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NSW Freight Policy Reform Program
Transport for NSW
Freight Branch, Regional & Outer Metropolitan
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Submission on

Freight Policy Reform: Interim Directions

Thank you for granting us an extension of time to make this submission.

Introduction

As stated in our earlier submission of 7 June 2024 Trains North is not a direct operator within the freight industry. We are a voluntary organisation based in New England, NSW, advocating for a change of public policy towards greater investment in rail infrastructure in the north of New South Wales. Our particular concern is for the activation of the existing asset of the Main North Line (MNL) from Werris Creek, via Tamworth, Armidale and Glen Innes to the Queensland border. At Wallangarra Qld/Jennings NSW (the border town community) the MNL meets the Queensland Southern Railway (QSR) which extends north to Toowoomba. However there is a change of gauge at the border (from standard to narrow gauge) which slows down freight at the border. During WW2 the USA, for strategic reasons, offered to build a direct railway link to Brisbane, from the MNL in NSW. This offer was not taken up due to opposition from Toowoomba interests who did not want to be “bypassed” by a direct NSW to Brisbane rail link. Ultimately a direct link (standard gauge to Brisbane) was built connecting the North Coast Line to Brisbane. But as recent flooding has proved, the NSW North Coast line is vulnerable to weather events (floods) which was why, until that direct link to Brisbane was built, it was considered a secondary line.

The MNL was, as its name suggests, always the more resilient rail connection due to its height above sea level and careful construction on stable ground. It is our view that in view of climate change driven weather events which affect other rail corridors including the North Coast line and decarbonisation pressures, the MNL/QSR need to be put back on the table for consideration for future freight (and eventually passenger/tourism purposes) to address adequately long term freight requirements in regional NSW and interstate. Errors of historic parochialism should not drive future social disadvantage nor perpetuate diseconomies in the transport industry of the future. In a similar way, the operational fragility of some regional rail corridors should not be extrapolated in globo to condemn all currently disused regional rail corridors. We would say that given the combined new factors of decarbonisation and climate change driven extreme weather events, there is a strong case for retrieving some currently disused rail corridors and upgrading them with new technologies into a modern freight network of tomorrow. The mindset that all currently disused rail corridors can never be made fit for future purpose is simply wrong. For many reasons,

the MNL, especially when considered with its cross border continuum in the QSR is a critical case in point.

We submit the following observations about the Interim Directions paper:

Terms of Reference

We note that the Terms of Reference are mainly specific to existing freight operations. However the last two paragraphs in the terms of reference set out in Appendix A of the Interim Directions Paper (ID) September 2024 set out two compelling questions which relate to our role as a public advocacy organisation. To both these propositions our response is “no.”

First, as to whether current transport planning and investment processes “adequately recognise the importance and value of freight for our industries and communities, including consideration of planning for urban freight and freight logistics chain resilience.” We say they do not. It is almost impossible for latent demand to be brought to the table in discussions about future freight. We are in the process of identifying this for our region. The addendum to our submission of 7 June 2024, identifies mining projects in our region that are either not going ahead or lagging due to absence of an adjacent, accessible, operational rail freight corridor. Adjacency as a factor in latent demand identification is a matter which should not be outside the terms of reference of Freight Policy Reform. Excluding this factor is a major cause of suppression of optimum economic development for the regions and the state, and can reduce potential GDP. This adversely affects local industry and local communities. It is unlikely that specific freight operators, to whom the Terms of Reference are largely directed, would be in a position to respond to this important issue, whereas this is a central concern of Trains North. We urge the panel to widen this aspect of investigation.

Second, the Terms of Reference pose the question of whether “current organisational arrangements within Transport for NSW for freight policy, operations and industry engagement provide the appropriate level of influence and access to decision makers to drive reform.” Again our response is that it does not. Whilst there are some within Transport for NSW who express cordiality to the point of tolerance or even curiosity about freight reform there is an inherent institutional bias towards road modality over rail, based mainly on the fact that the status quo is for strong investment in road transport over modern rail opportunities. There appears to be no institutional pathway within Transport for NSW to talk openly about transport mode bias, little data to undertake comparative cost analyses, and no support for communities trying to open up such discussions.

A third related concern is that there appears to be no process by which external benefits of some freight policies over others can be evaluated. For example, rail over road freight in our region would have a huge impact for good on our road safety and road fatality figures. But this is not currently part of any discussion on freight issues. Or take the skilled driver shortage within the road transport industry. The shift of freight to rail from roads would foster a whole new industry of short haul, IMT or rail head to destination delivery trucks, more suited to zero emission vehicles (ZEVs) but also to retaining drivers who don't have to be away from home so much, as short haul

delivery drivers can go home at night, stabilising home life. Similarly short haul ZEV's would be lighter weights and thus do less pavement damage than long haul ZEV's. Similarly, the opening up of new (or renewed rail services for freight) can be the forerunners for passenger rail services. This would open up new areas for cheaper home ownership in the regions. Small villages adjacent to larger hub centres in our region, if connected by passenger rail, could offer viable affordable housing for tele workers and other workers with skills needed in the regions. Once again the related benefits of one modality of freight over another, do not, currently, form part of the important discussions on freight reform, but they should.

2. Information and Data:

It is important that maps that show the “whole story” of the New South Wales rail network should be in normal use by those assessing the utility of railways for freight. The UGL Regional Lynx *Railways of New South Wales Map*, attached, is an example of a better map.

3. Strategic planning and industrial land

Interest in the Inland Rail Project seems to be limited to the movement of grain in northern New South Wales. There should be a realistic assessment of when Inland Rail is expected to be continued north of Parkes and more contestable freight should be considered for this region of New South Wales. Interim alternatives in the shorter term need to be considered as the freight task in this region is urgent and growing.

5. Decarbonisation

The potential of long distance electrified railway lines to contribute to the decarbonisation of rail transport should be considered. This is established technology used over more than 2,000 km of lines in Queensland.

Overall Trains North is surprised at the gradualist approach indicated in this section of the Interim Directions Paper. Thus, despite the “climate emergency” which is driving a colossal transition from coal fired to renewable energy generation, when it comes to the Transport Industry (the second largest generator of carbon emissions) is being offered reforms that are minimalist and in many ways preoccupied with preserving the status quo.

An example is the suggestion that government should fund a transition from flexible road pavement construction, to something much more expensive, to support the transition of the existing long haul road transport sector to a heavier and more pavement damaging long haul ZEV road fleet. With all the attendant costs (network of long haul battery recharging points etc.) would it not be simpler just to set transition targets for the long haul freight task to move to rail? Why not declare targets for moving long haul freight to rail, and get on with the less expensive job of electrifying the lines, which is already happening overseas and in Queensland, together with the efficiencies of solar roof panels and regenerative braking? At least the cost comparisons should be undertaken as a preliminary matter of urgency.

Decarbonisation of the transport sector, like decarbonising energy generation and heavy industry, is a task for visionary government leadership, not a time for nudging

and coaxing the private freight transport sector. High level leadership is needed to assist the transport industry to transition to low carbon emissions. This is especially the case when the supply chain is coming under threat of additional punitive taxation of Australian goods based on transport carbon emissions. This is also and increasingly a matter of high visibility and consumer preferencing in the domestic market. Tinkering with alternative fuels and heavy battery driven road ZEV's seems inadequate to the current decarbonisation challenge. Why can't Australia do what other countries have already done by setting mandated targets for freight to move from road to rail? These targets will have an undeniable social licence if they are supported with comprehensive data analyses which include externalities including flow on benefits like better road safety, better work conditions for short haul drivers, revitalisation of regional communities through better public transport following upgraded rail freight infrastructure.

The benefits do not stop there. Flow ons include more diversity of home ownership opportunities in regional areas as rail re-opens public transport options, and enables productivity growth in work from home expansion via the digital economy. Similarly the shift of freight from road to rail will drive economic efficiencies, eg opening up the night time economy as rail runs 24/7 more safely. These trends have already started, so there is nothing fanciful about enhancing them. At the moment the ID paper's consideration of "Decarbonisation" is constrained by a consideration of unrealistic short term difficulties rather than looking at simple do-able alternatives (conversion to electrified, double stacked where possible rail freight) uplift in short haul rail, short haul road ZEV's fleet for first and last mile, and identifying and enabling wide scope of longer term economic and social opportunities presented by the decarbonisation challenge.

9. Rail

Consultation matters:

(1.) Issues impacting rail freight are varied and wide-ranging. Is there anything critical missing from the actions and directions above that will inhibit rail modal shift?

The focus on improved efficiencies in the port rail logistics chain and shuttles within the metropolitan area is understandable and important, but greater appraisal is needed of regional rail freight and of the corridors available for interstate freight rail. Also, it is important that easier access to the Port of Newcastle is provided for primary producers in northern New South Wales who want to send produce via the Main North Line in the Hunter Valley to port.

(3.) Are there matters relating to implementation of the proposed actions and directions you would like the Panel to consider before finalising the recommended approach to addressing rail network issues?

Instead of aiming for the "closure of disused and under-utilised railway lines" as noted in Directions point (1.), a more positive appraisal of disused lines should be undertaken, seeking to identify those lines with strategic value. It is important to recognise that the current estate of disused lines is the result of a half century of poorly managed rail decline in New South Wales, exacerbated by the malignant effect of the break of gauge at the state borders. As rail will be required to carry a greater share of contestable freight in the half century ahead, now is the time to plan carefully for the use of rail assets that are available.

Trains North is particularly concerned that a new and detailed appraisal should be made of the part that the Main North Line (No. N00) north of Armidale can play, combined with the Queensland Southern Railway. Rather than seeing these railways as branch lines in decline it is important that they be taken together as a strategically important interstate rail corridor, available to be mobilised in the short term with gauge conversion to provide resilience to the rail freight system of eastern Australia and to complete a valuable loop with Inland Rail from Parkes to Toowoomba. Whatever its liabilities, the Main North Line has two great advantages compared with its neighbours: it already exists and it is essentially free from the risk of flood and instability on black soil.

Sincerely,



Attachment.