


Australian Government
**Department of Infrastructure, Transport,
Regional Development and Communications**
To: The Hon Barnaby Joyce MP (for noting)

cc: Mr Simon Atkinson, Secretary

cc: David Hallinan, Deputy Secretary

cc: Ms Jessica Hall, First Assistant Secretary

Inland Rail Program Status – Quarterly Update
Action required by: 15 December 2021

Reason: To provide the quarterly update on Inland Rail program delivery and key risks.

Recommendation:	
1. That you note the Inland Rail project progress and current program status provided at <u>Attachment A</u> and <u>Attachment B</u> .	
Noted / Please Discuss	
<div style="display: flex; justify-content: space-between;"> <div> The Hon Barnaby Joyce MP Comments: </div> <div> Date: </div> </div>	

Key Points

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Information on the status of each Inland Rail project section is at **Attachment A**.

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Planning and approvals

3. Public exhibition periods have closed for the draft EISs for six sections - Narromine to Narrabri (N2N), North Star to Border (NS2B), Border to Gowrie (B2G), Gowrie to Helidon (G2H), Helidon to Calvert (H2C) and Calvert to Kagaru (C2K).
 - a. The Australian Rail Track Corporation (ARTC) has advised that the Queensland Coordinator General will require that the revised draft EIS for B2G, G2H, H2C and

C2K will be subject to a further exhibition period. S 22

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Schedule, cost and risks

6. The current status of the Inland Rail program, S 22
S 22 is summarised in the Project Dashboard at **Attachment B**.

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- c. The Department of Infrastructure, Transport, Regional Development & Communications is providing facilitation between s47G and ARTC to assess the potential benefits of optimising the alignment to avoid bisecting s47G s47G has advised that a study by PWC on this matter (funded by ARTC) is expected to be provided to ARTC for their consideration by 3 December 2021. ARTC has advised that the findings of the study will inform their decision on the optimal alignment.

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Consultation

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Name: Mitch Pirie
Position: Assistant Secretary, Inland Rail Operations
Division: Major Transport and Infrastructure Projects
Ph: 02 6274 6114
s47F
Date: 26 November 2021

Contact Officer: s47F
Section: Inland Rail Commercial and
Financing
s47F
s47F

Attachments:

- A: Project Status Overview November 2021
B: Inland Rail Project Dashboard November 2021

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Department's Issues and Risks / Mitigations	Departmental Analysis of Key Issues and F

Department	Department Risk Rating
Accounting	Low
Business Administration	Low
Chemistry	Low
Computer Science	Low
Engineering	Low
Health Sciences	Low
Humanities	Low
Law	Low
Life Sciences	Low
Mathematics	Low
Physical Sciences	Low
Social Sciences	Low
The Arts	Low

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B2G, G2H, H2C and C2K: Project team is working with the Independent Flood Panel to address the issues raised in their draft reports.

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Construction Progress

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Project Program – Baseline (May 2020) vs Schedule Pressures (projection if delays are realised)																																							
2018				2019				2020				2021				2022				2023				2024				2025				2026				2027			
Project				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				

\$ 22

B2C

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Q&D

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\$ 47G



Notes: 1. 'Non-Construction': For illustrative purposes and to emphasise construction, the program is simplified to show 'non-construction' as all activities prior to construction (e.g. environmental and planning approvals, land acquisition). Note some of these will overlap with construction.

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Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

To: The Hon Barnaby Joyce MP (for decision)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary, Infrastructure

cc: Ms Jessica Hall, First Assistant Secretary, Major Transport Infrastructure Projects

Flood Panel's draft report for the Gowrie to Helidon (G2H) section of Inland Rail

Action required by: 30 July 2021

Reason: Public release of draft report during G2H Environmental Impact Statement (EIS) exhibition period.

Recommendations:

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The Hon Barnaby Joyce MP

Date:

25-7-21

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Key Points:

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- i. The G2H draft report will be published alongside the Panel's draft reports for the Helidon to Calvert (H2C), Border to Gowrie (B2G) and Calvert to Kagaru (C2K) sections on its webpage on the TMR website.

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This is the same approach as used by the Panel for the H2C, B2G and C2K draft reports.

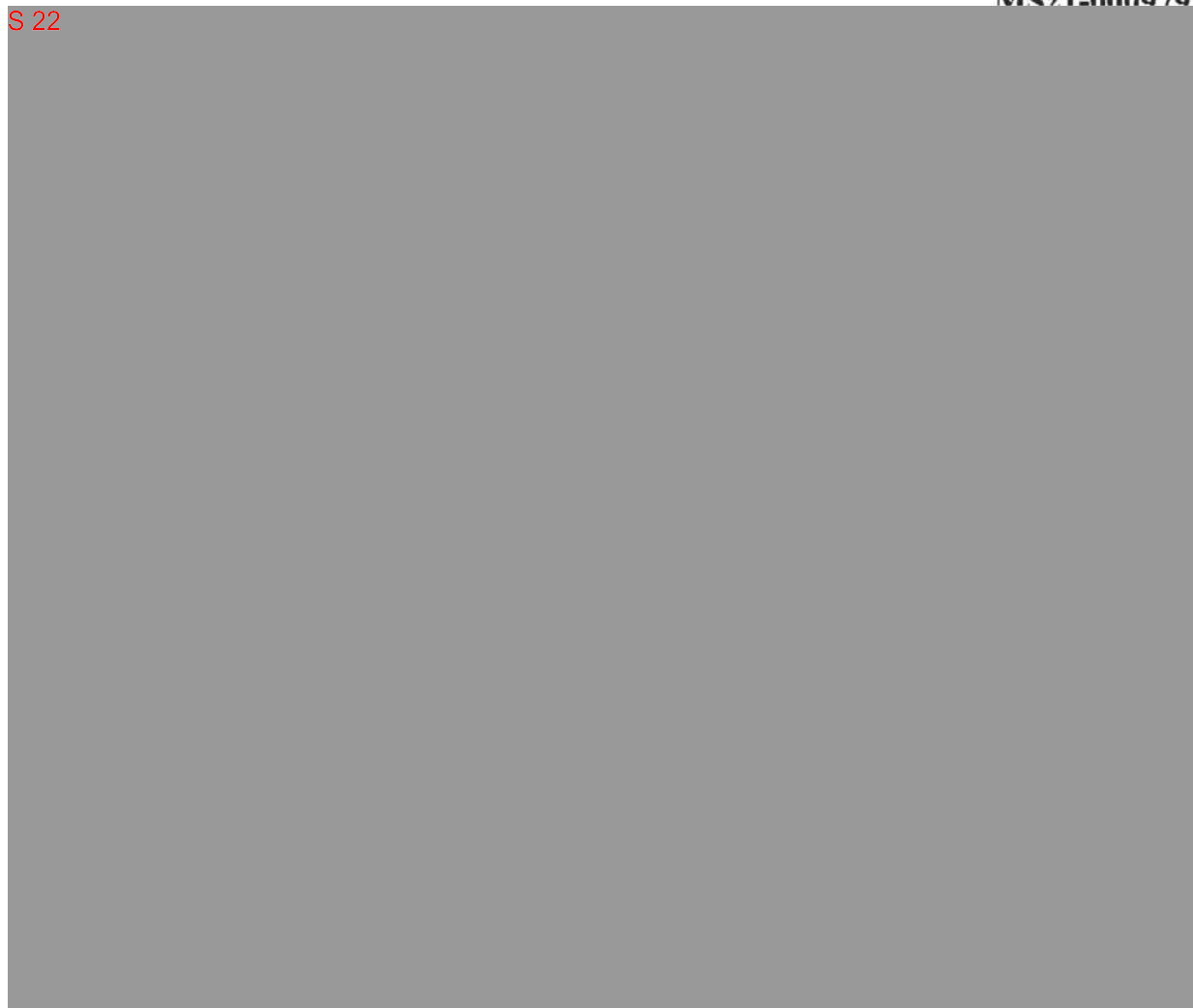
- a. The classification system reflects the Panel's view of the importance of the additional information required to be provided by ARTC and the timing of when this information is required to either inform the EIS process or future design stages of the project.
- b. The issues identified are similar to those identified for the H2C, B2G and C2K sections.

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14. The draft G2H report will be published on the Panel's webpage at www.tmr.qld.gov.au along with the already published; H2C, B2G and C2K reports.

Name: Andrew Bourne
Position: Assistant Secretary
Branch: Inland Rail Stakeholder & Regional
Delivery
Ph: 02 6274 7486
s47F
Date: 13/7/21

Contact Officer: s47F
Section: Flood Modelling and Alignment
s47F
s47F

Attachments:

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Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

To: The Hon Barnaby Joyce MP (for noting)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary, Infrastructure

cc: Ms Jessica Hall, First Assistant Secretary, Major Transport & Infrastructure Projects

Inland Rail – Awarding of the s 22 [REDACTED] Central Civil Works Programs

Action required by: 1 October 2021

Reason: To consider ahead of the announcement of agreements.

Recommendations:

1. That you **note** the two letters from the Hon Warren Truss AC, the Chair of the Australian Rail Track Corporation (ARTC), at **Attachments A and B** advising that the ARTC Board has endorsed the award of the s 22 [REDACTED] Central Civil Works Programs respectively.

Noted / Please Discuss

The Hon Barnaby Joyce MP

Date: 20-9-21

Comments:
Key Points:

1. On 8 September 2021, Mr Truss wrote to you and Senator the Hon Simon Birmingham, Minister for Finance, advising the ARTC Board has endorsed the award of two works programs for Inland Rail.

s 22 [REDACTED]

- b. **The Central Civil Works Program between Narrabri and Whetstone** (includes the Narrabri to North Star (Phase 2), North Star to Border and part of the Border to Gowrie sections of Inland Rail): the preferred proponent is Laing O'Rourke (FreightConnect), selected on the basis of its local and international expertise.
2. ARTC has entered into a Collaborative Framework Agreement (CFA) with each of the preferred proponents (to be executed when announced). Under this arrangement, a financial contract is not signed now, but an agreement is entered into under which s 22 [REDACTED] and FreightConnect are selected as the preferred proponents and will work collaboratively with ARTC to refine the design and develop a costed offer.

3. Subject to acceptance of the offer for each package, S 22 and FreightConnect will then be awarded a contract for detailed design and construction. This is expected to commence in early 2022, with construction starting in mid 2022 (Central) S 22
4. Mr Truss advises this is not a notifiable event under the Inland Rail Project Development Agreement as the value of the initial work is less than \$50 million. However, it is significant as the full value of the contracts with S 22 and FreightConnect will ultimately be much higher. While ARTC retains the right to not accept either S 22 or FreightConnect's costed offers, both will be best placed to secure contracts for construction.
5. The CFA does not have a specific contract value. ARTC agrees to reimburse costs in the development phase, where ARTC's close involvement should help to hold the contractor accountable. These costs are estimated at \$20 million for each program, however this is not a contracted amount and is only an indicative estimate so as to maintain competitive tension.

S 22

Inland Rail Delivery Strategy

7. ARTC has developed a Works Program and Package approach involving CFAs for civil works on three sections – S 22 Narrabri to Whetstone ('Central') and Whetstone to Gowrie ('Northern'), and one for a Rail Corridor Program covering all three sections. There will also be a separate contract for a Rail Systems Package. The CFA for the Northern Program was announced on 3 September 2021.
8. The CFA approach reduces the size and complexity of the bid process to provide industry with more opportunity to participate. Splitting each program into several packages should also provide opportunities for smaller suppliers to be subcontracted.
9. We consider the strategy is consistent with the Government's objective to fast track delivery of Inland Rail and supports ARTC's efforts to mitigate risk. It enables design work to progress towards construction in parallel to environmental and planning approvals.
 - a. The Central package requires environmental and planning approvals (including for property acquisition) from both the NSW and Queensland governments. The Queensland approval process is currently several months behind NSW. There is also a risk the states may set differing approval conditions.

Stakeholder Implications:

10. ARTC advises that appointing a contractor in parallel with planning approvals is common practice. It will continue to work closely with state agencies, local councils, businesses and landholders to maximise local participation opportunities while minimising social and environmental amenity impacts.

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Media Opportunities:

12. The Department's Inland Rail Strategic Communication and Regional Delivery Team is working with ARTC to identify media opportunities to support announcements for these agreements and will liaise with your Office in the coming weeks.

Name: Mitch Pirie

Contact Officer: s47F

Position: Assistant Secretary, Inland Rail Operations

Section: Inland Rail Commercial and
Financing

Division: Major Transport and Infrastructure Projects

Ph: 02 6274 6114

s47F

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s47F

Date: 17 September 2021

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B: Letter from ARTC Chair, the Hon Warren Truss AC – Central Civil Works Program



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The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and
Regional Development
Parliament House
Canberra ACT 2600

Senator the Hon Simon Birmingham
Minister for Finance
Vice President of the Executive Council
Leader of the Government in the Senate
Parliament House
Canberra ACT 2600

8 September 2021

Dear Deputy Prime Minister and Minister

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The Hon Warren Truss AC

Chairman

Australian Rail Track Corporation Ltd

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and
Regional Development
Parliament House
Canberra ACT 2600

Senator the Hon Simon Birmingham
Minister for Finance
Vice President of the Executive Council
Leader of the Government in the Senate
Parliament House
Canberra ACT 2600

8 September 2021

Dear Deputy Prime Minister and Minister

Re: Central Civil Works Program Notification

In December 2020, the Australian Rail Track Corporation (ARTC) initiated procurement for the design and construction for three of the greenfield sections of the Inland Rail through Civil Works Programs and a Rail Corridor Program.

I write to inform you that this procurement process has now largely concluded and the ARTC Board has endorsed the award of the Central Civil Works Program. The award of the Southern and Northern Civil Works Programs have been advised separately and the Rail Corridor Program is expected to be finalised in coming weeks.

The Central Civil Works Program consists of distinct civil works packages between Narrabri in New South Wales and Whetstone in Queensland, with a cumulative value of approximately \$1.2 billion (including GST).

Laing O'Rourke (FreightConnect) has been appointed Preferred Proponent for the Central Civil Works Program. As the initial contract value is under \$50 million, it is not a notifiable event under the Inland Rail Project Development Agreement. This initial contract is a Collaborative Framework Agreement and sees the commencement of a Development Phase whereby the parties will work collaboratively to develop a design, methodology and ultimately a target cost which will form the Contractor's offer. While a financial contract will not be exchanged at this time, the Consortium will be reimbursed for expenses incurred during the development phase.

Following agreement and acceptance of the offer for each works package, Freight Connect will be awarded a contract for the detailed design and construction phase. This phase is expected to commence in early 2022 with construction activities likely to commence on the first works package in mid-2022.

The FreightConnect team brings the expertise, collaborative approach, local knowledge and proven ability to deliver projects at scale. The FreightConnect team has previously worked on the Pacific Highway Upgrade - Woolgoolga to Ballina, South Eastern Program Alliance, Australia-Singapore Military Training Initiative and the NSW Bushfires Clean Up Project.

The appointment of the Preferred Proponent for the Inland Rail Central Civil Works Program will deliver benefits to regional New South Wales and Queensland through accelerated investment and local opportunities.

We have already seen with the completion of the Parkes to Narromine section of Inland Rail and the current construction on the Narrabri to North Star project, the significant jobs and regional investment that Inland Rail brings to the Australian and regional economies.

To ensure that this project also delivers these benefits, we have sought to ensure that the contract complies with the Statement of Intent for Inland Rail to deliver local opportunities through key result areas and other mechanisms.

We will continue to work with your Departments to provide updates on the delivery of this section of the Inland Rail project. If circumstances permit, I look forward to potentially joining you for a formal announcement of this contract. I thank you for your continued support in delivering Inland Rail.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Warren Truss', is positioned above the printed name of the signatory.

The Hon Warren Truss AC
Chairman
Australian Rail Track Corporation Ltd


Australian Government
**Department of Infrastructure, Transport,
Regional Development and Communications**
To: The Hon Barnaby Joyce MP (for noting)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary, Infrastructure

cc: Ms Jessica Hall, First Assistant Secretary, Major Transport & Infrastructure Projects

Inland Rail - Northern Civil Works Program Development Phase Contract Award
Action required by: 5 August 2021

Reason: To enable an announcement of the contract award, so that ARTC can progress development work for Border to Gowrie (B2G) in line with the critical path timeline.

Recommendations:

1. That you **note** the letter from the Hon Warren Truss AC, the Chair of the Australian Rail Track Corporation (ARTC), at **Attachment A** advising that the ARTC Board has endorsed the award of the contract for the development phase of the Northern Civil Works Program (part of the B2G section of Inland Rail).

Noted / Please Discuss
The Hon Barnaby Joyce MP
Date:
28-8-21
Comments:
*Sorry this took this long.
let's go!*
Key Points:

1. On 23 July 2021, Mr Truss wrote to you and Senator the Hon Simon Birmingham, Minister for Finance, advising the ARTC Board has endorsed the award of a contract for the Northern Civil Works Program between Whetstone and Gowrie (part of B2G). The contract will be awarded to the Bielby Hull QBirt (BHQ) Consortium, comprising Bielby Holdings Pty Ltd, JH Holdings Pty Ltd and QH&M Birt Pty Ltd on the basis of its significant relevant experience and value for money.
2. ARTC is entering into a Collaborative Framework Agreement (CFA) with BHQ. Under this arrangement, the initial contract is for project development only, which will involve BHQ working collaboratively with ARTC to develop a tender design and costed offer. Subject to acceptance of the offer for each package, BHQ will then be awarded a contract for detailed design and construction – expected to commence early 2022, with construction in late 2022.
3. The letter indicates this is not a notifiable event under the Inland Rail Project Development Agreement (PDA) as the initial contract value is less than \$50 million. However, it is significant as the full value of the contract with BHQ will ultimately be much higher. While ARTC retains the right to not accept BHQ's costed offers, BHQ will be best placed to secure the contract for construction s 22

S 47G

Inland Rail Delivery Strategy

5. ARTC has developed a Works Program and Package approach involving CFAs for civil works on three sections – s22 [REDACTED] Narrabri to Whetstone ('Central') and Whetstone to Gowrie ('Northern'), and one for a Rail Corridor Program covering all three sections. There will also be a separate contract for a Rail Systems Package.
6. The CFA approach reduces the size and complexity of the bid process to provide industry with more opportunity to participate. Splitting each program into several packages should also provide opportunities for smaller suppliers to be subcontracted.
7. We consider that ARTC's delivery strategy is consistent with the Australian Government's objective to fast track delivery of Inland Rail and supports ARTC's efforts to mitigate risk. It enables design work to progress towards construction in parallel to environmental and planning approvals.

Stakeholder Implications:

8. The target completion date for the B2G Environmental Impact Statement is early 2022. ARTC consider that appointing a contractor in parallel with planning approvals is common practice. It will continue to work closely with Queensland agencies to ensure that social, environmental and other impacts of the project are appropriately managed.
9. There are some stakeholders who are seeking to change the current B2G alignment (the Millmerran Rail Group and s 22 [REDACTED] located at Yandilla near Millmerran) and are likely to be frustrated by this announcement. We are briefing you separately for a meeting you are having with these stakeholders and the Hon David Littleproud MP, Minister for Agriculture and Northern Australia, on 2 August 2021. More broadly, there are likely to be sensitivities for landholders relating to compulsory land acquisitions along the alignment.

Consultation:

10. The Department of Finance has been consulted in forming a view on the proposed approach.

Media Opportunities:

11. The Department's Inland Rail Strategic Communication and Regional Delivery Team is working with your Office to develop an appropriate media strategy for announcing the Northern Civil Works Program.

Name: Mitch Pirie
 Position: Assistant Secretary, Inland Rail Operations
 Division: Major Transport and Infrastructure Projects
 Ph: 02 6274 6114
 s47F [REDACTED]

Date: 28 July 2021

Contact Officer: s47F [REDACTED]
 Section: Commercial and Financing
 s47F [REDACTED]
 s47F [REDACTED]

Attachment:

- A: Letter from ARTC Chair, the Hon Warren Truss AC, to Shareholder Ministers, 23 July 2021.

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure and Transport
Parliament House
CANBERRA ACT 2601

Senator the Hon Simon Birmingham
Minister for Finance and the Public Service
Parliament House
CANBERRA ACT 2601

23 July 2021

Dear Deputy Prime Minister and Minister

Re: Northern Civil Works Program Development Phase Contract Award

In December 2020 ARTC initiated procurement for the design and construction for three of the greenfield sections of the Inland Rail through a Civil Works Programs and Rail Corridor Program delivery model. I write to inform you that this procurement process has now concluded, and the Australian Rail Track Corporation Board has endorsed the award of the contract for the development phase of the Northern Civil Works Program. The award of the Central and Southern Civil Works Programs will follow in August and the Rail Corridor Program during September.

The Northern Civil Works Program consists of four distinct civil works packages between Whetstone and Gowrie in Queensland, with a cumulative value of approximately \$1.2 billion (including GST).

The Bielby Hull QBirt (BHQ) Consortium, comprising Bielby Holdings Pty Ltd, JF Hull Holdings Pty Ltd, and QH&M Birt Pty Ltd, was appointed Preferred Contractor for the Northern Civil Works Program with the initial contract value being under \$50 million and not a notifiable event under the Project Development Agreement (PDA). This initial contract, a Collaborative Framework Agreement sees the commencement of a Development Phase whereby the parties will work collaboratively to develop a design, methodology and ultimately a target cost which forms the Contractor's offer.

Following agreement and acceptance of the offer for each works package, BHQ will be awarded a contract for the detailed design and construction phase. This phase is expected to commence in early 2022, with construction activities likely to commence on the first works package in late 2022.

BHQ is proudly Queensland owned. The consortium brings significant delivery experience and represents value for money outcomes for the Northern Civil Works Program through innovation and collaboration.

With the appointment of Preferred Contractor for the Northern Civil Works Program, Inland Rail will deliver benefits to regional Queensland through accelerated investment and local opportunities. Although this initial contract is not the binding works contract, it is a step towards a contractor's offer which will become the works contract.

ARTC is currently finalising negotiations with the shortlisted contractors for the Central (Narrabri to Whetstone) s 22 I will write to you separately

once negotiations are complete and the ARTC Board has endorsed awarding of the contracts. Prior to formal execution of the works contract, ARTC will provide a PDA notification to Shareholding Ministers.

We will continue to work with your departments to provide updates on the delivery of this section of Inland Rail. I look forward to potentially joining you for a formal announcement.

In closing, I thank you for your continued support in delivering Inland Rail.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Warren Truss', is positioned above the printed name.

The Hon Warren Truss AC
Chairman
Australian Rail Track Corporation Ltd

MS21-002407



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications**To: The Hon Barnaby Joyce MP** (for noting)**cc:** Mr Simon Atkinson, Secretary**cc:** Mr David Hallinan, Deputy Secretary, Infrastructure**cc:** Ms Jessica Hall, First Assistant Secretary, Major Transport & Infrastructure Projects**Inland Rail – Awarding of the Rail Corridor Program (Narromine to Gowrie)
Collaborative Framework Agreement (CFA) and media opportunities****Action required by:** 12 November 2021**Reason:** ARTC needs to sign the CFA with Martinus by next Friday, and will trigger an announcement by the company. This will align media opportunities ahead of the announcement of the CFA.**Recommendations:**

1. That you **note** the letter from the Hon Warren Truss AC, the Chair of the Australian Rail Track Corporation (ARTC), at **Attachment A** advising that the ARTC Board has endorsed the award of the Rail Corridor Program (Narromine to Gowrie).

Noted / Please Discuss

2. That you **agree** an announcement of the Rail Corridor Program in November 2021 led by the Australian Government, in a manner consistent with recent Northern, Central and Southern Civil Works Programs.

Agreed / Not Agreed
The Hon Barnaby Joyce MP

Date: 11-11-21

Comments:
Key Points:

1. On 27 October 2021, the Chair of ARTC, Mr Truss wrote to you and Senator the Hon Simon Birmingham, Minister for Finance, advising the ARTC Board has endorsed entering into a CFA with Martinus Rail for the design and planning of a Rail Corridor program of works, which will deliver approximately 570 kilometres of Inland Rail track works between Narromine in NSW and Gowrie in Queensland.
 - a. Martinus Rail is an Australian owned and operated tier two company, and was selected on the basis of its strong expertise working on railway construction in Australia.

2. The costs for the design and planning under the CFA are estimated to be up to \$30 million. This is less than the \$50 million threshold prescribed in the Inland Rail Project Development Agreement as a significant notifiable event. However, similar to the recently announced civil works packages, this is another opportunity to promote that Inland Rail is being delivered.
 - a. This planning phase, includes developing strategies to manage supply and logistics to ensure large quantities of long lead time construction materials are delivered on time for the construction of the rail between Narromine and Gowrie.
 - b. Following each design and planning contract, Martinus Rail will be awarded separate contracts for track construction. S 22
 - c. Once the rail program enters into construction, the full value of contracts is expected to reach \$300 million.

Table 1: Timeline of Major Civil Construction Works and Rail Corridor Program

	Major civil construction works start	Rail corridor program timelines			Project construction end
		<i>Collaborative design & planning phase</i>	<i>Establish handling facilities and start transport materials</i>	<i>Track laying commences</i>	
S 22					
B2G (216km)	Late 2022	Nov 21-April 22	Mid-2022	Late 2024	Mid-2026

Inland Rail Delivery Strategy

3. The Rail Corridor Program CFA follows the CFAs for civil works on three corridors – S22 Narrabri to Whetstone ('Central') and Whetstone to Gowrie ('Northern') that were announced in September 2021 (MS21-001923 refers). There will also be a separate contract for a Rail Systems Package, which we will brief you on at a later date.
4. The CFA approach taken by ARTC reduces the size and complexity of the bid process and splits each program into several packages to provide opportunities for smaller suppliers to be subcontracted. This enables design work to progress towards construction in parallel to environmental and planning approvals, helping to reduce delivery risks.

Stakeholder Implications:

5. ARTC advises that appointing a contractor in parallel with planning approvals is common practice. It will continue to work closely with state agencies, local councils, businesses and landholders to maximise local participation opportunities while minimising social and environmental amenity impacts.

Media Opportunities:

6. Identifying opportunities to announce contracts such as these have been an important tool to reinforce that:
 - a. Inland Rail is being constructed and benefits have already started to accrue; and
 - b. Opportunities for Australian-owned, local suppliers and smaller tier companies are winning bids on this iconic national transport project.
7. The Department's Inland Rail Strategic Communication and Regional Delivery Team is working with ARTC to identify media opportunities to support announcement of this agreement.
8. Communication products have been prepared for consideration, refer to **Attachment B** for a media release and **Attachment C** for fast facts and talking points.
9. We will work with your office over coming weeks to find an appropriate opportunity in your diary.

Name: Mitch Pirie

Position: Assistant Secretary, Inland Rail Operations

Division: Major Transport and Infrastructure Projects

Ph: 02 6274 6114

s47F

Date: 5 November 2021

Contact Officer: s47F

Section: Inland Rail Commercial and
Financing

s47F

s47F

A: Letter from ARTC Chair, the Hon Warren Truss AC – Rail Corridor Program

B: Draft Joint media release with the Deputy Prime Minister and the Minister for Finance.

C: Talking points and fast facts regarding the Rail Corridor Program.

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional
Development
Parliament House
Canberra ACT 2600

Senator the Hon Simon Birmingham
Minister for Finance
Vice President of the Executive Council
Leader of the Government in the Senate
Parliament House
Canberra ACT 2600

27 October 2021

Dear Deputy Prime Minister and Minister

Re: Inland Rail Corridor Program

In December 2020, the Australian Rail Track Corporation (ARTC) initiated procurement for the design and construction for three of the greenfield sections of the Inland Rail through a Civil Works Programs and Rail Corridor Program delivery model.

I write to inform you that this procurement process has now concluded and the ARTC Board has endorsed the award of the Rail Corridor Program. The award of three Civil Works Programs have been previously notified.

The Rail Corridor Program consists of distinct rail works packages between Narromine in New South Wales and Gowrie in Queensland, with a cumulative value of approximately \$300 million (including GST).

Martinus Rail has been appointed Preferred Proponent for the Rail Corridor Program with the initial contract value being under \$50 million and not a notifiable event under the Project Development Agreement.

This initial agreement, a Collaborative Framework Agreement (CFA) oversees the Materials and Logistics Planning Phase, whereby the contractor works closely with ARTC to develop strategies to manage supply and logistics for large quantities of long-lead time construction materials in preparation for delivery of the Rail Corridor Program following completion of Civil Works packages. While a financial contract will not be exchanged at this time, the Contractor will be reimbursed for expenses occurred under the CFA. The initial costs are estimated to reach approximately \$30 million.

Following agreement and acceptance of an offer for each rail works package, Martinus Rail will be awarded separate contracts for track construction. Establishment of materials handling facilities is expected to commence in mid-2022, with track construction activities likely to commence in late 2024.

Australian owned and operated Martinus Rail is exclusively focussed on railway construction in Australia with 15 years of re-investment in their team, plant and systems. Martinus Rail brings expert skills and a culture that aligns with ARTC's as a delivery partner for Inland Rail. Martinus has grown from a product supply business to a full-service rail contractor and is currently delivering major projects such as the Carmichael Rail Network and the tracklaying and overhead wiring component of the Forrestfield-Airport Link.

With the appointment of the Preferred Proponent for the Rail Corridor Program (Narromine to Gowrie), Inland Rail will deliver benefits to regional New South Wales and Queensland through accelerated investment and local opportunities.

We have already seen, with the completion of the Parkes to Narromine section of Inland Rail, and the current construction on Narrabri to North Star, the significant jobs and regional investment that Inland Rail brings to the Australian and regional economies.

To ensure that this project also delivers on these objectives we have sought to ensure that the contract complies with the Statement of Intent for Inland Rail to deliver local opportunities through key result areas and other mechanisms.

We will continue to work with your Departments to provide updates on the delivery of this section of Inland Rail. I look forward to potentially joining you for a formal announcement.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Warren Truss', is positioned above a thin horizontal line.

The Hon Warren Truss AC
Chairman
Australian Rail Track Corporation Ltd



The Hon Barnaby Joyce MP

Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development

Senator the Hon Simon Birmingham

Minister for Finance
Leader of the Government in the Senate
Senator for South Australia

MEDIA RELEASE

[Day], [Date] October 2021

Inland Rail keeping Australian companies on track for success

Australian owned and operated Martinus Rail will deliver approximately 570 kilometres of Inland Rail track works between Narromine in New South Wales and Gowrie in Queensland.

The agreement with the Australian Rail Track Corporation (ARTC) will see Martinus Rail collaborate on the \$300 million Rail Corridor Program that will deliver top capping, lay sleepers and rail, install level crossings and coordinate the supply of materials, services and facilities.

Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development Barnaby Joyce said the Australian Government's infrastructure investment was transforming the freight network, while supporting business growth and capability.

"We have already built more than 130 kilometres of the 1,700km Inland Rail backbone that will cut travel times between Melbourne and Brisbane, connect producers to new markets and deliver efficiencies across the national freight network," the Deputy Prime Minister said.

"More than 400 companies have shared in the billions of Inland Rail stimulus spent to date – providing the opportunity to expand their operations and put on additional workers.

"At the peak of construction, the Rail Corridor Program will provide work for an estimated 600 people laying more than 80,000 tonnes of steel rail and installing nearly 950,000 Australian made concrete sleepers between Narromine and Gowrie.

"With work on Inland Rail, the Australian Government is providing a pathway for companies such as Martinus Rail to gain the credibility and capital that will see more Tier-1 companies owned and operated by Australians – delivering multi-billion-dollar projects right here in our back yard.

Finance Minister Simon Birmingham said Martinus Rail joins more than 400 Australian companies already contracted to supply and service the Inland Rail project.

"The design and construction of Inland Rail has already seen ARTC commit to contracts worth more than \$2.2 billion – these contracts are benefiting companies in every Australian state and territory," Minister Birmingham said.

“This multi-billion-dollar investment is stimulating growth, supporting new jobs and providing opportunities for businesses of all sizes to mature and build capability.

ARTC entered into an agreement with Martinus Rail in early October that will see the company oversee the Material and Logistics planning phase of the Rail Corridor Program.

The Rail Corridor Program is expected to commence work from mid-2022 and will follow the incremental delivery of earth works and preliminary construction activities on the Northern, Central and Southern Civil Works Programs spanning Narromine to North Star in New South Wales and across the border to Gowrie in Queensland.

For more information on ARTC contracts and commitment, or to explore opportunities for businesses to help build Inland Rail visit <https://inlandrail.artc.com.au/opportunities/>

Fast Facts

Media contact:

Deputy Prime Minister – S 22

Minister Birmingham – S 22

Rail Corridor Program		
Proponent	Martinus Rail	
Length of rail track constructed	Total	565.5 km
	Greenfield	457.7 km
	Brownfield	107.8 km
	Inland Rail projects and KM of track	
	Narromine to Narrabri	306 km
	Narrabri to North Star Phase 2	13.5 km
	North Star to Border	39 km
	Border to Gowrie	207 km
Materials	Rail steel	80,400 tonnes
	No. Sleepers	948,000
	Ballast	1.7 million tonnes
Jobs / Estimated	600	
Delivery timeline	Commencement of early works	Q3, 2022 Transport of supplied materials and establishment of handling facilities.
	Commencement of track work	Q4, 2024

Rail Corridor Program – Construction of the rail line

This program includes:

- delivery of works between top of capping and top of rail (including welding),
- transport of ARTC supplied materials,
- establishment of facilities,
- co-ordination of site access and design
- installation and commissioning of level crossings.

Proponent	Martinus Rail	
	Office locations	Brisbane, Melbourne, Sydney and Perth
	Company size	Currently a Tier 2 Constructor
	Ownership	Australian owned and operated
	CEO/ Spokesperson	Treaven Martinus
Scope of the CFA	Covers material and logistics planning for the Rail Corridor Program	
	Value	Approximately \$30 million
	Approx. duration of planning phase	Nov 2021 – April 2022
Length of rail track constructed	Total	565.5 km
	Greenfield	457.7 km
	Brownfield	107.8 km
	Inland Rail projects and KM of track	
	Narromine to Narrabri	306 km
	Narrabri to North Star Phase 2	13.5 km
	North Star to Border	39 km
	Border to Gowrie	207 km
Materials	Rail steel	80,400 tonnes
	No. Sleepers	948,000
	Ballast	1.7 million tonnes
Jobs / Estimated	600	
Delivery timeline	Expected contract announcement	May-June 2022
	Commencement of early works	Q3, 2022 Transport of supplied materials and establishment of handling facilities.
	Commencement of track work	Q4, 2024 – Narromine to Narrabri

MS21-002217



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications**To: The Hon Barnaby Joyce MP** (for noting and decision)**cc:** Mr Simon Atkinson, Secretary**cc:** Mr David Hallinan, Deputy Secretary**cc:** Ms Jessica Hall, First Assistant Secretary**Inland Rail – Inland Rail Interfaces with Queensland Rail (QR) Network****Action required by:** 29 October 2021.**Reason:** To respond to Minister Bailey in a timely manner.**Recommendation/s:**

1. That you **note** the letter from Mark Bailey MP, Minister for Transport and Main Roads, Queensland, at **Attachment A** advising that the Queensland Government has agreed to commence negotiations with the Australian Rail Track Corporation (ARTC) on arrangements for the management of QR's **S 22** South Western and **S 22** Lines and next steps on negotiations.

Noted / Please Discuss

2. That you **sign** the letter to the Hon Mark Bailey MP, Minister for Transport and Main Roads thanking him for his support for Inland Rail, at **Attachment B**.

Signed / Not Signed**The Hon Barnaby Joyce MP**Date: **4-11-21****Comments:****Key Points:**

1. ARTC has been working with the Queensland Department of Transport and Main Roads (TMR) on a proposal for the management and operation of QR lines that interface with Inland Rail in South East Queensland (map is at **Attachment C**), consistent with the commitments in the Queensland Inland Rail Bilateral Agreement. Minister Bailey has written advising Queensland will commence negotiations with ARTC on a Heads of Agreement (HoA).

S 22

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Background information

5. The Australian and Queensland governments agreed in the Inland Rail Bilateral Agreement to work co-operatively to explore ways to enhance or interface with any parts of the QR Network that fall within or intersect the Rail Corridor through the Inland Rail Project.
6. Consistent with the Bilateral Agreement, ARTC provided TMR with a high-level proposal on 13 April 2021. The proposal from ARTC to TMR relates to taking over the management and operation of the s 22, South Western s 22 systems in Queensland via a sub-lease.

s 22

8. The benefits of the proposal include reduced interface risks, reduced schedule uncertainty and cost savings to the Gowrie to Kagaru Public Private Partnership (G2K PPP) and Border to Gowrie sections. S 22

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Consultation:

10. The department consulted with ARTC and the Department of Finance in preparing this brief.

Name: Mitch Pirie

Position: Assistant Secretary, Inland Rail Operations

Division: Major Transport and Infrastructure Projects

Ph: 02 6274 6114

s47F

Date: 4 November 2021

Contact Officer: s47F

Section: Inland Rail Commercial and
Financing

s47F

s47F

Attachments:

- A: Letter from Mark Bailey MP, Minister for Transport and Main Roads (TMR), Queensland
- B: Draft letter responding to Minister Bailey
- C: Map of Inland Rail alignment and the QR West Moreton, South Western and Southern lines



Minister for Transport and Main Roads

Our ref: MC121140

24 SEP 2021

The Honourable Barnaby Joyce MP
Deputy Prime Minister and
Minister for Infrastructure
Transport and Regional Development
PO Box 6022
Parliament House
CANBERRA ACT 2600

1 William Street Brisbane 4000
GPO Box 2644 Brisbane
Queensland 4001 Australia
Telephone +61 7 3719 7300
Email transportandmainroads@ministerial.qld.gov.au
Website www.tam.qld.gov.au

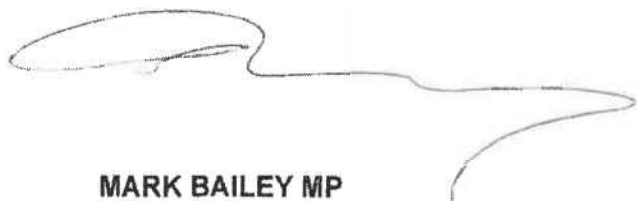
Dear Deputy Prime Minister

S 47G



S 47G

I trust this information is of assistance

A handwritten signature in black ink, consisting of a large, stylized loop followed by a long, horizontal stroke that tapers off to the right.

MARK BAILEY MP
Minister for Transport and Main Roads



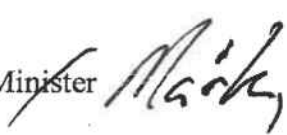

The Hon Barnaby Joyce MP

**Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for New England**

Ref: MS21-002217

The Hon Mark Bailey MP
Minister for Transport and Main Roads
GPO Box 2644
BRISBANE QLD 4001

Dear Minister


Thank you for your letter of 24 September 2021 regarding the proposal provided by the Australian Rail Track Corporation on the management and operation of Queensland Rail's **S 22** 
(collectively referred to as the Southern Queensland Rail Network).

I welcome your confirmation that the Queensland Government has agreed as a matter of urgency to finalise the proposal through a Heads of Agreement. The Commonwealth Government is keen to finalise the Heads of Agreement before the end of 2021 and we would welcome your support progressing these negotiations.

Inland Rail will support more than 21,500 direct and indirect jobs across Australia at the peak of construction. For Queensland, this means 11,800 jobs in 2023-24, with roughly 3,500 full time jobs, and around \$7.8 billion in gross state product from the construction and operation of Inland Rail.

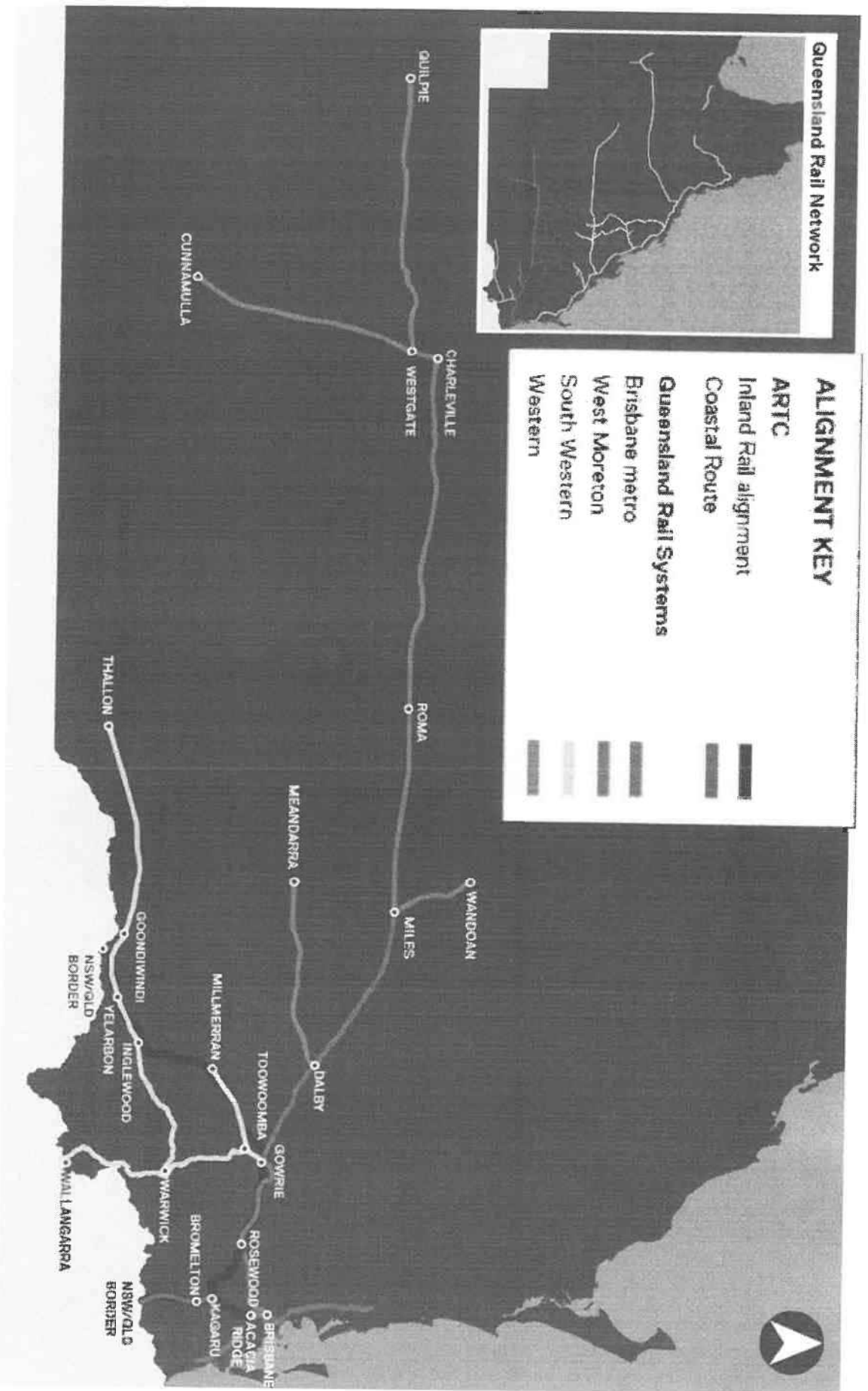
I look forward to working with you to finalise this Heads of Agreement and other Inland Rail enabling agreements, including the Queensland Development Deed as a matter of priority.

Yours sincerely



Barnaby Joyce MP

ARTC proposal to sub-lease the West Moreton, South Western and Western Queensland Rail Lines.



~~PROTECTED~~

MB21-000356



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications**To: The Hon Barnaby Joyce MP** (for noting)**cc:** Mr Simon Atkinson, Secretary**cc:** Mr David Hallinan, Deputy Secretary, Infrastructure**cc:** Ms Jessica Hall, First Assistant Secretary, Major Transport Infrastructure Projects**MEETING: Millmerran Rail Group - Border to Gowrie (B2G) section of Inland Rail****Timing:** meeting scheduled for Monday, 2 August 2021 from 9.30 - 9.50am**Venue:** Teleconference

Recommendation:	
1. That you Note the information provided.	Noted / Please Discuss
<p style="text-align: right;">Date:</p> <p>The Hon Barnaby Joyce MP</p> <p>Comments:</p>	

Meeting with:

- The Hon David Littleproud MP, Minister for Agriculture and Northern Australia
- Senator Susan McDonald – Senator for Queensland, Deputy Chair of Rural and Regional Affairs and Transport References Committee - Inquiry into Inland Rail (TBC)

s47G

Minister Littleproud requested a meeting with you on behalf of s47G
(**Attachment A**)

Our Proposed Objectives:

To hear the concerns of s47G regarding the B2G section of Inland Rail.

You may wish to confirm that the B2G alignment is settled and that ARTC is committed to working directly with s47G to address potential impacts to their business, including an option to adjust the alignment to pass to the south of the Halls property.

Their Objective:

To seek your agreement to either change the B2G alignment to follow their proposed alternative route via Cecil Plains or to delay the approval process to allow further evaluation of the alternative route via Cecil Plains, including an Environmental Impact Statement (EIS).

~~PROTECTED~~

Key Points:

MRG opposition to the B2G alignment

1. MRG continues to be opposed to the Australian Government's selected B2G alignment of Inland Rail announced in September 2017.
 - a. s47G believes the selected alignment should be changed, citing potential: safety risks, increase to flood risk on the Condamine floodplain, impacts to landholders and loss of agricultural land including s47G a major agribusiness on the alignment.
 - b. s47G has consistently been advocating for an alternative alignment via Cecil Plains (also referred to as the Forestry route). (**Attachment B** – Map showing alternative alignment)
 - c. s47G, supported by Minister Littleproud, have met and corresponded with the then Deputy Prime Minister, Hon Michael McCormack MP on numerous occasions to lobby for a change of alignment.
2. In November 2020 the Prime Minister, the then Deputy Prime Minister and Minister Littleproud publicly affirmed that the B2G Reference Design alignment is the selected alignment following an independent review of the alternative alignment via Cecil Plains.
 - a. GTA Consultants Pty Ltd's independent review confirmed that all alternative alignment options via Cecil Plains would deliver a significantly worse outcome against the Inland Rail Service Offering (IRSO) as compared to the selected B2G Reference Design alignment. (**Attachment C** – Background Cecil Plain Route Review).
 - b. GTA verified that the data compiled by the Australian Rail Track Corporation (ARTC), ARUPs and Future Freight Joint Venture for the two alignments is comparable on a like-for-like basis.
 - c. s47G disputed the findings of the review, including the costings, believing that the data compiled by ARTC favoured the Reference Design route. s47G has previously asked to see the detailed costings.
3. The detailed costings for Inland Rail have not been publicly released by the Government. The release of the costings would prejudice ARTC's ability to undertake the commercial negotiation processes required to realise best value for money for the construction of Inland Rail.

s 22

s47G concerned with impacts to its agribusiness

4. The current B2G Reference Design alignment bisects the s47G s47G

S 47G

6. On 29 July 2021, s 47F spoke with s47G to reaffirm ARTC's commitment to working with s47G to minimise impacts to their business.

- a. s 47F advised that an option to adjust the alignment, known as the 'green line' (first raised by ARTC in late 2018), which passes to the south of the s47G property remains under active consideration

S 47G

- c. ARTC has advised that it understands that some impacts may still exist with the adjusted alignment and is committed to working with s47G to address such impacts.
7. The Office of the Coordinator-General (OCG) has advised ARTC that should it need to adjust the current alignment of Inland Rail it can be done through a formal Project Change Request. Such as request is an administrative process and would not restart the EIS approval process.

Alternative Route will Delay Inland Rail Delivery Schedule and Increase Costs

8. The Queensland Government agreed to the alignment of the B2G section as part of the 2019 Bilateral Agreement for Inland Rail.
9. A change in alignment, as per going through Cecil Plains, would delay the commencement of construction on the B2G section by at least 30 months:
- a. 6 months for OCG to publicly consult and declare the alternative route a Coordinated Project.
 - b. Minimum of 24 months for approvals, including the development of a new Reference Design and EIS incorporating environmental and geotechnical surveys, flood modelling and community consultation.
 - c. Reset of land acquisition processes and re-tender of the construction program.
 - i. We have briefed you separately on progressing the Northern Civil Works Program which includes Whetstone to Gowrie (Brief MS21-001219 refers).
10. Similarly, a variation to include a full environmental assessment of the alternative route as part of the current EIS process would result in the same delay as for a change of alignment.
11. ARTC is now working to address submissions prior to resubmitting the draft EIS for approval by OCG.

Property acquisitions

12. ARTC is undertaking regular community engagement and consultation in relation to the delivery B2G including land acquisition processes as is normal for a major infrastructure project.
- a. ARTC continues to progress land acquisitions from willing sellers. While this is ARTC's preferred approach, some compulsory acquisition is likely to be needed. The compulsory acquisition process is administered by the Department of Transport and Main Roads.
 - b. We understand that prolonged and ongoing commentary about alignment and acquisition process is causing anxiety for landholders on the current and alternative alignment.

Condamine – Increased Flood Risk

13. MRG is concerned that ARTC's modelling for Condamine floodplain is fundamentally flawed. This view is in part based on the advice of their consultant s 47F and view that ARTC's modelling must be able to fully replicate historical flood markers.
14. ARTC's flood modelling and the reference design for the crossing of the Condamine floodplain has been thoroughly reviewed by the Panel. The Panel's B2G draft report found that:
- a. the work undertaken by ARTC to be predominantly in accordance with national guidelines and current industry best practice, and
 - b. while some issues remain to be addressed by ARTC, it is normal for such issues to exist at this stage of a significant infrastructure project and for such issues to be addressed as a project progresses through each design and approval stage.

- c. in reviewing ARTC's flood modelling and reference design to cross the Condamine floodplain, ARTC has undertaken substantial work to identify and model existing flooding characteristics and to mitigate the potential flood risks and impacts.
15. ARTC has welcomed the Panel's draft B2G report and is currently addressing the issues raised by the Panel.
- a. The Panel will consider ARTC's response to its draft report in preparing its final report and advice to the Commonwealth and Queensland Government.
 - b. The OCG has advised that the Panel's final report will be taken into consideration when approving and conditioning the construction of the B2G section. An approval subject to conditions is normal for a major infrastructure project and is consistent with the approach adopted by both the Victorian and NSW Governments
16. Minister Littleproud has written (Letter dated 28 July 2021) to the Chair of the Panel requesting that it meet privately with Condamine landholders on their properties to hear about their flood concerns. The Panel is considering this request noting current various COVID 19 lockdowns.
- a. The Panel has previously responded to an earlier request from Minister Littleproud advising that it would work with the Inner and Southern Darling Downs Community Consultative Committee to organise a public meeting to discuss its findings and next steps.
 - b. The Department and Panel have consistently advised MRG over the last 12 months that it will consider submissions in regard to flood data and concerns. The Panel has met with S 22 to receive a briefing on his work and MRG concerns.

s 22

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Proposed Notetakers: Andrew Bourne and s47F

Name: Andrew Bourne
Position: Assistant Secretary
Division: Major Projects and Infrastructure Div
Ph: 02 6674 7486
s47F
Date: 29 July 2021

Contact Officer: s47F
Section: Flood Modelling and Alignment
s47F
s47F

Attachments:

- A: Biographical Details
- B: Map Showing Alternative Alignment
- C: Background - Cecil Plains Route Review.

BIOGRAPHICAL DETAILS

Biography

S 22

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Biography:

s22

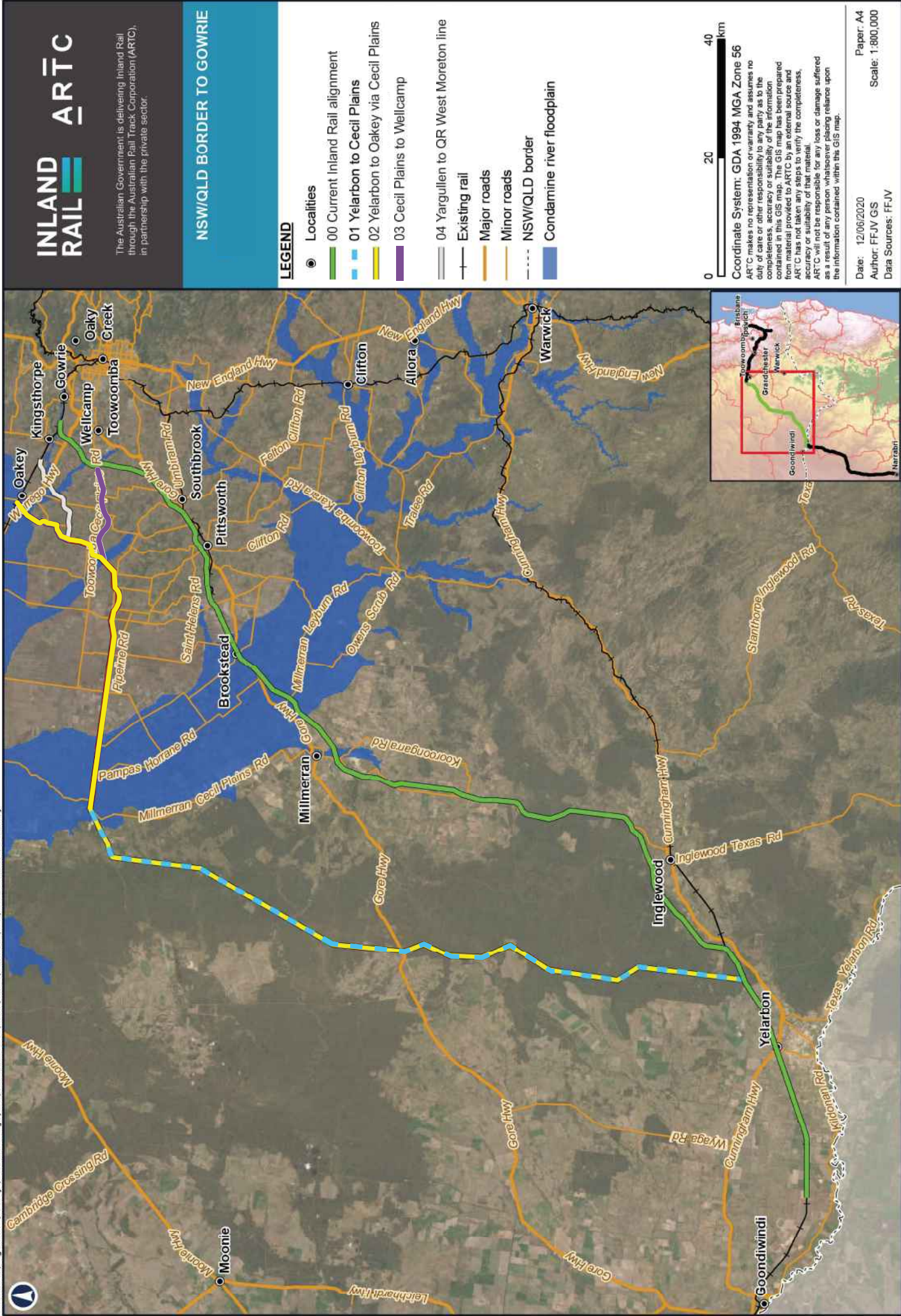
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Background - Cecil Plains Route Review

Key Points

- In March 2020, s47G supported by Minister Littleproud and Senator McDonald met with the then Deputy Prime Minister and representative from the Australian Rail Track Corporation (ARTC).
 - s47G presented a range of concerns regarding the possible impacts that the alignment and design of Inland Rail could have on landholders; including safety, flood risk, loss of agricultural land and impacts on viability of properties bisected by the project.
 - s47G requested that the government commit to review of the B2G alignment, specifically an assessment of the suitability of an alternative route via Cecil Plains.
- In May 2020 the then Deputy Prime Minister announced an immediate assessment of the proposed alternative route via Cecil Plains to assess its ability to enhance the Inland Rail Service Offering (IRSO) of; transit time, reliability, availability and cost competitiveness as compared to the selected B2G Reference Design route.
 - ARTC was tasked with compiling information to enable a like-for-like comparison of the IRSO attributes of the proposed route and the selected Reference Design route.
 - GTA Consultants Pty Ltd (GTA) was engaged by the Department to independently verify that the information compiled by ARTC can be used to compared the two routes on a like-for-like basis.
- In October 2020 the Department provided a briefing to s47G on the findings of the report and in December 2020 with s47G and Minister Littleproud.
- In November 2020, the Australian Government published the Inland Rail B2G Alternative Route Comparison Review.
 - The review confirmed that the alternative route via Cecil Plains would not enhance the IRSO over that provided by the B2G Reference Design route. The Table below summarises key difference between the routes.

Inland Rail Service Offering Metric	Current Reference Design Route	Alternatives	Via Cecil Plains & Wellcamp	Via Cecil Plains & Kingsthorpe
Distance	206.9 km	more than <u>25.9 km longer</u>	<u>232.8 km</u>	234.7 km
Transit time north (Hrs: Mins:Secs)	02:49:37	more than <u>17 minutes</u> in added transit time	03:08:49	<u>03:06:49</u>
Transit time south (Hrs: Mins:Secs)	02:40:32		03:00:11	<u>02:59:19</u>
Availability	[Baseline]	<i>Reduces the ability of Inland Rail to offer services with departure and arrival times that meet customer requirements on a 24 hour transit time.</i>	Reduced Due to additional transit time	Reduced Due to additional transit time
Reliability	98%	Reduced reliability	<u>97%</u>	<u>97%</u>
Length of Condamine floodplain crossed	12.5 km	Requires that Inland Rail navigate an additional <u>20.5 km</u> of floodplain	<u>33.0km</u>	33.0km
Increased costs ➤ Construction ➤ Maintenance ➤ Train Operation	[Baseline]	Increase Inland Rail costs by more than <u>\$472m</u>	<u>+\$281.9m</u> <u>+\$96.9m</u> <u>+\$93.7m</u>	+ \$303.5m + \$104.1m + \$98.1m
No. residences within 200m	104	Would affect between 30 and 130 more residences	<u>134</u>	<u>234</u>

OFFICIAL

QB22-000032

S 22

Toowoomba to Gladstone Inland Rail Extension

- The Australian Government is working with the Queensland Government to develop a business case investigating an extension of Inland Rail from Toowoomba to the Port of Gladstone.

S 22

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S 22

For Ministerial Use Only

TALKING POINTS

Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

Toowoomba to Gladstone Inland Rail Extension

- This business case will investigate extending Inland Rail from Toowoomba to the Port of Gladstone, including options to optimise network connectivity through regional Queensland.
- The business case complements other business cases already underway relating to Inland Rail, such as the intermodal terminals and Port of Brisbane connectivity.
- A new rail line could provide improved rail connectivity to the Port of Gladstone and expand access to import and export markets for producers throughout regional Queensland and northern NSW.
- A rail connection to Gladstone could potentially alleviate congestion pressure through to the Port of Brisbane reducing the need for coal and grain freight to travel through densely populated urban areas.

s 22

Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

s 22

Border to Gowrie Environmental Impact Statement approval delay.

- The Queensland Coordinator-General has written to ARTC to request additional information as part of the ongoing EIS approval process.
- The ARTC is working closely with the Office of the Coordinator General to respond to this request, including preparing of a revised draft EIS.
- The revised draft EIS will be subject to a period of public exhibition, providing all stakeholders with an opportunity to consider the ARTC's responses to their submissions and further comment on the project.
- This is an important next step in the approval of the Border to Gowrie section of Inland Rail.

s 22

Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

s 22



s 22

**Gladstone**

- The \$10 million business case will investigate an extension of Inland Rail from Toowoomba to the Port of Gladstone, which could create new and significant opportunities for our freight industry and the people and businesses of regional Queensland and beyond.

s 22



Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

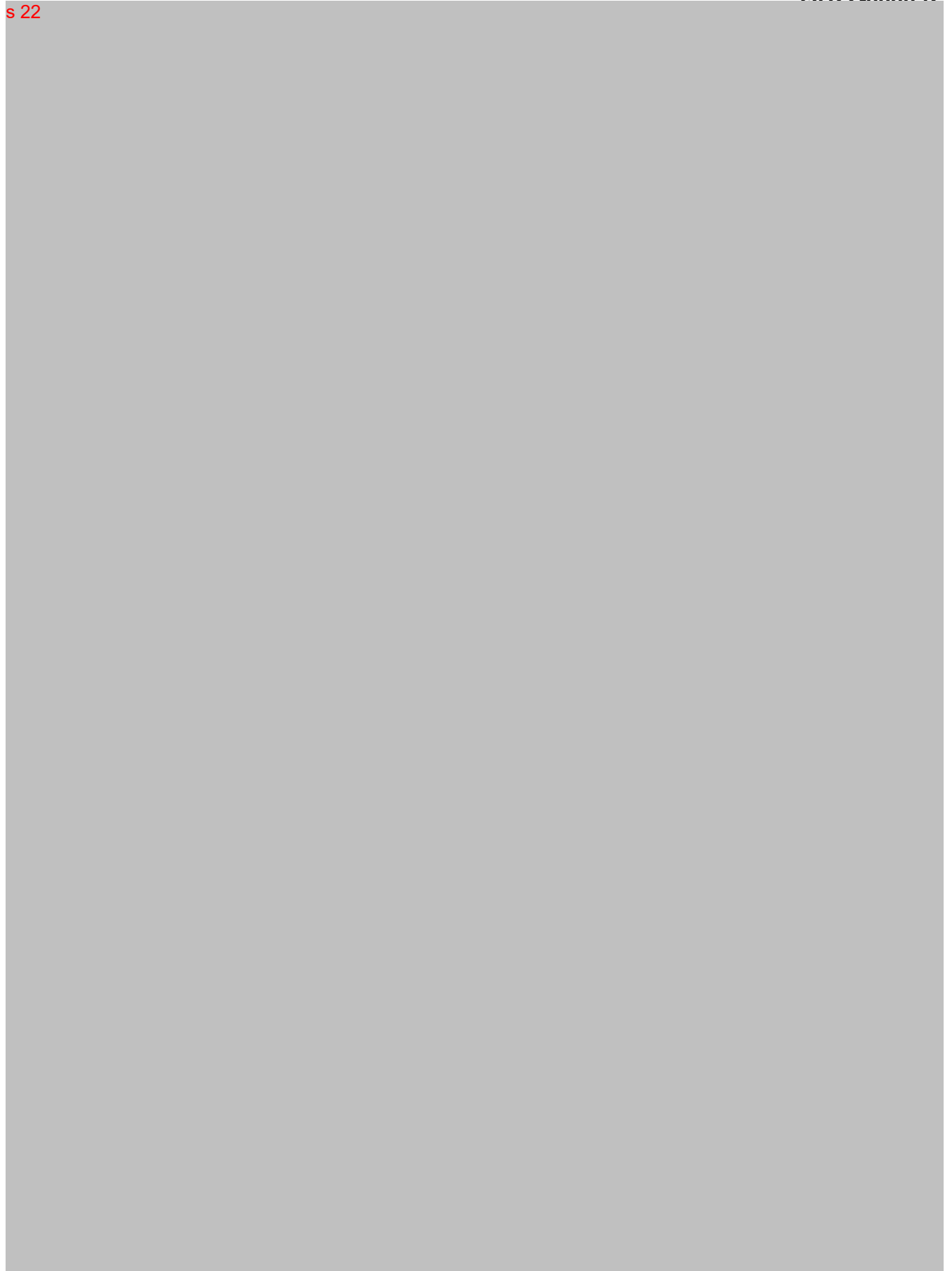
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Border to Gowrie Environmental Impact Statement approval delay.

- I am aware of recent claims that the Queensland Government had rejected the draft Environmental Impact Statement (EIS) for the Border to Gowrie section of Inland Rail.
- This claim is not correct. The Queensland Coordinator-General has, as is normal after the public exhibition of a draft EIS, written to ARTC to request additional information as part of the ongoing EIS approval process.
- The ARTC is working closely with the Office of the Coordinator General to respond to this request, including preparing of a revised draft EIS.
- The revised draft EIS will be subject to a period of public exhibition, providing all stakeholders with an opportunity to consider the ARTC's responses to their submissions and further comment on the project.
- This is an important next step in the approval of the Border to Gowrie section of Inland Rail.
- I look forward to the Queensland Government's timely assessment and approval of the revised EIS, enabling construction to commence, providing new opportunities for regional businesses and supporting more jobs for communities in Queensland.

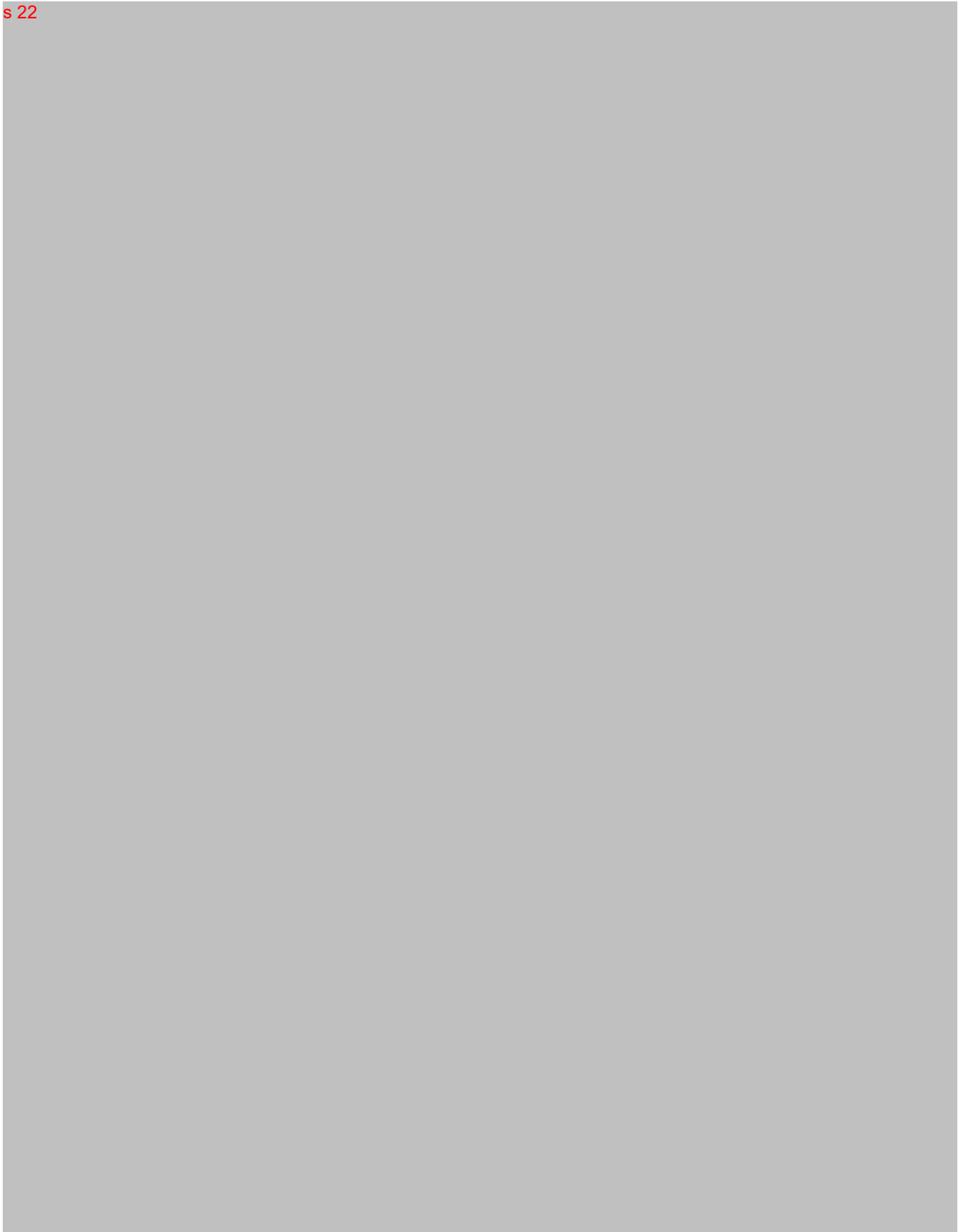
Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	Mobile Phone 0409 892 308

s 22



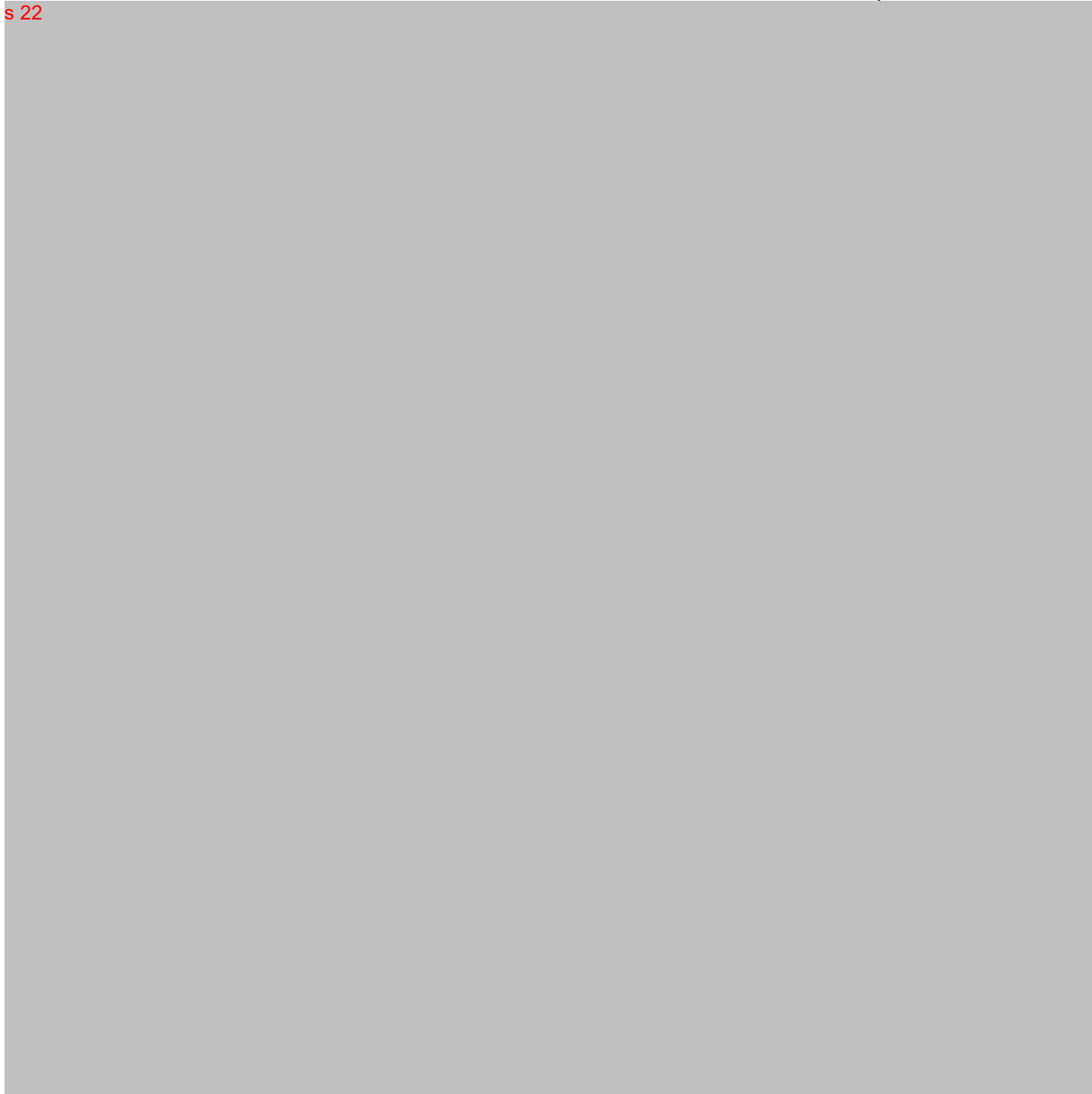
Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

s 22



Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

s 22

***Intermodal Terminals to Support Inland Rail***

- The Toowoomba to Gladstone Extension business case to investigate better rail connectivity to the Port of Gladstone, which may expand access to import and export markets for Australian businesses and industry.

s 22



Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

s 22

ATTACHMENTS

ATTACHMENT A – STATUS OF QUEENSLAND PROJECTS

Contact Officer:	s 47F Project Inception and Delivery	s 47F	s 47F
Cleared by:	Stephen Sorbello, Assistant Secretary, Special Projects Investment Delivery Office Updated – 23 March 2022	Work Phone: 02 6274 7498	s 47F

ATTACHMENT A

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
Business case for Toowoomba to Gladstone Inland Rail connection Major Project Business Case Fund	This business case will investigate an extension of Inland Rail from Toowoomba to the Port of Gladstone, including options to optimise network connectivity through regional Queensland.	10.00	-	10.00	Mid-2023	Discussions with the Queensland Government over joint delivery of the project have commenced. In introductory correspondence to Queensland, the Deputy Prime Minister requested that the project commences immediately due to its close relationship with other Inland Rail related work.

S 22

INLAND RAIL SENATE INQUIRY

Question: How has the Australian Government responded to recommendations of the Inland Rail Senate Inquiry Report?

S 22

For Ministerial Use Only

s22

Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

s22

Gladstone

Refer to QB22-000032 Inland Rail Topical Issues

- The Australian Government has committed \$10 million to examine extending Inland Rail from Toowoomba to the Port of Gladstone.
- An extension to Gladstone would ensure the benefits of Inland Rail are felt further and wider, support new jobs in the region and better connecting our mining, resource and agriculture sectors to export opportunities.

Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

S 22



Contact Officer:	s 47F [redacted], Director, Inland Rail Stakeholder and Regional Delivery	s 47F [redacted]	s 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F [redacted]

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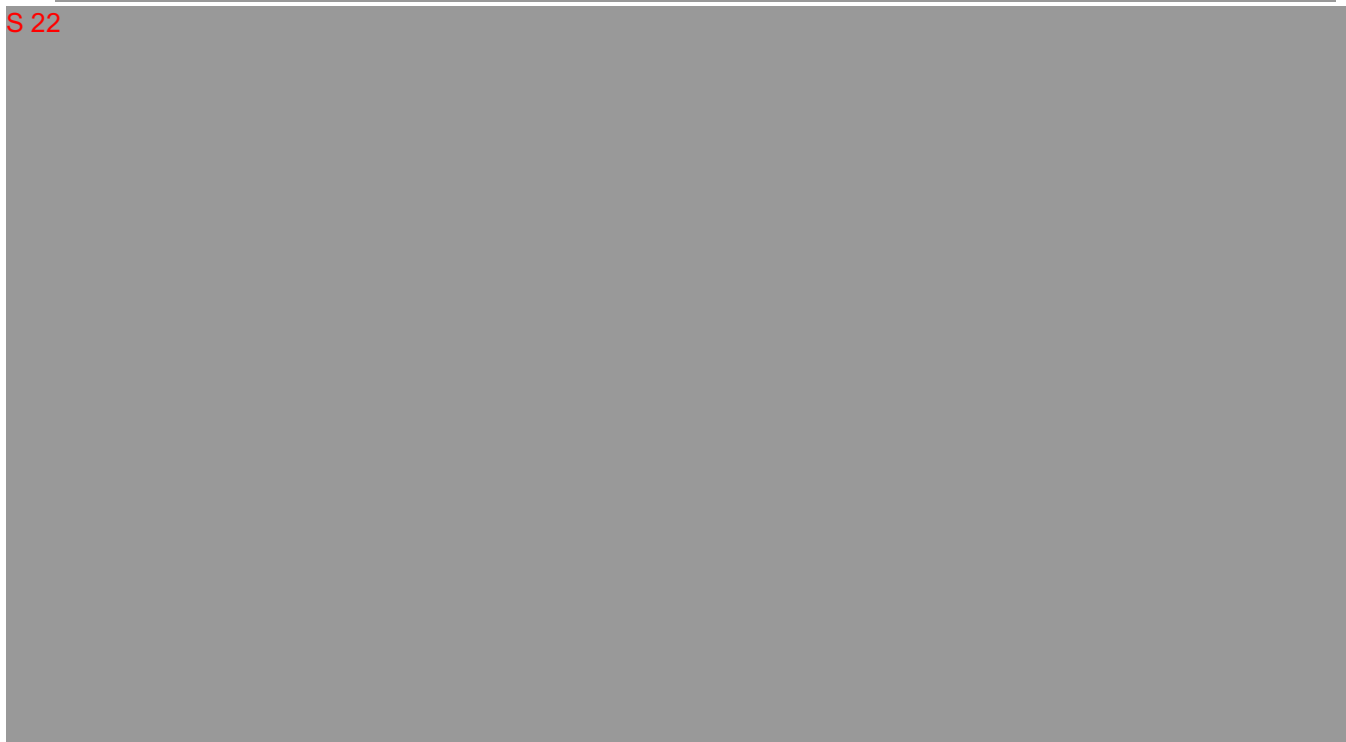
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Contact Officer:	s 47F , Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

S 22



S 22



Contact Officer:	s 47F [redacted], Director, Inland Rail Stakeholder and Regional Delivery	s 47F [redacted]	s 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F [redacted]

S 22

S 22

Contact Officer:	s 47F , Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

S 22



Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

s 22



Contact Officer:	s 47F [redacted], Director, Inland Rail Stakeholder and Regional Delivery	s 47F [redacted]	s 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F [redacted]

Australian Government
Department of Infrastructure, Transport, Regional Development and Communications

INLAND RAIL

QLD

NSW

VIC

Perth

Adelaide

BRISBANE

MELBOURNE

SYDNEY

CANBERRA

DUBBO

WAGGA WAGGA

ALBURY

WODONGA

SEYMOUR

TOTTENHAM

BENDIGO

SHEPPARTON

GRIFFITH

COWRA

BATHURST

PARKES

STOCKINBINGAL

JUNEE

ILLABO

NARROMINE

GILGANDRA

COONAMBLE

GWABEGAR

NARRABRI

MOREE

NORTH STAR

YELARBON

INGLEWOOD

GOONDIWINDI

WARWICK

BROMELTON

TOOWOOMBA

ACACIA RIDGE

GOLD COAST

NEWCASTLE

PORT KEMBLA

ALTONA

SOUTH DYNON

WEST SWANSON

EAST SWANSON

VICTORIA DOCK

BEVERIDGE

SOMERTON

TRUGANINA

5

INLAND RAIL LINE - EXISTING TRACK BEING UPGRADED
INLAND RAIL LINE - NEW TRACK
EXISTING ARTC RAIL NETWORK
NATIONAL ROAD RAIL NETWORK
OPERATIONAL TERMINAL LOCATION
POTENTIAL TERMINAL LOCATION
PORTS

Map is for illustrative purposes only and not to scale, 23 August 2021.
Terminals shown are major, existing, operational, intermodal, containerised freight terminals on or near to the route.
Potential terminals refers to the Australian Government's commitment of \$2 billion of funding to plan and deliver a new terminal solution for Melbourne.

Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

Attachment B – Inland Rail projects, status and electorate

Projects	Track (km)	Track work (km)	Status (Estimate EIS approval)	Electorate
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S 22



Border to Gowrie
(Dual gauge track)

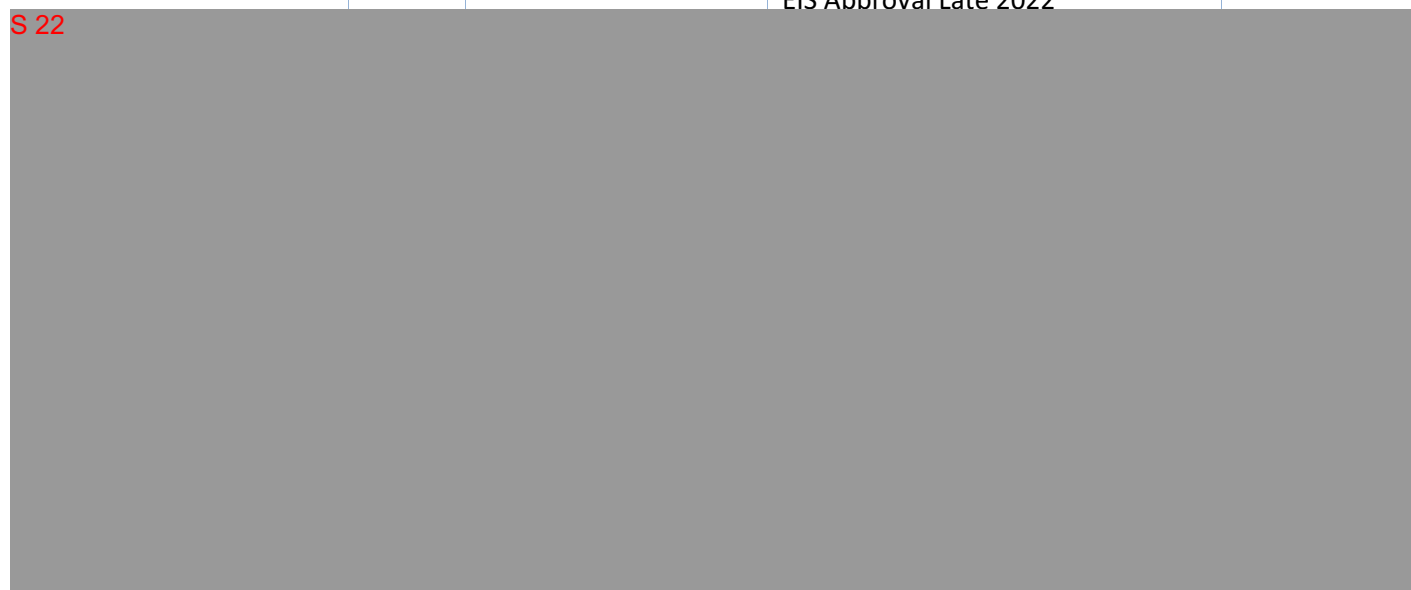
207

Upgraded track 69
New track 138

EIS subject to further exhibition
period – first exhibition closed
4 May 2021
EIS Approval Late 2022

Maranoa
Groom

S 22

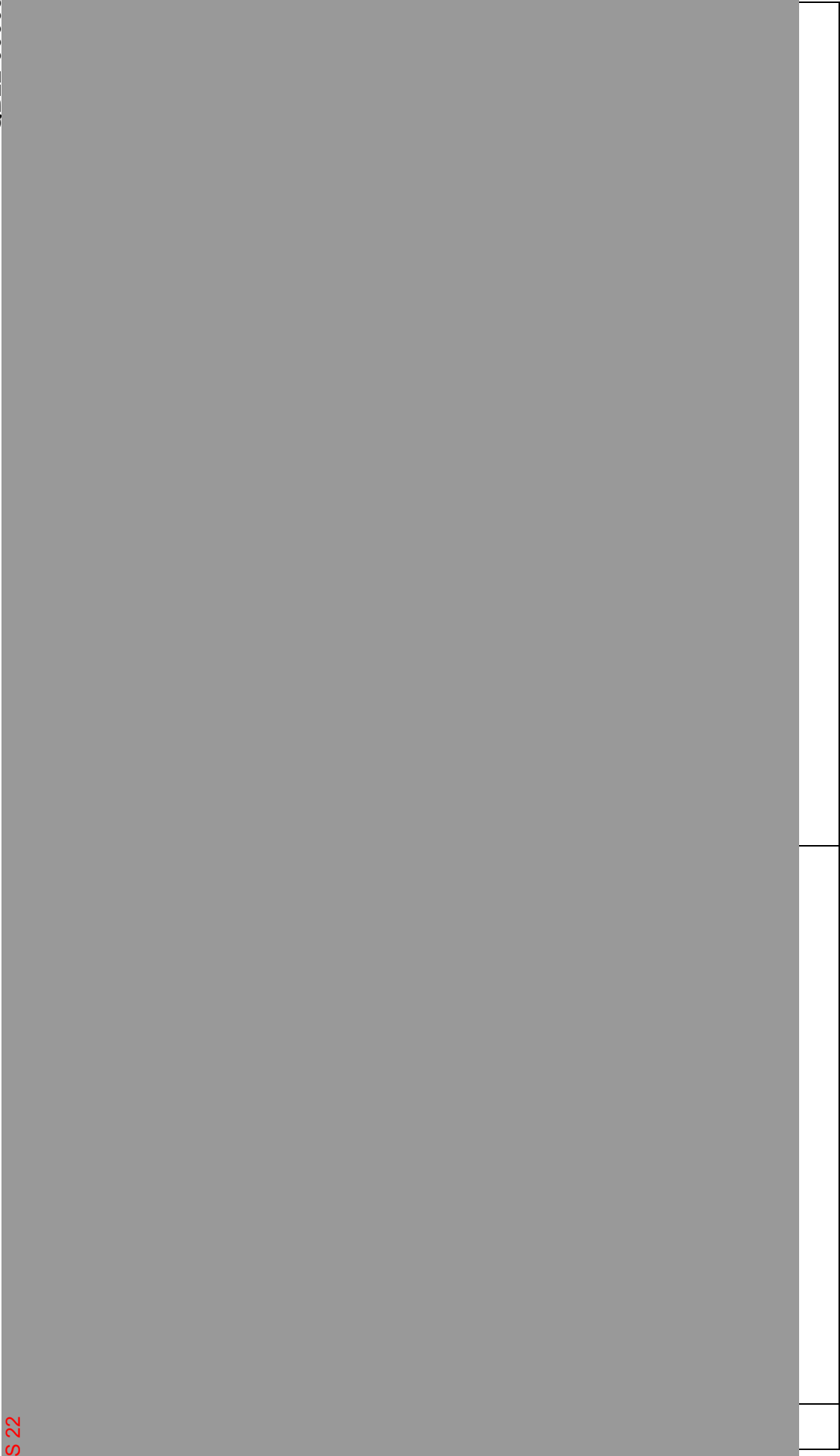


Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F

Attachment C - Summary of the Australian Government response to the Senate report into Inland Rail

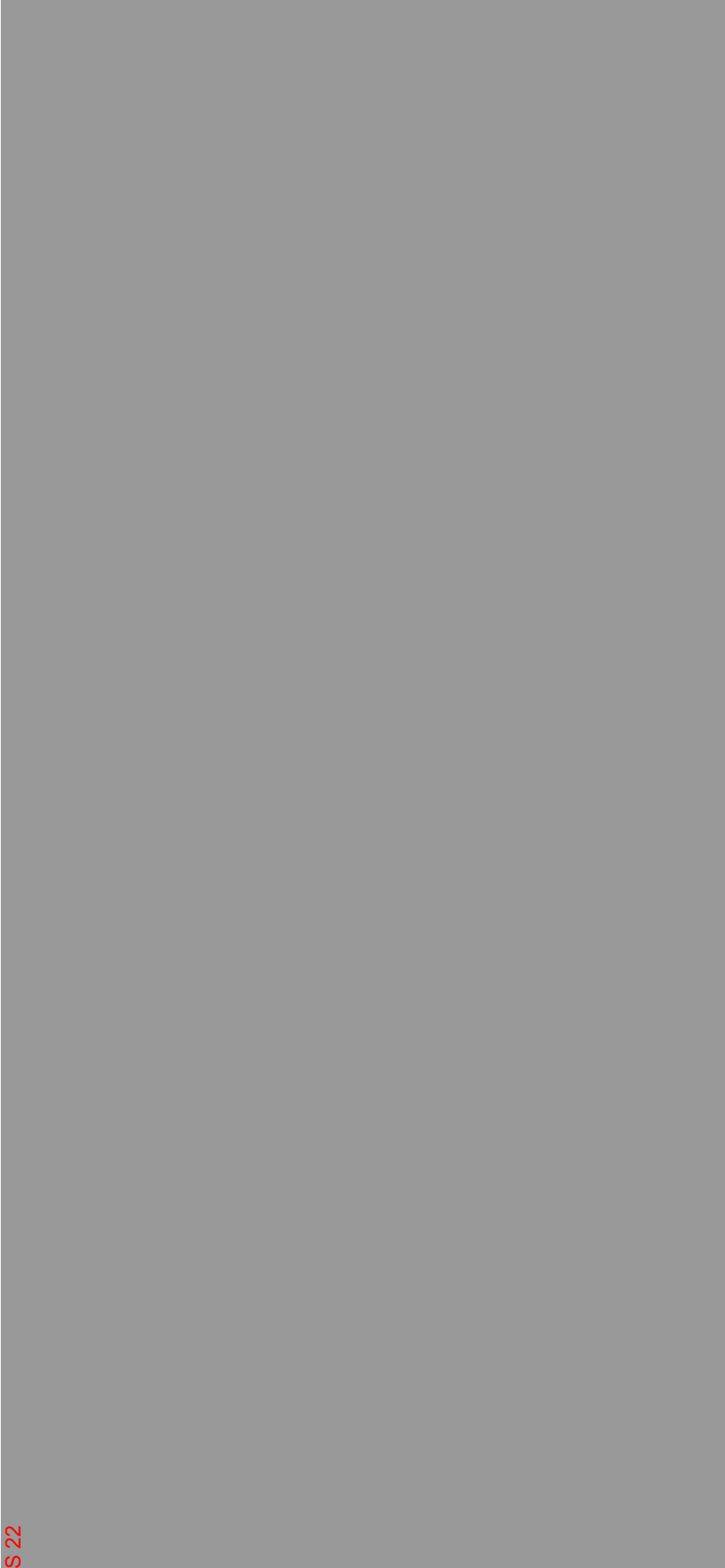
	Senate Report - Recommendations	Government Response – Summary of Reasons
2	<p>The committee recommends the Australian Government commissions an independent review and update of Inland Rail's 2015 business case that:</p> <ul style="list-style-type: none"> • is an accurate reflection of current and anticipated 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 Narramine 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. <p><i>The Coalition Senators on the committee did not support this recommendation.</i></p>	<p>Does not support this recommendation.</p> <ul style="list-style-type: none"> • The Australian Government's investment decisions for Inland Rail are informed by a range of national policy and economic considerations reflecting Australia's growing population and changing demand for goods and freight services. • The purpose of a business case is to inform significant investment decisions at a point in time. <ul style="list-style-type: none"> ○ Importantly, the 2015 Inland Rail Program Business Case was developed and used to help inform the Australian Government's decision to proceed with the project. • The ARTC's 2015 Inland Rail Program Business Case was independently assessed by Infrastructure Australia (IA) against its framework. <ul style="list-style-type: none"> ○ IA rated Inland Rail as a Priority Project on its Infrastructure Priority List for Australia in May 2016 and it has continued to be listed on IA's annual Infrastructure Priority Project List since that time. • The Australian Government notes that IA found that on balance it is confident that Inland Rail would provide net positive benefits to the Australian economy, and that there is merit, from a strategic perspective, in using rail to move substantial volumes of freight over long distances where it is economically viable to do so. This approach is consistent with current strategic planning principles for freight transport. • Given that the Australian Government has committed to deliver Inland Rail and the significant economic benefits that will be realised for the Australian economy there is no need to update the business case.

S 22



Contact Officer:	S 47F [redacted] Director, Inland Rail Stakeholder and Regional Delivery	S 47F	[redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F [redacted]

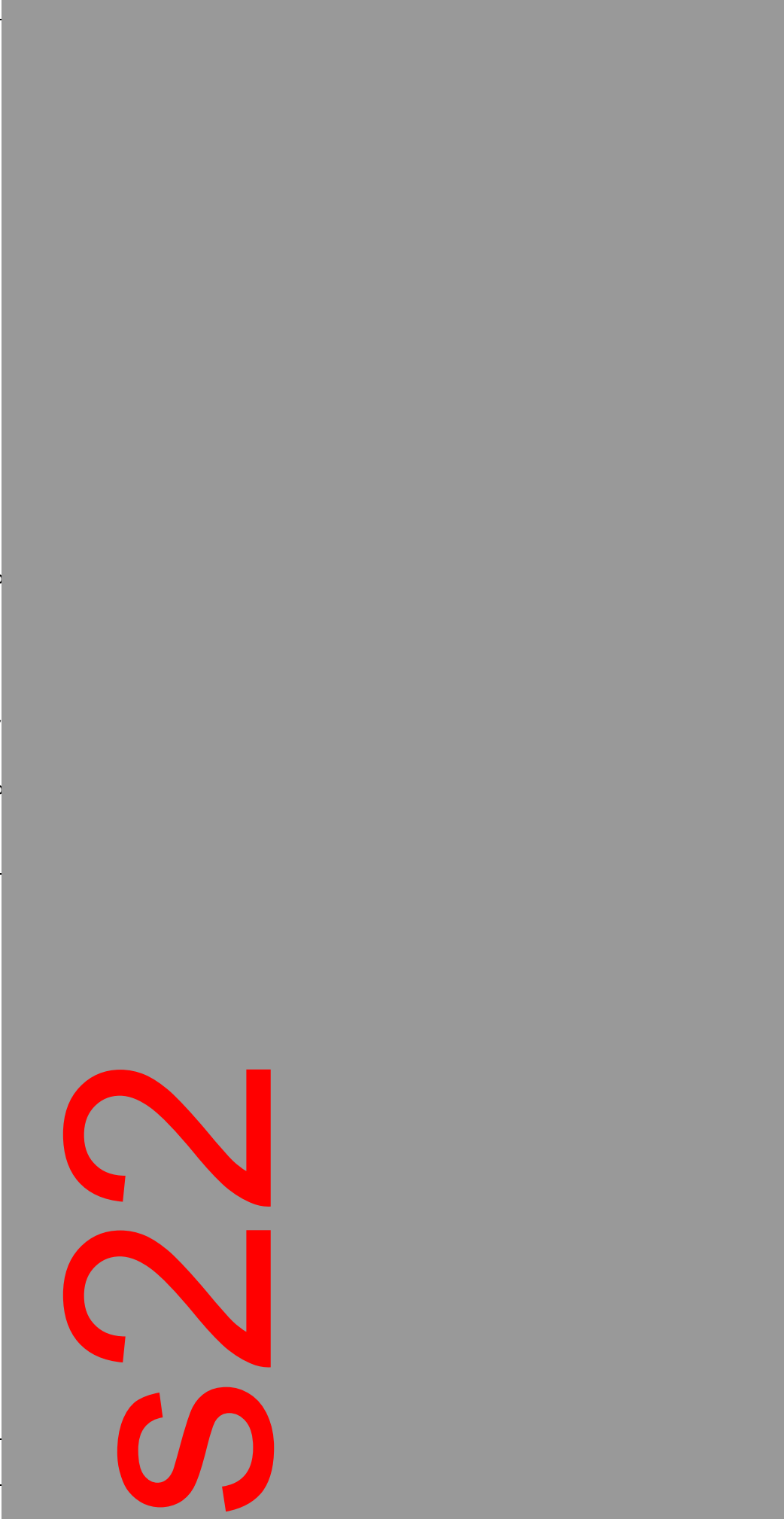
Contact Officer:	S 47F [REDACTED], Director, Inland Rail Stakeholder and Regional Delivery	S 47F [REDACTED]	S 47F [REDACTED]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F [REDACTED]



8	<p>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.</p>	<p>Supports this recommendation</p> <ul style="list-style-type: none">The Australian Government has committed \$10 million to fund a business case to assess the economic viability of extending Inland Rail from Toowoomba to the Port of Gladstone.
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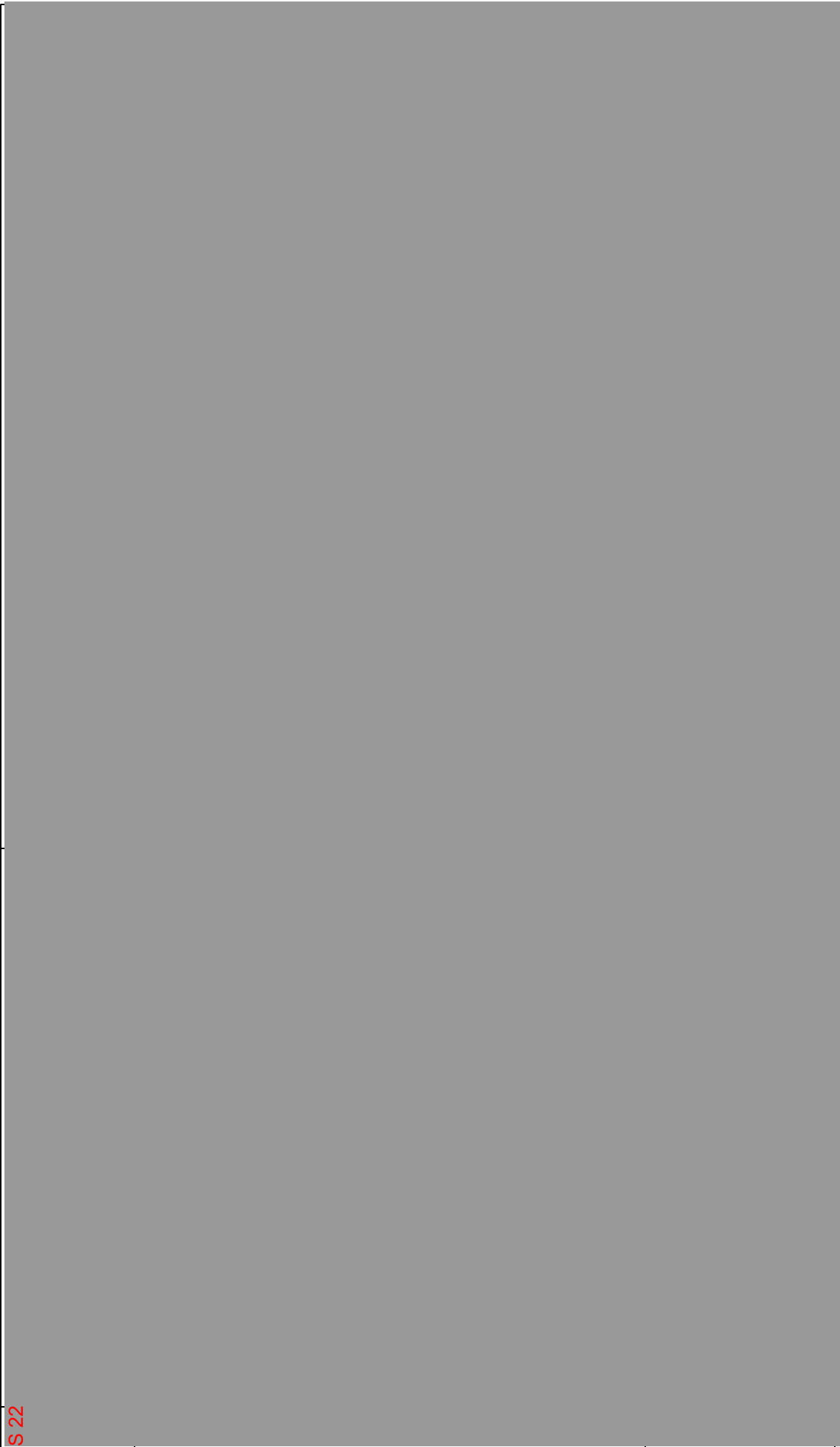
Contact Officer:	S 47F, Director, Inland Rail Stakeholder and Regional Delivery	S 47F	S 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F

	<ul style="list-style-type: none">The Australian Government is working with the Queensland Government to investigate how a rail connection to the Port of Gladstone could benefit people and businesses in regional Queensland along the new route.
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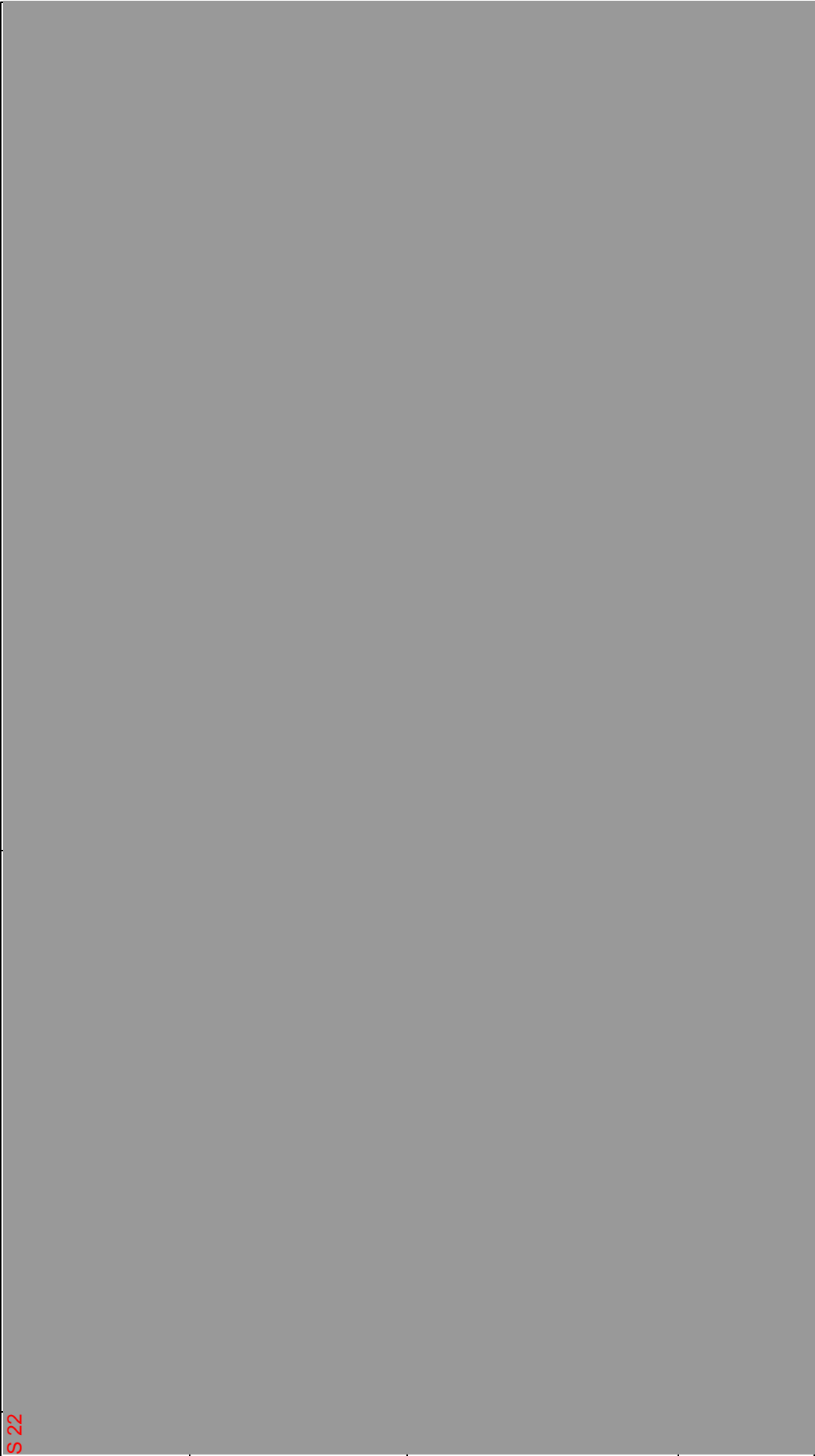
Contact Officer:	<div>s 47F</div> , Director, Inland Rail Stakeholder and Regional Delivery	<div>s 47F</div>	<div>s 47F</div>
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	<div>s 47F</div>

S 22



Contact Officer:	S 47F, Director, Inland Rail Stakeholder and Regional Delivery	S 47F	S 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F

S 22

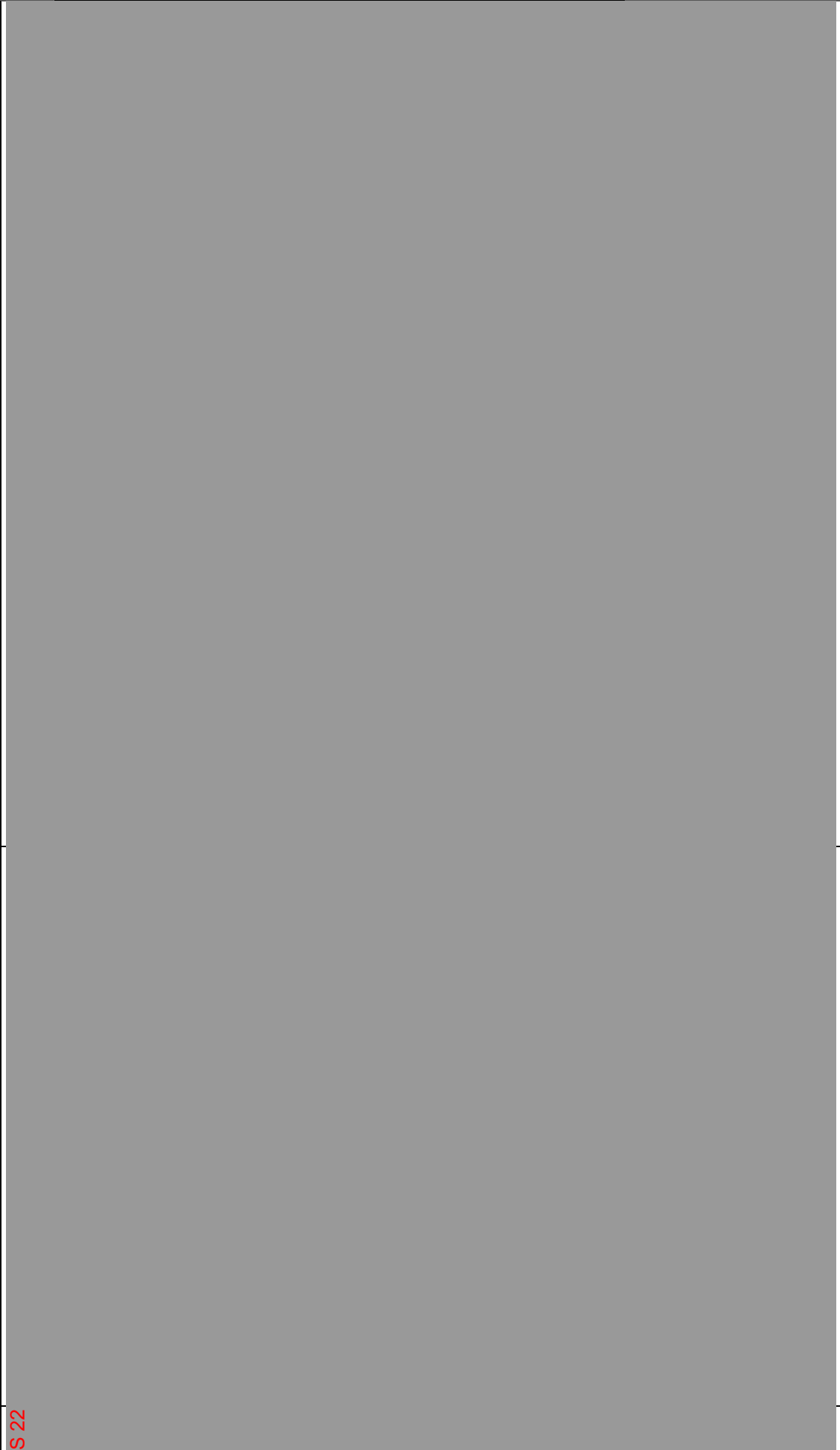


Contact Officer:	S 47F, Director, Inland Rail Stakeholder and Regional Delivery	S 47F	S 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F

S22

Contact Officer:	s 47F [REDACTED], Director, Inland Rail Stakeholder and Regional Delivery	s 47F [REDACTED]	s 47F [REDACTED]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	s 47F [REDACTED]

S 22



Contact Officer:	S 47F, Director, Inland Rail Stakeholder and Regional Delivery	S 47F	S 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F

S 22



Contact Officer:	S 47F [redacted], Director, Inland Rail Stakeholder and Regional Delivery	S 47F [redacted]	S 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F [redacted]

S 22



Contact Officer:	S 47F [redacted], Director, Inland Rail Stakeholder and Regional Delivery	S 47F [redacted]	S 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division Updated – 14 February 2022	Work Phone: 02 6274 7486	S 47F [redacted]

OFFICIAL

QB22-000034

**NSW INLAND RAIL ISSUES - MATTERS RAISED BY NSW FARMERS
AND OTHERS**

S 22

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S 22

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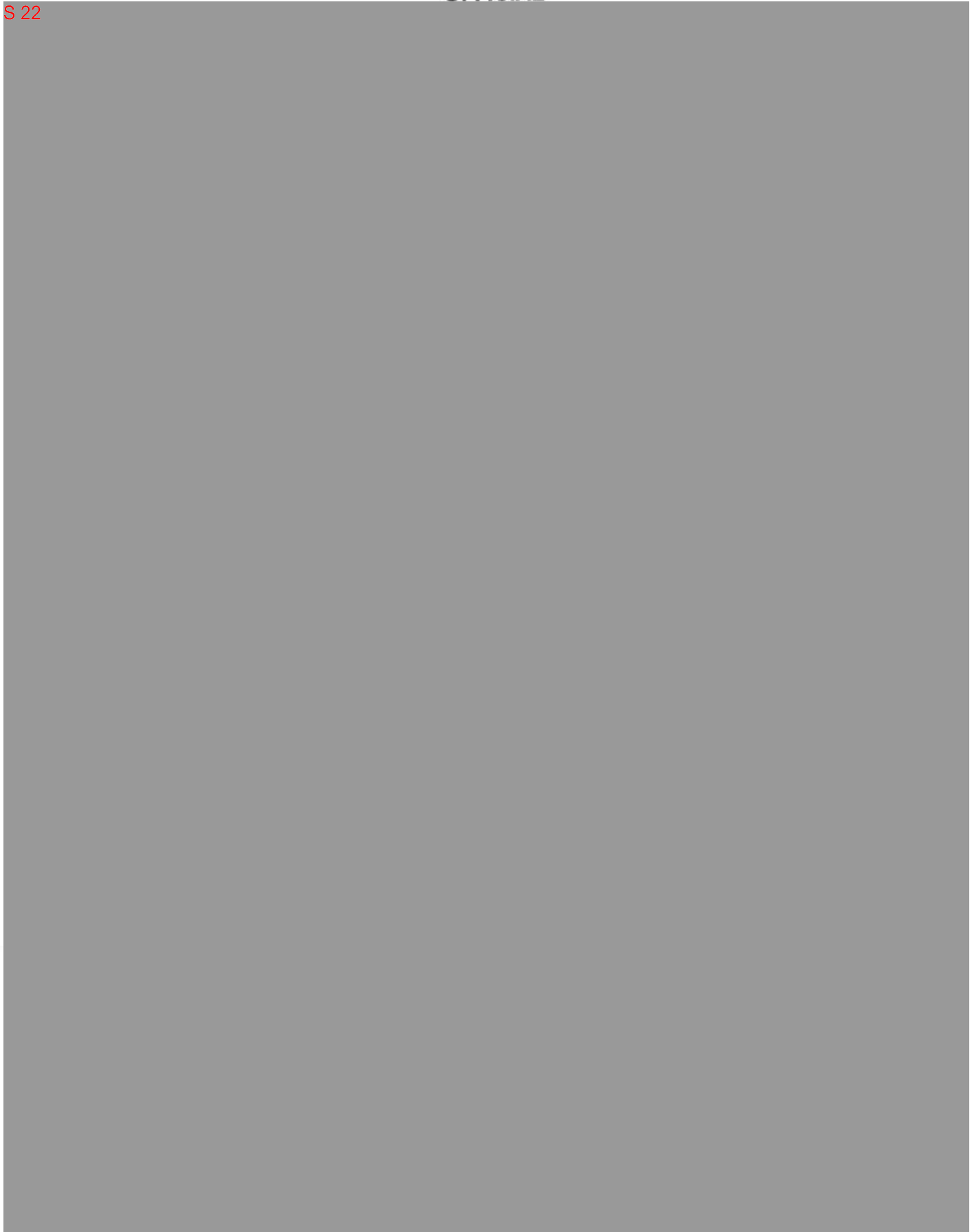
OFFICIAL

For Ministerial Use Only

S 22

Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division – Updated 14 February 2022	Work Phone: 02 6274 7486	s 47F

S 22



Contact Officer:	s 47F, Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division – Updated 14 February 2022	Work Phone: 02 6274 7486	s 47F

s 22

BACKGROUND

- Summary of number of landowner's impacted by Inland Rail¹.

Inland Rail section	State	Number of landowners impacted by land acquisitions
---------------------	-------	--

s 22

Border to Gowrie (B2G)	Qld	154
------------------------	-----	-----

s 22

Contact Officer:	s 47F Director, Inland Rail Stakeholder and Regional Delivery	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division – Updated 22 March 2022	Work Phone: 02 6274 7486	Mobile Phone 0419 687 821

¹ Information as at December 2021 based on current Reference Design alignments.

Contact Officer:	s 47F [REDACTED] Director, Inland Rail Stakeholder and Regional Delivery	s 47F [REDACTED]	s 47F [REDACTED]
Cleared by:	Andrew Bourne, Assistant Secretary, Major Transport Infrastructure Projects Division – Updated 22 March 2022	Work Phone: 02 6274 7486	s 47F [REDACTED]

OFFICIAL

QB21-000035

INLAND RAIL BENEFITS

S 22



S 22



S 22



OFFICIAL

S 22



For Ministerial Use Only

Contact Officer:	s 47F [redacted] Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F [redacted]	s 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F [redacted]

S 22

Contact Officer:	s 47F, Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

Contact Officer:	s 47F Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

S 22



Contact Officer:	s 47F Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

S 22

S 22

S 22

S 22

Contact Officer:	s 47F Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

S 22

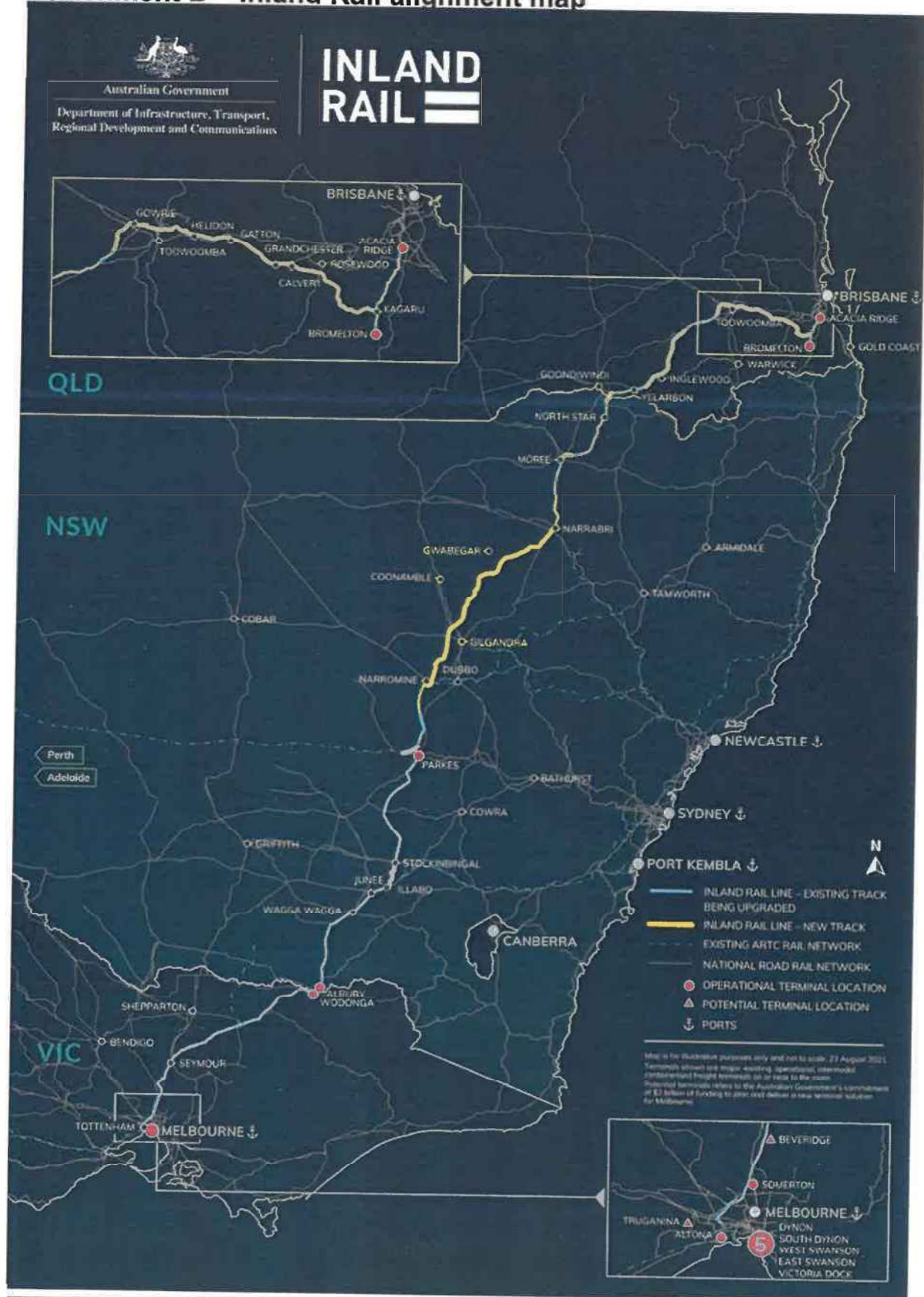


Contact Officer:	s 47F [redacted], Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F [redacted]	s 47F [redacted]
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F [redacted]

**EIS approval dates are indicative and consistent with ARTC public information*

Contact Officer:	s 47F Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated –23 November 2021	Work Phone: 02 6274 7486	s 47F

Attachment B – Inland Rail alignment map



Contact Officer:	s 47F Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated - 28 January 2022	Work Phone: 02 6274 7486	s 47F

s 22

S 22

Contact Officer:	s 47F, Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

s 22

S 22

Contact Officer:	s 47F, Inland Rail Strategic Communications and Regional Delivery, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 28 January 2022	Work Phone: 02 6274 7486	s 47F

INLAND RAIL – TOPICAL ISSUES

S 22

Gladstone

- The \$10 million business case will investigate an extension of Inland Rail from Toowoomba to the Port of Gladstone, which could create new and significant opportunities for our freight industry and the people and businesses of regional Queensland and beyond.

S 22

S 22



S 22



S 22



S 22



S 22



●

Contact Officer:	s 47F . Director, Strategic Policy and Moorebank Section, Significant Project Investment Delivery Office	s 47F	s 47F
Cleared by:	Stephen Sorbello. Assistant Secretary, Project Inception and Delivery, Significant Project Investment Delivery Office, Major Transport Infrastructure Projects division	Work Phone: 02 6274 7498	s 47F
Date Updated	15 October 2021		

S 22



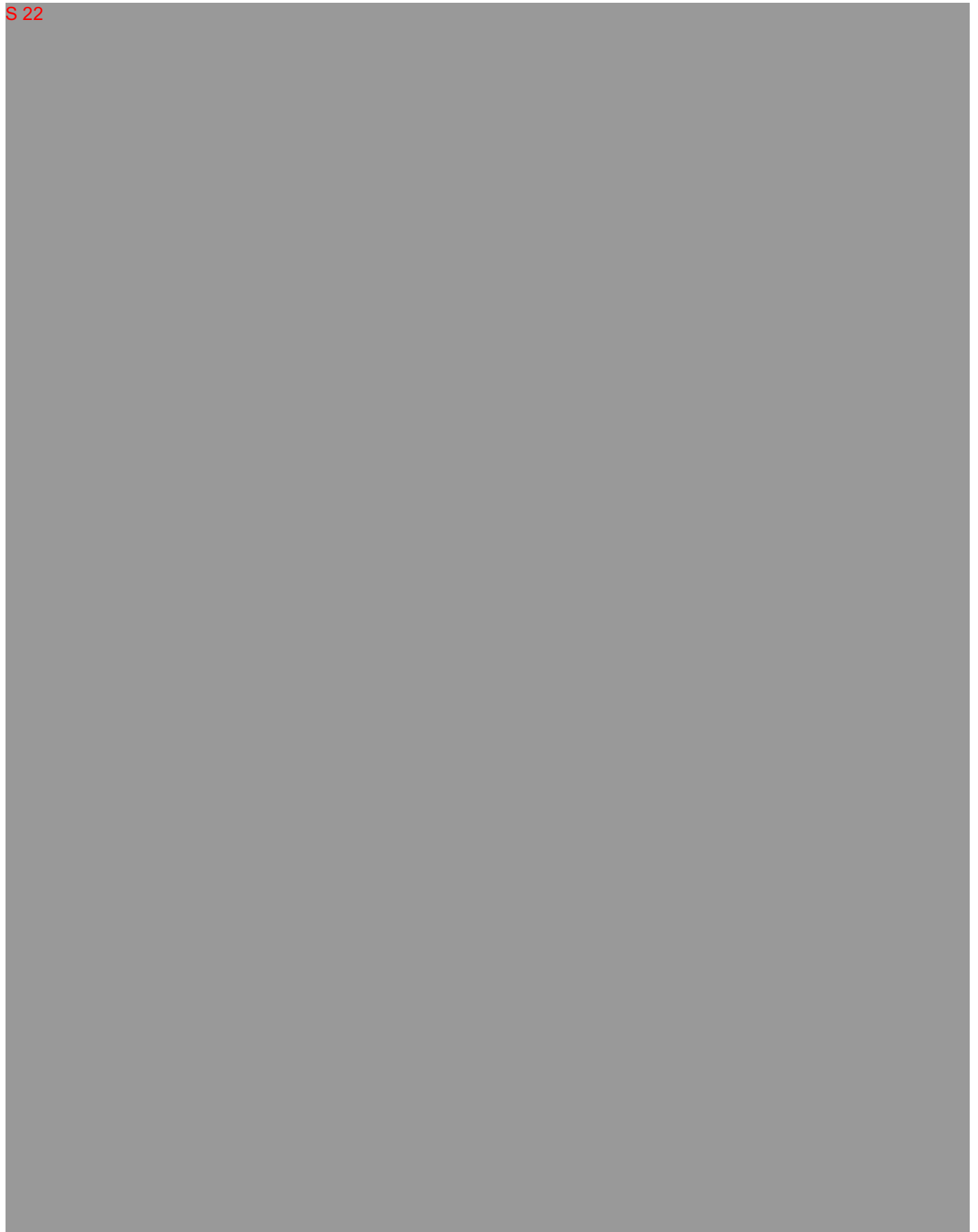
S 22

For Ministerial Use Only

s22

Contact Officer:	s 47F, Director, Flood Modelling and Alignment, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 15 October 2021	Work Phone: 02 6274 7486	s 47F

S 22



Contact Officer:	s 47F, Director, Flood Modelling and Alignment, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 15 October 2021	Work Phone: 02 6274 7486	s 47F

S 22

BACKGROUND

- Summary of number of landowner's impact by Inland Rail¹.

Inland Rail section	State	Number of landowners impacted by land acquisitions
---------------------	-------	--

S 22

Border to Gowrie (B2G)	Qld	154
------------------------	-----	-----

S 22

¹ Information provided by ARTC as at 13 October 2021 based on current reference design alignments.

Contact Officer:	s 47F, Director, Flood Modelling and Alignment, Major Transport Infrastructure Projects Division	s 47F	s 47F
Cleared by:	Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery, Major Transport Infrastructure Projects Division - Updated – 15 October 2021	Work Phone: 02 6274 7486	s 47F


Australian Government
**Department of Infrastructure, Transport,
Regional Development and Communications**
To: The Hon Barnaby Joyce MP (for decision)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary

cc: Ms Jessica Hall, First Assistant Secretary

cc: Mr Phil Smith, First Assistant Secretary

Business case to investigate extending Inland Rail from Toowoomba to Gladstone
Action required by: Friday, 24 September 2021

Reason: To commence discussions with the Queensland Government about delivering the business case.

Recommendation/s:	
<p>1. That you sign the letter to the Hon Mark Bailey MP, Minister for Transport and Main Roads seeking the Queensland Government support for the timely delivery of the business case into the extension of Inland Rail to Gladstone (Attachment A refers).</p>	
Signed / Not Signed	
<p>The Hon Barnaby Joyce MP</p> <p>Comments:</p>	
Date:	

Key Points:

- On 3 September 2021 you announced \$10 million to fund a business case for an extension of Inland Rail from Toowoomba to Gladstone, following the Prime Minister's agreement to your request (MS21-001446 **Attachment B** and the Prime Minister, the Hon Scott Morrison's letter of 2 September 2021 **Attachment C**).
- Attached is a letter for you to sign to the Hon Mark Bailey MP, Queensland Minister for Transport and Main Roads, to advise of the Australian Government's commitment to fully fund the business case, and seek agreement to deliver a business case by June 2023. It is proposed that the business case be delivered in a manner similar to the other joint business cases related to Inland Rail, such as the Intermodal Terminals business case.

3. In order for the business case to be delivered under the Major Project Business Case Fund framework and in accordance with the Queensland Government's Project Assessment Framework, it is critical that the Queensland Government agrees to work with the Australian Government, and assumes the role of project proponent. The Queensland Department of Transport and Main Roads will therefore need to commit to delivering the work 'in-kind'.
 - a. Consistent with other business cases being delivered with Queensland under the same governance framework, it is expected that the Australian Government would receive co-branding of the business case and acknowledgement of funding.
4. It is important to note that while all endeavours will be made to progress productive discussions, any delay in reaching agreement with the Queensland Government to deliver the business case will also delay any completion date.
5. Once you have sent the letter, officers from the Department's Significant Projects Investment Delivery Office (SPIDO) will contact officers of the Queensland Department of Transport and Main Roads to establish and progress the business case.
6. s47C [REDACTED]
7. The Major Project Business Case Fund is a sub program of the Infrastructure Investment Program. Consistent with other projects in the Infrastructure Investment Program, funding will be provided to the state to manage the delivery of the business case via the National Partnership Agreement.
8. s47C [REDACTED]

Financial impacts:

\$10 million has been committed to the business case, with the funding profile expected to be finalised later in MYEFO.

Stakeholder Implications:

s47B [REDACTED]

The Department has been working closely with the Queensland Government to improve and establish collaborative relationships and is currently co-delivering a number of complex business cases related to Inland Rail. It is intended that the Department will work with the Queensland Department of Transport and Main Roads to deliver this business case in a similar manner.

Consultation:

The Major Transport and Infrastructure Projects Division was consulted.

Media Opportunities:

NA.

Name: Diana Hallam

Position: First Assistant Secretary

Division: Significant Projects Investment Delivery
Office

Ph: 02 6274 6082

s47F

Date: 10 September 2021

Contact Officer: s47F

Section: Identification and Engagement

s47F

s47F

Attachments:

A: Deputy Prime Minister's letter to the Queensland Minister for Transport and Main Roads

B: MS21-001446 – Gladstone Inland Rail Extension Business Case Authority

C: The Prime Minister's response letter of 2 September 2021



The Hon Barnaby Joyce MP

Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for New England

Ref: MS21-001886

The Hon Mark Bailey MP
Minister for Transport and Main Roads
GPO Box 2644
BRISBANE QLD 4001

Dear Minister

I am very pleased to advise that I have secured a commitment of up to \$10 million of funding for a business case to investigate extending Inland Rail from Toowoomba to the Port of Gladstone.

This business case is the next step in ensuring the benefits of Inland Rail are experienced across regional Queensland, by supporting jobs and improving regional connections for resources industries and agricultural producers to export markets. For clarity, this business case is in addition to the existing Inland Rail scope from Melbourne to Brisbane.

Improved rail connectivity to the Port of Gladstone could enable a variety of improvements to the regional supply chain, expand access to import and export markets for producers throughout regional Queensland, and potentially alleviate congestion pressure through to the Port of Brisbane by reducing the need for coal and grain freight to travel through densely populated urban areas.

Inland Rail is already creating jobs, transforming our regions and stimulating new revenue and growth opportunities for businesses. At the peak of construction, Inland Rail is expected to support 11,800 jobs for Queensland and provide a \$7.8 billion boost to Gross State Product during construction and the first 50 years of operation. Improving connectivity beyond Toowoomba will ensure Queensland gains additional benefits from this significant nation-building project.

I am seeking the Queensland Government's agreement to deliver the business case in partnership with the Australian Government, with work to commence by the end of this year

The Hon Barnaby Joyce MP
Parliament House Canberra | (02) 6277 7520 | minister.joyce@infrastructure.gov.au
PO Box 963, Tamworth NSW 2340

and be completed by June 2023. To ensure integration with the other Inland Rail related joint business cases, it is vital that our governments work together to settle arrangements for this business case as a matter of priority.

If agreed, the Australian Government will provide funding through the National Partnership Agreement on Land Transport Infrastructure, as part of the Infrastructure Investment Program's Major Project Business Case Fund. To support this business case, I am seeking that your Government provide in-kind support to match the Australian Government's \$10 million investment.

I look forward to working with you on this key priority which will improve prosperity for regional Queenslanders and serve to extract the maximum potential benefit from the Australian Government's investment in Queensland.

Yours sincerely

Barnaby Joyce MP

~~PROTECTED CABINET~~



PRIME MINISTER

Reference: MC21-101161

02 SEP 2021

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

Thank you for your letter dated 27 August 2021 seeking agreement to undertake a business case to investigate an extension of Inland Rail to the Port of Gladstone.

I agree to provide up to \$10 million for the Commonwealth to fully fund the business case from the Major Project Business Case Fund, with details to be settled in 2021-22 Mid-Year Economic and Fiscal Outlook, informed by your discussions with the Queensland Government.

I ask that you and your Department work closely with the Minister for Finance and the Department of Finance in development of the business case.

I also agree to the announcement of the business case and ask that it also reinforces our Government's priority to progress our existing commitment to deliver Inland Rail from Melbourne to Brisbane.

I note that this letter and your incoming correspondence will be submitted to the Cabinet at a forthcoming meeting. I have copied this letter to the Treasurer, the Hon Josh Frydenberg MP, and the Minister for Finance, Senator the Hon Simon Birmingham.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Morrison', written over a light blue horizontal line.

SCOTT MORRISON

Parliament House CANBERRA ACT 2600
Telephone (02) 6277 7700
www.pm.gov.au

~~PROTECTED CABINET~~



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

To: The Hon Barnaby Joyce MP (for decision)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary

cc: Mr Phil Smith, First Assistant Secretary

cc: Ms Jessica Hall, First Assistant Secretary

Gladstone Inland Rail Extension Business Case Authority

Action required by: Wednesday, 25 August 2021

Reason: To facilitate urgent consideration and decision.

Recommendation:	
<p>1. That you sign the letter to the Prime Minister, the Hon Scott Morrison MP, seeking \$10 million to undertake a business case re extension of Inland Rail to the Port of Gladstone as requested by your office.</p>	
Signed / Not Signed	
<div style="display: flex; justify-content: space-between; margin-top: 100px;"> <div> <p>The Hon Barnaby Joyce MP</p> <p>Comments:</p> </div> <div> <p>Date:</p> </div> </div>	

Key Points:

1. There has been recent public attention on extending Inland Rail to the Port of Gladstone, including at the recent Rural and Regional Affairs and Transport References Committee on Inland Rail.
2. A letter to the Prime Minister seeking agreement to fund a detailed business case to consider Port of Gladstone connection to the existing Inland Rail alignment from Toowoomba is attached for your consideration.
3. It is proposed that the business case be 100 per cent funded by the Australian Government, through the Infrastructure Investment Program's Major Project Business Case Fund. For constitutional reasons Queensland Government support to deliver the business case and any potential future construction will be required. Early engagement with the Queensland Government is recommended to ensure a timely and successful delivery of the business case.

4. The 2017 pre-feasibility study (available on the Inland Rail website) found extension of Inland Rail to the Port of Gladstone to not be economically viable at the time, with potential demand for the connection insufficient to justify the capital cost. The Department notes that some data supporting this study is over eight years old, with significant changes to demand patterns likely for reasons including further growth in markets to our north, COVID-19 and structural changes in our economy.
5. The Department considers that any business case undertaken on the extension of Inland Rail to the Port of Gladstone should also explore opportunities to optimise network connectivity through regional Queensland to Gladstone. Such an approach would also be consistent with Infrastructure Australia's assessment framework.
6. Beneficiaries from an Inland Rail connection to Gladstone include the state-owned Port of Gladstone, coal and agricultural producers in the region and residents along the Brisbane port-rail corridor. Further work should be undertaken as part of the business case to explore the best method for delivery and financing the construction of the project, consistent with the Commonwealth Investment Framework and in consultation with the Infrastructure and Project Financing Authority.

s47C

Financial impacts:

There is sufficient unallocated funding within the Major Project Business Case Fund to allocate \$10 million towards this proposed business case; with the funding profile to be finalised later in the Mid-Year Economic and Fiscal Outlook process.

Stakeholder Implications:

Community response within the region is likely to be positive.

The Department has been working closely with the Queensland Government to improve and establish collaborative relationships and is currently co-delivering a number of complex business cases related to Inland Rail. The Department will investigate the Queensland Government's sentiment towards delivering this business case in a similar manner.

Consultation:

The Major Transport and Infrastructure Projects Division, Infrastructure Investment Division and Surface Transport Policy Division were consulted.

Media Opportunities:

To be finalised with the Minister's office in due course.

Name: Di Hallam

Position: First Assistant Secretary

Division: Significant Projects Investment Delivery
Office

Ph: 6274 6082

s47F

Date: 20 August 2021

Contact Officer: s47F

Section: Identification and Engagement

Ph: s47F

Mob: s47F

Attachments:

A: Letter to the Prime Minister



The Hon Barnaby Joyce MP

Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for New England

Ref: MS21-001446

The Hon Scott Morrison MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

I am seeking your agreement to undertake a business case to investigate an extension of Inland Rail to the Port of Gladstone. This business case would be delivered with the Queensland Government under the National Partnership Agreement on Land Transport Infrastructure. It is proposed in response to the Senate's Rural and Regional Affairs and Transport References Committee on Inland Rail and recent community and industry attention.

The business case will explore opportunities to connect Inland Rail from Toowoomba to Gladstone, including options to optimise network connectivity through regional Queensland to Gladstone. This aligns with opportunities identified by Infrastructure Australia's Priority List for the Port of Gladstone Sea and Land Upgrade initiative.

Improved rail connectivity to the Port of Gladstone could expand the region's accessibility to import and export markets and potentially alleviate congestion pressure through to the Port of Brisbane, reducing coal and grain freight through densely populated urban areas.

During the business case phase further work will be undertaken to consider potential project delivery and investment options, consistent with the Commonwealth Investment Framework and in consultation with the Infrastructure and Project Financing Authority.

I seek a funding commitment of \$10 million from 2021-22, and propose that the Australian Government provide 100 per cent funding towards the business case through the Infrastructure Investment Program's Major Project Business Case Fund. This approach is consistent with other business cases underway relating to Inland Rail, such as the intermodal terminals and Port of Brisbane.

The Hon Barnaby Joyce MP
Parliament House Canberra | (02) 6277 7520 | minister.joyce@infrastructure.gov.au
PO Box 963, Tamworth NSW 2340

Queensland Government support in the delivery of the business case will be vital. To ensure timely and successful delivery of the business case I propose to undertake early discussions, prior to finalising the Australian Government funding profile later in the Mid-Year Economic and Fiscal Outlook process.

I also seek your agreement to announce the business case prior to the Mid-Year Economic and Fiscal Outlook due to the increasing pressure surrounding this proposal; with the details to be settled between our offices.

I have copied this letter to the Treasurer, the Hon Josh Frydenberg MP, and Senator the Hon Simon Birmingham, Minister for Finance.

Yours sincerely

Barnaby Joyce MP

Cc: The Treasurer, the Hon Josh Frydenberg MP
Senator the Hon Simon Birmingham, Minister for Finance

**Department of Infrastructure, Transport,
Regional Development and Communications**

cc: Mr Phil Smith, First Assistant Secretary, Infrastructure Investment Division

Action required by: 10 December 2021.

Reason: To update on progress of work on the Toowoomba to Gladstone extension.

1.

\$47B

Noted / Please Discuss

Date:

Comments:

1.

s 34

2. Prior to this, the Australian Government committed in September up to \$10 million funding for a business case to investigate extending Inland Rail from Toowoomba to the Port of Gladstone, which is expected to be complete by mid-2023. The business case is expected to identify a preferred route, delivery approach, benefits and costs in order to optimise network connectivity through regional Queensland to the Port of Gladstone. The business case will also explore commercial development and private sector funding opportunities, which may reduce the Australian Government's funding commitment.
3. The Australian Government has agreed to provide funding for the business case through the National Partnership Agreement on Land Transport Infrastructure, as part of the Infrastructure Investment Program's Major Project Business Case Fund. The business case will therefore be delivered by the Queensland Government and administered through the existing Inland Rail Bilateral Agreement Rail Studies (Queensland) governance arrangements.

4. In a letter dated 20 September 2021 to the Hon Mark Bailey MP, Queensland Minister for Transport and Main Roads you noted it would be vital for work to commence on the business case in 2021 (MS21-001886 refers). Minister Bailey responded on 30 September 2021 seeking clarification of a number of issues prior to agreeing the Queensland Government will undertake the business case including confirmation:

- a. of the proposed route the business case would investigate (the inland or coastal route), and;
- b. that any extension would be a dual gauge track, [REDACTED]

5. You wrote again to Minister Bailey on 4 November 2021, seeking Queensland Government support for the draft scope of the Toowoomba to Gladstone business case (MS21-002216 refers). s47B [REDACTED].

6. s47B [REDACTED]

7. s47B [REDACTED]

8. s47C [REDACTED]

s 22 [REDACTED]

- a. s47C [REDACTED]

11. Notwithstanding, some progress has been made with respect to settling the scope for the Toowoomba to Gladstone business case and revised scope for the Port of Brisbane Further Planning. Both of these projects are scheduled for discussion at the next Program Steering Committee meeting on 16 December 2021.

- a. We expect project descriptions and joint agreed outcomes / requirements for both projects will be agreed at this meeting, pending any feedback subsequent to your consideration of a formal Project Proposal Report (PPR) from the Queensland Government in early 2022.

12. As noted in MS21-002261, the Port of Brisbane Further Planning project will provide excellent insight into the current dynamics of the regional freight and supply chain, with the demand modelling of significant value to the Toowoomba to Gladstone business case.

Stakeholder Implications:

13. The Department has been working closely with Queensland counterparts to develop more collaborative relationships and is currently co-delivering a number of complex business cases related to Inland Rail. Stakeholder engagement processes for both the Toowoomba to Gladstone business case and Port of Brisbane Further Planning will be developed in the first stage of the business case, which is now expected to commence in the first quarter of 2022.

Consultation:

The Major Transport and Infrastructure Projects Division was consulted.

Media Opportunities:

N/A

Name: Diana Hallam

Position: First Assistant Secretary

Division: Significant Projects Investment Delivery
Office

Ph: 02 6274 6082

s47F

Date: 9 December 2021

Contact Officer: s47F

Branch: Project Inception & Delivery

s47F

s47F



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

To: The Hon Barnaby Joyce MP (for decision)

cc: Mr Simon Atkinson, Secretary

cc: Mr David Hallinan, Deputy Secretary

cc: Ms Jessica Hall, First Assistant Secretary

cc: Mr Phil Smith, First Assistant Secretary

Business case to investigate extending Inland Rail from Toowoomba to Gladstone

Action required by: Tuesday 26 October 2021

Reason: To support the Australian and Queensland governments commencing the business case this year.

Recommendation/s:	
<p>1. That you sign the letter to the Hon Mark Bailey MP, Minister for Transport and Main Roads, seeking Queensland Government support for the draft scope of the extension of Inland Rail from Toowoomba to Gladstone business case (<u>Attachment A</u>).</p>	<p>Signed / Not Signed</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>The Hon Barnaby Joyce MP</p> <p>Comments:</p> </div> <div style="width: 40%;"> <p>Date:</p> </div> </div>	

Key Points:

1. On 20 September 2021 you wrote to the Hon Mark Bailey MP, Queensland Minister for Transport and Main Roads, advising him of the Australian Government's commitment to fund a business case for the extension of Inland Rail to Gladstone and seeking agreement to deliver a business case by June 2023 (MS21-001886 refers).
2. Minister Bailey responded to your letter on 30 September (**Attachment B**) seeking clarification of a number of issues prior to agreeing the Queensland Government will undertake the business case including confirmation:
 - a. of the proposed route the business case would investigate (the inland or coastal route); and,
 - b. any extension would be a dual gauge track, consistent with the conditions agreed as part of the Inland Rail Bilateral Agreement.

3. The findings of the 2017 *Inland Rail Gladstone Link Prefeasibility Study* noted the inland route would provide the most significant benefits for regional Queensland due to the capacity to unlock coal and other products in the Surat Basin. The inland route option proposes to connect the existing narrow gauge West Moreton System in the south (operated by Queensland Rail (QR)) to the Moura Line in the north (operated by Aurizon) via a 214 kilometre greenfield railway between Wandoan and Banana along the proposed Surat Basin Rail link alignment. This alignment would create an alternative pathway for coal and other commodities and reduce the freight import-export demand on the Port of Brisbane.
4. The pre-feasibility study also noted an improvement in market conditions (in particular for coal) would be required for the link to deliver a positive benefit cost ratio. Minister Bailey's letter notes the rising price of coal over the last 12-24 months and that this should be a key factor to explore in the business case. The price of thermal coal has more than doubled since the prefeasibility study was undertaken, rising from \$81 per tonne in June 2017 to around \$185 per tonne currently. The business case will prioritise testing long-term forecast scenarios in the movement of coal and other commodities.
5. The construction of the extension as a dual gauge line for the inland route would provide the largest benefits (albeit at a higher cost than a narrow gauge extension), ensure the full Inland Rail service offering could be provided and would connect the Port of Gladstone to Inland Rail through to Melbourne.
6. The coastal route would require a new standard gauge line to be built from the northern terminus of Inland Rail at Acacia Ridge to Gladstone, running adjacent to existing Queensland Rail narrow gauge. It has significantly lower overall benefits than the inland route, a higher cost, and may be limited to single stacking due to the route navigating both the Brisbane metro network and heavily populated areas of the Sunshine Coast.
7. On this basis we have drafted a response that outlines the Australian Government's preference for the inland route with a dual gauge connection.
8. Minister Bailey has agreed the business case will be undertaken in a manner consistent with the governance framework for other business cases occurring under the Inland Rail Bilateral Agreement. The Department will work with the Department of Transport and Main Roads to facilitate a Project Proposal Report for your consideration prior to releasing funding, with the aim of commencing work on the business case this calendar year.

Financial impacts:

9. \$10 million has been committed to the business case with the funding profile expected to be finalised in MYEFO. The pre-feasibility study estimated costs of \$3 billion for the inland route with a dual gauge connection. ^{s47C}

Stakeholder Implications:

10. The department has been working closely with Queensland counterparts to develop more collaborative relationships and is currently co-delivering a number of complex business cases related to Inland Rail. ^{s47B}
11. Queensland Government support will also be required for environmental approvals and land acquisitions. If the Australian Rail Track Corporation (ARTC) is to manage construction, constitutional consent would also be required.

12. As noted in Minister Bailey's letter, an extension via the inland route will need to take into account arrangements for the operation and management of the existing Moura to Gladstone Line (operated by Aurizon under a 99-year lease from the Queensland Government) and QR West Moreton System Lines. ~~s47G~~

13. ~~s 22~~

~~s 22~~

These interfaces with ARTC, QR and Aurizon will be reviewed as part of the business case process.

14. The Port of Gladstone, a Queensland Government Owned Corporation, will be a key stakeholder in the delivery of the business case. Advice from the Port will be a critical input into network capacity analysis, and agreements will need to be made with the Port in order to facilitate access and data sharing for this work.
15. The Port of Brisbane, owned by the APH Consortium and managed under a 99-year lease from the Queensland Government, will also be a key stakeholder. The Port has already publicly expressed concern about impact of a new link between Toowoomba and Gladstone on revenue currently generated by the Port's current coal throughput. ~~s 22~~
16. The Australian and Queensland governments are also working together to deliver the Port of Brisbane Further Planning project. This work will provide excellent insight into the current dynamics of the regional freight and supply chain, with the demand modelling in particular of significant value to the Gladstone business case.

Consultation:

The Major Transport and Infrastructure Projects Division was consulted.

Media Opportunities:

NA.

Name: Diana Hallam

Position: First Assistant Secretary

Division: Significant Projects Investment Delivery Office

Ph: 02 6274 6082

~~s47F~~

Date: 12 October 2021

Contact Officer: ~~s47F~~

Section: Commercial & Technical (Qld)

~~s47F~~

~~s47F~~

Attachments:

A: Draft response to the Queensland Minister for Transport and Main Roads

B: Letter from the Queensland Minister for Transport and Main Roads dated 30 September 2021



The Hon Barnaby Joyce MP

Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for New England

Ref: MS21-002216

The Hon Mark Bailey MP
Minister for Transport and Main Roads
GPO Box 2644
BRISBANE QLD 4001

Dear Minister

Thank you for your letter of 30 September 2021 regarding the proposed Toowoomba to Gladstone business case to investigate a link between Inland Rail and the Port of Gladstone.

I was pleased to receive your confirmation that the Queensland Government supports further consideration of the Toowoomba to Gladstone link and I look forward to the business case starting this year to ensure delivery by mid-2023. I am pleased to clarify a number of matters raised in your letter, and I welcome your Government's commitment to match the Australian Government's \$10 million investment by providing in-kind support.

As you are aware, the Inland Route would provide the most significant benefits for regional Queensland as it has the potential to unlock coal and other commodities in the Surat Basin. This alignment would create an alternative pathway for exports to the Queensland Government-owned Port of Gladstone and reduce the freight import-export demand on the Port of Brisbane. Forecast growth in coal exports and other regionally produced commodities will be important to the business case.

Consistent with findings of the *Inland Rail Gladstone Link Prefeasibility Study* I can confirm the Australian Government supports the Inland Route which offers more significant benefits to regional Queensland, without the complexities associated with connecting heavy freight infrastructure to the coastal network. I note that the business case should test options to settle a final alignment which best suits current and forecast movements in coal and other commodities. As you have noted, this work will need to be informed by further investigation into coal investment conditions.

I also confirm my support for the business case to explore the viability of a dual gauge line consistent with the Inland Rail Bilateral Agreement. Rail infrastructure that integrates with the Inland Rail route between Melbourne and Brisbane is key to creating an efficient national

network that improves freight outcomes for the Queensland economy. The reference train and other technical specifications will be matters for the business case to consider alongside staging and delivery options, but I note the line will need to accommodate Inland Rail trains in order to fulfil its objective.

I am committed to engagement with key stakeholders, such as the Australian Rail Track Corporation (ARTC), Queensland Rail, Aurizon and the Ports of Brisbane and Gladstone as a key priority of the business case. I also support your suggestion that the ARTC be closely involved in the business case.

The principles for engagement between the Australian and Queensland governments are outlined in the Inland Rail Bilateral Agreement. These principles will ensure the Australian and Queensland governments work collaboratively, efficiently, and in a manner that meets the needs of both parties to drive improved freight supply chain and complementary passenger rail outcomes.

As I noted in my letter to you dated 20 September 2021, it is vital our governments work together as a matter of priority to settle arrangements for this business case to ensure integration with other Inland Rail-related joint business cases. My department will continue to work with the Department of Transport and Main Roads to develop a clear plan for the content and timely delivery of the business case.

I look forward to working with your government on this project and other shared priorities, and continuing to deliver the Australian Government's \$17.46 billion investment in Queensland infrastructure from 2021-22 to 2030-31.

Yours sincerely

Barnaby Joyce MP



Minister for Transport and Main Roads

Our ref: MC121449

Your ref: MS21-001886

30 SEP 2021

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The Honourable Barnaby Joyce MP
Deputy Prime Minister and
Minister for Infrastructure
Transport and Regional Development
barnaby.joyce.mp@aph.gov.au


Dear Deputy Prime Minister

Thank you for your letter of 20 September 2021 about the proposed Toowoomba to Gladstone business case which would link Inland Rail and the Port of Gladstone.

I support further examination of the proposed Gladstone link to Inland Rail and welcome the Australian Government's commitment of \$10 million towards a business case for this activity.

Before agreeing to your request that Queensland leads the business case and provide an in-kind contribution, there are a number of scope issues that need to be considered and responded to. To that end, I seek clarification on matters that require further consideration.

Scope and service offering

In your media release on Friday 3 September 2021, *Business Case for Toowoomba to Gladstone Inland Rail connection*, you have reiterated the Australian Government's commitment that a connection to Gladstone would be 'in addition to our existing commitment to take Inland Rail to Brisbane'.

The 2020 *Inland Rail Gladstone Link Prefeasibility Study* considered two routes, the Inland Gladstone Route, and the Coastal Gladstone Route, both largely utilising existing infrastructure with the exception of approximately 200 kilometres of greenfield in the Inland Gladstone Route between Wandoan and Banana.

The Inland Gladstone Route was determined by the Queensland Government a number of years ago for the specific purpose of the movement of coal. This route takes a 200-kilometre deviation west from Toowoomba on the existing West Moreton line before heading north from Miles to Banana via Wandoan.

The Coastal Gladstone Route proposed the use of the existing North Coast line accessed through the South East Queensland Network. As this option sought to transit through the congested Brisbane metropolitan area competing with both passenger and freight services, it has considerable operational, community and other impacts. Can you confirm the Australian Government's preferences with respect to either the Inland or Coastal route?

The prefeasibility study also refers to a need for a sustainable improvement in conditions of investment for coal. I note there has been an improvement in the price of coal over the last 12–24 months. Whether this improvement in the price of coal translates to a sustainable improvement in coal investment conditions is a matter that the business case should consider in the early stages.

I further note it is a condition of approval of the Inland Rail Project in Queensland that it be built, maintained and operated as a dual gauge (narrow and standard gauge) railway to maximise the potential traffic and to ensure connections with the existing network. I would be grateful if you could confirm whether the Toowoomba to Gladstone business case would be based on a dual gauge railway built to the Inland Rail capacity including train length, speed and clearance heights.

Stakeholder engagement and the Australian Rail Track Corporation

Stakeholder engagement is critical to the business case process, in particular Aurizon, as the Moura to Gladstone rail line (153 kilometres) is operated under the provisions of an existing 99-year lease. The ports of Gladstone and Brisbane are also key stakeholders. The impacts on operational responsibilities need to be assessed within business case options.

Australian Rail Track Corporation involvement would be key to the estimating of demand modelling (and thus project benefits) and operational costs of the options. These matters need to be well defined to direct the business case.

Funding and contribution

Queensland Government resources are fully committed to the existing Inland Rail Bilateral Agreement project business cases.

All resources utilised for the business case would need to be purchased at market rates. A suitably experienced project manager and support staff, technical, environmental, economic, assurance and all other engineering and business case consultant services, would need to be fully funded within the Australian Government's committed \$10 million project allocation.

The Queensland Government would be prepared to provide in-kind contribution in the form of project resource procurement, governance and executive oversight and supervision.

We would also provide the business case development process with any accumulated knowledge about the proposal, subject to any third-party commercial obligations.

Governance

Subject to formal advice of your agreement to the matters outlined above, I will ask the Department of Transport and Main Roads (TMR) to:

- lead the business case development phase in partnership with the Australian Government
- enter into an arrangement with the Department of Infrastructure, Transport, Regional Development and Communications, which will establish appropriate timeframes.

Further, I propose utilising the existing governance model and structures being used to deliver the Inland Rail business cases.

I note there are strong views held by members of the community about linking Gladstone to the Australian Government's Inland Rail project. It is therefore imperative that we resolve these key questions prior to the commencement of the process to avoid misunderstandings and delay during the process.

I look forward to your further advice on this matter.

Yours sincerely

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a sharp downward stroke and a small horizontal tick at the end.

MARK BAILEY MP
Minister for Transport and Main Roads