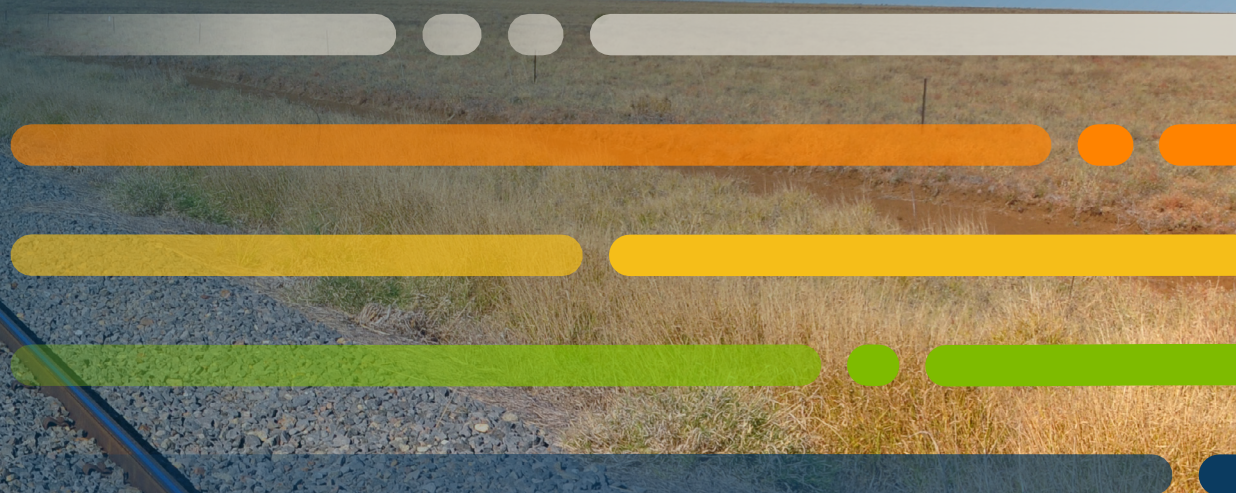


# Toowoomba to Gladstone Inland Rail Extension

## Summary Report

September 2024



## Copyright

This publication is protected by the *Copyright Act 1968*. © State of Queensland, 2024.

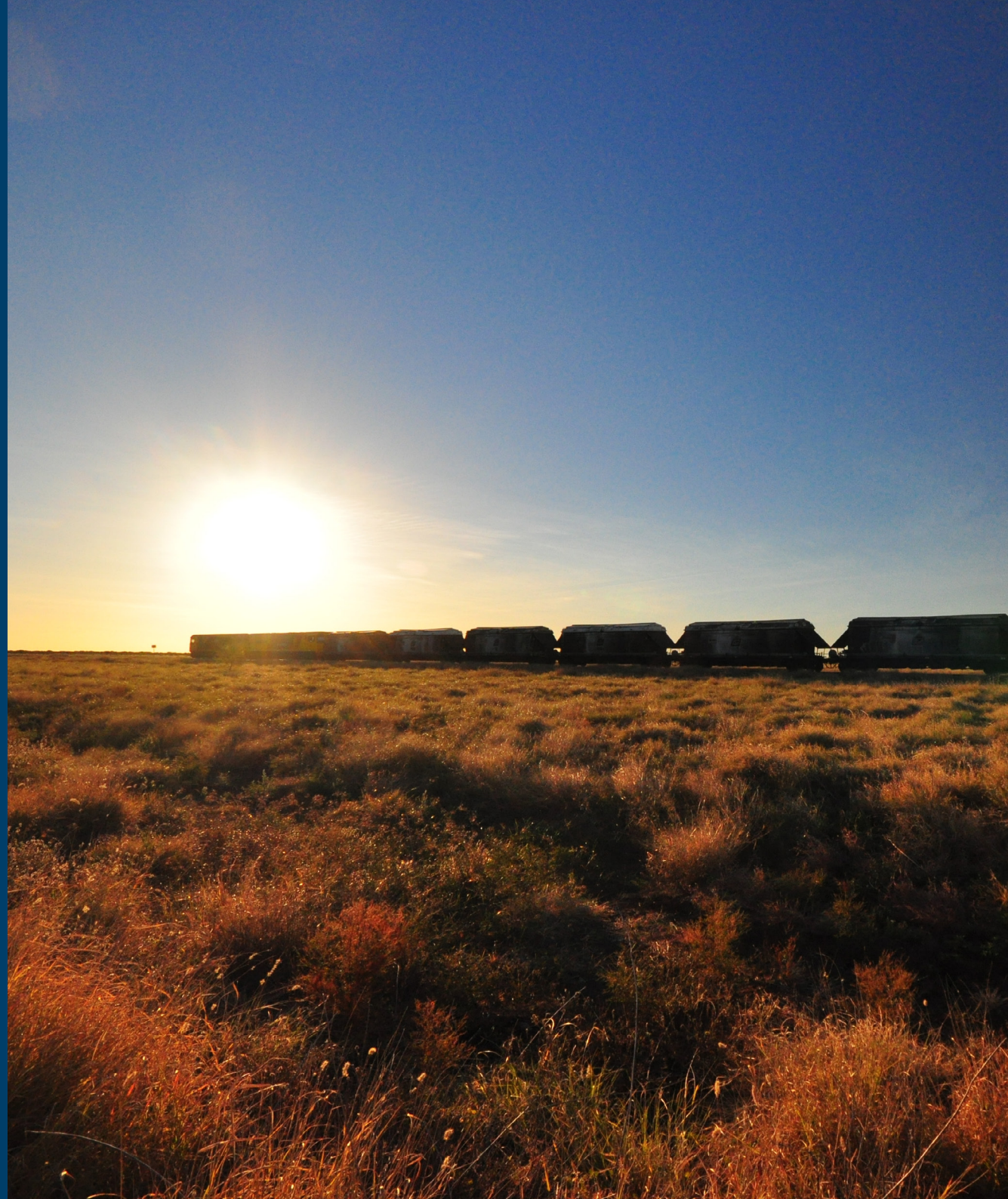
## Disclaimer

While every care has been taken in preparing this publication, to the extent permitted by law, the State of Queensland accepts no responsibility and disclaims all liability (including without limitation, liability in negligence) for all expenses, losses (including direct and indirect loss), damages and costs incurred as a result of decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge, the content was correct at the time of publishing.

## Translating and interpreting assistance



The Queensland Government is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Service (TIS National) on **13 14 50** and ask them to telephone the Queensland Department of Transport and Main Roads on **13 74 68**





# Introduction

## **The Australian and Queensland governments partnered to investigate the viability of extending Inland Rail from Toowoomba to the Port of Gladstone.**

Inland Rail will deliver a direct double-stacked container freight rail connection between Melbourne and Brisbane, providing expanded transport infrastructure and services to satisfy the growing freight task in Australia.

Extending the Inland Rail route beyond Toowoomba to the Port of Gladstone has been considered in several previous studies, including the 2017 Toowoomba to Gladstone Link Prefeasibility Study.

An extension of Inland Rail to connect to Gladstone was identified as an opportunity to build on the benefits of Inland Rail, improve regional connectivity and economic development, and take advantage of the port facilities at Gladstone.

In 2021, the Australian Government committed \$10 million towards further investigation of a possible extension of Inland Rail to Gladstone. The investigation explored the need, timing and viability of this new connection. This planning was undertaken by the Department of Transport and Main Roads in collaboration with the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

This report summarises the work undertaken, including key findings and next steps for the project.

### **Study overview**

The study involved development of the first two stages of Queensland's Project Assurance Framework (PAF). The PAF sets the foundation for ensuring that project evaluation, procurement and delivery activities are undertaken effectively and efficiently and that value for money is achieved from infrastructure investment. The PAF aligns with the Infrastructure Australia Assurance Framework (IAAF) to ensure a common, rigorous approach to assessment.

Key project activities included development of options, freight demand modelling, technical assessment, economic evaluation and consideration of climate change and sustainability.

# Study need

This study investigated the need and viability of extending Inland Rail from Toowoomba to Gladstone. It explored a range of potential benefits and impacts including:

- providing an alternative to routing rail freight through South East Queensland (SEQ), where haulage is subject to restricted hours of operation and shares tracks with passenger rail services
- more freight on rail and less on roads, enhancing community amenity and transport network safety and efficiency
- improved interoperability of the national rail network, improving inter-state rail freight efficiency and enhancing productivity in Australia
- identifying community and infrastructure impacts resulting from the development and operation of the rail extension.

Because most freight forecast to use Inland Rail is domestic freight destined for the SEQ market, a future extension to Gladstone would complement rather than replace the connection to the SEQ region.

## Challenges



Rail freight routes north of the Inland Rail corridor have capacity and operational constraints, resulting in more freight on roads



Bulk freight passes through SEQ urban areas, resulting in operational complexity, productivity constraints and potential community impacts



Existing supply chains and infrastructure limit access to broader markets, constraining potential regional economic growth



Existing freight supply chains are subject to disruption and reliability impacts due to unforeseen events such as extreme weather

## Benefits sought



Improve freight travel time and travel time reliability in the study area



Improve transport network safety and resilience to unforeseen events



Minimise rail freight travelling through dense urban areas



Increase rail freight volumes and the share of freight transported by rail



Support regional economic development

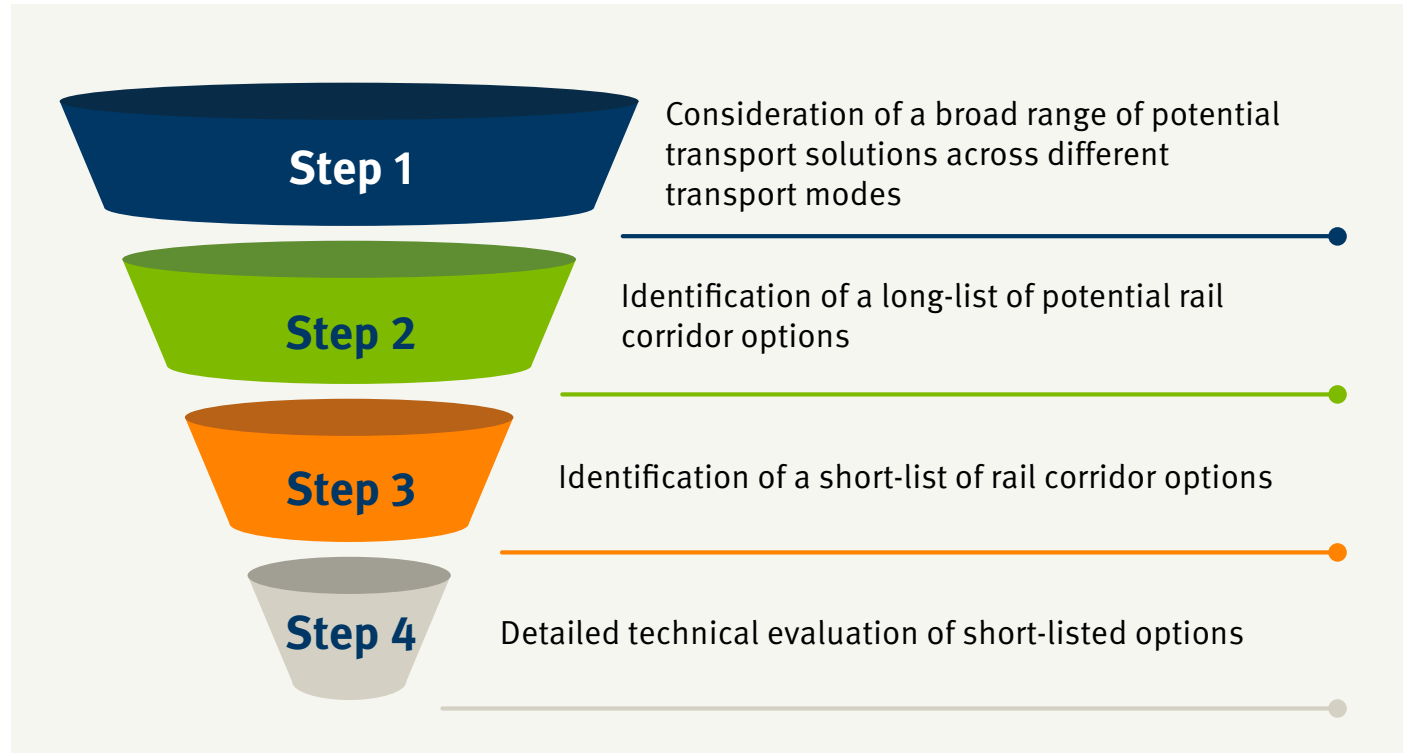
# Study process

**The study assessed the need, considered options and determined the feasibility of a rail connection from Toowoomba to the Port of Gladstone. A structured evaluation process was undertaken to progressively refine options.**

The study initially generated a broad range of options, which were strategically assessed against key criteria to determine their merit. Options included non-infrastructure, infrastructure and road-based solutions designed to address transport requirements and desired outcomes sought. This first step concluded that a rail infrastructure solution would align most closely with the benefits sought.

Three options were shortlisted through detailed assessment, including two options traversing the Surat Basin and one via the Burnett region.

Stakeholder engagement was undertaken iteratively through the study, including with industry, to inform option development and the assessment approach, freight demand analysis and operational modelling.



The assessment concluded that the highest performing option would be a combination of upgraded existing rail track (over 400km) and proposed new rail track, including a 200km

new dual gauge rail link through the Surat Basin. However, no options demonstrated a strong economic justification for the project to be progressed further.

# Findings

**The extension of Inland Rail from Toowoomba to Gladstone would require the development of significant new infrastructure at substantial cost. Delivery of a project of this scale would be one of Queensland’s largest ever transport infrastructure investments.**

The study found that the forecast demand for the extension was low: the vast majority of freight from Inland Rail is destined for SEQ and would not divert to port facilities in Gladstone. The Inland Rail extension would provide a small benefit for regional coal production and export, as well as general and bulk freight. However, the potential revenue from rail operations would

not be sufficient to offset the very high capital cost to construct the project, as well as ongoing ‘whole of life’ and operational costs.

Several delivery model approaches and packaging options were considered but were determined unlikely to deliver whole-of-life cost outcomes given the risks associated with delivery, demand uncertainty, interfaces with existing rail operators and significant capital cost.

The study concluded that an extension of Inland Rail to Gladstone is not economically viable and does not warrant progression to further planning and business case activities at this time.



Extending Inland Rail from Toowoomba to Gladstone demonstrated some strategic benefits, including more freight on rail and improved transport network resilience by providing an alternative rail connection in the event of disruptions on other parts of the network.



While the extension would support limited coal production in the Surat Basin and regional economic opportunities, it would be significantly under-utilised infrastructure capacity.



The project benefits were forecast to be significantly less than the high capital costs and moderate revenues generated. The project is not economically viable in its current definition and scope.



# Next steps

**The Australian and Queensland governments have finalised the study and agreed not to proceed to the Business Case Development stage.**

This decision does not affect private proponents from developing alternative proposals under the Queensland Government's exclusive transactions process.

The Australian and Queensland governments will continue to monitor the freight and regional economic environment to identify changes to the fundamental drivers for freight demand that may warrant re-evaluation of the project's economic case.

## Stakeholder engagement

The study was informed by engagement with Queensland Rail, Aurizon, Gladstone Ports Corporation, Australian Rail Track Corporation and Toowoomba Regional Council, Gladstone Regional Council, Banana Shire Council, Western Downs Regional Council, North Burnett Regional Council and South Burnett Regional Council.



