

Submission to:

The Independent Review of the delivery of the Inland Rail Program

1. Corridor Comparisons and Selection of the Inland Rail Route — Key Theme No. 3
 - 1.1 Prior to the Inland Rail business case of 2015 a process was worked through to choose the best route for an improved north-south rail corridor in eastern Australia, essentially to provide a new faster connexion between Melbourne and Brisbane.
 - 1.2 The key part of this process was the study carried out for the Commonwealth Department of Transport and Regional Services by Ernst & Young and others and published in 2006 as *North-South Rail Corridor Study*, referred to herein as the DOTARS Study.
 - 1.3 The DOTARS Study concluded that the “Far Western” option was the best out of four main corridors considered and this has become what is now called the Inland Rail route.
 - 1.4 The DOTARS Study had an estimate for the “unconstrained” cost of construction of the Far Western option of \$3.1 billion. How it has come to pass in only 16 years that the actual cost of building the Inland Rail will be about seven-times that estimate is a valid subject for enquiry.
 - 1.5 Equally important as part of this review is the comparison of costs for the different corridors that was presented in the DOTARS Study. The comparison with the Central Inland Sub-Corridor continues to be of concern. The proposition that the cost of creating the north-south railway along the existing line from Werris Creek via Tamworth, Armidale and Tenterfield, would be \$8 billion, in comparison with the \$3.1 billion then estimated for the Far Western option seemed very strange in 2006 and, as a basis of comparison and choice, seems more so now in the light of the astonishing cost-expansion of the Inland Rail Project.
 - 1.6 In 2007 the House of Representatives *Standing Committee on Transport and Regional Services* appeared to accept the capital cost figures from the DOTARS Study without question. (Refer Chapter 9 of the *Inquiry into the integration of regional rail and road networks and their interface with ports*, paragraph 9.2.)
 - 1.7 Many others, however, doubted the validity of these cost comparisons, including the authors of the New England Local Government Group *Submission on the North-South Rail Corridor Study Report*, March 2007.
 - 1.8 Were simple mistakes made in the input data and assumptions about the condition of existing rail infrastructure and the relative lengths of greenfield track construction that would be required; did the DOTARS Study overlook the real costs of protecting the Far Western route against flood? This should be cleared-up.
 - 1.9 Until these questions are resolved many casual observers will continue to suspect that the assessment of the various corridors was pre-loaded against the existing main railway on the Northern Tablelands, perhaps by the use of biased inputs.
 - 1.10 The NELG Study of 2007 concluded that the Central Inland Sub Corridor could be completed to an adequate standard for only \$1 billion. While this might seem overly

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- optimistic today, others have estimated that restoring the non-operational 214 km of line north of Armidale to the Queensland border and then developing a standard gauge connexion to Brisbane (one way or another) would cost no more than \$2 billion.
- 1.11 The acceptance in the past of the very adverse cost comparison for the railway on the Northern Tablelands has burdened this line with a bad economic reputation that is almost certainly unjustified and is likely to have serious detrimental consequences for transport planning in this region if it is not clarified.
- 1.12 The DOTARS Study estimate for the cost of the Central Inland Sub-Corridor should be included as a matter of importance in the Inland Rail independent review by Dr Kerry Schott.
2. Selection of the Inland Rail Route — Impact on our community — Key Theme No. 3
- 2.1 The inquiry and Report on the management of the Inland Rail project by the Australian Rail Track Corporation and the Commonwealth Government, by the Senate Rural and Regional Affairs and Transport References Committee dated August 2021 refers, inter alia, to
- (d) engagement on route alignment, procurement and employment;
 - (e) urban and regional economic development opportunities;
 - (f) collaboration between governments;
- 2.2 As far as we are aware in relation to items (d) (e) and (f) above, no meaningful consideration has ever been given to the impact and opportunity costs of the Inland Rail project on the economic and social growth prospects of the New England region, which is a cross border region encompassing the area between Toowoomba (Queensland) and Armidale/Uralla (NSW) to the south. The same applies to the NSW Electorate of Northern Tablelands through the eastern part of which the Main North Railway passes. This railway line, referred to herein as MNRL, is currently non-operational for the 214 km north of Armidale to the Queensland border.
- 2.3 This section of our submission relates to paragraph 3 of the current Enquiry into Inland Rail project (led by Kerry Schott) and recommendation 19 of the above Senate Enquiry's recommendations dated August 2021 which states "*The committee recommends the Australian Rail Track Corporation, in partnership with the Australian and state governments, establish a broader consultation and engagement framework to address community concerns for matters that extend beyond, but are interconnected to, the Inland Rail project.*"
- 2.4 In 2017 it was a great shock to hear then NSW Liberal MLC Scot MacDonald announce publicly that the Inland Rail project had rendered the NSW Main North Railway Line (MNRL) "redundant" and in need of immediate closure so a bicycle path ("rail trail") could replace the rail infrastructure. Resentment to this proposition in the surrounding State and Federal electorates (both National Party seats) followed and has led to a widespread renewal of protest against the possible closure of the MNRL between Armidale and Wallangarra on the NSW/Queensland state border. As well, there are growing calls to have its services restored for freight, passenger and rail tourism purposes and for its function as a military corridor to be reinstated to working order. Unlike the North Coast Line, the MNRL is not vulnerable to flooding. Topographically it is high, dry and stable with working rail infrastructure including railway stations and land reserves along its length. (Some bridges have failed and would

- need replacing.) Renewable energy will be available under the New England (NE) Renewable Energy Zone (REZ)to transition rolling stock from diesel to renewable energy within the next ten years. In fact the NE REZ brings with it a host of post carbon economic opportunities to which an invigorated MNRL is key for future prosperity on both sides of the border.
- 2.5 However currently the legacy of the inflated cost estimates for renewal of the MNRL, that were created during the route selection phase of the IR project, and now, the colossal investment of taxpayer dollars into construction of the Inland Rail, as well as employment activation precincts on its route, eg at Moree and Parkes, has led to what amounts to an “abandon all hope” scenario for growth, activation and investment in the Northern Tablelands/New England regions. The IR project is contributing to creation of an economic and social vacuum across the New England region of NSW.
- 2.6 Proof of this lies in the most recent New England North West 2041 Regional Plan, which barely mentions any future investment in the New England High country region between Armidale and the Queensland border, as well as the NSW government’s Transport 2056 strategy which similarly proposes nothing but dilatory road repair work for the region. This region grew and prospered around an active rail corridor created by MNRL in the 1880s until the early 1990s. What now appear to be erroneous and misleading estimates of the relative costs of building the Inland Rail on its current route, as compared to upgrading the MNRL between Armidale and Wallangarra during the route selection process for the IR will have an ongoing adverse impact on New England and the Northern Tablelands. (See part (1.) of this report, above.)
- 2.7 The New England region (NSW/Queensland cross border region) has huge potential for agriculture, horticulture, high end export crops like peonies, mushrooms, green house tomatoes, medical marihuana, berry fruits, meats of all kinds and now the largest Renewable energy zone in NSW. Many in New England on both sides of the border know and understand that if the MNRL was put back in service opportunities for economic development, population growth and new industry (expansion of National Park and agri-tourism along the entire route, value adding to meat and vegetable production, cool climate wines, secondary REZ industries like green hydrogen, bio-hubs, etc) are possible and likely. The exhausted water damaged pavement of the undivided New England Highway between Armidale and into Southern Queensland simply cannot support what rail could in terms of freight and passenger demand which would come with these new industries. There is now no public transport across the border, into Queensland, other than an expensive daily return commercial flight between Armidale and Brisbane. Brisbane and Toowoomba are the nearest cities, sources of education, family and friends for the Northern Tablelands and the route of the MNRL is also a strong local first nations Songline. However the region is haunted by anti-rail assertions such as “it’ll never happen, it’s too expensive, the government will never do it,” largely due to the legacy of the North-South Rail Corridor Study.
- 2.8 The majority of New England residents on both sides of the border just want services on the MNRL restored so that a cross border, post carbon economic zone, which is also a compatible rural community of scale, can modernise for a post carbon future, with growth focussed on primary and secondary renewable energy driver industries, while retaining and modernising traditional industries like agriculture, horticulture and tourism on both sides of the border.

- 2.9 We request that any review of the business case for the Inland Rail project will include a careful review of the adverse effects that the initial DOTARS Study is having on railway planning and regional development east of the currently proposed Inland Rail corridor.

This submission prepared for the Northern Railway Defenders Forum by
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