

General Purpose Standing Committee No. 4

# **Closure of the Casino to Murwillumbah rail service**

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## **Terms of reference**

That General Purpose Standing Committee No 4 inquire into and report on:

- (a) the decision by the State Government to replace the daily Casino to Murwillumbah XPT service with a coach service, including the accuracy of the Government's claims it will save \$5 million per year,
- (b) the economic and social impact on North Coast communities of the loss of the daily XPT service between Casino and Murwillumbah, in particular the impact of the loss of jobs within CountryLink and other State Government departments and agencies and the closure of local train stations and Travel Centres,
- (c) the future of the rail line between Casino and Murwillumbah, including, but not limited to, the present condition of the line, recent and future maintenance programs, options for and the financial impact of future development of the line and the possible extension of the line to the Queensland border,
- (d) any other matters arising from the Government's decision to terminate the rail services.

These terms of reference were self-referred by the Committee on 11 May 2004.

## Committee membership

<b>The Hon Jenny Gardiner MLC</b>	The Nationals	<i>Chair</i>
<b>Ms Sylvia Hale MLC</b>	The Greens	<i>Deputy Chair</i>
<b>The Hon Jan Burnswoods MLC</b>	Australian Labor Party	
<b>The Hon Catherine Cusack MLC<sup>1</sup></b>	Liberal Party	
<b>The Hon Kayee Griffin MLC</b>	Australian Labor Party	
<b>The Hon David Oldfield MLC<sup>2</sup></b>	One Nation	
<b>The Hon Eric Roozendaal MLC<sup>3</sup></b>	Australian Labor Party	

<sup>1</sup> Substituting for the Hon David Clark MLC

<sup>2</sup> The Hon Peter Breen MLC substituted for The Hon David Oldfield MLC for part of the inquiry

<sup>3</sup> Replaced the Hon Tony Catanzariti MLC on 29 June 2004. Minutes of Proceedings No 64, p925

# Table of contents

	Chair's Foreword	xiii
	Executive Summary	xiv
	Summary of Recommendations	xvi
	Glossary	xvii
<b>Chapter 1</b>	<b>Introduction</b>	<b>1</b>
	<b>Terms of Reference</b>	<b>1</b>
	<b>Submissions</b>	<b>1</b>
	<b>Procedural issues</b>	<b>2</b>
	<b>Public hearings</b>	<b>2</b>
	<b>This report</b>	<b>2</b>
<b>Chapter 2</b>	<b>The closure of the Casino to Murwillumbah rail service</b>	<b>5</b>
	<b>RailCorp</b>	<b>5</b>
	<b>The Casino to Murwillumbah rail line</b>	<b>5</b>
	<b>Rail services on the Casino to Murwillumbah line</b>	<b>7</b>
	The Casino to Murwillumbah XPT service	8
	<b>The Government's announcement of the line's closure</b>	<b>8</b>
	<b>Community opposition to the closure of the line</b>	<b>9</b>
	<b>The future preservation of the rail corridor</b>	<b>11</b>
	Steel sleepers delivered for maintenance work	11
	The cost of fencing at Mooball	12
	The Eltham Bridge	12
<b>Chapter 3</b>	<b>The context to the closure of the rail service</b>	<b>15</b>
	<b>Rail lines previously closed in NSW</b>	<b>15</b>
	<b>The Parry Report</b>	<b>15</b>
	<b>The Government's response to the Parry Report</b>	<b>17</b>
	The Casino to Murwillumbah Rail Corridor Working Party	17
	<b>The 2004 Mini Budget</b>	<b>19</b>
	The identification of the Casino to Murwillumbah rail service for closure	19
	<b>The growth in overall funding for rail services in NSW</b>	<b>20</b>

	The ARTC Agreement	21
	<b>Proposals for Federal funding of the line</b>	<b>22</b>
	<b>The PwC study</b>	<b>23</b>
<b>Chapter 4</b>	<b>The Government's reasons for closing the rail service</b>	<b>25</b>
	<b>The cost of running the rail service prior to its closure</b>	<b>25</b>
	<b>The projected cost of running the rail service</b>	<b>26</b>
	<b>The validity of RailCorp's costings</b>	<b>28</b>
	The proposed use of cheaper culverts to replace bridges	29
	<b>Failure to achieve the expected savings</b>	<b>30</b>
<b>Chapter 5</b>	<b>Funding for the rail service prior to its closure</b>	<b>33</b>
	<b>The decline in the number of passengers using the rail service</b>	<b>33</b>
	Criticisms of the daily XPT timetable	34
	<b>Cost recovery through fares on the rail service</b>	<b>36</b>
	Other sources of revenue – freight and commuter services on the line	38
	<b>Community Service Obligation subsidies to CountryLink</b>	<b>39</b>
	The Government's social responsibility to provide loss making public services	40
	<b>The high proportion of concession fares used on the rail service</b>	<b>40</b>
	<b>Summary</b>	<b>41</b>
<b>Chapter 6</b>	<b>Concerns that line maintenance has been under-funded</b>	<b>43</b>
	<b>Maintenance expenditure on the line</b>	<b>43</b>
	<b>The perceived failure to replace timber underbridges</b>	<b>44</b>
	<b>The diversion of maintenance funding to the main northern line</b>	<b>45</b>
	<b>The underpayment of funding bids on the Casino to Murwillumbah line</b>	<b>46</b>
	The funding bid in 2004-2005	47
	<b>Funding for gangs working on the line</b>	<b>47</b>
	<b>Summary</b>	<b>48</b>
<b>Chapter 7</b>	<b>The replacement coach service</b>	<b>51</b>
	<b>The advantages of the new coach service cited by RailCorp</b>	<b>51</b>
	<b>Passenger numbers since the closure of the line</b>	<b>52</b>

	<b>The safety of the additional coach services</b>	<b>55</b>
	Bus shelters	56
	Standards for coach drivers	56
	<b>The impact of the additional coaches on the region's roads</b>	<b>57</b>
	<b>The impact of the new coach services on private coach operators</b>	<b>58</b>
	Kirklands Buslines	59
	<b>The coach service tendering process</b>	<b>60</b>
<b>Chapter 8</b>	<b>The social and economic impact of the closure</b>	<b>61</b>
	<b>Railway staff affected by the closure of the rail line</b>	<b>61</b>
	The number of staff affected by the closure of the line	61
	Future options for staff	62
	Travel centre staff	64
	<b>The impact of the closure on the transport disadvantaged</b>	<b>65</b>
	The frail, aged and those with disabilities and special needs	65
	Low income earners	68
	Young people	69
	<b>Access to community transport services</b>	<b>69</b>
	<b>The safety of local residents using the region's roads</b>	<b>71</b>
	<b>The economic impact on towns and businesses</b>	<b>73</b>
	The towns of Murwillumbah and Lismore	73
	Small businesses	74
	<b>The impact on the environment and heritage</b>	<b>74</b>
	Air pollution	74
	Heritage sites	75
	The sales of rail lands in Byron Bay	76
	Flooding in Lismore	76
<b>Chapter 9</b>	<b>Transport planning in the northern rivers region</b>	<b>79</b>
	<b>Population growth and tourism in the region</b>	<b>79</b>
	Population growth in the region	79
	Tourism in the region	82
	<b>Calls for better transport planning for the region</b>	<b>83</b>
	<b>The role of DIPNR in regional planning</b>	<b>85</b>
	DIPNR's multimodal plan for the northern rivers region	85
	<b>The role of the Premier's Department in regional planning</b>	<b>86</b>
	<b>A twelve-month community consultation period on rail service closures</b>	<b>88</b>



<b>Chapter 10</b>	<b>The future of the line</b>	<b>89</b>
	<b>Calls for a daily commuter service</b>	<b>89</b>
	<b>Calls for a re-introduction of freight services</b>	<b>91</b>
	<b>The findings of the PwC study</b>	<b>93</b>
	Travel demand in the northern rivers region	93
	Current transport patterns in the northern rivers region	93
	Future maintenance costs of the line	94
	Alternative passenger rail options	95
	Commuter options	95
	Possible managers and operators	97
	Train operating costs	97
	Staffing	98
	Fare revenue	99
	<b>The response of RIC/RailCorp to the PwC Study</b>	<b>100</b>
	Track infrastructure and maintenance costs	100
	Rolling stock and operating costs	100
	Safety	101
	Patronage and revenue forecasts	101
	<b>The recommendations of the Rail Corridor Working Party</b>	<b>101</b>
	<b>The Committee's recommendations</b>	<b>102</b>
	Introduction of a lower cost commuter service	102
	Possible Commonwealth Government funding of the line	103
	Funding available from the ARTC Agreement	104
<b>Chapter 11</b>	<b>A second rail link into Queensland?</b>	<b>107</b>
	<b>Calls for an extension of the Casino to Murwillumbah rail line</b>	<b>107</b>
	<b>The proposed extension of the Queensland rail line to Coolangatta</b>	<b>108</b>
	<b>The recent expansion of rail services in south-east Queensland</b>	<b>110</b>
	<b>Previous studies on extending the line into south-east Queensland</b>	<b>110</b>
	<b>Summary</b>	<b>111</b>
<b>Appendix 1</b>	<b>Submissions</b>	<b>113</b>
<b>Appendix 2</b>	<b>Witnesses</b>	<b>123</b>
<b>Appendix 3</b>	<b>Map of the CountryLink rail and coach network</b>	<b>125</b>
<b>Appendix 4</b>	<b>CountryLink North Coast timetable</b>	<b>127</b>
<b>Appendix 5</b>	<b>Rail lines in NSW closed since 1968</b>	<b>131</b>

<b>Appendix 6</b>	<b>The Sustainable Regions Program</b>	<b>133</b>
<b>Appendix 7</b>	<b>Feasibility Study for Passenger/Commuter Services on the Murwillumbah to Casino Branch Line: The Services</b>	<b>135</b>
<b>Appendix 8</b>	<b>Minutes of proceedings</b>	<b>137</b>
<b>Appendix 9</b>	<b>Dissenting statement by Government Members</b>	<b>175</b>

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## Tables

<b>Table 3.1</b>	<b>Funding for the maintenance of the NSW country rail infrastructure (\$,000)</b>	<b>20</b>
<b>Table 3.2</b>	<b>Additional Budget spending for passenger rail services in 2004-2005 (\$,000)</b>	<b>21</b>
<b>Table 4.1</b>	<b>Total cost per annum of the rail service prior to its closure</b>	<b>25</b>
<b>Table 4.2</b>	<b>Total projected cost per annum of the Casino to Murwillumbah rail service over the next five years</b>	<b>27</b>
<b>Table 5.1</b>	<b>Fare price per passenger (economy) travelling from Casino</b>	<b>36</b>
<b>Table 6.1</b>	<b>Maintenance expenditure on the Casino to Murwillumbah line from 1997-98 to 2003-04</b>	<b>44</b>
<b>Table 6.2</b>	<b>Average annual size of maintenance gangs on the Casino to Murwillumbah line</b>	<b>48</b>
<b>Table 7.1</b>	<b>Passenger numbers before and after the closure of the rail line</b>	<b>53</b>
<b>Table 7.2</b>	<b>Average daily passenger numbers using the coach services from 17 May to 20 June 2004</b>	<b>54</b>
<b>Table 8.1</b>	<b>Estimate of the positions lost as a result of the decision to close the rail line</b>	<b>62</b>
<b>Table 9.1</b>	<b>ABS interim population projections for 2016 – Tweed and Richmond Valley (April 2003)</b>	<b>79</b>
<b>Table 9.2</b>	<b>Historical and projected population and average annual growth rates – Richmond Tweed and NSW, 1981-2031</b>	<b>81</b>
<b>Table 10.1</b>	<b>PwC summary of maintenance costs (\$000)</b>	<b>94</b>
<b>Table 10.2</b>	<b>PwC financial evaluation of the five commuter options (\$000)</b>	<b>96</b>
<b>Table 10.3</b>	<b>PwC estimated annual funding subsidy (\$000)</b>	<b>96</b>
<b>Table 10.4</b>	<b>PwC incremental externality impact in net present value for years 1-20 (\$000)</b>	<b>97</b>
<b>Table 10.5</b>	<b>PwC estimates of below rail staff</b>	<b>98</b>
<b>Table 10.6</b>	<b>PwC estimates of above rail staff</b>	<b>99</b>
<b>Table 10.7</b>	<b>PwC estimates of potential fare revenue (Year 4)</b>	<b>100</b>
<b>Table 11.1</b>	<b>Estimated patronage on the Casino to Murwillumbah line with a connection to Coolangatta</b>	<b>109</b>

## Figures

---

<b>Figure 2.1</b>	<b>Map of the northern rivers region</b>	<b>6</b>
<b>Figure 2.2</b>	<b>The Eltham Bridge</b>	<b>12</b>
<b>Figure 4.1</b>	<b>A causeway at Tyagarah using several culverts</b>	<b>30</b>

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## Chair's Foreword

General Purpose Standing Committee No 4 adopted this inquiry on 11 May 2004 in response to widespread concerns about the Government's announcement on 6 April 2004 of the closure of the Casino to Murwillumbah XPT rail service.

The inquiry attracted considerable interest from a range of parties including the Mayors and councillors of councils in the northern rivers region, unions, businesses, employers, academics and residents of the region. The Committee also received 263 submissions, and conducted several hearings in the northern rivers region, all of which attracted strong community interest.

The key issues examined by the Committee in this report are:

- the Government's reasons for closing the Casino to Murwillumbah rail service, based largely on the financial costs of the line and the Government's budget constraints
- the funding of the line prior to its closure, and concerns that the line has been underfunded over several years
- the impact of the closure of the service on residents of the northern rivers regions, including railway staff and the frail, aged and those with a disability
- the viability of re-introducing a lower-cost regular rail commuter service from Casino to Murwillumbah, and the means of funding such a service.

This report makes a number of recommendations designed to address many of the concerns expressed to the Committee during its inquiry, while recognising the budgetary restraints under which the NSW Government operates.

I would like to thank all the parties involved in the inquiry for the significant number of high quality submissions that the Committee received, and the valuable evidence that was provided to the Committee during its hearings. I would also like to thank the officers of RailCorp and other government agencies for their cooperation with the Committee during the inquiry.

Thanks also to my fellow Committee Members and the Committee Secretariat for their work on this difficult inquiry. In particular, I would like to thank Mr Stephen Frappell, who prepared this report. I am also very appreciative of the work undertaken by Ms Ashley Toms and Ms Natasha O'Connor who provided critical administrative support during this inquiry. Thanks also to Hansard reporters who recorded proceedings at the Committee's hearings in the northern rivers region and at Parliament House.

**The Hon Jenny Gardiner MLC**  
**Chair**

## Executive Summary

On 6 April 2004, the NSW Government announced the closure of the Casino to Murwillumbah XPT passenger rail service as part of a series of measures announced in the Government's 2004 Mini Budget. The last XPT service left Murwillumbah on 16 April 2004, arriving the next morning in Sydney. The rail service was replaced by a road coach service.

The Government stated that its decision to close the rail service from Casino to Murwillumbah was made in response to Budget constraints, resulting in part from the decision of the Commonwealth Government to reduce the level of general purpose grants to the NSW Government in 2004-2005. RailCorp estimates that the closure of the Casino to Murwillumbah rail service, and its replacement with a coach service, will save \$14.2 million per annum over the next five years. This figure is primarily due to the anticipated high cost of maintaining the Casino to Murwillumbah rail line in the future – estimated by RailCorp at \$188 million over the next 20 years. While the Committee understands that the general condition of the track is good, the line includes a large number of wooden underbridges, many built over 100 years ago, which now need to be replaced. The replacement of these bridges alone is estimated to cost \$92 million over the next 20 years. RailCorp also highlighted to the Committee the low and declining levels of patronage of the Casino to Murwillumbah rail service.

Despite the implementation of the replacement coach service, the closure of the Casino to Murwillumbah rail service has provoked considerable community opposition. Partly, this is due to the widely held belief that the line would remain open at least until the end of 2004. This belief was based on the announcement by the NSW Minister for Transport Services, the Hon Michael Costa MLC, on 9 December 2003 that all existing rail lines in NSW would remain open subject to a review of their patronage, costs and revenue after 12 months.

The closure of the rail service, contrary to expectations that the line would remain open, has in turn created considerable political controversy. As indicated, the Committee initiated this inquiry on 11 May 2004 to investigate the reasons for the closure of the line. In addition, the Commonwealth Government and Federal Opposition became involved in the issue by making separate offers of funding to the NSW Government to re-open the Casino to Murwillumbah line prior to the last federal election on 9 October 2004. The Commonwealth Government has also funded through its Sustainable Regions Program a study by PriceWaterhouseCoopers entitled *Feasibility study for passenger and/or commuter services on the Murwillumbah to Casino branch line*, published on 22 September 2004.

During this inquiry, a large number of arguments were presented in opposition to the closure of the Casino to Murwillumbah rail service. They include:

- Claims that the XPT service was poorly patronised prior to its closure because of poor scheduling – the train ran in the evening when it could not be used by commuters
- Evidence that the NSW Government has consistently under-funded maintenance of the line in recent years, to the point where the line now requires the injection of a large amount of capital – \$188 million on the evidence of RailCorp – to remain viable
- Representations that the Government has a responsibility to subsidise loss making railway lines, such as the Casino to Murwillumbah line, including through the use of

savings generated by the recently agreed Australian Rail Track Corporation Agreement between the NSW Government and the Commonwealth Government

- Concerns that the replacement coach service is unsuitable for use by the transport disadvantaged, particularly the old and infirm, is less safe, has an adverse impact on the region's roads and the environment, and has had an adverse economic impact on some businesses.

The Committee notes that PriceWaterhouseCoopers found in its report that the introduction of a lower cost commuter service on the Casino to Murwillumbah line would be viable. PriceWaterhouseCoopers estimated that such a service would be considerably less expensive to operate than the former daily XPT service, would run more regularly, and would bring significant indirect benefits (notably environmental) to the community.

The Committee supports this position, and calls for the NSW Government to introduce a lower cost commuter service on the Casino to Murwillumbah line, providing a daily commuter service for intra-regional travel, and also a connection at Casino to the XPT services between Sydney and Brisbane.

To assist in funding this new commuter service, the Committee recommends that the NSW Government accept the Commonwealth Government's offer of funding assistance. The Committee also believes that the Government should be willing to redirect savings from the Australian Rail Track Corporation Agreement to the Casino to Murwillumbah line.

The Committee also acknowledges calls for an extension of the Casino to Murwillumbah line into south-east Queensland, to join with the proposed south-east Queensland railway line to Coolangatta Airport. The Committee recognises that this would be expensive, given the topography of the region, as was highlighted by previous studies in the early to mid 1990s. However, given the increasing population and tourist potential of the northern rivers region, the Committee believes that the NSW Government should, in consultation with the Queensland Government, commission a new study on the viability of extending the Casino to Murwillumbah line to Coolangatta.

The Committee also calls for a re-examination of the role of the Department of Infrastructure, Planning and Natural Resources in regional planning in NSW. The Committee understands that the department was not consulted by RailCorp prior to the decision to close the Casino to Murwillumbah rail service, even though the discontinuation of maintenance work on the line will lead to a deterioration in the line's condition, making it unavailable for long-term transport planning in the northern rivers region. The Committee believes that the Government should develop guidelines that require RailCorp to consult with the Department of Infrastructure, Planning and Natural Resources on decisions such as the closure of a railway line.

Finally, the Committee recommends that the NSW Government, in the event of any future proposed closure of a passenger rail service, be required to provide 12 months notice of the closure to the Parliament to allow for community consultation.

## Summary of Recommendations

### **Recommendation 1**

*Page 11*

That the Government produce a comprehensive preservation plan for the Casino to Murwillumbah line, such plan to include, but not to be restricted to, the preservation of the line's overbridges.

### **Recommendation 2**

*Page 86*

That the Government develop guidelines requiring agencies such as RailCorp to consult with the Department of Infrastructure, Planning and Natural Resources on decisions affecting long-term transport planning, including the proposed closure of railway lines.

### **Recommendation 3**

*Page 88*

That the NSW Government, in the event of any future proposed closure of a passenger rail service, be required to provide 12 months notice of the closure to the Parliament to allow for community consultation.

### **Recommendation 4**

*Page 103*

That the NSW Government immediately introduce a new regular rail commuter service from Casino to Murwillumbah, which would connect at Casino with the XPT service between Sydney and Brisbane.

### **Recommendation 5**

*Page 103*

That the NSW Government accept the Federal Government's offer to provide \$30 million over two years to help fund a new regular rail commuter service from Casino to Murwillumbah.

### **Recommendation 6**

*Page 105*

That the NSW Government use savings from the Australian Rail Track Corporation Agreement to help fund a new regular rail commuter service from Casino to Murwillumbah.

### **Recommendation 7**

*Page 112*

That the Department of Infrastructure, Planning and Natural Resources, in developing plans for links with interstate railway lines, identify a rail corridor between Murwillumbah and Coolangatta Airport.

### **Recommendation 8**

*Page 112*

That the NSW Government, in cooperation with the Queensland Government, commission a new study to examine the viability of extending the Casino to Murwillumbah rail line to Coolangatta to link with the proposed south-east Queensland railway line and upgraded Gold Coast rail services.



## Glossary

ARTC Agreement	Australian Rail Track Corporation Agreement
CATF	Community Awareness Task Force
CPSA	Combined Pensioners and Superannuants Association
CSO	Community Service Obligation
DIPNR	Department of Infrastructure, Planning and Natural Resources
HACC	Home and Community Care
MoT	Ministry of Transport
MPM	Major periodic maintenance
NOROC	Northern Rivers Organisation of Councils
NRAHS	Northern Rivers Area Health Service
NRR	Northern Rivers Railroads Pty Ltd
NRTF	Northern Rivers Trains for the Future Inc
PwC	PriceWaterhouseCoopers
RIC	Rail Infrastructure Corporation
RM	Routine maintenance
SHR	State Heritage Register



# Chapter 1 Introduction

## Terms of Reference

**1.1** On 11 May 2004, GPSC 4 self-referred the following terms of reference:

*That General Purpose Standing Committee No 4 inquire into and report on:*

- a) *the decision by the State Government to replace the daily Casino to Murwillumbah XPT service with a coach service, including the accuracy of the Government's claims it will save \$5 million per year*
- b) *the economic and social impact on North Coast communities of the loss of the daily XPT service between Casino and Murwillumbah, in particular the impact of the loss of jobs within CountryLink and other State Government departments and agencies and the closure of local train stations and Travel Centres*
- c) *the future of the rail line between Casino and Murwillumbah, including, but not limited to, the present condition of the line, recent and future maintenance programs, options for and the financial impact of future development of the line and the possible extension of the line to the Queensland border*
- d) *any other matter arising from the Government's decision to terminate the rail services.*<sup>4</sup>

## Submissions

**1.2** Following the adoption of the terms of reference, the Committee placed advertisements calling for submissions in newspapers in the northern rivers region, commencing on 15 May 2004. The Committee also wrote directly to the Mayors of Lismore, Richmond, Byron and Tweed Shire Councils inviting them to make a written submission to the inquiry. The closing date for written submissions was 4 June 2004.

**1.3** The Committee subsequently received 263 submissions. Many of these submissions were from individual citizens expressing concerns about the impact that the withdrawal of the Casino to Murwillumbah rail service would have on them and the northern rivers region, and advocating the retention of the rail service. The remaining submissions were from government agencies, local councils, unions, local businesses, tourist operators, advocacy groups and social clubs. A list of submissions is at Appendix 1.

**1.4** The Committee wishes to thank all those individuals and organisations that made a submission to the inquiry, and acknowledges that the large number of submissions made to this inquiry indicate the level of community interest in the closure of the rail service.

**1.5** Given the large volume of submissions, the Committee does not cite in this report each individual submission. However, the Committee has attempted to address in this report all of the issues raised by individuals and organisations making a submission to the inquiry. The Committee is grateful to all those who participated in the inquiry.

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<sup>4</sup> Minutes of Proceedings No 26, 11 May 2004

## Procedural issues

- 1.6** The Committee notes that during the inquiry, a large number of individuals in the northern rivers region directed correspondence on the closure of the Casino to Murwillumbah rail line to their local members of Parliament. In turn, members of Parliament forwarded such correspondence to the Committee.
- 1.7** For procedural reasons, the Committee regrets that it was unable to accept such correspondence as submissions to the inquiry. In those instances, the Committee returned the items of correspondence to the members of Parliament, with the request that the authors be contacted to determine if they wished their correspondence to be formally lodged as a submission to the inquiry. Those authors who responded had their correspondence recorded as submissions.

## Public hearings

- 1.8** The Committee held a total of 6 public hearings during this inquiry. They were held on 20 May, 9, 10, 11 June and 2 July 2004 (two public hearings were held on 9 June). Hearings were held at Parliament House in Sydney, and also at Lismore, Byron Bay and Murwillumbah.
- 1.9** A list of witnesses is provided in Appendix 2 and transcripts of the hearing can be found on the Committee's website at [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au).
- 1.10** The Committee would like to thank those witnesses who presented evidence to the Committee. Given the nature of the inquiry, witnesses were often invited at short notice to give evidence before the Committee.
- 1.11** During the Committee's public hearing on 2 July 2004, the Committee resolved to take into account the report of PriceWaterhouseCoopers entitled *Feasibility study for passenger and/or commuter services on the Murwillumbah to Casino branch line* when finalising this report.
- 1.12** The Committee notes that the NSW Transport Services Minister, the Hon Michael Costa MLC, met with the Deputy Prime Minister and Commonwealth Minister for Transport and Regional Services, the Hon John Anderson MP, on 8 November 2004 to discuss the viability of reintroducing rail services on the Casino to Murwillumbah line. This is discussed further in Chapter 10.

## This report

- 1.13** The Committee adopted this report at a deliberative meeting on 15 November 2004. The minutes of this and other meetings and public hearings of the Committee are presented in Appendix 8.
- 1.14** This report consists of 11 chapters:
- Chapter 1 provides an introduction to this report.
  - Chapter 2 provides background information on the closure of the Casino to Murwillumbah rail service.

- Chapter 3 places the closure of the rail service in context, with particular reference to the *Report of the Ministerial Inquiry into Sustainable Transport (the Final Parry Report)*<sup>5</sup> of December 2003, the Government's Mini Budget of 16 April 2004, and the recent PriceWaterhouseCoopers (PwC) study on the viability of the line.
- Chapter 4 presents the Government's reasons for closing the Casino to Murwillumbah rail service, founded upon the projected cost of running the rail service in the future.
- Chapter 5 in turn examines the funding of the Casino to Murwillumbah rail service prior to its closure, including the rate of cost recovery through fares and the Government's provision of subsidies to CountryLink to maintain the line.
- Chapter 6 considers claims that maintenance on the Casino to Murwillumbah line has been consistently under-funded in recent years, to the extent that the line now requires the injection of a large amount of capital – \$188 million on the evidence of RailCorp – to remain viable.
- Chapter 7 examines the replacement coach service introduced by CountryLink in compensation for the loss of the rail service, including the advantages of the service cited by RailCorp and criticisms made of the service by other parties.
- Chapter 8 summarises concerns about the social and economic impact of the closure of the rail service on the residents of the northern rivers region, including in particular the impact on the transport disadvantaged such as the frail, aged, and those with disabilities and special needs.
- Chapter 9 examines the issue of future transport planning in the northern rivers region, in the light of the closure of the rail service, and given the anticipated growth of population and tourism in the northern rivers region.
- Chapter 10 considers the future viability of commuter and freight services on the Casino to Murwillumbah rail line, with particular reference to the recent PwC study, and options for funding rail services on the line in the future.
- Chapter 11 examines the possibility of extending the Casino to Murwillumbah line into SE Queensland to link-up with the Queensland railway system.

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<sup>5</sup> Professor Parry, *Final Report of the Ministerial Inquiry into Sustainable Transport*, December 2003, (hereafter referred to as the Final Parry Report)



## **Chapter 2     The closure of the Casino to Murwillumbah rail service**

This chapter provides information on the closure of the CountryLink rail service between Casino and Murwillumbah on 17 May 2004, with reference to:

- RailCorp
- The Casino to Murwillumbah rail line
- Rail services on the Casino to Murwillumbah line
- The Government's announcement of the line's closure
- Community opposition to the closure of the line
- The future preservation of the rail corridor

### **RailCorp**

- 2.1** RailCorp is the NSW Government agency responsible for providing passenger rail transport in NSW. RailCorp provides rail services to metropolitan Sydney and country NSW via its respective CityRail and CountryLink services.
- 2.2** RailCorp was officially formed on 1 January 2004 following the merger of the State Rail Authority of NSW and metropolitan functions of the Rail Infrastructure Corporation (RIC) under the *Transport Administration Amendment (Rail Agencies) Act 2003*. This legislation allows for the continuation of StateRail and RIC as legal organisations while work proceeds on a program for the transfer of functions, assets and staff throughout 2004.<sup>6</sup>

### **The Casino to Murwillumbah rail line**

- 2.3** The Casino to Murwillumbah rail line is a single gauge track of approximately 130kms in length (including loops and sidings) running through the northern rivers region of NSW. The line departs from the main northern rail line at Casino, with stations at Lismore, Bangalow, Byron Bay, Mullumbimby and finally Murwillumbah. The rail corridor continues for a further 3.7km past Murwillumbah before terminating at Condong. The line runs through the four local council areas of Byron, Lismore, Richmond Valley and Tweed. A map of the northern rivers region is shown in Figure 2.1 below.

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<sup>6</sup> <http://www.RailCorp.nsw.gov.au/home> (accessed on 20 July 2004)

**Figure 2.1** Map of the northern rivers region



Source: Far North Coast UBD

**2.4** The Casino to Murwillumbah line was completed in 1905, and is characterised by significant gradients and tight curves, reflecting the topography of the area, incorporating floodplains,



mountains and valleys. The line incorporates 29 steel bridges and 169 timber bridges, accounting for 30% of timber bridges on the NSW rail network.<sup>7</sup>

- 2.5** Despite its age, the Committee notes that the overall condition of the Casino to Murwillumbah track is relatively good. In correspondence dated 20 May 2004, RailCorp indicated that in January 2004, the track condition index (TCI)<sup>8</sup> of the Casino to Murwillumbah line was 49. This compares with a TCI for the north coast mainline in January 2004 of 47, and a state wide mainline TCI of 44. RailCorp continued:

The Murwillumbah TCI of 49 is considered to be a fair to good result, as it is a highly curved track and has an inherently higher TCI than straight track.<sup>9</sup>

- 2.6** However, while the overall condition of the track is considered good, the condition of many of the timber underbridges on the line, many over 100 years old, is considered to be poor. In evidence to the Committee on 2 July 2004, Mr Bruce Lord, Manager of Infrastructure Planning and Support with RIC stated:

The problem with the line is not with the track; it is with the bridges and the TCI does not really give you any guidance there. I have looked at the track condition index over 10 years and it is pretty stable, but the bridges are such a short length in total—there are a lot of bridges but they are about 4 kilometres in 130 kilometres, in coming up with the track condition index, they do not really figure. Deterioration in bridges is not going to be seen in the TCI. Track condition is not really a problem on the line. It is the bridge condition.<sup>10</sup>

- 2.7** The Committee understands that many of the bridges requiring major upgrading or replacing are located around Lismore, near Bangalow and at Billinudgel.<sup>11</sup>

## **Rail services on the Casino to Murwillumbah line**

- 2.8** The Casino to Murwillumbah line has been historically used for both passenger and freight transport. Initially, the line was built to transport cedar from the 'Big Scrub' area around Byron Bay. Later it became integral to the development of the pastoral industries in the northern rivers region. However, with changes in the economy of the northern rivers region, the use of the line progressively switched from freight transport to passenger transport.

<sup>7</sup> Mr Graham, 20 May 2004, pp2,14. The Committee notes that Mr Battersby argued in his submission tabled with the Committee on 9 June 2004 that the Casino to Murwillumbah line has in fact only 140 wooden underbridges, together with 8 steel bridges and 4 concrete bridges. See Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, p14

<sup>8</sup> The track condition index is calculated using measurements recorded by a specialised car which measures four different points on the track: vertical alignment of the rail (top); horizontal alignment of the rail (line); super elevation or cant of the track (twist) and distance between top of rails (gauge).

<sup>9</sup> RailCorp, Response to questions on notice from 20 May 2004, p3

<sup>10</sup> Evidence, 2 July 2004, p51

<sup>11</sup> PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, p10

- 2.9** The first passenger service on the Casino to Murwillumbah line was the North Coast Mail Train, an overnight train servicing the northern rivers region running from Central Station in Sydney. During the 1970s, this train was replaced by two new services – the Gold Coast Motorail Express and the Pacific Coast Overnight Express. In turn, these services were replaced by the inter-regional XPT service in February 1990.<sup>12</sup>

### **The Casino to Murwillumbah XPT service**

- 2.10** Prior to 17 April 2004, the daily Murwillumbah XPT service departed Sydney at 7.15 am, reaching Casino at 6.34 pm, before heading out on the line to Murwillumbah, calling at Lismore at 7.10pm, Byron Bay at 8.00pm, Mullumbimby at 8.10 pm and finally Murwillumbah at 9.00pm. The same train subsequently headed back to Sydney from Murwillumbah at 9.50 pm, calling at Mullumbimby at 10.28pm, Byron Bay at 10.43pm, and Lismore at 11.34pm, before heading on to Sydney on the main northern line, arriving at 11.38am the following morning.<sup>13</sup>
- 2.11** CountryLink also provided coach services to connect with the Murwillumbah XPT service at Murwillumbah. The coach services provided connections to and from Brisbane, Robina, Tweed Heads and Surfers Paradise.
- 2.12** A map of the CountryLink rail and coach services, including the connection from Casino to Murwillumbah, is provided in Appendix 3.
- 2.13** The Committee notes that the Murwillumbah XPT service was mainly used for inter-regional travel, mainly to Sydney. There was relatively little use of the service for commuting within the region. In addition, demand for the XPT service was seasonal, typically peaking during the summer months and in school holidays.

### **The Government's announcement of the line's closure**

- 2.14** On 6 April 2004, the Hon Michael Egan MLC, the NSW Treasurer, announced the withdrawal of the Murwillumbah XPT service as part of the Government's 2004 Mini Budget. The Treasurer's media release of 6 April 2004, accompanying the announcement of the Mini Budget, stated that the NSW Government would:
- Replace the one return passenger train per day on the Casino – Murwillumbah line with a coach service running twice as often. Saving \$5 million a year.<sup>14</sup>
- 2.15** In accordance with this announcement, the last XPT service left Murwillumbah on 16 April 2004, arriving the next morning in Sydney.

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<sup>12</sup> PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, p6

<sup>13</sup> CountryLink, *Fares and Timetables – Rail and Coach Services*, Valid from 25 June 2002

<sup>14</sup> The NSW Treasurer, the Hon Michael Egan MLC, Media Release, 'Savings to Fund Increases for Hospitals and Rail', 6 April 2004, p3

- 2.16** During the Committee's hearing on 20 May 2004, Mr Vince Graham, CEO of RailCorp, indicated that he personally nominated 16 April 2004 as the date for the closure of the Casino to Murwillumbah rail service. Mr Graham stated that he chose this date for two reasons:
- to achieve the financial savings targeted by the Government
  - to give the employees of CountryLink the opportunity to pursue redeployments or redundancy packages without long-term uncertainty as to the closure of the line.<sup>15</sup>
- 2.17** Following the cessation of the Casino to Murwillumbah rail service, CountryLink introduced a number of new coach services in addition to the existing coach services to and from Brisbane, Robina, Tweed Heads and Surfers Paradise. A full copy of the coach service timetables is at Appendix 4.
- 2.18** A Queensland coach company, Sunstate, which also operates the Murwillumbah through to Brisbane service for CountryLink, was awarded the interim contract to provide CountryLink coach services between Casino and Murwillumbah.<sup>16</sup> In the longer term, CountryLink's intention is to put the additional service out to tender.<sup>17</sup>

### **Community opposition to the closure of the line**

- 2.19** The Committee is aware that the closure of the Casino to Murwillumbah rail line announced on 6 April 2004 provoked considerable community opposition.
- 2.20** The Committee notes in particular the written submission of the Northern Rivers Trains for the Future Inc (NRTF), which is a community group representing a wide range of people in the northern rivers who support the continuation of rail services in the region. Following the announcement of the closure of the rail line on 6 April 2004, the NRTF organised or assisted with the following rallies and protests:
- Lismore railway station (26 April 2004)
  - Mullumbimby (28 April 2004)
  - Protest train to Sydney (28 April 2004)
  - Casino (29 April 2004)
  - Murwillumbah (5 May 2004)
  - Byron Bay railway station (13 May 2004)
  - Lismore (16 May 2004)
  - Murwillumbah (16 May 2004).<sup>18</sup>

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<sup>15</sup> Evidence, 20 May 2004, p17

<sup>16</sup> Mr Graham, Evidence, 20 May 2004, p7

<sup>17</sup> Evidence, 20 May 2004, p19

<sup>18</sup> Submission 213, NRTF, p3

**2.21** In addition, the closure of the rail service received widespread coverage in the local and Sydney media, including extensive reporting in the local *Northern Star* and *Northern Rivers Echo*,<sup>19</sup> together with a large number of letters to the editor published in the *Tweed Daily News*.<sup>20</sup>

**2.22** The Committee was also made very aware of the depth of community opposition to the closure of the line during the Committee's hearing in the northern rivers region on 9-10 June 2004. In particular, the Committee notes the evidence of the local members of Parliament, Mr Thomas George MP, State Member for Lismore, and Mr Don Page MP, State Member for Ballina. In his evidence to the Committee in Lismore on 9 June 2004, Mr George observed:

The community feeling about the loss of this rail service is unprecedented during my term in Parliament. Everyone has been firmly behind the campaign to retain the rail service.<sup>21</sup>

**2.23** Similarly, Mr Page MP indicated during the Committee's hearing in Byron Bay on 10 June 2004:

... there is a genuine feeling of anger and betrayal in the community, and I want to emphasise that this feeling is not just local; it is across the region, and indeed covers practically all political parties, from what I can gather. Everyone seems to be very upset by the decision and, as I say, it crosses party lines.<sup>22</sup>

**2.24** The Committee also notes that the issue of cross-party support for the re-opening of the Casino to Murwillumbah rail service was explicitly raised during the Committee's hearing on 9 June 2004 in Lismore. In their evidence, Cr Jenny Dowell, Lismore City Councillor and member of the Lismore Branch of Country Labor, and Ms Sue Dakin, President of the Country Labor State Electorate Council and former Ballina Shire Councillor, both expressed their ongoing support for Country Labor, but indicated their strong support for a reversal of the NSW Labor Government's decision to close the rail service.<sup>23</sup> As stated by Cr Dowell:

The Country Labor branch has been actively involved in the continuation and extension of country rail services for a long time. In fact, the motion put to both the country and State conferences last year on the maintenance and extension of country rail services – I stress “rail” – came from our branch. At both those conferences, those motions were carried. To my mind, that becomes part of Labor Party rules in a loose way because it is the wish of the majority of Labor Party people in this State that country rail services be preserved.<sup>24</sup>

**2.25** Finally, the Committee also acknowledges the opposition to the closure of the Casino to Murwillumbah rail service expressed by the Mayors of Lismore City Council,<sup>25</sup> Richmond Valley Shire Council,<sup>26</sup> Byron Shire Council<sup>27</sup> and Tweed Shire Council.<sup>28</sup>

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<sup>19</sup> Cr Dowell, Evidence, 9 June 2004, p32

<sup>20</sup> Mr Maloney, NRTF, Evidence, 10 June 2004 (Byron Bay), p14

<sup>21</sup> Evidence, 9 June 2004, p2

<sup>22</sup> Evidence, 10 June 2004 (Byron Bay), p2

<sup>23</sup> Evidence, 9 June 2004, pp32-33

<sup>24</sup> Evidence, 9 June 2004, p35

<sup>25</sup> Cr King, Evidence, 9 June 2004, pp3-4

## The future preservation of the rail corridor

- 2.26** The Committee notes that under section 99A of the *Transport Administration Act 1988*, RailCorp cannot physically remove the Casino to Murwillumbah railway line. To do so requires a specific act of Parliament. Accordingly, the Casino to Murwillumbah rail corridor will be preserved, remaining viable for reopening in the future.<sup>29</sup>

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### Recommendation 1

That the Government produce a comprehensive preservation plan for the Casino to Murwillumbah line, such plan to include, but not to be restricted to, the preservation of the line's overbridges.

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- 2.27** In correspondence dated 11 June 2004, RailCorp provided the Committee with a list of 39 rail lines in NSW which have been closed since 1968, totalling approximately 2,500 km of track. These lines have also been maintained as long-term viable rail corridors, similar to the anticipated treatment of the Casino to Murwillumbah line.<sup>30</sup>
- 2.28** The Casino to Murwillumbah railway corridor will also still need to be given a low level of maintenance in the future, mainly to maintain public road overbridges, but also to meet RailCorp's obligations in relation to agricultural issues such as rabbits and prickly pear.<sup>31</sup>

### Steel sleepers delivered for maintenance work

- 2.29** The Committee notes that prior to the closure of the Casino to Murwillumbah line, 8,000 steel sleepers were delivered along certain sections of the line to be used for maintenance. That proposed maintenance work was subsequently cancelled in light of the closure of the line.<sup>32</sup>
- 2.30** In evidence to the Committee on 2 July 2004, Mr Gary Seabury, Group General Manager of Infrastructure with RailCorp and Mr Peter Hanrahan, Maintenance Manager for the North Coast, indicated that the steel sleepers were subsequently removed and transported to Walgett for use there in the upgrade of the Walgett line. The cost of this operation was approximately \$315,000.<sup>33</sup> This does not include the cost of delivering the sleepers to the Casino to Murwillumbah line.

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<sup>26</sup> Cr Cox, Evidence, 9 June 2004, p7

<sup>27</sup> Cr Barham, Evidence, 10 June 2004 (Byron Bay), pp7-8

<sup>28</sup> Cr Polglase, Evidence 10 June 2004 (Murwillumbah) p13

<sup>29</sup> Mr Graham, Evidence, 20 May 2004, p10

<sup>30</sup> RailCorp, Response to questions on notice from 11 June 2004, pp63-64. See also Mr Graham, Evidence, 20 May 2004, p10.

<sup>31</sup> Mr Graham, Evidence, 20 May 2004, p10

<sup>32</sup> Evidence, 20 May 2004, p12

<sup>33</sup> Mr Seabury and Mr Hanrahan, Evidence, 2 July 2004, pp63-64

- 2.31** The Committee does not criticise RailCorp for planning and preparing for maintenance of the Casino to Murwillumbah line prior to its announced closure. However, the Committee regrets the waste of at least \$315,000 in public money due to the NSW Government's closure of the line at very short notice.

### **The cost of fencing at Mooball**

- 2.32** During the hearing in Murwillumbah on 10 June 2004, the Committee raised with the General Manager of Tweed Shire Council, Dr Griffin, the Council's recent installation of a toilet block on land between the road and railway line at Mooball. Because the block was located close to the railway line, RailCorp required the Council to build a fence around the block to prevent individuals from getting to the track. The cost of the fence was \$23,000.<sup>34</sup>

### **The Eltham Bridge**

- 2.33** In his submission tabled with the Committee on 9 June 2004, Mr Neale Battersby<sup>35</sup> raised concerns in relation to the condition of the Eltham Bridge following the closure of the Casino to Murwillumbah line. Mr Battersby provided the Committee with photographic evidence that since the closure of the line, the bridge has been left with large sections of uncoated metal, unprotected from the elements and corrosion.<sup>36</sup> This is shown in Figure 2.2.

**Figure 2.2** The Eltham Bridge



Source: Mr Battersby, Tabled document, 9 June 2004

<sup>34</sup> Evidence, 10 June 2004, pp11-12

<sup>35</sup> Mr Battersby is a former employee of Victorian Railways and V/Line from 1989 to 2002, at which time he moved to the northern rivers region.

<sup>36</sup> Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, p13. See also evidence, 9 June 2004, pp42-43

**2.34** In evidence during the hearing on 2 July 2004, Mr Seabury indicated that he had directed a RailCorp officer to investigate the condition of the Eltham Bridge, and that his information was that the bridge had been repainted, with no bare metal left exposed.<sup>37</sup> RailCorp subsequently expanded on this in correspondence dated 11 June 2004:

All areas that have been cleaned back to bare metal have been painted with a protective coating or parts are replaced with galvanised members. There are parts of the bridge that have not been worked on where the existing protective coating remains.<sup>38</sup>

**2.35** RailCorp further indicated that a total of \$1,025,000 has been spent on the Eltham Bridge (steelworks, patching and transom renewal) to date in 2003/2004.<sup>39</sup>

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<sup>37</sup> Evidence, 2 July 2004, p57

<sup>38</sup> RailCorp, Response to questions on notice from 11 June 2004, p10

<sup>39</sup> RailCorp, Response to questions on notice from 11 June 2004, p67





## Chapter 3     **The context to the closure of the rail service**

This chapter places the closure of the Casino to Murwillumbah rail service in context, with particular reference to:

- Rail lines previously closed in NSW
- The Parry Report
- The Government's response to the Parry Report
- The 2004 Mini Budget
- The growth in overall funding for rail services in NSW
- Proposals for Federal funding of the line
- The PwC study.

### **Rail lines previously closed in NSW**

**3.1**     As indicated in Chapter 2, a total of 39 rail lines in NSW have been closed since 1968, totalling approximately 2,500 km of track. In addition, two lines have been reopened. These lines are listed in Appendix 5.<sup>40</sup>

### **The Parry Report**

**3.2**     The closure of the Casino to Murwillumbah rail service must be seen in the context of the December 2003 Parry Report, which examined the provision of a sustainable public transport system in NSW, and put forward possible options for delivering better and more sustainable transport outcomes in the future.

**3.3**     The Committee notes that in the Interim Report of the Ministerial Inquiry into Sustainable Transport of August 2003, Professor Parry found:

Few of the CountryLink intrastate train services are justifiable. They are used by very few people, are expensive to operate and will require major new investments in both below-rail infrastructure and rolling stock. CountryLink needs to be refocused. There must be better ways to provide services that meet the needs of rural and regional communities. For example, CountryLink coach services are a far more cost-effective means of providing rural and regional transport within the state. It is not obvious that these coach services are less safe or less speedy. Indeed, investing in CountryLink coaches, buses and coach stations in rural towns, with intrastate as well as regional

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<sup>40</sup> RailCorp, Response to Questions on Notice from 11 June 2004, pp63-64

community transport services, may better meet health and community transport needs and, thereby, provide far greater benefits to rural New South Wales.<sup>41</sup>

**3.4** Accordingly, in his interim report, Professor Parry recommended the replacement of some CountryLink rail services with CountryLink coach services.<sup>42</sup>

**3.5** In the final Parry Report of December 2003, however, Professor Parry noted that his findings and recommendations cited above had provoked strong community opposition, on the basis that:

- Train travel is more comfortable and practical, particularly for the frail, aged and those with disabilities and special needs
- Bus travel poses a higher risk of accidents
- Country roads may not have the capacity to cope with additional bus traffic
- Rail services provide higher overall social, environmental and economic benefits to local communities.<sup>43</sup>

**3.6** Given these concerns, Professor Parry did not specifically recommend in his final report of December 2003 the closure of any CountryLink rail lines. However, Professor Parry made the following general finding in relation to CountryLink rural and regional rail services:

Over time, many of the rural rail services previously provided on low density rail routes and branch lines have been replaced by bus services. This is much more cost-effective, and also reduces travel times in many cases. The Interim Report of this Inquiry outlined an option to replace further CountryLink train services with buses, and direct any resulting cost savings to providing more flexible community transport services in rural and regional areas (such as taxi services to transport frail and aged people to hospitals, and bus services for young and older people to travel between towns or to services and facilities within their communities) that will deliver more value for money.

Although the Interim Report did not specify which services could be replaced, responses to this report indicate that many community members oppose replacing train services with buses. The Inquiry recognises that there are many reasons why passengers might prefer train services to buses. However, to achieve a sustainable public transport network, priority must be given to the most appropriate and cost-effective services that meet community needs. This means that alternatives to the current train services do need to be explored. The Inquiry believes CountryLink's cost position should be examined more closely, so the costs and benefits of these services can be properly evaluated. In addition, alternative options for improving long distance passenger services in rural and regional NSW within the constraints of available resources should be closely considered. This should include community consultation, and a case-by-case assessment of the service levels that communities need.<sup>44</sup>

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<sup>41</sup> Professor Parry, Interim Report of the Ministerial Inquiry into Sustainable Transport, December 2003, (hereafter referred to as the Interim Parry Report), pxiii

<sup>42</sup> Interim Parry Report, pxvii

<sup>43</sup> Final Parry Report), p44

<sup>44</sup> Final Parry Report, p43

**3.7** Accordingly, the Final Parry Report recommended that the Government:

Explore all options for improving long distance passenger services that provide access to rural and regional NSW within the constraints of available resources [and] Consider the costs and benefits of alternative transport modes and include a case-by-case assessment of the service levels, including service frequency, that communities need.<sup>45</sup>

### **The Government's response to the Parry Report**

**3.8** The NSW Minister for Transport Services, the Hon Michael Costa MLC, published a media release outlining the Government's response to the Final Parry Report on 9 December 2003. In that response, the Minister committed the Government to:

Retaining all current CountryLink Trains routes subject to: ... Monitoring future CountryLink patronage, costs and revenue and review after 12 months.<sup>46</sup>

**3.9** The Committee notes that the Minister's media release did not specifically refer to retention of the Casino to Murwillumbah rail service. Nevertheless, the Committee is aware that patrons and suppliers of the rail service expected that it would remain open for the following 12-month period. As indicated in Chapter 2, this did not occur, with the Government's announcement of the closure of the line on 6 April 2004.

**3.10** This issue was repeatedly cited by witnesses to the inquiry as a major source of concern to the community of the northern rivers region.<sup>47</sup>

### **The Casino to Murwillumbah Rail Corridor Working Party**

**3.11** During the Committee's hearing on 11 June 2004, Mr John Whelan, Director of Local and Community Transport in the Ministry of Transport (MoT), indicated that following the release of the Parry Report, the MoT were intending to undertake consultations with residents of the northern rivers region in relation to the future of the Casino to Murwillumbah line. Similar consultations had already begun in relation to the future of other lines, including the Griffith line running through Cootamundra and the Armidale to Tamworth line and the Canberra to Sydney line. Asked why consultation had not already begun in relation to the Casino to Murwillumbah line, Mr Whelan responded:

The decision was taken to preserve all those train lines for a period of 12 months, a decision that was subsequently changed in relation to the Casino to Murwillumbah train line.<sup>48</sup>

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<sup>45</sup> Final Parry Report, pxvii

<sup>46</sup> Minister for Transport Services, Media Release, *Government Responds to Ministerial Inquiry into Sustainable Public Transport*, 9 December 2003, cited in RailCorp, Response to questions on notice from 11 June 2004

<sup>47</sup> See for example Mr Bennett, Evidence, 9 June 2004, p7; Ms Kolbe, Evidence, 9 June 2004, p26; Mr Don Page MP, Evidence, 10 June 2004 (Byron Bay), p2; Mr Schmitzer, Evidence, 10 June 2004 (Byron Bay), p29

<sup>48</sup> Evidence, 11 June 2004, p57

- 3.12** Mr Whelan also noted that consultation had begun in relation to the other lines before the Casino to Murwillumbah line because it was easier to coordinate meetings of local members to participate in discussions on the other lines.<sup>49</sup>
- 3.13** The Committee notes, however, that during his evidence on 10 June 2004, Mr Don Page MP, State Member for Ballina, indicated that up until that time, he had not been contacted in relation to the establishment of the Casino to Murwillumbah Rail Corridor Working Party.<sup>50</sup>
- 3.14** In subsequent correspondence to the Committee, Mr Whelan reported that the Casino to Murwillumbah Rail Corridor Working Party had now been constituted with the following members:
- The Hon Ian Cohen MLC
  - Mr Don Page MP, Member for Ballina
  - Mr Neville Newell MP, Member for Tweed
  - Mr Thomas George MP, Member for Lismore
  - Cr Merv King, Mayor of Lismore City Council
  - Cr Warren Polglase, Mayor of Tweed Shire Council
  - Cr Charlie Cox, Mayor of Richmond Valley Shire Council
  - Cr Jan Barham, Mayor of Byron Shire Council
  - Cr Ernie Bennett, Mayor of Kyogle Council
  - Mr Phillip Silver, Mayor of Ballina Shire Council
  - Representatives of RailCorp
  - Representatives of the Commonwealth Department of Transport and Regional Services
  - Representatives of Queensland Transport<sup>51</sup>
  - The Hon Catherine Cusack MLC.<sup>52</sup>
- 3.15** Mr Whelan further indicated that the Casino to Murwillumbah Rail Corridor Working Party is due to report by the end of 2004.<sup>53</sup>
- 3.16** The Committee refers again to the work of the Working Party in Chapter 10.

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<sup>49</sup> Evidence, 11 June 2004, pp57-58

<sup>50</sup> Evidence, 10 June 2004, p5

<sup>51</sup> Correspondence from Mr Whelan, Director, Local and Community Transport Division, MoT to Chair, 30 June 2004

<sup>52</sup> The Committee was informed by Ms Cusack that she is also participating in the working party.

<sup>53</sup> Correspondence from Mr Whelan, Director, Local and Community Transport Division, MoT to Chair, 30 June 2004

## The 2004 Mini Budget

- 3.17** The NSW Government's decision to close the Casino to Murwillumbah rail service must also be seen in the context of its 2004 Mini Budget, announced on 6 April 2004.
- 3.18** In his evidence to the Committee on 2 July 2004, Mr John Pierce, Secretary of the NSW Treasury, indicated that the Government delivered the 2004 Mini Budget following two permanent and structural changes to the fiscal position of the State Government, which in the long term threatened the fiscal sustainability of the Government's finances, and the State's triple-A credit rating. They were:
- The decision of the Commonwealth Government, based on the advice of the Commonwealth Grants Commission, to reduce the level of general purpose grants to NSW in 2004-2005
  - Higher than expected wage outcomes for teachers and nurses handed down by the Industrial Relations Commission.<sup>54</sup>
- 3.19** In turn, Mr Pierce noted that the Government responded to these two structural changes by announcing in the 2004 Mini Budget a mix of additional tax and savings measures to maintain the fiscal sustainability of the State. Those measures included the saving of \$5 million annually from the closure of the Casino to Murwillumbah rail line.<sup>55</sup>

### The identification of the Casino to Murwillumbah rail service for closure

- 3.20** During the Committee's initial public hearing on 20 May 2004, the Committee asked the CEO of RailCorp, Mr Vince Graham, to outline the process whereby the Casino to Murwillumbah rail service was identified for closure prior to the announcement of the 2004 Mini Budget on 6 April 2004.
- 3.21** In reply, Mr Graham indicated that on 1 April 2004, the Chief of Staff in the office of the Minister for Transport requested that RailCorp provide a briefing to the Government prior to the Mini Budget on cost savings that could be achieved through closure of the Casino to Murwillumbah rail line. Mr Graham suggested that the Minister's office had identified the Casino to Murwillumbah line for possible closure based on discussions in previous budget years.<sup>56</sup>
- 3.22** In response, RailCorp provided a briefing note on the Casino to Murwillumbah rail service to the Minister for Transport on 5 April 2004, a copy of which was tabled with the Committee by Mr Graham. The briefing note cited the cost of maintaining the Casino to Murwillumbah line over the next 5 years as \$15.6 million per annum, and proposed the introduction of two new coach services to replace the rail service, costing \$1.4 million per annum. Accordingly,

<sup>54</sup> Evidence, 2 July 2004, p18. The Committee notes that these issues were examined in detail in the report of GPSC 1 entitled *2004 Mini Budget*, June 2004. This report is available on the Committee's web site at [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au)

<sup>55</sup> Evidence, 2 July 2004, p20

<sup>56</sup> Evidence, 20 May 2004, p7, 11,16-17. See also RailCorp, Response to questions on notice from 20 May 2004, p5

the overall saving to RailCorp of the closure of the rail service was estimated at \$14.2 million per annum over the next five years.<sup>57</sup>

**3.23** The Committee subsequently asked Mr Graham why cutting the Casino to Murwillumbah rail service was specifically identified in the briefing note of 5 May 2004 as the best option for cost savings within the CountryLink network. In response, Mr Graham observed:

Clearly, the future operating cost of the Casino to Murwillumbah line for one train service each way a day, given the particular geography and topography of that 130 kilometres of track and the predominance of timber bridges on that network, the expenditure required to continue with the operation of that railway line was considerable.<sup>58</sup>

**3.24** When asked whether these considerations made the Casino to Murwillumbah line 'stand out' in terms of expenditure costs, Mr Graham indicated that they did.<sup>59</sup>

**3.25** The Committee examines these issues in greater detail in Chapter 4.

## The growth in overall funding for rail services in NSW

**3.26** The Committee notes that while the Government announced the closure of the Casino to Murwillumbah line in the 2004 Mini Budget, overall State Government funding for the country rail network in NSW has grown considerably in recent years. This is shown in Table 3.1 below, taken from correspondence from Treasury's dated 2 July 2004.

**Table 3.1** Funding for the maintenance of the NSW country rail infrastructure (\$,000)

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
Budget	170,950	169,408	206,628	286,087	285,545	123,000
Actual	170,950	256,453	246,628	286,087	357,545*	

\* Additional expenditure in 2003-2004 included provision of \$72 million for the costs of transition to management by the Australian Rail Track Corporation (see paragraph 3.33 below). The corresponding drop in funding in 2004-2005 reflects in part the impact of the Australian Rail Track Corporation Agreement (see below)

Source: Treasury, Response to questions on notice from 2 July, 9 July 2004, p2

**3.27** The 2004-2005 Budget of 22 June 2004 also included a further increase in spending on all passenger rail services in NSW, including CountryLink services. Treasury has indicated that the 2004-2005 Budget included a net increase of \$352.4 million for passenger rail services in NSW, an increase of 27.9%.<sup>60</sup> This is shown in Table 3.2 below.

<sup>57</sup> Mr Graham, Evidence, 20 May 2004, p11. See also Mr Graham, Tabled document, 'Briefing Note: Casino – Murwillumbah', 5 April 2004, pp1-3

<sup>58</sup> Evidence, 20 May 2004, p8

<sup>59</sup> Evidence, 20 May 2004, p8

<sup>60</sup> Treasury, Response to questions on notice from 2 July, 9 July 2004, p2. See also Mr Pierce, Evidence, 2 July 2004, p19

**Table 3.2** Additional Budget spending for passenger rail services in 2004-2005 (\$,000)

	<b>2003-2004 Budget</b>	<b>2004-2005 Budget</b>	<b>Difference</b>	<b>Per cent</b>
CityRail and CountryLink Services	687,382	843,508	156,126	23
SSTS and other concessions	224,708	226,935	2,227	1
Capital Program	283,213	422,147	138,934	49
Transitional and redundancy funding	67,100	42,200	-24,900	-37
Clearways borrowing	-	80,000	80,000	
<b>Total</b>	<b>1,262,403</b>	<b>1,614,790</b>	<b>352,387</b>	<b>27.9</b>

Source: Treasury, Response to questions on notice from 2 July, 9 July 2004, p2

### The ARTC Agreement

- 3.28** The Committee notes that the Commonwealth Government is also injecting significant additional capital into the NSW rail system through the Australian Rail Track Corporation (ARTC) Agreement.
- 3.29** The ARTC was created after the Commonwealth and State Governments agreed in 1997 to the formation of a 'one stop' shop for all operators seeking access to the national interstate rail network. On 5 December 2003, the ARTC and NSW Government announced that:
- ARTC would lease for a period of 60 years the NSW interstate and Hunter Valley rail corridors, the dedicated metropolitan freight lines to the Sydney ports, and be granted a license to construct the southern Sydney freight line within the existing rail corridor.
  - All rail lines in NSW, including the urban system and branch lines not specifically leased to ARTC would remain the responsibility of NSW. However, ARTC would manage the remaining non-interstate and non-Hunter country branch rail network on behalf of the NSW Government under a management agreement between the NSW Government and the ARTC. The NSW Government would retain funding responsibility for these lines.<sup>61</sup>
- 3.30** The proposed funding of the new agreement included an equity injection from the Commonwealth Government of \$143 million, and a funding contribution from the NSW Government of almost \$62 million.<sup>62</sup>
- 3.31** The ARTC Agreement between the Commonwealth and NSW Governments was formally signed by the Acting Prime Minister and Commonwealth Minister for Transport and Regional Services, the Hon John Anderson MP, the NSW Minister for Transport Services, the Hon Michael Costa MLC, and the Chairman of ARTC, Mr Barry Murphy, on 4 June 2004.<sup>63</sup>

<sup>61</sup> ARTC, 'Australian Rail Track Corporation NSW Lease: The Agreement in Summary', Press Release, 5 December 2004, [http://www.artc.com.au/press\\_releases/artc\\_agreement.pdf](http://www.artc.com.au/press_releases/artc_agreement.pdf), p1

<sup>62</sup> ARTC, 'Australian Rail Track Corporation NSW Lease: The Agreement in Summary', p2

<sup>63</sup> The Hon John Anderson MP and the Hon Michael Costa MLC, 'Historic National Rail Agreement Signed by Acting Prime Minister John Anderson and NSW Transport Services Minister Michael

- 3.32** The Committee notes that the ARTC Agreement is likely to entail long-term savings for the NSW Government. During the hearing on 2 July 2004, Mr Ziggi Lejins, Director of Transport and Ports in the NSW Treasury, noted that the 2004-2005 Budget papers show a drop in funding for RIC to \$123 million in 2004-2005, down from \$285 million in 2003-2004. Mr Lejins attributed this to the ARTC Agreement.<sup>64</sup>
- 3.33** However, the Committee also acknowledges that in the short-term, the ARTC Agreement involves some additional costs for the NSW Government. As noted in Table 3.1 above, in 2003-2004, the Government funded an additional \$72 million in maintenance on the country rail network in NSW, arising from the delay in the finalisation of the ARTC Agreement. This \$72 million comprised an additional \$38 million for salary payments, \$4 million for employer superannuation costs and \$30 million for maintenance work.<sup>65</sup>
- 3.34** Finally, on a related point, the Committee notes that the additional expenditure on the main northern line under the ARTC Agreement may well have facilitated faster travel times for the Murwillumbah XPT service, had it continued to operate.

### **Proposals for Federal funding of the line**

- 3.35** Prior to the last federal election held on 9 October 2004, the federal Labor opposition announced that should it win office, it would provide \$15 million in funding for the Casino to Murwillumbah line each year for the next 10 years.<sup>66</sup> In turn, the Coalition Government also offered \$15 million per annum in funding, but only over a period of two years.<sup>67</sup>
- 3.36** At the federal election on 9 October 2004, the Howard-Anderson Liberal-National Government was returned to office.
- 3.37** Following the federal election, the Committee understands that the Deputy Prime Minister and Commonwealth Minister for Transport and Regional Services, the Hon John Anderson MP, met with the NSW Transport Services Minister, the Hon Michael Costa MLC, in Sydney on Monday, 8 November 2004 to discuss possible federal funding for a new rail service on the Casino to Murwillumbah line. This is discussed further in Chapter 10.

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Costa', Joint Media Release, 4 June 2004,  
<http://www.ministers.dotars.gov.au/ja/releases/2004/June/artc/artc.htm> (accessed 19 July 2004)

<sup>64</sup> Evidence, 2 July 2004, p19

<sup>65</sup> Correspondence from Mr Lejins to Committee Director, 30 July 2004

<sup>66</sup> Mr Martin Ferguson MP, Media Release, 'Restoring rail services from Casino to Murwillumbah', 20 August 2004, <http://www.alp.org.au/media/0804/20008224.html> (accessed on 25 August 2004). See also Mr Martin Ferguson MP, Media Release, 'Casino To Murwillumbah: The Real Facts', 23 August 2004, <http://www.alp.org.au/media/0804/20008244.html> (accessed on 25 August 2004)

<sup>67</sup> The Hon John Anderson, Media Release, 'NSW Labor: Restore the Murwillumbah to Casino Line Now'. 23 August 2004,  
[http://www.ministers.dotars.gov.au/ja/releases/2004/August/a95\\_2004.htm](http://www.ministers.dotars.gov.au/ja/releases/2004/August/a95_2004.htm) (accessed on 25 August 2004)



## The PwC study

**3.38** On 29 June 2004, the Tweed Shire Council formally entered into terms of engagement with PwC to undertake the following Consultancy Brief: HQ2004-092: *Feasibility Study for Passenger/Commuter Services on the Murwillumbah to Casino Branch Line*. The project was funded by a grant from the Commonwealth Government's Sustainable Regions Program. Additional details on the program are provided in Appendix 6.

**3.39** The full text of the contracted "service" for the feasibility study is reproduced in Appendix 7. Part of the agreement is reproduced below:

The consultant is to conduct a feasibility study into the retention of the Murwillumbah to Casino branch line infrastructure and rail corridor, incorporating the feasibility of retention of the existing XPT passenger service and an assessment of the viability of a light commuter rail service in the Far North East NSW region.

Such an assessment would be based on triple bottom line investigations of economic, social and environmental impacts.

The feasibility study would also examine alternative passenger rail options, as well as private and community not-for-profit funding options such as a coalition of regional councils. Finally, an options paper would be produced outlining different scenarios for the way forward.<sup>68</sup>

**3.40** On 13 August 2004, PwC released an *Options Paper to assist in the development of the Final Feasibility Study*. In that paper, PwC raised a number of issues, including options for the management and maintenance of the line, funding of the line, and services on the line.

**3.41** The final PwC report entitled *Feasibility study for passenger and/or commuter services on the Murwillumbah to Casino branch line* was released on Wednesday, 22 September 2004. It was prepared by PwC and the Hughes Consulting Services, with the explicit aim of:

... develop[ing] a solution that maximises access to rail transport for the northern rivers community, but in a way which minimises the long term subsidy requirements of operating such services.<sup>69</sup>

**3.42** The Committee examines this report further in Chapter 10.

<sup>68</sup> Tweed Shire Council Consultancy Brief, HQ2004-092: *Feasibility Study for Passenger/Commuter Services on the Murwillumbah to Casino Branch Line*, 2004, p1

<sup>69</sup> PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, piii



## Chapter 4 The Government's reasons for closing the rail service

This chapter examines the Government's reason for closing the Casino to Murwillumbah rail service, with particular reference to:

- The cost of running the rail service prior to its closure
- The projected cost of running the rail service
- The validity of RailCorp's costings
- Failure to achieve the expected savings

### The cost of running the rail service prior to its closure

**4.1** During the Committee's initial hearing on 20 May 2004, the CEO of RailCorp, Mr Vince Graham, indicated that the Government's decision to close the Casino to Murwillumbah rail service and replace it with a coach service was due to the high cost of maintaining the rail service. Mr Graham divided those costs into 'above rail' and 'below rail' costs:

- Above rail costs refer specifically to the cost of operating a rail service such as train running costs, sales and reservation costs and other operating costs. During the hearing on 20 May 2004, Mr Graham indicated that the above rail costs of running the daily return XPT service between Casino and Murwillumbah were in the order of \$2.4 million per annum.<sup>70</sup>
- Below rail costs refer to ongoing maintenance costs together with infrastructure replacement costs such as the replacement of ageing bridges. During the hearing on 20 May 2004, Mr Graham indicated that the below rail costs of maintaining the Casino to Murwillumbah rail line were in the order of \$3.4 million per annum.<sup>71</sup>

**4.2** Based on the above rail and below rail costs cited above, the Committee understands that the total cost of running the Casino to Murwillumbah XPT service prior to its closure was \$5.8 million per annum.<sup>72</sup> This is shown in Table 4.1 below.

**Table 4.1** Total cost per annum of the rail service prior to its closure

Cost	Per annum (\$ million)
Above rail operating costs	2.4
Below rail costs	3.4
Total	5.8

Source: Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', pp1-2

<sup>70</sup> Evidence, 20 May 2004, pp2-3

<sup>71</sup> Mr Graham, Evidence, 20 May 2004, p4. See also Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p1

<sup>72</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', pp1-2

## The projected cost of running the rail service

- 4.3** The Committee notes that while the cost of running the Casino to Murwillumbah XPT service prior to its closure was estimated by RailCorp as \$5.8 million per annum, Mr Graham presented evidence to the Committee that the projected annual costs of running the Casino to Murwillumbah XPT service over the next 20 years would be considerably greater.
- 4.4** During the hearing on 20 May 2004, Mr Graham indicated that over the next 20 years, the projected below rail cost of maintaining the Casino to Murwillumbah line would be \$188 million (as opposed to the \$3.4 million per annum cited in Table 4.1 above). A breakdown of the \$188 million by purpose is shown provided below:
- \$92 million for the replacement of timber underbridges
  - \$32 million for the replacement of timber sleepers with steel sleepers
  - \$2.2 million for repair and painting of steel bridges
  - \$12.5 million for geo-technical repair (eg repair to unstable embankments)
  - \$4.5 million for the replacement of timber overbridges (generally bridges carrying over traffic)
  - \$19 million for routine maintenance<sup>73</sup>
  - \$26 million for periodic maintenance costs.<sup>74</sup>
- 4.5** Mr Graham in turn noted that a significant proportion of the \$188 million is attributable to the considerable expenditure that would be required to replace the approximately 4½ km of timber frame bridges on the 130 km stretch of the Casino to Murwillumbah line over the next 20 years. As previously noted, Mr Graham indicated that the 130 km stretch of line from Casino to Murwillumbah has 169 timber bridges and 29 steel bridges – approximately 30% of the total number of bridges on the State network.<sup>75</sup>
- 4.6** Mr Graham acknowledged, however, that regardless of the ongoing use of the rail line between Casino and Murwillumbah, RIC would need to spend money on replacement of timber overbridges (as indicated above, estimated to cost \$4.5 million over the next 20 years).<sup>76</sup> In its subsequent correspondence dated 20 May 2004, RailCorp equated this to an estimated \$150,000 per annum on maintaining overbridges on the line.<sup>77</sup>

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<sup>73</sup> Evidence 20 May 2004, p3

<sup>74</sup> See Mr Lord, Evidence, 2 July 2004, pp39-40. See also RailCorp, Response to questions on notice from 11 June 2004, p11

<sup>75</sup> Evidence, 20 May 2004, pp2,14

<sup>76</sup> Evidence, 20 May 2004, p10. See also RailCorp, Response to questions on notice from 11 June 2004, p9

<sup>77</sup> RailCorp, Response to questions on notice from 20 May 2004, p4. The Committee notes the discrepancy between the quoted estimate of \$4.5 million over 20 years and an estimate of \$150,000 over 20 years (\$3 million)

**4.7** Mr Graham also highlighted during his evidence on 20 May 2004 that much of the expenditure to replace the timber underbridges on the Casino to Murwillumbah line would be required early in the projected 20-year maintenance program, reflecting the poor condition of many of the bridges on the line due to their age.<sup>78</sup> A breakdown of this \$188 expenditure over the next 20 years is provided below:

- In years 1-5, projected below rail expenditure of \$66 million, for an estimated annual expenditure of \$13.2 million per annum, or \$36,164 per day
- In years 6-10, projected below rail expenditure of \$62 million, for an estimated annual expenditure of \$12.4 million per annum
- In years 11-15, projected below rail expenditure of \$35 million, for an estimated annual expenditure of \$7.0 million per annum
- In years 16-20, projected below rail expenditure of \$24 million, for an estimated annual expenditure of \$4.8 million per annum.<sup>79</sup>

**4.8** Based on these projections, the Committee understands that the anticipated total cost of running the Casino to Murwillumbah rail service over the next five years is \$15.6 million per annum, or \$42,740 per day.<sup>80</sup> The breakdown of this figure is provided in Table 4.2 below.

**Table 4.2** Total projected cost per annum of the Casino to Murwillumbah rail service over the next five years

Cost	Per annum (\$ million)	Per day (\$)
Above rail operating costs*	2.4	6,575
Below rail costs (over the next 5 years)	13.2 <sup>#</sup>	36,164
Total	15.6	42,740

\* Unchanged from Table 4.1

<sup>#</sup> This figure replaces the \$3.4 million used in Table 4.1, which was based on past expenditure patterns (as opposed to projected expenditure patterns)

Source: Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p2

**4.9** The Committee in turn notes that the projected saving over the next five years from the Mini Budget announcement of 6 April 2004 of the closure of the Casino to Murwillumbah rail service is \$14.2 million per annum.<sup>81</sup> This figure is based on the projected saving from no longer providing the Casino to Murwillumbah rail service of \$15.6 million per annum, less the projected cost of providing the replacement coach service of \$1.4 million per annum.<sup>82</sup>

<sup>78</sup> Evidence, 20 May 2004, p3

<sup>79</sup> Evidence, 20 May 2004, p3

<sup>80</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p2

<sup>81</sup> Mr Graham, Evidence, 20 May 2004, p2

<sup>82</sup> Mr Graham, Tabled document, 'Briefing Note: Casino – Murwillumbah', 5 April 2004, pp3,4

## The validity of RailCorp's costings

- 4.10** During the hearing on 11 June 2004, the Committee questioned the Group General Manager of Infrastructure with RailCorp, Mr Gary Seabury, whether RailCorp has identified the most efficient way of maintaining the Casino to Murwillumbah line, at an estimated cost of \$188 million over 20 years. In response, Mr Seabury indicated:

With regard to the staff who have put this together, their process of saying how they manage the line and make decisions – I am confident that it does meet that requirement. What they have looked at is not just to continually spend money in one year but to say what is the most efficient way to run this line, whether it is for track or bridges or other aspects. The very reason they are saying that it is getting too expensive to keep replacing components is an example of those types of decisions. In putting together that program of \$188 million, they are building a time frame of replacing the structures, not because they want brand-new structures or a gold-plated solution but simply because they have analysed that as the cheapest and most effective way to keep that viable.<sup>83</sup>

- 4.11** During the subsequent hearing on 2 July 2004, the Manager of Infrastructure Planning and Support with RIC, Mr Bruce Lord, elaborated on the \$188 million figure, and the \$92 million for the replacement of bridges. He indicated that he prepared the \$92 million estimate in 2001, based on replacing 4,000 metres of bridge at \$20,000 a metre, which was the going rate for bridge construction at that time. He did not do an individual calculation for each individual bridge.<sup>84</sup>

- 4.12** Mr Lord also noted that replacing all the bridges on the line was deemed by RailCorp to be the most cost effective means of maintaining the line in the long term. In the short term, he acknowledged that it would have been possible to have kept 'patching' the bridges, but argued that in the long term, doing so would be more expensive. As stated by Mr Lord:

The most cost-effective way of managing the branch line indefinitely into the future is to spend \$188 million over the next 20 years and then a much lower amount beyond that.<sup>85</sup>

- 4.13** The Committee also acknowledges the subsequent evidence of the Maintenance Manager for the North Coast, Mr Hanrahan, that the cost of a single wooden girder for ongoing maintenance on the underbridges on the line has increased from \$1,000 in 2001 to \$3,000 today, highlighting that the cost of maintaining wooden underbridges will continue to escalate. Mr Hanrahan noted that steel girders would be less expensive than wooden girders, but that steel girders cannot be intermixed with wooden girders on an existing wooden bridge.<sup>86</sup>

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<sup>83</sup> Evidence, 11 June 2004, p29

<sup>84</sup> Evidence, 2 July 2004, pp52,55 In its subsequent response to questions on notice from 11 June 2004, RailCorp indicated that the \$92 million consisted of \$82 million of bridge renewal and \$10 million of component renewal, based on an average unit rate of new bridge construction of \$20,000 per metre length of bridge. RailCorp, Response to questions on notice from 11 June 2004, p7

<sup>85</sup> Evidence, 2 July 2004, p54

<sup>86</sup> Mr Hanrahan, Evidence, 2 July 2004, p54, 58

- 4.14** In turn, Mr Seabury noted that the high cost of the wooden girders is because they are made of 12-inch extremely high-grade rainforest timber, which is only likely to become more expensive in the future.<sup>87</sup>

### **The proposed use of cheaper culverts to replace bridges**

- 4.15** The Committee notes that in his submission tabled with the Committee, Mr Battersby<sup>88</sup> argued that the cost of replacing some of the underbridges on the Casino to Murwillumbah line could be reduced. He suggested that a number of smaller bridges on the line and maybe some of the larger bridges could be filled in, and a culvert used to facilitate water flow. Mr Battersby provided photographic evidence to support this proposal.<sup>89</sup>

- 4.16** During the Committee's hearing on 11 June 2004, Mr Rudd, a former resident of the northern rivers region, presented similar evidence to the Committee:

... bridge replacement costs are overstated. In my submission I state "the figures quoted seem to be for all bridges on the line to be rebuilt to gold-plated standards". When I say "gold-plated", I mean to main line standards designed to take 82 and NR class locomotives, of that range of heaviness. In the case of the branch line and its present standards, or even for a fledgling short line operator, it is simply not required.<sup>90</sup>

- 4.17** Echoing Mr Battersby, Mr Rudd also raised the possibility of using low-level causeways or pre-stressed concrete box culverts, similar to those used for road construction purposes, to replace underbridges on the Casino to Murwillumbah line, for example the current viaducts near Lismore Showground. He noted that a number of sections of the Cobar branch line have been rebuilt using causeways with culvert arrangements.<sup>91</sup>

- 4.18** An illustration of an existing culvert arrangement used in a causeway is shown in Figure 4.1.

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<sup>87</sup> Mr Seabury, Evidence, 2 July 2004, p58

<sup>88</sup> Mr Battersby is a former employee of Victorian Railways and V/Line from 1989 to 2002, at which time he moved to the northern rivers region.

<sup>89</sup> Mr Battersby, Tabled document, "The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor", May 2004, p37

<sup>90</sup> Evidence, 11 June 2004, p18

<sup>91</sup> Evidence, 11 June 2004, pp18,20

**Figure 4.1** A causeway at Tyagarah using several culverts



*Source: Mr Battersby, Tabled document, 9 June 2004*

- 4.19** The Committee again raised these proposals for the use of culverts with Mr Lord during the hearing on 2 July 2004. In response, Mr Lord noted that such an approach had been adopted on the line to Mudgee, and acknowledged that it would be an option at Lismore, although it might be complicated by road crossings.<sup>92</sup>
- 4.20** RailCorp subsequently confirmed that where possible, bridges are replaced by steel pipes or concrete culverts rather than by constructing more expensive bridges.<sup>93</sup>
- 4.21** The Committee notes this evidence, and arguments that RailCorp's estimates of required expenditure on the Casino to Murwillumbah line are excessive. This issue is examined further in Chapter 10.

### **Failure to achieve the expected savings**

- 4.22** In its written submission, the Rail, Train and Bus Union argued that the closure of the Casino to Murwillumbah XPT service has had a major impact on the on-board crew service roster for the XPT fleet in Sydney. As a result of the changed timetables, the union argued that CountryLink must now schedule an extra 83 hours of barracks detention every day in the

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<sup>92</sup> Evidence, 2 July 2004, pp59-60

<sup>93</sup> RailCorp, Response to questions on notice from 11 June 2004, p8



roster. The union submitted that this change more than offsets the savings in wages for the on-board crew no longer required for the Murwillumbah XPT.<sup>94</sup>

**4.23** Mr Lewocki, Secretary of the Rail, Train and Bus Union, elaborated on this position during the Committee's hearing on 11 June 2004:

Instead of driving the train on the Casino to Murwillumbah line they are waiting in barracks because our awards provide that once they have been in barracks for a certain period of time they are back on the payroll. ... it has been estimated by our members who have looked at these rosters that there is now an extra 83 hours in barracks detention paid every day on the rosters. You would have to say 'Let us weigh up this economic argument.'<sup>95</sup>

**4.24** The Committee raised this matter with RailCorp representatives during their appearance on 11 June 2004. In subsequent correspondence, RailCorp indicated that there was in the first instance an increase in barrack time of approximately 68 hours, but that this increase fell to 36.5 hours following the implementation of a new roster from 1 August 2004. This has been achieved through the relocation of positions from Sydney to Grafton.<sup>96</sup>

**4.25** The Committee accepts that there have been some additional costs to CountryLink through the changed on-board crew service roster for the XPT fleet in Sydney, although those costs are not significant in the context of the overall running costs of the Casino to Murwillumbah line.

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<sup>94</sup> Submission 209, p12

<sup>95</sup> Evidence, 11 June 2004, p4

<sup>96</sup> RailCorp, Response to questions on notice from 11 June 2004, p2



## Chapter 5      **Funding for the rail service prior to its closure**

This chapter examines the funding of the Casino to Murwillumbah rail service prior to its closure, with reference to:

- The decline in the number of passengers using the rail service
- Cost recovery through fares on the rail service
- Community Service Obligation subsidies to CountryLink
- The high proportion of concession fares used on the rail service

### **The decline in the number of passengers using the rail service**

- 5.1**      During the Committee's initial hearing on 20 May 2004, the CEO of RailCorp, Mr Vince Graham, provided the Committee with a breakdown of passenger numbers on the Casino to Murwillumbah rail line in 2002-2003.
- 5.2**      Mr Graham indicated that in 2002-2003, the average daily number of passengers leaving Casino to travel north on the daily XPT rail service from Sydney to Murwillumbah was 184, of whom:
- 34 got off at Lismore
  - 29 got off at Byron Bay
  - 6 got off at Mullumbimby
  - 114 got off at Murwillumbah, the end of the line. Of those 114, 86 transferred to a road coach and continued their journey to the Gold Coast or Brisbane.<sup>97</sup>
- 5.3**      The 'Fact Sheet: Casino – Murwillumbah Rail Line' tabled by Mr Graham also indicated that in 2002-2003, the average daily number of passengers leaving Murwillumbah to travel south on the daily XPT Murwillumbah to Sydney rail service was 214. Of those 214, 130 had transferred at Murwillumbah from a coach travelling from the Gold Coast or Brisbane.<sup>98</sup>
- 5.4**      Based on these figures, the Committee notes that in 2002-2003, an average of 398 passengers used the XPT rail service on the Casino to Murwillumbah line each day.
- 5.5**      The Committee was also presented with evidence by a Senior Consultant with the Strategy, Performance and Access Division of RailCorp, Ms Karyn Mercer, that CountryLink has experienced a decline of 25 – 30% over the past five years in the number of passengers travelling from Lismore to Byron Bay, Mullumbimby and Murwillumbah, although the

<sup>97</sup> Evidence, 20 May 2004, p5

<sup>98</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p4

number of passengers transferring at Murwillumbah to travel on by coach to the Gold Coast and Brisbane has remained relatively constant.<sup>99</sup>

**5.6** At the same time, Ms Mercer indicated that this decline in patronage is not unique to the Casino to Murwillumbah line. Over the last two to four years, CountryLink has experienced a general decline in passenger numbers across all fare categories, which Ms Mercer attributed to passengers adopting other modes of transport, notably on the main corridors to Brisbane, Melbourne and Canberra. Ms Mercer cited in particular increased competition from airlines, together with improving road travel times.<sup>100</sup>

**5.7** In subsequent correspondence to the Committee, RailCorp further noted that there has been a decline of up to 36% in passenger numbers using the CountryLink train service from Casino to Murwillumbah since 1998. RailCorp also suggested that this trend is accelerating. In 2002-2003, there was a decline of 6.4% in concession passengers, and 7.9% in full fare paying passengers.<sup>101</sup>

### **Criticisms of the daily XPT timetable**

**5.8** In response to this evidence of declining patronage on the Casino to Murwillumbah XPT service, the Committee received evidence from a broad range of parties arguing that the daily XPT service on the Casino to Murwillumbah line was poorly scheduled, discouraging passenger use.<sup>102</sup>

**5.9** For example, in its written submission, the Northern Rivers Organisation of Councils (NOROC) argued that the XPT train schedule did not accommodate:

- Casino residents travelling to Lismore for work
- Casino students travelling to University, TAFE and school in Lismore
- Students, workers, tourists and consumers in Lismore
- Workers and students travelling from Bangalow to Lismore, Byron Bay, Mullumbimby, Brunswick Heads, Ocean Shores and Murwillumbah
- Inbound and outbound workers, travellers, students and consumers from Byron Bay to all points on the line
- Workers and student travellers from Billinudgel to Murwillumbah, Mullumbimby, Byron Bay, Lismore and other points on the line.<sup>103</sup>

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<sup>99</sup> Evidence, 20 May 2004, p29

<sup>100</sup> Evidence, 20 May 2004, p30

<sup>101</sup> RailCorp, Response to questions on notice from 20 May 2004, p3

<sup>102</sup> As indicated in Chapter Two, the single daily XPT service on the Casino to Murwillumbah line left Lismore at 7.10 pm in the evening on the way to Murwillumbah, before heading back to Sydney from Murwillumbah at 9.50 pm.

<sup>103</sup> Submission 80, p9

**5.10** Similarly, in her written submission on behalf of the Byron Visitor Centre, Ms Myres noted that customers at the Centre frequently reacted derisively when they were informed that there was only one train a day (a night train) that went to Sydney, and that it went no further north than Murwillumbah. Ms Myres continued:

It must be easy for you to cut this service with the excuse that it is badly patronised; a better service would obviously attract better custom.<sup>104</sup>

**5.11** The Richmond Valley Council also noted in its written submission that in 2003, the Council's own Transport Working Group undertook a survey in which 60% of respondents indicated that they would utilise public transport if issues such as availability, times and frequency of services were addressed.<sup>105</sup>

**5.12** Similar concerns about the scheduling of the daily XPT service were raised by a large number of parties during the Committee's hearings in the northern rivers region on 9-10 June 2004.<sup>106</sup> The Committee notes in particular the evidence of Mr Ernie Bennett, representing NOROC:

One of the easiest ways to justify taking a service away from the community is to either run it down or put the service on at a time that does not suit the community. They then do not use it, and then that is the excuse used for taking away a service.<sup>107</sup>

**5.13** The Committee also found informative the evidence of Mr James Galloway, former manager of Murwillumbah railway station, during the hearing on 10 June 2004. Mr Galloway indicated that, in 1996, he launched an aggressive advertising campaign for 12 months, as a result of which he achieved a 32% improvement in passenger numbers on the Casino to Murwillumbah line. As stated by Mr Galloway:

If you do not advertise, nobody knows you are around. With all due respect to travel agents, they were my competition. I wanted to advertise to tell people I sold not only rail but accommodation and tours and airlines. I pushed all these things forward. I got a lot of satisfaction out of seeing a person getting on the train.<sup>108</sup>

**5.14** Mr Galloway also submitted:

In May 2000, the CEO of CountryLink told us that the timetable was changing. I implored her, and so did the managers from Byron Bay and Lismore, not to change it. We told her it would have an adverse effect on our figures. We may as well have been talking to the wall. They have changed it and increased the travelling time from here to Sydney, and there were no connections once we got there.

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<sup>104</sup> Submission 24, p1

<sup>105</sup> Submission 192, p2

<sup>106</sup> See for example Cr King, Evidence, 9 June 2004, p5; Mr Bennet, Evidence, 9 June 2004, p8; Ms Kolbe, Evidence, 9 June 2004, p24; Mr Baldwin, Evidence, 9 June 2004, p27; Cr Westheimer, Evidence, 10 June 2004 (Byron Bay), p12

<sup>107</sup> Evidence, 9 June 2004, p8

<sup>108</sup> Evidence, 10 June 2004 (Murwillumbah), p22

When I first came here, we had connections when people arrived in Sydney. There were connections to Canberra and out to the west as far as Dubbo. There was an eight-hour wait for the train to Melbourne. The new timetable did not provide connections to anywhere. There was a six-hour wait in Sydney for a train to Canberra and overnight to Dubbo. There was still an eight-hour wait for a train to Melbourne. That had a very adverse effect on my figures, especially the Canberra figures. We had a lot of passengers going that way. School groups would go there on excursions to the national capital. In 2000 I lost 100 passengers just like that because of the changes to the timetable.<sup>109</sup>

- 5.15** Mr Galloway subsequently noted that following the timetable change in 2000, the length of the travelling time from Murwillumbah to Sydney increased from just over 12 hours to 14 hours.<sup>110</sup>
- 5.16** The Committee raised the scheduling of the daily XPT service with the General Manager of CountryLink, Mr Greg McLeod, during the Committee's hearing on 11 June 2004. In response, Mr McLeod argued that if CountryLink had run the XPT service in the middle of the day, that would have meant that the train would be less accessible for other passengers as it travelled further down the line towards Sydney.<sup>111</sup>
- 5.17** The Committee acknowledges criticisms of the timetable of the former daily Murwillumbah XPT service, and recognises that it was not scheduled at a time to maximise passenger numbers, partly to accommodate passengers in other regions travelling to and from Sydney.

## Cost recovery through fares on the rail service

- 5.18** RailCorp's 'Fact Sheet: Casino – Murwillumbah Rail Line' indicated that passengers travelling north from Casino on the Casino to Murwillumbah line prior to its closure paid the following fares:

**Table 5.1** Fare price per passenger (economy) travelling from Casino

	Fare price per passenger (economy) travelling from Casino to:		
	Murwillumbah	Brisbane	Surfers Paradise
Full fare	\$23.10	\$41.80	\$29.70
40% discount	\$14.30	\$25.30	\$17.60
50% discount	\$12.10	\$20.90	\$15.10

Source: Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p3

- 5.19** Fares for passengers travelling in the opposite direction from Murwillumbah were equivalent.
- 5.20** The 'Fact Sheet: Casino – Murwillumbah Rail Line' also indicated that of the average 184 passengers leaving Casino to travel north on the daily XPT rail service each day in 2002-2003:

<sup>109</sup> Evidence, 10 June 2004 (Murwillumbah), p21

<sup>110</sup> Evidence, 10 June 2004 (Murwillumbah), p22

<sup>111</sup> Evidence, 11 June 2004, p44

- 17 paid full fare
- 82 travelled free or paid \$2.20 (67 through free pensioner travel vouchers; 4 through country pensioner excursion tickets; 6 were employees travelling free; 5 were children travelling free on a family ticket)
- 85 travelled with discounts of 40% or 50% (27 had purchase discount fares in advance; 21 were half fare concession passengers; 21 were child tickets; and 16 were student tickets).<sup>112</sup>

**5.21** In turn, of the average 214 passengers travelling south from Murwillumbah to Sydney each day in 2002-2003:

- 13 paid full fare
- 94 travelled free or paid \$2.20 (75 through free pensioner travel vouchers; 1 through country pensioner excursion tickets; 9 were employees travelling free; 9 were children travelling free on a family ticket)
- 107 travelled with discounts of 40% or 50% (35 had purchase discount fares in advance; 25 were half fare concession passengers; 25 were child tickets; and 22 were student tickets).<sup>113</sup>

**5.22** Combining the figures cited above, of the average 398 passengers travelling on average each day on the Casino to Murwillumbah line:

- 8% (30 of 398) paid full adult fare
- 44% (176 of 398) paid \$2.50 or less
- 48% (192 of 398) travelled on other forms of concession allowing a 40-50% fare reduction.<sup>114</sup>

**5.23** Based on these patronage and fare rates, RailCorp estimated in the 'Fact Sheet: Casino – Murwillumbah Rail Line' that over the next 5 years, CountryLink's average cost per passenger travelling on the Casino to Murwillumbah rail service would be \$106.52. Excluding those passengers who made connections at Murwillumbah with bus services to or from Queensland, the estimated average cost per passenger travelling on the Casino to Murwillumbah rail service rose to \$230.90.<sup>115</sup> Mr Graham raised this during his evidence of 20 May 2004:

I certainly understand the issues raised by those people who are feeling the loss of the rail service from Casino to Murwillumbah. However, when we get to a point where the taxpayer subsidy for a 130-kilometre journey is significantly more than the airfare from Coolangatta to Sydney, I think all of us who have a responsibility for sound financial management really need to consider whether we have the most appropriate

<sup>112</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p3. See also Mr Graham, Evidence, 20 May 2004, p13

<sup>113</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p3. See also Mr Graham, Evidence, 20 May 2004, p13

<sup>114</sup> RailCorp, Response to questions on notice from 20 May 2004, p9

<sup>115</sup> Mr Graham, Tabled document, 'Fact Sheet: Casino – Murwillumbah Rail Line', p2

public policy in place to provide subsidised transport. That is where we are: the actual cost per head for that 130-kilometre journey, when you look at the \$14.2 million per annum cost provided by the passengers and convert that to a daily cost, you are looking at slightly in excess of a \$100 subsidy per passenger journey with airfares now sustainable, presumably, out of Coolangatta to Sydney of something in the order of \$89.<sup>116</sup> I think it is sobering to reflect on that fact.<sup>117</sup>

- 5.24** In response to this perceived high level of public subsidy, the Rail, Train and Bus Union highlighted the findings of the Parry Report on fare recovery. The report found that in 2002-2003, CountryLink recovered about 20 per cent of costs directly from passenger fares, and an additional 20 per cent from government funding of targeted subsidies for concessions and free travel. Excluding this targeted subsidy for concession passengers, the remaining general subsidy for all passengers was estimated at some \$0.14 per passenger kilometre. The union compared this favourably with the CityRail rate of approximately \$0.20 per passenger kilometre.<sup>118</sup>
- 5.25** A number of other parties to the inquiry also highlighted the finding in the Interim Parry Report of August 2003 that over the five years to 2002-2003, CityRail recovered about 28% of its revenue directly from passengers, whereas in 2002-2003, 32% of funding for CountryLink services was from 'fare box and other revenue.'<sup>119</sup>
- 5.26** The Committee is aware that the figures cited above refer to the CountryLink rate of subsidy as a whole. The Committee does not have available data on the rate of expenditure recovery through fares specifically for the Casino to Murwillumbah line.

### **Other sources of revenue – freight and commuter services on the line**

- 5.27** The Committee notes evidence from the community that RailCorp failed to pursue revenue opportunities for the Casino to Murwillumbah line from both freight and commuter services.
- 5.28** In his evidence to the Committee, Mr Battersby<sup>120</sup> indicated that freight revenue steadily declined on the Casino to Murwillumbah line before ceasing entirely in 2002-2003.<sup>121</sup>
- 5.29** During the Committee's hearing in Murwillumbah, Mr Judd, the General Manager and Director of Northern Rivers Railroads Pty Ltd (NRR), an accredited rail operator based at Murwillumbah, drew the Committee's attention to his efforts to begin a commuter service on the line. When asked where the commuter service would have operated, Mr Judd said:

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<sup>116</sup> This was still the fair charged on JetStar as at 21 October 2004.

<sup>117</sup> Evidence, 20 May 2004, p10

<sup>118</sup> Submission 209, p7. See also Final Parry Report, p47

<sup>119</sup> See for example Mr Thomas George MP, Evidence, 9 June 2004, p3; Mr Don Page MP, Evidence, 10 June 2004 (Byron Bay), p3; Mr Bennett, Evidence, 9 June 2004, p7; Mrs Brennan, Evidence, 9 June 2004, p21; See also Interim Parry Report, p56

<sup>120</sup> Mr Battersby is a former employee of Victorian Railways and V/Line from 1989 to 2002, at which time he moved to the northern rivers region.

<sup>121</sup> Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, pp6-7



From Casino through to Murwillumbah and return, four times a day. Approaches were made to three general managers. They were Kim Finnimore, Tim Poulton and finally Ms Gale Gregory. All approaches fell on deaf ears. An approach was then made to Mr Harry Woods, who supported our concept. Harry Woods convened a meeting of the directors of Northern Rivers Rail to fly to Sydney to have a face-to-face meeting with Carl Scully regarding the subject matter. We sat in his reception area for three-quarters of an hour for a 3 o'clock meeting. At a quarter to four his assistant came out to advise us that Mr Scully would not be seeing us.<sup>122</sup>

## **Community Service Obligation subsidies to CountryLink**

- 5.30** The Committee notes that in order to fund loss making railway lines such as the Casino to Murwillumbah line prior to its closure, the State Government provides CountryLink with so-called Community Service Obligation (CSO) subsidies.
- 5.31** During the Committee's initial hearing on 20 May 2004, Mr Graham indicated that CountryLink received approximately \$149 million in above rail CSO support from the Government in 2002-2003. That support was in two parts:
- First, CountryLink receives a subsidy from the Government for the total financial loss of the CountryLink service on an annual basis. That subsidy was not route specific.
  - Second, CountryLink receives specific passenger journey based subsidies from the Government for concession fares that it provides, up to approximately 85% of the value of the full fare.<sup>123</sup>
- 5.32** In turn, Mr Graham also indicated that the RIC receives approximately \$285 million per annum for below rail maintenance of the CountryLink network under a five-year CSO agreement with the Government. Again that CSO allocation of \$285 million is not allocated on a per line basis. However, on the basis of the allocation of costs and revenue, Mr Graham suggested that the Casino to Murwillumbah line would require in the order of \$3.9 million in below rail CSO funding per annum.<sup>124</sup>
- 5.33** The Committee raised CSO funding for CountryLink with Mr Ziggi Lejins and Mr John Pierce from the NSW Treasury during the hearing on 2 July 2004. They indicated to the Committee that CSO funding is allocated out of consolidated revenue to the Ministry of Transport, which in turn makes CSO funding grants to individual transport agencies such as CountryLink.<sup>125</sup>
- 5.34** Mr Pierce also indicated that the basis for determining the level of CSO funding is the operating statements of the transport agencies such as CountryLink, based on their projected passenger numbers, revenues, maintenance expenditures and so forth.<sup>126</sup>

<sup>122</sup> Mr Judd, Evidence, 19 June 2004 (Murwillumbah), p14

<sup>123</sup> Evidence, 20 May 2004, pp15-16

<sup>124</sup> Evidence, 20 May 2004, p16

<sup>125</sup> Evidence, 2 July 2004, p25

<sup>126</sup> Evidence, 2 July 2004, p25

### **The Government's social responsibility to provide loss making public services**

- 5.35** In response to the perceived high level of subsidy to the Casino to Murwillumbah line, a number of parties to the inquiry argued that the Government has a social responsibility to provide loss making public services such as the Casino to Murwillumbah rail service. For example, in its written submission, the Combined Pensioners and Superannuants Association (CPSA) of NSW stated:

CPSA does not argue that there should be no cost recovery. However, like the ambulance service, we should accept that railway lines and other public transport modes should operate at a "loss" and need to be publicly funded to make up the shortfall. This is why we pay our taxes.<sup>127</sup>

- 5.36** Similar positions were expressed by a number of witnesses during the Committee's hearings in the northern rivers region on 9-10 June 2004. For example, Mr Thomas George MP, State Member for Lismore, stated during the hearing on 9 June 2004:

... is this all about the almighty dollar? Next thing we will be closing public toilets because they do not pay! We have to provide infrastructure, especially in country and regional New South Wales.<sup>128</sup>

- 5.37** The Committee agrees that the Government has a social responsibility to provide public transport services, particularly to communities in rural and regional areas of NSW that would otherwise be unable to support such services.

### **The high proportion of concession fares used on the rail service**

- 5.38** During the inquiry, a number of parties raised concern that the Government had justified closure of the Casino to Murwillumbah line on the basis of the high proportion of concession paying passengers using the daily XPT service. For example, in evidence to the Committee on 9 June 2004, Cr King, Mayor of Lismore, observed:

... I was one of the group that talked to Mr Costa in Sydney on 13 May. Mr Costa made a number of points, but one point he made was that he was concerned about the number of pensioners and people with concession cards using these services and not paying the full amount.<sup>129</sup>

- 5.39** Similarly, Mr Don Page MP observed during the Committee's hearing on 10 July in Byron Bay:

I want to talk about the whole issue of concessional fare payers and those who are serviced by the train because I think there is an issue there, that the Government sees somehow or other that it is not a worthy service because there are not enough full fare paying passengers...<sup>130</sup>

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<sup>127</sup> Submission 208, p5

<sup>128</sup> Evidence, 9 June 2004, p3

<sup>129</sup> Evidence, 9 June 2004, p4

<sup>130</sup> Evidence, 10 June 2004 (Byron Bay), p2

- 5.40** The Committee did seek to clarify whether the high proportion of concession card holders using the Casino to Murwillumbah rail service was a direct consideration of the Minister when the decision was made to close the rail service. Regrettably, the Minister did not accept the Committee's invitations to a public hearing to indicate his position on this matter.
- 5.41** On a related matter, the Committee also notes the submission of the Lismore branch of the Combined Pensioners and Superannuants Association (CPSA), which indicated that members of the association would be willing to pay an additional \$10 fee for travel on the Casino to Murwillumbah line if the train service were to be reintroduced. The Association submitted that such a fee would raise an additional \$1,460,000 per annum.<sup>131</sup> Mr Harold Parker, President of the Lismore branch of the CPSA reiterated this suggestion during the hearing on 9 June.<sup>132</sup>

## Summary

- 5.42** The Committee recognises that prior to its closure, the Casino to Murwillumbah XPT service had experienced significant declines in patronage, partly as a result of the scheduling of the service, and partly due to the greater convenience of other means of transport, such as private transport and air travel. In the absence of alternative sources of revenue, including freight, maintenance of the line was wholly dependent upon Government CSO funding and revenue from fares.
- 5.43** While the Committee accepts that the Government has a responsibility to provide loss making public transport services, the Committee also recognises that those services must be provided as efficiently as possible. This is an issue examined further in Chapter 10.

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<sup>131</sup> Submission 57, p2

<sup>132</sup> Evidence, 9 June 2004, p19



## Chapter 6 Concerns that line maintenance has been under-funded

This chapter examines concerns that the Government has under-funded maintenance on the Casino to Murwillumbah line over recent years, with particular reference to:

- Maintenance expenditure on the line
- The perceived failure to replace timber underbridges
- The diversion of maintenance funding to the main line
- The underpayment of funding bids
- Funding for gangs working on the line

### Maintenance expenditure on the line

**6.1** During its initial hearing on 20 May 2004, the Committee raised with the CEO of RailCorp, Mr Vince Graham, concerns that the Casino to Murwillumbah line had been neglected to the point where the projected cost of maintaining the line over the next 20 years – \$188 million – had reached such a large total. In response, Mr Graham observed:

That is not factually based, that comment. I can understand it being made, but when one looks at the track condition index, which is a measure of track quality through the line from Casino to Murwillumbah, the track has actually been maintained to what we would regard as an adequate track quality index in terms of the safe operation of the system. The track does have of the order of 40 permanent speed restrictions through that 130 kilometres. Those speed restrictions are predominantly because of slow speed required on timber bridges and, clearly, the magnitude of expenditure required over both one to five and six to 10 years is heavily weighted because of the need that would have been there to replace those timber bridges. So it is not the underlying maintenance, it is the asset renewal, it is the bridge replacement program that dominates the \$188 million of expenditure in future years. From those numbers I have given you, you can see that the replacement of the timber underbridges and the painting of the steel is \$94.2 million in total, so it is approximately half of the total future expenditure.<sup>133</sup>

**6.2** In the NSW Legislative Assembly on 18 February 2004, the Minister for Infrastructure and Planning, and Minister for Natural Resources, representing the Minister for Transport Services, the Hon Michael Costa MLC, provided the following information on maintenance expenditure on the Casino to Murwillumbah line from 1997-1998 to 2003-2004.

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<sup>133</sup> Evidence, 20 May 2004, pp3-4

**Table 6.1** Maintenance expenditure on the Casino to Murwillumbah line from 1997-98 to 2003-04

<b>Year</b>	<b>Expenditure</b>
1997-1998	\$1,760,000
1998-1999	\$1,390,000
1999-2000	\$2,020,000
2000-2001	\$2,980,000
2001-2002	\$3,590,000
2002-2003	\$2,570,000
2003-2004	\$3,440,000

Source: *Legislative Assembly, NSW, Questions and Answers, No 53, 18 February 2004, pp1588-1589*

- 6.3** The Committee notes that the 2003-2004 maintenance funding figure of \$3,440,000 per annum cited in Table 6.1 above is the same figure used by RailCorp in its estimate of current 'below rail' costs on the Casino to Murwillumbah rail service, as cited in Table 4.1.
- 6.4** However, it should be observed that over the seven years from 1997-1998 to 2003-2004, RailCorp's average annual expenditure on maintenance on the Casino to Murwillumbah rail line was \$2,535,000, well below the figure of \$3,440,000 used by RailCorp in its estimates of the cost of the line.

### **The perceived failure to replace timber underbridges**

- 6.5** During the inquiry, a number of parties expressed concern that many underbridges on the Casino to Murwillumbah line have been speed and load limited for many years, and should have been replaced already, rather than being allowed to deteriorate to the point where RIC estimates that it would need to spend \$92 million over the next 20 years to replace them.
- 6.6** For example, in his written submission, Mr Warren Judd, General Manager and Director of NRR, argued:

Traversing the Lismore viaduct at the regulated speed of less than 10km/h the bridge would actual move and the timbers would groan under the weight of the train. This is only one of a number of bridges that carry a 10km/h speed limit. For the record, a railway line or bridge that carries a 10km/h speed limit is obviously open to question as to being a safe operating line. It is generally regarded that any bridge that carries a 10km/h speed board is condemned. The Casino – Murwillumbah branch line has a number of bridges that fall into this category.<sup>134</sup>

- 6.7** Mr Judd also noted that RailCorp was recently obliged to drop the load limit on the Casino to Murwillumbah line from 21 tonnes to 14 tonnes axle weight (XPT axle weights are 13 tonnes).<sup>135</sup>

<sup>134</sup> Submission 215, p4

<sup>135</sup> Submission 215, p4. Similarly, during the hearing on 11 June 2004, Mr Greg Rudd, a former resident of the northern rivers region, indicated that some of the speed restrictions on the Casino to Murwillumbah line have been in place since 1989, which he argued was unusual, and possibly attributable to a lower than required maintenance budget. See Mr Rudd, Evidence, 11 June 2004, p16

- 6.8** The Committee also notes that as at 26 May 2004, there were 23 speed restrictions in place on the Casino to Murwillumbah line bridges.<sup>136</sup>
- 6.9** The Committee raised these speed and load restrictions with officers of RailCorp during the hearing on 20 May 2004. In its subsequent correspondence, RailCorp indicated that approximately \$7.8 million has been spent on bridges on the Casino to Murwillumbah line over the past five years.<sup>137</sup> This level of funding has clearly been insufficient to maintain the bridges on the Casino to Murwillumbah line without requiring speed and axle weight restrictions.
- 6.10** On 11 June 2004, the Committee asked the Group General Manager of Infrastructure with RailCorp, Mr Gary Seabury, at what point RailCorp stops repairing on an incremental basis faults with a bridge and instead decides to replace the entire bridge. In response, Mr Seabury indicated:

It comes down to a financial decision. You could continually replace the same components forever. The cost of doing that reaches a point where it becomes more expensive to continue to replace it than to build a different type of structure.<sup>138</sup>

### **The diversion of maintenance funding to the main northern line**

- 6.11** In July 2003, the Ministry of Transport (MoT) released a report entitled *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*, which indicated that funding for maintenance on lines such as the Casino to Murwillumbah line had been diverted to pay for re-sleepering with concrete sleepers of the main northern rail line:

The regional staff advised that replacement of timber sleepers with concrete sleepers provides the best pay back for commitment of funding, and they plan to complete concrete sleepering of the main line by 2010. This will substantially reduce annual track maintenance costs, releasing additional funding for other works such as bridge upgrading. Hence, major bridge expenditure, apart from essential work, is on hold until the concrete sleepering is complete.<sup>139</sup>

- 6.12** The Committee raised this matter with Mr Seabury during the hearing on 11 June 2004. In response, Mr Seabury confirmed that this approach was adopted by RIC, although it was based on RIC as an organisation continuing to maintain both interstate lines and the branch lines such as the Casino to Murwillumbah line. However, with the signing of the ARTC Agreement, RIC is no longer responsible for maintaining the main northern line.<sup>140</sup> Mr Seabury later elaborated on this:

I am not aware that there was a physical program for the bridges that was actively taken and put into concrete. I think in terms of prioritising that activity they have

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<sup>136</sup> RailCorp, Response to questions on notice from 20 May 2004, pp15-18

<sup>137</sup> RailCorp, Response to questions on notice from 20 May 2004, p12

<sup>138</sup> Evidence, 11 June 2004, p31

<sup>139</sup> MoT, *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*, July 2003, p13

<sup>140</sup> Evidence, 11 June 2004, p47

driven a particular strategy which, as I said, gives priority to those concrete sleepers in front of the bridges, but I am not aware that they actually took money from one particular program, to actively divert that from this to this.<sup>141</sup>

- 6.13** The Committee also raised this matter with Mr Stanborough during the hearing on 2 July 2004. Mr Stanborough acknowledged that he did not have a large track maintenance budget in 2002-2003 or in 2003-2004. However, he reiterated that the decision to concentrate on the re-sleepering of the main line with concrete sleepers was made with the intention in future years of spending more money on the Casino to Murwillumbah line using savings generated on the main line.<sup>142</sup>

### **The underpayment of funding bids on the Casino to Murwillumbah line**

- 6.14** In the *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*, the MoT also cited the advice of RIC regional staff that they were only allocated 65-70% of their request for major periodic maintenance (MPM) funding in 2003-2004. As a result, regional staff were required to divert funds from MPM to routine maintenance (RM) to ensure the continued safety of the line.<sup>143</sup>

- 6.15** During hearings, the Committee questioned the Maintenance Manager for the North Coast, Mr Hanrahan, whether RIC maintenance crews were only receiving 65-70% of their funding requests. In reply, Mr Hanrahan stated:

Yes. Listing all projects and all works that we would like to do to avoid – risk mitigation works as we would call it, and having to go into extra inspections, managing risk. We do not get all the money we ask for; I guess no-one else ever does. That is probably a fair average statement: about three quarters of the money we would get on average.<sup>144</sup>

- 6.16** In turn, Mr Hanrahan noted that the Murwillumbah to Casino line would have required funding of approximately \$6 million per annum in recent years if it was to be maintained without speed restrictions:

We have not been getting that lately. You might want six but you get three. The next year you will ask for nine and get four. The next year you will ask for 13. So the requests go up. But that is to do everything that you would like to do to keep the line open for a good standard and no speed restrictions to give a full service to trains.<sup>145</sup>

- 6.17** The Committee also notes the subsequent evidence of Mr Chris Stanborough, Team Manager of maintenance at Lismore:

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<sup>141</sup> Evidence, 11 June 2004, p38

<sup>142</sup> Evidence, 2 July 2004, p41, 44

<sup>143</sup> MoT, *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*, July 2003, p12

<sup>144</sup> Evidence, 2 July 2004, p42

<sup>145</sup> Evidence, 2 July 2004, p42



I suppose most people in my position will always want more money, because there is no shortage of work. But the money is adequate to keep the lines safe, I believe.<sup>146</sup>

### **The funding bid in 2004-2005**

**6.18** During the hearing on 11 June 2004, the Committee questioned RailCorp representatives about the funding request for the Casino to Murwillumbah line in 2004-2005. In response, Mr Seabury indicated that the funding bid in 2004-2005 was \$13.2 million, comprising \$5.8 million for ongoing corrective maintenance and \$7.4 million for replacement activities on the bridges.<sup>147</sup>

**6.19** In turn, the Committee questioned Mr Seabury, whether funding for the line had previously been below what has been required, given that the funding request for routine corrective maintenance in 2004-2005 (\$5.8 million) was well above the \$3.4 million allocated in 2003-2004 (see table 3.2). In response, Mr Seabury noted:

I would not like to say what percentage, but it is less than what is required, yes. And over a period of time that creates a backlog. Essentially, that is what we are looking at in this line, the amount of the larger maintenance replacement required exceeds the annual funds available and unless we address that you are in a position where you have larger issues such as steel bridges being repaired, painted or replaced is a large item rather than simply replacing a single component that fails.<sup>148</sup>

### **Funding for gangs working on the line**

**6.20** During the Committee's hearing on 9 June 2004, Mr Tom McInerney, a retired fletcher and track supervisor on the Casino to Murwillumbah line, expressed concern that the current gangs on the Casino to Murwillumbah line have not been able keep up with the work required to maintain the track between Casino and Murwillumbah.<sup>149</sup>

**6.21** At the request of the Committee, RailCorp provided information on the average annual size of maintenance gangs employed on the Casino to Murwillumbah line from 1989 to 2004, cited in Table 6.2 below.

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<sup>146</sup> Evidence, 2 July 2004, p45

<sup>147</sup> Evidence, 11 June 2004, p34

<sup>148</sup> Evidence, 11 June 2004, p36

<sup>149</sup> Evidence, 9 June 2004, p48

**Table 6.2** Average annual size of maintenance gangs on the Casino to Murwillumbah line

Year	Number
1989	32
1990	32
1991	32
1992	32
1993	38
1994	38
1995	61
1996	52
1997	29
1998	26
1999	25
2000	17
2001	15
2002	17
2003	16
2004	13

*Source: RailCorp, Response to questions on notice from 20 May 2004, p7*

**6.22** RailCorp also indicated that the maintenance personnel peak in 1995 was due to a bridge upgrading project, but that after that, the gradual decline in the number of maintenance workers on the Casino to Murwillumbah line was the result of mechanisation of the maintenance process.<sup>150</sup> Mr Stanborough elaborated on this during the hearing on 2 July 2004:

Since I have been there, we have mechanised our work practices, whereas before it was all labour intensive. Basically, three or four fellows are going out there now and doing what eight fellows used to do and had to work extremely hard to achieve it. We use machinery to put the timber in, and we use portable mills to dress the timber. All those things were done by hand before. So it has made it a lot more efficient.<sup>151</sup>

## Summary

**6.23** The Committee accepts that the track on the Casino to Murwillumbah line remains in reasonable condition. However, the Committee is concerned at the failure of RailCorp to begin replacement of timber underbridges on the line before now, resulting in the imposition of a number of speed and axle weight restrictions on many of those bridges.

**6.24** RailCorp's failure to fund underbridge replacement in recent years appears to be attributable to:

- The decision to divert funding from maintenance of branch lines such as the Casino to Murwillumbah line to fund the re-sleepering of the main northern line, with the

<sup>150</sup> RailCorp, Response to questions on notice from 20 May 2004, p34

<sup>151</sup> Mr Stanborough, Evidence, 2 July 2004, p50

intention of releasing additional funding for maintenance on branch lines in the future.

- The overall underpayment of funding bids for MPM on the Casino to Murwillumbah line.

**6.25** The Committee notes that as a line deteriorates in condition, the necessary expenditure required to bring it back to an acceptable standard increases exponentially. As stated in the *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*

The backlog of required work tends to grow exponentially, forming a “bow wave” that needs to be overcome.<sup>152</sup>

**6.26** As little or no money has been spent on relacing the underbridges on the Casino to Murwillumbah line in recent years, the Committee believes that it is disingenuous for the Government to use the figure of \$188 million in necessary capital expenditure as a primary justification for closing the Casino to Murwillumbah line. The Government has spent money needed for the Casino to Murwillumbah line on the main northern line. As a result, the high capital expenditure required now on the Casino to Murwillumbah line is a catch-up for inadequate past investment.

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<sup>152</sup> MoT, *NSW Steel and Timber Bridges Structural Safety Review - Interim Report*, July 2003, p16



## Chapter 7 The replacement coach service

This chapter examines the replacement coach service introduced by CountryLink in compensation for the loss of the rail service on the Casino to Murwillumbah line, with particular reference to:

- The advantages of the new coach service cited by RailCorp
- Passenger numbers since the closure of the line
- The safety of the additional coach services
- The impact of the additional coaches on the region's roads
- The impact of the new coach services on private coach operators.
- The coach service tendering process

### The advantages of the new coach service cited by RailCorp

**7.1** During the Committee's initial hearing on 20 May 2004, the CEO of RailCorp, Mr Vince Graham, noted that almost half of all passengers previously travelling on the Casino to Murwillumbah rail service were transferring to or from a coach at Murwillumbah. For those passengers, Mr Graham argued that transfer now occurs at Casino rather than Murwillumbah, and accordingly that the closure of the Casino to Murwillumbah rail service has made little difference to them.<sup>153</sup>

**7.2** For those remaining passengers travelling specifically to or from Lismore, Byron Bay, Mullumbimby and Murwillumbah, Mr Graham accepted that they now have the added inconvenience of a transfer between the train and the coach at Casino.<sup>154</sup> However, he subsequently argued the new coach service was acceptable to them:

As I said earlier, I idled my time in Byron Bay for a week recently and I spent a little time observing the coach operations coming in and out of the coach terminal, which is in front of the railway station at Byron Bay. I was gobsmacked by the frequency of the commercial road coaches coming in and out of Byron Bay and clearly their acceptability to the market coming to and from the town. I observed – perhaps it was simply the time of day that I was there – that the frequency of interstate road coaches coming through and servicing that market seemed to be at the rate of three or four per hour at some times of the day. Clearly, the road coach industry has satisfied the requirements of a considerable market – certainly people travelling through Byron Bay.<sup>155</sup>

**7.3** The Committee notes that during the Committee's hearing on 20 May 2004, RailCorp representatives argued that the new coach service has two significant advantages: it reaches more destinations and provides a quicker service.

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<sup>153</sup> Evidence, 20 May 2004, p9

<sup>154</sup> Evidence, 20 May 2004, p0

<sup>155</sup> Evidence, 20 May 2004, p22

- 7.4** On the first point, the Executive Manager of CountryLink Projects, Mr Shields, noted that the new coach services now visit Beachill, Eltham and Binna Burra, small communities which previously did not have access to public transport. In addition, Mr Shields indicated that other small communities, including Bangalow, Chinderah, Hastings Point and Pottsville Beach are now receiving more frequent services.<sup>156</sup>
- 7.5** On the second point, Mr Shields noted that the rail service from Casino to Murwillumbah took approximately 2 hours and 25 minutes, whereas the new coach service can run up to 30 minutes quicker.<sup>157</sup>
- 7.6** Against this, certain parties to the inquiry noted that the rail service at its closure ran considerably slower than it once did due to the large number of speed restrictions on bridges on the line. The estimated time loss from speed restrictions on bridges between Casino and Murwillumbah was up to 20 minutes.<sup>158</sup>
- 7.7** In this regard, Mr Rudd, a former resident of the northern rivers region, presented the following evidence to the Committee on 11 June 2004:

As to the timetable ... we have seen evidence that CountryLink has been saying in the publicity leading to the 17 May timetable, that the new bus arrangements are quicker than what the previous train timetable was. The time that is quoted at 20.40 is still later than in 1996 where the train actually arrived at 20.30, and the difference has become even more pronounced when Lismore is taken into account, whereby the now combined XPT bus service now arrives up to 30 minutes later than what the direct train service did to Lismore in 1996, with the previous timetable in 1996 being 18.40 versus approximately 19.12 as is in the new one.<sup>159</sup>

### **Passenger numbers since the closure of the line**

- 7.8** In the light of the evidence cited above about the advantages and disadvantages of the new coach service, the Committee notes with concern that the number of passengers using the coach service is significantly lower than the number that previously used the rail service.
- 7.9** In its written submission, the Rail, Train and Bus Union cited data on passenger numbers using the coach service, and compared those numbers with the number of passengers using the rail service at the equivalent time in 2003. This is shown in Table 7.1 below.

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<sup>156</sup> Evidence, 20 May 2004, p13

<sup>157</sup> Evidence, 20 May 2004, p15

<sup>158</sup> RailCorp, Response to questions on notice from 11 June 2004, p33

<sup>159</sup> Evidence, 11 June 2004, p17

**Table 7.1** Passenger numbers before and after the closure of the rail line

Date	Service 3		Service 4	
	2004 (Bus)	2003 (Rail)	2004 (Bus)	2003 (Rail)
18 May	74	111	60	125
19 May	69	158	66	114
20 May	75	117	99	125
21 May	160	116	113	133
22 May	91	120	88	188
23 May	109	127	73	173
24 May	101	87	102	146
25 May	76	111	66	149
<b>8 day average</b>	<b>94</b>	<b>118</b>	<b>83</b>	<b>144</b>
<b>% change</b>	<b>-20.3%</b>		<b>-42.4%</b>	

Source: Submission 209, Rail, Train and Bus Union, p12

**7.10** Based on Table 7.1, the Rail, Train and Bus Union argued that CountryLink has lost 85 passengers a day since the closure of the Casino to Murwillumbah rail line and the introduction of the replacement coach service.<sup>160</sup>

**7.11** The Committee also notes the evidence of the General Manager of Tweed Shire Council, Dr Griffin, during the hearing on 10 June 2004 in Murwillumbah:

The train continue[d] to be well used, despite air, bus and car competition, because it provide[d] a combination of affordability, accessibility, comfort, safety and reasonable speed that the other forms of transport do not offer. Substitute buses do not meet this range of needs adequately, and the figures for passengers travelling since the bus substitution and these figures from Lismore City Council appear to be confirming this. Numbers have been reduced by up to half.<sup>161</sup>

**7.12** In response to this issue, RailCorp provided data on the average daily passenger numbers using the coach services connections from 17 May until 20 June 2004. This is shown in Table 7.2 below.

<sup>160</sup> Submission 209, p12

<sup>161</sup> Evidence, 10 June 2004 (Murwillumbah), p9

**Table 7.2** Average daily passenger numbers using the coach services from 17 May to 20 June 2004**North bound coaches**

<b>Depart *</b>	<b>Location</b>	<b>Average week day</b>	<b>Average weekend</b>
6:50 pm	Casino – Murwillumbah	25.6	18.1
6:55 pm	Casino – Robina	23.8	15.4
7:00 pm	Casino – Brisbane	17.3	12.8
7:02 pm	Casino – Surfers Paradise	13.2	12.2
7:05 pm	Casino – Tweed Heads	3.4	2.6
<b>Total</b>		<b>83.3</b>	<b>61.1</b>

**South bound coaches**

<b>Depart *</b>	<b>Location</b>	<b>Average week day</b>	<b>Average weekend</b>
3:10 pm	Brisbane – Casino	32.6	29.3
3:30 pm	Tweed Heads – Casino	10.4	7.0
3:50 pm	Surfers Paradise – Casino	11.8	9.5
4:25 pm	Robina – Casino	21.1	12.0
5:15 pm	Murwillumbah – Casino	8.5	6.7
6:07 pm	Byron Bay – Casino	3.0	2.1
<b>Total</b>		<b>87.4</b>	<b>66.6</b>

Source: RailCorp, Response to questions on notice from 11 June 2004, p17

\* The Committee notes that the data cited in Table 7.2 above does not include passengers using the additional Sunstate services running at other times of the day.

**7.13** The Committee notes that the figures showing average daily passenger numbers using the coach services from 17 May to 20 June 2004 cited in Table 7.2 above are significantly down on previous patronage of the train service. As indicated in Chapter 5, in 2002-2003, the average number of passengers leaving Casino to travel north on the daily XPT rail service from Sydney to Murwillumbah was 184, while the average daily number of passengers leaving Murwillumbah to travel south on the daily XPT Murwillumbah to Sydney rail service was 214.

**7.14** The Committee raised this issue of patronage of the coach service with Mr Shields in his evidence on 20 May 2004. Mr Shields suggested:

The number you are looking at [214] is the average number, which is right through the year and includes Easter, school holidays and Christmas. We are presently in an off-peak period where, traditionally, patronage is low. I am not surprised by those sorts of numbers.<sup>162</sup>

**7.15** The Committee recognises that the decline in patronage on the new coach services may simply reflect seasonal factors, and may recover in the summer with an upturn in tourism in the area. At the same time, however, the Committee is concerned that the decline in patronage may be

<sup>162</sup> Evidence, 20 May 2004, p26



because former patrons are no longer travelling at all, or are being forced to use private transport.

## **The safety of the additional coach services**

**7.16** The Committee notes that a number of parties to the inquiry raised concerns about the safety of the additional coach services, in the light of the significant growth of heavy vehicle traffic in the northern rivers region.

**7.17** For example, in her written submission, Cr Jenny Dowell, Lismore City Councillor, submitted that the region's roads are very clogged, with many B-double truck accidents, and that the growth of the region highlights the need to take the pressure off the road system.<sup>163</sup>

**7.18** This issue was also raised with the Committee during its hearings in the northern rivers region on 9-10 June 2004. For example, Cr Cox, Mayor of Richmond Valley Shire Council, submitted during the hearing on 9 June 2004:

On the basis of safety alone, the retention of the railway line and the subsequent development of a light rail commuter service makes sense. Increased traffic resulting from the closure, coupled with population predictions, will impact on traffic accident statistics.<sup>164</sup>

**7.19** Similarly, Mr Don Page MP, State Member for Ballina, submitted in evidence on 10 June 2004 in Byron Bay:

We are very concerned that the removal of the train will lead to increased buses on our roads, many of which are inadequate. As you may or may not be aware, with the opening of the Chinderah to Yelgun part of the Pacific Highway, the dual carriageway, there has been a huge increase in the number of Bdoubles in particular and semitrailers in general and heavy vehicles on that road. ... we are concerned at the number of buses that will be replacing the train and the people on those buses will be exposed to increased heavy vehicle traffic on the roads in this area.<sup>165</sup>

**7.20** In turn, during the hearing on 10 June 2004 in Murwillumbah, Dr Griffin cited figures that the northern rivers region averages 89 fatalities per year, with one quarter involving trucks. He noted that there have been none involving coaches in recent years, but that putting more coaches on the roads increases the chances of a fatal crash.<sup>166</sup>

**7.21** The Committee raised these road safety concerns with the Regional Manager of the Northern Region with the Roads and Traffic Authority, Mr Collins, during the hearing on 20 May 2004. The Committee questioned Mr Collins whether the closure of the Casino to Murwillumbah rail service would increase the risk for coach travellers. In response, Mr Collins noted:

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<sup>163</sup> Submission 54, p1

<sup>164</sup> Evidence, 9 June 2004, p7

<sup>165</sup> Evidence, 10 June 2004 (Byron Bay), p2

<sup>166</sup> Evidence, 10 June 2004 (Murwillumbah), pp9-10

Is it safer to travel on the rail than the road, the answer is probably yes. But if I look at these statistics for bus crashes versus other crashes, bus crashes are very small. For this calendar year for the whole State of New South Wales, I think there has been three bus crashes and usually bus crashes involve another vehicle and invariably that other vehicle is the cause of the crash.<sup>167</sup>

### **Bus shelters**

- 7.22** The Committee received evidence about the standard of bus shelters available to users of the new coach service. For example, Ms Doran, a retired community worker, stated during the hearing on 10 June 2004 in Byron Bay:

Where I live, Ocean Shores, we get the bus on the side of the highway. It is in a deserted area. If you are there late at night waiting for a bus, it is extremely dangerous.<sup>168</sup>

- 7.23** The Committee also notes the evidence of Dr Griffin comparing bus shelters to railway stations generally. Dr Griffin stated that there is no way of advising passengers at a bus stop when a bus is running late, whereas advice is routinely available at railway stations with comfortable and secure waiting facilities.<sup>169</sup>

- 7.24** The Committee questioned the General Manager of CountryLink, Mr McLeod, during the hearing on 11 June 2004 whether CountryLink had any plans to install bus shelters at places such as Ocean Shores. In response, Mr McLeod indicated that CountryLink had no plans to that effect.<sup>170</sup>

### **Standards for coach drivers**

- 7.25** During the Committee's initial hearing on 20 May 2004, the Committee questioned RailCorp representatives about whether coach drivers should be subject to the same stringent health and hours of duty requirements to which train drivers are subject.

- 7.26** In response, Mr Shields observed that there are regulations in NSW for interstate operators in relation to prescribed hours of duty, intervals between breaks, the health requirements of drivers and so on, and indicated that CountryLink has a responsibility to ensure that all of its coach contractors meet those regulations. However, Mr Shields suggested that subjecting coach drivers to the same regimen that rail drivers are subject to is a matter of policy for the Government.<sup>171</sup> As stated by Mr Shields:

The contracts are provided in accordance with the regulations and we make sure those regulations are adhered to. If we were to require the drivers to be to any other standard other than that already required by the regulations, and the regulations do

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<sup>167</sup> Evidence, 20 May 2004, p37

<sup>168</sup> Evidence, 10 June 2004 (Byron Bay), p13

<sup>169</sup> Evidence, 10 June 2004 (Murwillumbah), p9

<sup>170</sup> Evidence, 11 June 2004, p47

<sup>171</sup> Evidence, 20 May 2004, p23

require very particular standards for public passenger vehicle drivers, that, I think, would require a change in policy to implement.<sup>172</sup>

**7.27** The Committee also raised this issue with Mr Collins, who observed:

I guess the question of how much do we test people licensed to drive a vehicle is a vexed question. How far do you go? Do you retest people regularly, annually, et cetera? It comes down to what is a sensible balance. What you are asking me, in essence, is a policy decision of the Government of the day as to whether they change what is currently in place, and I cannot give you an answer on that.<sup>173</sup>

**7.28** The Committee notes that it did not investigate in detail during this inquiry the safety regulations that apply to drivers of heavy vehicles. Accordingly, the Committee does not have sufficient evidence to make a finding on this issue.

### **The impact of the additional coaches on the region's roads**

**7.29** During the inquiry, the Committee received a large number of submissions raising concerns about the impact of the additional coach services on the roads of the northern rivers region. While some of the new services will run on RTA roads, they will also run on council roads.

**7.30** For example, NOROC argued that any additional damage to the roads in the northern rivers region as a result of the additional coach movements, together with the cost of maintaining transport infrastructure (eg shelters and bus bays), would need to be paid for by local councils, increasing the financial burden on northern rivers ratepayers.<sup>174</sup> This was reiterated by Mr Bennett representing NOROC during the Committee's hearing on 9 June 2004:

It will have a huge impact on our road infrastructure. The extra cost will come back to local government – not to the State or Federal government but back to local government, to keep up the road infrastructure.<sup>175</sup>

**7.31** In evidence on 10 June 2004, Dr Griffin cited Tweed Shire Council estimates that the direct increase in bus traffic will increase the expenditure requirements for maintenance of roads in the Tweed shire by approximately \$115,000 per annum, and by \$375,000 for the region as a whole. This estimate was prepared by the Council's Manager of Works, based on an additional load of 15,000 standard axles per year, pavement design life of 25 years, total highway life of 4 million equivalent standard axles and a highway reconstruction cost of \$1 million per kilometre.<sup>176</sup>

**7.32** The Committee raised these concerns with Mr Collins during the Committee's hearing on 20 May 2004. Mr Collins indicated that he was not consulted about the impact of the closure of the Casino to Murwillumbah rail service on the road system. However, he argued that the

<sup>172</sup> Evidence, 20 May 2004, p23

<sup>173</sup> Evidence, 20 May 2004, p37

<sup>174</sup> Submission 80, p5

<sup>175</sup> Mr Bennett, Evidence, 9 June 2004, p9

<sup>176</sup> Evidence, 10 June 2004 (Murwillumbah), p9

additional likely movements of between five and ten coaches a day would have no impact in the context of the following traffic movements in the area:

- 5,000 movements a day on the Bruxner Highway between Casino and Lismore
- 6,500 movements a day between Lismore and Bangalow
- 18,000 movements a day on the Pacific Highway between Bangalow and Murwillumbah
- 3,000 to 3,500 movements a day on the road from Yelgun through Burringbar to Murwillumbah.<sup>177</sup>

**7.33** Mr Collins subsequently stated that he was not aware of any consultations between the RTA, local councils and CountryLink about the new coach routes and the implications for road use generally, although he indicated that unless there is a weight limit on a road, legal vehicles are entitled to use that road.<sup>178</sup> However, when questioned whether the RTA is putting additional money into the regional roads because of the closure of the railway line, Mr Collins replied:

The answer would be no. The increase in traffic is so small that the work we are going to do would easily accommodate any minor increases in traffic flow.<sup>179</sup>

**7.34** Mr Collins also accepted the possibility that because the coaches will visit towns which previously did not have access to public transport services, they may provide an alternative to people using their cars, which may in fact result in a reduction in the number of vehicles on the road. Again, however, he argued that the impact would be 'infinitesimal'.<sup>180</sup>

### **The impact of the new coach services on private coach operators**

**7.35** During the Committee's initial public hearing on 20 May 2004, the Committee raised with Mr Shields whether consideration had been given when drawing up the tendering contract for the new coach service to the fact that NSW coach companies face higher payroll tax, registration, insurance and workers' compensation costs than their Queensland competitors.<sup>181</sup>

**7.36** In response, Mr Shields noted that all companies had to meet a fairly rigid assessment in terms of insurance, wheelchair access, air conditioning and so forth, but that no adjustment was made to reflect the fact that Queensland companies have a lower cost structure than NSW companies.<sup>182</sup>

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<sup>177</sup> Evidence, 20 May 2004, p323

<sup>178</sup> Evidence, 20 May 2004, p33

<sup>179</sup> Evidence, 20 May 2004, p34

<sup>180</sup> Evidence, 20 May 2004, p39

<sup>181</sup> Evidence, 9 June 2004, p19

<sup>182</sup> Evidence, 20 May 2004, p19

### **Kirklands Buslines**

- 7.37** The Committee notes that it received a written submission and took evidence during the hearing on 9 June 2004 in Lismore from the General Manager of Kirklands Buslines, Mr Peter Shepherd.
- 7.38** In his written submission, Mr Shepherd indicated that Kirklands has provided extensive bus and coach services throughout the northern rivers region for over 60 years, and has provided coach services between Lismore, Tweed Heads and Brisbane for over 20 years.
- 7.39** However, in his submission, Mr Shepherd raised concerns that the new coach services instituted by CountryLink following the closure of the Casino to Murwillumbah line will have a significant adverse effect on his business, on the basis that the new coach services do not just replace the former rail service – they provide additional new services such as the extended trip through to Brisbane at fares which are non-commercial (for example, \$2.20 return fares for pensioners). As stated by Mr Shepherd in his submission:

If CountryLink are intent on operating beyond Rail replacement and using their preferential (bottomless pit) government funding to provide artificially low priced travel – at prices below our costs – then so should Kirklands, the contracted operator, be equally supported – otherwise their predatory actions will drive our patronage to non viable levels and we will have to cease these services, at the cost of jobs and diminished viability of our remaining business and regional service to our community.<sup>183</sup>

- 7.40** Mr Shepherd reiterated these concerns during the Committee's hearing on 9 June 2004. He noted that Kirklands employs over 110 people in total, but that the competition from CountryLink would see the company's patronage diminish severely, placing at risk the viability of the services the company provides, and the jobs of its employees.<sup>184</sup> As subsequently stated by Mr Shepherd:

We are in the business of providing services. However, the commercial reality is that if we were competing with taxpayer-subsidised suppliers of the same or similar services we would not generate enough funds to pay wages or to maintain the investment. We would have to look at the viability of that section of our business.<sup>185</sup>

- 7.41** In response to this problem, Mr Shepherd advocated that the Government should be willing to subsidise travellers on Kirklands, and presumably other local operators, at the same level as travellers on CountryLink. As Mr Shepherd stated:

There is no equity at present between passengers who choose to travel with Kirklands as opposed to CountryLink. Why should they not be charged a similar fare or enjoy the same concession?<sup>186</sup>

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<sup>183</sup> Submission 124, p2

<sup>184</sup> Evidence, 9 June 2004, p12

<sup>185</sup> Evidence, 9 June 2004, p15

<sup>186</sup> Evidence, 9 June 2004, p16

**7.42** The Committee recognises the difficulty of this issue. The Committee does not wish to criticise CountryLink for attempting to lessen the impact of the Government's decision to close the Casino to Murwillumbah rail line on the population of the northern rivers region by offering a replacement coach service. The alternative of the closure of the railway line with no replacement coach services would be far less desirable.

**7.43** However, the Committee is concerned that when planning coach services to replace the Casino to Murwillumbah rail service, RailCorp gave insufficient regard to the viability of existing public transport services, with flow-on effects for local businesses and employment. In the event that longer term contract tendering occurs, evaluation of tenders should incorporate the following criteria:

- the impact of the replacement service on the viability of existing passenger routes
- the impact on local business operators if existing passenger routes were discontinued
- the impact on local employment if local businesses were forced to reduce services or cease operations.

### **The coach service tendering process**

**7.44** The Committee heard evidence from Mr Graham that due to the short notice of the decision to close the Casino to Murwillumbah line, there was insufficient time to call a tender for the replacement coach service. Sunstate, a Queensland coach company, was awarded the interim contract to provide CountryLink coach services between Casino and Murwillumbah.<sup>187</sup>

**7.45** When asked by the Committee when CountryLink would go to tender for the Casino to Murwillumbah coach service, Mr Shields advised 'That service will probably go to tender within the next month or six weeks, as soon as we can have a specification drawn up.'<sup>188</sup> That advice was given on 20 May 2004, and the Committee notes that a tender has yet to be called for this coach service.

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<sup>187</sup> Evidence, 20 May 2004, p7

<sup>188</sup> Evidence, 20 May 2004, p19

## Chapter 8    **The social and economic impact of the closure**

This chapter examines concerns raised with the Committee about the social and economic impact of the closure of the Casino to Murwillumbah rail service on the residents of the northern rivers region, with particular reference to:

- Railway staff affected by the closure of the rail line
- The impact of the closure on the transport disadvantaged
- Access to community transport services
- The safety of local residents using the region's roads
- The economic impact on towns and businesses
- The impact on the environment and heritage.

The Committee notes that in evidence on 20 May 2004, the CEO of RailCorp, Mr Vince Graham, indicated that prior to the closure of the Casino to Murwillumbah rail service, RailCorp did not undertake any surveys or consult with the people affected by the closure to gauge their reaction.<sup>189</sup>

### **Railway staff affected by the closure of the rail line**

#### **The number of staff affected by the closure of the line**

- 8.1** During the Committee's initial hearing on 20 May 2004, Mr Graham indicated to the Committee that a total of 32 railway staff had been affected by the decision to close the Casino to Murwillumbah rail service: 19 station-based staff and 13 infrastructure staff.<sup>190</sup>
- 8.2** By contrast, the Rail, Train and Bus Union indicated in its submission that a total of 40 full-time and 4 part-time positions would be lost as a result of the decision to close the Casino to Murwillumbah rail line. This is shown in Table 8.1 below.

<sup>189</sup> Evidence, 20 May 2004, p9

<sup>190</sup> Evidence, 20 May 2004, p18. In its subsequent response to questions on notice from 11 June 2004, RailCorp indicated that there were 20 full-time and 4 part-time station-based staff affected by the closure of the line. RailCorp, Response to questions on notice from 11 June 2004, p15

**Table 8.1** Estimate of the positions lost as a result of the decision to close the rail line

Station	Station staff		Track maintenance/ signalling		Train crew		Travel centre	
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T
Murwillumbah	5	2					1	1
Mullumbimby		1						
Byron Bay	2						1	
Lismore	3		12				3	
Casino	5						1	
Grafton			3		4			
<b>Total</b>	<b>15</b>	<b>3</b>	<b>15</b>		<b>4</b>		<b>6</b>	<b>1</b>

Source: Submission 209, Rail, Train and Bus Union, p10

**8.3** In addition to the direct positions lost as a result of the decision to close the Casino to Murwillumbah rail line, the Rail, Train and Bus Union also cited in its submission a 1998 study entitled 'On the Wrong Track'<sup>191</sup> which found that for every one direct job lost on the railways, a further 1.86 jobs are lost in other support areas.<sup>192</sup> As a result, the union argued that the closure of the rail line would lead to further job losses in the following industries and occupations:

- tourism
- aged care
- health services
- education
- freight services.<sup>193</sup>

### Future options for staff

**8.4** As indicated in Chapter 2, Mr Graham stated that one of the reasons he personally nominated 16 April 2004 as the date for the closure of the Casino to Murwillumbah rail service was to give the employees of CountryLink the opportunity to pursue redeployments or redundancy packages without long-term uncertainty.<sup>194</sup>

<sup>191</sup> R.Dennis and P.Toner, *The Impact of Contracting Out by Rail Services Australia on Regional Economies and the Labour Market*, 1998 cited in submission 209, Rail, Train and Bus Union, p10

<sup>192</sup> Submission 209, p10; see also Mr Lewocki, Evidence, 11 June 2004, pp3-4

<sup>193</sup> Submission 209, p11

<sup>194</sup> Evidence, 20 May 2004, p17



**8.5** However, the Committee is aware of concerns expressed by the Assistant Secretary of the Rail, Train and Bus Union, Mr Michael Schmitzer, that Mr Graham should have consulted with staff about the closure of the line prior to its public announcement on 6 April 2004 in the Mini Budget:

There was no consultation at all. That came out of left field. Even the CEO of RailCorp was in Byron Bay here talking to people at the station about a week prior to the mini-budget being handed down, and he basically said nothing about it. He reckons he did not know. But I do not think I could believe that.<sup>195</sup>

**8.6** The Committee understands that staff members affected by the closure of the Casino to Murwillumbah line have been offered the following options:

- Redeployment to other RailCorp positions
- Registration with the Workforce Management Centre for consideration for positions in other public sector agencies
- Voluntary redundancy
- Redeployment to a position in the Sydney metropolitan area.<sup>196</sup>

**8.7** In addition, RailCorp indicated that it conducted two financial seminars on 29 April 2004 for staff affected by the closure of the line, together with one-on-one interviews. Staff have also been informed of the availability of StateRail's Employee Assistance Program.<sup>197</sup>

**8.8** The Committee examines in greater detail some of the employment options for displaced rail staff below.

***Redeployment to Australian Rail Track Corporation positions***

**8.9** During the hearing on 11 June 2004, the Committee questioned Mr Gary Seabury, Group General Manager of Infrastructure with RailCorp, about the opportunities for staff currently employed on the Casino to Murwillumbah line to be reemployed on the main northern line, which is now managed by the Australian Rail Track Corporation Agreement (ARTC) under the 60-year leasing arrangement with the NSW Government. In particular, the Committee raised the possibility of maintenance staff at the Casino depot being redeployed to the Grafton depot.

**8.10** In response, Mr Seabury indicated that the ARTC has advised RailCorp that they will employ additional staff for their future maintenance programs, and that accordingly RailCorp is currently going through a matching process with ARTC to give staff an opportunity to work at different locations. Mr Seabury elaborated:

The process has started in terms of communicating to staff. Unions and management are going around talking about the process. I am not sure which day they will start, but it should be within the next few weeks.<sup>198</sup>

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<sup>195</sup> Evidence, 10 June 2004, p31

<sup>196</sup> RailCorp, Response to questions on notice from 20 May 2004, p24

<sup>197</sup> RailCorp, Response to questions on notice from 20 May 2004, p24

- 8.11** However, Mr Seabury noted that the ARTC intends to close the Grafton depot.<sup>199</sup>
- 8.12** Mr Lewocki also indicated to the Committee during the hearing on 11 June 2004 that the Rail, Train and Bus Union is working with the ARTC on the redistribution of staff:

We are working with ARTC, negotiations are taking place and we are identifying the skills mix and the classifications they required to operate their parts of the track. We were looking at the number of people they required.<sup>200</sup>

### ***Voluntary redundancy***

- 8.13** The Committee notes that following the closure of the Casino to Murwillumbah rail service, RailCorp negotiated with the Rail, Train and Bus Union an enhanced redundancy package of four weeks salary for every year of service, uncapped, whereas the normal redundancy package is three weeks salary for every year of service, capped at 13 years.<sup>201</sup>
- 8.14** In this regard, Mr Lewocki noted that a number of members of the Rail, Train and Bus Union on the Casino to Murwillumbah line are in their 50s, with limited opportunities for re-employment in the private sector. Accordingly, a number have indicated to the union that they will be forced into early retirement because they do not want to leave the area.<sup>202</sup>
- 8.15** The Committee notes that on 2 September 2004, despite the line's closure in April 2004, the NSW Minister for Transport Services, the Hon Michael Costa MLC, advised the Legislative Council that the timeframe for voluntary redundancies was still to be finalised.<sup>203</sup>

### **Travel centre staff**

- 8.16** In its written submission, the Rail, Train and Bus Union also raised concerns about job losses in StateRail travel centres outside of the northern rivers region. Those concerns relate largely to the recommendations of the Parry Report that rail travel centres stop selling third-party products such as holiday packages and airline tickets and focus more on their core business.<sup>204</sup>
- 8.17** The Committee raised this issue with the General Manager of CountryLink, Mr McLeod, during the hearing on 11 June 2004. Mr McLeod confirmed that CountryLink was looking at moving back towards a booking office arrangement but that, at the time, a final proposal had yet to be put to the Government.<sup>205</sup>

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<sup>198</sup> Evidence, 11 June 2004, p26

<sup>199</sup> Evidence, 11 June 2004, p25

<sup>200</sup> Evidence, 11 June 2004, p8

<sup>201</sup> Mr Lewocki, Evidence, 11 June 2004, p10

<sup>202</sup> Evidence, 11 June 2004, p8

<sup>203</sup> Legislative Assembly, New South Wales, *Hansard*, 2 September 2004, pp10724-10725

<sup>204</sup> Submission 209, pp20-21. See also Mr Lewocki, Evidence, 11 June 2004, p7

<sup>205</sup> Evidence, 11 June 2004, p51

- 8.18** The Committee believes that this issue falls largely outside the specific terms of reference of this current inquiry. However, the Committee recognises that the closure of the Casino to Murwillumbah line may have an impact on the range of products that are available to be sold at CountryLink travel centres, which may affect the job security of travel centre employees.

### **The impact of the closure on the transport disadvantaged**

- 8.19** During the inquiry, the Committee received a large number of submissions relating to the impact of the closure of the Casino to Murwillumbah rail service on transport disadvantaged people, notably:

- the frail, aged and those with disabilities and special needs
- low income earners
- young people.

- 8.20** The Committee examines the impact of the rail service closure on these groups below.

#### **The frail, aged and those with disabilities and special needs**

- 8.21** Many parties to the inquiry argued that the decision to close the Casino to Murwillumbah line discriminates against the frail, aged and those with disabilities and special needs, on the basis that older people and people with disabilities have particular problems which need to be taken into account when using public transport, including:

- the usage of wheelchairs and walking frames
- susceptibility to blood clots
- the need to take medication
- arthritis or osteoporosis
- other mobility restriction.<sup>206</sup>

- 8.22** For example, the Lismore branch of the CPSA argued that State Rail previously invested considerable funds in the provision of access facilities for the disabled to travel on the trains, and that the loss of the train is discriminatory against those using those facilities.<sup>207</sup> This was reiterated by the President of the Lismore branch of the CPSA, Mr Parker, during the hearing on 9 June 2004:

Being a group of old people, some of our members have mobility problems and they depend on the train to visit family and friends in all parts of the State. They find it is more convenient and comfortable to travel on the train, as it has facilities for people in wheelchairs or using walking frames, plus it has toilet facilities with easy access. We feel these people will not be able to use the buses because of their steep steps and

<sup>206</sup> Submission 208, CPSA, p2

<sup>207</sup> Submission 57, p3

narrow aisles, and with no access for wheelchairs, therefore limiting their ability to travel. We also use the trains when we go on group outings.<sup>208</sup>

- 8.23** Similarly, in its written submission, the Association of Independent Retirees noted that many of the region's residents are elderly and/or disabled and need to be able to access rail travel.<sup>209</sup> Again this was reiterated by Mrs Jill Brennan representing the association during the hearing on 9 June 2004:

My association is concerned about the impact of the loss of this essential service and their ability to access reasonable transport services when they are required for, as has been previously mentioned, specialist medical treatment, business, entertainment, universities and visiting their children in far away places, both north and south.<sup>210</sup>

- 8.24** The Committee was also greatly assisted by the submission and evidence of Mr Baldwin, the President of the Community Awareness Task Force (CATF), which promotes awareness of people with disabilities on the north coast. In his submission, Mr Baldwin argued that train travel is safer and more convenient to the aged and the disabled, and that the removal of the train service discourages the aged and disabled from community participation because they cannot use other forms of transport.<sup>211</sup> Mr Baldwin reiterated this during his evidence to the Committee on 9 June 2004:

[CATF] have been involved in creating awareness of the needs of people who are classified as disabled. I use this term because I do not think I am disabled. It is you, the public, that makes me disabled. It makes a lot of people disabled. The decision to cut this rail service on the North Coast has been a really disabling decision. You are disempowering people who are already disempowered by your attitudes.<sup>212</sup>

- 8.25** Similarly, in its written submission, the Tweed Valley Branch of Blind Citizens Australia argued that the cancellation of the rail service from Casino to Murwillumbah denies people with disabilities access not only to accessible modes of transport, but also denies them freedom of choice as to which mode of transport to use.<sup>213</sup>

- 8.26** The Committee also acknowledges that a number of parties to the inquiry highlighted the need for residents of the northern rivers to have access to proper medical services. In particular, the Committee received a written submission and took evidence from Dr Ken Gudmundsen, a dermatologist based in Lismore. Dr Gudmundsen noted that Lismore is the location of most of the specialist medical services in the northern rivers region, with patients coming from Byron Bay, Casino, Grafton, Coffs Harbour and many other places. However, Dr Gudmundsen argued that the single XPT service previously provided to the region after 7.00 pm was never suitable for patients wanting to access medical services in Lismore. Dr Gudmundsen submitted:

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<sup>208</sup> Evidence, 9 June 2004, p19

<sup>209</sup> Submission 158, p2

<sup>210</sup> Evidence, 9 June 2004, p20

<sup>211</sup> Submission 214, p1

<sup>212</sup> Evidence, 9 June 2004, p25

<sup>213</sup> Submission 160, p1

My patients should not be denied public transport to specialist health facilities because they live in the country rather than in a major city.<sup>214</sup>

- 8.27** During his appearance before the Committee on 9 June 2004, Dr Gudmundsen emphasised that public transport is important to the region not only so that people can access the specialist medical services available in Lismore, but so that if necessary, they have easy access to the more specialised services available in the major cities.<sup>215</sup>
- 8.28** The Committee acknowledges that many other parties to the inquiry also addressed issues relating to the frail, aged, and those with disabilities and special needs, including the Lismore Region Mission of the Uniting Church of Australia,<sup>216</sup> the Lismore City Council Public Transport Advisory Panel,<sup>217</sup> the Richmond Valley Council,<sup>218</sup> Mr Cameron,<sup>219</sup> Mr Don Page MP,<sup>220</sup> and Dr Griffin<sup>221</sup> and Cr Polglase of Tweed Shire Council.<sup>222</sup>
- 8.29** Finally, the Committee also notes that the proportion of people over the age of 65 years in the northern rivers region is well above the state average, and is increasing. In its written submission, the CPSA noted data from the Northern Rivers Area Health Service (NRAHS) that by 2011, 19% of the population served by NRAHS will be aged over 65.<sup>223</sup>

### ***Wheelchair access on the replacement coach services***

- 8.30** During the Committee's initial hearing on 20 May 2004, the Committee raised concerns with Mr Graham about wheelchair access on the new coach service between Casino and Murwillumbah.
- 8.31** In response, Mr Graham indicated that a condition of the interim replacement coach service contract with Sunstate, and the future public tender for the provision of the service, is a requirement for accessible coaches to be provided. Under the current arrangements with Sunstate, Sunstate will provide a wheelchair accessible coach if it has 48 hours notice through the booking system. If a wheelchair accessible coach cannot be provided at shorter notice, a local disabled taxi will be provided as an alternative.<sup>224</sup>

<sup>214</sup> Submission 127, p1

<sup>215</sup> Evidence, 9 June 2004, pp 25-26

<sup>216</sup> Submission 227, p1

<sup>217</sup> The membership of the panel includes Lismore City Councillors, Council staff, community representatives and representatives of bus and taxi operators and community transport.. See submission 217, p 3

<sup>218</sup> Submission 192, p3

<sup>219</sup> Submission 216, p4

<sup>220</sup> Evidence, 10 June 2004 (Byron Bay), p2

<sup>221</sup> Evidence, 10 June 2004 (Murwillumbah), p9

<sup>222</sup> Evidence, 10 June 2004 (Murwillumbah), p10

<sup>223</sup> Submission 208, p2

<sup>224</sup> Evidence, 20 May 2004, pp6,15

- 8.32** However, the Committee received a written submission from Ms Ridgeway, on behalf of Spinal Cords Injuries Australia, which noted that even wheelchair accessible coaches provide complications to wheelchair users such as independent movement throughout the coach and access to toilet facilities.<sup>225</sup>
- 8.33** In addition, the Tweed Valley Branch of Blind Citizens Australia noted that coaches only have one staff member, the driver, who is obviously not in a position to give the same level of assistance to the disabled as is available from rail staff on a train.<sup>226</sup>
- 8.34** In response to the range of concerns examined above, the Committee accepts that the replacement of the Murwillumbah XPT rail service with coach services does disadvantage – in some cases significantly – the frail, aged and those with disabilities and special needs living in the northern rivers region. For these people, especially where they are looking to travel out of the northern rivers region to other centres, such as Sydney, travel by rail is significantly more accessible and comfortable than travel by coach.

### **Low income earners**

- 8.35** A number of parties to the inquiry also highlighted the impact of the closure of the Casino to Murwillumbah rail service on low income earners in the northern rivers region.
- 8.36** In its written submission, NOROC noted that the region has low levels of household income and the nation's highest level of unemployment. Accordingly, NOROC submitted that there are many low income earners in the region who do not have access to a car and who rely on the train for travel in and out of the region.<sup>227</sup>
- 8.37** Similarly, Lismore City Councillor, Cr Jenny Dowell, indicated in her written submission that the Lismore community is one of the most socially disadvantaged in NSW, with high levels of poverty and youth unemployment, scarce public transport and low car ownership. Cr Dowell submitted that the unavailability of public transport makes access to health, education and employment opportunities even more difficult.
- 8.38** This evidence was reiterated to the Committee during hearings. In his evidence to the Committee on 10 June in Byron Bay, Mr Don Page MP, State Member for Ballina, noted that 31% of families in the Ballina electorate and 34% of families in the Tweed electorate have family incomes of less than \$500 a week, placing both electorates in the lowest decile by income level in the state.<sup>228</sup>
- 8.39** Similarly, the Mayor of Byron Shire Council, Cr Barham, noted that a high proportion of people in the Byron community are low income earners, with approximately half the population relying on some form of benefit such as unemployment benefits, single parent benefits or pension payments.<sup>229</sup>

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<sup>225</sup> Submission 81, p2

<sup>226</sup> Submission 160, p1

<sup>227</sup> Submission 20, NOROC, p7

<sup>228</sup> Evidence, 10 June 2004 (Byron Bay), p3

<sup>229</sup> Evidence, 10 June 2004 (Byron Bay), p7

- 8.40** The Committee recognises the genuineness of these concerns for low income earners in the northern rivers region. At the same time, however, the Committee believes that because of its greater frequency and availability during the day, the new coach services may in fact increase opportunities for low income earners to access employment and public services within the region.

### **Young people**

- 8.41** A number of parties to the inquiry also highlighted the impact of the closure of the Casino to Murwillumbah rail service on young people in the northern rivers region.
- 8.42** For example, in its written submission, Byron Youth Services argued that young people need transport connections to undertake education and training options in the region, and need access to transport options which are affordable and appropriate.<sup>230</sup>
- 8.43** Similarly, in evidence to the Committee on 10 June 2004 in Byron Bay, Cr Barham indicated that Byron Shire has a population of approximately 30,000, of whom nearly 30 per cent are under the age of 20. She noted that the shire has a youth unemployment rate of 37%. Cr Barham continued:

Every study and survey of young people indicates that inadequate transport is a major issue denying them access to training and employment. Young people are the future of this region and this country. Where is the consideration for them in this decision to cut this rail service?<sup>231</sup>

- 8.44** Ms Karin Kolbe representing Northern Rivers Trains for the Future Inc (NRTF) argued during the hearing on 9 June 2004 that young people previously used rail services to travel from Lismore to Byron Bay to go surfing, but now young people hitch-hike or catch a bus to Byron Bay on a Friday, and are unable to get public transport back to Lismore.<sup>232</sup>
- 8.45** Mr Douglas Luke, appearing in a private capacity, stated that a lot of parents in the area are concerned for the safety of their children travelling on the roads.<sup>233</sup>
- 8.46** The Committee recognises these concerns. Once again, however, the Committee also believes that because of its greater frequency and availability during the day, the new coach services may in fact increase opportunities for young people to access education and training services, employment opportunities and public services within the region.

### **Access to community transport services**

- 8.47** The Committee notes the submission from Ms Penny Baldwin representing Tweed, Byron and Ballina Community Transport Inc, a not for profit organisation jointly funded by State

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<sup>230</sup> Submission 75, Byron Youth Service, p1

<sup>231</sup> Evidence, 10 June 2004 (Byron Bay), p7

<sup>232</sup> Evidence, 9 June 2004, pp24-25

<sup>233</sup> Evidence, 10 June 2004 (Byron Bay), p27

and Commonwealth Governments under the Home and Community Care (HACC) program. The organisation has a number of roles including:

- providing transport to people who are transport disadvantaged such as younger people, the frail, elderly or disabled, so that they can access social, medical and shopping services and generally participate in activities enjoyed by the general community.
- Promoting community transport and encouraging federal, state and local governments to be more involved and conscious of public transport planning in the area.
- Lobbying for improvements in all modes of public transport.<sup>234</sup>

**8.48** Ms Baldwin indicated to the Committee that there is little public transport available between townships in the northern rivers region such as Lismore, Bangalow, Byron Bay and through to Murwillumbah, and in turn to the Tweed. Accordingly, she argued that to remove the train service would further diminish the public transport options, especially for people requesting help to get to their places of employment (who are outside the organisation's funding guidelines).<sup>235</sup>

**8.49** Ms Baldwin also noted to the Committee that currently Tweed, Byron and Ballina Community Transport Inc has approximately 1,500 clients.<sup>236</sup> However, she highlighted that since October 2003, Tweed, Byron and Ballina Community Transport Inc has been unable to accept any new clients, and has been forced to refuse assistance to approximately 169 eligible clients, while it has referred a further 50 clients to other services.<sup>237</sup>

**8.50** The Committee notes that the Director of Local and Community Transport with the MoT, Mr John Whelan, also raised the issues of transport disadvantage, and access to transport services, during his evidence to the Committee on 11 June 2004. Mr Whelan argued that when defining transport disadvantage, an important factor is how people are getting to the trains in the first place:

One of the things that I am worried about is the capacity for people to get to the train station. If you are talking about transport disadvantage, you are really talking about different categories of people: people in isolated communities, people with frailty associated with age and people who have disabilities as well. Many of these people literally cannot get to the front door. That is why community transport provided by these organisations is so important because it can be door to door. That is why the taxi industry is important as well, assuming that it can be afforded, because it is door to door. There is cause for optimism in that the area actually has a fairly high proportion of wheelchair accessible taxis in the Northern Rivers. I am just making the point that in terms of the transport disadvantage I think you need to look very closely at what people's true disadvantages are.<sup>238</sup>

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<sup>234</sup> Ms Baldwin, Tabled document, p1

<sup>235</sup> Ms Baldwin, Tabled document, pp2-3

<sup>236</sup> Evidence, 10 June 2004 (Byron Bay), p22

<sup>237</sup> Ms Baldwin, Tabled document, p4

<sup>238</sup> Evidence, 11 June 2004, p60



- 8.51** In relation to the funding of community transport in the northern rivers region, Mr Whelan noted that the three local community transport organisations in the region run on approximately \$1.2 or \$1.3 million annually, but service approximately 4,500 people, which he contrasted to the expenditure that is needed to sustain the Casino to Murwillumbah rail line, and the patronage of the rail service.<sup>239</sup>
- 8.52** However, Mr Whelan acknowledged that while the bulk of the funding for community transport organisations comes from the HACC program, they will naturally remain focused on transporting home and community care clients, and will not be able to meet the needs of people who are not HACC eligible clients. Accordingly, he argued that there is an ongoing need for additional capacity within transport community organisations in the region.<sup>240</sup>
- 8.53** In this context, Mr Whelan highlighted that one result of the decision to close the Casino to Murwillumbah rail service is that StateRail is providing recurrent funding of \$500,000 to the community transport organisations in the area through his office.<sup>241</sup> In terms of the distribution of that funding, Mr Whelan observed:
- Funding has been made available to the community transport task. What I will need to do, and I am employing a transport co-ordinator in the area out of funding I had already secured – separate again – is sit down with the community transport groups in the area and work out the best way to spend this funding. There may well be different things that we can do.<sup>242</sup>
- 8.54** The Committee welcomes the evidence of Mr Whelan that additional resources are being committed to community transport in the northern rivers region, and hopes that there may be some expansion of services to the transport disadvantaged as a result.

### **The safety of local residents using the region's roads**

- 8.55** During the inquiry, a number of parties raised concerns about the safety of local residents using the roads in the northern rivers region following the withdrawal of the Casino to Murwillumbah rail service.
- 8.56** For example, in its written submission, NOROC cited data from the Australian Transport Safety Bureau's *Annual Review 2003* which indicated that:
- The relative risk of fatal accidents is five times lower for rail than for car travel
  - Between 1998 and 2002, rail accounted for 2.1% of Australian transport fatalities compared with 93.5% for road.

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<sup>239</sup> Evidence, 11 June 2004, p60

<sup>240</sup> Evidence, 11 June 2004, pp63-64

<sup>241</sup> Evidence, 11 June 2004, p60

<sup>242</sup> Evidence, 11 June 2004, p62

**8.57** NOROC also argued that road travel in the northern rivers region is increasingly unsafe as the number of large B-double trucks has increased, and school buses are making frequent stops during peak hours on major trunk routes.<sup>243</sup>

**8.58** Similarly, in its written submission, the Lismore City Council argued that increased traffic movements will create added pressures on the Bruxner Highway from Casino to Lismore, and also on the routes via the Pacific Highway. The Council submitted that this would affect traffic accident statistics.<sup>244</sup>

**8.59** Comparable positions were expressed during hearings. For example, during the hearing on 10 July 2004 in Byron Bay, Cr Barham observed:

Without a rail service to ensure the safe and unique opportunity that visitors could enjoy and explore in the region, people will be forced to travel on our roads. Already these are dangerous roads that have seen an increase in use by the freight industry, with B-doubles in particular making our roads unsafe. The highway that the Government had to give us has increased pressures on this area. For many who travel these roads regularly, freight vehicles create grave concern.<sup>245</sup>

**8.60** Similarly, Ms Louise Doran, a retired community worker, stated during the hearing in Byron Bay on 10 June 2004:

Most of us are terrified of driving on that highway given the number of trucks on it. And they do not stick to the speed limit. They are always passing you, even when you are doing 110 kilometres an hour on that new stretch of highway. Trucks and B-doubles continue to pass all the time. I have travelled by train from Robina to Brisbane, and coming back on that road at peak hour, with two lanes of traffic bumper to bumper, with trucks weaving in and out of the traffic, even on a wet road, is really frightening. I just do not want to be there.<sup>246</sup>

**8.61** Also during the hearing in Byron Bay, Cr Peter Westheimer, Byron Shire Council, indicated that before he worked for the council, he was involved in the preparation of reports on the medical and social impacts of motor vehicle accidents:

From doing that work I realised that the cost to our community and our society is enormous. The cost is not just medical; it is economic. The impact of a major road vehicle accident on a single individual and its economic impact is often in the order of probably \$100,000 to \$1 million ...<sup>247</sup>

**8.62** During the Committee's hearing on 20 May 2004, the Committee questioned the Regional Manager of the Northern Region with the Roads and Traffic Authority, Mr Collins, about the accident rates on the road from Ballina to Brunswick, and from Brunswick to Tweed Heads.<sup>248</sup>

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<sup>243</sup> Submission 80, p5

<sup>244</sup> Submission 192, p2

<sup>245</sup> Evidence, 10 June 2004 (Byron Bay), p8

<sup>246</sup> Evidence, 10 June 2004 (Byron Bay), p13

<sup>247</sup> Evidence, 10 June 2004 (Byron Bay), p9

<sup>248</sup> Evidence, 20 May 2004, p34

In correspondence to the Committee, Mr Collins indicated that over the five year period ending September 2003:

- The crash rate on the Pacific Highway from Ballina to Brunswick Heads is 39.8/100 million vehicle kilometres
- The crash rate on the Pacific Highway from Brunswick Heads to the NSW/Qld border at Tweed Heads is 56.9/100 million vehicle kilometres.<sup>249</sup>

**8.63** Mr Collins also provided the following data on the number of fatal crashes and people killed on roads from Grafton to Ballina over the five year period ending September 2003:

- Pacific Highway between Grafton and Ballina – 25 fatal crashes and 35 people killed
- Pacific Highway between Grafton and Casino – 6 fatal crashes and 6 people killed
- Pacific Highway between Casino and Ballina – 11 fatal crashes and 13 people killed.<sup>250</sup>

**8.64** While the Committee does not wish to compare relative road safety with other regions, the occurrence of fatalities on major routes through the northern rivers region suggests an increase in volume in traffic may lead to higher fatality statistics.

## The economic impact on towns and businesses

### The towns of Murwillumbah and Lismore

**8.65** During the hearing on 10 June 2004 in Murwillumbah, the Committee took evidence from Mr Paul Waters representing the Murwillumbah District Business Chamber. He noted that the closure of the Casino to Murwillumbah rail line, together with other changes in the region, were having an adverse affect on the town of Murwillumbah:

Murwillumbah is a town that has been changing quite dramatically in the past 10 years, and moved from a rural-based economy to a more services and tourism based economy. With the change to our motorway or at least the new motorway bypassing Murwillumbah, we have had a dramatic change in focus as well. Shortly after that, obviously the rail has been removed so we are battling to keep a focus on Murwillumbah. Transport links are a major part of economic viability and strength, and having the bypass on the road and now the rail moving out is having quite some strong effect on our economy. Naturally we want to try to turn that around.<sup>251</sup>

**8.66** Similarly, during the hearing on 10 June 2004 in Byron Bay, the Committee also took evidence from Mr Michael Maloney, representing NRTF about the impact of the rail line closure on Lismore:

... Lismore is a major regional centre with Southern Cross University, health services based in Lismore, government departments based in Lismore, and generates a huge

<sup>249</sup> Mr Collins, Response to question on notice from 20 May 2004, p1

<sup>250</sup> Mr Collins, Response to question on notice from 20 May 2004, p2

<sup>251</sup> Evidence, 10 June 2004 (Murwillumbah), p17

amount of trips and at this stage it is by private car along Bangalow Road to get into Lismore. If we are looking at good transport planning we would be looking at commuter services, I believe, from this shire and also from the Tweed shire into Lismore, as has been mentioned previously.<sup>252</sup>

### **Small businesses**

- 8.67** The Committee received a written submission from Geoff and Kim Keevers, owners of the Road N Rail Café and Take Away opposite the Murwillumbah Railway Station.
- 8.68** In their submission, Mr and Mrs Keevers noted that their business provided passengers travelling on the XPT with food, newspapers, magazines etc, but that with the cancellation of the service, a significant proportion of their business is gone.<sup>253</sup>
- 8.69** Mr Keevers reiterated his concerns during the Committee's hearing in Murwillumbah on 10 June 2004:

When we purchased our business, the working railway was a considerable factor in the turnover figures, the rental percentage and the purchase price. The impact on our business to date can be summarised as follows: profitable trading hours lost, 18 a week; casual staff hours lost, 26 a week; cuts to staff, two to date; reduction in turnover, \$2,500 a week; and reduction in the value of the lease, \$60,000 to \$80,000. The rental figure, once in line with industry standards, is now way above. Proof of these figures can be seen in the bookwork. The impact can also be seen on purchase figures from frozen food suppliers, bakers, milkmen and so on. Other local businesses, including taxis, local hotels and local accommodation suppliers, would also be suffering. I know because I used to book into those hotels.<sup>254</sup>

- 8.70** The Committee also reiterates the evidence cited earlier from the Rail, Train and Bus Union highlighting the indirect impact of job losses on the railways on other industries and businesses.
- 8.71** The Committee understands the difficulty faced by the Keevers, and possibly other business owners who have been adversely affected by the closure of the rail service, and once again notes that prior to the closure of the Casino to Murwillumbah rail service, RailCorp did not consult with the people affected by the closure of the rail line.

## **The impact on the environment and heritage**

### **Air pollution**

- 8.72** The Committee acknowledges that a number of parties to the inquiry raised concern that the replacement coach services will increase greenhouse gas emissions and environmental damage in the northern rivers region.

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<sup>252</sup> Evidence, 10 June 2004 (Byron Bay), p16

<sup>253</sup> Submission 186, Road N' Rail, p1

<sup>254</sup> Evidence, 10 June 2004 (Murwillumbah), p20

- 8.73** For example, NOROC noted in its written submission data from the Australasian Railway Association that road transport is responsible for 14% of Australia's total greenhouse gas emissions and 89% of the nation's transport emissions, whereas rail causes just 0.4% of total emissions and only 2% of transport emissions.<sup>255</sup>
- 8.74** Similarly, the Richmond Valley Council submitted to the Committee:
- ... issues such as environmental impacts (fuel efficient transport, less contaminants on road surfaces, etc) also arise as a consequence of the decision to cease the Casino to Murwillumbah rail service.<sup>256</sup>
- 8.75** The Committee notes that similar concerns were expressed by a number of other parties, including the CPSA,<sup>257</sup> Cr Dowell<sup>258</sup> and Mr Battersby.<sup>259</sup>
- 8.76** The Committee raised this matter with the Executive Director of Transport Planning with the Department of Infrastructure, Planning and Natural Resources (DIPNR), Mr Stephen Alchin, during the hearing on 2 July 2004. The Committee asked Mr Alchin whether rail travel is environmentally preferable to bus travel. In response, Mr Alchin observed:
- In that context, again, it can be better, it can be worse. In some cases, given the energy consumed in the moving of rail carriages and the like, depending on the number of passengers, it may actually have an adverse result.<sup>260</sup>
- 8.77** The Committee notes that this issue is difficult to quantify, particularly as increased road use is unclear. On the one hand, the removal of the rail service may place additional motorists on the region's roads, thereby increasing greenhouse emissions. On the other hand, the additional coach services may in fact lead to a reduction in private car trips, and thereby a reduction in greenhouse emissions. The Committee has not received sufficient evidence to assess these competing modes of transport.

### Heritage sites

- 8.78** The Committee received a written submission to the inquiry from the NSW Heritage Office, in which it noted that four heritage sites on the Casino to Murwillumbah line are listed on the State Heritage Register (SHR) under the *Heritage Act 1977*. They are:
- Lismore Railway Station
  - Lismore railway under bridges
  - Byron Bay Railway station and yard group

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<sup>255</sup> Submission 80, p8

<sup>256</sup> Submission 192, p4

<sup>257</sup> Submission 208, CPSA, p6

<sup>258</sup> Submission 54, p1

<sup>259</sup> Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, p17

<sup>260</sup> Evidence, 2 July 2004, p13

- Murwillumbah railway station and yard group.

- 8.79** Listing on the SHR for a place, building, precinct etc means that the listed item has significance to the State in relation to its historical, scientific, cultural, social, archaeological, architectural, natural or aesthetic value.<sup>261</sup>
- 8.80** The Committee understands that regardless of the future of the Casino to Murwillumbah rail service, these heritage sites will be preserved as part of the ongoing maintenance of the Casino to Murwillumbah rail corridor.

### **The sales of rail lands in Byron Bay**

- 8.81** During the Committee's hearing on 11 June, the Committee sought and received documentation from Mr Grant Fraser, Acting General Manager of Asset Management with RailCorp, on the railway lands owned by RailCorp on the Casino to Murwillumbah line and Condong extension.
- 8.82** Mr Fraser indicated to the Committee that RailCorp is currently negotiating with the Byron Bay Council the sale of a piece of land at Byron Bay near the railway station, which is currently the subject of an environmental study.<sup>262</sup>
- 8.83** Mr Fraser also indicated that the revenue for RailCorp generated by land sales varies from one year to the next. In recent years it has been as high as \$91 million. In 2002-2003 it was \$30 million, and in 2003-2004, Mr Fraser predicted it would be down to less than \$10 million.<sup>263</sup>

### **Flooding in Lismore**

- 8.84** During the Committee's hearing in Lismore on 9 June 2004, the Committee took evidence from the Controller of the Richmond Tweed Division of the SES, Mr Scott Hanckel, on whether there is a role for the railway during flooding in the northern rivers region. Floods on the Richmond, Wilson, Brunswick and Tweed Rivers are characterised by very rapid onset times, measured normally in hours, with the Brunswick River being officially identified by the Bureau of Meteorology as a flash flood catchment (ie less than six hours notice from the start of rain to major flooding).<sup>264</sup>
- 8.85** Mr Hanckel indicated that in relation to centres such as Lismore and Murwillumbah, the SES generally does not make use of the rail infrastructure during flooding because the prevailing dangerous weather conditions at the time of the flood such as 135 km/h winds and driving rain make any means of travel – road, rail or air – unsafe. Lismore and Murwillumbah have ample high ground to which evacuees can be moved during flood events, where they can be resupplied if necessary.<sup>265</sup>

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<sup>261</sup> Submission 133, p1

<sup>262</sup> Evidence, 11 June 2004, p53

<sup>263</sup> Evidence, 11 June 2004, p54

<sup>264</sup> Evidence, 9 June 2004, p29

<sup>265</sup> Evidence, 9 June 2004, p30

- 8.86** By contrast, Mr Hanckel did note that in the case of Grafton (on the main northern railway line), the SES does consult with the SRA about using the railway line for emergency evacuations. This is because unlike Lismore and Murwillumbah, Grafton does not have ample high ground to which evacuees can be moved during a flood event. That said, Mr Hanckel indicated that the SES would not use the rail infrastructure in the event of a flood until it could be confirmed that it was safe to use:

We take a view that until someone who has the skills to confirm that the infrastructure is safe we will assume it is not. We do not like to dispatch trains, buses or any other vehicle carrying large groups of people unless we can guarantee that the route is safe.<sup>266</sup>

- 8.87** The Committee is satisfied that the removal of the rail service from Casino to Murwillumbah will not hamper SES procedures in the northern rivers region during floods.

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<sup>266</sup> Evidence, 9 June 2004, p30





## Chapter 9 Transport planning in the northern rivers region

This chapter examines the broader issue of current and future transport planning in the northern rivers region, with particular reference to:

- Population growth and tourism in the region
- Calls for better transport planning for the region
- The role of DIPNR in regional planning
- The role of the Premier's Department in regional planning
- A twelve-month community consultation period on rail service closures

### Population growth and tourism in the region

**9.1** During the inquiry, a number of parties highlighted the rapid growth in population and tourism in the northern rivers region, and argued that the Government should be expanding transport infrastructure in the region, rather than withdrawing it.

#### Population growth in the region

**9.2** The northern rivers region is expected to experience significant growth in population in the coming decades. In its written submission, the Rail, Train and Bus Union cited the following interim population projections for 2016 from the Australian Bureau of Statistics for the Tweed and Richmond Valley.

**Table 9.1** ABS interim population projections for 2016 – Tweed and Richmond Valley (April 2003)

	2001	2016	Net Change	% change
<b>0-19 years</b>				
Northern	19,323	20,771	1,448	7
Central	40,684	38,200	-2,484	-6
<b>20-64 years</b>				
Northern	39,272	52,617	13,345	34
Central	79,960	94,504	14,544	18
<b>65 plus years</b>				
Northern	12,451	19,350	6,899	55
Central	15,655	23,913	8,258	53
<b>Total</b>	<b>207,345</b>	<b>249,355</b>	<b>42,010</b>	<b>20</b>

Source: Submission 209, Rail, Train and Bus Union, p16

- 9.3** Based on Table 9.1, the Rail, Train and Bus Union noted that the northern rivers region is projected to experience a large increase in people of working age and retirees over the next 12 years, but a small population loss in the 0-19 age group. Accordingly, the union submitted that the northern rivers region will require rail passenger transport services in the future.<sup>267</sup>
- 9.4** Similarly, in its written submission, NOROC noted that the Casino to Murwillumbah rail line is located in one of the fastest growing regions of NSW, adjacent to the fast growing region of South-East Queensland. NOROC stated that in certain areas, the population of the northern rivers region is growing at between 2-4% per annum, compared with the NSW average of approximately 0.8% per annum. Accordingly, NOROC suggested that there is significant opportunity for rail to increase its market share through improved scheduling, extended services and the implementation of a strategic marketing plan:
- In Byron Bay, for example, road infrastructure is inadequate to cater for the major influx of tourists. Visits to Byron Bay have been estimated at 1.7 million per annum, and are expected to double within a decade. The Casino-Murwillumbah line runs through the heart of the township of Byron Bay, and greater utilisation of this existing infrastructure, coupled with an aggressive promotion of services, would help to relieve heavy vehicle congestion during peak holiday times.<sup>268</sup>
- 9.5** A number of parties also highlighted the anticipated population growth of the northern rivers region during the Committee's hearings on 9-10 June 2004. As stated by Cr Westheimer, Byron Shire Council, during the hearing on 10 June 2004 in Byron Bay:
- The population of the northern rivers is now approaching a quarter of a million people. It might just look like pretty countryside but it is the most densely populated rural area of Australia. We are less than 200 kilometres from Brisbane.<sup>269</sup>
- 9.6** Similarly, the Hon Larry Anthony, former Federal Member for Richmond, stated during the hearing on 10 June 2004:
- We know this is a very high growth region. There is enormous inward migration and a lot more pressure on public infrastructure, be that hospitals, schools or transport infrastructure – roads and rail. There is huge growth in this corridor, from Lismore to Byron Bay, Ballina and Tweed shire. It is growing dramatically, including all the little villages that link the region. ... The railway line is important in servicing those communities and overcoming some of the major traffic issues experienced in the Byron shire.<sup>270</sup>
- 9.7** At the request of the Committee, the Executive Director of Transport Planning with DIPNR, Mr Stephen Alchin, provided the Committee with the following table on population change in the Richmond-Tweed.

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<sup>267</sup> Submission 209, p16

<sup>268</sup> Submission 80, p10

<sup>269</sup> Evidence, 10 June 2004 (Byron Bay), p9

<sup>270</sup> Evidence, 10 June 2004 (Murwillumbah), p4

**Table 9.2** Historical and projected population and average annual growth rates – Richmond Tweed and NSW, 1981-2031

Five years ending 30 June	Population (number)*	Average annual growth rate (%)#	
		Richmond-Tweed	NSW
1981	132,350		
1986	151,900	2.79	1.11
1991	179,500	3.40	1.29
1996	200,500	2.24	1.02
2001	216,300	1.53	1.17
2006	228,900	1.14	0.88
2011	241,300	1.06	0.85
2016	253,300	0.97	0.79
2021	265,500	0.94	0.75
2026	277,700	0.90	0.71
2031	289,300	0.82	0.64

\* Populations for 1981-2001 are actual, populations for years after 2001 are projected

# Growth rates are an annual average of the 5-year period ending at the year shown in the first column

Source: Mr Alchin, Response to questions on notice from 2 July 2004, pp1-2

**9.8** Based on Table 9.2, Mr Alchin indicated that:

- The population of Richmond-Tweed is projected to grow from 216,300 in 2001 to 289,300 in 2031, an increase of 73,000 or 34% over 30 years
- This projected growth of 34% over 30 years is considerably less than in the previous 20 years. Between 1981 and 2001, the region grew by 84,000 people.
- In 2001, the population of Richmond-Tweed made up 3.3% of all people living in NSW, compared with 2.5% 20 years ago.
- Historic growth rates for Richmond-Tweed have been higher than for NSW as a whole and among the highest regional growth rates in the state. Projected growth rates for Richmond-Tweed are expected to remain higher than for NSW as a whole.<sup>271</sup>

**9.9** The Committee also notes the evidence of Mr John Vaughan, a private citizen, who argued that the Casino to Murwillumbah line is simply in the wrong location to service the significant population growth areas in the northern rivers region such as Kingscliff, Casuarina, Pottsville Beach, Ocean Shores, Lennox Head and Ballina. In addition, he suggested that long distance travel to Sydney is better serviced and cheaper by air and bus services.<sup>272</sup>

<sup>271</sup> Mr Alchin, Response to questions on notice from 2 July 2004, pp1-2

<sup>272</sup> Mr Vaughan, Tabled document, 10 June 2004 (Byron Bay), p1; see also Evidence, 10 June 2004 (Byron Bay), pp27-28

**Tourism in the region**

**9.10** A number of parties to the inquiry also highlighted the significant contribution of tourism to the economy of the northern rivers region, and the need to provide transport infrastructure for visitors to the region.<sup>273</sup> In particular, the Committee received a written submission from Northern Rivers Tourism, the peak tourism industry body for the northern rivers region. Northern Rivers Tourism indicated that:

- Currently, tourism contributes \$762 million to the economy in the Northern Rivers and generates 5,863 jobs
- The Northern Rivers region receives more tourists than the Northern Territory or Tasmania
- The region also has the second highest visitation from international tourists in New South Wales (after Sydney).

**9.11** In addition, Northern Rivers Tourism highlighted the recent increase from 1% to 3% in the proportion of tourists using the train to access the northern rivers region.<sup>274</sup>

**9.12** Similarly, during the Committee's hearings on 9-10 June 2004, a number of parties highlighted the need for transport facilities to get people in and out of the region and around the region, especially tourists who come to the coastal regions and want to visit the inland towns.<sup>275</sup> In particular, the Committee notes the evidence of the General Manager of Tweed Shire Council, Dr Griffin, that an estimated 3,600 persons are employed by the Tweed tourism industry in hotels, cafes, restaurants, entertainment clubs and a portion of retail, and that the loss of the rail line is anticipated to have an adverse impact on the tourist trade.<sup>276</sup>

**9.13** The Committee also notes evidence highlighting the tourism benefits of a rail service that showcases the scenic beauty of the northern rivers region as a tourist destination. For example, Northern Rivers Tourism noted that rail travel is increasingly seen as a 'tourist' activity, with many private operators now restoring old rolling stock to provide a tourist experience, the best example of which is the 'Puffing Billy' in the Dandenongs in Victoria. Northern Rivers Tourism argued that the northern rivers region also has the potential to have a tourist train, especially as the line passes through some spectacular countryside and visits some heritage-value stations.<sup>277</sup>

**9.14** Similarly, the Committee notes the submission of Mr Maloney, the former coordinator of Tweed Byron Ballina Community Transport between 1988 and 1998 and a member of the NSW Community Transport Organisation over the same period. Mr Maloney submitted that the rail line between Lismore and Murwillumbah is the 'jewel in the crown' of the north coast:

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<sup>273</sup> See for example Mr ThomasGeorge MP, Evidence, 9 June 2004, p2, Mr King, Evidence, 9 June 2004, p3, Mr Cox, Evidence, 9 June 2004, p7

<sup>274</sup> Submission 45, p1

<sup>275</sup> See for example Cr King, Evidence, 9 June 2004, p4; Mr ThomasGeorge MP, Evidence, 9 June 2004, pp4-5; Cr Cox, Evidence, 9 June 2004, p10

<sup>276</sup> Evidence, 10 June 2004 (Murwillumbah), p9

<sup>277</sup> Submission 45, p1

This rail journey travelled during the day meanders through some of the most scenic countryside in Australia. The train travels through quaint villages like Eltham, past dairy farms, cane fields and remnants of the unique Big Scrub Rainforest. On leaving Bangalow the train travels along the St Helena escarpment with magnificent views of Julian Rocks and the Pacific Ocean and then past more rainforests at Hayter Hill and the paperbark swamp vegetation around Byron Bay. Out of Byron Bay and toward Mullumbimby there are views of Mt Chincogan. After leaving Mullumbimby the train travels through the small villages of Billinudgel, Mooball, Burringbar and Stokers Siding to imposing views of the 20 million year old Mt Warning shield volcano – a landform of both scenic and natural international significance.<sup>278</sup>

- 9.15** Ms Karen Kolbe representing NRTF<sup>279</sup> and Cr Merv King, Mayor of Lismore City Council, also highlighted in their evidence the scenic beauty of the northern rivers region. Cr King stated:

I think the scenic attractions of this particular area make it a very important tourist area. That is the whole of south-east Queensland, the far North Coast of New South Wales area. The scenic attractions are tremendous and it is an area that we must promote as a tourist area.<sup>280</sup>

- 9.16** Against these calls for a tourist train, however, the Committee notes that viability may be an issue. In 1999, Northern Rivers Railway Pty Ltd opened a tourist service called the *Ritz Rail* train between Murwillumbah and Byron Bay. However, during the hearing on 10 June 2004 in Murwillumbah, Mr Judd, Director and General Manager of NRR, indicated that the company ceased operation of the train on 7 December 2002 due to a combination of factors adversely affecting tourism, including the September 11 2001 terrorist attacks, increasing public liability premiums, the impact of Severe Acute Respiratory Syndrome and the collapse of Ansett.<sup>281</sup>
- 9.17** While the Committee is not in a position to comment further on the viability of a specific 'tourist train' on the Casino to Murwillumbah line, the Committee believes that the Government should continue to promote the expansion of tourism on the north coast and in the northern rivers region.

## **Calls for better transport planning for the region**

- 9.18** Given the anticipated growth in the population of the northern rivers region and tourism to the region, a number of parties to the inquiry argued that the Government should be showing greater vision in promoting an integrated transport plan, which includes rail services, for the region.
- 9.19** For example, Mr Basil Cameron, member of the Byron Shire Council Public Transport Committee, argued that the Parry Report analysed the future transport needs of metropolitan Sydney, but made no attempt to analyse the future transport needs of the northern rivers region. Mr Cameron argued that while the social and environmental obligations of

<sup>278</sup> Submission 73, p2

<sup>279</sup> Evidence, 9 June 2004, p27

<sup>280</sup> Evidence, 9 June 2004, p5

<sup>281</sup> Evidence, 10 June 2004 (Murwillumbah), pp14-16

government were acknowledged and applied to the future transport needs of Sydney, they were not applied to the regions.<sup>282</sup>

**9.20** Similarly, in his written submission, Mr Maloney, representing NRTF, stated:

Unfortunately, successive state governments and the bureaucracy have abrogated their responsibilities to the people of the northern rivers. Instead of undertaking integrated public transport planning in one of the fastest growing regions in NSW, our region has been ignored by the powers that be.<sup>283</sup>

**9.21** Cr Jenny Dowell, Lismore City Councillor, argued in her written submission that the northern rivers needs a government with 'true vision' willing to invest in the future of the region.<sup>284</sup> This was reiterated by Cr Dowell during the hearing on 9 June 2004:

Infrastructure investment is the key plank of the investment in the future, and we need to borrow money to invest now in our rail transport infrastructure, not in a 15-year plan, which I know the Federal Government has, because our rail infrastructure needs attention now.<sup>285</sup>

**9.22** In turn, the Hon Larry Anthony highlighted the role that the branch line has played in development of the far north coast of NSW, and its ongoing viability in one of Australia's highest growth areas.<sup>286</sup>

**9.23** Finally, the Rail, Train and Bus Union argued that the closure of the Casino to Murwillumbah line contrasts with the rail service improvements in Queensland, Victoria and Western Australia in recent years. The union indicated in its submission that:

- The Victoria Government is spending \$550 million under the Regional Fast Rail Project to upgrade the mainline tracks to the state's regional cities of Ballarat, Bendigo, Geelong and Latrobe Valley. The works began in 2004, and are due for completion in 2005. In addition, the Victorian Government is spending \$535 million to build 38 new trains to service these regional centres.
- The Queensland Government announced on 6 November 2003 that it would invest \$274 million in upgrading rail infrastructure on the Gold Coast and purchasing new rolling stock.
- The WA Government has committed to improve its Australind passenger service from Perth to Bunbury and south-west to Manjimup and Margaret River. The WA Government is already building the new Perth to Mandurah line as part of the regional expansion to the south of Perth and Kwinana metropolitan area.<sup>287</sup>

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<sup>282</sup> Submission 216, pp3-4

<sup>283</sup> Submission 73, p2

<sup>284</sup> Submission 54, p1

<sup>285</sup> Evidence, 9 June 2004, p36

<sup>286</sup> Submission 212, p2

<sup>287</sup> Submission 209, p14; See also Mr Lewocki, Evidence, 11 June 2004, p1

- 9.24** Mr Peter Murphy, National Publicity and Research Officer with the union, also noted during the hearing on 11 June 2004 that since 1996, over \$560 million had been invested in upgrading the Pacific Highway between Casino and Murwillumbah, and contrasted this with the lack of investment in rail infrastructure in the region.<sup>288</sup>

### **The role of DIPNR in regional planning**

- 9.25** DIPNR was formed on 1 July 2003 following the merger of the former Department of Urban and Transport Planning and the former Department of Sustainable Natural Resources. The Department's role is to bring together land-use planning, natural resources and infrastructure planning across NSW to facilitate the economic development of the state in an environmentally sustainable manner.
- 9.26** During the Committee's public hearing on 2 July 2004, Mr Alchin from DIPNR provided the Committee with information on the role of DIPNR in planning transport services in the northern rivers region. However, from the outset, Mr Alchin emphasised to the Committee that DIPNR does not have a role in short term transport decision making, such as the operation of railway services:

The Ministry of Transport and other agencies within Minister Costa's portfolio have a primary responsibility in relation to operational matters and the service level planning that is required to ensure that services run reliably and, in other ways, meet the needs of the people of New South Wales. Our role is a bigger picture and medium-term to longer-term role. In that context, we tend to focus primarily on the broader links – the networks of the State highways, interstate railway lines and things of that nature – and, to some extent, the links into major regional centres. On the whole, we do not get involved in the fairly localised or day-to-day service planning responsibilities of bus operators, community transport organisations, or the like.<sup>289</sup>

### **DIPNR's multimodal plan for the northern rivers region**

- 9.27** During the hearing of 2 July 2004, Mr Alchin indicated that DIPNR is currently in the process of developing a multimodal transport plan for the northern rivers region. The multimodal transport plan is expected to provide for progressive upgrades to the road network in the region, and the regulation or provision of public transport services. The development of railway lines would neither be ruled in or out.<sup>290</sup> As Mr Alchin observed:

The department's role is really one of multimodal transport planning. Clearly, as part of that rail is one element. But so, too, are the road networks, freight transport and the like. We are not expressly looking at anything in the next little while ... At the moment our mandate is to take a broader view of things that may occur, and things may follow on from that.<sup>291</sup>

<sup>288</sup> Evidence, 11 June 2004, p6

<sup>289</sup> Evidence, 2 July 2004, p2

<sup>290</sup> Evidence, 2 July 2004, p3

<sup>291</sup> Evidence, 2 July 2004, p3

- 9.28** Development of the multimodal plan for the northern rivers region within DIPNR is the responsibility of the NSW Coastal Project Strategy Committee, which consists of 14 members of DIPNR, under the direction of the Deputy Director General of the department.<sup>292</sup> Mr Alchin indicated that the forerunner to the Committee first met on 30 March 2004. A final report is scheduled for mid 2005.<sup>293</sup>
- 9.29** During the hearing on 2 July 2004, the Committee asked Mr Alchin why the multimodal transport plan was not finalised and in place before the Casino to Murwillumbah line was closed. In response, Mr Alchin indicated:
- As I said, these medium to longer-terms plans are matters that are in preparation. The decision of the Government to remove the rail services and replace them with bus services was one that was forced on the Government by the budgetary circumstances that it faced, and in particular the consequence of the change in revenue-sharing arrangements.<sup>294</sup>
- 9.30** The Committee notes, however, that DIPNR acknowledged in correspondence that it does not have a recent profile of the transport needs of the residents of the northern rivers region.<sup>295</sup>
- 9.31** The Committee recognises that DIPNR was not involved in the decision to discontinue the Casino to Murwillumbah rail service. However, in the Committee's opinion, there should be a mechanism where individual decisions – such as the decision to close the Casino to Murwillumbah rail service – can be considered in the context of medium to long term transport planning. While the decision to discontinue the Casino to Murwillumbah rail service may be characterised as a one-off short-term decision, based on financial constraints imposed by the 2004 Mini Budget, the loss of maintenance spending on the Casino to Murwillumbah line clearly has long-term implications for the viability of the line.

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## **Recommendation 2**

That the Government develop guidelines requiring agencies such as RailCorp to consult with the Department of Infrastructure, Planning and Natural Resources on decisions affecting long-term transport planning, including the proposed closure of railway lines.

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## **The role of the Premier's Department in regional planning**

- 9.32** The Committee also took evidence during its public hearing on 2 July 2004 from Dr Col Gellatly, Director-General of the NSW Premier's Department, in relation to the regional co-ordination program within the Premier's Department, and its contribution to transport planning in the northern rivers region.

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<sup>292</sup> Evidence, 2 July 2004, p4. See also Mr Alchin, Response to questions on notice from 2 July 2004, p2

<sup>293</sup> Mr Alchin, Response to questions on notice from 2 July 2004, pp3-4

<sup>294</sup> Evidence, 2 July 2004, p10

<sup>295</sup> Mr Alchin, Response to questions on notice from 2 July 2004, p4



**9.33** Dr Gellatly indicated to the Committee that under the regional co-ordination program, the Premier's Department has appointed regional co-ordinators to all regions in the state (for example, the North Coast, New England and the Hunter). Those regional co-ordinators are responsible for facilitating the regional co-ordination management group, which is composed of the majority of government agencies that operate in their particular region. Dr Gellatly continued:

I have got to emphasise that it is really about co-ordination between the different agencies; but they do not have a line role or a policy role.<sup>296</sup>

**9.34** Dr Gellatly subsequently elaborated on this point, noting that the regional co-ordinators are not there to replicate the responsibilities of the individual line agencies. For example, DIPNR retains responsibility for regional planning, and the Department of State and Regional Development has a primary role in carriage of economic development. Rather, the role of the regional co-ordinators is to try to get the different agencies to work together towards good service delivery.<sup>297</sup>

**9.35** Accordingly, Dr Gellatly indicated that the decision to close the Casino to Murwillumbah rail line did not come under the purview of the Regional Co-ordinator for the North Coast's role, because it was not a decision co-ordinated across different agencies. Dr Gellatly further noted that no agencies have raised issues in relation to the closure of the Casino to Murwillumbah line with the Regional Co-ordinator for the North Coast.<sup>298</sup>

**9.36** The Committee subsequently raised with Dr Gellatly concerns about the social and economic impact of the closure of the Casino to Murwillumbah line on the communities affected, and whether there should be a whole-of-government approach to service provision on the North Coast. In response, Dr Gellatly observed:

I do not want the Premier's Department regional co-ordinator to be a lead agency on those types of activities because otherwise it will end up getting involved in everything that happens. I am trying to concentrate them on activities where they can add value where there are impediments between agencies doing things together, roadblocks or whatever. But in terms of a planning issue, clearly, it is DIPNR whose job is to look at those sorts of things.<sup>299</sup>

**9.37** Once again, the Committee recognises that the Premier's Department was not involved in the decision to discontinue the Casino to Murwillumbah rail service. Again, however, the Committee believes that there should be a mechanism for other agencies to contribute to decisions that affect long term transport planning – such as the closure of the Casino to Murwillumbah line. In this context, the Committee believes that there may be a co-ordination role for the Regional Co-ordinator within the Premier's Department, at least in liaison with DIPNR.

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<sup>296</sup> Evidence, 2 July 2004, p30

<sup>297</sup> Evidence, 2 July 2004, p30

<sup>298</sup> Evidence, 2 July 2004, p30

<sup>299</sup> Evidence, 2 July 2004, p32

## **A twelve-month community consultation period on rail service closures**

- 9.38** As indicated in Chapter 2, the Committee notes that the Casino to Murwillumbah rail service was closed at very short notice, despite the widely held belief that the line would remain open at least until the end of 2004. This has provoked widespread community concern. As indicated by Mr Bennett, representing NOROC, during the hearing on 9 June 2004:

We are all astounded by the closure of the line, especially after the promise made by Minister Costa in December 2003, when he said that it would stay open for 12 months to allow time for an inquiry into the feasibility of keeping it open.<sup>300</sup>

- 9.39** Similarly, Lismore City Councillor, Cr Dowell, stated during the same hearing:

The decision on 10 December last year gave our rail system a reprieve and gave us some confidence that we had time to bring about a change in the Government's heart. Just before Easter we were told that that 12-month commitment was broken. That caused great distress, not only in the broad community but also in local Labor Party ranks.<sup>301</sup>

- 9.40** The Committee believe that in the event of any future proposed closure of a passenger rail service in NSW, it is appropriate for the Government to provide 12 months notice of the closure to the Parliament to allow for community consultation.

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### **Recommendation 3**

That the NSW Government, in the event of any future proposed closure of a passenger rail service, be required to provide 12 months notice of the closure to the Parliament to allow for community consultation.

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<sup>300</sup> Evidence, 9 June 2004, p7

<sup>301</sup> Evidence, 9 June 2004, p32

## Chapter 10 The future of the line

This chapter examines the future viability of passenger and freight services on the Casino to Murwillumbah line, with particular reference to:

- Calls for a daily commuter service
- Calls for a re-introduction of freight services
- The findings of the PwC study
- The response of RIC/RailCorp to the PwC Study
- The recommendations of the Rail Corridor Working Party
- The Committee's recommendations

### Calls for a daily commuter service

**10.1** During the inquiry, a number of parties advocated the introduction of a daily commuter service, as opposed to the inter-regional XPT service, on the Casino to Murwillumbah line. For example, the Hon Larry Anthony, former Federal Member for Richmond, cited the advantages of a regular light commuter train service:

A rail motor would act like a bus on rail to provide a commuter service linking Billinudgel to Bangalow, Murwillumbah to Mullumbimby and Byron Bay to Lismore, the home of the Southern Cross University. Indeed with a bit of lateral thinking, the chronic traffic congestion we see in Byron Bay could be mitigated with a decent regular commuter service between Byron Bay and its neighbouring townships. The issue of public transport could be almost solved overnight with some genuine commitment.<sup>302</sup>

**10.2** Similarly, Mr Neale Battersby<sup>303</sup> cited the results of an NRTF survey conducted in 2003. Two of the questions posed by the survey were: do you want a commuter train service on the Casino to Murwillumbah line and would you use a commuter service? Of the 929 respondents, 886 indicated their support for a commuter service, and 844 indicated that they would use such a service.<sup>304</sup>

**10.3** Comparable calls for a commuter service were also made by a large number of parties during the Committee's hearings in the northern rivers region. For example, Cr Cox, Mayor of Richmond Valley Council, stated during the hearing on 9 June 2004:

Clearly, we feel there is strong support for a light rail commuter service operating on a schedule that can move our residents throughout the region on a suitable and

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<sup>302</sup> Submission 212, p2

<sup>303</sup> Mr Battersby is a former employee of Victorian Railways and V/Line from 1989 to 2002, at which time he moved to the northern rivers region.

<sup>304</sup> Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, p29

convenient timetable. Our community needs transport options to cater for the aged, frail, disabled, workers, students, family groups and the disadvantaged.<sup>305</sup>

**10.4** Mr Paul Waters, representing the Murwillumbah District Business Chamber, noted during the hearing on 10 June 2004 in Murwillumbah:

There has been a lot of talk about commuter trains. We see that as being an ideal way of bringing economic growth back to Murwillumbah.<sup>306</sup>

**10.5** In turn, Mr Michael Maloney, representing NRTF, advocated on 10 June 2004 in Byron Bay the re-opening of stations such as Bangalow, in conjunction with improved local bus feeder services:

... if we looked at Bangalow as a case in point, if the train happened to pull in and stop at Bangalow, a bus service could, in theory, take people to places like Knockrow and Fernleigh and potentially down to Ballina. So the sky is the limit. Generally, I think there would be great benefits in resurrecting some of those closed railway stations.<sup>307</sup>

**10.6** Similarly, Ms Karen Kolbe, representing NRTF, argued that if a commuter service was to be made available again on the Casino to Murwillumbah line, it would need to be integrated with buses, and expanded infrastructure such as commuter car parks, bicycle tracks and taxi ranks.<sup>308</sup>

**10.7** The Committee notes that in his written submission, Mr Warren Judd, General Manager and Director of NRR, indicated that in 1999-2000, NRR approached CountryLink management on two occasions with a proposal to operate on CountryLink's behalf two commuter services a day on the Casino to Murwillumbah branch line. For reasons that the Committee does not know, on neither occasion was a commuter service successfully established.<sup>309</sup>

**10.8** The Committee also notes the new proposal of Mr Judd during the hearing on 10 June 2004 in Murwillumbah for the operation of a commuter service on the Casino to Murwillumbah line using a two car motor set, capable of carrying 90 – 100 passengers. However, Mr Judd noted that the necessary \$250 million in public liability insurance could possibly cost in the order of \$800,000 to \$1 million per annum, which together with staffing costs would make the viability of such an operation uncertain.<sup>310</sup>

**10.9** On behalf of Mr Judd, the Committee subsequently questioned Mr Seabury, Group General Manager of Infrastructure with RailCorp, whether a private operator would be able to gain access to the Casino to Murwillumbah line in order to provided a commuter service. In

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<sup>305</sup> Evidence, 9 June 2004, p7

<sup>306</sup> Evidence, 10 June 2004 (Murwillumbah), p17

<sup>307</sup> Evidence, 10 June 2004 (Byron Bay), p17

<sup>308</sup> Evidence, 9 June 2004, p27

<sup>309</sup> Submission 215, p3; See also Mr Judd, Evidence, 10 June 2004 (Murwillumbah), p14

<sup>310</sup> Evidence 10 June 2004 (Murwillumbah), p15

response, Mr Seabury indicated that if they were prepared to pay for the maintenance of the line, then RailCorp would be willing to discuss any proposal.<sup>311</sup>

- 10.10** During the hearing on 2 July 2004, the Committee also asked Mr Alchin, Executive Director of Transport Planning with DIPNR, whether he believed there was an opportunity for a successful commuter service on the Casino to Murwillumbah line. In his subsequent response on notice from 2 July 2004, Mr Alchin stated:

If 'success' is measured in terms of financial viability, then the answer is no. While DIPNR has done no detailed study, patronage revenue in the region could not cover the rail corridor maintenance and operational costs involved, especially without freight movements to subsidise passenger services.<sup>312</sup>

- 10.11** Finally, the Committee notes that it placed on notice with RailCorp during the hearing on 11 June 2004 a question about the viability of running a regular CountryLink Xplorer train between Lismore and Murwillumbah during the day, in addition to the evening XPT service. In response, RailCorp indicated that the Xplorer trains were purchased specifically for the Sydney – Canberra and Tamworth – Armidale/Moree routes, and that there was no facility at the former locomotive maintenance facility at Casino to service modern diesel rolling stock. In addition, a facility would need to be built for servicing carriages, including bogie changes, which RailCorp submitted would 'require a stock of parts disproportionate to the operation'.<sup>313</sup>

## **Calls for a re-introduction of freight services**

- 10.12** The Committee notes that during the inquiry, a number of parties called for a re-introduction of freight services on the Casino to Murwillumbah line. Freight services have not run on the line for several years, with the decline of logging and farming operations in the region.

- 10.13** In his tabled submission, Mr Battersby attributed the loss of freight services on the line to the 'embezzled sale of Freightcorp' on 31 January 2002, together with the 'railways pricing themselves out of the market deliberately'. However, he continued:

Freight services could be restored to this line in the future under proper management, resulting in the reduction in heavy trucks thundering through the northern rivers region resulting in accidents and road damage.<sup>314</sup>

- 10.14** Similarly, Mr Phillip Mackenzie, representing Mirribook Rail Services, also argued that by selling Freightcorp – 'the only rail profit-making arm' of State Rail – to private enterprise for \$350 million, the Government is less inclined to fund any country rail infrastructure beyond that 'absolutely unavoidable'.<sup>315</sup>

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<sup>311</sup> Evidence, 11 June 2004, p49

<sup>312</sup> Mr Alchin, Response to questions on notice from 2 July 2004, p5

<sup>313</sup> RailCorp, Response to questions on notice from 11 June 2004, p31

<sup>314</sup> Mr Battersby, Tabled document, 'The Ceasing of the XPT Rail Service on the Casino - Murwillumbah Rail Corridor', May 2004, pp6-7,36

<sup>315</sup> Submission 83, p6

**10.15** The Committee notes, however, that it received evidence from a number of parties claiming that they would use the Casino to Murwillumbah line for freight movements if that were possible.

**10.16** For example, in his submission, Mr Greg Cromwell, Director of the Steam Whistle Brewing Company Pty Ltd, indicated that his company was planning to establish a brewery located somewhere between Casino and Murwillumbah, and to utilise the rail line for shipping the Company's beer across Australia. However, as a result of the recent decision to close the Casino to Murwillumbah line, Mr Cromwell indicated that his company is reconsidering those plans, with the possibility of establishing the brewery in southern Queensland instead.<sup>316</sup> This was reiterated by Mr Cromwell during the hearing on 10 July 2004 in Byron Bay:

... the recent announcement to close the line between Casino and Murwillumbah has derailed our plans somewhat as it relates to looking to locate our brewery in this area.<sup>317</sup>

**10.17** Similarly, in evidence to the Committee on 10 July 2004 in Murwillumbah, Mr Tom Senti, CEO of the Tweed Economic Development Corporation, noted that his corporation is promoting the development of a 55 hectare industrial site in Murwillumbah, raising the possibility of significant freight movements using rail rather than road.<sup>318</sup>

**10.18** Against these calls for a re-introduction of freight services, however, the Committee also notes the evidence of the Hon Larry Anthony:

I think we have to be realistic and say we cannot put heavy freight on this line. The gradients are too steep, and it would require significant bridge replacement. Heavy freight, of course, will go on main lines, and that will get B-doubles and heavy truck movements off the Pacific Highway. Most of that traffic is from the capital cities, Brisbane to Sydney.

On this line there is opportunity for light freight. But I think the greatest opportunity is for people.<sup>319</sup>

**10.19** Similarly, Mr Lord, Manager of Infrastructure Planning and Support with RIC, also argued during the hearing on 2 July 2004 that most opportunities for large freight movements are to or from the major ports in Australia such as Newcastle or Port Kembla, or between Melbourne, Sydney and Brisbane.<sup>320</sup>

**10.20** The Committee agrees with these assessments of the Hon Larry Anthony and Mr Lord, and believes that the future of the Casino to Murwillumbah line should be focused on the opportunities for public transport, while promoting light freight transport should the opportunity arise.

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<sup>316</sup> Submission 39, p1

<sup>317</sup> Evidence, 10 June 2004 (Byron Bay), p18

<sup>318</sup> Evidence, 10 June 2004 (Murwillumbah), p19

<sup>319</sup> Evidence, 10 June 2004 (Murwillumbah), p5

<sup>320</sup> Evidence, 2 July 2004, p63

## The findings of the PwC study

**10.21** The PwC study published on 22 September 2004 examined in considerable detail the viability of introducing a passenger or commuter service on the Casino to Murwillumbah line. The Committee summarises the major findings in the report below.

### Travel demand in the northern rivers region

**10.22** In its report, PwC highlighted the growth in population and tourism in the northern rivers regions, corroborating the evidence referred to by the Committee in Chapter 9. In particular, PwC noted that:

- The population of the northern rivers region has grown to 227,000 people, with annual growth continuing at a rate well above the state-wide average.
- Tourists to the northern rivers region stayed for an average of 9.8 million visitor nights in 2004, and accounted for an average of 15% of passenger journeys in the northern rivers region.

**10.23** PwC noted that currently, a total of 339 million passenger journeys<sup>321</sup> are made per annum in the northern rivers region.

**10.24** Based on this evidence, PwC concluded that underlying demand for public transport services in the northern rivers region will continue to grow in the future.<sup>322</sup>

### Current transport patterns in the northern rivers region

**10.25** PwC presented in its study detailed information on current transport patterns in the northern rivers region:

- The private car is the primary means of travel in the northern rivers region, accounting for 90% of inter-regional passenger journeys and over 70% of all journeys (including shorter trips concluded via walking) in the northern rivers region
- Affordability and access to air travel has improved significantly over the last three decades, leading to a decline in the market share of rail passenger transport
- While rail services on the Casino to Murwillumbah line have been suspended, the northern rivers region continues to be serviced by bus, coach, aircraft, taxis and community transport services
- PwC's own consultation with the community indicates dissatisfaction with the availability, access and frequency of public transport.

<sup>321</sup> Incorporating a wide range of journeys including bus trips, private car movements and walking

<sup>322</sup> PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line* (hereafter referred to as PwC Feasibility Study), 22 September 2004, ppiii-iv

- 10.26** In addition, as highlighted by the Committee in Chapter 8, PwC noted that community transport operators are increasingly providing a greater share of transport services in the northern rivers region, but are inundated by requests for assistance.<sup>323</sup>

### Future maintenance costs of the line

- 10.27** PwC presents in its study research on the future maintenance costs of the Casino to Murwillumbah line, based on detailed analysis of the condition of the line. In particular, the Committee understands that Hughes Consulting Services completed independent inspections of the full length of the track, including bridge inspections, over a period from 4 to 10 August 2004. In addition, the Committee understand that Hughes Consulting Services met with RailCorp officers on 13 August 2004 to determine the maintenance priorities for the line, to review cost structures, to assess bridge and track maintenance documentation, and to examine RailCorp's maintenance program prior to the closure of the line.<sup>324</sup>
- 10.28** Based on this information, PwC outlined a proposed maintenance program over 7 years to keep the Casino to Murwillumbah line open and to remove speed restrictions. The average cost of this maintenance program would be approximately \$4.1 million per annum over the first seven years of operation of the line, subsequently reducing to a long-term average annual cost of approximately \$2.5 million.<sup>325</sup> A summary of PwC's maintenance cost estimates is presented in Table 10.1 below.

**Table 10.1** PwC summary of maintenance costs (\$000)

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Future years (pa)	Total years 1-20
Track		120						200	2,720
Bridges	2,715	2,150	2,060	2,120	2,860	1,860	1,860	1,200	31,225
Re-sleepering		1,600	1,500	1,500		1,000	1,000		6,600
Routine maintenance	485	600	600	600	400	400	400	400	8,685
Stations		530	350						880
Misc works	100		490	780	240	240	240	200	4,690
Geo tech work								500	6,500
<b>Total</b>	<b>3,300</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>2,500</b>	<b>61,300</b>

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, p53

- 10.29** Significantly, the Committee understands that this maintenance program is predicated on the operation of a light commuter rail service on the Casino to Murwillumbah line, as opposed to a heavy passenger/freight rail service.<sup>326</sup> As examined in Chapter 4, RailCorp's estimates for

<sup>323</sup> PwC Feasibility Study, ppiv-v

<sup>324</sup> PwC Feasibility Study, p48

<sup>325</sup> PwC Feasibility Study, ppvi

<sup>326</sup> PwC Feasibility Study, p49



maintaining the Casino to Murwillumbah line – including the final projected expenditure of \$188 million over the next 20 years – were based on a continuation of the heavy inter-regional XPT service, with associated requirements for new replacement infrastructure.

### **Alternative passenger rail options**

**10.30** PwC investigated a range of options for reinstating passenger trains on the Casino to Murwillumbah line, including:

- Reinstating the discontinued daily XPT service – although PwC noted that the XPT service was widely viewed by the community as not meeting its transport needs, especially as relates to travel within the region
- Reinstating an alternative XPT service – although PwC noted that the XPT is costly to operate, and a variation to the previous timetable would also affect the Sydney metropolitan timetable due to capacity constraints
- Implementing a more frequent commuter service, connecting with the XPT service at Casino, but provided by a private operator.
- Implementing a community operated commuter service.<sup>327</sup>

**10.31** After an examination of these options, PwC concluded:

Retention of the current coach service is the least cost option. However, this option is viewed by the community as inadequate in terms of services frequency, its late evening timetable and its service quality. The former XPT service has significantly higher costs, but has the same shortcomings in relation to timetable and frequency. A railcar service, with appropriate air-conditioned rolling stock, could offer a lower cost and higher frequency service which can be tailored to better meet the intra-regional travel needs of the community. Due to the high level of fixed costs in providing train services, the additional costs incurred in providing extra services is relatively low whilst the benefits to the community are significant.

However, in order to minimise cost and maximise service frequency a low cost rolling stock option would need to be chosen.<sup>328</sup>

### **Commuter options**

**10.32** PwC assessed five different scenarios for a commuter service on the Casino to Murwillumbah line:

- Option 1: two services per day to meet the Casino XPT
- Option 2: six services per day to meet the Casino and Brisbane XPTs
- Option 3: hybrid commuter/XPT connection service with ten daily services including some between Murwillumbah and Lismore

<sup>327</sup> PwC Feasibility Study, ppvi-vii

<sup>328</sup> PwC Feasibility Study, ppvii-viii

- Option 4: eight services per day to meet the Casino and Brisbane XPTs plus an additional commuter service along the full line
- Option 5: sixteen daily commuter and XPT connection services.

**10.33** PwC further noted that there would be some restrictions on providing options 3-5 in the first few years while the line was being upgraded.<sup>329</sup>

**10.34** The following cost estimates were prepared by PwC for the operation of these five alternative commuter services on the Casino to Murwillumbah line.

**Table 10.2** PwC financial evaluation of the five commuter options (\$000)

<b>Net Present Value (years 1-20)</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
Train operating cash costs	11,003	21,862	25,475	26,180	38,405
Track and network cash costs	38,223	38,223	38,223	38,223	38,223
Estimated total costs	49,226	60,085	63,698	64,403	76,628
Estimated passenger revenue	5,568	13,184	17,032	13,953	21,374
<b>Estimated cash deficit</b>	<b>43,658</b>	<b>46,901</b>	<b>46,666</b>	<b>50,450</b>	<b>55,254</b>
Estimated cash deficit per daily service	21,829	7,817	4,667	6,306	3,453

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, pix

**10.35** Based on Table 10.2, PwC estimated that a low cost railcar commuter service on the Casino to Murwillumbah line would incur a cash-operating deficit in the range of \$43.7 million to \$55.3 million over a 20-year period.

**10.36** The Committee notes that PwC also presented an analysis that the best two performing options in terms of costs and services were options 3 and 5. Table 10.3 below shows the estimated annual funding subsidy required for these two options.

**Table 10.3** PwC estimated annual funding subsidy (\$000)

	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>+</b>
Option 3	4,749	6,365	5,798	5,798	4,453	4,453	4,693	3,693	3,526
Option 5	4,749	6,365	5,798	6,817	5,472	5,472	5,712	4,712	4,545

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, pix

**10.37** Finally, PwC noted that while a lower cost railcar commuter service on the Casino to Murwillumbah line would still require significant public subsidy, it would also entail significant externality benefits for the community which offset these subsidies. These “externalities” are mainly in relation to the environment. This is shown in Table 10.4 below.

<sup>329</sup> PwC Feasibility Study, ppviii-ix

**Table 10.4** PwC incremental externality impact in net present value for years 1-20 (\$000)

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
Reduced air pollution	686	1,642	2,045	1,843	2,165
Reduced noise	561	647	418	533	350
Reduced greenhouse gases	557	1,048	995	1,022	979
Reduced road maintenance costs	13,591	18,660	22,040	20,350	23,049
Reduced accidents	182	428	568	498	610
<b>Total externality benefit</b>	<b>15,557</b>	<b>22,425</b>	<b>26,066</b>	<b>24,246</b>	<b>27,153</b>

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, px

### Possible managers and operators

**10.38** PwC considered in its report a number of options for the possible management and operation of a lower cost commuter service on the Casino to Murwillumbah line. In terms of management, PwC examined two options:

- The NSW Government changing the status of the line to an operational line under the ARTC Agreement, with the ARTC managing the line and costs met by the NSW Government
- An entity such as a local corporation taking a non-exclusive lease/licence of the line, providing the commuter service, and taking responsibility for maintenance, possible with the support of the NSW Government.<sup>330</sup>

**10.39** PwC also identified a range of possible operators for a new commuter service:

- Existing accredited private train operators focused on passenger trains, such as Northern Rivers Railroads Pty Ltd or Great Southern Railway
- Tourism operators who would could market the service and contract with established train operators (eg Interail) for locomotive services
- New private train operators.<sup>331</sup>

### Train operating costs

**10.40** PwC noted in its study that alternative rolling stock to the former XPT trains is available for operation of a commuter service on the Casino to Murwillumbah line. In particular, PwC cited as an option the purchase of two refurbished and air-conditioned 'Bluebird' trains (each train has one power car and one trailer car) available from Bluebird Rail Operations Pty Ltd of Adelaide at a cost of \$1.4 million. The seating capacity of the 'Bluebird' car is 56 in the power cars and 72 in the trailer car, making a total capacity of 128 seats in each two-car train. Maintenance of a two-car set of the 'Bluebird' was estimated by PwC at \$2.95/km operated.

<sup>330</sup> PwC Feasibility Study, ppxi

<sup>331</sup> PwC Feasibility Study, pxi

- 10.41** Alternatively, PwC noted that there are some RailCorp owned diesel motor units (eg 620 and 720 class) which are scheduled to be replaced by new Hunter Cars. These could become available for use on the Casino to Murwillumbah line at a lower price than the 'Bluebirds'.
- 10.42** In relation to maintenance of rolling stock, PwC stated that the Interail facility at Casino would appear to be the logical site for completing major rolling stock maintenance. Minor maintenance could be carried out at the old Lismore loco shed.<sup>332</sup>

### Staffing

- 10.43** PwC presented in its study estimates of the number of above and below rail staff that would be required to support a commuter service on the Casino to Murwillumbah line. These estimates were based on consultation with former maintenance staff on the line and representatives of Northern Rivers Railroads Pty Ltd. The estimates are presented in Tables 10.5 and 10.6 below.

**Table 10.5** PwC estimates of below rail staff

	Staffing during major upgrade of line	Staffing after major upgrade of line
Team manager	1	1
Track inspector/foreman	1	0
Bridge inspector/ganger	1	1
Carpenters/labourers	6	4
Cost clerk/purchasing	1	1
<b>Equipment crew</b>		
2/3 tonne hi-rail	1	1
5/8 tonne hi-rail w/crane	1*	1
Dual cab hi-rail (inspection)	2	2
<b>Total</b>	<b>14</b>	<b>11</b>

\* Options 3-5 only

Source: PwC, Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line, 22 September 2004, p57

<sup>332</sup> PwC Feasibility Study, pp54-55

**Table 10.6** PwC estimates of above rail staff

	<b>Option1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
General manager	0.5	1	1	1	1
Support services	0	1	1	1	2
Train controller/clerk	0.5	1	1	1	1
Driver/inspector/fitter	1	1	2	2	3
Drivers	1	2	2	2	3
Guards/ticket sellers	2	3	4	4	6
Station security/cleaners	contract	contract	contract	contract	contract
Train maintenance/fitters (minor)	1	1	1	1	2
Train cleaning	contract	contract	contract	contract	contract
<b>Total</b>	<b>6</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>18</b>

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, p58

**10.44** Under these staffing proposals, staff would need to be multi-skilled:

- Train drivers would also be responsible for track inspections and/or maintenance work
- Guard/ticket sellers would be responsible for train security, ticket sales and inspections, as well as the selling of refreshments on board trains
- Station staff would be responsible for travel information, security, luggage/freight handling, station cleaning and maintenance.

**10.45** Other services such as refuelling, train cleaning, electrical and signal maintenance and major train maintenance would be carried out under contract.<sup>333</sup>

### **Fare revenue**

**10.46** In its report, PwC suggested that a one-way adult fare between Casino and Murwillumbah could be offered at \$20, with the price for shorter journeys decreasing proportionately. The current charge for private coach operators between the two centres is approximately \$18. PwC also suggested that:

- concessions fares should be offered at a rate no less than 50% of the full adult rate
- highly discounted 'pensioner excursion tickets' should not be offered on the service in the absence of a specific Government subsidy.

**10.47** Based on these suggestions, PwC presented the following table on potential fare revenue from a commuter service on the Casino to Murwillumbah line in year 4 of its operation, based on 50% utilisation of seating on the service.

<sup>333</sup> PwC Feasibility Study, p58

**Table 10.7** PwC estimates of potential fare revenue (Year 4)

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>	<b>Option 5</b>
<b>50% utilisation</b>					
Estimated passenger volumes	46,720	140,160	233,600	186,880	261,632
Estimated revenue (\$000)	526	1,314	1,752	1,401	2,354
<b>Sensitivity Test – Revenue (\$000)</b>					
30% utilisation	315	946	1,261	1,009	2,018
70% utilisation	736	2,208	2,943	2,355	4,709

Source: PwC, *Feasibility study for passengers and/or commuter services on the Murwillumbah to Casino branch line*, 22 September 2004, p62

## The response of RIC/RailCorp to the PwC Study

**10.48** The Casino to Murwillumbah Rail Corridor Working Party met for a second time on 1 November 2004 at the chambers of Lismore City Council. At that meeting, the Director of Local and Community Transport in the Ministry of Transport (MoT), Mr John Whelan, tabled a briefing note prepared by MoT on the PwC study. This briefing note was in turn based on a review of the PwC study conducted by RIC/RailCorp. The principal comments of RIC/RailCorp on the study are summarised below.<sup>334</sup>

### Track infrastructure and maintenance costs

**10.49** In its review of the PwC study, RIC/RailCorp argued that PwC understated the track infrastructure and maintenance costs on the Casino to Murwillumbah line:

- PwC only allowed \$62.3 million over 20 years for infrastructure and maintenance, whereas RailCorp has estimated that \$188 million is needed
- PwC projected cost estimates that in some cases were 20-50% below those of RIC. RIC indicated that this is unrealistic, and that costs in the new ARTC environment are likely to be only 10-15% lower than previously.<sup>335</sup>

### Rolling stock and operating costs

**10.50** In its review of the PwC study, RIC/RailCorp argued that PwC underestimated the cost of the proposed rolling stock:

- The age of the 'Bluebird' rail cars (40-50 years old) means that maintenance costs of \$2.95/km would probably be inadequate
- PwC is likely to have underestimated costs for station staffing, station and train servicing, luggage handling and crewing

<sup>334</sup> MoT, 'Feasibility Study – Casino to Murwillumbah Branch Line', Briefing Note to the Minister for Transport Services (hereafter referred to as MoT Briefing Note), 26 October 2004, p1

<sup>335</sup> MoT Briefing Note, p1

- The Lismore loco shed where PwC proposed that minor maintenance could be carried out has not been used for railway maintenance since 1932, and would require significant environmental upgrades
- PwC does not appear to have considered long-term costs for major periodic maintenance and capital refurbishment of stations.<sup>336</sup>

### Safety

**10.51** RIC/RailCorp also raised the following concerns in relation to safety under the PwC proposals:

- The proposed workforce structure does not pay sufficient attention to safety. RIC/RailCorp cited the difficulty of recruiting casual/contract staff trained and competent in rail safety, and of ensuring that multi-skilled personnel maintained the required safety competencies across their range of responsibilities
- The PwC study has no provision for safety training, safety officers, or the operation of safety and incident management systems
- The proposed levels of staffing would result in rosters contrary to the provision of s.43(3) of the *Rail Safety Act 2002* dealing with fatigue management and safe hours of work.<sup>337</sup>

### Patronage and revenue forecasts

**10.52** RIC/RailCorp also argued that the PwC patronage and revenue forecasts were unrealistic:

- The PwC forecasts of patronage were based on passenger journeys on the previous inter-regional XPT service, however for the year 2003, only 2.4% of the 133,142 passengers on the XPT were using it for intra-regional travel
- The assumption that 50% of people using a commuter service would pay full fare is overly optimistic – only 7.7% of passengers on the XPT service paid full fare.<sup>338</sup>

### The recommendations of the Rail Corridor Working Party

**10.53** The Committee notes that at its meeting on 1 November 2004, the Casino to Murwillumbah Rail Corridor Working Party reached a number of resolutions in support of the introduction of a passenger commuter service on the Casino to Murwillumbah line. They included the following:

- That there be further consideration of developing a feasibility study into a light rail passenger service and accompanying business case

<sup>336</sup> MoT Briefing Note, pp1-2

<sup>337</sup> MoT Briefing Note, p2

<sup>338</sup> MoT Briefing Note, p2

- That the Minister for Transport Services and Deputy Prime Minister enter into discussions for the development of a funding agreement for returning passenger rail services to the Casino to Murwillumbah corridor as soon as possible.<sup>339</sup>

**10.54** The Committee endorses the resolutions of the Casino to Murwillumbah Rail Corridor Working Party.

## **The Committee's recommendations**

### **Introduction of a lower cost commuter service**

**10.55** The Committee supports the findings of the PwC study that introducing a lower cost commuter service on the Casino to Murwillumbah line would be viable. The Committee notes PwC's analysis that such a service would be considerably less expensive to operate than the former daily XPT service, would run more regularly, and would bring significant indirect benefits (notably environmental) to the community.

**10.56** As noted above, RIC/RailCorp has responded to the PwC study by reiterating that maintenance of the Casino to Murwillumbah line would require the investment of \$188 million over the next 20 years, including approximate \$92 million for the replacement of timber underbridges. The Committee does not accept this position. PwC presented in Appendix E of its reports detailed costings for a progressive upgrade of the bridges on the Casino to Murwillumbah line over then next 7 years, with allowances for spending in the years 8-20. By contrast, as the Committee noted in Chapter 4, RailCorp's estimate of \$92 million is based solely on the arbitrary application of a generic formula (that is, replacing 4,000 metres of bridge at \$20,000 a metre) for the replacement every single bridge on the line over the next 20 years.<sup>340</sup>

**10.57** The Committee also does not agree with RIC/RailCorp's assessment that PwC presented in its study unrealistic patronage and revenue forecasts for a commuter service on the Casino to Murwillumbah line. The Committee notes that PwC presented in Chapter 3 of its report detailed information on travel demand in the northern rivers region, including a detailed description of the likely users of a commuter service by location. At the same time, the PwC study acknowledged that passenger revenue is likely to be significantly less than total costs, and that other funding from the Government will be necessary.<sup>341</sup> While the Committee recognises that the cheapest public transport option for the northern rivers region remains a coach service such as that currently provided under contract to CountryLink, the Committee believes that a new lower cost commuter rail service offers a better compromise between economy and meeting the public transport needs of residents of the northern rivers region.

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<sup>339</sup> Casino to Murwillumbah Rail Corridor Working Party, Resolutions of the Working Party, 1 November 2004, pp1-2

<sup>340</sup> Evidence, 2 July 2004, pp52,55 In its subsequent response to questions on notice from 11 June 2004, RailCorp indicated that the \$92 million consisted of \$82 million of bridge renewal and \$10 million of component renewal, based on an average unit rate of new bridge construction of \$20,000 per metre length of bridge. RailCorp, Response to questions on notice from 11 June 2004, p7

<sup>341</sup> PwC Feasibility Study, p70



- 10.58** The Committee also does not regard the other objections of RIC/RailCorp to the PwC study as sufficient to prevent the successful operation of a commuter service. The Committee believes that issues in relation to the most appropriate rolling stock, maintenance facilities and staffing safety can be adequately addressed.
- 10.59** In its study, PwC raised a number of options for management and operation of a new regular rail commuter service from Casino to Murwillumbah. However, the Committee believes that the NSW Government should provide the service.

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**Recommendation 4**

That the NSW Government immediately introduce a new regular rail commuter service from Casino to Murwillumbah, which would connect at Casino with the XPT service between Sydney and Brisbane.

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**Possible Commonwealth Government funding of the line**

- 10.60** As indicated in Chapter 3, the Commonwealth Government has offered to help fund the reintroduction of rail services on the Casino to Murwillumbah line. The Committee recognises that railway funding is primarily a state government responsibility, but believes that in this instance the NSW Government should request that the Commonwealth Government help fund a new regular rail commuter service from Casino to Murwillumbah.
- 10.61** In this regard, the Committee notes that the NSW Transport Services Minister, the Hon Michael Costa MLC, wrote to the Commonwealth Minister for Transport and Regional Services, the Hon John Anderson MP, on 19 October 2004, seeking an opportunity to meet to discuss funding for the Casino to Murwillumbah line.
- 10.62** The two Ministers subsequently held a preliminary meeting on 8 November 2004 to discuss issues relating to the line. The Ministers agreed to establish a working group of Commonwealth and State officials and representatives of the ARTC to investigate the future prospects of the line.
- 10.63** A timetable for the conclusion of these discussions has not been established at this time.
- 10.64** The Committee understands, however, that notwithstanding these developments, the Federal Government's pre-election offer of \$15 million per annum in funding for the Casino to Murwillumbah line over a period of two years still stands.

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**Recommendation 5**

That the NSW Government accept the Federal Government's offer to provide \$30 million over two years to help fund a new regular rail commuter service from Casino to Murwillumbah.

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**Funding available from the ARTC Agreement**

- 10.65** The Committee notes that various parties to the inquiry also raised the possibility of the NSW Government using the capital freed up by the ARTC Agreement to fund additional spending on the Casino to Murwillumbah line.
- 10.66** For example, the Hon Larry Anthony, former Federal Member for Richmond, stated during the hearing on 10 June 2004 in Murwillumbah:

It seems extraordinary that even as of last week the Commonwealth Government, through our vision through AusLink, again in co-operation with the States and Territories, is making a major commitment to both road and rail structure across Australia. In particular, we are putting in capital to take over the main line. This is the main line running from Sydney to Brisbane – more than \$1 billion worth of rail and expenditure at the Commonwealth level. It just makes me wonder, with the savings now that will be generated, particularly the cost savings to the New South Wales Government because it does not have to pay CSOs anymore on branch lines, and particularly this branch line, that there is an enormous saving there to be made to justify the reopening of this line.<sup>342</sup>

- 10.67** Similarly, during the hearing on 11 June 2004, Mr Nick Lewocki, Secretary of the Rail, Train and Bus Union, submitted:

When you look at potential savings to the New South Wales Government it means that the responsibility for interstate and Hunter Valley tracks that were previously funded by the New South Wales Government has now been shifted to the ARTC and guaranteed by the Federal Government. The savings in round figures to the New South Wales Government would be \$72 million in CSO payments and something in the order of \$300 million in maintenance costs. If you look at that sort of ongoing savings, even if the \$5 million for the Casino to Murwillumbah line is accurate, the capacity to pay cannot be argued because of the huge savings to the New South Wales Government from the ARTC.<sup>343</sup>

- 10.68** As indicated in Chapter 3, the Committee understands that the ARTC Agreement involves a long term saving to the NSW Government, although in the short term, implementation of the ARTC Agreement cost the NSW Government an additional \$72 million in 2003-2004.
- 10.69** During its initial hearing on 20 May 2004, the Committee raised with Mr Vince Graham, CEO of RailCorp, whether any net long-term savings from the ARTC Agreement could be redirected to the funding of other country lines. In response, Mr Graham observed:

... the increasing demands for funding of the country and metropolitan rail networks are quite considerable and I would expect that the money that is saved from ARTC would continue to go towards providing support for the increased costs in subsidies that are required for both country and metropolitan operations.<sup>344</sup>

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<sup>342</sup> Evidence, 10 June 2004 (Murwillumbah), p2

<sup>343</sup> Evidence, 11 June 2004, p3

<sup>344</sup> Evidence, 20 May 2004, p20

- 10.70** RailCorp subsequently elaborated on this position in correspondence dated 20 May 2004. RailCorp indicated that the Treasury and Office of the Coordinator General's review of the ARTC proposal indicated a net financial benefit to the NSW Government of \$800 million in net terms over the 60 years of the lease. However, RailCorp reiterated that the initial costs of implementing the ARTC Agreement are substantial, and that the financial benefits will only be available in the medium to long term.<sup>345</sup>
- 10.71** The Committee also raised the issue of savings to the Government from the ARTC Agreement with Mr Lejins, Director of Transport and Ports in the NSW Treasury. In response, Mr Lejins observed:
- It is hard to be precise because there are a huge number of variables, such as the number of employees who accept redundancy and the timing of the acceptances, and the speed at which the ARTC can also implement some of its on the ground changes. In the short term there is probably not a lot of change left over. It is really a long-term strategic transaction; it is not one that has been done with the immediate needs of the budget in mind. It is more in the next four to six years and beyond.<sup>346</sup>
- 10.72** In turn, Mr John Pierce, Secretary of the NSW Treasury, noted that the NSW Treasury expects savings from the ARTC Agreement over the longer term, but that any such savings will be returned to the rail system.<sup>347</sup>
- 10.73** Based on this evidence, the Committee believes that the NSW Government should be willing to use the savings from the ARTC Agreement to help fund a new regular rail commuter service from Casino to Murwillumbah

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### **Recommendation 6**

That the NSW Government use savings from the Australian Rail Track Corporation Agreement to help fund a new regular rail commuter service from Casino to Murwillumbah

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<sup>345</sup> RailCorp, Response to questions on notice from 20 May 2004, p7

<sup>346</sup> Evidence, 2 July 2004, p19

<sup>347</sup> Evidence, 2 July 2004, p19



## Chapter 11 A second rail link into Queensland?

This chapter examines the viability of extending the Casino to Murwillumbah line into Queensland, with reference to:

- Calls for an extension of the Casino to Murwillumbah rail line
- The proposed extension of the Queensland rail line to Coolangatta
- The recent expansion of rail services in south-east Queensland
- Previous studies on extending the line into south-east Queensland

### Calls for an extension of the Casino to Murwillumbah rail line

**11.1** During the inquiry, a large number of parties called for an extension of the Casino-Murwillumbah line to Coolangatta on the Gold Coast, to link with the proposed Queensland Government rail line to Tugun and Coolangatta Airport.<sup>348</sup>

**11.2** The Committee notes in particular the evidence of the two State Members of Parliament, Mr Thomas George MP, Member for Lismore, and Mr Don Page MP, Member for Ballina. During the hearing on 9 June 2004, Mr George submitted:

The social and environmental advantages of having the line connected to the Queensland rail system has been a dream of this community for so long, and I am disappointed that this decision has been taken.<sup>349</sup>

**11.3** Mr Page submitted during the hearing on 10 June 2004 in Byron Bay:

There is a very strong view in this community that the future of this line is very much tied up with its connection to the Queensland system. We have a community of interest increasingly with South-East Queensland. We see benefits to our region and their region by connecting the rail line.<sup>350</sup>

**11.4** A number of other parties also argued that the economic future of the region lies with south-east Queensland.<sup>351</sup> In particular, the Committee notes the evidence of Cr King, Mayor of Lismore City Council, during the hearing on 9 June 2004:

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<sup>348</sup> See for example Submission 192, Richmond Valley Council, p3; Submission 192, Richmond Valley Council, p3; Submission 57, Combined Pensioners and Superannuants Association Lismore Inc, p3; Mr Bennett, Evidence, 9 June 2004, p7; Mr Parker, Evidence, 9 June 2004, p19; Ms Kolbe, Evidence, 9 June 2004, p25; Cr Dowell, Evidence, 9 June 2004, p36; Dr Griffin, Evidence, 10 June 2004 (Murwillumbah), p10; Mr Waters, Evidence, 10 June 2004 (Murwillumbah), p17

<sup>349</sup> Evidence, 9 June 2004, p2

<sup>350</sup> Evidence, 10 June 2004 (Byron Bay), p4

<sup>351</sup> Ms Kolbe, Evidence, 9 June 2004, p25; Mr Boyd, Evidence, 10 June 2004 (Murwillumbah), p11; Mr Senti, Evidence, 10 June 2004 (Murwillumbah), p18

... as mayor of this town I firmly believe that our economic future lies as part of south-east Queensland. We need more links with Queensland, not less. We have a capital city that is two hours up the road. Sydney is half a world away to us. Brisbane is a couple of hours away up the road. All our supplies, our services, come from Brisbane. Why would we remain as a far flung outpost of a Sydney centric empire when we can be part of Queensland?<sup>352</sup>

- 11.5** By contrast, however, the Committee also received evidence from Mr John Vaughan, a private citizen, opposing a rail link through to Queensland:

Talk of a viable rail link from Byron to the Gold Coast airport is fantasy. A rail link even at Melbourne airport to the city has not been justified. The hundreds of millions to be spent making the line safe is not justifiable, just as the significant annual operational losses are also not justifiable.<sup>353</sup>

- 11.6** Rather, Mr Vaughan advocated that the money saved from the closure of the Casino to Murwillumbah railway line should be reinvested in the local public transport system, including the building of a proper bus transit centre in Byron Bay, together with a town by-pass. Mr Vaughan also advocated that the rail corridor should be maintained as a community asset, with one option to transform the corridor into a bicycle way to attract tourists.<sup>354</sup>

- 11.7** Finally, the Committee also received a written submission from Mr Phillip Mackenzie on behalf of Mirribook rail services. Mr Mackenzie indicated that he is currently negotiating with the Glenreagh Mountain Railway, of which he is a member, to buy three stainless steel railway carriages and to lease an additional three, with a long term objective of establishing passenger rail services on the Gold Coast to Brisbane and Casino to Murwillumbah lines, should the rail link between Murwillumbah and SE Queensland ever be completed.<sup>355</sup>

## **The proposed extension of the Queensland rail line to Coolangatta**

- 11.8** The calls for a rail link from Murwillumbah to the Queensland border at Coolangatta come at a time when the Queensland Government is proposing to extend its own rail line in SE Queensland to Tugun, and possibly Coolangatta. The Queensland Government's *Transport 2007*, together with the *Integrated Regional Transport Plan for South East Queensland*, highlight the need for a rail extension from Robina to Coolangatta.

- 11.9** In advice to the Committee, Queensland Transport indicated that it is currently conducting a two-part rail study investigating the extension of the passenger rail line south from Robina. This study is focused on providing a public transport corridor from Robina to Gold Coast Airport suitable for heavy passenger rail and determining a route for upgrading the Pacific Highway between Tugun Heights and Tweed Heads (the Tugun Bypass). The objectives of the Robina to Tugun Rail Study is to:

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<sup>352</sup> Cr King, Evidence, 9 June 2004, p21

<sup>353</sup> Mr Vaughan, Tabled document, 10 June 2004 (Byron Bay), p1; See also evidence, 10 June 2004 (Byron Bay), p28

<sup>354</sup> Mr Vaughan, Tabled document, 10 June 2004 (Byron Bay), pp1-2; See also evidence, 10 June 2004 (Byron Bay), p28

<sup>355</sup> Submission 83, p10

- develop an integrated land use/transport strategy for the Robina to Tugun corridor, which maximises opportunities for transit supportive development and for the identified transit corridors to serve existing and proposed key activity centres
- identify a suitable corridor, modal interchanges and other requirements for a proposed rail line to Coolangatta Airport
- undertake appropriate community consultation, project evaluation and impact assessment processes to enable future implementation activities, including protection and acquisition of corridor.<sup>356</sup>

**11.10** Parsons Brinckerhoff<sup>357</sup> consultants have produced a Draft Impact Assessment Study (IAS) covering the Robina to Tugun rail extension from Robina Station. The draft IAS report (Part A) was released for public consultation on 17 March 2003. The final Part A report is expected to be released before mid 2005, following the release and finalisation of the Tugun Bypass Environmental Impact Study.

**11.11** The Robina to Tugun rail IAS (Part B) investigates the feasibility and impacts of an extension of the Gold Coast passenger rail line from Stewart Road, Tugun to Boyd Street, Tugun. Queensland Transport is currently considering options to establish a rail corridor from Boyd Street to the Gold Coast Airport based on the C4 Tugun Bypass alignment. It is expected this report will be prepared and released for public consultation once the Tugun Bypass investigations are finalised.<sup>358</sup>

**11.12** The Committee notes that in the draft IAS, Parsons Brinckerhoff presents the following table showing the anticipated patronage on the various segments of the line.

**Table 11.1** Estimated patronage on the Casino to Murwillumbah line with a connection to Coolangatta

	Year 2011 patronage	Year 2021 patronage
Helensvale to Nerang	16,680	22,080
Nerang to Robina	9,440	15,140
Robina to Reedy Creek	8,180	13,080
Reedy Creek to Andrew	7,780	13,180
Andrew to Elanora	7,880	13,280
Elanora to Tugun	6,280	11,180
Tugun to Coolangatta	2,640	4,840

Source: Parsons Brinckerhoff, *Robina to Tugun Rail Impact Assessment Study, 2003, paragraph 2.10.3*

<sup>356</sup> Email from Mr Ajit Singh, Project Officer (Transport Planning), Queensland Transport to Committee Clerk, 16 September 2004

<sup>357</sup> A transport, infrastructure and environmental consultancy group

<sup>358</sup> Email from Mr Ajit Singh, Project Officer (Transport Planning), Queensland Transport to Committee Clerk, 16 September 2004

- 11.13** The Committee notes that were the Queensland Government to complete the rail line to Gold Coast Airport, the gap between the Airport link and Murwillumbah would be only 22km.<sup>359</sup> The Committee also notes, however, the evidence of Mr Murphy, National Publicity and Research Officer with the Rail, Train and Bus Union, that building a rail link from Murwillumbah to Tugun would be expensive, due to the difficult terrain and sensitive environmental zones.<sup>360</sup>

### **The recent expansion of rail services in south-east Queensland**

- 11.14** The Committee notes the recent announcement by the Queensland Government boosting rail services and infrastructure in south-east Queensland, adjacent to the northern rivers region.
- 11.15** On 2 November 2004, the Queensland Premier, the Hon Peter Beattie MP, indicated that transport infrastructure was being upgraded to meet increasing demand for services in south-east Queensland from an expected extra one million people by 2026. To meet this demand, Mr Beattie said that an extra \$1 billion was being invested over four years in new services and infrastructure for the CityTrain network in south-east Queensland.
- 11.16** The Queensland Transport Minister, The Hon Paul Lucas MP, also indicated that the announcement coincided with the start of preliminary planning for the Gold Coast track upgrade. This work, which includes new rolling stock, additional track and station upgrades, is expected to increase capacity on the Gold Coast line by 50%.<sup>361</sup>
- 11.17** The Committee notes that the Queensland Government's plans to improve rail services in south-east Queensland stands in stark contrast with the NSW Government's running down and closure of rail services across the border in the northern rivers region of NSW.

### **Previous studies on extending the line into south-east Queensland**

- 11.18** The Committee notes that there have been several previous studies on the viability of extending the Casino to Murwillumbah line into SE Queensland.
- 11.19** In September 1990, Queensland Railways commissioned a study by GHD/Transmark into the viability of a link between Murwillumbah and Robina in SE Queensland. Five route options were evaluated ranging in length from 39.6km to 45.6km, with the longer route options including a station at Coolangatta Airport. Costs ranged from \$326m to \$349m in 1990 dollars.<sup>362</sup>

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<sup>359</sup> Submission 54, Cr Dowell, p1

<sup>360</sup> Evidence, 11 June 2004, p6

<sup>361</sup> The Hon Peter Beattie MP, '\$212 Rail Contract to boost SEQ Commuter Services', Ministerial Media Statement, 2 November 2004

<sup>362</sup> GHD/Transmark, Rail Corridor Study, cited in RailCorp, Response to questions on notice from 11 June 2004. See also RailCorp, Response to questions on notice from 20 May 2004, p18. See also Legislative Assembly, New South Wales, *Hansard*, 18 February 2004, p1590



- 11.20** Subsequently, the State Rail Authority of NSW and Queensland Railways commissioned a study by Travers Morgan into the technical feasibility of extending the Casino to Murwillumbah line into SE Queensland. The study was released in March 1992, and found that the estimated cost of the line would be \$253.6 million. It was concluded that:

... for each option, after discounting the future cost and benefit streams to obtain their present value equivalents, the welfare gains produced were significantly outweighed by the welfare losses. In other words, implementing any of the options would reduce the present and future consumption possibilities of the NSW and Queensland populations. ... Hence the Base Case<sup>363</sup> is preferable to any of the options on broad community welfare grounds.<sup>364</sup>

- 11.21** The Committee also notes a later study of May 1994 by Kearney – Sinclair Knight for the State Rail Authority of NSW entitled ‘Review of Investment Options – Casino to Murwillumbah line’. Once again, this report did not favour the extension of the line to Robina:

The mooted connecting line between Robina in the Gold Coast and Murwillumbah would merely reinforce this existing poor targeting of the service. Moreover, the present population density in the area is too low to provide adequate benefit to cost ratios on investments in the line.<sup>365</sup>

- 11.22** The Committee notes that these studies were conducted more than 10 years ago, prior to the recent boom in population and tourism to the northern rivers region, and the increasing connections between the northern rivers region and SE Queensland.

## Summary

- 11.23** During the Committee’s initial hearing on 20 May 2004, the Committee raised with Mr Vince Graham, CEO of RailCorp, the viability of a second rail link into Queensland, possibly via Murwillumbah. In response, Mr Graham noted that the Minister has indicated the preparedness of the Government to participate in a study on the viability of a second rail link to Queensland, either through Murwillumbah or via the Moree to Boggabilla line in NSW, although the viability of a link through Murwillumbah would depend largely on passenger numbers, given the more direct link already in place for freight transport on the main northern line.<sup>366</sup>
- 11.24** The Committee in turn questioned Mr Graham whether the viability of a second rail link to Queensland via Murwillumbah would be compromised if the Casino to Murwillumbah stretch of the line were not maintained over the next several years, pending a decision on extending the route into Queensland. In response, Mr Graham stated:

<sup>363</sup> The Base Case represented the continuation of XPT services to Murwillumbah and the provision of Queensland Rail commuter services to a Robina terminus.

<sup>364</sup> Travers Morgan, *Options for the Casino – Murwillumbah – Robina Rail Corridor: Final Report*, March 1992, pii, cited in RailCorp, Response to questions on notice from 20 May 2004

<sup>365</sup> Kearney – Sinclair Knight, *Review of Investment Options – Casino to Murwillumbah Line: Final Report*, May 1994, p3

<sup>366</sup> Evidence, 20 May 2004, p21

No, I do not believe so. Obviously, whether the link is maintained or not and whether there is a future connection or not, in any of the future operating scenarios the timber bridges on the existing 130 kilometres would need to be replaced.<sup>367</sup>

- 11.25** Given this evidence, the Committee believes that the NSW Government should cooperate with the Queensland Government to commission a further study on the viability of extending the Casino to Murwillumbah line to Coolangatta Airport. The Committee recognises that the topography of the region will impact on construction costs, however, given the increasing population and tourist potential of the northern rivers region, and modern engineering techniques, the Committee believes that a new study should be undertaken.

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**Recommendation 7**

That the Department of Infrastructure, Planning and Natural Resources, in developing plans for links with interstate railway lines, identify a rail corridor between Murwillumbah and Coolangatta Airport.

**Recommendation 8**

That the NSW Government, in cooperation with the Queensland Government, commission a new study to examine the viability of extending the Casino to Murwillumbah rail line to Coolangatta to link with the proposed south-east Queensland railway line and upgraded Gold Coast rail services.

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<sup>367</sup> Evidence, 20 May 2004, p21

## Appendix 1 Submissions

<b>No</b>	<b>Author</b>
<b>1</b>	BIGG Mr and Mrs M and A
<b>2</b>	MCDONALD Mrs Jeanette
<b>3</b>	READING Mr Petey
<b>4</b>	FARRIS Mrs J
<b>5</b>	FITZSIMMONS Mr Craig
<b>6</b>	DAVIDSON Mrs Winifred
<b>7</b>	RUSSELL Mr John
<b>8</b>	RATCLIFFE Mr Roy
<b>9</b>	NYISTOR Ms Natalie
<b>10</b>	GEBBETT Ms Josephine
<b>11</b>	PINK Mrs J
<b>12</b>	CURRELL Ms Dulcia
<b>13</b>	SPRIGGS Mr/s A
<b>14</b>	MARSHALL Mr/s R M
<b>15</b>	GILLIEATT Ms Susan
<b>16</b>	DRAPER Mr Col
<b>17</b>	WALLBRIDGE Mr and Mrs Ken and Anne
<b>18</b>	SWAN Mrs Ann
<b>19</b>	[Confidential]
<b>20</b>	LEUNG Mr Andrew
<b>21</b>	TORNOW Ms Heidi
<b>22</b>	CRAIG Ms Helen
<b>23</b>	TROMP Mr Aloys
<b>24</b>	MYRES Ms Katharine (Byron Visitor Centre)
<b>25</b>	MITCHELL Ms Caroline
<b>26</b>	BRECHT Mr Paul
<b>27</b>	OSBORNE Mrs H R
<b>28</b>	CORNAN Ms Jennifer
<b>29</b>	SMITH Mrs Angela
<b>30</b>	VAN BELKOM Mr K

<b>No</b>	<b>Author</b>
<b>31</b>	CARR Mr Phillip
<b>32</b>	PALMER Mr William
<b>33</b>	MACDONALD Mr Ken
<b>34</b>	WEBBER Mr Shane
<b>35</b>	GUILFOYLE Mr Joseph
<b>36</b>	WATERS Ms Kath
<b>37</b>	HORNE Ms Gloria C.
<b>38</b>	PERKINS Ms Marilyn
<b>39</b>	CROMWELL Mr Greg (Steam Whistle Brewing)
<b>40</b>	ANDERSEN Ms Gloreen
<b>41</b>	HAVYATT Ms Pheobe
<b>42</b>	REYNOLDS Mr Pat
<b>43</b>	MEAGHER Ms Anne
<b>44</b>	WELLS Mr B
<b>45</b>	DONOVAN Mr Paul (Northern Rivers Tourism Incorporated)
<b>46</b>	YOPP Mr Max
<b>47</b>	YOPP Ms Lisa
<b>48</b>	CAVANAGH Mr Paul
<b>49</b>	BLACK Ms Sue
<b>50</b>	CURRIE Ms Anne
<b>51</b>	LATIF Mr Michael
<b>52</b>	YOUNG Mr Jack
<b>53</b>	HUDSON Mr Mark
<b>54</b>	DOWELL Ms Jenny
<b>55</b>	WHITNEY Mrs Daphne
<b>56</b>	BUGDEN Mr Brian
<b>57</b>	MOODY Mr Gordon (Combined Pensioners and Superannuats Association Lismore, Incorporated)
<b>58</b>	BOWER Ms Winifred
<b>59</b>	VADER Ms Sue
<b>60</b>	BURKE Mr Kel (Bangalow Chamber of Commerce)
<b>61</b>	LUKE Mr Dougy
<b>62</b>	COLE Ms Aileen

<b>No</b>	<b>Author</b>
<b>63</b>	PRING Ms Sheila
<b>64</b>	[Confidential]
<b>65</b>	HOLLAND Mr Anthony
<b>66</b>	SMITH Mr James
<b>67</b>	GOLLAN Mr James
<b>68</b>	KIDD Mrs Margaret
<b>69</b>	WENBAN Mr D R
<b>70</b>	KENNEDY Mr Alan
<b>71</b>	HARRIS Ms Diane
<b>72</b>	EL-KADHI Mr Alan
<b>73</b>	MALONEY Mr Michael
<b>74</b>	BELL Mr Russell
<b>75</b>	SPOONER Mr Paul (Byron Youth Service)
<b>76</b>	CMR Mr Wolf (Casa Del Misha)
<b>77</b>	STONER Mr Andrew (Parliament of NSW)
<b>78</b>	SPRAGG Ms Robin
<b>79</b>	MACKENZIE Mr Malcolm (Mullumbimby Chamber of Commerce)
<b>80</b>	MARTIN Mr Brian (NOROC)
<b>81</b>	RIDGEWAY Ms Paige (Spinal Cord Injuries Australia)
<b>82</b>	ROBINSON Mr N
<b>83</b>	MACKENZIE Mr Phillip (Mirrabook Rail Services)
<b>84</b>	JOHNSON Mr J
<b>85</b>	MILLS Mr Des
<b>86</b>	FERGUSON Mrs Kay L
<b>87</b>	FERGUSON Mr John W
<b>88</b>	SEEOMBE Mr Gill
<b>89</b>	HERLILY Mr K
<b>90</b>	THOMSON Mr J C
<b>91</b>	FRASER Mr J
<b>92</b>	DEGIOVANNI Mrs A J
<b>93</b>	HOSKINS Mr B W
<b>94</b>	READING Mr John

<b>No</b>	<b>Author</b>
<b>95</b>	GRAHAM Ms Jill
<b>96</b>	READING Ms Alma
<b>97</b>	GRISWELL Mr Rex
<b>98</b>	GRISWELL Ms Wendy
<b>99</b>	GOREC Ms Vivienne
<b>100</b>	DORGAN Ms D
<b>101</b>	MCINNES Mr Simon
<b>102</b>	CHURCHIV Ms Robyn
<b>103</b>	SPARKS Mr Victor R
<b>104</b>	SMITH Mr Keith
<b>105</b>	LACROIX Ms Michele
<b>106</b>	KIRWAN Dr Leigh (Griffith University)
<b>107</b>	SELMAN Mr Robert
<b>108</b>	SHARP Ms Debbie (Tyagarah Sustainable Community Alliance)
<b>109</b>	RAPMUND Ms Jean Rose
<b>110</b>	RESIDENT Mr Bondi
<b>111</b>	ROWE Rev. Maurice
<b>112</b>	BELL Ms Katherine
<b>113</b>	COCHRAN Ms Lynette
<b>114</b>	PATCH Ms Kathy
<b>115</b>	MENERE Ms Fay
<b>116</b>	FITZHENRY Mr Matthew
<b>117</b>	BACKO Ms Coral M
<b>118</b>	RACKHAM Mr Warren (Lismore City Council)
<b>119</b>	SCHAFFER Ms Janelle
<b>120</b>	LEES Mr Murray (Vote Right)
<b>121</b>	RITCHIE Mr Ian (Bangalow Progress Association Inc.)
<b>122</b>	BEGLEY Ms Toni
<b>123</b>	STORMON Mr Terry
<b>124</b>	SHEPERD Mr Peter (Kirklands Coaches Pty Ltd)
<b>125</b>	MEAD Mr Warwick
<b>126</b>	VAUGNAN Mr John

<b>No</b>	<b>Author</b>
<b>127</b>	GUDMUNDSEN Dr Ken (Northern Rivers Dermatology & Skin Cancer Centre)
<b>128</b>	SWIFT Ms Emma
<b>129</b>	YARROW Ms Sue
<b>130</b>	LABELLE Ms Paula
<b>131</b>	LUCAS Mr Frank
<b>132</b>	BEEMAN Ms Peta
<b>133</b>	MITCHELL Mr Anthony (NSW Heritage Office)
<b>134</b>	BELLETT Ms Zara
<b>135</b>	HAGAN Mr Gregory
<b>136</b>	FRANKS Ms Edith
<b>137</b>	BROWNING Mr Mike
<b>138</b>	RICHARDS Mr and Mrs C and R
<b>139</b>	DOYLE Mr Ron
<b>140</b>	STANDEN Mr Greg
<b>141</b>	ISLINGER Mr Andi
<b>142</b>	WESTHEIMER Mr Peter
<b>143</b>	BROWN Mr B J
<b>144</b>	PRICE Mr Greg (Bangalow Lions Club)
<b>145</b>	COTTERILL Mr Ron
<b>146</b>	JAMISON Mr J E
<b>147</b>	BAUER Mr and Mrs KF & RM
<b>148</b>	WHITTLE Ms Susan
<b>149</b>	SIWICKI Mr Russell (Brunswick Chamber of Commerce)
<b>150</b>	DAWE Mr Geoff
<b>151</b>	JENSEN Ms Vesna
<b>152</b>	NAKKAN Ms Barbara
<b>153</b>	PETERSON Ms Vicki
<b>154</b>	MILLER Mr Russell
<b>155</b>	SCATTERGOOD Ms Emma
<b>156</b>	WILLIAMS Ms Elisabeth (Santos Trading)
<b>157</b>	LEVY Ms Christine (Chrysalis Productions Pty Ltd)
<b>158</b>	BRENNAN Ms Jill (The Association of Independent Retirees)

<b>No</b>	<b>Author</b>
<b>159</b>	NORMAN Mr John (FAME Lismore Support Group)
<b>160</b>	MCKENNARIEY Mr William (Tweed Valley Branch of Blind Citizens Australia)
<b>161</b>	MILES Ms Catherine
<b>162</b>	HOBLEY Mr David
<b>163</b>	EVANS Mr Mark
<b>164</b>	COX Mr Matthew
<b>165</b>	ERMACORA Mr Hugh
<b>166</b>	CAMP Ms Maggie
<b>167</b>	TAYLOR Mr Scott
<b>168</b>	RUDD Mr Greg
<b>169</b>	JARDINE Mr Douglas (Tweed Shire Council)
<b>170</b>	ROSS Mr Bruce
<b>171</b>	BARNETT Mr Ross
<b>172</b>	WELLS Ms Marlene
<b>173</b>	JAMES Ms Julie (Lismore Property Management)
<b>174</b>	RANN Mr Ian
<b>175</b>	MACFARLANE Mr Christopher
<b>176</b>	WATERS Mr Paul (Murwillumbah Business Chamber Ltd)
<b>177</b>	MARQUARDT Ms Lynette
<b>178</b>	ROBB Mr Barry John Cecil
<b>179</b>	MENGER Mr Lesley
<b>180</b>	BAMBACH Mr Andrew
<b>181</b>	LILLY Ms Deborah
<b>182</b>	ASHLEY Ms Carolyn (Northern Rivers Dermatology and Skin Cancer Centre)
<b>183</b>	FIFORD Mr Jim (Fiford Law)
<b>184</b>	SPRING Ms Jill
<b>185</b>	RESIDENT Ms Brenda
<b>186</b>	KEEVERS Mr Geoff (Road N Rail)
<b>187</b>	FIELD Ms Judith
<b>188</b>	BASSETT Mr Graham (Lismore Chambers)
<b>189</b>	MACDONALD Mr Ian
<b>190</b>	NAFTEL Ms Shirley



<b>No</b>	<b>Author</b>
<b>191</b>	[Partially Confidential]
<b>192</b>	COX Cr Charlie (Richmond Valley Council)
<b>193</b>	KINDRED Mr Garth
<b>194</b>	KINDRED Ms Lydia
<b>195</b>	FANELL Ms Josephine
<b>196</b>	JULIAN Mr David (The Big Scrub Environment Centre)
<b>197</b>	BRERETON Ms Kim
<b>198</b>	ANDREWS Mr A J
<b>199</b>	WILL Ms Carol
<b>200</b>	READ Mr Ian
<b>201</b>	HILDEBRAND Ms Margaret
<b>202</b>	MCCORMICK Dr Fiona
<b>203</b>	REID Mr Ray
<b>204</b>	BEST Mrs Patricia
<b>205</b>	PELLEN Ms Ruth
<b>206</b>	MARKS Ms Sonya
<b>207</b>	SARLUS Ms Lucienne
<b>208</b>	HUTTON Mr Bruce (Combined Pensioners & Superannuants Association of NSW Inc.(CPSA))
<b>209</b>	MURPHY Mr P (National Office)
<b>210</b>	VAUBELL Mr George
<b>211</b>	GIBBONS Ms Jenny (The Summerland Greens)
<b>212</b>	ANTHONY Mr Larry (Federal Member for Richmond)
<b>213</b>	KOLBE Ms Karin (Northern Rivers Trains for the Future Inc)
<b>214</b>	BALDWIN Mr Jacob (Community Awareness Task Force)
<b>215</b>	JUDD Mr Warren (Northern Rivers Railroad Pty Ltd)
<b>216</b>	CAMERON Mr Basil
<b>217</b>	SHANTZ Ms Tricia (Lismore City Council Public Transport Advisory Panel)
<b>218</b>	SMITH Mr Graham
<b>219</b>	JOHNSTON Mrs J
<b>220</b>	ARMSTRONG Ms Melissa (Batbus)
<b>221</b>	ROBERTSON Mr James
<b>222</b>	MARR Ms Letitia

<b>No</b>	<b>Author</b>
<b>223</b>	FLEETWOOD Mr and Mrs Rob and Rosamond
<b>224</b>	HALLINAN Ms Mandy
<b>225</b>	ROBB Ms Diane
<b>226</b>	PLUNKETT Ms Susan
<b>227</b>	RUTHERFORD Rev Bob (Uniting Care Lismore Regional Mission)
<b>228</b>	RICHARDSON Ms Alison
<b>229</b>	CRITTENDEN Mrs M
<b>230</b>	LOMMAN Ms Linda (Public Transport Development Project)
<b>231</b>	NIVISON Mr Robert
<b>232</b>	YOPP Mrs Pat
<b>233</b>	LIPSETT Dr Lachlan
<b>234</b>	BENNETT Ms Lorraine
<b>235</b>	SAUNDERS Mr David
<b>236</b>	DAVIE Mr Liam
<b>237</b>	JENSEN Ms Vesna
<b>238</b>	OWERS Mr Garry
<b>239</b>	ANDERSON Ms Norma
<b>240</b>	MATTHEWS Mr Denis
<b>241</b>	WEATHERBY Mrs and Dr Margaret and Robert
<b>242</b>	ELDRIDGE Mr Ken, Audrey and Karen
<b>243</b>	LAWSON Ms Doreen
<b>244</b>	BLACKET Mr James
<b>245</b>	ROBERTS Ms Jan
<b>246</b>	MCINTYRE Ms Shauna
<b>247</b>	BIBBY Mr and Mrs Gordon and Jennifer
<b>248</b>	PRICE Mr David
<b>249</b>	RUYTENBERG Ms Lib
<b>250</b>	STANBOROUGH Mr Chris
<b>251</b>	GALLAGHER Dr M A
<b>252</b>	LATOUF Mr Marcel (Rail Train & Bus Union )
<b>253</b>	MORISON Mr Don
<b>254</b>	VERNEQUE Ms Sylvie

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<b>No</b>	<b>Author</b>
<b>255</b>	CROSS Mrs Valda
<b>256</b>	MAY Mr Gil
<b>257</b>	SUTTON Ms H
<b>258</b>	DELANEY Ms C
<b>259</b>	WHITE Mr Cameron (NSW Heritage Office)
<b>260</b>	O'SULLIVAN Mr Terry
<b>261</b>	BUXTON Mr Richard
<b>262</b>	WESTING Ms Pamela (Byron Shire Council)
<b>263</b>	LONG P D

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## Appendix 2 Witnesses

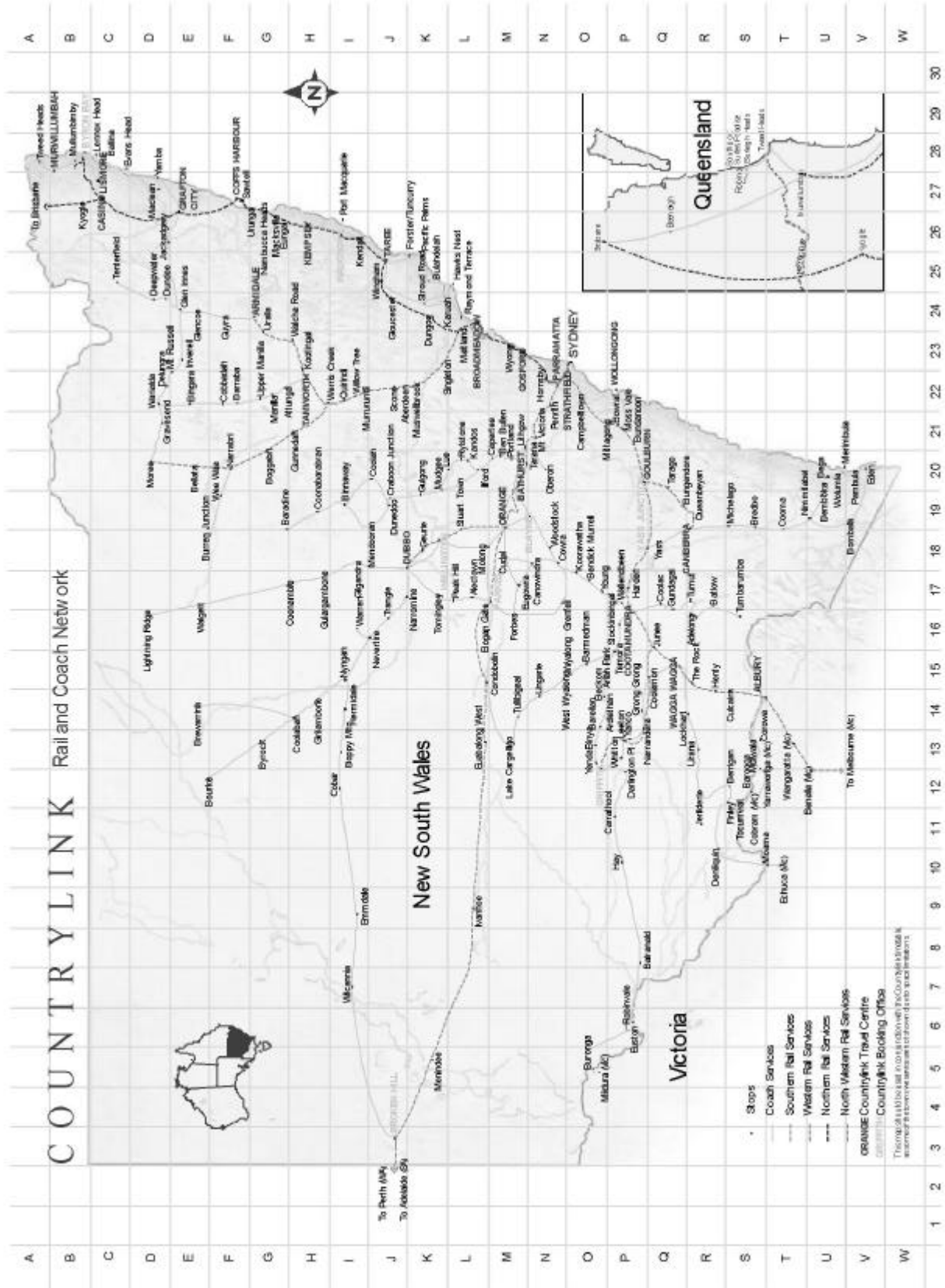
<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
<b>20 May 2004</b>	Mr Vincent Graham	Chief Executive RailCorp, Chief Executive Rail Infrastructure Corporation, Acting Chief Executive State Rail Authority
	Ms Karyn Mercer	Senior Consultant, Strategy, Performance and Access Division of RailCorp
	Mr John Shields	Executive Manager, CountryLink Projects
	Mr Peter Collins	Regional Manager, Northern Region, Roads and Traffic Authority
<b>9 June 2004</b>	Mr Thomas George	Member for Lismore
	Mr Mervyn King	Mayor, Lismore City Council
	Mr Charlie Cox	Mayor, Richmond Valley Council
	Mr Ernie Bennett	President, Northern Rivers Regional Organisation of Councils
	Mr Peter Shepherd	General Manager, Kirkland's Coaches, Pty Ltd
	Mr Harold Parker	President, Combined Pensioners and Superannuants Association, Lismore
	Ms Jill Brennan	Association of Independent Retirees
	Mr Ken Gudmundsen	Medical Practitioner
	Ms Karin Kolby	Convenor, Northern Rivers Trains for the Future Inc
	Mr Jacob Baldwin	President, Community Awareness Task Force
	Mr Scott Hanckel	Richmond Tweed Division Controller, State Emergency Service
	Ms Jennifer Dowell	Lismore City Council and member of the Lismore branch of Country Labor
	Ms Sue Dakin	President, Country Labor State Electorate Council and former Ballina Shire Councillor
	Mr Tom McInerney	Former Inspector
Mr Neale Battersby	Former Train Driver	
<b>10 June 2004 (am)</b>	Mr Donald Page	Member of Parliament
	Ms Jan Barham	Mayor of Byron Shire Council
	Mr Peter Westheimer	Councillor, Byron Shire Council
	Mr Michael Maloney	Northern Rivers Trains for the Future Inc
	Ms Louise Doran	Retired Community Worker
	Mr Gregory Cromwell	Director, Steam Whistle Brewing Company Pty Ltd
	Mr Basil Cameron	Private Citizen
	Ms Penny Baldwin	Manager, Tweed, Byron and Ballina Community Transport
	Mr Douglas Luke	Byron Bay Shire resident
	Mr Michael Schmitzer	Assistant Secretary, Rail, Train and Bus Union
	Mr John Vaughan	Byron Bay Shire resident

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<b>10 June 2004 (pm)</b>	Mr Lawrence Anthony	Federal Member of Parliament
	Mr Geoffrey Provest	Licensed Club Manager
	Mr Warren Polglase	Mayor of Tweed Shire
	Mr Max Boyd	Farmer
	Mr John Griffin	General Manager, Tweed Shire Council
	Mr Warren Judd	Director and General Manager, Northern Rivers Rail Road Pty Ltd
	Mr Paul Waters	Representative, Murwillumbah District Business Chamber
	Mr Tom Senti	Deputy Chair and Chief Executive Officer, Tweed Economic Development Corporation
	Mr Geoffrey Keevers	Road and Rail Café Operator
	Mr James Galloway	Former Manager, Murwillumbah Railway Station
<b>11 June 2004</b>	Mr Michael Schmitzer	Assistant Secretary, Rail Tram and Bus Union
	Mr Nick Lewocki	Secretary, Rail Tram and Bus Union
	Mr Peter Murphy	National Publicity and Research Officer, Rail Tram and Bus Union
	Mr Gregory Rudd	Computer Systems Officer
	Mr Gary Seabury	Group General Manager, Infrastructure, RailCorp
	Mr Gregory McLeod	General Manager, CountryLink, RailCorp
	Mr Grant Fraser	Acting General Manager, Asset Management, RailCorp
	Mr John Whelan	Director, Local and Community Transport Division, Ministry of Transport
<b>02 July 2004</b>	Mr Stephen Alchin	Executive Director, Transport Planning, Department of Infrastructure, Planning and Natural Resources
	Mr John Pierce	Secretary of the New South Wales Treasury
	Mr Ziggi Lejins	Director, Transport and Ports, New South Wales Treasury
	Mr Colin Gellatly	Director-General, Premier's Department
	Mr Gary Seabury	Group General Manager, Infrastructure Division, RailCorp
	Mr Owen Henry	General Manager, Business Operations, Commercial Division, Rail Infrastructure Corporation
	Mr Bruce Lord	Infrastructure Planning and Support Manager, Rail Infrastructure Corporation
	Mr Christopher Stanborough	Team Manager, Lismore, Rail Instruction Corporation
	Mr Peter Hanrahan	Maintenance Manager, North Coast

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# Appendix 3 Map of the CountryLink rail and coach network







## Appendix 4 CountryLink North Coast timetable



North Coast Region												
Sydney-Grafton City-Casino-Lismore-Alstonville-Murwillumbah-Tweed Heads-Robina-Surfers Paradise												
Brisbane												
Operator												
Days of Operation	Daily	Daily	Daily	Daily #	Daily #	Daily #	Daily	Sun/Tue Thu/Fri	Daily	Daily #	Daily	Daily #
Service No	165	003	177	171	175	173	167	815	005	001	161	163
SYDNEY de p		07:15							11:35	16:24		
Strathfield		u 07:26							u 11:46	u 16:36		
Hornsby		u 07:46							u 12:06	u 16:56		
Gosford		u 08:30							u 12:50	u 17:41		
Wyong		c 08:47							c 13:07	c 17:58		
Fassifem		c 09:16							c 13:35	c 18:26		
Broadmeadow		09:34							13:54	18:45		
Maitland		09:58							14:18	19:09		
Dungog		10:42							15:03	19:55		
Gloucester		11:35							15:58	...		
Wingham		12:24							17:00	...		
Taree		12:35							17:11	21:42		
Kendal		a 13:22							17:59	a 22:30		
Wauchope		13:42							18:19	22:50		
Kemesev		14:19							18:55	23:28		
Eungai		...							19:21	...		
Macksville		15:01							19:39	a 00:08		
Nambucca Heads		a 15:15							19:52	a 00:21		
Urunga		a 15:28							20:05	a 00:34		
Sawtell		a 15:49							a 20:24	a 00:52		
Coffs Harbour		15:55							20:31	00:59		
GRAFTON CITY ar r		17:07							22:00	02:21		
CASINO ar r		18:34								03:48		
Connection												
CASINO de p	10:20		18:50	18:55	19:00	19:02	19:05				04:00	04:00
LISMORE ar r												
Connection												
LISMORE de p	10:43		19:12	19:20	u 19:25	u 19:27	19:28	c 19:30			04:25	
Bexhill	10:55		...	...	...	...	19:40	...				
Etham	11:05		...	...	...	...	19:50	...				
Clunes	...		...	...	...	19:47	...	...				04:37
Binna Burr a	11:20		...	...	...	...	20:10	...				
Goonellabah	...		...	...	...	...	...	c 19:40			04:35	
Wollongbar	...		...	...	...	...	...	c 19:46				
ALSTONVILLE ar r	...		...	...	...	...	...	19:52			04:48	
Balina West	...		...	...	...	...	...	...			05:03	
Balina	...		...	...	...	...	...	...			05:08	
Lennox Head	...		...	...	...	...	...	...			05:16	
Suffolk Park	...		...	...	...	...	...	...			05:34	
Banoolow	11:27		...	...	...	20:02	20:12	...				04:52
Byron Bay	11:42		19:52	20:00	...	...	20:27	...			05:39	
Mulumbimb y	12:00		20:10	...	...	...	20:45	...			05:57	
Brunswick Heads	12:10		...	...	...	...	20:55	...			06:07	
Ocean Shores Tum Of f	12:15		...	...	...	...	21:00	...			06:12	
Bilud gel Tum Of f	12:18		...	...	...	...	21:03	...			06:15	
Mooball	12:25		...	...	...	...	21:10	...			06:22	
Pottsville	...		...	20:38	...	...	...	...				05:34
Hastings Point	...		...	20:43	...	...	...	...				05:39
Burrin gbar	12:27		...	...	...	...	21:12	...			06:24	
MURWILLUMBAH ar r	12:40		20:40	...	...	...	21:25	...			06:37	
Bogan gbar	...		...	20:53	...	...	...	...				05:49
Kingscliff	...		...	20:58	...	...	...	...				05:54
Chinderah	12:55		...	21:01	...	...	21:40	...				05:57
South Tweed Heads	13:05		...	21:11	...	...	21:50	...			07:02	
TWEED HEADS ar r	13:10		...	21:16	...	...	21:55	...			07:07	
Palm Beach	...		...	21:26	...	...	...	...				06:17
Burleigh Heads	...		...	21:31	...	...	...	...				06:23
ROBINA ar r	...		...	21:45	...	...	...	...				06:43
SURFERS PARADISE ar r	...		...	...	...	21:40	...	...				06:43
Beenleigh	...		...	...	21:56	...	...	...				06:43
Kyogle	...		...	...	...	...	...	...				06:43
BRISBANE ar r	...		...	...	22:26	...	...	...		a 04:14		06:35

# During NSW Daylight Saving 31 October 2004 to 27 March 2005, services will arrive and depart Queensland (QLD) locations one h

our earlier than shown.

**North Coast Region**  
**Brisbane-Surfers Paradise-Robina-Tweed Heads-Murwillumbah-Lennox Head-Lismore-Casino-Grafton City-**  
**Sydney**

Operator	Sunstate	Grafton XPT	Sunstate	Sunstate	Brisbane XPT	Sunstate	Taxi Service	Sunstate	Sunstate	Sunstate	Sunstate	Casino XPT
Days of Operation	Daily	Daily	Daily	Daily #	Daily #	Daily #	Sun/Mon Wed/Fri	Daily	Daily #	Daily #	Daily #	Daily
Service No	166	006	162	164	002	176	616	168	172	174	178	004
BRISBANE dep					07:30	15:10						
Kyogle					09:45	...						
Beerleigh					...	15:40						
SURFERS PARADISE dep				06:55	...	...		15:50				
ROBINA dep				07:15	...	...		...	16:25			
Burleigh Heads				07:21	...	...		...	16:39			
Palm Beach				...	...	...		...	16:44			
TWEED HEADS dep	06:30		07:20	...	...	...		15:30	...	16:54		
South Tweed Heads	06:35		07:25	...	...	...		15:35	...	16:59		
Chinderah	06:45		...	07:41	...	...		15:45	...	17:09		
Kingscliff	...		...	07:44	...	...		...	...	17:12		
Bogangar	...		...	07:49	...	...		...	...	17:17		
MURWILLUMBAH arr	...		...	...	...	...		...	...	...		
<b>Connection</b>												
MURWILLUMBAH dep	07:00		07:50	...	...	...		16:00	...	...	17:15	
Burringbar	07:13		08:03	...	...	...		16:13	...	...	...	
Hastings Point	...		...	07:59	...	...		...	...	17:27	...	
Pottsville	...		...	08:04	...	...		...	...	17:32	...	
Moolball	07:15		08:06	...	...	...		16:15	...	...	...	
Billinudgel Turn Off	07:22		08:12	...	...	...		16:22	...	...	...	
Ocean Shores Turn Off	07:25		08:15	...	...	...		16:25	...	...	...	
Brunswick Heads	07:30		08:20	...	...	...		16:30	...	...	...	
Mullumbimby	07:40		08:30	...	...	...		16:40	...	...	17:45	
Byron Bay	07:58		...	...	...	...		16:58	...	18:07	18:03	
Bengalow	...		09:00	...	...	...		17:13	17:20	...	...	
Suffolk Park	08:13		...	...	...	...		...	...	...	...	
LENNOX HEAD dep	08:31		...	...	...	...	c 16:25	...	...	...	...	
Ballina	08:39		...	...	...	...	c 16:40	...	...	...	...	
Ballina West	08:44		...	...	...	...	c 16:45	...	...	...	...	
Astonville	08:59		...	...	...	...	c 17:00	...	...	...	...	
Wollongbar	...		...	...	...	...	c 17:05	...	...	...	...	
Goonellabah	09:12		...	...	...	...	c 17:10	...	...	...	...	
Binna Burna	...	9:05	...	...	...	...	...	17:18	...	...	...	
Qunes	...	...	09:04	...	...	...	...	...	17:38	...	...	
Eltham	...	9:10	...	...	...	...	...	17:35	...	...	...	
Bexhill	...	9:15	...	...	...	...	...	17:45	...	...	...	
LISMORE arr	...	...	...	...	...	...	17:30	...	...	...	...	
<b>Connection</b>												
LISMORE dep	09:22		09:25	09:15	...	d 18:00	...	17:57	d 17:49	18:47	18:43	
CASINO arr	09:50		09:53	09:45	...	18:25	...	18:27	18:19	19:15	19:13	
<b>Connection</b>												
CASINO dep					10:08	...		...	...	...	...	19:25
GRAFTON CITY dep		06:30			11:28	...		...	...	...	...	20:59
Coffs Harbour		07:41			12:47	...		...	...	...	...	22:18
Sawtell		07:49			a 12:59	...		...	...	...	...	a 22:26
Urunga		08:05			a 13:16	...		...	...	...	...	a 22:41
Nambucca Heads		08:22			a 13:32	...		...	...	...	...	a 22:56
Macksville		08:35			13:47	...		...	...	...	...	a 23:09
Eungai		08:52			...	...		...	...	...	...	...
Kempsey		09:21			14:48	...		...	...	...	...	23:50
Vauchope		09:59			15:25	...		...	...	...	...	00:27
Kendall		a 10:20			a 15:46	...		...	...	...	...	a 00:47
Taree		11:09			16:32	...		...	...	...	...	01:32
Wingham		a 11:23			16:45	...		...	...	...	...	...
Goucester		12:24			17:40	...		...	...	...	...	a 02:33
Dungog		13:18			18:34	...		...	...	...	...	03:24
Mitland		14:01			19:17	...		...	...	...	...	04:05
Broadmeadow		14:21			19:37	...		...	...	...	...	04:35
Fassifern		d 14:38			d 19:56	...		...	...	...	...	d 04:54
Wyong		d 15:06			d 20:23	...		...	...	...	...	d 05:22
Gosford		d 15:20			d 20:37	...		...	...	...	...	d 05:40
Hornsby		d 15:59			d 21:16	...		...	...	...	...	d 06:27
Strathfield		d 16:20			d 21:37	...		...	...	...	...	d 06:57
SYDNEY arr		16:34			21:51	...		...	...	...	...	07:13

# During NSW Daylight Saving, 31 October 2004 to 27 March 2005, services will arrive and depart Queensland (QLD) locations one

hour earlier than shown.



## Appendix 5 Rail lines in NSW closed since 1968

The list of current disused lines in NSW and the year they became disused is as follows:

### **Prior to 1988**

Bungendore to Captains Flat (1968)  
 Merrywinebone to Pokataroo (1974)  
 Wagga Wagga to Tumbarumba – from Ladysmith (1974)  
 Tarana to Oberon (1979)  
 Boree Creek to Oakland – from Urana (1982)  
 Weemelah to Mungindi (1984)  
 Byrock to Coolah (1985)  
 Cootamundra to Tumut (1984)  
 Tumut to Batlow (1984)  
 Queanbeyan to Bombala – from Cooma (1986)  
 Hillston to Roto (1986)  
 North Star to Boggabilla (1987)  
 West Tamworth to Barraba (1987)  
 Galong to Boorowa (1987)  
 Culcairn to Holbrook (1987)  
 Narrandera to Tocumwal – from Jerilderie (1987)

### **1988 – 1994**

Sandy Hollow to Merriwa (1988)  
 Yass Junction to Yass Town (1988)  
 Wagga Wagga to Tumbarumba – to Ladysmith (1988)  
 Uranquinty to Kywong (1988)  
 Boree Creek to Oakland – to Urana (1988)  
 Molong to Dubbo from Yeoval (1988), to Yeoval (1992)  
 Moree to Inverell – from Delungra (1987), from Biniguy (1991), to Biniguy (1994)  
 Nyngan to Bourke (1989)  
 Willbriggie to Hay (1989)  
 Picton to Braemar (1989)  
 Goulburn to Crookwell (1989)

Henty to Rand (1989)

Culcairn to Cowra – from Brocklesby (1989), to Brocklesby (1991)

Queanbeyan to Bombala – to Cooma (1989)

Dumaresq to Wallangarra – from Glen Innes (1989), from Dumaresq (1993)

Fassifern to Toronto (1990)

Cowra to Eugowra (1991)

Loftus to National Park (1991)

Greenthorpe to Grenfell (1991)

Narrandera to Tocumwal – to Jerilderie (1991)

Murwillumbah to Condong (1993)

Sydney Yard to Darling Harbour (1993)

**1995 – present**

Casino to Murwillumbah (2004)

**Two lines were also re-opened in this period:**

Kandos to Gulgong (2000)

Cowra to Blayney (2000)

## Appendix 6 The Sustainable Regions Program

The Sustainable Regions Programme is the \$100.5 million flagship of the Federal Government's 'Stronger Regions: A Stronger Australia' initiative launched by the Deputy Prime and Minister for Transport and Regional Services, Mr John Anderson MP, in August 2001. Assistance under the program is initially being provided to the following regions:

- Far north-east NSW (the five local government areas of Tweed, Ballina, Byron, Lismore and Kyogle)
- Atherton Tablelands, Queensland
- Wide Bay Burnett, Queensland
- Campbelltown-Camden, NSW
- Gippsland, NSW
- North west and west coast, Tasmania
- Playford/Salisbury, SA
- Kimberly, WA.

Under the Program, local advisory committees have been established in each region to provide advice to the Government on issues associated with those regions, including recommendations on project funding the Committees believe will provide long-term benefits to the region.<sup>368</sup>

The Far North-east NSW Advisory Panel consists of five local people, chaired by Mr Geoff Provest. In June 2002, it identified ten key priorities for the region for future investment and research, notably including:

- Soft and hard infrastructure: road transport, both local and regional, financial services, communication and IT, better air transport, public transport, cycle ways, rail, shipping, water supply, sewerage treatment. An important enabler of development.<sup>369</sup>

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<sup>368</sup> Mr Provest, Tabled document, 'What is the Sustainable Regions Programme?', p1; See also Mr Provest, Evidence, 10 June 2004 (Murwillumbah), p3

<sup>369</sup> Mr Provest, Tabled document, 'What is the Sustainable Regions Programme?', p3; See also Mr Provest, Evidence, 10 June 2004 (Murwillumbah), p3





## **Appendix 7 Feasibility Study for Passenger/Commuter Services on the Murwillumbah to Casino Branch Line: The Services**

The consultant is to conduct a feasibility study into the retention of the Murwillumbah to Casino branch line infrastructure and rail corridor, incorporating the feasibility of retention of the existing XPT passenger service and an assessment of the viability of a light commuter rail service in the Far North East NSW region.

Such an assessment would be based on triple bottom line investigations of economic, social and environmental impacts.

The feasibility study would also examine alternative passenger rail options, as well private and community not-for-profit options, such as a coalition of regional councils. Finally, an options paper would be produced outlining different scenarios for the way forward. Essential components of the feasibility study include, but are not limited to, nor in any particular order:-

- a) Desk to review of previous 10 year's studies and passenger surveys
- b) Determination and assessment of operational costs, such as:-
  - Proposed infrastructure requirements, is (this list is not exhaustive)
    - Rent or lease of the actual track
    - Estimated annual cost to maintain railway line for the entire distance between Murwillumbah and Casino
    - Station rental or lease
    - Train stabling, maintenance and fuelling facilities
    - Bridge maintenance, including financial estimates to bring all bridges up to safe operating levels based on the following axle loadings:-
      - i. Axle loading of 20 tonne
      - ii. Axle loading of 15 tonne
    - Suitable rolling stock
  - Staffing levels
  - Insurance requirements
- c) Establishment of the financial effect of the provision of subsidised travel on existing and any new services and the social benefits of this subsidised travel
- d) Availability of NSW Government CSO (Community Service Obligation) payments and other operating subsidies to rail ventures of this nature, should it become operational and the likelihood of such subsidies being afforded to a potential Far North East NSW rail commuter operator
- e) Determination and assessment of scheduling issues, such as:-
  - Proposed rail commuter services (origins and destinations)

- Timetabling (when) and
  - Fare structures and ticket prices/fees (who pays how much)
- f) Assessment of the social impact of cessation/continuation of the service
- g) Funding options for the light rail service, as well as profile or potential Far North East NSW rail commuter operator(s).

## Appendix 8 Minutes of proceedings

### Minutes No 26

Tuesday 11 May 2004

Room 1108, Parliament House at 1.35pm

#### 1. Members Present

Ms Gardiner (Chair)

Ms Burnswoods

Ms Hale

Mr Clarke

Mr Oldfield

Ms Griffin

Mr Burke – after item 4 (Catanzariti)

#### 2. Substitute Members

The Chair received advice in writing from the Government Whip that Mr Burke would be substituting for Mr Catanzariti at this meeting.

#### 3. Confirmation of Minutes

Resolved, on the motion of Ms Hale, that Minutes No 25 be confirmed.

...

#### 4. Consideration of proposed self-reference – Inquiry into closure of Casino to Murwillumbah rail services

Correspondence to the Committee Director signed by Ms Gardiner, Mr Clarke, Ms Hale and Mr Oldfield requesting that a meeting of the Committee be convened to consider a self-reference and draft terms of reference for an inquiry into the closure of Casino to Murwillumbah rail services (previously circulated).

Ms Hale moved that the Committee adopt the following terms of reference:

That General Purpose Standing Committee No 4 inquire into and report on:

- (a) the decision by the State Government to replace the daily Casino to Murwillumbah XPT service with a coach service, including the accuracy of the Government's claims it will save \$5 million per year,
- (b) the economic and social impact on North Coast communities of the loss of the daily XPT service between Casino and Murwillumbah, in particular the impact of the loss of jobs within CountryLink and other State Government departments and agencies and the closure of local train stations and Travel Centres,
- (c) the future of the rail line between Casino and Murwillumbah, including, but not limited to, the present condition of the line, recent and future maintenance programs, options for and the financial impact of future development of the line and the possible extension of the line to the Queensland border,
- (d) any other matter arising from the Government's decision to terminate the rail services.

Question put

Ayes:

Ms Gardiner

Mr Clarke

Mr Oldfield

Ms Hale

Noes:

Ms Burnswoods

Ms Griffin

Mr Burke

Question resolved in the affirmative.

Resolved, on the motion of Mr Clarke, that the Chair be authorised to place advertisements calling for submissions in the Tweed Daily News, Ballina North Coast Advocate, Lismore Northern Star and the Byron Shire Echo.

Resolved, on the motion of Ms Hale, that Friday 4 June 2004 be the closing date for submissions to the inquiry.

Resolved, on the motion of Ms Hale, that Committee members advise the secretariat of persons or organisations that they consider should be invited to make submission to the inquiry by 5.00pm Wednesday 12 May.

Resolved, on the motion of Mr Clarke, that the Committee secretariat make the necessary arrangements for the holding of public hearings in the Lismore/Murwillumbah/Byron Bay regions on the 9 and 10 June 2004.

Resolved, on the motion of Ms Hale, that the Committee hold a public hearing at Parliament House on Friday 11 June.

Resolved, on the motion of Mr Clarke, that the Chair write to the Minister for Transport and to the Minister for Roads requesting documentation and data relevant to or upon which the decision to replace the Casino to Murwillumbah XPT service was based; and request the attendance of departmental officers to give evidence before the Committee on Friday 14 May 2004.

The Committee noted that the Secretariat would, if necessary, consult with Members regarding the holding of a public hearing in the week commencing Monday 17 May 2004.

Resolved, on the motion of Ms Hale, that the Committee present a report to the House by Wednesday 14 July 2004.

## 5. **Adjournment**

The Committee adjourned at 2.30pm sine die.

Robert Stefanic

**Clerk to the Committee**

**Minutes No 27**

Thursday 21 May 2004

Room 814/815, Parliament House at 1.45pm

**1. Members Present**

Ms Gardiner (Chair)

Ms Burnswoods

Ms Cusack

Ms Griffin

Ms Hale

Mr Oldfield

**Apologies**

Mr Catanzariti

**2. Public Hearing – Inquiry into the Closure of Casino to Murwillumbah Rail Services**

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Mr Vince Graham, CEO, RailCorp
- Ms Karyn Mercer, Senior Consultant, Strategy, Performance and Access Division, RailCorp
- Mr John Shields, Executive Manager, CountryLink Projects, RailCorp

Mr Graham tendered the following documents to the Committee:

- Fact Sheet: Casino - Murwillumbah Rail Line
- Briefing Note to the Minister for Transport Services: Casino – Murwillumbah
- Response to questions provided in advance

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Peter Collins, Regional Manager, Northern Client Services, RTA

The evidence was concluded and the witness withdrew.

**3. Deliberative Meeting – Inquiry into the Closure of Casino to Murwillumbah Rail Services*****Additional Questions on Notice***

Resolved, on a motion of Ms Hale, that any additional questions on notice directed to witnesses who attended the public hearing be lodged with the Secretariat by 5pm Friday, 21 May.

**Tabled documents**

Resolved, on a motion of Ms Hale, that the documents tendered to the Committee be accepted and published pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223.

**Proposed hearing program for 9 to 11 June 2004**

The Chair distributed a proposed program of hearings and site visits for 9 and 10 June 2004 in the Lismore, Byron and Tweed shires. The Committee deliberated.

Resolved, on a motion of Ms Hale, that the Committee adopted the proposed hearing program for 9 and 10 June, with the Secretariat to have discretion when arranging venues and transport.

Resolved, on a motion of Ms Griffin, that the public hearing on Friday, 11 June in Sydney not commence before 10:30 am.

Members of the Committee agreed to nominate to the Secretariat possible witnesses for the hearings on 9, 10 and 11 June by Friday, 28 May 2004.

Members of the Committee agreed to share information about site visits, including anticipated media attendance or attendance or action by any community groups at particular sites.

**Substitution of Mr Oldfield**

Mr Oldfield advised that Mr Breen would substitute for him for the remainder of the inquiry.

**Call for Papers**

Ms Cusack moved that, according to paragraph 4 of the Resolutions establishing the General Purpose Standing Committees, that there be provided to the Committee by 5.00pm Friday 4 June 2004, the following documents in the possession, custody or control of RailCorp relating to the decision to replace the daily Casino to Murwillumbah XPT services with a coach service:

- (a) the recommendations and supporting documentation relating to the decisions of the Minister for Transport Services to:
  - i. review of the future of the Casino to Murwillumbah line following the Parry Report,
  - ii. have a 12 month moratorium on changes to the service,
  - iii. announce, on 6 April 2004, the closure of the XPT service,
- (b) all media monitoring, and associated media briefings, provided to the Office of the Minister for Transport Services during 2003 and 2004 in relation to the Murwillumbah branch line and rail services on the line,
- (c) all documents prepared in relation to the review of the future of the line following the Parry Report and prior to the announcement of the closure of the XPT service,
- (d) briefings and financial year breakdowns concerning budgeted and actual expenditure during the period 1994-2004 in relation to the Casino-Murwillumbah Branch Line including details of:
  - i. submissions made for maintenance funding; maintenance funding approved; maintenance funding spent (RIC),
  - ii. Community Service Obligations (Ministry),

- iii. passenger numbers, revenues and analysis that may have been undertaken during this period; (SRA/CountryLink),
  - iv. staff numbers (maintenance, station, train crew, other) and staff costs,
  - v. timetable issues and their impact on costs (ie: running evening only services – what was the extra loading on costs by not running a service during normal working hours?),
- (e) any reports or advice to the Minister showing that the Murwillumbah branch line is the “least viable” of branch lines (other than the Briefing Note tabled with the Committee on 20 May 2004),
- (f) asset appraisals and studies for the future maintenance needs of the line prepared over the last 10 years,
- (g) any studies or briefings prepared over the last 15 years on the issue of connecting the branch line to Queensland,
- (h) all papers prepared in relation to the 12 month review of the branch line which was announced by the Minister for Transport Services in December 2003.

The Committee divided:

Ayes:

Ms Gardiner  
Ms Cusack  
Mr Oldfield  
Ms Hale

Noes:

Ms Burnswoods  
Ms Griffin

The question was resolved in the affirmative.

#### **4. Adjournment**

The Committee adjourned at 5.25pm.

Robert Stefanic

**Clerk to the Committee**

**Minutes No 28**

Wednesday 9 June 2004

Lismore RSL Club, Lismore at 11.25 am

**5. Members Present**

Ms Gardiner (Chair)  
Mr Breen (Oldfield)  
Ms Burnswoods  
Ms Cusack  
Ms Griffin  
Ms Hale

**Apologies**

Mr Catanzariti

**6. Deliberative meeting - Inquiry into the closure of Casino to Murwillumbah rail services**

***Publication of submission***

Resolved, on the motion of Ms Hale, that pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223, the Committee authorise the Clerk of the Committee to publish submissions No 1 – 252.

***Response to questions on notice***

The Committee Secretariat distributed copies of the responses to questions on notice from 20 May 2004 received from RailCorp and Mr Carl Scully MP, Minister for Roads.  
Public hearing – Inquiry into the closure of Casino to Murwillumbah rail services

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witness was examined:

- Mr Thomas George MP, State Member for Lismore

The following witness was sworn and examined:

- Cr Merv King, Mayor, Lismore City Council

Mr George tendered the following documents to the Committee:

- Correspondence to Mr George MP re the closure of the Casino to Murwillumbah rail service
- Correspondence to the Chair, GPSC 4 re the closure of the Casino to Murwillumbah rail service

Cr King tendered the following document to the Committee:

- Photo and description of Mr Colin Grisenger



The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Cr Charlie Cox, Mayor, Richmond Valley Council
- Mr Ernie Bennett, President, Northern Rivers Regional Organisation of Councils (NOROC)

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Peter Shephard, General Manager, Kirklands Coaches Pty Ltd

Mr Shephard tendered the following document to the Committee:

- Briefing note to the Minister for Transport dated 5 April 2004.

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Jim Parker, Lismore Combined Pensioners' Association
- Mrs Jill Brennan, former President, Association of Independent Retirees
- Dr Ken Gudmunsen, Dermatologist, Northern Rivers Dermatology

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Karin Kolby, Convenor, Northern Rivers Trains for the Future Inc
- Mr Jacob Baldwin, President, Community Awareness Task Force

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Scott Hanckel, Divisional Controller, Richmond Tweed Division, SES

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Cr Jenny Dowell, Lismore City Council
- Ms Sue Dakin, former Ballina Shire Councillor

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Neale Battersby, former train driver
- Mr Tom McInerney, former inspector (tracks)

Mr Battersby tendered the following documents to the Committee:

- ‘The ceasing of the XPT rail service on the Casino – Murwillumbah rail corridor’
- Photos of bridges on the Casino to Murwillumbah rail line.

The evidence was concluded and the witnesses withdrew.

***Tabled documents***

Resolved, on the motion of Ms Cusack, that the documents tendered to the Committee be accepted and published pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223.

**7. Adjournment**

The Committee adjourned at 5.05 pm until Thursday, 10 June 2004 at 9.30 am at the Byron Bay Community and Cultural Centre, Byron Bay.

Steven Frappell  
**Clerk to the Committee**

**Minutes No 29**

Thursday 10 June 2004

Byron Bay Community and Cultural Centre, Byron Bay at 9.35 am

**1. Members Present**

Ms Gardiner (Chair)  
Mr Breen (Oldfield)  
Ms Burnswoods  
Ms Cusack  
Ms Griffin  
Ms Hale

**Apologies**

Mr Catanzariti

**2. Public Hearing – Inquiry into the closure of Casino to Murwillumbah rail services**

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witness was examined:

- Mr Don Page MP, State Member for Ballina

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Cr Jan Barham, Mayor, Byron Shire Council
- Mr Peter Westheimer, Byron Shire Council

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Michael Maloney, Northern Rivers Trains for the Future Inc
- Ms Louise Doran, private citizen

Mr Maloney tendered the following document to the Committee:

- Transport planners within the Department of Infrastructure, Natural Resources and Planning

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Greg Cromwell, Steam Whistle Brewing

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Basil Cameron, private citizen
- Ms Penny Baldwin, Manager, Tweed, Byron and Ballina Community Transport

Ms Baldwin tendered the following document to the Committee:

- ‘Tweed, Byron and Ballina Community Transport Inc’

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Mick Schmitzer, Assistant Secretary Rail, Train and Bus Union
- Mr John Vaughan, private citizen
- Mr Douglas Luke, private citizen

Mr Vaughan tendered the following document to the Committee:

- ‘The great north-eastern bicycle way’

The evidence was concluded and the witnesses withdrew.

***Tabled documents***

Resolved, on the motion of Ms Hale, that the documents tendered to the Committee be accepted and published pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223.

**3. Adjournment**

The Committee adjourned at 12.30 pm until Thursday, 10 June 2004 at 3.00 pm at the Murwillumbah Services Memorial Club, Murwillumbah.

Steven Frappell  
**Clerk to the Committee**

**Minutes No 30**

Thursday 10 June 2004

Murwillumbah Services Memorial Club, Murwillumbah at 3.00 pm

**1. Members Present**

Ms Gardiner (Chair)  
Mr Breen (Oldfield)  
Ms Burnswoods  
Ms Cusack  
Ms Griffin  
Ms Hale

**Apologies**

Mr Catanzariti

**2. Public hearing – Inquiry into the closure of Casino to Murwillumbah rail services**

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- The Hon Larry Anthony MP, Federal Member for Richmond
- Mr Geoff Provest, Chair, Sustainable Regions Group

Mr Maloney tendered the following documents to the Committee:

- 'Background briefing: What is the sustainable regions program?'
- 'SRP Projects funded to date'

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Dr John Griffin, General Manager, Tweed Shire Council
- Cr Warren Polglase, Mayor, Tweed Shire Council
- Cr Max Boyd, Former Mayor, Tweed Shire Council

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Warren Judd, Director and General Manager, Northern Rivers Railroad

Mr Judd tendered the following document to the Committee:

- NRR Access Agreement with RIC

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Paul Waters, President, Murwillumbah District Chamber of Commerce
- Mr Tom Senti, Deputy Chairman and CEO, Economic Development Corporation
- Mr Geoff Keevers, Owner, The Road N' Rail, Murwillumbah

Ms Cusack tendered the following document to the Committee:

- 'Fencing Railway at Mooball'

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Jim Galloway, Former Manager, Murwillumbah Railway Station

The evidence was concluded and the witness withdrew.

***Tabled documents***

Resolved, on the motion of Ms Hale, that the documents tendered to the Committee be accepted and published pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223.

**3. Adjournment**

The Committee adjourned at 5.10 pm until Friday, 11 June 2004 at 11.00 am at Parliament House, Sydney.

Steven Reynolds

**Clerk to the Committee**

**Minutes No 31**

Friday 11 June 2004

Parliament House, Sydney at 11.00 am

**1. Members Present**

Ms Gardiner (Chair)

Ms Burnswoods

Mr Chesterfield-Evans (participating member)

Ms Cusack

Ms Griffin

Ms Hale

Mr Tsang (Mr Catanzariti)

**2. Public Hearing – Inquiry into the closure of Casino to Murwillumbah rail services**

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Mr Mick Schmitzer, Assistant Secretary, Rail, Train and Bus Union
- Mr Mick Lewocki, NSW Branch Secretary, Rail, Train and Bus Union
- Mr Peter Murphy, Branch Secretary, Rail, Train and Bus Union

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Greg Rudd, private capacity

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Gary Seabury, General Manager, Infrastructure, RailCorp
- Mr Greg McLeod, General Manager, CountryLink
- Mr Grant Fraser, General Manager, Asset Management, RailCorp

Mr Fraser tendered the following document to the Committee:

- 'Railway lands – Casino to Murwillumbah and Condong Extension'

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr John Whelan, Director, Community Transport, Ministry of Transport

Mr Whelan tendered the following document to the Committee:

- Map of local and community transport country transport regions

The evidence was concluded and the witness withdrew.

### **3. Deliberative meeting - Inquiry into the closure of Casino to Murwillumbah rail services**

#### ***Tabled documents***

Resolved, on the motion of Ms Hale, that the documents tendered to the Committee be accepted and published pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223.

#### ***Additional witnesses***

Ms Hale moved that the following witnesses be invited or if necessary summonsed to appear before the Committee:

- Mr Chris Stanborough, RIC, Lismore
- Mr Peter Hanrahan, RIC, Grafton

The Committee deliberated.

The Committee divided:

Ayes:

Ms Gardiner

Ms Cusack

Ms Hale

Noes:

Ms Burnswoods

Ms Griffin

The question was resolved in the affirmative.

#### ***Additional public hearing***

Ms Cusack moved that the Committee conduct a further hearing or hearings over either a full day or two half days, and that in addition to Mr Stanborough and Mr Hanrahan, the following witnesses be invited to appear:

- The Hon Michael Costa MLC, Minister for Transport Services
- The Regional Coordinator for the North Coast in the Premier's Department
- The relevant officers from Treasury

The Committee deliberated.

The Committee divided:



Ayes:

Ms Gardiner

Ms Cusack

Ms Hale

Noes:

Ms Burnswoods

Ms Griffin

The question was resolved in the affirmative.

The Committee requested that the Secretariat consult with members of the Committee to determine the appropriate time for the further hearing(s), but that the latest available date for a hearing be 2 July 2004.

***Questions on notice***

Resolved, on a motion of Ms Hale, that members of the Committee provide any additional questions on notice for RIC to the Secretariat by 5pm, Wednesday, 16 June 2004, for a response by RIC by Wednesday, 30 June 2004.

**4. Adjournment**

The Committee adjourned at 5.00 pm until a date to be determined.

Stephen Frappell

**Clerk to the Committee**

**Minutes No 32**

Wednesday 23 June 2004

Room 1108, Parliament House, Sydney at 6.35pm

**1. Members Present**

Ms Gardiner (Chair)

Ms Burnswoods

Mr Catanzariti

Ms Cusack

Ms Griffin

Ms Hale

Mr Oldfield

**2. Confirmation of minutes no 26 to 31**

Resolved, on the motion of Ms Cusack, that minutes no 26 to 31 be confirmed.

**3. Deliberative meeting - Inquiry into the closure of Casino to Murwillumbah rail services**

***Correspondence sent***

The Chair noted the following items of correspondence sent:

- Letter to the Hon Michael Costa MLC re witnesses for the hearing on 20 May 2004 (13 May 2003)
- Letter to the Hon Carl Scully MLC re witnesses for the hearing on 20 May 2004 (13 May 2003)
- Letter to Mr Vince Graham, CEO, RailCorp re Call for Papers (21 May 2004)
- Letter to the Hon Michael Costa MLC re witnesses for the hearing on 11 June 2004 (4 June 2004)
- Letter to the Hon Tony Kelly MLC re witnesses for the hearing on 9 June 2004 (7 June 2004)
- Letter to the Hon Michael Costa MLC re witnesses for the hearing on 2 July 2004 (17 June 2003)
- Letter to the Hon Michael Egan MLC re witnesses for the hearing on 2 July 2004 (21 June 2003)
- Letter to the Hon Bob Carr MP re witnesses for the hearing on 2 July 2004 (21 June 2003)

***Correspondence received***

The Chair noted the following items of correspondence received:

- Letter from the Hon Michael Costa MLC re witnesses for the public hearing on 20 May 2004 (18 May 2004)
- Letter from Mr Vince Graham, CEO, RailCorp re extension to deadline for Call for Papers (4 June 2004)

- Letter from the Hon Michael Costa MLC re witnesses for the public hearing on 11 June 2004 (7 June 2004)

**Publication of submissions**

Resolved, on the motion of Ms Burnswoods, that pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 223, the Committee authorises the Clerk of the Committee to publish submissions No 253 – 262.

**Order for Paper of 21 May 2004**

The Chair noted RailCorp's response to the Order for Papers of 21 May 2004, and the reply sent by the Clerk to the office of the Hon Michael Costa MLC, Minister for Transport Services on 21 June 2004 stating that RailCorp failed to specifically address issues (a) through to (h) of the Call for Papers.

The Clerk noted that the Committee Secretariat is expecting further material from RailCorp in response to the correspondence of 21 June 2004.

**Additional Order for Papers**

Resolved, on the motion of Ms Hale, that according to Standing Order 208(c) of the Legislative Council, that there be provided to the Committee by 5.00 pm Wednesday 30 June 2004, the following documents in the possession, custody or control of RailCorp relating to the decision to replace the daily Casino to Murwillumbah XPT services with a coach service:

- the 1998 Coffs Harbour to Brisbane High Speed Rail Link study by Harrop TMG
- accompanying A3 colour photocopies of alignments for the extension of the line.

**Witnesses for the hearing on 2 July 2004**

Ms Cusack moved that the following witnesses be invited to appear before the Committee at the public hearing on 2 July 2004:

- Mr Owen Henry, RIC
- Mr Stephen Alchin, Executive Director, Transport Planning, DIPNR
- Mr Ken Ryan, Rural and Regional Planning, DIPNR
- Ms Stephanie Callaghan, Population Data, DIPNR

The Committee deliberated.

The Committee divided:

Ayes:

Ms Gardiner

Ms Cusack

Ms Hale

Mr Oldfield

Noes:

Ms Burnswoods

Mr Catanzariti  
Ms Griffin

The question was resolved in the affirmative.

In relation to the availability of witnesses already called for the Committee's hearing on 2 July 2004, the Chair advised:

- The office of the Hon Michael Costa MLC, Minister for Transport Services, had advised that Mr Hanrahan and Mr Stanborough would be available, and that the Hon Michael Costa MLC was considering the Committee's invitation
- The office of the Hon Michael Egan MLC, Treasurer, had indicated that they would make the relevant officials available
- The office of the Hon Bob Carr MP, Premier, had sought clarification on the hearing program, and were investigating the availability of the Regional Coordinator from the North Coast.

***Conclusion of the hearing on 2 July 2004***

Resolved, on the motion of Mr Catanzariti, that the hearing on 2 July 2004 conclude by 4.00 pm at the latest.

**4. Next meeting**

The Committee adjourned at 6.45 pm until the public hearing at 10.00 am on 2 July 2004.

Steven Frappell  
**Clerk to the Committee**

**Minutes No 33**

Friday 2 July 2004

Jubilee Room, Parliament House, Sydney at 11.20 am

**1. Members Present**

Ms Gardiner (Chair)

Ms Burnswoods

Mr Breen (Hale) (after 2.00 pm)

Dr Chesterfield Evans (Hale) (until 2.00 pm)

Ms Cusack

Mr Roozendaal

Mr Primrose (Griffin)

Mr Oldfield

**2. Public Hearing – Inquiry into the closure of Casino to Murwillumbah rail services**

Witnesses, the public and media were admitted.

The Chair made an opening statement.

The following witness was sworn and examined:

- Mr Stephen Alchin, Executive Director, Transport Planning, DIPNR

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr John Pierce, Secretary, Treasury
- Mr Ziggi Lejins, Director, Transport and Ports Branch, Treasury

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Dr Colin Gellatly, Director General, Premier's Department

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Gary Seabury, Group General Manager, Infrastructure Division, RailCorp
- Mr Bruce Lord, Infrastructure Planning and Support Manager, RIC
- Mr Owen Henry, General Manager, Business Operations, Commercial Division, RIC
- Mr Chris Stanborough, RIC, Lismore
- Mr Peter Hanrahan, RIC, Grafton

The evidence was concluded and the witnesses withdrew.

The public hearing was concluded and the media and public withdrew.

### **3. Deliberative meeting – Inquiry into the closure of Casino to Murwillumbah rail services**

#### ***Apologies***

Ms Hale

Ms Griffin

#### ***Committee Membership***

The Chair noted Minutes of the House No 64, item 10, 29 June 2004, regarding changes to the membership of GPSC 4:

Government: Mr Roozendaal (in place of Mr Catanzariti)

#### ***Confirmation of minutes no 32***

Resolved, on the motion of Ms Cusack, that minutes no 32 be confirmed.

#### ***Correspondence sent***

The Chair noted the following items of correspondence sent:

- Letter to the Hon Michael Costa MLC re witnesses for the hearing on 2 July 2004 (24 June 2004)
- Letter to the Hon Craig Knowles MP re witnesses for the hearing on 2 July 2004 (24 June 2004)
- Letter to Mr Vince Graham, CEO, RailCorp, re additional Call for Papers (25 June 2004)

#### ***Correspondence received***

The Chair noted the following items of correspondence received:

- Letter from Mr Vince Graham, CEO, RailCorp, re schedule for the Call for Papers (24 June 2004)
- Email from Mr Alex Smith, Chief of Staff, Dr Gellatly, re witnesses for the public hearing on 2 July 2004 (25 June 2004)
- Letter from Mr John Whelan, Ministry of Transport, re the Casino to Murwillumbah rail corridor working party (30 June 2004)
- Letter from the Hon Michael Costa MLC re witnesses for the hearing on 2 July 2004 (1 July 2004)
- Letter from Mr Gary Seabury, CEO, RIC, re an extension to the deadline (until 7 July 2004) for the response to questions on notice from 11 June 2004.

Resolved, on the motion of Ms Cusack, that RIC be given until 7 July 2004 to submit the response to the questions on notice from 11 June 2004.

#### ***Response to questions on notice***

The Chair noted the following responses to questions on notice received:

- Response to question on notice from Mr Mick Schmitzer, Assistant Branch Secretary (30 June 2004)
- Response to question on notice from Mr John Whelan, Director, Community Transport, Ministry of Transport (1 June 2004)

***Response to Call for Papers of 23 June 2004***

The Chair noted the response to the Call for Papers of 23 June 2004 from Ms Fran McPherson, Acting CEO, RailCorp (1 June 2004)

***Timetable for the tabling of the report***

The Committee discussed the timetable for the tabling of the Committee's report on the closure of the Casino to Murwillumbah rail service, with reference to the following reports:

- The Casino to Murwillumbah Rail Corridor Working Party report, which is due by the end of the year
- The PriceWaterhouseCooper Consultancy Brief: Feasibility Study for Passenger/Commuter Services on the Murwillumbah to Casino Branch Line, which is due to be completed in eight weeks from the signing of the contract (expected this week).

The Committee deliberated.

Resolved, on the motion of Ms Cusack, that the tabling of the report on the closure of the Casino to Murwillumbah rail service be deferred until after the completion of the PriceWaterhouseCooper study.

***Additional witnesses***

The Committee discussed the unavailability of the Minister for Transport Services, the Hon Michael Costa MLC, for today's hearing.

Moved, on the motion of Mr Roozendaal, that the Committee write to Mr Costa to invite him to respond in writing to questions placed on notice by the Committee in writing.

The Committee deliberated.

The Committee divided:

Ayes:

Ms Burnswoods

Mr Primrose

Mr Roozendaal

Noes:

Ms Gardiner

Mr Breen

Ms Cusack

Mr Oldfield

The question was resolved in the negative.

Moved, on the motion of Ms Cusack, that the Committee write to Mr Costa to invite him to a further hearing of the Committee.

The Committee deliberated.

The Committee divided:

Ayes:

Ms Gardiner

Mr Breen

Ms Cusack

Mr Oldfield

Noes:

Ms Burnswoods

Mr Primrose

Mr Roozendaal

The question was resolved in the affirmative.

The Committee agreed that the hearing should be held on a date convenient to the Minister after the school holidays.

**Questions on notice**

Moved, on the motion of Mr Roozendaal, that the Committee put on notice a question to the Treasurer, the Hon Michael Egan MLC, asking him to identify the cost of making available the witnesses for the Committee's hearing on 2 July 2004.

The Committee deliberated.

The Committee divided:

Ayes:

Ms Burnswoods

Mr Primrose

Mr Roozendaal

Noes:

Ms Gardiner

Mr Breen

Ms Cusack

Mr Oldfield

The question was resolved in the negative.

Moved, on the motion of Mr Roozendaal, that the Committee put on notice a question to the Director General of the Premier's Department, asking him to identify the cost of making available the witnesses for the Committee's hearing on 2 July 2004.



The Committee deliberated.

The Committee divided:

Ayes:

Ms Burnswoods

Mr Primrose

Mr Roozendaal

Noes:

Ms Gardiner

Mr Breen

Ms Cusack

Mr Oldfield

The question was resolved in the negative.

**4. Next meeting**

The Committee adjourned at 4.40 pm until a date to be determined.

Steven Frappell

**Clerk to the Committee**

**Minutes No 34**

Wednesday 28 July 2004

Room 1108, Parliament House, Sydney at 9.35 am

**1. Members Present**

Ms Gardiner (Chair)  
Ms Hale (Deputy Chair)  
Ms Burnswoods  
Mr Primrose (Roozendaal)  
Mr Oldfield  
Ms Griffin  
Mr Ryan (Clarke)

**2. Substitute arrangements**

The Chair advised that Mr Primrose would be representing Mr Roozendaal and Mr Ryan would be representing Mr Clarke, for the duration of any inquiry into the Designer Outlets Centre.

**3. Minutes**

Resolved, on the motion of Ms Burnswoods, that Minutes No 33 be confirmed.

**4. Correspondence**

***Correspondence received***

...

***Correspondence sent***

Letter to the Hon Michael Costa MLC, inviting him to a further public hearing of the Committee in relation to the closure of the Casino to Murwillumbah rail service (9 July 2004)

....

**5. Next meeting**

The Committee adjourned at 10.30am until 13 August 2004.

Steven Reynolds

**Clerk to the Committee**

**Minutes No 35**

Thursday 12 August 2004

Room 1108, Parliament House, Sydney at 10.00 am

**1. Members Present**

Ms Gardiner (Chair)

Ms Rhiannon (Hale)

Mr West (Burnswoods – up to 11:00 am)

Mr Tsang (Burnswoods – after 11:00 am)

Mr Primrose (Roozendaal)

Mr Oldfield

Ms Griffin

Mr Ryan (Clarke)

**2. Substitute arrangements**

The Chair advised that Mr West would be representing Ms Burnswoods (and Mr Tsang after 11:00 am) and Ms Rhiannon would be representing Ms Hale.

**3. Designer Outlets Centre, Liverpool**

...

**4. Minutes**

...

**5. Correspondence**

...

***Correspondence sent***

- ...
- Letter to the Hon Michael Costa concerning further public hearing and QON regarding the closure of the Casino to Murwillumbah rail service (11 August 2004)

**6. Next meeting**

The Committee adjourned at 11.15am until 13 August 2004.

Steven Reynolds

**Clerk to the Committee**

**Minutes No 52**

Monday 8 November 2004

Room 1108, Parliament House at 2:30 pm

**1. Members Present**

Ms Gardiner (*Chair*)  
Ms Rhiannon (Hale)  
Ms Burnswoods  
Mr Roozendaal  
Mr Breen (Oldfield)  
Ms Griffin  
Ms Cusack (Clarke)

**2. Substitutions**

The Chair advised that she had been advised by Ms Hale that Ms Rhiannon would be her substitute for the meeting and by Mr Oldfield that Mr Breen would be his substitute for the meeting.

**3. Apologies**

Ms Hale

**4. Correspondence**

The committee noted the following correspondence received:

- Letter from Mr Ziggi Lejins, Director, Transport and Ports Branch, Treasury responding to questions on notice from 2 July 2004 (received 8 July 2004)
- Letter from Dr Col Gellatly, Director General, NSW Premier's Department responding to questions on notice from 2 July 2004 (received 8 July 2004)
- Letter from The Hon Michael Egan MLC on behalf of DIPNR responding to questions on notice to DIPNR on 2 July 2004 (received 13 July 2004)
- Letter from Mr Vince Graham, CEO, RailCorp responding to questions on notice from 11 June 2004 (received 15 September 2004)
- Email from Mr Ajit Singh, Queensland Transport in relation to a possible rail line from Robina to Tugun (received 16 September 2004)

**5. Inquiry into the Closure of the Casino to Murwillumbah Rail Service**

The Chair tabled her draft report, which had been circulated, and a revised Chapter 10 with accompanying briefing material, which had also been circulated.

Chapter One read.

At para 1.11 the Chair noted that following the Federal election the NSW Minister for Transport Services had sought a meeting with the Federal Transport Minister and Deputy Prime Minister John Anderson, and discussions had commenced on 8 November 2004, and that further information may need to be reported on the outcome of this meeting.

Resolved, on the motion of Ms Rhainnon, that Chapter One be adopted subject to any additional information required to be included at para 1.11.

Chapter Two read.

Resolved, on the motion of Ms Cusack, that para 2.29 be amended to include the cost of distributing the sleepers in addition to the removal cost, such cost to be obtained from Vince Graham's evidence, and that the secretariat bring the revision back to the Committee for its deliberation.

Resolved, on the motion of Ms Cusack, that the reference to "\$315,000" in para 2.31 be amended to include the cost of distributing the sleepers in addition to the removal cost, such cost to be obtained from Vince Graham's evidence, and that the secretariat bring the revision back to the Committee for its deliberation.

Resolved, on the motion of Ms Cusack, that the following recommendation be added after para 2.26:

The Committee recommends that the Government produce a comprehensive preservation plan for the Casino to Murwillumbah rail line, such plan to include, but not to be restricted to, the preservation of the line's overbridges.

Resolved, on the motion of Ms Cusack, that the secretariat write a paragraph or paragraphs to be inserted following para 2.31 regarding the cost to Tweed Shire Council of installation of a fence at Moggill, and that the secretariat bring the revision back to the Committee for its deliberation.

Resolved, on the motion of Ms Cusack, that Chapter Two as amended be adopted subject to the consideration of the paragraph or paragraphs after 2.31 regarding the fence at Moggill.

Chapter Three read.

Ms Burnswoods moved a motion that the secretariat write a paragraph or paragraphs to be inserted after the dot points in the introduction on the railway lines closed in NSW since 1968 (with details included in an appendix), and the railway services closed in NSW since 1968 if available, but otherwise since 1988 (with the details included in an appendix).

Resolved, on the motion of Ms Rhiannon that consideration of Ms Burnswoods motion be deferred until a request has been put to RailCorp for the information on services, and that the secretariat bring the paragraph, with accompanying sub-heading, back to the Committee for its deliberation.

Resolved, on the motion of Ms Cusack, that the following sentence be added after paragraph 3.8:  
This issue was repeatedly cited by witnesses to the inquiry as a major source of concern to the community.

Resolved, on the motion of Ms Cusack, that under the section with the sub-heading "ARTC Agreement" the secretariat prepare a paragraph or paragraphs which notes that at the time of closure, the main northern line was on the verge of significant improvement and that had the Casino to Murwillumbah line continued to be maintained by the State Government it would have been under contract from the ARTC, and that the secretariat bring the paragraph back to the Committee for its deliberation.

The Committee noted that para 3.33 would require updating prior to the next meeting.

The Committee deliberated.

Chapter Four read.

Resolved, on the motion of Mr Breen, that Chapter Four be adopted.

Chapter Five read.

Resolved, on the motion of Ms Cusack, that para 5.37 be deleted.

Resolved, on the motion of Ms Cusack, that the final sentence of para 5.38 be deleted and replaced with the following sentence:

In the absence of alternative revenue, including freight, maintenance of the line was wholly dependent on government subsidies through CSO payments to Countrylink and from passenger fares.

Mr Breen departed the meeting for other engagements.

Resolved, on the motion of Ms Cusack, that the secretariat would examine the evidence to determine whether any paragraphs could be added to chapter Five regarding seasonal passengers and extended periods when passenger numbers are higher, and that the secretariat bring the paragraph back to the Committee for its deliberation.

Resolved, on the motion of Ms Cusack, that the secretariat would examine the evidence to determine whether any paragraphs could be added to chapter Five regarding travellers to and from Ballina departing the Murwillumbah XPT service at Grafton and therefore not being recorded in the passenger number data for the Murwillumbah XPT, and that the secretariat bring the paragraph back to the Committee for its deliberation.

The Committee deliberated.

Chapter Six read.

Resolved, on the motion of Ms Cusack, that after paragraph 6.25 the secretariat insert a quote from the Ministry of Transport on the bow wave, and bring this back to the Committee for its deliberation.

Resolved, on the motion of Ms Rhiannon, that Chapter Six be adopted subject to consideration of the paragraph on the bow wave.

Chapter Seven read.

Ms Cusack noted that she wished to prepare a new section on the lack of a timetable for the tender process, and the elements of the tender process.

Resolved, on the motion of Ms Rhiannon, that Chapter Seven be adopted subject to Ms Cusack bringing back to the next meeting a section on the bus tender issue.

Chapter Eight read.

Resolved, on the motion of Ms Cusack, that the quote by Vince Graham regarding redundancy packages and redeployment not being available until September 2004 be inserted at paragraph 8.8.

Resolved, on the motion of Ms Rhiannon, that the meeting adjourn its deliberations on Chapter Eight, that the amendments made to date be circulated prior to the meeting and that members bring in writing their proposed changes to the remainder of the report to the next meeting.

**6. Next meeting**

The Committee adjourned at 4:55 pm until Monday, 15 November 2004 at 2:30 pm.

Steven Reynolds  
**Clerk to the Committee**

**Minutes No 53**

Monday 15 November 2004

Room 1108, Parliament House at 2:30 pm

**1. Members Present**Ms Gardiner (*Chair*)

Ms Hale

Ms Burnswoods

Ms Fazio (Roozendaal)

Mr Breen (Oldfield)

Mr Tsang (Griffin)

Ms Cusack (Clarke)

**2. Substitutions**

The Chair advised that she had been advised by the Government Whip that Mr Tsang would be substitute for Ms Griffin and Ms Fazio for Mr Roozendaal for the meeting and by Mr Oldfield that Mr Breen would be his substitute for the meeting.

**3. Correspondence**

The Committee clerk tabled a list of country rail services closed between 1988 and 1990 from the office of the Minister for Transport, dated 15 November 2004.

**4. Minutes**

Resolved, on the motion of Ms Burnswoods, that minutes no 52 be confirmed.

**5. Inquiry into the Closure of the Casino to Murwillumbah Rail Service*****Consideration of Revised Chair's Draft***

The Chair tabled her revised draft report, which had been previously circulated, incorporating changes made at the previous meeting and a revised Chapters 9, 10 and 11.

Chapter One, paragraph 1.12 read.

Resolved, on the motion of Ms Burnswoods, that a cross reference to Chapter 10 be added to the end of para 1.12.

Resolved, on the motion of Ms Fazio, that the revised Chapter One be adopted.

Chapter Two, para 2.3, 2.30, 2.31, 2.32 and 2.33 read.

Resolved, on the motion of Ms Cusack, that the following words be added to the end of paragraph 2.30: This does not include the cost of delivering the sleepers to the Casino to Murwillumbah Line.

Resolved, on the motion of Ms Cusack, that the word "approximately" be deleted from paragraph 2.31 and replaced with "at least".

Ms Cusack moved that the new paras 2.32 and 2.33 be adopted.



Ms Burnswoods moved an amendment: that paragraph 2.33 be deleted.

Question put and passed.

Original motion as amended put and passed.

Resolved, on the motion of Ms Fazio, that the revised Chapter Two as amended be adopted.

Chapter Three, para 3.1 and 3.2 read

The Committee agreed to defer discussion of paras 3.1 and 3.2 until later in the meeting.

Chapter Three, para 3.31 and 3.36 read

Resolved, on the motion of Ms Fazio, that para 3.31 be deleted.

Ms Fazio moved: that para 3.36 be deleted.

Question put.

The Committee divided.

Ayes: Ms Fazio, Mr Tsang, Ms Burnswoods

Noes: Ms Gardiner, Ms Hale, Ms Cusack

Question resolved in the negative on the casting vote of the Chair.

Chapter Three, para 3.37 to 3.39 read

Chapter Five, para 5.8 read.

Resolved, on the motion of Ms Fazio, that para 5.8 be deleted.

Resolved, on the motion of Ms Cusack, that after para 5.14 the following quote and text be added:

In May 2000, the CEO of CountryLink told us that the timetable was changing. I implored her, and so did the managers from Byron Bay and Lismore, not to change it. We told her it would have an adverse effect on our figures. We may as well have been talking to the wall. They have changed it and increased the travelling time from here to Sydney, and there were no connections once we got there.

When I first came here, we had connections when people arrived in Sydney. There were connections to Canberra and out to the west as far as Dubbo. There was an eight-hour wait for the train to Melbourne. The new timetable did not provide connections to anywhere. There was a six-hour wait in Sydney for a train to Canberra and overnight to Dubbo. There was still an eight-hour wait for a train to Melbourne. That had a very adverse effect on my figures, especially the Canberra figures. We had a lot of passengers going that way. School groups would go there on excursions to

the national capital. In 2000 I lost 100 passengers just like that because of the changes to the timetable.<sup>370</sup>

Mr Galloway indicated the length of the trip increased from just over 12 hours to 14 hours.

Ms Cusack moved: that the following be added at the end of para 5.37:

**Other Sources of Revenue – freight and commuter services on the line:**

The committee notes evidence from the community that RailCorp failed to pursue revenue opportunities for the line including freight (footnote: Battersby) and commuter services (footnote Judd).

Freight revenue steadily declined and ceased in 2002-2003 (questions on notice – Gardiner).

During the Murwillumbah hearings Mr Judd drew the Committee's attention to his efforts to begin a commuter service on the line. When asked where the commuter service would have opened Mr Judd said:

From Casino to Murwillumbah and return, four times a day. Approaches were made to three general managers. They were Kim Fimmimore, Tim Poulter and finally Ms Gale Gregory. All approaches fell on deaf ears. An approach was then made to Mr Harry Woods, who supported our concept. Harry Woods convened a meeting of the directors of Northern Rivers Rail to fly to Sydney to have a face-to-face meeting with Carl Scully regarding the subject matter. We sat in his reception area for three quarters of an hour for a 3 o'clock meeting. At a quarter to four his assistant came out to advise us that Mr Scully would not be seeing us.

Question put.

The Committee divided.

Ayes: Ms Gardiner, Ms Hale, Ms Cusack

Noes: Ms Burnswoods, Ms Fazio, Mr Tsang

Question resolved in the affirmative on the casting vote of the Chair.

Resolved, on the motion of Ms Fazio, that the revised Chapter Five as amended be adopted.

Chapter Six, para 6.25 read.

Resolved, on the motion of Ms Hale, that in the word "understands" be deleted and replaced with "notes".

Resolved, on the motion of Ms Fazio, that the revised Chapter Six as amended, be adopted.

Chapter Seven, par 7.44 read.

Resolved, on the motion of Ms Cusack, that the following be inserted at the end of paragraph 7.44:

**The coach service tendering process**

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<sup>370</sup> Evidence, 10 June 2004 (Murwillumbah), p21

The Committee heard evidence from Mr Graham that due to the short notice of the decision to close the Casino to Murwillumbah line, there was insufficient time to call a tender for the replacement coach service. Sunstate, a Queensland coach company, was awarded the interim contract to provide CountryLink coach services between Casino and Murwillumbah.

When asked by the Committee when CountryLink would go to tender for the Casino to Murwillumbah coach service, Mr Shields advised 'That service will probably go to tender within the next month or six weeks, as soon as we can have a specification drawn up.' That advice was given on 20 May 2004, and the Committee notes that a tender has yet to be called for this coach service.

Resolved, on the motion of Ms Fazio, that the revised Chapter Seven, as amended, be adopted.

Chapter Eight, para 8.8 read.

Ms Burnswoods moved that para 8.8 be deleted.

The Committee deferred further consideration of Chapter Eight until later in the meeting.

[Mr Breen entered the meeting]

Chapter Nine read.

Ms Cusack moved a motion: that the following quotes be inserted after para 9.38:

(Mr Bennett, 9 June 2004 p7) We were all astounded by the closure of the line, especially after the promise made by Minister Costa in December 2003, when he said that it would stay open for 12 months to allow time for an inquiry into the feasibility of keeping it open.

(Ms Dowell, 9 June 2004 p32) The decision on 10 December last year to give our rail system a reprieve and gave us some confidence that we had time to bring about a change in the Government's heart. Just before Easter we were told that the 12-month commitment was broken. That caused great distress, not only in the broad community but also in Labor Party ranks.

Ms Burnswoods moved that Chapter Two be recommitted and the quotes inserted in that Chapter.

Question put.

The Committee divided.

Ayes: Ms Burnswoods, Ms Fazio, Mr Tsang

Noes: Ms Gardiner, Mr Breen, Ms Hale, Ms Cusack.

Question resolved in the negative.

Original question put.

The Committee divided.

Ayes: Ms Gardiner, Mr Breen, Ms Hale, Ms Cusack.

Noes: Ms Fazio, Mr Tsang, Ms Burnswoods.

Question resolved in the affirmative.

Ms Hale moved that Chapter Nine as amended be adopted.

Question put.

The Committee divided.

Ayes: Ms Gardiner, Mr Breen, Ms Hale, Ms Cusack.

Noes: Ms Fazio, Mr Tsang, Ms Burnswoods.

Question resolved in the affirmative.

The Committee resumed discussion of Chapter Eight.

Resolved, on the motion of Ms Hale, that para 8.8 be amended by deleting the second sentence and inserting following para 8.14 the following: "Despite the Line's closure in April 2004 on 2 September 2004 the Minister advised the House that the timeframe for voluntary redundancies was still to be finalised"

Resolved, on the motion of Ms Fazio, that the revised Chapter Eight as amended be adopted

Chapter Ten read.

Ms Hale moved a motion that: paras 10.55, 10.56, 10.57, 10.58, 10.59 and recommendation 4 be adopted.

Ms Cusack moved an amendment that: at the end of recommendation 4 the following words be inserted: "which would connect at Casino with the XPT services between Sydney and Brisbane".

Question put and passed.

Original motion as amended put.

The Committee divided.

Ayes: Ms Gardiner, Mr Breen, Ms Hale, Ms Cusack.

Noes: Ms Fazio, Mr Tsang, Ms Burnswoods.

Question resolved in the affirmative.

Ms Cusack moved that recommendation Five be adopted.

Question put.

The Committee divided.

Ayes: Ms Hale, Ms Gardiner, Mr Breen, Ms Cusack

Noes: Ms Fazio, Mr Tsang, Ms Burnswoods

Question resolved in the affirmative.

Ms Hale moved a motion that the revised Chapter Ten as amended be adopted.

Question put.

The Committee divided.

Ayes: Ms Gardiner, Mr Breen, Ms Hale, Ms Cusack.

Noes: Ms Fazio, Mr Tsang, Ms Burnswoods.

Question resolved in the affirmative.

Chapter Eleven read.

Resolved, on the motion of Ms Hale, that Chapter Eleven as amended be adopted.

The Committee resumed consideration of Chapter Three.

Resolved, on the motion of Ms Burnswoods, that para 3.1 be adopted.

Ms Fazio moved a motion that para 3.2 be amended by the inclusion of a list of freight rail services that have been discontinued since 1988, and that the secretariat obtain this list from the Minister's office.

Question put.

The Committee divided.

Ayes: Ms Burnswoods, Ms Fazio

Noes: Ms Gardiner, Ms Hale, Mr Breen, Ms Cusack.

Question resolved in the negative.

Ms Burnswoods tabled a revised list of discontinued passenger services since 1988 provided by the Minister's office.

The Committee deliberated.

Mr Breen moved a motion that para 3.2 be deleted.

Question put.

The Committee divided.

Ayes: Mr Breen, Ms Gardiner, Ms Cusack, Ms Hale.

Noes: Ms Burnswoods, Ms Fazio, Mr Tsang.

Question resolved in the affirmative.

Ms Hale moved that the revised Chapter Three as amended be adopted.

Question put.

The Committee divided.

Ayes: Mr Breen, Ms Gardiner, Ms Cusack, Ms Hale.

Noes: Ms Burnswoods, Ms Fazio, Mr Tsang.

Question resolved in the affirmative.

The Chair tabled her Chair's forward and an Executive Summary.

Executive Summary read.

Resolved, on the motion of Ms Fazio, that in the second para of the Executive summary "claimed" be deleted and replaced with "stated".

Resolved, on the motion of Ms Burnswoods, that "Given these concerns" be deleted from the beginning of the first paragraph on page 2 of the Executive Summary.

Resolved, on the motion of Ms Hale, that the Executive Summary as amended be adopted.

Chair's Foreward read.

Resolved, on the motion of Ms Fazio, that "members of Parliament" be deleted from the second paragraph and "residents of the region" be put at the beginning of the list of interested parties.

Resolved, on the motion of Ms Hale, that the number of submissions received be added to the second paragraph.

Resolved, on the motion of Ms Fazio, that the Chair's Foreward as amended be adopted.

### ***Tabling of Report***

Resolved, on the motion of Ms Hale, that the report, as amended, be adopted.

Resolved, on the motion of Ms Fazio, that any dissenting reports be lodged with the secretariat by Wednesday 17 November at 5 pm.

Resolved, on the motion of Ms Hale, that the report be signed by the Chair and presented to the House in accordance with the resolution establishing the committee of 3 July 2003.

Resolved, on the motion of Ms Hale, that pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 224, the Committee authorises the Clerk of the Committee to publish the report, minutes, correspondence, submissions (excluding confidential submissions), transcripts and documents tabled during hearings.

**6. Inquiry into Sydney Harbour Foreshore Authority/Estimates**

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**7. Next meeting**

The Committee adjourned at 5:30 pm until Monday, 29 November 2004 at 9:30 am.

Steven Reynolds  
**Clerk to the Committee**





## **Appendix 9 Dissenting statement by Government Members**

The Government members proposed amendments to the Committee's report in order to provide an evidence-based approach to the discussion about the Casino to Murwillumbah branch line and the Government's expansion and improvement of transport services in the North Coast region, and limit the politicisation of the issue.

### **Chapter 3**

In response to a question taken on notice, General Purpose Standing Committee No.4 was provided with information about disused or non-operational rail lines from RailCorp, which has been included at Appendix 5.

If the work of the Committee is to be a genuine exploration of the issues involved in the provision of country rail services in NSW and not just a political point scoring exercise, the Committee would have acknowledged the additional services which were cancelled by the Greiner/Fahey Government from 1988. This list of country rail services cancelled includes:

- The North Mail overnight services to Moree, Tamworth, Armidale, Tenterfield;
- The Western Mail overnight service to Dubbo;
- The North Coast overnight Express to Grafton;
- The Canberra Express;
- The Canberra-Monaro Express Day service to Canberra and Cooma;
- The Orange – Lithgow day service;
- The day return service from Bathurst to Sydney;
- The Silver City Comet rail service between Orange and Broken Hill via Parkes, Ivanhoe and Menindie;
- Werris Creek/Moree diesel rail car train;
- Gold Coast Motorail;
- Grafton XPT;
- Daily Canberra XPT; and
- Canberra express diesel train

### **Chapter 10**

The Government's costing for the future maintenance needs of the Casino-Murwillumbah line derive from a rigorous country network audit undertaken in 2001, not from a poorly resourced and shallow examination written by non-rail-experts.

In contrast we acknowledge that RailCorp information is based on engineering standards from operational staff, not accounting firms, and that railway operators are qualified to provide this advice.

We note the Committee – which we observe does not include any members with engineering qualifications – does not accept the infrastructure and maintenance requirements provided by RailCorp, and prefers the information presented in the consultant's report by PricewaterhouseCoopers (PwC) which was commissioned by the Federal Government in the lead up to the Federal election.

The fact is the agreement reached between the Federal Opposition and the NSW Government of \$150 million over 10 years meets the funding requirement for the line and would have secured the return of the XPT service.

While the Federal Government offered only \$30 million over two years for the XPT, which is clearly insufficient, its own report reveals that even a cheaper option such as rail cars would not be covered by the \$61.2 million the report states is required for maintenance over a 20 year period. As the Committee report notes, RailCorp have estimated it would cost \$188 million to maintain the line over twenty years.

However given the Committee believes the funding offered by the Federal Government is sufficient, we believe recommendation 5 should have sought to transfer responsibility for the branch line to the Federal Government, potentially through the Australian Rail Track Corporation which is wholly owned by the Federal Government. We understand in discussions between the NSW Minister for Transport Services and his Federal counterpart on 8 November, NSW canvassed such an offer.

We further note that while the Committee does not agree with RailCorp's assessment that the PwC report is unrealistic in relation to patronage and revenue forecasts, the consultants' report admits that 'no audit or verification has been carried out' on information supplied to them by councils and other stakeholders and acknowledges that a detailed patronage study needs to be undertaken.

Interestingly, the consultants' report assumes that 50 per cent of passengers on the service will pay full fare, while RailCorp advise on the XPT just 9 per cent paid full fare and 39 per cent rode for free.

And finally we note the report also assumes there will be a 60 per cent increase in patronage, despite acknowledging 'a sharp decrease' in the use of rail.

The dismissal of expert rail engineering advice in favour of an accountant's report written with no rail expertise demonstrates the majority committee members have little interest in providing a meaningful contribution to the discussion about the future of rural and regional transport services, and are instead interested only in politicising the issue. The undersigned Committee members believe this tactic lets down the people of the North Coast.

**The Hon Jan Burnswoods MLC**

**The Hon Eric Roozendaal MLC**

**The Hon Kayee Griffin MLC**