

NSW Grain Freight Review – Commonwealth Response

	Recommendation	Response
1.	<p>Grain Supply Chain</p> <p>Branch Line Network</p> <ul style="list-style-type: none"> ▪ Over the next three years, a systematic program of investment be undertaken to stabilise the conditions of the lines listed below to ensure that they can be reliably operated (at a minimum) as Class 5 lines. <ul style="list-style-type: none"> ➢ North Star to Moree ➢ Walgett to Burren Junction ➢ Merrywinebone to Narrabri ➢ Warren to Nevertire ➢ Tottenham to Bogan Gate ➢ Coonamble to Troy Junction ➢ Lake Cargellico to Temora ➢ Naradhan to Ungarie ➢ Hillston to Griffith ▪ In view of their broad economic benefits, the cost of stabilising the branch lines listed above at a Class 5 level should be met by the NSW Government through a non-recoverable grant. 	<p>This is a matter for the NSW Government.</p>
2.	<p>Weemelah to Camurra Junction line</p> <ul style="list-style-type: none"> ▪ The NSW Government and the owners of fixed infrastructure along the Weemelah-Camurra Junction line enter into negotiations on appropriate arrangements for the sharing of the costs of upgrading the line. ▪ The line be retained if these negotiations result in a cost-sharing agreement acceptable to all parties. ▪ If the negotiations do not result in a satisfactory cost-sharing agreement, the line be closed. 	<p>This is a matter for the NSW Government.</p>
3.	<p>Boree Creek to The Rock line</p> <ul style="list-style-type: none"> ▪ The NSW Government and the owners of fixed infrastructure along the Boree Creek to the The Rock line enter into negotiations on appropriate arrangements for the sharing of the costs of upgrading the line. ▪ The line be retained if these negotiations result in a cost-sharing agreement 	<p>This is a matter for the NSW Government.</p>

	<p>acceptable to all parties.</p> <ul style="list-style-type: none"> ▪ If the negotiations do not result in a satisfactory cost-sharing agreement, the line be closed. 	
4.	<p>Cowra-Demondrille (including Greenethorpe-Koorawatha) line</p> <ul style="list-style-type: none"> ▪ A detailed independent study of the potential use of the Cowra lines for the movement of containers and other non-grain traffics be undertaken. This study should proceed with the financial support from the NSW Government and in consultation with Lachlan Regional Transport Committee members. ▪ The scope of this study should include an assessment of the Cowra-Blayney link. ▪ In the event that the results of the study indicate, to the satisfaction of the track owner, that there is economic justification for the retention (or reinstatement) of some or all of the lines under consideration, the lines be retained and stabilised (at a minimum) as Class 5 lines. The cost should be met by the NSW Government through a non-recoverable grant to the rail track manager. ▪ If the results of the study do not indicate a viable case for retention, the lines be closed. 	This is a matter for the NSW Government.
5.	<p>Ongoing rail maintenance</p> <ul style="list-style-type: none"> ▪ Once the stabilisation works have been completed, access charges on the grain network be reviewed to determine an appropriate level of user contribution to ongoing maintenance. ▪ In considering future access charges, the access provider should also take account of: <ul style="list-style-type: none"> ➢ the principles and approach underpinning the determination of access charges in other states; ➢ progress with parallel road pricing reforms so that future increases in branch line network access charges do not have the unintended consequence of shifting grain freight to road; ➢ the ability of industry to pay. ▪ Any required increase in charges be phased in over a five-year period. 	The Australian Government supports the recommendation to review access charges on the grain network.
6.	<p>Funding for further rail improvements</p> <ul style="list-style-type: none"> ▪ The proposed grain industry coordination body examine the issue of whether 	This is a matter for the NSW Government.

	<p>selected grain lines should be upgraded to Class 3 standards.</p> <ul style="list-style-type: none"> ▪ If further improvements to track standards beyond Class 5 levels are judged by industry to be desirable, they should be funded by industry, either through up-front capital contributions or increased track access charges. 	
7.	<p>Track capacity</p> <ul style="list-style-type: none"> ▪ The Commonwealth and NSW Governments investigate the options to address train pathing constraints into the port of Newcastle, ensuring that there is some capacity available to cater for opportunistic or intermittent demand. ▪ In seeking to achieve this objective, priority should be given to measures that allow better use to be made of existing infrastructure. ▪ If additional infrastructure investment is required to ensure that adequate track capacity is available for opportunistic or intermittent users, the costs of the additional risk associated with this investment be borne by government as a CSO. 	<p>The Australian Government agrees with the need to further investigate train pathing issues in partnership with the NSW Government, including measures to allow better use of existing infrastructure.</p> <p>If it is determined that additional infrastructure investment is required, this will be a matter for the NSW Government and the grain industry to negotiate.</p>
8.	<p>Track ownership</p> <ul style="list-style-type: none"> ▪ The branch line network remain in public ownership. 	<p>This is a matter for the NSW Government.</p>
9.	<p>Track management and maintenance</p> <ul style="list-style-type: none"> ▪ Responsibility for the management of the NSW branch line network be consolidated in the hands of the ARTC. ▪ NSW Government seek to renegotiate its lease with the ARTC for the NSW interstate and Hunter Valley networks to include the branch line network. ▪ The NSW Government in conjunction with the ARTC develop rolling three year infrastructure plans for each branch line, make these plans publicly available and notify relevant parties of any changes to these plans. ▪ Under the lease agreement, the ARTC be required to negotiate and agree priorities for and the timing of branch line network maintenance with all train operators on this network. 	<p>The Australian Government supports a more effective management of the branch line network, on the basis that ownership of the infrastructure remains with the NSW Government.</p>
10.	<p>Planning a dedicated grain road network</p> <ul style="list-style-type: none"> ▪ Identify a strategic 'grain road network' on which future road investment will be concentrated and which will (over time as investment permits) be made available for HPV operation. 	<p>The Australian Government agrees with the recommendation to identify a "grain road network" and will continue to support this initiative through</p>

	<ul style="list-style-type: none"> The process to develop this network and resolve specific road access issues for grain freight should be regionally based, led by the RTA and involve local councils, road transport operators and grain storage companies. 	measures to expand access of High Productivity Vehicles (HPVs) under the existing Australian Transport Council and COAG framework.
11.	<p>Restricted Higher Mass Limits (HML) network</p> <ul style="list-style-type: none"> The NSW Government, with the assistance of industry and local government, remedy identified gaps in the grain road network to ensure HML operation is possible on all critical grain routes. As part of the existing reform initiative under COAG, consideration be given to addressing current inequities in the distribution of road revenues to those responsible for road management and maintenance. 	The Australian Government supports the continuation of heavy vehicle road pricing reforms through the COAG agreed Road Reform Plan Phase II managed by the Australian Transport Council.
12.	<p>Impact on local roads of branch lines closures</p> <ul style="list-style-type: none"> Any future grain line closures should be accompanied by a clear definition of the preferred alternative road routes and a funding plan (negotiated by all affected road owners) for improving these routes to accommodate the additional traffic load. 	This is a matter for the NSW Government.
13.	<p>Port issues</p> <ul style="list-style-type: none"> The ACCC be urged to review the accreditation system as part of its scrutiny of access undertakings under the WEMA. 	The Minister for Agriculture, Fisheries and Forestry will work with the ACCC on an ongoing basis to ensure the regulatory process is efficient and appropriate in managing an open access regime at Australian port grain terminals.
14.	<p>Storage and handling</p> <ul style="list-style-type: none"> Government funding of the proposed investment in rail network stabilisation be contingent on a Memorandum of Understanding with owners of storage facilities along the stabilised lines to ensure a level of private investment to improve capacity and/or outloading. Specific commitments to improvements to storage facilities be agreed between government and facility owners. 	This is a matter for the NSW Government.
15.	<p>Moving Forward</p> <p>Ongoing system coordination & performance monitoring</p> <ul style="list-style-type: none"> The NSW Government should facilitate an ongoing government/industry 	The Australian Government will support the NSW

	<p>grain logistics coordination vehicle to keep the focus on efficiency improvements through all aspects of the supply chain including ports, bulk handling, and rail and road access. Appendix E provides further detail on the recommended functions and form of such a body.</p> <ul style="list-style-type: none"> ▪ This body should develop, with funding from government, monitoring and performance metrics which focus on the efficiency of the grain supply chain as a whole. 	<p>Government in the facilitation of an ongoing government/industry grain logistics coordination vehicle.</p> <p>The Standing Committee on Transport supporting the Australian Transport Council is in the early stages of considering development of rail productivity indicators.</p>
16.	<p>Coping with surge and bumper seasons</p> <ul style="list-style-type: none"> ▪ The proposed coordination body should also have a role in pre-season logistics planning to ensure that the challenges of bumper harvests and within-the-year surges in demand for grain are managed as effectively as possible. 	<p>The Australian Government agrees with the role proposed for the government/industry grain logistics coordination vehicle and supports the NSW Government in the establishment of this body.</p>
17.	<p>Taking a long term view</p> <ul style="list-style-type: none"> ▪ The Commonwealth Government should take a greater strategic role in the future development of the east coast grain freight network (particularly rail). 	<p>Infrastructure Australia is developing a National Freight Network Strategy. The Australian Government will consider this matter after receipt of IA's advice.</p>
18.	<ul style="list-style-type: none"> ▪ Following the release of the results of the Inland Rail Alignment Study, the Commonwealth Government should consider the need for a detailed study of the future role of the port of Newcastle in the grain export chain. 	<p>The Australian Government will consider this matter after receipt of advice on a National Freight Network Strategy from Infrastructure Australia.</p>