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## **Rail freight policies languishing in the age of steam**

On the eve of Australian transport ministers meeting in Sydney, the nation's largest rail freight operators and infrastructure owners said governments are getting it right on rail infrastructure, but other policies impacting the sector are languishing in the age of steam.

Freight on Rail Group (FORG) of Australia Chair Dean Dalla Valle said at a time when Australians want safer roads, less traffic congestion during their daily commute and lower carbon emissions, government policies are largely geared to rolling-out heavier and longer trucks.

"As a case in point, the National Heavy Vehicle Regulator recently approved the roll-out of a 105-tonne 36.5-metre B-Quad truck on select routes between Victoria and Queensland<sup>1</sup>.

"Don't get me wrong: I see the obvious freight productivity benefits, but how much bigger and heavier do we want trucks on our roads to get? What's the upper limit?" said Mr Dalla Valle.

Mr Dalla Valle said the trucking industry must be congratulated for the strength and intensity of its advocacy. I admire how truckies make no apologies for being single-minded in their pursuit of extracting from governments major concessions in efficiency, productivity and road access.

"Unfortunately, rail freight has become tangled in nests of technical jargon and jumping at perceived safety risks that modern-day technology has largely eliminated," said Mr Dalla Valle.

Mr Dalla Valle gave the example of how a NSW freight train driver with more than 25-years' experience can be subjected to up to 18-months of extra training to operate on a similarly configured rail corridor in another state or territory.

"In stark contrast, a NSW truck driver can move from operating a semi-trailer for a year to handling a B-Double or Road Train<sup>2</sup> in just two days at minimal cost with immediate access to thousands of kilometres of road across every jurisdiction in the country," said Mr Dalla Valle.

Mr Dalla Valle said a 2017 Deloitte Access Economics report found moving nine tonnes of freight by rail instead of road between Melbourne and Brisbane saves approximately \$250 in accident and emission costs<sup>3</sup>.

"A single 1,800-metre freight train hauling containers is equivalent to removing 70 B-Double trucks from our roads. These compelling facts put rail freight firmly on the right side of every debate.

"It's disappointing the benefits of rail freight are not fully recognised or embedded in government policies. More worrying, policies aren't keeping pace with the delivery of upgraded rail infrastructure or the range of new and improved technologies available to the sector," said Mr Dalla Valle.

**Media enquiries:** Melinda Hawkins 0429 687 712

<sup>1</sup> Australia's first B-Quad hits the road. Australasian Transport News. Tuesday 2 August 2018.

<sup>2</sup> Getting a heavy vehicle licence. <https://www.rms.nsw.gov.au/business-industry/heavy-vehicles/licence/index.html#multicombination>

<sup>3</sup> Value of Rail. The contribution of rail in Australia. A report commissioned by the Australasian Railway Association (ARA). Deloitte Access Economics. November 2017.

**FORG is calling on the Transport and Infrastructure Council (TIC) of Australia to urgently consider the following initiatives to get rail freight policy back on track:**

- **Rail freight efficiency and productivity to be given a higher priority by TIC, including a program of work in 2019 to streamline federal and state regulations to allow the proven benefits of rail freight to be fully utilised throughout Australia’s transport supply chain.**

Mr Dalla Valle said FORG members hear a lot about the need to reduce government red tape in other freight sectors, including policy proposals like trialing truck platooning on major highways and relaxing rules on the use of foreign-flagged and crewed cargo ships in Australian waters.

“To develop policies to deliver new innovations and efficiencies, the rail freight sector is simply asking for an equal playing field. This can only be achieved by a new era of closer collaboration between government agencies, which regulate rail networks, and private companies which operate on those networks,” said Mr Dalla Valle.

- **Office of the National Rail Safety Regulator (ONRSR) refashioned to not just maintain a focus on safety compliance and enforcement, but also the timely advancement of much-needed efficiency and productivity initiatives in the rail freight sector.**

Mr Dalla Valle said ONRSR has demonstrated strong commitment and leadership to improving rail safety, and FORG would like to see the Council broaden the vision of the agency to not only continue to deliver safe railways, but also help industry enhance efficiency and productivity.

“The vision of the National Heavy Vehicle Regulator is to have ‘a safe, efficient and productive heavy vehicle industry serving the needs of Australia’<sup>4</sup>. Why doesn’t the rail freight sector enjoy the same level of ingrained institutional support?” said Mr Dalla Valle.

Mr Dalla Valle also stressed the importance of other federal and state government agencies involved in the regulation of rail freight to work closer with industry.

“The emergence of dedicated freight divisions within government transport agencies in recent years has been encouraging, but deeper engagement with private rail freight operators is needed,” said Mr Dalla Valle.

- **Harmonisation of operating procedures and training requirements for freight train drivers and crews across state and territory borders by 2021.**

Mr Dalla Valle said outside of the busy shared rail networks of Sydney, Melbourne and Brisbane, there are very few major variations or surprises to how a freight train operates on a railway line.

“In the last decade, advances in communication and signalling technologies like sophisticated global positioning systems and state-of-the-art network control systems can now be deployed to help dramatically improve the safe running of trains,” said Mr Dalla Valle.

<sup>4</sup> <https://www.nhvr.gov.au/about-us/who-we-are/about-the-nhvr>

Mr Dalla Valle gave the example of how more than 600 rail routes across Australia require a myriad of different operating codes and standards for running a freight train.

“During long-haul interstate or trans-continental trips, train drivers will travel on multiple rail networks, each having a raft of different codes, standards and communication protocols that must be adhered to. This is an area in our industry ripe for simplification, modernisation and harmonisation,” said Mr Dalla Valle.

Mr Dalla Valle said the rail freight sector needs to be regulated to actual risk, not perceived risk and certainly not outdated historical risks.

“To improve rail freight productivity in this country – which directly impacts the cost of transporting goods and commodities to domestic and global markets – it’s time to consign outdated and contradictory cross-border rules to the dust-bin of history,” said Mr Dalla Valle.

- **Productivity Commission to investigate and quantify the impacts of mandated train driver hours on the rail freight sector; notably in Queensland and New South Wales.**

Mr Dalla Valle said the trucking and aviation sectors in Australia have shifted towards greater use of risk-based approaches to fatigue management, but rail continues to be subjected to overly-prescriptive and complex rules which often produce perverse safety outcomes.

“For example, changing over train crews when outer limits of service are reached, irrespective of the location of a train on the network, results in staff driving back and forth on roads between depots and locomotives; creating needless road safety risks and added operating costs,” said Mr Dalla Valle.

Mr Dalla Valle said at times freight trains can be suddenly delayed on the network because of problems beyond the control of operators, resulting in locomotives being ‘parked-up’ in odd locations at odd times.

“Mandated hours for train drivers are inflexible; removing the ability for freight operators to deal with these unforeseen events with any degree of agility,” said Mr Dalla Valle.

- **Recognise rail freight sector’s significant contribution to reducing both accident costs and carbon emissions in Australia’s transport supply chain.**

Mr Dalla Valle said a 2017 Deloitte Access Economics report found that for every tonne of freight hauled, road freight produces 14 times greater accident costs than rail freight and 16 times as much carbon pollution<sup>3</sup>.

“I don’t see any of these factors being adequately built into charging models for transport; indeed, long-overdue and much-needed reforms in the critical policy area of heavy vehicle road usage pricing have largely come to a grinding halt,” said Mr Dalla Valle.

Mr Dalla Valle said meanwhile regulators continue to be preoccupied with targeting diesel emissions from freight locomotives.

“I suspect it’s a lot easier for regulators to pursue the nation’s small locomotive freight fleet, which operates within closed corridors, as opposed to making the effort to monitor hundreds of thousands of trucks running on Australia’s massive open road network,” said Mr Dalla Valle.

Mr Dalla Valle said a 2017 federal government report found freight and passenger rail transport accounted for a mere 4 per cent of total transport sector greenhouse gas emissions<sup>5</sup>.

“In comparison, the report found heavy vehicles in 2017 accounted for more than 20 per cent of total transport emissions in Australia; growing to almost 30 per cent by 2030<sup>5</sup>,” said Mr Dalla Valle.

Mr Dalla Valle said such ‘policy prejudice’ against rail will result in added regulatory burdens for freight operators, needlessly driving up operating and compliance costs in the sector.

“This will have the deleterious effect of forcing freight from rail to road, generating even higher volumes of emissions in Australia’s transport supply chain,” said Mr Dalla Valle.

***National code of practice for diesel emissions***

Mr Dalla Valle said Australia’s rail freight operators had worked hard over the last two years to develop a detailed and comprehensive national code of practice for diesel emissions for existing and new locomotives.

“The code has been endorsed by the Rail Industry Safety and Standards Board and is set to be rolled out in December this year – I sincerely hope governments across the country recognise the efforts of industry, as opposed to reinventing the wheel,” said Mr Dalla Valle.

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<sup>5</sup> Australia’s emissions projections 2017. Table 7: Emissions by sector (Mt CO<sub>2</sub>-e). Australian Government. Department of the Environment and Energy. December 2017.