

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 4

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

At Murwillumbah on Thursday 10 June 2004

The Committee met at 3.00 p.m.

PRESENT

The Hon. J. A. Gardiner (Chair)

The Hon. P. J. Breen
The Hon. J. C. Burnswoods
The Hon. C. E. Cusack
The Hon. K. F. Griffin
Ms S. P. Hale

CHAIR: I declare this public hearing of General Purpose Standing Committee No. 4 open. This is the fourth hearing of the Committee's inquiry into the closure of the Casino to Murwillumbah rail service. Before we get under way I would like to make some comments about aspects of the Committee's inquiry. This inquiry has received widespread media coverage and has aroused considerable feeling in the community, and the attendance of many of you today at this public hearing reflects the depth of that feeling. I take this opportunity to welcome the audience and thank you for your very strong interest in this inquiry.

This is a public hearing but it is not open to comment from the floor. We welcome the large number of participants, but we would like to hear the witnesses without interruption. I note the very large number of submissions the Committee has received on this subject. As of a couple of days ago, the Committee had received in excess of 250 submissions and we are still receiving them. Again, the Committee welcomes this level of community interest. In addition, local members of Parliament have received a large volume of correspondence in relation to the closure of the rail service from their constituents, and we have noted those many items of correspondence in the body of evidence that has come before us.

Evidence given to the Committee today by witnesses is protected by parliamentary privilege. That means that witnesses are given broad protection from action arising from what they say, and the Parliament has the power to protect them from any action that disadvantages them. I remind all witnesses that the giving of false or misleading evidence to the Committee may constitute a contempt of the Parliament. The Committee prefers to conduct its hearings in public. However, if there are matters which witnesses wish to discuss with the Committee in private, we will consider such a request. A transcript of the evidence presented today will be available next week on the Committee's web site, www.parliament.nsw.gov.au.

LAWRENCE JAMES ANTHONY, Federal Member of Parliament, and

GEOFFREY KEITH PROVEST, Licensed Club Manager, sworn and examined:

CHAIR: In what capacity are you appearing before the Committee today?

Mr PROVEST: As the chair of the Sustainable Regions Group.

Mr ANTHONY: I am appearing as a private citizen and also as a parliamentarian.

The Hon. JAN BURNSWOODS: Is it possible to appear as a private citizen and as a member of Parliament? I would have thought it had to be one or the other.

Mr ANTHONY: If the Committee so wishes, I am happy to appear here as the local Federal member.

The Hon. JAN BURNSWOODS: I think that is necessary. I do not think you can pretend you are not.

CHAIR: Mr Anthony, you have made a written submission to the Committee. Would you like to highlight the points to the Committee?

Mr ANTHONY: I must admit that this is an unusual experience for me. It is normally the other way around but I am delighted to appear before your New South Wales upper House Committee on an issue that I feel very passionately about, and I know many people do as well on the far North Coast. Of course, that is the future of rail and, most importantly, the future of this railway line. I did supply a submission, and the basis of that submission was to acknowledge that the rail line we have here has served us well for over 100 years and we should not be consigning this railway line to history or to a museum piece, which was the decision made—I might add, a political decision—recently to terminate the line.

Indeed, there is so much more capacity this line can do not just in its current form but particularly in solving a lot of the public transport problems that result on the far North Coast. I would like to say though from the outset that there may be a view that I have a conflict of interest. I would like to put it on the record that I have a fairly intimate knowledge of the railway line. I was involved in a venture; back in 1991 I was a director of a company that purchased a large number of rolling stock, but I ceased to have any interest, particularly equity interest, in the mid-1990s. So while I have acquired that knowledge, I have no conflict of interest in appearing here today. Again, I want to say that the decision made to close the North Coast line was very short-sighted. Likewise, I think a lot of the information that was given to justify the closure, in particular the figures, was inaccurate.

Indeed, I think it is false economy that the service that is being replaced, particularly a coach service, will prove to be again unviable, with very low patronage. More alarmingly, with the closure of this line it will start to deteriorate quite rapidly. 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.

Also, history is on our side, history in the sense that over 50 years ago there was a railway line that went from Brisbane down to Tweed Heads. That railway line was ripped up. The State Government in Queensland is madly trying to rebuild that service—an electric light train going from Brisbane with the ultimate destination of Robina. It seems extraordinary, as well as taking us 100 years to finally complete the line from Darwin to Alice Springs, and we have done that in nation building, the Commonwealth and the States and Territories have now made a major commitment to the main lines, getting freight trucks off road and onto rail. It seems a travesty that there has been a political decision to shut this branch line in one of the fastest growth regions of Australia, and particularly New South Wales, based, as I said before, on very arguable figures. If anything, we should be trying to encourage more rail traffic on this line.

I would like to outline a vision that I think all of us as locals have, as well as a member of Parliament, that this particular line can be used to solve a lot of our public transport problems. It is regrettable that there was not enough time to do a proper feasibility study on this track, which was promised certainly by the New South Wales Government at the end of last year. It seems as though the State Government held this area in the utmost contempt because it allowed a contract for coaches to go out in November, before the Parry report was actually brought down. Even when the Parry report was brought down there was an undertaking to at least give the community 12 months to see what it could do to again question the figures and to encourage more patronage on this line, but of course at the end of last month there was a decision made to terminate that.

There is a view that with light trains, like the Explorer trains that now run between Tamworth and Armidale—I might add, a line that was also closed down but through community action it reopened—or in the past there were old rail motors. We could run light trains on this line which could link up the communities of interest, link up towns like Murwillumbah through to Mullumbimby, Byron Bay, Bangalow, Lismore and ultimately Casino. By using light trains, not only does it not require the same type of tonnage requirement; no doubt the track has been allowed to fall into a state of disrepair through underinvestment in capital over the past 10 years in particular. But there is an opportunity to solve the chronic traffic problems that happen in the Byron community at peak holiday periods. We could almost overnight solve a lot of the public transport issues by having light trains on the line, along with keeping the XPT service available, which is used by many elderly people, pensioners and those who are disabled, but also providing a different form of travel which is essential for a lot of the local residents.

So as of a few months ago the Commonwealth Government made a decision, through the sustainable regions committee, of which Geoff Provest is the chairperson, to look at funding a feasibility study. The organisation that got the tender was announced today, which Geoff might like to talk about. We just think it is a tragedy that there has been a political decision to terminate this line when it can provide so much opportunity for the future, when it has served us well for those 100 years and when it can serve us well again in the future. The ultimate dream is to extend that line from Murwillumbah through to the border. It just seems a bit rich where now the New South Wales Government will be saving, it is estimated, \$200 million a year, on the recent Federal Government AusLink initiative. So this is a cost saving to the New South Wales Government. Urge those members in the Government to reconsider their decision to close down this line, to reopen this line, to utilise it properly and to place the capital on the line so that it can be used for generations to come.

CHAIR: Mr Provest, can you explain sustainable regions, what the program is, how it operates, and the project that will commence today?

Mr PROVEST: Sustainable regions commenced approximately two years ago. It is a pilot scheme initiated by the Federal Government. This region takes in five local council areas—Tweed, Byron, Ballina, Lismore and Kyogle. It is one of eight regions across the nation. There are two in New South Wales, two in Queensland, one in Victoria, one in Tasmania, one in South Australia and one in Western Australia. The purpose was to speed up the bureaucratic process to allow people to apply for funding. We are not governed by some of the other grant issues; for example, we can fund State Government initiatives, local council initiatives and also private enterprise initiatives. We have been functioning for approximately two years. We have sponsored just on 24 different projects and expended about \$6 million. In turn, we have generated investment of \$35 million and created 2,500 jobs.

In the early days we undertook an extensive survey and public consultation within the five local government areas. Many thousands of people attended and there were many submissions. I have some background briefing papers. Ten regional priorities came out of that. They were the major issues that the people of the region felt should be addressed with our level of funding. We used that as a benchmark for any application for funding. They must comply with the majority of these aspects. I draw the committee's attention one of the most important issues; that is, soft and hard infrastructure, road transport—both local and regional—financial services, communication, information technology, air transport, public transport, cycleways, rail, shipping water supplies and sewage. We were told 18 months ago by local communities that that was one of the most extreme priorities here. I can provide a list of the current funded projects. There are environmental issues. As I said, we often partnership different bodies. For example, we are partnering Fish Unlimited, which is involved in rehabilitation of the foreshores.

One of the major issues in the local community, and it is deeply concerning, relates to providing people—especially youth, the middle aged and the elderly—with transportation for education purposes. This is a real issue south of Tweed Heads. They want access to TAFE colleges, universities and also to employment opportunities. We feel very strongly about this. We have managed to fund several projects combining the five local councils. That is extremely important because, once again, that clearly identifies the regional priorities. This morning we announced funding of a regional input-output economic model to be conducted by Griffith University. For the first time ever we will have accurate economic modelling for this region.

Price Waterhouse has been appointed through the correct processes and it will commence the project straightaway. It will benefit the region by providing factual information—this is important—on the triple bottom line impact of the cessation of the rail service. We are not simply looking at dollars; we are looking at people's lives and the value to the local community. That is very important. Too often we get wound up that something will cost an extra dollar or two and we miss the really important issues. I am talking about the triple bottom line.

Price Waterhouse will also provide sound, independent information on the viability of the introduction of the far north-east New South Wales regional rail commuter service on the Murwillumbah to Casino branch line or re-opening the existing passenger service. However, as Mr Anthony said, the creation of a light rail service will go a long way to alleviating the long-term unemployment issues and access to employment and educational services. The other issue for the community is access to medical services. People are forced to go to regional centres to obtain specialist treatment and so on. I am a local resident and I work at a local club. I deal with many older people. They need that public transport. I will table these documents.

CHAIR: They are tabled. What is the timeline for the study?

Mr PROVEST: We are very hopeful that it will be completed within the next four to six weeks. That is what the successful tenderer has indicated to us.

The Hon. PETER BREEN: You indicated that when this idea first came up it would include the feasibility of extending the line from Murwillumbah to the airport. Is that part of the brief to Price Waterhouse?

Mr PROVEST: No. That was mentioned verbally. It is a big subject on its own.

The Hon. PETER BREEN: It will not be investigated at all.

Mr PROVEST: No.

CHAIR: Am I correct in saying that this part of New South Wales has long been classified by the Australian Bureau of Statistics as sub-metropolitan? It is not rural; it has different demographics.

Mr ANTHONY: That is right. 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. We can hardly call it a rural community; it is a semi-rural region that is growing dramatically. The railway line is important in servicing those communities and overcoming some of the major traffic issues experienced in the Byron shire. It is also a way of providing equity of access for people to travel to Murwillumbah, Casino and ultimately to Sydney.

The Hon. CATHERINE CUSACK: We have two tourism meccas—one on the Gold Coast and one at Byron Bay. Do you see the railway line as offering more opportunities to share that tourism?

Mr ANTHONY: There is enormous opportunity. That is one of the things that attracted me here some years ago. I referred to the rail project. One of the difficulties for private operators was the rail access arrangements, which were quite expensive and onerous. There is no doubt that as far as the numbers of people going to the Gold Coast and the number of day trips and overnight stays are concerned there is a dramatic need for greater diversity on the North Coast. From the tourism angle, the train has enormous benefits. My feeling and passion for it is that it also provides a service to the locals. We would be able to provide much more service if there were more lateral thinking about how to use the line. People have proposed Explorer trains on the line. They were unsuccessful. Our primary goal is to keep this line alive and our XPT service operating, and to encourage more services. I am sure that if there had to be a small price increase people would be happy to pay it.

We must look at ways of utilising the line more, which will increase its viability. Ultimately, we must look at the big picture and where it might go in the future, such as to the Queensland border.

The Hon. CATHERINE CUSACK: How do young people living at Murwillumbah access the beach and coastal facilities at the moment?

Mr ANTHONY: One of the issues for young people is, of course, transport. Public transport is provided by State Government. There are limited bus services from Murwillumbah to the coast and Tweed Heads. That has been the situation for a number of years for people wanting to travel south. That is why I support this. Hopefully we can demonstrate a case for light train. This could solve the track status issues. The track has been allowed to deteriorate dramatically, but that is not irreversible. Work can be done to maintain the line. If we did that, all young people could be easily accommodated from Murwillumbah to Byron Bay.

As Mr Provest said, the more important issue is the education opportunities at Southern Cross University, Lismore and all the other communities of interest. That is why it is important that this line be retained and that more capital is invested. The Commonwealth Government is spending an enormous amount of money to get heavy traffic off roads on to rail. We should ensure that passenger services are maintained. It is a State Government responsibility. This line should be kept alive. Given that it is such a high-growth region the closure is very shortsighted.

Ms SYLVIA HALE: Is there any incompatibility in using the rail for a light rail service and simultaneously attempting to increase freight movements?

Mr ANTHONY: This line is 130 kilometres long, and there are, from memory, around 168 bridges. Many of those bridges have been in a state of disrepair. They could still be utilised. Trains have to travel quite slowly now because there are speed restrictions over those bridges. 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. There are so many people living here, and there are public transport issues. There are longer-term transport issues to get to Sydney. The rail is already here, and it is environmentally friendly. Trains are steel wheels on steel track, with one-seventh the friction of a rubber tire on bitumen. So it is already there and it is environmentally friendly, with low greenhouses. It has access to all existing communities. By putting on light trains or even XPT trains, not only will it become more viable but we can solve a lot of the local problems that we see in our community.

The Hon. JAN BURNSWOODS: Mr Anthony, I have been listening to what you have been saying.

Mr ANTHONY: Thank you.

The Hon. JAN BURNSWOODS: But I have been trying to follow the points. Before that last question you said that the Federal Government announcement was devoted to getting heavy traffic off road and onto rail. The announcement last week actually had a total of \$12 billion, and \$2.8 billion of that was going to rail and the rest was going to roads. That is the first issue. This second issue I find hard to understand from what you are saying. The Federal Government made its pre-election announcement this week that about \$2.8 billion would be going to rail between Melbourne and Brisbane, but not one cent of that money is devoted to this railway line, and not one cent of that money is devoted to connecting Murwillumbah to Coolangatta or Robina to Brisbane or anywhere. So how can you sit here and deluge us with these words, when in fact your Government, with all this money being thrown out before the election, is not devoting a cent of it to the issues you are sitting here and being so rhetorical about?

Mr ANTHONY: I do not think I am being rhetorical. I am speaking as a person who has a long history in this area, as a person who is dedicated to maintaining this line. I think it was your party that made the political decision to terminate—

The Hon. JAN BURNSWOODS: Put your money where your mouth is! Some \$12 billion has been put on the table, but not one cent of it is going to this railway line.

Mr ANTHONY: If you give me the opportunity to respond, I am happy to do that.

The Hon. JAN BURNSWOODS: Well, stop verballing me and respond to the question. You started talking about my Government. My question is about your Government.

Mr ANTHONY: I am happy to answer about the Commonwealth Government.

The Hon. JAN BURNSWOODS: Well, answer.

Mr ANTHONY: I will answer. Of that, about \$11 billion, or not quite that amount, was part of the AusLink project.

The Hon. JAN BURNSWOODS: It was \$12 billion.

Mr ANTHONY: It was actually slightly less than that. But, anyway, about \$2 billion or \$2.5 billion was to go on rail.

The Hon. JAN BURNSWOODS: \$2.8 million actually.

Mr ANTHONY: On that rail, over a billion dollars—and I could give you more precise figures—the bulk of that, is going on the New South Wales network.

The Hon. JAN BURNSWOODS: Well, most of Melbourne to Brisbane is in New South Wales.

CHAIR: Will you let Mr Anthony answer your question, please?

Mr ANTHONY: The bulk of that, about \$450 million, will actually go on the main line.

The Hon. JAN BURNSWOODS: \$450 million is not the bulk of \$2.8 billion, Mr Anthony.

Mr ANTHONY: I am delighted to answer the question, if I have the opportunity to do that.

The Hon. JAN BURNSWOODS: But you keep saying wrong things: \$450 million out of \$2.8 billion is not "the bulk".

The Hon. CATHERINE CUSACK: Could I take a point of order, Madam Chair. I think it would be helpful to everyone if we were to hear what Mr Anthony has to say. After he is finished, Ms Burnswoods can ask another question if that is what she wishes to do.

Mr ANTHONY: This AusLink project has been in gestation now for a long time. It has actually been in close dialogue with State and Territory transport Ministers, as the honourable member well knows. So there was nothing new about the announcement that was made last week. There was a view taken by the Commonwealth Government that if we are to look at addressing our freight task, which will double in the next 20 years, then we have to utilise our rail lines more. There was a decision made by all State Ministers of all political persuasions that the Commonwealth would overtake a lease on the main lines and those main lines going between capital cities. Those dollars that we have allocated are to go into main lines, of course, to increase their capacity to utilise heavy freight. Passenger services have always been the responsibility, just like they are in the Sydney rail system, of the State government, whatever the State government is of the day, and the responsibility for branch lines is the responsibility of the State governments.

I would hope—and perhaps you can use this in your advocacy—that the savings that New South Wales will now make because we have invested this capital, because we are taking over the 60-year lease on these lines, will be in the order, I am informed, of around \$200 million a year. They are significant savings to the New South Wales Government, and I would argue that those savings could be put into reopening the branch line from Casino to Murwillumbah.

The Hon. JAN BURNSWOODS: I do not know whether there is any point in asking another question, because that one was not answered. So I think I will leave it there, Madam Chair.

Mr ANTHONY: Why did you shut the line down?

The Hon. JAN BURNSWOODS: Why didn't you answer my question, Mr Anthony?

Mr ANTHONY: I did.

The Hon. JAN BURNSWOODS: No, you didn't.

Mr ANTHONY: I was very succinct.

The Hon. JAN BURNSWOODS: Yes, but a lot of it was absolutely irrelevant to the question I put.

Mr ANTHONY: Why aren't you opening the line?

CHAIR: Mr Breen has a question.

The Hon. PETER BREEN: Mr Anthony, is there any useful comparison that we can make between what happened between Tamworth and Armidale and what the situation is here—population, for example, availability of rolling stock, demand, and that sort of thing?

Mr ANTHONY: I think the decision to reopen the line was a good indication of people power on the tablelands.

CHAIR: They did not actually close it.

Mr ANTHONY: Well, they were planning to close it.

CHAIR: They gave a 12-month moratorium. So they stuck to it in that case, but abandoned it in this instance.

Mr ANTHONY: Unfortunately, we did not have the benefit of the 12-month moratorium that was promised here. I am yet to understand why they did not allow the community to have 12 months. But there was a view, no doubt driven by the community there, to put on an Xplorer train, a light train. I can only assume that there was more effective advocacy by the members of Parliament in that particular region than we have had in this particular region by those who are in government.

CHAIR: I would like, on behalf of the Committee, to thank both Larry Anthony and Geoff Provest for their submissions and for their attendance here today to answer questions. We thank you very much for your interest in this inquiry.

(The witnesses withdrew.)

WARREN JOHN POLGLASE, Mayor of Tweed Shire,

MAX REGINALD BOYD, Farmer, and

JOHN FREDRICK GRIFFIN, General Manager, Tweed Shire Council, sworn and examined:

CHAIR: In what capacity are you appearing here today?

Mr BOYD: I was invited to attend to give evidence as a private individual.

Mr POLGLASE: As Mayor of Tweed Shire.

Dr GRIFFIN: As General Manager of the Tweed Shire Council.

CHAIR: Would one or other of you like to give the highlights of the Tweed shire's submission to the Committee?

Dr GRIFFIN: I would like to present a submission that builds upon the previously provided submission. It goes into some detail, and it will probably take in the order of ten minutes to present.

CHAIR: Go ahead.

Dr GRIFFIN: Following the recommendations of the Parry report last year to review the CountryLink services, the final report in December promised that the Murwillumbah XPT service would continue for at least 12 months. The Parry report envisaged a review of CountryLink in order to "refocus current rail services". As part of the mini-budget in April 2004, a decision was made by the Minister for Transport Services to close the service immediately, and its operations ceased on 17 May. Reasons given for the closure were principally to save expenditure of around \$5 million per year, estimated as \$3.5 million "under the rail", or infrastructure, and \$1.4 million "above the rail", that is train operation, allowing for the \$1 million cost of replacement buses. There was a reference to a reduction of Federal funding to New South Wales of \$376 million.

If there was a need to economise in the State budget, a balanced review of all areas of spending should have been undertaken and essential services like regional public transport protected from cuts. This region has a very sparse provision of transport Services. In fact, the XPT was the last remaining rail service in the more populated eastern parts of the region. Evidence from State Rail to the inquiry is that the 130-kilometre branch line has 168 timber bridges, totalling 4.5 kilometres in length, equal to 30 per cent of all timber rail bridges in the State.

To replace all those bridges is estimated to cost around \$94 million over 20 years. This \$94 million appears to be the most essential element of the \$188 million total estimate by State Rail, since bridge renewal is essential to the long-term continuance of the line. If it guarantees continuance for 20 years, it would be good value for the region, and it is likely to be much less expensive than improvement/maintenance of major roads in the region over that period. There has been an ongoing campaign to save the service, known as Northern Rivers Trains for the Future, and supported by the five councils along the route. This council organised a rally at Murwillumbah station on 5 May, and previously had made a submission to the Parry inquiry.

On an average day, 214 people use the XPT between Murwillumbah and Casino southbound and 184 northbound. About half use connecting road coaches to continue to destinations in Brisbane, the Gold Coast and parts of the Northern Rivers. Under the new arrangements, five road coaches are being provided in each direction to meet the XPT, which now terminates at Casino. The coach legs to and from Tweed and the Gold Coast destinations range from 2 to 3 hours, compared to 1 to 1½ hours previously, with the train leg reduced by 2.5 hours.

The longer periods spent by passengers on the coach legs, and the enforced use of coaches by all passengers, represents a reduction in accessibility and convenience to passengers. The State Government has an option to adjust the affairs of the most accessible travel option, rail, rather than eliminating it. The present concessions are so generous that many people have expressed a preference to pay more to retain the train. It is understood a \$15 co-payment is charged to pensioners using the equivalent "free" services in Queensland.

In addition, the excessive costs identified for revenue collection could be reduced. Fares could be revised to give a 50 per cent or 60 per cent return on cost without serious loss of custom, there being many people who would pay the equivalent of an airfare to travel by train in preference. The train continues to be well used, despite air, bus and car competition, because it provides 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.

The disabled, less mobile and frail aged people may be unable to get into a bus, unable to remain seated in a restricted space for long periods or feel insecure waiting at a bus stop, sometimes after dark, without the security and facilities of a rail station. There is no way of advising passengers at a bus stop when a bus is running late, as has been happening recently, whereas advice is given routinely at stations with comfortable and secure waiting facilities. The social and economic impacts of the rail closure may well be seen as an equity imbalance in transport funding between those who are transport rich and the transport poor. While the Government is funding new roads in this region with many hundreds of millions of dollars, these facilities are predominantly used by the able-bodied, relatively rich minority sections of the community while the less mobile, low-income elderly, as non-car using majority sections of the community, are being offered a cheaper and less adequate alternative. There is no doubt that road and rail are not being considered as complimentary transport options and not being funded on a community needs basis.

Over recent decades the Northern Rivers region of Tweed, Byron, Ballina, Lismore and Kyogle has increased its population at twice the average growth rate of New South Wales and the Tweed shire at four times the average. The region had 195,306 people in 2001—an increase of 36,000 or 22.6 per cent since 1991. Tweed had an increase of 20,400, 37.6 per cent, since 1991, and the Tweed Heads has recently overtaken Albury and Wagga Wagga in size. The region is projected to reach 229,000 people by 2016. Compared to New South Wales, the region is underrepresented in new motor vehicle registrations, manufacturing turnover, public rental housing and persons with university degrees, and is overrepresented in unemployed persons, household incomes less than \$500 per week, Centrelink clients, sole parent families and persons aged 65 and over.

Tourism is a major contributor to the Tweed economy. Research conducted by the Bureau of Tourism in 2000 identified that 26 per cent of all visitors to the Tweed are from Sydney and 31 per cent are from regional New South Wales. The Murwillumbah to Casino rail service provides a very important public transport infrastructure not only for the Tweed but for the Northern Rivers region. Much of the employment of the Tweed shire is either directly or indirectly contributed to tourism. It is estimated that 3,600 persons are employed by the Tweed tourism industry, including accommodation, cafes, restaurants, entertainment clubs and a portion of retail. It is assumed that there will be a direct loss of tourist trade in Murwillumbah as a result of the rail line closure.

In establishing the economic impacts of the Chinderah to Yelgun motorway, council identified a number of strategies to assist the economic revitalisation of the town. One of these included a tourism strategy which attempted to promote Murwillumbah as a tourist destination. Specifically, this target is the backpackers and retiree markets. These markets rely on the rail service from Murwillumbah to Casino. The closure of the rail line stifles council's efforts to rejuvenate the economy of Murwillumbah by once again bypassing the town and taking tourists with them.

The direct increase in bus traffic on the road network will increase the maintenance requirements of these roads. Council has estimated this cost to be approximately \$115,000 per year for the roads within the Tweed shire and approximately \$375,000 for the whole of the Northern Rivers road network. It is acknowledged that some of the new bus routes utilise RTA roads but the large portion will use the council's roads. It is assumed that this increased maintenance and upkeep will be picked up by the budgets of the councils of the Northern Rivers for roads maintenance. This estimate was prepared by council's manager of works, assuming an additional load of 15,000 equivalent 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.

The Northern Rivers region averages 89 road fatalities per year, with one-quarter of crashes involving a truck. There have been none involving buses in recent years but putting more buses on the roads increases the chances, especially the chances of a disastrous crash between a truck and a bus. The rate of fatalities for rail is not known but for buses it is 24.56 per BM vehicle kilometres and for cars 11.05 per BM vehicle kilometres.

Retention of the rail corridor is necessary to maintain an option to extend the railway to the Gold Coast in the future. This is important for the future development of the coastal areas of the Northern Rivers because of their reliance on Brisbane as the nearest metropolitan centre. Tweed Shire Council has taken on the responsibility of being project manager for the feasibility study into potential passenger commuter services on the line. The Federal Government's sustainable regions program is funding this project.

The existing rail assets, including tracks, bridges and stations, comprise a substantial capital investment that if disposed of or removed would seriously compromise any efforts to review the feasibility to operate a rail service along this line in the future. Any removal of rail assets would be seen as premature and inappropriate until this feasibility study has been completed and all options have been considered. When the parliamentary Public Works Committee reviewed the options for construction of a railway line into the Northern Rivers in 1890 it made the following comment, "The line is not put forward as a feeder. It is part of an eventual trunk line from Queensland north of the Tweed to the Hunter. At present the railway will act as a feeder from the Clarence and Richmond and Byron Bay. That is regarded as part of a contemplated trunk line."

The committee went on to say, "Railway facilities are a necessity to cultivation and settlement, and will be retarded without their provision. The work will be a great advantage to the colony." It appears that 114 years later we are once again faced with determining the future of the Murwillumbah to Casino line. In 1904 the parliamentary Public Works Committee investigated the extension of the line from the Murwillumbah terminus to Tweed heads. The proposed route was surveyed and costed, but the committee did not proceed with the proposal. Another proposal was put forward in 1914, crossing the Tweed River at Murwillumbah and proceeding to Tweed Heads on the northern side of the Tweed River. The New South Wales Parliament considered this proposal, rejecting it in favour of the Kyogle border loop route. This route saved considerable track length but diverted the line away from the populated coastal regions to the isolated and geographically rugged Kyogle route. This was despite the Queensland Government's willingness to convert its line to Tweed Heads to standard gauge.

Tweed Shire council, while recognising that this inquiry cannot implement any desirable conclusions from its investigations, requests of the Parliament not to discriminate against the Northern Rivers region by causing it to be the only region to lose its rail service as part of the statewide review of rail services; to consider the matters included in this report during the inquiry, in particular the fact that this region is the fastest growing region and urgently needs to upgrade and develop its transport infrastructure and services; to restore the XPT rail service between Casino and Murwillumbah, if necessary with amended fares and marketing arrangements to improve its viability; or, alternately, to lease the rail corridor at peppercorn rent to a consortium of regional councils with an agreement waiving normal track user charges and authorising them to contract operators to provide rail services on the line; to include this rail line, along with the main New South Wales lines, in the arrangements negotiated with the Australian Rail Track Corporation, for it to manage rail operations, thus ensuring the branch line is not an isolated railway in management or operational terms; and to have prepared a proposal for the Federal Government for this line to be extended to the Queensland border and link to the Queensland rail system as a significant regional interstate transport project under the AusLink program.

CHAIR: Councillor Polglase, do you have one quick point you would like to make to the Committee?

Mr POLGLASE: The point we wish to make, I believe on behalf of our community, is that 25 per cent of our community is well in excess of the age of 65 and older. A large portion of that community rely on a rail service because of what it provides. It provides security, people can get up and walk around, it provides toilet facilities. It provides all those facilities which, as we all get older, we require on a transport service. With the closing of this railway line and putting buses in place, that has all been taken away. We are where Australia will be in 20 years time, we are there now and we will not get any less a population in our aged population at all. So the rail service is extremely important to our community because we are at this stage on the end of the line and we believe that we could be putting forward a proposal, whether it be light rail or some other sort of rail service, that our community can have accessibility to a service that provides for their needs and comforts in travelling. That is a point that has been made very strongly to us and I am sure my colleague Councillor Boyd can reinforce that.

CHAIR: Councillor Boyd, would you like to do that?

Mr BOYD: Yes, I would like to add some random thoughts. I have lived here all my life. I am 70 years of age. I have been in local government for 40 years this year and I have seen a lot of things happen in that time,

including the population of our shire to grow from 19,000 when I came into local government to where it is today at just on 78,000. From this town to Brisbane, you can drive there in an hour and a half on a good day, avoiding any traffic congestion that might occur from time to time. When the road was completed in the 1930s it took four hours to drive from here to Brisbane. So we are unique in that we are virtually a suburb of a capital city but we have a State border that separates us. That is unique in Australia. I do not know of any other quite large urban area that has the same problems as we do. If somebody had drawn a line the bit further south obviously we probably would not be arguing about this line today. We would be part of the decision-making process in Brisbane.

I have just come from the south ROC meeting today. South ROC comprises the city of Logan, Gold Coast city, Redland, Beaudesert and Tweed. That combined total population comes to almost 800,000. Today we were informed that that population, within the next 10 or so years, is expected to increase by 1.2 million people. I stress that figure: 1.2 million people. That is massive in anybody's language. It is the sort of growth that is taking place in the outer suburbs of Sydney. I suggest that any government should be thinking about how on earth they will provide services to that population. The population growth is not going to stop at the State border obviously; it will move further and further down into our area as the road connections between Brisbane and here are improved, and further south of course. For anybody in this room who has driven over those roads, it is easy to see that we will get a lot more people using this area.

I have seen the rail from the time when I was growing up during the war years. It was a very well used facility. In fact, the Murwillumbah railway station was a scene of great activity every time the train came in. I recollect that it came in about twice a day. It was certainly used a lot during the war, as most railways are for all sorts of reasons. I also remember when this area was a very large producer of bananas. Most of the primary production freight went out of here by rail. It has gone through a period of recession, just as our primary industries have declined.

Why has this occurred? I have travelled on the train from here to Coffs Harbour and back. A couple of years ago it became apparent to me what would happen. When we got to Lismore we had to slow to 10 kilometres an hour when going over two bridges and we had to slow down another 10 kilometres an hour on another bridge. My imagination told me that if one of the trains coming through were to fall off the rail, or if the bridge were to collapse, all hell would break loose. It had me puzzled as to why at least one or more of the bridges had not been condemned. I believe that what has happened is a classic example of less than adequate asset management over an extended period.

I do not believe we should be trying to point a finger of blame at anyone, because successive governments of all political persuasions have neglected the line to the point that there are not many options available to whatever Government is in power. No Government enjoys closing a line. As has been pointed out by previous speakers, it is a piece of infrastructure that has been there for well over a century. Losing it is like losing a right arm. It is deplorable and outrageous, and people are horrified to think that something they have had this long will no longer be there. I am very pleased that an effort is being made to build a strong and reliable case to have the line reopened. However, I fear that safety will be the factor preventing that happening because of those bridges. I have viewed some of the photographs taken of those bridges. They still have the 1893 plates. No wooden bridge will last forever. It is obvious that what has happened had to happen without proper maintenance being carried out.

I find it hard to reconcile that just across the border we are talking about spending \$360 million on seven kilometres of road. That is an enormous sum of money for seven kilometres of road, \$120 million of which is to be spent on just over 460 metres of tunnel under the runway. The mind boggles. How can we find that sort of money for that length of road, yet we cannot find \$94 million to replace those bridges? It just does not add up. We must find the money. If Tweed Shire Council allowed its water main from here to Tweed Heads to get to the stage where it suddenly burst and we were not able to supply water, what would happen? It would be calamitous. If an asset in a capital city has not been properly maintained and suddenly those things happen it is a catastrophe.

The Hon. CATHERINE CUSACK: I refer to the council's application on 18 April 2002 to build a toilet block on the easement between the road and the railway line at Moggill. I have correspondence from Tweed Shire Council indicating that the cost of that fencing was \$23,000. I will table this correspondence. Can you outline how that came about and what is the current state of that matter?

Dr GRIFFIN: The idea of building a toilet block in the area derived from the community seeing a need, particularly with the traffic diverting off the highway into the Tweed Valley. It was seen as an ideal stop off point for people to start their journey. We were looking for a public area in which to build the toilet block. We had negotiations with the State Rail Authority because there was a suitable piece of land in the area of the rail track. The State Rail Authority required us to build fencing around it to protect individuals from getting near the railway track. It was an expensive job because we were going to expose more people using a toilet facility near the unprotected track.

The Hon. CATHERINE CUSACK: The cost was \$23,000.

Dr GRIFFIN: Yes.

The Hon. CATHERINE CUSACK: I believe that took two years to negotiate.

Dr GRIFFIN: It certainly took a long while. I would not have thought it was two years, but perhaps it was.

The Hon. CATHERINE CUSACK: When was the fence completed?

Dr GRIFFIN: Some weeks ago.

The Hon. CATHERINE CUSACK: What happened after that?

Dr GRIFFIN: I have not caught up with that.

The Hon. CATHERINE CUSACK: I am aware the train service was stopped.

Dr GRIFFIN: Yes.

The Hon. CATHERINE CUSACK: I understand that the council is now going to seek to recover that money through the Administrative Appeals Tribunal.

Dr GRIFFIN: We would like to, but we would prefer the train service reinstated. The fencing was an investment towards that.

The Hon. CATHERINE CUSACK: It is an example of the left hand not knowing what the right hand is doing.

The Hon. PETER BREEN: I personally found the submission very helpful and detailed. From where did you get the figure of \$94 million to replace the bridges? Is there any verification?

Dr GRIFFIN: I am advised that it came from the State Rail Authority.

The Hon. PETER BREEN: From where within the authority?

Dr GRIFFIN: I can find out from our staff.

The Hon. CATHERINE CUSACK: It is tabled.

Dr GRIFFIN: I think it is part of the Parry inquiry information.

The Hon. PETER BREEN: Apparently that information has been tabled. Like you, I think \$94 million will not replace those bridges. In the words of Councillor Boyd, it is a catastrophe.

Dr GRIFFIN: I have a book entitled "The Byways of Steam". It is about the Tweed railway—the railway to and from nowhere. It details the building of those bridges in the late 1800s. As Councillor Boyd said, some of them are still there today. I have seen photographs of the bridges at that time, and they look the same today.

Ms SYLVIA HALE: The Tweed Shire Council submission suggests that a consortium of regional councils lease the rail corridor and presumably then take on responsibility for its maintenance. Is that a viable suggestion given that you will be confronted with increased costs as a result of increased road traffic?

Dr GRIFFIN: We are trying to find a reasonable solution. We hope the information from the feasibility study will assist. It will be predicated on the track and the under-track infrastructure being in a sound condition. The councils along the track from Richmond Valley to the Tweed see it as a possibility. We will not pursue it until we have the results of the feasibility study.

Ms SYLVIA HALE: But those councils are sufficiently concerned about the issue to be prepared to contemplate such an option.

Dr GRIFFIN: They are certainly concerned. The mayor can attest to the fact that when the issue was raised there was immediate consultation between the mayors.

Mr POLGLASE: The councils look at options that may be workable. We were not prepared to sit back and accept the decision. Perhaps there are better ways to employ the service. We have a responsibility as local government authorities to make offers. That relies upon the condition of the line and it being upgraded. We as local government authorities could not afford that, but we must look at options to provide the service. That is definitely on our agenda and we will consider it.

Ms SYLVIA HALE: It is a classic case of cost shifting.

Mr POLGLASE: What is new?

CHAIR: Thank you for appearing today.

(Witnesses withdrew)

WARREN JUDD, Director and General Manager, Northern Rivers Rail Road Pty Ltd, sworn and examined:

CHAIR: Can you briefly highlight the points of your submission?

Mr JUDD: I appear as an accredited rail operator and would like to bring to the attention of the committee a first-hand account of how the branch line in question has been allowed to deteriorate to the point of being all but condemned. At the commencement of operations in 1996, loads limits on the branch line were 23 tonnes. By 1999 they were reduced to 19 tonnes. By the time the last XPT ran, the load limits were down to 14 tonnes actual weight. That means locomotive load limits and horsepower have been dropped from 130 tonne to just 70 tonnes. Horsepower is down from 3,000 tonnes to 950 tonnes. Whether it is passenger or freight, that restricts the type of operation that it would be permissible to carry out. In accordance with the Rail Safety Act 2002, an individual who allows safety to be compromised commits a criminal offence. However, the Minister responsible for rail safety is exempted. Why? The Casino to Murwillumbah branch line was allowed to be run down during our operation period by the then transport Minister Carl Scully, and that rundown continues today under Michael Costa.

Ritz Rail discontinued operations due to five events. The first was September 11, which was the start of the cancer. The second was insurance, with public liability premiums more than doubling, and underwriters literally walking away from property cover. In fact, some private operators around today have no property insurance. Unfortunately, the private sector does not have the luxury of Treasury funds! The third event was SARS. The fourth, of course, was the Ansett collapse. Fifth, and finally, was the lack of support by State Government for a proposed commuter/tourist/XPT service arrangement. That spelt the end of our services. Three approaches were made to senior management of CountryLink for Northern Rivers Rail [RRR] to operate commuter services and maintain the XPT service on the Casino to Murwillumbah branch line. Negotiations started in 1999, and continued through to 2002.

The Hon. CATHERINE CUSACK: That was for a commuter service, was it?

Mr JUDD: Yes.

The Hon. CATHERINE CUSACK: Where would that have operated?

Mr JUDD: 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. Northern Rivers Rail had a close working relationship with Queensland Rail, and eventually sold its freight assets and locomotives to them. Queensland Rail is now a major player in New South Wales rail operations, and has in fact increased passenger operations within Queensland.

As late as yesterday, track inspections were being carried out on the Lismore branch line. A possession notice was requested for an inspection vehicle to run the line between Lismore and Casino. It departed Lismore at 13:31 and its scheduled time into Casino was 15:00. Work gangs continue to maintain level crossings and bridges today. I now turn to waste. Railway stations are being repainted at enormous cost, 8,000 sleepers were delivered, and an AK rail set examined the line one week before the XPT finished. I turn to heritage vandalism and State Rail. Within the Casino rail service there was an old, original refreshment room. It was as it was when it closed in the days of the steam period. It contained all original material. I understood it was being gutted.

I contacted the heritage department in State Rail. They knew nothing about it. That heritage item, which has been totally vandalised, is now a waiting room for some of the passengers who travel on buses. One of the best examples of waste is the Grafton crossing loop, a program that is being partly funded by Toll and Patrick's. They also are putting money into the main lines. There was a passing loop of about two kilometres that was installed at Grafton in the past few months. A local complained. He called the Environment Planning Authority, which came in and found that there had been no environmental impact study done. Consequently, that two-

kilometre loop was pulled out, at a cost of \$7 million. In all, in a period of six months, better than \$9 million has gone down the gurgler through waste.

As of tomorrow a small heritage rail motor up here was supposed to come through to Murwillumbah. It was suspended in its service. It was not allowed to come through to the branch line—even though the branch line is technically fit to travel as it is being inspect by Rail Infrastructure Corporation personnel. That small rail motor—which, incidentally, has an axle weight of about 13 tonnes—was not permitted to come in. People are now to be transported through by bus tomorrow to look at stations. Northern Rivers Rail was ordered on 30 April to vacate the Murwillumbah compound that housed the tourist train. I was advised by personnel within the Rail Infrastructure Corporation that if the train was not out of Casino the following weekend, the 8th and 9th May, it would be landlocked and the only way that train could be removed would be by road.

I have done a little bit of investigation into what commuter services are available and what is the most economical way to operate a train. Depending on the feasibility of the proposal that has been announced here today, there are a number of ways in which commuters cum tourists cum connection train to the XPT could be put into place at a very reasonable cost. Available today is what is known as a Bluebird set. It is a two-car rail motor set, capable of carrying 90 to 100 passengers. That train is available for a purchase price of \$800,000, or \$400 a day, which at four trips a day is \$100 a day for the lease of the train. On top of that, of course, are the operating costs and staff. I think that is about all I can say at this point in time.

CHAIR: I appreciate that, Mr Judd. Thank you very much.

The Hon. PETER BREEN: Did you say where that Bluebird train is?

Mr JUDD: It is in South Australia, and it is available at a moment's notice.

The Hon. PETER BREEN: It is privately owned, is it?

Mr JUDD: Yes, it is privately owned. Here, any private operator intending to operate that train would be looking at coverage of \$250 million public liability. I cannot tell you what the premium on that would be, but for a freight operator doing a normal operation we are talking about \$800,000 to \$1 million in premiums. That is just for public liability.

The Hon. CATHERINE CUSACK: Mr Judd, is it your understanding that the branch line is closed?

Mr JUDD: It is closed as far as the Ministers are concerned. I received a letter today from Vince Graham informing me that they had given us ample time to get the train out, and as far as they were concerned that is it.

The Hon. CATHERINE CUSACK: Could we have a copy of that letter?

Mr JUDD: Unfortunately, there are other items in that. I have only just received it, to be perfectly honest.

The Hon. CATHERINE CUSACK: But you are not allowed to access that branch line any longer?

Mr JUDD: No.

The Hon. CATHERINE CUSACK: If the line were to be opened again to you, and if it were to be maintained properly, would you be able to get a commuter service going?

Mr JUDD: A number of things would have to be taken into account. I have got to be honest and say I am not in a position to say yes. As I say, there is insurance. For something like that, there would be the staff numbers that would be required at stations. The train itself would require possibly two, or a maximum of three, people to operate it. So it could be a very economical operation.

The Hon. CATHERINE CUSACK: But there is difficulty negotiating with the authorities?

Mr JUDD: There is insurance. And right now, as I have said, we have a situation where technically the Lismore viaduct, the Eltham bridge and possibly three or four others are down to 10 kilometres an hour, and that is technically condemned.

CHAIR: Is that correspondence from Mr Graham the first written material you have dealing with this situation?

Mr JUDD: I have got to be honest: I hit Mr Graham with a log of claims, and he is responding to my log of claims. That is why it is not perhaps relevant to this Committee inquiry today.

CHAIR: Have you had any other correspondence, or has it all been done over the phone?

Mr JUDD: All of this has been done by phone. I did not receive one word about having to leave the depot, or one piece of information, in writing. The only piece of information I received in writing was an e-mail asking me if I wished to renew my accreditation. I replied that, yes, I would like to renew my accreditation. It came back nice and clear, saying that I could renegotiate my access agreement elsewhere. It is here, if you wish me to table that.

CHAIR: I would appreciate that.

Document tabled.

CHAIR: That is rather extraordinary, is it not?

Mr JUDD: It is. But I am not surprised.

CHAIR: Is that the normal way that State Rail operates?

Mr JUDD: No. I was first advised that the line was to be shut down, closed, or whatever it was—and I am not in a position to be able to give the names of Rail Infrastructure Corporation people, because they have been nothing short of absolutely co-operative. I do not have a problem with anybody in the Rail Infrastructure Corporation. Their co-operation has been unbelievable. However, regarding the whole incident of our vacating, the first was a phone call in the first instance to remove the train. As I say, I was told it had to go by road. I was also told at that time that I, along with all other accredited rail operators, would be receiving a letter saying that if we wished to take up the operation of the branch line, take up the maintenance procedure of the branch line, it would be considered. But one of the provisos was that we would have to prove beyond a shadow of doubt that we could afford \$5 million a year to maintain that line.

The Hon. JAN BURNSWOODS: Mr Judd, when did you last operate a train service on the line?

Mr JUDD: The last train operated on 7 December 2002.

The Hon. JAN BURNSWOODS: So that is roughly 18 months ago.

Mr JUDD: When tourism fell on its backside, thanks to SARS and September 11 and insurance problems.

The Hon. JAN BURNSWOODS: But, since then, you have had your rolling stock and so on in the compound?

Mr JUDD: It has been sitting in the compound. If a miracle would have happened, yes, it would have operated again.

CHAIR: Thank you very much, Mr Judd. We appreciate your submission and we appreciate your answering our questions today.

(The witness withdrew.)

PAUL WATERS, Representative, Murwillumbah District Business Chamber,

TOM SENTI, Deputy Chair and Chief Executive Officer, Tweed Economic Development Corporation,
and

GEOFFREY PETER KEEVERS, Road and Rail Café Operator, sworn and examined:

CHAIR: In what capacity are you appearing here today?

Mr WATERS: Today I am representing the Murwillumbah District Business Chamber.

Mr SENTI: I am representing the Tweed Economic Development Corporation.

Mr KEEVERS: As the operator of the Road and Rail Café, opposite the rail station, and as former owner of the Tweed Tavern, also opposite the rail station.

Mr WATERS: Our submission covered a number of points. Although the Chamber of Commerce is primarily a business-focused organisation, we believe that business interests in Murwillumbah are part of the fabric of the community and we have a lot of community responsibility. So although speaking on behalf of business, we do speak for our friends and neighbours and everyone who has supported us in this over the past year or so since we have been on the campaign trail, I guess you could say. We had some 3,000 signatures on a petition prior to the announcement when we had some indication that the rail may be closing. They were collected by community members, not necessarily just business. Obviously, 3,000 just from Murwillumbah alone so that gives you an indication of support from this community and particularly for the Chamber of Commerce's effort to maintain a rail service. Part of our submission supports the older people and the infirmed and members of the community because in fact they were some of the strongest complainants to my office. Obviously it was not just business.

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.

As part of that effect, we are considering freight on the rail. We see freight as being very important to attracting businesses to the region to do such things as distribution centres. My good friend Tom Senti, who is from the Economic Development Corporation, has assisted in the development of a large light industrial estate about to be developed. That does not necessarily depend on freight but it certainly would be a benefit to any large company, particularly in distribution, if they could have rail, and rail freight on the branch line would guarantee I think at least one major distribution centre which could employ hundreds of people, and that has a huge economic driver effect on this town and that is what we are looking for.

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. Tourism is a new focus in this region. Tourists between Casino and Tweed, certainly Murwillumbah, particularly Byron Bay to Murwillumbah, would be enormous. If what I heard before, four services a day, would be marvellous to be tracking people backwards and forwards to Murwillumbah with money in their pockets to spend in our shops and create employment for our kids. Employment is another aspect. When we are talking about freight and commuter services, they would definitely bring very badly needed employment to our young people.

Comments have been made on the ultimate connection between Murwillumbah and south-east Queensland with the Queensland rail for instance. We have been told that it is a bit of a pipe dream but we believe a connection between Murwillumbah and the Queensland rail, which will end up terminating in Coolangatta airport, is a natural progression for our rail services. Our economy and our entire community are inextricably connected to south-east Queensland and what is happening up there. There is a huge population base and we need to be connected to that with a light rail. So even if the branch line stops at Murwillumbah we

would like to see a light rail connection through to Coolangatta in the not too distant future. Without rail to Murwillumbah, we see that connection being less likely so it is important to maintain one to get the other.

In my submission I did not get too political but I must say I am tempted to mention that not only myself but just about everyone I have spoken to in the community has had amazement and disgust at the fact that we were promised we would get 12 months reprieve on the rail closure and it was a blatant lie. To think that our politicians, who are representing the Minister, could blatantly tell us that we will keep the rail for 12 months, all the time working behind the scenes to close it. I am not sure if the terms of reference of this inquiry extend that far but I would like to think that you could make a point in Parliament that those kinds of blatant lies are not taken too kindly. Everyone knows about it and I think it does not go too well for our representation to be taking the truth so lightly.

There have been other comments on the cost of running or at least maintaining the line and increasing the likelihood of putting rail services back on the line. We hear stories of maintenance costs running into the hundreds of millions of dollars. My members and the community members who have spoken to me about this want to know whether it is a matter of catch up or whether it is a matter of urgently needed repairs that have only just been advised when the belief is that the work has not been done for many years and that is why we are in this position now.

CHAIR: Mr Senti, would you like to add to that?

Mr SENTI: Going back a little, I have been in business in this town for in excess of 20 years. Approximately 12 years ago the government of the day, when the Minister for Transport was the Hon. Barrie Unsworth, attempted to close the railway station down at that point in time, which is at least 12 years ago. And we, through the Chamber of Commerce and the business community at that time, took some action which resulted in the line remaining open to the point of its closure more recently. The point I wish to make is that the writing was on the wall there and then in terms of the fact that subsequent governments did not spend sufficient funds to upgrade the line. That is more a statement of history and where we have come from rather than where we are. We all know exactly where we are.

My role now as leader of the Economic Development Corporation is to understand the economy of the Tweed and Northern Rivers region and how we move forward in these rapidly changing times. There is no question that the economy of the Tweed and the Northern Rivers, which obviously includes Murwillumbah, is inextricably linked to south-east Queensland and is very much influenced by them. We are part of the extended urban conurbation or growth corridor that extends from Brisbane south. In fact, the Tweed is in the middle of the east coast growth corridor which stretches from Coffs Harbour to Harvey Bay in the north, and the New South Wales Government has advised recently that 25 per cent of the Australian population in effect will be in that east coast growth corridor by 2021.

That tells me that to take away infrastructure in its present state has some real concerns as far as we are concerned. As a business organisation, we understand the necessity of viability, but we also understand the necessity of services and the infrastructure to provide those. So rather than look back and criticise, we have a problem—we have a rail system that is in a dilapidated state and cannot continue to deliver safely. The first thing we need to do is be positive. The Gold Coast Airport Ltd is now the sixth busiest airport in Australia and growing at a rapid rate, including international transport. It also has a customs and bonding facility to allow us to access air freight, both import and export, which has enormous potential for the Tweed and Northern Rivers region.

With the recently opened Yelgun to Chinderah bypass, the Gold Coast airport traffic has increased dramatically. They are extending—in fact, they are more than tripling their current car parking. If you look at the Robina to Brisbane rail link, it has exceeded all expectations in passenger travel, and they are now looking not only at extending that to the multimodal transit centre at Gold Coast airport but also looking at a second line. The point I am making is that in the Northern Rivers region, which will experience enormous growth in the next 10 to 20 years, the number of jobs that we will be able to provide as a region is limited, but the jobs that will be available will be in that northern part of this Queensland-New South Wales border region.

So what I would like to see is not just the maintaining of the line from Casino to Murwillumbah but in fact, if we are a forward looking country, which is what we need to think about, we need to think about expanding not just to Murwillumbah but extending and expanding it to join up with the Gold Coast airport

multimodal centre that is proposed in the near future. For all sorts of reasons, as I said, we are really an outer suburb of Brisbane and now need to think of ourselves as that. Of course, if you look at the New South Wales Government, its responsibilities supposedly stop at the border but we need to be a lot more visionary than that and to justify it not just from a passionate point of view.

We in this region are looking at how we manage and grow in this economy so that it is sustainable in the future. If we look at our current population make-up, we are a microcosm of where Australia will be in 2021 in terms of population demographic. We are probably the oldest region in Australia with the highest unemployment, the lowest average per capita disposable income. We have 23 per cent of our population over 65 and 46 per cent of our population over 55. We need to create jobs and diversify our economic base if we are to be sustainable in the future. Part of what we do is look at that on a regional basis.

We have just developed 55 hectares of industrial land, and I can give you figures on the possibility of freight usage via rail that will be necessary for us if we are to be competitive with our neighbours to the north in Queensland. There is a company here called Coastal Cement Haulage, which moved all of its concrete supplies via rail. That ceased and they have gone to road transport. They were supposed to give me today—unfortunately I was not able to but it is still coming—the details of the increase in costs that they have experienced by having to move their freight from rail to transport. The impact of that has been that they have actually had to put off staff and they no longer can compete with the ability of the concrete companies to bring concrete in from Queensland. That is just a simple example but we intend to grow industry and freight by rail is a very competitive way of doing it. If we lose that, we lose the ability to attract industry that will take advantage of that.

I think the way forward is to be positive and to look at solutions, rather than criticise. We would like to think that a number of things will happen. First, that there is a preservation of existing services, whether they are delivered by the XPT or other rolling stock. We believe that there needs to be a preservation of existing rail infrastructure, including railway stations, sidings, bridges, rail corridors and other parcels of land. We believe that there needs to be development of an investment program for bringing infrastructure, particularly rail bridges, back up to an acceptable standard. The funding imbalance that sees urban passengers subsidised to a greater extent than regional passengers should be addressed. There should be appropriate business management planning aimed at increasing the scope, availability, and utilisation of both interregional and intraregional rail services in this area, including the integration of feeder services and park and ride options.

There needs to be the setting aside of a land corridor for rail to pass from Condong to Coolangatta. Condong is the place where the Casino to Murwillumbah line currently terminates, and the Murwillumbah to Condong section of this line is believed to be currently unused—obviously it is now unused. There needs to be medium-term planning for connection of the line from Condong to Coolangatta, which would incorporate feasibility studies, which I understand are under way, at least for the maintenance of the rail from Casino to Murwillumbah but we believe you should be looking at incorporating feasibility studies and business planning and environmental impact statements on the corridor to make the connection to south-east Queensland. We would like to see some sort of forum set up to look at joint planning and co-ordination of rail and other transport services between New South Wales and Queensland.

The construction of a rail connection between Condong and Coolangatta should be developed as projections meet the necessary patronage benchmarks. This is a matter of vision for the future. All too often we think something is too hard and give the reasons we cannot do it. Progressive governments should be looking at the next 50 to 100 years. For the Government to even think about removing the service is retrogressive and not visionary. This is the time for visionary leadership. We should be looking at not only maintenance of the route but also its extension.

CHAIR: Mr Keever's, your business has been affected by the cessation of the service. Would you like to outline your case?

Mr KEEVERS: Our business is a cafe-takeaway food outlet with a range of newspapers, magazines, drinks and grocery items. It was originally established to service the needs of local workers, residents and road and rail travellers. Sometimes eight coaches would deliver passengers to the railway station between 8.00 p.m. and 9.00 p.m. to catch the XPT at 9.40 p.m. The passengers were mainly from New South Wales or Queensland and they were going to or coming from holidays or visiting family and friends. Between 75 per cent to 85 per

cent of them were pensioners of some type. It was not unusual to see 60 or 70 people in the shop for an hour. At present we have three to four coaches a day with very few passengers.

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.

The reasons for closing the railway line do not hold much substance. The supposed lack of patronage is hard to understand given the number of people boarding the train each night. There may be a lack of profit, but it must be remembered that pensioners, who have been paying taxes most of their working life, have earned their free trips. The majority of pensioners I have spoken to would be happy to pay a small fee rather than lose their train.

It is a well-known fact that if you continue to let something run down it will cost a lot of money to fix. If the train left Murwillumbah at a reasonable time there may have been more passengers. If this was a cost-saving measure, why are the railway employees still maintaining the station each night? To the best of my knowledge, they still do not know their future. That is a very poor situation. Not one person I have spoken to in my shop or anywhere else can understand this idiotic decision. This is one of the fastest growing areas in the country and the gateway to one of Australia's premier tourist areas. Has the New South Wales learnt nothing from the huge mistake made by the Queensland Government 40 years ago? Blind Freddy from under the park bench could see that if changes have to be made and if the Government needs more profit, the timetable should be changed to make the service more user friendly, and the line should be run to the Queensland border to service the Gold Coast tourism market.

CHAIR: What sort of businesses might open up in the industrial precinct as part of your vision for the area that would require proximity to an operating railway line?

Mr SENTI: We have 55 hectares of light industrial land coming on stream that is specifically targeted at major industry. Interest has been expressed by boat manufacturers, value-adding food processors, warehousing, transport, distribution centres and so on. It is those types of businesses that would need access to rail, particularly given that we are an extension of the growth corridor that is spreading from Brisbane south. That becomes an opportunity for us. Given that a lot of manufacturing supply chains are to the south, we are perfectly positioned to take advantage and that is where the need will be developed.

CHAIR: Thank you for your submission and for answering the questions.

(Witnesses withdrew)

JAMES GALLOWAY, Former Manager, Murwillumbah Railway Station, sworn and examined:

CHAIR: Would you like to give the committee your opinions about the current situation in relation to the station and the rail service?

Mr GALLOWAY: I agree wholeheartedly with everything Mr Keevers said. I joined the railways in 1966 and retired 35 years later. Prior to coming to Murwillumbah I was part of a working party establishing CountryLink stations throughout New South Wales. In 1995 I was appointed as the manager of the travel centre at Murwillumbah and was told it was my business. That was a challenge to improve and build the business. I did that by attending local charities, church groups and schools informing them about the products CountryLink had to offer besides rail travel. I thereby built up a good rapport with the travelling public.

In 1996 I launched a very aggressive advertising campaign for 12 months with the local radio stations and newspapers. During that year my figures improved by 32 per cent. The travel centre was awarded as the most improved travel centre in the northern area, which covered Newcastle, up the North Coast and out as far as Tamworth. After 12 months I was told the advertising budget was cut. That had a terrible effect on my figures. If I wanted to put a \$175 advertisement in the newspaper I would have to ring the CEO of CountryLink. I am sure she had more to worry about. 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. As this was the fastest growing tourist area in northern New South Wales and southern Queensland I could not understand why CountryLink was not putting in more effort to make the trip faster and more economical for the travelling public and to provide a more passenger friendly service. I understand the number of passengers joining the coach at Murwillumbah is averaging about 10 a week. That is a big difference from the 100 to 200 passengers that used to catch the train every night.

The closure has had an adverse effect on local businesses. People would use the railway cafe and hotels and clubs for dinner prior to getting on the train. If I was catching the train to Sydney for business I would come into Murwillumbah and have tea before joining the train. The closure has also had a detrimental effect on Byron Bay and Lismore. I asked the manager at Lismore what had happened since the closure. He said, "Dead." During my time as the manager at Murwillumbah, there was very little maintenance done on the line. I can remember only one fettling gang coming here to do some work. They came from Dubbo. There were fettlers and track maintenance people at Mullumbimby who used to run the line. That had to be done before the passage of every passenger train.

People do not like travelling on coaches because of the danger factor on the roads in the Burringbar range and on the trip to Casino. I understand that some of the coaches do not have disabled facilities. How do elderly people or mothers with small children use a toilet on a coach? People cannot walk around or get a cup of coffee. They can on a train. When I first came to Murwillumbah the trip to Sydney took just over 12 hours. With the new timetable it is now 15 hours. Is that progress?

CHAIR: Thank you for your comments. Can you explain to the committee what you understand was the rationale behind the change in the timetable in 2000?

Mr GALLOWAY: They said they wanted to stop the train longer at major stations so that passengers could get on and off and to load and unload luggage. It took them five years to come up with that excuse. It was the track. The train would travel at 100 kilometres an hour from Sydney to Casino. From Casino to here it travelled at 10 kilometres an hour in a number of places. That was the difficulty of the trip. By that time the kids and mum and dad were tired and the train was running out of food. That was one of the main problems. They

could not maintain the line and did not want to. The freight sections might have said that they wanted a bit of that time.

CHAIR: You mentioned the marketing campaign that you were put in charge of which had the result of increasing patronage. Are you saying that aggressive marketing works?

Mr GALLOWAY: My word! 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. I live at Kingscliff, and I used to come in quite regularly and watch the train go, and see people getting on the train, especially if it was someone I had sold a rather large holiday to, and wish them bye-bye. There was job satisfaction in being able to sell this other stuff. I even sold tickets on Mr Judd's train. Out of those 35 years I spent 25 dealing with the travelling public, and I loved it.

The Hon. CATHERINE CUSACK: Can you recall what the timetable change was?

Mr GALLOWAY: It went from just over 12 hours to 14 hours.

The Hon. CATHERINE CUSACK: Did the departure times change?

Mr GALLOWAY: The departure time changed a fraction. I am not too sure what it was. The departure time from here did not change a great deal; it used to arrive in Sydney late.

The Hon. CATHERINE CUSACK: So it was the arrival time that was the big problem because passengers missed all their connections?

Mr GALLOWAY: Yes. It used to arrive in Sydney, if my memory serves me correctly, at 10.15, and there was a connection to Canberra at about 10.45 or 11 o'clock. Do not hold me to those times. And there was a connection to Dubbo at about 11 o'clock also.

The Hon. CATHERINE CUSACK: The allegation is often made to me that CountryLink has lost its power and status within the rail organisation. Is that your experience?

Mr GALLOWAY: Yes. I cannot tell you their names, but in the five years that I was here I think we went through five chief executive officers. I know for a fact we went through three, but I lost count after that. If you do not have stability there, all this falls away. Another thing was that I do not think middle management and senior management were game enough to make a decision.

The Hon. CATHERINE CUSACK: You said a lot of decisions had been centralised.

Mr GALLOWAY: Yes. If you wanted an advertisement, you had to either ring down there to put an advertisement in the local paper here, or even in a school magazine, which was about \$60.

The Hon. CATHERINE CUSACK: Where did you have to get approval from?

Mr GALLOWAY: The chief executive officer from head office in Sydney.

The Hon. CATHERINE CUSACK: Prior to that had you had your own budget?

Mr GALLOWAY: Prior that. When I took out this aggressive advertising we had our own advertising department in Sydney. I got a program from the local radio station, Radio 97, and I sent the whole thing down to Sydney, and they told me: Go with it. And they gave me some of the tapes that they wanted. Then, during the whole of the 12 months, I could change those tapes to advertise, if I wanted to push the *Indian Pacific* or the *Ghan* or, woe betide, some of the rail travel in Queensland. It was my decision, but I used to ring them up and tell them what I was going to do, and they would say, "Go right ahead." For the 12 months, I might say it did sound a lot of money, but I used to get free advertisements, and they put the advertisements on a carousel so that they would go over the weekend. Over 12 months, it worked out at \$17 an advertisement. It was not bad advertising, was it, for radio?

The Hon. CATHERINE CUSACK: Now there is another unit in Sydney that has to monitor and approve all advertising.

Mr GALLOWAY: I do not know what they do now. You people come from Sydney. How often have you seen an advertisement for CountryLink on television in Sydney or heard it on radio? But if you were up here and watching and listening, you would know Queensland Rail is advertising all the time.

The Hon. CATHERINE CUSACK: If I could ask you a question about how CountryLink organises its service. When I am on a train, I do not know how they do it, but it seems like all the older people are in one carriage, with the mums and kids in another carriage, and backpackers in another. How does CountryLink do that?

Mr GALLOWAY: All pensioners—who, I agree with Mr Keevers, would clearly love to pay a \$10 fee to have their train service restored—were entitled to first-class travel. So the pensioners used to fill up the first-class travel, and of course people on unemployment benefits were entitled to the same. Mum and dad and the kids used to travel economy class, as did the backpackers. But there was very little difference between first class and economy class. I think first-class cars had eight seats less than there were in economy class; there was just a bit more leg room, and the seat laid back a bit further. But we all went to the same buffet and ate the same meals.

The Hon. CATHERINE CUSACK: Was CountryLink using the same concession to ensure that a pensioner couple were not sitting in the middle of a carriage full of preschool children?

Mr GALLOWAY: Sometimes it was first in best dressed, if mum, dad and three or four kids wanted to travel first-class.

The Hon. CATHERINE CUSACK: Can you see any advantage in going by train on a long-distance trip?

Mr GALLOWAY: My word! Mum and dad can get up and walk around, and so can the kids and do things. They are not restricted to one toilet, as you are in a bus. If a toilet in your car is engaged, you can go into the next one. There is a lot in favour of it. The old XPT has been running around a long time, and it might be time for a real good refurbishment. But while it was running it was good.

Ms SYLVIA HALE: Do you believe the Northern Rivers has in any way been singled out for this treatment, or is it a general policy direction to run down CountryLink right across the State?

Mr GALLOWAY: Some of the managers and I, when I was working, used to have little chats. We thought we were being run down or levelled off for privatisation. But whether that is going to happen or not, I do not know. We were sort of stuck at a spot where we could not do anything. We had to sort of do what we could with what we had. It seemed to affect here more than anywhere because we had only one train, whereas when you get to Casino, Grafton and other places on the main line, they have two other trains that they can put people on. The other thing that was my bugbear here is that this train was too slow. It was stopping at every little place. It should not have been. Once it left this track, it should have stopped at only the major centres, because the other centres had two other services—places like Sawtell and so on.

I have nothing against those places, but if we had a passenger from here to Sawtell then we could tell the train to pull up to let that passenger off. If we did not have a passenger from here, keep it going. I remember there were many occasions during the holiday period when one seat might be sold three times. Like, I might sell it from here to Grafton, Grafton would sell it to Taree, and Taree would sell it to Sydney. I think this is the only line, but I would not like the people between Tamworth and Armidale to be holding their breath for very much longer either, because they have tried to shut that one.

The Hon. CATHERINE CUSACK: Is there a case for reopening Bangalow station if the service comes back?

Mr GALLOWAY: They would have to build it first, but I would think so, yes.

The Hon. CATHERINE CUSACK: They are going to do that with the heritage building, whether the train stops or not. But is Bangalow a place that the train should stop at?

Mr GALLOWAY: It was never a place while I was here. Once the old motor rail finished, or the mail train finished, I think Bangalow finished anyway. It has been closed for quite a time. Mullumbimby only opened while I was here.

Ms SYLVIA HALE: Would the heritage aspects of rail be a real selling point, do you think, in this area?

Mr GALLOWAY: I think so, yes. We have quite a lot of history over here—or we did have when we had the old roundhouse and things like that. We still have the old water tower over there. The heritage part of Byron Bay has the only station that I know in New South Wales that has a pub on it. Casino station is a beautiful station, and so is Lismore. So there is a lot of history in this area, and tourist attractions can be made.

(The witnesses withdrew.)

(The Committee adjourned at 5.10 p.m.)
