Submission to the NSW Independent Pricing and Regulatory Tribunal Review of third-party access to Rail infrastructure in NSW

Philip Laird University of Wollongong December 2022

This supplementary submission is made following the hearing held 29 November at Sydney.

In short, the primary submission raised the question as to what happens when a freight operator or a rail freight customer who has some access to part of the Sydney Trains network seeking more paths for freight trains is informed that they cannot have any additional paths. The submission then cited a current case of one such customer (Manildra) that is on the public record. Also raised were the issues of the higher external costs imposed on the wider community when freight that could have been moved by rail has to be on public roads; and, the additional emissions caused when freight that could have been moved by rail has to moved by road.

1. An English rail freight expert on train paths

The expert to whom reference was made at the public hearing and who visited Sydney some 12 years ago was Lord Tony Berkeley. A notice of the meeting convened on 22 April 2010 at Sydney by the NSW Government that Lord Berkeley addressed is attached.

From notes made at the time, the main points from his informative talk and his answers to questions were:

- Britain's rail freight task was then performed by five different operators (including DB and Freight lines) with support from government including access to train paths not subordinated to passenger operations, access charges set to cover marginal short run costs, provision where possible of spare paths for new freight services, and possible financial help for some short haul operations.
- The rail freight task has doubled to 2010 over the past 10-15 years, and increased its modal share from about 8 to 12 per cent. Potential to rise further (e.g. 15 per cent as in Germany).
- 3) Competition is essential. This can be hindered when a rail freight operator owns an intermodal terminal. Customers including retail are important too.

Trains often smaller "30 boxes". Intermodal freight is important, including servicing ports (e.g. Britain's busiest container port of Felixstowe).

- 4) Need to work hard with regulators and Network Access to sometimes get more train paths, and this may commence with a negotiation where an operator seeking a path for a freight train is informed that there are simply no more paths available; however, by closer examination and good will on both sides, a new freight path, even if it is not an ideal one, can usually be found.
- 5) Also a need to overcome attitudes including that of "I would sooner the freight goes by road rather than by a competing rail system."
- 6) Some rail freight operators can use road to advantage to move overflow if they have a full train.

2. Comment on rail freight productivity

At the hearing on 29 November, the comment was made to increasing rail freight productivity.

Some 25 years ago, in September 1997 the Australian Transport Council (ATC) consisting of Federal, State and Territory government Transport Ministers held a National Rail Summit to set the course for the future of the Australian rail industry. The Ministerial communique noted "a viable interstate rail industry is important to the long-term efficiency of our transport industry. It currently carries over 10 million tonnes of freight, and around 40% of the interstate freight task." It also stated that "While productivity has improved, over the last two decades rail has failed to compete effectively with road transport, and its relative performance has deteriorated. It has not realised its potential contribution to the national economy."

The Ministers agreed that for the first time, there would be a defined interstate rail network (DIRN) between the mainland State capital cities and their ports moves to overcome the situation where rail had "...failed to compete effectively with road transport"

The 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.

It was also agreed that in the longer term the system should deliver, along with increased clearances to allow double stacking of containers:

- at axle loads up to 21 tonnes, a maximum speed of 125 km/h and an average speed of 100km/h; and
- at axle loads between 21 and 25 tonnes a maximum speed of 100 km/h and an average speed of 80 km/h.¹

However, the rail industry is yet to achieve even the shorter term goals. To achieve these, some investment is needed in new track, and upgrading existing rail track.

3. Separation of freight and passenger trains

More effort is needed have better provision for separation of freight and passenger trains. In this regard, it is pleasing to see the recent announcement of the Lower Hunter Freight Corridor.

https://www.transport.nsw.gov.au/projects/current-projects/lower-hunter-freightcorridor

It would also be good to see effort to improve not only the resilience of the NSW rail network to withstand severe rainfall events, but also to improve its capacity. Two examples follow.

3.1 Reinstatement of the Cowra lines

The repeated and recent closures of the railway over the Blue Mountains highlight the need to reinstate the Demondrille – Cowra – Blayney line to add capacity and resilience to the rail network connecting regional NSW to Sydney.

¹ Australian Transport Council, *Communique*, Melbourne, 10 September 1997. Viewed at:

https://webarchive.nla.gov.au/awa/20110422145047/http://www.atcouncil.gov.au/co mmunique/atc4.aspx

Support the reopening of the Demondrille to Blayney line by 2025. The repeated and recent closures of the railway over the Blue Mountains highlight the need to add capacity and resilience to the rail network connecting regional NSW to Sydney.

3.2 Completion of the Maldon Dombarton rail link

The closure this year of the South Coast line, and the extended closure of the Moss Vale – Unanderra line highlight the need to add capacity and resilience to the rail network connecting regional NSW to Port Kembla by completion of this 35 km rail link.

4. The lack of additional paths issue

The writers primary submission raised the issue of freight paths from Sydney Trains for a potential rail freight task for Manildra for a proposed new ethanol export facility, and quoted advice (clarification) from Manildra

"Rail paths to Bomaderry are allocated to rail operators by Sydney Trains, which is a NSW Government Department. Manildra's rail operator has been allocated 14 rail paths to Bomaderry, which are fully utilised. The Main Line Network Owner (Sydney Trains) is adamant that no further rail paths are available due to the requirements of the passenger service which operates between Kiama and Bomaderry on a frequent operational schedule."

A copy of this clarification is attached. As before, experience in other jurisdictions shows that often a controlling agency for track access will say there are no more paths available. However, further examination and goodwill on both sides (train operator and track provider) can then find an extra path or two.

A response to submissions to the proposed development is due to be posted at https://www.planningportal.nsw.gov.au/major-projects/projects/manildraport-kembla-bulk-liquid-terminal

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14 December 2022



INVITATION

NSW Transport & Logistics Industry Reception: meet with Lord Tony Berkeley

The Department of Industry & Investment NSW, the Investment Attraction Branch, is pleased to invite you to meet Lord Tony Berkeley, Chair, UK Rail Freight at a business networking reception.

Lord Tony Berkeley is visiting Australia as a guest of the Australian Freight Councils Network (AFCN), Chair Mr John Begley (Victoria) and Mr Bill Green, Director Of National Sales, Crown Equipment (NSW).

Lord Tony Berkeley with many years of experience in rail policy, is for the last 12 years, the Chairman of the UK Rail Freight Group, the representative body of the UK rail freight industry, which lobbies government, regulators, Network Rail and others to ensure that ever increasing freight volumes are moving on rail.

He is also the President of the European Rail Freight Association, the grouping of private operators and other companies promoting European rail freight transport through the complete liberalisation of the market. When Thursday, 22 April 2010 6:00 pm – 8:00 pm

Where NSW Trade & Investment Centre Level 47, MLC Centre, 19 Martin Place, Sydney

Cost This event is FREE

Who Should Attend

- Managing Directors, CEOs and Senior Managers
- Supply chains, transport & logistics executives
- Consultants
- Academics
- Senior government representatives and Policy Makers

For further information, please contact

Industry & Investment NSW

Registration
Transport & Logistics Industry Reception with Lord Tony Berkeley Please register by email or facsimile by Friday, 16 April 2010 O I will be attending and have provided my details below.
Name Position
Name Position
Company
Phone Email
Please email your registration to:
Privacy Statement The personal information which you provide to the Department of State and Regional Development is protected by the <i>Privacy</i> <i>and Personal Information Protection Act</i> 1998 (NSW) (the "Act"). The information is important for improving our services. The information may be used to send you communications about business-related activities such as newsletters, flyers and invitations. Please refer to our website <u>www.business.nsw.gov.au/privacy</u> for more information on our privacy policy.



MANILDRA GROUP PORT KEMBLA BULK LIQUIDS TERMINAL SSD 33042483 PROPOSAL CLARIFICATIONS

1.TRANSPORT

1.1 RAIL

Rail paths to Bomaderry are allocated to rail operators by Sydney Trains, which is a NSW Government Department. Manildra's rail operator has been allocated 14 rail paths to Bomaderry, which are fully utilised. The Main Line Network Owner (Sydney Trains) is adamant that no further rail paths are available due to the requirements of the passenger service which operates between Kiama and Bomaderry on a frequent operational schedule. The main line upgrade recently funded by the NSW Government under the NSW Fixing Country Rail framework upgraded the main line between Berry and Bomaderry to Class 1 track which ultimately allows the carriage of heavier wagons and more reliable track infrastructure.

Line duplication would cost several hundred million dollars and would require a separate business case for funding through the government agencies.

1.2 TRUCKS

1.2.1 Ethanol transport

The proposed route for tanker trucks transporting ethanol to Port Kembla is shown below. This route has been approved by the National Heavy vehicle Regulator, the route identification is 15H9B-1 v10. Transport for NSW has determined that the route from Five Islands Rd to Foreshore Rd and the route in the opposite direction as illustrated in FIG 2. below must be a condition of consent for the proposal.

Proposed prime movers are Mercedes Actros with Euro V1 D engine. Trucks will be 30m overall length.

The ability to operate trucks transporting ethanol on this route on a 24 hrs per day, 7 days per week basis is essential to make this proposal economically viable. The studies contained in the Environmental Assessment confirm that the impacts of the proposal on the local area meet regulatory requirements.

Manildra will comply with all Government regulative and legislative requirements in relation to government levies and charges.

Manildra will operate within the vehicle movement parameters stated in the Environmental Assessment.

Refer also to the Environmental Assessment Traffic Impact Assessment, appendix APPZ and Transport Route Selection appendix APPFF.

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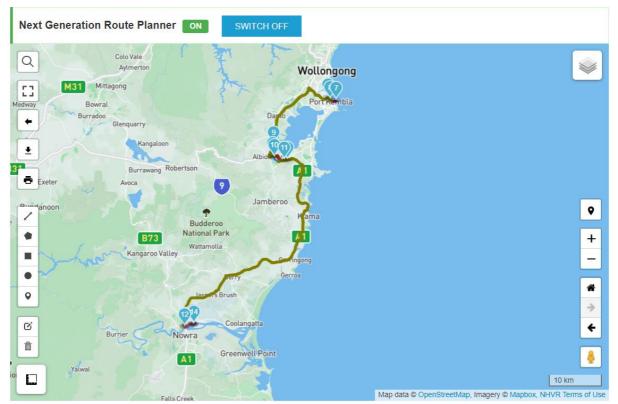


Fig 1. NHVR ROUTE 15H9B-1 v10

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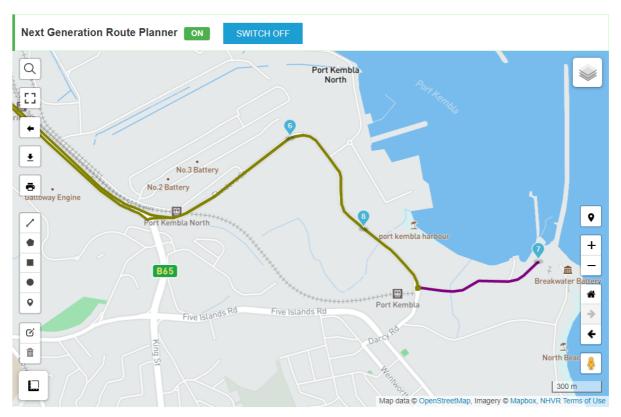


Fig 2. PORT KEMBLA SECTION OF NHVR ROUTE 15H9B-1 v10

1.2.2 Trucks During Construction

Refer to the Environmental Assessment appendices below:

- Traffic Impact Assessment, appendix APPZ
- Construction Traffic Management Plan, appendix APPBB.

2. COMMUNITY SAFETY

Risks related to explosion and fire have been addressed in the following appendices to the Environmental Assessment;

- Preliminary Hazard Analysis, appendix APPCC
- Fire Safety Study, appendix APPEE
- Hazard and Operability Study (HAZOP), appendix APPDD

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The risks have been studied and mitigated. All areas requiring controlled access are confined to the terminal boundaries.

3.NOISE

Information regarding noise impacts due to the proposal is contained in the following Appendices to the Environmental Assessment;

- Noise Impact Assessment, appendix APPU
- Piling Test and Vibration Report, appendix APPV