MELBOURNE – BRISBANE INLAND RAIL PROJECT - Review by Dr Kerry Schott

It comes as no surprise that the new Federal Government, in its first weeks in office, has authorized an independent review into the progress of delivery of the Melbourne – Brisbane Inland Rail Project.

Australians are very concerned about the stop-start progress under the project that has already had $15 billion allocated to it, and the certainty that many more billions of dollars will be required to take it through to completion.

ARTC's Planning responsibility

While I fully understand that the Dr Kerry Schott led review's main responsibility will be an examination of the performance of the Australian Rail Track Corporation it is clearly obvious that any shortfall in the ARTC's performance, under the planning, governance and delivery of the project is not their fault.

The ARTC has been endeavouring to take the project forward by complying with the recognized functions of Project Management in a situation where instruction and information coming from the previous Federal Government were contradictory, disorganized and inadequate.

For example under Planning the rail system was initially to provide an express system that conveyed goods between Melbourne and Brisbane in under 24 hours.

Two years into the project "transport livestock, grain and other commodities from local communities along the length of the track" was added as a goal.

Other recent changes to the projects goals, announced by the previous Federal Government, included the installation of a Gas Depot near the village of Gwabegar and a deviation of the rail line to take it through Gladstone in southern Queensland.

The frequency of changes to goals of the project by the former Federal Government has meant that the ARTC has been unable to adjust its forward planning with any degree of confidence.

In addition to the fact that a high speed express system would be completely incompatible with a slower moving rural produce pickup system with frequent stopping, no information has been supplied to the ARTC regarding the daily

number of trains, both north and southbound, needed under each system.

Other information, that is vital to the planning process but has not been released to the ARTC, includes:-

- How many sidings, to enable high speed trains to pass, have to be built?
- How many livestock holding and loading facilities on sidings have to be built?
- How many grain silos will be needed?
- How many Goods Sheds for other produce will be required?
- What will be the cost of installation of the extensive signaling system to control rail traffic?

Governance

The ARTC's governance responsibilities include ensuring that, wherever possible, contractors engaged for any part of the have been selected after having quoted the lowest price and a thorough check being made of their qualifications and ability to do the work.

Another important responsibility under Governance is that the ARTC submits in progress Expenditure Reports to the Minister for Infrastructure showing expenditure to date under each item on the estimate of cost of the works. As the Federal Government did not provide an estimate at the commencement of work under the project or when the works program was changed it has not been possible for the ARTC to comply with this requirement.

Delivery

Delivery of the works under this project by the ARTC have virtually come to a standstill because the new Federal Government has to make the important decisions that the former Government failed to do including whether to scrap the grain/livestock/other produce system, the Gwabegar Gas Depot and the deviation of the line through Gladstone.

Benefit/Cost Analysis

A Benefit/Cost Analysis is undoubtedly a very important action to be undertaken before work has actually started on a government project because the results coming of this procedure, a ratio of Benefits to Cost, actually determines whether works under the project should or should not go ahead.

Although a Benefit/Cost Analysis for this project was commissioned by the Federal Government, and actually undertaken several years ago, the outcome is no longer relevant because it was obviously completed before a decision that the rail service between Melbourne and Brisbane would be an under 24 hours express one. Between 2019 and early 2022 the Federal Government was saying that because train engines will use far less fuel than heavy road vehicles and trains would travel between the two cities several hours faster than trucks using State highways that completion of the works under the Inland Rail Project would result in considerable savings.. However the latter does not stand up to scrutiny because, under the rail system a container has to be taken to the rail by road where it might not be loaded for some time, with a similar delay occurring at the other end, meaning that the rail system might well be slower than road transport.

Even though work under the project is partly completed it is absolutely necessary that an up-to-date Benefit/Cost Analysis is undertaken as soon as the Dr Kerry Schott review has been completed. This analysis should include everything that will affect the Benefit/Cost ratio including on the Cost side:-

- The loss of up to 3,000 truck driver jobs and with the multiplier effect another 4,500 in other employment in communities, from Melbourne to Brisbane, along road routes such as the Hume, Newell, New England and Pacific Highways

- The downturn in the profits of trucking companies, and trucking service industries along these corridors throughout central Victoria, New South Wales and possibly southern Queensland.

On the Benefit side the employment of perhaps 300 personnel at the intermodal loading and unloading facilities at both ends of the line, in container booking centres, at train passing sidings and in the signaling operations.

SWOT Analysis

To help with the making of decisions regarding the future of the Inland Rail Project I have put it under a “spotlight” by a SWOT Analysis.

Strengths

If the system is confined to only a high speed express system some savings in the cost of freight should result.

There will be a significant increase in employment at the intermodal, on-loading and off-loading terminals

Weaknesses

The first requirement for any project, a determination of the need for the work to be completed under it, has not been complied with by the former Federal Government..

The amount of freight that will be consigned on the system (north and south) is not known.

The number of trains per day required in each direction is not known.

Fluctuations in the number of trains each day, north and southbound, might be difficult to organize.

.Differences in the number of trains traveling daily in one direction compared to the other will result in empty trains on return journeys.

Compliance with the “conveyance of grain, livestock and other produce” system would require the financially costly duplication of a system, throughout northern Victoria and NSW, that very efficiently transports rural produce to markets and terminals for dispatch overseas.

Opportunities

The Melbourne-Brisbane system could be linked to other interstate or cross-state systems.

Threats

Due to the inefficiency of, and possible in operation chaos, of the intermodal systems at each end of the line a significant number of consignors of freight between Melbourne and Brisbane might opt to stay with the road system. economically unsustainable.
Low support for the system might make it

At any time in the future the development of local industry and production in both or either of Queensland or Victoria might make the need for an interstate rail system unviable.