

18 December 2019

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
(emailed 20th December 2019 to rrat.sen@aph.gov.au)

Dear Secretary,

**RE: INQUIRY INTO THE MANAGEMENT OF THE INLAND RAIL PROJECT BY THE
AUSTRALIAN RAIL TRACK CORPORATION AND THE COMMONWEALTH
GOVERNMENT.**

The Gladstone Regional Council (GRC) is pleased to provide the Committee with this submission to the subject inquiry.

Gladstone Regional Council is committed to working together to balance the region's lifestyle and opportunity for the 62,979 residents which call the region home. Spanning over 10,489 square kilometres the region encompasses a vast landscape, from coastline to resource rich hinterland, rural townships to major industry. A focus on diversification helps grow the region and expand opportunities.

The Gladstone Region has many natural and economic assets which provide a competitive advantage:

- Natural deep-water port which is one of Australia's largest multi-commodity ports.
- Strategic location in proximity to considerable natural resources across Central Queensland and the Surat Basin.
- Unrivalled existing heavy industry cluster and supporting infrastructure
- Strong supply chains to support industry and a highly skilled workforce
- Locally based construction capacity and track record of delivering major projects.

Council is continually seeking innovative opportunities that support smart infrastructure decisions and operational excellence. The Council is calling on the ARTC and State and Federal Governments to review and invest in connecting the Inland Rail to the Port of Gladstone. The Port of Gladstone Masterplan identifies that the Port is unconstrained and has the capacity to grow to over 300 million tonne per annum.

Route planning and selection processes

The proposed inland rail extension to the Port of Gladstone is supported by all the Central Queensland Councils and associated development agencies on the corridor.

According to the ARTC website the Australian Government is currently considering the findings of a prefeasibility study on linking the inland rail to the Port of Gladstone. The study, which was undertaken by an independent advisor, canvasses a range of issues including the likely demand for freight services, key alignments that could service the Port, and the overall viability of a rail link. However, Council understands that the subject study is flawed in its approach to identifying the potential overall freight task and economic benefits of connecting the rail to the Port of Gladstone. The Inland route connection to the Port of Gladstone has additional benefits which were not considered fully. Including land bridging unitised freight to alleviate future congestion in major Southern Ports, the development of the Surat Basin coal reserves and the development of the Surat Region agriculture. Especially with the development of the Nathan Dam in parallel and connection to the Central Highlands agriculture business through the Yamala Inland Port outside Emerald in Central Queensland.

The projected cost of the connection from Toowoomba to the Port of Brisbane is reportedly an estimated \$6.7B. As opposed to the alternative, going from Toowoomba to Gladstone which is projected between \$1.2 - \$2.7B depending on the type and standard of construction. There are further options if the "missing Southern links" are installed to connect existing infrastructure corridors. Much of the route has been acquired and EIS complete. While this route was designed to open the Surat Basin for coal mining, it also has significant potential for agricultural exports.

Council is calling on the Australian Government (Inland Rail) to finalise and release the study into the extension of the inland rail to the Port of Gladstone. The Australian Government should work to align with the regional Councils and other key stakeholders with an investment in a future inland rail extension to the Port of Gladstone to advance the case for this important piece of regional enabling infrastructure. The connection to the Port of Gladstone would be an investment in public infrastructure and not generate the negative political capital of the Brisbane option.

Connections with other freight infrastructure, including ports and intermodal hubs

The connection of the inland rail to the Port of Gladstone and the development of a heavy vehicle corridor from *Red Ridge to the Reef* will provide a fully integrated, efficient and cost-effective east coast supply chain that will be the gateway to the regional prosperity of Central Queensland the Asian Powerhouse Economies. Substantial supply chain infrastructure already exists in the region for the production and transport of commodities and minerals as well as agribusiness. Shipping accounts for over 99 per cent of Australia's total trade by weight. Over the past two decades containerised cargo, or containerised throughput, has increased by between 159 and 453 per cent across the Australian port terminals. The demand for greater capacity supply chains will continue and connecting the Inland Rail to the unconstrained Port of Gladstone will meet future capacity demands.

Urban and regional economic development opportunities

Linking the inland rail to the Port of Gladstone will unlock long-term regional economic benefits and improve road safety while reducing land and sea transport congestion in southeast Queensland. Extending the inland rail network from Toowoomba through regional inland Queensland to connect to the Port of Gladstone will contribute to safer roads by reducing heavy haulage traffic, and the resulting lower cost of road maintenance. A fully integrated, efficient and cost-effective east coast supply chain will improve the regional economies along the rail network and be a strategic asset for Queensland and the national economy.

Collaboration between Governments

'The Queensland Government is committed to working together with customers, industry and other levels of government to build a freight system that is integrated, resilient and safe, now and into the future.' (The Hon. Mark Bailey MP, Minister for Transport and Main Roads). Council contends that linking the Inland Rail to the Port of Gladstone meets the future objectives of the Queensland Government of an integrated, resilient and safe freight system that will have lasting economic benefit to Queensland.

Interaction with National Freight and Supply Chain Strategy

'As Queensland's economy grows, so does our reliance on the freight system to transport more goods across the state, more often. The freight task is expected to increase more than 20 per cent over the next decade, and the Queensland Government must be innovative in balancing this growing demand within a constrained funding environment to create a freight system for the future.' Queensland Freight Strategy – Advancing Freight in Queensland CQ Connection. Council supports the call to develop and innovative freight system for the future.

Thank you for the opportunity to make a submission. The Gladstone Regional Council envisages an inland rail freight link driving regional, state and national economic and supply chain development along an inland rail corridor through to the Port of Gladstone. The business case for the Inland Rail should not be exclusive of a particular Port option but be driven to establish a fully integrated, efficient and cost-effective east coast supply chain that will improve the regional economies along the rail network and be a strategic asset for Queensland and the National economy.

Yours sincerely,

CR MATT BURNETT
MAYOR GLADSTONE REGION