

## briefing NOTE

Inland Rail Property Acquisition- Possible Misleading Information.

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<b>TITLE</b>	<b>Inland Rail Property Acquisition- Possible Misleading Information.</b>

References:

- a. Page 44 (para 7.3) of the ARTC Melbourne–Brisbane Inland Rail Alignment Study Final Report July 2010, Appendix J ‘Capital Cost and Delivery Program’ 2010 IRAS
- b. Sch 2 of the Competition and Consumer Act 2010 (cth) ‘The Australian Consumer Law’
- c. ss18, 29 & 30 ACL

### i **Template Tips**

#### **CUSTOMISED STYLES:**

Use the headings below as contents prompts, and Insert text, tables and images as appropriate.

Use Heading, Normal, Bullet and Num styles to format your content.

Find regularly used styles in the **Gallery** on the *Home* tab or find them all in the Styles Pane (Windows shortcut to open the pane is **Ctrl + Shift + Alt + S**)

#### **QUICKLY INSERT LANDSCAPE PAGES**

Use AutoText shortcuts to Insert A4 or A3 landscape pages. Make sure the cursor is on the page BEFORE where you want the landscape page inserted.

- } Either go to **Insert > Quick Parts > Auto Text** or
- } Type **A4-Land** OR **A3-Land** and **press Enter** to insert the page when prompted. The shortcut is case sensitive.

#### **CREATING OR ADJUSTING TABLES:**

The Inland Rail templates have two table styles that can be formatted multiple ways.

- } **Click into the table to activate the Table Tools tabs.**
- } **Select the *Table Tools/Design* tab and check or uncheck the selections in the *Table Style Options* on the far left of the ribbon to add/remove header rows, apply banded rows or first column formatting.**

**Newly created tables will default to the ARTC IR Simple Table. Use the *Table Tools/Design* tab to switch to the alternative table option or to adjust the table formatting.**

**All Sample tables in the document can be edited and used or deleted.**

- } Click into the table and use the buttons on the *Table Tools/Layout* tab to **Insert** or **Delete** rows or columns.
- } Select and delete or replace the dummy content
- } **Shortcut to Insert rows:** Click in the last cell of the table and **press Tab** to Insert a new row to the table.

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**1: ARTC governance and management arrangements for the delivery of the Inland Rail Program.**

*How could ARTC improve its management arrangements and structures to better facilitate the delivery of the Inland Rail Program?*

Fundamentally, ARTC is not an organisation that is a viable choice to build such a major infrastructure project. Its core corporate DNA is that of track maintenance, and keeping the track open for rail operators to access. Its previous project work was all small additional activities that either enhanced or improved current track operations. Extraordinarily little of this work required community consultation, land purchasing, or deeper thinking on environmental needs, vehicle/pedestrian/animal access, fire or flood issues as, in the main, the track, and or, rail corridor was extant.

The organisation was the wrong choice for the task of constructing this railway. It simply did not have the experience, expertise, processes, or people to complete such an undertaking. That it failed to recruit a CEO between 2016-2018, instead opting for an Executive to babysit until Richard Wankmuller was hired, and since his departure in 2021, it has installed the previous community engagement Exec as temp CEO and continues to struggle to find the right person. Rebecca Pickering is a wonderful person, intelligent, and there is no doubt she is working as hard as she can to do the role, but it's evident it is beyond her abilities. The organisation has been effectively rudderless for most of its life. Recruiting a CEO who can make decisions and drive the project forward must be priority number one.

As an example of poor processes, the organisation failed to establish a Project Management Office (PMO) until 2020, and even then it was forced to recruit an outside organisation. This was due to IR hiring a PMO manager in 2017, with the intent to build a PMO, however due to a falling out between that individual and the IR project Manager, he was made redundant. Legal action was threatened if IR created an PMO, so it was hamstrung for three years. As a major infrastructure organisation, the PMO is a fundamental in-house structure. It is the owner of the "how" the projects are progressed through each stage gate. It is the owner of the project language and methodologies to be used across all sub projects. Without this important piece created inside IR, all project methodologies operated independently of each other, which may help explain why there is such disparity in each section.

Risk Analysis for the first three years was simply run by one person for the entire length of project using a very clever excel spreadsheet, which nobody else knew how to use, input or change. Consequently, risk was not something that was engaged as regularly or given the deeper thought that such a major component of the project should have been given.

In my tenure as the Project Director Albury-Parkes (Sep 2017-Feb 2020) I went through five organisational reshuffles and reported to seven different managers in that time frame. With each of these changes came new reporting methods, systems, and procedures. As soon as one was bedded in, the latest changes would be announced and our focus would be shifted from the job to understanding how, who and when our reporting was to be done. I had reports rejected simply because the font size and colour of the Header in the report did not meet the standard. Never mind the actual content. That wasn't important. This pedantic nonsense drove the teams crazy. It became the hot button before reports were submitted, rather than the actual content of the work. The turnover of staff can clearly demonstrate how frustrating it was to work in such an environment. I recall being informed that in 2019 staff turnover was 300%. I worked hard to protect my team, but some of the others- it was a revolving door. With projects such as cross river rail, botany port, and the level crossing replacements in Vic all offering excellent money and better organisational procedures- many people voted with their feet and left IR. The Corporate knowledge within the organisation wasn't simply leaving the building, it wasn't even staying long enough to build to a point of sustainability. Simply holding onto the team by not instituting organisational change every six months would be a good start to better management.

If you really want to understand how the organisation operates daily, look no further than a few episodes of Utopia. We used to joke that Rob Sitch had cameras inside the Inland Rail head office.

Otherwise. Appoint me as the CEO.

I'll fix it. I'll get this thing built and I'll do it with dignity and sympathy for the people and communities...

And it will be on budget and on time, once we agree to what that looks like. You've tried all the traditional methods and people. Go outside the box and appoint me.

**2: The role of Inland Rail in meeting Australia's growing freight task and providing a Service Offering to meet freight sector needs.**

*How could Inland Rail and access to intermodal terminals create new opportunities and benefits for your region/industry/community?*

I was hired in 2017 BECAUSE I had run trains in Australia and overseas, as well as been state manager for Toll in WA. I am not an engineer, but a logistics professional. I understand supply chains, modalities, and pinch points in the chain of responsibility for time critical freight (such as food or flowers). I have run trains, trucks, planes, and shipping. I am a freight agnostic. I was the only person in the exec team who came to the IR organisation who understood the end user needs, and I spent most of the three years inside the organisation asking this very question "*How could Inland Rail and access to intermodal terminals create new opportunities and benefits for your region/industry/community?*"

Because, fundamentally, in its current form, the Inland Rail will not deliver new opportunities for any community along the corridor.

At no point, in any conversation, did Inland Rail consult with freight forwarders. Their entire customer conversations consisted with discussing on occasion with ARTC business development managers, who would in turn, speak to Pacific National or SCT. These two organisations do not want the rail equivalent of a road subbie with one or two trucks interfering with their schedules or freight pricing. The industry has huge barriers to entry, and PN/SCT like it that way. Creating a multi user intermodal hub would only open up the rail for other smaller users, create competition and bring down revenues for the larger operators.

60% of all Rail freight in Australia is intra state movement. The export component is mostly bulk product such as Iron Ore, Coal, and wheat etc. All of which have perfectly serviceable rail networks and arrangements. The most critical component of export logistics is not the rail, but the shipping. There aren't planned to be any increase to ships visiting our ports, so all inland rail would produce is the faster movement of freight from a silo in central NSW to a silo at the port- which will then be loaded onto the ship it would've always been planned for.

Inland Rail was actively working against creating more intermodal facilities on the line, as it created angst for them. Consequently, the line avoids most communities, as it is focussed on the 24hr timeline between Melbourne to Brisbane. To achieve this ability, trains do not stop along the line- so therefore no intermodal terminals will be built.

I have attached separately an example intermodal facility that requires work. This is for the site at Wirrinya, and is one of Graincorps largest wheat loading facilities. The track is ancient, and has one sent of timber points at the northern end. Works need to be done at this facility as it also intended to be used as a crossing loop for the Inland Rail trains, and the distances between the loop track and the main line need be increased to allow for the new train designs to pass one another. Clearly, with the age and disrepair of the facility, and that it is also a major grain store, the obvious thing to do would be to upgrade the entire facility- as it's all about increasing opportunities for the regions. I spoke with the Graincorp manager in 2018, and he said that if we upgraded the rail terminal side, he would upgrade and increase the size of the silos – better for the region all round. I went back to Inland Rail, and the plan was immediately sunk. No funds for the task. Instead, the plan was create curves into the mainline, so that the track was pulled away from the siding, and no work required to be done inside the facility. A cheap, nasty, narrow, short sighted solution. This is the sort of thinking inside the project team that is providing the opportunities to benefit the regions.

To be blunt, I felt so strongly about this matter, I have been considering conducting a PhD on this

very subject. To the point that I did begin conversations with Charles Sturt University in Wagga Wagga.

I wrote about this in the Guardian Newspaper printed on 26 January this year:

*“But, it is the intermodal points that require the greatest scrutiny.*

*Trains do not deliver to a customer. They require a truck movement as the first and last leg and efficient freight transfer between modalities will make or break a transport carrier. At the centre of this network is Goobang Junction, in Parkes NSW.*

*This railyard connects the North South to the East West, and if you're into commercial real estate is destined to be the freight capital of Australia.*

*The mayor, the council and the town are incredibly clear eyed. They get it. Goobang means jobs. Lots of jobs. But where is ARTC in this? After all, they own and operate Goobang. Surely, there is a master plan.*

*How are the many B-Double trucks taking freight from the SCT and PN yards at Goobang into and from Sydney, going to cross Broilgan Road with 20+ 2km long trains passing every day? Trains will block this level crossing for more than 15 minutes as they pass slowly at yard speed. The trucks will be backed up for kilometres. Where is the plan to build a road bridge for the future national freight capital?*

*Similarly, there are many barriers to entry to operate a rail service. It's a highly regulated industry, and locomotives and wagons are not cheap. Running costs such as appropriately trained staff, fuel, and rail wheels are all high.*

*Building a rail yard for intermodal use is expensive. Consequently, there exists a comfortable duopoly between SCT and PN as the national rail operators. Simply because they are the only two companies who can currently operate - and they do it well.*

*There is no suggestion of collusion between them. However, the ACCC has always stated that competition is good for business, and a highly competitive market is good for consumers.*

*So, under s46 of the Competition Act, how is ARTC assisting in removing barriers to accommodate competition into the market? What is it doing to lessen market power from the PN/SCT duopoly? Where in the Goobang Master plan is the multiuser rail yard?*

*Consider all the nation's airports. It's never been left to the airlines to build their own terminal or runway. The airport corporation builds the infrastructure and then leases it to the airline. Goobang is the rail equivalent to a major airport. What has ARTC done in this instance? Left it to the rail operators to buy and build their own rail yards. They have the same plan for the rail terminals at either end of the project. Leave it to the operators to sort out. Imagine the mess if the Sydney Airport corporation conducted their business in this manner at Mascot.*

*It's not just that the rail industry needs to improve competition between the rail operators, it also needs to be both time and cost competitive with road operators. Otherwise, where is the incentive for freight forwarders to make the switch from road to rail?”*

**3: The processes for the selection and refinement of the Inland Rail route and whether these processes are fit-for-purpose, including consideration of benefits and impacts.**

*Do you consider ARTC's approach to engaging communities on the route is fit-for-purpose?*

I think the way we did it in southern NSW wasn't too bad. If you consider there isn't much noise and hasn't been much anger coming from anywhere between Albury-Parkes then yes, I think the approach we set up worked. It was demanding work, as we were in the field every week talking to stakeholders.

But, compared to the other projects, where the anger is vitriolic- we must have been conducting ourselves appropriately. But, because we weren't getting the vitriol, Brisbane head office thought we weren't doing our jobs right, as everyone else was getting smashed- why weren't we?

I think the biggest mistake is allowing the staff turnover to occur. With this project, it's all about the relationships in the community. People like talking to people. Farmers are independent, useful thinkers and speakers. They take their time to warm to an individual, and they want the relationship to endure. Explaining the same story multiple times to multiple people as to why the rail shouldn't



be built in one location is going to be wearing.

*How could ARTC improve its engagement with communities and stakeholders along the route in regard to the processes used to consider benefits and impacts?*

Appoint me as the CEO.

I'll fix it. I'll get this thing built and I'll do it with dignity and sympathy for the people and communities...

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

*What has ARTC done well in engaging with communities, including addressing community concerns?*

The absolute masterstroke that I did was appoint an Agronomist. In my team we had engineers, scientists, accountants, project managers etc- and we all spoke railways. But nobody in the team knew how to speak farmer. So, I hired an Agronomist to work as an intermediary between the farmers and the project team. He would go on site with our community engagement teams, and base line the farms and their operations.

The agronomist we engaged came on board and was able to go to farms and discuss their operations, how paddocks were worked, how animals moved, how machinery moves into, across and from the farm(s). he was able to come back to the project team and explain to us how the railway would impact the commercial operation of the farms, and what needed to be done to mitigate that impact. Splitting a million-dollar farm into inoperable components did not necessarily make for two half million farms, it may render both useless. These matters were considered and were used in how we placed the line between Illabo-Stockinbingal. In some cases, we had no choice but to divide farms, but we tried hard to ensure that care had been used for the affected farm.

As far as I know, no other project team engaged an Agronomist. He cost a lot, and I had to argue hard to get him, but considering the lack of anger from our affected farmers, I think he was worth every cent.

*In what ways could ARTC improve its communication and engagement processes with communities and stakeholders?*

Fundamentally- move the head office out of Brisbane and into the region. Set up in Parkes or Wagga Wagga. Get project teams to live on the alignment. Actually become part of the fabric of the community. Don't just talk about it, live it. Country people have been irritated by city people flying in and out for years now. They hate it.

I tried to set up my office in Wagga Wagga, but was defeated by my seventh manager- who couldn't see the sense of it. But I passionately believe the project needs to go regional. It is the only way for all members of the project team to really understand the impacts and benefits the project will bring to this country.

*How could ARTC improve its engagement with communities and stakeholders in responding to concerns?*