

## **INLAND RAIL PROJECT AND REGIONAL NSW**

**Organisation:** Lockhart Shire Council

**Date Received:** 23 December 2020



File Ref: PV: SJ: 20/5370

22 December 2020

The Chair  
NSW Legislative Assembly Committee on Investment, Industry and Regional  
Development  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Sir

## **INQUIRY INTO THE INLAND RAIL PROJECT AND REGIONAL NSW**

Thank you for the opportunity to make a submission with respect to the above Inquiry.

The Lockhart Shire covers an area of 2,942sq km and is located in the Southern Riverina area of New South Wales. With a population of 3,080 the Shire includes the major townships of Lockhart and The Rock and the smaller villages of Milbrulong, Osborne, Urangeline, Yerong Creek and Pleasant Hills. The Rock is situated on the Olympic Highway and on the Sydney to Melbourne Main Southern Railway Line.

Lockhart Shire is the centre of farming excellence. Fertile soils led to agriculture flourishing, firstly as a grazing district and, with the advent of cropping, became a prosperous mixed farming area.

Inland Rail has the potential to significantly impact on freight movements in Australia's eastern states. Having regard to the Inquiry's terms of reference, particularly with respect to *"economic development opportunities arising from the project"*, Council believes the Inland Rail project provides an opportunity to invest in, and capitalise on those branch lines which, whilst remaining open, are very much underutilised.

One such example is the rail link from Boree Creek to The Rock which leaves the main Sydney-Melbourne line at The Rock and links the communities of Milbrulong, Lockhart and Boree Creek. The branch line carries grain from receival points to the main Sydney-Melbourne line at The Rock from which the grain is routed either to ports in Victoria to the south or NSW to the north.

The branch line is currently light weight rail which will not allow wagons to be loaded to their maximum axle weight causing significant productivity loss for operators. This is compounded by recent upgrades to receival sites which have resulted in higher volumes of grain that needs to be transported to port. The current inefficiencies of the rail network also result in a higher proportion of grain being transported by road.

Upgrading the line to the same axle weight as the main line will have the following benefits:

- Enabling wagons to be loaded to their maximum weight significantly increases productivity i.e. carting the same amount of grain with less trains means higher productivity and lower costs to producers and operators.
- Encouraging greater use of rail for the transporting of grain and thereby reducing the number of trucks on Shire roads with resulting financial, environmental and road safety benefits
- Upgrading the rail line to the same axle load as the main line will generate operating cost and wagon productivity benefits by: -
  - Removing the need to change locomotives from heavy weight locomotives in order to operate on the light rail line.
  - Removing the need for transferring the locomotives with increased manning costs.
  - Reducing cycle time by avoiding delays in transit time to transfer the locomotives.
  - Avoiding additional capital costs in holding two sets of locomotives.

Importantly, upgrading The Rock to Boree Creek rail line to heavy rail aligns with the “NSW Freight and Ports Plan 2018-2023, included in the Inquiry’s terms of reference, as follows:

“Objective 3 – Capacity

- *Make capacity boosting investments in the rail freight network by improving the capacity of east-west movements through targeted improvements to the NSW rail network and supporting the Inland Rail Project”.*

The proposal is also consistent with the 20 Year Vision outlined in the NSW Transport Long Term Master Plan, in particular Sections 6 and 7, as follows:

“Section 6 – Providing Essential Access for Regional NSW

- *Make our regional roads safer*
- *Move regional freight more efficiently.*

Section 7 – Supporting Efficient and Productive Freight

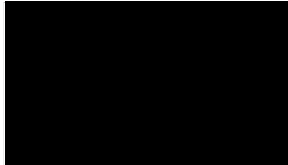
- *Implement rail freight infrastructure enhancements to increase the share of freight carried on the rail network, with new investment in rail pinch points, measures to improve rail competitiveness and the development of a metropolitan intermodal terminal network.*
- *Develop rail freight capacity projects.”*

A more detailed outline of the proposal to upgrade the Boree Creek to The Rock rail line, including details of how the project aligns with other State and regional strategic plans, is attached.

Revitalising branch lines connecting to the Inland Rail and what will become the backbone of the rail freight network in NSW, will provide operational, economic, environmental and road safety benefits.

The opportunity to make a submission to the Inquiry is appreciated. If further information is required on any of the matters raised in this submission please do not hesitate to contact the writer.

Yours faithfully



Peter Veneris  
**General Manager**

att

**Attachment**  
**Lockhart Shire Council**  
**Upgrading of The Rock to Boree Creek Railway Branch Line**

---

**Executive Summary**

The Rock – Boree Creek region is a significant grain production zone.

The Rock to Boree Creek railway branch line is currently light weight rail which will not allow wagons to be loaded to their maximum axle weight.

Upgrading the rail line to heavy rail will create productivity efficiencies as well as reduce the amount of grain transported on local roads.

**Current Situation**

The rail link from Boree Creek to The Rock is 57 km long. It leaves the main Sydney-Melbourne line at The Rock and links the communities of Milbrulong, Lockhart and Boree Creek.

The branch line carries grain from receival points to the main Sydney-Melbourne line at The Rock from which the grain is routed either to ports in Victoria to the south or NSW to the north.

The branch line is currently light weight rail which will not allow wagons to be loaded to their maximum axle weight causing significant productivity loss for operators. This is compounded by recent upgrades to receival sites which have resulted in higher volumes of grain that needs to be transported to port.

The current inefficiencies of the rail network also result in a higher proportion of grain being transported by road.

**Rationale**

The estimated cost of upgrading the line to a higher axle weight is not known to Council but believed to be in the vicinity of \$30 million (\$20 million if second hand rail is used). The line is owned by Transport for NSW.

Upgrading the line to the same axle weight as the main line will have the following benefits: -

- Enabling wagons to be loaded to their maximum weight significantly increases productivity i.e. carting the same amount of grain with less trains means higher productivity and lower costs to producers and operators;
- Lower rail costs would in turn support higher grain prices to growers by rail providers passing the reduction in rail cost to grain exporters through lower rail rates and exporters, competing for grain, using lower rail rates to bid higher grain prices for export bound grain;
- Upgrading the rail line to the same axle load as the main line will generate operating cost and wagon productivity benefits by: -
  - Removing the need to change locomotives from heavy weight locomotives in order to operate on the light rail line;
  - Removing the need for transferring the locomotives with increased manning costs;
  - Reducing cycle time by avoiding delays in transit time to transfer the locomotives; and
  - Avoiding additional capital costs in holding two sets of locomotives;

- Supporting the movement of export grain through NSW bulk and container ports and reversing the decline in bulk grain moved by rail to NSW port terminals. A large portion of grain on The Rock to Boree Creek rail line moves across to rail systems in other states.
- More effective rail to port operation and lower rail rates would increase the volume of grain received into silos on the rail line, reducing the portion of grain that is stored on farm due to the high cost of rail transport.
- Leveraging on GrainCorp's changes to its grain receival sites in the area. These changes involve spending millions of dollars upgrading the sites at Boree Creek and Milbrulong whilst closing other sites in the area resulting in significantly more grain being deposited at Boree Creek and Milbrulong both of which are situated on the subject branch line.

(On 3 December 2020 the Narrandera Argus reported that Boree Creek GrainCorp is close to capacity with 100,000 tonnes already in storage and 140,000 as maximum capacity. Boree Creek GrainCorp is considering increasing the storage at Lockhart to manage increasing supply. This year Boree Creek GrainCorp has also been receiving grain from Coleambally and Morundah - refer copy attached).

- Encouraging greater use of rail for the transporting of grain and thereby reducing the amount of trucks on Shire roads with resulting financial, environmental and road safety benefits.
- The majority of roads in the local area used for the transporting of grain are local roads funded by local councils. The inadequacy of the rail link contributes to the deterioration of the road network at significant cost to ratepayers.
- The impact on the local road network is exacerbated by the trend towards trialling heavy vehicles to improve the efficiency of road transport as has occurred under the Grain Harvest Scheme. Engineering estimates indicate that a truck carrying an additional 0.5 tonnes does 1.6 times more damage to the road and a truck carrying an additional 2.13 tonnes are 8.4 times more damaging to the road network.
- Shifting more freight from road to rail improves safety for other users of the road network including school buses and local residents going about their daily activities.
- The Riverina and South West Slopes and Plains Containerised Cargo Demand Assessment (June 2014) prepared by PWC for Transport for NSW noted that transport by rail has a lower probability of accidents. For each net tonne kilometre travelled, rail is a third less likely to cause either an injury or fatality. This results in savings in relation to health and vehicle repair costs.

## **Strategic Alliance and Stakeholder Support**

### NSW Freight and Ports Plan 2018-2023

Upgrading The Rock to Boree Creek rail line to heavy rail is aligned with the "NSW Freight and Ports Plan 2018-2023 as follows: -

#### *Objective 3 – Capacity*

*"Make capacity boosting investments in the rail freight network by improving the capacity of east-west movements through targeted improvements to the NSW rail network and supporting the Inland Rail Project".*

### Melbourne to Brisbane Inland Rail Route

Upgrading The Rock to Boree Creek rail line capitalises on the route chosen for the Melbourne to Brisbane Inland Rail. Inland Rail will provide a rail freight connection between Melbourne and Brisbane that will connect regional Australia with global markets.

The decision to build the southern section of the inland freight railway through Albury and Wagga Wagga instead of the alternative option through Shepparton and Griffith, reinforces the benefits of upgrading The Rock to Boree Creek rail line so that wagons can be loaded to their maximum capacity.

#### NSW Transport Long Term Masterplan

The proposal is consistent with the 20 Year Vision outlined in the NSW Transport Long Term Master Plan

##### *Section 6 – Providing Essential Access for Regional NSW*

- *Make our regional roads safer*
- *Move regional freight more efficiently.*

##### *Section 7 – Supporting Efficient and Productive Freight*

- *Implement rail freight infrastructure enhancements to increase the share of freight carried on the rail network, with new investment in rail pinch points, measures to improve rail competitiveness and the development of a metropolitan intermodal terminal network.*
- *Develop rail freight capacity projects.*

#### Independent Pricing and Regulatory Tribunal (IPART)

The benefits of moving grain by rail as opposed to road transport are consistent with the findings of the Independent Pricing and Regulatory Tribunal (IPART) in its review of access pricing on the NSW grain line network (April 2012) which noted that: -

*“After considering stakeholder submissions and sensitivity testing of assumptions in our supply chain cost model, we confirm our Draft Finding that rail has a substantial cost advantage over road for transporting grain to port on each of the grain line routes at current access prices.”*

Using its estimated supply chain costs, IPART noted rail’s cost advantage over road transport for the relevant rail line as follows: -

Rail line	Rail Supply Chain Costs (\$/t)	Road Supply Chain Costs (\$/t)	Rail's cost advantage (\$/t)
Boree Creek – Port Kembla	43.02	58.32	15.30

#### Riverina Eastern Regional Organisation of Councils (REROC)

The project is also consistent with the Regional Freight Transport Plan prepared by REROC’s Infrastructure Planning Committee which noted that: -

*“The region’s rail infrastructure is under-utilised, closures of branch lines over the last fifteen years has forced an increasing number of grain trucks onto roads, many of them HML vehicles, including road trains.*

*These are roads that were never designed to withstand continuous use by heavy vehicles. The result has been an accelerated deterioration of the road network leading to significant inefficiencies in the carriage of freight. In addition as many of the roads that are bearing the increased usage fall within the responsibility of local government the consequence is that the cost of moving freight has been shifted from the rail network (where it could be recouped by users) to the road network where it is met by local government.”*

### Riverina Joint Organisation of Councils – Regional Priorities Plan

The Riverina Joint Organisation's Regional Priorities plan identifies five regional priorities one of which is Transport and Connectivity with the following goals and strategies in relation to freight transport: -

#### *Goal*

*Road and rail freight moves efficiently within and through our Region providing effective support for the national freight task.*

#### *Strategies*

- 1. Identify and remove impediments to connectivity in our Region's transport corridors.*
- 2. Identify opportunities to improve freight logistics.*
- 3. Identify opportunities to move freight from road to rail.*

### Riverina Murray Regional Plan 2036

The Project aligns with the Riverina Murray Regional Plan released by the Minister for Planning, the Hon Anthony Roberts MP, in March 2017 which includes: -

*Direction 18 Enhance road and rail freight links.*

*Action 18.2 Prioritise projects that address impediments to the regional freight network to improve capacity and opportunities in the network.*

### Regional Economic Development Strategy 2018-2022

A Regional Economic Development Strategy (REDS) has been developed, with NSW Government support, for the Functional Economic Region (FER) comprising the Coolamon, Junee, Lockhart and Wagga Wagga Local Government Areas. The Strategy builds upon the opportunities presented by the Region's endowments and specialisations. There are six elements to the Strategy one of which is "Support and Grow Agribusiness" underpinned by a number of actions including: -

*"Upgrade the rail line between The Rock to Boree Creek to increase productivity"*

This project also aligns with the comparative advantage and situation analysis contained in the REDS Supporting Analysis insofar as grain farming is, together with sheep, beef and dairy cattle ranked as the no. 1 industry by value added (refer Table 6) and ranked no. 1 by value of exports (refer Table 7).

### Neighbouring Councils

The rail link is situated within the Federation and Lockhart Shires and services properties in Federation and Narrandera Shires to the west, Wagga Wagga City Council to the north and east, and Greater Hume Shire to the south. Letters of support for the upgrading of the rail link have previously been received from Greater Hume, Narrandera and Wagga Wagga Councils, copies of which can be provided on request. The upgrade was previously also supported by the former Urana Shire Council which now forms part of the newly proclaimed Federation Council following its merger with Corowa Shire.

### Other

In addition to the support of neighbouring councils the proposal is also supported by the region's grain growers evidence of which can also be provided on request.



### **Other Considerations**

Any upgrade of the branch line should be undertaken in a manner so as not to exacerbate the flood risk to the town of Lockhart.

Enlarging the bridge on the railway line at the western end of Lockhart will have significant benefits for the town in terms of flood mitigation.

### **Further Information**

For further information please contact: -

Peter Veneris  
General Manager  
Lockhart Shire Council  
65 Green Street (PO Box 21)  
Lockhart NSW 2656



---