

LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION COMMITTEE 'B' -  
NORTH EAST RAILWAY CORRIDOR INQUIRY



Submission making a case for the railway by:

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## LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION COMMITTEE 'B' - NORTH EAST RAILWAY CORRIDOR INQUIRY

### INTRODUCTION

I am submitting this paper to the Legislative Council for consideration within the inquiry. Highlighted herein are the shortcomings of the rail trail (bike path) proposal as it currently stands vs the tourist & heritage railway that is my preferred option.

My credentials include the establishment of the Australian Centre for International Agricultural Research, the management of several overseas aid programs and the logistics and management of four resupply and scientific voyages to Antarctica. More recently, I have taken on the role as CWA State Executive Finance Officer and I have won a seat in Dorset Council at the 2018 Local Government Election.

In my role as Community Liaison Officer of the Launceston & North East Railway, I have met with and spoken to everyone from the local farmer to decision makers in Hobart and Canberra. I have appeared on TV and radio and have organised community events and rallies to raise awareness that there is, in fact, a viable alternative.

Together with Chris Martin (Senior Civil and Structural Engineer) and Professor David Adams (Pro Vice-Chancellor UTAS Community Partnerships & Regional Development), I have been integral to all meetings and consultations associated with the North East railway project. These meetings have involved the Dorset and Launceston City Councils, Stewart Sharples (Department of State Growth), Ray Bartlett (Raylink Consultants), Chris Le Marshall (Linqage International) and Chris Loch and Alecia Hawkes (Finance and Treasury).

In the course of our research, we have discovered the bike trail to be a defective proposal that was designed to fit into a window of opportunity around a grants programme. The scheme was presented to the public as a "shovel ready project"; no alternatives were considered, nor was the stake holding community properly consulted.

Against this ramshackle endeavour stands the thoroughly substantial and visionary Launceston & North East Railway with all its clear advantages. The major concern of railway proponents is the loss of any future opportunity and the possible repercussions for dormant railway lines throughout Tasmania. The removal of the rail infrastructure in the North East will set a precedent and provide licence to privatise and destroy other public assets.



## 1.0 ADDRESSING THE TERMS OF REFERENCE

This Chapter briefly addresses the Terms of Reference in point form. Pertinent topics are further elaborated on in Chapter 2.0 and supporting evidence is contained in the Appendices.

### 1.1 Feasibility of the proposed Scottsdale-Lilydale Falls rail trail (bike path)

- Feasibility depends entirely on \$1.47M federal grant
- It is unclear where the matching \$1.47M funding is coming from. No official allocation or publicly available documented source could be found
- Vehement community opposition exists from residents and farmers, particularly those, whose properties tangent to or traversed by the North East railway line.
- Due process and community consultation during the proposal development process was inadequate
- No revenue stream to fund upkeep and maintenance is planned for the bike trail, therefore relying entirely on donations and ratepayer funds
- Estimated bike path use figures given are entirely unsubstantiated
- Economic and social benefits of existing cycling infrastructure in North East grossly over-estimated
- No business plan for the bike trail exists and figures are simply extrapolated from supposedly similar ventures interstate and overseas
- The Strategic Infrastructure Corridor Act (2016) was written specifically to enable Dorset Council to become the Corridor Manager and thus remove the railway
- Ministerial approval to remove railway infrastructure or part thereof remains outstanding

### 1.2 Feasibility of the proposed Lilydale-Turners Marsh Tourism Railway

- Railway proposal is entirely funded by private donators and investors with approximately \$2.5M in pledges and \$125K already spent on purchasing, transporting and restoring DP14 rail car and trailer
- Concept modelled after the highly successful Yarra Valley Railway in Victoria and mentored by its President, Brett Whelan
- Survey by professional railway engineer (Bob Vanselow) concluded rail infrastructure is in adequate condition for slow speed and light axle loading tourist rail operations with relatively minor repairs required to get running
- Railway infrastructure is currently owned by the State and is valued at \$0 by the Treasury Department, however, to replace it with new infrastructure would cost in excess of \$296m. This would indicate faulty conclusions and questionable accounting practices
- Establishment and construction of a servicing facility for the rail car on private property at Karoola, adjacent to the railway.
- Memberships of L&NER and NERAF community groups in excess of 1,000
- A sound report by Ontrack Consulting exists for the railway proposal
- Several surveys (ReachTel, Examiner, etc.) have consistently shown strong support for the railway proposal

- The compromise by the State Treasurer to allocate part of the North East Line for railway use has demonstrated that this is not a disused corridor.
- Launceston City Council recommendation to extend railway from Lilydale to Wyena supports and enhances the railway proposal viability.

### 1.3 The feasibility, funding, future management and maintenance of any tourism developments on the North East railway corridor

Tourist & Heritage railways have a long tradition in Tasmania and they represent an important link to the past. Visitors come to this island specifically for its heritage, natural wonders and way of life. However, in recent times, it seems those in power are determined to transform everything and gentrify the landscape. Decisions are made based on advice given by well funded lobby groups and the community's opinion is largely ignored. Grass roots movements must fight tooth and nail to be heard and more often than not, they succeed in the end. Tasmania has a long tradition of this as well!

I see the Launceston & North East Railway project as a model for what Tourist & Heritage Railways could become. The disparate rail organisations around the State have been political playthings for too long. One is played off against another with promises that never seem to eventuate and every possible obstacle has been laid in the way of success.

The West Coast Wilderness Railway is a case in point. Reconstructed from an empty, derelict corridor in rough, remote terrain, it cost a fortune to make happen. Today, it is the jewel in the crown of the West Coast, a veritable tourist magnet, yet detractors often cite the immense cost of that project as a hindrance to Tourist & Heritage rail in general. Nothing could be further from the truth, for all that stands in the way of it now is red tape.

We have the opportunity now to expand and include the other railways around Tasmania to create a tourist product that people would flock to from far and wide. The possibilities to integrate with each other as well as complimentary offerings are boundless, all that is needed is a will and a bit of imagination. The basis for all this already exists and must not be allowed to disappear.

This inquiry is pivotal to the direction things will go. The Committee must decide whether to offer a bright future or to allow irrevocable destruction. When the railway is gone, it will never be replaced. Ever.

#### A list of possibilities

- Marketing Tasmania as 'The Heritage Rail Isle'
- Boat trains that connect with cruise ships for inland excursions or overland trips, to pick up the boat at another port
- Integrated rail & bicycle touring, with roadside signage, phone apps and printed maps highlighting rail interchange and sights to see
- Mass tourists kept contained, leaving little or no impact on the environment and removing inexperienced drivers from the roads
- Rail & Dine experiences, functions catering and wine tasting trains



- Market trains that would bring the masses to regional festivals and market events. Knowing when how many patrons will arrive would enable third party providers to plan ahead and be prepared to have sufficient stock and staff available
- Picnic trains would revive the tradition of family outings to Dennison Gorge and Lilydale Falls

## **A regulatory framework**

The establishment of a contemporary regulatory framework to ensure long term viability would be a valuable outcome from this inquiry. A government sponsored board to coordinate and oversee the optimising of tourist and heritage rail benefit for the state would be a starting point. This board would carry the insurance and accreditation for mainline rail activities throughout the state to allow resource sharing. The team behind the retention of the North East railway would be very keen to work with government to get this industry with its economic, job creation and alluring outcomes to the forefront.

Detailed information about the North East railway proposal is contained in the Ontrack Report attached in the Appendix.

## **Potential other than tourism**

As the Yarra Valley Railway has demonstrated, a railway is much more than trains and tracks. It brings together the community and has the potential to generate opportunities for disadvantaged youth and the unemployed to gain skills and work experience, leading to gainful, fulfilling employment. Discussions to this effect have already taken place with TAFE and the University of Tasmania.

Two Scottsdale inventors have produced prototypes of four-person rail vehicles and with some assistance this could be a future industry for the region. This could be part of the trade training centre to enable people to be job ready.

The Scottsdale railway station and other historic locations have the potential to become iconic tourist developments with markets and railway-associated memorabilia.

## **1.4 Any other matters incidental thereto**

Detailed in Section 2.0 is how the decision for the current compromise solution by the State Finance Minister came about. It is clear from the evidence, that the entire process appears to be fraught with inconsistencies, secret deals and bias. It seems that the bike path development is being forced through regardless of any opposition or alternative ideas.

Tearing up the railway will negatively affect future jobs and economic opportunities in the North East. The outcome of this inquiry will affect every other railway line in Tasmania and remove the opportunity to take advantage of the Federal Government funds of \$1.5B allocated for railway infrastructure upgrades.

It must be noted, that railway proponents are not opposed to cycling per se. However, development for development's sake is short sighted, particularly, if this development is to the detriment of another venture. The railway will add a unique tourist product to the portfolio that will bring with it ongoing value to the community and the economy.

Integrating this with existing attractions, including bike tourism, is the way forward. There is no valid reason why the bike path could not be routed elsewhere, somewhere that does not destroy our railway.

## 2.0 BACKGROUND INFORMATION

### 2.1 Funding of the bike path

The proposal by the Dorset Council to replace the North East railway line with a bike path is based around a Government election promise in 2015 of \$1.47M. The funds were granted through the National Stronger Regions Fund (NSRF) and are subject to matching funding being raised by Dorset Council.

The NSRF was designed to support major infrastructure development in regional areas such as airport upgrades, sports stadiums, gas pipelines or to diversify freight and transport opportunities. A bike path for recreational purposes does not satisfy the criteria; despite this, funding of project was approved.

The major failure is the requirement that "*...there be no planning limitations, such as zoning or other issues...*". The Strategic Infrastructure Corridor Act that would resolve these issues was not passed through Parliament until 2016.

Furthermore, the NSRF requires that projects must demonstrate ongoing employment and economic benefits in the region following the implementation of the project.

The bike path is estimated to provide 67 full time equivalent positions at the end of 5 years. It is not specified where or how these jobs would eventuate and it is difficult to determine the foundation of the claim. The North East is a sparsely populated rural area. Lilydale has six shops and a service station, while Lebrina has a Post Office/General Store. Even in the main centre of Scottsdale, it is unlikely that any jobs at all would be generated because of a bike path that is free to use.

The economic benefits to the region are purported to amount to \$3.5M following completion of the project. Once again, no supporting evidence exists.

### 2.2 Lack of community consultation

The project did not arise from extensive community consultation resulting in a strategic community plan, nor from a White Paper. There was no more than minimal interaction with farmers and residents directly affected along the North East railway, despite claims to the contrary.

Instead, it was presented by Council to the Dorset community as a done deal. This has lead to a strong public response and outright rejection. It is a project that a large section of the community do not want.

Furthermore, the Launceston City Council was also excluded from consultation, even though two thirds of the corridor lies within its jurisdiction.

## 2.3 Strategic Infrastructure Corridor Act and the Dorset Council

Heritage Rail passenger trains ceased to operate on Tasmania's public railway network in 2006, when Pacific National withdrew access. In March 2018, the Hodgman State Government committed to assist Tourist & Heritage rail operators in regaining access to the Tasmanian rail network.

If the North East line is allowed to be removed, there will be implications for all dormant railway lines in Tasmania.

It appears, the SIC Act was solely designed:

- to enable the bike path proposal to proceed
- for the Dorset Council to be corridor managers of the North East line. As stated by the Dorset Council at their meeting on 15 May 2017: *"...this will formally place the entire rail corridor between Coldwater Creek and Tonganah under the control of Dorset Council"*
- to gain retroactive approval for the illegal removal of the railway infrastructure between Scottsdale and Tonganah
- to remove any property rights of land owners along the North East rail corridor

## 2.4 Conflict of interest

A conflict of interest has developed between the Dorset Council and the Launceston & North East Railway (L&NER) group who came forward with an alternative use for the railway line using private pledges and equipment to be donated from TasRail. Under the conditions of any Federal Government grant there is always a requirement to notify that conflict of interest. The State Government was aware of the conflict of interest and still invested \$50K in a viability study; a further waste of tax payers funds.

## 2.5 Priority for rail use

There are a number of items in the Strategic Infrastructure Corridor Act that support priority being given to railway projects:

- The long title of the Act says that its purpose is *"...to enable areas of land that have been used for the purposes of rail transport to be reserved for future strategic use (including use for the purposes of rail transport) and, in certain cases, to be used for designated recreational uses..."*. The principal purpose being to reserve corridors for future strategic use suggests priority should be given to projects that would allow rail transport to be resumed most easily. This interpretation is supported by comments by Rene Hidding in his second reading speech when introducing the Bill: *"The government is committed to retaining all strategic rail corridors within the State. The development of recreational projects such as the North East Rail Trail will always be on the basis that the corridor is 'banked' and can be reclaimed if required in the future."*

- Section 99 of the Act allows the Minister to issue a railway track removal notice. However, the Minister can only do so if satisfied that:
  - a. it is not reasonably practicable, or would be unreasonably costly, for the designated recreational use to occur on land within the corridor, other than the land on which the railway track is situated; and
  - b. the removal of the railway track is reasonably necessary for the purposes of enabling the use, or the safe use, of the corridor for the designated recreational use in relation to the corridor.

The decision by the State Treasurer on 26 July 2018 to divide the corridor to allow for bike and railway use has compromised the Strategic Infrastructure Corridors (Strategic and Recreational Use) Bill 2016. To allocate any part of the North East Line for railway use has demonstrated that this is not a disused corridor.

The condition of the railway infrastructure was assessed by Robert Vanselow (BE (Civ), MIE Aust, CP Eng, CMILT, MPW, Manager/Railway Consulting Engineer) as "...95% ready for use...".

The Motion passed by the Launceston City Council to extend the North East railway to the council area border near Wyena has further substantiated the case for the retention of the railway line. Dorset Council has derided this decision and asked LCC for it to be reviewed.

## 2.6 The compromise solution

The original NSRF grant was to implement a 70km+ bike path from Launceston to Scottsdale. From the start, there was no plan for riders to get from Launceston to the western end of the rail corridor at Coldwater Creek Junction.

The recent State Government determination, which is to divide the corridor to allow both proposals to go ahead has truncated the bike path to between Lilydale Falls and Scottsdale only. This approximately 1/3 reduction of the distance represents a significant change of scope of the grant submission and there is no plan for the connection to Lilydale township.

There are many factors over the last four years that have impacted on the original grant submission, such as the change in length of the bike path and the conflict of interest with the railway proposal. It is interesting that the costings would have altered significantly, yet the grant for the bike path remains in place unchanged until 2019.

## 2.7 Absence of good governance

The North East Railway is a unique State owned asset that represents over a century of hard work and history. It is the taxpayers who have created this vital, secure link to the outside world and to destroy it purely for the fad of the time would be a backwards step.

The Dorset Council has failed to follow good governance guidelines and has continued to publicly denigrate the railway proponents and members of the community who have an alternative view to the bike path.

It is essential that the merits of keeping the railway in its entirety in place be thoroughly examined. The line must remain for its heritage and value to the community, as well as potential future freight use. It should not be considered for removal to cater for a bike path.

## **2.8 Public reaction**

The threat of losing the railway has inspired volunteers from the Launceston and North East region to come together in an effort to save it. They have already worked countless hours on restoring the historic railcar DP14 and its trailer. It become an active men's shed where trades people and experts are mentoring young people and teaching them skills. Beyond that, others have put in hard work researching, meeting, organising, writing and raising awareness.

### 3.0 APPENDICES

1. National Stronger Region Fund
  - Original grant application
  - Conflict of Interest Declaration
2. Announcement of rail trail by Andrew Nicollic MP
3. Bike path vs Heritage Railway proposal comparison table
4. Dorset Council media release re Tania Rattray MP
5. Media release – Tim Watson -General Manager Dorset Council
6. Strategic Infrastructure Corridors Act 2016
  - Rene Hidding's 2nd reading speech
  - Jess Freeley Environmental Defenders Office interpretation
7. Pledges and money spent
8. Petition – Dorset workshop agenda
9. Dorset Council press release – Train proposal
10. Labor and Liberal party election policies
11. \$50K Tasmania Infrastructure Terms of Reference
12. Letter to Minister Peter Gutwein – re consultancy
13. Meeting with Michael Stretton, Launceston City Council
  - Summary sent after the fact
  - Press release by Chris Martin
14. Ontrack consultancy report
15. L&NER document submitted to Treasury
16. Correspondence pertaining to the devaluation of the railway
17. Bob Vanselow's report
18. Decision on compromise solution
19. Letters between Launceston City Council and Dorset Council

