy to it thereafter. The cost of this would be, as I said, a very reasonable \$1.2 to \$3B as the line is mainly in good order and made of heavy freight grade rail, fit for purpose to move container goods, although not suitable at the moment for double stacking. The MNL (New England Connection) would require gauge work to bring the line to standard gauge as far as Toowoomba/Brisbane, once over the Queensland border, or an intermodal for gauge change. There are already facilities for this at the border stations of Jennings/Wallangarra.


The Review of the National Freight and Supply Chain Strategy (released 22 May 2024) has inserted as its leading priority "decarbonisation" which is a new objective and criteria. Transferring freight and passengers from road to rail offers a critical but simple route to decarbonisation.

Please refer to the attached paper *The New England Connection*, .

Sincerely,



Matthew Tierney
President
for Trains North Incorporated



Attachment.

Subject:

FW: Additional notes to Trains North Inc Submission

Subject: extra notes to freight review

Discussion Question two: ***Do you have recommendations or issues to note about rail freight policy? Do you find the current rail freight policy is fit for purpose? Does it deliver an effective network for your freight delivery? What changes would you suggest for the future?***

Trains North is in touch with a number of local industry players who are frustrated with the lack of local rail freight opportunities on the currently out of service Main North Line (MNL) which used to support a range of industries in New England. Examples. A) Mining: we attach a letter from a local Mining Geologist who notes that the absence of and high cost to re-instate services to the Main North Line meant that a large high quality bauxite deposit near Guyra (40 km north of Armidale) meant that mining operator invested in an inferior bauxite deposit in Tasmania which had an operational railway nearby. TfNSW's insistence on that company putting up about \$20M to re-activate the line between Guyra and Armidale (about 40 km) put extraction there out of contention in the then (about 20 years ago) market. Tin deposits at Emmaville in our region, could be serviced by re-activation of the MNL. B) Value added agricultural products- Processed multi species meat to Port of Newcastle and high quality cuts to air freight at Wagners (Toowoomba) or Port of Newcastle via Tamworth Qube IMT from a new abattoir at Guyra could be developed. C). Manufactured goods that are not time dependent (inputs and outputs). One of our Trains North committee members has a boutique manufacturing operation making large garden sculptures at Guyra. His business is literally about 50 metres from the dormant MNL. He moved his manufacturing business to Guyra believing the railway line would re-activate in time. His inputs and outputs are very heavy (cement) and best suited to freight by rail as time is not a priority D) Precision Engineering: A business that no longer exists in Glen Innes was a precision engineer who, when the MNL operated, was able to receive and send high value parts for repair/manufacture from Melbourne to North Queensland, by rail. This no longer exists. The high cost of road transport challenges viability where freight cost is critical to margins. A modern example is a \$40M project by an organic foods processor who is currently investigating re-locating his manufacturing from SA and Qld to a low humidity, pristine New England site at Llangothlin (north of Guyra), but can only achieve viability if he can obtain access to the MNL for export to Port of Newcastle via Qube Intermodal at Tamworth. He is currently looking to re-locate to protect his organic certification (which can be maintained in a pristine environment outside of an industrial estate). This business also wants to value add to local agricultural products which can also be grown in a way to fit in with an organic or low chemical use requirement for health food products. He has calculated the comparable cost of road freight to the Tamworth IMT and it is too high to justify the move to NSW. Further details can be provided. E) Livestock movements: At the moment all livestock in New England (mainly sheep and cattle but increasingly other niche meats like goat, Wagyu beef, trout) have to be moved by road freight. The costs are increasing with high cost of diesel and are threatened by impending decarbonisation and loss of diesel fuel. NSW producers wonder why their Queensland counterparts can access livestock transport by rail but they cannot. F.) Rail tourism: many heritage rail operators come to Armidale but have to shift their passengers from rail to coach in order to rejoin heritage rail operators in South East Queensland, because there is no rail line on MNL between Armidale and the Queensland and/NSW border. These examples indicate a suppression of investment and local economic development as a result of the failure to re-activate the MNL.