

**Review of third-party access to Rail infrastructure in NSW**

Philip Laird University of Wollongong November 2022

This submission is a brief one raising the question as to what happens when a freight operator who has some access to part of the Sydney Trains network and is told that they cannot have any additional paths for freight trains.

It also raises, in Section 2, 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 road. It also calls, in Section 3, for consideration of the additional emissions caused when freight that could have been moved by rail, has to be on road.

The submission is in part based on ongoing research conducted at the University of Wollongong, however, this submission does not necessarily reflect the views of the University. This research includes <https://theconversation.com/instead-of-putting-more-massive-trucks-on-our-roads-we-need-to-invest-in-our-rail-network-172491> which has the disclosure that the writer has some shares in some (freight) transport companies.

**1. Brief comment on the draft report**

The October 2022 draft report of the Tribunal is appreciated, as is the opportunity to make submissions.

In broad terms, the concerns noted by Aurizon, Qube and Pacific National about impediments to rail freight operations are noted with interest. These impediments often result in more loads on roads, thus increasing external costs, and emissions.

**1.1 A lack of additional paths issue**

During 2021, some details were released about a proposed development by Manildra at Port Kembla to support the export of Ethanol that would be reliant on use of heavy trucks using public roads between Bomaderry and Port Kembla.

At its meeting of 1 November 2021 Wollongong City Council meeting adopted, unanimously, a motion based on a Lord Mayoral Minute presented that in part resolved to:

1. Write to Minister for Planning and Public Spaces expressing concern that further intensification and concentration of the production, storage and transport of highly volatile products at Port Kembla, approved under the State Environmental Planning Policy (Three Ports), could have potential negative impacts on

- a) The community with cumulative noise and pollution levels on adjoining access roads;
- b) Council assets and local amenity especially trucking noise; and
- c) The Port through increased risk of a chain reaction with cumulative hazardous operations.

This 2021 application was withdrawn by Manildra, and an amended application was lodged in 2022 with the NSW Department of Planning and Environment, as State Significant Development with submissions due by 15 August 2022. As well as a Traffic Impact Report noted as well as options of the use of 23 metre B Doubles along with 35 metre long A Doubles.

The new application has been considered by two Neighbourhood Forums (5 and 7) in Wollongong who resolved to make a submission in part as follows.

- 1) Explore in detail with the applicant the extent to which it has considered the viability of using existing rail infrastructure as an alternate to road transport and why it has ruled out this possibility.
- 2) If existing rail infrastructure cannot be used: -
  - a) Specify the routes that trucks must use and specifically prohibit routes that would take trucks
    - i) over Downies Bridge on Old Port Road and or
    - ii) through the residential areas of Berkeley, Lake Heights, Warrawong and Windang i.e. the use of King Street and Northcliffe Drive are prohibited.
  - b) Apply a levy on the proponent for Council and State Road upgrades and repairs.
  - c) Require the applicant to undertake and transparently publish the results of traffic surveys at regular intervals with a view to confirming the traffic projections provided in the application.
  - d) Restrict the hours of operation to exclude Sundays, Public Holidays and between 9.00 pm and 7.00 am.

Advice was subsequently received from Manildra that they already have 14 freight paths and have been told by Sydney Trains that they can have no more. This was despite the advice, in July 2022, where TfNSW announced that the NSW Government had just completed \$40 million rail upgrade to 13 kilometres of track on the South Coast Line to a 25-tonne axle loading between Berry to Bomaderry and the tunnels between Kiama and Berry (see <https://www.transport.nsw.gov.au/news-and-events/media-releases/40-million-rail-upgrade-south-coast-line-complete>).

To quote 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.

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.”

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 (the train operator and track provider) can often result in finding an extra train path or two.

## **2. External costs**

The Independent Pricing and Regulatory Tribunal (IPART) of New South Wales in its 2012 *Review of Access Pricing for the NSW Grain Line Network* gave two sets of unit values for various external costs.

These unit average values for external costs were for road and rail freight in both urban and non-urban areas. The higher set of values included estimates for accident costs, air pollution, noise, emissions and road congestion, along with an allowance for unrecovered road system costs from trucks, in cents per net tonne kilometre (ntkm), as follows. [CPI adjusted to late 2021]

2.75 cents per ntkm for road haulage in urban areas	[3.34 cents per ntkm]
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1.98 cents per ntkm for road haulage in non - urban areas, [2.41 cents per ntkm]  
 0.43 cents per ntkm for rail haulage in urban areas, and, [0.52 cents per ntkm]  
 0.17 cents per ntkm for rail haulage in non - urban areas. [0.21 cents per ntkm]

These 2012 IPART costs have likely increased more than CPI. The CPI increase is as per the RBA site.

The 2012 accident costs average some 0.6 cents per net tonne kilometre (cents per ntkm) for road freight as against 0.03 cents per ntkm for rail freight. The average unrecovered road system costs from the operations of 6 axle articulated trucks (6AAT) and 9 axle B-Doubles (9ABD) are considered to be about one cent per net tonne km.<sup>1</sup>

Some consideration by IPART in its final report of the additional external costs that result when freight that could go by rail, ends up on road, would be much appreciated

### **3 Emissions**

Australia has recently enacted legislation to reduce emissions of carbon dioxide by 2030 by some 43 per cent from 2005 levels. New South Wales also has policies to reduce carbon emissions.

An average freight train will use about one third of the diesel that articulated trucks will use for a given freight task. That means rail will produce about one third of the carbon dioxide emissions than articulated trucks will produce for a given freight task.

Some consideration by IPART in its final report of the additional emission that result when freight that could go by rail, ends up on road, would also be appreciated.

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<sup>1</sup> This is based on current New Zealand mass-distance charges as opposed to the Australian current annual registration charges for these large trucks and the current discounted diesel fuel excise (road user charge) for truck operations.