

FACT SHEET: CASINO-MURWILLUMBAH RAIL LINE

Costs Above and Below Rail Summary

'Below Rail' Costs:

- Recurrent expenditure on track maintenance \$3.5 million pa
- Future required infrastructure capital and maintenance expenditure: \$13.2 million over 5 years.
- Future required infrastructure capital and maintenance expenditure required over the next 20 years is \$188 million. Approximately 70% of this expenditure is required in the next 10 years.
(For noting: One Third of RIC managed timber bridges exist on the Casino – Murwillumbah line. The Bridge population includes 169 timber bridges and 29 steel bridges all in need of significant repair or replacement.)

'Above Rail' Costs

Based on 2002/03 Operating costs:

	<u>Current Costs</u> Syd - Mwmb – Syd	<u>Proposed Costs</u> Syd - Casino - Syd
Train Running Costs	15,106	13,785
Travel C & Station	3,339	2,253
Other Sales & Reservation Costs	2,791	2,791
Other Operating Costs	2,849	2,849
 Total Operating Costs	 24,084	 21,678
per annum Savings (includes 1 additional each way Coach service)		2,406
per annum Savings (includes 3 additional each way Coach Services)		1,306

Immediate Savings – Current Expenditure

- Per Annum CountryLink Savings with 1 additional each way coach service = \$2.4 million
- Per Annum CountryLink Savings with 3 additional each way coach services = \$1.3 million
- Per Annum Recurrent Maintenance Savings = \$3.5 million

Option of Casino return rail service with 3 additional each way coach services is \$4.8 million

Per Passenger Costs Looking Forward Over Next 5 Years

<u>Costs</u>	<u>Per Annum</u> (million)	<u>Per Day</u> (\$)
Operating Costs	2.4	6,575
Below Rail Costs (<i>over next 5 years</i>)	13.2	36,164
Total Cost for Casino – Mwmbh - Casino	15.6	42,740

Per Passenger Cost

All PJ travelling Casino – Mwmbh - Casino	\$106.52
PJ's less those PJ making coach connection travelling Casino - Mwmbh – Casino	\$230.90

Per Person Passenger Journey Figures (2002/03)

<u>Passenger Journeys</u> 2002/03	<u>Sydney to Murwillumbah</u>		<u>Murwillumbah to Sydney</u>		<u>Total Combined</u>	
	<i>TI PJ 02/03</i>	<i>Day Av PJ 02/03</i>	<i>TI PJ 02/03</i>	<i>Day Av PJ 02/03</i>	<i>TI PJ 02/03</i>	<i>Day Av PJ 02/03</i>
All PJ Casino – Mwmbh	67,564	184	78,894	216	146,458	400
No of PJ Connecting to Coach at Murwillumbah		86		130		216
PJ Casino - Mwmbh (less pax connecting with coach services)	36,327	98	31,234	86	67,561	184

Casino – Murwillimbah: On average per day:

Daily Average Travel by Fare Type

17 out of 184 people pay full fare

82 out of 184 travel for free or pay \$2.20

- 67 are through free pensioner travel vouchers
- 6 free are employees
- 4 are country pensioner excursion tickets –
- 5 are children travelling free on a family fare

85 out of 184 people travel with discounts of 40% or 50%

- 27 advance purchase discount fares (40% or 50%)
- 21 are half fare concession passengers (50% discount)
- 21 child tickets – 50% discount
- 16 student tickets – 50% discount

Fare Price per Passenger (Economy) from Casino to:		
Murwilbah	Brisbane	Surf/Rob
\$23.10	\$41.80	\$29.70
Either Nil or \$2.50		
40% Discount \$14.30	40% Discount \$25.30	40% Discount \$17.60
50% Discount \$12.10	50% Discount \$20.90	50% Discount \$15.40

Murwillumbah – Sydney: On average per day:

Daily Average Travel by Fare Type

13 out of 214 people pay full fare

94 out of 214 travel for free or pay \$2.20

- 75 are through free pensioner travel vouchers
- 9 free are employees
- 9 are children travelling free on a family fare
- 1 are country pensioner excursion tickets -

107 out of 214 people travel with discounts of 40% or 50%

- 35 advance purchase discount fares (40% or 50%)
- 25 half fare concession passengers – 50% discount
- 25 child tickets – 50% discount
- 22 student tickets – 50% discount

Fare Price per Passenger (Economy) to Casino from:		
Murwilbah	Brisbane	Surf/Rob
\$23.10	\$41.80	\$29.70
Either Nil or \$2.50		
40% Discount \$14.30	40% Discount \$25.30	40% Discount \$17.60
50% Discount \$12.10	50% Discount \$20.90	50% Discount \$15.40

Numbers of staff in State Government agencies affected by the closure including any job losses, redundancies or re-allocation of staff

There are 19 station and travel centre staff and 13 infrastructure staff affected by the changes.

Cost of Closing the Service

Building and Maintenance work for Casino station and securing and maintaining stations at Lismore, Byron Bay, Mullumbimby and Murwillumbah is estimated at \$160,000.

Promotional costs including timetable change advertising, printing of timetables and printing of other public communication materials is estimated at \$39,000.

The cost of closing the service for RIC is estimated at \$300,000.

Briefing note

To	Minister for Transport Services
From	Fran McPherson, Acting Chief Executive Officer Telephone: (02) 8202 3175 Facsimile: (02) 8202 2291
Date	5 April 2004
Subject	Casino - Murwillumbah

Current Position

Currently CountryLink runs a daily train service each way between Casino and Murwillumbah.

This services stops at Lismore, Byron Bay, Mullumbimby and Murwillumbah.

In addition, coaches operating under a rural country services plan provide connections to Tweed Heads, Robina, Surfers Paradise and Brisbane.

This daily train service is the only scheduled rail service (passenger or freight) to use this line.

Costs

The current operating cost above rail is \$2.4 million per annum with a daily operating cost of \$6,575. The forecast of below rail cost over the next 5 years is \$13.2 million per annum. This brings the total cost for the Casino to Murwillumbah line to \$15.6 million per annum. The cost per passenger of travelling on the Casino-Murwillumbah line per annum is \$106.52 per passenger journey. The cost of a passenger journey less those passenger journeys making coach connections travelling Casino to Murwillumbah is \$230.90 per passenger journey.

The following table provides estimated operating costs:

Cost	\$ Per Annum	\$ Per Day
Operating Cost	2,400,000	6,575
Below Rail Costs (over next 5 years)	13,200,000	36,164
Total Cost for Casino – Mwmbh – Casino	15,600,000	42,740
Cost Per Passenger	\$ Per Journey	\$ Per Journey
All PJ travelling Casino – Mwmbh – Casino	106.52	106.81
PJ's less those pj making coach connections travelling Casino – Mwmbh – Casino	230.90	232.29

The following is a breakdown of passengers and locations of where they get on or off, based on a daily average for 2002/2003:

Casino	1	
Lismore	34	
Byron Bay	29	
Mullumbimby	6	
Murwillumbah	114	(please note 86 of the 114 passengers connect to a coach service to Northern destinations)
Total	184	

The current coach expenditure is approximately \$400,000 per annum.

Proposal

A suggested way forward to minimise RailCorp's costs is to remove the daily return service from Casino to Murwillumbah and introduce new coach routes. The new coach routes would include 2 additional coach services and would also introduce friendly departure times at all stops to Coffs Harbour and friendlier arrival times into Sydney. It is also provides for direct connections in Sydney to Dubbo, Canberra and Melbourne services which may eliminate overnight stays.

The suggested new coach routes to be introduced would go from:

- Casino – Murwillumbah – Tweed Heads – Robina
- Casino – Bangalow – Kingscliff – Surfers Paradise
- Casino – Lismore – Brisbane
- Casino – Lismore – Byron Bay - Murwillumbah

- An additional coach service can also be introduced travelling from Tweed Heads to Casino departing Tweeds Heads 6:30am and arriving Casino at 10:00am.

- Departing Casino 10:30am and connecting to a train from Brisbane and back to Tweed Heads at 2:00pm

- Departing Tweed Heads at 2:30pm and getting to Casino at 6:30pm stopping at Tweed Heads, Chinderah, Murwillumbah Burringbar, Mooball, Brunswick Heads, Mullumbimby, Byron Bay, Bangalow, Binna Burra, Elthan, Becks Hill, Lismore and Casino.

All these coach services will connect with rail services at Casino in both directions.

It should also be noted that the Ministry of Transport have a contract with Kirklands to supply a daily service from Lismore to Brisbane and return.

Coach Costs

Casino – Brisbane – Casino (via Lismore)	\$350,000
Casino – Tweed Heads – Casino (via Mwbh)	\$273,750
Casino – Surfers Paradise – Casino (via Kingscliff)	\$273,750
Casino – Mwmbh – Casino (via Byron Bay)	\$273,750
Tweed Heads – Casino return (rail replacement)	\$275,000

Total Estimated Coach Cost \$1, 446,250

Forecast savings based on the above proposal is estimated to be approximately \$14.2 million per annum.



Fran McPherson
Acting Chief Executive Officer

Legislative Council Inquiry Into the Closure of the Casino to Murwillumbah Service

1. What was the advice to the Minister in relation to the future of the Murwillumbah Branch Line after the Moratorium was announced in December 2004

The Government announced its response to the Parry Inquiry on the 9th December 2003 (see attached media release). Professor Parry's interim report recommended replacing some Countrylink train services with bus services.

"In light of community consultation, the Government's response to the interim report was to retain all current CountryLink services subject to:

- *Restructuring sales and booking of CountryLink tickets and ensuring CountryLink tickets can be sold on the internet;*
- *Relocating restructured CountryLink city-based booking and sales positions to country and regional centres;*
- *Restructuring country station and travel centre staffing to better meet community and business needs in consultation with trade unions;*
- *Reviewing discount rules, concession and fares applying to CountryLink and considering a co-payment in CountryLink travel vouchers;*
- *Reviewing Countrylink timetables and frequencies to ensure they best meet commuter needs; and*
- *Reviewing Countrylink patronage, costs and revenue after 12 months."*

(from Dec 9 Press Release)

This required a range of actions to be undertaken to review CountryLink's operations. While the review is underway, interim results have not been provided to the Minister.

Prior to the minibudget announcement, the only advice that was sought was on areas of potential savings associated with the Casino-Murwillumbah service. Advice was provided to the Minister in the form of a briefing note on the 5th April 2004 (attached).

2. Given the Minister announced a 12 month review of the Murwillumbah Branch Line in December 2003, what information was used for that review (please list the documents) and what progress was made.

See response to question 1 and the attached fact sheet.

3. Who proposed the closure of the line as an announcement to be made as part of the 6 April 2004 Mini-Budget? When and why was that recommendation / decision reached.

This was a matter of budget preparation by the Government. In response to a request from the Minister's Office, advice was provided on 5th April 2004 that identified a way forward to minimise costs to RailCorp.

4. How is 'viability' of a Branch Line assessed? How is viability compared between Branch Lines? Can you explain in precise financial terms why the Minister regards the Murwillumbah line as the 'least viable' Branch Line? How are other Branch Lines ranked?

The line passes through mainly hilly terrain and crosses many rivers and creeks. There are more than 180 underbridges with a total length in excess of 4500 metres. About 85% of the bridges are made of timber. In addition there are 16 overbridges. The lines possesses 30% of the state's wooden bridges.

The following table shows anticipated expenditure over the next 20 years.

Average forecast expenditure (2001 dollars):

<i>Years</i>	<i>Total</i>	<i>Annual average</i>
1 – 5	\$66.0m	\$13.2m
6 – 10	\$62.0m	\$12.4m
11 – 15	\$35.0m	\$7.0m
16 – 20	\$24.0m	\$4.8m
TOTAL	\$188.0m	\$9.4m

Of this \$188m, the major components are:

Tasks	<u>Cost</u>	<u>Life expectancy</u> (years)
Replace timber sleepers with steel	\$32.0m	50
Replace timber underbridges	\$92.0m	100
Replace timber overbridges	\$4.5m	100
Repair and painting steel bridge	\$2.2m	40
Repair geotechnical problems	\$12.5m	25
Routine maintenance	\$19.0m	na

5. **Will you provide an overview of the tender process and outcome for the CountryLink contract for busses (including when the tender was approved; when advertised; who submitted; how evaluated; when awarded; value of tender and how it is being funded)**

There were three pre-existing publicly tendered contracted coach services providing connections to and from the XPT service at Murwillumbah on a daily basis. The conditions of the contracts are such that the routes to be serviced can be extended or modified by negotiation without further tenders being required.

The contracts in question were advertised in June 2002 and after evaluation on a value-for-money basis by an evaluation panel including officers of StateRail, the MoT and contracted financial

To service the new operation from 17 May, the routes operated under the contract were extended from Murwillumbah to Casino and an additional 3 services a day were provided in each direction. These services have been provided by Sunstate Charters on an interim basis pending public advertising, evaluation and award.

The funding of CountryLink rural coach services is by way of Government CSO allocation.

The costs of coach services by route are;

Brisbane - Casino - Brisbane via Lismore	\$350,000
Surfers Paradise - Casino - Surfers Paradise	\$273,750
Robina - Casino - Robina (via Kingscliff)	\$273,750
Murwillumbah - Casino - Murwillumbah (via Byron Bay)	\$273,750
Tweed Heads - Casino - Tweed Heads (rail replacement)	\$275,000
Total	\$1,446,250

6. **What alternatives were identified to closure of the Branch Line? Was consideration given to using part of the Branch Line (eg; continuing the XPT service beyond Casino to Lismore) – if yes, why was it not pursued and if not, why not?**

No. The topography and maintenance requirements of the line (outlined in response to Question 4) did not allow using part of the branch lines.

7. **In relation to the future of the XPT service to Murwillumbah and the rail line generally, what other agencies were consulted as part of the Parry Inquiry and the review initiated by the Minister in December 2003? Can we obtain copies of their submissions.**

The Parry Inquiry was conducted independently of RailCorp, therefore RailCorp is not in a position to identify which agencies were consulted nor provide copies of submissions received.

8. **What was the total value of CSO's in the Northern Rivers for the past 10 financial years? Are CSO's weighted for population age and socio-economic demographics? How do CSO's per capita in the Northern Rivers compare with the rest of the state over the past 10 years and what is projected in the future?**

Above Rail CSO

CountryLink is subsidised via a number of mechanisms that can be simplified into three main categories:

- Subsidies for losses
- Passenger fare subsidies
- Specified allocations such as capital

Provisions for losses are allocated on a 'whole of CountryLink' basis and are not specific to a particular service or route. These are provisioned on an accrued financial year basis and therefore vary from year to year.

The overall financial position for 2002/03 as stated in the Parry Inquiry is:

- \$69 million Earned Revenues
- \$218 million Total Costs
- \$149 million Subsidised Costs.

CountryLink's operating subsidy position for the Murwillumbah service over the past three years is:

	<u>1999/00</u>	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>
Total Subsidies (incl CSO)	14,374	14,429	14,945	17,072
Fare Subsidies	10,560	7,776	8,402	7,679

Below Rail CSO

RIC receives via a 5-year Line CSO Agreement, \$285 million per annum for the country network as defined by the Agreement. This CSO amount is not allocated in the Agreement to a per-line basis, however, based on an "allocation" of access revenue and maintenance, network control and other costs approximately \$3.9 million of CSO funding can be assumed to be allocated to the line.