

Hobart Northern Suburbs Rail Action Group Submission to the Legislative Council Inquiry into the Financial Sustainability of TasRail

31 July 2015

Summary

TasRail should be supporting passenger rail ventures (tourists and commuters) to maximise the return and benefit for the significant tax payer contribution to below rail assets. As with freight rail, there are similar and additional wider societal benefits applicable to passenger rail. Diversifying the value proposition for the Below Rail Assets to include passenger rail would improve TasRail's sustainability making it less vulnerable to industry fluctuations and assure ongoing tax payer investment by firming up the *Social Licence*.

Value of Rail: Freight and Passenger Rail

The Hobart Northern Suburbs Rail Action Group Inc.(HNSRAG) acknowledges the timely release of the report *TasRail – Delivering value for Tasmania*ⁱ, with results summarised in Figure 1:



Figure 1: Infographic associated with the report *TasRail – Delivering value for Tasmania*

The HNSRAG submit that road costs, accident costs, and accident costs avoided by freight rail are also applicable to passenger rail in cities, such as Hobart/Glenorchy, which are facing congestion related constraints on arterial and main roads: The Australasian Railway Associationⁱⁱ has quantified:

- The average passenger train can take 525 cars off the road.
- The average passenger train reduces accident costs by an amount that could fund 130 hospital visits, 505 hospital beds per day, or 6 doctors for one year.
- In one year, the average passenger train reduces carbon emissions by the same amount as planting 320 hectares of trees.

Additional passenger rail benefits include property value up-lift, accessibility, social inclusion, travel time savings, forgone road expansion cost, and tourism offerings (Figure 2).



Figure 2: A freight train skirts the River Derwent at Hobart's Royal Botanical Gardens, one of many spectacular tourist settings on the TasRail network {B Johnston 2013}

Background

The Hobart Northern Suburbs Rail Action Group Inc. (HNSRAG) was formed in 2010 in response to the strong public desire to coordinate a community based campaign for reinstating passenger rail services. HNSRAG's aim is to facilitate the establishment of the Hobart Northern Suburbs Passenger Rail Service and **the preservation of the rail corridor between Hobart and Brighton for rail services**. Since its inception HNSRAG has attracted a strong membership and supporter base. Membership includes individual, family, corporate and foundation, and the supporter base is broad incorporating not only thousands of residents of the Northern Suburbs but also community organisations, transport economists, politicians (Local, State, and Federal), and businesses. HNSRAG's strength comes from its grassroots approach to engaging the community in the campaign by regularly speaking to community groups, holding community forums and information sessions, and organising special events.

HNSRAG are delighted to provide a submission to the Legislative Council Inquiry into the Financial Sustainability of TasRail on behalf of its members and supporters. This submission briefly articulates three key concerns of our group:

1. TasRail's contribution to the 2012/13 Integrated Transport Options Inquiry regarding the Hobart Rail Business Case
2. TasRail's approach to Tourist/Heritage Rail (State-wide Passenger Rail)
3. TasRail's ambivalence to Non-Operational Lines

1. Hobart Rail (Northern Suburbs Passenger Rail Service, aka Hobart Light Rail)

TasRail representations on Hobart Rail to the 2012/13 Legislative Council Inquiry into Integrated Transport Options were misleading, unhelpful, and not in the best interest of the long term viability of rail infrastructure in the Stateⁱⁱⁱ. Four examples below:

1. On Hansard, the TasRail Chairman said: *“You are going to have to build passing loops and all sorts of things. That becomes a real challenge in terms of your train control because you have to make damn sure that the passing loops and the train are where they are supposed to be”*.
Passing loops and automatic signalling is incorporated in all proposals/studies for Hobart Rail. Safe working of trains on a single track railway with passing loops is not novel, or insurmountable, and is common practice throughout Tasmania, Australia and the world.
2. On Hansard, the TasRail Chairman said: *“Everything about running railroads is expensive - just think of a number and put lots of noughts behind it.”*
The Chairman’s cost estimate is not scientific or helpful. Infrastructure (including roads) costs money and options need to be properly evaluated. The Chairman’s response appears to be discouraging investment in rail infrastructure. Investment in passenger rail infrastructure would not only improve the overall condition of TasRail assets it would also diversify their business, promote a culture of rail utilisation, and provide a degree of diversity at times of freight market fluctuations.
3. On Hansard, the TasRail CEO said: *“our railway on that corridor is narrow gauge, just a standard freight railway. If there was going to be a light rail operation, would it operate on the same narrow gauge? I don’t know much about it but I doubt it”*
The CEO appears to suggest you cannot run light rail on a narrow (1067mm) gauge railway. This is grossly incorrect as narrow gauge light rail operates in many parts of the world. It is concerning that the CEO of a rail operator seems unaware of national and international rail practices.
4. On Hansard, the TasRail Chairman said: *“One of the challenges on that corridor will be to satisfy yourself that you can deliver the speed that it needs to run at to be competitive and that the level of comfort is reasonable. Narrow gauge railways are always a challenge in that regard.”*
The TasRail Chairman implies speed is a challenge on a narrow gauge railway. A basic understanding of rail service provision in Australia reveals conventional electric trains run on our same narrow gauge on the Brisbane City Rail network at up to 140 km/h (Figure 3).



Figure 3: Queensland Rail EMU on narrow gauge (1067 mm)
at Northgate, Glenorchy Brisbane {B Johnston 2015}

2. TasRail's approach to Tourist/Heritage Rail (State-wide Passenger Rail)

Regular tourist/excursion trains utilising heritage rolling stock were a regular feature on the Tasmanian Rail network until 2005 when it was stopped by then private operator Pacific National. This was a shame as the various heritage rail groups were just getting a foothold in lucrative markets such as Cruise Ship visitation, Suburban Shuttles, and other charter work (Figure 4).



Figure 4: One of the last passenger trains on the Tasmanian rail network, a wedding charter at Colebrook utilising the Tasmanian Transport Museum's heritage train {C Crerar 2005}

When TasRail returned to State ownership in 2009, the heritage rail groups were very optimistic they'd be "back on track" in no time. Disappointingly after years of roundtable discussions, hollow promises, and considerable tax payer investment into the rail network the heritage rail groups still appear a long way from gaining access to the TasRail network (an Open Access Rail Network).

Ironically, Tasmania was the first State to have a Passenger Railway (albeit Convict powered between Port Arthur and Norfolk Bay), sadly Tasmania is now the only Australian State or Territory not to facilitate passenger/tourist services on the state/territory rail network.

In 2014 then Sustainable Transport Minister, Craig Farrell, granted the Tasmanian Transport Museum \$50k to produce a business plan for operating a tourist rail service on TasRail's soon to be non-operational Hobart-Bridgewater line. As I understand it, the study determined \$3m seed funding would establish a daily, self-sustaining, job creating tourist rail operation serving Hobart, Glenorchy, Mona, Cadbury's, and Granton. The report was delivered to the Minister for Infrastructure, Rene Hidding, in October last year. I recommend this committee obtain a copy and also understand the Minister's intentions with the report.

Tourist/heritage Rail is an under-developed offering in Tasmania and an economic opportunity we can no longer afford to ignore. The opportunities created by heritage/tourist rail is well understood by other states:

In October 2011, Tourism Victoria released its estimate of the contribution to that state's economy made by a single Victorian rail heritage operation, Puffing Billy, in one year. The total amount spent annually by overseas, interstate and intrastate visitors on their one-day visits to Puffing Billy was \$16.5m. They spent that money mainly on food and drink (26.3%), accommodation (20.2%), shopping (14.1%) and fuel (10.1%). Tourism Victoria then applied a multiplier of 3 to the \$16.5m, and came up with a figure of almost \$50m, which represents the contribution to final demand in the Victorian economy generated by Puffing Billy.

Even if we adopt a more conservative multiplier, say, 2, the contribution of Puffing Billy to the Victorian economy would have been over \$30m over the course of one year. And this is just one rail heritage operation.^{iv}

In another estimate, Tourism Victoria calculated that one job in tourism is created for every \$82,000 of input from tourism into the state's economy.

Tourist/Heritage rail operations on the TasRail network would be relatively light axle load with negligible impact on infrastructure that is already being maintained for freight. The issues around train control (safe working) could be easily addressed given the relatively few number of freight trains. Thus, enhancing the return on investment for the tax payer in maintaining the “below rail” assets.

3. TasRail's ambivalence to Non-Operational Lines

TasRail's ambivalence to future strategic needs for non-operational lines is astonishing and disappointing given its public mantra on future proofing and expansion.

In Southern Tasmania the Bellerive-Sorell Railway (1892-1926) is a telling example of not protecting a rail corridor for future alternative transport options to the growing communities and industry East of Hobart. Commercial developments at Rosny and Cambridge have made reinstatement of this Railway extremely challenging.

In more recent times the following Hobart 'branch' lines have closed:

Cadbury, Claremont – now a bike track: Forgone bi-directional freight opportunities and an unquestionable tourist rail market to the Chocolate Factory.

Risdon, Derwent Park – largely intact, though TasRail don't appear to have enforced restoration of rail track following storm water works. Significant bi-directional freight opportunities exist that would remove heavy freight from the Brooker and Midland Highways.

Hobart, Bridgewater – intact, though level crossing lights, some level crossing light control boxes, and some points and track have been removed from the Hobart Regatta grounds.

- The need for strategic future rail access across the Derwent River at Bridgewater to the working port of Hobart, and industrial precinct at Risdon should be important to TasRail. However, the TasRail Chairman was dismissive of this future need in his representation to the 2012/13 Legislative Council Inquiry into Integrated Transport Options.
- Decommissioning of level crossing systems within weeks of the release of the tax payer funded Tasmanian Transport Museum business plan for tourist rail on that railway was extremely disappointing. As I understand it, the Transport Museum is now investigating manual traffic management options at these crossings as part of their proposed first stage return to the TasRail network. This is a non-optimal, unnecessary, and unfair impost on an already challenging community/volunteer endeavour. TasRail claimed to remove the crossing lights for safe keeping, hence TasRail should restore them once they're again required.

Conclusion

To acknowledge previous and ongoing tax payer subsidy and to substantiate their *Social Licence*, TasRail must be more supportive of community driven endeavours for passenger rail (commuter, heritage, and tourist). Indeed TasRail would do well to extend its value proposition to support passenger rail in a tourist oriented state where the TasRail network affords world class views. Indeed diversification would cushion the ups and downs in freight demand and community good will would likely assist future funding applications.

Coincidentally, today is Queensland Rail's 150th Birthday. To celebrate and thank their customers/shareholders the Government owned business is today replacing some scheduled electric/diesel trains with steam trains across their narrow gauge network.



Figure 5: Heritage steam engine Bety at Darra station on her way to Brisbane as part of Queensland Rail's 150th anniversary {Queensland Rail 2015}

I trust this is helpful and relevant to your inquiry. I would welcome the opportunity to discuss this submission with the Committee further.

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ⁱ TasRail – Delivering value for Tasmania, Pitt & Sherry, 22 July 2015: <http://www.tasrail.com.au/we-add-value>

ⁱⁱ The True Value of Rail Report, Deloitte Access Economics, August 2011 (ATTACHED):
http://www.ara.net.au/publications_tvor

ⁱⁱⁱ INTEGRATED TRANSPORT OPTIONS HANSARD, 11 September 2012:
<http://www.parliament.tas.gov.au/ctee/Council/Transcripts/11%20September%202012%20-%20Integrated%20Transport%20Options.pdf>

^{iv} All Aboard! A Fresh Start for Transport Heritage in NSW, May 2013:
<http://www.transport.nsw.gov.au/sites/default/files/b2b/publications/0513-transport-heritage-report-web-final.pdf>

THE TRUE VALUE OF RAIL

The Journey to a Better Australia

Reducing Carbon Emissions and Protecting Our Environment

70% reduction in carbon emissions per passenger kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.

In one year, the average passenger train reduces carbon emissions by the same amount as planting 320 hectares of trees.

70% reduction
100% reduction
100% reduction
100% reduction

In one year, the average freight train travelling between Melbourne and Brisbane reduces carbon emissions by the same amount as planting 600 hectares of trees.

70% reduction
100% reduction
100% reduction
70% reduction

One freight train in place of trucks between Melbourne and Brisbane reduces carbon emissions by the same amount as a household of 3 people going without electricity for 46 years.

Connecting Communities

100% reduction in carbon emissions per passenger kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.

100% reduction
100% reduction
social activities.

Making it Happen

100% reduction in carbon emissions per passenger kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
100% reduction in carbon emissions per tonne kilometre compared to road transport.
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100% reduction in carbon emissions per tonne kilometre compared to road transport.

100% reduction
100% reduction
in transport.

100% reduction
100% reduction

The True Value of Rail Report

100% reduction in carbon emissions per passenger kilometre compared to road transport.
Access Economics.

100% reduction

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