

The Senate

Rural and Regional Affairs and
Transport References Committee

Inland Rail: derailed from the start

August 2021

© Commonwealth of Australia

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Foreword

The committee is generally supportive of the Inland Rail project. Its construction has the potential to provide significant benefit to rural, regional and urban communities – enabling a more efficient movement of freight across Australia and further diversification of the nation’s freight infrastructure. However, throughout the inquiry the committee has heard a number of fundamental concerns in key areas of the project.

Business case

The project is underpinned by Inland Rail’s 2015 business case. The original estimated cost of Inland Rail was \$4.7 billion, which later became \$9.9 billion. The Australian Government has now committed over \$14.3 billion to the Inland Rail project, which is governed by an out-of-date business case and undermined by predictions that the project will exceed \$20 billion.

It is apparent to the committee that the original costings and allocated budget for Inland Rail was inadequate from the outset, and is a failure on behalf of the Australian Government and the Australian Rail Track Corporation (ARTC) to appropriately prepare, plan and implement Inland Rail. Whether Inland Rail’s 2015 business case remains valid in light of the substantial increase in capital required for its completion is a key question. It is the committee’s view that this substantive increase in the cost of Inland Rail alone warrants a review and update of the 2015 business case.

The rationale for a business case review and update is further justified by the recent revelations that end-of-service parameters in Queensland are yet to be determined, and the appropriate alignments for some projects are yet to be finalised. The committee continues to be confused as to how a business case can be relied upon if the end point of the Inland Rail, and therefore the costs involved, are still to be decided.

The committee’s concern about the cost of Inland Rail, driven by warnings that further cost blowouts may occur as the Inland Rail project progresses, warrants a dedicated oversight mechanism to be established throughout the project’s construction.

24-hour journey time

The business case itself is premised on a 24-hour journey time between Melbourne and Brisbane to make it competitive with other modes of freight transportation.

The Australian Government's decision to establish a strict parameter of a 24-hour end-to-end journey time for Inland Rail has had a significant adverse impact on the communities along the proposed alignment. Whilst it is apparent that a 24-hour preference was made by business stakeholders (including rail, freight and logistics companies) as a means to make Inland Rail competitive, it has significantly restricted the ARTC's ability to consider alternative alignments. This impact is clearly demonstrated throughout the report, which reveals that the interests of rural, regional and urban communities throughout Victoria, NSW and Queensland have been sidelined by an arbitrary time threshold established by the Australian Government.

Future terminal strategy for Brisbane and South East Queensland

It is the committee's view that the management of the end-points of the Inland Rail project in Brisbane has been unacceptable. The committee cannot understand how the Inland Rail project's intermodal terminal locations in Brisbane are yet to be determined, especially when the original location (Acacia Ridge) formed the basis of the 2015 business case, and the construction of the Inland Rail project has already commenced. It is a failure of the Australian and Queensland governments for this uncertainty to remain, despite over a decade of investigation into the Inland Rail corridor.

In the committee's view, Bromelton provides the best greenfield site for future expansion and a future logistics and freight precinct for the Brisbane and Gold Coast urban areas. The business case needs to be completed, independently reviewed and publicly released. These should then form the basis for strategic freight plans, and business cases for other new terminals, as well as identifying options for private and public investment.

The committee also sees value in further consideration of an Inland Rail link to the Port of Gladstone as a means to further diversify Australia's access to international markets and to enhance regional Queensland's economy. The proposed Gladstone link, existing alongside the Toowoomba to Brisbane corridor, could potentially resolve many of the current limitations of Inland Rail in Brisbane, offering a viable alternative pathway for coal exports and reducing the freight import-export demand on Brisbane. A Port of Gladstone connection provides an opportunity to diversify and future-proof the movement of freight across Queensland, and will support regional Queensland's economy.

The committee supports the Inland Rail linking to the Port of Brisbane. However, it has serious concerns about whether this is currently achievable. The committee questions the rationale that the existing rail infrastructure between Acacia Ridge and the Port of Brisbane will adequately meet the projected demands of Inland Rail until 2040–41.

Passenger network

The committee is cognisant that any passenger network must operate alongside Inland Rail. As demonstrated by the Kagaru to Acacia Ridge and Bromelton project, the movement of freight by rail is severely hindered when sharing a rail corridor with the passenger network. Any future rail pathway between Toowoomba and Brisbane must be designed to ensure the seamless movement of freight without delay is maintained.

The committee is supportive of the Australian and Queensland governments developing a business case for a passenger rail network alongside Inland Rail. The committee will remain engaged with the development of this business case and ensure the intention to future-proof this alignment is maintained. To foster ongoing transparency and community understanding of the status of the passenger network and how the network will operate alongside Inland Rail's freight network, the committee calls for the release of the business case upon its completion.

Community engagement

Despite the committee's support for Inland Rail, it holds real concern that the economic benefit may not be fully realised by many of the communities along the proposed alignment and recognises more needs to be done to garner broader support for the project.

There is an unavoidable impact on some communities and landholders of major infrastructure projects like Inland Rail. It is therefore imperative that those impacted are adequately consulted and their concerns mitigated where possible, and with payment of appropriate compensation, to ensure there is a collective benefit gained by the project. This inquiry has revealed significant shortcomings in the ARTC's efforts to meaningfully engage with communities and landholders along the proposed alignment of Inland Rail. These failures have significantly undermined public trust in the ARTC and its management of Australia's largest rail infrastructure project.

List of Recommendations

Recommendation 1

2.61 The committee recommends the Senate Rural and Regional Affairs and Transport Legislation Committee self refers an ongoing inquiry for oversight of the Inland Rail project.

Recommendation 2

2.66 The committee recommends the Australian Government commissions an independent review and update of Inland Rail's 2015 business case that:

- is an accurate reflection of current and anticipated Inland Rail expenditure and end-of-service offerings;
- includes an assessment of all the proposed routes from Toowoomba to the ports of Brisbane and Gladstone, along with alternative routes subject to ongoing public scrutiny (particularly the Narromine to Narrabri and Border to Gowrie projects);
- includes a sensitivity analysis on the impact of any proposed changes to Australia's coastal shipping arrangements;
- is developed in accordance with Infrastructure Australia's guidelines and for Infrastructure Australia to review the updated business case; and
- is made publicly available, and provided to the Rural and Regional Affairs and Transport Legislation Committee.

Recommendation 3

2.97 The committee recommends the Australian Government ceases any efforts to restructure coastal trading that may provide foreign-flagged ships with a competitive advantage over other modes of transport or disrupts Australia's freight supply chain.

Recommendation 4

2.100 The committee recommends the Australian and state governments, in partnership with industry, integrate the Inland Rail project and associated intermodal terminals into the principles of the *National Freight and Supply Chain Strategy*, including:

- the development and adoption the national urban freight planning principles; and
- the ongoing and expanded use of the Transport Network Strategic Investment Tool across the Inland Rail project to inform intermodal investment decisions.

Recommendation 5

2.101 The committee recommends that the Australian Government supports efforts to ensure intermodal freight planning applications demonstrate how intermodal terminals are linked to freight rail infrastructure, including Inland Rail.

Recommendation 6

2.102 The committee recommends Infrastructure and Transport Ministers, as part of the *National Freight and Supply Chain Strategy*, establish an Inland Rail working group to review and determine possible regulatory reforms to improve competitiveness, innovation, efficiency and use of Inland Rail.

Recommendation 7

3.21 The committee recommends the Australian and Queensland governments publicly release the business case study of a dedicated freight line to the Port of Brisbane upon its completion.

Recommendation 8

3.35 The committee recommends the Australian and Queensland governments, in partnership with local governments, industry representatives and other stakeholders, conduct a thorough investigation into an extension of the Inland Rail project to the Port of Gladstone.

Recommendation 9

3.62 The committee recommends the Australian and Queensland governments, in partnership with local resident groups, local governments, trucking and other freight and logistics companies, establish an Acacia Ridge and Bromelton working group to conduct an audit of existing road infrastructure of Acacia Ridge and other proposed intermodal locations in south east Queensland.

Recommendation 10

3.69 The committee recommends the Australian and Queensland governments publicly release, upon its completion, the business case study into south east Queensland's Inland Rail intermodal terminals.

Recommendation 11

3.71 The committee recommends the Australian Rail Track Corporation, in partnership with the Queensland Government, ensures the Kagaru to Acacia Ridge and Bromelton project is reviewed to the same level of transparency,

stakeholder consultation and participation as other coordinated projects in Queensland.

Recommendation 12

3.79 The committee recommends the Australian Rail Track Corporation and the Australian and Queensland governments prioritise the development of the Inland Rail Bromelton intermodal terminal.

Recommendation 13

3.91 The committee recommends the Australian, Queensland and Victorian governments, in partnership with the ports of Melbourne and Brisbane, consider measures to implement and upgrade Inland Rail's intermodal freight terminals to facilitate an international freight capability.

Recommendation 14

3.99 The committee recommends the Department of Infrastructure, Transport, Regional Development and Communications enhances transparency and accountability of the Inland Rail Interface Improvement Program by publishing:

- the selection criteria and assessments made by the department; and
- successful proposals that may result in material changes and/or additions to the Inland Rail project.

3.100 In addition, the committee recommends the department ensure the Inland Rail Interface Improvement Program interlinks with NSW infrastructure under the Special Activities Precincts, such as those already connected to Inland Rail at key regional consolidation centres such as Moree, Narrabri and Parkes.

Recommendation 15

3.102 The committee recommends the Australian Government supports state and local governments efforts to prioritise and expedite planning approvals for intermodal terminals that have clearly demonstrated a capacity to efficiently link Inland Rail to other key rail and road freight routes.

Recommendation 16

4.57 The committee recommends the Australian Rail Track Corporation engages an independent mediator to facilitate an improved working relationship with the NSW Farmers Association and the Country Women's Association of NSW.

Recommendation 17

4.59 The committee recommends the Australian Rail Track Corporation fosters improved local government consultation through regional forums aimed at generating community support for Inland Rail.

Recommendation 18

4.61 The committee recommends the Australian Rail Track Corporation conducts biennial independent reviews of its stakeholder engagement and consultation processes to ensure relevancy is maintained throughout all stages of the Inland Rail project.

Recommendation 19

4.63 The committee recommends the Australian Rail Track Corporation, in partnership with the Australian and state governments, establish a broader consultation and engagement framework to address community concerns for matters that extend beyond, but are interconnected to, the Inland Rail project.

Recommendation 20

4.65 The committee recommends the Australian Rail Track Corporation and the Australian Government establish a key industry stakeholder group to formalise ongoing discussions with industry about the Inland Rail project specifically.

Recommendation 21

5.54 The committee recommends that the Australian Rail Track Corporation addresses all issues identified by the Queensland independent flood panel's findings and ensures all modelling and design issues identified are rectified as a matter of priority.

Recommendation 22

5.55 The committee recommends any lessons learnt from the Queensland independent flood panel's findings are used to inform all floodplain modelling across the entire Inland Rail project.

Recommendation 23

5.88 The committee recommends the Australian and Queensland governments publicly release, upon its completion, the business case study into a future passenger rail pathway between Toowoomba and the Brisbane rail network.

Recommendation 24

5.91 The committee recommends the Department of Infrastructure, Transport, Regional Development and Communications ensures a requirement is applied to the Public-Private-Partnership agreement that local suppliers, when practicable, are utilised throughout Inland Rail's construction.

Recommendation 25

6.67 The committee recommends the Australian and NSW governments establish an independent international flood and hydrologist panel to conduct a review of the flood modelling and design features of the Inland Rail project in NSW. This panel should consider the findings of pre-existing reviews, including the findings of the WRM Water and Environment *Independent Review of the Flood Modelling: Narramine to Narrabri Inland Rail Project*.

Recommendation 26

6.69 The committee recommends the Australian Government establishes an independent comparative review of the current Narramine to Narrabri alignment with the proposed Dubbo-Coonamble line and alternative routes around Narrabri, taking into account both the impacts and potential broader economic benefits for regional economies and communities.

Chapter 1

Introduction and background

Referral

- 1.1 On 17 September 2019, the Senate moved that the following matter be referred to the Senate Rural and Regional Affairs and Transport References Committee (the committee) for inquiry and report by 30 September 2020:

The management of the Inland Rail project by the Australian Rail Track Corporation and the Commonwealth Government, with particular reference to:

- (a) financial arrangements of the project;
- (b) route planning and selection processes;
- (c) connections with other freight infrastructure, including ports and intermodal hubs;
- (d) engagement on route alignment, procurement and employment;
- (e) urban and regional economic development opportunities;
- (f) collaboration between governments;
- (g) interaction with National Freight and Supply Chain Strategy; and
- (h) any other related matters.¹

Conduct of the inquiry

- 1.2 The inquiry was advertised on the committee's webpage, and the committee wrote to the relevant Australian and state government departments and agencies seeking submissions. The committee also wrote to transport and rail organisations, business groups, freight and logistics groups, lobby groups, academic and research institutions and stakeholder groups inviting submissions. Details regarding the inquiry, and associated documents are available on the committee's webpage.²
- 1.3 The committee received 212 submissions. A list of submissions is included at Appendix 1, and public submissions have also been published on the committee's webpage.
- 1.4 The committee held seven public hearings and two site visits in relation to its inquiry. The committee undertook a site visit and hearing in Millmerran on 29 January 2020. Further hearings were held in Brisbane on 30 January 2020 and in Canberra on 13 August 2020. On 19 November 2020, the committee conducted a virtual hearing for residents and stakeholders based in NSW. The committee had previously intended to hold public hearings in Gilgandra and

¹ *Journals of the Senate*, No. 17, 17 September 2019, pp. 521–522.

² Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/InlandRail (accessed 10 June 2021).

Cootamundra, but due to the COVID-19 pandemic these hearings were cancelled. Further hearings were held in Brisbane on 27 January 2021 and Melbourne on 22 April 2021, followed by the committee's final hearing in Gladstone on 8 June 2021. A list of the witnesses who appeared at hearings is included at Appendix 2.

- 1.5 The Senate agreed to four extensions of time to report. The first was on 12 June 2020 with an extension granted to 11 November 2020, followed by a second on 29 September 2020 with an extension to 11 February 2021.³ The final two extensions occurred on 5 February 2021 and 13 May 2021, with the final reporting date on 11 August 2021.⁴

Acknowledgements

- 1.6 The committee would like to thank those organisations and individuals who provided written submissions to the inquiry. The committee would also like to acknowledge those who helped with the organisation, or accompanied the committee on its site visits and those who provided evidence at public hearings. Your efforts greatly assisted the committee during the inquiry and in its deliberations.
- 1.7 The committee also gives thanks to all stakeholders for their patience and understanding for any delays caused by the COVID-19 pandemic.

Structure of the report

- 1.8 The chapter provides background and context to the committee's inquiry, along with a brief overview of Australia's freight and supply chain, and key aspects of the planning and underlying rationale of the Inland Rail project, including a summary of the Inland Rail 2015 Business Case (business case) and bilateral agreements. This chapter concludes with a summary of the Inland Rail project and its status as of April 2021.
- 1.9 Chapter 2 discusses the financial arrangements and the basis for the Inland Rail project. Specifically, this chapter considers in more detail the business case, the economic benefits and overall cost of the project. In addition, this chapter considers the demand for, and impact of, the 24-hour journey time service parameter of Inland Rail, its competitiveness with other modes of transport and the broader regulatory framework of the freight transport sector.
- 1.10 Chapter 3 details the connectivity of Inland Rail with the seaports of Brisbane and Melbourne, and the intermodal facilities at Acacia Ridge, Bromelton and Melbourne. This chapter also considers arguments for and against Inland Rail

³ *Journals of the Senate*, No. 54, 12 June 2020, p. 1868; and *Journals of the Senate*, No. 67, 6 October 2020, p. 2359.

⁴ *Journals of the Senate*, No. 85, 15 February 2021, p. 3033; and *Journals of the Senate*, No. 99, 13 May 2021, p. 3474.

connecting to the Port of Gladstone and concludes with commentary on the Inland Rail Interface Program.

- 1.11 Chapter 4 considers the ARTC's consultation and engagement measures, and the concerns of local communities, landholders, local governments and industry about the lack of meaningful engagement.
- 1.12 Finally, chapters 5 and 6 feature specific projects of Inland Rail across Queensland, NSW and Victoria. The projects considered in more detail are sections of Inland Rail that have been heavily criticised throughout the course of this inquiry, particularly those greenfield sections that traverse floodplains and/or travel through densely populated areas.

Freight and supply chain

- 1.13 Transporting goods as efficiently as possible across significant distances is of critical importance to Australia's economy. Australia's producers and manufacturers are reliant on rapid, efficient and cost-competitive freight and supply chains. The concept of an inland rail line that connects Queensland and Victoria is something that has been considered by various governments for more than 100 years. Proposals for a Melbourne-Queensland-Darwin railway line first presented shortly after Federation, and since 2010, the growing demand for inter-capital freight movement has led Australian governments to fund studies and undertake pre-construction activities, with a view to delivering a freight rail solution.⁵
- 1.14 To ensure maximum efficiency, Australia's freight network of roads, rail, air and sea need to work together as an integrated whole. To this end, the then Council of Australian Government's Transport and Infrastructure Council⁶ agreed to the *National Freight and Supply Chain Strategy* in August 2019 that 'sets an agenda for coordination and well-planned government and industry actions across all freight modes for the next 20 years and beyond'.⁷ The Strategy supports the development of targeted infrastructure investment, improved supply chain efficiency, better planning, coordination and regulation and improved freight location and performance data.⁸
- 1.15 The rationale behind this strategy is to prepare for Australia's rapidly increasing population, particularly along the east coast, with two of the fastest growing regions being Melbourne and south east Queensland. Australia's

⁵ For the full details about the route history of Inland Rail, see: Inland Rail, *Inland Rail Route History 2006-2020*, 22 May 2020, available at: <https://inlandrail.artc.com.au/route-history-of-inland-rail-2006-2020/> (accessed 5 November 2020).

⁶ With the dissolution of the Council of Australian Governments, the oversight body for the National Freight and Supply Chain Strategy became the Transport and Infrastructure Ministers.

⁷ Transport and Infrastructure Council, *National Freight and Supply Chain Strategy*, August 2019, p. 4.

⁸ Transport and Infrastructure Council, *National Freight and Supply Chain Strategy*, August 2019, p. 4.

freight and supply chain networks deliver approximately four billion tonnes of freight across the country every year, and it has been predicted that the domestic demand for freight will increase by approximately 35 per cent between 2018 and 2040.⁹ It is vital that Australia's freight and logistics sector is prepared for this future, of which, Inland Rail will play a key part.

The Inland Rail Business Case

1.16 In 2015, the ARTC developed the *Inland Rail Business Case 2015* (business case), the purpose of which was to:

- identify the issues and the vision for the east coast corridor;
- confirm the scope, opportunities and costs;
- outline a 10-year delivery schedule;
- provide an estimate of demand for the service;
- analyse economic and financial implications; and
- identify governance arrangements to support the delivery of Inland Rail.¹⁰

1.17 The ARTC's 2015 business case described Inland Rail as a nationally significant transport initiative, and one that 'provides a strategic opportunity to make a decisive step change in the capacity and capability of the national freight rail system'.¹¹ The business case, which provided an assessment of the need for the project, summarised its economic, social and environmental benefits as follows:

- a strong benefit cost ratio of 2.62;
- an increase to Australia's GDP by \$16 billion during its construction and the first 50 years of operation;
- the expected delivery of 16,000 new jobs at the peak of its construction, and an average of 700 additional jobs per year over the entire construction period;¹²
- improved connections within the national freight network by creating rail linkages between Parkes in NSW and Brisbane, and providing connection between Queensland and the southern and western states;
- improved regional market access to national and international markets, with two million tonnes of agricultural freight moving from road to rail and a total of 8.9 million dollar tonnes of agricultural freight more efficiently diverted to Inland Rail;

⁹ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 5; Bureau of Infrastructure, Transport and Regional Economics (BITRE) data, cited in Transport and Infrastructure Council, *National Freight and Supply Chain Strategy*, August 2019, p. 6.

¹⁰ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 7.

¹¹ Australian Rail Track Corporation (ARTC), *Inland Rail: The Case for Inland Rail – Summary of the 2015 Business Case*, September 2015, p. 2.

¹² This figure subsequently increased to 21,500 jobs.

- reduced costs for the market, with rail costs for inter-capital freight travelling between Melbourne to Brisbane to be reduced by \$10 per tonne;
- improved transit time and reliability, with a 24-hour journey time between Melbourne and Brisbane, and a reliability of 98 per cent, matching current road reliability levels;
- increased capacity of the broader transport network due to a reduction in congestion from the busy coastal route and allowing for growth in passenger services – particularly in the Sydney region;
- a reduction of the rail distance between Melbourne and Brisbane by 200km and the distance between Brisbane and Perth/Adelaide by 500km;
- improved road safety of up to 15 fewer serious crashes each year;
- a reduction of 750,000 tonnes in carbon emissions, truck volumes and road congestion across 20 regional towns¹³ and major highways (such as the Ipswich Motorway, and the Hume, Newell and Warrego Highways);
- decreased the vulnerability of the national freight rail network by providing an alternative to the north-south freight link; and
- promotion of complementary private sector supply chain investments, such as fleet upgrades, new metropolitan and regional terminals and integrated freight precincts.¹⁴

1.18 In May 2016, Infrastructure Australia evaluated the business case developed by the ARTC. Inland Rail was rated as a priority project, based on the determination that Inland Rail could prove to be of long-term benefit to its potential users, to users of alternative infrastructure and to the broader economy.¹⁵

1.19 The transport route between Melbourne and Brisbane is one of Australia's busiest, so the task of finding ways to move increasing volumes of freight between these two capitals has become more important. Having produce and goods available where and when they are needed, supports Australia's producers and manufacturers to remain competitive – both domestically and internationally.¹⁶

1.20 Given that currently, approximately 74 per cent of freight between Melbourne and Brisbane is transported by road, it is predicted that without an alternative to long-haul road freight transportation, there will be a considerable increase in the number of long-haul trucks travelling between the capitals.¹⁷

¹³ Estimated for 2049-50 once Inland Rail is fully developed.

¹⁴ ARTC, *Inland Rail: The Case for Inland Rail – Summary of the 2015 Business Case*, September 2015, p. 3.

¹⁵ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 5.

¹⁶ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 5.

¹⁷ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 5.

1.21 One of the predictions made in the Inland Rail business case is that transferring the ever-increasing freight volumes from road to Inland Rail would reduce B-Double truck movements by 200,000 per annum from 2050.¹⁸

Bilateral agreements

1.22 In order to proceed with the Inland Rail project the Australian Government negotiated bilateral agreements with the Victorian, NSW and Queensland governments. Victoria was the first state to sign a bilateral agreement with the Australian Government in March 2018. The agreement included a commitment to negotiate a new long term lease with the ARTC and an extension of the North East Rail Line alignment corridor to support Inland Rail. The alignment will remain a mixed use line for both passenger and freight services.¹⁹

1.23 In May 2018, a bilateral agreement was signed between the Australian and the NSW governments. As part of the agreement, Transport for NSW and the ARTC entered into an Inland Rail Acquisition Protocol Deed that requires the ARTC to comply with NSW legislation and follow NSW land acquisition policies and procedures. Land acquired by the ARTC would be leased from the NSW Government.²⁰

1.24 The Queensland bilateral agreement was signed in November 2019, which meant that all three eastern states had committed to the delivery of the project. In comments about the bilateral agreement, Queensland's Minister for Transport and Main Roads said that:

... the agreement reached with the Australian Government ... would see close to \$2 billion in joint-funding fast-tracked for road and rail projects across the state.

This deal will see us work with the Federal Government on business cases for passenger rail services from Salisbury to Beaudesert, Brisbane to Toowoomba and a dedicated rail freight line to the Port of Brisbane.

This includes better understanding the freight demand on the line into the future and identifying opportunities for intermodal terminals at Ebenezer and Bromelton to assist in managing the freight task.

The projects will support the Trade and Enterprise Spine initiative identified under the South East Queensland City Deal Statement of intent.

¹⁸ ARTC, *Inland Rail Business Case 2015*, cited in Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 5.

¹⁹ The Hon Daniel Andrews, Premier of Victoria, 'Inland Rail and Regional Rail Revival Agreements Reached', *Media release*, 16 March 2018, available at: <https://www.premier.vic.gov.au/inland-rail-and-regional-rail-revival-agreements-reached> (accessed 5 November 2020).

²⁰ Transport for NSW, 'Inland Rail in NSW', 'Understanding the role of Transport for NSW in the Inland Rail project', available at: <https://www.transport.nsw.gov.au/system/files/media/documents/2019/Inland-Rail-in-NSW-ACC.pdf> (accessed 5 November 2020).

All parties have also agreed to establish an international panel to advise on the modelling of potential flood impacts and continuing community consultation along the project's chosen route through Queensland.

In addition to the expert hydrologists already engaged by the Australian Rail Track Corporation, an expert panel of international specialists will be established to advise on best practice flood structural integrity and report back to the Queensland and Australian Governments.²¹

Inland Rail Project

- 1.25 The Inland Rail project spans more than 1,700 kilometres, is proposed to complete the spine of the national freight rail network, and offer a less than 24-hour transit time between Melbourne and Brisbane with 98 per cent reliability.²²
- 1.26 The ARTC will manage and maintain the rail network, with train services and intermodal facilities provided by a variety of private operators. The number of trains utilising Inland Rail varies across the alignment. The ARTC reported that the Calvert to Kagaru section of Inland Rail is expected to experience the highest number of train movements (both directions), with 42 daily movements in 2026 and 51 by 2040. Whereas the Narromine to Narrabri section of Inland Rail is expected to experience 10 train movements per day in 2026 and 14 in 2040.²³ These trains will travel at speeds ranging from 80 to 115 kilometres per hour, depending on axle loads and curvature of the track.²⁴ A breakdown of the anticipated train movements across all Inland Rail projects is found in Table 1.1:

²¹ The Hon Mark Bailey, Minister for Transport and Main Roads, 'Ground-breaking Inland Rail agreement lays the track for Queensland's future', *Media Statement*, 29 November 2019, p. 1.

²² Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, pp. 9, 22.

²³ ARTC, written answers to questions on notice, 27 January 2021 (received 24 February 2021), pp. 1–2.

²⁴ ARTC, *Narromine to Narrabri Project General EIS Briefing*, 4 August 2020, p. 29; Dr Philip Laird, private capacity, *Committee Hansard*, 13 August 2020, p. 4. Dr Laird calls for a minimal curve ratio of 1,200 metres. See Dr Philip Laird, *Submission 38*, p. 4.

Table 1.1 Train movements per day (both directions combined)

Inland Rail project	Opening of Inland Rail operations	2040 Inland Rail Design Year
Tottenham to Albury	19	20
Parkes to Narromine	9	15
Narromine to Narrabri	10	14
Narrabri to North Star	12	21
<i>Queensland Inland Rail section – without coal trains</i>		
Border to Gowrie	19	24
Gowrie to Helidon	25	29
Helidon to Calvert	25	29
Calvert to Kagaru ²⁵	26	30
Kagaru to Acacia Ridge & Bromelton ²⁶	30	34
<i>Queensland Inland Rail section – with coal trains</i>		
Border to Gowrie	19	24
Gowrie to Helidon	40	49
Helidon to Calvert ²⁷	40	49
Calvert to Kagaru ²⁸	42	51
Kagaru to Acacia Ridge & Bromelton	46	55

Source: 2020-2021 Additional Estimates, Infrastructure, Transport, Regional Development and Communications Portfolio, 22 March 2021, question number 126.

²⁵ In addition to the Ebenezer IMEX train that is forecast to join Inland Rail at Calvert.

²⁶ Figures based on noise modelling number provided for the Helidon to Calvert and Calvert to Kagaru projects. The ARTC anticipates a more refined figure to be modelled in future. For further details, see response to 2020-2021 Additional Estimates, Infrastructure, Transport, Regional Development and Communications Portfolio, 22 March 2021, question number 126.

²⁷ The ARTC clarified that coal and export freight trains currently use the Ipswich line to the Port of Brisbane and that there is an additional coal train that joins Inland Rail at Calvert. And 'coal train numbers are based on current assumptions as to the volume of coal anticipated to be exported per annum from Brisbane which is significantly lower than the high case scenario in the 2015 Inland Rail Programme Business Case that drove its higher forecast number for coal trains'.

²⁸ See footnote 25.

- 1.27 Inland Rail is expected to transport a mix of grains, bulk freight and other general transport trains, with an annual freight tonnage of approximately 10 million tonnes in 2025, increasing to an estimated 17.5 million tonnes in 2040.²⁹ Domestic freight will make up the majority of the goods transported by Inland Rail, predominately of inter-capital/intermodal freight between Melbourne and Brisbane consisting largely of consumer goods. The business case anticipates by 2049-50 that 66 per cent of the volume of freight (net tonne kilometres) would be inter-capital/intermodal freight,³⁰ followed by coal (25 per cent), agriculture and other products (nine per cent). Seven per cent of intercapital/intermodal freight will travel between Brisbane and Perth, and six per cent between Brisbane and Adelaide.³¹
- 1.28 It is anticipated that trains will be double stacked and up to 1,800 metres long, with a future length of 3,600 metres. With long, double-stacked trains significantly increasing the payload of each train, it is argued that Inland Rail will be more efficient, more cost competitive and reduce carbon emissions by up to 750,000 tonnes. The ARTC estimated that over 200,000 trucks will be removed from the road each year, reducing road congestion costs (\$738 million) and maintenance (\$622 million), road trauma and trucks on country roads.³²

Selection of Inland Rail's route alignment

- 1.29 Two major studies have been undertaken in relation to the route alignment for the Inland Rail project. The first study – the North-South Rail Corridor Study – was completed in 2006 and considered four potential corridors to determine which would deliver the best economic and financial outcome. The study identified the 'far western sub-corridor', through Parkes, as the superior option due to it having the lowest capital cost, fastest transit time and best economic cost-benefit performance.³³
- 1.30 A second study – the 2010 Inland Rail Alignment Study (IRAS) – examined the far western corridor in detail and considered a range of alternatives to determine the optimum alignment for Inland Rail within the far western sub-

²⁹ ARTC, *Narromine to Narrabri Project General EIS Briefing*, 4 August 2020, p. 29.

³⁰ Fifty four per cent Melbourne/Brisbane freight, followed by Brisbane/Perth and Brisbane/Adelaide.

³¹ ARTC, *Route history of Inland Rail 2006 to 2020*, 22 May 2020, available at: <https://inlandrail.artc.com.au/route-history-of-inland-rail-2006-2020/> (accessed 5 November 2020); also see, ARTC, *Inland Rail Program Business Case 2015*, September 2015, p. 130.

³² Figures based on the *2015 Inland Rail Business Case*. ARTC, *Submission 128*, p. 9. Dr Philip Laird submitted that national benefits would include lower transport costs, reduced rail congestion in Sydney, safer roads, lower maintenance and constructions costs, less external costs of \$200 million per annum, less diesel use of approximately 100 million litres per annum and less emissions of 0.27 million tonnes per annum. See, Dr Philip Laird, *Submission 38*, p. 5.

³³ ARTC, *Inland Rail Route History 2006–2020*, p. 12.

corridor. The IRAS determined an alignment that minimised construction and operational costs, as well as freight user benefits such as operating cost savings, time savings and reliability. The 2010 study, which effectively established the Inland Rail route, was further progressed by the Australian Government's \$300 million investment in 2011 to 2013 for Inland Rail pre-construction activities spanning the 2014-15 and 2018-19 period.³⁴

- 1.31 In 2013, the Australian Government announced the formation of the Inland Rail Implementation Group (IRIG) tasked with preparing a ten-year delivery strategy and business case for the Inland Rail project. The IRIG consisted of senior representatives from federal and state infrastructure departments and the ARTC CEO. In August 2015, the IRIG's final report further endorsed this alignment.³⁵
- 1.32 The alignment identified in the 2010 study is one which has the potential to deliver a journey time of less than 24 hours from Melbourne to Brisbane, which is a saving of approximately 10 hours on the existing coastal route via Sydney. Approximately 1,100 km of existing rail infrastructure (including rail lines and corridors) will be used to complete the 1,700 km Inland Rail project. It is argued that using existing rail infrastructure makes the most of previous investments in the national rail freight network and minimises the environmental and community impacts associated with creating new rail corridors.³⁶ As demonstrated in Chapter 2, the 24-hour turnaround was a contested element of the Inland Rail project.
- 1.33 Inland Rail was subsequently divided into 13 distinct projects: one in Victoria, seven in NSW and five in Queensland. The longest project is Narramine to Narrabri (307 km long) and the shortest is Gowrie to Helidon (26 km long). Part of the Gowrie to Helidon project involves construction of a new, 6.38 km tunnel through the steep terrain of the Toowoomba Range, making it the largest diameter diesel freight tunnel in the Southern Hemisphere.³⁷
- 1.34 In the 2017–18 Budget, the Australian Government originally committed \$9.3 billion for the ARTC to develop and build Inland Rail – which is the largest freight rail infrastructure project in Australia. Partnership(s) with the

³⁴ ARTC, *Inland Rail Route History 2006–2020*, p. 12.

³⁵ ARTC, *Inland Rail Route History 2006–2020*, p. 12. The Inland Rail Implementation Group's *Report to the Australian Government*, August 2015 is available at: <https://apo.org.au/node/220986> (accessed 23 June 2021).

³⁶ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, pp. 9, 13.

³⁷ For specific details of each project, see: ARTC, *Inland Rail Route History 2006–2020*, pp. 46–101; ARTC, *Projects*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/> (accessed 25 March 2021).

private sector would provide additional funds, through the form of Private-Public Partnership. This figure has progressively increased, with the Australian Government allocating an additional \$5.5 billion in December 2020. As of March 2021, the Inland Rail project is anticipated to cost over \$14 billion.³⁸

- 1.35 Construction of the 103 km Parkes to Narromine project was completed in September 2020.³⁹ Works on the 188 km Narrabri to North Star (N2NS) project commenced in September 2020, with the upgrading of 171km of existing track in the detailed design phase, and Phase 2 (upgrading 15km of track and building 2.3km of new track) in the reference design phase.⁴⁰ The status of all Inland Rail project as of April 2021 is detailed in the table below:

Table 1.2 Inland Rail project status, anticipated commencement and completion

Project	Status (anticipated approval)	Commencement	Completion
Tottenham to Albury	In progress (late 2021)	Late 2021 (north of Beveridge)	Early 2025 (north of Beveridge)
Albury to Illabo	EIS in development (late 2023)	Mid 2023	Late 2024
Illabo to Stockinbingal	EIS in development (late 2022)	Mid 2023	Late 2025
Stockinbingal to Parkes	Under assessment (late 2021)	Late 2022	Late 2023
Parkes to Narromine	Approved 31 August 2018	NA	Completed September 2020
Narromine to Narrabri	EIS under assessment (late	Mid 2022	Late 2026

³⁸ See Chapter 2 for further information. Also see, Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 7; ARTC, *Enhanced Inland Rail to provide a boon for jobs and economic activity*, 16 December 2020, available at: <https://inlandrail.artc.com.au/enhanced-inland-rail-to-provide-a-boon-for-jobs-and-economic-activity/> (accessed 11 March 2021).

³⁹ Inland Rail, *Parkes to Narromine*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/parkes-to-narromine/> (accessed 5 November 2020).

⁴⁰ Inland Rail, *Narrabri to North Star*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/narrabri-to-north-star/> (accessed 25 March 2021).

	2021)		
Narrabri to North Star	Stage 1 approved 1 October 2020; Stage 2 EIS in development (mid 2022)	S1: December 2020 S2: Early 2023	S1: Early 2025 S2: Late 2025
North Star to Border	EIS under assessment (late 2021)	Mid 2022	Late 2025
Border to Gowrie	EIS on public exhibition (early 2022)	Early 2023	Late 2026
Gowrie to Helidon (PPP)	EIS in public exhibition (late 2022)	Late 2023	Mid 2027
Helidon to Calvert (PPP)	EIS in public exhibition (early 2022)	Late 2023	Mid 2027
Calvert to Kagaru (PPP)	EIS under assessment (early 2022)	Mid 2023	Mid 2027
Kagaru to Acacia Ridge and Bromelton	Approval pathway under discussion (mid 2022, subject to discussions)	Early 2023	Early 2025

Source: ARTC, answers to written questions on notice, 1 April 2021 (20 April 2021), pp. 15-16

Chapter 2

Inland Rail business case, cost and competitiveness

2.1 This chapter considers the underlying economic rationale of the Inland Rail project and the anticipated benefits of its construction for the Australian economy, particularly for those regions hosting the Inland Rail project. Whilst it is apparent that Inland Rail will be advantageous to Australia's future prosperity, it is hindered by ongoing concerns about the cost of the project. Over the course of this inquiry the cost has ballooned from \$4.7 to \$14.3 billion, with predictions that it will exceed \$20 billion. This increase in cost potentially undermines Inland Rail's business case and casts doubt over the ARTC and the Australian Government's capacity to manage the project. This chapter concludes with consideration of the impact of the Australian Government's decision to establish a strict 24-hour journey time parameter on the project and Inland Rail's ability to compete with other modes of transport.

Inland Rail's business case

2.2 The Inland Rail business case was released in September 2015 after an 18-month study by PricewaterhouseCoopers in partnership with ACIL Allen Consulting. The business case outlined the rationale for Inland Rail, an overview of the project, anticipated construction costs, the economic case and the demand for, and delivery of, Inland Rail.¹

2.3 A key finding of the Inland Rail business case was its capacity to address the effects of Australia's population growth and subsequent increase in freight movements along the east coast of Australia. The report predicted that interstate freight will increase by 70 per cent by 2030, and would place immense pressure on existing infrastructure between Melbourne and Brisbane, further compounded by population growth and constrained north-south freight infrastructure.² In the ARTC's summary of the business case, it reported that Inland Rail 'will encourage and facilitate the shift of more freight from road to rail' and reduce the forecasted economic costs of road congestion.³ The

¹ Australian Rail Track Corporation (ARTC), *ARTC 2015 Inland Rail Programme Business Case*, available at: <https://inlandrail.artc.com.au/inland-rail-program-business-case-2015/> (accessed 22 June 2021).

² ARTC, *ARTC 2015 Inland Rail Programme Business Case*, pp. 1–2.

³ The ARTC noted that road congestion in Australia is expected to cost \$37 billion by 2030; however no figure is provided of the actual anticipated savings generated by Inland Rail. The Australasian Railway Association stated the value of the savings from reduced road congestion to

amount of freight moved by rail is expected to increase by 62 per cent in 2050 with the construction of Inland Rail.⁴

- 2.4 By 2050, Inland Rail is expected to carry approximately 66 per cent domestic consumer goods, largely between Melbourne and Brisbane, but also between Brisbane, Adelaide and Perth. Twenty-five per cent of its freight is expected to be coal and other minerals for export, and nine per cent consisting of agricultural products for export.⁵ Despite the comparatively small share of agricultural goods being transported by Inland Rail for export, the business case stated that ‘because Inland Rail will travel through Australia’s four richest farming regions and mining regions, it can be expected to draw significant volumes of grain, cotton, chilled beef [and] coal’.⁶
- 2.5 An important component of Inland Rail’s business case is its service offering, particularly the emphasis on the 24-hour transit time to meet its customers’ needs. The business case also emphasised the importance of it being competitive with other freight services (cost) and having 98 per cent reliability.⁷
- 2.6 Regarding the cost of Inland Rail, the original desktop estimate was \$4.7 billion,⁸ which was later revised in the business case to be \$9.9 (\$10.7) billion over 10 years (‘with sufficient contingency to provide a 90 per cent likelihood that this [figure] will not be exceeded’ for the P90 figure of \$10.7 billion).⁹ The financial analysis of the Inland Rail found the project ‘would not generate enough revenue to provide a return on its full construction cost’ but ‘would be cash flow positive once’ operational. This positive cash flow would ensure the project would ‘receive more than sufficient income from access fees to cover ongoing operations and maintenance costs’. On an economic benefit cost ratio, Inland Rail would have

be \$337 million in the business case. See, Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 7.

⁴ Without Inland Rail this figure would only increase to 42 per cent by 2050. See, ARTC, *Inland Rail Route History 2006-2020*, p. 8.

⁵ ARTC, *Inland Rail Route History 2006-2020*, p. 8. Also see, ARTC, *The case for Inland Rail: Summary of the 2015 Business Case*, p. 14.

⁶ ARTC, *The case for Inland Rail: Summary of the 2015 Business Case*, p. 14.

⁷ ARTC, *The case for Inland Rail: Summary of the 2015 Business Case*, p. 9.

⁸ At a 90 per cent (P90) likelihood that this figure would not be exceeded.

⁹ \$9.9 billion is the P50 figure, meaning a 50 per cent likelihood this figure would not be exceeded. Eighty-nine per cent of project’s costs would be capital costs (excluding escalation), nine per cent maintenance costs and two per cent operating costs.

The base cost estimated to be \$6.9 billion, with contingency and escalation bringing the cost to \$9.9 billion. Inland Rail Implementation Group, *Report to the Australian Government*, August 2015, p. 63

a benefit of 2.62, which according to the business case was ‘strong under a wide range of variations including revenues and costs either higher or lower than estimated or forecast’. Variations listed included demand, access pricing, capex, GDP growth, oil and coal prices.¹⁰

- 2.7 Whilst the Australian Government projected Inland Rail to cost approximately \$10 billion, it also anticipated that it would increase Australia’s GDP by \$16 billion over the 10 year period of its construction and within the first 50 years of its operation. The business case also anticipated the delivery of 16,000 new jobs at the peak of Inland Rail’s construction, and ‘an average of 700 additional jobs per year over the entire period’.¹¹ This figure was later increased to 21,500 direct and indirect jobs throughout its construction.¹²

Ernst and Young Inland Rail Regional Opportunities report

- 2.8 In addition to the business case, the Department of Infrastructure, Transport, Regional Development and Communications (Department of Infrastructure)¹³ commissioned Ernst and Young (EY) to undertake a study of the short, medium and long-term economic benefits of Inland Rail for the regions along its proposed alignment.¹⁴
- 2.9 In total, 39 investment options were identified as part of the study. A summary of these supply chain efficiencies and value chain growth investment opportunities across regions is found in Table 2.1:

Table 2.1 Potential investment opportunities, Inland Rail

Region	Short-term (0-10 years)	Medium-term (10-30 years)	Long-term (30-50 years)
Queensland	- Grain storage & handling facility in South West Queensland to	- Food processing hub (stage 1) for export market.	- Abattoir expansion to service growth in domestic & global

¹⁰ A four per cent discount rate was also applied to the project, based on the long term nature of the project and Australian Government bond rates. A comparative analysis between a four and seven per cent discount rate showed a 1.02 benefit cost ratio for a seven per cent discount rate. ARTC, *The case for Inland Rail: Summary of the 2015 Business Case*, pp. 11–13. Also see, ARTC, *2015 Inland Rail Programme Business Case*, pp. 2–3.

¹¹ ARTC, *The case for Inland Rail: Summary of the 2015 Business Case*, p. 13.

¹² ARTC, *Jobs*, available at: <https://inlandrail.artc.com.au/opportunities/jobs/> (accessed 25 March 2021).

¹³ The Department of Infrastructure, Transport, Regional Development and Communications was previously called the Department of Infrastructure, Transport, Cities and Regional Development.

¹⁴ See, Ernst and Young, *Inland Rail Regional Opportunities report*, March 2020, available at: https://www.inlandrail.gov.au/sites/default/files/documents/inland_rail_study_full_report_final_1.pdf (accessed 29 March 2021).

	<p>service export market through Port of Brisbane.</p> <ul style="list-style-type: none"> - Expanded logistics & cotton handling hub. - Regional airport expansion (stage 1) for air freight services. 	<ul style="list-style-type: none"> - Mining support hub for Surat Basin coal reserves and coal seam gas mining; movement of inbound mining supply logistics (fuels, nitrate, steel) from Port of Brisbane. 	<p>demand for animal protein.</p> <ul style="list-style-type: none"> - Regional airport expansion (stage 2) for air freight services. - Cotton logistics hub expansion.
Northern NSW	<ul style="list-style-type: none"> - Abattoir expansion to service growth in domestic & global demand for animal protein. - Intermodal freight hub, Dubbo/Narromine 	<ul style="list-style-type: none"> - Grain Mill (stage 1) to integrate processed products within food processing hub (pasta, bread). - Mining support hub for Gunnedah Basin. - Food processing hub for value-adding for grain-based food production. 	<ul style="list-style-type: none"> - Expanded logistics hub (cotton lint & seed) & handling of inbound goods. - Grain mill (stage 2, see stage 1). - Consumer goods warehousing for Moree/Narrabri to meet population growth.
Southern NSW	<ul style="list-style-type: none"> - Cotton processing expansion in the Riverina. - Food processing hub for the Murray & Riverina regions, particularly fruit and vegetable goods. - Logistics hub at Parkes to intersect with freight travelling between Brisbane, Adelaide and Perth. 	<ul style="list-style-type: none"> - Rail hub between Inland Rail & short line services in Riverina (such as Wagga Wagga). - Regional airport expansion (stage 1) for air freight services. - Flour mill expansion for the movement of processed goods. 	<ul style="list-style-type: none"> - Manufacturing expansion, such as timber products from the Alpine region. - Consumer goods warehousing based on population growth in region. - Almond processing based on growth in industry and anticipated

Victoria	- Intermodal expansion at Albury/Wodonga freight hubs. - Timber/paper manufacturing in Benalla, Wangaratta & Alpine region.	- Food processing hub (stage 1) to capitalise on horticulture production from region. - Defence manufacturing support hub.	output. - Food processing expansion (stage 2, see stage 1)
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Source: Ernst and Young Inland Rail Regional Opportunities report, March 2020, pp. 26–52.

2.10 Overall, the EY study found that Inland Rail could deliver up to \$13.3 billion in increased gross regional product for the 103 local government areas along the proposed alignment.¹⁵ The potential economic uplift of Inland Rail across all regions for employment, gross-regional production and output are detailed in Table 2.2:

Table 2.2 Potential economic uplift, Inland Rail

	Short-term (10 th year)	Medium-term (30 th year)	Long-term (50 th year)
Employment (full time equivalent)	2,090–2,510	2,180–2,770	2,470–2,950
Gross-Regional Product	\$1.3 to \$1.5 billion	\$1.7 to \$2.1 billion	\$2.5 to 2.8 billion
Output	\$1.8 to \$2 billion	\$2.4 to 3 billion	\$3.5 to 4.1 billion

Source: Ernst and Young Inland Rail Regional Opportunities report, March 2020, p. 56.

Commentary on the economic benefit of Inland Rail

2.11 There were varied views on the economic benefits of Inland Rail. Representatives from the rail and freight sectors spoke highly of the investment, as did various local councils, especially those in proximity to Inland Rail's intermodal facilities. The committee also heard of the benefit of Inland Rail during its construction phase, with an increased number of jobs for regional areas and increased business opportunities for local businesses.

¹⁵ Ms Kerry Vine-Camp, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 13 August 2020, p. 14.

2.12 The Australasian Railway Association (ARA), SCT Logistics, Pacific National, the Freight on Rail Group and the Australian Logistics Council all emphasised the importance of Inland Rail as a means to improve the competitiveness of rail across the freight transport sector.¹⁶ SCT Logistics contented that Inland Rail would increase competitiveness by a 23 per cent productivity gain due to improved transit times, reliability, the removal of constraints associated with the movement of goods through Sydney, and the increased size and capacity of Inland Rail's trains.¹⁷

2.13 For the ARA, Inland Rail improves competitiveness by addressing the progressive decrease in rail's mode share because 'it provides the necessary infrastructure to help get more freight on rail'. In addition, Inland Rail supports the diversification of freight operations in Australia. As argued by the ARA, the investment into rail improves investors' confidence and has broader benefits for the community:

If we see good sustained investment across all the various modes, recognising they are all important for different aspects, that gives investors confidence to invest in freight rail and we can see the benefits that it provides in terms of congestion in cities, environment, removing accidents from roads. Those benefits can be realised as part of the investment cycle.¹⁸

2.14 However, the ARA emphasised the importance of certainty for the industry, expressing the view that when a government makes and announces a decision, it shouldn't be overturned. The ARA went on to say that '[w]e believe this principle remains as true of other infrastructure projects as it is of Inland Rail'. The ARA argued that the Inland Rail project must 'proceed without reprosecuting (sic) the decision' and that its members required certainty:

ARA has members that need certainty regarding the commencement of construction and ongoing operation of Inland Rail. Continued public speculation about the route is destabilising for companies and causing stress and unnecessary hardship for those both on the government's existing route and communities such as Cecil Plains and other communities not on the current alignment.¹⁹

2.15 Certainty was also emphasised by other rail companies, who have already invested in infrastructure to accommodate Inland Rail. For example, SCT Logistics spoke of an 'opportunity to invest up to \$250 million on the

¹⁶ Mr Paul Doyle, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 10; Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 11; Freight on Rail Group, *Submission 140*, p. 5; Australian Logistics Council, *Submission 147*, p. 6; Pacific National, *Submission 181*, p. 3.

¹⁷ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 11.

¹⁸ Mr Paul Doyle, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 10.

¹⁹ Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 8. Also see, Australasian Railway Association, *Submission 176*, p. 5.

[Inland Rail] route' in 2021, with \$50 million to be invested in Melbourne and Wodonga terminals alone.²⁰

Cost savings

2.16 An additional benefit of Inland Rail is the anticipated cost savings available to industry, identified as part of a CSIRO-led study completed in March 2019. The pilot study called *Inland Rail Supply Chain Mapping* analysed the Parkes to Narromine (P2N) section of Inland Rail, and found 'a potential average transport cost saving of \$76 per tonne for horticulture products and post-processed food road trips shifted to Inland Rail'. Whilst indicating a benefit, the study noted that this modelling did not include local supply chains (goods that originated in or were destined for the region). Rather, the study considered 'potential to use the majority of Inland Rail to move freight between Victoria and Queensland and beyond'.²¹ Preliminary findings from a broader CSIRO-led study found Inland Rail could save up to \$170 million in transport costs per year due to the shift from road to rail. Upon the release of the second study, the Australian Government called for industry to start planning for this transition.²²

2.17 The importance of improved cost savings was emphasised by SCT Logistics. It advised the committee that cost was of primary importance to the freight sector, followed by reliability and transit time.²³

Local benefits, employment and business opportunities

2.18 As forecast by the EY regional opportunities study, regional and rural communities are expected to benefit from Inland Rail, whether through the creation of intermodal facilities, or employment and business opportunities during and after its construction. Overall, there was a high degree of support for Inland Rail, even amongst some of those communities adversely impacted by its construction.²⁴

²⁰ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 11.

²¹ CSIRO, *Inland Rail Supply Chain Mapping*, March 2019, p. ii, available at: https://www.inlandrail.gov.au/sites/default/files/documents/csiro_transit_inland_rail_supply_chain_mapping_pilot_study_2_0.pdf (accessed 9 March 2021).

²² Judy Skatssoon, 'Early CSIRO results back economic case for Inland Rail', *Government News*, 31 May 2021, available at: <https://www.governmentnews.com.au/early-csiro-results-back-economic-case-for-inland-rail/#:~:text=Early%20unpublished%20results%20from%20a,in%20transport%20costs%20a%20year.&text=A%20CSIRO%20analysis%20suggests%20that,in%20transport%20costs%20a%20year>. (accessed 8 June 2021).

²³ Depending on the needs of the customer and the commodity. Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 12.

²⁴ See for example: Mr Michael Brady, Toowoomba Regional Council, *Committee Hansard*, 30 January 2020, p. 56; Mr Craig Seleeman, Toowoomba Regional Council, *Committee Hansard*,

2.19 One long-term advocate for Inland Rail is the Parkes Shire Council, whose representatives spoke highly of the Inland Rail project, its contribution to the community thus far, and the anticipated benefits for the region once fully operational. The committee was told that the region had experienced a major lift during the construction of the P2N project; however, the Council added that the real advantages won't be experienced until Inland Rail is fully operational. For this reason, the Parkes Shire Council called for Inland Rail to be delivered as soon as possible and was supportive of the Prime Minister's call for the project to be accelerated.²⁵ The Council added that Inland Rail would be the backbone of Australia's rail network, and noted that:

...it's very important that it be efficient. To drive that modal shift, to get the trucks off the road, we need a railway that's short, fast, flat, and more reliable than trucks. That's critical.²⁶

2.20 A key point raised by Parkes Shire Council was the improvement to Australia's internal competitiveness once Inland Rail is completed. The Council referenced Canada's rail network that has a faster and more efficient network that carries 'up to 10,000 tonnes with highly efficient balloon loop loading compared with trains on our network, which run on a fraction of that'. The Council also highlighted that Australia's reliance upon trucking is unsustainable, if current freight numbers are set to double, and that Inland Rail will drive the much needed modal shift across the freight sector.²⁷

2.21 For the local economy, the Parkes Shire Council emphasised the importance of value adding to the region's \$1 billion agricultural industry. Currently, 65 per cent of agricultural products leave the region without any value adding, whereas the special activation precinct created in Parkes to capitalise on Inland Rail will enable value adding and increased productivity. The Council explained the importance of value adding to the region and the current limitations without Inland Rail:

The whole purpose of our activation precinct is so that, instead of selling bulk wheat, we can sell a completed product. We already have as a

30 January 2020, p. 57; Ms Joy Mingay, Toowoomba Chamber of Commerce, *Committee Hansard*, 30 January 2020, p. 60; Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2; Mr Bill Fisher, Narromine to Narrabri Community Consultative Committee, *Committee Hansard*, 19 November 2020, p. 3; Mr David Neeves, Gilgandra Shire Council, *Committee Hansard*, 19 November 2020, p. 5; Mrs Shane Kilby, NSW Farmers Association – Dubbo Branch, *Committee Hansard*, 19 November 2020, p. 14; Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 17; Mrs Danica Leys, Country Women's Association of NSW, *Committee Hansard*, 19 November 2020, p. 20.

²⁵ The Parkes Shire Council outlines the history of its advocacy for Inland Rail in its opening statement. See, Mr Kent Boyd, Parkes Shire Council, *Committee Hansard*, 19 November 2020, p. 7.

²⁶ Mr Kent Boyd, Parkes Shire Council, *Committee Hansard*, 19 November 2020, p. 7.

²⁷ Mr Kent Boyd, Parkes Shire Council, *Committee Hansard*, 19 November 2020, p. 7.

consequence of the activation precinct an advanced food manufacturer, who has set up there and will be using the logistics that will be there to export their product overseas. This is where we'd like to use the rail product. At the moment, to put a container—a single one—on rail and get it out is a problem and costly. However, with Inland Rail, with potentially daily services, all of a sudden one container or two containers will be possible, so we're strongly pushing a bonding service out here. All of a sudden the huge potential of, for argument's sake, the Lachlan Valley and the Macquarie Valley to move into higher-product agricultural products and get them directly to those export markets will be very important. We have beef, we have lamb and we have major irrigation in both the Macquarie Valley and the Lachlan Valley, all of which could be value added, onto the train, directly to port and then to overseas export markets.²⁸

- 2.22 In addition to transporting goods to the international market, the Council identified benefits including the transportation of goods to the region, such as fuel, fertilisers and agricultural equipment that are typically transported by single-unit trucks. The Parkes National Logistics Hub had also opened up opportunities for the region to host a resources and recycling plant.²⁹
- 2.23 Strategically and historically, Parkes has played a vital role in connecting freight between the east and west coasts. These freight movements are not only agricultural goods, with significant volumes of consumer goods being consolidated in Parkes and transported to Western Australia. Parkes Shire Council informed the committee of the nature of this freight network and the role of Inland Rail in the future:

SCT Logistics moves I think it's up to 27 trucks a day that come up to Parkes and then they consolidate freight here. Everything from alcohol to white goods, all sorts of domestic products, they're moving those through Parkes and consolidating here to make sure that they get to Western Australia. So we are seeing a lot of not just agricultural products. We see mining products moving through Parkes. Someone like Linfox, for example, has contracts with Amazon. They have contracts to move to Western Australia as well. We are seeing not just traditional freight moving through Parkes, and that's because of the ability to consolidate.

We think that with Inland Rail we'll see more of that. Someone like Pacific National set up here because they can consolidate 12 trains down to eight trains to move to Western Australia. Rather than consolidating down to eight, they have actually moved up to 12 because of the increase of domestic freight moving through here.³⁰

- 2.24 In a statement made by the ARTC, the committee heard of the regional benefit provided by the construction of the P2N project:

²⁸ Mr Kent Boyd, Parkes Shire Council, *Committee Hansard*, 19 November 2020, pp. 8–9.

²⁹ Mr Kent Boyd and Mrs Anna Wyllie, Parkes Shire Council, *Committee Hansard*, 19 November 2020, p. 9.

³⁰ Mrs Anna Wyllie, Parkes Shire Council, *Committee Hansard*, 19 November 2020, p. 10.

...it has very significant impacts that have been warmly welcomed in the communities. By way of example of some of the figures, more than 760 local people worked on the project in the Parkes area, almost 200 of those were Indigenous. There was \$110 million spent with 99 local businesses in the Parkes area; \$14 million was spent with nine Indigenous businesses, four of which were local. That was at a time, as we're all well aware, when New South Wales was still suffering from drought and from the COVID-19 impacts, so it has had a great impact.³¹

2.25 The ARTC anticipates that 21,500 jobs will be created at the peak of Inland Rail's construction,³² with an average of 700 additional jobs per year over the entire period.³³ In addition to these employment opportunities, the ARTC has funded local community groups, scholarships and Indigenous-led programs,³⁴ as well as awarded local businesses with contracts to support Inland Rail's construction, such as:

- \$20 million contract awarded to Liberty OneSteel Whyalla Steelworks to supply steel for the Parkes to Narromine (P2N) project;³⁵
- \$20 million contract awarded to Rocla in the Southern Highlands to provide 200,000 concrete sleepers for the P2N project;³⁶ and a
- \$80 million turnout contract awarded to Castlemaine-based company, Vossloh AG.³⁷

2.26 An additional measure to strengthen and explore potential opportunities to connect local communities to Inland Rail was the \$44 million Inland Rail Interface Improvement Program. The Australian Government established this program to support local organisations, governments and communities with their development of business cases for projects and investment opportunities connected to Inland Rail. The Australian Government announced that the

³¹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 19 November 2020, p. 30.

³² This figure had risen from a previous estimate of 16,000 jobs after the announcement of a \$5.5 billion increase in funding to the Inland Rail project. See *Business case* section of this chapter.

³³ ARTC, *Inland Rail: The case for Inland Rail – Summary of the 2015 Business Case*, September 2015, p. 3; ARTC, *Jobs*, available at: <https://inlandrail.artc.com.au/opportunities/jobs/> (accessed 25 March 2021).

³⁴ For details see, ARTC, *Information hub*, available at: <https://inlandrail.artc.com.au/information-hub/> (accessed 25 March 2021).

³⁵ ARTC, 'Aussie steel on track for Inland Rail', available at: <https://inlandrail.artc.com.au/aussie-steel-on-track-for-inland-rail/> (accessed 25 March 2021).

³⁶ ARTC, '\$20 million Inland Rail contract creates 20 new jobs in Southern Highlands', available at: <https://inlandrail.artc.com.au/20-million-inland-rail-contract-creates-20-new-jobs-in-southern-highlands/> (accessed 25 March 2021);

³⁷ ARTC, 'Inland Rail contracts turnout big for Aussie made', available at: <https://inlandrail.artc.com.au/inland-rail-contracts-turnout-big-for-aussie-made/> (accessed 25 March 2021).

program would ‘not provide or guarantee funding for projects’, but ‘enables local ideas to be developed for further consideration’.³⁸

- 2.27 The committee also heard that Inland Rail would contribute to Australia’s national security by providing suitable rail access to Australia’s defence suppliers based in regional areas.³⁹

Key concerns

- 2.28 Although there was significant support for the Inland Rail project, especially from the freight and logistic sectors, the committee heard strong concerns about a number of key elements of the Inland Rail project. These concerns included the overall cost of the Inland Rail project and whether the economic assumptions made within the 2015 business case remain valid. A further key concern raised throughout the inquiry was the impact of the 24-hour travel time between Melbourne and Brisbane and how this parameter potentially hindered efforts to explore more suitable alignments. Finally, some stakeholders spoke of concerns about the competitiveness of Inland Rail against other modes of transport, largely shipping and trucking sectors.

Cost of Inland Rail

- 2.29 Over recent years, the Australian Government has made a number of investment decisions in relation to Inland Rail. In 2011–12, the Australian Government announced the approval of an initial \$300 million in grant funding for Inland Rail’s pre-construction activities that would span the 2014–15 to 2018–19 period. Following the 2013 election, the incoming Government confirmed its commitment to this funding.⁴⁰
- 2.30 In the 2016–17 Budget, the Australian Government announced that Inland Rail would be delivered through the ARTC in partnership with the private sector. At this time, the Department of Finance undertook a market testing process that informed the government’s consideration of the delivery and financing model for Inland Rail. The budget also allocated an additional \$593.7 million to the ARTC to progress land acquisition, continue the pre-construction phase and undertake due diligence activities.⁴¹

³⁸ The Honourable Mark Coulton MP, ‘\$44 million Inland Rail Interface Improvement Program – last call for applications’, *Media release*, 11 September 2020, available at: <https://minister.infrastructure.gov.au/coulton/media-release/44-million-inland-rail-interface-improvement-program-last-call-applications> (accessed 29 March 2021).

³⁹ Mr Michael McLean, McLean Management Consultants Pty Ltd, *Committee Hansard*, 22 April 2021, p. 3.

⁴⁰ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 7.

⁴¹ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 7.

- 2.31 The government's most substantive contribution to the Inland Rail project was made in the 2017–18 Budget, with the allocation of an \$8.4 billion equity investment in ARTC. It was also announced that additional funding would be sought through Private-Public Partnerships (PPP) for three of projects based in Queensland.⁴² At the time, the total expenditure of Inland Rail was projected to be \$9.3 billion.⁴³
- 2.32 A further \$44 million was committed in 2019–20 for the development of a strategic business case to identify and prioritise upgrades to regional rail networks that connect economic centres with the ARTC's network, particularly with Inland Rail. Under the budget measure, the government also allocated funding for an Inland Rail Intermodal Terminal Business Cases for intermodal terminals in Brisbane and Melbourne (under the Major Project Business Case Fund announced in the 2018–19 Budget).⁴⁴ Then in the 2020–21 Budget, the government announced it would make additional equity investment in the ARTC, primarily to deliver the Inland Rail project; however, the measure was not published due to commercial sensitivities.⁴⁵
- 2.33 The increased cost of Inland Rail was reportedly anticipated in the business case. The ARTC advised the committee that the Australian Government's overall financial commitment to Inland Rail would be continually refined as the project progressed, and as a more detailed understanding of its requirements were developed through engineering, property and stakeholder requirements.⁴⁶
- 2.34 The Inland Rail Implementation Group (IRIG) report of 2015 made a number of key findings regarding the cost of Inland Rail. It found 'Inland Rail will require significant, if not total, funding from the Australian Government' because of the 'limited opportunities for upfront private sector financing of Inland Rail (without significant risk transfer to the Australia Government)'.⁴⁷ Further, the IRIG report concluded that financing by the private sector 'would in all probability cost Government more than funding the project from its balance sheet due to the undertakings that would be required by the

⁴² See Chapter 5 for further information.

⁴³ Department of Infrastructure, Transport, Cities and Regional Development, *Submission 143*, p. 7.

⁴⁴ Commonwealth of Australia, *Budget Measures: Budget Paper No. 2, 2018–19*, pp. 64, 139.

⁴⁵ Commonwealth of Australia, *Budget Measures: Budget Paper No. 2, 2020–21*, p. 125. Also see, Department of Infrastructure, Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021), p. 2.

⁴⁶ ARTC, written questions on notice, 1 April 2021 (received 20 April 2021), p. 2.

⁴⁷ Risk factors include a long construction period, significant time before revenues are realised and the need for completion of the project in order to capture additional revenues.

Government to private sector investors, and would unlikely bring any meaningful reduction on the Australian Government's balance sheet'.⁴⁸

- 2.35 It should be noted that three of Inland Rail's projects, notably the most expensive, are to be funded in partnership with private investors as part of a PPP.⁴⁹ For this reason, the true cost of the Inland Rail project is not publicly available due to commercial sensitivities. Mr John Abbott, from Inter-Port Global Holdings, was critical of the Australian Government's decision to implement a PPP for the Toowoomba Range projects because:

...the ARTC model, as I understand it, is that those PPP consortia don't take any risk on freight volume. They'll build it, ARTC will pay the capital cost over 30 or 50 years or whatever the time frame is of the contract, they will pay the risk premium that contractors put into those sorts of projects and they'll pay the profit for the PPP partner. That'll be built in as a liability for ARTC for 30 or 50 years or whatever.⁵⁰

Enhanced Inland Rail funding announcement

- 2.36 On 16 December 2020, the Australian Government announced that it would provide an additional \$5.5 billion in equity to the ARTC for the Inland Rail project, bringing to total anticipated cost to \$14.3 billion. The government stated that this financial enhancement would 'deliver a safer and more efficient Inland Rail whilst also backing thousands of extra jobs and billions in additional economic activity through major enhancements to the planning, design and delivery' of the project.⁵¹

⁴⁸ A third key finding related to the potential sale of the ARTC, which had been announced by the then Minister for Finance, the Honourable Mathias Cormann on 11 May 2015. IRIG noted that '[a] number of mechanisms could be used by the Australian Government, alone or in combination, and include grants, equity, availability payments, concessional loans and Australian Government sale of forward revenues as part of a build then sell strategy'. The IRIG report recommended that the Australian Government seek advice on how it may use its balance sheet to fund the construction of Inland Rail, given the use of the private sector for financing of the project 'would be an expensive alternative when compared to direct funding by the Australian Government'.

For full financial strategy analysis: Inland Rail Implementation Group, *Report to the Australian Government*, August 2015, pp. 81–85.

⁴⁹ IRIG recognised some merits of a PPP 'due to the commercial approach that would be taken, particularly around the management of delivery risks, helping to keep costs down'. IRIG added that [o]ne means of capturing the merits of private sector participation without the downside risk is through a competitive design and construction procurement process as part of the project delivery phase'.

Inland Rail Implementation Group, *Report to the Australian Government*, August 2015, p. 83.

⁵⁰ Mr John Abbott, Inter-Port Global Holdings, *Committee Hansard*, 8 June 2021, p. 14.

⁵¹ ARTC, 'Enhanced Inland Rail to provide a boon for jobs and economic activity', *Media release*, 16 December 2020, available at: <https://inlandrail.artc.com.au/enhanced-inland-rail-to-provide-a-boon-for-jobs-and-economic-activity/> (accessed 11 March 2021); ARTC, written questions on notice, 1 April 2021 (received 21 April 2021).

- 2.37 Reference was made to amendments to its design, such as an extra 4,500 culverts, nine extra viaducts, 6.8 kilometres of bridges, ten extra grade separations, approximately 450 kilometres of additional fencing and the removal of 139 level crossings. The government noted that these enhancements were a product of the ARTC's ongoing design, community engagement and detailed analysis of the project. In addition, the government anticipated up to 21,500 jobs being created at the peak of Inland Rail's construction and an economic boost of \$2 billion.⁵²
- 2.38 The ARTC did not provide the committee with the budget figures for each Inland Rail project due to ongoing procurement negotiations, but offered to provide regular updates once the details and approvals of each project were progressively completed over the next 18-months.⁵³ It did, however, point out that the completed Parkers to Narromine section of Inland Rail was completed under budget (from approximately \$536 million to \$480 million), whilst the Narrabri to North Star project's estimated budget had slightly increased from \$867 million to \$878 million.⁵⁴

Inland Rail's business case and cost of the project

- 2.39 The Australian Government's additional \$5.5 billion investment in 2020 fed into the scepticism shared by various stakeholders about the overall cost of the Inland Rail project, and the opaque nature of the actual cost of Inland Rail.
- 2.40 Questions regarding the cost of the project were raised throughout the inquiry. During the August 2020 hearing the committee sought clarification from the

⁵² In a written response, the ARTC advised the committee that 2020 was a pivotal stage for the Inland Rail project because the more detailed work from the previous five years was able to inform changes to the scope, time and cost of the project in order to deliver improved outcomes'. In addition, the ARTC undertook value engineering and re-estimating work', which according to the ARTC 'achieved very significant savings from initial estimates through identifying ways to optimise benefits in areas such as formation design and construction, track gradient improvements and sourcing fill from closer to those locations where it is required in large volumes, thereby significantly reducing transport costs'. The ARTC added that by mid-2020 it was apparent that a 'significantly enhanced asset' was justified and subsequently informed that Australian Government as part of the budgetary process.

ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), pp. 2–3. ARTC, 'Enhanced Inland Rail to provide a boon for jobs and economic activity', *Media release*, 16 December 2020, available at: <https://inlandrail.artc.com.au/enhanced-inland-rail-to-provide-a-boon-for-jobs-and-economic-activity/> (accessed 11 March 2021).

⁵³ The ARTC made clear that this information would potentially jeopardise the competitive tender process.

ARTC, written questions on notice, 1 April 2021 (received 20 April 2021), p. 1.

⁵⁴ For expenditure figures as of March 2021 see: ARTC, written questions on notice, 1 April 2021 (received 20 April 2021), p. 1.

ARTC about the cost, which at that point had increased to \$12.115 billion,⁵⁵ including risk and contingency funding (if needed). When asked whether the existing funds were sufficient for the project, the ARTC responded that it was working with the Department of Infrastructure to make a cabinet submission regarding costs and the timeline of the project's delivery.⁵⁶ The ARTC added that although the Inland Rail project had been budgeted for, further understanding of its cost would be gained as each project progressed beyond its reference design phase. The ARTC clarified that any adjustments to the cost of the Inland Rail project could be achieved through a determination by the Australian Government to amend the project's scope, which was a discussion the ARTC was having with government at the time:

There are two sides to any budget. One is the cost side of the budget; the other is the scope side of the budget. There is always possibility to change scope to reduce cost. I don't know what the government's preference would be. That's in some of the discussions we're having presently and that's why it's not finalised at this time.⁵⁷

2.41 The committee also asked whether there had been a review of the 2015 business case to determine whether the assumptions made remained valid. The Department of Infrastructure made reference to the EY report, and added that the assumptions 'absolutely' remained fit-for-purpose; however, it was yet to determine the impact COVID-19 would have on the planned 35-year payback period.⁵⁸

2.42 Doubts about the anticipated cost of Inland Rail were shared during the January 2021 hearing. Mr John Abbott, from the Central Queensland Regional Organisation of Councils (CQROC) was critical of the cost of Inland Rail, predicting that the actual cost would exceed \$20 billion. Mr Abbott pointed out that it was no surprise that the project would run over budget, given the firm commitment made by the government. He argued the budget overrun was grounds for the removal of the Inland Rail's CEO and project manager:

With any project that has a 40 per cent cost overrun, \$4 billion, I would have expected to see the CEO and the project manager fired, because that is just unacceptable, particularly when, if you read the press, it's because they forgot to include some things. It should not come as a surprise, after the project is so firmly committed, that that cost overrun comes. I have had a look at some of the figures—I've just used the standard dollars-per-kilometre type figures—and I find some of them quite unrealistic. One example I give, for example, is the \$2.9 million that's often quoted for the Acacia Ridge to port of Brisbane leg, where I think, if my memory serves

⁵⁵ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, pp. 17, 19–20.

⁵⁶ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, pp. 17, 19–20.

⁵⁷ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 21.

⁵⁸ Ms Kerryn Vine-Camp, Department of Infrastructure, Transport, Cities and Regional Development, *Committee Hansard*, 13 August 2020, p. 29.

me correctly, it's about \$75 million per kilometre. If you think of a project of similar size that's happening here in Queensland, the Cross River Rail, another 10-kilometre route, that is \$600 million per kilometre. That might give you an idea why I call that component Dreamtime stuff.⁵⁹

- 2.43 Mr Abbott subsequently called for the project to be paused and for a review to determine the final cost overrun, arguing in favour of the alignment travelling to Gladstone as a means to meet the project's budget.⁶⁰
- 2.44 National Trunk Rail warned that it was likely additional funding announcements would be made because '[t]here is a huge amount still unaccounted for—a huge amount'.⁶¹ When asked whether the cost of Inland Rail would cost \$20 billion, the National Trunk Rail expressed the view that figure 'might be on the low side'.⁶²
- 2.45 Mr Everald Compton asserted that the ARTC management of Inland Rail should cease, with a new parliamentary appointed body to be authorised to review and amend the current alignment. His rationale for this view was due to the excessive cost of Inland Rail and the ARTC's decision to underutilise existing rail corridors, with a preference for the Gladstone corridor.⁶³
- 2.46 The Community Consultation Committee (CCC) for the Narromine to Narrabri (N2N) project expressed concern about the underestimated cost of Inland Rail. In correspondence to the Department of Infrastructure, the CCC outlined its evaluation of the anticipated cost of the N2N project (based on the 2015 business case and the Inland Rail Alignment Study) compared to the details found in the ARTC's draft EIS documentation from 2020. CCC member Mr Andrew Knop specified the key differences, such as:
- only 3.7km of bridging being included in the business case versus the draft EIS reporting 15.1km (with community expectation of bridging to increase to 20km);
 - estimated culverts equating to 560m, with the draft EIS reporting 11,260m; and
 - a total of 1.8km of road re-alignments in the business case, versus 36.85km in the draft EIS.⁶⁴

⁵⁹ Mr John Abbott, Central Queensland Regional Organisation of Councils, *Committee Hansard*, 27 January 2021, p. 20.

⁶⁰ Mr John Abbott, Central Queensland Regional Organisation of Councils, *Committee Hansard*, 27 January 2021, p. 20.

⁶¹ Mr Martin Albrecht, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 33.

⁶² Mr Martin Albrecht, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 33.

⁶³ Mr Everald Compton, private capacity, *Committee Hansard*, 27 January 2021, p. 42.

⁶⁴ Mr Andrew Knop, correspondence between Narromine and Narrabri Inland Rail Community Consultation Committee (dated 18 December 2020) and the Department of Infrastructure, Transport, Regional Development and Communications (dated 12 February 2021).

- 2.47 For the entire Inland Rail project between Melbourne and Brisbane, the CCC reported that the extent of bridging works was estimated to be 9,601m, whereas the ARTC's 2020 documents list the current bridging required to total 35,442m, with an additional 100 structures yet to be included. The CCC also pointed out that the original distance for tunnelling was 6.6km but the 2020 figure had increased to 8.6km, with obvious budgetary implications.⁶⁵
- 2.48 Along with cost, concerns were also voiced about possible delays and amendments to the Inland Rail network. Industry representatives cautioned any delays to the project. The ARA warned that:
- Logistics companies and major freight owners need to make commitments looking forward over five to ten-year horizons. Any changes to existing plans, routes or the service offering to the Inland Rail project will impact these decisions.⁶⁶
- 2.49 The Australian Logistics Council warned that any delays to the project would 'erode investor confidence, and will place the economic benefits of the project in jeopardy at a time when the Australian economy can ill-afford such outcomes'.⁶⁷ The ARTC maintained that the current forecast to commence end-to-end operations of Inland Rail is 2027.⁶⁸

Coal and its impact on the 2015 business case

- 2.50 As previously noted, domestic inter-capital goods will make up the majority of the freight transported by Inland Rail (66 per cent) by 2049–50, whilst coal and other minerals is projected to account for 25 per cent of the Inland Rail's freight

⁶⁵ In response to the CCC's correspondence, the Department of Infrastructure reiterated that the original estimates were based on desktop studies and it was always understood that the cost would increase as the ARTC's work progressed and further details about the Inland Rail corridor were developed. Concerning transparency about costs of Inland Rail, the department added that early disclosure of the project's cost would have impacted on the ARTC's capacity to negotiate value-for-money terms on key contracts. The department explained that '[b]oth concerns are legitimate and require judgement as to the appropriate balance in achieving the best public policy outcome' and that the ARTC and the Commonwealth government would 'continue to report financial information regarding Inland Rail and the Commonwealth's investment in the ARTC as part of their respective annual reports'.

Mr Andrew Knop, correspondence between Narromine and Narrabri Inland Rail Community Consultation Committee (dated 18 December 2020) and the Department of Infrastructure, Transport, Regional Development and Communications (dated 12 February 2021).

⁶⁶ Australasian Railway Association, *Submission 176*, p. 5.

⁶⁷ Australian Logistics Council, *Submission 145*, p. 5.

⁶⁸ The principle risk identified for the delay to this schedule relates to project approvals and property acquisition timelines, both influenced by factors outside the control of the ARTC. It meets regularly with state government officials to mitigate these risks.

ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), p. 5.

movements.⁶⁹ According to the ARTC, the transportation of coal does not require double-stacking, and ‘will be able to utilise the existing rail connections for direct train access from regional areas to the ports’ and would not need to be double handed at inland intermodal terminals.⁷⁰

- 2.51 One of the key critiques directed at the Inland Rail has been whether the project remains viable if demand for coal declines or whether restrictions are imposed on the movement of coal along the Inland Rail alignment. The ARTC acknowledged that although the economic benefit of Inland Rail would be impacted, overall the impact would be minimal.⁷¹ Reference was made to the original business case modelling,⁷² as well as Infrastructure Australia’s evaluation of Inland Rail’s business case. While Infrastructure Australia identified a decline in coal transportation as a potential risk, a sensitivity test suggested that a ‘scenario in which no coal is transported 30 years after project completion’ would have ‘minimal impact on the stated [benefit-cost ratio (BCR)]’.⁷³ Further clarification was provided by the ARTC. It stated that the current BCR of 2.62 was based on the transportation of 19.5 million tonnes of coal per annum, whereas a reduction in coal volumes to four million tonnes per annum reduced the BCR to 2.50 at a four per cent discount rate. The ARTC added that a sensitivity test for a ‘coal volume to zero was not directly assessed in the business case, but the ARTC assesses that it would have the effect of reducing the BCR to approximately 2.4’.⁷⁴
- 2.52 The transportation of coal through Brisbane is restricted, but the ARTC reassured the committee that coal would continue to be transported along the West Moreton line until such a time that a different determination is made in the future. As of January 2021, the Australian and Queensland governments were in negotiations about coal movements along the K2ARB project.⁷⁵ Despite this current restriction, the ARTC modelling for the Calvert to Kagaru project

⁶⁹ ARTC, *Melbourne to Brisbane Inland Rail Route History 2006–2020*, 2020, p. 9; ARTC, *Submission 125–Attachment 1*, p. 24.

⁷⁰ ARTC, *Submission 125–Attachment 1*, p. 24.

⁷¹ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 36.

⁷² Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 36.

⁷³ Infrastructure Australia, *Project Business Case Evaluation*, May 2016, p. 5.

⁷⁴ This point was also made by the Department of Infrastructure, which emphasised that ‘Inland Rail’s economic benefits are not reliant on coal volumes’ but is capable of meeting an increased coal demand if required.

Mr John Fullerton, ARTC, answers to questions on notice, 30 January 2020 (received 26 February 2020), p. 5; Department of Infrastructure, Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021).

⁷⁵ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 19; ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), pp. 1–2.

shows 16 of the 42 train movements for each 24-hour period to be a coal train service by 2026.⁷⁶

- 2.53 An additional concern was the capacity of the Port of Brisbane to receive and store coal, which is limited to 12 million tonnes, with further restrictions on rail pathways along the Brisbane rail network.⁷⁷ This concern was largely shared by advocates for Inland Rail connecting to the Port of Gladstone, such as the CQROC, which proffered a number of benefits for transporting coal, via Inland Rail to Gladstone (instead of Brisbane). It argued there is an economic case for this expansion, particularly for the coal market. The CQROC added that a Gladstone link would support and grow the coal sector by facilitating new mines and the expansion of existing mines.⁷⁸
- 2.54 According to the CQRC, additional benefits of a Gladstone alignment would include reducing the number of coal trains using the Brisbane rail network, a cost saving on building Inland Rail from Toowoomba to Brisbane and that the Port of Gladstone is already capable of increasing its intake of coal.⁷⁹ These arguments are further explored in Chapter 3.

Committee comment and recommendation

- 2.55 The committee is generally supportive of the Inland Rail project. Its construction has the potential to provide significant benefit to rural, regional and urban communities – enabling a more efficient movement of freight across Australia and further diversification of the nation’s freight infrastructure. Importantly, Inland Rail will ensure Australia is capable of meeting the anticipated growth of the freight sector, alleviate pressure on road infrastructure and improve road safety.
- 2.56 The various business cases, reports and reviews, support the belief that there will be significant economic benefits for local communities, both during Inland Rail’s construction and once operational. These benefits are augmented by the substantial investments already made by the freight and logistics sectors into the project and the contracts awarded to local businesses to support the construction of Inland Rail. In addition, Inland Rail will create thousands of jobs throughout its construction, with further job creation upon its completion.
- 2.57 Despite the committee’s support for Inland Rail, it holds real concern that the economic benefit may not be fully realised by many of the communities along the proposed alignment and recognises more needs to be done to garner

⁷⁶ ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), pp. 1–2.

⁷⁷ Mr Roy Cummins, Port of Brisbane, *Committee Hansard*, 30 January 2020, p. 5

⁷⁸ Mr John Abbott, Central Queensland Regional Organisation of Councils, *Committee Hansard*, 27 January 2021, p. 19.

⁷⁹ Mr John Abbott, Central Queensland Regional Organisation of Councils, *Committee Hansard*, 27 January 2021, pp. 17–18, 21.

broader support for the project. While Inland Rail looks likely to generate substantial economic benefit for some communities, such as Albury/Wodonga, Parkes and Toowoomba, other regions may have minimal economic opportunities beyond the construction phase. The committee is encouraged by the Australian Government's investment into an interface improvement program to improve connections and supply chain efficiencies, but remains unclear as to whether this investment has led to any meaningful improvements to the Inland Rail project, or whether there has been any serious consideration of proposals made as part of the program. The committee is concerned the program is tokenistic, and fails to achieve any meaningful improvement for local communities.

Budget

- 2.58 It is apparent to the committee that the original costings and allocated budget for Inland Rail was inadequate from the outset, and it is a failure on behalf of the Australian Government and the ARTC to appropriately prepare, plan and implement Inland Rail. Whilst the prospect of an increase in the cost of Inland Rail has consistently been maintained, the allocation of an additional \$5.5 billion with minimal information to justify this expenditure is of concern to the committee. The ARTC has not provided the committee, nor the public, with a clear understanding of the likely cost of Inland Rail, largely because of the commercial sensitivities related to the delivery of three Inland Rail projects subject to a PPP and procurement negotiations.
- 2.59 The original estimated cost of Inland Rail was \$4.7 billion, which later became \$9.9 billion. The Australian Government has now committed over \$14.3 billion to the Inland Rail project, which is governed by an out-of-date business case and undermined by predictions that the project will exceed \$20 billion. The committee's concern about the cost of Inland Rail, driven by warnings that further cost blowouts may occur as the Inland Rail project progresses, warrants a dedicated oversight mechanism to be established throughout the project's construction.
- 2.60 Whilst certain parliamentary processes, such as Senate Estimates, provide an important oversight and accountability measure, the committee is of the view that the project requires ongoing, dedicated committee oversight to ensure the Australian Government and the ARTC are held accountable to Australia's taxpayers. Ongoing committee oversight of this project will also provide an avenue outside of the ARTC for communities and landholders adversely impacted by Inland Rail to disclose their grievances and concerns about the project. Oversight by the parliamentary committee will facilitate greater transparency and create a pathway for the committee to speak to the public's concerns and experiences. For these reason, the committee recommends that the Senate Rural and Regional Affairs and Transport Legislation Committee self refers an inquiry for oversight of the Inland Rail project to ensure the

Australian Government and the ARTC are held accountable for their management of this multi-billion dollar project.

Recommendation 1

2.61 The committee recommends the Senate Rural and Regional Affairs and Transport Legislation Committee self refers an ongoing inquiry for oversight of the Inland Rail project.

2.62 An additional concern shared by the committee is whether Inland Rail's 2015 business case remains valid in light of the substantial increase in capital required for the project's completion. It is the committee's view that this substantive increase in the cost of Inland Rail warrants a review and update of the 2015 business case.

2.63 The rationale for a business case review and update is further justified in the succeeding chapter, which shows the end-of-service parameters in Queensland are yet to be determined, and the appropriate alignments for some projects are yet to be finalised. The business case review should assess all proposed routes from Toowoomba to Brisbane and Gladstone. The committee is also of the view that the business case review should include a sensitivity analysis should there be any changes to coastal shipping arrangements (see paragraph 2.31 for further information).

2.64 This review and update must be conducted in accordance with Infrastructure Australia's guidelines. The final product must then be reviewed by Infrastructure Australia and its findings published. The business case update and Infrastructure Australia's review must be provided to the Rural and Regional Affairs and Transport Legislation Committee as part of its ongoing oversight of the Inland Rail project. Should there be any confidential information redacted from the business case update, a redacted version should be provided to the committee for publication, along with detailed reasoning for such redactions for the committee to consider.

2.65 In light of the shifting variables experienced by the Inland Rail project to date, the committee sees significant benefits in providing stakeholders and the Australian public an updated business case that provides the necessary rationalisation for current expenditure and overall benefit.

Recommendation 2

2.66 The committee recommends the Australian Government commissions an independent review and update of Inland Rail's 2015 business case that:

- **is an accurate reflection of current and anticipated Inland Rail expenditure and end-of-service offerings;**
- **includes an assessment of all the proposed routes from Toowoomba to the ports of Brisbane and Gladstone, along with alternative routes subject to**

ongoing public scrutiny (particularly the Narromine to Narrabri and Border to Gowrie projects);

- includes a sensitivity analysis on the impact of any proposed changes to Australia's coastal shipping arrangements;
- is developed in accordance with Infrastructure Australia's guidelines and for Infrastructure Australia to review the updated business case; and
- is made publicly available, and provided to the Rural and Regional Affairs and Transport Legislation Committee.

Inland Rail's parameters and competitiveness with other modes of transport

2.67 Two additional concerns raised during this inquiry was the impact of the requirement that Inland Rail's journey time does not exceed 24 hours and the competitiveness of Inland Rail (and the rail sector more broadly) with other modes of freight transport.

Route selection and the 24-hour journey time

2.68 One of the primary concerns with the ARTC's route selection process has been the emphasis for an end-to-end journey time of 24-hours. This parameter, established under the 2015 business case and supported by industry,⁸⁰ was regularly referenced by the ARTC as the key factor when considering Inland Rail's alignment. Whilst the ARTC, industry and the freight sector all emphasised the importance of the 24-hour turnaround, other stakeholders argued that the benchmark was arbitrary, and that the government needed to amend this requirement to allow for more suitable alignments to be considered and utilised.⁸¹

2.69 The committee received evidence from various industry, freight and logistics representatives, who emphasised the importance of an efficient Inland Rail service.⁸² The ARA made it clear that a 24-hour journey time was a matter of competitiveness, particularly for Inland Rail's ability to compete with the trucking sector.⁸³ This point was also made by SCT Logistics, which argued that '[f]or the project to be effective, utilisation is key' and that the

⁸⁰ Inland Rail established a Key Stakeholder Reference Group in 2014 that included representatives from the transport, logistics, retail, insurance and resource industries. This group emphasised the importance of competitive service offerings, including the 24-hour journey time. See, ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), pp. 3–4.

⁸¹ Mr Peter Holt, Legal Counsel, NSW Farmers Association and Country Women's Association of NSW, *Committee Hansard*, 19 November 2020, pp. 22, 28.

⁸² In addition to those witnesses quoted below, see: Dr Phillip Laird, *Submission 38*, p. 3; Rail, Bus and Tram Union, *Submission 73*, p. 3.

⁸³ Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 10.

'[p]arameters around rail freight must ensure that it's operating on as even a playing field as possible between rail, road and sea'.⁸⁴

- 2.70 The Freight on Rail Group submitted that the 24-hour turnaround was a key priority for the freight rail sector, and '[w]ithout this certainty [it would] undermine market confidence' because:

The rail freight sector needs a fast, straight route to meet industry needs and adequately compete between Melbourne and Brisbane with trucks – the 24-hour transit time can reduce inventory and goods in storage, enabling fresher, more cost-effective delivery of goods.⁸⁵

- 2.71 Pacific National contented that Inland Rail would 'help re-balance Australia's freight future, shifting volume onto rail; not to mention catering for future growth. To help compete with trucks, Australia needs rail freight transit across the country in less than 24 hours'.⁸⁶ Similarly, STC Logistics made clear that Inland Rail would make rail more competitive with the trucking sector:

...transit time is important in a couple of areas. With a lot of the space that we operate in, we're trying to compete with the road industry's transit times, so shaving off 10 hours helps us a lot. We do stop the train in Wodonga and pick up freight there. We are able to do that in regional centres but we tend to do it very quickly. They don't stop for long. There's probably about one hour to do that. With the transit time, it's not just to help get the freight there quicker; we're very capital-intensive with our trains, so all of a sudden, if we're turning a train 10 hours quicker and then 10 hours back at the other end, ultimately we can do more with fewer train sets, and there's another sort of cost-effectiveness there. You lose a lot of time having to go through Sydney as well, and into that network. That's a real reliability risk for us—that we get parked if we're late. If we can avoid that in the metro area, that helps us with our consistency and reliability.⁸⁷

- 2.72 The Australian Logistics Council reflected on the benefits of Inland Rail. It stated that it would lead to cheaper consumer prices, especially for a company like the Woolworths Group:

Woolworths Group, which has one of Australia's largest supply chains, noted the project's potential to allow the company to continue to move more of its freight via improving sustainability, congestion and safety outcomes. Woolworths also highlighted Inland Rail's potential to further support and build up regional suppliers. An efficient supply chain utilising Inland Rail, providing transit times of less than 24 hours end-to-end, will allow providers of fresh produce to increasingly supply product to city consumers, thus further building their customer base.⁸⁸

⁸⁴ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 11.

⁸⁵ Freight on Rail Group, *Submission 140*, p. 5.

⁸⁶ Pacific National, *Submission 181*, p. 3.

⁸⁷ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 14.

⁸⁸ Australian Logistics Council, *Submission 147*, p. 8.

- 2.73 The Queensland Trucking Association (QTA), when asked about the importance of a 24-hour turnaround, agreed that the freight sector is time sensitive. This sensitivity meant industry will utilise a service that best suits these demands; however, the QTA also pointed out the importance of the interface between the rail and trucking sectors because 'you still need a truck to get it to the rail and you need a truck to get it from the rail, so one way or another the road freight element fits into the supply chain'. The QTA added that Inland Rail provides the opportunity for the road and rail interface to be done better.⁸⁹
- 2.74 For the NSW Farmers Association (NSW Farmers) and the Country Women's Association (CWA) of NSW, it was the parameters of the Inland Rail project, established by the Australian Government at the outset that was one of the underlying issues for the entire Inland Rail project. This point was emphasised by their legal counsel, Mr Peter Holt, who argued that without the Australian Government amending these key parameters (cost, travel and construction times), then the ARTC would be unable to address any of the concerns of landholders and communities in a meaningful way:

...it seems that, given a project of this size, there are a number of project fundamentals that are missing. For me we're talking about a project that we now know has only a marginal benefit. It seems to me, from talking to landholders and from talking to people who used to work for ARTC, that there are a number of key parameters this project is being designed to, and I think those key parameters were set at the outset. They were: keep the cost below \$10 billion, keep the travel time to less than 24 hours and keep construction time below five years. I think the next thing that should be said is that it was: make sure that we're always building some part of the project, somewhere along the alignment, over those five years.

The problem I have with those parameters is that they're arbitrary, and what I have been told by those who used to work for ARTC is that, unless the government is prepared to give ARTC permission to change those parameters, they will continue to press ahead based on the project in its current formulation. What that means for the landholders on the ground is that the ARTC doesn't have the time, the money or the capacity to respond in a meaningful way to those issues that are raised and to change the project design to give effect to the changes that are required. We run the risk of a project where the wider, intangible benefits don't arise but the real, concrete impacts—afflux, inundation, noise, vibration, delays on level crossings—are borne by landowners, now and into the future.⁹⁰

- 2.75 Community representatives and landholders expressed dismay at the rigidity of the ARTC's commitment to the 24-hour requirement. For many, preferential alignment options existed or were not adequately investigated because the

⁸⁹ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, pp. 2–3.

⁹⁰ Mr Peter Hold, Legal Counsel, NSW Farmers Association and Country Women's Association of NSW, *Committee Hansard*, 19 November 2020, p. 24.

ARTC was not able to consider routes that increased travel time.⁹¹ Further, these local communities felt their concerns and the harms inflicted upon communities by the Inland Rail project were secondary to the interests of industry groups.⁹²

- 2.76 The ARTC made clear that lower transit time was a critical component for Inland Rail's route selection, directly relating to the useability and competitiveness of Inland Rail against other modes of transport. In its *Inland Rail Route History 2006–2020* report,⁹³ the ARTC specified that its market consultation with industry:

...during the development of the Inland Rail Service Offering highlighted the need to offer a range of transit times to meet market needs, with a Melbourne to Brisbane transit time of under 24 hours for the Inland Rail reference train necessary to compete with road in the time sensitive express market for intercapital city freight.⁹⁴

- 2.77 The committee questioned the ARTC on numerous occasions about its commitment to the 24 -hour journey time and its influence of the development of the route's alignment. In January 2020, the ARTC explained:

The 24 hours is the criterion that was made very clear to us by the freight companies as far back as 2010, when that initial alignment study was done. In that document, they talk about a transit—in that case door by door, for which I think they quoted a figure of 25.5 hours. But, if you take terminal to terminal, it's really less than 24. That was ratified again in 2015, when we set up a reference group of all the major customers that would use Inland Rail, and they reaffirmed the criticality of 1.8-kilometre trains, double stacked, travelling from Melbourne to Brisbane in less than 24 hours.⁹⁵

- 2.78 The ARTC explained that this parameter was established under the direction of the Australian Government, 'to deliver an alignment that is fast and flat and

⁹¹ See chapters 5 and 6 for discussions about the specific alignments and local opposition.

Also see, Mrs Shane Kilby, Dubbo Branch, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 14; Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 17; Ms Catherine Lund, private capacity, *Committee Hansard*, 30 January 2020, p. 85; Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 31; Mrs Sandra Robinson, private capacity, *Committee Hansard*, 29 January 2020, p. 53.

⁹² Ms Jennifer Knop, private capacity, *Committee Hansard*, 19 November 2020, p. 46; Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 7. Also see chapters 5 and 6.

⁹³ The Route History report also found that the 24 hour transit time offers a wide range of arrival and departure times, and allows for 'the inclusion of the 3.7 buffer while meeting customer preferences for despatch and receiving freight'. See, ARTC, *Melbourne to Brisbane Inland Rail Route History 2006–2020*, 2020, p. 22.

⁹⁴ ARTC. *Melbourne to Brisbane Inland Rail Route History 2006–2020*, 2020, p. 21.

⁹⁵ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 29.

gets there in under 24 hours'.⁹⁶ This 24-hour commitment meant that amendments to alignments, such as the Narrabri to Narromine project, were not possible because it would take the journey time outside of this parameter.⁹⁷ Changes to Inland Rail's parameters may also result in a requirement for an agreement between the Australian and state governments, 'depending on the nature and location of any scope change'.⁹⁸ The ARTC added that the service offering parameters are 'central to ensuring Inland Rail delivers the competitive and complementary service required to facilitate the desired freight modal shift from road to rail', and any departure from those parameters would require a new business case and the renegotiation of bilateral agreements between the Australian Government and state governments. The ARTC clarified that 'none of the parameters inhibit ARTC in its allocated task, ARTC has not asked for any to be changed'.⁹⁹

Committee comment

- 2.79 The Australian Government's decision to establish a strict parameter of a 24-hour end-to-end journey time for Inland Rail has had a significant adverse impact on the communities along the proposed alignment. Whilst it is apparent that a 24-hour preference was made by business stakeholders (including the rail, freight and logistics companies) as a means to make Inland Rail competitive, it has significantly restricted the ARTC's ability to consider alternative alignments.¹⁰⁰ This impact is clearly demonstrated in the remaining chapters of this report, which reveals the interests of rural, regional and urban communities throughout Victoria, NSW and Queensland are being sidelined by an arbitrary time threshold established by the Australian Government.
- 2.80 The committee is not convinced that business stakeholders would deem Inland Rail unusable had the journey time for Inland Rail been extended by 30 or 60 minutes; however, for some communities, an additional 15 minutes could have resulted in a more meaningful interaction with the ARTC and the potential for an alignment that meets both business and community expectations. Had the Australian Government established a more flexible time parameter at the initial stages of this project, then many of the issues faced by the ARTC today could have been avoided.

Competitiveness with other modes of transport and supply chain integration

⁹⁶ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 19 November 2020, p. 32.

⁹⁷ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 22.

⁹⁸ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), pp. 3–4.

⁹⁹ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), pp. 3–4.

¹⁰⁰ See chapter 4 and 5 for examples of how the 24 hour alignment has influenced the Inland Rail project.

2.81 Concerns were also raised about the competitiveness of Inland Rail with other freight sectors, especially shipping. This concern was primarily driven by concerns about foreign-flagged ships not being subject to domestic costs (such as minimum award wages) and therefore having an unfair advantage over the domestic freight industry.¹⁰¹ This concern specifically related to the movement of goods from the east to west coasts of Australia; however, industry representatives and unions asserted that this unfair competitive advantage would both directly and indirectly impact on the north-south corridor and Inland Rail. SCT Logistics detailed the challenge it faced when competing against shipping and its potential impact on Inland Rail:

We are losing market share against shipping on our key legs, which are the forward legs, particularly all of the eastern states to Perth. We have gotten into bit of a pickle this year because when we shrink capacity then all of a sudden we rely on modes to pull their weight. What happened this year was, because rates increased so much for shipping companies bringing in the imports, they grabbed hold of their containers and didn't allow them to be used for coastal freight so that was where the issue was. The issue for us, once we start losing profitable areas of our business, is it starts to impact on our ability to invest in other areas like the north-south corridor, for example. It is a one network for us; one thing can impact another.

...

We do monitor with interest the government's activities around coastal shipping reform given that...numbers would suggest that on the east-west leg of domestic freight, between 2008 and 2015, sea freight increased its market share around 10 per cent, which was basically replacing rail freight; road freight stayed around the same. So we were able to identify a key issue for us in making sure there is that competitive comparison between the modes of transport to make Inland Rail as viable and profitable as it can be.¹⁰²

2.82 The committee questioned the Department of Infrastructure about its consultations with the shipping sector regarding coastal trading reform. In response, the Department advised that the Deputy Prime Minister in late 2019 had agreed to consultation with the maritime industry¹⁰³ on coastal trading reform. A discussion paper was released in September 2020 and distributed to a wide range of stakeholders, with consultations occurring with specific rail freight operators and future consultations planned with the broader rail freight industry. As of April 2021, the Department was considering feedback it had

¹⁰¹ Mark Diamond, 'What's the point of inland rail if there's no freight on the trains?', *The Canberra Times*, 1 January 2021, available at: <https://www.canberratimes.com.au/story/7071725/whats-the-point-of-inland-rail-if-theres-no-freight-on-the-trains/> (accessed 18 March 2021).

¹⁰² Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 13; Mr Damon Cantwell, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 13.

¹⁰³ Including shipping providers, unions, onshore industry users and representatives of cruise sectors.

received and consultations were ongoing. No decisions on reform have been made.¹⁰⁴

- 2.83 An additional matter was raised by Mr Max Hooper from the Southern Brisbane Suburban Forum, who spoke of a need for broader regulatory and pricing reform to ‘encourage an increase in the share of intermodal freight carried nationally by rail’. He added that without reform then the anticipated shift in intermodal freight to rail would not materialise:

...there is heavy scepticism that the projected increases in intermodal freight carried by rail will actually materialise given the comparative cost disadvantages of taking this by rail. Building a new rail alignment will not address these factors, and, if they go unresolved, they risk relegating this important national infrastructure project to an expensive white elephant.¹⁰⁵

- 2.84 Specifically, Mr Hooper expressed concern about the imbalance between subsidies available to road transport (such as fuel subsidies) and the rail sector’s ‘per tonne, per kilometre user access charge’. He argued that this imbalance was the primary reason for rail’s low intermodal share, and made reference to there being optimistic assumptions and scepticism about Inland Rail’s ability to facilitate a shift to rail. Mr Hooper advocated for the underlying disincentives impacting on the rail freight network to be addressed.¹⁰⁶

- 2.85 The opportunity that Inland Rail presents for regulatory reform was also raised by Grain Trade Australia. It pointed out that the sector’s use of rail has diminished over time because of a ‘more fragmented supply chain where we have multiple traders within the supply chain’. The committee was advised by Grain Trade Australia that a fragmented supply chain and the removal of regulations had supported ‘opportunities for more participants within the supply chain’.¹⁰⁷ Its spokesperson, Mr Tim Ross, added that the lack of long term planning had adversely impacted on the use of rail to transport grain to ports:

As a result, road is picking up a lot more of the freight through to the port. A lot of the reason for that is that when you have multiple traders or exporters you have multiple customers that the rail has to interface with and, as a result, you don't have long-term planning windows, which rail

¹⁰⁴ Department of Infrastructure, Transport, Regional Development and Communications, responses to written questions on notice, 1 April 2021 (received 21 April 2021).

¹⁰⁵ Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 39.

¹⁰⁶ Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 40.

¹⁰⁷ Grain Trade Australia spoke of the preference across farms for on-site storage for logistical and market value reasons. For this reason, Inland Rail provides an opportunity for farmers to transport their grain from on-site storage facilities onto Inland Rail for export via seaports.

Mr Tim Ross, Grain Trade Australia, *Committee Hansard*, 22 April 2021, p. 22. For more information see, Grain Trade Australia, *Submission 84*, pp. 4–8.

likes. We're seeing a bit of a shift from rail to road, which is unfortunate. We believe rail still plays a very important part and probably should be carrying more grain to the ports than it currently is.¹⁰⁸

2.86 Grain Trade Australia called for a 'cross-government, industry and ARTC discussion at a strategic level as to how best leverage Inland Rail for the grain supply chain'. The committee was advised that Grain Trade Australia was unsuccessful in its attempt to access funding for the Inland Rail interface program.¹⁰⁹

2.87 In March 2021, the Australian Rail Association (ARA) published a BIS Oxford Economics report into the *Australian Rail Supply Chain*. This report identified that '[r]egulatory funding and pricing models which disproportionately favour investment in road freight haulage at the expense of rail freight' as a key vulnerability. The report recommended that consistent policies be developed for regulation, funding and procurement in order for rail to operate 'on a level playing field with other modes of transport in Australia'.¹¹⁰ In additional information provided to the committee, the ARA highlighted its long held view 'that all transport modes have an important role to play within the supply chain' and that it did 'not wish to perpetuate a road versus rail debate'; rather, '[a]ll modes need to work together to deliver an integrated freight market'. The ARA outlined how the rail and road transport sector can work together:

Rail's strength is that it can move large quantities of freight over long distances, whereas road is typically more nimble and often has an important role in the first and last mile.¹¹¹

2.88 The ARA subsequently called for 'competitive neutrality' based upon 'comparable access charges', 'comparable approach to regulation and consideration of productivity' and 'comparable long-term, stable and predictable infrastructure investment'.¹¹²

¹⁰⁸ Mr Tim Ross, Grain Trade Australia, *Committee Hansard*, 22 April 2021, p. 22.

¹⁰⁹ Mr Tim Ross, Grain Trade Australia, *Committee Hansard*, 22 April 2021, p. 22.

¹¹⁰ Australian Rail Association, *Australian Rail Supply Chain*, pp. 31, 39. Report available at: <https://ara.net.au/sites/default/files/uploads/Report%20-%20The%20Australian%20Rail%20Supply%20Chain%20-%20March%202021.pdf> (accessed 25 March 2021).

¹¹¹ The ARA made reference to rail modal share decreasing, with reference to the Melbourne to Sydney and Sydney to Brisbane route.

¹¹² For comparable access charges, the ARA explains the two different mechanisms in place, and that road recovery charges are under-recovered by 11.4 per cent, with the intention to increase those charges by 2.5 per cent per annum on hold due to COVID-19. Whereas the rail access charges are fully recovered, often resulting in rail freight being more expensive than road transport. The ARA called for a 'more aligned and consistent approach to charging regimes' to achieve competitive neutrality. Concerning regulation, the ARA highlights the differences between the National Heavy Vehicle Regulator and the Office of the National Rail Safety Regulator noting that rail safety

- 2.89 The ARA's position was reinforced by Linfox Australia's commentary that 'rail is well positioned to share the load with road transport and operate cooperatively' in order to address the challenge of Australia's growing shortage of professional truck drivers. Linfox Australia spoke of its moves to 'embrace the efficiency of rail in Australia' and built a 'broad multimodal network'.¹¹³ A similar point was made by the Victorian Transport Association (VTA), with its representative speaking of the interdependence between rail and road, and agreed Inland Rail may reduce the need for long haul trucking, but emphasised that it would not replace short haul trucking. However, the VTA was critical of the lack of clarity of how Inland Rail will work with the trucking sector, arguing that communication around the project appeared to support trucks being replaced by rail. It called for more clarity and engagement with the trucking sector to ensure Inland Rail is appropriately integrated into the nation's freight transport sector.¹¹⁴
- 2.90 The importance of an integrated supply chain was also raised by the Port of Melbourne, which expounded that an integrated supply chain 'is about focussing not just on building the infrastructure; it's about how the infrastructure is going to be used and integrated into the broader freight supply chain'. The Port of Melbourne subsequently recommended:

...taking a system view of how the functionality of Inland Rail and the connected infrastructure components will work to deliver benefits to the freight and supply chain. It is looking at what the opportunities are to take costs out of the supply chain and take efficiencies. It's how it's going to be used. We see that there are opportunities in empty container management and in regulatory requirements about systems planning and also about biosecurity. That can be looked at to re-engineer the processes around the use of the infrastructure. And we think that, if that's done, we can get

regulator's costs are fully recovered from industry, whereas the trucking regulator received \$153 million of funding in 2017–18. Reference is also made to trucking performance-based standards, which according to the ARA has 'arguably contributed to modal shift from rail to road and places rail freight at a disadvantage in instances where freight is contestable by both rail and road'. Finally, the ARA details examples of imbalances between road and rail freight investment by the Australian Government.

Australian Rail Association, answers to questions on notice, 13 August 2020 (received 26 August 2020), pp. 1–3.

¹¹³ Linfox Australia added that coastal shipping was unpredictable and in recent times access to containers and container parks had become a problem that caused severe disruption to services. The movement of goods subsequently moved back to rail and road. Linfox Australia is of the view that Australia needs a dependable service on road and rail, and that coastal shipping will support some of the freight needs, but 'shouldn't be the pre-eminent supplier of interstate transport'.

Mr Mark Mazurek, Linfox Australia, *Committee Hansard*, 22 April 2021, pp. 27–28, 31.

¹¹⁴ Mr Peter Anderson, Victorian Transport Association, *Committee Hansard*, 22 April 2021, p. 12.

better outcomes that make rail more attractive from both cost and efficiency perspectives.¹¹⁵

2.91 In order to achieve a systems view of Inland Rail's functionality within the broader freight systems, the Port of Melbourne highlighted the importance of the *National Freight and Supply Chain Strategy* as a means to address the 'lack of alignment between [g]overnments and the lack of coordinated action across all levels of [g]overnment'. Vitaly, the Port called for Inland Rail to support the '*National Freight and Supply Chain Strategy* and *National Action Plan* through lowering the unit cost of an integrated supply chain' and '[a]lign productivity and efficiency on other supply chains ([for example] road and coastal [shipping]) to underpin economic growth and targeted infrastructure investments'.¹¹⁶

2.92 The importance of the relationship between Inland Rail and the *National Freight and Supply Chain Strategy* was also emphasised by the Australian Logistics Council (ALC). It called for states and territories to 'adopt planning instruments that will support the efficient operation of this infrastructure' including 'the development of infrastructure that will facilitate access to the Inland Rail by all major east coast ports, including the port of Botany'. The ALC explained the role of national urban freight planning principles to facilitate this connectivity:

...the ALC has long advocated for the development and adoption of national urban freight planning principles to ensure integrated planning across the jurisdictions that enable the continuous movement of freight. These principles form part of this strategy. The ALC urges the jurisdictions to adopt these principles so as to facilitate the continuous movement of freight down the Australian freight chain.¹¹⁷

¹¹⁵ Mr Brenden Bourke, Port of Melbourne, *Committee Hansard*, 22 April 2021, p. 15.

¹¹⁶ An efficiency measure highlighted by the Port of Melbourne is the use of Inland Rail in the empty container supply chain, specifically to reposition 'empty containers to regional intermodal terminals and making them available to service...regional exports'. This measure would include the permissibility of tailgate inspections to occur at the port or within metropolitan areas (such as intermodal facilities) as a means to 'relieve pressure on the freight supply chain by having containers and goods cleared faster for delivery thereby providing cost savings for importers through reduced rural tailgate inspections'. The Port recommended that the Inland Rail project should be utilised as means to 'consider the supporting services requirement for the efficient movement of goods on rail in the freight supply chain', specifically for empty container management and biosecurity regulatory requirements. The Port also called for the storage of empty containers to be centralised at intermodal terminals (including WIFT and BIFT) to 'reduce handling and optimise service offering and utilisation of trains'.

See, Port of Melbourne, *Submission 144*, pp. 12–13; *Supplementary Submission 144.1*, pp. 2–3.

¹¹⁷ Ms Rachel Smith, Australian Logistics Council, *Committee Hansard*, 22 April 2021, p. 27.

- 2.93 As of May 2021, the Department of Infrastructure was seeking public feedback on the draft Urban Freight Planning Principles.¹¹⁸ In its submission, the ALC recommended that the principles ‘contain specific reference to freight infrastructure, including intermodal terminals’ and that ‘[p]lanning approvals for new intermodals should require proponents to demonstrate how their terminals will link freight rail infrastructure, including Inland Rail’. In addition, the ALC called for state governments to ‘explicitly identify how new freight infrastructure delivered in their implementation plans for the *National Freight and Supply Chain Strategy* will connect with Inland Rail, and provide deadlines for the completion of such infrastructure’.¹¹⁹
- 2.94 Innovative approaches such as the Transport Network Strategic Investment Tool (TraNSIT) have been developed as part of the *National Freight and Supply Chain Strategy* to support governments and industry with decisions on road and rail investments. The pilot TraNSIT mapping program for Inland Rail’s Parkes to Narromine project has been successfully utilised, with work continuing on the pilot in 2020 and 2021.¹²⁰

Committee comment and recommendations

- 2.95 Whilst Inland Rail adds diversity and strengthens Australia’s freight and logistics sector, merely building a rail line without addressing other competitive imbalances within the sector could ultimately undermine its success. The committee is particularly concerned by reports that the Department of Infrastructure has been in consultation with the maritime sector regarding measures to provide the foreign-owned shipping sector with a competitive advantage over rail. The committee is concerned that the opening up of coastal shipping to foreign flagged vessels will further undermine Australian-flagged vessels operating along Australia’s coastal shipping routes and have broader adverse impacts on the entire freight supply chain, including the competitiveness and use of Inland Rail.
- 2.96 The Australian Government must ensure that foreign-flagged ships are not provided with a competitive advantage over other modes of transport or cause any disruption to the freight supply chain.

Recommendation 3

- 2.97 The committee recommends the Australian Government ceases any efforts to restructure coastal trading that may provide foreign-flagged ships with a**

¹¹⁸ National Freight and Supply Chain Strategy, ‘Urban Freight Planning Principles’, available at: <https://www.freightaustralia.gov.au/what-are-we-doing/urban-freight-planning-principles> (accessed 17 May 2021).

¹¹⁹ Australian Logistics Council, *Submission 147*, pp. 5-6.

¹²⁰ National Freight and Supply Chain Strategy, *Annual Report 2019–20*, p. 124.

competitive advantage over other modes of transport or disrupts Australia's freight supply chain.

- 2.98 Equity between modes of transport is equally important between the rail and trucking sectors. This inquiry has highlighted ways in which Inland Rail promotes a dynamic and interconnected freight transport system, where the rail and road freight sectors support the efficient and integrated transportation of goods across the Australia. In order to capitalise on the transformational effect of Inland Rail on the logistics and freight transport sector, it is vital that Australian and state governments work alongside industry to integrate the Inland Rail project into the principles of the *National Freight and Supply Chain Strategy*, including the development and adoption of national urban freight planning principles across all jurisdictions. To support this work, the committee encourages the ongoing and expanded use of TraNSIT to inform future road and rail investment decisions linked to Inland Rail.
- 2.99 To support this opportunity, the committee calls upon Infrastructure and Transport Ministers as part of the *National Freight and Supply Chain Strategy*, to establish an Inland Rail working group, in partnership with industry representatives, to review and determine what regulatory reforms engendered by Inland Rail can be made to support the synergy between rail and road transport. This objective is not to provide an advantageous position to one form of transport, rather to ensure all sectors are supported by a fair and efficient freight industry.

Recommendation 4

2.100 The committee recommends the Australian and state governments, in partnership with industry, integrate the Inland Rail project and associated intermodal terminals into the principles of the *National Freight and Supply Chain Strategy*, including:

- **the development and adoption the national urban freight planning principles; and**
- **the ongoing and expanded use of the Transport Network Strategic Investment Tool across the Inland Rail project to inform intermodal investment decisions.**

Recommendation 5

2.101 The committee recommends that the Australian Government supports efforts to ensure intermodal freight planning applications demonstrate how intermodal terminals are linked to freight rail infrastructure, including Inland Rail.

Recommendation 6

2.102 The committee recommends Infrastructure and Transport Ministers, as part of the *National Freight and Supply Chain Strategy*, establish an Inland Rail working group to review and determine possible regulatory reforms to improve competitiveness, innovation, efficiency and use of Inland Rail.

Chapter 3

Port and intermodal connectivity

- 3.1 A vital feature of Inland Rail is its connectivity to sea ports and other intermodal facilities. Its connection with these facilities ensures Inland Rail becomes a pivotal part of Australia's freight network and supply chain, and complements existing freight transport infrastructure. Specific locations of intermodal and logistical hubs within regions are determined by logistics providers, based on their own service offerings to the freight market through the use of Inland Rail.¹
- 3.2 The four primary intermodal facilities referenced throughout the Inland Rail inquiry were: a new intermodal facility in Melbourne;² a \$35 million Pacific National intermodal facility at Parkes; an existing Pacific National intermodal facility in Acacia Ridge;³ and a SCT Logistics' Terminal in Bromelton, where the ARTC also owns land for future intermodal site development. Other proposed intermodal facilities include SCT Logistics' \$18 million intermodal terminal in Wodonga, the Wagner/Pacific National proposal for a freight and logistics hub at Wellcamp (Interlink SQ), and an intermodal facility in Moree.⁴ These programs are in addition to 20 other proposals being assessed as part of the Australian Government's Inland Rail Interface Improvement Program, a \$44 million program to support communities and industry to make proposals for projects that interconnect with Inland Rail.⁵ The committee heard that the

¹ Australian Rail Track Corporation (ARTC), answer to written question on notice, question number 138, *Budget Estimates 2020–21*, 5 November 2020.

² The two proposed sites include Beveridge and Truganina, located north and west of Melbourne respectively.

³ For the majority of the inquiry it was the committee's understanding that Acacia Ridge was the planned end-point for Inland Rail; however, during a hearing in Melbourne on 22 April 2021, the Department of Infrastructure, Transport, Regional Development and Communications informed the committee that the final location for Inland Rail in Brisbane was only 'notionally identified as Acacia Ridge' and that it was not certain that Acacia Ridge would be the outcome of the business case development. This issue is discussed further in this chapter.

Mr David Hallinan, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 22 April 2021, p. 57.

⁴ For examples go to: Department of Infrastructure, Transport, Regional Development and Communications, *Intermodal Terminals*, available at: <https://www.inlandrail.gov.au/for-business/understanding-the-freight-supply-chain/intermodal-terminals> (accessed 24 May 2021); MU Group, *Moree Intermodal Facility*, available at: <https://mugroup.com.au/moree-intermodal-facility-shaping-the-future/> (accessed 24 May 2021); Interlink SQ, available at: <https://www.interlinksq.com.au/> (accessed 24 May 2021).

⁵ The Department of Infrastructure also made reference to the development of an industrial precinct in Toowoomba and Narrabri's intention to build an inland rail port.

development of additional intermodal facilities would not conclude with the construction of Inland Rail, rather it would present ongoing 'opportunities to provide connectivity into the existing network, connectivity to ports, and also to provide additional intermodal facilities that will help build the capacity of the project'.⁶

- 3.3 This chapter considers the connectivity of Inland Rail to the intermodal facilities of Acacia Ridge and Bromelton, and the sea ports of Brisbane and Melbourne. This chapter also considers arguments in favour of Inland Rail traveling to the Port of Gladstone in addition to, or instead of, Brisbane. This chapter concludes with the consideration of the Inland Rail Interface Improvement Program and the prospect of further intermodal facilities being located along Inland Rail's alignment.

Inland Rail connectivity to the Port of Brisbane

- 3.4 Throughout the inquiry it was discussed that the Inland Rail project's alignment would cease at an intermodal facility at Acacia Ridge, 38 kilometres from the Port of Brisbane. From Acacia Ridge a dual gauge (narrow plus standard) railway line, owned and operated by Queensland Rail (QR) would accordingly be used to connect Inland Rail to the Port of Brisbane. This rail corridor would utilise a mothballed track between Dutton Park and the Port of Brisbane that had provided a standard gauge freight service from 1997 to October 2010. The ARTC expected the use of the mothballed track to recommence once Inland Rail became operational.⁷
- 3.5 The committee heard that the Australian and Queensland governments had determined not to extend Inland Rail to the Port of Brisbane.⁸ The rationale for ending Inland Rail at Acacia Ridge, rather than the Port of Brisbane, was based on the 2015 business case and the nature of transporting export goods (coal, grain, cotton, chick peas etc.) to the international market. The business case found that a staged investment into the existing link between Acacia Ridge to the Port of Brisbane 'could meet demand until 2040–41 (or until 2029–30 if more aggressive land use and complementary investment policies are applied to attract greater volumes to rail)'. Further, the types of goods being transported to the Port of Brisbane could travel directly from northern NSW and Queensland and would 'not require transshipment at landside intermodal

Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 7. Also see, Ms Kerryn Vine-Camp, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 13 August 2020, p. 14.

⁶ Mr Paul Doyle, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 8.

⁷ ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), p. 6.

⁸ The ARTC was in support of a dedicated freight corridor for Inland Rail to the Port of Brisbane.

Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 29.

terminals'. These goods either don't require or cannot (in the case of coal) be double-stacked; meaning Inland Rail's track upgrades to accommodate double-stacked trains would not be required.⁹

- 3.6 Various stakeholders disagreed with the decision to not extend Inland Rail to the Port of Brisbane, arguing that the existing rail network was not sufficient for the purposes of freight, largely because freight services would have to compete with Brisbane's growing passenger network.¹⁰
- 3.7 Chief amongst those critics was the Port of Brisbane itself. It explained that each year, the Port of Brisbane handles between 1.3 and 1.4 million shipping containers, which results in four million truck movements.¹¹ However, only two per cent of those containers are transported by rail, with the rail modal share steadily declining each year over the past decade. In comparison, Botany¹² and Melbourne's rail modal share is approximately 20 per cent, whilst Fremantle Port's rail share is 16 per cent. By mid-century, the port anticipates 5.1 million containers being handled each year, with over 13 million truck movements. According to the Port, the existing Brisbane Multimodal Terminal (BTM) is 'vastly under-utilised' but is a 'crucial end node for freight rail in Brisbane'.¹³ For these reasons, the Port of Brisbane warned that without action to address this future problem the city of Brisbane will be condemned to significant congestion and safety concerns, with the likelihood of:

...a flood of trucks onto our roads. That will have significant impacts on the community. It will have a significant impact on our economy. It will speak to congestion. It will speak to safety. It will speak to emissions. It is a very stark future.¹⁴

⁹ ARTC, *Submission 128 – Attachment 1*, p. 24.

¹⁰ Such as the Salisbury to Dutton Park line and a Sydney-Brisbane XPT passenger service between Dutton Park and Acacia Ridge. See, ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), p. 6.

Those critical include: Mr Jon Grayson, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 31; Mr Martin Albrecht, National Trunk Rail, *Committee Hansard*, 27 January 2021, pp. 32–33; Mrs Caroline Harris, AgForce Queensland Farmers, *Committee Hansard*, 29 January 2020, p. 57. Others spoke of their support for an Acacia Ridge to Port of Brisbane connection with some noting the full potential of Inland Rail won't be realised until a dedicated freight pathway is developed, such as Mr Michael Brady, Toowoomba Regional Council, *Committee Hansard*, 30 January 2020, p. 57; Mr Matt Burnett, Gladstone Regional Council, *Committee Hansard*, 30 January 2020, p. 12; Mr Angus Witherby, Moree Plains Shire Council, *Committee Hansard*, 19 November 2020, p. 11.

¹¹ Port of Brisbane Pty Ltd, *Submission 146*, p. 2.

¹² Port of Botany has a rail modal share target of 40 per cent by 2045.

¹³ Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 1; Port of Brisbane Pty Ltd, *Submission 146*, p. 2.

¹⁴ Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 1.

3.8 The Port of Brisbane was critical of the decision to end Inland Rail at Acacia Ridge because of the shared rail corridor with the passenger network. It warned that as Brisbane's population grows, so too will 'patronage numbers as new passenger projects come online', which will result in freight dealing with a number of concurrent factors that would undermine the effectiveness of Inland Rail including:

...peak-hour curfews, operational restrictions and maintenance and emergency downtime. Essentially, its ability to service the economy will come under pressure. That means the current network, which has condemned us to such a low modal share, will not change the picture one iota in the future. We will have a costly and inefficient system of getting freight to and from the population that needs it, and we'll condemn ourselves to a heavily congested truck future.¹⁵

3.9 In addition, the Port of Brisbane critiqued the ARTC's position that the existing rail line was fit for purpose for the next 20 years. The Port was of the view this proposition was:

... quite frankly, ludicrous. We can see in the last 10 years that the percentage of freight route moved by rail has declined from 12 per cent to two per cent, so how can bringing in longer, faster trains with double-stacked containers and stopping them 38 kilometres from the port and then expecting them to get through the same network which has been so inefficient and so costly possibly be fit for purpose? We have this fundamental difference of opinion on that.¹⁶

3.10 A Deloitte Access Economics report commissioned by the Port of Brisbane concluded that if the Port of Brisbane achieved a rail share of approximately 30 per cent,¹⁷ this would equate to taking 2.4 million trucks off the road by 2035 and would generate social, economic and environmental benefits of up to \$820 million per annum.¹⁸ In addition, the connection to the Port of Brisbane would connect inland Australia with the international market and the export supply chain that 'speaks to the economic competitiveness of this country to get its manufactured goods and especially its agricultural export goods to key

¹⁵ Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 2.

¹⁶ Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 7.

¹⁷ This figure is the global average and on par with the rail share of Sydney and Melbourne (20 per cent)

¹⁸ In addition, the Deloitte Access Economics paper found a 30 per cent rail modal share to the Port of Brisbane by 2035 would deliver the following: \$195 million in reduced congestion costs to the economy; \$155 million in reduced road maintenance costs; \$215 million in savings from reduced greenhouse gas emissions; \$210 million in increased international export value; a saving of \$130 per shipping container; and a \$5.4 billion increase to Gross Regional Product over the period to 2045. Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 3; Port of Brisbane Pty Ltd, *Submission 146*, p. 3.

global markets'. The Port of Brisbane asserted that without this rail link there would be 'a handbrake to growth'.¹⁹

- 3.11 Regarding the primary commodities to be transported to the port,²⁰ the committee heard of restricted capacity for coal, with seven million tonnes handled through Brisbane's port each year and a storage capacity of 12 million tonnes.²¹ Queensland Rail also restricts the movement of coal on the existing Ipswich to Port of Brisbane line, meaning the K2ARB project would not transport coal unless agreed to by the Queensland Government.²² Conversely the port has significant latent capacity 'for handling increased exports of grains, chickpeas, cotton, barley, wood, woodchips and logs'.²³
- 3.12 According to the Port of Brisbane, a major barrier to a dedicated freight line to the port is the absence of consensus for a rail corridor through the city. In order to achieve this consensus, the Port of Brisbane called for the release of the Australian and Queensland governments' corridor assessment study that was completed in 2018. It argued the release of this study would support community engagement, discussion and ultimately corridor consensus. This consensus would then enable governments to preserve and gazette the corridor, and '[o]nly then can we genuinely have a fighting chance of developing a business case and seeing how we can implement and deliver that connection'.²⁴ The Australian Logistics Council and the National Trunk Rail

¹⁹ The Port of Brisbane added that coal exports have not grown over the last four or five years. See, Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 4.

²⁰ Insight into the number and volume of goods anticipated to travel along the existing alignment between Inland Rail to the Port of Brisbane was provided as part of the Calvert to Kagaru Environmental Impact Statement (EIS). These train movements include Toowoomba Export Container freight, Narrabri Export Container Freight, Queensland grain, Narrabri to Fisherman Islands, Queensland cotton, Queensland grain services, coal services and Ebenezer IMEX. Of the 42 train movements expected every 24-hour period by the year 2026, 28 are carrying goods for the export market; however, 16 of these trains were coal services, which are prohibited from traveling along the K2ARB section of Inland Rail.

ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), pp. 1–2.

²¹ The Port of Brisbane added that coal exports have not grown over the last four or five years. See, Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 4.

²² As of February 2021, the Australian and Queensland governments were in negotiation about the movement of coal along Inland Rail.

ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), pp. 1–2.

²³ Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, p. 5.

²⁴ The Port of Brisbane also spoke of positive developments concerning the expansion of Inland Rail. These include the SEQ City Deal including dedicated freight-rail connection to the Port of Brisbane, through the trade and enterprise spine of Brisbane.

Mr Roy Cummins, Port of Brisbane Pty Ltd, *Committee Hansard*, 30 January 2020, pp. 2, 4–5, 8.

also called for the release of this study, to act as a signal to the private sector and the broader community to engage with the project.²⁵

- 3.13 Building upon the 2018 study, the Australian and Queensland governments commenced a 2019 detailed study into a dedicated rail freight connection to the Port of Brisbane. The 2019 study provides a further analysis of corridor options including ‘demand analysis and a market sounding exercise [to] explore private sector interest in designing, constructing, owning and operating a dedicated freight connection extending from the northern terminus of Inland Rail to the Port of Brisbane’. The Australian and Queensland governments committed \$40 million to the study, due to be completed by the end of 2022.²⁶

Alternative route options

- 3.14 The National Trunk Rail disagreed with the current approach and alignment being considered by governments, for rail connections to the Port of Brisbane. It advocated for an alternative dedicated freight train tunnel starting from Queensland Government-owned land at Ebenezer to the Port of Brisbane:²⁷

Our proposal involves two eight-kilometre tunnels separated by Pine Mountain Quarry. We are envisaging a commercial model which delivers private financing and delivery, with construction and commercial risks also borne by the consortium.²⁸

- 3.15 The rationale behind a dedicated freight train tunnel is its ability to mitigate the adverse impacts of rail on the Brisbane population and therefore gain the necessary social license needed to proceed with the project.²⁹ In order to finance this proposal, the National Trunk Rail proposed either a PPP model or a concession:

²⁵ Mr Jon Grayson, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 31; Australian Logistics Council, *Submission 147*, pp. 11–12.

²⁶ ARTC, written questions on notice, 27 January 2021 (received 24 February 2021), p. 6; Department of Infrastructure, Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021).

²⁷ At the junction of Inland Rail and the Conningham Highway.

It should be noted that the Inland Rail Implementation Group concluded it was ‘not confident that the NTR proposal would be any more attractive to raising private sector financing than the ARTC model unless the Australian Government assumes significant risk (and cost) for the NTR project’. It added that it was not ‘aware of any validation of the levels of demand and revenue underlying the NTR proposal for Inland Rail’ but understood NTR had independently referred its proposal to Infrastructure Australia for an assessment. Inland Rail Implementation Group, *Report to the Australian Government*, 2015, pp. 103–104.

²⁸ Mr Jon Grayson, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 31.

²⁹ Mr Jon Grayson, National Trunk Rail, *Committee Hansard*, 27 January 2021, p. 32.

There are two models and there is one that we favour. The first model would be simply an availability payment, a traditional PPP model that would have the government bearing all of the commercial risk. The alternative would be a concession. Our modelling to date suggests that that would be around 50 years. That concession would give the successful consortium the right to develop the connection and collect access charges on the connection. But, importantly, it requires access to the Ebenezer intermodal terminal and then the connection to the port. We see them as integral parts of the one piece of infrastructure.³⁰

- 3.16 An alternative was also proposed by the QTA, consisting of an intermodal hub in Toowoomba supported by a dedicated truckway to Brisbane and its port.³¹ Anticipated benefits of its proposal include better flexibility compared to rail, reduced double handling of goods and efficiency through the processing of agricultural goods for export in Toowoomba.³² The QTA argued that a dedicated truckway would address the 'extraordinary cost' of financing a dedicated freight rail corridor to Brisbane:

You've only got to look at the extraordinary cost—I think there have been eight or nine business cases now for the Acacia-Ridge-to-port link. Without sounding rude, it doesn't matter how many times you do it; it's just going to get more expensive. Because of the nature of the challenges of that route, you're going to end up doing more tunnelling than less tunnelling, and the more tunnelling you do the more expensive it's going to be. It's also then fixed capital expenditure that you're not likely to be able to vary too much in the next 40 or 50 years. So we would argue that there are upgrades that you could do to that rail line to improve it markedly, particularly for bulk, and you'd probably look more to a truckway solution for containerisation. That's the sort of thing we'd like to see in a feasibility study to look at the options and weigh how that might be better blended.³³

- 3.17 Utilising road transport at Toowoomba for transporting goods from Inland Rail to Brisbane was also supported by Inter-Port Global Consolidated Holdings (Inter-Port Global). It explained that trucks leaving Toowoomba could travel to Brisbane within 85 minutes, whereas an Inland Rail train between Toowoomba and Acacia Ridge will take three hours. It also questioned the rationale for an Acacia Ridge and Bromelton connection at a cost of \$1.5 billion, arguing that the freight task for Brisbane could be serviced by a Toowoomba/Ebenezer intermodal connection.³⁴

³⁰ Mr Jon Grayson, National Trunk Rail, *Committee Hansard*, 27 January 2021, pp. 31–32.

³¹ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 4.

³² Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, pp. 3–4.

³³ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 4.

³⁴ Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 6; Mr Desmond Euen, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 6.

3.18 Both Ebenezer and Toowoomba are being considered as part of the Department of Infrastructure's ongoing studies into intermodal sites along Inland Rail's alignment.³⁵

Committee comment and recommendation

3.19 The committee has serious concerns about the connectivity of Inland Rail to the Port of Brisbane. The committee questions the rationale that the existing rail infrastructure between Acacia Ridge and the Port of Brisbane will adequately meet the projected demands of Inland Rail until 2040–41, primarily because of the shared corridor with Brisbane's growing passenger network.

3.20 Whilst the committee provides cautionary support for the current position, it is concerned that any barriers and delays to a dedicated freight line could undermine the success and useability of Inland Rail in the future. The committee is supportive of current efforts by the Australian and Queensland governments to develop a business case for a dedicated freight line and requests that the study's findings are publicly released upon its completion.

Recommendation 7

3.21 The committee recommends the Australian and Queensland governments publicly release the business case study of a dedicated freight line to the Port of Brisbane upon its completion.

3.22 With regard to the alternative route options provided by National Trunk Rail and QTA, the committee sees both options as potential alternatives if the existing alignment does not proceed. The National Trunk Rail's proposal is likely to mitigate many of the adverse impacts of Inland Rail on Brisbane's populous, but it will be incredibly expensive to construct a dedicated freight tunnel connecting Ebenezer to the Port of Brisbane. The committee questions whether governments and the private sector would be able to garner the necessary support to progress this alignment for the sole purposes of freight.

3.23 The QTA's proposal for a dedicated truckway or the use of road freight transport connecting Toowoomba to Brisbane is another viable option, particularly if there is significant disruption to the construction of Inland Rail between Gowrie and Brisbane. The potential of a hybrid rail-road model could provide a reasonable alternative. The committee anticipates the results of the joint Australian and Queensland governments' study into Inland Rail's intermodal terminals for south east Queensland, and expects further clarity on how best to move freight through Brisbane to be addressed as part of this study.

³⁵ Department of Infrastructure, Transport, Regional Development and Communications, *Intermodal terminals*, available at: <https://www.inlandrail.gov.au/for-business/understanding-the-freight-supply-chain/intermodal-terminals> (accessed 24 May 2021).

Port of Gladstone

- 3.24 The committee was advised of an alternative proposal for Inland Rail, known as the Surat Basin corridor. The Surat Basin proposal would potentially see Inland Rail travel from Toowoomba to Miles and then north to Wandoan and Banana. Inland Rail would then travel to Gladstone and connect with the Port of Gladstone.³⁶ Proponents for a Gladstone corridor argued it become either an additional section to the existing Inland Rail project or an alternative to the Toowoomba to Brisbane corridor.³⁷
- 3.25 Advocates for a Gladstone connection argued the primary rationale for it was Inland Rail's import-export task, which is set to double by 2033 to 15 million containers a year through the ports of Brisbane, Sydney and Melbourne, with an estimated movement of 500,000 B-triples through heavily populated and congested urban landscapes.³⁸ A Gladstone Port connection would support this task by providing unconstrained growth capacity as Australia's forth major east coast port,³⁹ would become the closest major port to Asia, and is

³⁶ AECOM, *Inland Rail Gladstone link: Prefeasibility Study*, 30 March 2020, available at: <https://www.inlandrail.gov.au/understanding-inland-rail/publications-and-reports/inland-rail-gladstone-link-prefeasibility-study-0> (accessed 11 May 2021).

Inter-Port Global Consolidated Holdings made reference to three alignment options. The first included an Inland Rail upgrade from Miles to Toowoomba, with the Inland Rail link to Gowrie. This was noted to be the lowest cost, but would add time-on-rail travel. A faster, but more expensive, alternative would connect Goondiwindi directly to Miles. This option would take two hours off the journey time to Gladstone, and could result in a significant reduction in the risk and cost of crossing the Condamine floodplain. The final "middle" option would have the Gladstone link commence at Millmerran, and join the western line close to Kogan Creek. The total travel time from Gladstone to Melbourne would be 27 hours.

Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 2; Mr Desmond Euen, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 4.

³⁷ Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 30 January 2020, pp. 9-12; Mr Michael McLean, McLean Management Consultants Pty Ltd, *Committee Hansard*, 22 April 2021 pp. 1-2; Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 2.

³⁸ Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 1; Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 8 June 2021, p. 10.

³⁹ The economic analysis reported that Australia's east coast container ports would reach capacity between 2032 and 2052, and would require further capital works to support continued container growth. Further, increased population growth in those cities will further restrict freight growth, along with 'increased traffic congestion and high cost of new infrastructure and land resumption around the existing container ports of Brisbane, Sydney and Melbourne'.

The Port of Gladstone also has capacity for substantial growth, with the prospect to expand container berths at Port Central and additional berths at Fisherman's Landing. In addition, the Port of Gladstone is adjacent to 27,000-hectare developable land in the Gladstone State Development Area, which could support wholesale trade and other freight.

capable of hosting the largest container ships.⁴⁰ Inter-Port Global Consolidated Holdings was of the view that port-to-port freight has been overlooked, and a Gladstone alignment would ‘improve the business case of ARTC because it will put more freight on the rail than they will get currently’.⁴¹ The Gladstone Regional Council made clear that the economic case is compelling, with an estimated net present value of \$4.5 billion and a business case return of \$1.6 billion. It called for ‘clear and unequivocal support for the link of inland rail to Gladstone’ across all levels of government.⁴² Mayor Matthew Burnett summarised the anticipated benefits of a Gladstone alignment:

Forty-seven per cent of the inland rail cost covers only 10 per cent of the distance, being Toowoomba to Brisbane, with no estimates available from Acacia Ridge to the Port of Brisbane. God only knows how much that would cost. The extension to Gladstone can be done for \$3.8 billion cheaper, three years earlier—on the basis that the Brisbane link ever gets built—and would open up regional development in Queensland. A fully integrated, efficient and cost-effective east coast supply chain would not only improve regional economies along the rail network but would be a strategic asset in both the state and national economies.⁴³

3.26 To support the case for a Port of Gladstone alignment, the Central Queensland Regional Organisation of Councils (CQROC), in partnership with Regional Development Australia Central and Western Queensland (RDA) commissioned an economic analysis of a Toowoomba to Gladstone corridor. The analysis found potential in reconfiguring Inland Rail to include a connection to the Port of Gladstone, which could reduce the cost of Inland Rail by an estimated \$4.8 billion and unlock additional resource developments across the Surat Basin (agriculture⁴⁴ and coal⁴⁵).⁴⁶

⁴⁰ The Port of Gladstone already receives the largest dry bulk cargo ship in the world due to its naturally deep harbour.

Mr John Abbott, Central Queensland Regional Organisations of Councils, *Committee Hansard*, 27 January 2021, p. 18.

⁴¹ Inter-Port Global also questioned the assumptions made in the business case regarding the capacity of Inland Rail to travel between Toowoomba and Brisbane, especially down the Toowoomba range that would see ‘fully loaded trains down the range with a one in 60 grade in some areas where they’ve got less than 1,000-metre radius curves...they’ll only be doing 45 kilometres an hour, not the average 85 kilometres an hour which the whole business case was built on’.

Mr Desmond Euen, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 4; Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 5.

⁴² Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 8 June 2021, p. 10.

⁴³ Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 8 June 2021, p. 10.

⁴⁴ Inter-Port Global Consolidated Holdings commented that the Port of Gladstone can accept an additional two million tonnes of grain per year, without any additional expenditure. Mr Neville Ferrier, representing the Banana Shire Council and the Central Queensland and Regional Organisation of Councils, referenced the region’s mung bean and soybean production, which

- 3.27 The cost benefit analysis for the Toowoomba to Gladstone connection was found to be 1.58 on a four per cent discount, which advocates argued ‘provides a more economically desirable outcome than the development of Inland Rail to the Port of Brisbane, which presents a BCR of 1.01’.⁴⁷ In addition, the region would benefit from a \$6.5 million contribution to Gross Regional Product (GRP) per annum, with 45 full time equivalent (FTE) jobs per annum. By 2032, it was estimated that the alignment would result in \$1,617.0 million GRP per annum and 7,166 FTE (if additional coal mines become operational and produce 20 million tonnes per annum).⁴⁸
- 3.28 Advocates for the Gladstone connection agreed that a Gladstone link could co-exist with a Brisbane corridor because Inland Rail would still need to service its domestic freight task by connecting to an intermodal site in or near Brisbane.⁴⁹ As previously noted, Inter-Port Global was in favour of a Toowoomba option as the most economical.⁵⁰ Gladstone Regional Council proposed that a Gladstone corridor could be built whilst the issues with an Acacia Ridge alignment are addressed.⁵¹ The Southern Brisbane Suburban Forum commented that a Port of Gladstone connection would support the decentralisation of Queensland’s freight infrastructure and wealth.⁵²

currently travel to the Port of Brisbane at a cost of \$60 per tonne. A Port of Gladstone connection could reduce that cost to \$10 per tonne and reduce the distances those goods travel to the international market.

Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 2; Mr Neville Ferrier, Banana Shire Council and the Central Queensland and Regional Organisation of Councils, *Committee Hansard*, 8 June 2021, p. 11.

⁴⁵ The economic analysis reported that an Inland Rail connection through the Surat Basin would support the development of eight coal mines, which together would produce up to 60 million tonnes of saleable coal for export. Mr John Abbott added that trains travelling to Gladstone would carry an increased volume of coal per train. Coal trains destined for Brisbane are limited to 4,000 tonnes, whereas Gladstone coal trains could handle between 8,500 and 11,000 tonnes of coal per train. A further benefit would be providing smaller mines in the region access to a rail to port connection.

See, AEC Group, *Toowoomba to Gladstone (T2G) Inland Rail Economic Analysis*, February 2021, p. v; Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 7.

⁴⁶ AEC Group, *Toowoomba to Gladstone (T2G) Inland Rail Economic Analysis*, February 2021, p. v.

⁴⁷ AEC Group, *Toowoomba to Gladstone (T2G) Inland Rail Economic Analysis*, February 2021, p. vi.

⁴⁸ AEC Group, *Toowoomba to Gladstone (T2G) Inland Rail Economic Analysis*, February 2021, p. vi.

⁴⁹ Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 30 January 2020, p. 9;

⁵⁰ Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, pp. 2, 9.

⁵¹ Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 30 January 2020, p. 9; Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 39.

⁵² Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 39.

3.29 Mr Everalld Compton, described as the father of Inland Rail, was of the view that the Brisbane proposal is ‘totally unnecessary, financially unviable and socially destructive’. He explained the solution is for Inland Rail to terminate at Toowoomba, where an intermodal facility would then service goods to and from the Sunshine Coast, the Gold Coast, Ipswich and Brisbane by truck, which was viewed as more efficient than rail through those areas. Inland Rail would then travel from Toowoomba to Gladstone, via Wandoan and Banana because:

There is an already approved and dedicated track there, which I worked on for many years, and it is still in existence. To get to Gladstone from Toowoomba is cheaper than to get from Toowoomba to the port of Brisbane. It is absolutely logical. In addition to ARTC's opposition to the solutions, they have destroyed the livelihoods and the lifestyles of far too many farmers and suburban residents by gutting their farms and homes when adequate alternative corridors existed. There was no need for them to have caused the havoc that they have.⁵³

3.30 In order to progress the Gladstone alignment, the committee was advised that Inter-Port Global was pursuing private ownership and funding for the project. It was also open to a PPP or for the project to be funded via government equity in alignment with the majority of Inland Rail’s projects.⁵⁴

3.31 The Australian Government completed two studies into a Port of Gladstone alignment, the first in 2017 and a second in 2020. In the most recent *Inland Rail Gladstone Link Prefeasibility Study*, AECOM found that an extension to the Port of Gladstone would not be ‘economically viable at this time, with potential demand for the connection not sufficient to justify the capital cost, estimated to be up to \$5 billion’. The report identified three key commodity classes — coal, intermodal and agricultural bulk, none of which provided the economic rationale for a Gladstone link.⁵⁵ AECOM’s BCR for the project was 0.67 at a four per cent discount,⁵⁶ far lower than the 1.58 figure provided by *Toowoomba to Gladstone (T2G) Inland Rail Economic Analysis*. The report

⁵³ Mr Everalld Compton, private capacity, *Committee Hansard*, 27 January 2021, p. 41.

⁵⁴ Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 14.

⁵⁵ AECOM recognised the link has the potential to open up numerous thermal coal deposits for export, but suggested it was unlikely those new mines would travel north to Gladstone due to the prohibitive haulage distances, making it uncompetitive against other coal supply chains. AECOM did, however, conclude that if the supply chain into the Port of Brisbane is further constrained after the construction of Inland Rail, and that international demand for thermal coal grows, then a further analysis could be undertaken. AECOM also found there to be insufficient rail freight demand along Inland Rail to justify increased freight rail services in addition to the existing north coast line between Cairns and Brisbane, and that while grain may benefit from a Gladstone link the overall cost of the project would not be justified by a single commodity.

AECOM, *Inland Rail Gladstone Link: Prefeasibility Study*, March 2020, pp. iv–v.

⁵⁶ AECOM, *Inland Rail Gladstone Link: Prefeasibility Study*, March 2020, p. vii.

concluded that further analysis should be conducted 'should there be improved market demand in the future'.⁵⁷ Advocates for the Gladstone link objected to the report's findings.⁵⁸

Committee comment and recommendations

- 3.32 The committee sees value in further consideration of an Inland Rail link to the Port of Gladstone as a means to further diversify Australia's access to international markets and to enhance regional Queensland's economy. The proposed Gladstone link, existing alongside the Toowoomba to Brisbane corridor, could potentially resolve many of the current limitations of Inland Rail in Brisbane, such as offering a viable alternative pathway for coal exports and reducing the freight import-export demand on Brisbane. A Port of Gladstone connection provides an opportunity to diversify and future-proof the movement of freight across Queensland.
- 3.33 The committee commends local governments, Inter-Port Global and other stakeholders on their efforts to develop a coherent and considered proposal for an Inland Rail corridor to the Port of Gladstone. This success is reflected in Inter-Port Global's commentary that it is pursuing private investment for the project. The committee does, however, recognise these efforts are not being supported by the current position of the Australian and Queensland governments.
- 3.34 The committee calls for the Australian and Queensland governments, in partnership with local governments, industry representatives and other stakeholders, to facilitate a thorough investigation into a Toowoomba to Gladstone extension to the Inland Rail project. This investigation should include consideration of the project's financing options.

Recommendation 8

- 3.35 **The committee recommends the Australian and Queensland governments, in partnership with local governments, industry representatives and other stakeholders, conduct a thorough investigation into an extension of the Inland Rail project to the Port of Gladstone.**
- 3.36 In order to determine the economic benefits of a Surat Basin corridor, the committee reiterates Recommendation 2, which requests the Australian Government incorporate in its independent review and update of the 2015 Inland Rail business case an assessment of the Toowoomba to Gladstone

⁵⁷ Department of Infrastructure, Transport, Regional Development and Communications, *Port of Gladstone study*, available at: <https://www.inlandrail.gov.au/for-business/future-market-expansion/port-of-gladstone-study> (accessed 24 March 2021).

⁵⁸ Mayor Matthew Burnett, Gladstone Regional Council, *Committee Hansard*, 8 June 2021, p. 10; Mr John Abbott, Inter-Port Global Consolidated Holdings, *Committee Hansard*, 8 June 2021, p. 3.

project. This review should consider the Toowoomba to Gladstone corridor as an integrated part of the Inland Rail project, and consult widely with industry to determine the level of support for the project.

Acacia Ridge and Bromelton intermodal facilities

3.37 The Kagaru to Acacia Ridge and Bromelton (K2ARB) project is a planned modification of an existing track that is part of the Queensland Rail network. According to the *Inland Rail Route History 2006–2020* (Route History report), this track is intended to connect with two intermodal facilities — one being a major intermodal facility in Acacia Ridge, and the second an SCT Logistics facility in Bromelton that connects with the SCT’s rail services between Victoria and Queensland (via Sydney), which was added to the alignment in 2017.⁵⁹

3.38 The project’s route was first identified as part of a 2006 North-South Corridor Study, with recognition that the Acacia Ridge facility would remain Brisbane’s interstate intermodal terminal in the ‘medium term and implicitly assumed that the entry to Brisbane for Inland Rail would be via the existing interstate railway from the south’. This position was later reinforced with the adoption of the Southern Freight Rail Corridor (SFRC) for Inland Rail, by the 2010 Inland Rail Alignment Study (IRAS) and as the recommended route by the 2015 Inland Rail Implementation Group (IRIG). The ARTC’s Route History report details the K2ARB project and specified the rationale for an Acacia Ridge terminal. The Route History report stated that:

At the time of the 2010 IRAS, Acacia Ridge was Brisbane’s only intermodal freight terminal on the standard gauge railway. In planning Inland Rail, it was always recognised that trains utilising Inland Rail and needing to go to the Port of Brisbane would be able to do so via the existing dual gauge rail connection between Acacia Ridge and the port.⁶⁰

3.39 In the ARTC’s 2015 Inland Rail Business Case, Acacia Ridge was identified as a key intermodal terminal for the project, with multiple references to its place within the Inland Rail project, including the Port of Brisbane extension.⁶¹ The use of Acacia Ridge’s intermodal terminal was also noted in the ARTC’s November 2019 submission; but it was also made clear that the Australian and Queensland governments would ‘need to determine the location/s of intermodal terminals’ in metropolitan Brisbane. The submission explained the history of Acacia Ridge as a long-established industrial area and that the ARTC ‘expects that current major intermodal terminal at Acacia Ridge will

⁵⁹ ARTC, *Inland Rail Route History 2006–2020*, p. 101; ARTC, Kagaru to Acacia Ridge and Bromelton, available at: <https://inlandrail.artc.com.au/where-we-go/projects/kagaru-to-acacia-ridge-bromelton/> (accessed 24 February 2021).

⁶⁰ ARTC, *Inland Rail Route History 2006–2020*, p. 101.

⁶¹ ARTC, *Inland Rail Programme Business Case*, 2015, p. 40, 61.

remain a significant terminal for Inland Rail serving the Brisbane metropolitan area for the foreseeable future'. Bromelton and Ebenezer were also identified as potential intermodal terminal locations at the time.⁶²

- 3.40 In order to support the development of Brisbane's intermodal terminals capable of hosting Inland Rail, the Australian Government allocated \$10 million for a joint business case. This business case study, once complete, will provide guidance on terminal locations, 'market access/operating models, financing options and value capture opportunities'. The Department of Infrastructure intends to have the study finalised in mid-2022.⁶³

Mixed messages on Acacia Ridge

- 3.41 Throughout the inquiry there has been confused and contradictory messaging conveyed by the Department of Infrastructure and the ARTC about the use of the Acacia Ridge intermodal terminal. Public information, such as the Route History report,⁶⁴ and the K2ARB project's website and factsheet,⁶⁵ all make reference to the Inland Rail ceasing at Acacia Ridge.
- 3.42 During the inquiry's public hearings, the ARTC consistently made reference to Inland Rail's connection to Acacia Ridge, as per the agreement with the Queensland Government.⁶⁶ For example, on 30 January 2020 the ARTC advised the committee that 'the Inland Rail brief is to build inland rail to Acacia Ridge', which would then facilitate Inland Rail's connection to the Port of Brisbane via an existing dual-gauge connection built in 1995.⁶⁷ Subsequent hearings with the ARTC on 13 August 2020 and 19 November 2020,⁶⁸ as well as the ARTC's

⁶² ARTC, *Submission 128 – Attachment 1*, pp. 20–23.

⁶³ Department of Infrastructure, Transport, Regional Development and Communications, *Business Case for Brisbane Inland Rail Intermodal Terminal*, available at: https://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=111245-20QLD-MRL (accessed 19 May 2021).

⁶⁴ The Route History report states 'At Acacia Ridge, Inland Rail will connect with the Queensland Government network, including an existing dual gauge connection to the Port of Brisbane'. See, ARTC, *Inland Rail Route History 2006–2020*, p. 101

⁶⁵ The ARTC's K2ARB website notes that '[u]pgrades will need to be made both south from Kagaru to Bromelton and north from Kagaru to Brisbane's major intermodal terminal at Acacia Ridge'. See, ARTC, *Kagaru to Acacia Ridge and Bromelton*; ARTC, *Factsheet*, p. 2, available at: <https://inlandrail.artc.com.au/where-we-go/projects/kagaru-to-acacia-ridge-bromelton/> (accessed 24 May 2021).

⁶⁶ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 24

⁶⁷ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, pp. 28–30.

⁶⁸ Discussions between the committee and the ARTC during the 13 August 2020 hearing make numerous references to Acacia Ridge as the alignment for Inland Rail. At no stage during the hearing did the ARTC or Department of Infrastructure officials correct or clarify the assumptions made by the committee. See, *Committee Hansard*, 13 August 2020, pp. 18–20, 24–25. Similarly, the ARTC's appearance during the 19 November 2020 hearing failed to provide an explicit statement

appearances at regular Senate Estimates,⁶⁹ all appeared to reconfirm the intended end-point of Inland Rail to be Acacia Ridge.

- 3.43 In the later stages of this inquiry, the Department of Infrastructure appeared to backtrack from the Acacia Ridge terminal, and at times directly conflicted with the ARTC. An example of this conflict can be found during the Rural and Regional Affairs and Transport Legislation Committee Senate Estimates hearing on 22 March 2021. At this hearing, the Department of Infrastructure and the ARTC communicated contradictory accounts on the location of the intermodal terminal. The committee asked the ARTC whether Inland Rail ‘finishes at Acacia Ridge, for \$14.4 billion?’, to which the ARTC responded with ‘Correct’. The ARTC also reiterated that the rail connection between Acacia Ridge to the Port of Brisbane was ‘outside the remit of the current Inland Rail scope’ and that the ‘rail line finishes at Acacia Ridge’; however, the business case into a Port of Brisbane connection was ‘looking at potential options for port connections between Acacia Ridge and other locations, and the Port of Brisbane’.⁷⁰ At the same Estimates hearing, the following exchange occurred between the Legislation committee, the Department of Infrastructure’s Secretary, Mr Simon Atkinson and a representative from the Significant Project Investment Delivery Office (SPIDO):

Mr Hallinan: SPIDO is looking at significant projects, as the title suggests, in particular, projects that are complex in nature and major, so substantial expenditure, and potentially things where there may be commercial returns or other things. Two good case studies that would be worth giving you as an example are the intermodal terminals at the top and the bottom of the Inland Rail network. They’re two of the major projects that we’re looking at first.

Senator STERLE: Okay, right. Why those two?

Mr Hallinan: I think it would be easiest to describe as: projects 14 and 15 are required to complete the Inland Rail project with the two terminals, top and bottom, and we want to get them right.

Senator STERLE: This is Acacia Ridge, and this is somewhere in Melbourne?

Mr Atkinson: Yes. Not wanting to say where the locations are—it’s about big, complex, bespoke projects that need to be managed.

Senator STERLE: Okay. I’d better clear that. Are you sure it’s Acacia Ridge at the top? It’s not, is it? You’re not putting any money into Acacia Ridge, are you?

or correction to the assumptions made that Inland Rail would continue to Acacia Ridge. See, *Committee Hansard*, 19 November 2020, pp. 36–38

⁶⁹ Discussed later in this chapter.

⁷⁰ Mr Richard Wankmuller, ARTC, Rural and Regional Affairs and Transport Legislation Committee, *Committee Hansard*, 22 March 2021, pp. 69–70; Mr Mark Campbell, ARTC, Rural and Regional Affairs and Transport Legislation Committee, *Committee Hansard*, 22 March 2021, p. 77.

Mr Atkinson: That was why I said I didn't want to say that.⁷¹

3.44 At that time, the Department also updated the committee on the status of the K2ARB project, which involved the preparation of the draft primary approval documentation in December 2020; however, the review had been placed on hold until the Queensland Government made a determination whether the project would be declared a coordinated project.⁷²

3.45 These matters were further explored during the committee's hearing in Melbourne on 22 April 2021. The Department of Infrastructure and the ARTC informed the committee that the location of the intermodal facility was not fixed and that ongoing work was being conducted to determine the most suitable location for Brisbane's intermodal facilities. The ARTC also informed the committee that the Queensland Coordinator-General had determined not to declare the K2ARB project to be a coordinated project, meaning an EIS process would not be followed and the Queensland Government would not work directly with the ARTC. Instead, the project would progress under a different planning approval process but 'have the same rigour as an EIS but it's not what's called a coordinated project in Queensland'. The ARTC explained it would be the Queensland Department of Transport and Main Roads leading the process:

The difference in the EIS...is that the coordinated projects are progressed by the Coordinator-General. When you progress a planned approval within an existing corridor, like that one, and you have operational ability to do so, part of the state regulation is that the determination, we believe, is made by TMR. We're working with them presently to make sure we understand that correctly.⁷³

3.46 The committee pressed the ARTC as to whether there remained a possibility of the discontinuation of the K2ARB project, with the ARTC responding that '[t]here's always a possibility as we'll go through planning approval authorities that it won't be granted, and so we'd have to look at other alternatives'. The Department of Infrastructure added that any changes to the project 'would be a matter of government policy, but certainly, as we consider those matters, should there be other cases to be made, then we would consider those cases'. The Deputy Secretary of the Department of Infrastructure, who had only been engaged with the Inland Rail project for 12 months, proceeded

⁷¹ Mr Atkinson and Mr Hallinan, Department of Infrastructure, Transport, Regional Development and Communications, Rural and Regional Affairs and Transport Legislation Committee, *Committee Hansard*, 22 March 2021, pp. 83–84.

⁷² Ms Hall, Department of Infrastructure, Transport, Regional Development and Communications, Rural and Regional Affairs and Transport Legislation Committee, *Committee Hansard*, 22 March 2021, p. 37.

⁷³ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 22 April 2021, p. 56.

to suggest that Acacia Ridge had only been nominally identified as the final terminal location for Inland Rail, saying that:

... the final terminal location for Inland Rail, while it was notionally identified as Acacia Ridge, has always had a question mark while I've been in the role as to what it will be. So when I provide a response that says it's under consideration, it literally has been under consideration my entire time in the role. It's not a certainty that Acacia Ridge will be the outcome. It was something to be finalised through business case development. Through that business case development we would consider what the sector considers to be appropriate. We don't really want to have an intermodal terminal or a terminal in a location that doesn't make sense for business. We'd like to have a terminal that makes sense for everybody and is providing the best benefit for the community at the least cost and the least 'disbenefit'.⁷⁴

- 3.47 The Department of Infrastructure added that the prospect of increasing the number of intermodal facilities within south east Queensland would facilitate a reduction in the freight volume reliant upon the Acacia Ridge facility 'by dispersing the load to an alternative terminal/s'.⁷⁵ During a Budget Estimates hearing on 24 May 2021, the Department clarified that the Inland Rail termination sites under consideration are Acacia Ridge, Bromelton, Ebenezer and two sites in Toowoomba. The study into the terminal locations was being led by the Queensland Government, and had only commenced in late 2020. The Department anticipated the terminal locations being announced at the end of 2021.⁷⁶

Community commentary on the Acacia Ridge intermodal facility

- 3.48 The committee received various accounts about the detrimental impact Inland Rail would have on local residents and infrastructure in and around the Acacia Ridge region. The Logan City Council articulated many of these concerns, pointing out that the region is 'one of the largest and fastest-growing cities in Australia'. By 2040, it is anticipated that the Logan region's population will double to over 330,000 residents, with 38,000 of those people living one kilometre away from the Inland Rail corridor. Logan City Council Mayor, Mr Darren Power outlined the community's concern and his concern with the Inland Rail project due to its anticipated impact on the quality of life for local residents:

⁷⁴ Mr David Hallinan, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 22 April 2021, p. 57.

⁷⁵ Department of Infrastructure, Transport, Regional Development and Communications, answers to questions on notice, 1 April 2021 (received 21 April 2021), p. 10.

⁷⁶ Ms Diana Hallam, Department of Infrastructure, Transport, Regional Development and Communications, Rural and Regional Affairs and Transport Legislation Committee, *Committee Hansard*, 24 May 2021, p. 116.

With the introduction of Inland Rail, [the] frequency [of train movements] is expected to increase to 45 trains a day, running 24 hours a day, by 2040. In addition to the increased frequency, these trains could be up to 3.6 kilometres long, and about 40 per cent of each would have capability to be double stacked. These are substantial increases. It's clear the impacts will be significantly over and above what residents expected when they moved into the area. Yet the ARTC is still referring to this section as an enhancement project due to the existing interstate line. I find this deeply concerning. The increased noise will become unbearable for some residents along the line, many of whom are shiftworkers. Vibration and increased emissions are also areas of concern for the community. These hardworking people have spent years tirelessly chipping away at the mortgages on their homes, which are their most valued and treasured assets, only to have them devalued overnight with no recourse. My fellow councillors and I demand accountability from the ARTC and the state and federal governments in managing the environmental impacts, which have the potential to degrade people's quality of life along the corridor.⁷⁷

- 3.49 A key concern shared by various stakeholders of the K2ARB project was the capacity of Acacia Ridge's intermodal facility and surrounding infrastructure to host the increased volume of goods carried by Inland Rail. The QTA was critical of the intermodal facility at Acacia Ridge, arguing it is highly contained, has limited capacity and any expansion would be costly.⁷⁸ Based on estimates provided by the QTA, for each 1,800 metre train there would be approximately 250 containers, amounting to 125 truck movements per train.⁷⁹ When asked whether the existing road infrastructure in Acacia Ridge is capable of carrying those additional trucks, particularly when the ARTC anticipates 14 trains⁸⁰ per day using Inland Rail by 2026, the QTA responded with:

The short answer to that would be no. At the moment, we currently run about four million truck trips per annum between the port and the surrounds of Acacia Ridge. Over the next 20 years, that will blow out to about 13 million.⁸¹

⁷⁷ Mayor Darren Power, Logan City Council, *Committee Hansard*, 27 January 2021, p. 27.

⁷⁸ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 4.

⁷⁹ An additional concern raised with the committee was the capacity of Acacia Ridge's intermodal facility to host train sizes of up to 1,800 metres; however, the ARTC advised the committee that it was common practice for a train to be separated into shorter ranks for loading and unloading at a terminal. The ARTC added that it was future proofing the project with by creating a corridor capable of trains up to 3,600 metres.

See, ARTC, answers to written questions on notice 27 January 2021 (received 24 February 2021).

⁸⁰ This figure was stated during the hearing; however, on notice the ARTC advised that the Calvert to Kagaru project is projected to have 48 train movements per 24-hours.

⁸¹ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, pp. 1–2.

- 3.50 For this reason, the QTA emphasised the importance of ‘end treatments to Inland Rail’ at both Brisbane and Melbourne, and added that ‘with the arrival of this traffic, we need some alternatives where you blend both a road and a rail solution to be able to distribute’.⁸² A similar point was made by Roads Australia, which highlighted that Inland Rail relies upon ‘road connections to operate effectively, particularly at intermodal sites’.⁸³
- 3.51 The Chair of the K2ARB Community Consultation Committee (CCC), Mr Gary Hardgrave, outlined the community’s concern about the capacity of Acacia Ridge to accommodate an increase in trucks from Inland Rail:

As the independent chair I don't have a view as such, so I can only tell you what I'm hearing from people...Even from the Regional Development Australia point of view, our concern as an RDA was that the numbers on Acacia Ridge are going to see a tripling of trucks on local roads by 2050. When I was a federal member I championed the cause against local trucks because there is no truck traffic management plan for south side Brisbane. It will be devastating for south side Brisbane if the plan is to just terminate it all at Acacia Ridge because it'll just put more and more trucks on local roads which are not designed for it.⁸⁴

- 3.52 Mr Hardgrave explained that there was ‘genuine concern’ within the community that Acacia Ridge was ‘not purpose built for the task, and to deliver the sort of additional freight truck tasks onto south side roads would be devastating for the areas from Acacia Ridge to the port of Brisbane’. He added that the ARTC itself was not in a position to address this issue because it was the recommended alignment made by the Queensland Government:

...it is the plan that the Queensland government has put forward. The Queensland government told the Australian government that this is the route that they recommend. So the ARTC are simply trying to make the route, as it's been decided, work according to the engineering and environmental factors concerned.⁸⁵

- 3.53 A similar concern was also shared by the Southern Brisbane Suburban Forum. It pointed out that the ARTC had a very defined scope that prevented it from addressing the concerns of local residents, particularly in relation to traffic congestion caused by the Acacia Ridge intermodal facility. The Forum’s spokesperson, Mr Max Hooper explained the issue of congestion was an externality ‘where the true costs of commercial economic decisions are offloaded on to a third party without the costs of those impacts being

⁸² Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 2.

⁸³ Mr Royce Christie, Roads Australia, *Committee Hansard*, 22 April, 2021, p. 18.

⁸⁴ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 24.

⁸⁵ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 24.

adequately factored in'. Mr Hooper took the view that the limited scope of the ARTC prevents it from addressing the project's broader impact on the Acacia Ridge community. He added that without integrated planning across all levels of government to address these factors, such as rail access charges and congestion on the suburban rail network, the issues will 'be significantly worsened with the completion' of Inland Rail.⁸⁶

- 3.54 The committee asked the QTA whether it had been consulted or part of any conversation to discuss truck movements at Acacia Ridge. The QTA stated that it had not, but it would 'be delighted to have those conversations', particularly in regard to its proposed rail-truck solution. The QTA added that its proposal may not necessary be the solution, but it would set in motion 'broader lateral thinking about the concepts that are being considered in the feasibilities' and that a:

...blend might end up working is a matter for consideration, but we're saying that we'd like to broaden the remit and what the feasibility study ought to look at, because it's been quite myopic, in our view, in terms of where it's taken its considerations.⁸⁷

- 3.55 Rather than continue with the development of Acacia Ridge, the QTA proposed a re-think of the project, arguing that Acacia Ridge was at capacity:

We've still got plenty of opportunity, I would argue, to think a bit differently about how we handle what I might call the 'terminus ends' at Melbourne and Brisbane. When you look at the challenges of drawing all the freight from across the state into an intermodal facility and then distributing it to wherever it needs to go by rail or road—and you've now got the combination of a very capable area up in Toowoomba and the growth at the port of Brisbane—it's timely to look at where you might put the right focal point for that intermodal exchange. I would argue that Acacia Ridge has reached its capacity limits. To grow Acacia Ridge is going to be extraordinarily expensive, to build the capability between Acacia Ridge and the port just for rail is going to be extraordinarily expensive, and I just think it's time to stand back and rethink, given all of the other investments that have occurred, particularly in the south-east, in the last 20 years, and look at a different opportunity as to how we might handle freight generally right across Queensland.⁸⁸

- 3.56 The committee sought clarification from the ARTC about its end of service offerings, specifically its consideration of the impact of Inland Rail on the Acacia Ridge community. It advised the committee that it was 'undertaking detailed assessments of the impacts of Inland Rail in the Kagaru to Acacia Ridge and Bromelton section and meets regularly with officials from

⁸⁶ Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 38.

⁸⁷ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 7.

⁸⁸ Mr Gary Mahon, Queensland Trucking Association, *Committee Hansard*, 27 January 2021, p. 5.

the Queensland Government'.⁸⁹ Reference was made to the intermodal business case for Brisbane that will provide details of the broader impact of Inland Rail on local infrastructure; however, no money would be made available under the Inland Rail budget for the business case due to existing under the Queensland Government's jurisdiction.⁹⁰

- 3.57 The Department of Infrastructure added that it was aware of the concerns of local stakeholders regarding additional truck movements in and around Acacia Ridge and 'monitors the public views and discussions'. It had not met with local representatives to discuss these issues; however, departmental officials based in Toowoomba have attended K2ARB CCC meetings since 2018 to hear the views expressed by CCC members and attendees. Stakeholders' concerns were also being actively considered as part of the joint business case studies into intermodal facilities and the Port of Brisbane connection. As previously noted, the Department of Infrastructure raised the potential for additional Inland Rail intermodal facilities in Brisbane and surrounding areas to reduce the demand on the Acacia Ridge facility and dispersing the freight volume across alternatives terminal/s.⁹¹
- 3.58 The Department added that the ARTC was 'working with relevant state and local authorities, and communities, to progress and accommodate...aspirations and requests' if outside of the project's scope.⁹² Governance arrangements were also being used to deliver regular consultations and '[w]here appropriate the Department will engage with various stakeholders (including state and local jurisdictions) to consider and investigate opportunities that may fall outside ARTC's scope for delivering Inland Rail'.⁹³

Committee comment and recommendations

- 3.59 It is apparent to the committee that the current management of the K2ARB project and its interconnection with local infrastructure is inadequate. Whilst the ARTC is tasked with engaging and consulting with local communities and

⁸⁹ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), p. 9.

⁹⁰ Mr Simon Ormsby, ARTC, *Committee Hansard*, 19 November 2020, p. 38.

⁹¹ Department of Infrastructure, Transport, Regional Development and Communications, answers to questions on notice, 1 April 2021 (received 21 April 2021), pp. 9–10.

⁹² Examples provided include the establishment of a water legacy agreement for bores in Gilgandra; undertaking a detailed feasibility study to deliver improved mobile telecommunications along the Narrabri to North Star alignment; and to incorporate local government civic presence requirements into early contractor works for the Tottenham to Albury project.

⁹³ Reference was made to the Department establishing regional offices in Toowoomba, Dubbo and Wodonga in 2018, and in Moree in 2019. Department of Infrastructure, Transport, Regional Development and Communications, answers to questions on notice, 1 April 2021 (received 21 April 2021), pp. 9–10.

landholders, it is limited in its capacity to respond to their concerns if they relate to matters outside of the Inland Rail project.

- 3.60 In order to adequately address community concerns, the committee would like to see greater participation by all levels of government with responding to community concerns. Primary amongst those concerns is the capacity of Acacia Ridge's infrastructure to host the increased truck movements caused by Inland Rail. Similar consideration must be given to other proposed locations for intermodal facilities.
- 3.61 The committee also is of the view that enhanced consultations between all levels of government, local residents groups, trucking, freight and logistics companies operating from Acacia Ridge and other proposed intermodal terminals is needed, to develop improved end-of-line connectivity between Inland Rail and local infrastructure. This process should seek to determine the region's capacity to support additional truck movements generated by the completion of the Inland Rail project.

Recommendation 9

- 3.62 **The committee recommends the Australian and Queensland governments, in partnership with local resident groups, local governments, trucking and other freight and logistics companies, establish an Acacia Ridge and Bromelton working group to conduct an audit of existing road infrastructure of Acacia Ridge and other proposed intermodal locations in south east Queensland.**
- 3.63 Throughout this inquiry it appeared apparent that Acacia Ridge would be one of the intended intermodal terminal destinations for Inland Rail in Brisbane. Whilst the committee understood a study was taking place into other potential intermodal terminals, the 2015 business case, the Inland Rail Implementation Group report, the Route History report, and, commentary made by the ARTC all put forward a consistent message that Acacia Ridge would become an intermodal terminal for Inland Rail. Had this not been the case, there were numerous opportunities throughout this inquiry for the ARTC and the Department of Infrastructure to correct this presumption made by the committee and other stakeholders.
- 3.64 The messaging conveyed by the ARTC and the Department of Infrastructure became inconsistent and opaque in the final stages of this inquiry. As demonstrated in this chapter, the views of the ARTC and the Department of Infrastructure lacked consistency and communicated a very different position from each other. Views were later aligned, but it remained blatantly clear that there was a failure to coordinate a coherent message about the status of this project.

- 3.65 The committee understands that the current intended outcome for Inland Rail in south east Queensland is for a number of intermodal terminals that disperse the freight demand across numerous sites. The committee supports the rationale for a multi-modal solution for Brisbane, which will address many of the issues identified by the community of Acacia Ridge.
- 3.66 Whilst supportive of a multi-intermodal solution, the committee is critical of the overall approach taken by the ARTC and the Australian and Queensland governments. A preferred approach would have been to replicate that taken for the Tottenham to Albury project, which is to provide a clear message that the precise location of the Inland Rail intermodal terminal was yet to be determined by the Australian and Victorian governments.⁹⁴ The failure to apply a more precautionary approach to the K2ARB project has caused significant confusion about the status of the Inland Rail project and the intended end-point(s) of the Brisbane corridor. The ARTC and the Australian and Queensland governments must ensure all future communication is coherent and aligned to prevent further confusion about the Inland Rail project.
- 3.67 Overall, it is the committee's view that the management of the end-points of the Inland Rail project in Brisbane has been unacceptable. The committee cannot understand how the Inland Rail project's intermodal terminal locations in Brisbane are yet to be determined, especially when the original location (Acacia Ridge) formed the basis of the 2015 business case, and the construction of the Inland Rail project has already commenced. It is a failure of the Australian and Queensland governments for this uncertainty to remain, despite over a decade of investigation into the Inland Rail corridor.
- 3.68 A further point of concern is the viability of the Inland Rail project without the Acacia Ridge terminal. As previously discussed, a contributing factor for Acacia Ridge's initial inclusion into the Inland Rail project was because of its connectivity to the Port of Brisbane. It remains unclear whether Acacia Ridge is to remain a preferred intermodal site, and if Acacia Ridge is no longer deemed appropriate for hosting an intermodal facility, what impact that decision would have on the project, and the underlying economic assumptions made by the 2015 business case. The committee has serious concerns about the connectivity of Inland Rail to the Port of Brisbane, and whether any decision to exclude Acacia Ridge as a terminal further jeopardises the project's connectivity to the export market. The committee expects any decision made regarding the potential intermodal sites for Inland Rail in south east Queensland to maintain and/or strengthen the economic viability and industry expectations of the Inland Rail project. To ensure this decision is made in the

⁹⁴ See *Melbourne intermodal facility and connectivity to the Port of Melbourne* in this chapter for further information.

best interest of local communities and Australian tax payers, the committee expects the Australian and Queensland governments to release the business case study into south east Queensland's Inland Rail intermodal terminals once complete.

Recommendation 10

3.69 The committee recommends the Australian and Queensland governments publicly release, upon its completion, the business case study into south east Queensland's Inland Rail intermodal terminals.

3.70 A further concern is the Queensland Government's decision to not declare the K2ARB project as a coordinated project. The committee can appreciate the ARTC had advocated for this project to be a coordinated project, and is supportive of the ARTC's statement that it would work with the Queensland Government to ensure the process remains to the standard set by an EIS process. The committee expects the ARTC to ensure that a high level of transparency, stakeholder consultation and participation is applied to the project's approval process.

Recommendation 11

3.71 The committee recommends the Australian Rail Track Corporation, in partnership with the Queensland Government, ensures the Kagaru to Acacia Ridge and Bromelton project is reviewed to the same level of transparency, stakeholder consultation and participation as other coordinated projects in Queensland.

3.72 Finally, the committee has a significant concern with the absence of participation by the Queensland Government and the Department of Transport and Main Roads throughout this inquiry. The committee on numerous occasions sought input from the Queensland Government to no avail. The committee understands the Queensland Government is not obligated to participate in inquiries conducted by the Australian Parliament; however, the significance of the Inland Rail project for Queensland and the need for coordination across jurisdictions warrants state government participation in parliamentary oversight to safeguard the successful completion of the Inland Rail project in Queensland.

Bromelton intermodal facility

3.73 In addition to Acacia Ridge, the proposed alignment for K2ARB travels south to an SCT Logistics' owned and operated intermodal facility in Bromelton. The Bromelton facility, completed in 2017, is a 140 hectare site situated 50km south

of Brisbane that receives four to five trains per week traveling from Melbourne (via Sydney).⁹⁵

- 3.74 The committee heard that SCT Logistics developed the site prior to the funding announcement for Inland Rail because it was ‘confident that we would be in the right area’ because the ARTC had ‘secured a site not far from us with a view that that may become a terminal in the future’.⁹⁶ SCT Logistics added that the facility had been designed to accommodate Inland Rail, with the capacity to receive 1,800 metre, double-stacked trains. Further, the facility was not designed for the export market, but rather for domestic goods that are subsequently distributed to retailers and distribution centres across Brisbane.⁹⁷ When asked how the Bromelton facility compared to Acacia Ridge, SCT Logistics responded that:

Bromelton is our site. We did try to get into Acacia Ridge once we set ourselves on operating trains there, but we were really prohibited from going in there. To give you some clarity or some perspective, I think our Bromelton site is probably about twice as big as Acacia Ridge. We are further out and we have to deal with—we’re certainly supportive of upgrades to the Mount Lindesay Highway to help our connections in and out of Brisbane and the north of Brisbane, but our terminal at Bromelton has significantly more capacity than Acacia Ridge. We’ve always felt that Acacia Ridge will be quite constrained into the future just by way of its size.⁹⁸

- 3.75 Whilst SCT Logistics has invested heavily into the Inland Rail project, it spoke of wanting more clarity around the project, particularly with the issue of north and south termination and jurisdictional responsibility. Mr Geoffrey Smith of SCT Logistics noted that:

... it would be fair to say that, just from a process perspective, we’d be happy to participate in further clarification of the roles of the ARTC, the department of infrastructure and the state governments, particularly on the issue of north and south termination—that’s an area that we’re vitally interested in. And having some clarity around time frames and what the rollout of that decision-making process looks like would be welcome.⁹⁹

- 3.76 The Bromelton site, unlike Acacia Ridge, also had support from Mr Gary Hardgrave, who was speaking on behalf of the RDA. He spoke of the benefit of terminating Inland Rail at Bromelton, rather than Acacia Ridge because it would address the challenges associated with Acacia Ridge, and allow for other proposed intermodal terminals, such as Ebenezer, Gatton and

⁹⁵ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 12.

⁹⁶ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 12.

⁹⁷ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 14.

⁹⁸ Mr Geoffrey Smith, SCT Logistics, *Committee Hansard*, 27 January 2021, pp. 14, 16.

⁹⁹ Mr Damon Cantwell, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 16.

Wellcamp, to proceed. Mr Hardgrave contended that the ‘irony of the current plan is that when the freight arrives at Acacia Ridge, it will be put on trucks to held back south again’ and for this reason, ‘there needs to be a bit of a rethink about [the project].¹⁰⁰ For this reason, proceeding with Inland Rail’s connectivity to Bromelton would allow for ‘an opportunity for a pause on the project to discover how you get it to the port of Brisbane’ and to determine ‘[w]hat freight ultimately arrives at Acacia Ridge’.¹⁰¹

Committee comment and recommendation

- 3.77 The committee sees significant benefit in pursuing Inland Rail’s alignment to Bromelton as a means to progress the project and provide much needed certainty that is currently lacking, particularly due to the delay in the confirmation of other intermodal terminals in and around Brisbane.
- 3.78 The Bromelton site offers the best greenfield potential for the future expansion of a logistics and freight precinct for the Brisbane and Gold Coast urban areas. This site provides the opportunity for Inland Rail to interconnect with the pre-existing intermodal infrastructure of the SCT Logistics’ terminal, as well as potential for future growth with the ARTC owned site.

Recommendation 12

- 3.79 The committee recommends the Australian Rail Track Corporation and the Australian and Queensland governments prioritise the development of the Inland Rail Bromelton intermodal terminal.**

Melbourne intermodal facility and connectivity to the Port of Melbourne

- 3.80 The Victorian portion of Inland Rail will end at a new intermodal terminal in Melbourne that joins with an ‘existing standard gauge line that connects both to the existing major Melbourne terminal complex at Dynon as well as to the Port of Melbourne (Swanson, Appleton and Victoria Docks)’.¹⁰²
- 3.81 As of June 2021, the exact location of the intermodal terminal had not been determined. Encompassing the second stage of the Tottenham to Albury (T2A) project, the ARTC noted that the stage was ‘temporary on hold whilst a study

¹⁰⁰ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 26.

¹⁰¹ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 24.

¹⁰² ARTC, *Submission 128 – Attachment 1*, p. 24.

is undertaken to determine the location, configuration and timing of the new intermodal terminal in Melbourne'.¹⁰³

- 3.82 There are two proposed sites for the new intermodal facility. The first is the Western Interstate Freight Terminal (WIFT) located near Truganina, and the second proposed location is the Beveridge Interstate Freight Terminal (BIFT) located north of Melbourne. There is currently no terminal capable of accommodating Inland Rail's service offering of double-stacked 1,800 metre trains, providing the rationale for building a new terminal(s). Since mid-2019, the Australian and Victorian governments have been exploring the two potential sites through the development of a detailed business case.¹⁰⁴ As of May 2021, the business case had not been completed, despite its reported delivery scheduled between 2019 and late 2020;¹⁰⁵ however, the Australian Government in its 2021–22 Budget delivered on 11 May 2021 announced up to \$2 billion for the Melbourne intermodal terminal. The Budget paper noted that an equivalent contribution would be provided by the Victorian Government.¹⁰⁶
- 3.83 The committee heard a range of views regarding the location of the intermodal terminal. The Victorian Transport Association (VTA) referenced Qube and SCT Logistics funding the BIFT, whereas the WIFT has had a number of transport companies locate to that area due to the location of the port rail shuttle.¹⁰⁷ The Port of Melbourne expressed its preference for the development of the WIFT,¹⁰⁸ and called for the 'commitment for the development of the Webb Dock rail link to ensure that all container terminals at the Port of Melbourne are directly connected to Inland Rail'.¹⁰⁹ This direct rail shuttle

¹⁰³ ARTC, *Tottenham to Albury*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/tottenham-to-albury/> (accessed 12 May 2021).

¹⁰⁴ Potential locations were identified as part of the Victorian Government's 2018 *Victorian Freight Plan: Delivering the Goods*, available at: <https://transport.vic.gov.au/ports-and-freight/freight-victoria> (accessed 12 May 2021).

¹⁰⁵ Department of Infrastructure, Transport, Regional Development and Communications, *Business case for Melbourne Inland Rail intermodal terminal*, available at: https://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=100571-18VIC-MRL (accessed 12 May 2021).

¹⁰⁶ The Budget measure noted that the 'specific funding arrangement, including an option for equity investment, [was] to be settled at a later date'. See, Australian Government, *Budget Measures: Budget Paper No. 2, 2021–22*, 11 May 2021, p. 158.

¹⁰⁷ Mr Peter Anderson, Victorian Transport Association, *Committee Hansard*, 22 April 2021, p. 8.

¹⁰⁸ In its submission, the Port of Melbourne outlined the rationale for its preference for WIFT due to 'its proximity to major warehousing precincts in Melbourne's west, reducing truck travel times and distances'. It added that the WIFT offered an 'efficient connection to the port'. The Port also called for the BIFT precinct to be safeguarded for future connectivity. For further details see, Port of Melbourne, *Submission 144*, pp. 4–5.

¹⁰⁹ Mr Brendan Bourke, Port of Melbourne, *Committee Hansard*, 22 April 2021, p. 14.

connectivity to the Port of Melbourne was also supported by the ARTC and referenced in its submission:

Nearly 80% of international freight moving through the Port of Melbourne has origins and destinations within a radius of about 40km of the port. Road transport is the dominant mode of transport for port related containers (90%). As such, there is potentially a strong market for a port rail shuttle to move imports/exports. The Port of Melbourne lease requires a Rail Access Strategy under statutory obligation.¹¹⁰ As such, Inland Rail is a key factor at the Port of Melbourne and a critical element in ensuring a sustainable and competitive land transport sector.¹¹¹

- 3.84 The development of the Webb Dock rail link is in accordance with the Port of Melbourne's *Port Development Strategy 2050* and the Port Rail Transformation Project.¹¹² Under the Port Rail Transformation Project, in excess of \$125 million has been invested to 'build and enhance existing rail infrastructure while also transforming the nature of how rail works at the port'. This investment is driven by forecasting that by 2050 the total container trade volume at the Port of Melbourne 'will triple, from around three million to nine million over the next 30 years'.¹¹³
- 3.85 In addition to its recommendation for Inland Rail and the Port of Melbourne connecting at the WIFT, the Port recommended the 'terminal has an international freight component to leverage the full component of the Inland Rail', meaning the facility would have the capacity to receive both domestic and international freight. To support this connectivity to international supply chains, the Port of Melbourne highlighted the importance of a planned approach for the selection of 'an optimum number and location of the regional intermodal terminals along Inland Rail...[to] get the full benefits to the domestic and international supply chains', whilst also recognising the importance of efficiency requirements.¹¹⁴ The Port of Melbourne 'does not see the limitations of double stacked containers access to the port as a constraint'.¹¹⁵

¹¹⁰ Under the *Port Management Act 1995* (Vic) and the *Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016* (Vic) the Port of Melbourne was statutorily obligated to develop a Rail Access Strategy within three years of the commencement of its lease.

See, Port of Melbourne, *Submission 144*, p. 9.

¹¹¹ ARTC, *Submission 128 – Attachment 1*, p. 25.

¹¹² For further information about the *Port Development Strategy 2050* see, Port of Melbourne, *Submission 144*.

¹¹³ Mr Brendan Bourke, Port of Melbourne, *Committee Hansard*, 22 April 2021, p. 14.

¹¹⁴ Mr Brendan Bourke, Port of Melbourne, *Committee Hansard*, 22 April 2021, p. 14.

¹¹⁵ Port of Melbourne, *Submission 144*, p. 4.

- 3.86 Whilst Inland Rail's connection to the Port of Melbourne was primarily supported, alternative alignments and sea port connectivity were proposed. Mr Michael McLean called for Inland Rail to travel to the Port of Geelong, based on his understanding that the Port of Melbourne was near capacity.¹¹⁶ Mr Peter Anderson from the VTA agreed that a Geelong proposal would be beneficial, but suggested a connection to Lara would be preferred as a means to capitalise on background plans for a new port at Bay West past Point Cook.¹¹⁷
- 3.87 The committee sought clarification with the Port of Melbourne whether it was nearing capacity. In response, the Port of Melbourne made clear that it was not at capacity, rather 'has capacity for containers well beyond the existing capability of the port today' as shown in its 30-year plan. The Port's Chief Executive Officer, Mr Brendan Bourke advised that clear plans were in place for the next several decades to stage additional capacity as trade demand grows. This future capacity of the Port was confirmed by a 2017 Infrastructure Victoria study, which found no requirement for an additional port in Victoria for quite a number of decades and that Geelong was not suitable for Victoria's second port (due to its inability to host large ships). A future port would likely be located between Geelong and Melbourne.¹¹⁸ The Department of Infrastructure confirmed that there are no plans for Inland Rail to connect with the Port of Geelong.¹¹⁹

Committee comment and recommendation

- 3.88 The planning and intended location(s) of Inland Rail's intermodal terminal(s) in Melbourne, in comparison to Brisbane, has been managed in a consistent and considered manner. This consistent, clear and considered approach has demonstrated a coherent message that Inland Rail's operations will interlink with WIFT and/or BIFT and interconnect with the Port of Melbourne's rail infrastructure. This consistency has enabled industry to pivot their operations to those locations as a means to foster the integration of Inland Rail into the broader freight supply chain.
- 3.89 The committee can appreciate that the situation faced by Victoria in comparison to Queensland is far less complex, namely due to existing rail infrastructure within the state being utilised for the purposes of Inland Rail.

¹¹⁶ Mr McLean also made reference to the economic benefit for people in the region. Mr Michael McLean, McLean Management Consultants Pty Ltd, *Committee Hansard*, 22 April 2021, pp. 1–2.

¹¹⁷ Mr Peter Anderson, Victorian Transport Association, *Committee Hansard*, 22 April 2021, p. 8.

¹¹⁸ Mr Brendan Bourke, Port of Melbourne, *Committee Hansard*, 22 April 2021, p. 16.

¹¹⁹ Mr David Hallinan, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 22 April 2021, p. 51.

The Inland Rail project appears to be far less divisive with residents and other stakeholders in Melbourne. The committee encourages the ARTC and the Victorian Government to maintain this favour with Melbourne's residents and industry.

- 3.90 The committee commends the proposal put forth by the Port of Melbourne for the intermodal freight terminal to include an international freight component to leverage the full potential of Inland Rail, and is supportive of similar considerations being made at all intermodal terminals with direct connection to the ports of Melbourne and Brisbane. This proposal reveals the innovative potential that can be harnessed by governments and industry with the establishment and integration of Inland Rail into the broader national and international freight supply chain.

Recommendation 13

- 3.91 The committee recommends the Australian, Queensland and Victorian governments, in partnership with the ports of Melbourne and Brisbane, consider measures to implement and upgrade Inland Rail's intermodal freight terminals to facilitate an international freight capability.**

- 3.92 The committee notes alternative port proposals put forth by other stakeholders, specifically the Port of Geelong. Whilst the committee understands that the Port of Melbourne is not nearing its capacity, the Port of Geelong may be a future port terminal to be investigated in the longer term.

Inland Rail Interface Improvement Program

- 3.93 As demonstrated throughout this chapter, a key to Inland Rail's success is its seamless interconnectivity with the existing freight infrastructure and road and seaport networks. Thus it is vital that Inland Rail is supported by strategically located intermodal facilities that capitalise on and support the economies of rural, regional and urban communities. Intermodal facilities, such as the Parkes National Logistics Hub (Australia's largest intermodal site) and the intermodal connections at Toowoomba (via Wellcamp Airport), demonstrate the value and benefit of Inland Rail.

- 3.94 While intermodal facilities provide important opportunities for local economies, their integration into the Inland Rail network must be balanced with Inland Rail meeting its service offerings, meaning not all population centres along the route can host an intermodal facility. This point was emphasised by the ALC, which submitted that opportunities to develop intermodal infrastructure along Inland Rail must be located in places that 'can provide efficient links to other key freight infrastructure, particularly road connections'. It recommended that all levels of government 'should prioritise and expedite planning approvals for intermodal terminals that can clearly

demonstrate a capacity to link Inland Rail efficiently [to] other key rail and road freight routes’.

- 3.95 In order to inform the strategic place of intermodal facilities, the Australian Government allocated \$44 million to establish the Inland Rail Interface Improvement Program. The program has two streams, the first is the Productivity Enhancement Program to explore improvements to the interface between supply chains and Inland Rail and the second is the Country Lines Improvement Program that assesses proposed improvements to country rail lines that intersect with Inland Rail. As of May 2021, there were 16 successful projects identified in round one and fifteen projects in round two.¹²⁰ Funding provided by the Program supports the development of business case studies to ‘understand the costs and benefits of their developed proposals and make a case for private or public investment’. The Department of Infrastructure advised the committee that business case proposals would not be published and as of 31 March 2021 approximately \$11.23 million (GST exclusive) of funds had been allocated.¹²¹

Committee comment and recommendation

- 3.96 The committee is very supportive of the Australian Government’s Inland Rail Interface Improvement Program as a means to both support community and industry capacity to develop an enhanced interface with Inland Rail’s network. The committee does, however, recognise the importance of balancing improved and increased interface opportunities with the efficiency requirements of Inland Rail.
- 3.97 Improved interface with Inland Rail must be guided by evidence and transparency. Whilst the committee is supportive of the measures in place to foster the development of business case proposals, it is concerned with the Department of Infrastructure’s decision to not publish completed business cases, especially if those business cases result in material changes and/or additions to the Inland Rail project.
- 3.98 To increase transparency and accountability, the committee calls for the publication of selection criteria and the assessments made by the Department of Infrastructure. In addition, any successful proposals funded under the Inland Rail Interface Improvement Program must be published and

¹²⁰ The aim of the second round of the program was to identify ideas on how to increase the amount of freight on Inland Rail.

Department of Infrastructure, Transport, Regional Development and Communications, *Interface Improvement Program*, available at: <https://www.inlandrail.gov.au/for-business/interface-improvement-program> (accessed 17 May 2021).

¹²¹ Department of Infrastructure Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021), pp. 5–6.

detail a clear benefit to the Inland Rail project. In the case of NSW, the Inland Rail Interface Improvement Program must interlink with NSW infrastructure planning under the Special Activities Precincts, such as those already connected to Inland Rail at key regional consolidation centres such as Moree, Narrabri and Parkes.

Recommendation 14

3.99 The committee recommends the Department of Infrastructure, Transport, Regional Development and Communications enhances transparency and accountability of the Inland Rail Interface Improvement Program by publishing:

- **the selection criteria and assessments made by the department; and**
- **successful proposals that may result in material changes and/or additions to the Inland Rail project.**

3.100 In addition, the committee recommends the department ensure the Inland Rail Interface Improvement Program interlinks with NSW infrastructure under the Special Activities Precincts, such as those already connected to Inland Rail at key regional consolidation centres such as Moree, Narrabri and Parkes.

3.101 The committee is also supportive of the ALC's recommendation that all levels of government prioritise and expedite planning approvals for intermodal terminals that have clearly demonstrated a capacity to efficiently link Inland Rail to other key rail and road freight routes.

Recommendation 15

3.102 The committee recommends the Australian Government supports state and local governments efforts to prioritise and expedite planning approvals for intermodal terminals that have clearly demonstrated a capacity to efficiently link Inland Rail to other key rail and road freight routes.

Chapter 4

Stakeholder engagement and consultation

- 4.1 A vital component to a successful infrastructure project is its stakeholder engagement and consultation processes. It is critical as a means to develop the project, utilise the expertise of stakeholders and to open channels of communication with industry representatives, impacted communities and landholders.
- 4.2 This chapter considers ARTC's efforts to engage and consult with local communities and landholders along the proposed alignment of Inland Rail, and with industry representatives on how best to implement and utilise this significant infrastructure project.

Engagement and consultation overview

- 4.3 Throughout the 2006 North-South Rail Corridor Study, the 2010 Inland Rail Alignment Study and the 2015 Inland Rail Implementation Study, the ARTC's consultation process remained 'very high-level', with the focus on federal, state and local governments and industry stakeholders, due to the 'nature of the decisions being made about route and alignment'.¹ During this time the ARTC consulted with key industry representatives to help inform the parameters of the Inland Rail project and its service offering, such as the 24 hour journey time between Brisbane and Melbourne.²
- 4.4 At the early stages of the project, the capacity for the ARTC to engage with local communities and landholders was limited due to an absence of technical information. As the project has progressed, the level of community consultation has subsequently grown, as noted in its *Inland Rail Route History 2006–2020* report:

As the project progressed and more technical studies were completed, the level of information available and community engagement possible increased. In the early life of the Inland Rail project, the information available often did not, nor could it, meet the expectations of landowners and the community.³

- 4.5 The ARTC emphasised the importance of communication and engagement with stakeholders⁴ of the Inland Rail project. Its consultation engagement

¹ ARTC, *Inland Rail Route History 2006–2020*, p. 39.

² See Chapter 2.

³ ARTC, *Inland Rail Route History 2006–2020*, p. 39.

⁴ Stakeholders include landowners, communities near the alignment, all levels of government, regulatory authorities, ARTC shareholders, national and local businesses, employees and the general public. See, ARTC, *Submission 128 – Attachment 1*, p. 28.

strategy aims to build trust, credibility and visibility, and primarily focuses upon building awareness of Inland Rail with landholders and communities. Themes of this engagement include education about the need and benefits of Inland Rail, its alignment, potential impacts, timelines, project approval processes and investigations and studies associated with those approval processes.⁵

- 4.6 The principles of the ARTC's engagement have been informed by the *Spectrum of Public Participation* engagement strategy that fosters early and regular engagement, inclusivity, transparency, equitability, accessibility, materiality and responsiveness.⁶ A part of the ARTC's approach has been the establishment of Community Consultative Committees (CCCs in NSW and Queensland)⁷ in 2017–18, and working groups (Victoria and southern NSW) as a means to share project information, engage in topic discussions, and address issues and community concerns as they arise. In addition, the CCCs and working groups provide Inland Rail with access to local knowledge and experience to help inform the project.⁸ Pop-up information sessions are periodically established to facilitate regular consultations,⁹ along with permanent ARTC and Department of Infrastructure offices in locations such as Wodonga, Dubbo, Moree, Gilgandra, Goondiwindi, Narrabri and Toowoomba.¹⁰

Criticism of the ARTC's stakeholder engagement process

⁵ ARTC, *Submission 128 – Attachment 1*, p. 28.

⁶ ARTC, *Submission 128 – Attachment 1*, p. 29.

⁷ As of November 2020, there were ten CCCs: Southern Darling Downs, Inner Darling Downs, Lockyer Valley, Scenic Rim, Kagaru to Acacia Ridge and Bromelton (Queensland); Narromine to Narrabri, North Star to NSW/Queensland border, Illabo to Stockingbingal (NSW); and working groups in Benalla and Euroa. See, Inland Rail, *Community Consultative Committees*, available at: <https://inlandrail.artc.com.au/building-inland-rail/working-with-communities/community-consultative-committees/> (accessed 12 November 2020).

⁸ Inland Rail, *Community Consultative Committees*, available at: <https://inlandrail.artc.com.au/building-inland-rail/working-with-communities/community-consultative-committees/> (accessed 12 November 2020); ARTC, *Submission 128 – Attachment 1*, p. 31.

⁹ Pop-up information sessions are regularly arranged and promoted via the ARTC's Inland Rail website. See, ARTC, *Events*, available at: <https://inlandrail.artc.com.au/events/> (accessed 12 November 2020).

¹⁰ In November 2019, the ARTC advised the committee that it had 10 regional officers. Whereas the Department of Infrastructure made reference to officials being based in Toowoomba and Wodonga.

Mr Richard Wankmuller, ARTC, *Committee Hansard*, 19 November 2020, pp. 31–32; Department of Infrastructure, Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021), p. 9.

4.7 Despite the ARTC's efforts to meet community consultation and engagement expectations, it has been mired by a high degree of landholder, community, local government and industry dissatisfaction. The committee heard numerous stories of inadequate consultation and engagement processes, especially at the early stages of the Inland Rail project.

Community and landholder consultation

4.8 Across Queensland, NSW and Victoria, the committee heard numerous concerns with the level of the ARTC's consultation with communities and individual landholders.¹¹ The Inner Downs Inland Rail Action Group¹² called representatives of the ARTC 'cowboys' that 'rocked up to people's places in unmarked vehicles, with no weed hygiene certificates and not even a policy to follow' and suggested the 'consultation at the beginning was absolutely appalling for a company this size'.¹³ Various individual landholders argued the ARTC's consultation process was just a tick-the-box endeavour.¹⁴ Ms Vivien Thomson explained many NSW landholders didn't feel listened to, and that government representatives failed to provide any support:

Some [landholders] had no choice but to open that gate extremely reluctantly, because they feel they're not being listened to very well and not even being given the time of day. I know there are a lot of people here who have been speaking to state and federal politicians here and in the Riverina. They're constantly passing the buck, and they're not answering any questions or even listening to any of their concerns. When you are treated like that, it's very disrespectful. They're being told one thing and the goalposts are constantly changing. This causes so much stress and anxiety for our farmers on top of everything else that we're going through.¹⁵

4.9 Representatives from the Millmerran Rail Group expressed similar concern and dismay. Whilst acknowledging improvements, it believed there was an issue within the ARTC that meant information gained through public

¹¹ The committee throughout the inquiry hosted a number of town hall sessions that provided landholders and community representatives the opportunity to outline their experience with the ARTC and the Inland Rail project. A significant number of these testimonies specified concerns with the ARTC's consultation process, with many people feeling disempowered by the lack of inclusivity. See, *Committee Hansard*, 29 January 2020, pp. 31–37, 46–60; *Committee Hansard*, 30 January 2020, pp. 80–88; *Committee Hansard*, 19 November 2020, pp. 41–59.

¹² Representing communities from Pittsworth, Southbrook, Athol, Umbiram and Biddeston in Queensland. See, *Inner Downs Inland Rail Action Group*, available at: <https://idirag.com.au/> (accessed 28 April 2021).

¹³ Mr Larry Pappin, Inner Downs Inland Rail Action Group, *Committee Hansard*, 29 January 2020, p. 42.

¹⁴ Dr David Taylor, private capacity, p. 51; Mrs Bronte Harris, private capacity, *Committee Hansard*, 29 January 2020, p. 54. Also stated by the Lockyer Valley Regional Council, *Submission 148*, p. 5.

¹⁵ Ms Vivien Thomson, private capacity, *Committee Hansard*, 19 November 2020, p. 51.

consultations was not being fed through to key stakeholders, including government departments and federal and state ministers.¹⁶ This resulted in the inadequate recognition of local knowledge and a belief that ARTC representatives displayed 'very little respect or regard...for local historic knowledge'.¹⁷ This resulted in Millmerran locals viewing the ARTC's engagement process to be tokenistic, with local contributions 'actively disregarded in the decision-making process'. The Millmerran Rail Group concluded the ARTC lacked process, transparency and accountability for its consultation and engagement measures, and was of the view that:

The information and submissions provided through formal channels such as the PRG [Project Reference Group] have not been acknowledged, responded to or acted on. Submissions have not informed decisions or assessments and there is no transparency of how this information is recorded and considered. When landholders and stakeholders have provided information, given their time or made genuine requests, these have not been acknowledged. It has been the experience of many landholders that ARTC have been argumentative and disrespectful. Furthermore, individual landholders have been approached without proper process and diligence causing distress.¹⁸

- 4.10 For landholders and property owners, the uncertainty has had a profound impact, with submitters and witnesses speaking of the mental and emotional burden, and clearly distressed when describing their experiences. Mrs Sandra Robinson provided a moving account of the adverse impact the Inland Rail project has had on her community in Millmerran, arguing that the ARTC failed to adequately address the mental and emotional costs on individuals and communities. She spoke of landholders receiving a letter that did not 'acknowledge the distress, anxiety and grief that its contents would cause' and lacked 'the intelligence to add the support services of Lifeline and Beyond Blue in their letter'.¹⁹ Cootamundra landholder, Mr Tony Hill detailed the emotional impact the ARTC's consultation process has had on the local community:

The system of consultation has to be changed. It is not genuine. It is not exclusive to this project; it is a process only to be seen to be doing the right thing. As a stakeholder, I feel that decisions are all made prior with hidden agenda, and the terminology of consultation is false. You are left feeling sceptical, lacking trust and at the mercy of political and business decision-making. I feel a lot of emotion and stressful impact as the people who I deal with on the face-to-face level are ARTC employees, seen to be doing

¹⁶ Mr Wes Judd, Millmerran Rail Group, *Committee Hansard*, 29 January 2020, p. 16. Also see open microphone commentary provided by Mr Paul Curtis, Millmerran Rail Group, *Committee Hansard*, 29 January 2020, pp. 47–48.

¹⁷ Mr Wes Judd, Millmerran Rail Group, *Committee Hansard*, 29 January 2020, p. 38.

¹⁸ Millmerran Rail Group, *Submission 75*, p. 6.

¹⁹ Mrs Sandra Robinson, private capacity, *Committee Hansard*, 29 January 2020, p. 54.

their job, with frequent changes of another new person with very limited consistency. I would like to see better protocols and guidelines in place so that you don't feel deceived by a company during consultative processes.²⁰

- 4.11 Mrs Karen McBurnie spoke of a 'complete lack of transparency in the planning and consultation process';²¹ a view shared by Ms Wanda Galley, who contended that '[c]onsultation was only a box-ticking exercise to make it appear that they assessed route sections accordingly'.²² Ms Vivien Thomson accused federal and state ministers of consistently passing the buck when it came to addressing community concerns.²³
- 4.12 The failure of the ARTC's consultation process is demonstrated by the experience of the NSW Farmers Association (NSW Farmers) and the NSW Country Women's Association (CWA). The head of the Inland Rail Taskforce of the NSW Farmers, Mr Adrian Lyons, suggested that the ARTC was speaking in platitudes. With reference to Inland Rail's CEO, Mr Richard Wankmuller, Mr Lyons explained that 'whatever question we've asked, it never comes back as an answer' rather '[i]t comes back in a form', leading to members experiencing 'document fatigue', in part because they contain no answers. This point was shared by the CWA, which stated that the unprecedented union between it and NSW Farmers was in response to the 'amount of work and document fatigue' experienced by landholders.²⁴
- 4.13 As a result of their concerns with the ARTC's consultation process, NSW Farmers recommended that its members affected by Inland Rail not engage with the ARTC.²⁵

²⁰ Written statement read by Ms Vivien Thomson, private capacity, *Committee Hansard*, 19 November 2020, p. 52.

²¹ Mrs Karen McBurnie, Central West Inland Rail Realignment Group, *Committee Hansard*, 19 November 2020, p. 46

²² Ms Wanda Galley, Central West Inland Rail Realignment Group, *Committee Hansard*, 19 November 2020, p. 49

²³ Ms Vivien Thomson, private capacity, *Committee Hansard*, 19 November 2020, p. 51.

²⁴ Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 17; Ms Danica Leys, Country Women's Association of NSW, *Committee Hansard*, 19 November 2020, p. 21.

²⁵ In November 2020, the committee heard that the ARTC had consulted with all 117 landholders along the N2N alignment; however, this figure was questioned by Mr Lyons because he knew of at least 40 that had not, stating that '[w]e know for a fact that people have talked, but they don't know when they've been ticked off on [the ARTC's] consultation process'.

In response to the NSW Farmers directive, the ARTC advised the committee that:

"In spite of the directive from New South Wales Farmers to their members not to meet with us, that has led to us meeting with 108 of the 117 impacted landowners along the Narramine to Narrabri alignment. These meetings are focused on understanding the impacts to their properties—which is very important to us, to help us mitigate those impacts—and there have been

4.14 The CWA recognised the potential of Inland Rail to deliver a great benefit to regional communities in NSW, but asserted that its support was not unequivocal due to its concern with the consultation process:

We support the project, but there are too many uncertainties and unanswered questions for our support to be considered unequivocal. To be direct, we cannot support the way the project is currently being executed. When communities, landholders and other impacted individuals are repeatedly dismissed, ignored and patronised by both the project builders and those giving their political support to the project in the pursuit of big infrastructure, we cannot sit by and be silent.

...

landholders and communities alike have been raising their sensible, well-founded concerns about certain aspects of this project for years. The federal government and Inland Rail continually state the upside of the project, but they regularly have a defensive attitude to valid questions from the people who stand to be most affected. These people are often portrayed as anti-progressives, which they are not. They are ordinary citizens who are very supportive of the significant infrastructure investment in the regions and deserve more than a cursory acknowledgement of their concerns.²⁶

4.15 In the CWA's February 2021 submission to the NSW Department of Planning, it was emphasised that the ARTC's consultation process was 'grossly inadequate' and therefore the CWA 'seriously question[s] the credibility of the claims regarding the adequacy of the community engagement conducted by the ARTC'.²⁷ A key point made was the ARTC's reluctance to produce

constructive conversations. We're committed to working with these landowners to develop and help them mitigate the impacts to the greatest extent possible".

Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 17; NSW Farmers Association, 'Legal action on Inland Rail', available at: <https://www.nswfarmers.org.au/NSWFANSWFA/Posts/News/mr.046.20.aspx> (accessed 23 March 2021); Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 16.

²⁶ Ms Danica Leys, Country Women's Association of NSW, *Committee Hansard*, 19 November 2020, p. 20.

²⁷ This detailed submission to the NSW Department of Planning addresses the items addressed by the ARTC's EIS for the N2N project. It covers key concerns with the flood and hydrology modelling (including impact on soil and erosion), community consultation process, economic analysis, alternative routes, the inadequacies of the ecological assessment, objection to the noise, vibration, visual and air quality impact assessments, concerns for loss of access to land and the fragmentation of properties, a failure of the ARTC to consider the impact of the rail line on the farming capacity of the district, misguided land acquisition and inadequate fencing standards. The submission lists the names of all 41 landholders that supported and funded the submission and an independent desktop economic analysis of the Inland Rail and N2N projects and an acoustic assessment.

Available at: NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to

documents and disclose material that would have permitted landholders and other stakeholders 'to consider and respond to concerns regarding the impacts of the [Narromine to Narrabri (N2N)] Project'. A specific concern raised was the ARTC not providing reference designs for the N2N project that has subsequently stymied 'objections by withholding key information that could inform independent assessment'.²⁸

- 4.16 A consequence of the ARTC's community consultation process was a widespread view across communities that local knowledge and advice was being ignored. In particular, local knowledge about the suitability of the preferred alignments and issues with the flood and hydrology models developed by the ARTC. This point was emphasised by the NSW Farmers and the CWA's legal counsel, Mr Peter Holt when reflecting upon how the consultation process informed the draft EIS for the N2N project. He argued that it was inadequate, especially concerning its deliberation of local expertise:

Most of that EIS documentation was done on basis of looking at the properties from afar—that is, looking from the road reserves and the existing rail corridors. In the context of the flooding, I had the opportunity to talk to Mr Eddie Billings, who has given a lot of advice to the councils on impacts associated with flooding, over a long period of time. I actually took an affidavit from him. Mr Billings is a font of knowledge that relates to flooding on the Macintyre River. The points that he made are valid, and what we could not see in the modelling work that had been done was Mr Billings's points being translated into flood modellings predicting the impact associated with this development. What happens there is, because you can't see that landholder experience translated into the modelling and the outcomes, you have real concerns about what the implications of a development of this kind will be.²⁹

- 4.17 NSW Farmers and the CWA were of the view that the ARTC produced 'nothing meaningful' in response to community concerns and questions. For this reason, rather than continue their engagement with the ARTC, they directed questions to the NSW Department of Planning, who in turn, put those questions to the ARTC as part of the EIS process.³⁰

Narrabri', available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

²⁸ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 4–5, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

²⁹ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 24.

³⁰ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 25.

- 4.18 Similar community sentiments about the lack of meaningful engagement were expressed by community representatives from north east Victoria. Community representatives from Euroa contended that proper consultation was yet to take place, demonstrated by the resignation of five out of the ten members of the dedicated ARTC working group 'because they were deeply troubled by the fact that they were not being consulted appropriately or properly'. Euroa Connect expressed concern that the ARTC were socialising their proposal and had 'misrepresented its engagement activities' by stating the vast majority of the town supported the proposed design of the Inland Rail overpass.³¹ Benalla residents pointed out that for two years they had battled the ARTC 'because of their lack of transparency and poor community consultation'. Better Benalla Rail contended that the ARTC's approach was to 'claim community consultation but only deliver generalities' with information provided lacking specific details.³²
- 4.19 As noted in paragraph 4.6, the ARTC established CCCs in Queensland and NSW, and working groups in Victoria as a means to facilitate community consultation; however, the committee received mixed accounts on the success of these two measures. Mr Richard Doyle, a member of the CCC for the North Star to Border (NS2B) project detailed the experience of the CCC's engagement with the ARTC and its consideration of the alignment through that region. His assessment found the ARTC's consultation at the early stages of project to be very difficult and minimal, with inadequate information being provided to community representatives. This resulted in the community not being aware of the six alignment options originally considered by the ARTC for this project, with no opportunity for the community to comment on the 'strengths and weaknesses of the various options under consideration before ARTC's preferred alignment option was announced'.³³
- 4.20 Mr Gary Hardgrave, the Chair of the Kagaru to Acacia Ridge and Bromelton CCC, spoke of efforts by the ARTC to consult with the community, which included the establishment of a professional team tasked with engaging with local councils and to conduct public forums. According to Mr Hardgrave, these consultation processes were 'very overt' with 'ample opportunities for formal and, indeed, casual interaction, both with elected officials and the general public'.³⁴
- 4.21 The committee sought clarification about how the ARTC utilised its public consultation processes and whether residents' concerns were understood by

³¹ Dr Kate Auty, Euroa Connect, *Committee Hansard*, 22 April 2021, pp. 35–36.

³² Mrs Susan Pearce, Better Benalla Rail, *Committee Hansard*, 22 April 2021, p. 36–37.

³³ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, pp. 31–32.

³⁴ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 23.

the ARTC. In response, Mr Hardgrave explained CCC meetings were minuted, provided to the ARTC and published, adding that the ARTC would be well aware of the issues raised by the community, particularly their concerns about the proposed route and the lack of interconnection with local industrial and commercial hubs.³⁵ He was sympathetic to the ARTC, arguing that genuine effort was being made by its representatives to consult with the Logan City community. However, the primary issue was the ARTC's inability to address the community's concerns, because responsibility for addressing those issues, including the selection of the alignment, was a matter for the Australian and Queensland governments. Mr Hardgrave concluded that ultimately it was the Queensland Government that needed to come to the table because '[t]he state, under the Constitution, control land use. They control[s] the use of the track, because they own the track'.³⁶

- 4.22 This tension between the ARTC's jurisdictional restrictions and capacity to respond to community concerns was also raised by the Southern Brisbane Suburban Forum. The Forum's representative, Mr Max Hooper asserted that the primary issue was the coordination and accessibility of information between levels of government:

It's quite hard to get access to some of the information, but my understanding is that ARTC's scope is to get the project to Acacia Ridge. So they have a very defined scope, which is: the project starts at the port of Melbourne and it gets to Acacia Ridge. Beyond that, there are other issues that come into play, but it's kind of like that's where it becomes an issue between the levels of government to coordinate how it's going to be integrated into the wider network. I'm also of the understanding that the state government is looking at a route corridor selection process from Acacia Ridge to the port, but the details of that are very hard to get a handle of. I know in the original business case ARTC had an option which I thought would have taken the pressure off the suburban passenger rail network, which was to go via the Gateway corridor. That doesn't appear to be in the scope of what's currently being considered. It's very difficult to get information on why that option is no longer being looked at. It's very closely guarded. I guess it's hard to comment because it's hard to get the details.³⁷

Local government consultation

- 4.23 Local council representatives also detailed their issues with the ARTC's consultations and community engagement practices. In Queensland, Council representatives from Toowoomba, Lockyer regions and Logan City, as well as

³⁵ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 25.

³⁶ The Honourable Gary Hardgrave, Kagaru to Acacia Ridge to Bromelton Community Consultative Committee, *Committee Hansard*, 27 January 2021, p. 25.

³⁷ Mr Max Hooper, Southern Brisbane Suburban Forum, *Committee Hansard*, 27 January 2021, p. 39.

the Council of Mayors South East Queensland, all communicated a lack of meaningful engagement. These representatives all called for increased consultation with local communities, and for this engagement to actually inform decision making processes.³⁸

- 4.24 The Toowoomba Regional Council recognised a consistent level of engagement by the ARTC, but questioned whether this engagement and feedback provided by locals was adequately considered. The Council subsequently felt ‘that many decisions on the alignment are being made in isolation’ and called for the ‘Council’s key concerns and feedback on behalf of our community, [to] be more clearly investigated and responded to’.³⁹ The Council further submitted that its ongoing negotiations with the ARTC concerning Inland Rail’s impact on council assets had not been concluded, which at the time meant the proposed alignment had not been endorsed or approved by the local council. The Council made clear of the risk taken by the ARTC to progress the reference design and EIS process without its endorsement, and that it was the ‘ARTC’s original intention and preference to be further progressed in aligning outcomes prior to the development of the reference design and an EIS submission’.⁴⁰
- 4.25 Similarly, the Lockyer Valley Regional Council submitted that there were concerns ‘about the level of meaningful community engagement’ throughout the Lockyer Valley. Its submission highlighted key failings of the ARTC’s consultation and community engagement process that limited ‘community input into the reference design’. It recognised the difficulties faced by the ARTC and that efforts were made by its staff to respond to community and individual concerns, with a ‘genuine concern for impacted communities’. However, the Lockyer Valley community found there to be limited information and generic messaging that resulted in disengagement with the consultation process.⁴¹
- 4.26 The Lockyer Valley Regional Council also questioned the effectiveness of the ARTC’s CCC process, and was critical of the ARTC not taking up the Council’s offer to assist with the consultation process and use of its networks and local expertise other than identifying key community groups and possible venues for meetings. The Council stated that there ‘remains a perception in some parts

³⁸ Mr Scott Smith, Council of Mayors South East Queensland, *Committee Hansard*, 30 January 2020, pp. 58–59; Toowoomba Regional Council, *Submission 79*, p. 4; Lockyer Valley Regional Council, *Submission 148*, p. 5.

³⁹ With specific reference to the issues faced by the communities of Pampas, Brookstead and Pittsworth. See, Toowoomba Regional Council, *Submission 79*, p. 4.

⁴⁰ Toowoomba Regional Council, *Submission 79*, p. 3.

⁴¹ Lockyer Valley Regional Council, *Submission 148*, pp. 5–6.

of the community that the vast majority of the project will proceed in line with ARTC's designs regardless of community concerns'.⁴²

- 4.27 For the Logan City Council, the ARTC failed to provide clarity or answers to their questions, and that a meeting between the Council and the ARTC 'was an absolute joke'. Mayor Darren Power told the committee:

We had invited the ARTC into Logan City Council. We had them in our committee room. We asked them the questions. They didn't answer any of the questions. It was a waste of time them coming. It was an absolute joke. Sound walls—what are they doing? 'No, we don't know; we haven't done anything yet.' That was halfway through last year. Here we are now and we still haven't got anything to tell the residents. We're managing the city. Logan City Council has taken on the responsibility to manage the city. I understand that the state and federal governments are involved in this, but we're here to protect the residents and we don't think they're getting a good deal.⁴³

- 4.28 Overall, Mayor Power was scathing in his assessment, arguing that the ARTC's community consultation was a pretence and a façade 'designed to pretend as if something is happening when it's not and when the answers aren't available'. With specific reference to a series of meeting held in December 2020, Mayor Power added:

My fellow councillors and I sat on each table. We listened to what was being presented. There were very few answers. We asked whether there were any seismic geology reports, and there were none available—'We're not taking any.' The sound walls were a complete baffle to us: it was only where the larger works were taking place that they would offer the sound walls; there was no indication that residents would be guaranteed a sound wall, despite the threat of these trains, 3.6 kilometres long, coming through—no promise. So the residents walked out of that. They were upset. I was talking to them after it was finished, and they said it was a waste of time. For them it was a waste of time.⁴⁴

- 4.29 Underpinning the Logan City Council and local residents' criticism of the Inland Rail project is the understanding that Inland Rail will provide minimal economic advantages to the community. Of particular concern is the lack of a decision about a dedicated passenger rail service along Inland Rail's proposed alignment. Mayor Power called on the government to give 'back to the community by providing passenger rail from Salisbury to Beaudesert, in line with community expectations'.⁴⁵

⁴² Lockyer Valley Regional Council, *Submission 148*, pp. 5–6.

⁴³ Mr Darren Power, Logan City Council, *Committee Hansard*, 27 January 2021, pp. 28–29.

⁴⁴ Mr Darren Power, Logan City Council, *Committee Hansard*, 27 January 2021, p. 27.

⁴⁵ Mr Darren Power, Logan City Council, *Committee Hansard*, 27 January 2021, pp. 27–28.

- 4.30 In light of criticisms directed at the ARTC, the Council of Mayors South East Queensland called for increased consultation between all levels of government and the ARTC:

...I think it would be pretty consistent across our region that more engagement would never be a problem. There's obviously some sensitive balancing here across our council areas with the economic value and the impact on communities, and that needs to be consulted on. You can never have too much of that consultation. I think the three tiers of government need to work together. As was mentioned, the intergovernmental agreement has finally arrived, but that's not the end of it. We're actively working on a city deal for this region. Inland Rail and everything that comes with it, and all those other bits and pieces, should be a key consideration, and we've incorporated that in our work on the city deal. But that shouldn't be at the expense of all the other challenges we have here. So, again, I would encourage more consultation where possible and to try to balance this.⁴⁶

- 4.31 Closer to the NSW/Queensland border region, the Goondiwindi Regional Council commented that the community felt 'totally shunned and ignored by the ARTC' and was concerned by the 'divide and conquer approach adopted by the ARTC in the community process'.⁴⁷ Its representative, Councillor Graeme Scheu, argued that the ARTC's community consultation process was 'totally unacceptable', in part because it failed to utilise local knowledge. He added that '[t]here are numerous reports of one individual being told one thing and the next person being told something different'.⁴⁸ In addition, the Council clarified the problem was not the amount of consultation, which was described as 'way over the top'; rather, the 'results of the consultations were not relayed through the system'.⁴⁹ Councillor Scheu added:

It's very clear to me that the message our people are telling the ARTC staff on the ground is not channelling through the system to the decision-makers. That's the point I'm trying to make. I'm not going to say where it's falling down. I've got no idea, to answer your question. But somewhere in that chain of command there's a chink in the armour. It's not getting through to the decision-makers.⁵⁰

⁴⁶ Mr Scott Smith, Council of Mayors South East Queensland, *Committee Hansard*, 30 January 2020, p. 58.

⁴⁷ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2.

⁴⁸ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2.

⁴⁹ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, pp. 2, 6.

⁵⁰ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 3.

- 4.32 In NSW, the Gilgandra Shire Council agreed that consultations with communities along the proposed alignment were initially lacking; however, as the Inland Rail project progressed, communities were provided with additional information and the ARTC's consultation process subsequently improved. Nevertheless, the Council submitted that the ARTC's 'community engagement was of the upmost disappointment and a source of constant frustration to all stakeholder groups and indeed the entire community'. This, the Council understood, was in part due to a lack of staffing resources and high staff turnover. Inadequate consultation and community engagement led to a lack of understanding about the business case and rationale for Inland Rail. Further, there was a lack of trust in the project and confusion over the timelines and progress, particularly an absence of understanding of when the community would be 'engaged to provide feedback or have their issues and concerns addressed'.⁵¹
- 4.33 A more positive perspective was provided by the Moree Plains Shire Council and the Parkes Shire Council. These councils described the collaborative and productive relationship they had with the ARTC.⁵² The Moree Plains Shire spoke of its good relationship with the ARTC, despite frequent changes in staffing and, at times, there being a disconnect within the ARTC. The Council understood this disconnect to be a product of the project's complexity and any issues were subsequently addressed when raised with the ARTC. A key feature of the ARTC's engagement with the Moree Plains community was the establishment of an office in Moree. The committee heard that this on-the-ground presence played a critical role progressing the project. The Council concluded that the ARTC 'is doing a competent job based on slender resources for a job of this scale and complexity'.⁵³ The Strathbogie Shire Council was of the view that the ARTC had become 'more open and willing to work with [the Euroa] community...since the new CEO came on board' but reiterated that '[i]t is extremely important that they do listen and do consultation. Consultation is the most important part of this'.⁵⁴

Industry consultation

- 4.34 The inquiry revealed reported inadequacies with the Australian Government's and the ARTC's consultation with industry representatives. Initially,

⁵¹ Mr David Neeves, Gilgandra Shire Council, *Committee Hansard*, 19 November 2020, p. 1.

⁵² Parkes Shire Council's submission outlines the collaborative measures that took place prior to the completion of that region's Inland Rail project. See, Parkes Shire Council, *Submission 180*.

⁵³ For the Moree Plains Shire Council, reference was made to a request for an Inland Rail bypass that would have cost approximately \$70 million. The ARTC declined this request on financial grounds. See, Mr Angus Witherby, Moree Plains Shire Council, *Committee Hansard*, 19 November 2020, p. 8; ARTC, *Inland Rail Route History 2006–2020*, p. 77.

⁵⁴ Mayor Chris Raeburn, Strathbogie Shire Council, *Committee Hansard*, 22 April 2021, p. 44.

consultation with industry was driven by the Department of Infrastructure's 2014 Stakeholder Reference Group, which 'included a broad range of representatives from across the transport and logistics industry'.⁵⁵ Further consultation with key transport stakeholders with an interest in the freight and terminal markets in Brisbane and Melbourne was sought in mid-2018.⁵⁶

- 4.35 Despite assurances from the ARTC and the Department of Infrastructure that industry has been consulted, the committee heard otherwise from a number of industry representatives. The Queensland Trucking Association (QTA) and the Victorian Transport Association (VTA) spoke of an inadequate or completely absent consultation, with the QTA advising the committee that it had not had a conversation with the ARTC regarding the location of the end-of-service terminals and how Inland Rail would intersect with the broader supply chain network in Queensland.⁵⁷ The VTA likewise declared there was no formal or informal communication between Victoria's road freight industry and the ARTC, despite regular invitations for the ARTC to appear at the VTA's annual conferences.⁵⁸
- 4.36 Another industry representative, Grain Trade Australia which represents 280 commercial grain industry entities post farm gate, spoke of the haphazard manner of the ARTC and the Australian Government's consultation with the organisation. While conversations with local ARTC representatives did take place, what was lacking was an 'opportunity to have a proper planning process of really looking at the grain supply chain as it currently is, where it's evolving to and how that can fit and leverage off the Inland Rail project'. This strategic discussion, according to Grain Trade Australia, would require participation across all levels of government along the Inland Rail alignment, grain representatives, farmers and producers.⁵⁹

⁵⁵ The Stakeholder Reference Group consisted of AgForce Queensland, Aurizon, Australasian Railway Association, Australian Food and Grocery Council, Australian Logistics Council, Australian Trucking Association, BlueScope Steel, CEVA Logistics, Coles, DB Schenker, Genesee and Wyoming Australia, GrainCorp, Melbourne Brisbane Inland Rail Alliance, National Farmers Federation, NRMA, NSW Farmers, Pacific National, Port of Brisbane, Queensland Resources Council: New Hope Group, Queensland Resources Councils: Stanmore Coal, Qube Holdings, SCT Logistics, Toll International, Victorian Transport Association, Woolworths Limited and Yancoal.

See, ARTC, responses to written questions on notice, 27 January 2021 (received 24 February 2021), p. 3.

⁵⁶ ARTC, responses to written questions on notice, 27 January 2021 (received 24 February 2021), p. 4.

⁵⁷ Mr Gary Mahon, Queensland Trucking Association, Committee Hansard, 27 January 2021, p. 7.

⁵⁸ These views were objected to by the ARTC. See later in this chapter for further information.

Mr Peter Anderson, Victorian Transport Association, *Committee Hansard*, 22 April 2021, pp. 9-10.

⁵⁹ Mr Tim Ross, Grain Trade Australia, *Committee Hansard*, 22 April 2021, pp. 22, 25.

- 4.37 The committee heard from DA Hall, which owns multiple properties in the Millmerran region accounting for 30,000 acres. Despite the significant economic contribution made by DA Hall to the region, its representatives described its consultation with the ARTC to be ‘nothing short of disgusting’, with many questions remaining unanswered.⁶⁰
- 4.38 Whilst not explicitly critical of the ARTC’s conduct, SCT Logistics called for increased clarity about the Inland Rail project, particularly with the time frames and rollout of the project, as well as end-of-service locations in Melbourne and Brisbane.⁶¹

ARTC’s response to criticism of its stakeholder and engagement process

- 4.39 The ARTC on numerous occasions communicated its regret for the issues encountered by various stakeholders and made clear that it had sought to learn from and improve its consultative practices.⁶² According to the ARTC, a key challenge has been meeting its engagement principles, especially at the early stages of the project (2015–17), before a formal announcement and commitment of funding had been made by the Australian Government for Inland Rail (2016–17).⁶³
- 4.40 The ARTC explained a contributing factor to this issue was the transparency and public knowledge of the Inland Rail project during its conception and reference design phase. It argued that had the Inland Rail project been a private sector enterprise, then it would not have been announced until the reference design phase had been completed. As explained by the ARTC in Brisbane in January 2020:

For 90 per cent, if not more, of the program, we’re just getting to the end of that reference design. The difference between the public sector and the private sector is that you wouldn’t really hear about a project until you got done with reference design in the private sector because they wouldn’t be confident of whether they were really going to do this or not. In the public sector you do tend to hear about it a little bit earlier, way back in concept, because there’s some excitement about getting out and telling the community what we can do.⁶⁴

⁶⁰ DA Hall advised the committee that it had seven potential routes dissecting or impacting on its business, with the ARTC requesting DA Hall to identify which of those seven routes would be the most suitable for its business.

Mr Adam Birch, DA Hall & Co, *Committee Hansard*, 29 January 2020, pp. 11–12.

⁶¹ Mr Damon Cantwell, SCT Logistics, *Committee Hansard*, 27 January 2021, p. 16.

⁶² ARTC, *Submission 128 — Attachment 1*, p. 28.

⁶³ ARTC, *Submission 128 — Attachment 1*, p. 28.

⁶⁴ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 13.

- 4.41 Over time, the ARTC has been able to commence more detailed work to determine the precise alignment (especially for greenfield sections) and subsequently expand upon its consultation and engagement with stakeholders.⁶⁵ As previously noted, extensive consultations 'commenced in early 2016 as a preferred alignment started to become clearer'. Consultations focused on the greenfield sections of the alignment as a means to 'progress route option comparisons where appropriate and understand relative potential impacts on' landholders, communities and Inland Rail's service offering.⁶⁶
- 4.42 For brownfield sections of Inland Rail, consultations sought to explain the proposed works, timelines and seek local feedback on impacts and designs. Overall, the purpose of its consultation activities (including the establishment of CCCs and walk in centres) is to facilitate 'a much deeper understanding of potential effects on landholders and their properties and help Inland Rail to avoid the effects or develop mitigation measures'.⁶⁷ During its appearance at the Brisbane hearing, the ARTC acknowledged the concerns of those landholders and communities along the proposed alignment and reiterated its commitment to engage with those stakeholders:
- Like any nationally significant project, Inland Rail will directly impact people, and in many cases these impacts are unavoidable. ARTC acknowledges that and acknowledges the very real concerns of many landowners along the alignment. We are committed to engaging openly, honestly and transparently with people and to working wherever we can to minimise and eliminate those impacts.⁶⁸
- 4.43 In total, the ARTC reported of there being close to 20,000 direct interactions with community members and stakeholders across multiple forums between July 2016 and December 2020.⁶⁹ They referred to amendments made to Inland Rail based on these consultations, such as the Narromine to Narrabri project going through the Pilliga State Forest, the decision for the alignment to travel east of Narromine rather than west, and for the North Star to Border section to use more of the existing Boggabilla line.⁷⁰
- 4.44 In the later stages of the inquiry, focus turned to the ARTC's consultation with local communities in north east Victoria. ARTC CEO, Mr Mark Campbell spoke of the 'delicate balance' between 'meeting community expectations and maintaining the integrity of the asset' and addressing 'the competing

⁶⁵ ARTC, *Submission 128 – Attachment 1*, pp. 28–29.

⁶⁶ ARTC, *Submission 128 – Attachment 1*, p. 30.

⁶⁷ ARTC, *Submission 128 – Attachment 1*, p. 31.

⁶⁸ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 13.

⁶⁹ Forums include landowners meetings, community information sessions and Community Consultation Committee meetings.

⁷⁰ ARTC, *Inland Rail Route History 2006–2020*, p. 41.

requirements for the various asset owners'. Overall, Mr Campbell recognised consultation to be a difficult process, and one that the ARTC is 'continuing to learn and are trying to get better and better at'.⁷¹

- 4.45 The ARTC subsequently detailed efforts to address community concerns in Euroa, Benalla and Glenrowan. Through consultation processes, the ARTC was able to recognise the proposal made by the Benalla community was a better solution, while views across the Euroa community were divided, which undermined the effectiveness of the Inland Rail working group. He added that ongoing discussions were in place with community representatives in Glenrowan to determine the best solution.⁷²
- 4.46 In order to improve its consultation process, the ARTC had conducted an independent audit of its stakeholder engagement function and performance for Inland Rail in July 2015. Key findings included: a move away from consultants to instead directly employ engagement staff; the need for more engagement staff as projects progressed; increase the number of staff based in communities along Inland Rail's alignment; and that all staff employed should be afforded with opportunities for skill improvement and training. A follow up review in October 2020 took place to assess the ARTC's performance against recommendations made in the 2015 review. The 2020 review found there to be progress across all recommendations. In total, the number of engagement staff across communities had increased from 20 in 2018 to 49 in October 2020, all of which are employees of the ARTC, with 33 based along Inland Rail's alignment.⁷³
- 4.47 The improvement to its consultation and engagement process were reflected in statements made by various witnesses during the inquiry, with specific reference to changes made since the commencement of Inland Rail CEO, Mr Richard Wankmuller. Whilst critical of the ARTC in its early stages, the Gilgandra Shire Council recognised the improvements made under the leadership of Mr Wankmuller and his executive team. On this point, the Council stated that the ARTC had become 'responsive, available and committed to addressing the past issues and ensuring our community realises long term benefits and positive legacies from the construction'. The Council called for continuity of this positive shift within the ARTC, and called for greater visibility and presence in the community through a physical office in

⁷¹ Mr Mark Campbell, ARTC, *Committee Hansard*, 22 April 2021, p. 50.

⁷² Mr Mark Campbell, ARTC, *Committee Hansard*, 22 April 2021, pp. 50–51, 53.

⁷³ In addition, the ARTC has contracted a call centre service, with seven staff dedicated to Victoria, 18 in NSW and 17 in Queensland. As a project moves to its construction phase, communities will have access to construction contractor 24/7. Call data, including wait times and number of calls is recorded and provided to the ARTC for monitoring.

the town.⁷⁴ The Moree Plains Shire Council commented that overall the relationship was mutually respectful and its members ‘appreciated the openness of the CEO, Richard Wankmuller, and his availability to discuss...key issues as they arise’.⁷⁵ Mr Judd acknowledged improvements to the ARTC’s consultation processes under Mr Wankmuller’s leadership, but remained concerned with issues at a middle management level.⁷⁶ Mr Richard Doyle stated that over the past 12-months the ARTC had become receptive, was listening and had adopted changes based on lobbying efforts by the community.⁷⁷

4.48 Concerning consultation with industry, the ARTC made reference to the Department of Infrastructure-led 2014 Key Stakeholder Reference Group that market-tested Inland Rail’s service offering. With regard to peak transport and logistics bodies, the ARTC stated that it ‘has had strong ongoing engagement...concerning Inland Rail and the importance of terminals’ and that ‘[t]his level of engagement continues’. The ARTC added that transport and logistics operators, asset owners or potential investors, major freight consignors, industry representative bodies and relevant government or public sector agencies were also being consulted as part of the joint Australian and Queensland government study into the Melbourne and Brisbane intermodal terminals.⁷⁸

4.49 The committee challenged the ARTC about its consultation with industry, based on evidence provided by Grain Trade Australia, the QTA and VTA.⁷⁹ In response, the ARTC reiterated that it had ‘over many years engaged directly with key companies in the logistics and transport industries and held numerous discussions about aspects of Inland Rail’. It detailed the industry groups it was a member of, including the Australian Logistics Council, the Australasian Railway Association, the Infrastructure Association of Queensland, Roads Australia and the Queensland Major Contractors Association.⁸⁰ With regard to the specific concerns raised by Grain Trade Australia, the QTA and the VTA, the ARTC provided the following:

⁷⁴ Gilgandra Shire Council, *Submission 64*, pp 2–3. Also see Mr Ashley Walker and Mr David Neeves, *Committee Hansard*, 19 November 2020, pp. 4–5.

⁷⁵ Mr Angus Witherby, Moree Plains Shire Council, *Committee Hansard*, 19 November 2020, p. 8.

⁷⁶ Mr Wes Judd, Millmerran Rail Group, *Committee Hansard*, 29 January 2020, p. 16;

⁷⁷ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 36.

⁷⁸ ARTC, answers to written questions on notice, 27 January 2021 (received 24 February 2021), pp. 3–4.

⁷⁹ The committee expressed concern that the ARTC had misled the committee based on evidence provided in its written response to a question on notice from 27 January 2021.

⁸⁰ As of 2021, the ARTC has also been engaging with the Queensland Transport and Logistics Council. Through these bodies, the ARTC had engagement opportunities with some of Australia’s

- Significant consultation with the grain industry has occurred to determine the best way to minimise the impact of Inland Rail construction between Narrabri and North Star (N2NS).⁸¹ In addition, the ARTC presented at the Australian Grains Industry conference on 31 July 2019, of which Grain Trade Australia was a conference organiser.⁸² Direct consultations occurred in 2020, with the ARTC meeting with Grain Trade Australia to discuss the planned possession strategy for construction of N2NS.
- There had not been ‘specific consultation with the [QTA]’ but the ‘ARTC is always willing to consult with members of the broader transport and logistics industry’, which will be of ‘most benefit when firm proposals are developed in respect to existing or new intermodal terminals’. And,
- The VTA was a key stakeholder of the 2014 Key Stakeholder Reference Group. In addition, the ARTC was an associate member for five years until 2021 and presented at numerous VTA conferences.⁸³

4.50 Whilst the ARTC provided reassurances about its consultation with the transport sector, it did however acknowledge ‘there hasn’t been a lot of ongoing consultation with the transport agencies’. Mr Wankmuller explained this was ‘not by wanting to preclude them, but by the way the process works in the time frame’ because:

...we're still trying to decide where the intermodal terminals are going and we're still in the business case phase. The business case for this project was six years ago, so we're still at the business case phase. As we come out of the business case phase they will start to select locations, the designs and reference designs will start to be done, the planning approvals will start to be made and the EIS approvals will start to go. That is the time to engage very strongly – and I would imagine you're expecting to do that – with the transport agency, because it is vital to what this picture around these intermodal terminals looks like.⁸⁴

4.51 The ARTC’s position was contested by the VTA. Its CEO, Mr Peter Anderson maintained that the ARTC had not directly engaged ‘with the VTA in consultation about aspects of the Inland Rail project, including terminal

leading transport and logistics companies, including SCT Logistics, Toll, Linfox, Woolworths, Port of Brisbane, Qube and DHL.

Correspondence from the ARTC CEO, Mr Mark Campbell responding to comments made during a public hearing in Melbourne on 22 April 2021 (received 21 May 2021).

⁸¹ Industry representatives listed include Broadbent CHS, Graincorp, Newcastle Agri Terminal, Arrow Commodities, Manildra, Boolah, Louis Dreyfus and the NSW Farmers’ Association. The ARTC noted that a number of these groups were members of Grain Trade Australia.

⁸² The ARTC also presented at a 2016 conference hosted by Grain Trade Australia.

⁸³ Correspondence from the ARTS CEO, Mr Mark Campbell responding to comments made during a public hearing in Melbourne on 22 April 2021 (received 21 May 2021).

⁸⁴ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 22 April 2021, pp. 54–55.

locations, connectivity to the ports and regional rail networks as was stated as it having with other industry stakeholders such as the ALC and specific transport companies'. Mr Anderson added that a 20-minute presentation at a conference does not constitute direct consultation, nor was 'attending a formulative meeting in Sydney in 2014 as part of the development of the Inland Rail Project'. The VTA stood by the key issues it had identified to the committee, and called upon the ARTC to draw upon its connection with the VTA and its members to 'provide specific perspectives that may ensure this project reaches its full potential'.⁸⁵

- 4.52 Regarding the broader consultation framework between federal and state governments, the Department of Infrastructure informed the committee that mechanisms in place include the biannual Infrastructure and Transport Ministers' Meetings (ITMM) and the Infrastructure and Transport Senior Officials Committee Meetings (ITSOC) that both 'provide a forum for intergovernmental collaboration, decision-making and progressing priorities of national importance'. A Freight Industry Reference Panel is also in place, consisting of freight and transport industry members to provide independent feedback and advice. In addition, the National Rail Action Plan, led by the National Transport Commission, supports the 'harmonisation of standards in rolling stock and infrastructure, improve[ed] interoperability of systems, and address[es] rail workforce and skills gaps'.⁸⁶

Committee comment and recommendations

- 4.53 This inquiry has revealed significant shortcomings in the ARTC's capacity to meaningfully engage with communities and landholders along the proposed alignment of Inland Rail. This failure has significantly undermined public trust in the ARTC and its management of Australia's largest rail infrastructure project.
- 4.54 The committee can appreciate the difficulties faced by the ARTC, especially at the early stages of the project. During this time, there was minimal detailed and technical information available to provide communities and landholders with a clear understanding of Inland Rail's alignment, its impact and potential mitigation measures. However, whilst some stakeholders have recognised improvements to the ARTC's consultation processes over time, a substantial majority remain highly critical. In addition, the criticisms of the ARTC remain despite ample opportunity for the ARTC to revise its consultation processes based on earlier experiences.

⁸⁵ Correspondence from the Victorian Transport Association CEO, Mr Peter Anderson, responding to correspondence from the ARTC, dated 21 May 2021 (received 17 June 2021).

⁸⁶ Department of Infrastructure, Transport, Regional Development and Communications, answers to written questions on notice, 1 April 2021 (received 21 April 2021), p. 4.

- 4.55 For these stakeholders, the ARTC's engagement, consultation and response to concerns has been overly bureaucratic and, largely symbolic, while failing to adequately address community concerns and integrate local knowledge into the project's design. A key criticism directed at the ARTC time and again has been its lack of meaningful consultation, especially for those local governments, residents, flood and hydrology experts and landholders who felt the ARTC dismissed their local knowledge about floodplains and historical flood conditions. The impact of these failures cannot be underestimated, particularly based on the numerous presentations made to the committee by distressed residents and landholders about the mental and emotional toll the ARTC's handling of this project has had.
- 4.56 The committee is encouraged by the ARTC's efforts to learn from its past mistakes and proactively review its consultation processes. It is, however, concerned by ongoing criticisms directed at the ARTC. Of particular concern is the rupture between the ARTC and the NSW Farmers and the CWA. For Inland Rail to meaningfully proceed in NSW, it is vital that this relationship is repaired.

Recommendation 16

- 4.57 **The committee recommends the Australian Rail Track Corporation engages an independent mediator to facilitate an improved working relationship with the NSW Farmers Association and the Country Women's Association of NSW.**
- 4.58 In addition, the ARTC should foster greater consultation with local government representatives, particularly at a regional level to ensure the necessary social license of Inland Rail is gained with local governments and the communities those governments' represent. The committee proposes the creation of local government forums.

Recommendation 17

- 4.59 **The committee recommends the Australian Rail Track Corporation fosters improved local government consultation through regional forums aimed at generating community support for Inland Rail.**
- 4.60 Going forward, the committee anticipates that nature of the ARTC's consultation processes to change as the Inland Rail project progresses. For this reason, the committee is of the view that ongoing audits of its consultation processes are required to ensure the ARTC's community consultation processes remain relevant to community, landholder and industry expectations.

Recommendation 18

- 4.61 The committee recommends the Australian Rail Track Corporation conducts biennial independent reviews of its stakeholder engagement and consultation processes to ensure relevancy is maintained throughout all stages of the Inland Rail project.**
- 4.62 An important factor in the ARTC's ability to appropriately consult and engage with local communities along the Inland Rail alignment has been the role played by the Australian and state governments. The Australian Government has established the parameters of the Inland Rail project, which has substantially limited the ARTC's capacity to meaningfully respond to community concerns, particularly if those concerns are directly related to the proposed alignment and the 24-hour journey time (as discussed in Chapter 2). Further, various issues raised with the ARTC remain outside the scope of the Inland Rail project. In these circumstances the ARTC is unable to respond, but communities are left with an inadequate understanding of how Inland Rail will connect and integrate with the existing infrastructure of those communities. It remains unclear to the committee whether a broader consultation and engagement framework is in place for the Australian and state governments to participate in, and address broader concerns interrelated to Inland Rail but outside the scope of the project. This perceived gap must be addressed, particularly for those communities located between Toowoomba and Acacia Ridge.

Recommendation 19

- 4.63 The committee recommends the Australian Rail Track Corporation, in partnership with the Australian and state governments, establish a broader consultation and engagement framework to address community concerns for matters that extend beyond, but are interconnected to, the Inland Rail project.**
- 4.64 A successful Inland Rail project is reliant upon its capacity to integrate with existing agricultural, freight and logistics infrastructure. A significant gap identified during this inquiry is the ARTC's ad hoc approach to regular consultation with industry representatives, particularly with the trucking sector. Whilst references were made to previous and ongoing mechanisms in place, the committee sees significant benefit in establishing a key industry stakeholder group to formalise ongoing discussions between industry, the ARTC and the Australian Government. This measure would ensure Inland Rail is in a position to capitalise on the expertise and innovation available to those sectors vested in the Inland Rail project.

Recommendation 20

4.65 The committee recommends the Australian Rail Track Corporation and the Australian Government establish a key industry stakeholder group to formalise ongoing discussions with industry about the Inland Rail project specifically.

Chapter 5

Inland Rail alignment and key concerns - Queensland

- 5.1 Inland Rail's route planning and selection process, as demonstrated in Chapter 1, has evolved since its conception in the early 20th Century. After the far western corridor was established following the North-South Corridor Study (NSCS) of 2006, more detailed assessments commenced with the Inland Alignment Rail Study (IRAS) of 2010 and the Inland Rail Implementation Group (IRIG) 2015. Accordingly, the Australasian Railway Association (ARA) commented that Inland Rail is 'arguably one of the most heavily studied projects in recent Australian history'.¹
- 5.2 These studies, along with detailed Multi-Criteria Analysis (MCAs) and public consultations, resulted in a general understanding of where Inland Rail's alignment would be placed, with further refinements taking place for greenfield sites. Bilateral agreements with state governments set in motion the progressive construction of the Inland Rail project, starting with the Parkes to Narromine (P2N) project in 2019.²
- 5.3 Whilst momentum for the route planning, selection process and construction continues to build, criticism has been directed towards the Australian Rail Track Corporation (ARTC) throughout the project. The denunciations of the ARTC's route planning process, as demonstrated by issues raised in chapters 2, 3 and 4, bring to light the concerns of farmers and local communities – including inadequate community consultation, the appropriateness of proposed routes, concerns about flood and hydrology modelling, the impact of erosion, and on water resources. These concerns are in addition to other environmental and cultural impacts (such as sound, vibration, sites of significance for local Indigenous communities, and deforestation) on landholders and communities in the vicinity of the Inland Rail corridor.
- 5.4 The concerns across the entire Inland Rail project vary, depending on the nature of each project, whether it is a greenfield or brownfield alignment, and the topographical and environmental factors of each landscape. The committee recognises that these concerns will continue to evolve, based on the continual

¹ Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, pp. 7–8.

² Australian Rail Track Corporation (ARTC), *Construction ramps up as Inland Rail takes hold of track for the first time*, 19 February 2019, available at: <https://inlandrail.artc.com.au/construction-ramps-up-as-inland-rail-takes-hold-of-track-for-the-first-time/> (accessed 25 February 2021).

progression of the project, and that not all concerns have been captured within this report. This chapter considers key issues raised with the committee for the Queensland section of Inland Rail, excluding Kagaru to Acacia Ridge and Bromelton, which was considered in chapters 2 and 3. The committee recommends chapters 5 and 6 being read in conjunction with the ARTC's *Inland Rail Route History 2006–2020*.³ Table 5.1 provides an overview of the project status for Queensland's Inland Rail projects as of February 2021.

Table 5.1 Project status, February 2021

Project	Length	Type	Details	Status
Border to Gowrie	216km	Greenfield (145km) & brownfield (71km)	New track and track enhancements	Reference design
Gowrie to Helidon	28km	Greenfield	New track (including 6.2km tunnel)	Reference design; draft EIS under review ⁴
Helidon to Calvert	47km	Greenfield	New track (including 850m tunnel)	Reference design; draft EIS under review
Calvert to Kagaru	53km	Greenfield	New track (including 1.1km tunnel)	Reference design; draft EIS under review
Kagaru to Acacia Ridge and Bromelton	49km	Brownfield	Track enhancement	Reference design

Source: *Inland Rail, Projects*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/> (accessed 23 February 2021)

NSW/Queensland Border to Gowrie project

³ This document provides a summary of background material for each of Inland Rail's 13 projects.

ARTC, *Inland Rail Route History 2006-2020*, available at: <https://inlandrail.artc.com.au/route-history-of-inland-rail-2006-2020/> (accessed 28 June 2021).

⁴ The ARTC submitted a preliminary draft EIS in June 2020 which was publicly released by the Queensland Government for public comment and submission from 2 August 2021 to 25 October 2021. See, ARTC, *Gowrie to Helidon: Status*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/gowrie-to-helidon/status/> (accessed 7 April 2021).

- 5.5 The Border to Gowrie (B2G) project commences at the existing track at the NSW/Queensland Border near Yelarbon and continues to Gowrie Junction, north west of Toowoomba, Queensland. The project includes the upgrade of 71km of existing track and an additional 145km of new gauge track. New track construction commences west of Whetstone and tracks north, past Inglewood, Millmerran and Millmerran. The track joins with existing track at Yandilla, which merges with a new track halfway between Brookstead and Pittsworth, continuing past Athol, Wellcamp (including Wellcamp airport) and ceases at Gowrie Junction.⁵

Figure 5.1 Study area, Border to Gowrie



Source: ARTC, *Inland Rail Route History 2006–2020*, p. 89.

- 5.6 The preferred route was one of four options considered following the release of the 2015 IRIG report.⁶ A key component of the route option assessment was the proposed alignments' crossing of the Condamine floodplain. According to the Inland Rail route history report, each of the four potential rail corridors was assessed based on the 'length of each route that traversed land that would

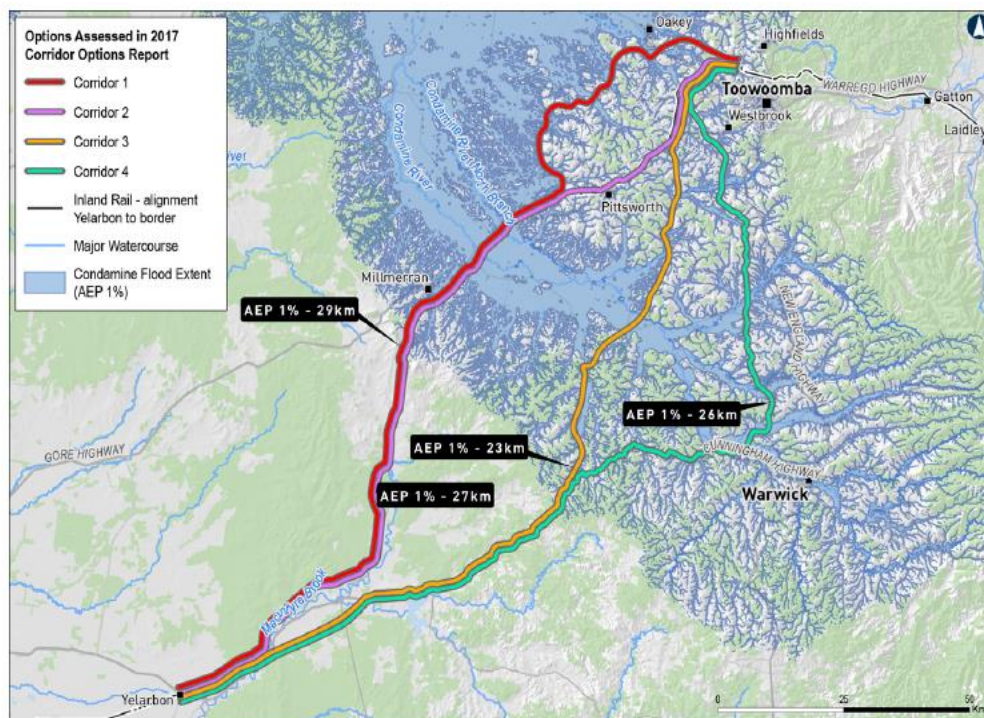
⁵ ARTC, *Project Map*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/border-to-gowrie/> (accessed 25 November 2020).

⁶ In late 2015, the Queensland Department of Transport and Main Roads commissioned an examination (SMEC) of the various projects of Inland Rail and potential alternative corridors. The SMEC examined the area between Millmerran and Toowoomba and re-examined the 2010 IRAS study.

be flooded in [one per cent] Annual Exceedance Probability (AEP) events and flooded in 10 [per cent] AEP events'.⁷ The four routes considered in 2016–17 that traverse the Condamine floodplain are found in Figure 5.2 and are as follows

- The Base Case Modified (Corridor 1);
- Wellcamp-Charlton (Corridor 2)
- Karara-Leyburn (Corridor 3)
- Warwick (Corridor 4).⁸

Figure 5.2 Corridor options assessed, 2017 – Border to Gowrie



Source: ARTC, *Inland Rail Route History 2006–2020*, p. 85.

5.7 A 2016–17 AECOM route option assessment found Corridors 2 and 3 to be more favourable than the Base Case Modified route (Corridor 1) and Corridor 4. The AECOM flood immunity/hydrology key metrics and scoring against key criteria of the proposed corridors is found in Figure 5.3 that shows

⁷ According to the Office of the Queensland Chief Scientist, a flood event with a one per cent 'AEP has a one in a hundred chance of being exceeded in any year' and current design standards consider a one per cent AEP 'as having an 'acceptable' risk for planning purposes nearly everywhere in Australia'.

ARTC, *Inland Rail Route History 2006–2020*, p. 85.

⁸ These four corridors were identified by previous Commonwealth and state studies. See: AECOM, *Corridor Options Report*, 2017, p. ii.

the Wellcamp-Charlton (Corridor 2) and the Karara-Leyburn (Corridor 3) with +5 ratings against the Base Case Modified (Corridor 1) option.⁹

Figure 5.3 AECOM flood immunity/hydrology key metrics and scoring, Border to Gowrie, 2016–17

Key Criteria	Base Case Modified	Wellcamp-Charlton	Karara-Leyburn		Warwick		
	Value	Value	Score	Value	Score	Value	Score
Length of 1% AEP floodplain crossed: Total (km)	29	27	+5	23	+5	26	-5
Stream crossings: Major (stream order 3 & greater) (no.)	20	15		17		25	
Total viaduct/bridge length (m)	4275	3375		6465		9395	
Total number of viaducts/bridges (no.)	21	15		21		35	
Waterway crossing culverts: Total number of cells (box and pipe) (no.)	195	250		198		426	
Flood balancing culverts: Total number of cells (box and pipe) (no.)	950	950		590		93	
Length of alignment in sodosols and vertosols: Total (km)	164	150		106		133	

Source: AECOM, *Corridor Options Report*, p. 101.

5.8 As part of the AECOM assessment, the MCA on all four corridors resulted in Corridor 2 (Wellcamp-Charlton) being recommended, and ultimately chosen, as the preferred route (reference design route). This corridor compared favourably on four of the ten criteria against the Base Case Modified corridor. The comparison between each corridor, compiled by the ARTC, is found at Figure 5.4.¹⁰

Figure 5.4 2017 ARTC Corridor Options assessment, Border to Gowrie

⁹ AECOM, *Corridor Options Report*, pp. 100–101.

¹⁰ ARTC, *Inland Rail Route History 2006–2020*, p. 88.

	Corridor 1 Base Case Modified	Corridor 2 Wellcamp-Charlton	Corridor 3 Karara, Leyburn & Felton	Corridor 4 Warwick
Distance	181km	168km 13km shorter	172km 9km shorter	208km 27km longer
Service Offering / Transit time (northbound)	129min	125 min 4 min saving	135 min 6 min longer	154 min 24 min longer
No. of agricultural properties on alignment	242	203	156	219
No. of residences on alignment	35	42	69	170
MCA Technical Score	0	-0.126	-0.417	-1.815
MCA Non-technical Score	0	-0.156	+0.906	-1.22
Overall MCA Score	0	-0.283	+0.490	-3.03
Construction Cost	\$0m (for relativity)	+\$102m	+\$285m	+\$415m
Strategic factors:				
Avoidance of constructing in an operational rail line and congested area at Kingsthorpe				
Tap into strategic potential of Wellcamp-Charlton				
Recommended		✓		

● Favourable
● Neutral
● Unfavourable
● Highly unfavourable

Source: ARTC, *Inland Rail Route History 2006–2020*, p. 88.

- 5.9 In 2018, the Australian Government determined that the ARTC develop a flood model and a preliminary design solution for the alignment's crossing of the Condamine floodplain. This determination led to appointment of technical advisors to work in consultation with landholders and other stakeholders. In addition, a number of community groups appointed technical and hydrological experts to review the flood modelling and design, with the support of the ARTC.¹¹
- 5.10 In September 2019, the ARTC released its reference design for the B2G alignment that included a detailed proposed crossing design of the Condamine floodplain. This proposal included a total of six bridges (at four different locations) of 6.1km in length, in addition to 500 culverts ranging from 900mm to 2.1m in diameter.¹² The cost for Inland Rail's crossing of the Condamine floodplain had increased by \$56 million since 2017. The ARTC said that the increase was largely due to 'consultations with landowners and to accommodate current farming practices including no-till land management'. The ARTC confirmed it was exploring whether individual mitigation measures were required for individual properties, to ensure Inland Rail does not increase the flood level at those homes by more than 10mm. According to the ARTC, its work on this matter will be finalised as part of its detailed design

¹¹ ARTC, *Inland Rail Route History 2006–2020*, p. 86.

¹² ARTC, *Inland Rail Route History 2006–2020*, pp. 86–67; ARTC, *November 2020 project update for Border to Gowrie*, available at: <https://inlandrail.artc.com.au/november-2020-project-update-for-border-to-gowrie/> (accessed 25 November 2020); and Queensland Office of the Coordinator-General, *Inland Rail – Border to Gowrie*, available at: <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/inland-rail-border-to-gowrie> (accessed 30 November 2020).

activities, and it was confident it had ‘already minimised such potential impacts as much as possible through...the current reference design’.¹³

- 5.11 In June 2020, the Australian and Queensland governments announced the formation of an independent international panel of expert hydrologist and engineers (independent panel) to review the 21 flood models previously developed for Inland Rail’s crossing of Queensland’s floodplains.¹⁴ The independent panel is expected to complete its review by the end of 2021, with draft reports for three projects¹⁵ under review released between March and May 2021.¹⁶
- 5.12 In addition to the independent panel, the Department released an August 2020 draft information paper that compared the proposed routes for the B2G alignment with a like-for-like methodological approach.¹⁷ The information paper found the reference design route as the preferred route, performing better across all major attributes including transit time, reliability, availability

¹³ ARTC, answers to questions on notice, 19 November 2020 (received 9 December 2020), p. 2.

¹⁴ The panel was also tasked to ensure national guidelines and industry best practice was followed; consider local geology and hydrology patterns; and consider whether modelling minimises the interaction and impact of Inland Rail’s structures on flood events.

¹⁵ The three Inland Rail projects reviewed by the independent panel are Border to Gowrie, Helidon to Calvert and Calvert to Kagaru.

¹⁶ Department of Infrastructure, Transport, Regional Development and Communications, *Independent International Panel of Experts for Flood Studies in Queensland*, available at: <https://www.inlandrail.gov.au/people-and-community/independent-hydrology-panel> (accessed 30 November 2020). Terms of reference are available at: <https://www.inlandrail.gov.au/sites/default/files/documents/TOR%20for%20Flood%20Panel%20-%20Final%20pdf.pdf> (accessed 30 November 2020). Also see: Department of Transport and Main Roads, *Independent panel of experts for flood studies in Queensland*, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 2 February 2021).

¹⁷ To support the findings of the Inland Rail information report, the Department of Infrastructure, Transport, Regional Development and Communications (Department of Infrastructure) released the Australian Government’s review of the proposed alternative route via Cecil Plains for the B2G section of Inland Rail on 4 September 2020. The review, conducted by GTA Consultants, considered the methodologies used for the ARTC’s like-for-like comparative assessment, and the ‘data used and assumptions adopted, in analysing each route in terms of transit time, reliability, availability, cost, number of properties and businesses impacted, flood immunity and hydrology, and construction timeline’. The review did not assess or provide advice on the economic modelling or engineering feasibility of the Inland Rail project, nor determine which route alignment is preferred. The review found the ARTC’s comparative analysis for the two Cecil Plains routes to be a like-for-like across both methodology and data. See, GTA Consultants, *Inland Rail B2G Alternative Route Comparison Review*, September 2020, pp. iii, 28–29, available at: <https://www.inlandrail.gov.au/about-us/publications-and-reports/inland-rail-b2g-alternative-route-comparison-review> (accessed 10 December 2020).

For further explanation see, Department of Infrastructure, answers to written question on notice, 1 April 2021 (received 21 April 2021) p. 11.

and cost. For the floodplain crossing, the information paper reported that the total length of floodplain crossed for the reference design route was 14.2km, whereas the Wellcamp route was 36.7km and the Kingsthorpe route was 38.6km. Shorter bridges and embankments were also recorded for the reference design's alignment.¹⁸

- 5.13 As of February 2021, the ARTC had submitted its EIS with Queensland's Coordinator-General (CG), which requested for additional information from the ARTC. The draft EIS public consultation period commenced on 23 January 2021 and concluded on 4 May 2021.¹⁹
- 5.14 On 7 April 2021, the Toowoomba Region Council announced that it had endorsed its submission to the CG. It reported that it would recommend a 75 per cent local supplier target for Inland Rail's construction in the region. The Council also identified a number of issues with the draft EIS, such as the construction of water sources, identification and protection of culturally significant areas, safety concerns, environmental and flood mitigations measures (including consideration of the independent panel's review of flood modelling), and regional job opportunities.²⁰ Prior to its endorsement of the EIS, the Council had previously advised the committee that it recognised the ARTC's efforts to ensure accurate flood modelling, and called for continued engagement with local communities to ensure historical flood levels and local knowledge is considered.²¹

Route selection and flood modelling

- 5.15 The primary concern shared by various submitters and witnesses was the B2G route selection process and the accuracy of the ARTC's flood modelling. For the residents of Millmerran and surrounds, the Inland Rail project, if inappropriately designed will have 'the potential to cause significant and catastrophic impacts within the Condamine floodplain area'.²²

¹⁸ ARTC, *Inland Rail Information Paper: Information support assessment of routes for Inland Rail in the Border to Gowrie project section*, 31 August 2020, pp. 3–5, available at: <https://inlandrail.artc.com.au/b2g-route-selection-info-paper/> (accessed 10 December 2020).

¹⁹ The original date was 19 April 2021.

Queensland Office of the Coordinator-General, *Inland Rail – Border to Gowrie*, available at: <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/inland-rail-border-to-gowrie> (accessed 2 February 2021).

²⁰ Toowoomba Regional Council, 'Council endorses Inland Rail submission', *Media release*, 7 April 2021, available at: <https://www.tr.qld.gov.au/about-council/news-publications/media-releases/14757-council-endorses-inland-rail-submission> (accessed 8 April 2021).

²¹ Toowoomba Regional Council, *Submission 79*, pp. 2–3.

²² Millmerran Rail Group, *Submission 75*, p. 3.

- 5.16 The committee heard from various stakeholders who submitted that the ARTC's route selection process lacked integrity and accountability.²³ The Millmerran Rail Group detailed many of the ARTC's shortcomings with this process, such as the lack of acknowledgement of the community's concerns when raised through the Project Reference Group (PRG). The PRG was established as a conduit between the local community and Inland Rail to provide input into the review of B2G alignment options; however, according to the Millmerran Rail Group, the 'assessment experience to date has been tokenistic, with disregard and contempt shown by ARTC toward the intent and charter of the PRG'.²⁴
- 5.17 The committee heard of various issues regarding the flood modelling that underpinned the design of Inland Rail's infrastructure, design and route selection process. This concern was demonstrated to the committee during a site visit to a residence at Pampas. The committee was shown the level of a 2010 flood and heard the concerns of local residents who argued the ARTC's modelling found that the 100-year flood level at the property was '39 centimetres lower, almost 0.4 of a metre lower, than the surveyed December 2010 flood level'.²⁵ As emphasised by DA Hall, this level of 'discrepancy will destroy people's homes and will destroy people's businesses and livelihoods'.²⁶
- 5.18 In order to address the community's concerns about the ARTC's flood modelling, DA Hall and Millmerran Rail Group independently contracted Dr Sharmil Markar, a hydrology, hydrologic modelling and flood plain management expert. Dr Markar detailed his review of the flood modelling used to inform the Inland Rail's crossing of the Condamine floodplain, and informed the committee that he had 'found a number of technical flaws'. He advised the ARTC of these flaws, which were accordingly recalibrated by the ARTC in their models. Despite this correction, Dr Markar remained convinced that the ARTC 'still haven't fixed the problems. There are still some significant problems'.²⁷

²³ A concern shared by Dr David Taylor, a landholder anticipating Inland Rail travelling through the middle of his property, removing irrigation infrastructure and restricting cattle movements. The line will travel 50 metres from Dr Taylor's home. Dr Taylor spoke of the 'lack of clarity and transparency in the process used to determine the original route', with particular concern for the decision to move the alignment to Wellcamp airport. Dr David Taylor, private capacity, *Committee Hansard*, 29 January 2020, p. 50–51.

²⁴ Millmerran Rail Group, *Submission 75*, p. 3.

²⁵ Mr Adam Birch, DA Hall & Co, *Committee Hansard*, 29 January 2020, p. 13.

²⁶ Mr Adam Birch, DA Hall & Co, *Committee Hansard*, 29 January 2020, p. 13.

²⁷ To illustrate his ongoing concern, Dr Markar made reference to maps of the ARTC's flood modelling that he argued was biased too low with 'a lot of flood storage missing'.

5.19 To illustrate his ongoing concern, Dr Markar argued the ARTC's 2010 flood levels were biased too low and the 15- to 20-kilometre-wide flood plain had 'a lot of flood storage missing'. Specific concern was raised with the ARTC's modelling of a 100-year flood level compared to the recorded 2010 flood level:

...they estimated the 2010 event as something between a 50-year event and a 100-year event, which is definitely smaller than a 100-year event. One would expect, if you look at a 100-year flood event, that those predicted flood levels would be higher than the 2010 levels. But that is not the case. In fact, the 100-year flood levels are approximately 0.2 metres to 0.4 metres lower than the recorded 2010 surveyed levels. That means that there is a fundamental problem with some of the modelling that has been undertaken. You would expect 100-year flood levels to be higher than 2010, but it is not so.²⁸

5.20 According to Dr Markar, a significant hindrance to his consideration of the flood modelling was the limited access to the ARTC's information about the modelling. He explained that the ARTC provided brief sections of modelling reports with very little information on how it was being used, or he was provided with just the models, data files and results for him to interpret 'rather than given some of the processing [and] the interpretation of results'. As of January 2020, Dr Markar had not been provided with information about the design of the rail line or the number of culvert bridges.²⁹ DA Hall contended that it was:

...clear that the consultation that ARTC are trying to have with our organisation is one which uses up an extreme amount of time and resources...to make us give up at some point on the fight to get this information correct.³⁰

5.21 When asked whether it was premature of the ARTC to make decisions on engineering, route alignment and expenditure without the base hydrological models being completed, Dr Markar responded with:

Yes, I believe so. I think that, before we look at the design and the impacts of that design on flooding, you have to get the base case—the existing conditions modelling—right. That is, you have to get the model calibration right and the design discharges under pre-rail conditions right. I don't believe they have got it right yet. So I don't think they should really be designing the rail until they get the base case modelling correct...If a detailed costing analysis of different options is to be undertaken, you can't do it until you know what the detailed design is.³¹

Dr Sharmil Markar, WRM Water & Environment, *Committee Hansard*, 29 January 2020, p. 13.

²⁸ Dr Sharmil Markar, WRM Water & Environment, *Committee Hansard*, 29 January 2020, p. 13.

²⁹ Dr Sharmil Markar, WRM Water & Environment, *Committee Hansard*, 29 January 2020, pp. 16-17.

³⁰ Mr Adam Birch, DA Hall & Co, *Committee Hansard*, 29 January 2020, p. 14.

³¹ Dr Sharmil Markar, WRM Water & Environment, *Committee Hansard*, 29 January 2020, p. 16.

- 5.22 The committee asked about any review processes in place to consider the hydrological modelling used by the ARTC. Reference was made to an internal review conducted by the ARTC, which was then followed by a study undertaken by Dr John Macintosh. According to Dr Markar, the Macintosh review was fairly narrow and did not include a 'review of the actual modelling or its accuracy'.³²
- 5.23 The absence of trust in the floodplain modelling has led to questions being asked of route planning processes. The Millmerran Rail Group highlighted that the MCA process was conducted on the basis of those models, which subsequently informed the business case and rail infrastructure. The Group asserted that the MCA was not conducted on a 'like for like' basis due to the design not being fully costed or understood, and was critical of the financial planning and cost benefit analysis relating to the route selection.³³
- 5.24 The committee asked the ARTC to respond to community concerns about the flood modelling during its January 2020 hearing in Brisbane. The ARTC made clear that the proposed design of Inland Rail was required to minimise any additional flooding impact and to make sure any structures used to cross floodplains allowed 'enough flow-through of the water so that [the] structures don't make the situation worse'. To achieve this goal, the ARTC developed baseline flood modelling, which is re-calibrated over time. Mr Richard Wankmuller of the ARTC explained that the baseline model is:
- We do flood modelling. What you do is develop what's called a baseline model, which is an estimate of what it might look like in that area, and then you go and calibrate it—we call it calibration locally. You talk to local residents. You get local flood markers. You get photographs. You start to take that information and adjust your model so that the model predicts exactly what happened in the past. Once you have that model, you say: 'Okay. The model is accurately predicting what we've seen before.' You then can use that model to design what structures are going to go there and make sure that those structures don't impact the floodwaters that will eventually occur.³⁴
- 5.25 When asked about the concerns of those residents in the Condamine floodplain, the ARTC reiterated the expertise of its modellers, AECOM and Aurecon, and that it was open to further updates based on comments provided by the community, including those provided by Dr Sharmil Markar.³⁵ The ARTC also objected to the assumption that Dr Macintosh's review was narrow, clarifying that the ARTC provided him with open access to its data.

³² Dr Sharmil Markar, WRM Water & Environment, *Committee Hansard*, 29 January 2020, p. 17.

³³ Millmerran Rail Group, *Submission 75*, p. 4.

³⁴ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 26.

³⁵ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 26. Also see, Ms Rebecca Pickering, ARTC, *Committee Hansard*, 30 January 2020, p. 34

Mr Wankmuller added that the ARTC would meet with Dr Markar to discuss some of his high-level concerns. When asked whether Dr Markar could be included on the independent expert panel, Mr Wankmuller stated that the panel would be focused on the detail of the structural design to ensure its safety, which was not Mr Markar's area of expertise.³⁶

- 5.26 The committee also sought clarification on whether the ARTC would await the independent review's findings before lodging its draft EIS with the Queensland Government. The ARTC responded with a clarifying statement about the EIS process with the Queensland Government:

When we lodge the EIS, that begins a process of open consultation. Not only does the state look at it, but they put it back out to the public for comment. We would take on board those comments. We would give all those comments to the expert panel when they convene, so that they would be aware of what the concerns are and would be able to address them. But, again, that speaks to the terms of reference between Queensland and the Commonwealth, and they'll finalise all of that over the next few months.³⁷

- 5.27 On 19 November 2020, the committee heard that the ARTC was reviewing individual cases regarding the infrastructure required to protect properties from flooding on the Condamine floodplain. Mr Wankmuller explained that the ARTC sat with each affected landholders 'to see what we need to do on their property to mitigate any impacts beyond 25 millilitres', adding that this process was ongoing and for that reason a total cost of the work would not be finalised until the public exhibition of the EIS.³⁸ Regarding the acquisition of properties, as of November 2020, the ARTC had purchased seven properties in Queensland, with a further dozen being negotiated.³⁹

Independent review of ARTC flood and hydrology modelling

- 5.28 As previously noted, communities and landholders in the vicinity of the Condamine floodplain have called for an independent review of the flood modelling. An independent panel was subsequently implemented by the Australian and Queensland governments in June 2020.⁴⁰ The ARTC informed the committee that the independent panel was tasked with looking 'at the detailed [route] design and making sure that they have brought global

³⁶ Statement read by Senator Susan McDonald, *Committee Hansard*, 30 January 2020, p. 27.

³⁷ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 28.

³⁸ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 19 November 2020, p. 34.

³⁹ Ms Rebecca Pickering, ARTC, *Committee Hansard*, 19 November 2020, p. 35.

⁴⁰ Public consultation on the panel's terms of reference was announced on 27 April 2020. See, the Honourable Michael McCormack MP, 'Public consultation sought on expert panel for Inland Rail flood modelling and design', *Media Release*, 27 April 2020.

expertise to every possible angle to make sure that it is safe'. This information would then be used to inform the detailed design of the alignment.⁴¹

- 5.29 The ARA supported the decision for an independent review, noting that it and its members were concerned about Inland Rail's crossing of the Condamine floodplain. It added that the review should be an 'evidence based process...free from emotion and should ultimately provide the community and future investors with confidence that the flood modelling and engineering studies are world class and that any potential impacts can be managed'.⁴² When asked to expand on this statement, the ARA emphasised the importance of incorporating stakeholders' feedback:

...the decision needs to be based on the science and the engineering and it needs to incorporate all of the stakeholder feedback...When we say a decision needs to be made and there needs to be certainty around that, we're talking about the community as well as industry. It's in everyone's interest to reach a solution on this and incorporate everyone's feedback.⁴³

- 5.30 Support for the independent flood panel was also conveyed by the ARTC and the Department of Infrastructure, Transport, Regional Development and Communications (Department of Infrastructure). The ARTC informed the committee that it had provided over two terabytes of data to the panel and was confident that the review of the B2G project would validate the ARTC's modelling for the Condamine floodplain crossing.⁴⁴ The Department of Infrastructure made clear that the panel would not provide advice on whether a more appropriate route existed; rather, it would 'look at the 21 flood models that have been developed by the ARTC for Inland Rail'. The Department added that the panel would provide advice and respond to community comment provided through the EIS process and conduct community consultation. Overall, the panel would:

...examine the development and the application of these models—the hydrology model, which is where the water is in the landscape, but also the hydraulic model, which is how that water interacts with the reference design structures. But it is also interested in hearing where there are concerns and what those concerns are so they can be addressed.⁴⁵

- 5.31 The independent panel released its draft report for the B2G project on 17 March 2021. The draft report identified issues with the project's flood

⁴¹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 25.

⁴² Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, p. 8.

⁴³ Ms Caroline Wilkie, Australasian Railway Association, *Committee Hansard*, 13 August 2020, pp. 8–9.

⁴⁴ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 16.

⁴⁵ Mr Drue Edwards, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 13 August 2020, pp. 23–24.

modelling; however, made clear that the identification of these issues was a normal part of the iterative process and that the issues identified by the panel would be progressively addressed.⁴⁶ The panel stressed that '[a]ll the identified issues are capable of resolution, either by adjustments to the models developed to date, or by modification to the design'.⁴⁷

5.32 The independent panel identified a number of issues relating to:

- the lack of detail in the technical report for the panel to meet its terms of reference;
- a lack of verification between previous alignment design stage reports and the flood modelling undertaken for the draft EIS;
- a lack of justification for flood level increases in order for the panel and the CG to 'assess whether the increase is acceptable given the nature of the increases and for the [CG] to impose conditions';
- a concern about the use of local and regional flood modelling, and that the 'impact determined in a local catchment was not presented in the draft EIS chapter/appendix on hydrology and flooding and that therefore the potential exists for an impacted landholder to not be aware that the Inland Rail will result in a flood impact on their land';⁴⁸
- a concern that there will be resistance to the adoption of amended models and larger waterway crossings based on the panel's comments and that the 'adoption of larger structures could be difficult depending on the arrangement for the delivery of the project', with a preference for 'additional flood modelling be completed as part of the draft EIS approval process in order that a clear direction and a viable reference design is provided for the detailed design phase';
- the model flows were deemed too low for a number of catchments (Nicol Creek, Back Creek, Pariagara Creek and Cattle Creek) 'resulting in

⁴⁶ The report identified key issues for each catchment under four importance categories, ranging from low importance to very high importance. In total, the report identified 18 issues with a very high importance classification and 54 issues with a high importance classification across the 13 catchments within the B2G project.

Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Border to Gowrie Section*, 17 March 2021, pp. 62–63, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 7 April 2021). Total figures of high and very high importance classification calculated by committee based on the report's individual assessments for B2G catchments.

⁴⁷ Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Border to Gowrie Section*, 17 March 2021, p. 59, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 7 April 2021).

⁴⁸ The report noted that '[f]ollowing the Panel's relaying of those concerns, impacts (levels and time of submergence), albeit without inflow, has been tabulated in the draft EIS'.

the underestimation of impacts and the potential under sizing of waterway openings or underestimation of impacts’, with potential concern for a flow bias between the North Condamine and Condamine Rivers ‘potentially affecting the sizing of waterway openings’;⁴⁹ and

- minor issues with the flood model setup for each regional flood model.⁵⁰

5.33 In response to the report’s findings, the ARTC reported that the panel had found its:

...work to be consistent with both national guidelines and current industry best practice, whilst recognising, as the ARTC fully expected and anticipated, that there are opportunities to improve on these practices as the project progresses into detailed design. All the opportunities for improvement identified will be carefully considered by ARTC.⁵¹

5.34 The ARTC added that the independent panel had indicated that it will prepare a supplementary Macintyre River floodplain report and that the ARTC would continue to provide data to assist the panel’s work.⁵²

5.35 The independent panel’s review did not delay the ARTC’s progress with the EIS process. The ARTC had already submitted its draft EIS for the B2G project with the CG in late 2019 (before the panel was established), with the EIS released for public comment from 23 January to 4 May 2021.⁵³ The committee was advised that the independent panel’s report and the ARTC’s responses will be considered formally by the CG as part of the EIS process and project approval.⁵⁴

Concerns of the Pampas, Brookstead and Pittsworth communities

5.36 Inland Rail will pass through the town of Pampas along the existing track starting at Yandilla and ending between Brookstead and Pittsworth. Many of the concerns expressed by the Pampas Progress Association relate to the environmental impacts of Inland Rail on the Pampas community: noise and vibrations caused by the trains moving through the town; disruption to the

⁴⁹ The panel added that ‘it is important to adopt flows that reasonably approximate the flow for each event being considered. This ensures the appropriate selection of drainage works and allows agreements to be reached with stakeholders/ landowners in relation to impacts’.

⁵⁰ Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Border to Gowrie Section*, 17 March 2021, pp. 59-62, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 7 April 2021).

⁵¹ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), p. 18.

⁵² ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), p. 18.

⁵³ ARTC, *Border to Gowrie project: Status*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/border-to-gowrie/status/> (accessed 7 April 2021).

⁵⁴ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), p. 18.

town's existing infrastructure (its community hall,⁵⁵ road transportation routes, school bus and firefighting services); flooding and erosion; and social impacts caused by the undue stress of the Inland Rail project and the lack of consultation with the community.⁵⁶

- 5.37 One of the major issues highlighted with the committee was the impact of Inland Rail on the flooding events within the town and the region. The Pampas community was severely impacted by the 2010–11 flooding events, with smaller flooding events happening once every ten years. With this understanding, the community is concerned that the level of the train tracks will exacerbate the severity of floods, along with fencing and other rail infrastructure catching debris and causing erosion.⁵⁷
- 5.38 The Pampas Progress Association called for the alignment to be moved to the edge of a forested area outside of the town, rather than the existing rail corridor through the town; however, the committee was advised that the ARTC had rejected this proposal.⁵⁸ The Association also called for independent investigations into the potential noise and vibrational issues based by the trains, into flooding and erosion and a Social Impact Assessment.⁵⁹
- 5.39 As for Brookstead and Pittsworth, the committee was advised that these communities would be severely impacted by noise, lighting and vibrations of the Inland Rail trains. The Toowoomba Regional Council called for improved transparency regarding route selection for these communities, and to consider shifting the route location 1 km to the north to 'significantly reduce these community impacts'.⁶⁰ Further issues raised by the Pittsworth District Landcare Association related to the impact of Inland Rail on the regions koala population and the inadequacy of the ARTC's data used to map local koala populations.⁶¹

Erosion

- 5.40 An additional concern for residents of the Condamine floodplain is the impact of rail infrastructure on erosion, due to the fragility of the soil in the region, known as smectite clay. This smectite clay from across the floodplain has a

⁵⁵ The Pampas Community Hall is located only 70 metres from the proposed Inland Rail track.

⁵⁶ Pampas Progress Association, *Submission 104*, p. 1; Mr Graeme Kelly, Pampas Progress Association, *Committee Hansard*, 29 January 2020, pp. 2–3; Mr Ross Harris, Pampas Progress Association, *Committee Hansard*, 29 January 2020, p. 2.

⁵⁷ Mr Graeme Kelly, Pampas Progress Association, *Committee Hansard*, 29 January 2020, pp. 4–5; Mr Ross Harris, Pampas Progress Association, *Committee Hansard*, 29 January 2020, pp. 4–5.

⁵⁸ Mr Graeme Kelly, Pampas Progress Association, *Committee Hansard*, 29 January 2020, p. 5.

⁵⁹ Pampas Progress Association, *Submission 104*, pp. 1–2.

⁶⁰ Toowoomba Regional Council, *Submission 79*, p. 2.

⁶¹ Pittsworth District Landcare Association, *Submission 210*, pp. 2–6.

high capacity to retain water and nutrients, as well as swell and contract based on moisture levels. For this reason, the area is prone to high rates of erosion. According to Dr Robert Loch, the high smectite clay content of the region makes it very unique by global standards and standard engineering guidelines are not suitable for the area. Dr Loch subsequently recommended that ‘any modelling or design really has to consider local parameters and local knowledge’. Dr Loch questioned the ARTC’s proficiency at predicting soil erodibility, believing that it has been underestimated.⁶²

- 5.41 The Darling Downs Soil Conservation Group (DDSCG) spoke of the failure of culverts on cracking clay flood plains that lead to ‘the development of massive channels downstream, sedimentation upstream, and...the destruction of the infrastructures that they are trying to protect’. In addition, erosion has adverse impacts on prime agricultural land found in the floodplain.⁶³ The reason for this damage is due to culverts concentrating and speeding up water flows. To address this issue, the DDSCG recommended flexibility in design structures that would enable movement as the soil shrinks and swells, and that the infrastructure should seek to spread the flows rather than concentrate them through culverts.⁶⁴

Wellcamp airport and the Cecil Plains corridor

- 5.42 Another possible factor that led to the decision of Inland Rail’s route alignment was to direct the route towards Wellcamp airport, which according to the Inner Downs Inland Rail Action Group and others was a product of lobbying by the owners of the airport. The committee heard that the base case route had looped around the township of Pittsworth and did not intersect with the airport; however, the three alternative routes proposed were designed to capitalise on the strategic potential of the Wellcamp-Charlton area.⁶⁵
- 5.43 An alternative route advocated by various stakeholders is via Cecil Plains. Dr Loch informed the committee that the ideal option for crossing the Condamine floodplain would be the corridor that travels west and north of Millmerran and up to the township of Cecil Plains that passes through ‘cypress pine and goanna country on sandstone and shallow, sandy soils’. This corridor would then cross a ‘somewhat narrower flood plain’ and connect with existing railway lines. Another option involved continuing from Inglewood south,

⁶² Dr Robert Loch, private capacity, *Committee Hansard*, 29 January 2020, p. 19.

⁶³ A concern also shared by the Millmerran Rail Group. See, Mr Wes Judd, Millmerran Rail Group, *Committee Hansard*, 29 January 2020, pp. 38–39.

⁶⁴ Mr Geoff Titmarsh, Darling Downs Soil Conservation Group, *Committee Hansard*, 29 January 2020, p. 20.

⁶⁵ Mr Neil Owen, Inner Downs Inland Rail Action Group, *Committee Hansard*, 30 December 2020, p. 44. Also see, Inner Downs Inland Rail Action Group, *Submission 43*; Ms Vicki Battaglia, *Submission 12*; Dr David Taylor, private capacity, *Committee Hansard*, 29 January 2020, p. 50–51.

'heading towards Warwick and then crossing the Condamine flood plain much further up...at a much narrower area'.⁶⁶

- 5.44 With regard to the Warwick route, the ARTC advised the committee that it would be expensive because the existing line would need to be replaced. It added that a further issue with the Warwick route is its impact on the 24-hour turnaround, as explained below:

...staying on the Warwick route was quite expensive, because while there is an existing line you basically have to tear it up and start over. It's nowhere near the asset standard that we're building to today. If I remember rightly, there was quite a bit of additional time, and that really is the major problem for us—time. We have to get from Melbourne to Brisbane to meet the customer demand in 24 hours or less, and we're flat up against it now, so adding that additional time is another huge disbenefit, as you could well appreciate.⁶⁷

- 5.45 In response to ongoing community concern about the B2G alignment, the Australian Government announced an independent assessment into the proposed Cecil Plains route against the proposed alignment 'to assess its ability to meet the business case requirements, such as transit time, reliability, cost competitiveness and availability'. The Department of Infrastructure stated that the purpose of the independent review was to 'reassure the community that all potential routes have been duly and thoroughly considered and the Australian government's significant investment in this nation-building infrastructure is well placed'.⁶⁸ The ARTC added that it would work closely with local residents as part of the review. Mr Wankmuller commented that the ARTC was:

... working very directly with the locals. I, personally, have been out to Millmerran—even through the situation we're in with COVID-19—and sat down in Pampas hall there with the Millmerran action group to go through some of their concerns as we progress this route analysis that the Deputy Prime Minister has asked us to look at. We've also talked to some members up in the Cecil Plains area, who are obviously also equally interested in the findings that could come out of that. We've talked with both the Millmerran action group as well as some of the individual members of that group, like DA Hall and the industry that they have there. They're a very large local employer, so we've been heavily engaged with them.⁶⁹

- 5.46 The review was completed in September 2020 and found the reference design route to be superior to the two alternatives considered (via Cecil Plains and

⁶⁶ Dr Robert Loch, private capacity, *Committee Hansard*, 29 January 2020, p. 24.

⁶⁷ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 22.

⁶⁸ Ms Kerryn Vine-Camp, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 13 August 2020, p. 15.

⁶⁹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 22.

Wellcamp, and via Cecil Plains and Kingsthorpe). Table 5.2 below details the differences in the service offering of Inland Rail for each proposal.

Table 5.2 Border to Gowrie route assessment

	Reference design route	Cecil Plains & Wellcamp	Cecil Plains & Kingsthorpe
Transit time	2:49:37	+00:19:12	+00:17:12
Reliability	98%	97%	97%
Additional cost	NA	+\$472.5m	+505.7m
Impacted residents	104	134	234
Impacted commercial premises	58	62	65
Impacted irrigated land	44.9ha	73.2ha	67ha

Source: Department of Infrastructure, Transport, Regional Development and Communications, available at: <https://www.inlandrail.gov.au/benefits/qld/Border-to-Gowrie-route-assessment> (accessed 24 March 2021).

5.47 With regard to concerns shared by stakeholders about the route selection process, the ARTC was of the view that thorough and transparent processes are in place. An important document that details the route selection process is the ARTC's *Inland Rail Route History 2006–2020* report that outlines the entire story of Inland Rail from 2006 through to the current alignment. The ARTC described the contents of this report and the long and well-documented history of developing Inland Rail's alignment:

It is worth studying it in detail because it has been an expansive, extensive process to come up with a route that's going to work for the industry, that maximises the amount of brownfields that we use and minimises greenfields where we can but that, at the end of the day, can deliver that [24-hour] service offering. That is what governed the report in 2010. In 2015, there was the establishment of the Inland Rail Implementation Group chaired by John Anderson, which we were a member of along with the states of Victoria, New South Wales and Queensland. That group did a review of that alignment and reaffirmed that alignment, with some minor changes, from 2010. And that report to government then recommended that alignment which is, effectively, in the 2015 economic business case. So confirming the alignment has been a process over a decade.

...

That's the story that has been around for a long time, and I think there are well-documented reasons why decisions were taken. Whether people like those decisions is another thing, but it's a well-documented process to

confirm that alignment, and we're now going through the final phase, which is to try and zero that down into a precise alignment—⁷⁰

5.48 The ARTC categorically denied that the alignment was influenced by political pressure,⁷¹ other than the order for Inland Rail to use the gazetted route defined by the Queensland Government.⁷²

5.49 In August 2020, the committee asked when construction of Inland Rail will commence in Queensland, and how the Australia Government's decision to fast-track the Inland Rail project would influence the project.⁷³ In response, the ARTC made clear that without acceleration of the project, significant construction would not commence until 2022–23. The Department of Infrastructure added that it was currently:

...looking at ways of making sure that we can align with government. We need three streams of activities to come together at one point. That's related to property acquisition, approvals and procurement of contractors and making sure that we have teams on board to deliver. We have set up mechanisms so that we can make the most of situations where we can have approval but still deal with community expectations. As soon as we have all our ducks in a row, so to speak, we can hit the ground.⁷⁴

Committee comment and recommendations

5.50 The B2G project highlights the disconnect between the ARTC and local communities. Whilst supportive of Inland Rail, these communities' experience of the major flooding events of 2010–11 has highlighted concerns that Inland Rail may exacerbate future flooding events. The committee's hearings, site visits and ongoing consultation with local stakeholders have highlighted the lived negative experience of communities in their engagement with the ARTC, and numerous concerns with the modelling used by the ARTC for the Inland Rail crossing of the Condamine floodplain.

5.51 The committee commends the work of those local community groups who have engaged a private consultant, at personal expense, to independently review the ARTC's modelling and substantiate the concerns of local residents, landholders and businesses. Had this project been managed differently, then the Australian Government would have integrated an independent panel from

⁷⁰ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 33.

⁷¹ Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 33.

⁷² Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, pp. 33–34.

⁷³ As part of JobMaker implementation in June 2020, the Prime Minister announced increased spending on infrastructure projects, including Inland Rail. See, <https://www.abc.net.au/news/rural/2020-06-16/inland-rail-fast-tracked-but-what-does-that-mean-for-inquiry/12359232> (accessed 10 August 2021).

⁷⁴ Mr Drue Jackson, Department of Infrastructure, Transport, Regional Development and Communications, *Committee Hansard*, 13 August 2020, p. 27

the outset to ensure the accuracy of flood modelling and floodplain reference design features.

- 5.52 The concern about the ARTC's flood and hydrology modelling has been validated and further fuelled by the independent panel's draft report that has identified a number of issues, many of which are highly significant. Whilst the independent panel stressed in its report that the identification of these issues was a 'normal part of the iterative process', it also questioned whether the ARTC would integrate the necessary changes into the flood modelling and reference design features. The committee's concern is validated by the independent panel also expressing concern for potential ARTC resistance to the adoption of amended models and larger waterway crossings based on the panel's findings. In addition, the committee is troubled by the independent panel's comment that some landholders may not be aware of their increased flood risk due to erroneous flood modelling.
- 5.53 A further concern held by the committee is whether the findings of the independent panel will be adequately integrated into the EIS processes and the final design of Inland Rail. The committee notes that the EIS process has continued in accordance with its own timeline, despite the establishment of an independent panel. The ARTC and Australian Government have sought to reassure the committee and local communities that the independent panel's findings will be integrated into the Inland Rail flood modelling and design. However, the committee questions the adequacy of this integration process given the independent panel's final reports are not due until the end of 2021. It is vital that flood modelling and the design of Inland Rail's crossing of floodplains accurately reflects the possibility of flood events and does not amplify the pre-existing risk factors already faced by communities, landholders and local businesses. To do this effectively, it is imperative that the ARTC integrates all recommendations made by the independent panel's findings into its floodplain modelling and projects' draft EIS, and to apply the panel's findings to all floodplain modelling undertaken across the Inland Rail project.

Recommendation 21

- 5.54 The committee recommends that the Australian Rail Track Corporation addresses all issues identified by the Queensland independent flood panel's findings and ensures all modelling and design issues identified are rectified as a matter of priority.**

Recommendation 22

- 5.55 The committee recommends any lessons learnt from the Queensland independent flood panel's findings are used to inform all floodplain modelling across the entire Inland Rail project.**

- 5.56 An additional concern is the inadequacy of the independent review into alternative route options via Cecil Plains. Whilst the committee acknowledges that Inland Rail's alignment has been thoroughly investigated over the years, the Australian Government's decision to conduct a further review appears to be largely guided by the underlying parameters of Inland Rail (particularly the 24-hour turnaround threshold), rather than addressing the primary concerns, which are to consider alternative and potentially more appropriate crossings of the Condamine floodplain to the benefit of all stakeholders.
- 5.57 As demonstrated in Chapter 2, the key parameters established by the Australian Government have severely limited the ARTC's capacity to investigate alternative Inland Rail alignments, which has rendered community consultation and the independent review into the B2G project largely meaningless.
- 5.58 The committee is of the view that the ARTC has not adequately considered the concerns of local residents regarding the chosen alignment and their proposed solutions. For this reason, the committee calls for the revised business case to direct the ARTC to take into account the concerns of local residents along the B2G project, including consideration of alternative routes to the west of Millmerran.
- 5.59 Finally, whilst the ARTC sought to reassure the committee that the proposed alignment for Inland Rail has been thoroughly studied and understood for over a decade, this position only reinforces the committee's primary concern about that fact that it remains unclear where Inland Rail will terminate in Brisbane.

Gowrie to Kagaru projects (Gowrie to Helidon, Helidon to Calvert and Calvert to Kagaru)

- 5.60 The three sections of Inland Rail, from Gowrie to Helidon (G2H), Helidon to Calvert (H2C) and Calvert to Kagaru (C2K) are some of the most technically challenging projects of Inland Rail, in part due to a 6.2km tunnel through the Toowoomba Range (the G2H project). These three projects follow two rail corridors gazetted by the Queensland Government, including the Gowrie to Grandchester rail corridor that was gazetted by Queensland Transport in 2003 as part of a study into a proposed high speed passenger rail.⁷⁵ The Gowrie to Grandchester corridor connects with Queensland's Southern Freight Rail Corridor from Calvert to Kagaru.⁷⁶
- 5.61 These three projects are to be delivered through a single Public-Private-Partnership (PPP) arrangement, which was announced in May 2017 by the Australian Government after a market testing process led by the Department of Finance in 2016–17 to determine the suitable delivery of the Inland Rail project.⁷⁷ On 10 November 2020, the ARTC announced its invitation to Capstone, G2K Connect and Regionerate Rail to enter a Request for Proposal (RFP) phase. The outcome of the RFP will determine which consortium will be awarded with the contract for the construction of 128km of Inland Rail between Gowrie and Kagaru. The ARTC announced that the RFP would allow the ARTC to 'leverage the considerable global engineering expertise required to deliver innovative design solutions and efficient construction methods for [the] technically challenging terrain'. The ARTC intends to award the contract in 2022.⁷⁸
- 5.62 The committee sought clarification on the potential cost of the tunnel for the G2H project, reportedly estimated to cost \$3 billion. The ARTC stated that the actual cost would not be determined until the RFP is complete, but recognised

⁷⁵ Technical consultants for the 2010 IRAS found the Gowrie to Grandchester corridor was suitable for the purposes of Inland Rail. In 2015, the IRIG adopted the gazetted Queensland Transport alignment as the recommended rail corridor through the Toowoomba and Little Liverpool Ranges, which was reconfirmed with some minor amendments in December 2020. See, ARTC, *Inland Rail Route History 2006–2020*, p. 98.

⁷⁶ The Southern Freight Rail Corridor (SFRC) was developed by the Queensland Department of Transport and Main Roads. This corridor was gazetted by the Queensland Government, and recommended for Inland Rail by the 2010 IRAS. The 2015 IRIG also recommended the SFRC for Inland Rail. As of December 2020, the SFRC remained the preferred alignment of the Queensland Government. See, ARTC, *Inland Rail Route History 2006–2020*, p. 99.

⁷⁷ ARTC, *Inland Rail Route History 2006–2020*, p. 97. Also see, Department of Finance, *Submission 118*, p. 3.

⁷⁸ ARTC, *Inland Rail Public Private Partnership one step closer*, available at: <https://inlandrail.artc.com.au/inland-rail-public-private-partnership-one-step-closer/> (accessed 3 February 2021).

that the cost would be substantial because of the tunnel presenting a ‘significant engineering challenge’.⁷⁹ Specific figures on the cost of these projects were not provided due to commercial sensitivities.⁸⁰

5.63 These projects have had the draft EIS submitted with the Queensland Coordinator-General for public comment and approval. The first was the C2K project that was open for public comment until 8 March 2021. The draft EIS identified key features for the alignment, consisting of 53km single-track dual-gauge freight rail line, a one kilometre tunnel through the Teviot Range, 27 bridges, four crossing loops and connection with the existing West Moreton and Interstate Railway lines.⁸¹ The H2C project’s draft EIS was made available for public comment between 31 March to 23 June 2021.⁸² The draft EIS for G2H was released for public comment and submission on 2 August 2021, and is open until 25 October 2021. All projects have been declared ‘coordinated projects’, a decision supported by some local governments.⁸³

Key matters

5.64 During the January 2020 public hearing in Brisbane, the committee heard about a range of matters from local government and business groups along the Gowrie to Kagaru alignment. These groups raised key concerns with the committee, ranging from Inland Rail’s impact on a potential passenger rail network between Toowoomba and Brisbane, environmental issues (including flooding and the loss of agricultural land⁸⁴), the impact of the PPP and questions regarding the benefits of Inland Rail for communities directly impacted by Inland Rail.

Passenger rail network between Toowoomba and Brisbane

⁷⁹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 20.

⁸⁰ See Chapter 2 for further information about the cost of Inland Rail.

⁸¹ Department of State Development, Infrastructure, Local Government and Planning, *Inland Rail – Calvert to Kagaru*, available at: <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/inland-rail-calvert-to-kagaru> (accessed 3 February 2021).

⁸² Department of State Development, Infrastructure, Local Government and Planning, *Inland Rail – Helidon to Calvert*, available at: <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/inland-rail-helidon-to-calvert> (accessed 6 April 2021); Department of State Development, Infrastructure, Local Government and Planning, *Inland Rail – Gowrie to Helidon*, available at: <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/inland-rail-gowrie-to-helidon> (accessed 30 June 2021).

⁸³ Logan City Council, *Submission 18*, p. 2.

⁸⁴ Concerns for the impact of Inland Rail on agricultural lands were shared by Mr Tim Durre and Mr Jeffrey Hannaford. See, *Committee Hansard*, 29 January 2020, pp. 52–53.

5.65 A key matter for the local councils adjacent to the Gowrie to Kagaru projects is ensuring the Inland Rail development takes into consideration the regions need to 'futureproof' its infrastructure by ensuring the Inland Rail corridor is designed to accommodate a passenger rail network.⁸⁵ The Council of Mayors South East Queensland summarised its position to the committee concerning the future-proofing issue:

There's no point putting tunnels through and finding out in 10 years' time that we should have done them a bit bigger or allowed ventilation to allow passenger trains through. Our region—and we acknowledge this in our work on the city deal—by 2041 will be what the Sydney region is today. There we already see the passenger transport out to the Blue Mountains. Similarly, as to Toowoomba, it would be foolish of all of us to think of this region and not consider that, because the Blue Mountains is now a part of Sydney and has strong transport links—though I dare say they have come at great expense to the state government there, to put through existing corridors. We have an opportunity here to future-proof our region, because we know those numbers are pretty accurate. Again, we're looking at what Sydney is today and knowing that we're going to be that. We should put those provisions in now.⁸⁶

5.66 As previously noted, the proposed alignment for Inland Rail through the region is along a gazetted Queensland Government alignment originally envisioned for a passenger rail network.⁸⁷ The Lockyer Valley Regional Council, which encompasses the G2H and H2C projects, emphasised the importance of a future passenger network connecting the region to Brisbane. The Council's representative expressed concern that the ARTC was developing the Gowrie to Grandchester alignment as a freight only railway corridor, despite the Queensland Government requiring the ARTC to make a provision for a future passenger rail network.⁸⁸ The concern was later rebuked by the ARTC, which suggested the alignment had future-proofed for both freight and any future passenger services:

What we have done is future-proof the asset. Even though we're designing it and intending to use it for freight, we future-proofed it. The major difference is the size of tunnels to allow egress and access in case of accident, and there's ventilation in tunnels so that human beings can get in and out of tunnels if they need to. We've designed our tunnels to meet

⁸⁵ Mr Scott Smith, Council of Mayors South East Queensland, *Committee Hansard*, 30 January 2020, p. 54. Also see, Council of Mayors South East Queensland, *Submission 156*, pp. 1–2.

⁸⁶ Mr Scott Smith, Council of Mayors South East Queensland, *Committee Hansard*, 30 January 2020, p. 59.

⁸⁷ Mr Stephen Hart, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, p. 55. Also see, ARTC, *Inland Rail Route History 2006–2020*, p. 99.

⁸⁸ Lockyer Valley Regional Council, *Submission 148*, p. 4.

those standards in case there's future usage for passenger rail beyond the freight originally intended.⁸⁹

- 5.67 The Department of Infrastructure reconfirmed this commitment, stating that the Australian and Queensland governments had jointly undertaken a passenger rail business case between Toowoomba and Brisbane, with the Australian Government committing \$15 million to the business case development.⁹⁰

Benefits to local communities and compensation

- 5.68 More broadly, various local councils impacted by Inland Rail questioned whether their communities would benefit from Inland Rail, and if no net benefit was to be gained, whether some form of compensation would be provided. For the Lockyer Valley Shire Council, there were clearly held views about the negative consequences of Inland Rail, but the benefits had 'been difficult to identify'.⁹¹ The Council called for a fund to compensate 'those communities that will be so heavily impacted by the project'.⁹²
- 5.69 Individual businesses and property owners also spoke of compensation. The Ivory's Rock Foundation is seeking \$50 million to relocate buildings located near the alignment, and a further \$5 million for sound mitigation measures.⁹³ Local residents indicated that people not being compensated unless the track impacted on the property, and that those residents' located just metres away from the line would receive no compensation. For those residents with impacted properties, the committee heard that the ARTC had not disclosed the

⁸⁹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 13 August 2020, p. 25.

⁹⁰ Department of Infrastructure, Transport, Regional Development and Communications, Budget Estimates 2020–21, 19 October 2020 (answer number 128).

⁹¹ Lockyer Valley Regional Council, *Submission 148*, p. 5.

This point was also shared by Mr Kevin Loveday, who explained the history of rail use in the region and its progressive decline in favour of moving goods from the region via truck. The regions proximity to Brisbane (only 200 to 250km) meant the 'economics of double handling of freight' onto and off Inland Rail, 'together with short-haul rail in between' does not make sense. Mr Loveday questioned the value add of Inland Rail for grain, cotton and cattle, and spoke of the only real economic advantage being those businesses associated with its construction, which is transient.

See, Mr Kevin Loveday, private capacity, *Committee Hansard*, 29 January 2020, p. 52.

⁹² Mr Stephen Hart, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, pp. 55–56; Mr Ian Church, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, p. 56.

⁹³ A sound mitigation wall of 3.5 metres high along the length of the alignment near Ivory's Rock Foundation's property was discussed during the hearing, with concern for the height of the Inland Rail corridor once finished. Dr Matthew Turnour and Ms Janice McGregor, Ivory's Rock Foundation, *Committee Hansard*, 29 January 2020, pp. 27, 29.

number of houses which could potentially be ‘ruined or made uninhabitable’ by Inland Rail.⁹⁴

5.70 The committee heard of the importance of ensuring local suppliers were considered for tenders along the Gowrie to Kagaru alignment, and that local communities were in a position to leverage opportunities presented by Inland Rail. This point was highlighted by the Toowoomba Chamber of Commerce, which emphasised the importance of small businesses having access to these substantial infrastructure projects.⁹⁵ Witnesses and submitters also spoke about the value in accessing funds under the Inland Rail Interface Improvement Program, as a means to identifying business and employment opportunities for the local community, as well as utilising industrial lands for Inland Rail’s operations.⁹⁶

5.71 On 9 March 2021, the ARTC reported on its ongoing work to ensure local businesses are engaged with the development of the Gowrie to Kagaru projects. It stated that Queensland would be the ‘largest beneficiary of Inland Rail with 11,800 jobs created from construction and a \$7.8 billion boost in Queensland Gross State Product’. The ARTC added that the successful contractor under the PPP would be required to support local businesses, which extended beyond its construction of Inland Rail, with:

... opportunities with Inland Rail in administration, technical jobs and support services such as transportation drivers, electricians, traffic control, steel fixing, environmental and rehabilitation work, signage, security and hospitality and accommodation providers too.⁹⁷

5.72 To support local businesses with understanding opportunities to supply Inland Rail, the ARTC established the Business Capability Development Program. This program is designed to provide local and Indigenous small to medium enterprises and social enterprises adjacent to Inland Rail with ‘access

⁹⁴ Mr Gordon Van Der Est, private capacity, p. 46–47; Ms Vicki Battaglia, private capacity, pp. 49–50; *Committee Hansard*, 29 January 2020.

⁹⁵ Ms Joy Mingay, Toowoomba Chamber of Commerce, *Committee Hansard*, 30 January 2020, p. 54. Also see Mr Michael Brady, Toowoomba Regional Council, *Committee Hansard*, 30 January 2020, p. 57.

⁹⁶ For example, the Lockyer Valley Regional Council referenced a Major Enterprise and Industry Area in Gatton as a potential site for Inland Rail construction and operation. Lockyer Valley Regional Council, *Submission 148*, p. 5; Mr Stephen Hart, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, p. 55; Toowoomba Regional Council, *Submission 79*, p. 1.

⁹⁷ ARTC, *Businesses meet with Inland Rail proponents on Qld PPP section*, 9 March 2021, available at: <https://inlandrail.artc.com.au/businesses-meet-with-inland-rail-proponents-on-qld-ppp-section/> (accessed 7 April 2021).

to workshops, presentations and mentoring support aimed at improving their understanding of how to supply to Inland Rail'.⁹⁸

Environmental issues and flooding

- 5.73 It was submitted to the committee that Inland Rail would cause a number of adverse environmental impacts for the communities adjacent to the proposed alignment. Possible environmental impacts included noise, vibrations, dust, and visual issues caused by the passing of trains through the region, along with the loss of agricultural land, adverse impacts on urban infrastructure and the potential for increased risk of flooding.⁹⁹
- 5.74 A key point made by the Lockyer Valley Regional Council was the interconnection between the upgrades facilitated by Inland Rail, such as the replacement of a rail bridge and how this upgrade then impacts on adjacent road infrastructure. The Council was of the view that as a result of discussions about this issue, the ARTC was not taking any responsibility for subsequent infrastructure upgrades needed as a consequence of Inland Rail. The Council argued that it 'would be fair and reasonable if we could at least access some sort of funding to assist...with the infrastructure costs'.¹⁰⁰
- 5.75 The Toowoomba Regional Council expressed concern for Inland Rail's impact on the Gowrie Junction, a major growth area of the city, and asserted there was inadequate consideration of planned infrastructure works in the area beyond the next decade. The committee heard that the Inland Rail's design horizon 'is only 10 years on impacted infrastructure' meaning the project only needs to consider the next 10 years of development in region.¹⁰¹ The Council also made reference to Inland Rail severing a key north/south roadway connecting the communities north of Toowoomba (Gowrie, Meringandan and Highfields).¹⁰²
- 5.76 In addition, flooding remains a significant concern for the region, with the existing rail line said to have exacerbated the 2011 and 2013 flooding in some areas.¹⁰³ The Council advised the committee that the ARTC assured the

⁹⁸ Support includes information on how to prepare a business capability statement, to create a business profile to register interest in supply opportunities, improve tendering, understanding Health, Safety and Environment requirements, and effectively manage contracts.

ARTC, *Supplier Support*, <https://inlandrail.artc.com.au/opportunities/suppliers/supplier-support/> (accessed 30 June 2021).

⁹⁹ Mr Stephen Hart and Mr Ian Church, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, pp. 55-56.

¹⁰⁰ Mr Ian Church, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, p. 62.

¹⁰¹ Mr Michael Brady, Toowoomba Regional Council, *Committee Hansard*, 30 January 2020, p. 57.

¹⁰² Toowoomba Regional Council, *Submission 79*, p. 3.

¹⁰³ Also referenced by: Mr Gordon Van Der Est, private capacity, *Committee Hansard*, 29 January 2020, p. 47;

community that further detailed flood modelling would be conducted in addition to the modelling done as part of the reference design phase. However, there was a concern that the detailed modelling would be conducted under the PPP arrangement and subsequently limit the input and transparency of future flood modelling work.¹⁰⁴

- 5.77 The independent panel released its draft review of the ARTC's flood modelling for the C2K and H2C projects in February and May 2021 respectively.¹⁰⁵ Similar to the independent panel's B2G report, these reviews found issues with the project's flood modelling; however, again made clear that the identification of these issues was a normal part of the iterative process and that the issues identified by the panel would be progressively addressed. In both reports, the panel 'stressed that all the identified issues are capable of resolution, either by adjustments to the models developed to date, or by modification to the design'.¹⁰⁶ Issues identified in the reports were similar to those identified in B2G report.¹⁰⁷
- 5.78 In addition to flooding, the committee heard of potential adverse environmental impacts caused by Inland Rail, such as sound. The Ivory's

¹⁰⁴ Mr Stephen Hart, Lockyer Valley Regional Council, *Committee Hansard*, 30 January 2020, p. 55.

¹⁰⁵ Reports available at: Queensland Government, *Independent panel of experts for flood studies in Queensland*, <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 29 June 2021).

¹⁰⁶ Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Calvert to Kagaru Section*, 18 February 2021, p.1, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 7 April 2021); Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Helidon to Calvert Section*, 12 May 2021, p. 1, available at: <https://www.tmr.qld.gov.au/media/projects/i/inland-rail/inland-rail-independent-panel-h2c-draft-report-may-2021-v1.pdf> (accessed 29 June 2021).

¹⁰⁷ For the Calvert to Kagaru report, the panel identified issues with the amount of detail in the EIS reports, the lack of justification for flood level increases, the exclusion of some local catchments within the draft EIS with concerns that some impacted landholders were not aware of Inland Rail increasing the flood risk on their land, and a concern that there will be resistance to amend flood models for the final design and an underestimation of modelled flow (for the Bremer River and Purga Creek).

Similar issues were identified in the Helidon to Calvert report with its review of the Lockyer Creek and Western Creek model reviews.

For further information see: Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Calvert to Kagaru Section*, 18 February 2021, pp. 54–57, available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland> (accessed 7 April 2021); Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland, *Draft Report on Review of Helidon to Calvert Section*, 12 May 2021, pp. 49–51, available at: <https://www.tmr.qld.gov.au/media/projects/i/inland-rail/inland-rail-independent-panel-h2c-draft-report-may-2021-v1.pdf> (accessed 29 June 2021).

Rock Foundation¹⁰⁸ informed the committee that the proposed alignment will expose the festival and conference site to increased noise, but the ARTC had not included them in any 'discussion on design changes that could help to mitigate noise'.¹⁰⁹ The lack of meaningful support had resulted in a general feeling of resignation that local communities were collateral damage to the project. Ivory's Rock representatives suggested that:

The impacts are clearly available in the maps provided to you, including the latest data from ARTC themselves on the noise levels at different locations on the site. There is no potential for compensation, and there have been no visits from senior ARTC staff. There has been nothing offered to date to alleviate the impacts. We realise that the EIS is still to come out, so we don't know what is in that.

There has been, until the Senate hearing was announced, a sense of resignation that there was nothing very much we could do or that the community could do about the impacts of this rail. It appears to me that, and this is personal, the national benefits of the Inland Rail—which I have no issue with; it's a national project and good for the nation—seem to come at the cost of the local communities. We seem to be unavoidable collateral damage, and that's what's happened to the conference centre.¹¹⁰

5.79 When asked how the ARTC manages its sound mitigation processes, the committee was advised that issues regarding sound are managed through the EIS preparation process to determine 'the likely noise impacts on those approximate to the line'. Regarding Ivory's Rock, the ARTC explained that it was one of those landholders relatively close to the line and being considered under this process. The ARTC added that the current phase of the project hindered its ability to provide a detailed assessment of the sound mitigation strategies and acknowledged this limitation had caused frustration for landholders. Ms Rebecca Pickering of the ARTC informed the committee that:

As we continue to evolve the design and get into the detailed design phase, we will start to get a clearer view of exact noise levels because it's a function of not only proximity but the design of the track and many other factors. Once we have refined, we'll do the noise assessments and determine where we need to put mitigations in—as John described, noise walls—and other factors. Then we can collaborate as appropriate with the community about the types of mitigations that may be appropriate. But at the moment we acknowledge that there is some frustration. We're not

¹⁰⁸ The Ivory's Rock Foundation is responsible for a 600-hectare conference and live music property, which contributes approximately \$4 to \$5 million to the local economy of Ipswich and the Peak Crossing community each year.

¹⁰⁹ Dr Jeffrey Johnson-Abdelmalik and Ms Janice McGregor, Ivory's Rock Foundation, *Committee Hansard*, 29 January 2020, pp. 25–26.

¹¹⁰ Ms Janice McGregor, Ivory's Rock Foundation, *Committee Hansard*, 29 January 2020, p. 26.

quite at the stage where we have enough data to make definitive answers to some of the questions.¹¹¹

- 5.80 However, in a clarifying statement provided by Ivory's Rock, the committee was told that Ivory's Rock had been told that its property did not meet the minimum threshold set by the ARTC to be eligible for noise walls.¹¹² In response, the ARTC referenced Queensland's regulatory requirements as the reason it was not obliged to provide additional mitigation:

...we have state regulation criteria that we have to meet. There is a certain level it will require, to make sure that it gets down to that level...we have determined that we are down to that level, the state requirement, and therefore we aren't obligated under state regulations to provide additional mitigation. Whether we do or not is something that we can talk about, but under the state regulations we have met the state requirements.¹¹³

- 5.81 In August 2020, a further update provided by the ARTC confirmed that it had met with Ivory's Rock representatives and that it had commenced a series of noise studies in its preparation for the EIS. Once the project has moved into the detailed design phase, the ARTC would 'then determine the level of any mitigation that would be required to bring noise levels at the venue within the standards'.¹¹⁴

Transparency and the PPP

- 5.82 The Lockyer Valley Regional Council put forward strong reservations regarding the delivery of Inland Rail through a PPP. In addition to its concern about the transparency of future flood modelling, the Council is concerned that PPP bidders will seek to deliver inferior infrastructure in order to minimise their costs and deliver 'value for money'. In its submission, the Council remarked that while this approach could lead to innovative design, it could also:

... potentially lead to significant community impact. One concern is the trade off between cost and quality that may arise with a private sector entity that only intends to operate the infrastructure for a limited time while the infrastructure may be expected to provide service for 100 years. This also translates potentially into the delivery of substandard road transport infrastructure to be managed and maintained by local governments long into the future.¹¹⁵

- 5.83 The Council argued that without appropriate local government oversight of the projects there was significant risk of 'substantial negative impacts on the

¹¹¹ Ms Rebecca Pickering, ARTC, *Committee Hansard*, 30 January 2020, pp. 21–22.

¹¹² Ms Janice McGregor, Ivory's Rock Foundation, *Committee Hansard*, 30 January 2020, p. 22.

¹¹³ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 22.

¹¹⁴ Ms Rebecca Pickering, ARTC, *Committee Hansard*, 13 August 2020, p. 28.

¹¹⁵ Lockyer Valley Regional Council, *Submission 148*, p. 3.

community and direct cost to local governments'. Although the Council recognised the ARTC's work to minimise the impacts of Inland Rail through the concept design phase, it remained concerned that the unknown impacts of Inland Rail would not be revealed until the 'detailed design phase undertaken by the successful consortium', and by that stage the Council will have limited influence of design outcomes.¹¹⁶

- 5.84 This concern is in addition to those detailed in Chapter 2, relating to the PPP model used by the Australian Government and the lack of transparency associated with the actual cost of the projects subject to the PPP.¹¹⁷

Committee comment and recommendations

Passenger rail network

- 5.85 An unavoidable consequence of major infrastructure projects like Inland Rail is its impact on some communities and landholders. For this reason, it is imperative that those impacted are adequately consulted and their concerns mitigated where possible, and with payment of appropriate compensation to ensure there is a collective benefit gained by the project. For this collective benefit to be realised for the communities along the Gowrie to Kagaru projects, Inland Rail must facilitate the necessary infrastructure to support a passenger rail network. This infrastructure will provide a substantial social and economic advantage for local communities and garner the necessary social licence of the Inland Rail project.
- 5.86 The committee is cognisant that any passenger network must operate alongside Inland Rail. As demonstrated by the Kagaru to Acacia Ridge and Bromelton project, the movement of freight by rail is severely hindered when sharing a rail corridor with a passenger network. Any future rail pathway between Toowoomba and Brisbane must be designed to ensure that seamless movement of freight without delay is maintained.
- 5.87 The committee is supportive of the Australian and Queensland governments developing a business case for a passenger rail network alongside Inland Rail. The committee will remain engaged with the development of this business case and ensure the intention to future-proof this alignment is maintained. To foster ongoing transparency and community understanding of the status of the passenger network and how the network will operate alongside Inland Rail's freight network, the committee calls for the release of the business case upon its completion.

¹¹⁶ Lockyer Valley Regional Council, *Submission 148*, p. 3.

¹¹⁷ See Chapter 2.

Recommendation 23

5.88 The committee recommends the Australian and Queensland governments publicly release, upon its completion, the business case study into a future passenger rail pathway between Toowoomba and the Brisbane rail network.

Local economy and compensation

5.89 The benefit of Inland Rail will be further understood with the commencement of its construction and the subsequent growth in jobs and business opportunities for local communities. Inland Rail's contribution to the local economies along the alignment will generate broader economic growth for Queensland.

5.90 The committee is supportive of the ARTC's efforts to engage local businesses and its commitment to job creation in Queensland. A key to this success is ensuring the local community, businesses and governments are well informed of future opportunities. The committee understands the ARTC's Business Capability Development Program fulfils this function, and calls for ongoing engagement through this program. The committee is supportive of measures to ensure the PPP is negotiated with a requirement for local suppliers to be utilised throughout Inland Rail's construction.

Recommendation 24

5.91 The committee recommends the Department of Infrastructure, Transport, Regional Development and Communications ensures a requirement is applied to the Public-Private-Partnership agreement that local suppliers, when practicable, are utilised throughout Inland Rail's construction.

Local infrastructure

5.92 Similar to the issues faced by residents in Acacia Ridge, those communities along the Gowrie to Kagaru section of the Inland Rail alignment have a shared concern about the impact of Inland Rail on local infrastructure. The committee reiterates recommendation 9, that calls for the Australian and Queensland governments to conduct an audit of existing road infrastructure at Acacia Ridge and other intermodal terminal locations in south east Queensland to determine the region's capacity to support additional truck movements generated by the completion of Inland Rail.

Environmental and flooding concerns

5.93 An additional concern is the adequacy of the ARTC's environmental mitigation efforts for some landholders. Whilst the ARTC advised that it is not obliged to address environmental issues (such as noise) that do not exceed Queensland regulations, it is imperative that the ARTC ensures mitigation efforts are to a high standard and meet community expectations. The committee is sympathetic to stakeholders' concerns that a PPP arrangement

will reduce transparency and the quality of mitigation measures, and for this reason, encourages the ARTC to ensure public engagement efforts are maintained and improved under any PPP. The committee reiterates that accountability and transparency will be further enhanced by the Rural and Regional Affairs and Transport Legislation Committee's ongoing oversight of the Inland Rail project.

- 5.94 Similar to the B2G project, the committee holds serious concerns about the findings of the independent panel's draft report into the C2K project. The findings of this report are similar to those found in the B2G project, and for this reason, the committee reiterates the importance and expectation that the ARTC will integrate these findings into its flood modelling and the projects' draft EIS.

Chapter 6

Inland Rail alignment and key concerns - NSW & Victoria

- 6.1 This chapter focuses on key Inland Rail projects in NSW and Victoria, largely the Narrabri to North Star and Narromine to Narrabri projects in NSW and key matters raised about parts of the Victorian project (Tottenham to Albury).¹
- 6.2 The Tottenham to North Star corridor consists of seven separate projects— six in NSW and one in Victoria (being Tottenham to Albury). The corridor starts at metropolitan Melbourne (proposed locations being Truganina and/or Beveridge) and along the existing North East Rail Line to the NSW border town of Albury. From Albury, Inland Rail then travels through western NSW to the northern NSW town of North Star. The Parkes to Narromine project along this corridor was the first section of Inland Rail to be operational, commencing in September 2020, with phase 1 of Narrabri to North Star commencing its construction phase in November 2020.²
- 6.3 Of the six projects in NSW, four are brownfield projects, and two greenfield. All the projects, except for Narromine to Narrabri were largely determined by the 2010 Inland Rail Alignment Study (IRAS) and adopted by the 2015 Inland Rail Implementation Group (IRIG). These projects were agreed to by the NSW Government on 4 May 2018.³ The Victorian project is a brownfield track enhancement, agreed to by the Victorian Government on 16 March 2018. Table 6.1 outlines the status of the Inland Rail projects within Victoria and NSW.

¹ This chapter is not reflective of all issues raised during the inquiry across Inland Rail’s projects in NSW. The committee also heard from a number of individual farmers who spoke of their concerns for projects between Illabo and Parkes. See, *Committee Hansard*, 19 November 2020, pp. 41–59.

² ARTC, *Projects*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/> (accessed 26 May 2021)

³ The bilateral agreement was informed by the NSW Government’s Freight and Ports Plan 2018–2023.

ARTC, *Melbourne to Brisbane Inland Rail Route history 2006–2019*, p. 41. Also see NSW Government’s submission to the NSW Parliament’s inquiry into Inland Rail project and regional NSW. Available at: <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2638#tab-submissions> (accessed 26 May 2021).

Table 6.1 Project status, February 2021

Project	Length	Type	Details	Status
Tottenham to Albury	305km	Brownfield	Track enhancement	Stage 1 – reference design Stage 2 – temporarily on hold
Albury to Illabo	185km	Brownfield	Track enhancement	Reference design; preparing draft EIS for exhibition
Illabo to Stockinbingal	37km	Greenfield	New track to bypass local townships	Reference design; preparing draft EIS for exhibition ⁴
Stockinbingal to Parkes	170.3km	Brownfield	Track enhancements	Reference and detailed design
Parkes to Narromine	98.4km & 5.3 km	Brownfield & greenfield	Track enhancements & new track	Operational September 2020
Narromine to Narrabri	306km	Greenfield	New track	Reference design; draft EIS under review
Narrabri to North Star	184.5 km & 1.7km	Brownfield & greenfield	Track enhancement (phase 1) & new track (phase 2)	Construction commenced phase 1; reference design phase 2 & preparing

⁴ This project is also a controlled action under the *Environmental Protection and Biodiversity Conservation Act 1999*. The project will be assessed under the bilateral agreement between the Australian and NSW governments. See, NSW Department of Planning, Industry and Environment, *Inland Rail – Illabo to Stockinbingal*, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10216> (accessed 11 February 2021).

				draft EIS for exhibition
North Star to Border	39km	Greenfield (14km) & brownfield (25km)	New track across Macintyre River and existing track upgrade	Reference design; draft EIS under review

Source: ARTC, *Projects*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/> (accessed 11 February 2021 and *Inland Rail, Inland Rail Route history 2006–2020*, p. 41.

North Star to NSW/Queensland border project

- 6.4 The alignment of Inland Rail through the region of North Star to the NSW/Queensland border (NS2B) has been under review since the 2010 IRAS, with the crossing of the Macintyre floodplain being a major consideration and determining factor throughout.⁵ In February 2017, the Australian Government announced a study area of Inland Rail that used an existing non-operational rail line from North Star to Boggabilla, with a shorter greenfield section crossing the Macintyre River into Queensland and connecting with the Queensland Rail South Western Line. This announcement established a widened 7km study area crossing the Macintyre River (see Figure 6.1), with further refinement during an MCA workshop in May 2017.⁶
- 6.5 Throughout 2018–19, Inland Rail continued its reference design phase for the NS2B project, with additional technical work, environmental studies and community consultation. A central element of this work had been determining an appropriate rail crossing of the Macintyre River. In November 2018, the ARTC completed its initial flood modelling of the Macintyre River floodplain and progressed the design of structures required for this crossing. In addition, further investigation was initiated as part of this work, with six proposed route options under further study. The route titled West Option D st1D was ultimately chosen as the preferred alignment (see Figure 6.1).⁷

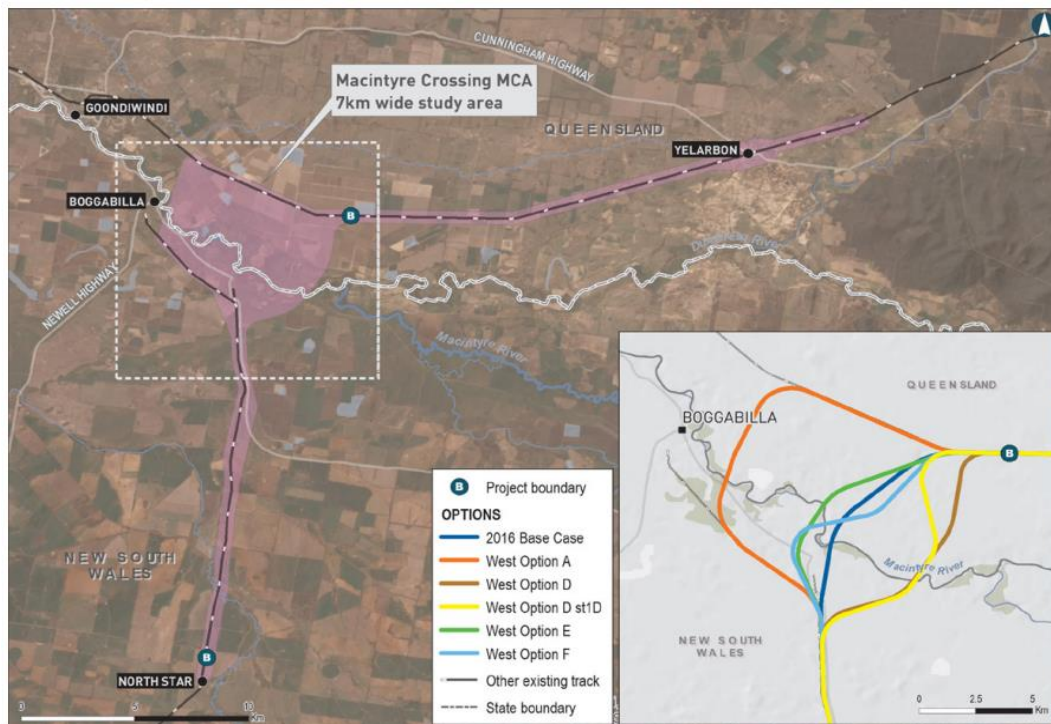
⁵ The 2010 IRAS examined two potential routes from North Star to the Border. The first route (known as the eastern option) is a greenfield alignment from North Star towards Yelarbon, which crosses the Macintyre River into Queensland and connects with the existing Queensland Rail South Western Line east of Yelarbon. The second route, (known as the western option) uses the existing non-operational rail line from North Star to Boggabilla, with a shorter greenfield section crossing the Macintyre River into Queensland and connecting with the Queensland Rail South Western Line. The 2010 IRAS concluded that the first option was preferred. See, ARTC, *Inland Rail Route History 2006–2020*, p. 78.

⁶ ARTC, *Inland Rail Route History 2006–2020*, pp. 78–79.

⁷ ARTC, *Inland Rail Route History 2006–2020*, p. 82; NSW Government, *Inland Rail – North Star to NSW Queensland Border: State Significant Infrastructure*, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10221> (accessed

- 6.6 In 2019, the ARTC commenced 'intensive engagement with local stakeholders to address concerns about the crossing of the Macintyre floodplain'. The ARTC also engaged 'local flood specialists' in order to further refine the 'Macintyre flood model including taking into account new LiDAR data and reviewing costings for alternative crossing points'.⁸

Figure 6.1 Macintyre Crossing MCA study area, North Star to Border



Source: ARTC, *Inland Rail Route History, 2006–2020*, p. 82.

- 6.7 The ARTC submitted its draft Environmental Impact Statement (EIS) for the NS2B project in August 2020 for public exhibition. According to the ARTC's draft EIS, the proposed location of the route starts 900m north of North Star and follows the existing, non-operational Boggabilla rail line for approximately 25km towards the town of Whalan Creek. Inland rail will connect with a 5km section of greenfield rail corridor towards the NSW/Queensland border that crosses the Macintyre River.⁹ The general width of the rail corridor is 40m.¹⁰

25 November 2020); Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 7.

⁸ ARTC, *Inland Rail Route History 2006–2020*, p. 82.

⁹ For additional information about the route alignment see: ARTC, *North Star to NSW/Queensland Border Environmental Impact Statement*, Chapter 4: Site Description, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120200819T054004.262%20GMT> (accessed 25 November 2020), paras. 4.3–4.5.

¹⁰ Other specific features of the NS2B alignment include: one crossing loop (designed to accommodate trains up to 1800m long); eleven new bridge, including a 1.8km viaduct over the Macintyre River and Whalan Creek that passes through both NSW and Queensland; work on

The ARTC's preferred alignment for phase 2 feasibility design is below, extracted from the ARTC's NS2B draft EIS document.¹¹

Figure 6.2 Inland Rail, EIS preferred alignment—Macintyre River crossing, North Star to Border



6.8 Source: ARTC, *North Star to NSW/Queensland Border Environment Impact Statement*, p. 3.

- 6.9 In November 2020, the NSW Government requested the ARTC to respond to submissions made by stakeholders of the NS2B project as part of the EIS process.¹² On 10 December 2020, the NSW Department of Planning, Industry and Environment (Department of Planning) issued correspondence to the ARTC concerning its preferred infrastructure report,¹³ requesting the ARTC

new and existing level crossings; earthworks, drainage works and road works; and ancillary infrastructure (including signalling and communications, signage, fencing and utilities). See, ARTC, *North Star to NSW/Queensland Border Environment Impact Statement*, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120200824T220609.152%20GMT> (accessed 25 November 2020), pp. 1–2.

¹¹ ARTC, *North Star to NSW/Queensland Border Environment Impact Statement*, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120200824T220609.152%20GMT> (accessed 25 November 2020), p. 3.

¹² NSW Government, *Inland Rail – North Star to NSW Queensland Border: State Significant Infrastructure*, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10221> (accessed 25 November 2020).

¹³ A report included as part of the ARTC's draft EIS.

reassess the hydrology and flooding impacts of the project and proposed mitigation measures.¹⁴ This correspondence is further discussed below.

Key matter — floodplain crossing and the alignment

6.10 For the NS2B project the primary concern of local residents related to the proposed alignment and its crossing of the Macintyre River. This concern was largely held by the residents of Goondiwindi, a town situated upriver from the proposed crossing. These local residents suggested that the ARTC's flood modelling was flawed and therefore likely to subject the region to more severe floods. These residents argued that a more appropriate alignment exists and for a more thorough review of the potential alignment to be conducted. The region's concern about flooding stems from a 2011 flood event, which according to the Goondiwindi Regional Council is 'entrenched in the minds of locals'. This flood event meant 'Goondiwindi was faced with the very real potential of levee banks overflowing for the first time in history' and being evacuated.¹⁵ The Council spoke of a collective dismay at the proposed location of Inland Rail when it was of the view that more appropriate alternatives exist:

...it is unbelievable that the decision was originally made to put a national rail freight corridor through the middle of one of Australia's largest flood plains when alternatives exist. This decision was made in direct contrast to all the consultation that took place during the assessment period. I myself have lived in Goondiwindi since 1978, and I have not spoken to one man, woman or child that believes this to be the correct decision.¹⁶

6.11 The committee heard of a number of concerns about the weightings and flood modelling used by the ARTC to determine Inland Rail's alignment through the Macintyre floodplain. The Goondiwindi Regional Council and local landholders argued that the original modelling used by the ARTC, based on 1976 flood mapping, was a fatal flaw in the assessment process and asked why this map was used to make the original alignment recommendation to government.¹⁷ The Council informed the committee that it had raised this concern with the ARTC on a number of occasions, yet the Council maintained that the modelling remained incorrect despite ARTC's insistence that it was

¹⁴ NSW Government, *Inland Rail – North Star to NSW Queensland Border: State Significant Infrastructure*, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10221> (accessed 6 April 2021).

¹⁵ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2.

¹⁶ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 1.

¹⁷ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, pp. 1, 3–4; Mr Richard Doyle, Mr Ian Uebergang, Mr Robert Mackay and Mr Andrew Mackay, *Submission 6*, p. 1.

listening to local communities. Mr Dion Jones of the Goondiwindi Regional Council remarked to the committee that:

The flood plain is still not correct. Even their 1976 calibration that they're using now still has levee banks on it that weren't there. We pointed this out to them on numerous occasions, but the information they're using just still isn't correct.¹⁸

6.12 One estimate, provided by Mr Richard Doyle, was that the ARTC flood modelling was underestimated by half a million megalitres a day:

Our estimated peak flow volumes in this part of it, right at the junction of the rivers, from what we can gather from previous reporting in the 1976 flood event, are that it could be anything up to one million megalitres a day flowing through here at peak flow. It's a huge flood plain. The ARTC's initial indications with their first modelling were that it would be about half a million megalitres a day, so we've been chipping away, with them saying that you are way underestimating the amount of water that's coming through here.¹⁹

6.13 The committee heard that five of the seven landholders along the proposed NS2B alignment were participants in the NSW Farmers Association (NSW Farmers) and Country Women's Association (CWA) of NSW's legal counsel process. Their legal counsel, Mr Peter Holt, explained that landholders in that area expressed concern about 'route selection, flooding and hydrology, noise and vibration and the impact on their land, principally access and impact on their houses and livelihoods'. Consultations had led to these landholders jointly funding a desktop analysis of the EIS documentation, 'not because they oppose the project but because they want to see a better project'. The outcome of this desktop analysis was detailed by Mr Holt, who explained that:

...the results were surprising in the sense that both the economist and the flood plain engineer that we engaged both identified that the work done to date in the context of that EIS for North Star to border was poor and needed to be redone...I did not expect to get that kind of review of material that was out on public exhibition.

In terms of what we're talking about in a practical sense, from a hydrology perspective we found that the modelling that was used to justify the design of the rail line across the Macintyre River was entirely inadequate and didn't reflect the lived experiences of the landholders. Again we're talking about human experience. We're talking three and four generations of farmers. They've been here. They were there for the 1976 flood. They were there for the 2006 flood. They are told that, based on ARTC modelling, which shows a very different impact on their properties, this is the result of the consequence of this rail line. They just don't believe that, and their concerns were borne out by the analysis that our flood plain engineer did of the modelling that was made publicly available by the

¹⁸ Mr Dion Jones, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 4.

¹⁹ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 35.

ARTC. Again, we're talking about a time limitation and a cost limitation, so we're not in a capacity to go deep into the model and really understand it. We just look at the headline issues and we have experts peer review the material, and then they give us their advice, and that forms the basis of the objection.²⁰

6.14 A local resident, Mr Doyle indicated that the multi-criteria assessment (MCA) for the region did not give sufficient importance to flooding and hydrology, and therefore the flood assessment was 'completely irrelevant in alignment selection'.²¹ This inadequate consideration only heightened the community's concerns about the ARTC's decision-making processes, which 'failed to properly consider the impacts from flooding of each of the possible alignments under consideration'. To further exacerbate the community's concerns, the ARTC only released the MCA after 12-months of lobbying by local residents.²²

6.15 Of the route options considered by the ARTC, the community supported option A (see Figure 6.1) and did not consider any of the other alternatives as viable. For this reason it came as a surprise to the community when the ARTC announced option D1 as the preferred alignment. The reasons for this preference was detailed by the Goondiwindi Regional Council, which said that:

... option A offers a better potential crossing place of the Macintyre River. All landholders on both sides of the border in the corridor of option A are supportive of Inland Rail, in contrast to the D1 option, which makes compensation a minor problem. While agriculture only addresses nine per cent of the total base case for the Inland Rail project, there will be a major economic benefit to the town of Goondiwindi by coming closer to the major supply centre. At the same time there would also be a major saving of feeder lines that would be required if the corridor presented by inland rail were to work. This is essential.²³

6.16 Similarly, local landholders expressed their preference for option A. Mr Doyle on behalf of other landholders conveyed their anxiety about the D1 option proposed by the ARTC, with concerns voiced about the impact of construction of the D1 alignment:

Alternative option A offers a far less risky alternative because it crosses the Whalan Creek flood plain first, a lot further south than the river, and it then proceeds further on to the river and crosses from a high bank on the

²⁰ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 23.

²¹ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 32; Mr Richard Doyle et al, *Submission 6*, p. 2.

²² Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, pp. 3–4.

²³ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2.

southern side of the river in an area where the river is largely contained within its banks in times of major flooding.²⁴

- 6.17 The Goondiwindi Shire Council emphasised that the crossing of the floodplain must be done with an elevated bridge to avoid any ‘obstructions, such as earth mounds or viaducts that may cause any amount of restriction, diversion or increased flood flows or levels’. Whilst calling for an elevated bridge, the Council also recognised the cost to be unviable.²⁵ The Council highlighted that the ARTC placed a lot of emphasis on the overall route’s 24-hour timeline to justify the proposed route. This rationale was questioned by the Council and Goondiwindi residents. Mr Doyle was of the view the ARTC had ‘drawn a line on the map’ and rather than address local objections, ‘spent the last three years defending that decision’.²⁶ Local landholders argued that the ARTC had an ‘almost religious zeal to stay on the preferred alignment’ and that the ‘business case is the driving force behind every decision’; specifically, the under 24-hour journey time between Brisbane and Melbourne.²⁷
- 6.18 Whilst Goondiwindi Shire Council expressed concern about the ARTC’s management of the Macintyre River crossing, the Moree Plains Shire Council expressed appreciation of the ARTC’s efforts to ‘address community concerns over issues such as flooding’, recognising that it was ‘a very divisive matter, in particular for the border river communities’.²⁸
- 6.19 The committee discussed the crossing of the Macintyre floodplain with the ARTC. During its January 2020 appearance, Inland Rail CEO Mr Richard Wankmuller stated that he was ‘most concerned about the Macintyre because of the velocity of flows in that area’ and emphasised their first and primary responsibility was public safety. A particular concern was for the town of Goondiwindi, and for this reason, the ARTC was in the process of reviewing its flood modelling and ‘[i]f we find that there is a public safety issue with the option that we’re on, we’ll move to the other option’.²⁹
- 6.20 To consider the community’s concern about the impact of Inland Rail on flooding, the ARTC’s draft EIS proposal included a 1.8km long viaduct that crosses Whalan Creek, Tucka Tucka Road and the Macintyre River. The original design of the viaduct was ‘three separate structures; however, an

²⁴ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 31.

²⁵ Councillor Graeme Scheu, Goondiwindi Regional Council, *Committee Hansard*, 29 January 2020, p. 2.

²⁶ Mr Richard Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 32.

²⁷ Mr Andrew Mackay and Mr Robert Doyle, private capacity, *Committee Hansard*, 29 January 2020, p. 36.

²⁸ Mr Angus Witherby, Moree Plains Shire Council, *Committee Hansard*, 19 November 2020, p. 8.

²⁹ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, pp. 18–19.

iterative flood assessment of the design, along with a systems approach to maintaining operational speeds and grades, has resulted in a single viaduct structure that minimises upstream flooding impacts'.³⁰ The draft EIS also details an in-depth comparative analysis between alignments A and D1. The conclusion from this analysis validated proposed alignment D1 because it reduced environmental impacts, minimised structures within the Macintyre floodplain, improved safety outcomes due to a reduced number of road-rail interfaces and maintained 'opportunities to connect with regional transport and freight hubs in northern NSW'.³¹

- 6.21 On 10 December 2020 the Department of Planning issued correspondence to the ARTC regarding its flood modelling. The letter stated that the Department of Planning had reviewed the draft EIS and had sought further expert flooding and hydrology advice. The correspondence outlined concerns with the ARTC's modelling to determine the hydrology and flooding impacts of the project, and observed that:

There is a significant difference between the 1% AEP presented as the basis for assessment and mitigation in the EIS, compared to the large design flood that the Border Rivers Valley Floodplain Management Plan (BRVFMP) establishes as its basis for assessment. The Department notes your ongoing participation in the Hydrology Working Group to resolve flooding and hydrology issues. The Department considers that the BRVFMP's large design flood (based on the 1976 flood event) ensures consistency in assessing impacts of structures on the floodplain.³²

- 6.22 The Department of Planning subsequently requested that, in addition to the ARTC's responses to submissions, that the ARTC completed a number of tasks, including a reassessment of the hydrology and flooding impacts of the projects as presented in the EIS, and a reconsideration of the proposed mitigation measures to address the hydrology and flooding impacts identified in the EIS.³³

³⁰ ARTC, *North Star to NSW/Queensland Border Environmental Impact Statement*, Chapter 2: Alternatives and Proposal Options, p. 3.19, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120200819T054003.878%20GMT> (accessed 25 November 2020).

³¹ Further details available at: ARTC, *North Star to NSW/Queensland Border Environmental Impact Statement*, Chapter 2: Alternatives and Proposal Options, pp. 3.12–3.14, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120200819T054003.878%20GMT> (accessed 25 November 2020).

³² Department of Planning, Industry and Environment, *Inland Rail North Star to NSW/Qld Border – Preferred Infrastructure Report*, 10 December 2020, p. 1, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120201210T024442.000%20GMT> (accessed 13 April 2021).

³³ Department of Planning, Industry and Environment, *Inland Rail North Star to NSW/Qld Border – Preferred Infrastructure Report*, 10 December 2020, p. 1, available at:

- 6.23 The ARTC informed the committee that its flood model was subject to further sensitivity testing on the 'flood flow, velocity and factors other than just afflux' in relation to the historic 1976 flood event in the area. The data gained from the 1976 flood event was provided to the Department of Planning in March 2021 and no further concerns had been raised. The ARTC assured the committee that it 'has adopted the same approach to detailed flood modelling and analysis across all projects, and hence no impact is envisaged on other projects that cross floodplains'.³⁴
- 6.24 When asked whether an independent review of the flood modelling was required for NSW in a similar manner to the independent panel established in Queensland, the ARTC responded that it was not needed because this requirement was already 'part of the NSW project assessment and approvals process'. However, when reflecting upon the independent panel's findings for the Border to Gowrie project in Queensland, the ARTC noted '[t]he Panel has also indicated it will prepare a supplementary Macintyre River floodplain report. ARTC is continuing provide data to support the Panel in its work'.³⁵
- 6.25 Mr Holt went on to highlight broader concerns with the ARTC's findings, such as homesteads missed and not properly assessed for noise and vibration disturbances, and an overall concern 'that the material that was on public exhibition was inadequate for an assessment of this kind'. Mr Holt concluded that the NS2B project could not continue in its current form and would result in:
- ...either a revised project or, alternatively, if it is conditioned, we're talking about it being conditioned in such a way that there'll be considerable time and energy in redoing things in order to bring them up to standards.³⁶
- 6.26 Mr Holt expressed a similar concern for the Narromine to Narrabri (N2N) project and for the Inland Rail project as a whole, stating that 'given a project of this size, there are a number of project fundamentals that are missing'. He reflected that there was a widely held view by landholders that the primary cause of these issues was the underlying key parameters of Inland Rail — 'keep the cost below \$10 billion, keep the travel time to less than 24 hours and keep construction time below five years'. A further speculative parameter suggested by Mr Holt was for the ARTC to 'make sure that [Inland Rail was] always building some part of the project, somewhere along the alignment, over those

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9371%2120201210T024442.000%20GMT> (accessed 13 April 2021).

³⁴ For full explanation and details provided to the committee, see: ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), pp. 16–17.

³⁵ ARTC, answers to written questions on notice, 1 April 2021 (received 20 April 2021), pp. 18–19.

³⁶ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 24.

five years'. In Mr Holt's view, these parameters are arbitrary and are a limitation imposed upon the ARTC's capacity to reconsider the proposed alignment, and he contended that:

... unless the government is prepared to give ARTC permission to change those parameters, they will continue to press ahead based on the project in its current formulation. What that means for the landholders on the ground is that the ARTC doesn't have the time, the money or the capacity to respond in a meaningful way to those issues that are raised and to change the project design to give effect to the changes that are required. We run the risk of a project where the wider, intangible benefits don't arise but the real, concrete impacts—afflux, inundation, noise, vibration, delays on level crossings—are borne by landowners, now and into the future.³⁷

6.27 On 30 June 2021, the Department of Planning publicly released the NS2B Response to Submission Report, Biodiversity Development Assessment Report and Preferred Infrastructure Report. These reports are part of the project's assessment phase, and are followed by recommendations and a final determination on the project.³⁸

Narromine to Narrabri project

6.28 The N2N project is Inland Rail's longest greenfield project, extending 300km from outside Narromine, to Curban, past Mt Tenandra, moving through the Pilliga Forest and ending at Narrabri.³⁹

6.29 The IRAS and IRIG were the two primary studies that informed the proposed alignment, with further consultation and analysis occurring in 2016. The work conducted from mid-2016 looked at various deviation options against the 2016 concept alignment, and narrowed the proposed corridor through broader community consultation. This consultation process identified a community preference for Inland Rail to travel along the existing Dubbo-Coonamble line⁴⁰ and broad support for the route to travel through the Pilliga Forest. The 2016 review was supportive of the alignment to be moved to the Pilliga State Forest because it 'reduced impact on private landholders and saved both time (6—12 minutes) and money (\$83 million)'. However, the ARTC concluded that the

³⁷ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 24.

³⁸ NSW Government, *Inland Rail – North Star to NSW/Queensland Border*, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10221> (accessed 5 July 2021).

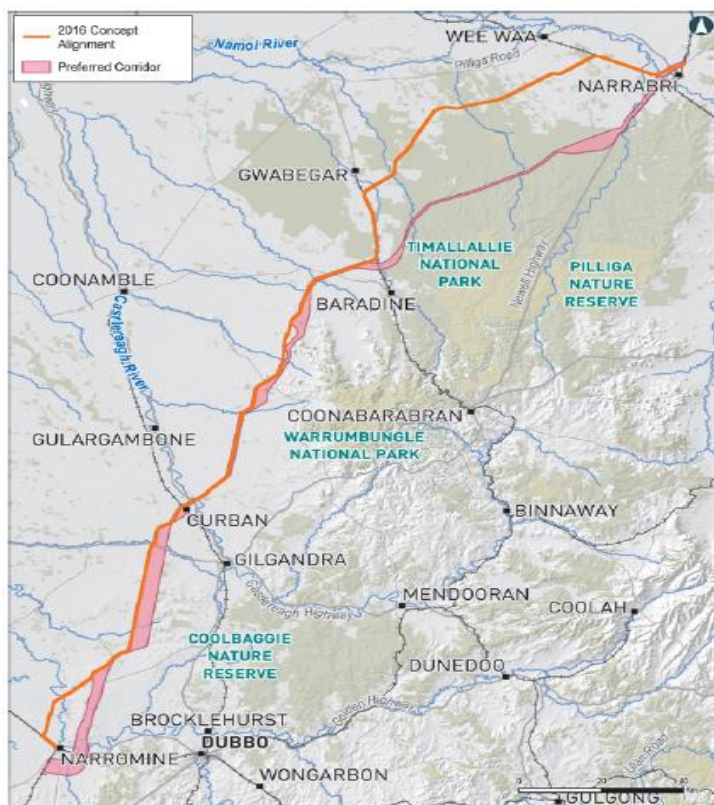
³⁹ For a detailed map of the route, go to: ARTC, *Narromine to Narrabri detailed project map*, available at: <https://inlandrail.artc.com.au/narromine-to-narrabri-detailed-project-map/> (accessed 14 December 2020).

⁴⁰ The Dubbo-Coonamble line travels from Dubbo, through Brocklehurst, Gilgandra, Curban, Gulargambone and ends at Coonamble. The deviation option investigation area then looked at possible alignment options through the region between Coonamble and south of Gwabegar, and onwards to Narrabri.

alternative route options (such as the existing Dubbo-Coonamble line) added significant time and/or cost to the Inland Rail project.⁴¹

- 6.30 On 30 November 2017, the Australian Government announced the N2N study area (see Figure 6.3) that included the eastern option around Narromine and through the Pilliga Forest. The eastern option around Narromine is 1.02km and 24 seconds longer than the 2016 Concept alignment's western option, but was preferred due to the land possessing favourable geotechnical conditions, a saving of approximately \$12.2 million in earthworks (compared to the western option), and access to higher ground. Therefore reducing flooding risks and requiring fewer private level crossings.⁴² The ARTC's preferred corridor is demonstrated by the 2017 N2N study area in Figure 6.3, with the preferred corridor's scope extending from 2km wide and as narrow as 500m, with an expanded study area of up to 5km for the areas south and east of Narromine.⁴³

Figure 6.3 Narromine to Narrabri, Study area 2017



Source: *Melbourne to Brisbane Inland Rail Route history 2006–2019*, p. 73.

⁴¹ ARTC, *Inland Rail Route History 2006–2020*, p. 60. For a more detailed analysis of the ARTC's consideration of alternative routes, go to: ARTC, *Inland Rail Route History 2006–2020*, pp. 63–75. These overviews of the ARTC's consideration of various sections of Inland Rail reveal how and why the 2017 study area was determined as the preferred alignment, with route option analysis for Narromine to Curban, Curban to Coonamble and Gwabegar/Baradine to Narrabri.

⁴² ARTC, *Inland Rail Route History 2006–2020*, p. 61.

⁴³ ARTC, *Inland Rail Route History 2006–2020*, p. 73.

6.31 The 2017 study area informed the draft N2N EIS that was lodged with the Department of Planning for public exhibition from 8 December 2020 to 7 February 2021. As of February 2021, the Department of Planning was collating submissions from stakeholders in the project.⁴⁴ The ARTC's draft EIS details the key design and construction features, the timing of the construction and anticipated operation of the N2N project within Inland Rail.⁴⁵

Key matters

6.32 Similar to the NS2B project, the committee concerns regarding the proposed alignment for Inland Rail, particularly the use of a greenfield alignment rather than the existing Dubbo-Coonamble line. This concern fed into farmers' distress regarding land access agreements with the ARTC.

6.33 The N2N alignment also crosses known floodplains, with various stakeholders questioning the flood modelling used by the ARTC and expressed concern for an increased flooding risk posed by Inland Rail. For this reason, farmer groups called for government funding to conduct an independent review of the ARTC's modelling, which was denied by the Australian Government. These farming groups ultimately raised their own funds to facilitate the review.

Alignment

6.34 Similar to other Inland Rail projects, questions have been asked about the rationale and suitability of the preferred N2N alignment, with some witnesses and submitters arguing a more suitable route was available along the existing Dubbo-Coonamble rail corridor.⁴⁶ This argument was made by the Coonamble Shire Council, which explained the existing corridor bypasses hills and waterways, and travels through farmland accustomed to train travel. The Council's Mayor Ahmad Karanouh added that the Coonamble route would

⁴⁴ ARTC, Environmental Impact Statement progress, available at: <https://inlandrail.artc.com.au/environmental-impact-statement-progress/> (accessed 14 December 2020); NSW Department of Planning, Industry and Environment, Inland Rail – Narromine to Narrabri, available at: <https://www.planningportal.nsw.gov.au/major-projects/project/10211> (accessed 11 February 2021).

⁴⁵ ARTC, *Inland Rail – Narromine to Narrabri: Environmental Impact Statement*, 30 November 2020, pp. 2–5, available at: <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSI-9487%2120201201T051956.566%20GMT> (accessed 16 December 2020).

⁴⁶ See for example: Mrs Shane Kilby, Dubbo Branch – NSW Farmers Association, *Committee Hansard*, 19 November 2020, 16; Mrs Karen McBurnie, Central West Inland Rail Realignment Group, *Committee Hansard*, 19 November 2020, p. 47; Ms Wanda Galley, Central West Inland Rail Realignment Group, *Committee Hansard*, 19 November 2020, p. 49; Mr Alan Channell, *Submission 13*, p. 4; Mr Andrew Knop, *Submission 31*, p. 7; Mr and Mrs Doug and Karen Wilson, *Submission 66*, p. 2; Dubbo Branch – NSW Farmers Association, *Submission 69*, p. 3; Mr Rod Peart, *Submission 115*, p. 1; Ms Margaret Peart, *Submission 116*, p. 1; Mrs Barbara Deans, *Submission 145*, p. 2; Ms Jennifer Knop, *Submission 196*, p. 5.

also capitalise on agri-businesses operating in the area, with access to agricultural products stored in silos along the corridor, providing valuable employment opportunities for the local community.⁴⁷

- 6.35 The Coonamble Shire Council told the committee that the ARTC's objection to the Coonamble route was due to it being 15-minutes longer than the proposed concept alignment, and subsequently not meeting the 24-hour Melbourne to Brisbane travel time threshold.⁴⁸
- 6.36 The committee received evidence from the Gilgandra Shire Council putting forward the concerns of landholders about the process used to determine the Inland Rail's alignment. Whilst not taking a position on the preferred alignment, the Council was critical of the time it has taken to progress to the detailed design phase, as that has 'caused considerable uncertainty for people at a time when drought has had a severe impact on all aspects of their lives'.⁴⁹
- 6.37 Landholders of the region also expressed their concerns about the alignment, particularly those landholders subject to land acquisitions.⁵⁰ The Dubbo Branch of the NSW Farmers Association informed the committee that landholders in the Burroway-to-Curban area would be significantly disrupted by the dismantling of their farmland along the present alignment, with a huge sacrifice to their businesses.⁵¹ Its member, Mr David McBurnie shared his view that the needs of farming businesses in the region were being ignored, whilst the needs of businesses based in Melbourne and Brisbane were being prioritised. He spoke of Inland Rail adversely impacting the movement of sheep on his farm and the increased potential for mismothered lambs.⁵²
- 6.38 When asked whether disenfranchised landholders were a minority, the Dubbo Branch of NSW Farmers responded that they were a fairly big majority and that the local council was glossing over their concerns due the financial benefits provided by federal and state governments.⁵³ A similar critique of local governments was made by NSW Farmers, which contended that local

⁴⁷ Mayor Ahmad Karanouh, Coonamble Shire Council, *Committee Hansard*, 19 November 2020, p. 2. Also see, Mrs Barbara Deans, private capacity, *Committee Hansard*, 19 November 2020, pp. 41–42.

⁴⁸ Mayor Ahmad Karanouh, Coonamble Shire Council, *Committee Hansard*, 19 November 2020, p. 2.

⁴⁹ Gilgandra Shire Council, *Submission 64*, pp. 1–2.

⁵⁰ For a thorough timeline and critique of the process that determined the N2N project's alignment, see: Mrs Wanda Galley, *Submission 212*.

⁵¹ Mrs Shane Kilby, Dubbo Branch—NSW Famers Association, *Committee Hansard*, 19 November 2020, p. 14.

⁵² Potentially costing his business \$40,000. See, Mr David McBurnie, Dubbo Branch—NSW Famers Association, *Committee Hansard*, 19 November 2020, p. 15.

⁵³ Mr David McBurnie, Dubbo Branch—NSW Famers Association, *Committee Hansard*, 19 November 2020, p. 16.

governments were not listening to their ratepayers. This point was shared by the CWA which suggested that:⁵⁴

... some local councils today, that have sought to downplay the concerns of the communities as being held by a minority, are frankly [inaudible] and are contributing to the further community concerns that we, as the largest rural based advocacy group in New South Wales, know are alive and well.⁵⁵

6.39 The NSW Farmers added that the ARTC had not provided sufficient evidence to justify why the N2N alignment did not use the existing Dubbo-Coonamble line.⁵⁶ In its submission to the NSW Department of Planning, NSW Farmers and the CWA contended that ‘no robust economic analysis has been undertaken’ for the Dubbo-Coonamble line, and that the strict time parameters of Inland Rail have prevented the ARTC from considered alternative routes, ‘even if the resultant benefits could, in a cost/benefit sense, offset any additional travel time’.⁵⁷ The submission listed the benefits of the Dubbo-Coonamble line, compared to the disadvantages of the ARTC’s proposed alignment. These benefits included:

- a reduction in the amount of land needed to be acquired by Inland Rail, reducing the impact on the number of farms in the region;
- use of existing infrastructure in Coonamble (large depots, silos, storage facilities), whereas similar infrastructure in Curban has been decommissioned;
- reduction in flooding and hydrology issues due to the alignment travelling along the Castlereagh River, rather than crossing at Curban; and
- utilising a line already earmarked for significant upgrade works as part of the Country Lines Improvement Program, thus reducing the cost of Inland Rail.⁵⁸

6.40 Conversely, the disadvantages specified by the ARTC about the Dubbo-Coonamble line and objected to by NSW Farmers and the CWA included that:

⁵⁴ Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 18.

⁵⁵ Ms Danica Leys, Country Women’s Association of NSW, *Committee Hansard*, 19 November 2020, p. 21.

⁵⁶ Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 27.

⁵⁷ NSW Farmers and the Country Women’s Association of NSW, ‘Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri’, p. 14, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁵⁸ NSW Farmers and the Country Women’s Association of NSW, ‘Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri’, p. 14, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

- the Dubbo-Coonamble line option is said to be longer and according to the ARTC would jeopardise the 24-hour business case benchmark;
- the ARTC claim the proposed alignment is relatively flood-free; however, submitters questioned the accuracy of flooding and hydrology modelling; and,
- the ARTC claim the Dubbo-Coonamble line is longer, more costly with a longer travel time, and thus the line harms Inland Rail's service offering; however, submitters pointed out that 'no economic analysis has been undertaken or disclosed which would support this conclusion'.⁵⁹

6.41 NSW Farmers and the CWA concluded that a 'greater use of the existing Dubbo to Coonamble rail line presents an opportunity to provide tangible benefits to this regional community, with few disadvantages'.⁶⁰

6.42 Their submission raised concerns with the ARTC's preference for the rail corridor being located immediately west of Narrabri, with local residents arguing that it is 'inappropriate and results in unacceptable environmental impacts'.⁶¹ NSW Farmers and the CWA called for the alignment to be located a further 10km away from Narrabri, resulting in a reduced flooding risk, cost benefits, improved travel time, reduced noise and improved opportunities for connectivity to intermodal hubs.⁶²

⁵⁹ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 14–15, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁶⁰ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 14–15, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁶¹ The committee also received objections to Inland Rail's corridor to the east of Narromine. Mr Andrew Knop was of the view that the ARTC had determined to move the corridor from the west to the east of Narromine without consultation. His statement to the committee, which raises a number of concerns with the modelling used by the ARTC to justify the eastern alignment, highlighted that the western route reduced the alignment's exposure to flooding and would utilise an existing track before crossing the floodplain. Ms Jennifer Knop added that the proposed alignment would prevent a planned subdivision for the future expansion of the Narromine community.

Mr Andrew Knop, private capacity, *Committee Hansard*, 19 November 2020, pp. 43–45. See, Mr Andrew Knop, *Submission 31* (including attachments and supplementary submissions); Ms Jennifer Knop, private capacity, *Committee Hansard*, 19 November 2020, pp. 45–46. Also see, Ms Jennifer Knop, *Submission 196*.

⁶² NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 15–16, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

6.43 The concern about an increased flooding risk was later reinforced by the findings of an independent review of the flood modelling by WRM Water and Environment on behalf of local landholders. The review found a significant increase in the number of properties in Narromine exposed to flooding due to Inland Rail's crossing of the Macquarie River:⁶³

The proposed rail is located directly across the overflow path from the Macquarie River that directs floodwater around Narromine during rare flood events. The change in the distribution in flow due to the proposed rail would increase above floor flooding to 605 dwellings in Narromine for the 1% AEP plus climate change event and 2,520 dwellings for the 0.2% AEP event. Additional viaduct or an alternative rail location would be required to mitigate the impacts at Narromine.⁶⁴

6.44 The ARTC analysed the Coonamble proposal made by NSW Farmers. It found the route added 24 minutes to Inland Rail's transit time, and 39 kilometres in distance relative to the approved 2017 alignment. The ARTC anticipated the additional cost to be \$56 million in construction.⁶⁵

Land access agreements

6.45 The committee also heard concern for the ARTC's access to land along the proposed alignment. For NSW, the ARTC had developed the *NSW Agreed Principles of Land Access* in conjunction with, and publicly endorsed by, NSW Farmers in 2018. However, despite the existence of these principles, concerns about land access arrangements and the agreement remain.⁶⁶

6.46 NSW Farmers was critical of the ARTC's decision to commence one-on-one consultations with landholders in February 2018.⁶⁷ They instead advocated for the ARTC to defer the process 'until such time as more data justifying the selection of the preferred route was in the public domain'. The organisation added that the consultation process commenced prior to the land access agreement being finalised and evidence suggested the ARTC had failed to use the land access agreement in negotiations with landholders.⁶⁸

⁶³ Discussed further in other chapters of the report.

⁶⁴ WRM Water and Environment, *Independent Review of Flood Modelling: Narromine to Narrabri Inland Rail Project*, 19 February 2021, pp. 15–16.

⁶⁵ Further analysis found the additional 39km would produce an overall economic disbenefit of approximately \$450 million relative to the 2017 Inland Rail alignment over an evaluation period to 2080 (at a four per cent discount rate), with a benefit cost ratio of -8.2. For further information see, ARTC, *Inland Rail Route History 2006–2020*, pp. 71, 103, 105.

⁶⁶ In January 2020, the ARTC advised the committee that it had 870 agreements made with landholders along the proposed alignment. See, Mr John Fullerton, ARTC, *Committee Hansard*, 30 January 2020, p. 13 and Mr Richard Wankmuller, ARTC, *Committee Hansard*, 30 January 2020, p. 19.

⁶⁷ Starting at Narromine and continuing northwards for a period of three months.

⁶⁸ NSW Farmers Association, *Submission 67*, p. 5.

- 6.47 Concerning the land access agreement itself, NSW Farmers argued that it was not sufficiently comprehensive, with no clear guidance on landholders' right of appeal, compensation arrangements or other conditions relating to third parties accessing properties.⁶⁹ For this reason, NSW Farmers' Executive Council in 2018 called for a further agreement with the ARTC to establish 'general terms of a land access agreement' that 'can be entered into by affected landholders'.⁷⁰
- 6.48 NSW Farmers added that overall, the ARTC demonstrated a lax process concerning land access, biosecurity, safety, privacy and confidentiality. Its members reported that ARTC and its associates were entering properties without advanced warning, with reports of confidential arrangements and negotiations being disclosed to landholders and other stakeholders.⁷¹ These concerns were shared by the CWA, which called for funding to be made available for an independent expert to consult with stakeholders and 'establish a best-practice land access agreement template for landholders'.⁷²
- 6.49 In response to concerns about land access agreements, Inland Rail's CEO, Mr Richard Wankmuller, spoke of his personal frustration with a NSW Farmers' directive for landholders to cease communicating with the ARTC due to their objection to land access agreements. He reiterated that the ARTC was committed to providing additional information requested, and that the ARTC's land access agreement had been negotiated with and supported by NSW Farmers. Further, the ARTC had offered to fund a consultant embedded within NSW Farmers to act as a conduit between its members and the Inland Rail project. This offer was not taken up by NSW Farmers. Overall, Mr Wankmuller said he was 'willing to personally engage, because [he] would like the relationship to improve and get [NSW Farmers] the information they seek'.⁷³

Flooding, hydrology and water resources

- 6.50 Similar to other flood prone regions, the committee was advised of local apprehensions about Inland Rail's crossing of the region's floodplain, which consists of three major water catchments,⁷⁴ 44 watercourses and other

⁶⁹ NSW Farmers Association, *Submission 67*, p. 5.

⁷⁰ NSW Farmers Association, *Submission 67*, p. 12.

⁷¹ NSW Farmers' Association, *Submission 67*, p. 10.

⁷² The CWA made reference to pre-existing agreements between landholders and the mining sector that were facilitated by the then NSW Land and Water Commissioner. Country Women's Association of NSW, *Submission 81*, p. 6.

⁷³ Mr Richard Wankmuller, ARTC, *Committee Hansard*, 19 November 2020, pp. 32-33.

⁷⁴ The Macquarie-Bogan River, the Castlereagh River and the Namoi River. NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 6–7, available at:

intermittent tributaries. Of specific concern are the areas west of the Warrumbungle Mountains (Warrumbungles Watershed) and east of Narromine (Webb's Siding or Backwater Cowal).⁷⁵ The committee received numerous arguments as to why train infrastructure in that region is unsuitable and that the existing Dubbo-Coonamble line is a more appropriate option.⁷⁶

- 6.51 Landholders' concerns regarding flooding and Inland Rail were raised by NSW Farmers and the CWA, with presentations made to the ARTC requesting access to the flood and hydrology modelling. NSW Farmers informed the committee that on two occasions the modelling had not been provided, nor did the ARTC provide the NSW Farmers with a reason why not.⁷⁷ This response ultimately led to community calls for an independent review of the hydrological modelling, driven by landholders wanting the ARTC to be held accountable for the flood and hydrology models used to inform the draft EIS.⁷⁸
- 6.52 Local landholders were initially unable to commence their own independent review of flood modelling for the N2N project, largely due to project's size and the substantive cost of conducting an independent review of the 300km greenfield project. Mr Peter Holt, reflecting on the benefits of the landholders' independent review of the NS2B project, explained why a similar review was needed for the N2N project:

Ultimately, we're talking about compensation claims for farmers who are suffering due to their property going underwater for longer than it otherwise would. We're talking about real impacts. It's better to sort that out now, before the project is approved and before the reference design is finalised. In a practical sense, the modelling work that we did for North Star to the border indicated that, where you have culverts and levees, you should have bridges. That has a real cost implications for this project, but I see that as just a cost of the project. If the modelling indicates that the circumstances justify a bridge rather than a culvert and rather than a levee, then, I'm afraid, you just have to pay for the bridge.⁷⁹

<https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁷⁵ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 6–7, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁷⁶ See for example: Mr Richard Shepherd, *Submission 46*; Mrs Helen Hunt, *Submission 86*; Mr Thomas Lyons, *Submission 88*; Ms Barbara Deans, *Submission 145*; Ms Barbara Deans, private capacity, *Committee Hansard*, 19 November 2020, pp. 41–42.

⁷⁷ NSW Farmers Association, *Submission 67*, p. 8.

⁷⁸ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 25.

⁷⁹ Mr Peter Holt, Legal Counsel, New South Wales Farmers Association; and Legal Counsel, Country Women's Association of New South Wales, *Committee Hansard*, 19 November 2020, p. 25.

- 6.53 The Australian Government refused calls for funding to conduct an independent review of the flood and hydrology modelling used for the N2N project. The then Deputy Prime Minister stated that an independent review would be facilitated through the Department of Planning's EIS process. In correspondence to the NSW Farmers it was argued that an 'independent review of ARTC's modelling is a mandated requirement of the NSW Government' for the N2N project and that 'BMT are undertaking this review and that their report will form part of the EIS documentation that will be released to public exhibition by the NSW Government'. The then Deputy Prime Minister added that this approach was consistent with the hydrological review undertaken as part of the NS2B project.⁸⁰
- 6.54 In response, local landholders independently raised the required funds for NSW Farmers and the CWA to contract WRM Water & Environment to conduct an independent review of the flooding and hydrology modelling presented in the EIS.⁸¹
- 6.55 On 7 February 2021, in a joint submission to the Department of Planning's consideration of the draft EIS for N2N, NSW Farmers and the CWA detailed specific concerns for the N2N's crossing of the Warrumbungles Watershed and the Backwater Cowal. The submission argued that the 'EIS is negligently deficient' in its regard for the flooding and hydrology requirements under NSW Government environmental assessment requirements,⁸² and that 'significant further investigation and independent assessment needs to be undertaken to ensure that the flooding and hydrology impacts are effectively managed'.⁸³
- 6.56 The submission raised specific concerns shared by communities and landholders in the region, namely the underestimation of water flows from the

⁸⁰ The then Deputy Prime Minister noted that the decision to establish an independent panel in Queensland was due to there being no requirement for the Queensland Government to conduct an independent review of hydrological modelling as part of an EIS process, hence the governments' decision to establish the international panel.

See, the Honourable Michael McCormack MP, Deputy Prime Minister, correspondence dated 23 October 2020 (received 23 February 2021).

⁸¹ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', pp. 4–5, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁸² Under these requirements, projects are to minimise adverse impacts on properties, public safety and the environment from the alteration of watercourses and overland flow paths, and the project's operation and construction to avoid or minimise risk of infrastructure flooding, flooding hazards, geomorphological impacts or dam failures.

⁸³ The Department of Planning agreed to this independent analysis being provided in late February 2021.

Backwater Cowal and the Warrumbungles Watershed. It highlighted that ‘many of the statements made in the EIS do not accord with the lived experience of the landowners on the ground’.⁸⁴ The submission demanded that the discrepancies between landholders and the ARTC be addressed:

[T]he ARTC should be required, at a minimum, to address why such significant discrepancies exist regarding the modelling and actual flow rates in Backwater Cowal and the Warrumbungles Watershed, and justify why their desktop analysis is to be preferred over the real experiences of those in the community.⁸⁵

6.57 The submission raised further concerns over the durability and safety of the Inland Rail project’s crossing of water catchments, the adequacy of mitigation efforts (culverts vs bridges) and ‘whether the proposed design and location of the culverts will be able to manage the anticipated volumes and velocities of flows’. The submission went on to outline concerns for the subsequent impact of Inland Rail on soil and erosion, and groundwater.⁸⁶ The submission concluded that NSW Farmers and the CWA ‘have serious and enduring concerns regarding the quality, accuracy and depth of the analysis which has been used as the basis for the EIS for the N2N’ project and called for a more thorough and detailed assessment that addressed the issues raised in their submission. NSW Farmers and the CWA called for the Department of Planning to refuse consent of the draft EIS for the N2N project or for the ARTC to withdrawal its submission and make the necessary adjustments to the

⁸⁴ NSW Farmers and the Country Women’s Association of NSW, ‘Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri’, p. 7, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁸⁵ NSW Farmers and the Country Women’s Association of NSW, ‘Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri’, p. 8, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

⁸⁶ In addition to those already detailed in this chapter, the submission suggested a significant number of failures on behalf of the ARTC, such as: failure to conduct a proper cost benefit analysis and a misleading multi-criteria analysis that has favoured time parameters over tangible and enduring benefits to regional communities; inadequate ecological assessments; flawed noise and vibration assessments that do not consider impact on sleep disturbance and failure to commit to appropriate attenuation treatments to mitigate acoustic impacts at sensitive receiver locations; failure to conduct proper visual impact assessments; refusal to meaningfully address access, fragmentation and severance issues; failure to meaningfully consider impact on farming capacity and existing agricultural land uses; failure to carryout fulsome quantitative assessment of the air quality impacts of Inland Rail; a misguided approach to land acquisition; and inadequate fencing standards applied by the ARTC.

NSW Farmers and the Country Women’s Association of NSW, ‘Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri’, pp. 1, 2, 8–12, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 18 February 2021).

application.⁸⁷ WRM Water and Environment's findings were provided to the Department of Planning on 19 February 2021.⁸⁸

Local water resources

6.58 An additional matter raised by various stakeholders concerned Inland Rail's access to and use of local water supplies.⁸⁹ The Gilgandra Shire Council were of the view that water use for the construction of the N2N project was a major risk. It added that more consultation with communities to investigate and secure water supplies was required, in particular to ensure that water supplies:

... do not compete with existing stock and domestic supplies. Despite direct representation to ARTC and the Federal Government for Council to lead community discussion to find a solution to this problem, no feedback has been received and therefore no progress has been able to occur.⁹⁰

6.59 The Council called for the ARTC and Australian Government to 'rapidly expedite investigations in securing and quantifying water sources for construction purposes...prior to any construction tender being released'.⁹¹

6.60 A similar concern was shared by the Dubbo Branch of the NSW Farmers, with its members having grave concerns for Inland Rail's demand for underground water, which could jeopardise the '[s]ecurity of stock and domestic water supply'. Its members believed there were inadequate considerations of these environmental impacts on the region.⁹² NSW Farmers and the CWA called for the precautionary principle to be triggered in order to 'conduct a thorough investigation into the claims made in the EIS and the Groundwater Assessment as to the acceptable impacts on groundwater prior to granting approval to the N2N'.⁹³

⁸⁷ NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', p. 2, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 13 April 2021).

⁸⁸ WRM Water and Environment, *Independent Review of Flood Modelling: Narromine to Narrabri Inland Rail Project*, 19 February 2021, pp. 15–16.

⁸⁹ Also see: Mr Adrian Lyons, NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 18.

⁹⁰ Gilgandra Shire Council, *Submission 64*, p. 2.

⁹¹ Gilgandra Shire Council, *Submission 64*, p. 3.

⁹² Mrs Shane Kilby, Dubbo Branch—NSW Farmers Association, *Committee Hansard*, 19 November 2020, p. 14.

⁹³ In addition, the submission expresses concern about the usability of bores after the construction of Inland Rail. See, NSW Farmers and the Country Women's Association of NSW, 'Letter of objection to the EIS for State significant infrastructure application SS1-9487 Inland Rail – Narromine to Narrabri', p. 10, available at: <https://www.planningportal.nsw.gov.au/major-projects/submission/772851> (accessed 13 April 2021).

6.61 On 27 November 2020, the ARTC announced a partnership with the Gilgandra Shire Council to explore and drill four bores across the Shire over the following two years for the construction of the N2N Inland Rail project. The ARTC highlighted that the agreement, achieved through discussions with the local council, was driven by landholders' concerns about water sources and a need to 'secure water sources that don't compete with existing stock and domestic bores'. The bores will become community assets once the project is completed.⁹⁴

Committee comment and recommendations

6.62 Similar to the experience of those communities along Queensland's Inland Rail corridor, communities within NSW are confronted with the prospect of an increased flood risk due to Inland Rail. For those communities impacted by Inland Rail's crossing of the Macintyre River, particularly those residents in Goondiwindi, the independent desktop review of the ARTC's modelling, as well as the Department of Planning's request for further sensitivity testing of the ARTC's flood modelling serves to validate communities' concerns. The committee holds similar concern for the N2N project, and the impact of Inland Rail on landholders and local residents in that region.

6.63 Whilst the Australian Government deemed it necessary for an independent international panel to be established for Queensland, a similar offer was not made for NSW. The rationale for this decision was based on differences in the EIS processes between jurisdictions. However, the committee challenges the Australian Government's position, arguing that the independent panel's findings in Queensland have empowered local communities, improved transparency, strengthened the EIS process, and provided an additional oversight measure to ensure Inland Rail's modelling, design and construction is enhanced. These oversight measures are vital to ensure flooding is not exacerbated by Inland Rail. The committee also notes that the Queensland independent panel has indicated that it would prepare a supplementary Macintyre River floodplain report, despite the reassurance of the ARTC that no such review is necessary.

6.64 The Australian Government's decision not to endorse an independent panel for NSW is a strategic failure. It has placed the financial and evidential burden onto the shoulders of farmers and local residents. The committee commends NSW Farmers and the CWA for their hard work and longstanding advocacy for these communities, and their effort to implement their own review of the ARTC's flood modelling that has helped inform the Inland Rail's EIS process in NSW.

⁹⁴ ARTC, *Inland Rail water bores set to provide long-term benefits to Gilgandra Shire communities*, available at: <https://inlandrail.artc.com.au/inland-rail-water-bores-set-to-provide-long-term-benefits-to-gilgandra-shire-communities/> (accessed 11 February 2021).

- 6.65 In order to address this omission by government, the committee endorses the establishment of an independent international flood and hydrologist panel to conduct a review of the flood modelling and design features of the Inland Rail project's crossing of major flood zones in NSW.
- 6.66 Similar to the committee's recommendations in Chapter 5, any findings of the WRM Water and Environment report, the NSW Government's review and the Queensland independent panel should be integrated into the draft EIS and that the EIS process not be completed until it accurately and adequately reflects the findings of these reviews.

Recommendation 25

- 6.67 The committee recommends the Australian and NSW governments establish an independent international flood and hydrologist panel to conduct a review of the flood modelling and design features of the Inland Rail project in NSW. This panel should consider the findings of pre-existing reviews, including the findings of the WRM Water and Environment *Independent Review of the Flood Modelling: Narromine to Narrabri Inland Rail Project*.**
- 6.68 A further concern shared by the committee is the appropriateness of some chosen project alignments. Whilst the committee can appreciate the work that has been achieved by the ARTC, the underlying issue remains the strict parameters established by the Australian Government. Of particular concern is the evidence that suggests the Australian Government and the ARTC have not conducted a thorough and detailed review of the existing Dubbo-Coonamble line, including the economic benefits of utilising the alignment for the residents of the Coonamble region. The rationale for this decision is again based on the 24-hour journey time. Yet again, this parameter has undermined consideration of a potentially more appropriate Inland Rail corridor and damaged the community's trust in the Inland Rail project. The committee is supportive of an independent review of the proposed alignments for the N2N project in NSW, similar to that undertaken for the Border to Gowrie project in Queensland.

Recommendation 26

- 6.69 The committee recommends the Australian Government establishes an independent comparative review of the current Narromine to Narrabri alignment with the proposed Dubbo-Coonamble line and alternative routes around Narrabri, taking into account both the impacts and potential broader economic benefits for regional economies and communities.**
- 6.70 The committee shares stakeholders' concern of the impact of Inland Rail on local water resources. For this reason, encourages the ARTC to conduct a thorough investigation, in consultation with landholders and local governments, to assess groundwater resources.

6.71 Finally, the committee reiterates its concern for the fractured relationship between the ARTC and NSW Farmers. Ensuring constructive, positive engagement between the ARTC and other key stakeholders in NSW is critical to ensure the project's success. For this reason, the committee encourages the ARTC, NSW Farmers and the CWA to re-establish a working relationship in order to facilitate the necessary dialogue required to produce a positive outcome for communities, landholders and Inland Rail. As recommended, the committee supports the ARTC engaging an independent mediator to facilitate an improved working relationship between all parties (see recommendation 16). The committee requests that NSW Farmers reconsiders the ARTC's offer for an Inland Rail representative to be embedded within NSW Farmers to act as a conduit between its members and the ARTC.

Tottenham to Albury project

6.72 The Tottenham to Albury (T2A) project is the single Inland Rail project planned for Victoria, with an upgrade to 305km of existing rail corridor between metropolitan Melbourne to Albury-Wodonga.⁹⁵ This project has two stages:⁹⁶

- Stage One is the enhancement of 12 sites along the North East Rail Line between Beveridge to Albury. Work on this section has commenced to ensure the existing alignment can accommodate the clearance of double-stacked trains.⁹⁷ Many of these changes will occur in and around station precincts within communities along the alignment.⁹⁸
- Stage Two is focused upon metropolitan Melbourne with a new intermodal terminal being created to accommodate Inland Rail. This stage is on hold whilst a study is undertaken by the Victorian Government to determine the location, configuration and timing of the intermodal terminal.⁹⁹ This intermodal facility will interconnect Inland Rail with the Port of Melbourne, as discussed in Chapter 3.

Key matters

⁹⁵ Further information about the anticipated upgrades and economic benefits of Inland Rail can be found at Department of Infrastructure, Transport, Regional Development and Communications, Victoria, available at: <https://www.inlandrail.gov.au/benefits/vic> (accessed 26 May 2021).

⁹⁶ ARTC, *Tottenham to Albury*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/tottenham-to-albury/> (accessed 6 April 2021).

⁹⁷ ARTC, *Works and planning*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/tottenham-to-albury/works-and-planning/> (accessed 6 April 2021).

⁹⁸ North East Rail Alliance, *Submission 205*, p. 1.

⁹⁹ ARTC, *Tottenham to Albury*, available at: <https://inlandrail.artc.com.au/where-we-go/projects/tottenham-to-albury/> (accessed 6 April 2021).

- 6.73 The committee hosted a public hearing in Melbourne on 22 April 2021 to consider matters related to the Inland Rail's activities in Victoria, particularly for the communities of Euroa, Benalla and Glenrowan.¹⁰⁰ These communities are all located along the existing North East Rail Line. As discussed in Chapter 4, many of the concerns are rooted in the ARTC's consultation process with those communities along the T2A project. These communities are rail towns, existing alongside rail infrastructure, and for this reason, do not object to the rail upgrades needed for Inland Rail.¹⁰¹ However, representatives from these communities were distressed by the lack of consideration given to alternative proposals designed to facilitate a better outcome for local residents.
- 6.74 For Euroa residents, a key concern is the ARTC's proposed upgrade to an existing overpass along Anderson Street, which will increase its height by 2.5 to 3 metres and be topped by a 1.8 to 2.4 metre barrier.¹⁰² Local residents argue that the bridge, if constructed, would 'further impede visual and social amenity across [Euroa], specifically in respect of the heritage precinct'. Further, if built, the bridge would 'impose a clear division' between the north and south sides of town.¹⁰³ To address this issue, Euroa Connect proposed an underpass for the rail corridor.¹⁰⁴

¹⁰⁰ The committee also received a submission from the Wangaratta Rail Action Group, which provided details on an alternative plan to move Inland Rail's double-stacked trains through existing rail infrastructure. This proposal included the retention of existing tracks and building a lowered Inland Rail diversion track along the existing western alignment.

In April 2021, the ARTC released the *Wangaratta Project Reference Guide* that outlined the proposed alignment through Wangaratta Rail Station and the timeline towards construction and its completion.

See, Wangaratta Rail Action Group, *Submission 208*; ARTC, *Wangaratta precinct reference guide*, available at: <https://inlandrail.artc.com.au/wangaratta-precinct-reference-guide/> (accessed 26 May 2021).

¹⁰¹ Inland Rail will utilise the existing XPT standard gauge rail corridor that travels through North East Victoria.

Dr Kate Auty, Euroa Connect, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 35; Mrs Susan Pearce, Better Benalla Rail, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 36.

¹⁰² The existing underlay of the bridge is 5.4 metres and will be elevated to 7.1 metres, with 1.3 metres of car railing, safety barrier and street lighting.

¹⁰³ North East Rail Alliance, *Submission 205*, p. 5; Euroa Connect, *Euroa Rail Precinct Proposal*, March 2021, p. 9; Dr Kate Auty, Euroa Connect, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 35.

¹⁰⁴ The ARTC's Reference guide for Euroa considered both proposals, with an advantage/disadvantage comparison. For the overpass, the ARTC listed the advantages to include: a new, modern, safe bridge; improved road alignment; upgraded intersections; and an opportunity to repurpose unused land in the area. Disadvantages listed were a potential increase in traffic and the visual impact of a higher bridge. In response, Euroa Connect argued the only

- 6.75 Euroa Connect criticised the ARTC for not considering the community's proposal and rejected any claim that the community was in support of an overpass bridge. Rather than consider an alternative, Euroa Connect found the ARTC's approach was to 'socialise a bigger bridge'.¹⁰⁵ It added that information provided to the community about the project's cost and engineering lacked details, resulting in unnecessary conclusions.¹⁰⁶
- 6.76 Strathbogie Shire Council Mayor, Mr Chris Raeburn, provided a more cautious response to the prospect of, and community support for, an underpass. He stated that the community remained divided and that the ARTC had committed to consider all proposals made by local residents. This undertaking would be achieved through 'quantitative deliberative engagement' with the community as a means to determine the best option for Euroa.¹⁰⁷
- 6.77 In Benalla, local residents spoke of a similar issue with the obstructive nature of the existing road overpass and the prospect of it being increased to a height of 10 metres in order to accommodate Inland Rail. This increase in height would also require a reconfiguration of access ramps and the construction of a

advantage was an 'ease of construction', whereas the disadvantages included: 'visual barrier increased in scale'; preclusions of upgrades to the 'railway precinct with a range of amenities as central to the town'; a failure to meet the Township Strategy Objectives; maintaining as separation of the town; and high immediate and ongoing costs'.

The ARTC also reviewed the underpass option proposed by the community and noted two advantages: a minor reduction in road noise and above ground visual improvements. Disadvantages included: no direct vehicle access to the station; a relocation of the gas pipeline; significant works to reduce flooding risk (such as pumps and levees); a high cost; and severe impact on property owners through property acquisition. On the other hand, Euroa Connect considered the only disadvantage to be the failure to meet the ARTC's construction timeline. Advantages listed included: reuniting the town; the creation of green precinct; enhanced visual scape; improved safety; future growth and innovation; and direct vehicle access to station.

Euroa Connect, *Euroa Rail Precinct Proposal*, March 2021, p. 10.

A key concern raised with the committee regarding an underpass was the restriction of dangerous goods being transported through the tunnel and the transportation of heavy machinery for agricultural purposes.

Mr Chris Raeburn, Strathbogie Shire Council, *Committee Hansard*, 22 April 2021, p. 47.

¹⁰⁵ A petition with 1,038 signatures was referenced as evidence of the community's objection to the ARTC's proposal.

¹⁰⁶ Dr Kate Auty, Euroa Connect, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 38.

¹⁰⁷ Mr Raeburn spoke of different options available to the community, which include a lower overpass suitable for cars and larger trucks travelling via Birkett Street. Alternatively, the construction of a new road outside of Euroa to accommodate the movement of trucks, but it was acknowledged that this option may take years to complete. All options were being considered by the ARTC, the Victorian Government and the local council to ensure proper deliberation with the community could occur.

Mr Chris Raeburn, Strathbogie Shire Council, *Committee Hansard*, 22 April 2021, pp. 44–46.

3 metre high concrete retaining wall. Instead of the ARTC's proposal, the Better Benalla Rail community group proposed a 1.3km realignment of the existing XPT rail corridor to the opposite side of the station precinct. This realignment would see improved accessibility to the station and the removal of the existing overpass.¹⁰⁸

- 6.78 In addition to issues with ARTC's consultation with the Benalla community, the committee heard that the public information and diagrams of the proposed overpass' height was misleading, flawed and incomplete. Attempts by the community to gain access to additional details about the upgrade were not accommodated by the ARTC. The community also argued that the ARTC failed to undertake a consultative review of the community's alternative proposal.¹⁰⁹
- 6.79 The primary concern for residents of Glenrowan was the impact of an increase to the existing overpass on heritage-listed Ned Kelly sites that provide a vital role in the community's economy.¹¹⁰
- 6.80 When describing the experience of local residents in these towns and the ARTC's consideration of engineering proposals made by these communities, the committee was told '[t]hey run on preconceived ideas until they hit a wall, and it's only when they hit a wall do they ever change those things'. Local residents contended that it all comes down to money.¹¹¹
- 6.81 In response to the objections expressed by community representatives in Euroa, Benalla and Glenrowan, the ARTC spoke of its consultations with those communities resulting in a recognition of the need 'to refresh a little, slow down a little, and take on board more views'. In Euroa, the ARTC recognised that it did not have council support for its proposal and that the community was divided, therefore there was a need to revisit the proposal. Similarly, in Benalla the ARTC was taking stock of the proposed alternatives and recognised that the proposed precinct development was a better solution for the site.¹¹² The ARTC spoke of there being varying views across the community in Glenrowan.¹¹³

¹⁰⁸ The removal of the overpass was said to reduce the flooding risk of the area.

North East Rail Alliance, *Submission 205*, pp. 10–12; Mrs Susan Pearce, Better Benalla Rail, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 36.

¹⁰⁹ Mrs Susan Pearce, Better Benalla Rail, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 37.

¹¹⁰ North East Rail Alliance, *Submission 205*, pp. 18–23.

¹¹¹ Mr Richard Hughes, North East Rail Alliance, *Committee Hansard*, 22 April 2021, p. 42.

¹¹² The ARTC added that it was working with the community to determine the best solution and once decided, it would seek to understand the additional cost and how the ARTC would accommodate the project.

Committee comment

- 6.82 The committee's hearing in Melbourne revealed a positive outcome for north east Victorian communities based along Inland Rail's proposed corridor. Comments by the ARTC about further consultation with local residents of Euroa and recognition that the proposed alternatives for Benalla offered a better solution indicate an agreeable outcome for both Inland Rail and local residents is possible. The committee commends the efforts of local communities for their pragmatic advocacy for a better rail solution.
- 6.83 The committee encourages the ARTC to learn from its experiences in NSW and Queensland and apply these lessons to its engagement with Victorian residents and local councils. As noted in Chapter 4, it is imperative that the ARTC improves the level of consultation with all stakeholders, including local governments, and ensures the views of local residents are considered, and when suitable, integrated into the design of Inland Rail.

Senator Glenn Sterle
Chair
Labor Senator for Western Australia

Mr Mark Campbell, ARTC, *Committee Hansard*, 22 April 2021, pp. 50–54.

¹¹³ The ARTC outlined the development of the proposed crossing in Glenrowan. The original idea was to lower the existing track, but this was changed due to concerns that it would impact on historic sites. This change resulted in the current proposal to build a bridge adjacent to the existing one.

Mr Mark Campbell, ARTC, *Committee Hansard*, 22 April 2021, pp. 50–51.

Additional comments by Coalition senators

- 1.1 Coalition senators agree to the recommendations made by the committee within this report, except for the recommendations detailed below.
- 1.2 Government members refute the title of this report. The more appropriate title is that Labor has been determined to derail Inland rail from the start.
- 1.3 It is vital to complete Inland Rail for the benefit of all Australians.
- 1.4 Inland Rail is the largest infrastructure project in the Australian Government's \$110 billion investment pipeline. The Australian Government has committed up to \$14.5 billion in equity and \$300 million in grant funding for the Australian Rail Track Corporation (ARTC) to deliver Inland Rail.
- 1.5 Inland Rail is a vital piece of national infrastructure and critical to advancing opportunities for regional Australia. It is expected to support more than 21,500 jobs at the peak of construction, and to date, more than 2000 people have already worked on the inland rail construction. More than \$2 billion in contracts with more than 400 companies has been committed.
- 1.6 Inland Rail will deliver a boost of more than \$18 billion to Gross Domestic Product during construction and in the first 50 years of operation.
- 1.7 Inland Rail will reduce congestion on some of Australia's busiest roads, including the Ipswich Motorway, and the Hume, Newell and Warrego Highways, and will enhance national freight capacity.
- 1.8 Trains now run along the Parkes to Narromine section, 98.4 kilometres of upgraded track and 5.3 kilometres of new track, which has enhanced the freight connection through to Sydney in the east and as far west as Perth and Adelaide. More than 1800 people worked on the first section between Parkes and Narromine, with close to \$110 million spent with 99 local businesses.
- 1.9 With expected industry and population growth, the Inland Rail project will address future demands for freight movements and connect important ports on the eastern seaboard.
- 1.10 The Australian Government will continue to work with industry, stakeholders and communities to complete this nation-building project.
- 1.11 Suggested new title: *Vital to complete Inland Rail for the benefit of all Australians.*

Commentary on Recommendation 1

Recommendation 1

The committee recommends the Senate Rural and Regional Affairs and Transport Legislation Committee self refers an ongoing inquiry into the oversight of the Inland Rail project.

1.12 Coalition senators do not agree with Recommendation 1. The committee has the opportunity to question the Australian Rail Track Corporation up to three times per year at Budget Estimates, which negates the necessity for additional formal oversight.

Commentary on Recommendation 2

Recommendation 2

The committee recommends the Australian Government commissions an independent review and update of Inland Rail's 2015 business case that:

- **is an accurate reflection of current and anticipated Inland Rail expenditure and end-of-service offerings;**
- **includes an assessment of all the proposed routes from Toowoomba to the ports of Brisbane and Gladstone, along with alternative routes subject to ongoing public scrutiny (particularly the Narromine to Narrabri and Border to Gowrie projects);**
- **includes a sensitivity analysis on the impact of any proposed changes to Australia's coastal shipping arrangements;**
- **is developed in accordance with Infrastructure Australia's guidelines and for Infrastructure Australia to review the updated business case; and**
- **is made publicly available, and provided to the Rural and Regional Affairs and Legislation Committee.**

1.13 Coalition senators do not agree with Recommendation 2. The 2015 Business Case was completed at a relevant point in time prior to the start of the project. A review, assessment or update of this business case would significantly impact the progress and stakeholders involved in the project, which is now well underway.

Commentary on Recommendation 3

Recommendation 3

The committee recommends the Australian Government ceases any efforts to restructure coastal trading that may provide foreign-flagged ships with a competitive advantage over other modes of transport or disrupts Australia's freight supply chain.

1.14 Coalition senators do not agree with Recommendation 3. There has been insufficient evidence and discussion during the inquiry to fully expand upon this matter.

Commentary on Recommendation 12

Recommendation 12

The committee recommends the Australian Rail Track Corporation and the Australian and Queensland governments prioritise the development of the Inland Rail Bromelton intermodal terminal.

1.15 Coalition senators do not agree with Recommendation 12. It is problematic and premature to prioritise the Bromelton intermodal terminal. A thorough investigation is required into road networks, and a business case study of all South East Queensland intermodal terminals is required, before making a recommendation for a particular terminal to be prioritised.

Commentary on Recommendation 26

Recommendation 26

The committee recommends the Australian Government establishes an independent comparative review of the current Narromine to Narrabri alignment with the proposed Dubbo-Coonamble line and alternative routes around Narrabri. Taking into account both the impacts and potential broader economic benefits for regional economies and communities.

1.16 Coalition senators do not agree with Recommendation 26. The Narromine to Narrabri alignment has been reviewed multiple times, as recently as the second half of 2020, including consultation with community organisations, landowners, councils and state government agencies in both private and public meetings. Following extensive stakeholder consultation over several years, an alternate route, when the overall approval process is near completion, would cause delays and create new uncertainty for surrounding landowners and communities.

Senator Susan McDonald
Deputy Chair
Nationals Senator for Queensland

Senator Gerard Rennick
Member
Liberal Senator for Queensland

Dissenting report on Inland Rail from Senator Pauline Hanson

- 1.1 I support the concept of the Inland Rail from the Port of Melbourne to the Port of Brisbane. However the process conducted by ARTC and Inland Rail leave a lot to be desired.

Consultation

- 1.2 The consultation conducted by ARTC and Inland Rail has had continuous criticism from the public. Evidence given is that they were not consulted or considered in where or what impact the rail would have on their lives or environment.
- 1.3 It was only because of the committee did people feel they finally had a voice and pressure was put on ARTC and Inland Rail to listen to the communities.

Cost

- 1.4 The committee has made reference to the cost blowout of the project that now stands at \$14.5 billion. In addition to this, from the Project Description section of the G2H Draft, EIS appears to provide some of the PPP costs which includes all Queensland sections including the Border to Gowrie and Kagaru to Acacia Ridge sections which are not part of the PPP, with figures detailed below:
 - total PPP construction cost \$3,300,018 (\$3.3b);
 - approx. 24% for indirect costs \$792,000,324; and
 - total PPP cost \$4,092,022,342 (\$4B).
- 1.5 Additional to these costs, which have not been calculated, are the anticipated costs of building tunnels and track from Acacia Ridge to the Port of Brisbane. Again, this is an additional cost in the vicinity of \$2.8 billion and yet the ARTC claim it will be using existing track.

Port of Brisbane and Acacia Ridge

- 1.6 It has been determined that the Inland Rail trains have to unload and potentially reload to use an existing passenger line to the Port of Brisbane. This double handling of goods can only increase the time and cost of delivering goods to the Port of Brisbane. If product is not destined for the Port, then it will be transported by truck to various destinations from a highly congested terminal that is at its peak capacity at this present point in time.
- 1.7 Therefore, why is the ARTC persistent in its planning to have Acacia Ridge as it central point for the distribution centre for the cargo whether that be to the Port of Brisbane or other destinations?

- 1.8 This is short sighted and lacks foresight into the future especially if we are expecting growth and the whole concept of the ARTC is to promote growth or it will wither on the vine.
- 1.9 I must reiterate that Acacia Ridge should not be the used. People from the surrounding suburbs estimated at 50,000 residents have very strongly opposed any support for the Inland Rail's destination being Acacia Ridge. Their concerns are based around noise pollution, vibration and congestion.
- 1.10 This is not to be overlooked when evidence given stated that the number of trains a day could be approximately 38 or more.
- 1.11 Additionally, these trains are initially 1.8 km long which puts them outside the Acacia Ridge terminal regardless of the expectation to increase the length by double in the future.
- 1.12 If these trains intend to use the passenger train line to the port, then the majority of their frequency must be during the night which will impact on residents further.

Port of Gladstone

- 1.13 It is pointless to have an Inland Rail Line if it doesn't take advantage of loading or unloading produce or product in hubs throughout inland Australia, to enhance profits and pay for the building of the infrastructure.
- 1.14 In my opinion, if we bypass making a firm decision now to build the line directly to Gladstone via Miles at a cost of approximately \$3.5 billion, we will not do it in the future and a great opportunity will be lost. A lost opportunity to create jobs, growth and opportunity to this rural community.
- 1.15 Evidence given was very strongly in favour of the line to Gladstone which would be utilised by coal mines in the area that indicated that they would start projects and create development and jobs if the line was made available to them. That potential would not be available with the line only going to Acacia Ridge.
- 1.16 The Port of Gladstone, which is capable of taking more ships than the Port of Brisbane, is a lot more viable for the long-term growth and the line would pay for itself in no time with the increased use of the line. Equally, both the Port of Gladstone and the Port of Brisbane are unanimous in the fact both ports could and would work together for mutual benefit and for the benefit of the nation.

Queensland Inland Rail projects

- 1.17 The alternate proposed routes from Toowoomba to the ports of Brisbane and Gladstone should be investigated, to take into account my previous suggestion. The cost savings alone in not having to construct a 6.2 km tunnel through the Toowoomba range is estimated at approximately \$6 billion

although the ARTC has not disclosed this costing on the claim it is “Commercial in Confidence”.

- 1.18 The plans to take the line via Millmerran to Toowoomba is not only a huge cost to the taxpayer reclaiming land and established farms and infrastructure, but also the stupidity of ignoring sound advice from locals and professional hydrologists with regards to major flooding issues across the black soil plains. The last flood and the devastation it left leaves no doubt to anyone what damage flooding causes in the area.
- 1.19 If the ARTC and the Australian Government is insistent to go solely via Toowoomba then a viable alternate route has been proposed across brown fields approximately 6 km from the proposed line, that would not impact on residents, water flows or infrastructure and the resultant cost reduction would be massive both to the construction cost and hence to the taxpayer.

Local businesses

- 1.20 This is a massive Australian infrastructure project that should result in Australian companies’ participation as well as their workforce. The supply of steel as well as other materials particularly in these economic times due to the pandemic would ensure their ongoing viability for those Australian companies and Australians generally.
- 1.21 However, it has come to my attention as well as other offices, that irrespective of the fact that Australian companies have designed various components of the line that the final contracts were not awarded to those companies but in fact given to Chinese suppliers.
- 1.22 One has to look at the overall project managing company which is now totally controlled by its Chinese parent company to realise why major supply contracts are now being sourced from China and not to preferred Australian companies that are ready, willing and able to do so.
- 1.23 So, I ask the government, where is the benefit to Australia and Australians particularly at this point in time?

General observations

- 1.24 Throughout the enquiry we asked, who is actually in control and who makes the decisions. The ARTC tells us it is the government determining the planning, and yet the government tells us it’s the ARTC. So, in fact nobody knows who is in control.
- 1.25 With the cost of this project nearing \$20 Billion and with no sound business case, it is a disgrace on the Australian Government and the bureaucrats. If this is not to become a white elephant, the Australian government must listen to the sound advice given from the Rural and Regional Affairs and Transport References Committee who have listened to the concerns of ordinary

Australians who do not oppose the Inland Rail, but want to see value for money and a viable, much needed project that can only make our nation more prosperous.

Senator Pauline Hanson
One Nation Party

Appendix 1

Submissions and additional information

Submissions

- 1 Mr Paul Clapham
- 2 B J Hall Pty Ltd
- 3 Mr Lewis Lydon
- 4 Mr Jim Stower
- 5 Mr Bob Meadley
- 6 Mr Richard Doyle, Mr Ian Uebergang, Mr Robert Mackay & Mr Andrew Mackay
- 7 Mr Craig Porter
- 8 Goondiwindi Regional Council
- 9 Mr Rob Rich
- 10 Toowoomba Chamber of Commerce
- 11 Mr Robert and Mrs Rosemary Webb
- 12 Ms Vicki Battaglia
- 13 Mr Alan Channell
- 14 Mr Richard Vary
- 15 Ms Amira Omar
- 16 Australian National Audit Office
- 17 Ms Marion Terrill, Grattan Institute
- 18 Logan City Council
- 19 Mr Ron Ruys
- 20 Dr David and Mrs Sally Taylor
- 21 Mr Blake Hattch
- 22 Mr Carl Seidel
- 23 Mr Ross Berghofer
- 24 Ms Kylie Thiel
- 25 Mr Graham and Mrs Shirley Ewart
- 26 Queensland Futures Institute
- 27 Mr John Seppanen
- 28 Mr John Hunter
- 29 Toowoomba and Surat Basin Enterprise
- 30 Mr Trevor and Mrs Jennifer Lowe
- 31 Mr Andrew Knop
- 32 Moree Plains Shire Council
- 33 Dr Rob Loch
- 34 Roads Australia
- 35 Mr Stan Corbett
- 36 Mr Graeme Clarke

- 37 AMWU
- 38 Dr Philip Laird
- 39 Mr Brett Kelly
- 40 Mr Anthony Corderoy
- 41 Mrs Suzanne Corbett
- 42 Mrs Alison Kelly
- 43 Inner Downs Inland Rail Action Group
- 44 Cotton Australia
- 45 Mr David Toohey
- 46 Mr Richard Shepherd
- 47 Darling Downs Soil Conservation Group
- 48 Logan and Albert Conservation Association
- 49 Lachlan Regional Transport Committee
- 50 Mr Don McKenzie
- 51 Mr LW and EF Kahler
- 52 Mr James Keefer
- 53 Ms Annie Rowe
- 54 Ports Australia
- 55 Mr and Mrs Witt
- 56 Ivory's Rock Foundation
- 57 Ms Kaye McKinnon
- 58 Mr Tim Hoffman
- 59 Turner & Townsend
- 60 AECOM
- 61 Mr Paul Curtis
- 62 Mr Ray McLaren
- 63 Mr Ross Harris
- 64 Gilgandra Shire Council
- 65 Mrs Rosalie Millar
- 66 Mrs Karen Wilson
- 67 NSW Farmers Association
- 68 Infrastructure Partnerships Australia
- 69 Dubbo Branch NSW Farmers
- 70 Mr David Carter
- 71 Mrs Jennifer Smith
- 72 Mrs Kim Stevens
- 73 Rail, Tram and Bus Union
- 74 Mr Jason Mundt
- 75 Millmerran Rail Group
- 76 Mrs CM Jensen
- 77 Regional Development Australia Central and Western Queensland
- 78 Infrastructure Association of Queensland
- 79 Toowoomba Regional Council

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- 80 NSW Government
 - 81 Country Women's Association of NSW
 - 82 Mr Brian Harris
 - 83 Dr David Campion
 - 84 Grain Trade Australia
 - 85 Mr Adrian Blinco
 - 86 Mrs Helen Hunt
 - 87 Mr Mallory Wuthrich
 - 88 Mr Thomas Lyons
 - 89 RDA Logan and Redlands
 - 90 Mrs Angela Davis-Smith
 - 91 Mr Rick Jeffery
 - 92 Mr Wayne Saal
 - 93 Lorraine and Earl Harrison
 - 94 Mr Greg Roberts
 - 95 Michael and Tracie Connolly
 - 96 Mr Kevin Loveday
 - 97 *Name Withheld*
 - 98 Mr Lloyd Stümer
 - 99 Mr Tim Durre
 - 100 Kevin and Vicki Bond
 - 101 Audienne Watt
 - 102 Ms Joy Winnel
 - 103 Mr Ben Gorman
 - 104 Pampas Progress Association
 - 105 Ms J Schmidt
 - 106 Ms Catherine Lund
 - 107 Taje Fowler
 - 108 Coonamble Shire Council
 - 109 John and Tracey Thomson
 - 110 Rodney and Jeanette Thomson
 - 111 Sandy Robinson
 - 112 Mr Paul Robinson
 - 113 Gordon & Noeline Lummis
 - 114 Colin and Barbara Vines
 - 115 Mr Rod Peart
 - 116 Ms Margaret Peart
 - 117 Gladstone Ports Corporation Limited
 - 118 Department of Finance
 - 119 Port of Newcastle
 - 120 Mr James Barrow
 - 121 Ms Alison Duke-Gibb
 - 122 Mr Robert Leyden

- 123 Ms Sandra Marsden
- 124 Ms Anita Waihi
- 125 Mr Simon Cameron
- 126 Ms Yvonne Sluyter
- 127 Rob and Diann Hurman
- 128 ARTC
- 129 Mr Eric & Dianne McKenzie
- 130 Mr Clinton and Sarah Peterson
- 131 Mr Alan Pearlman
- 132 Ms Bernadette Dwyer
- 133 The Barron Family
- 134 McLean Management Consultants Pty Ltd
- 135 Dr Michael Champion
- 136 National Farmers' Federation
- 137 Ms Lyndelle Pfeffer
- 138 Mr Paul Tym
- 139 Mr James Lister MP
- 140 Freight on Rail Group
- 141 Ms Elizabeth Chappell
- 142 SCT Logistics
- 143 Department of Infrastructure, Transport, Cities and Regional Development
- 144 Port of Melbourne Operations Pty Ltd
- 145 Ms Barbara Deans
- 146 Port of Brisbane
- 147 Australian Logistics Council
- 148 Lockyer Valley Regional Council
- 149 *Confidential*
- 150 *Confidential*
- 151 *Confidential*
- 152 NSW Ports
- 153 *Confidential*
- 154 Ms Theresa Tickell
- 155 Scenic Rim Regional Council
- 156 Council of Mayors South East Queensland
- 157 *Name Withheld*
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- 166 *Name Withheld*
167 Gladstone Regional Council
168 *Confidential*
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175 *Confidential*
176 Australasian Railway Association
177 *Confidential*
178 *Confidential*
179 *Confidential*
180 Parkes Shire Council
181 Pacific National
182 Arc Infrastructure
183 Mr Chris Hamerton
184 *Confidential*
185 *Name Withheld*
186 Mr Peter Egan
187 Mr Chris Zeller
188 Mr Johannes Roellgen
189 Mr William Robinson
190 AgForce Queensland
191 Central Downs Irrigators Limited
192 Ted & Margaret Kelly
193 Mr Paul Dowdle
194 *Confidential*
195 Ms Rosemaree Thomasson
196 Ms Jennifer Knop
197 *Confidential*
198 Mr David McBurnie
199 *Confidential*
200 Forest Hill Community and Development Association
201 Mr Jim Claringbold
202 Mr Paul Clapham
203 Mr John Abbott AM
204 Mr Max Hooper
205 North East Rail Alliance
206 Strathbogie Shire Council
207 Brisbane City Council
208 Wangaratta Rail Action Group

- 209 Calvert to Kagaru Community Members
- 210 Pittsworth and District Landcare Association
- 211 Inter-Port Global Holdings Pty Ltd
- 212 PR & WG Galley

Additional Information

- 1 Inland Rail project status update as at 31 December provided by the Australian Rail Track Corporation (received 29 January 2020).
- 2 Presentation Notes for a public hearing held in Brisbane on 30 January 2020 provided by Ms Catherine Lund.
- 3 Opening statements and additional information provided by Mr Stan and Mrs Suz Corbett (received 30 January 2020).
- 4 Presentation notes for a public hearing held in Brisbane on 30 January 2020 provided by Mr Mallory Wuthrich (received 30 January 2020).
- 5 A document outlining the Route History of the Inland Rail from 2006 to 2019 provided by the Australian Rail Track Corporation.
- 6 Information on the international independent expert flood panel for Inland Rail in Queensland and the review of the Border to Gowrie section of Inland Rail provided by the Department of Infrastructure on (received 10 August 2020).
- 7 Information paper titled 'The importance of time and distance for Inland Rail' provided by the Australian Rail Track Corporation (received 11 August 2020).
- 8 Business Case Briefing Paper 1, provided by the Australian Rail Track Corporation (received 11 August 2020)
- 9 Business Case Briefing Paper 2, provided by the Australian Rail Track Corporation (received 11 August 2020)
- 10 Business Case Briefing Paper 3, provided by the Australian Rail Track Corporation (received 11 August 2020)
- 11 Additional information regarding the Narramine to Narrabri section of the Inland Rail provided by the Country Womens Association on (received 4 November 2020).
- 12 'Inland Rail B2G Alternative Route Comparison Review' provided by the Department of Infrastructure on (received 2 November 2020).
- 13 A news article arguing factual discrepancies with the forestry crossing of the Darling Downs and a second article regarding the rail link from Acacia Ridge to the Port of Brisbane provided by the Inner Downs Inland Rail Action Group on (received 10 December 2020).
- 14 A paper titled 'Toowoomba to Gladstone T2G) Inland Rail Economic Analysis' authored by the Central Queensland Region Organisations of Councils (received 25 May 2021).

- 15 Correspondence from the Deputy Prime Minister, the Hon Michael McCormack, to Mr James Jackson, NSW Farmers Association, dated 23 October 2020 (received 1 July 2021).
- 16 Holding Redlich, Independent Review of Flood Modelling, Narromine to Narrabri Inland Rail Project, 19 February 2021 (received 2 July 2021).
- 17 Correspondence between Narromine to Narrabri Inland Rail Community Consultative Committee (dated 18 December 2020) and the Department of Infrastructure, Transport, Regional Development and Communications (dated 12 February 2021), provided by Mr Andrew Knop (received 21 July 2021).
- 18 Additional information, 'An analysis of the comparative review of the forestry route options for Inland Rail via Cecil Plains', provided by Mr Kevin Loveday (received 26 July 2021).

Answer to Question on Notice

- 1 Answers to questions taken on notice by the Australian Rail Track Corporation at a public hearing on 30 January 2020 in Brisbane (received on 26 February 2020).
- 2 Answers to written questions taken on notice by the Australian Rail Track Corporation after a public hearing on 30 January 2020 in Brisbane (received on 26 February 2020).
- 3 Answers to questions taken on notice by the Australasian Railway Association at a public hearing on 13 August 2020 in Canberra (received on 26 August 2020).
- 4 Answers to questions taken on notice by the Australian Rail Track Corporation and the Department of Infrastructure at a public hearing in Canberra on 13 August 2020 (received on 14 October 2020).
- 5 Answers to questions taken on notice by the Australian Rail Track Corporation and the Department of Infrastructure at a public hearing in Canberra on 13 August 2020 (received on 19 October 2020).
- 6 Answers to questions taken on notice by the Australian Rail Track Corporation at a public hearing in Canberra on 19 November 2020 (received on 9 December 2020).
- 7 Answers to written questions taken on notice by the Australian Rail Track Corporation (received on 24 February 2021).
- 8 Answers to written questions taken on notice from Senator Sterle by the Australian Rail Track Corporation (received on 20 April 2021).
- 9 Answers to written questions taken on notice from Senator Sterle by the Department of Infrastructure (received on 21 April 2021).

Correspondence

- 1 Correspondence from the Inner Downs Inland Rail Action Group on the terms of reference for an Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland (received on 6 May 2020).

- 2 Correspondence from the Australian Rail Track Corporation CEO, Mr Mark Campbell responding to comments made during a public hearing in Melbourne on 22 April 2021 (received on 21 May 2021).
- 3 Correspondence from the Victorian Transport Association CEO, Mr Peter Anderson responding to correspondence from the Australian Rail Track Corporation, dated 21 May 2021 (received 17 June 2021).

Tabled Documents

- 1 Seven documents tabled by Ivory's Rock Foundation at a public hearing in Millmerran on 29 January 2020.
- 2 Presentation notes tabled by NSW Affected Landholders (N2SB) at a public hearing in Millmerran on 29 January 2020.
- 3 Document titled 'Forest Hill Community Development Association Incorporated' tabled by Mr Gordon Van Der Est at a public hearing in Millmerran on 29 January 2020.
- 4 Three documents tabled by Ms Vicki Battaglia at a public hearing in Millmerran on 29 January 2020.
- 5 Statement tabled by Ms Sandra Robinson at a public hearing in Millmerran on 29 January 2020.
- 6 Statement tabled by Ms Theresa Tickell at a public hearing in Millmerran on 29 January 2020.
- 7 Two documents titled 'Delivering Inland Rail' and 'Inland Rail's Operating Environment' tabled by the Australian Rail Track Corporation at a public hearing in Brisbane on 30 January 2020.
- 8 A4 Brochure titled 'Toowoomba Region: Inland Rail Brief 2019' tabled by Toowoomba Regional Council at a public hearing in Brisbane on 30 January 2020.
- 9 Three documents tabled by Mr Craig Porter at a public hearing in Brisbane on 30 January 2020.
- 10 A supplementary submission tabled by Mr Lloyd Stumer at a public hearing in Brisbane on 30 January 2020.
- 11 Document titled 'Witness Statement and Supporting Documents' tabled by Ms Anita Waihi at a public hearing in Brisbane on 30 January 2020.
- 12 Speaking notes and handout tabled by Ms Kaye McKinnon at a public hearing in Brisbane on 30 January 2020.
- 13 Opening statement tabled by the Department of Infrastructure at a public hearing in Canberra on 13 August 2020.
- 14 Opening statement tabled by the Australian Rail Track Corporation at a public hearing in Canberra on 13 August 2020.
- 15 Opening statement tabled by the Queensland Trucking Association at a public hearing in Brisbane on 27 January 2021.
- 16 Opening statement tabled by the Australian Logistics Council at a public hearing in Melbourne on 22 April 2021.

- 17 Document titled 'Euroa Rail Precinct Proposal March 2021' tabled by Dr Kate Auty of North East Rail Alliance at a public hearing in Melbourne on 22 April 2021.
- 18 Document tabled by Mr Michael McLean at a public hearing in Melbourne on 22 April 2021.
- 19 Incorporated document tabled by the Victorian Transport Association at a public hearing in Melbourne on 22 April 2021.

Appendix 2

Public hearings and witnesses

Wednesday, 29 January 2020

Millmerran Cultural Centre

Walpole Street

Millmerran

Dr Rob Loch, Private capacity

Mr Gordon Van der Est, Private capacity

Ms Vicki Battaglia, Private capacity

Dr David Taylor & Mrs Sally Taylor, Private capacity

Mr Kevin Loveday, Private capacity

Mr Time Durre, Private capacity

Mr Jeffrey Hannaford, Private capacity

Mrs Sandra Robinson, Private capacity

Mrs Bronte Harris, Private capacity

Mrs Theresa Tickell, Private capacity

Mr Mark Rowland, Private capacity

Mr Garry Hayes, Private capacity

Ms Vicki Bond, Private Capacity

Mr Joel Richters, Private Capacity

Mr James Lister, Member for South Downs, Queensland Parliament

Goondiwindi Regional Council

- *Cr Graeme Scheu, Mayor*
- *Mr Dion Jones, Director, Engineering Services*

Pampas Progress Association

- *Mr Graeme Kelly, Chairman*
- *Mr Lyndelle Pfeffer, Secretary*
- *Mr Ross Harris, Treasurer*

DA Hall

- Mr Adam Birch, Chief Operations Officer
- Mr James Borres, Maintenance Manager, Egg Processing Plant
- Ms Eliz Quinlan, Human Resources Manager

Darling Downs Soil Conservation Group

- Mr Mark Genrich, Representative
- Mr Clive Knowles-Kackson, Representative
- Mr Geoff Titmarsh, Representative

NSW Affected Landholders

- Mr Robert Mackay, Boggabilla
- Mr Kenneth Mackay, Boggabilla
- Mr Richard Doyle, Boggabilla
- Mr Ian Uebergang, North Star

Millmerran Rail Group

- Mr Wesley Judd, Chairman
- Mr Brett Kelly, Member
- Mr Paul Curtis, Member
- Mr Jason Mundt, Member
- Mr Ross Harris, Member
- Dr Sharmil Markar, Managing Director and Senior Principal Engineer

Inner Downs Inland Rail Action Group

- Mr Larry Pappin, President
- Mr Jim Keefer, Treasurer
- Mr Neil Owen, Secretary

Ivory's Rock Foundation

- Dr Jeffrey Johnson-Abdelmalik, Secretary and Member of Board of Directors
- Ms Jan McGregor, Project Representative, Inland Rail Project
- Mr Matthew Turnour, Lawyer Representing Ivory's Rock Foundation

Millmerran Rail Group

- Ms Rebecca Perrin, Member

AgForce Queensland Farmers Limited

- Mrs Caroline Harris, South East Regional President

Seidel Farming

- Mr Carl Seidel, Managing Director

Ag-Rich Foods Pty Ltd

- Mr Rob Rich, Director

Thursday, 30 January 2020

Grand Ballroom

Brisbane Marriott Hotel

515 Queen Street

Brisbane

Mr Graham Ewart, Private capacity

Mrs Shirley Ewart, Private capacity

Ivory's Rock Foundation

- Ms Jan McGregor, Project Manager, Inland Rail
- Ms Kaye McKinnon, Public Relations Manager

Port of Brisbane

- Mr Roy Cummins, Chief Executive Officer

Inland Rail Action Group

- Mr Stan Corbett
- Mrs Suzanne Corbett

Gladstone Regional Council [Via Teleconference]

- Cr Matt Burnett Mayor

ARTC

- Mr Richard Wankmuller, Chief Executive Officer, Inland Rail
- Mr John Fullerton, Chief Executive Officer and Managing Director
- Mr Simon Eldridge, Director, Government and Stakeholder Relations
- Ms Rebecca Pickering, Director, Community and Engagement

Logan City Council

- Ms Tamara O'Shea, Interim Administrator
- Mr David Hansen, Acting CEO

Scenic Rim Regional Council

- Mr Richard Hancock, Project Manager, Capital Works and Asset Management

Toowoomba Regional Council

- Mr Mike Brady, General Manager, Infrastructure Services Group
- Mr Craig Sleeman, Principal Project Manager, Inland Rail Program Lead
- Cr James O'Shea, Portfolio Leader, Infrastructure (TBC)

Toowoomba Chamber of Commerce

- Ms Joy Mingay, President

Lockyer Valley Regional Council

- Mr Ian Church, Chief Executive Officer
- Mr Stephen Hart, Coordinator Council Business

Council of Mayors South East Queensland

- Mr Scott Smith, Chief Executive Officer

Logan and Albert Conservation Association

- Anne Page, President
- Ms Robyn Keenan, Member

Panel Of Residents - (1)

- Mr Craig Porter
- Mr Mallory Wuthrich
- Mrs Angela Davis-Smith
- Mr Lloyd Stümer

Panel Of Residents - (2)

- Ms Catherine Lund
- Ms Alison Duke-Gibb
- Ms Anita Waihi
- Ms Kaye McKinnon

Thursday, 13 August 2020

Parliament House

Canberra

Dr Philip Laird, Private capacity

Australasian Railway Association

- Mr Paul Doyle, General Manager, Rail Freight and Ports
- Ms Caroline Wilkie, Chief Executive Officer

Department of Infrastructure, Transport, Cities and Regional Development

- Mr Drue Edwards, Director, Inland Rail Flood Modelling
- Ms Sarah Leeming, General Manager, Regulatory, Environmental and Stakeholder Engagement
- Mr Stephen Sorbello, General Manager, Inland Rail Operations Branch
- Ms Kerry Vine-Camp, First Assistant Secretary, Major Transport and Infrastructure Projects Division

Australian Rail Track Corporation

- Mr Brad Jackson, Director, Program Delivery, Inland Rail
- Mr Simon Ormsby, Group Executive Strategy and Corporate Development
- Ms Rebecca Pickering, Director, Engagement, Environment and Property
- Mr Richard Wankmuller, Chief Executive Officer, Inland Rail

Thursday, 19 November 2020

Parliament House

Canberra

Coonamble Shire Council

- Mr Hein Basson, General Manager
- Mr Ahmad Karanouh, Mayor

Moree Plains Shire Council

- Mr Angus Witherby, Director, Planning and Community Development

Parkes Shire Council

- Mr Kent Boyd, General Manager
- Mrs Anna Wyllie, Economic and Business Development Manager

Gilgandra Shire Council

- Mr Randall Medd, Inland Rail Project Manager
- Mr David Neeves, General Manager
- Mr Ashley Walker, Acting Mayor

Central West Inland Rail Realignment Group

- Mr Stephen Champion, Member
- Mr Paul Galley, Member
- Ms Wanda Galley, Member
- Mr David McBurnie, Member
- Ms Karen McBurnie, Member

New South Wales Farmers Association

- Mr David Carter, Illabo Branch
- Mrs Shane Kilby, Chair, Dubbo Branch
- Mr David McBurnie, Member, Dubbo Branch
- Ms Wendy Morris, Secretary, Dubbo Branch
- Mr Adrian Lyons, Chair, Inland Rail Taskforce
- Mr Peter Holt, Legal Counsel

Narromine to Narrabri Community Consultative Committee

- Mr Bill Fisher, Member

Country Women's Association of NSW

- Ms Danica Leys, Chief Executive Officer
- Mr Peter Holt, Legal Counsel

Australian Rail Track Corporation

- Mr Simon Eldridge, Chief of Staff, Inland Rail
- Mr Simon Ormsby, Group Executive, Strategy and Corporate Development
- Ms Rebecca Pickering, Director, Engagement, Environment and Property
- Mr Richard Wankmuller, Chief Executive Officer, Inland Rail

Mr Carl Baldry, Private capacity

Mrs Amanda Blachut, Private capacity

Mrs Barbara Deans, Private capacity

Mr Ian Friend, Private capacity

Mr Ashley Hermes, Private capacity

Mr Martin Honner, Private capacity

Mr Andrew Knop, Private capacity

Ms Jennifer Knop, Private capacity

Mr Eric McKenzie, Private capacity

Ms Yvette McKenzie, Private capacity

Ms Vivien Thomson, Private capacity

Open Microphone session

Wednesday, 27 January 2021

Royal on the Park Hotel

Brisbane

Queensland Trucking Association Limited

- Mr Gary Mahon, Chief Executive Officer

South Brisbane Suburban Forum

- Mr Max Hooper, Founding Member

SCT Logistics [via teleconference]

- Mr Damon Cantwell, Advisor, Public Policy and Government Relations

- Mr Geoffrey Smith, Managing Director

Central Queensland Region Organisation of Councils

- Mr John Abbott AM, Project Manager

Kagaru to Acacia Ridge and Bromelton Community Consultation Committee

- The Hon Gary Hardgrave, Chair

Logan City Council

- Cr Darren Power, Mayor

National Trunk Rail

- Mr Martin Albrecht AC, Chairman
- Mr Jon Grayson, Director

Formation Consulting

- Mr Max Hooper, Director

Mr Everald Compton, Private capacity

Thursday, 22 April 2021

Rydges Melbourne

186 Exhibition Street

Melbourne

Melbourne

McLean Management Consultants Pty Ltd [via videoconference]

- Mr Michael McLean, Managing Director

Victorian Transport Association

- Mr Peter Anderson, Chief Executive Officer

Port of Melbourne Operations Pty Ltd

- Ms Caryn Anderson, Executive General Manager
- Mr Brendan Bourke, Chief Executive Officer

Roads Australia

- Mr Royce Christie, Director, Policy
- Mr Simon Morgan, Director, Corporate Affairs

Better Benalla Rail Inc.

- Mrs Susan Pearce, Chair

Grain Trade Australia

- Mr Tim Ross, Projects and Operations Manager

Australian Logistics Council

- Mr Kirk Coningham, Chief Executive Officer
- Mr Kerry Corke, Policy Consultant
- Ms Rachel Smith, Director, Policy and Advocacy

Linfox

- Mr Mark Mazurek, Chief Executive Officer

North East Rail Alliance

- Mr Richard Hughes, Volunteer
- Dr Kate Auty, Euroa Connect

Strathbogie Shire Council

- Cr Chris Reburn, Mayor
- Ms Julie Salomon, Chief Executive Officer

Australian Rail Track Corporation

- Mr Mark Campbell, Chief Executive Officer and Managing Director
- Ms Rebecca Pickering, Director, Planning, Communications and Stakeholder Relations
- Mr Ed Walker, General Manager, Victoria Projects
- Mr Richard Wankmuller, Chief Executive Officer, Inland Rail

Department of Infrastructure, Transport, Regional Development and Communications

- Mrs Jessica Hall, First Assistant Secretary, Major Transport and Infrastructure Projects
- Mr David Hallinan, Deputy Secretary

Tuesday, 8 June 2021

MacArthur Room

Oaks Grand Hotel

79 Goondoon Street

Gladstone

Inter-Port Global Consolidation Holdings Pty Ltd

- Mr John Abbott, Chairman and Executive Director
- Mr Desmond Euen, Chief Executive Officer and Managing Director

Regional Development Australia Central and Western Queensland

- Mr John Abbott, Deputy Chairman
- Mr Neville Ferrier, Board Member
- Mr Anthony Gambling, Director of Regional Development

Central Queensland Region Organisation of Councils

- Mr Neville Ferrier, Chair

Banana Shire Council

- Cr Neville Ferrier, Mayor

Gladstone Regional Council

- Cr Matthew Burnett, Mayor