

**Inland Rail**

**Overview**

The Australian Rail Track Corporation (ARTC) is delivering Inland Rail, a 1,700km freight rail line connecting Melbourne and Brisbane. The public date is that ARTC expects the first trains to run the full Inland Rail alignment by the end of 2027. The project includes approximately 600km of new track and 1,100km of upgraded track to support double-stacked freight services. The most technically complex sections in Queensland will be delivered through a public private partnership (PPP).

**Key Strategic Issues & Risks**

Potential for further cost and schedule increases as a result of higher than anticipated PPP cost and timeframes, delays in state agreements and escalation. There will be greater clarity on the quantum of cost and schedule impacts to Inland Rail delivery following the proposed review of Inland Rail and the funding and financing options to be brought forward to Government in the 2023-24 Budget context.

Communities are critical of ARTC's delivery of Inland Rail – In August 2021, the Senate Regional Affairs committee released its report *Inland Rail derailed from the start*, including 26 recommendations. The previous Government's response supported or supported in-principle 15 recommendations, noted 5 and did not support 6. A key theme in the report was concern in ARTC's engagement with affected communities.

Recruitment of an Inland Rail CEO following the retirement of Mr Richard Wankmuller in mid-2021, ARTC has undertaken two executive searches, which has not resolved an appointment.

Connecting Inland Rail to Gladstone and final terminal locations are subject to further Government decisions with negotiations with the Victorian Government on terminals at Beveridge and Truganina underway, and consideration of a terminal at Ebenezer in Queensland pending. A connection from Toowoomba to the Port of Gladstone is subject to a business case being developed in 2022.

Land access and resumption delays in NSW and QLD – Land acquisition is a key enabler for Inland Rail delivery, however it is a high-risk activity since it is dependent on state approval processes and could be subject to legal challenge. In NSW, compulsory acquisition timeframes are not aligned with the current delivery schedule.

s 47G

Inland Rail's estimated total cost from the 2020 reset is \$16.4 billion (not public), with the Commonwealth committing up to \$14.5 billion in equity (\$5.5 billion in the 2020-21 Budget, \$8.4 billion in the 2017-18 Budget and \$0.6 billion in the 2016-17 Budget) and \$290 million in grant financing (2014-15 Budget). s 47

ARTC has identified increased pressures to cost and schedule. s 47

**Delivery Schedule**

The latest estimates from ARTC is that Inland Rail is expected to be completed, and trains running the full alignment by 2030 (the public date is 2027). The Inland Rail alignment has been divided into 13 geographic sections or 'projects', of which: the Parkes to Narromine section was completed in September 2020; construction commenced on the Narrabri to North Star section in April 2021, with 29km of this section operational.



**Public Private Partnership**

The most technically complex sections in Queensland (covering Gowrie to Kagaru) are to be delivered through a 'design, build, finance and maintain' PPP, and require 7.9 kilometres of major tunnelling through the Toowoomba, Teviot and Little Liverpool ranges. On 4 March 2022, ARTC advised that following a comprehensive Request for Proposal process 'Regionerate Rail' was selected as non-binding preferred proponent to deliver the PPP. Regionerate Rail is a multinational consortium made up of Webuild S.p.A, GS Engineering & Construction, Clough Projects Australia, Service Stream Maintenance and Plenary Group.

