

SYDNEY NEWSLETTER



Railway Technical Society of Australasia
Sydney Chapter
PO Box 138, (118 Alfred St)
Milsons Point, NSW 1565

NOVEMBER 2005

MEETINGS

NEXT MEETING

Thursday 3rd NOVEMBER

**17.30 for refreshments prior to the
Presentation at 18.00**

**HARRICKS AUDITORIUM, ENGINEERS
AUST, 118 ALFRED ST, MILSONS POINT
(200 m north from station)**

NEW GENERATION IRON ORE WAGONS

Tim Kajons from EDI will be giving a presentation on new ore wagons for Whyalla.

OneSteel, owner and operator of the steel plant at Whyalla S.A. has ARG as the contract operator of its ore railway between ore extraction sites and the plant. This railway is narrow gauge (3' 6" in old speak) and has been in existence for since early in the 20th century. Even very early in its life it boasted the most powerful steam locomotives in the country (subsequently overtaken by standard and broad gauge power, but never equally on any other local NG railway).

OneSteel needs new wagons for an expansion of ore extraction and has engaged EDI as the contractor. These wagons are to be used in the new mine development that has just been approved by the SA government. The existing infrastructure at the plant cannot support these wagons primarily due to their rate of discharge so a new unloading plant is to be constructed

These wagons will convey iron ore with a very high clay content and variable moisture content (up to 8%). This material is similar to plasticine and behaves like ore that is currently being mined. Hang up at unloading is a real problem.

Current wagons can take many minutes to discharge even with the help of vibrators and spikes. Because of these problems OneSteel insisted that a prototype be built and tested under controlled conditions. Subject to the results of

these tests the project would either be cancelled or given the green light. Suffice to say that the prototype "solved the problem that couldn't be solved". Unloading time is now in seconds not minutes potential hang up (depending on moisture content) is now measured in kilograms not tonnes. 56 wagons in coupled pairs will be required. Each wagon will gross at 92 tonnes with a cubic capacity of 30m³. The resulting 23 tonne axle load compares with the existing 20 t.a.l. These wagons are additional to the existing fleet. EDI are also upgrading a number of the existing wagons so that the track speed can be increased

RTSA Sydney Chapter meetings are normally held on the first Thursday of each month (except December and January), normally at the Harricks Auditorium but from time to time at alternative locations. Some meetings may be joint events with kindred organisations, such as PWI or IRSE, in which case the venue will depend on the hosting organisation.

Members will be advised by Newsletter and/or flyer prior to each meeting

LAST MEETING

An Englishman from Australia went to

Japan to look at Trains

The presentation on 6th October 2005 was delivered by Ian D Mash: a Senior Consultant with Interfleet Technology based in Sydney.

The paper derived from Ian's participation in the Institute of Mechanical Engineers (UK) Summer Technical Visit to Japan, between the 14th and 25th May 2005.

The aim of the visit was to understand what are the contributory factors which enable the Japanese Railways to maintain their enviable reputation throughout the railway world, not just for their Shinkansen (colloquially referred to as the Bullet train) but also for their Urban and Metro networks.

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Ian shared many photographs taken variously during visits to:

- Shinkansen Control Centre
- Shinkansen Maintenance Depot
- Maglev Test Track
- 2 Railway Museums, including the National Railway Museum of Japan.
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The lessons learned were suggested to be relevant to both the UK and Australia, and if applied judiciously, might contribute to the growth of each in closing the performance gap to what might rightly still be considered the benchmark railway in terms of Speed, Reliability and Innovation.

Ian suggested that the Japanese are doing all the things that the railways of Australia and the UK have been trying to do, only they appear to be doing them better.

A performance and development based on the philosophy of incremental improvements was described. This is supported by investment directed to where it is most appropriately used, and is invested for the longer term.

Utilising rolling stock and facilities commensurate (for the conventional networks) with those of the UK and Australia, their performance clearly, substantially and consistently exceeds ours.

The fundamental contributory factors identified were found not to be new, nor in any way a revelation. However, that in itself is a key lesson to be learned. When striving to create a better railway, Ian suggested the most realistic foundation is to take the 'ordinary' one you have, apply a process of incremental improvement, and commit the time and money to grow it into a extraordinary railway over a sensible and realistic timeframe.

THE OBSERVATION POST

It must by now have come to the notice of all readers that the equal share Pacific National partnership of Patrick and Toll is not going at all well. The reason of course is to do with the current attempt by Toll to take over Patrick. The outcome is quite uncertain at the date of writing but clearly the Toll bid as it currently stands does not appeal to the Patrick board at all. In fact if the media reports are even part true there would seem to be a major fracture in the partnership, which may well prove impossible to recover from regardless of the eventual outcome. CEO of PNL, Stephen O'Donnell has left in a flurry of words that indicate his ability to manage the railway has been compromised by activities and attitudes of the partners, while two other senior executives have left (or been removed, depending on the reporter). Clearly things are serious for PNL just right now. Reports indicate that there is a process in the partnership agreement that, in the absence of any other agreement on fundamental matters in dispute, would allow the assets of Pacific National to be divided among the partners. Maybe an interesting (but reasonably unprofitable) parlour game would be to try and second guess what the resultant two railway asset lists (assuming PNL is a fatality of the current squabble) would look like.

One aspect largely overlooked is that PNL is the long term leaseholder of all Victorian track other than metro (Connex) and inter-capital (ARTC) routes. This lease was acquired by PNL with the assets of the former Freight Australia. Under FA there was an endless list of impediments placed in the way of potential third party operators as there were for a whole range of government upgrade

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projects. All the while FA were under-maintaining the track by a significant amount to the extent that now there is a real threat that some of the former Victorian freight network may well be unrecoverable and finish up closing. A good result for the short term American owners but a bad result for Victoria.

Victoria is not the only place that is in this situation. Pacific National Tasmania, acquired from another American outfit (indirectly) in recent times, is now declaring that it will abandon all but a few bits of that network unless government stumps up with \$100 million of government remediation money. In New Zealand, when Toll acquired the former Tranzrail property, the situation was somewhat clearer (but no less satisfactory) such that the NZ government 'bought' the track for \$NZ1 (although anecdotally the government official only had \$2 so that was handed over as payment!) with a promise to invest \$200 million in track remediation, but retaining Toll as the sole operator. It now appears that much more than that the first announced sum will be required to retain and restore the NZ network.

In all three cases there has been a 'privatisation' which has lasted only a few years at most before again being sold, at which time it has become apparent that the original owner has 'milked' the property by under-maintaining the track, with little regard to the longer term consequences. It seems pointless to privatize the railway if in the end track is being 'asset stripped' as the principal means of providing shareholder returns. A completely self-destruct approach to the business but one that seems to accord with the 'quick quid' mentality that pervades the corporate world these days. Unfortunately it does not align with the public, national or even regional interest. If the private sector objectives are incompatible with broader based (community) objectives, then it is pointless to leave the key assets in the hands of the private sector. Let them do the things that they can do well – competing above rail being one of these – but take the below rail assets back into a different form of ownership and control where objectives can be aligned

By now there would seem to be enough evidence and experience to support retention of rail track in the public domain, as a 'regulated' monopoly asset over which any or all suitably accredited operators can run. By having rail track in the public domain it is possible to capture the full benefits of the rail track, particularly the externalities that do not directly relate to the train or track owners particular business but are in the community interest. Roads are an example where road charging is overwhelmingly through a combination of user (fuel excise) and community (taxation) funding that reflects the inability of specific road charging to suitably recover costs (if you are in doubt about the resistance to specific road charging just keep watching the toll road debate, particularly in regard to the Cross City tunnel).

Once government (public) funds are put into rail track it becomes untenable for a single operator to be given sole operating rights. In such circumstances it might be administratively easier to simply siphon public funds to the shareholders. Having said that there may be some situations where a single operator (under a suitable regulatory regime) may be justified if that will produce a higher level of 'public good' than by having multiple operators. It may of course also be that completely different structural arrangements will in fact be required, such as adoption of a 'short line' model for small components of route that have a close strategic synergy with a particular industry – still involving a single but very low cost operator in a small area but interfacing to multiple main-stream operators on the secondary and main lines nearby. However the current Australian model does not encourage short lines or end on alliances between operators, although in North America such arrangements are everyday – more issues that potentially need to be sorted out.

The issue of track ownership would seem to require a significant rethink if the rail network is not to be eroded and weakened as a result of short term gain by the financially interested few. The Federal – State enquiry into the Tasmanian situation, the potential issue over the Victorian track lease (if PNL is divided up between disputing shareholders), and the inadequacy of funding into valuable regional links in places like NSW where

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the government remains responsible but unresponsive, now all point to the need for a major re-think on the issue of track ownership, funding and operation. Without the track there can be no railway, so this issue is quite fundamental to our business.

The RTSA Government Relations sub-committee has taken on a task to delineate a preferred framework for a workable model for track ownership and operation to allow cohesive and consistent comment and submissions on issues such as that currently in Tasmania. It is also important that the Victorian Government does not miss the opportunity for a second time to get their track issue right, a point that RTSA should have an informed opinion on prior to any such event.

It would seem that the stars are in alignment for a change in relation to track. It is particularly important that this opportunity is not missed.

Should any members have contributory views on this matter they should contact Andrew Honan (Chair, Govt Relations sub committee) on [a<underscore>honan@pacific.net.au](mailto:ahonan@pacific.net.au) or the editor (contact details at the end of this Newsletter)

ON THE HORIZON

The **AusRAIL PLUS 2005** conference (and attendant exhibition) will be on again at the Sydney Convention and Exhibition Centre, which if you are like me and somewhat confused by all the 'Sydney xxx Centres', is at Darling Harbour. The dates are Tuesday 22nd to Thursday 24th of November. The first two days will be taken up with a combination of plenary and technical sessions under the auspices of ARA, RTSA, ARIC, IRSE and RTAA while the third day will be all ARA. Details can be found at www.ausrail.com

The **CORE 2006** conference planning is charging ahead toward the dates of 30th April - 3rd May 2006. The venue is at the Melbourne Grand Hyatt which is up at the Paris end of Collins St (how come the Paris end of town is full of high rise buildings when Paris is all four or five story Napoleonic buildings?). Details can be found at www.core2006.org and registrations are now open.

NOTICEBOARD

KEY RTSA SYDNEY CHAPTER COMMITTEE CONTACTS

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John Aitken	Committee	Max Michell	Committee
Arnold Aranjó	Committee	Trevor Moore	Committee
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Bob McCotter	Committee	John Watsford	Committee

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CONTRIBUTIONS TO THE SYDNEY NEWSLETTER

Part of the function of RTSA is to keep members in touch with what is going on in the industry and with each other and to that end we are only too happy to publish items of interest. Articles or editorial comment for Newsletter are very welcome. We have several hundred members locally some of whom must have stories, events or developments of interest that could make an interesting item for Sydney Newsletter.

Send copy to the Editor, Max Michell, by e-mail to samrom@bigpond.com, phone 02 9241 2675 or post to 806/129 Harrington St., The Rocks, NSW, 2000.

For all other matters relating to RTSA Sydney Chapter contact Basil Hancock (Secretary) or Bill Laidlaw (Chairman) as above.

CPD CREDITS

Members who attend RTSA meetings and events will qualify for CPD credits as per the Engineers Australia criteria. Members are responsible for recording their own CPD for audit.

NOTICE TO MEMBERS RECEIVING RTSA NEWSLETTER BY EMAIL

Members receiving this Newsletter by email should note that all Sydney Newsletters will be sent in a PDF format prepared using Adobe Acrobat Version 6.

Version 6 of Adobe Acrobat Reader may be downloaded free of charge from the internet at www.adobe.com. Alternatively, Adobe Acrobat Reader 6 is generally included on the CD ROM attached to most computer magazines.

If you should receive this Newsletter by post but would prefer to get it by e-mail (quicker and more reliable) then please let the Secretary know. E-mail saves time for you, and costs for RTSA, which in the end can only mean better service to our members

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