

REPORT ON PROCEEDINGS BEFORE

**LEGISLATIVE ASSEMBLY COMMITTEE ON
INVESTMENT, INDUSTRY AND REGIONAL
DEVELOPMENT**

INLAND RAIL PROJECT AND REGIONAL NSW

Virtual hearing via videoconference on Monday, 13 September 2021

The Committee met at 10.15 am

PRESENT

Mr Justin Clancy (Chair)

Mr Clayton Barr

Ms Steph Cooke

Mr David Harris

Mr Geoff Provest

Mr Peter Sidgreaves (Deputy Chair)

The CHAIR: Good morning, everyone. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of the land on which Parliament sits. I also acknowledge that where I am sitting today is Wiradjuri country. I pay my respects to Elders past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Islander people viewing this broadcast. My name is Justin Clancy. I am the member for Albury and the Chair of the Legislative Assembly Committee on Investment, Industry and Regional Development.

With me today are Mr Peter Sidgreaves, the Deputy Chair and member for Camden; Mr Clayton Barr, the member for Cessnock; Ms Steph Cooke, the member for Cootamundra; Mr David Harris, the member for Wyong; and Mr Geoff Provest, the member for Tweed. I note the apology of Mr Philip Donato, the member for Orange. Today is the second public hearing of the Committee's inquiry into the Inland Rail project and regional New South Wales. The terms of reference for the inquiry can be found on the Committee's webpage along with the transcript of the Committee's first public hearing. Committee members and witnesses are taking part via videoconference today and the hearing is being broadcast to the public on the Parliament's website. I thank everyone who is appearing before the Committee today.

GREG SMITH, Deputy Mayor, Moree Plains Shire Council, affirmed and examined

The CHAIR: We will now begin with our first witness. I welcome Mr Greg Smith, who is from Moree Plains Shire Council. Before we start, Mr Smith, do you have any questions about the hearing process?

Mr SMITH: No, I have read through the process. It seems straightforward.

The CHAIR: Mr Smith, would you like to make a short opening statement before we begin the questions?

Mr SMITH: I would take that opportunity, yes. By way of background, I am the Deputy Mayor of Moree Plains Shire Council. I am also a grain and beef producer in the Moree Plains shire. I am 58. I have been at it for about 40 years now. Throughout my life I have seen the decline of regional Australia, mainly through population decline. Along with the population decline, you tend to lose government services. Education, health, specialist services all move away. It is not that we are not efficient at what we do; it is simply that we are a victim of our own success. You see an amalgamation of farms over the years. People are more efficient. Now we are at a point now—we are little over 13,000 people in this shire. We had 19,000 back in the 1990s. We are down to 13,000 now, but our productivity is double what it was 30 to 40 years ago. We are basically the victims of our own success. We will churn out this year, with the full allocation of water, close to \$1 billion or in excess of \$1 billion at the farm gate—\$100 million there in GST revenue straight to the State Government. But because of population decline, we are not seeing a return on that investment from State or Federal governments.

With Inland Rail, the short-term benefits are very evident. We have had a boost to our population. We have got ARTC and Trans4m Rail based in town—120 clerical jobs in the main street and an onsite accommodation village on some council land. It has been a real boon to the accommodation industry. We have seen an uplift in prices of rental accommodation, in the retail sale of accommodation. It is an opportunity for people to get out of the cities. Once we get them here, we can show them a lifestyle that they will hopefully get used to and enjoy. Long term there is going to be infrastructure benefits around this. We have managed through work with council to achieve a special activation precinct [SAP] for Moree.

I am sitting tomorrow with the University of New England [UNE] on a seminar on training. UNE from Armidale wants to come to Moree and set up a remote university. The course tomorrow, discussing our needs in agriculture—because of our activation precinct, we have already seen interest in horticulture so that is something we need training in. Further to that, there is going to be investment in other industries such as hydrogen—massive interest in hydrogen from solar power and the water we have. So the long-term benefits are here for us to keep taking. The reason I am appearing today—there have been some negative comments regarding Inland Rail from other areas, especially where the rail has to go through greenfield sites and I thought it would be a good opportunity to put up a counterargument to those.

The CHAIR: Mr Smith, thank you for that opening statement. I am going to start with questions. I am interested in the special activation precinct that you just mentioned. The Committee notes that Moree was successful in obtaining funding under the Inland Rail Interface Improvement Program with regard to the Intermodal Park and also the Croppa Creek rail spur. Can you give us an update as to where those projects are sitting and how that funding has benefited the region?

Mr SMITH: So far we have a few staff on council—Mr Mark Connolly and his support staff—dedicated into that regional activation unit. The plan to extend the rail loop in Moree—we have a significant amount of onsite or on-rail grain storage, around one million tonnes. It is being expanded as we speak. That is through four major grain handlers. They will then now have access to around nine kilometres of continuous dual rail between Tapscott Road to the south of our old abattoirs right through to the edge of town encompassing our industrial area. We will have 30-tonne axle loading access all the way to the Hunter Valley via the coal network through Narrabri, so there is going to be a big opportunity there to reduce freight costs.

Because we have water—that is a main thing, one of our key aspects through our SAP. We have excess town water at the moment and we have good bore water supply. We have never had water shortages or water restrictions in Moree, to my knowledge. This is something that is attracting especially horticultural investors and they are the first movers who are coming in around the SAP. Just south of town we have got a major solar investment and there are other investors with development applications [DAs] currently pending on solar. So that is one of the drivers with the hydrogen production. The cotton industry have shown interest in using hydrogen for their stationary engines so they can see a future in that.

The CHAIR: What sort of horticulture are you seeing coming in, Mr Smith?

Mr SMITH: At this moment it is still a little bit commercial in confidence but it is most likely your food production—basically grocery-style fruit and veg production and other horticulture, medicinal. We can then piggyback off the back of that—training, any employment opportunities around those for especially our Indigenous population.

The CHAIR: And that is a level of horticulture that you have not had previously there in Moree?

Mr SMITH: No. To date, because of our remoteness basically from the major markets, the irrigation industry is concentrated on cotton and grains—basically cotton because that is the best return on your water. We do have the world's biggest pecan nut plantation just to the east of town and it is expanding. Those nuts at this stage are taken to Toowoomba for processing. There is going to be opportunity there as that plant in Toowoomba reaches end of working life. It will either have to be renewed or relocated so that is something we are keen to keep an eye on as a council. But the horticultural industry is tending to move out away from the cities. It is being pushed out by land value, so once it comes west of the divide it has got to go somewhere where there is adequate water to support it.

The CHAIR: Mr Smith, you talked about the grain handling facilities and then touched briefly on the abattoirs there at Moree. Is there a benefit for the abattoirs, the meat works, in processing?

Mr SMITH: Sorry, a little bit of a location thing. Our former abattoir site—the abattoir closed some years ago. The abattoir capacity in Australia currently is adequate for the amount of beef that is being slaughtered, as far as I—

The CHAIR: Thank you, Mr Smith. I might hand over to other members.

Mr CLAYTON BARR: Thanks for appearing today; I really appreciate it. Thanks for the submission as well. I want to go to something that might be a bit more personal. You described yourself as a beef and grain farmer. At the moment you move your product when it is ready to be moved off to market. Is that by truck or rail?

Mr SMITH: We truck it to either GrainCorp or one of the other bulk handlers in Moree or Gurley. From there it is either exported or domestic use. One of the things we did identify in our work prior to achieving the SAP, or the special activation precinct, was there is over 2.2 million tonnes of grain imported into Queensland every year for their feed grain industry. That is all coming out of Moree and Narrabri shire. If you go back and look at—you can verify this through the Australian feed grain industry's annual report. The last one that gives a comprehensive rundown is the 2018 report. And you compare that to the ACCC's wheat export figures out of Queensland, the grain exports—compare that to what their use is, their exports—and they have to import 2.15 to 2.25 million tonnes of grain annually to support their feed industry.

It is not all beef. Today the chicken industry is consuming as much grain as the beef industry, probably in excess if you include eggs in it. I have got some data here on it. You are looking at around 3½ million tonnes going into meat and egg production in the chicken industry annually and that industry has exponential growth. It is big around the Toowoomba-Pittsworth area. Along with that you have got massive feedlots in south-east Queensland. They were facilitated up there quite easily through—the Government made it easier basically up there through their environmental laws to get feedlots established. It is the sweet spot between the grain production and the beef production or the cattle production area.

Mr CLAYTON BARR: If I assume that your activity is typical of the other farmers in the area—you know, sort of general average activity—will the Inland Rail provide you with new opportunities for what you currently do, not just you personally but you as a general average farming community?

Mr SMITH: What became very evident in the drought was there is high demand internationally for the protein wheat we produce in this area. I spoke to Jock Carter from the national Agri Term. He was bringing feed grain around from WA [Western Australia], unloading it out of boats at Newcastle, railing that to Moree, backloading with protein wheat out of Moree and Narrabri to export. The gap in the difference there with freight and everything would have been about \$100 a tonne, \$115 a tonne. Now he could import feed grain and bring it to Moree, backload trains, and I think the freight on the train was getting done for about half what the Grain Trade Australia [GTA] put down as a rail freight differential, if you are aware what that is—around that \$22 a tonne to get it backloaded. He said every train that went to Moree with feed grain was backloaded with protein wheat. And that was in a record drought. So we have a demand for our wheat out of this area.

What is currently happening now, because the Grain Trade Australia set—they are very firm to tell you it is not the rail freight, but they set what they call a location differential. Now if I sold grain into Newcastle at \$347.50 a tonne, the price in Moree would be \$300 a tonne because it is \$47.50 cost between—they use that as a pricing mechanism. It is basically what it costs you to get it to Newcastle. The interesting thing though is it is two dollars a tonne cheaper to go by road to Brisbane if you look at the GTA's freight differentials, or location

differentials. What is happening now is that is sort of putting a barrier to people delivering to GrainCorp because it might cost you anywhere from \$15 to \$20 a tonne to take it into Moree and deliver it to a bulk handler. You add that to your \$47.

People are building on-farm storage and delivering straight over the border into Queensland throughout the year into the feed industry. So what we are effectively doing is we are feeding the best wheat in the world to cattle and chooks simply because of that price differential. You go out to Croppa Creek. I think it is \$56 a tonne. Once we get 30-tonne axle loading through to the border, as part of your inquiry I would be looking at the GTA, Grain Trade Australia, and who is setting these location differentials, because it is a ridiculous price to get from Moree to Newcastle. They say they can do it to Brisbane two dollars a tonne cheaper by road at the moment. You understand what I am saying?

Mr CLAYTON BARR: No, you lost me at hello. But what I might ask is for the Committee secretariat to just do some background work on that to bring back to the Committee as well. I do understand the basic maths and the dollars and figures about moving stuff around, for sure. I was going to ask you—because I am from Cessnock, which is down in the Hunter Valley—about your interest in the Newcastle port and the need for it to be developed in a different direction. I think you have just answered that. Would there be anything that you would like to add to that about the importance of the Newcastle port to what you are doing? Because we have heard from others that north-south is fine—that is the Inland Rail route—but we also have to think east-west at different times as well.

Mr SMITH: Yes, we are equidistant between Newcastle and Brisbane by rail or road. Newcastle is the only place we have rail access to. We have got plenty of capacity through the rail network out through Newcastle among the coal trains, the way that system is run, for 1,200 metre trains. That is what we targeted our rail infrastructure around Moree to suit the 1,200 to 1,400 metre trains that work in that network. There is a push in Newcastle to containerise that terminal. You would be well aware of the deal that the State Government did when they sold the ports. Currently we are seeing a chronic shortage of containers globally, but that will turn around and with our wheat, our chickpeas, some of those specialty grains, the container market is so critical to those to get into a lot of shallow draft rivers that service the likes of Vietnam and some of those South-East Asian countries and Bangladesh. Countries that do not have deep ports cannot take bulk vessels so they are sort of locked out of that market unless we can containerise that product. So I am fully in support of containerisation at Newcastle but I am also aware of the cost of getting it done with the deal that has been done there.

Mr CLAYTON BARR: I could talk to you about this all day because I love details. I am a bit of a nerd around details and stuff like that but I am going to hand over to some of my other colleagues so that they get a go. I know that we have got limited time. If I do not get back to you, thank you so much for appearing again today. We really appreciate it.

Ms STEPH COOKE: Good morning, Mr Smith, and thank you for appearing before us today. I am going to take a slightly different angle in questioning around housing. You mentioned in your opening remarks this morning the increases in prices that you have seen in respect of rental and also in the cost of housing locally. Do you anticipate that there will be a housing shortage in and around your shire if it is not already there? If so, do you consider this would be a handbrake on the growth of your shire and capitalising on the benefits of the Inland Rail project?

Mr SMITH: In respect of that, one thing I do find odd about it—our town population has declined to a little under 9,000. When I was in primary school, it was 11½ thousand and there have been a lot of houses built since then so people must be—a lot less people per household. We do have areas located or targeted within our town limits to increase housing. We have got the water to do it, which is a critical factor, and we are looking at increasing it. It is going to be a market-driven thing. This is privately owned land. If the market is there they will develop it. So we do have a housing strategy. But housing prices have been stagnant or declining for a very long time through population decline and variable weather conditions—you know, causing drought or lower years of production—but we do have a housing market strategy in order to address growth in the community.

Ms STEPH COOKE: Thanks, Mr Smith. I think that will leave it for me.

Mr DAVID HARRIS: Good morning. In your submission you talked about a skills and industry study and report by Transport for NSW. Are you able to furnish that to the Committee? I have tried to look it up; I have not been able to find it. One of the areas we are looking at from a State perspective is whether or not there is a skills shortage and how to attract people to areas such as yours. It would be really interesting to read that report because it says that it has qualitative and quantitative data to inform the region's action plan. It would be really interesting for the Committee to be able to see that. Referring to skills generally, is that an area that you are finding difficulty with? What do you think the State Government might be able to do to incentivise people to move out and fill those skilled vacancies?

Mr SMITH: What we are seeing currently is every sector—and it is across the board in regional Australia and I know people in the cities are even having trouble sourcing skilled staff. We are looking for staff for council right through to welders, plant operators. Inland Rail has absorbed 150, 180 people or more out of the region. Plus they are bringing staff in from over the border. But what we have suffered during the drought—because people had lost their jobs because their employers basically could not pay them. We pushed hard. Rural mayors did push hard with the Federal Government for a JobKeeper-type allowance but they would not do it during the drought. So we did have a somewhat of an exodus of skilled staff away from town.

My youngest son was a boilermaker and three staff left the business he was at. I think they are just in Queensland working in mining or driving graders for a council now. They were qualified boilermakers or part-qualified apprentices. So that is the thing. We did have a skills loss during the drought. Now we came back when it rained and then had a double whammy and Inland Rail came in and they are paying up to \$45 an hour for people to work on the tracks. That has sort of set a base rate for what people want to be paid. It has in that sense created a little bit of a labour shortage but that is across the country and I would not put that down to Inland Rail. I think it is down to the lack of backpackers and immigration at the moment.

Mr DAVID HARRIS: Do you find at the moment with Inland Rail any sort of competition with the mining industry, for example, for people to move from industry to industry to fill those gaps?

Mr SMITH: I could not tell you because we do not service a mining industry here. Maybe in Narrabri or over the border in Queensland there could be competition but we do not have it. In Moree shire we do not have a mining base. They were not here to start with so we did not see a competition with Inland Rail from them.

Mr DAVID HARRIS: Okay, thank you. It would be good if we could get a copy of that report if it is available.

Mr SMITH: I will ask the planning staff to send that on to the Committee.

Mr DAVID HARRIS: Thank you; I appreciate that.

Mr SMITH: Sorry, I did not see that report in the submission. Who was that done by? That was done by ARTC, did you say?

Mr DAVID HARRIS: It says that it was done by the five councils, ARTC and Transport for NSW. It is in the submission. It is under "Economic development opportunities arising from the project".

Mr SMITH: I will have that forwarded through to you.

Mr DAVID HARRIS: Thank you very much. Thanks, Chair.

Mr GEOFF PROVEST: Good morning, Mr Smith and thanks for appearing. I have a couple of questions. Have discussions been held with ARTC or the New South Wales Government to open up the digital connectivity options, communication opportunities for your community? Do you feel like ARTC or any other government agency is listening to your concerns?

Mr SMITH: That is something that is an issue. Away from the highways, the major routes and out of town, and even the western parts of town, we do have very poor mobile coverage. My own property—and it is a lot worse now since people have been locked in their homes and accessing streaming services, et cetera. ARTC or the Inland Rail is putting a 5G network right along the tracks, I have been told. It will be focused up and down the tracks. Now, if you are putting the infrastructure in there, why not increase the bandwidth to cover the entire area? It would be an investment we need to get us up to speed. What we do have in this area—and the Federal Government and the Federal member have been spruiking it a bit—is a private company, Field Service Solutions, and they are putting in a private network of towers that are very high speed. They have got the capability to run driverless tractors and automated machinery off the back of that network, but you have to be within their footprint and it is almost line of sight. Where I live in the south-east of town, I am not within that footprint that they are expanding at the moment.

I have seen some days where I have made a phone call to the general manager [GM] of council and it has dropped out five times, yet someone in the house can be watching a streaming service on TV at the same time. I have found, with providers, they seem to have the ability to direct the data to wherever they can make the most money. If you have got a data plan or just a plan for your phone that is not highly lucrative for them, they seem to be sending the data or the capacity of the network to where they can make money rather than to the phone system. That makes it very difficult to run your business at times. Sometimes I have to drive to the other side of the property over the hill, get onto a different tower, to make a phone call. And if you do not have a viable landline that is not much good.

Mr GEOFF PROVEST: Do you think the government agencies are listening to those types of concerns and issues out there?

Mr SMITH: I do not think they are and that is where I think they are missing the opportunity if they are putting this infrastructure in to go to 5G. I think they should be expanding the footprint.

Mr GEOFF PROVEST: Right. Because that makes sense, does it not? As you said earlier in your submission, it is a "sugar fix" during the construction phase. You really want to see some long-term economic benefits and obviously the digital economy is key to that.

Mr SMITH: It will be and we need the digital economy. Everything we do is online these days.

Mr GEOFF PROVEST: Yes. When we did our field trips we were told that the landowners experienced some confusion with the land acquisition process associated with the Inland Rail project. Have landowners in your area experienced similar confusion?

Mr SMITH: Not really, because from the border through to Narrabri it is what is known as a brownfield site, so everything that is happening, bar straightening out a couple of kinks, is within the rail corridor itself. Outside of the rail corridor we have got the activation precinct and the landholders have been very well engaged in that process. Some of them are looking at taking up their own opportunities. Where you are running in a greenfield site, I can see there would be different issues.

Mr GEOFF PROVEST: Do you think there should be a coordinator or a one-stop shop like Service NSW so you do not have to go through the myriad of different government departments to get things done?

Mr SMITH: Well, it seems to be when it was—the involvement I have had with it through council was mainly achieving the activation precinct. To get things done through the Inland Rail side of it—as I say, because it is a brownfield site it is just rolled through. We did have one issue where we needed to move the location of an overpass and we have managed to move it out of town just to the south of town where it will be utilised for heavy vehicles to access the industrial site on the eastern side of town and the activation precinct—on the eastern side of the rail, sorry. Because we have the situation here where 70 per cent of the production is on the western side of the Newell Highway and the railway line, and it all would have had to come across a level crossing. That is fine if it is only closing the boom gates once in a blue moon or for a couple of minutes when the XPT comes through. But if you start to close that four or five times a day at harvest it is going to create real issues, so we have had an overpass designed and moved to the south of town that heavy vehicles can access without blocking the road. Other than that it has really been smooth sailing with ARTC as far as council have gone.

Mr GEOFF PROVEST: Thanks, Mr Smith.

The CHAIR: Mr Smith, I might just follow up on your last comment around the overpass. Grade separation is an issue we have encountered in other areas. Is that the major issue in grade separation—road and rail connections for you—or are there other aspects of the line in your area where it is an issue?

Mr SMITH: People who have their property dissected by the line have been through the process with ARTC privately and worked out access. No-one is really making an issue of that at the moment. They have worked with a railway line through their property the whole time so they have just got to be careful crossing it basically. Grade separation—the issue was in Moree. We were looking at GrainCorp having 10,000 heavy vehicle movements on site. So that is 10,000 in, 10,000 out, 70 per cent of them crossing the rail. That is why we had to act and that is all happening in a few weeks of the year. But as far as level crossings, we have dealt with those grain trains and that sort of thing—and they are all lights and bells so it is something we have got to work with. So far it has not been a problem.

The CHAIR: Thanks, Mr Smith. Peter Sidgreaves?

Mr PETER SIDGREAVES: [Inaudible]

The CHAIR: No questions from Peter. Are there any further questions? Clayton, did you have any further questions there that you would like to ask?

Mr CLAYTON BARR: [Inaudible]

The CHAIR: Mr Smith, I would be interested—

Mr CLAYTON BARR: Sorry, Mr Chair—

The CHAIR: Thanks, Clayton.

Mr CLAYTON BARR: I was just having trouble getting myself off mute. Mr Smith, I think that some of my colleagues just touched on a whole bunch of questions. I also want to ask about housing, the nature of the

sugar hit and the skills. You also mentioned that 180 workers have been taken out of the local pool to work on the project. Is the workforce generally localised, which means it is not putting pressure on the housing, or is it a fifty-fifty sort of balance? How many of the workforce are imported into your local neck of the woods and are putting pressure on housing? How long is the project—the sugar hit—meant to last before all that money in the project rolls out of Moree?

Mr SMITH: ARTC, or Trans4m Rail, have the contract as major rail contractors. They have built a donga village—I am trying to think of the exact number; it could be 300 beds—to the south of town. The site was a retail development site that has not been developed yet, so they took the opportunity to develop a donga village there just on the southern edge of town on the northern end of the airport. Also, at the moment with COVID—and we have had a structural issue with our swimming pool so we have had to shut that down. It was serviced by a lot of small motels and the people that generally come and stay in those motels and swim in the hot pools are not turning up, so they have taken the opportunity to use that for accommodation. We are seeing now some shortages of accommodation in desirable areas from some of the grain handlers so they are putting on onsite accommodation on their premises.

But the sugar hit should be here for two or three years and in that period we want to develop our special activation precinct. I mean, the first mover we have there is talking about 250 to 280 jobs. That is more than the people that are employed currently on the Inland Rail. So we are still going to need that housing long term. You create demand and you drive the price up. You will then create housing development on the land we have identified. So, yes, long term I think there is a future there for it. It is up to the council and up to the locals to get things going with the activation precinct if we want to maintain this level of growth in the town. But we need to move away from totally being reliant on agriculture because it is Third World economics when you are continually selling a raw material and not doing any processing with it.

Mr CLAYTON BARR: Yes. Mr Smith, I am very mindful of the time. I am one of the customers who comes and stays in your motels sometimes and uses your hot spas. I love it. Referring to those people who are staying in dongas—and this is my very last question—do you at least get the economic impact? Are they at least coming into town—I know it has been difficult with COVID and lockdown—and spending some of their money in town, whether it is at the pub or at the cafes or the restaurants or whatever it is? Are you getting some of the cash?

Mr SMITH: Yes. They are spending well in gymnasiums, pubs, clubs. They are going out. And with the wages they are getting they are getting good money so they are spending well.

Mr CLAYTON BARR: Thank you, Mr Chair. That is excellent.

The CHAIR: Thanks, Clayton. Any further questions? Mr Smith, in wrapping up I want to ask one final question. We have talked of digital connectivity and, just as importantly, you have talked of the activation precinct as a way of capturing longer-term benefit. I suppose as way of wrapping it up, what can the New South Wales Government do to assist in maximising longer-term opportunities for sustained economic growth for your area?

Mr SMITH: Well, the point we have made with Chris Hanger when he was up here—and you can confirm this with the RMS data on their traffic camera website. If you look at 2012, between just north of Moree at Murrays Road and Boggabilla, a million tonnes of freight is joining the Newell Highway every year going to Queensland. And if you want to get that off the road, you just spent \$200 million on a small section of the Newell Highway, basically so we can make Queensland wealthier. The New South Wales Government needs to facilitate value-adding through a feed grain industry in New South Wales. They need to look hard at Grain Trade Australia and how they are pricing their freight differential, or their location differential—whatever you want to call it—out of grain sites on the line. Because it is a disincentive to deliver grain to the rail and send it by rail.

If you want to get grain on rail look at the GTA pricing and look at what the Newell Highway is costing you. There is an incentive there to back secondary industry, to back the feedlot industry. They are talking about a big expansion of the chicken industry to the west of Tamworth—I think an additional three and a half thousand tonnes a week of grain. That is one of the figures I have heard. That is a growth industry of exponential growth. It is looking to grow another 25 per cent in the next seven or eight years. They are the things State Government can do—just make it a little easier through the environmental process to do some value-adding of agricultural products. Otherwise we export two million tonnes of opportunity to Queensland every year.

The CHAIR: Capture the value-add locally.

Mr SMITH: Yes.

The CHAIR: Thank you for appearing before us today. We really appreciate your time. We may send you some further questions in writing. Your replies will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions?

Mr SMITH: Yes. That would be fine.

The CHAIR: Again, on behalf of the Committee, we really appreciate your time. Thank you and all the best moving ahead, particularly with the activation precinct. Thank you.

Mr SMITH: I will ask staff to forward the skills report to you.

The CHAIR: Thank you, Mr Smith.

Mr SMITH: Thank you.

(The witness withdrew.)

AHMAD KARANOUH, Mayor, Coonamble Shire Council, affirmed and examined

PIP GOLDSMITH, Manager, Economic Development and Growth, Coonamble Shire Council, affirmed and examined

The CHAIR: Being 11 o'clock, I welcome the next witnesses to the hearing. Thank you both for your time today. Ms Goldsmith, it is good to see you again. Before we start, do you have any questions about the hearing process?

Ms GOLDSMITH: No, thank you, not from me. Mr Karanouh, I think you are on mute.

The CHAIR: Would either of you like to make a short opening statement before we begin questions?

Mr KARANOUH: I am okay with that. Go ahead if you like, Ms Goldsmith.

Ms GOLDSMITH: Sure. I would like to thank the Committee for having us. Thank you for the invitation to participate and the opportunity to provide some input into your inquiry. This community locally is very interested in Inland Rail as a project and very interested in potential opportunities. It is also interested and concerned about some of the impacts. Generally, this community is very supportive of the project and the potential it will deliver and is also keen to understand how the potential opportunity of the project will eventuate here. We appreciate the opportunity to participate today and to represent the community.

The CHAIR: Thank you, Ms Goldsmith. I might start with a question before turning to the Committee. In your submission you noted that Coonamble Shire Council had previously called for a strategic business case to investigate the social and economic benefits for Coonamble. In that regard, have you made any progress in being able to achieve this business study?

Ms GOLDSMITH: No. That call for that business case to be done was through the Commonwealth's Interface Improvement Program [IIP]. Council made a submission to round one of that program requesting that an investigation into the socio-economic benefits of having the route come through Coonamble be undertaken. That expression of interest or application was unsuccessful at that time.

The CHAIR: Your submission also notes the opportunities for economic growth and employment that potentially would be missed as the opportunity for Coonamble LGA to position itself as a rail-based supply chain of choice. If the route remains as currently planned, how can the State Government assist in overcoming some of this economic leakage from Coonamble LGA and ensure that the area's competitiveness as a supply chain is maintained?

Ms GOLDSMITH: There needs to be some guarantee for producers, for community and for council that there will be benefits through connectivity to Inland Rail, and that that connectivity will be more efficient and more economical than current road options. There probably needs to be some local investment in infrastructure and in the rail-based supply chain so that producers are not being burdened with additional costs to get to Inland Rail. The only benefit is going to be if it is more efficient and more economical for producers to access Inland Rail and if there is some opportunity for economic diversification locally.

Mr CLAYTON BARR: Thank you so much for appearing today. I wanted to follow on from what Mr Clancy was asking. In essence, in its current form do you see this project as providing you with a net positive in business and industry or a net negative? Or do you just think, because of the way it is positioned and where it is placed, it is just going to lead to no great change for you?

Ms GOLDSMITH: That is a really difficult one. Currently—

Mr CLAYTON BARR: Sorry, that is my job.

Ms GOLDSMITH: Thanks! There is an indication that there may be benefits in the long, long term, in terms of supply chain efficiencies, but we do not understand what they are so there is no confidence that there will be a net positive result at the moment. Currently we know there are going to be some negative impacts. Landholders have been negatively impacted. There have been missed opportunities. The community generally is quite wary about some poor engagement and a general lack of engagement that has happened. The route selection process has really undermined confidence in the project as a whole. I think that is really disappointing because it is indicating that future potential benefits might not be realised. As a whole, I am not sure whether there is any confidence from the majority of the community about whether the ultimate result is going to be negative or positive. There is concern about future missed opportunities and about potential—which is recognised and acknowledged, absolutely—but concern about accessing that potential and about the investment in this LGA providing benefits and opportunities around that potential.

Mr CLAYTON BARR: Ms Goldsmith and Mr Karanouh, it may interest you to know that ARTC has refused to participate in our Committee hearing. As such, one of the sets of questions that we wanted to pose—what we just heard from you, Ms Goldsmith, is exactly what we have been hearing up and down the coast. Some communities are so excited because they are clearly going to be winners and some communities are so frustrated because they are clearly not going to be in the winner's circle. They are frustrated by the lack of consultation and lack of explanation. One of the questions we put to ARTC was, "Do you have some business cases for various sites along the chain to say 'winner, loser, positives, negatives' et cetera?" They have not been willing to come forward with that. We have found that frustrating. If we were ARTC today, right now, and you had the chance to talk to us, what would you ask us to do for you to help your community understand what is going on and where we are headed?

Mr KARANOUH: May I say that if they came in a bit earlier and explained it in plain English instead of going through about it in a big round of a way, we have an existing rail line that is ready to bring it closer to Coonamble. We have never said to bring it into Coonamble; obviously we cannot do that because of the geography of the town. But certainly 20 kms away in a little hamlet called Combara we have an old receival GrainCorp site over there that could have been used for loading and unloading. They would have probably used that existing rail and then somehow continued through towards the Pilliga and so on, instead of going through the Warrumbungle. But that fell on deaf ears. The only way we could benefit out of the Inland Rail—I mean, it is a great thing for Australia to have and we are 100 per cent supporting of the whole project. But to miss a town that produced last year alone very close to 600,000 tonnes of wheat and pulses is just mind-boggling because of the opportunity to increase their profit as well as make it easier for our producers as well, so that they do not have to double handle. If you asked me what I would tell them now, I would say, "What is the hurry in trying to get it through where you're doing it now and not put a proper case or at least do a proper study on a different route?"

Ms GOLDSMITH: I would agree with that. It is really difficult to know what I would actually request or ask. A lot of the questions for ARTC would be about why decisions have been made because there is certainly community sentiment that decision-making has not been justified and there has not been transparency around the process. That has included no proper cost-benefit analysis being undertaken on the route alignment that has been chosen. There was a multi-criteria analysis done which favoured time-saving over tangible, enduring benefits for economic diversification for rural communities. When residents of Coonamble see that extensive greenfield development has been chosen rather than using existing rail corridors, there are concerns about why that has been done. That has never been really justified because there has never been an investigation into the benefits of using those existing rail corridors, which has numerous benefits in itself, including less land acquisition, less impact to agricultural land already in use.

There has not been an investigation into what those socio-economic benefits to the Coonamble LGA would have been if that choice had been done. This community is in different minds about where we are up to in terms of that route selection. It is certainly ARTC's message to us that the route selection is confirmed and that is where it is going, so we as council have been working within those parameters to still work to find where the opportunity for economic benefit is for this LGA, assuming and understanding ARTC's message that the route is where it is despite other members of the community still wanting council to lobby on their behalf to have the route changed. Sorry, I have probably digressed a little bit from your question.

Mr CLAYTON BARR: No, we are hearing this stuff a lot, so we have got a pretty good context in which to place the comments from both of you. Mr Karanouh, 600,000 tonnes of product: At the moment is that almost entirely moved by road?

Mr KARANOUH: No, we are using the existing rail that we have. We have two major receivals in Coonamble, being Qube and GrainCorp. They both use the rail as well as the farmers themselves using trucks, obviously.

Mr CLAYTON BARR: That rail line is owned, operated and maintained by the State?

Mr KARANOUH: It is owned by the State, I think, but it is operated by—what is the other group called, Ms Goldsmith?

Ms GOLDSMITH: I would have to take that on notice, I am sorry. I get a bit confused with all of the—

Mr KARANOUH: I think that was a problem for the ARTC because they did not actually operate that particular rail. It is a different group that does that and maybe that was part of the problem.

Mr CLAYTON BARR: Okay. I am just thinking about stranded assets. Qube or GrainCorp, currently positioned in Coonamble—it would be foreseeable that they would want to shift their operations across to be adjacent to the new Inland Rail line, so you might potentially lose them. There might be stranded assets; the workforce might shift out.

Ms GOLDSMITH: That is certainly a concern, absolutely. At the moment, because of the year we had last year and the one that is looking like coming up this year, GrainCorp and Qube are both investing in their infrastructure here. That is really significant because they recognise, clearly, that there is value in the local production and they recognise the need for their infrastructure to be available to producers here. Should that infrastructure move or be stranded, it is a threat that our agricultural sector will decline, really, rather than further opportunities for diversification. If those assets cannot remain connected and cannot even remain here, then there is a real concern that producers will be more limited with options.

Mr CLAYTON BARR: The remit of this Committee is around economic opportunity as a consequence of the Inland Rail. We are not investigating the route, although we have been hearing a lot about it. My question is trying to understand—well, I guess there is not going to be an opportunity for you guys. I am sensing more and more it is going to be a real concern about a negative impact.

Ms GOLDSMITH: There is that concern. As councillors and council staff we have been trying to work within the parameters of the project to identify future opportunity and then make it happen. Entirely separately to the route, that has been an extremely difficult process in itself. The Commonwealth Interface Improvement Program is available and it is meant to be for that purpose: to provide opportunities for communities along the way. We have participated proactively in the Interface Improvement Program at every opportunity. There were a number of projects identified as fast-track projects right at the start of the IIP. The upgrade of the line between Coonamble and Gilgandra was identified by the Commonwealth as one of those projects.

For the last two years I have been spending a number of hours every week participating in building a business case for this project to determine whether or not there is value in upgrading the line between Coonamble and Gilgandra. Resources and capacity of a small rural council our size are limited. That takes up a significant amount of my time. I work in a project team with members from Gilgandra Shire Council and then other stakeholders—Transport for NSW, specialist consultants—and it is facilitated by EY. It is an incredibly thorough process and it was started with the assumption that the route was going where the route is. As well as those fast-track projects, there have been two rounds of applications for the IIP and Coonamble Shire Council has made applications proactively to both of them.

Keeping in mind that the fast-track project for the upgrade to the Gil-Coonamble line was identified by the Commonwealth, not by council, we are participating collaboratively and productively because we can see benefit in the project. If the line is where the line is, then there are certainly benefits in having the line from Coonamble to Inland Rail being upgraded and there are benefits for connectivity, so we are certainly very supportive of that project and providing as much information and input as we can to that project. In round two of the IIP, council requested that a business case be undertaken to investigate the socio-economic benefits for the Coonamble LGA should the route be closer to Coonamble. That application was unsuccessful.

The second round of IIP, council acknowledged that the route had been confirmed and was not going to move. That application requested that a business case be undertaken to investigate the investment into infrastructure in the Coonamble LGA and to investigate the opportunities for an activation project in the Coonamble LGA to diversify the local economy and ensure that there would be a potential opportunity from Inland Rail being within proximity. That application was also unsuccessful, which was very disappointing for council. That is separate to ARTC's role in the Inland Rail project because ARTC are working hard to roll it out. The Commonwealth is working with ARTC, I understand—I am not too sure how it all works—but that IIP process is separate to how ARTC are undertaking Inland Rail as an infrastructure project.

Mr CLAYTON BARR: Mr Karanouh and Ms Goldsmith, I am going to move on and let my colleagues ask some questions. I can sense the frustration, and it undoubtedly feels like you are banging your head against a brick wall, but I do commend you for staying in the conversation and trying to do so in whatever frame is put in front of you—because what is the alternative? To not be in the conversation?

Ms GOLDSMITH: Exactly, and we do see potential benefits so we would like to be involved.

Mr CLAYTON BARR: That is fantastic. Congratulations to you, as frustrating as it is.

Ms STEPH COOKE: Thank you, Chair. It is lovely to see you again, Ms Goldsmith, and to meet you, Mr Mayor. Thank you very much for your time this morning. My question relates to housing. I am sensing that you are in this period of uncertainty insofar as you have large portions of the community that want further information on that route selection and how all of that has come to be whilst also, from a council perspective, having to perhaps accept a reality that it is where it is. Therefore, how do you move your whole shire forward, appreciating that that is where they are going to put it? I refer to the application that you made under IIP for a business case and to the special activation precinct [SAP] or, more broadly, how the shire can benefit from it. Through that process did you put housing and housing shortages or any of those pinch points that we are seeing

in other rural towns across New South Wales with the investment in infrastructure in other parts of New South Wales, particularly related to SAPs, in your business case? Do you have a view on where you are up to in relation to housing shortages in your shire?

Ms GOLDSMITH: Not specifically, no. It was not included as an identified issue to be addressed by the business case. I think when we made that application we did not want to be identifying a specific project that was something council had identified as what we wanted. We did not want to say, for example, "We think we should be doing containerisation" or anything in particular. From being involved in the IIP fast-track project I have been able to see what a thorough process it is. I could see how valuable it would be to undertake that process to look at a multitude of opportunities before ruling anything out or in. Look, to be honest, I cannot actually remember—in that application we did need to identify challenges. It would be most likely that housing was one of them that was identified; I just cannot remember off the top of my head if it was. But that is certainly a broader issue, too. We have been having that conversation separately to Inland Rail. Housing is already a pretty general issue here, not just for major projects but also for maintaining the current workforce. Yes, it is very topical.

Mr KARANOUH: Can I add about the housing that it is not really as bad as you might think in Coonamble. Our population has been on the decline for quite a few years—not much, but very little—and we do have quite a lot of new build happening around our town, whether it is in housing or in, say, teacher housing and so on. Teachers used to rent homes in Coonamble. Now they have their own units, quite a lot of them. But I do not think housing is a major issue for us. If we get the opportunity to get more business into the town, I am sure housing will flow. There are people there who are happy to do things to accommodate things like that. I do not think it is a great, major issue.

Ms STEPH COOKE: Thank you both. I accept that it is not so much of an issue for your council, but because we have heard it elsewhere we are just looking for some feedback on how the New South Wales Government might take some of the burden off councils, particularly in relation to new housing estates. This inquiry is looking at how we capitalise on the benefits of Inland Rail. I appreciate that your council is in a unique position with respect to the route and the resolution thereof, but is there any message at all for the State Government to assist your local government area with respect to this project and capitalising on it—particularly given that your applications under IIP were, at this stage, unsuccessful? Further to that, will you have another opportunity to apply in that Federal space?

Ms GOLDSMITH: I am not sure if there will be a further round of IIP. I am not sure if that is an ongoing thing or if we have had our chance with that. But in terms of where the State can assist, the general manager and I were actually given an update by ARTC on their project N2N last week. Typically for ARTC, we were shown some slides on the screen; when I asked for a copy of that document so that I could share the information with council, that was denied. But during that update, ARTC let us know that they are in the process of preparing a response to the submissions that were made to the recent EIS, or economic impact statement, which has been on exhibition.

Part of that draft report will address level crossings. We have had some great concerns about where the Inland Rail is proposed to cross the Castlereagh Highway at Curban. The Castlereagh Highway is our major road connection between here and Dubbo, which is the medical and commercial lifeline, I suppose, for the Coonamble community. I do not know what the level of traffic numbers is, but it is significant. For cars to not have access to Dubbo for a medical emergency, for general business and for social and business access—and having to wait for trains to cross—would have an enormous impact on this community. Council has been lobbying for a raised crossing there for a long time. A number of months ago the Federal Government announced funding for five grade-separation crossings and identified that intersection as the third most important. It was council's understanding, with some relative confidence, that that separated crossing would be funded.

I questioned ARTC about it in their update last week and asked in their report, which gave their responses to submissions made about the EIS—and in our submission we specifically identified the need for that crossing to have grade separation—and was told by ARTC that, no, that would not be recognised in their report and in the design changes because they did not have the confidence of that funding. There was an explanation about the funding needing to go from the Commonwealth to Transport for NSW, and that then Transport for NSW would be responsible for making sure that that separation happened at that crossing and ARTC were not responsible for that as part of the Inland Rail project. I suppose from a State perspective that would be valuable—some information about what that process is and what happens there—because it will make a big impact to this community. If it is a State responsibility to manage that separation of the Inland Rail project, that would give this community some confidence and comfort.

Ms STEPH COOKE: Level crossings are something that is high on the agenda of this Committee. Thank you very much for that feedback. That is all from me, Chair.

Mr DAVID HARRIS: Good morning. It is good to see you again, Ms Goldsmith, and Mr Mayor.

Ms GOLDSMITH: You too.

Mr DAVID HARRIS: I just wanted to go back to the IIP. As part of that successful proposal, which was developing a business case that you said that you were involved in with the other councils, was that for financial support for the council to make sure that you have the hours available to undertake those tasks?

Ms GOLDSMITH: Not that I am aware of, no. Just to clarify, we were not successful in that because we did not apply for it. This council and Gilgandra council are referred to as the joint proponents but neither council, to my knowledge, requested this project. It was identified as a project to go ahead by the Commonwealth, so there was an assumption that these councils would see benefit. We do, no doubt, see a benefit in it. But I just want to point out that it was not the top priority requested by Coonamble Shire Council to be investigated. The level of assumption seems to be ongoing. This project is to develop a business case to investigate whether it is viable to upgrade the line between Coonamble and Gilgandra and for a connection at Curban for that line to have connectivity to Inland Rail—and what level of upgrade and level of connection that should be. That business case is still ongoing and it is still being developed; we are in gate three of a potential four. Despite that business case not having been completed, a company called BG&E, who are an engineering consultancy, announced on 2 September that they have been engaged to design the upgrade to that Gilgandra to Coonamble line.

Mr DAVID HARRIS: Okay, so that suggests that the Federal Government is going to fund it anyway.

Ms GOLDSMITH: It suggests that somebody is.

Mr DAVID HARRIS: Transport for NSW received funding in the second round to create a proposal to upgrade mechanical turnouts, which would be to enhance the productivity of grain-loading sites and improve links from northern New South Wales into Darling Downs. Your local government area is included in that one, as well. Was there any consultation with council in regard to that project, or are you aware of that project at all?

Ms GOLDSMITH: I am not aware, no. I am not aware of—

Mr DAVID HARRIS: Not at all?

Ms GOLDSMITH: —any consultation.

Mr DAVID HARRIS: We have talked to other witnesses about skills shortages and the availability of people to undertake tasks. Has your local government area experienced a shortage as people have moved to work on the Inland Rail project? Is that something that has come up at this stage?

Mr KARANOUH: I do not think so.

Ms GOLDSMITH: No, I agree. Not directly, no. Construction will be happening in only a really quite small part of our LGA and at quite a distance from the Coonamble township. Also, construction of the N2N line has not begun yet. We are pretty well right in the middle of that line. The proximity to the construction that has been happening so far has meant that we have not been impacted to this point. Once construction starts in the N2N section I would have concerns about council losing members of its own workforce and about the LGA losing staff to go and do that. There are workforce shortages now in every sector, skilled and unskilled. Once construction starts I think we might have a different answer, but because it has not started yet we have not yet seen an impact.

Mr DAVID HARRIS: We just heard from Moree Plains Shire Council. They were saying that workers who are working on Inland Rail are being offered up to \$45 an hour. Would that be a financial incentive to draw away people working in your local government area at the moment? Is that the cost differential?

Ms GOLDSMITH: Absolutely. If that was what was being offered to leave Coonamble to work on Inland Rail, I think there would be an enormous impact here.

Mr KARANOUH: I just add that when this process started Coonamble was going through a really bad drought for about two to three years. Everybody was happy to see it happening because we thought that the people who were not working would be able to get a job on the Inland Rail and get some money for a short period of time. But obviously the weather changed and then we had a couple of really good years in farming, so there are a lot of projects around the Coonamble LGA at the moment where everybody is busy doing what they do. But I know for a fact we have got a couple of big firms in Coonamble that will be putting their hands up to work with the Inland Rail. They are big enough that they have quite a lot of staff already in place. It will be very hard to pull them out of Coonamble to work for six months or eight months and then the Inland Rail say, "Okay, thank you very much for that." I do not think their previous employers will be happy to see them coming back. I think a lot of them will stick with their present employers.

Mr DAVID HARRIS: If, as you say, there has been a company now engaged to look at the Gilgandra-Coonamble upgrade, obviously that will require a workforce. Is that workforce currently available—and is housing, et cetera, for a workforce like that available?

Mr KARANOUH: I think they bring their own workforce with them on such a project because we do not have the expertise in Coonamble when it comes to rails. They did an upgrade a few years ago and that did not affect our workforce at the time. I imagine they will bring their workforce with them.

Mr GEOFF PROVEST: Thanks, Mayor and Ms Goldsmith. Just to get my head around it, with a lot of the questions the previous Committee members have asked you guys, this is a two-phase thing for you guys. You are concerned initially about leakage from the town out and the construction part of it, but ultimately you are really concerned about being on that branch line and not having an effective way to get your 600,000 tonnes or whatever to market. You feel you will become a bit of a backwater. Is that a very simplistic way to look at it, at the moment?

Mr KARANOUH: Yes and no. Coonamble has been producing and selling grain for years and years and years, and they have been very successful in getting it to market. It is just the way it gets transported to market is the difference. We do have quite large harvest companies in our district with lots of trucks. If you look at it, they would get disadvantaged as well if the Inland Rail came closer to Coonamble. It goes both ways. If they have that intersection close between us and Gilgandra, our local trucking companies will be still able to work to go down there and send their grain down there or ship them on the rail—either way. I know it is a bit far from us but I am almost positive we will get some kind of benefit out of the Inland Rail. We have got quite a lot of resilient and smart farmers and operators in the LGA who will think of things to do to be able to jump on that bandwagon.

Mr GEOFF PROVEST: Where do you send your grain to now? Is it Newcastle or Brisbane?

Mr KARANOUH: Newcastle is one of the places that it goes to. Some goes down to Sydney. Do not forget we have got big traders in Dubbo similar to, say, Fletcher International, for instance. They have quite a large, large operation in Dubbo. They buy quite a lot of our grain. It goes down in trucks to them and then they ship it on their own rail from that point on. Plus all the other operators, GrainCorp, Agrigrain—it is now called Qube—have quite a large container-filling facility in Coonamble which they use to send to Newcastle and elsewhere. Ms Goldsmith, correct me if I am wrong, but where else do we send them? Does some go towards Queensland?

Ms GOLDSMITH: I think so. I would have to take that on notice, again. My technical knowledge about where it all ends up is not great.

Mr KARANOUH: Yes, but Newcastle is one of our main—

Ms GOLDSMITH: Yes.

Mr GEOFF PROVEST: Obviously the New South Wales Government is keen to assist you people out there for economic growth and all those other things. To me, as a rank outsider, it seems that if we could somehow assist even that travel back into Dubbo to go to Sydney or Newcastle, et cetera, that could be a way. As I think Mr Barr or Mr Harris said, ARTC has refused to come to this Committee to even talk to it, so the chances of dragging it here would be remote to say the least.

Ms GOLDSMITH: I appreciate that sentiment. It is just very difficult to be able to identify where that assistance would be best placed at the moment because there is such uncertainty. We do not actually know what the connectivity is going to be. We do not know where the real opportunity is to either access it or find some benefit. It is difficult. Because people are still asking questions, I suppose, about what has happened and how decisions have been made, there is not an understanding yet of what it is going to really look like so it is really difficult to identify.

Mr GEOFF PROVEST: Yes, but you said earlier that separation with the Castlereagh is a real game changer. If you do not get that it is going to cut off your connectivity to Dubbo, I think it was.

Ms GOLDSMITH: Absolutely.

Mr GEOFF PROVEST: I am just thinking out loud, guys: maybe have a short-term assistance and a longer term one, where the longer term one is dependent on a lot of other decisions. But, to me, a grade separation would be right up there as a short-term assistance to the economic wellbeing of Coonamble.

Ms GOLDSMITH: Definitely.

Mr KARANOUH: But that does not mean there will be not enough access to Dubbo from Coonamble if the Inland Rail comes across. They will still have that access.

Mr GEOFF PROVEST: A lot of the other witnesses focused their priority more on Newcastle port and the potential in the future with the containerisation, with chickpeas and other products for South-East Asia. To me Brisbane and Newcastle are good, but they have their own inherent problems with bottlenecks when you go into Brisbane, and bottlenecks when you go into Melbourne. I am on the border. Dealing with the Queensland Government is not the easiest thing to do, particularly in recent times. But yes, I am trying to think outside the square, guys. Maybe there is some assistance with the Newcastle linkage or something like that?

Ms GOLDSMITH: That is a good point. The IIP project that is happening at the moment is investigating upgrading the Coonamble to Gilgandra line to the same specifications as Inland Rail, but that line continues to Dubbo. Not only is it about connectivity at Curban to Inland Rail; if that line was to be used all the way through to Dubbo that upgrade would need to be continued to Dubbo. That would deliver another level of options from Dubbo to then distribute more widely as well.

Mr GEOFF PROVEST: It is good to see your thinking. I am done, Mr Chair.

The CHAIR: To that last comment, if the route selection remains the same then that IIP project and that linkage at Curban with the Coonamble-Gilgandra line becomes fundamentally critical for Coonamble.

Ms GOLDSMITH: Yes.

Mr KARANOUH: Absolutely.

Ms GOLDSMITH: I think so. The number of options that producers have—as long as the connectivity is there and as long as access to that point is justifiable, then yes. But if the upgrade went further than Gilgandra and went through to Dubbo, too, there would be a number more options.

The CHAIR: Just quickly, because I appreciate we are running out of time, obviously that IIP is a Commonwealth grants program. But what has been your interaction with Regional NSW and its support for this IIP project and other projects that you have?

Ms GOLDSMITH: We have been working really collaboratively with Regional NSW, not directly on Inland Rail-related projects specifically—I suppose because it has not really fallen into their responsibility so much. But there would absolutely be support, I am sure, from Regional NSW for something like this.

The CHAIR: Thanks, Ms Goldsmith. Mr Sidgreaves, I understand you do not have a question. I will quickly check if members have any other questions. Otherwise, I thank Mr Karanouh and Ms Goldsmith for appearing before us today. We appreciate your time. We may send you some further questions in writing. Your replies will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions?

Mr KARANOUH: Sure.

Ms GOLDSMITH: Absolutely.

The CHAIR: Again, thank you. We appreciate your time. Thank you for the work you are doing for your local community. That concludes our public hearing for today. I thank all the witnesses who have appeared today. I also thank Committee members, Hansard, the staff of the Department of Parliamentary Services and Committee staff for their assistance. Thank you all.

(The witnesses withdrew.)

The Committee adjourned at 11:47.