



T2G: MAKING THE RIGHT CONNECTION
THE CASE TO CONNECT INLAND RAIL FROM TOOWOOMBA TO GLADSTONE

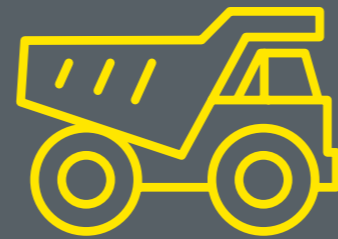




KEY NATIONAL INFRASTRUCTURE: CONNECTING INLAND RAIL TO GLADSTONE PORT



Quicker freight times to Asia
Lowering supply chain costs



Enable \$15.6B resource investment in regional Queensland



Bring forward Nathan Dam and pipeline project



Deeper port enables larger container ships



Up to 18,300 extra jobs in regional Queensland



Develop a 4th major container port for eastern Australia



Reduce the cost of
Inland Rail by \$4.8 B



Up to 3 years quicker delivery of the
Inland Rail vision



Potential to remove coal trains from
Brisbane suburban network

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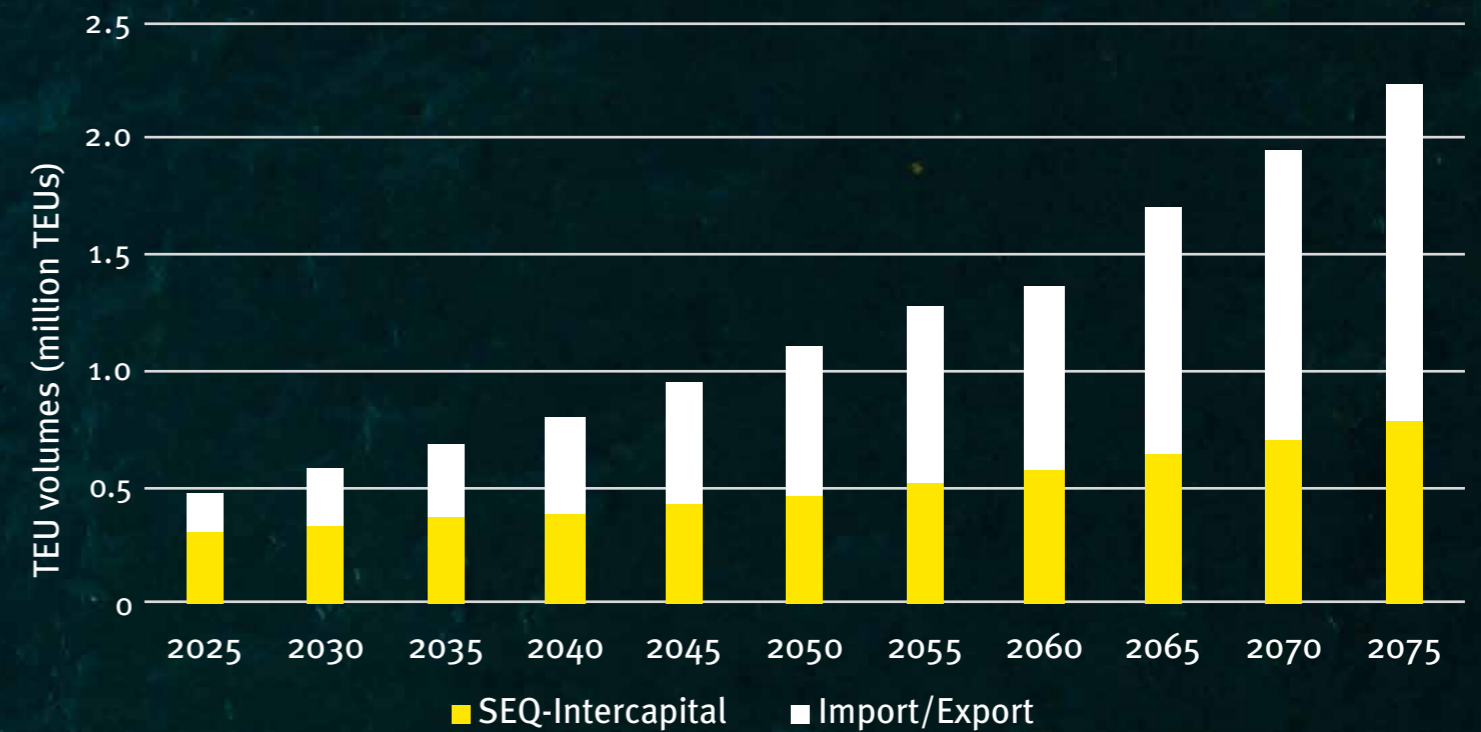


ABOUT INLAND RAIL



Australia's freight task is growing, driven by a forecast increase in containerized trade.

Demand Projections for Inland Rail (Mtpa)



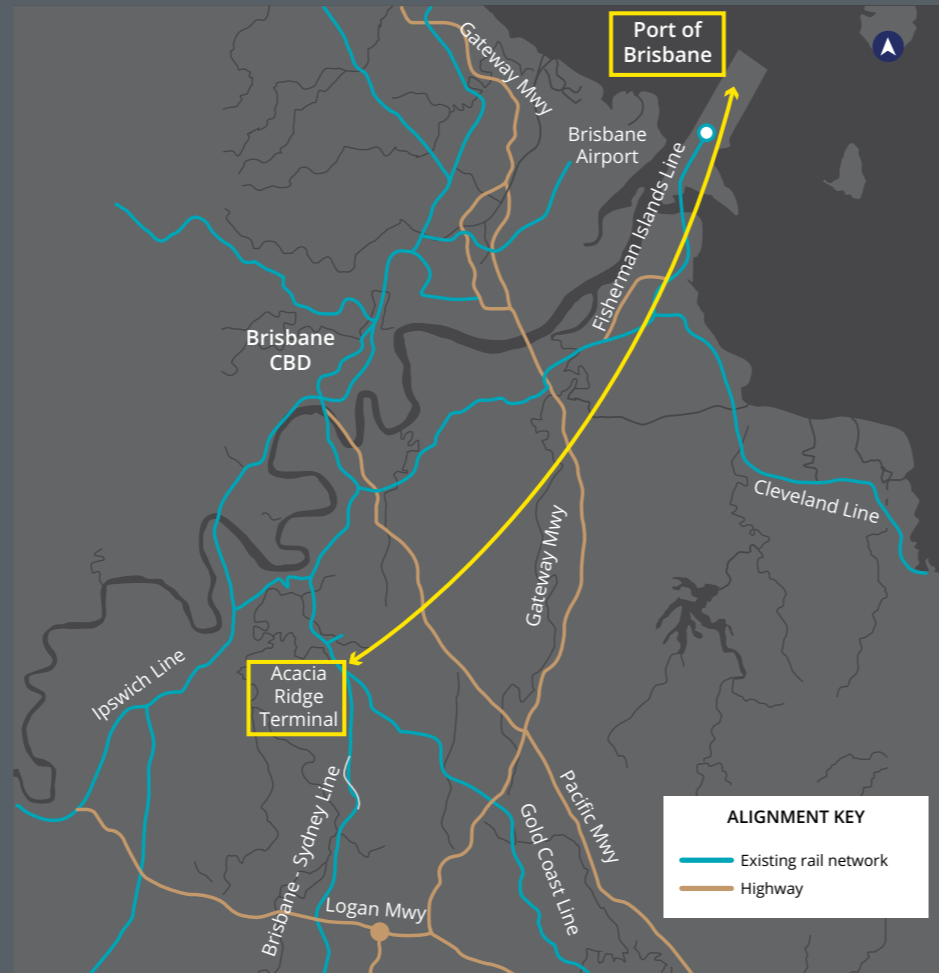
Note: ARTC Demand projections highlight freight from Melbourne to Brisbane, Brisbane to Adelaide, and Brisbane to Perth.
Source: ARTC (2015). ARTC 2015 Inland Rail Programme Business Case.

ABOUT INLAND RAIL

Inland Rail is a visionary project, aimed at future proofing Australia's economy as the freight task grows. Currently the project spans 1,700km from Melbourne to Brisbane, but does not connect to a port. The lack of port connectivity limits the project benefits for import-export freight and will generate extreme congestion between the rail terminus and ports, particularly in Brisbane.



Toowoomba Gladstone Inland Rail



38 km from Acacia Ridge to Port of Brisbane

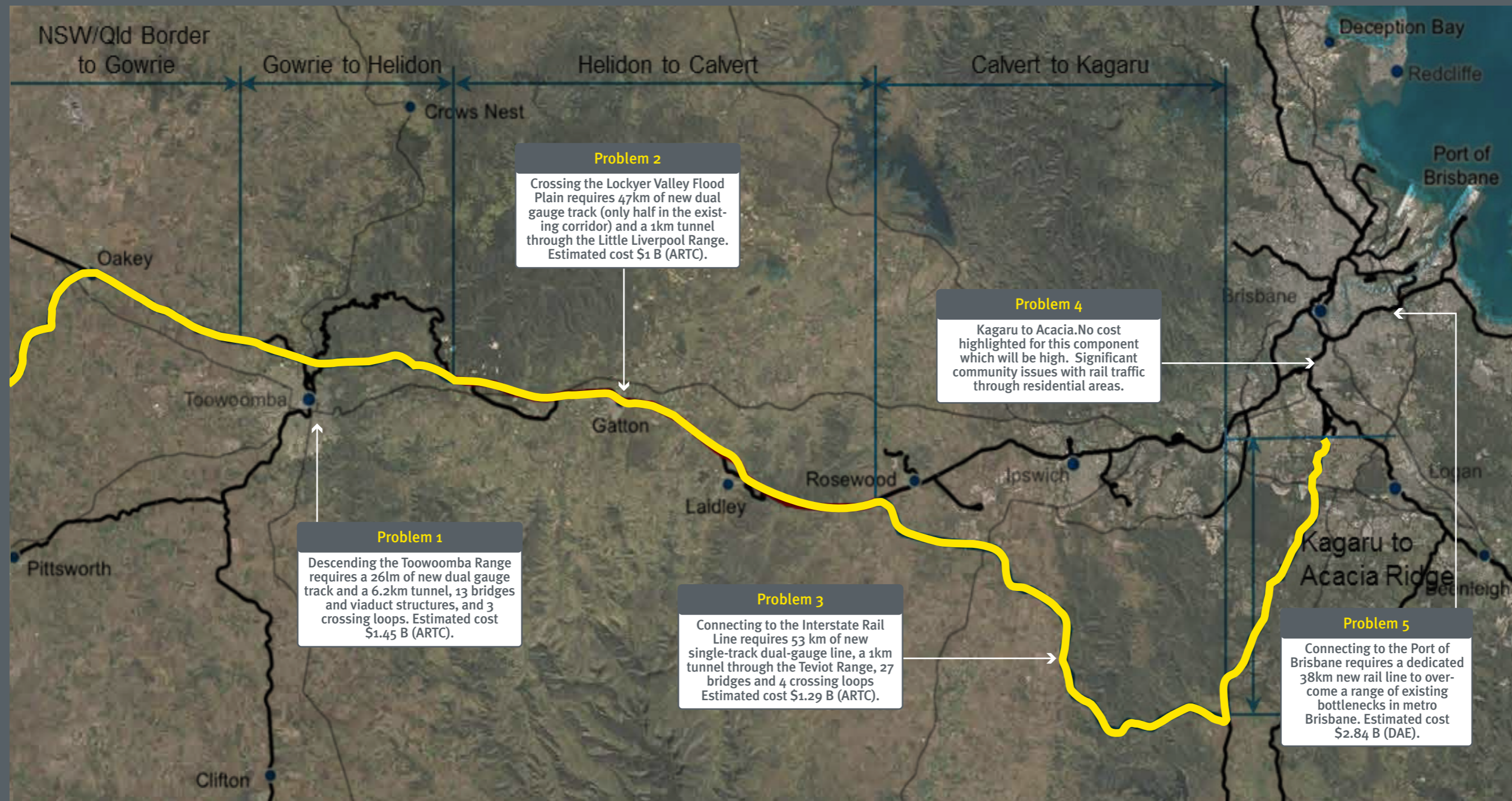


11 km from Tottenham to Port Melbourne



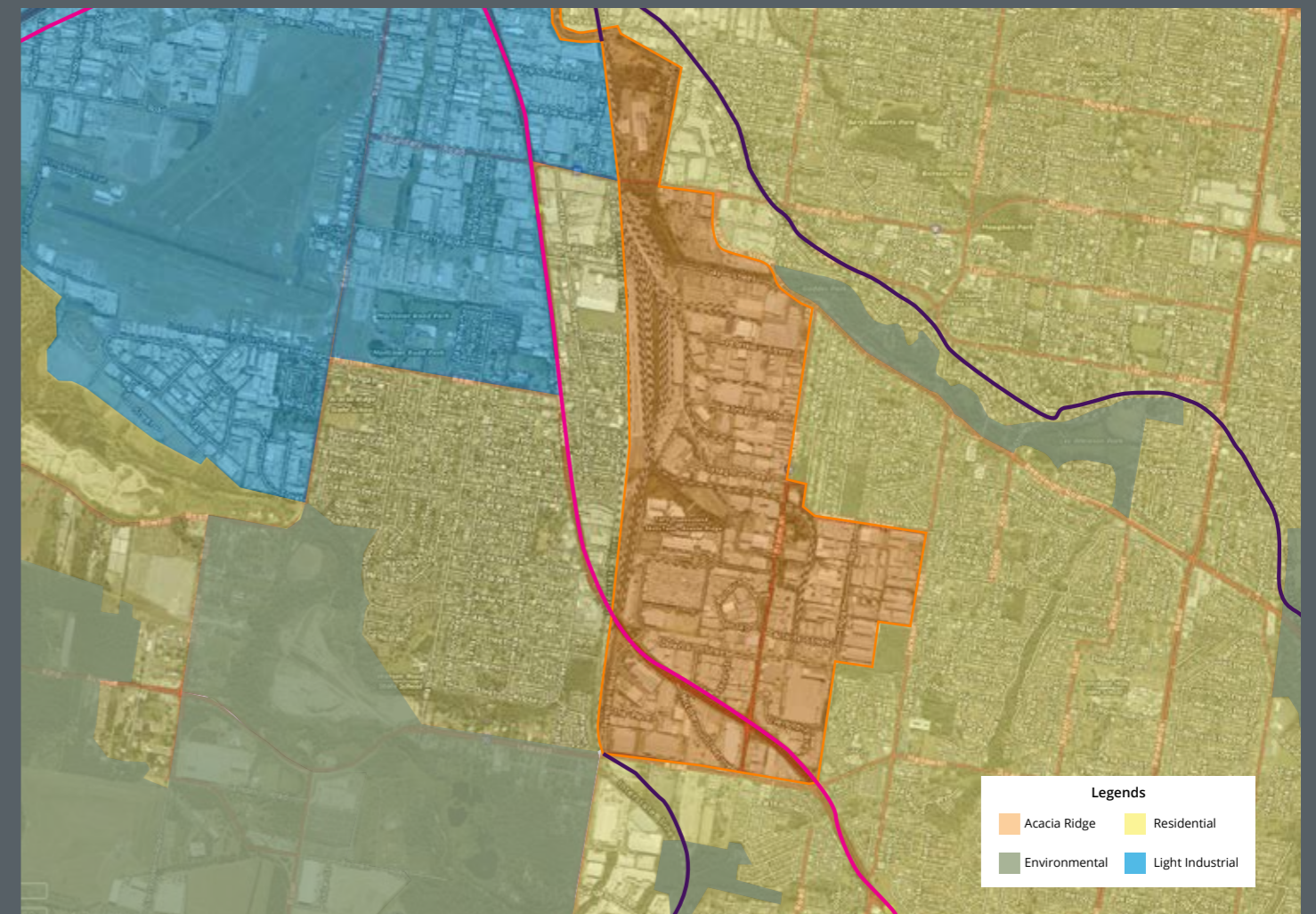
THE CHALLENGE GETTING TO THE PORT OF BRISBANE

Connection Toowoomba to Brisbane poses a key challenge in the delivery of Inland Rail in five areas.



Overcoming these challenges represents 50% of the cost of Inland Rail (Melbourne to Port of Brisbane) for just 10% of the distance.

Acacia Ridge is also constrained by adjacent residential and environmentally sensitive areas and cannot grow. Terminating Inland Rail at Acacia Ridge will significantly increase truck movements in Brisbane's southern suburbs between Acacia Ridge and the Port of Brisbane.





CONNECTING TO GLADSTONE PORT IS A BETTER OPTION

Port of Gladstone overcomes all of the challenges connecting Inland Rail to the Port of Brisbane

Saves \$4.8 B in construction costs compared to extending Inland Rail to Brisbane

Closer to key import/export markets, reducing time at sea and supply chain costs

Environmental Impact Statement for the Surat Basin Rail Project has previously been approved

Considerable reduction in road and rail congestion in South East Queensland

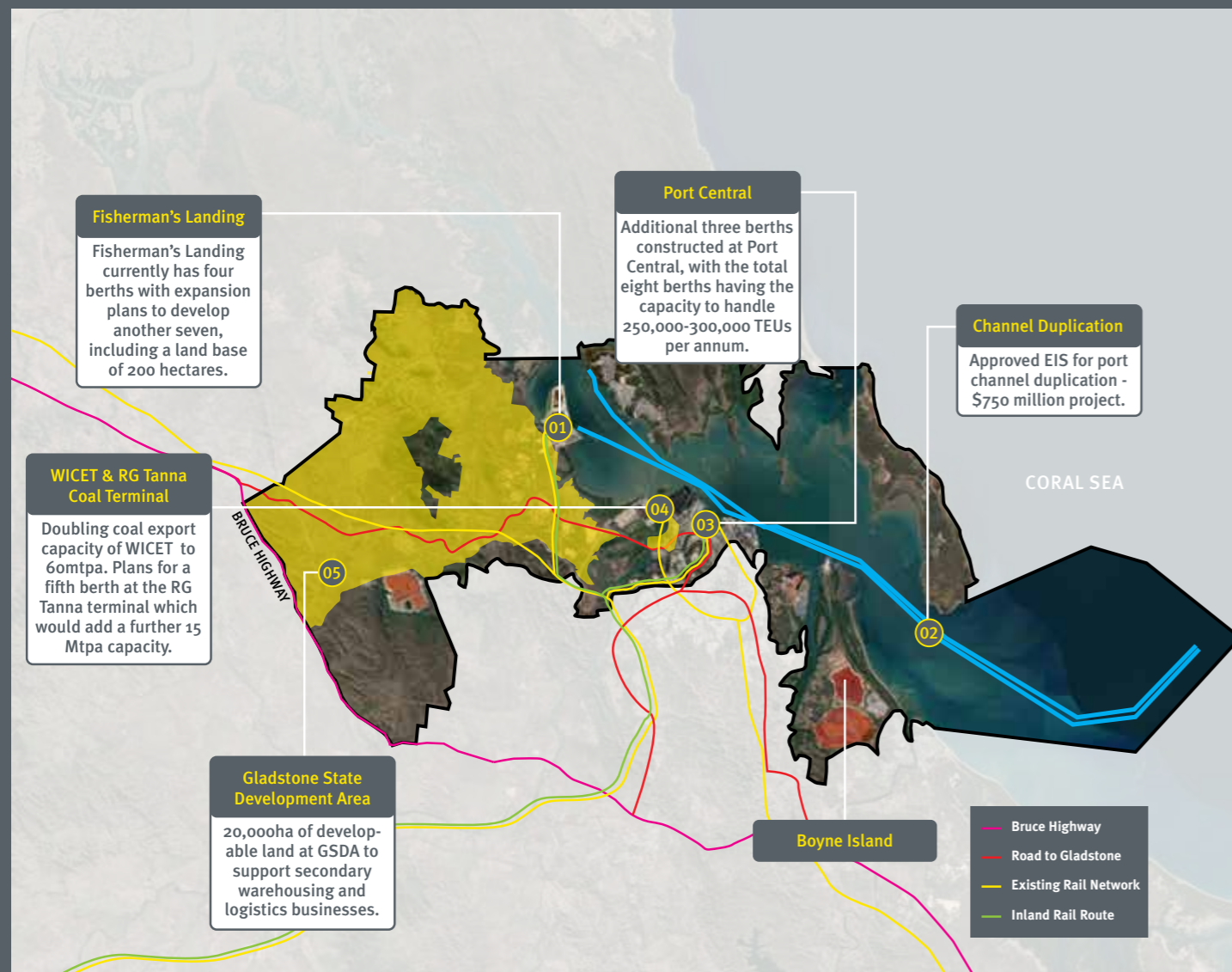
Quicker distribution of freight for SEQ from Toowoomba via the new second range crossing

Prevent disruption to Brisbane residents by avoiding heavy civil construction in urban areas

With Inland Rail, Gladstone can enable growth in import/ export freight volumes to dominant East Asian markets without requiring significant urban disruption from port expansion in Brisbane, Sydney, or Melbourne, or adding to congestion in Australia's largest cities.

Toowoomba Gladstone Inland Rail

Port of Gladstone is a vital economic enabler for Central Queensland.



Queensland's largest multi-commodity port	Australia's 3 rd largest coal export port
Reconfiguration of Port Central for container cargo	Home to Queensland's three LNG export trains
Dedicated rail links to all port berths	Growth plans to triple throughout to 2050
Future growth secured through Gladstone State Development Area	Capable of handling multiple Capesize ships simultaneously
Growth capacity of 24 additional berths	Dual shipping lanes being developed



INLAND RAIL DEVELOPMENT OPTIONS FROM TOowoomba



	Option 1: Toowoomba to Gladstone	Option 2: Toowoomba to Brisbane
Total cost	\$3.4 billion	\$8.1 billion
Total distance	646 km	480 km
Cost per km	\$5.24 m/km	\$16.97 m/km



INLAND RAIL DEVELOPMENT OPTIONS FROM TOOWOOMBA

Toowoomba Gladstone Inland Rail

Project Viability

Comparing the two options, it can be seen that the development of Inland Rail to Port of Gladstone would be far more economically desirable than the developing Inland Rail from Toowoomba to the Port of Brisbane.



Summary of Costs and Benefits, 4% Discount Rate, 2021 to 2125

	Inland Rail to Gladstone Port	Inland Rail to the Port of Brisbane
Costs		
Construction Costs for Rail Infrastructure	\$2,970	\$7,174
Development Cost of Additional Port Infrastructure	\$502	-
Additional Rail Operating and Maintenance Costs	\$128	\$89
Coal Development Costs	\$4,244	\$2,288
Total	\$7,845	\$9,551
Benefits		
Coal Producer Margins	\$7,459	\$4,028
Coal Labour Benefit	\$2,028	\$1,095
Intermodal Freight Efficiency Benefits	\$1,364	\$2,132
Social/Environmental Benefits - Land-Based Transport	\$1,212	\$2,168
Environmental Benefits from Larger Ships	\$315	-
Reduced Toowoomba Range Maintenance	-	\$206
Total	\$12,378	\$9,629

Summary		
Net Present Value of the Project	\$4,533	\$78
Benefit for Every \$1 Spent	1.58	1.01

Source: AEC.



SEA FREIGHT PRODUCTIVITY

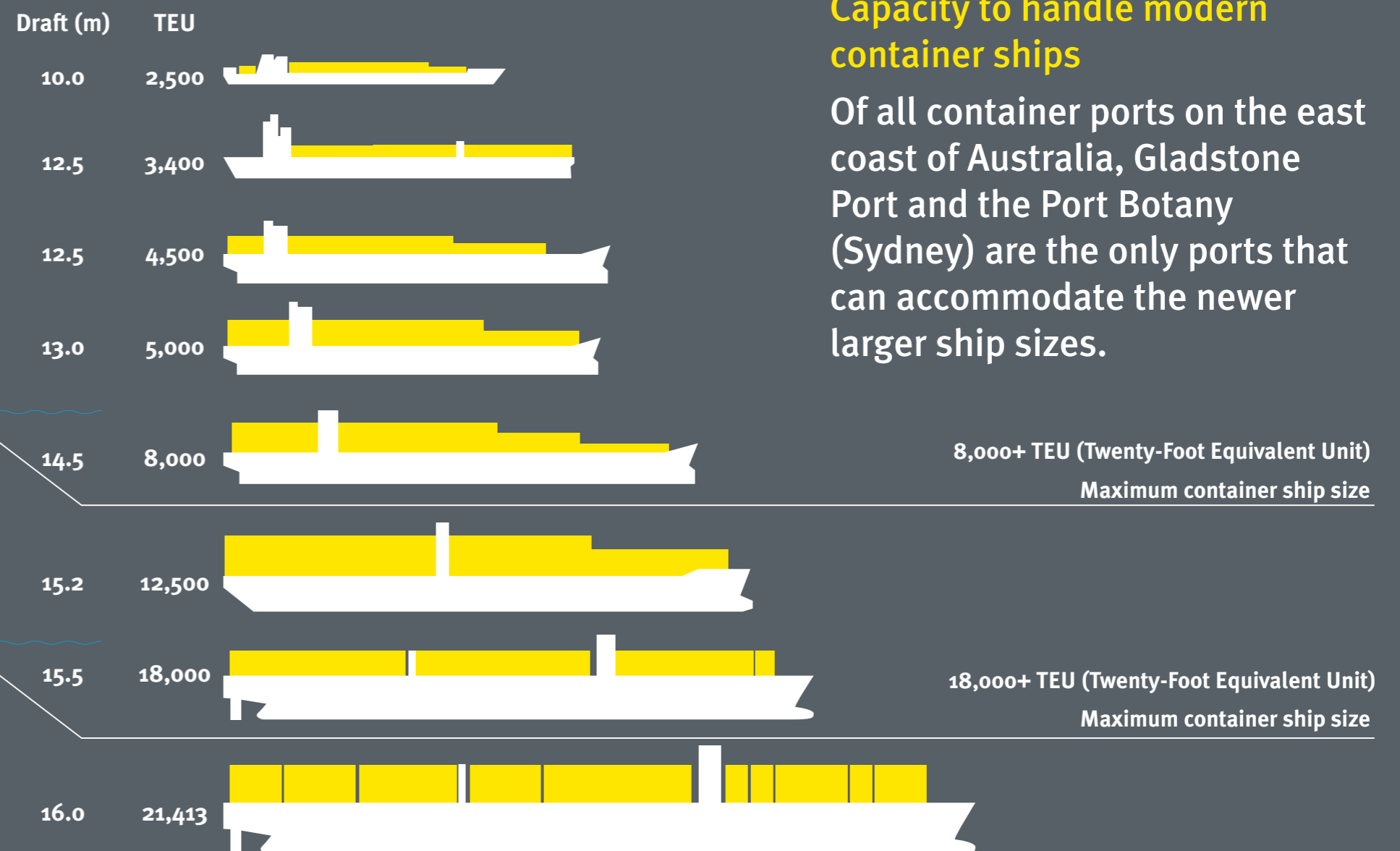
Australia's capacity to benefit from increased sea freight productivity is limited to the port-side capacity of our container ports and capacity to manage ever-increasing ship sizes. Improving the productivity of sea freight will improve the international competitiveness of Australia's exports as well as reduce the cost of imported consumer goods.

Port depth to manage ship size

Port of Brisbane



Port of Gladstone



SEA FREIGHT PRODUCTIVITY

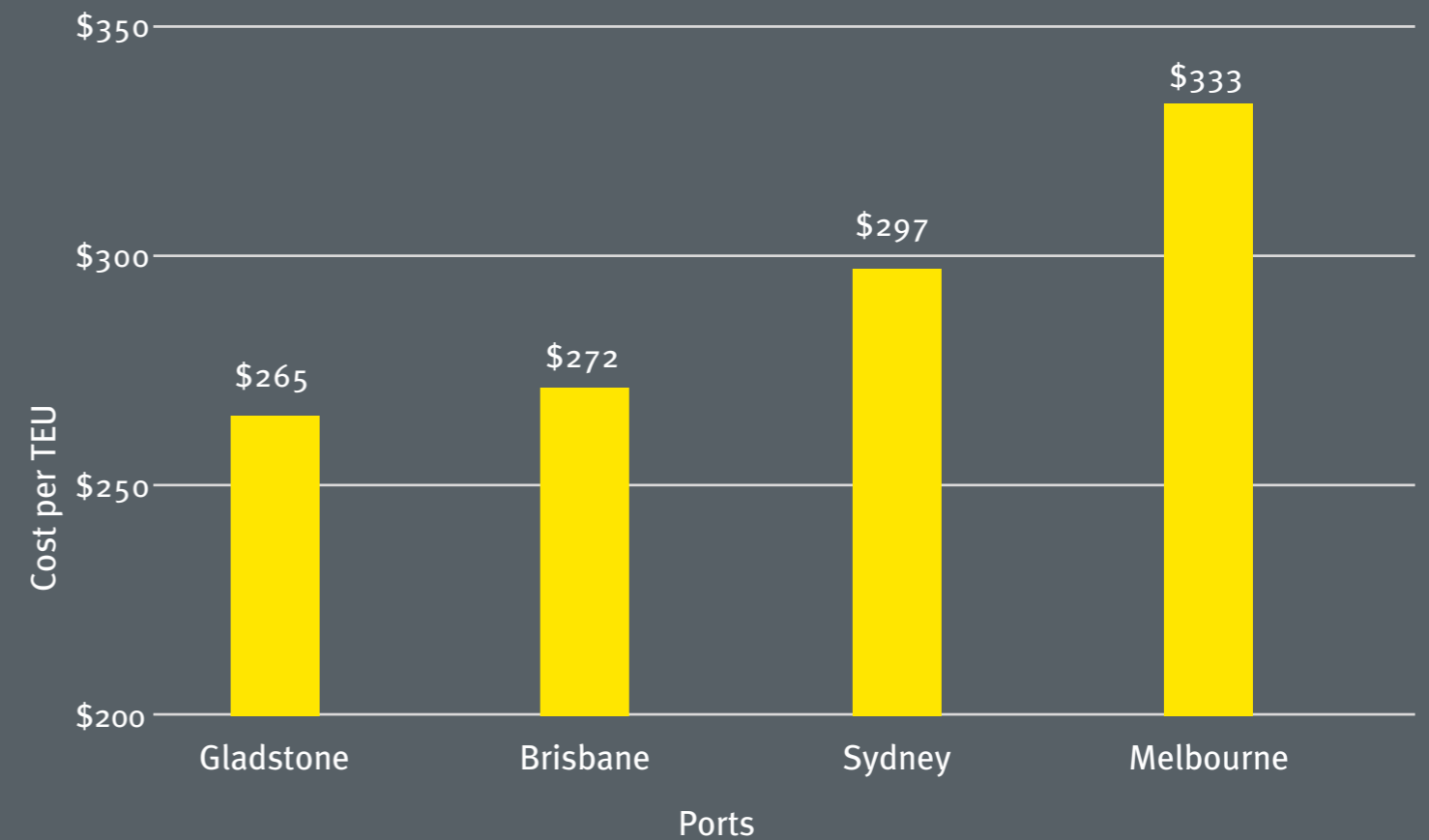
Toowoomba
Gladstone
Inland
Rail



Closer to key markets

Gladstone's proximity to Australia's key import/export markets provides additional productivity benefits for the economy.

Freight Costs from Shanghai to key East Coast Ports (Per TEU)



Source: BRITE (2016). Freight rates in Australia.



UNLOCKING NEW RESOURCE DEVELOPMENTS

Resource Developments



By developing the Surat basin rail link as part of connecting Inland Rail to the Gladstone Port, a number of additional investments in regional Queensland are unlocked.



\$15.6 B capital investment



\$3.5 B economic boost to regional Queensland per annum (including \$2 B directly)



7,166 additional high paying mining jobs per annum (including 2,600 directly)



\$140 M annual mine royalty payments



Connecting Inland Rail is a unique opportunity to support resource jobs in regional Queensland while removing coal trains from suburban Brisbane.

BUILDING DEMAND FOR NEW WATER INFRASTRUCTURE

Toowoomba Gladstone Inland Rail



Water infrastructure

The development of resources resulting from the construction of Inland Rail to the Port of Gladstone will increase demand for water and support key additional water infrastructure projects such as the proposed Nathan Dam.

Nathan Dam has the capacity to hold approximately 888,312 ML of water to support operations in the Suart Basin and the Dawson-Callide region. The dam also includes the development of a 150km pipeline, to supply customers from mining to agriculture and urban uses.



888 GL dam



525 construction jobs



150km long trunk pipeline



\$1.2b investment



ECONOMIC IMPACT ASSESSMENT - CONSTRUCTION



GRP (\$M)

Full Time Equivalent (FTE) Jobs

GRP (\$M)

Full Time Equivalent (FTE) Jobs



Inland Rail

\$1,513.1 million
(including \$680.8 million
in direct impacts)

8,210 FTE
(including 3,115 FTE
directly impacts)

\$6.5 million
(including \$2.0 million in
direct impacts)

45 FTE
(including 18 FTE
directly)



Coal
Development¹

\$303.7 million
(including \$129.3 million
in direct impacts)

1,601 FTE
(including 513 FTE
directly impacts)

\$1,617.0 million
(including \$851.3 million
in direct impacts)

7,166 FTE
(including 2,600 FTE
directly impacts)



Gladstone
Container Port
Upgrades

\$204.2 million
(including \$86.9 million
in direct impacts)

1,151 FTE
(including 419 FTE
directly)

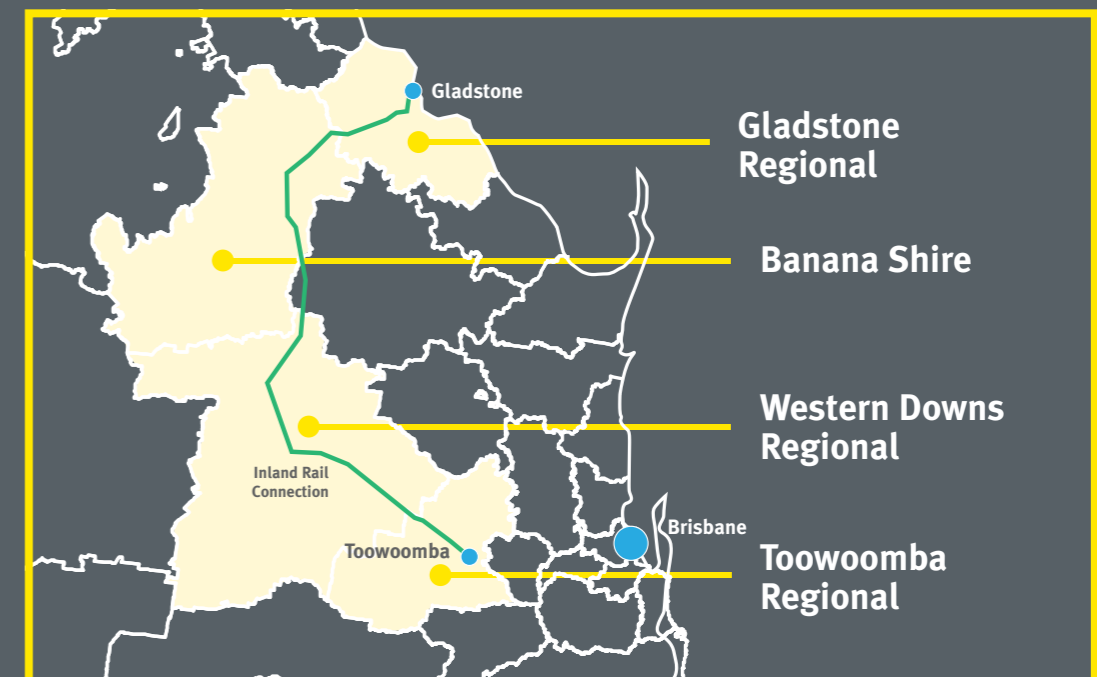
The region consists of the following Local Government Areas (LGAs):

Toowoomba LGA

Western Downs LGA

Banana LGA

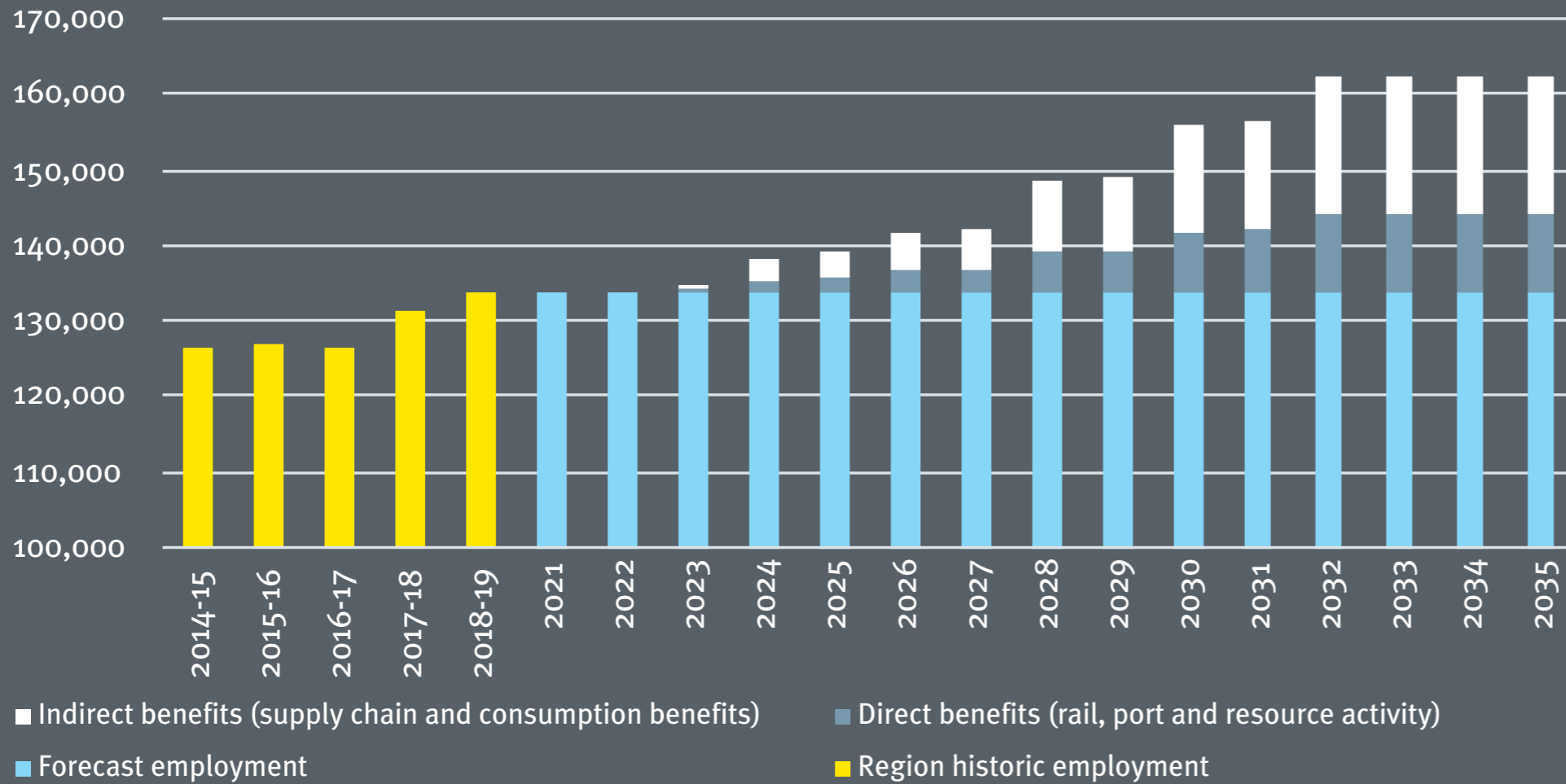
Gladstone LGA



ECONOMIC IMPACT ASSESSMENT - OPERATIONS

Toowoomba
Gladstone
Inland
Rail

Employment benefits of connecting Inland Rail to Gladstone




Additional 18,000 jobs in
for regional Queensland





ASK OF THE STATE AND FEDERAL GOVERNMENT

To connect Inland Rail to Gladstone Port, unlock \$15.6 billion in additional investment and 10,962 jobs in regional Queensland, as well as improve the productivity of Australia's freight system, we need:

Ask of the Federal Government

- Designate the Port of Gladstone as the 4th major container terminal on the east coast, as Critical Infrastructure for Australia
- Designate the inland rail to Gladstone as Critical Infrastructure for Australia
- Stop the construction of the Inland rail to Brisbane, and terminate in Toowoomba
- Direct ARTC to reconfigure the inland rail to connect to the Port of Brisbane, with an associated review of the route from the Queensland Boarder

Ask of the Queensland Government

- Reject approval of the Inland Rail connection from Toowoomba to Brisbane
- Re-approve the Surat basin rail project EIS
- Resolve issues of the corridor from Wandoan to Gowrie
- Support the development of the Port of Gladstone

Toowoomba
Gladstone
Inland
Rail



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