

### Conflict Case Study – The Impact of Inland Rail (Connecting Melbourne to Brisbane) on Rural Australia



#### For whom is it a problem?

##### Primary Parties:

- Australian Federal Government;
- Australian Rail Track Corporation (ARTC) (Proposed Route);
- National Trunk Rail (NTR) (Alternative route);

##### Secondary Parties:

- Privately-owned companies in rural New South Wales and Victoria which export manufactured agricultural products;
- Melbourne – Brisbane Inland Rail Alliance in Parkes;
- Parkes, Narrandera, Tocumwal, and Shepparton Shire Councils;
- Wagga Wagga, Albury Shire Councils;

##### Third Parties:

- Landowners in the proposed new track;
- Road transport companies and drivers.

##### The issues:

This is a case study on the impact of change, and the flow on effect of social conflict in rural Australia. The conflict occurs not in the concept of inland rail, but of the route taken by the inland rail.

The following information has been taken directly from the following websites, public proposals and from personal interviews from train operators, and local landholders who support the alternative route.

<https://inlandrail.artc.com.au>

<https://infrastructure.gov.au/rail/inland/submissions/index.aspx>

Public Submissions:

**Supporting Proposed Route:**

Australian Rail Track Cooperation (ARTC) Business Case  
 Australian Food and Grocery Council  
 Wagga Wagga City Council

**Supporting Alternate Route:**

Melbourne – Brisbane Inland Rail Alliance  
 Narrandera Shire Council  
 National Trunk Rail (NTR) Letter 30 Jun 2014

The Federal Government has identified the need to transport agricultural products quickly and efficiently from processing plants to port in the 2017 budget. Currently road freight links the two major ports of Brisbane and Melbourne and 30-40% of the cost of grain is consumed by freight. Trains run at a significant environment saving compared with trucks, each grain wagon can carry the equivalent of 3 times B-Double sized grain truck. The proposed train would tow 100 wagons, effectively taking 300 trucks off the road per train. Rail is half the cost of road freight; however consumer studies have shown that unless rail can match road's reliability and speed, road freight will still be preferred. A dedicated rail corridor from Melbourne to Brisbane has been identified to improve the reliability and speed issue. Moving heavy freight off the roads has flow through benefits of improving safety and maintenance of our roads.

Infrastructure Australia on Inland Rail has evaluated the proposals. Two companies are proposing two routes, the ARTC (wholly government owned and currently in charge of operational Queensland, New South Wales and Victorian Railway), and NTR (private consortium).

	<b>Proposed Route (ARTC)</b>	<b>Alternate Route (NTR)</b>	<b>Difference</b>
<b>Distance (km)</b>	1731km	1595km	-136km
<b>Time to build</b>	10 years	6 years	-4 years
<b>Steepest Grades (speed and efficiency restrictions)</b>	2.50%	1.50%	-1%
<b>Circles of Curvature (speed restrictions)</b>	51 circles	20 circles	-31 Circles
<b>Price</b>	10 billion	13 billion	3 billion
<b>Time</b>	24 Hours	19 Hours	-5 hours
<b>Track Capacity</b>	25Tonnes	32Tonnes	
<b>Average number of wagons</b>	82	92	-10
<b>Maximum permitted speed</b>	115km/h	120km/h	-5km/h
<b>Practical Train Turnaround Time</b>	60 Hours	48 hours	-12 Hours

ARTC Business Case 2015 (ARTC Proposed Route)

**The drivers of the concept behind the proposed route:**

- Increasing the network to meet the needs of freight in the future;
- Bypasses Sydney and the Coastal Route and travels through the four richest farming areas in NSW, VIC & QLD;
- It will save one third of the fuel required compared with road transport and save 15 crashes a year;
- Minimise the impact of the community and provide value for money.

**Melbourne to Brisbane Inland Rail Alliance Proposal (MBIRA) (NTR alternate route):****The drivers of the concept behind the alternate route:**

- Future standards of rail;
- Quicker time to export for time sensitive products;
- Attract freight from road through efficiencies;
- Address the distance factor in inland Australia;
- Act as an incentive for decentralisation and regionalisation.

**To attract freight to rail (NTR):**

- Needs to be fundamentally different to current offerings;
- Need to compete on price, reliability, and availability.

**Notes comparing the two proposals (from NTR alternate route proposal):**

- Notes that the ARTC study does not try to capture current road freight, but instead capture a proportion of future growth freight; It predicts road freight will actually increase after the inland rail is built;
- Needs a modern efficient railway for logistics and regional development;
- A 'business as usual' railway proposal is low cost but misses out on opportunities;
- Constrictions faced by not upgrading rail to a future standard show freight will be forced back onto the road;
- Private investors want a sound business case and efficient assets, or they will be discouraged; Positive NPV returned on investment for NTR alternative, higher initial cost but lower operational cost;
- Railway design for operational cost minimisation.

**National Trunk Rail Submission regarding "Unfair Treatment", lodged with Infrastructure Australia after the Proposal was lodged:**

- Alleges that ARTC work has been given the go ahead by the Inland Rail Implementation Group, before submissions for alternatives were closed;
- Request the details from Inland Rail Implementation Group regarding the rationale behind the ARTC route being confirmed;
- NTR has detailed that they are open to cooperate, and want to be included on this critical issue;
- Principal criteria in the ARTC proposal is minimising capital cost, which uses assets that are up to 150 years old;
- The ARTC proposal was listed as "Poor value for money" (Productivity Commission, 2014);
- Criteria of "lowest life cycle cost per tonne per km" has been overlooked;
- Investment in rail networks return \$2.65 on each \$1 spent, as opposed to the ARTC report of \$5b invested returning -\$533m.

**Why is it difficult to resolve?**



Whenever a change is proposed that will alter the dynamics of an area, groups who are disadvantaged will oppose it and groups who stand to be advantaged will support it.

#### **Where does it require third party help?**

"If there is an excess of claimants over opportunities for adequate reward, there arises strain and conflict" (Coser, 1957, p.201).

Solutions need to be imaginative and not tied into interests as all these parties may be narrowly viewing the solution.

A third party with no interest in the project would be a fair way to decide the best outcome for the project. The third party would be:

- Free from funding or prior relationship pressure;
- Open to all submissions;
- Communicate information and develop trust;
- Weigh up the positives and negatives from both sides with the best intentions for the overall project;
- Analysing all elements, taking into account emotions;
- Investigate any red flags or prior relationships between the groups.

**c. Discuss some constructive strategy options of relevance, or strategies that might be successful using concepts, principles, theories or practices which you have studied in this subject.**

#### **How can we use conflict to be constructive?**

Positives of conflict include: stimulation of interest, motivation and problem solving, it can promote group cohesion, provide basis for change, and encourage communication, creativity and innovation. Negatives of conflict to avoid are increased stress, breakdown in relationships, low communication (Tillett, 2006, p.16).

#### **Be personally prepared; develop your thinking, reaction and behaviour skills:**

It is important that you begin any problem solving process fit for purpose. Develop listening skills free of preconceived ideas, ask people what they want, step into their shoes and adopt their perspective of the issues are all a good start to the resolution process (Fisher and Ury in Cox, 1986).

Gandhian teachings are invaluable for conflict resolution: examination of the facts, clear attitude, separate people from the problem, consider the interests that motivated the positions adopted, explore options for a mutual agreement that involves mutual gain, and make a sustained effort to find objective criteria that could be used to settle the dispute. (Cox, 1986).

Work out the values held by the conflicting groups. Common values band community's together (HRM540, Topic 8). Be sensitive to the issue, be realistic and well-informed. Do not apply generalisations or stereotypes to the situation, do not assume you understand, instead ask and clarify. Cooperation and motivation are more important in conflict resolution than fluent vocabulary. Apply active listening, and if difficulties arise, clarify what is happening and why. (HRM540, Topic 9). Flush out false assumptions, ideological orientations, and personal prejudices. Assuming cooperation can sometimes promote cooperation, start with a collaborative flexible approach, and keep the relationship going even after an apparent resolution (Tillett, 2006, p.3).

Look for some comparable projects and their outcomes if you are not familiar with the conflict groups. What did they do right/wrong, what can we learn? Was there relationships within the

resolution that can be used again: nature of the resolution, compared with management, compromise, settlement, deterrence, containment (Laue, 1991, p.323)

### **Communication**

"Lack of communication intensifies dislike" (Frank in Burrowes, 1996, p.70). Employ a cooperative process approach which can include:

"information sharing, mutual confidence and trust, perception of similarities in values and beliefs, acceptance of each others legitimacy and problem centered processes" (Deutsch in Burrowes, 1996, p.71).

Media coverage – is there a positive or negative following of the issues?

Mass media has the ability to present the news to influence our perception of issues; they have the power to propagate assumptions or simplifications that can cause conflict.

"Mass communications have always been a two-edged sword. On the one hand, they inform and educate, and this can empower and unite; on the other hand, they can also divide people and turn them against each other"(Ramsbotham et al, 2016, p.421).

Good communication is very important for conflict resolution to reduce misunderstandings, as are other factors like "willingness to work on a creative solution for a mutual satisfaction of the needs of all parties, willingness to learn, discover or ascertain the facts, willingness to trust the word of others, and to set down in an agreed document the joint declaration of the parties to implement the terms for the agreement reached and to honestly express emotion/feelings non violently" (HRM540, Topic 11).

Communication is a never ending process:

"Legitimacy of future costs and benefits among men is a subjective value, and like all values they are subject to change" (deReuck, 1984, p.100).

### **Research the past:**

It is important to acknowledge historical decisions and grievances of the past, but not allow the past to capture the future. The past is of considerable importance to the current conflict, and conflict resolution needs to "help people overcome their problems" (Groom in Burrowes, 1996, p.77).

Peoples perceived past shape who they are today, usually it is a mythical past, not a historical past. The past can also hyper sensitise groups, where the group culture is a product on an individual, and comments regarding certain issues are met with increased sensitivity (Groom in Burrowes, 1996, p.77).

### **Understand the interests behind the conflict:**

*Determine needs of the parties with a view to align them.*

Need to align "policy, process, structure and systems to the satisfaction of human needs" (Burrowes, 1996, p.79).

"Often the role of conflict resolution is to demonstrate that a belief is in the incompatibility of values or needs is not based on fact, and the parties do have mutual interests and can cooperate (Tillett, 2006, p.17).

*Know who you are dealing with and their processes.*

Bureaucracies are an institution with no emotion and "emphasis on calculable, methodical and disciplined behaviors" (Coser, 1957, p.199). It is therefore the job of outsiders to challenge the process, exerting pressure towards innovation which is perceived as interference with routine (Coser, 1957, p.199).



Private sector groups make decisions to increase funding and benefits for themselves. As a result, their intentions and needs should be reviewed carefully.

"Conflict ensues in the effort of various frustrated groups and individuals to increase their share of gratification. Those who hold the power will see the attack as an attack on the current system. Some will feel it detrimental to their interests, and others will feel their position strengthened" (Coser, 1957, p.203).

*Be mindful of the culture of the parties.*

Some cultures can be more inclined to fighting, and "non-realistic" conflict (Coser, 1957). This information must also be taken into account when preparing to deal with conflict groups. Some groups fight whatever change is before them, whether it is a good idea or not (Ramsbotham et al, 2016, p.117). Azar identifies many different types of needs as an "underlying source of protracted social conflict" (Ardagh, 2004). Security needs, political access needs, history and culture all play a part in rural Australia's stance. Reality is experienced through perception, not directly received. Our experience is mediated by our perception, and our perceptions are defined by preconceived ideas; either culturally, socially, and cognitive elements like values, meanings, attitudes, and judgment (Ardugh & Black, 1991).

**Problem-solving, apply your collected knowledge of the conflict to the solution:**

To begin to negotiate a solution there must be a balance of power, as one side will not negotiate if it thinks it can secure an all out victory of its demands (Laue, 1991, p.326). A problem solving approach does not work if both parties are not ready for the resolution process (Burrows, 1996, p.71).

Your solution may result in a settlement, instead of a resolution. A resolution by definition satisfies the inherent needs of all parties (Burton, 1991, p.63). Burton looks at the ontological needs of people and uses analytical problem solving to design an adequate solution that does not involve coercion.

"The human needs of identity, recognition and autonomy, all of which imply equity"  
(Burton, 1991, p.66).

Burton suggests careful analysis of the conflictual parties and the issues at stake. Then facilitate an interactive meeting where the issues can be analysed. No proposals or bargaining can take place until an agreement is reached between all the parties of the problem definition. Once the issues are defined, analyse existing policies available or in use, then start to explore options available. Fixing one conflict, he warns, does not fix the next one, as all conflicts are individual and it must be aimed at the needs of that individual.

**A Final Thought:**

Putting time into the decision process can be "less costly and more rational, more persuasive and less power-laden" (deReuck, 1984, p.99).

A good resolution will have the following characteristics: does not sacrifice any of the parties important values, the parties do not wish to refute the solution, even if they are in a position to do so later, the solution is sufficiently advantageous to all that it becomes self-supporting or self-enforcing. The importance of the relationship between the parties in a lasting outcome is high "agreements terminate conflicts, relationships implement agreements" (Burton in Laue, 1991, p.302).

**d. Sketch a possible solution that you consider to be fair to all parties, and justify your prescription using any of the materials and research you have read which you deem relevant.**

**Common values of the two routes:**

- We need a national freight corridor and to update current railway tracks;
- Move towards national gauge of railway;
- Bypass existing constrictions of time taken from Port to Port;
- Provide value for money;
- Promote safety on the roads and make environmental savings on fossil fuels;
- Minimise the impact on the community;

### **Communication**

Media coverage – there is a lot of information available on the internet; however most of it is from official government sites regarding the ARTC solution. It took some investigating to find the public submissions for an alternate route and the NTR.

The NTR alternate route has listed communication with the government departments as being difficult and “disrespectful” (The Weekly Times, 6/4/2017), that the people they deal with today are changed to a different role tomorrow, and they feel they are not being treated fairly.

Good communication helps to promote a creative solution for a mutual satisfaction and flush out false assumptions, ideological orientations and personal prejudices. To achieve this, I would lead discussions, community consultation, and participation from consultation groups in implementation and open forums regarding suggested solutions. To promote mutual confidence and trust I would share information and accept responses to these open forums.

### **Research the past:**

Investigate corruption and ensuring all decisions are made with the best of intentions. If the government has ‘given the all clear’ to ARTC to go ahead without adequate consultation with both sides it appears as though their relationship with the ARTC should be reviewed. On face value they may favour the ARTC due to the dealings they have together on a regular basis.

The proposals under consideration are under contention for not being accurate by industry spokespeople. This needs to be investigated and noted, so the decision can be hinged on good information.

The Inland Rail concept has been proposed in Government since 1902. Rail has not been without political conflict, for example the Sydney to Melbourne Line was never supposed to run through Cootamundra, however the political powers at the time changed the route. It is still a major constriction today, and 100 years later the mistake is still being designed out at great cost (Southern Control Optimisation Project, 2001). By using the current configuration, they are still using the old infrastructure which had design faults, even after optimisation in the upgrade. Productivity Commission as listed many examples in the field of rail as poor value or money. It is a significant spend, and an asset which could serve us for 100 years if chosen wisely.

### **Understand the interests behind the conflict:**

The ARTC are using tracks that are in use and are maintained, which could be mistakenly regarded as “routine solution”. It is therefore the job of outsiders to challenge the process, exerting pressure towards innovation which is perceived as interference with routine

Private sector groups make decisions to increase funding and benefits for themselves. As a result, their intentions should be reviewed carefully.

Those who are on the current railway will see the change as an attack on the current system, so they need to be kept informed and offered chances to respond to any changes.



**Problem-solving, apply your collected knowledge of the conflict to the solution:**

To begin to negotiate a solution there must be a balance of power, treating both route proposals with dignity and openness. Currently ARTC are the favoured route, but due to the history and current relationship with the government, the NTR solution should be welcomed for challenging the proposal to provide the best for Australia's future.

**Proposal Differences:****ARTC Proposed Route:**

The ARTC had originally advised the government that the proposed route does not return a positive net present value, and to revisit the investment in "10-30 years".

According to the ARTC business case, it has 'low private investment support', when the NTR proposal has investors already.

Using the existing line would still need some upgrades to be brought into "future standards", as it is listed as being restricted in weight limit to 25t compared to 32t rated work that would be completed on the alternative route.

The selling point to the alternative route is there would be no need for land purchase, it is flatter with fewer curves ("Circles of curvature" are 20 circles on alternate route, versus 51 circles on proposed route. It is interesting to note that the current route through the coast has 267 circles, so it is a significant saving either way) which impose speed restrictions and reduce reliability levels of freight.

**NTR Alternate Route:**

The upgrade to dual gauge would make the railway useable again to Melbourne and add extra functionality of North bound tracks to Brisbane, however Narrandera also has a track to Sydney's port – only 583km, dual gauge to Melbourne is 432km, will there be more freight driven by North South rail?

The track has been closed since 1988, and has not been maintained, would be disadvantaged by the fact that it was closed once due to cost versus return, and history of the area shows it can be ravaged by drought.

The significant upgrade to freight service would boost the local economy of Narrandera and surrounds, however there are significant large industries already using the current line.

Wagga Wagga and Albury are major inland cities, versus the very small villages of Tocumwal, Jerilderie, and Narrandera.

**My solution to the conflict is:**

Pending investigation and further consultation with industry, an option for resolution that satisfies the common needs of both parties would be to operate a dedicated freight corridor through Narrandera, with a view to upgrade the facilities of both routes at the joining point in NSW. That would continue the current in use line, without the interruption of the freight trains coming through to Brisbane. By working in conjunction with one another, these upgrades could benefit both routes. Add efficient sidings, an advanced logistical solution for wagons, and a pickup and drop-off service each day for the current line so the smaller 25t trains could be used to distribute freight effectively and efficiently in a timely manor to industry without major disruption to passenger services or to current logistics.



This solution would be proposed in conjunction with all upgrades on the current line to be increased to 32t capacity, and to create a rail network of the future. A new line using an existing route would be able to attract new freight, be ready faster and therefore alleviate some freight off the current line when it is time to upgrade its facilities.

This is an important addition to Australian infrastructure, and with further investigation and solid backing from the private sector and groups involved, the project should be an exciting addition to Australia's future.

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**Other:**

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Infrastructure Australia Website  
<https://infrastructure.gov.au/rail/inland>

ARTC Website  
<https://www.artc.com.au/about/>

National Trunk Rail Website:  
<http://nationaltrunkrail.com.au/the-ntr-inland-rail-solution/>



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