

**Submission
No 209**

**INQUIRY INTO THE CLOSURE OF CASINO TO
MURWILLUMBAH RAIL SERVICES**

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Subject:

Summary

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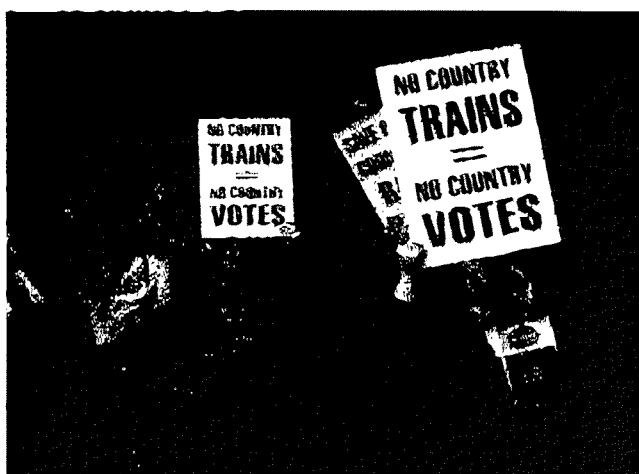
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Rail Tram & Bus Union, NSW Branch

Submission to NSW Legislative Council Inquiry into the Closure of Casino to Murwillumbah Rail Service



June 4, 2004

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Terms of Reference

That the 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 claim 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.

Findings and Recommendations

- a) That this inquiry demand from Treasury and the Ministry of Transport Services all relevant files and documents about the closure of the XPT service and the contract for the replacement coach service, and that they be examined in public hearings, before the conclusion of this inquiry.
- b) The decision to replace the Casino – Murwillumbah XPT service with road coaches:
 - was not based on a detailed recommendation of the Parry Final Report,
 - was not consistent with the NSW Government response to the Parry Final Report,
 - is not supported by any publicly economic cost / benefit analysis, and
 - replaces secure jobs with union collective agreements, with lower paid, insecure jobs without a union collective agreement.
- c) The level of state subsidy to CountryLink compares well with that to CityRail and Sydney Buses.
- d) The decision to close the Casino – Murwillumbah XPT service contrasts sharply with new investments in regional passenger rail services in Queensland, Victoria and Western Australia. NSW lacks a forward looking regional passenger rail policy.
- e) There is no evidence to support the claim that there will be a \$5 million per year saving as a result of the decision to close the Casino – Murwillumbah XPT service.
- f) The decision results in a direct loss of 42 full-time equivalent jobs, and indirect cost of 79 full-time equivalent jobs, with a total loss to the Northern Rivers region of \$5.8 million per year. There are significant, non-quantifiable, induced job losses in the region. There is currently a loss of 32 per cent in passenger numbers, with consequent regional economic losses and increased road external costs. There is an increased cost to CountryLink due to increased barracks detention for on-board service rosters.
- g) The NSW government should enhance its own initiatives – like the Tweed Heads Ministerial Taskforce and the Transport Services Minister's Working Party on the Future of the Casino – Murwillumbah Rail Corridor – by initiating a federal – state – local government project to renew the Casino – Murwillumbah rail line and extend it into Queensland to create a modern rail option for the Northern Rivers – Gold Coast super region, which would provide a genuine alternative to the expensive and continually stressed highway options.

- b) That the Casino – Murwillumbah the XPT service be reinstated, the line be upgraded, and that an independent expert study, sponsored by the NSW and Queensland governments, be undertaken to develop a plan for an integrated land transport system for the Northern Rivers and Gold Coast, and that a Northern Rivers region-wide application be made to the Roads To Recovery program to help fund the rail renewal.
- i) That a long-term plan for CountryLink rail services be developed within two years, based on upgraded rail infrastructure and the next generation of regional trains, underpinned by a substantial growth in rail travel
- j) That the CountryLink rail services be retained and upgraded; that the CountryLink Travel Centres and Booking Office Network be retained, and upgraded, and that all the current constraints placed on their businesses be lifted.
- k) Support the NSW Farmers Federation in its decision to call for all grain branch lines to continue to operate and for more information to be gathered, in a transparent process, before a further consideration is made. The Inquiry should ensure that the NSW parliament is fully aware of the whole NSW railway picture and that it makes a decision based on the long-term interests of the people of NSW in their rail assets.

Introduction

The Rail Tram & Bus Union, NSW Branch, represents 13,000 employees in the rail, light rail and government bus industry. The RTBU is affiliated to the NSW Labor Council, the Australian Council of trade Unions, the International Transport Workers Federation (ITF) and the Australian Labor Party (NSW Branch).

The RTBU is strongly opposed to the closure of the XPT rail service between Casino and Murwillumbah, because it costs our members their jobs, reduces incomes and other jobs in their regional community, and reduces the quality of transport services for the region. The RTBU is also convinced that this closure is only the start of a new round of rail service cuts in regional NSW, with much bigger implications for our members and their communities, and the future of transport services in NSW.

This closure contrasts starkly with passenger rail service improvements in Queensland, Victoria and Western Australia in recent years, and ongoing programs in these States.

It appears that the NSW government has taken a myopic view of the finances of the Casino – Murwillumbah branch line, and made a decision that flies in the face of regional transport and land use planning imperatives.

The RTBU has placed a ban on any demolition of the Casino – Murwillumbah track until the Inquiry is concluded, and the RTBU has committed itself to join the North Coast communities in their campaign to have the XPT service re-opened.

The RTBU also argues that the management decisions about CountryLink Travel Centres are a feature of the problems in the Casino – Murwillumbah service, and that these need to be addressed by this Inquiry. Similarly, the closure of the Murwillumbah branch line, we argue, indicates an intention to close many other branch lines in NSW.

In summary, the RTBU is arguing here for the future of rail services between Casino and Murwillumbah, and for the future of rail services in NSW beyond the CityRail network.

We believe it is a serious economic, social and environmental policy mistake and gross political error for the Carr Labor government to close this service and to contemplate the broader closure of regional rail services in the coming period.

Our detailed arguments are set out below.

The decision to close the XPT Service between Casino and Murwillumbah, and replace it with a coach service

The decision to close the Casino – Murwillumbah XPT Service and replace it with a coach service was taken after the April 6 Mini-Budget Speech by Treasurer Michael Egan MLC.

The Mini-Budget Speech did not specify any cuts to rail services, rather it announced big spending programs for CityRail services in infrastructure simplification and in new rolling stock.

There are no publicly available documents relating to the decision, or to the claim that \$5 million can be saved per year by this decision. There is no evidence of community consultation before this decision was taken.

Sunstate Coaches, of Ascot, Brisbane, now has a contract with CountryLink or with the NSW Department of Transport Services, to provide the relevant coach services. However, there are no documents available about the scope of this contract. Sunstate referred the RTBU to the General manager of CountryLink and to the Minister for Transport Services. We have had no reply from the Minister for Transport Services.

As far as the RTBU can determine, Sunstate has no industrial agreement with the Transport Workers Union, and it is likely that the employees work under individual contracts.

As it stands at present, there is no evidence that the NSW government will "save" \$5 million per year as a result of this decision, but there is evidence that NSW will lose a lot.

The RTBU strongly recommends that this inquiry demand from Treasury and the Ministry of Transport Services all relevant files and documents about the closure of the XPT service and the contract for the replacement coach service, and that they be examined in public hearings, before the conclusion of this inquiry.

Parry Report on Sustainable Transport in NSW proposed closure

The decision to replace the North Coast XPT service with road coaches fits the recommendations of the Interim Report of the Parry

Inquiry into Sustainable Transport in NSW (August 2003), to replace some CountryLink rail services with road coaches.

Back in August 2003, Prof Parry reported:

"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 rollingstock. 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 community transport services, may better meet health and community transport needs and, thereby, provide far greater benefits to rural New South Wales." (p. xiii)

He recommended:

"Replace some CountryLink rail services with CountryLink bus services."
(pp. xvii)

This recommendation, which did not specify any particular CountryLink train service, was rejected by the NSW government, for at least 12 months.

In the Final Report (December 2003), Prof Parry responded to vigorous objections from a range of organisations in regional NSW to his interim recommendation. These included the NSW Transport Authorities Retired Employees Association (Orange Branch), the Association of Independent Retirees, the University of New England, Walcha Council, and the ACT Government.

Prof Parry noted that in 2002-03, CountryLink recovered 20 per cent of costs from fares, and a further 20 per cent from Community Service Obligation payments for concession and free travel. The remaining subsidy (60 per cent) represented \$0.14 per passenger kilometre, compared to \$0.20 for CityRail and \$0.07 for Sydney Buses. (pp. 47)

Despite this apparently quite acceptable level of subsidy compared to urban services, Prof Parry went on to summarise in a way that would justify the Casino – Murwillumbah decision:

"Access to transport services is a significant community concern in rural and regional NSW. Considering the potential for changes to the way CountryLink services are delivered is a means of exploring if there are better ways to use available resources. Achieving

efficiencies can allow the government to maximise the services it can provide to meet the whole community's needs. ...

The Inquiry believes a flexible and case-by-case approach is needed when considering alternatives. Many stakeholders highlighted the limitations of coach services. Although coaches cannot replicate trains in every aspect, there is some potential for them to be modified to better meet passenger needs. ...

Although a number of communities have strong historical, emotional and service-based attachments to rail, it is hard to see how the current arrangements can be sustainable in the long term. CountryLink, regional communities and the Government have to be prepared to face significant changes in all aspects of CountryLink's operations if it is going to provide a significant transport role in the future."

In hearings, Prof Parry did put to various parties that the Casino – Murwillumbah service should be closed.

In the Final Report, he recommended much more limited measures to improve CountryLink finances, including less generous ticket discounts for advanced bookings, and more detailed studies of the actual cost / benefit of the subsidy provided to CountryLink – including community consultation.

The NSW government accepted these more limited recommendations in the Final Report.

In conclusion, the decision to replace the Casino – Murwillumbah XPT service with road coaches:

- was not based on a detailed recommendation of the Parry Final Report,
- was not consistent with the NSW Government response to the Parry Final Report,
- is not supported by any publicly economic cost / benefit analysis, and
- replaces secure jobs with union collective agreements, with lower paid, insecure jobs without a union collective agreement.

The decision appears to have flowed from recent setbacks for the branch line:

- December 7, 2003 – Ritz Rail, operator of a tourist train between Murwillumbah and Lismore / Byron Bay, closed its operation due to increased insurance costs. Ritz Rail is for sale, and some of its rolling stock is sold.

- Late December, 2003 – Interail, a QR subsidiary, ceased operating the only rail freight service on the line – a fly ash train from Wyee to Murwillumbah. The fly ash is now transported to Murwillumbah from Brisbane by truck. The fly ash train lost its Community Service Obligation payment and was restricted to seven wagons per train, making it uncompetitive with the road option.

These setbacks meant that only the CountryLink XPT operated on the line.

Instead of looking at the regional transport network and options to integrate with south-east Queensland, the Department of Transport Services has looked only at the XPT and decided to axe it. This is extremely short-sighted.

Prospect of \$5 million per year savings

CountryLink does face significant challenges because its XPT fleet needs replacing in the next few years at a cost of \$250 million. Its entire fleet, including the Endeavour and Explorer sets, needs replacement by 2010 at a total cost of \$855 million. If these fleet renewals take place, however, operational maintenance costs will decline. As well, track infrastructure needs to be renewed, and on some branch lines, almost all of this cost will now be allocated to CountryLink. This is because of the recent 60-year lease between the NSW government and Australian Rail Track Corporation for the mainline track and Hunter Valley Coal Lines, but which also transfers the remainder of the rural rail network to ARTC management, as long as it is funded by the NSW Treasury.

The RTBU was told that the cost of repairing or replacing rail bridges on the Casino – Murwillumbah Line was a major factor in the decision to close the XPT service, but again, no documentation has been forthcoming from CountryLink or the Department.

In a media release on May 13, 2004, the Minister for Transport Services claimed that it would cost \$188 million over 20 years to maintain the Casino – Murwillumbah branch line. That is a cost of \$9.4 million per year. There is no documentation available to support this claim.

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.

The following jobs will be lost to the region with the closure of the XPT service:

Direct Jobs

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			
Total	15	3	15		4		6	1

The total number of full-time jobs lost is 40, and total number of part-time jobs lost is 4. At an average income of \$45,000 per year for a full-time job, this adds up to a regional income loss of \$1.89 million per year.

Indirect jobs

In the 'On the Wrong Track' 1998 study, (The Impact of Contracting Out by Rail Services Australia on Regional Economies and the Labour Market), by Richard Denniss and Phillip Toner of the University of Newcastle for the RTBU, the multiplier for job loss is 1.86. Thus the indirect impact of 42 equivalent full-time job losses is 78 further jobs.

At an Australian average weekly earnings of \$50,000 per year, this is a further loss of \$3.9 million to the Northern Rivers per year.

Induced job loss

As well as the measurable direct and indirect job losses to the Northern Rivers, there are the further job losses related to those economic activities that will now not take place because of the lack of the rail service.

The RTBU has not had the time to calculate this induced job loss, but it will take place in the following sectors:

- **Tourism** – a segment of the tourism market uses trains where possible, and will not visit a region that lacks a rail connection. This includes both the youth – backpacker sector and the elderly. The closure of the line also closes off the opportunity to re-start tourist trains and local passenger trains.
- **Aged Care** – elderly people and people with disabilities often prefer to use trains rather than buses to travel and to visit. Aged Care services are a feature of the Northern Rivers economy, and these will be less attractive without the rail connection to Sydney and to other regions in NSW, and without the prospect of a rail connection to the Gold Coast and Brisbane.
- **Health Services** – the Lismore Base Hospital operates in a shrinking town economy, and the closure of the rail service to Lismore will have a further negative impact.
- **Education** – school and university students, and the families of staff, need rail links.
- **Freight Services** – the closure of the branch line eliminates the prospect of a return of rail freight services to the region. This will discourage businesses from setting up in the region, particularly those who require bulk transport services.
- There is also an induced region-wide job loss because of the perception that the Northern Rivers is losing state government support, and will not have a balanced land transport network that properly integrates with south-east Queensland, where, in contrast, there is vigorous investment in rail services and an intention to develop light rail services.

These induced job losses are considerable, and the RTBU urges the Inquiry to weigh them carefully in the balance when making its recommendation.

Transport impacts

The closure of the XPT service on May 17, 2004, and its replacement with buses, has already had a measurable impact on the pattern of transport usage in the region.

CountryLink data indicate that bus patronage is much lower than XPT patronage for the same period in 2003.

Casino – Murwillumbah CountryLink Patronage

Service 3	2004 (bus)	2003 (rail)	Service 4	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
8 day av	94	118		83	144
% change	- 20.3 %			- 42.4%	

• Source CountryLink

In other words, CountryLink is losing an average of 85 people a day because of the closure of the XPT and the switch to buses.

The new timetable for the Casino – Sydney XPT has an unrealistic commitment to link with CountryLink services to Dubbo, Melbourne and Canberra. This may be a costly commitment if the Casino XPT is late.

Not only should this send a wake up call to the Minister, but it should alert this Inquiry to the negative impact of the closure. Some of these lost customers may well make their journey by car or another bus service, but it is more likely that they don't make the journey at all.

While there are no on-board service jobs lost as a result of the closure of the Murwillumbah XPT, there has been a major impact on the on-board service rosters in Sydney. There are now an extra 83 hours of barracks detention every day in the roster, due to the changes caused by the closure. This more than offsets the savings in wages for the on-board crew no longer required for the Casino – Murwillumbah XPT.

Road costs

The decision to close the XPT rail service will mean some transfer of passengers to cars, as well as to the buses, on the Pacific Highway, and this will be an increasing trend over time. This will add to the costs of highway and main road maintenance in NSW and add to the costs of accidents, injuries and fatalities which occur on the roads at a higher rate than on the railway.

A recent Roads and Traffic Authority report (may 2004) found that traffic volumes on the Pacific Highway have surged 80 per cent since 1990, with freight vehicles a big part of the increase.

Trucks were involved in one-third of all fatal accidents on the Pacific Highway in 2003, when 56 people were killed. It was the highway's deadliest year since 1989.

Interstate comparisons

Victoria

Under the Regional Fast Rail Project, the Victorian Government is spending \$550 million to upgrade the mainline tracks to the state's regional cities of Ballarat, Bendigo, Geelong and the Latrobe Valley. It is the biggest renewal of these lines in 120 years. Train speeds will be able to reach speeds of 160 kilometres per hour when the rails, fasteners, sleepers and ballast are renewed, along with realignments, improved signalling and train protection systems, improved level crossings and more track duplication and passing loops. The works began in 2004 and are due for completion in 2005.

As well, the Victorian government is spending \$535 million to build the new rolling stock – 38 trains - for these fast regional rail services. This contract has created 1,000 new jobs in the Dandenong factory of Bombardier Transportation and across the state.

The Victorian government is really promoting the direct jobs, the indirect jobs and the induced jobs flowing from this significant project.

South East Queensland

On November 6, 2003, the Queensland Government announced that it would invest \$274 million into the Gold Coast rail infrastructure and new rolling stock. Track improvements will cost \$184 million – duplication of the 7 kilometre track between Ormeau and Coomera, and a third dual gauge track on the 9.5 kilometre section between South Brisbane and Kuraby. \$63 million will be spent on seven three-car train sets. The result will be 50% more passenger capacity and services every 15 minutes during peak hours.

Western Australia

The WA government has committed to improve its Australind passenger rail service from Perth to Bunbury and south west to Manjimup and Margaret River. It found that the upgraded highway link from Perth to Bunbury now gives a journey time of one hour and 50 minutes, compared to the present train journey of two hours and 30 minutes. To improve transit times and increase patronage, various

combinations of more rolling stock and new track at a cost of \$140 million would treble capacity and improve transit time for the train service to Bunbury to 90 minutes – better than the highway. The WA government is still considering the options. It is already building the new Perth – Mandurah line, as part of the regional expansion to the south of the Perth – Kwinana metropolitan area. This Mandurah line may become part of the new plan for train services south of Mandurah.

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.

The Casino to Murwillumbah rail line has fallen through the cracks between the guarantees provided for the 'residual' rail network in rural NSW, when the 60-year ARTC lease of the mainline and Hunter Valley Coal Lines came into effect. The problem is that since December 2003 there was no freight service using the line, and the 'guarantees' did not extend to lines only used for CountryLink trains.

Yet the Northern Rivers region of NSW is experiencing dynamic population growth, especially in coastal towns, and it is adjacent to the Gold Coast – Southport region of south-east Queensland, which is experiencing even greater population growth. The Gold Coast is already the focus of intensive road and rail corridor developments because of a long-term failure to address infrastructure needs until recent times.

Current transport plans for the Gold Coast include:

- \$360 million Tugun by-pass for the Pacific Highway, running west of Coolangatta Airport to Tweed Heads. Construction to commence in late 2005. Funding – Queensland \$240 million, Federal Government (AusLink) \$120 million.
- \$247 million improvement to the CityTrain Gold Coast railway track, new stations and new train sets to increase peak hour capacity, and overall capacity by 50 per cent
- Feasibility Study recommends a \$400 million light rail link for 20 kilometres between Broadbeach and Parkwood, to be running by 2009. 16 trams expected to carry 60,000 people per day.
- Queensland government announced in March 2003 that it is considering an extension in stages of the railway from Robina to Tugun, following an Impact Assessment Study which identified a proposed route, station locations and park-and-ride facilities for the

rail extension. There is no final commitment or timetable yet for this extension.

A joint Federal – Queensland – Local government Corridor Study of the southern Gold Coast – Tweed Corridor is also underway. It began with an Issues Paper in 1997, and has produced the proposed Tugun bypass for the Pacific Highway and the proposed Robina – Coolangatta rail extension plans. It is studying the environmental, economic and social needs for integrated land use and transport planning in this region which spans the NSW – Qld border.

In response the closure of the Casino – Murwillumbah XPT service, the Federal Government has allocated \$50,000 towards a joint feasibility study with the Queensland government and local councils for a rail link between Murwillumbah and Queensland.

While it is unlikely and undesirable for the Northern Rivers region will transform into a second Gold Coast, there is no doubt that it faces similar transport and land use planning challenges.

The Queensland Government of 1961 made a huge error in closing down and Beenleigh - Coolangatta rail line and selling the corridor, only to be faced, 35 years later with the need to buy a new corridor at very high cost to reinstate the service. It would be tragic for the NSW government to repeat this order of error in 2004. A highway will never be able to meet all the transport corridor needs on the Northern Rivers.

NSW Interim Population Projections, Tweed and Richmond Valley

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

Source: 2001 Census, projection April 2003

Population in the region is growing and will continue to grow. Current projections show large population increases for people of working age and retirees in the next 12 years, but a small loss of population in the 0-19 age group. This is a population profile that will require more rail passenger transport, not less. A more supportive policy for Northern Rivers may well help retain the younger population in the shires of Casino, Richmond River, Kyogle and Lismore, where the fall is predicted.

There are significant volumes of local, interstate and inter-regional traffic generated in the Tweed – Coolangatta area, with both cities

being designated as growth centres by their relevant planning authorities.

However, Tweed Heads is at present a centre in decline, with many vacant properties in its business district, and its population now at 50% over the age of 65. A major response to this situation is the Economic Development Strategy devised by the Tweed Heads Ministerial Taskforce, which has developed a range of concepts dealing with leisure, tourism, active living, a strengthened local identity, a knowledge centre and a living business centre.

Key transport links for these planning concepts include light rail to Coolangatta and the airport, and to a heavy rail station at Tugun, and a river ferry link to Murwillumbah.

This would integrate Tweed Heads into the Gold Coast, but would reinforce the transport divide to the Northern Rivers. A rail link between Murwillumbah and Tugun is an obvious objective, but assumes that the link south from Murwillumbah still operates.

In the June 2003 report to the Federal Minister for Transport and Regional Services, titled *Regional Business – A Plan for Action*, the Northern Rivers region of NSW is classed as “inner regional” – closer than other regions to services and with a greater population size than outer regional, remote and very remote regions of Australia. In this era of accelerated economic globalisation, the report emphasises that “connectivity” is a vital characteristic for regional development.

The Northern Rivers region is rich in agricultural and natural environmental values, with long established towns and cities, and road, rail and air links, and with schools, TAFE colleges, universities and hospitals. But it has been sharply impacted by restructuring of rural industries, particularly dairy, and the uneven extension of broadband communication services in regional Australia. Now it is being hit by the withdrawal of a longstanding rail link.

Regional Business - A Plan for Action proposed that identified regional infrastructure shortfalls be addressed by a formal process of federal – state – local government partnerships in a nationally-agreed set of regions. It recognised that government must lead infrastructure investment in the regions, because private sector initiatives, like Public Private Partnerships for urban tollroads, would not work in the regions. It called for a National Infrastructure Advisory Group, and a regional infrastructure bond market.

In the absence of this national approach, the NSW government should enhance its own initiatives – like the Tweed Heads Ministerial Taskforce and the Transport Services Minister’s Working Party on the Future of the Casino – Murwillumbah Rail Corridor – by initiating a federal – state – local government project to renew the Casino – Murwillumbah rail line and extend it into Queensland to create a

modern rail option for the Northern Rivers – Gold Coast super region, which would provide a genuine alternative to the expensive and continually stressed highway options.

An untapped financial resource for this project is the Federal Government's Roads To Recovery Program, which from January 2005 includes a \$100 million per year facility for local government to propose strategic transport investments, which may be rail as well as road. The NSW government must itself invest in this project, above whatever may be obtained from Roads To Recovery, because it has the prime leadership role in taking the Northern Rivers forward in a sustainable development strategy.

Between January 1, 2001 and May 31, 2004, the Shires in the NSW Northern Rivers received the following Roads To Recovery funds:

Shire	Amount
Ballina	1,717,809
Byron	1,243,279
Kyogle	1,927,621
Lismore	2,547,592
Richmond Valley	2,061,770
Tweed Heads	3,617,377
TOTAL	13,115,448

Source: Federal Dept of Transport and Regional Services

That is over \$3.8 million per year.

The Casino – Murwillumbah line requires significant bridge works as well as a general upgrading to modern curve, gradient and speed standards. The RTBU does not have the data to quantify this investment. Let us assume that the Minister for Transport Services is correct and it requires \$9.4 million per year for 20 years, and that this should be spent in 10 years, or about \$20 million per year. And let us assume that \$5 million per year is available through the Roads To Recovery Program. This requires a NSW government investment of \$15 million per year for 10 years.

In the absence of any data from the Minister for Transport Services, let us compare the Casino – Murwillumbah Line and the Tottenham – Bogan Gate grain branch line in western NSW. The Murwillumbah branch line is 130 kilometres long and includes some challenging hill country. The Bogan Gate branch line is 115 kilometres long. Faced with the threat of line closure, the farmers carried out their own research on costs, and mounted protest actions this year. In March 2004, the Transport Services Minister committed \$5.3 million to re-sleeper 94 per cent of the line and upgrade all its bridges. Yet it is argued that the Casino – Murwillumbah Line requires double that for 20 years to be maintained at a suitable standard.

The Tottenham – Bogan Gate line carries a lot of grain and is seasonal. The Murwillumbah line carries people all through the year,

and could, if kept open, carry freight as well. Why is one staying open and being upgraded, and the other closed?

Even \$15 million per year for 10 years is a relatively small, sustainable investment for RailCorp, for the very long-term benefit of a quality rail link for freight and passenger services to a growing and changing region of NSW, and also linking to the high growth region of the Gold Coast. But the actual cost may be lower.

It is only in the rather different policy framework of a general closure of CountryLink train services, and a broad withdrawal of the NSW Government from the 'residual' rail network, that a commitment to the Casino – Murwillumbah Line appears to be unsustainable.

Spending on opened Pacific Highway works in Northern Rivers under the Pacific Hwy Upgrading Program (started 1996)

Tweed - Chinderah By-Pass	\$67 million.
Tweed/Byron - Yelgun to Chinderah	\$348 million
Byron - Brunswick Heads By-Pass	\$17.4 million
Byron - Tandy's Lane deviation	\$62 million
Byron - Ewingsdale to Tyagarah	\$22 million
Byron - Ewingsdale Interchange	\$25.5 million
Byron - Bangalow By-pass	\$5 million
Richmond Valley - Gap Road Deviation	\$9.5 million
No major work in Ballina (\$3 million only upgrading Hwy).	
Kyogle and Lismore are not covered by the Pacific Highway.	
Total	\$559.4 million.

Source: RTA Annual Reports

Upgrading the rail infrastructure in this same corridor will cost a lot less and it is a scandal that it could be closed down while the highway is thoroughly modernised.

The Northern Rivers' local roads have received an extra \$13.1 million since January 2001, and the Pacific Highway in the region has had \$560 million spent on it in new works since 1996, but the railway has been allowed to go backwards. This is a classic expression of the policy failure in NSW and nationally when it comes to integrated land transport planning.

The RTBU strongly recommends that the Casino – Murwillumbah the XPT service be reinstated, the line be upgraded, and that an independent expert study, sponsored by the NSW and Queensland governments, be undertaken to develop a plan for an integrated land transport system for the Northern Rivers and Gold Coast, and that a region-wide application be made to the Roads To Recovery program to help fund the rail renewal.

Any other matters arising from the Government's decision to terminate the rail services.**CountryLink Travel Centres**

The closure of the Casino – Murwillumbah XPT service advances a major shake-up of the CountryLink Travel Centres. The NSW Government, again following the Parry Report, is targeting the Travel Centre network for massive change or closure.

The Travel Centres are a vital part of a viable CountryLink system. Therefore, this Inquiry should take a firm stand in favour of CountryLink and its Travel Centres.

The RTBU advocates that the Central Reservations Centre in Sydney and the CountryLink Travel Centres and Booking Office Network be retained, and upgraded, and that all the current constraints placed on their businesses be lifted. The Travel Centre Network can be an asset to RailCorp, rather than the liability is now painted to be.

There are 833 people employed in CountryLink, and 274 positions in its Travel Centre Network, including 100 in the Central Reservations Centre. Their jobs are at risk and the risk is linked to the decision to close the Casino – Murwillumbah XPT.

There is no documentation to support the closure of the Central Reservations Centre and its transfer to Newcastle. In this transfer, skilled and experienced staff will be lost and inexperienced workers will be recruited, to the detriment of the CountryLink service.

These immediate steps should be taken to correct the current problems and perceptions of problems:

- cancel the decision to close the Central Reservations Centre in Sydney
- terminate the contract with the Salmat Call Centre in Melbourne and direct all Victorian calls to CountryLink Reservation Centre in Sydney.
- direct all calls within the Sydney, Newcastle and Wollongong capture areas to CRC Sydney

- direct all 132 232 and 132 242 calls in country NSW to the nearest Travel Centre, Booking Office or station during normal business hours and transfer them to Sydney outside these times.
- allow CountryLink Travel Centres to sell international and domestic travel products as well as rail products. The restriction to rail only products cuts access to the travel market to just 13% for CountryLink Travel Centres
- allow and encourage CountryLink Travel Centres to bid for NSW government travel business - NSW Health, RTA, Corrective Services, Education, Agriculture and other departments / agencies to use the CountryLink Travel Centres
- allow CountryLink Travel Centres to bid for Federal government travel business, such as Defence.
- reverse the decision to withdraw CountryLink Holiday Packages, which is in reality a 'wind-down' strategy
- urgently replace the redundant Travelink Reservation System with a new system that integrates bookings on all Australia's passenger railways
- reverse the decision to forbid CountryLink Travel Centres from joining in Third Party advertising and promotions
- if these restraints on the Travel Centre Network are not removed, then all rail bookings in locations with Travel Centres and Booking Offices, should be done exclusively through CountryLink Travel Centres. Otherwise we are just privatising railway passenger bookings.
- urgently upgrade the rail lines from 19th century gradients, curves and alignments to standards that are equal to highways, to make rail travel a realistic alternative for more Australians and foreign visitors.
- renew CountryLink rolling stock to maintain a high quality and attractive service to our customers.

Future of the non-mainline NSW rail network

It was a poor choice of words in the 60-year ARTC lease to define the non-mainline track as 'residual'. Far from being a left-over, these branch lines have been a vital part of the transport system in NSW for over a century. Just because they are not of interest to ARTC, does not mean they do not continue to provide crucial transport services today.

These lines are generally used for seasonal grain haulage or other freight services supported by Community Service Obligation payments to Pacific National or other operators.

Under the ARTC lease, ARTC will maintain these lines to a standard set by the NSW government, and funded by the NSW government, using RailCorp infrastructure maintenance workers.

There are 713 RailCorp employees allocated to the non-mainline tracks in NSW. Their jobs are at risk, and that risk is linked to the closure of the Casino – Murwillumban branch line.

As the ARTC lease was finalised in 2003, the NSW Grain Advisory Committee – set up early in 2003 - carried out a study of the future of the branch grain lines. In its detailed report, it recommended that three lines be closed and a further seven be subject to more study before a decision was made. Five branch lines were recommended for upgrading. These lines are classed as 'restricted' – using only partially loaded wagons, light locomotives and under speed restrictions.

Data on grain train operations was provided by Pacific National; that on track maintenance was provided by Rail Infrastructure Corporation (now RailCorp); and that on road maintenance costs was provided by the Roads and Traffic Authority and local councils.

Grain trains on these restricted lines did 199.5 million gross tonne kilometres in 2001-02, of which 95% was grain. That year the biggest task was 170,000 tonnes (4,400 truck loads) hauled on one line and the average was 88,000 tonnes (2,300 truck loads). RIC reported that the 'fix when fail' maintenance cost was an average of \$13,600 per kilometre of track, or \$1.10 per tonne hauled.

The NSW Farmers Federation has decided to call for all 15 lines to remain open because the figures for tonnages hauled on some lines were greatly underestimated. In particular, the Boree Creek – The Rock line was listed as carrying an average of 88,000 tonnes per year, but this year it will carry 200,000 tonnes. Farmers object that lines will be shut because nothing has been spent on them for decades – the Gwabegar – Binnaway line has not been maintained since the 1960s. They also say that the road costs did not include damage to local roads by thousands of more truck movements per year, but only calculated costs to main roads. The 'fix when fail' regime is an increasingly costly regime, because the track is now at the end of its useful life. Upgrading now would greatly reduce maintenance costs.

As well, the costs of rail upgrading included private sector finance costs, rather than the actual costs to RailCorp.

Protest action, supported by good research, by farmers on the Tottenham – Bogan Gate line, won through in March this year, when the Transport Services Minister announced that the line would be upgraded at a cost of \$5.3 million - replacing 94% of the sleepers and upgrading the bridges.

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The RTBU supports the NSW Farmers Federation in its decision to call for all grain branch lines to continue to operate and for more information to be gathered, in a transparent process, before a further consideration is made.

The closure of the Casino – Murwillumbah Line is part of the bigger picture of NSW Treasury deciding which parts of the rural rail network that are not in the ARTC lease will remain open.

The Inquiry should ensure that this policy is not adopted piece by piece, but that the NSW parliament is fully aware of the whole picture and makes a decision based on the long-term interests of the people of NSW in their rail assets.