

K FALDT SUBMISSION - Endorsing LACA SUBMISSION

Independent Review – ARTC Inland Rail and its Delivery

11 November 2022

Dear Sir/Madam

RE: Independent Review – ARTC Inland Rail and its Delivery

Please find attached my personal submission to the **Independent Review – ARTC Inland Rail and its Delivery which is to support and endorse the submission made for Logan and Albert Conservation Association Inc LACA by president Anne Page and also the submission made by Robyn Keenan LACA member and representative on C2K CCC**

I am a member of LACA ie Logan and Albert Conservation Association Inc and have attended several CCC meetings for both K2ARB and C2K as an **observer. Observers are usually not able to ask questions.**

The community represented by Logan and Albert Conservation Association INC would like to thank the Federal Government for providing the community with this opportunity to review the ARTC Inland Rail program and its delivery.

LACA is a volunteer conservation group which has worked with the community to improve the environment in the Logan City Council and Scenic Rim Regional Council areas for more than 30 years.

While the C2K CCC is still meeting and participating on a regular basis – including online, the chair for K2ARB has stopped calling any meetings until “the approvals pathway has been confirmed.

While C2K corridor is a greenfield site requiring an EIS, K2ARB has been allocated the corridor to be used by the passenger rail corridor for the passenger train Salisbury to Beaudesert – a corridor not wide enough for both freight and passenger trains.

ARTC have maintained that since it is an existing track an EIS is nor required?

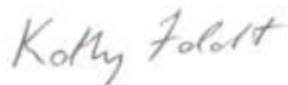
There are many concerns community has relating to K2ARB corridor – land resumptions being one of them. There are many sensitive areas and no opportunity to seek community input

Closing community out is a reprehensible action.

ARTC do not “consult”.

With the Inland Rail project, there is a lot of “presentation,” little “discussion” and few answers or reasons to affected residents.

Yours sincerely,



Kathy Faldt



The following pages constitutes LACA’s submission I support and endorse.

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THEME 1: *ARTC governance and management arrangements for the delivery of the Inland Rail Program.*
d) *Having regard to current market constraints and regulatory environment, assess program scope, schedule, and cost, including (ii) review Program costs, contingencies and escalation*

Business Case

The basis of the project is a **flawed and out date Business Case**. The 2015 Business Case was developed with what appears to be, the predetermined outcome of making the project viable. It has a significant number of flaws which were exposed during the Senate Enquiry into the Management of the Inland Rail project by ARTC and the Commonwealth Government, Department of Finance, November 2019. These mis-calculations and omissions cast doubt on the Economic Benefits demanded of a project of National significance with consequential budgetary implications, in a time when there are such demands on Federal expenditure.

A. Initial underestimation of cost and subsequent significant escalation in costs.

The initial cost at commencement of construction in 2018-19 was \$9.3 billion. The massive 'blow-out' in the budget in the ensuing 3 years - \$14.3 billion in 2020 with the prospect of >\$20 billion before completion, casts doubt over the economic viability of the project.

The Senate Enquiry by the Standing Committee on Rural and Regional Affairs and Transport, chaired by the Hon Sen Glen Sterle, reported on ongoing concerns about the cost of the project. The final Committee report stated this increase in cost from \$4.7 to \$14.3 billion, with predictions that it will exceed \$20 billion, "potentially undermines Inland Rail's Business case and casts doubt over the ARTC and Australian Government's capacity to manage the project."¹

B. The financial analysis of the Inland Rail found the project 'would not generate enough revenue to provide a return on its full construction cost' but would be 'cash flow positive once operational.'^{2,3} Based on current planning, it will take at least 10 years to build the railway. Interest on the ARTC loans will multiply rapidly over those years, and it will take another 10 years of freight traffic to generate enough revenue to start repaying the loans. The venture may bankrupt ARTC. Inland Rail can only ever attain viability without debt.⁴

The Business case states that the project will take 35 years to break even. However, this is against the cost estimate of \$9.7 billion, not the current projected cost of >\$20 billion.

C. The 2015 Business Case found that, on a stand-alone basis, Inland Rail would generate a cost-benefit ratio of 2.62 at 4% discount rate and 1.02 using a 7% discount rate and P50 capital costs. (Based on projected costs as calculated in 2016).⁵

Even with 2015-16 figures, at the most frequently used 7% discount rate, it barely breaks even. With the ongoing price increases plus the inclusion of interest on the mounting debt, the project is unlikely to break even in 35 years, if ever.

D. The PPP component from Gowrie to Acacia Ridge, estimated to be at least 35% of the final costings, was not included in this cost estimate.

However, these costs, including construction costs of \$3.3 billion for construction, and \$792,004,324 for indirect costs - a total of \$4 billion, were identified in the draft EIS for the Helidon to Calvert

¹ Final Report, Senate Enquiry in to the Management of the Inland Rail project by ARTC and the Commonwealth Government, Department of Finance, November 2019

² Final Report, Senate Enquiry in to the Management of the Inland Rail project by ARTC and the Commonwealth Government, Department of Finance, November 2019; Inland Rail Implementation Group Report to the Australian Government, August 2015

³ Inland Rail Implementation Group Report to the Australian Government, August 2015

⁴ MHD Supply Chain News; Opinion – Inland Rail – politics of disaster, 29 March 2019.

⁵ Infrastructure Australia, Project Business Case Evaluation, May 2016

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section of the Queensland corridor. Additional to these, are the anticipated costs of building tunnels and track from Acacia Ridge to the Port of Brisbane – anticipated cost \$2.8 billion.⁶ ARTC will also secure some private borrowings and intends to establish, design, build, finance and maintain the Public, Private Partnership (PPP) for the Gowrie to Kagaru section of the project.⁷ These borrowings are not accounted for in the Business case.

- E. An important component of the Business Case is the service offering, with emphasis on the 24-hour transit time from Melbourne to Brisbane to meet industry customers' demand. Simple calculations using section times quoted by ARTC do not equate to the claims made by ARTC when attempting to justify the advantage of rail over road transit in SEQ.
- F. Insufficient costing of negative social impacts – short term and long term.
- G. A lack of costing of short term, long term and cumulative environmental impacts e.g. ARTC have admitted that **the full costing of mitigation of environmental impacts such as fauna fencing has not been included in the final cost estimates.**
- H. **How can a cost estimate be allocated for :**
 - **Short term, long term and cumulative negative impacts on Environmental and Conservation Corridors of National and State Significance (e.g. severing the Flinders to Karawatha Corridor in the C2K and K2ARB sections) or**
 - **Short term, long term and cumulative negative impacts on endangered and threatened species e.g. koala, spotted tail quoll, brush-tail rock wallaby and others?**

⁶ Dissenting Report on the Senate Enquiry into the Management of Inland Rail by ARTC and the Commonwealth Government, Sen Pauline Hanson.

⁷ Submission to the Senate Enquiry in to the Management of the Inland Rail project by ARTC and the Commonwealth Government, Department of Finance, November 2019

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THEME 2: consult with stakeholders across the freight sector to test the Inland Rail service offering and the importance of this to achieving the overall benefits of Inland Rail, including how it provides new capacity and resilience to support Australia’s national supply chain network, having regard to (i), (ii), (iii) and (iv)

Inland Rail cannot provide cost or time effectiveness for the transport of goods.

It provides **no Economic Benefit** to SE Queensland

- goods from SEQ areas can be transported more quickly and effectively by other means
- requires double handling of freight (with increased costs and time delays) onto trucks for local delivery, at source and destination
- Local truck traffic is increased significantly thereby **increasing urban congestion**

Service Offering

The 2015 Business case stated: *“The service offering is central to Inland Rail and reflects the priorities of freight companies for a road competitive service that offers.....a transit time of less than 24 hours....”*⁸

The decision to build Inland Rail was based on this requirement by Industry and the assurances by ARTC, that freight could be delivered from Melbourne to Brisbane in 24 hours.

At commencement, according to the charts in the C2K Draft EIS, there are only 2 Inland Rail Express trains per 24-hours i.e. 4 train movements. There is no increase till at least 2040. There are 4 Super Freighters = 8 train movements per 24-hours, increasing to 11 train movements (5.5 trains) by 2040. Information provided by ARTC indicates the Super Freighters would only get the 24-hour timeframe if they **pay extra** for the faster time.

No figures have been provided by ARTC to demonstrate that this 24-hour transit time requirement can be met by any train. Figures quoted by ARTC for Gowrie (T’wba) to Acacia Ridge state the transit time is Northbound – 2hrs5mins and Southbound, 2hrs20mins. At Acacia Ridge, goods must be unloaded and reloaded onto local road transport vehicles for delivery, **increasing the time to destination.** Road Transport Company, Linfox, quotes transit time for the same journey as 1hr35mins with trucks able, if necessary to deliver to destination without the need to ‘double handle’.

ARTC has not demonstrated they can meet the service offering. What they propose is not cost or time effective for Industry.

Siting of and Access to Intermodal terminals

It appears that the Inland Route was chosen without due consideration of the intermodal sites in Melbourne or Brisbane. In Brisbane, the proposed terminal/intermodal destination, was one of convenience rather than the result of effective planning. The destination/s, Acacia Ridge and/or Bromelton are completely inappropriate for the reasons listed below.

Acacia Ridge

- **Significant population growth has occurred in the suburbs south of Acacia Ridge** in Brisbane and an estimated 50 000+ people now reside along the Interstate Rail Line which has very limited rail movements now and does not have a 24 hours /day service. **These residential communities will be negatively impacted by any increase in rail services with noise, light, vibration, and environmental impacts. It would not be suitable to transport coal through these residential communities.**
- In the centre of a highly urbanised, commercial, and industrial area with heavily congested road infrastructure servicing the terminal. The roads are at capacity now, according to the local communities.
- Some distance to major road corridors in SEQ – Pacific, Warrego, Cunningham, and Bruce Hwys
- 38km to Port of Brisbane via already congested roads
- Rail access via the Standard Gauge Rail (SGR) linking Sydney and Brisbane. This traverses the extensively developed and heavily populated southern areas of Brisbane and south-west Logan City including the PDA of Flagstone with anticipated population of 140000 living within 1 km of the SGR and therefore, the proposed Inland Rail line.

Bromelton and Kagaru

Bromelton

⁸ The Case for Inland Rail. A Summary of the 2015 Business Case; Australian Government/ARTC, Sept 2015

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- 4km west of the rural township of Beaudesert and 41km south of Acacia Ridge. It is 81km by road from the Port of Brisbane.
- Serviced by primarily rural roads leading to the Mt Lindesay Hwy, a National Road in extremely poor state of repair and only 2 lanes in many sections.
- The eastern boundary of the Bromelton SDA follows the Logan River and its flood plain, making it unsuitable for building.

Kagaru

- 21km north west of Beaudesert, 18km north of Bromelton, and 9 km from the Mt Lindesay Hwy.
- On the flood plain of both the Logan River and Teviot Brook and area regularly floods.
- Teviot Brook will frequently carry high volumes of water regularly released from the upstream Wyaralong Dam as well as natural drainage from the flood plain, to service the urban water treatment plant at Cedar Grove Weir on the Logan River, just downstream from the junction of the Teviot and the Logan River. This system will be part of the SEQ Water Grid supplying potable water to Brisbane, Logan, and surrounding areas.
- It would be most undesirable to locate railway facilities on an area providing water for human consumption.
- Along the northern boundary of Kagaru, the primary road servicing the area is a rural road passing through the Flagstone PDA (a satellite city proposed to contain 51 000 dwellings housing 140 000+ people) ,
- **Apart from the lack of suitable flood free building sites, the most significant drawback to Bromelton and Kagaru as intermodal terminals, is the lack of an appropriate transport corridor required to take the unloaded goods to other transport hubs, the Port of Brisbane or to local markets in SEQ.**

The only access is the Mt Lindesay Hwy which runs to Beaudesert, not to Bromelton or Kagaru.

The Mt Lindesay Hwy is at capacity, highly congested, and only dual carriageway as far south as the Logan River at Macleans Bridge, 27 km to the north of Beaudesert. The highway is subject to flooding by the Logan River around Jimboomba (in Logan City). The highway services the growing residential areas of Logan City (e.g. Greater Flagstone and Yarrabilba satellite cities – each with predicted 140 000+ populations) and the southern suburbs of Brisbane City.

Efficient Linkages with Freight Infrastructure.

Neither Bromelton nor Kagaru can provide the freight linkages required by a National Freight Network. As noted earlier, neither has adequate major road infrastructure linking to other freight terminals and being situated in the southern area of SEQ are a considerable distance from other freight distribution centres and commercial areas such as the Port of Brisbane (81 km), Acacia Ridge (41km) Yatala (46km) , Redbank Plains (55km). The industrial and commercial areas to the North of the Brisbane River are even further.

Other Potential Intermodal sites

Gowrie is a convenient distribution and collection point for goods from all parts of the vast and productive Darling Downs Region. Most importantly, it is located close to the Warrego Highway to Brisbane and has direct connection to the Logan Motorway then Gateway Motorway allowing cargo to be delivered direct to the Port of Brisbane without the need to pass through the more heavily congested areas of the Brisbane area. Ebenezeer has direct access to the Cunningham Hwy and it is only a relatively short distance to the Warrego Hwy. The Warrego Hwy services Toowoomba and the northern areas while the Cunningham Hwy gives access to Warwick and the Southern Darling Downs. The Cunningham Highway, as well as the Warrego Hwy provides the direct access to the Port of Brisbane as described above.

The current planned corridors for Inland Rail from Toowoomba to Brisbane (Gowrie to Kagaru), require 3 tunnels to be built – The Toowoomba Range tunnel, through the Liverpool Range in H2C and through the Teviot Range in C2K.

Collectively, these tunnels account for significant percentage of the enormous cost of the SEQ section of Inland Rail. As noted earlier, the Business Case quotes the cost to be 35% of the total budget for the project.

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Termination of the rail in Toowoomba would negate the need for this expenditure. Temporary termination at North Star would also eliminate the flooding issues of the Condamine flood plain until a more appropriate route could be determined.

THEME 3: review the processes for selecting the Inland Rail route to confirm it is fit for purpose and has considered both impacts and potential broader economic benefits to regional economies and communities

Selection of Inland Rail Route in SE Queensland.

There are 5 proposed corridors making up the Inland Rail route in SEQ – Border to Gowrie (B2G), Gowrie to Helidon (G2H), Helidon to Calvert (H2C), Calvert to Kagaru (C2K), Kagaru to Acacia Ridge and Bromelton (K2ARB).

I wish to specifically address **the C2K corridor**, however many of the issues raised are shared by all corridors, including **the K2ARB corridor**.

During the progression of the Inland Rail project since the 2015 Business Case, ARTC purchased a parcel of land in the Bromelton State Development Area, with some frontage to the Standard Gauge Line from Brisbane to Sydney. This purchase occurred around 2016. They are promoting this as a “site for an intermodal terminal”. ARTC was formed by the Federal Government to oversee the operation of the rail freight lines in Australia. They are not a freight transport company or an investment organisation, which leads to questions of integrity in the route selection process.

Impacts

Calvert to Kagaru is a 53 km proposed ‘greenfield corridor’ through rural areas and the Flinders/Karawatha Conservation Corridor. There has never been a rail corridor through this section which encompasses the Bremer River flood plain, the Teviot Range and the Teviot/Logan River flood plain to the east.

Some of the known impacts of this 24 hour/ day railway corridor include noise, vibration, and dust. Of these, **vibration** is of concern in relation to damage to buildings in the vicinity of the corridor. However, it is the **noise impact** that has the potential to cause the greatest disturbance and impact not only to the resident population, particularly in a quiet rural region, but to the environmentally significant areas to be traversed by the C2K corridor e.g. Flinders/Karawatha Conservation Corridor. Usually some noise may be mitigated by conventional means (e.g. noise barriers), however ARTC has advised **there is no intention to employ these mitigation methods in C2K**. Other means suggested by ARTC to residents – double glazing, air conditioning etc – are yet another impact, this time financial, on the impacted communities as **these costs are to be borne by the property owners.**

However, one aspect of noise **impact that cannot be mitigated against**, is the effect of **low velocity noise** which can “travel considerable distance and can pass through concrete walls” – as advised by an ARTC Noise experts.

Most of the predicted noise levels are extremely close to the maximum allowable noise levels for rail in Queensland, leaving little room for unforeseen circumstances such as poorly maintained rolling stock and maintenance issues with the line. ARTC have little control over the type and condition of the rolling stock using the line – that is the responsibility of the owner/hirer of the train. Exceedances of noise standards will be difficult for residents to identify and prove and for authorities to prosecute. Abrogation of responsibility for compliance will be easy for both ARTC and the Transport Companies with little recourse for residents.

The actual maintenance of the line and the corridor is however, the responsibility of ARTC. The experience of residents living in proximity to the existing SGR (K2ARB for Inland Rail) is that ARTC has a very poor maintenance record - the fences are not repaired, the corridor is overgrown with shoulder high weeds, private crossings are not maintained with the resultant poor visibility of oncoming trains a safety hazard and commonplace.

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Regionerate Rail, the preferred PPP proponent, will have responsibility for the maintenance of C2K for the next 25 years. However, residents have no confidence that the current situation is likely to improve.

Environmental Impacts

The C2K section is proposed for a greenfield area, which will have serious environmental impacts. The C2K is proposed to pass through 2 well documented Environmental Corridors – the Flinders/Peak Crossing Koala Movement corridor and the Flinders/Karawatha Conservation Corridor.

The Flinders/Karawatha Corridor is the largest remaining continuous stretch of open eucalypt bushland south of the Brisbane River in South East Queensland. This 60km corridor extends from Karawatha Forest in Brisbane's outer suburbs, to south of Ipswich at Flinders Peak and on to the Wyaralong Dam near Beaudesert and the Border Ranges National Parks. This Corridor provides a critical climate change corridor and refuge for flora and fauna threatened under climate change scenarios.

The Flinders Karawatha Corridor is recognised for its significant conservation, recreation, cultural heritage, and social values. It is identified as a 'Landscape corridor' in the section Desired Regional Outcome 3.2 of the South East Queensland Regional Plan (SEQRP 2009-2031).

It is recognised as habitat for threatened species such as endangered populations of koalas, the Regent Honey Eater, Swift Parrot, the Brushtail Rock Wallaby, Spotted tail Quoll, listed vegetation species such as Lloyd's Olive as well as other flora and fauna species.

The proposed C2K rail corridor will completely sever the Flinders/Karawatha Corridor and the Flinders/Peak Crossing Koala Movement Corridor. The proposed K2ARB section of the rail corridor will completely sever the habitat connectivity from the west side of the rail corridor to the east side.

The proposed C2K rail line will create an '**Extinction Vortex**' for these endangered animals and birds as their **movement to the west, south and east will be restricted by the C2K and K2ARB rail corridors**, and to the north by the Logan Motorway and the residential populations of Logan and Springfield.

There has been so much research into and identification of the environmental importance of this Flinders/Karawatha Corridor (Queensland Government), that it is hard to understand how construction of a high-speed rail freight corridor bisecting it could even be contemplated.

This significant, irreversible and unjustified impact of the Inland Rail Project on this environment as well as the burgeoning residential developments in Greater Flagstone is unconscionable and unwarranted. Wanton destruction in the name of 'progress', is NOT PROGRESS.

THE PPP CORRIDOR FROM GOWRIE TO KAGARU.

It is difficult to assess the Program scope, schedule and cost for the PPP section as very little information is publicly available. Questions to ARTC regarding particulars of corridor design, functionality, management of issues etc for the Gowrie to Kagaru corridors are met with the 'stock' answer – "That will be decided at the design phase." The Community are being asked, to comment NOW on available information for the revised EIS's to be released in 2023. There is always the possibility that there will be significant changes as a result of the design phase and the input of the preferred PPP proponent who will ultimately design and build the corridor from Gowrie to Kagaru. There is no advice as to whether there will be an opportunity for public comment at the Design Phase or any further stages of the Project.

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To date, it has been announced that the preferred proponent to be responsible for the Gowrie to Kagaru corridor, is Regionerate Rail– a conglomerate of 5 companies: **Clough, G S Engineering & Construction, Webuild SpA , Service Stream and Plenary Group.**

Questions to ARTC by C2K Community Consultative Committee (CCC) members regarding the anticipated cost of the project awarded to Regionerate Rail, were dismissed as ‘commercially in confidence’. However, the H2C draft EIS indicated the cost of the PPP corridor as approximately A\$4 billion, while media such as Railway Technology, quoted A\$5 billion.

The cost of the PPP from Gowrie to Kagaru was not included in the 2015 Business Case for Inland Rail.

THEME 4: *The effectiveness of ARTC’s community and stakeholder engagement processes, and opportunities for improvement, including ARTC’s approach to addressing community concerns*

ARTC’s community engagement processes have involved several styles –

1. quarterly meetings with members of Community Consultative Committees (CCC) set up to be the conduit for residents to have their concerns considered by ARTC during the planning stages of the project.
2. Information sessions where displays exhibit information and residents can individually approach ARTC officers with questions
3. One on one private sessions with residents who, in most cases, will have land resumed for the rail project and usually onsite at the resident’s property

The CCC meetings are held at various locations within the relevant corridor of the project. Observers are welcome but can only ask questions in a brief session at the end of the meeting. As travel distances to these meetings is often very high for some, and question time is quite restricted, observer attendance is frequently very low.

CCC members can question and discuss topics during the meeting however time constraints again restrict the length of any meaningful discussion.

Recent development of an online broadcast of the CCC meeting, gives observers the opportunity to email in questions to be answered by ARTC officials during the meeting. However, the proposed rail corridors often pass through areas with poor internet and mobile service which makes online participation difficult.

Even though the preferred proponent for the PPP was announced by ARTC in early 2022, no representatives of the Consortium has been available to be introduced to and address the Community Consultative Groups set up by ARTC to be the conduit to the residents in the areas impacted by the proposed rail corridor.

Residents have many unanswered questions regarding the location, building, operation, maintenance of the G2K corridor for which Regionerate Rail will be responsible as well as the consultation processes to be employed by the PPP proponent. Assurances are constantly given by ARTC that this information will be available but, to date, questioners (including CCC members) have been advised the information is “commercially in confidence.”

A general criticism of the CCC meetings from both members and observers is that too much time is devoted to presentations by ARTC officers. While some material may be relevant to ongoing discussion through the meeting, most could easily be advised via the regular online updates, leaflet distribution to letter boxes, regular and social media articles. This would allow more time at the CCC

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meetings for both member and observer questions with subsequent discussion, on topics of importance to the community.

In the 5 years + that the Committees have existed, CCC members have taken many items of community concern to meetings with local knowledge being an important factor in the relevance of the information. While undertakings are made that the issue will be considered, there is no evidence to show that this has happened. C2K CCC members were recently advised of reference design changes involving the removal of 7 of the 8 level crossings. While this change is welcome, much of the **community concern over safety issues could have been alleviated if ARTC had listened to the stakeholders (residents and Council) 4-5 years ago when the issues were initially raised by residents and CCC members.** Why has it taken ARTC 4-5 years to act on the concerns raised by the community?

Residents in the area of Kagaru are impacted by BOTH the C2K section and the K2ARB section of Inland Rail. Therefore ANY increase in the frequency of freight trains, the impacts of noise, the impacts of vibrations, the impacts of lights at night, the impacts of dust are of great concern to the community. Information has not been shared by ARTC with the community. For example, noise modelling has been conducted for the C2K section in readiness for the Draft EIS, but this information **has not been made available to residents and communities along the K2ARB section.** This information should be made available to those communities along the K2ARB section, especially those communities located closest to Kagaru.

Unfortunately, ARTC's style of informing affected residents of matters affecting their properties, has not improved. For example, Initial contact has often been by circular letter stating bluntly that "access is required to your property ..." and a map giving little information, included. No explanation, no personal contact, no regard for how the unknown will emotionally affect the resident and absolutely no compassion.

"Consultation" is more than giving a presentation and listening to but not giving meaningful answers to questions. The word "consultation" is defined as "a meeting to discuss something or to get information". With the Inland Rail project, there is a lot of "presentation," little "discussion" and few answers or reasons to affected residents.