

**Freight Operation and Benefits**

**Questions tabled at Narromine to Narrabri CCC meeting 22–23 January 2019**

**What are the primary factors that drive rail freight rates, e.g. loading time, axle weights, speed, train length and bulk vs container freight?**

All of the above play a role in rail freight costs, in addition to the total annual volume, consistency of available product and efficient asset utilisation for the train operator and the track gradient (slope) which may require more locomotives to travel up a hill.

For example, in high volume bulk transport such as coal, each train may transport 2-3 million tonne per year compared to a grain train which may transport 300kt or 10%.

Axle weights are a good example of “quick” efficiency gains. Many bulk grain wagons are capable of loading to 92-tonne gross or approx. 68 tonne payload, although most grain lines are rated at 84 tonne gross resulting in a shortfall of 8 tonne per wagon, without adding wagons just an axle load increase would result in a 13% efficiency gain.

Loading and unloading rates for example, go directly to the amount of train crew hours included in contract rates for end users. Not dissimilar to truck drivers, train crew have maximum times which are mandated by the Rail Safety Regulator. Depending on the total train operating hours the loading/unloading time of 4 hours vs 12 hours may incur significant additional crew time and therefore increasing costs.

Bulk vs container mode is a customer driven outcome based on quantity required and the supply chain capability such as storage, handling and transport options within the end destination. International conditions would indicate a continued increase within the container trade.

**On completion of Inland Rail, what will be the various distances from grain receipt centres to various ports, e.g. Coonamble to Port Kembla and Baradine to the Port of Newcastle?**

Subject to final design and agreement with state governments on connections:

Location	Distance (km)			
	Newcastle	Botany	Kembla via Stockinbingal	Brisbane
Narrabri	410	582	943	655
Narromine	514	504	657	935
Gilgandra via Troy Jnc	631	623	846	1100
Gilgandra via Curban/Narromine (IR)	670	660	814	926
Coonamble via Gilgandra/Troy Jnc	541	531	756	1033
Coonamble via Curban/Narromine (IR)	620	610	763	1041
Moree	506	678	1043	558
Dubbo	478	468	693	970
Parke	623	455	545	1042
Goondiwindi	640	812	1178	425



### **What will be the potential grain freight rates from local siloes to various ports when the inland rail is completed?**

ARTC is not in a position to provide specific freight costs given the variables outlined in 7.1. However, given certain assumptions such as increasing total train load from 2400t to 5000t the recent CSIRO study into Northern NSW transport costs would indicate a \$10 per tonne savings for bulk grain movements from Narrabri to Port of Newcastle.

DIRD have commissioned CSIRTO to undertake further study on the Central West region.

### **Will the Port of Newcastle receive containers in the future?**

The Port of Newcastle has master planning approval for a container terminal, which does not require any further approvals to be sought. ARTC is of the understanding that the current lease includes conditions the Port of Newcastle is seeking to have removed or be deemed unlawful. The CEO of Port of Newcastle has stated publicly their board has approved the construction of a terminal on the proviso the restrictive conditions are removed.

During December 2019 The ACCC instituted proceedings in the Federal Court against NSW Ports Operations Hold Co Pty Ltd and its subsidiaries Port Botany Operations Pty Ltd and Port Kembla Operations Pty Ltd for making agreements with the State of New South Wales that the ACCC alleges had an anti-competitive purpose and effect.

“We are alleging that making these agreements containing provisions which would effectively compensate Port Kembla and Port Botany if the Port of Newcastle developed a container terminal, is anti-competitive and illegal,” noted ACCC Chair Rod Sims.

More detail: <https://www.accc.gov.au/media-release/accc-takes-action-against-nsw-ports>

### **Is the grain terminal at the Port of Newcastle going to be upgraded to receive longer trains?**

The existing ARTC infrastructure within the Newcastle port precinct allows for trains in excess of 1500m at 30 total axle load or 120 tonne gross wagons.

ARTC is undertaking additional track reconfigurations under NSW Govt Fixing Country Rail to enhance regional train service capability. This includes extension of Merrygoen Loop to +1500m and siding extensions within the Newcastle port precinct.

There are two grain terminals located at Port of Newcastle:

1. Newcastle Agri Terminal – was constructed on a balloon loop and is capable of discharging at 2000tph at train lengths over 1300m in a continuous movement.
2. Graincorp – requires shunting to tip but achieves a similar unloading rate of 2000tph.

### **Does or will the Port of Brisbane have train access for bulk or container grain?**

The Port of Brisbane has existing dual gauge rail from Acacia Ridge to Fisherman Island container terminal. The track which services the Graincorp bulk terminal on Fisherman’s Island is currently only narrow gauge but discussions are underway with Graincorp as to timing required for this be dual gauge capable.