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Independent Review into the delivery of Inland Rail

SUBMISSION RE INLAND RAIL CONFIGURATION IN SOUTH-WEST QUEENSLAND

The purpose of this submission is to support the following propositions:

- (1) That the current proposal to construct Inland Rail as Dual Gauge from Kildonan to Gowrie Junction and maintain the Thallon line as Narrow Gauge be cancelled; and**
- (2) That Inland Rail from Kildonan to Gowrie Junction be constructed as Standard Gauge only and the Thallon line be converted to “Fit for Purpose” Standard Gauge.**

The rationale for these propositions is to eliminate unnecessary and wasteful capital expenditure on the Inland Rail project and to realise a one-off opportunity to provide South-West Queensland with an efficient and fully functional freight rail network from the inception of Inland Rail operations.

One hundred and one years ago, the 1921 Commonwealth Royal Commission into Gauge Unification included the following statements:

Executive summary

“The savings in expense and in time resulting from intensive concentration on the actual change in gauges instead of on third rail and mechanical devices will be so great that attention should be centred upon devices and methods of doing the actual work of changing track and rolling stock to standard gauge.”

Main Report

“Any time or money spent on third rail or mechanical devices is wasted. It is recommended that none of these devices be used and that attention be centred directly on the unification of gauges.”

These statements remain as valid today as they were 101 years ago.

Current ARTC Proposals

To set the scene, it is important to understand ARTC’s current proposals regarding the configuration of Inland Rail between Kildonan and Gowrie Junction. Based on ARTC’s draft EIS for this line section, the current intention of both ARTC and Queensland is to:

- Install dual gauge track over the entire distance of 216 km between Kildonan and Gowrie Junction. (Dual gauge involves provision of a third rail to allow both standard gauge (1435mm gauge) and narrow gauge (1067mm) to operate on the same track).
- Provide a dual gauge turnout at Kildonan to connect Inland Rail from NSW with the narrow gauge line from Goondiwindi and Thallon. (Dual gauge turnouts allow a train to be guided from one dual gauge track to or from another dual gauge or single gauge

track. They are expensive, require regular maintenance and, in some cases severely restrict permitted speed to pass over them).

- Provide another dual gauge turnout at Whetstone where the current Queensland narrow gauge main line diverges to the east to run via Inglewood and Warwick to Toowoomba.
- Provide dual gauge turnouts at six locations between Kildonan and Whetstone to link to narrow gauge sidings and crossing loops. This is a brownfield section on which Inland Rail will be constructed largely using the existing Queensland rail alignment.
- Provide dual gauge turnouts at three further locations to connect with parts of the Millmerran narrow gauge branch line that are also brownfield sections on which Inland Rail will use the existing Queensland rail alignment.

Attempts at Genuine Consultation

Over the last 18 months I have written to a number of politicians and Ministers questioning the proposal to dual gauge Inland Rail from Kildonan to Gowrie Junction. Below *in italics* are their responses as to why the proposal should go ahead and my further response. Also, I have written in similar vein twice to ARTC Inland Rail and responded once to their request for community feedback. They have not replied.

I understand the main reason that the Dual Gauge option has been adopted is at the insistence of the Queensland Government. Their reasoning is so as not to disadvantage any Queensland rail operator.

Rail operators active in Queensland (not including those involved in coal and mineral transport) are Aurizon, Pacific National and Watco.

- Aurizon has fleets of both NG and SG grain wagons and can support operations on either gauge. Aurizon would gain efficiency benefits if the Thallon line were standardised. Aurizon currently moves grain off the Thallon line.
- Pacific National has no NG grain wagons but does have a significant fleet of SG grain wagons. Standardisation of the Thallon line would be of significant advantage to PN.
- Watco in recent years has made a significant investment in NG locomotives and rolling stock for handling grain in Queensland. It would be considerably cheaper overall to convert a rake of NG grain wagons to SG than proceed with the dual gauge solution.

Maintaining the Thallon line as NG will allow interconnectivity with the rest of the Queensland system.

Most traffic on the Thallon line is grain to the Port of Brisbane. There have recently been small amounts of grain railed to Gladstone. I understand there is no other traffic between the Thallon line and regional Queensland. If the Thallon line is converted to SG, it would allow connectivity with the rest of Australia, particularly in times of drought. During the recent major drought massive tonnages of grain were railed from Victoria and South Australia to Moree and much was then road hauled into Southern Queensland. In future droughts, if the Thallon line is SG, some of that grain would certainly make use of it.

Having grain arrive in Brisbane on Standard Gauge does present some logistics problems. (See separate comment re the Port of Brisbane below).

Maintaining the Thallon line as an NG operation will enable above rail operators to move freight from Goondiwindi using their existing NG locomotive fleets, ensuring connectivity between Inland Rail and the regional NG network.

I understand Watco is presently in discussion regarding the potential movement of

containerised cotton from Goondiwindi to Brisbane for export. Containerised cotton does not care what gauge it is carried on. Should Watco be successful in gaining this traffic, as with grain wagons, it is relatively straightforward to convert NG container wagons to SG by changing wheelsets and/or modifying bogies. The same can be done for locomotives. Watco has recently converted some ex Victorian BG locomotives to SG for use in WA.

Inland Rail is being constructed, including the DG section from Kildonan to Gowrie to cater for 25 tonnes axle load (TAL). This would allow NG trains that traverse this section to operate at 25TAL.

The problem with this is the Thallon branch is currently limited to 15.75TAL. The dual gauge section may be able to operate at 25TAL, but narrow gauge trains coming off the Thallon branch will be limited to 15.75TAL because of limitations of the branch line as constructed.

Thallon line standardisation

Standardisation of the 168km Kildonan to Thallon line should be done on a “fit for purpose basis” and not “Gold Plated”. The existing 80lb rail should be satisfactory. As part of Inland Rail, there have been a large number of SG steel sleepers with many years life remaining released from concrete re-sleepering of the Parkes – Narromine, Narrabri – Moree and Moree – North Star line sections. SG steel sleepers released by the project should be cascaded to the Thallon line and their residual value included in the cost/benefit study. Similar work has been successfully undertaken in Western Australia where the Kalgoorlie to Esperance and Kalgoorlie to Leonora lines were converted from NG to SG in a similar cost-effective manner.

If the Thallon branch is standardised it is likely that trains could operate at 19 to 21TAL and possibly higher, making its operation significantly more efficient.

Millmerran line

Some 24 km of the 74 km Millmerran narrow gauge branch line corridor between Yarranlea and Yandilla will become a brownfield component of Inland Rail. However, the line has been out of use beyond Brookstead for some years and that section has effectively been closed. The line's only traffic is grain from Brookstead where Inland Rail comes alongside the grain facility. This can be readily connected to the SG corridor, thus rendering the entirety of the Millmerran line effectively redundant.

Existing Queensland main line between Warwick and Whetstone

The 135 km narrow gauge line from Warwick to Whetstone via Inglewood has no local traffic but exists as a component of Queensland's main line to Goondiwindi and Thallon.

I understand there is some desire on Queensland's part to abandon the existing NG line from Warwick via Inglewood because a number of timber bridges require significant work to keep them operational. At the anticipated rate of progress on the Toowoomba Range part of Inland Rail, these bridges may require interim work to keep the Thallon line operational until the new route becomes available.

Standardisation of the Kildonan to Thallon line would necessarily make the Warwick to Whetstone section of line redundant. I concede that the current Inland Rail dual gauging proposal will provide Queensland with the same option, albeit at the much higher cost of dual gauging.

Standard Gauge to the Port of Brisbane

A new dual gauge line from Dutton Park to the Port of Brisbane at Fishermans Island was completed in the mid-1990s. This linked to the existing standard gauge line from Acacia Ridge. This line is regularly utilised for NG trains to the Port however the SG component has had little use since its construction because almost no freight on the existing SG line from NSW requires transit beyond Acacia Ridge to the Port or vice versa.

This is expected to significantly change as a result of Inland Rail, opening up inter-port competition being a major justification for the project. For example, this would open all of the SG rail network serving the North-West NSW grain region to the option of the Port of Brisbane being the preferred export port.

Unfortunately, configuration of the recently constructed Brisbane Cross-River rail project has rendered the current SG connection between Dutton Park and the Port effectively near unusable as the dual gauge tracks linking Salisbury and Dutton Park will be intensively used for suburban train traffic. I see it as a critical part of the current Review to determine the further infrastructure changes which will be essential in order to address this problem.

Cost/Benefit

I have requested ARTC on several occasions to advise the additional cost of dual gauging from Kildonan to Gowrie Junction instead of building just standard gauge. Each time they have refused to provide a figure quoting "Commercial in Confidence". My estimate is that the additional cost of dual gauging could now be in the order of \$100M. This includes the cost of multiple expensive dual gauge turnouts and more complex signalling.

I recognise there are cost offsets to this proposal including the cost of standardising the Kildonan to Thallon line and Watco's conversion costs for its narrow gauge rolling stock. It is reasonable to assume that Watco undertook due diligence before bidding for contracts on Queensland's narrow gauge network and would have assessed the risk involved in potential line standardisation. For an experienced rail operator coming to Australia, this should be a normal business risk and not require any government contribution.

Conclusion

In closing, it appears that the Queensland Department of Transport and Main Roads is insisting on dual gauge from Kildonan to Gowrie Junction "because they can" and are unconcerned about the possibility of the Federal Government and ARTC wasting possibly \$100M on unnecessary dual gauging.

Conversely, this submission seeks to adopt a holistic network view rather than considering the separate perspectives of ARTC and the Queensland Government. I believe that the overall benefits of these proposed changes strongly align with long standing Commonwealth Government rail network policy and will be to the long term benefit of rail freight users and the Queensland economy.

Geoff Smith

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(Attachment: About the Writer)

GEOFF SMITH - Background

Years of experience 45 in the Rail and Rail Freight Industries

Professional Memberships Rail Technical Society of Australia

Permanent Way Institution

Experience

Geoff has been involved in rail freight transport most of his working life, about half of which was as a self-employed freight forwarder operating out of Adelaide Freight Terminal.

As Managing Director of Mainline Transport P/L (1982 – 2009) Geoff operated a freight forwarding business inside the Adelaide Freight Terminal for twenty years. This has given him a unique view of the operations of a rail intermodal terminal as a person not employed by the owner/operator. During this time Mainline Transport was regularly in the top 50 users of Interstate Rail Freight in Australia.

Other relevant tasks undertaken have been:

- Review for ARTC of freight train activity on lines in NSW that were to be leased or managed by ARTC.
- A review into the options for the transport of 1.6mtpa of black coal from NSW to Port Augusta for Flinders Power in 2000 and a review and update in 2005 to 2.0mtpa (as a subcontractor to Samrom P/L)
- As a director of Gateway Rail, involved in the planning to reopen and standardise the rail network in the Mt Gambier region of SA. This included planning of the movement of 1.0mtpa of bulk wood chips from the Mount Gambier region to Portland, Victoria and also the intermodal transport of timber and paper products to all states.
- Worked (2004 – 2008) as container fleet and maintenance manager for the Macfield Group of Companies. At that time Macfield had a fleet of over 4000 containers.
- Board Member of the National Rail Museum (2006 – 2009)
- Review into reopening the Cowra group of lines (2009) as a subcontractor to Samrom P/L.

Since his retirement in 2009, Geoff has maintained a keen interest in current railway operations.

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