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*Cooma and Monaro Progress Association works to promote the economic  
development and social wellbeing of the region*

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## COOMA AND MONARO PROGRESS ASSOCIATION

### CONCEPT PLAN FOR CANBERRA TO EDEN RAILWAY

## Submission on NSW Draft South East and Tablelands Regional Transport Plan

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The Submission was first issued to the Transport Plan Team, South East and Tablelands Regional Transport Plan, Transport for NSW on 20 February 2023. It is reproduced here with an additional Addendum.

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June 2023

Submission on  
**NSW Draft South East and Tablelands  
Regional Transport Plan**

**1. Summary**

Cooma and Monaro Progress Association (CMPA) recommends inclusion of:

***Concept Plan for Canberra to Eden Railway***, by Edwin Michell, 2018, published in four parts by CMPA:

within the Regional Transport Plan;

beginning with a half-year independent Economic Assessment of the Concept Plan.

**Effects of the improved and new faster railway between Canberra and Eden will be:**

- 1 **to take sea freight between the inland and one of the finest harbours in Australia, relieving congestion in and approaching other ports**
- 2 **to promote more tourism and business at the coast, in Canberra, and in areas between**
- 3 **to attract population to the Monaro by reducing commute times to Canberra**
- 4 **to lessen the reliance on road transport**
- 5 **to more economically transport freight with less stress on the environment.**

**2. Introduction**

CMPA commends further development of the *Concept Plan for Canberra to Eden Railway*. The Concept Plan in four parts authored by engineer and economist Edwin Michell was published by CMPA in 2018. The Plan stated the need for its further economic and financial development.

On publication of the first, narrative, part of the Concept Plan, the NSW Government announced in 2018 the allocation of one million dollars for a Feasibility Study into the railway. The terms of reference for the Study used the main map in the Concept Plan, in inviting proposals for the Study in 2019. The Executive Summary of the Study dated May 2020, and web-published in September 2020, confirmed that the railway is physically feasible and the Port of Eden has ample capacity for expansion to transfer from the inland the export freight which the railway would deliver.

The Concept Plan is to improve the existing two-hundred kilometre disused railway between Canberra and Bombala, and to build a new, hundred kilometre line from Bombala down the escarpment of the South Coast Range to the southern shore of the Port waters. There, a deep water naval and freight wharf was built c 2013 in the vicinity of a woodchip export loader. The naval and freight wharf has a length of 200 metres and a dredged depth of 11 metres. Ships are limited in length to 185 metres, and in draft to 10.5 metres. The wharf is underutilised.

The present document is cordially submitted in response to the relative invitation on the TfNSW website. Scans of the letters mentioned are available to the South East Team from CMPA.

### **3. Benefit-to-cost ratios in Feasibility Study**

The Feasibility Study found that the benefit-to-cost ratios of the railway were negligible.

Members of CMPA, and CMPA nominees who were senior economic and railway specialists, received supervised access to the full Feasibility Study report in October and November 2020. CMPA had been informed that the Feasibility Study had needed to be passed by the NSW Government. Based on the supervised readings of the full report, CMPA submitted to the Premier two documents of Reviews of the Study, dated March and May, 2021. In the economics and finance of the Study, the Reviews found substantial errors, substantially invalidating the benefit-to-cost ratios.

The second of the two web-linked Michell Reviews included: The overall net present value calculation [in the Study report] is patently erroneous. Table 42 claims that the “Total Real Benefits” over 30 years come to \$1,822.7m, having a present value of \$255.8m when discounted at 7%. The “net present benefits” are just 12.4% of the undiscounted real benefits. **This is mathematically impossible** under any reasonable assumptions.

While Transport for NSW informed that the full report was commercial-in-confidence, CMPA’s senior-most associated transport economist with fifty years of international experience in his field replied: You state that the documents have commercial-in-confidence classification but I can find no reference to any commercial interest in the report and wonder why and by whom this classification was ordered. The summary report is available publicly on your website and, apart from the details of methodology used in arriving at the summary conclusions, there is no reference to any commercial contract or issue of interest at all. I am aware that there is very considerable public interest in establishing whether or not the rail link is feasible but no interested commercial body or contract is mentioned anywhere. The full report has yet to be released.

Comparably, the recently earlier feasibility study report on Narrandera to Tocumwal Railway, which was commercial-in-confidence at the outset, was released to MP Helen Dalton after repeated

applications. That report was published on her independent website. Summaries of railway feasibility reports are at TfNSW/projects/programs/Fixing Country Rail – scroll down.

#### **4. Recommendations to the Premier**

Snowy Monaro Regional Council recommended to the Premier in August 2021 that an independent economic assessment of the Concept Plan should be prepared. Earlier, CMPA had submitted like recommendations to the Premier, with the Reviews. To all these recommendations, replies came from Transport for NSW (TfNSW): the Study found that the project is not economically viable; the Study has been closed. The replies included no disagreement with any part of the Reviews.

In May 2022, CMPA submitted to the Premier a fresh *Record of Economic Data* in substantial support for the recommended future Economic Assessment. In June 2022, CMPA appealed to the Premier for adoption of the Council's recommendations of 30 August 2021.

In August 2022, the Parliamentary Secretary for Regional Transport and Roads informed CMPA: "Transport for NSW assessed and noted the Association's views in the documents and maintains the feasibility study analysis is sound." This was the first word to CMPA that TfNSW had assessed any part of the Reviews but there was no reasoning for maintaining that the feasibility analysis is sound and no engagement with the refutations by CMPA. The information in the letter cannot be accepted since it is not substantiated and is disproportionate with the extent and depth of the Reviews. CMPA recalls no prior word of Transport for NSW that "the feasibility study analysis is sound." The present submission is recommended for consideration simply on the basis of the present text and web-linked documents without waiting while the matter is referred back to the Government if necessary as a parallel matter. The submission is a limited development of CMPA's submission of January 2023 regarding the December 2022 updated NSW Draft South East and Tablelands Regional Plan 2041.

#### **5. Effect of the Study Summary on the Concept Plan**

Publication of the Feasibility Study Summary continues on the Transport for NSW website with substantially incorrect, negligible, benefit-to-cost ratios. That publication continues to discredit the Concept Plan incorrectly and severely. **It thwarts planning.** It continues to erroneously relegate the Canberra to Eden railway far below other plans, whether earlier or later. A fresh independent economic assessment is needed to re-establish the Concept Plan. The independence is recommended by Snowy Monaro Regional Council and CMPA, and is in keeping with the Inquiry into the Ruby Princess having been independent. The preliminarily estimated cost of the railway in

2018 was three billion dollars. Given that the Feasibility Study could be undertaken for a million dollars, it is considered likely that the economic and financial assessment of the Concept Plan might be undertaken for no more than a quarter of a million dollars; especially considering that a fresh substantial record of economic data has meantime been issued by CMPA. An indicative draft for terms of reference for the Assessment is included in Appendix 1.

Comparably, the NSW government on 12 February 2023 undertook final business cases for four additional Sydney metro lines covering 100 kilometres of track. The expected expense for the business cases was a total of \$260 million.

Since 20 September 2022, when CMPA submitted a response to the earlier and first NSW Draft South East and Tablelands Regional Plan 2041, two further authoritative economic reviews have been expressed on the Concept Plan for Canberra to Eden Railway. These views were written by fifty-year experienced international transport economist R J Nairn, and by leading economist with concentrated experience relevant to the ports, Luke Williamson. These two economic views are reproduced in Appendix 2 and Appendix 3 respectively to the present submission.

## 6. Web-linked documents in this submission

The main documents submitted are recorded at [www.coomansw.com.au](http://www.coomansw.com.au) / Articles & Projects / Canberra to Eden Railway Proposal; and are separately available via the following links:

<b>Abbreviated Name</b>	<b>Weblink</b>	<b>Year of Publication</b>
Concept Plan	<a href="https://nla.gov.au/nla.obj-1543273573/view">https://nla.gov.au/nla.obj-1543273573/view</a>	2018
Concept Plan Part 2	<a href="https://nla.gov.au/nla.obj-1549998015/view">https://nla.gov.au/nla.obj-1549998015/view</a>	2018
Concept Plan Part 3A	<a href="https://nla.gov.au/nla.obj-1549998154/view">https://nla.gov.au/nla.obj-1549998154/view</a>	2018
Concept Plan Part 3B	<a href="https://nla.gov.au/nla.obj-1549998296/view">https://nla.gov.au/nla.obj-1549998296/view</a>	2018
Review CMPA	<a href="https://nla.gov.au/nla.obj-2957843456/view">https://nla.gov.au/nla.obj-2957843456/view</a> (incl. Exec. Summary of Feasibility Study, 2020)	2021
Reviews Michell	<a href="https://nla.gov.au/nla.obj-2981322979/view">https://nla.gov.au/nla.obj-2981322979/view</a>	2021

Record of Economic Data, 35pp, May 2022, and

Letter to Premier from Snowy Monaro Regional Council, 3pp, 30 August 2021:

<http://www.coomansw.com.au/projects-proposals/canberra-to-eden-railway-proposal/>

## 7. Changes to the Concept Plan

Upon CMPA's meeting with Eden Aboriginal Land Council, CMPA deviated the railway in the valley of Sheep Station Creek.

Upon CMPA's meeting with the ACT Minister for Transport, CMPA introduced another option for the terminus in Canberra: the existing station at Kingston, approached from the south by a long curve through ACT rural land, avoiding Harman Naval Base and other buildings.

## 8. Further development of the Port of Eden

Recognising the immense potential for development of the Port of Eden, and that this would concern the NSW Government as a whole, CMPA wrote to the Premier in 2019 suggesting the preparation of a master plan. The master plan, CMPA wrote, could include seabed excavation and breakwater works. In follow-up to the NSW Minister for Regional Transport and Roads, CMPA provided the 1900 PWD preliminary breakwater plan for Eden which was to become the port for the national capital, then proposed to be sited in the vicinity of Dalgety not far from Bombala.

The current Regional Plan for 2036, to be superseded it can be foreseen in part by the current Draft for 2041 when decided, identifies the Port of Eden as:

**the third deepest natural harbour in the Southern Hemisphere, making it ideal for large vessels.**

For the railway plan, CMPA proposed that the railway and the port are treated as separate businesses. The validity of this proposal has been endorsed by a senior international transport economist who has assisted CMPA. The port costs and revenues are logically and easily separable from the railway. The media release for the federal allocation of ten million dollars for the business case for the proposed Toowoomba to Port of Gladstone railway was for just that, leaving readers to reckon that the business of the port was separate.

Upon the invitation of tenders for the Canberra to Eden Rail Feasibility Study, CMPA wrote to the NSW Minister for Transport (prior to appointment of the first Minister for Regional Transport) recommending the terms of reference be amended to include: assuming that capacity increase of the Port of Eden would keep ahead of the growth in all freight consigned through the port.

## 9. Conclusion

CMPA recommends inclusion of:

***Concept Plan for Canberra to Eden Railway***, by Edwin Michell, 2018, published in four parts by CMPA:

within the Regional Transport Plan;

beginning with a half-year independent Economic Assessment of the Concept Plan.

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/ Appendices

## **Appendix 1 of CMPA February 2023 Submission on NSW Regional Transport Plan**

Cooma and Monaro Progress Association (CMPA)

Indicative DRAFT 19Sep2022

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### **Terms of Reference for An Economic and a Financial Assessment (the Assessment) of the four-part *Concept Plan for Canberra to Eden Railway* by Edwin Michell, 2018**

1. The prime criterion is to determine if the Canberra to Eden Railway would serve the public interest by providing an economic return on the investment required, while being environmentally sustainable, and socially beneficial.
2. The Assessment is to be robust; that is, it should assess the project's economic feasibility taking into account all major potential costs and benefits, which should be defined and set out so that they can be verified.
3. The Assessment should prioritise factors more influential in achieving a conclusion, and need not proceed on minor factors once the outcome is plainly robust.
4. Six references in the Assessment are listed by the accompanying weblinks. The Assessment is to adopt the first two parts of the Concept Plan (with figures updated for inflation since 2018), and to be informed by, without having to conform to, Parts 3A and 3B. A seventh reference is *CMPA's Record of Economic Data* dated May 2022.
5. The railway will be treated as though it is to be owned by the State Government and managed as part of the Country Regional Network, with freight trains run by third parties and passenger trains run by the State Government. The financial viability of operating these services should be assessed at an indicative level; that is by comparing potential revenue with capital and operating costs, but not to the level of detail requiring the identification of sources of capital and precise terms of financing.
6. The Assessment will include congestion-reducing effects on the approaches to ports other than Eden.
7. The Assessment will assume the capacity increase of the Port of Eden would keep ahead of the growth in all freight consigned through the port.
8. In addition to the quantified costs and benefits applied in the determination of economic viability, the Assessment should identify non-quantified costs and benefits that would be relevant to the continued decision process.
9. The Assessment must be comprehensive enough to lead the NSW and Federal governments to continue with the initiative, if the Assessment has concluded that the railway is viable.
10. The Assessment will include other related matters that the Provider considers appropriate.

## Appendix 2 of CMPA February 2023 Submission on NSW Regional Transport Plan

### **Submission to the Shadow Minister for Regional Transport and Roads by Bob Nairn**

By way of introduction I am a retired engineer and economist who spent about 50 years in the transport industry, as a Ministerial Advisor in Sth Aust, then as a Manager of international Consultant firms specialising in transport infrastructure feasibility.

I would like to comment on the proposal put forward by the Cooma and Monaro Progress Association (CMPA) described in the *Concept Plan for Canberra to Eden Railway* by Edwin Michell to reinstate the rail services from Queanbeyan to Bombala and extend the line to Eden.

This was first brought to my attention when CMPA asked me to carry out a peer review of the feasibility study commissioned by TfNSW. My review was conducted strictly in accordance with Engineers Australia ethical procedures and resulted in me reporting that the modelling and economic components of the feasibility study were seriously flawed.

I did not comment on the engineering costing of the proposal which I now understand has also been seriously misunderstood by TfNSW.

I then carried out, pro bono, my own passenger and freight demand modelling and economic appraisal which **concluded that the proposal was indeed marginally feasible and should be taken seriously by TfNSW**. My investigations included an extensive risk evaluation incorporating over 30 interviews with freight forwarders, train operators, freight producers and stevedores to check the credibility of assumptions and validate the modelling and economic costing.

A précis of this appraisal was presented at the recent ATRF Conference in Adelaide and is available on their website.

While carrying out this work I examined other feasibility studies for rail projects in NSW, including the Inland Rail, and came to the conclusion that the level of expertise exhibited in these studies was far below world standards and lacked serious technical credibility. This further reinforced my view that this proposal should be taken seriously.

In conclusion I support the proposal by CMPA and urge you to seek to have it placed high on the infrastructure agenda.,

Best regards



R J Nairn BE., BEc., FIEAust, LFITE, EngExec

[rjnairn@grapevine.com.au](mailto:rjnairn@grapevine.com.au) [emailed to the Hon. Jenny Aitchison MP on 7/10/2022]



## **Appendix 3 of CMPA February 2023 Submission on NSW Regional Transport Plan**

### **Economic Assessment published by letter in *Railway Digest*, December 2022**

I applaud NSW Farmers' decision to develop a taskforce to identify and address supply bottlenecks and its focus on modernising rail and the expansion of port infrastructure to support agricultural trade. That said, I disagree with the suggestion that the answer for containerised agricultural trade lies in the port of Newcastle. There are a few reasons why.

Firstly, there is no 'end of coal' in sight. Such a scenario defies the reality that global demand for coal is increasing, and that Australia's 'cleaner' burning coal must become even more in-demand and necessary as countries seek to power their economies while reducing emissions. This reality is obvious when looking to the seaside horizon from Newcastle and counting the large number of coal carriers waiting to enter the port. Therefore, the Newcastle coal terminal should remain doing what it does today, precluding its transformation to a container terminal. Should an unlikely 'end of coal' come earlier than global demand would suggest, then the coal terminal at Newcastle would be far better placed for conversion to a bulk agricultural product export facility.

Secondly, Newcastle's port is expansion challenged. Indeed, the same challenges that have now restricted the coal terminal's expansion also preclude the development of an expanded container facility. The enormous growth in harbour side real estate values, the rapid shallowing of the river and bridge infrastructure, and the important upstream mangrove ecosystems all mean that expansion is very expensive both financially and environmentally. Major ongoing dredging would be required causing further environmental and noise/amenity issues. Those of us who grew up near the Newcastle agri-terminal will be very familiar with homes shaking as the harbour was cleared.

Thirdly, the economics of freight are such that containers transported into and out of Newcastle will increasingly accommodate demand from Newcastle and Sydney rather than rural areas afar from the port.

A far better solution is to establish a container port at Eden, it is a large deep-water port without the congestion and land use conflicts caused by being surrounded by a major city. The existing Queanbeyan to Bombala rail line could be easily renovated and extended to Eden to allow fast access to all NSW and Victorian agricultural centres and metropolitan intermodal hubs. Establishing Eden as a gateway port for containerised agricultural trade will address the immediate capacity issues and provide ample capacity to meet foreseeable trade growth.

Luke Williamson      9 November 2022

Luke Williamson is an economist with extensive experience in trade reform, input and export logistics improvement, port reform and infrastructure investment. His clients have included the federal departments of Industry, Home Affairs, Australian Customs, Transport and Resources. He has advised the NSW Government in relation to landside container terminal congestion at Port Botany and developed its 'Green Paper' on access pricing reforms, and on seaside access challenges for Newcastle's coal terminal. He is also a primary producer and owns a commercial scale agri-business producing angus beef and fresh berries. He is a Councillor on the Snowy Monaro Regional Council.

## **Appendix 4 of CMPA February 2023 Submission on NSW Regional Transport Plan**

### **Preamble**

To CMPA's knowledge, TfNSW has not committed itself to the Report on the Feasibility Study of Canberra to Eden Railway. They have published the Executive Summary of the Study, which was prepared by a consultant. The decision to publish the Executive Summary was made by the government of former Premier Berejiklian, former Deputy Premier Barilaro, and former Transport Minister Constance. The Summary was published under the crest of the government without mention, as in the case of Narrandera to Tocumwal, of Transport for NSW.

### **Report on the Feasibility Study**

CMPA and associates met State Bega MP Michael Holland on 25 January 2023, informing him of the Concept Plan for Canberra to Eden Railway. The associates included the former chief of staff to Prime Minister Malcolm Fraser and senior adviser on the Melbourne to Brisbane Inland Rail Project, Dale Budd. Notes by Dale Budd on reading the Feasibility Study Report are included in CMPA's 2021 Review of the Report. In the meeting with MP Michael Holland, Dale Budd was again very strongly critical of the Feasibility Study Report.

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### **ADDENDUM June 2023**

National Archives published the Commonwealth Railways 1969 Report on Canberra-Yass Railway (C2Y) in March 2023 at:

<https://RecordSearch.naa.gov.au/scripts/AutoSearch.asp?O=I&Number=5508053>

Having confirmed that, subject to consultation with the ACT Government, the 1969 alignment for C2Y could be made interoperable with Inland Rail and with C2E, CMPA resolved to support the concept of C2Y. C2Y would shorten the rail route between Inland Rail and Eden via C2E by about 80 kilometres compared with the previous way via Joppa Junction near Goulburn.

The 1969 Report was a basis for the 1971 Evaluation of a Canberra-Yass Rail Link by the Commonwealth Bureau of Transport Economics (BTE). The BTE Evaluation had been published previously at [https://www.bitre.gov.au/sites/default/files/report\\_001.pdf](https://www.bitre.gov.au/sites/default/files/report_001.pdf)

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