



Newcastle City Council  
Lower Hunter Councils Transport Group

# Decision to Close the Newcastle Branch Rail Line

## Independent Review of Transport Reports

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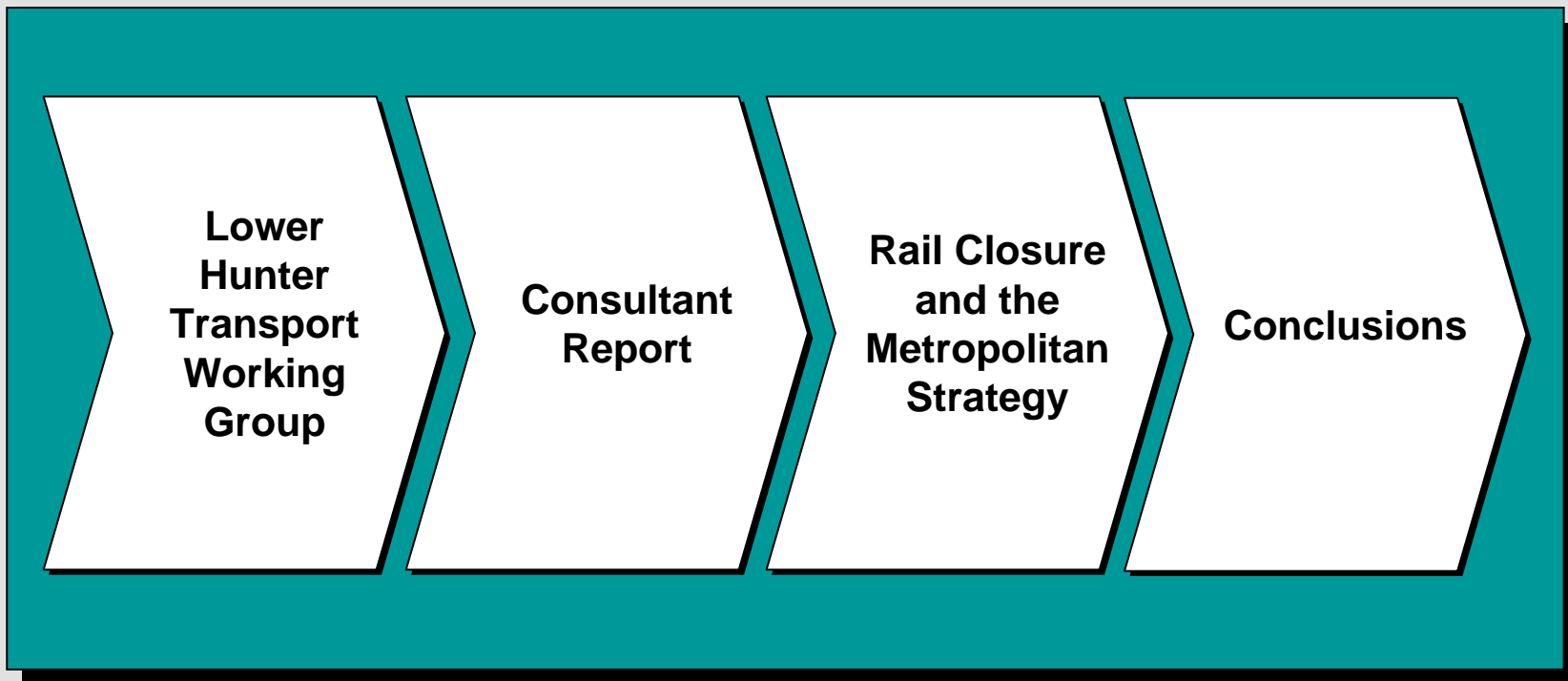
# Agenda

- 1. Introduction**
- 2. Lower Hunter Transport Working Group**
- 3. Consultant Reports**
- 4. Rail Closure and the Metropolitan Strategy**
- 5. Conclusions**

# This is a summary of an independent review of reports recommending rail closure

- **The review was commissioned by Newcastle City Council and the Lower Hunter Councils Transport Group**
- **Key requirements were:**
  - Review a series of reports with specified requirements for the reviews
  - Undertake a site visit (17<sup>th</sup>-19<sup>th</sup> August 2005)
  - Meet with Prof Warren Pengilley and Dr Bruce McFarling (19<sup>th</sup> August 2005)
- **This presentation summarises the main findings of the review which was finalised in Nov 2005**

# This presentation is structured as follows:



# Agenda

1. Introduction

2. Lower Hunter Transport Working Group

3. Consultant Reports

4. Rail Closure and the Metropolitan Strategy

5. Conclusions

LHTWG reports were reviewed for method, meeting TOR's and for validity of conclusions

- **Three Lower Hunter Transport Working Group (LHTWG) reports were reviewed:**
  - First Report – 19 September 2003
  - Second Report – 21 November 2003
  - Final Report – 22 December 2003
- **In addition associated submissions from Prof Warren Pengilly and Dr Bruce McFarling were to be reviewed**
- **The review was required to report on:**
  - Methodologies employed;
  - The extent to which the terms of reference were met;
  - The validity of conclusions reached.

# There were 5 terms of reference for the LHTWG reports

## The TOW for the LHTWG work were:

1. Assessment of current routes and patronage of rail and bus services in the Lower Hunter
2. Review of existing proposals for improvement of transport services, including the evaluation of Woodville Junction proposal, by SGS/Maunsell commissioned by Newcastle City Council
3. Investigation of the replacement of the rail line to Newcastle City with a dedicated transport corridor for a superior frequent bus service;
4. A revision of bus routes in the Newcastle and Lake Macquarie area; and
5. Consideration of funding options including private sector investment through a mix of residential and commercial development, such as restaurants and shops, and preservation of all heritage sites including Newcastle Station.

# TOR's were not met - the preliminary status of the work & impact of wider events were valid explanations

## LHTWG Reports – Extent to Which Terms of Reference Were Met

Term of Reference	Met TOR?	Explanation
1. Assessment of current routes and patronage of rail and bus services in the Lower Hunter	No/ Limited	<ul style="list-style-type: none"> <li>Over emphasis on rail closure issue</li> <li>No/limited coverage of wider bus issues</li> </ul>
2. Review of existing proposals for improvement of transport services, including the evaluation of Woodville Junction proposal, by SGS/Maunsell commissioned by Newcastle City Council	No/Limited	<ul style="list-style-type: none"> <li>Options for expansion of rail using transit oriented principle rejected without any objective assessment.</li> <li>No options for improvement of services from a passenger perspective considered</li> <li>Only 'improvements' likely to result in financial cost recovery</li> </ul>
3. Investigation of the replacement of the rail line to Newcastle City with a dedicated transport corridor for a superior frequent bus service;	No/Limited	<ul style="list-style-type: none"> <li>As above</li> <li>Evaluation undertaken is very limited and does not include a patronage forecast</li> </ul>
4. A revision of bus routes in the Newcastle and Lake Macquarie area	None	<ul style="list-style-type: none"> <li>The study deferred its terms of reference to other studies and enquiries</li> </ul>
5. Consideration of funding options including private sector investment through a mix of residential and commercial development, such as restaurants and shops, and preservation of all heritage sites including Newcastle Station.	Yes/ Limited	<ul style="list-style-type: none"> <li>A reasonable range of options noted for funding</li> <li>Land development options associated with transit oriented development not considered</li> </ul>

# LHTWG reports show a bias to rail closure – no options to ‘improve’ were considered

- **Almost all the work emphasis is on rail closure despite its apparent wider terms of reference**
- **Despite claims in the reports that the focus was on options to ‘improve’ public transport, no options to improve services to passengers were considered**

# A series of documents by Prof Pengilley and Dr McFarling were reviewed

- **Documents included in the review were:**
  - Pengilley W (2005) 'An Analysis Of The Newcastle Rail Position And The Recommendations Of The Lower Hunter Transport Working Group' prepared as background material to a meeting of the Australian Labour party, Newcastle Branch, 5 January 2005
  - Pengilley W (2004) 'The Railroading of Newcastle Rail' text of an address given to a public meeting held at Maitland Town Hall, 10 March 2004
  - McFarling BR (2004) 'Financial and Transport Performance of the Newcastle Rail Line'
- **All were critical of the LHTWG reports – some aspects were 'political' rather than technical**

# In many cases the critique was plausible but difficult to corroborate

- **For example:**
  - Almost 50% of the Lower Hunter rail market use stations earmarked for closure
  - Costs of keeping the line open are inflated:
    - > Signalling costs inflated
    - > Double counting of periodic maintenance

# Many other points were considered valid

- **For example:**
  - LHTWG statement that rail demand declining – much evidence to the contrary
  - LHTWG note rail decline of 18% Dec 03 to May 04 – this could be caused by seasonality
  - Closure could affect competitiveness of Newcastle CBD
  - Negative aspects of bus not considered (luggage capacity, bus costs, effect of bus priority on traffic, low bus service levels vs rail, cost of RTPI, buses and traffic congestion)
  - Parking and CBD congestion impacts not considered and parking already a major CBD problem

# Two points were considered invalid

- Passengers do not transfer from rail to bus – those without a choice have no option. The important point is the transfer penalty (or disadvantage incurred) and the impact of transfer on those with a choice
- Staff savings an invalid benefit if no redundancies – quite a valid way of evaluation in economic terms

# Overall LHTWG is biased to rail closure and did not meet its TOR's – critiques add to these concerns

- **The LHTWG reports were:**
  - Limited in meeting their Terms of Reference
  - Display a bias to rail closure – some part is explainable by the bus reforms underway in NSW
  - Despite claims that their focus was improving public transport, no options to improve services to passengers were considered
- **The critiques presented by Pengilley and McFarling:**
  - Present many plausible points which are difficult to corroborate
  - Make many points which are valid
  - Make only a few points which are considered invalid
  - Overall add to the concerns regarding the quality and emphasis made in the LHTWG work

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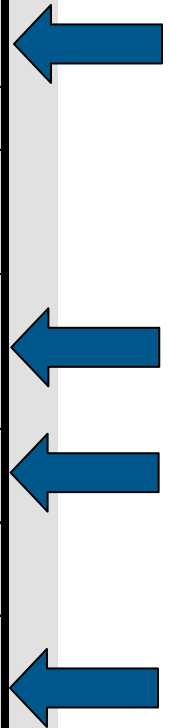
# LHTWG reports were reviewed for method, meeting TOR's and for validity of conclusions

- **Two report sets were reviewed:**
  - Broadmeadow Transport Interchange Feasibility Study (TIDC, November 2004) and
  - the Economic Impact of Rail Closure in Newcastle (GHD, November 2004).
- **The review was required to report on:**
  - Review and report on the extent to which the terms of reference and the direction by the Ministry of Transport to consider criteria provided by members of the Central Consultation Group were met;
  - Review and report on the methodologies used;
  - Review and report on the validity of the findings.

# In general the TIDC work met their TOR although in many cases these were very broad

**TIDC Reports – Extent to Which Terms of Reference Were Met**

Term of Reference	Met TOR?	Explanation
1. Establish a design concept of the Broadmeadow Transport Interchange and the transport corridor from Hamilton to Newcastle	Meets requirements of terms of reference	Need for stair/lift access between platforms and between platform and bus interchange will be a negative feature of the design.
2. Establish an overall concept cost for retaining the existing service	Meets requirements of terms of reference	
3. Establish an overall concept cost for the Broadmeadow Interchange covering capital and operating costs for rail maintenance, buses and infrastructure	Meets requirements of terms of reference	
4. Assess the impact, if any, on patronage/revenue as a result of the implementation of the Broadmeadow Interchange	A forecast is made but seriously underestimates demand/revenue decline	Forecasts are simplistic and broad. Forecasts suggests a 38% decline in rail usage in the corridor. Incorrect assumptions are adopted. A more appropriate forecast might be considerably above a 60% decline using reasonable parameters for these circumstances.
5. Establish an operations plan for the proposed Broadmeadow Interchange covering both trains and buses	Meets requirements of terms of reference	Some aspects of design are questionable e.g. Most Newcastle residents will have to use 2 buses to access Broadmeadow.
6. Identify the extent of the Railcorp holdings along the Newcastle Branch line corridor and assess the extent and value of the land available for redevelopment	Meets requirements of terms of reference	
7. Undertake an initial assessment of the environmental factors and provide advice on planning issues associated with the proposal, factoring in the Ministers commitment to preservation of a transport corridor into Newcastle	Meets the very broad and open requirements of terms of reference	Some environmental issues not addressed e.g. car parking demand increases in the CBD, accessibility issues for aged and disabled persons.
8. Prepare a delivery plan and program for implementation.	Meets requirements of terms of reference	A brief outline assessment given.



Broadmeadow interchange design is a pragmatic low cost interchange but with much quality compromise



# Use of Lambton Road Bridge for the bus interchange is questionable



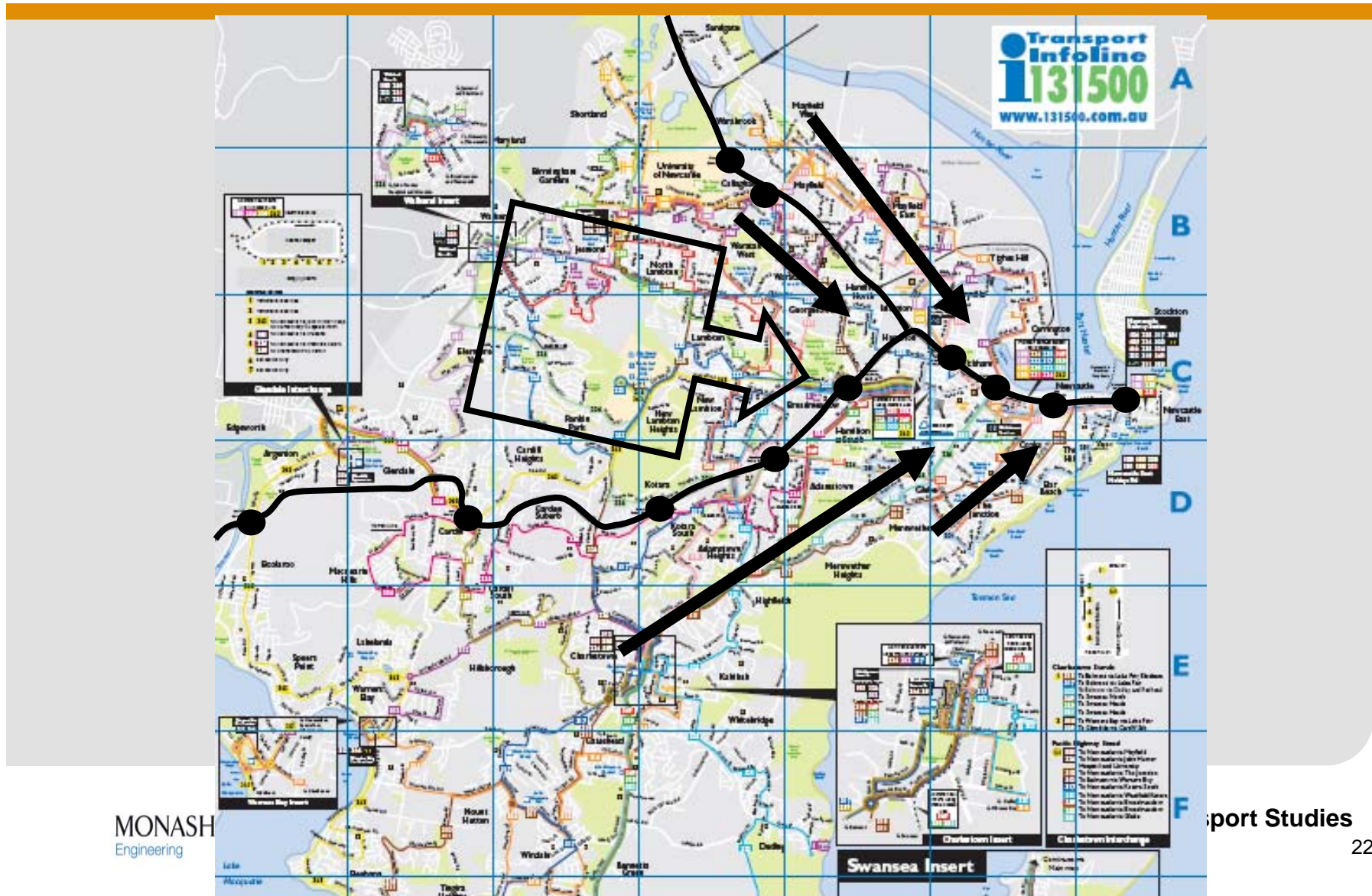
# Peak crowding by school children and overall low quality of facilities should be acknowledged



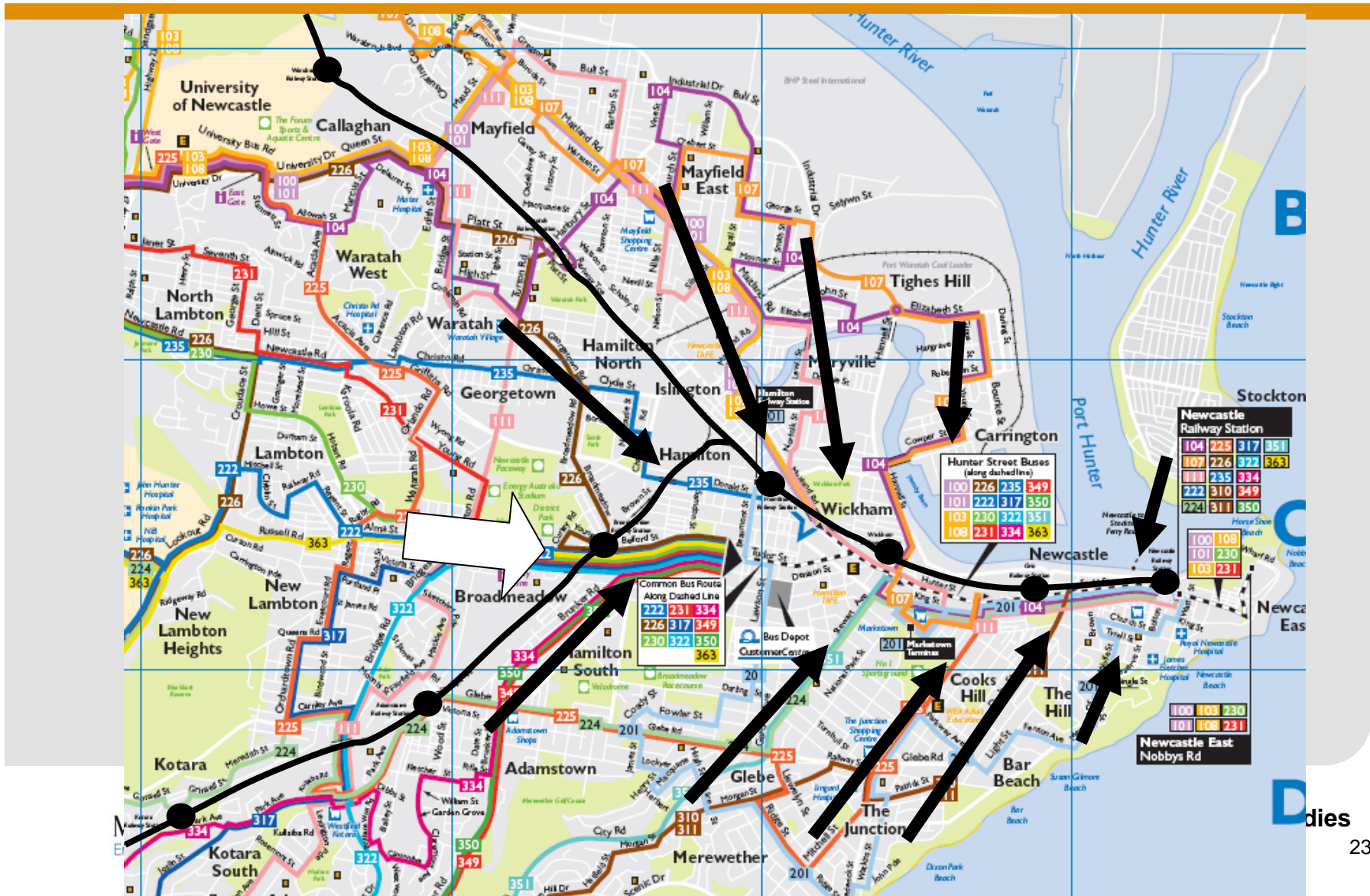
# Demand forecasts suggest a 38% patronage decline – this is a serious under-estimate

- **Modelling assumptions VERY conservative e.g.**
  - 10 minute transfer penalty – av. of urban = 13 mins av. For long distance is 43-45 mins
  - Interchange and waiting time +5 mins – should be twice actual time plus allowance for walk and climbing stairs. At least +10 mins would be reasonable.
- **Model elasticity is VERY conservative e.g.:**
  - Uses a value of -0.6 (-0.3 to -0.9 range) quoted from a source document (Demand for Public Transport)
  - Source document actually states -0.4 to -1.7 (bus) -0.4 to -1.7 (underground) and -0.6 to -2.0 (rail)
- **More accurate estimate substantially higher demand decline (at least 60% not 38% - higher decline likely)**

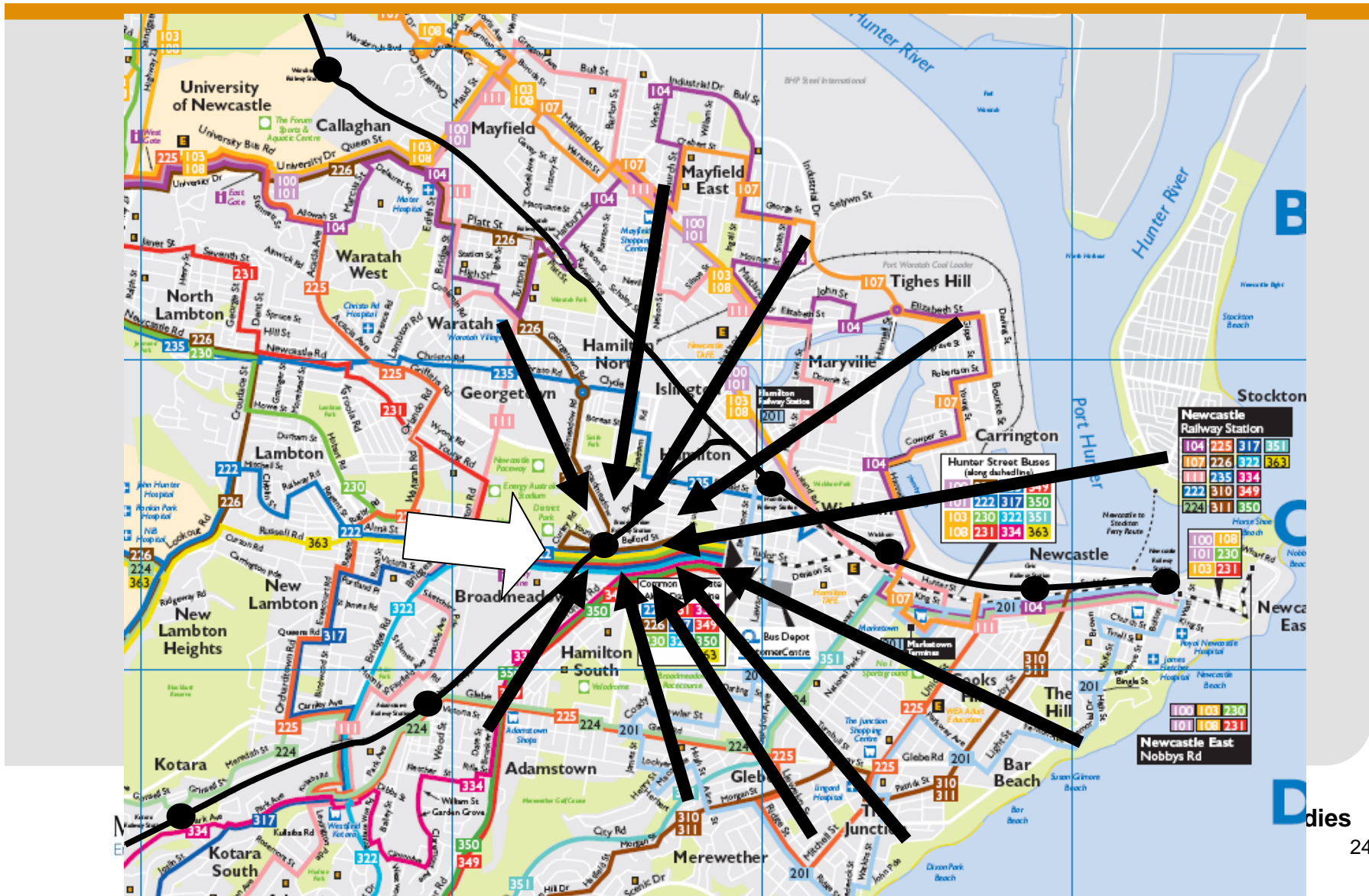
# The need for most Newcastle residents to transfer twice to get to Broadmeadows has been ignored



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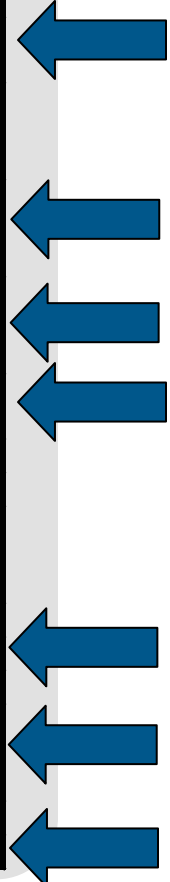
There is no bus network to directly access Broadmeadow as current CBD service do



# The Economic Impact Report (EIR) covered its TOR's but with many questions on approach

**GHD Economic Impact Report – Extent to Which Terms of Reference Were Met**

Term of Reference	Met TOR?	Explanation
Goal - to assess the potential economic impact of removal of the rail line from Broadmeadow to Newcastle	Yes	Assessment is broad, simplistic and incorrect
1. The types and mix of buildings/developments that could realistically be built in the CBD area freed up as a result of any decision to remove the rail line;	Yes	
2. Views on what viable businesses/developments could be constructed over this timeframe, their estimated costs of construction, estimated infrastructure costs and the projected timeframe for the developments;	Included	Based on secondary evidence which is incorrectly quoted and misrepresented
3. Commercial construction development - the development of hotels with a waterfront view may attract tourists. Other commercial developments may generate rental income	Included	Based on secondary evidence which is incorrectly quoted and misrepresented
4. Government and business expenditure entailed in the construction of new developments	Included	Covered in only the broadest sense
5. Potential rates revenue to the local council	Not Included	No mention of this in the report
6. Zoning issues and any council regulations that attract development	Considered	Not specifically mentioned but is considered
7. Residential housing development/apartments - this may lead to increases in values of land in front of the water and may be a driver for developers	Mentioned	Is identified in the final chapter
8. The State Government's commitment to retain a transport corridor	Mentioned	Noted in the introduction
9. Recognition of appropriate open space for the public	Not Mentioned	No mention of this in the report
10. Assumptions detailed.	Yes	In general these are covered
11. Economic impact to include additional direct and flow on jobs created over the medium to long term, types of jobs created, and projected downstream impacts on tourism	Yes	Included but based on incorrect assumptions. No consideration of employment loss or the impacts of increased road congestion.
12. The once off construction impacts	Mentioned	
13. The economic impact of loss of patronage	Mentioned	No employment impacts considered



# The EIR noted examples where harbour-side development encouraged growth

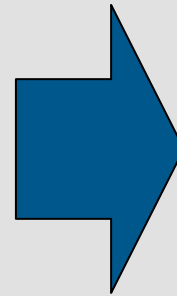


Melbourne Docklands



Sydney Darling Harbour

And considered Newcastle ideal for similar development – as long as the railway is removed



# The substantial investment in rail in the quoted Harbour-side developments is ignored



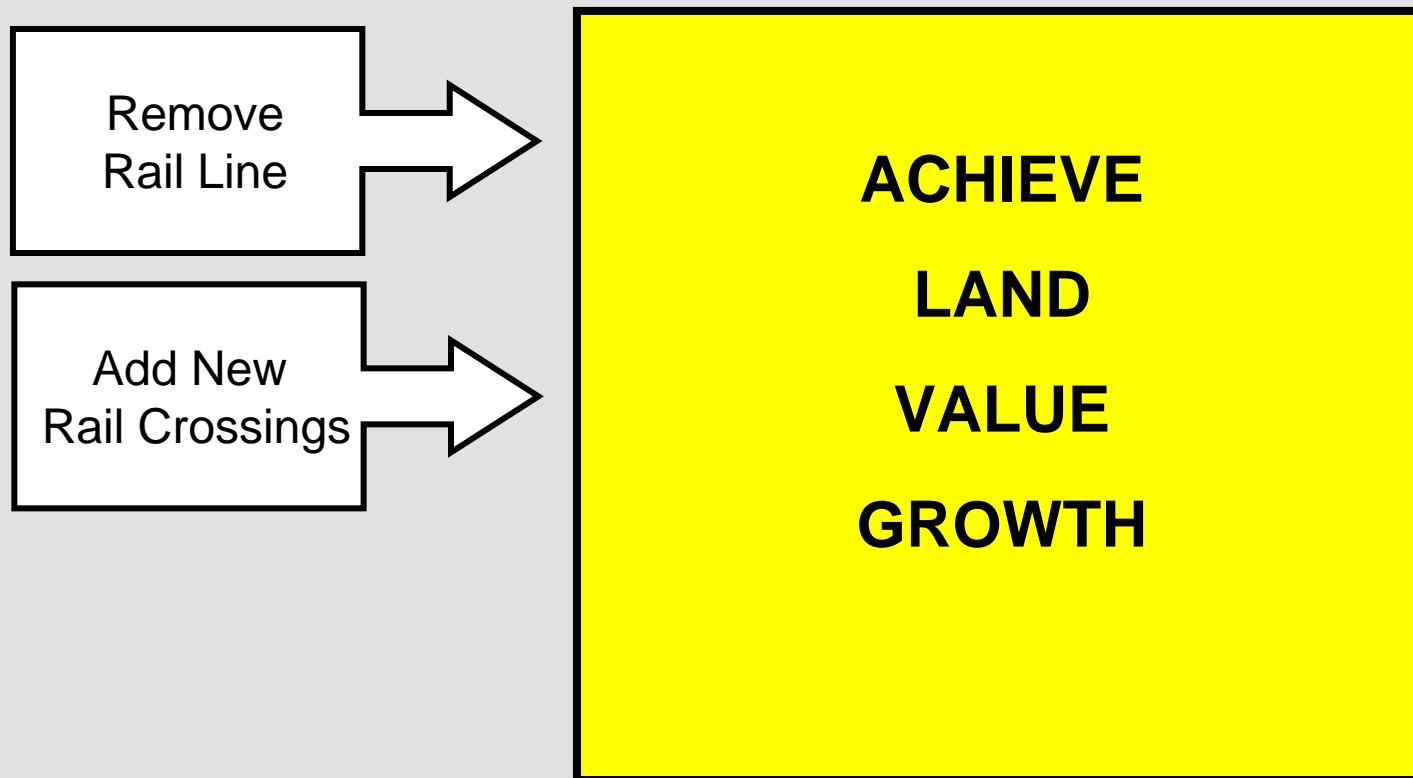
Melbourne Docklands



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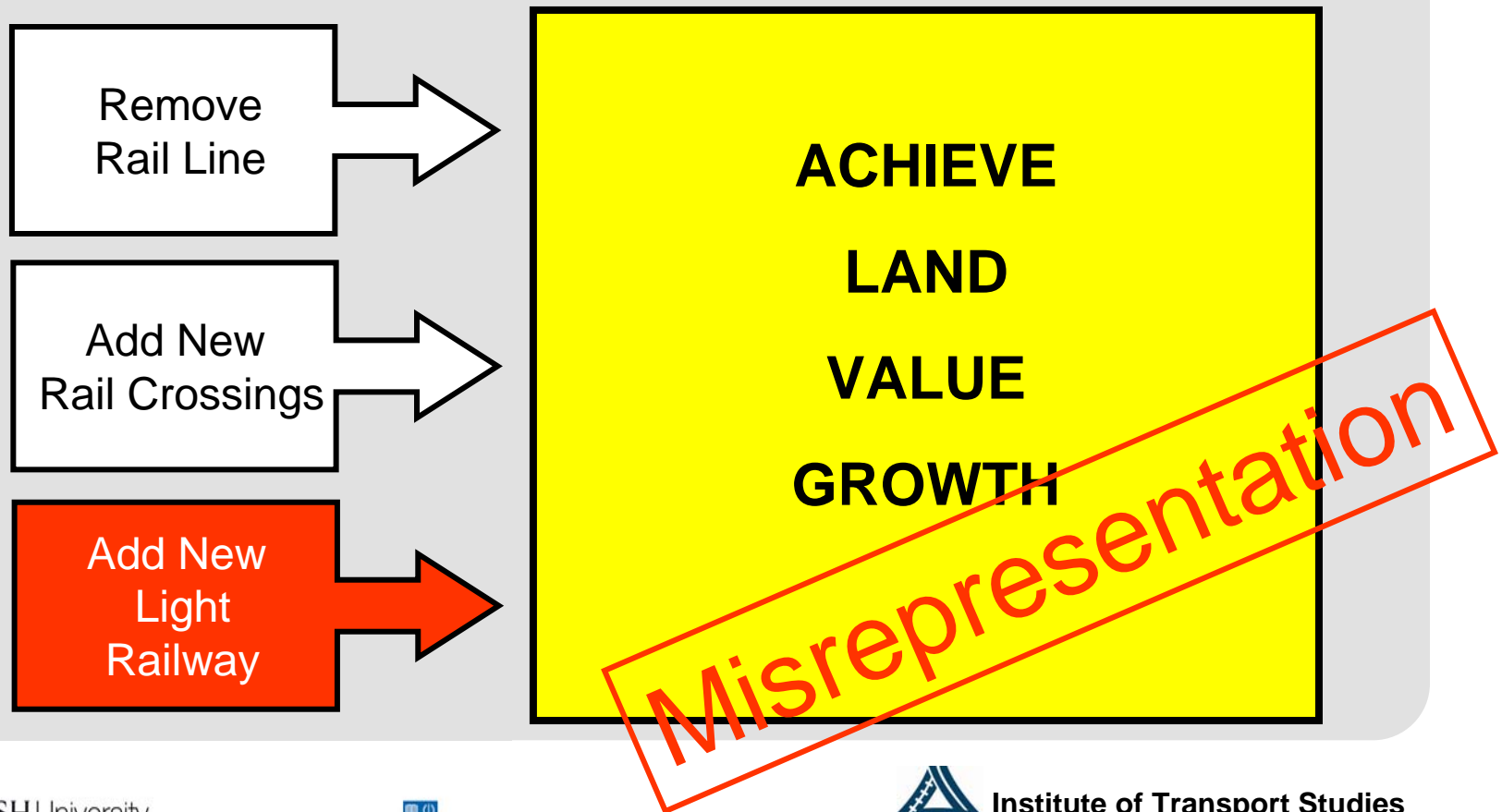
A land valuation report is presented as  
**EVIDENCE** that rail closure = growth in land value

EIR Report Quoting Dupont Fagan Valuers




# BUT the valuation also included replacement of rail with a new light railway!

Actual Assumptions in the Dupont Fagan Valuers Report



# A second valuation is quoted which values rail land in Newcastle CBD

- **TIDC Report Section 8 (valuing rail land) is quoted:**
  - A. Report valued existing rail land which can be sold without closing railway at \$24M
  - B. Other rail land that could be sold off if only the railway is closed is valued at \$25M (+100% value of A.)
- **EIR uses this to suggest value of land could grow by 78% as a result of closure**

# This is then applied to represent growth in land value for ALL Newcastle CBD

- **TIDC Report Section 8 (valuing rail land) is quoted:**
  - A. Report valued existing rail land which can be sold without closing railway at \$24M
  - B. Other rail land that could be sold off if only the railway is closed is valued at \$25M (+100% value of A)



- **EIR uses this to suggest value of land could grow by 78% as a result of closure**



- **78% land value growth is applied to ALL PROPERTIES IN NEWCASTLE CBD to estimate economic benefits**

**Misrepresentation**

# There are also significant omissions in the EIR

- **No consideration of impacts on CBD parking and road congestion as a result of rail closure – this may well have economic impacts**
- **No consideration of these issues within the context of :**
  - Growth in CBD traffic levels and road congestion
  - Competition from Regional Centres for Trade and Visitors
- **Overall impacts of rail closure on the viability of the Hunter and North Coast Lines. Plus the potential impacts if these lines have to close as a result of ‘cutting off the head’ of the railway.**

The reports were also assessed relative to the needs of the 'Central Consultation Group' (CCG)

- **The Minister for Transport required that the consulting reports consider the criteria provided by the Central Consultation Group.**
- **The review assessed the extent to which the consulting reports assessed these.**

# 19 CCG criteria were identified

## Central Consultation Group Criteria

CCG Criteria	Included?	Notes
1. Public transport model required to undertake the study		
2. Need to examine a wider range of alternative transport options		
3. Commercial development to be considered as part of the interchange		
4. Analysis of impacts on vehicular and pedestrian movements including modelling of patronage targets up to 20%		
5. Full consideration of the impacts of travel time of public transport users in the region		
6. Feasibility study should include social impact assessment, notably in relation to impacts on residents of Broadmeadow, and those with changed travel patterns		
7. Concept of linking the study to a Lower Hunter Integrated Transport Plan		
8. Consideration of sustainable transport target of 20% mode share to public transport		
9. Consider pricing and regulation policies		
10. The project should not increase travel times		
11. Economic benefits of retention are explored		
12. Look at Light Rail in the region		
13. Study should revisit all options in the feasibility study to check they are still viable		
14. Need for a seamless rail to bus interchange		
15. Need to define the objectives of the interchange		
16. What is the direct cost revenue balance (financial impact) on Railcorp of the measures		
17. What is the financial impact on the viability of regional rail in the Hunter Valley		
18. Refinement and review of costing analysis		
19. Consideration of access issues by users e.g. elderly, youth disabled, people with prams etc		

# 7 (37%) were at least partially considered

## Central Consultation Group Criteria

CCG Criteria	Included?	Notes
1. Public transport model required to undertake the study		
2. Need to examine a wider range of alternative transport options		
3. Commercial development to be considered as part of the interchange		
4. Analysis of impacts on vehicular and pedestrian movements including modelling of patronage targets up to 20%		
5. Full consideration of the impacts of travel time of public transport users in the region	Partly included	Very broad results not clear
6. Feasibility study should include social impact assessment, notably in relation to impacts on residents of Broadmeadow, and those with changed travel patterns	Partly included	Only broadest mention of these issues
7. Concept of linking the study to a Lower Hunter Integrated Transport Plan		
8. Consideration of sustainable transport target of 20% mode share to public transport		
9. Consider pricing and regulation policies		
10. The project should not increase travel times		
11. Economic benefits of retention are explored		
12. Look at Light Rail in the region		
13. Study should revisit all options in the feasibility study to check they are still viable		
14. Need for a seamless rail to bus interchange		
15. Need to define the objectives of the interchange	Partially included	No statement of objectives clearly made
16. What is the direct cost revenue balance (financial impact) on Railcorp of the measures	Partially included	Not directly noted but some elements included
17. What is the financial impact on the viability of regional rail in the Hunter Valley	Partially included	Not directly noted but some elements included
18. Refinement and review of costing analysis	Partially included	
19. Consideration of access issues by users e.g. elderly, youth disabled, people with prams etc	Partially included	In broadest outline terms

# 12 (63%) were Not Included

## Central Consultation Group Criteria

CCG Criteria	Included?	Notes
1. Public transport model required to undertake the study	<b>Not Included</b>	Studies note this was not ready yet
2. Need to examine a wider range of alternative transport options	<b>Not Included</b>	Rail closure was the main focus of all the studies
3. Commercial development to be considered as part of the interchange	<b>Not Included</b>	
4. Analysis of impacts on vehicular and pedestrian movements including modelling of patronage targets up to 20%	<b>Not Included</b>	
5. Full consideration of the impacts of travel time of public transport users in the region	Partly included	Results are not clear and undertaken at very broad level
6. Feasibility study should include social impact assessment, notably in relation to impacts on residents of Broadmeadow, and those with changed travel patterns	Partly included	Again only the broadest mention was made of these issues
7. Concept of linking the study to a Lower Hunter Integrated Transport Plan	<b>Not Included</b>	No mention of an integrated plan is made in the reports
8. Consideration of sustainable transport target of 20% mode share to public transport	<b>Not Included</b>	
9. Consider pricing and regulation policies	<b>Not Included</b>	
10. The project should not increase travel times	<b>Not Included</b>	All evidence from the reports is that significant increases in travel times and cost will occur
11. Economic benefits of retention are explored	<b>Not Included</b>	No benefits considered
12. Look at Light Rail in the region	<b>Not Included</b>	
13. Study should revisit all options in the feasibility study to check they are still viable	<b>Not Included</b>	
14. Need for a seamless rail to bus interchange	<b>Not Included</b>	Stairs and a lift access is used.
15. Need to define the objectives of the interchange	Partially included	No statement of objectives has been fully included
16. What is the direct cost revenue balance (financial impact) on Railcorp of the measures	Partially included	Not directly noted in the reports but some elements are included
17. What is the financial impact on the viability of regional rail in the Hunter Valley		
18. Refinement and review of costing analysis	Partially included	
19. Consideration of access issues by users e.g. elderly, youth disabled, people with prams etc	Partially included	In the broadest and outline terms

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# The Review also assessed the proposed rail closure for consistency with the Metro. Strategy



# 5 Metro Strategy Directions were identified as relevant to the rail closure proposal

## Assessment of Consistency with the Metropolitan Strategy

Relevant Parts of Metropolitan Strategy	Assessment	Notes
Direction 3 Manage Growth and Value Non-Urban Areas - means limiting urban sprawl and directing growth to growth centres - non urban land is protected		
Direct 4 Build Livable New Communities - including access to reliable public transport		
Direction 5 Review Existing Areas - New housing planning in existing areas with good public transport access		
Direct 6 Strengthen Employment Centres and Precincts - Jobs need to be handy to transport		
Direction 7 Connect Centres with Transport Network - need to connect jobs and services with people		

# All were considered to have poor consistency with the rail closure proposal

## Assessment of Consistency with the Metropolitan Strategy

Relevant Parts of Metropolitan Strategy	Assessment	Notes
Direction 3 Manage Growth and Value Non-Urban Areas - means limiting urban sprawl and directing growth to growth centres - non urban land is protected	Poor consistency	Removal of the railway will considerably degrade the rail service and encourage car dependence. Improving the railway is consistent with urban densification objectives and encouraging growth in 'growth centres'
Direct 4 Build Livable New Communities - including access to reliable public transport	Poor consistency	Heavy rail is often considered the highest quality of public transport. Removal of this can reduce the viability of the rest of the regional service.
Direction 5 Review Existing Areas - New housing planning in existing areas with good public transport access		
Direct 6 Strengthen Employment Centres and Precincts - Jobs need to be handy to transport	Poor consistency	Rail is currently highly accessible. Little consideration of the future sustainability of car access in the area
Direction 7 Connect Centres with Transport Network - need to connect jobs and services with people	Poor consistency	Removes a significant connection and relies on potentially unsustainable car access

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# LHTWG reports show bias to rail closure and did not meet TOR's – critiques add to these concerns

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  - Limited in meeting their Terms of Reference
  - Display a bias to rail closure – some part is explainable by the bus reforms underway in NSW
  - Despite claims that their focus was improving public transport, no options to improve services to passengers were considered
- **The critiques presented by Pengilley and McFarling:**
  - Present many plausible points which are difficult to corroborate
  - Make many points which are valid
  - Make only a few points which are considered invalid
  - Overall add to the concerns regarding the quality and emphasis made in the LHTWG work

# The consulting reports had a number of weaknesses, misrepresentations and omissions

- **The TIDC reports :**
  - Interchange design is low cost poor quality compromise
  - A number of design concerns
  - Demand Forecasts very conservative – impacts of closure far greater than suggested
  - Lack of network access for most residents not considered
- **The EIR:**
  - Misrepresent fundamental issues in the economic of rail closure
  - Omits to consider impacts of closure on parking, congestion traffic growth and future of Hunter/North Coast rail lines
- **Views of the Central Consultation Group were not considered (12 out of 19 not included, the rest hardly covered)**

# The recommended rail closure has poor consistency with the Metropolitan Strategy

## Assessment of Consistency with the Metropolitan Strategy

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# Closing Remarks

- **Government has every right to evaluate its options with expensive rail infrastructure**
- **However analysis was weak, minimalist, biased, unobjective and included misrepresentations**
- **Is it a sham? – Don't know, its at least highly suspicious.**
- **A major question remains unanswered – Is the railway worthwhile? Despite the bias towards closure no one seems to have answered this simple question.**
- **Rail is certainly a high quality feature of the Hunters transport infrastructure and expensive for a city of the size of Newcastle. Some would see this as a competitive advantage NOT as a problem.**