

21 February 2014

The Research Director  
Transport, Housing and Local Government Committee  
Parliament House  
George Street  
Brisbane QLD 4000

*Via email: [thlgc@parliament.qld.gov.au](mailto:thlgc@parliament.qld.gov.au)*

Dear Sir / Madam

**Submission to the Inquiry into rail freight use by the agriculture and livestock industries**

By way of introduction, my name is Nick Montague. I have an avid personal interest and passion for championing the sustainability of regional rail networks across Australia, primarily through improving engagement between communities, all levels of government and industry stakeholders on the development of innovative policy frameworks, institutional arrangements and operational solutions. My professional training is in the areas of urban and regional planning and environmental studies, and I have more than 10 years industry experience (of which the majority has been spent working in the rail / public transport sector here in Queensland).

My Regional Rail Experience

Given my interest and professional experience in the rail industry, I am acutely aware of the current challenges facing regional rail networks, and the very real concerns of local and regional communities for the future of these networks. I have been actively involved in gaining an in-depth appreciation of these matters, including participating in the Railway Technical Society of Australasia's NSW Branch Line Study Tour (2006), attending the Society's Regional Rail Symposium in Wagga Wagga (2007) and continually liaising with other interested Society members since these events to share research and ideas. More recently, I have also attended the Regional Rail Revival Seminar in Blayney, NSW (2013) hosted by Charles Sturt University and the Local Council. At all these events, I have been one of the only – in some cases the only - representative from Queensland. Proceedings from all these events would be relevant to the Inquiry's deliberations, and I'd be happy to provide these if required.

In addition to attending these events, I have been personally active in making the case to the State Government for support of innovative frameworks for regional rail development over the past few years, including preparing submissions on the three 'Blueprint for the Bush' Regional Plans in 2008 (South West, Central West and Maranoa), the initial 'South West Regional Transport and Freight Strategy Position Paper' in 2010, and the draft 'South West Regional Transport and Freight Strategy' in 2011. It was very pleasing that some of my proposed feedback was incorporated in the final 'South West

Regional Transport and Freight Strategy' relating to the preparation of a local Rail Corridor Directions Proposal (RCDP). Again, I'd be happy to provide copies of these submissions / documents if required.

This submission primarily responds to the Inquiry's Terms of Reference to '*Identify opportunities to enhance coordination and collaboration across government, transport industry and primary producers about rail freight*'. I think there is a clear opportunity to enhance coordination and collaboration by reforming the overarching governance approach for regional railways in Queensland within the broader policy / legislative landscape. Ultimately, the State Government currently spends many millions of dollars on separate 'above' and 'below rail' Transport Service Contract (TSC) subsidies for the non-commercial network with apparently little regional community input / ownership of the outcomes being purchased on their behalf. Leveraging improved governance approaches through these TSC mechanisms provides the potential for regional communities to better 'own' decisions and develop the capacity to shape their community's aspirations around regional rail service delivery in partnership with industry and Government. It arguably also provides the ability to more critically explore innovative 'localised' alternatives to enhance current regional rail network operating arrangements eg. based on growing interstate and overseas experiences with smaller, localised 'shortline' type operators in regional areas complementing the role of larger, mainline operators such as Aurizon and Pacific National.

Back as far as the Rail Taskforce established by the then State Government in 1993 – refer to the *Rail Taskforce Report on 29 Branch Lines* (November 1993) – recommendations regarding improved collaborative governance mechanisms were identified to assist in increasing cost recovery of non-commercial services. Although I'm not certain how far these recommendations were implemented at the time, it would be worth reconsidering these in the context of the current Inquiry.

As an example, I have previously advocated a proposed framework for the delivery of local RCDP that involves the creation of a representative local rail development committee, along the lines of the local representative committees advocated to implement specific recommendations of the Rail Taskforce back in 1993. This committee would initially act as a steering group for the development of community-led RCDP and would lead engagement activities with regional stakeholders. The committee would also act as a key advocate of local rail in any future integrated transport planning process for the region, acknowledging that the future of regional railways largely depends upon local involvement and commitment. An ongoing role for the committee would then be to act as the main conduit between the community, Government and other relevant stakeholders to facilitate and champion sustainable regional rail outcomes.

Furthermore, the effectiveness of these local rail development committees would be potentially enhanced through the appointment of a 'Regional Rail Development Officer' to assist Councils, committees and the community-at-large on regional rail matters, acting as a central point of contact for coordinating activities and sharing experiences. An edited note providing additional detail on the broad concept of a 'Regional Rail Development Officer' authored by Associate Professor Ian Gray of Charles Sturt University (with assistance from the Lachlan Regional Transport Committee) is enclosed for reference. This note was originally prepared to assist with the Railway Technical Society of Australasia's submission to the Commonwealth House of Representatives Standing Committee on Transport and Regional Services' Inquiry into the integration of regional rail and road networks and their interface with ports back in 2006/7.

Another potential opportunity to enhance collaboration and coordination is to look at the structure of regional rail freight facilitation actions undertaken by Government. Ultimately, it is the Government – on

behalf of taxpayers – who is purchasing non-commercial services and it seems incongruous for Government (or its Agencies like TMR / Queensland Rail) not to take on a key facilitation role in ensuring maximum value for money outcomes are achieved ie. through increasing rail freight usage on supported regional rail lines and contracted freight services. An approach to such facilitation could be modelled on the action included in the Victorian Government's latest 'Freight & Logistics Plan' to establish a 'Rail Freight Facilitation Unit'. This action appears to align with earlier recommendations stemming from Tim Fischer's 'Switchpoint' report back in 2007, as well as more recent advocacy and position papers from the Alliance of Councils for Rail Freight Development.

From a governance perspective, improved rail freight facilitation (and the role of a specific Unit in State Government tasked towards this) could also incorporate the notion of improved institutional capacity consistent with the concept of 'Regional Rail Development Officers' in local / regional government as identified previously. For industry and community, the role of a 'Rail Freight Facilitation Unit' might encompass consideration of necessary financial, regulatory and administrative support for local rail service development in the context of the current challenges faced by small niche rail operators in establishing sustainable operating models in regional areas around Australia.

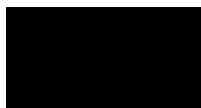
### Conclusion

Despite the current situation with declining tonnage, limited operations and infrastructure constraints, my view is that there are additional haulage opportunities available for rail to grow its share of the regional agricultural and livestock freight task in Queensland particularly with the commitment of all stakeholders (community, industry and Government) to work together in developing and implementing innovative governance strategies focussed on delivering a sustainable regional rail system.

Many local communities across Australia are searching for innovative ways to enhance regional railway networks to achieve more sustainable transport and economic development outcomes eg. Blayney-Demondrille line in NSW. However, experience to-date suggests that local communities – both in Queensland and elsewhere - have had limited opportunity to actively participate in and 'own' decisions regarding the future of their regional railways. I trust the Inquiry's deliberations will consider this matter and propose relevant recommendations to reform regional rail governance approaches.

Should any further clarification be required in relation to my submission, please do not hesitate to contact me directly, preferably via mobile telephone (0407 594 345) in the first instance.

Yours faithfully



Nick Montague

**Enc:** Edited Note on 'Regional Rail Development Officer' Role (1 page)

### **Edited Note on 'Regional Rail Development Officer' Role**

In order to address the current institutional incapacity for railway development in rural areas, it is necessary to build appropriate human capital among the agencies which have transport planning and development responsibilities. Local government has these responsibilities alongside the state governments. Local government has a long-term interest and investment in transport infrastructure. However, the absence of rail expertise in local government is perhaps the most significant factor underlying local government's incapacity to develop sustainable transportation. It also underlies a traditional shortage of regional input into state railway operations which have been allowed to wither in many situations.

Further difficulty arises because Australian local government is unusually fragmented by international comparison, particularly in rural situations despite covering large land areas. Few local councils on their own are likely to have either the human resources or the territorial spread to undertake adequate investigations into rail projects, other than perhaps intermodal terminals which do not involve significant lengths of line across country.

The human capital problem may be addressed by funding local government to employ people to work with industry and the community to assess and develop proposals for rail maintenance and development. Local government need not own or operate railway equipment or infrastructure. Rather, local government should assist local and regional businesses to acquire and develop railway operations and work with industry, including main-line operators, to generate railway business. This does not preclude the continuing involvement of state governments, who might choose to remain or return as operators and/or infrastructure providers. Local input into rail operations, wherever they might be based, is likely to ensure maximum exploitation of its efficiencies.

The duties of a regional rail development officer might include:

- Assessing the viability of infrastructure and likely traffic including the potential for (re)development of track and facilities where opportunities are currently missed.
- Liaison with stakeholders including potential and actual rail operators and customers, and others with transport interests including state government agencies.
- Negotiation with potential rail operators, and providing brokerage between operators, track owners and lessees.
- Preparation or assistance with preparation of business plans and applications for grant funds.
- Liaison among stakeholders to ensure coordination for optimum and efficient use of rail and road infrastructure with a view to business considerations and environmental, social and health issues.
- Recommend to councils further means of developing sustainable transport.