

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and
Transport
PO Box 6100
Parliament House
Canberra ACT 2600



21 November 2019

Dear Committee Secretary

On behalf of Regional Development Australia Central and Western Queensland (RDACWQ) I am providing to the Senate a submission on the Inquiry regarding Management of the Inland Rail project by the Australian Rail Track Corporation and the Commonwealth Government.

BACKGROUND:

RDACWQ is an incorporated not-for-profit organisation that receives funding from the Australian Government to implement its Regional Development Australia Charter, primarily to facilitate economic development outcomes.

The RDAFCW boundary embodies 12 Local Government areas including Diamantina, Barcoo, Winton, Longreach, Barcaldine, Blackall-Tambo, Central Highlands, Woorabinda, Banana, Gladstone, Rockhampton and Livingstone Council areas. The RDAFCW region sits at Queensland's southernmost part of the Northern Australia boundary.

RDAFCW is also a member of the Northern Regional Development Australia Alliance, that comprises the eight RDAs within Northern Australia.

SUBMISSION:

RDACWQ's understands the current Inland Rail route is planned from Melbourne to Toowoomba, then on to the Port of Brisbane. We submit that significantly greater benefit exists, both financially and in lasting (and greater) economic development outputs, if the line was to travel from Melbourne to Toowoomba, then to the Port of Gladstone.

- **(a.) Financial Arrangements of the Project**

Current cost estimates from Melbourne to Acacia Ridge are approximately \$10.9B, excluding the Port of Brisbane extension, which is estimated at \$2.9B. The Toowoomba to Acacia Ridge cost estimate is \$3.6B, which is included in the \$10.9B. If the Inland Rail Route went from Melbourne to Toowoomba then on to the Port of Gladstone, the costs of Toowoomba to Acacia Ridge (\$3.6B) and the Acacia Ridge to Port of Brisbane (\$2.9B) would be avoided.

We confidently estimate that the Toowoomba to Port of Gladstone connection could be built as a dual gauge line for \$2.7B or as a narrow-gauge line for \$981M. Given new rolling stock will have to be purchased for the inland rail line, variable gauge rolling stock could see significant costs savings in rail line construction.

Thus as much as \$5.5B (with narrow-gauge option) or \$3.8B (dual gauge) could be saved in construction costs compared to taking the route from Toowoomba to the Port of Brisbane.

In addition, the Port of Gladstone is three (3) sea freight days closer to Asia than Melbourne, two (2) days closer than Sydney and one (1) day closer than Brisbane. With an average ship freight cost of

\$75,000USD/Day, and considering time to market, ships docking at Gladstone, rather than further south, will get a significant and on-going cost saving.

These figures alone justify serious consideration into a Toowoomba to Port of Gladstone Inland Rail Connection.

- **(b.) Route Planning and Selection process.**

RDACWQ believe the 2015 ARTC Business Case, was flawed in its lack of consideration of extending Inland Rail from Melbourne to Gladstone as an “instead of to Port of Brisbane” option.

Given the above cost saving benefits detailed at (a) and the capability for the Port of Gladstone to export the same quantities of freight, with the room and expertise to expand, it seems likely that limited investigation was undertaken into extending the Inland Rail project to the Port of Gladstone.

Completed upgrades to road infrastructure connecting Toowoomba to Brisbane (i.e. Second Range crossing) means that multiple reliable road freight connections are already available connecting Toowoomba to the Port of Brisbane when required.

- **(c.) Urban and Regional Economic Development Opportunities.**

If the Inland Rail connection continued from Toowoomba to Gladstone, significant regional economic benefits would be unlocked including, but not limited to:-

1. Significant time, and therefore cost, savings for exporters and importers being able to load/unload at Gladstone, rather than having to sail the extra 2 days (each way) between Gladstone and Brisbane, or 4 days (each way) between Gladstone and Melbourne.
2. Opening up the Resource extraction area around Wandoan and the Surat Basin.
 - Surat Basin – 4 Billion tonnes of coal
 - 57,000 person weeks to construct
 - 1:100 gradient – suitable for loads both ways
 - 100km/hr for freight trains
 - “Missing Southern link” - Much of the route has been acquired and EIS complete. While this route was designed to open up the Surat Basin for coal mining, it also has significant potential for agricultural exports.
3. Funds saved from bringing Inland Rail to the Port of Gladstone could be redistributed to other nation building freight infrastructure like the Brisbane Ring Road.

Yours Sincerely

Anthony (Tony) Gambling

Director of Regional Development