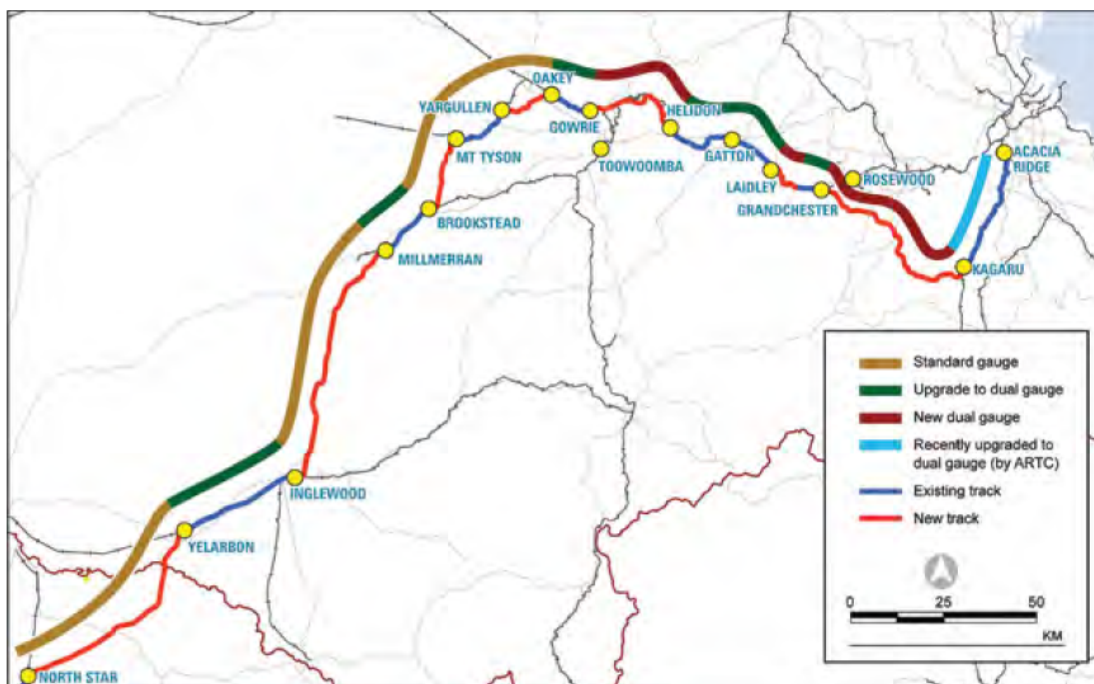


Inland Rail Inquiry Submission Pittsworth to Gowrie Route Selection - Queensland

The route from Pittsworth to Gowrie of the inland rail is greenfield and is not the route designed and assessed in the Business Case nor is it ARTC preferred route.

The route considered in the business case was called the “Base Case Modified” and was used in both ARTC’s business cases produced in 2010 and 2015. The business case cost \$15M and provided costings based on the original identified route. The following is the relevant map from the IRAS Final Report produced by ARTC. The imagery is not ideal, but you can see the section from Brookstead to Mt Tyson is the original base case. It is not suggested that this was a well thought out route, but it was selected by ARTC for a detailed level of assessment including the development of a full budget.

FIGURE 17 Standard and dual gauge corridors



These original studies did not include any connection to the airport at Wellcamp. This makes sense as bulk containerized freight and small high value air freight are two completely different things. A report produced by the “Inland Rail Implementation Group” in 2015 found that “Airfreight is not a viable standalone alternative for Inland Rail as it has a limited role in the transport task of bulk and heavy goods”. This report goes on to suggest that there is no relationship between air freight and rail freight. Therefore, the connection to the Wellcamp Airport seems to contradict the government’s own report. In addition, data available on the web states that the current annual freight volume from the Wellcamp Airport is circa 600 tonnes. A single rail freight container carries approx. 26 tonnes, therefore the deviation via the airport could be for 23 containers per annum or less than 0.02% of the freight volume to be carried by the Inland Rail (that is if all this freight came via rail which may not be the case). This volume of freight does not seem significant enough to support the additional costs of the deviation.

The current reported cost for the deviation to Wellcamp airport is an additional \$135M without a proper costing module being applied. This is a lot of money for such a small volume of freight.

Also note, there is no connection to any other airports on the whole 1700 km of Inland Rail.

The route via the airport that was chosen by the LNP was designed by the Wagners in consultation with the Department of Infrastructure and did not appear to adhere to any due diligence or appropriate process. The email requesting the route is below. Please note the Mayor of Southern Downs also requested the route via Warwick at the same time but this was immediately dismissed, however, for mysterious reasons the request from the Wagners was approved.

Email from Wagner and response from DIRD:

Mike

How are things going in your world?

I met up with s.47F(1) from ARTC last week in relation to the inland rail alignment through Toowoomba.

When the study was undertaken in 2008-10 an international airport at Toowoomba was not a consideration as it was not even thought of at that time.

Six years later it is now a reality and we expect to have scheduled freighter services out of Wellcamp by the end of the year.

We have also announced the first powdered milk factory in Queensland at the Wellcamp business park adjacent to the airport and it will start exporting 30 million tins of infant formula in March 2017.

We also have an approved and serviced container terminal also adjacent to the airport.

We have done some high level analysis of the route and we believe that diverting via the airport would actually shorten the current planned route and future proof the alignment for future passenger services if ever they were to come from Brisbane and the Airport is a logical stopping point if this were to happen.

If it was of a commercial interest to ARTC and their customers we would commit to building a complete intermodal facility to be opened when the line was completed.

We currently own and operate two rail spurs in Townsville so we have some experience in this field.

Also we own one of the largest rail ballast deposits in the region adjacent to the airport and currently have the rail ballast contract for QR from our quarry at Amby so once again we have extensive experience in this regard.

Simon thought it would take about 3 weeks to relook at a diversion via Wellcamp if he was given the go ahead to have a look at it.

We would welcome the opportunity to come down and talk to you and Minister Chester at a time that was convenient.

Best Regards

John Wagner
Chairman Wagner Global Services



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Document 9

s.22(1)(a)(ii)

From: WOOD Richard
Sent: Monday, 1 August 2016 12:52 PM
To: MRDAK Mike; Carmody Shane
Cc: s.22(1)(a)(ii) ; FOULDS Alex
Subject: RE: Inland Rail alignment [SEC=UNCLASSIFIED]

Mike- quick update on three matters in train:

Inland Rail/Toowoomba airport

I spoke to ARTC this morning. s.47F(1) indicated John Wagner has provided him with a map of the proposed alternative alignment (which is different to both the ARTC alignment and that proposed via Warwick), which he will bring with him tomorrow. Would you like ARTC to be part of the hook up with him?

s.47F(1) also indicated he was non-committal on how long a review of the proposed alignment would take- a high level review of feasibility could be 3-4 weeks. We will discuss tomorrow at the steering committee- while we don't want to set a precedent for opening up the alignment, it may be appropriate to look at this given the airport is new.

Backbencher briefing

I've been working out availability from ARTC- due to industrial action this week they won't be available at Executive level as the relevant people will be assisting in operations, however s.47F(1) may be available. I'm discussing with MO.

22(1)(a)(ii)

Regards

Richard

This correspondence from John Wagner to DIRD staff in late July 2016 indicates he provided a map showing where he wanted the line to be positioned in relation to the airport and that alignment was accepted following some discussion. It was interesting to observe in a briefing note dated 31 August 2016 that DIRD staff rejected an offer from the Wellcamp Airport owners to contribute financially to the study of "their" route.

The Wagners have stated they will build a terminal at the airport – ARTC say there will not be a terminal and the Wagners have now, apparently, sold the site that the terminal was to go on to Asterion for a medicinal cannabis facility. In addition, the rail is planned to be 12m high at the airport to accommodate crossing Cecil Plains Rd and Westbrook and Dry creeks. This height is not conducive to the development of a rail freight terminal which needs to be large and flat.

In order to validate the route chosen (so it did not appear that a rail line causing significant disruption to rural, rural residential and townsfolk was chosen just because a big company sent an email request) , the LNP tried to make the Wellcamp route look like it had been selected on merit by creating a Project Reference Group (PRG). The PRG was established in late January 2017 and was provided with approximate lines on a map of the four alignment options which were apparently under consideration at that time.

The PRG process was a sham as an email dated 28 February 2017 states that, "In October 2016 an Multi Criteria Analysis meeting was held which identified the alternative route via Pittsworth (Wellcamp) as preference". Email below:

UNCLASSIFIED

From: s.47F(1)
Date: Monday, 27 Feb 2017 12:37 pm
To: WOOD Richard
Cc: s.47F(1) <s.47F(1)@ARTC.com.au>, s.47F(1) <s.47F(1)@ARTC.com.au>, s.47F(1) <s.47F(1)@ARTC.com.au>
Subject: Yelarbon to Gowrie options - route via Pittsworth

Richard,

At the PCG meeting on 24 February, you asked how and when a route via Pittsworth had been adopted for the variation of the base case (Millmerran) route to reach Wellcamp, rather than a route east from Mount Tyson as shown on early maps of the four route options.

Initially as you know, we started on a study of a single route variation to run past Wellcamp. A notional route was identified showing a line east from Mount Tyson. We believe a map may have been prepared in haste, to show to the owners of the Wellcamp airport at a meeting. I recall that a Mount Tyson route looked feasible, and I was aware that a Pittsworth option had not rated well in the 2010 study.

Work on the "via Wellcamp" study began. In October 2016 an MCA was held which identified the alternative route via Pittsworth as preferable – but at that point the job was put on hold and was subsequently replaced by the larger study of four options. The Pittsworth preference remained internal to the study team. As a result the early maps showing the four options continued to show the Mount Tyson route.

In hindsight, those responsible for preparation of the initial "four routes" maps should have been aware that the Pittsworth route was already a preference. Several of the team did not know that the initial study had progressed to the point of the Pittsworth route being preferred.

Regards,

s.47F(1)

s.47F(1)
Senior Project Advisor, Inland Rail
Major Projects

As you can see, firstly Pittsworth was had not rated well in the scientific studies (prior to political interference), and secondly (after political interference), "the Pittsworth preference remained internal to the study team" and "In hindsight those responsible for preparation of the initial 'four routes' maps should have been aware that the Pittsworth route was already a preference. Several of the team did not know that the initial study had progressed to the point of the Pittsworth route being preferred".

Therefore, the material presented to land owners through correspondence from Bruce Wilson (Chair of the PRG) and at "drop-in" sessions during February and March 2017 was quite misleading. The Chair of the PRG had a pre-determined agenda to ensure Wellcamp was selected in line with the decision that had been made prior to the PRG being formed.

The other bit of nonsense that is touted is the airport was not open when the business case was developed. The airport was opened in September 2014. The business case without any mention of the airport was released in 2015.

Essentially the studied route from 2010 and 2015 (now termed the Base Case) was abolished because of requests from the Wagners to route the rail via their airport. This approach to major infrastructure investment ignores the recommendations of Infrastructure Australia which state:

- Governments should undertake detailed analysis of a potential project through a full business case and should not announce a preferred option or cost profile before undertaking detailed analysis involving multiple options.
- Project proposals should be independently assessed by an appropriate third party organisation.
- Governments and proponents should undertake meaningful stakeholder engagement at each stage, from problem identification and option development to project delivery.
- Governments and proponents should publicly release all information supporting their infrastructure decisions.

The government has ignored its own principles in order to accommodate an email request which did not even have a business case for a terminal attached.

In addition to the flawed determination of the route, the via Wellcamp option has not been costed as stated by the CEO Mr Fullerton at senate estimates. ARTC will not provide these costings, as the costs have increased so much, they make the already dubious inland rail return on investment a complete farce. On the 17 September 2019 in Pittsworth at a public meeting, ARTC were asked to provide the updated costings – they replied that they would not as it was commercially sensitive. This is rubbish – it's tax payers money and should not be a secret. If the Inland Rail does not stack up, don't build it.

As people who stand to lose everything, we have met with the local MP Dr John McVeigh to convey our concerns. As this route has been devised to connect to only one business, who have stated they will build a terminal, we asked Dr McVeigh to request that the money proposed for the terminal be given to the government as a surety. It only seems fair that we are given a guarantee that the terminal be built if our futures are to be destroyed. We don't want to lose everything for nothing.

In summary, the route selected which will destroy so many lifestyles and livelihoods, appears to have been selected through no scientific, economic or time saving merit. This route appears to have been selected simply because big business sent an email requesting it. This is an unacceptable selection process and should be ceased for all future projects.

Given this route was not selected on merit it needs to be properly investigated. A thorough investigation of the route via Pittsworth will eliminate it from consideration as the corridor will need to contend with increases in elevation of 150m (with the corresponding decreases), will cause great destruction to farming enterprises, will exponentially increase flood risk and will damage the local towns amenity. To accommodate the terrain the costs of this route must be greatly increased, and this alone should make this route unviable.

Your consideration of this submission is appreciated. – V Battaglia

References:

http://www.artc.com.au/library/IRAS_Final%20Report.pdf

https://nginx-inlandrail-dev.govcms.amazee.io/sites/default/files/inland_rail_implementation_group_report.pdf

https://www.infrastructure.gov.au/department/ips/files/log/FOI_18-028.pdf

<https://www.infrastructureaustralia.gov.au/publications/infrastructure-decision-making-principles>