CHAPTER 05

Strategic context and need

ARTC | INLAND RAIL
An Australian Government Initiative

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5. Strategic context and need

This chapter describes the strategic planning context and the opportunities and challenges that have influenced the need for, and development of, Inland Rail and the Illabo to Stockinbingal project (the proposal) as part of the wider Inland Rail project.

5.1 The existing situation

There is no direct continuous inland rail link between Melbourne and Brisbane, with interstate rail freight travelling between Melbourne and Sydney via Albury, and then between Sydney and Brisbane, generally along the coast. About 70 per cent of the freight between Melbourne and Brisbane is carried by road, principally the Newell Highway in New South Wales (NSW), and connecting highways in Victoria and Queensland (Transport for NSW, 2015).

The proposal to extend the Australian rail network to provide an inland railway between Melbourne and Brisbane has been around for at least 100 years (Inland Rail Implementation Group, 2015). In the last decade, the concept of an inland railway between Melbourne and Brisbane has been subject to significant analysis (ARTC, 2010) for the following reasons:

- **capacity:** existing freight infrastructure between Melbourne and Brisbane has insufficient capacity to meet future freight demand
- **productivity:** existing north–south freight infrastructure (road and rail) is constrained by both geography (old rail lines with numerous curves and inability to take double-stacked freight trains) and the priority given to passenger rail services (particularly through the greater Sydney metropolitan area where curfews are in place on freight trains during peak commuting hours)
- **social and environment:** the continued reliance on road for freight transport will result in increasing safety, environmental and community impacts with associated costs to the economy
- **regional and growth:** existing north–south freight infrastructure is impacting access to efficient supply chain networks for regional producers and industries, inhibiting productivity and economic growth
- **resilience:** lack of resilience on existing north–south freight infrastructure exposes supply chains to disruptions and greater unreliability.

Two major studies have been undertaken in relation to the development of an inland rail route between Melbourne and Brisbane. The first study, the *North–South Rail Corridor Study* (Department of Transport and Regional Services, 2006) considered potential corridors for the rail line. As an outcome of the study the 'far-western sub-corridor', via Parkes, Moree and Toowoomba, was identified as the preferred corridor for a Melbourne–Brisbane inland railway.

In 2008, the (then) Minister for Infrastructure, Transport, Regional Development and Local Government announced a study to determine the optimum alignment, as well as the economic benefits and likely commercial success, of a new standard-gauge inland railway between Melbourne and Brisbane. This study, the *Melbourne–Brisbane Inland Rail Alignment Study* (ARTC, 2010) developed the current Inland Rail alignment. The conclusions of the *Melbourne–Brisbane Inland Rail Alignment Study* include:

- there is demand for an inland railway
- the route for an inland railway would be more than 100 kilometres (km) shorter than the existing coastal route
- the preferred alignment could achieve an average Melbourne to Brisbane transit time (terminal to terminal) of less than 24 hours, compared to a transit time on the existing coastal route of about 27 hours and 30 minutes
- the inland railway would free up rail and road capacity through Sydney
- the inland railway would achieve a positive economic net present value between 2030 and 2035 and if demand volumes grow more strongly than forecast, viability could be reached sooner.

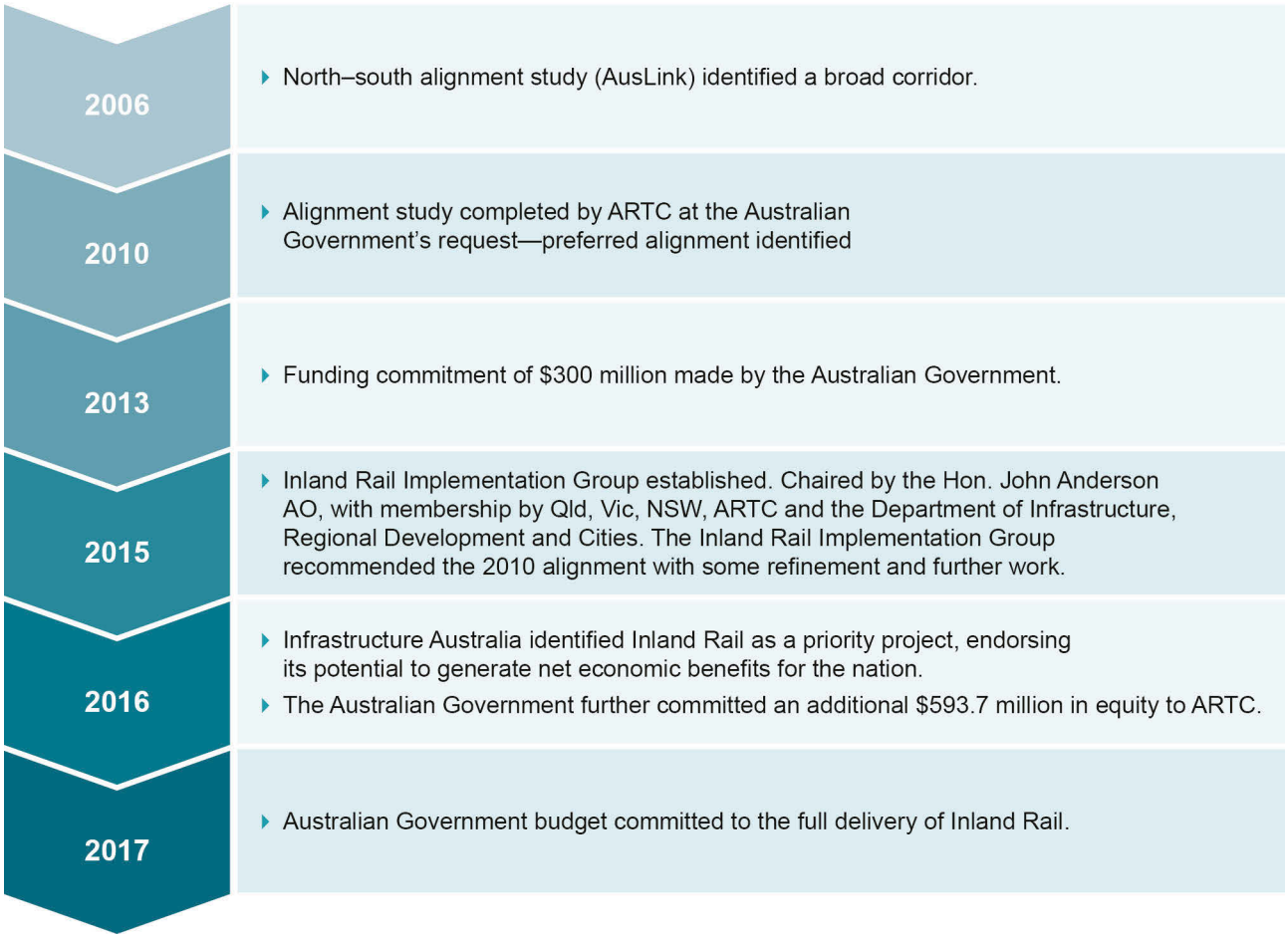
In November 2013, the (then) Minister for Infrastructure and Regional Development announced that the Australian Government had committed $300 million to enable the development of Inland Rail to commence. This process began with pre-construction activities such as detailed corridor planning, environmental assessments and community consultation. This funding was subsequently confirmed in the 2014–15 Federal Budget paper titled *Building Australia's Infrastructure*. The Minister also announced that a high-level implementation group would be formed to drive the project. The alignment identified by the Melbourne–Brisbane Inland Rail Alignment Study was endorsed by the Implementation Group as the base case for further work (Inland Rail Implementation Group, 2015).

In 2014, the Implementation Group appointed ARTC to develop a business case and a 10-year delivery plan for Inland Rail. Planning and design work for the following projects in NSW is underway:

- Illabo to Stockinbingal (the proposal)
- Narromine to Narrabri (preparation of response to submissions)
- Parkes to Narromine (construction completed)
- Narrabri to North Star (proceeding in two parts—part 1 determined and planning is underway for part 2)
- North Star to NSW/Queensland border (preparation of response to submissions).

In 2015, ARTC produced a strategic *Inland Rail Programme Business Case* (ARTC, 2015a) to demonstrate the viability, benefits, costs and risks associated with Inland Rail to the Australian Government for endorsement and for further approval to proceed with the delivery of the Inland Rail Program.

In conjunction with the business case, in 2015 the Inland Rail Implementation Group recommended some variations to the corridor from that previously recommended in the 2010 *Melbourne–Brisbane Inland Rail Alignment Study*. The report supported the development of Inland Rail and recommended that the Australian Government commit further funding in the 2016–17 Budget for Inland Rail. The Australian Government has committed $14.5 billion for ARTC to develop and build Inland Rail. A summary of the delivery of Inland Rail is shown in Figure 5-1.



Source: Department of Infrastructure, Regional Development and Cities

FIGURE 5-1: INLAND RAIL BACKGROUND

5.2 The opportunity and challenges

A summary of the opportunities and challenges relevant to the development of, and need for, Inland Rail (including the current proposal) is provided below. A detailed analysis of the issues and project drivers is provided in the *Inland Rail Program Business Case* (ARTC, 2015) and in the *Inland Rail Implementation Group Report* (Inland Rail Implementation Group, 2015).

5.2.1 Growth in freight demand

In 2011, the domestic rail freight task totalled 261.4 billion tonne kilometres, accounting for approximately 46 per cent of total domestic freight. This represents an increase of 91 per cent since 2000–01 (Infrastructure Australia, 2015).

The *Australian Infrastructure Audit* (Infrastructure Australia, 2015) notes that:

- the national land freight task is expected to grow by 80 per cent between 2011 and 2031
- demand for freight rail infrastructure is projected to grow; in particular, for resource bulk commodity haulage in Western Australia, Queensland and NSW
- freight rail would need to play a growing role in the movement of goods between ports and inland freight terminals, and in the movement of containerised and general freight over longer distances.

Demand for freight transport in the Melbourne to Brisbane corridor is expected to grow substantially over coming decades, from approximately 4.9 million tonnes in 2016 to around 13 million tonnes, or 1.1 million containers, by 2050 (Infrastructure Australia, 2018).

Australia's east coast comprises 79 per cent of the country's population, 78 per cent of Australia's national employment and generates 75 per cent of the nation's gross domestic product (GDP). With the population estimated to grow by 60 per cent over the next 40 years, increasing pressure would be placed on freight infrastructure and services (ARTC, 2018a).

Without the increased use of rail, the growth in freight demand is likely to result in increasing pressure on the road network and associated issues, increased freight costs and a loss of economic opportunity.

5.2.2 Existing freight capacity and infrastructure issues

The current rail connection between Melbourne and Brisbane, via Sydney, cannot offer the transit times and reliability required by industry. This is largely a function of poor rail alignments and capacity constraints, particularly on the section between Sydney and Brisbane, and delays on freight transiting the Sydney metropolitan area (Infrastructure Australia, 2018). Travel time reliability is poor, as a result of the priority given to passenger services, freight transit curfews in the Sydney metropolitan area, and substandard rail alignments elsewhere. Limited capacity during morning and afternoon passenger peaks restricts freight movements at these times (NSW Government, 2013).

The current road connection between Melbourne and Brisbane via inland NSW offers faster transit times than rail via Sydney (Infrastructure Australia, 2018); however, much of the road is two-lane single carriageway, with limited passing lanes. Without additional capacity, transit times on this corridor would increase as freight volumes rise. Infrastructure Australia (2016) notes that the demand for urban transport infrastructure is projected to increase significantly. Without action, the cost to the wider community of congestion on urban roads could rise to more than $50 billion each year by 2031. Demand for many key urban road and rail corridors is projected to significantly exceed current capacity by 2031.

The *Inquiry into National Freight and Supply Chain Priorities* (Department of Infrastructure, 2019) identifies a number of existing challenges facing road and rail freight, including:

- road transport would experience increased congestion from increasing numbers of passenger vehicles, and the priority given to passenger vehicles over freight vehicles in urban transport, resulting in associated higher costs over the next 20 years
- the encroachment of urban development on freight routes and precincts as cities grow in size, and density leads to an increased potential for amenity, environmental and interface issues.

The *Melbourne–Brisbane Inland Rail Alignment Study* (ARTC, 2010) indicated that:

- the existing Sydney–Brisbane coastal route is anticipated to reach capacity by 2052
- rail efficiency and service quality are inadequate and passing on higher costs to consumers

- inadequate rail services are also encouraging a shift to road freight, causing increased congestion, maintenance, safety and environmental issues for roads and highway
- priority is given to passenger modes over freight modes in urban transport.

5.2.3 Assessment of demands for Inland Rail

Continued growth in freight volumes is giving rise to a range of increasingly complex challenges for government, industry and the community. Over the last four decades, the Australian freight task (that is, the amount of freight transport) has quadrupled, with major increases evident in road and rail transport. Forecasts indicate that the total domestic freight volumes would continue to grow by approximately 25 percent between 2018 and 2040 (Bureau of Infrastructure, Transport and Regional Economics, 2010).

The *Inland Programme Business Case* (ARTC, 2015a) provides a detailed description of the potential demand for Inland Rail. The demand projections have been used to:

- estimate the potential revenue of Inland Rail
- assess the economic benefits arising from the mode shift from road and the coastal route to Inland Rail
- determine the appropriate capacity of Inland Rail
- determine appropriate service frequency and the impact of this on capacity utilisation, railway and train operating costs.

The main categories of freight that are expected to comprise the market for Inland Rail are non-bulk manufactured products, including bulk steel, paper, coal and grain. The demand analysis (ARTC, 2015a) indicates that:

- Inland Rail is expected to increase rail's share of the Melbourne to Brisbane freight market from the current 26 per cent to 62 per cent by 2049–50. It is estimated that 7.9 million tonnes of intercapital freight would use rail between Melbourne and Brisbane by 2049–50
- it is estimated that Inland Rail would increase rail freight's share of the Adelaide to Brisbane market by 28 per cent and Brisbane to Perth's share by 7 per cent
- better connections to the Port of Brisbane would result in an estimated 2 million tonnes of freight shifting from road to rail by 2049–50.

5.3 Need for Inland Rail

As noted in the *National Land Freight Strategy – a place for freight* (Standing Council on Transport and Infrastructure, 2013), '*The efficient movement of land freight is crucial for Australia's productivity and competitiveness, and affects the lives of every Australian*'. The existing rail mode share of freight between Melbourne and Brisbane (averaging the two directions) varies between approximately 22 to 27 per cent for non-bulk freight, to 60 to 90 per cent for commodities transported in bulk (ARTC, 2010).

The cost of road congestion is projected to grow by $20 billion in the next decade and to between $30 billion a year (Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2010) and $50 billion a year (Committee for Economic Development of Australia, 2016) from 2031. Without additional investment in rail infrastructure capacity (such as Inland Rail), the repercussions of ever-increasing levels of traffic congestion will be felt at state and national levels.

The *National Land Freight Strategy Update* (Infrastructure Australia, 2012) notes that the infrastructure supporting the movement of land freight, such as road, rail and ports, must be sufficient for the significant projected growth in demand for freight transport (described in section 5.2.1). Rail is generally the most productive and efficient mode for freight travelling from regional areas to export ports and urban destinations. Rail has traditionally dominated the freight market for mining and agricultural commodities; particularly, iron ore, coal, grains, rice, cotton, and sugar for processing or export. As noted by the Minister for Infrastructure and Regional Development (AusRAIL 2013 Conference, 2013), '*an efficient rail freight network is the key to effective supply chains, national productivity and competitiveness*'.

Inland Rail is needed to improve the efficiency of freight moving between Melbourne and Brisbane. Inland Rail would bypass the Sydney metropolitan area, it would substantially cut the overall journey time to less than 24 hours and increase the reliability of services between Melbourne and Brisbane (Infrastructure Australia, 2016). This is expected to increase the competitiveness of rail transport relative to road transport (ARTC, 2015a).

As noted in the *Australian Infrastructure Audit* (Infrastructure Australia, 2015), '*Rail offers an alternative to road transport and societal benefits in terms of lower emissions, reduced road congestion and increased safety per tonne kilometre, particularly over longer distances or when carrying heavy goods*.' Infrastructure Australia evaluated Inland Rail and identified it as having long-term benefits to potential users and the broader economy.

In summary, Inland Rail is needed to:

- respond to the growth in demand for freight transport (as described in section 5.2.1)
- address existing freight capacity and infrastructure issues (described in section 5.2.2)
- meet the demand for transport of non-bulk manufactured products (described in section 5.2.3).

5.4 Need for the proposal

The Illabo to Stockinbingal section of the Inland Rail route provides a reduction of 23 km in the total route distance by creating a direct link from the Main South Line to the Stockinbingal–Parkes Line and bypassing Cootamundra. This provides a shorter travel time for the Illabo to Stockinbingal section of track, which assists the Inland Rail Program in achieving an average Melbourne to Brisbane transit time (terminal to terminal) of less than 24 hours.

The proposal avoids the Bethungra Spiral, which introduces significant grades and height clearance constraints. The Bethungra Spiral does not accommodate for a train length of 1,800 metres (m) or double stacking, which is a key requirement of the Inland Rail train specifications.

Furthermore, in 2015, the *Inland Rail Implementation Group Report* (Inland Rail Implementation Group, 2015) named the Illabo to Stockinbingal alignment as one of the key missing-link projects in NSW for the successful implementation of Inland Rail.

5.5 National, state and regional planning policies and strategies

The strategic context of the proposal is influenced by the outcomes of several strategic plans for transport, development and freight that have been prepared at the national, state and regional levels. Key national and state strategies, policies and plans have also informed and influenced the vision, objectives, and development of the proposal. The proposal, as part of Inland Rail, is consistent with the relevant strategies identified in Table 5-1. Table 5-1 provides an overview of relevant strategic plans and their relationship to the proposal.

TABLE 5-1: CONSISTENCY WITH NATIONAL PLANNING POLICIES AND STRATEGIES

Policy	Description
National	
Infrastructure Priority List	*Infrastructure Australia's Infrastructure Priority List* (the Priority List) dated February 2021 sets out a number of projects and initiatives identified as priority infrastructure investments that Australia needs over the next 15 years. The 2021 Priority List identifies Inland Rail as a 'Priority Project'. Priority Projects are potential infrastructure solutions that address a nationally significant problem or opportunity and have been positively assessed by the Infrastructure Australia Board (Infrastructure Australia, 2021a).
State of Australia's Cities 2014–2015	The *State of Australian Cities* reports bring together current research and data to present a comprehensive picture of how Australia's cities are evolving, to strengthen the knowledge base used to develop policy. The 2014–2015 report (Department of Infrastructure and Regional Development, 2015) observed that there is more demand for transport in Australia, including freight, than ever before. Inland Rail provides a response to some of the issues raised in this report, as it aims to: - provide a step-change improvement in rail service quality in the Melbourne to Brisbane corridor to deliver a freight rail service on the east coast that is competitive with road - improve road safety, ease congestion and reduce environmental impacts by moving freight from road to rail - bypass bottlenecks on the congested metropolitan rail networks on the east coast, and free up train paths for other services on the coastal route.

Policy	Description
Urban Transport Strategy	The *Urban Transport Strategy* (Infrastructure Australia, 2013a), *National Land Freight Strategy* (Standing Council on Transport and Infrastructure, 2012), and the *National Ports Strategy* (Infrastructure Australia, 2011) form the key components of strategic planning for transport in Australia. Inland Rail is consistent with this strategy, as it aims to: ▸ improve road safety, ease congestion and reduce environmental impacts by moving freight from road to rail ▸ bypass bottlenecks on congested metropolitan rail networks on the east coast, and free up train paths for other services on the coastal route.
National Land Freight Strategy - A place for freight	The *National Land Freight Strategy – A place for freight* (Standing Council on Transport and Infrastructure, 2013) is a partnership between the Australian Government and state, territory, local governments and industry to drive efficient and sustainable freight logistics, balancing the needs of a growing Australian economy, with the quality of life aspirations of the Australian people. Inland Rail is included on the map of key freight routes developed by the strategy, based on the route provided in the National Land Freight Strategy Update (Infrastructure Australia, 2012). The map shows a single new national network to reflect the emphasis on potential future freight flows, freight (vehicle) connectivity, ports and settlements.
National Ports Strategy	The Council of Australian Governments (COAG) endorsed the *National Ports Strategy* (Infrastructure Australia, 2011) in July 2012 as part of a collaborative approach to the future development and planning of Australia's port and freight infrastructure. Inland Rail would connect key production areas in Queensland, NSW and Victoria with export ports in Brisbane and Melbourne.
State	
State Infrastructure Strategy 2018–2038	The *State Infrastructure Strategy 2018–2038*: *Building Momentum* (Infrastructure Australia, 2018) is a 20-year strategy, which identifies and prioritises the delivery of critical public infrastructure to drive productivity and economic growth. The strategy switches the focus from preceding years of developing an infrastructure project pipeline to achieving sustainable growth in NSW. The strategy acknowledges that Inland Rail would benefit the state's primary industries by optimising the movement of freight in regional NSW to ports and gateways in NSW, Queensland and Victoria.
Future Transport 2056 Strategy	The *Future Transport 2056 Strategy* (Transport for NSW, 2018a) is an update to the 2012 *NSW Long-Term Transport Master Plan*, which guides NSW service and infrastructure investments. Inland Rail is identified in the *Future Transport 2056 Strategy* as a committed initiative for the next 0–10 years. The strategy identifies Inland Rail as an opportunity to provide for improved movements of freight to ports, and provide relief for the coastal road and rail networks.
NSW Freight and Ports Plan	The *NSW Freight and Ports Plan 2018–2023* (TfNSW, 2018c) is a call to action for government and industry to work together to make our freight system more efficient, more accessible, safer and more sustainable for the benefit of producers, operators, customers and communities across NSW. One of the goals of the plan is to improve rail freight access and flows, with a key action to support the delivery of Inland Rail to ensure the project optimises the movement of freight in regional NSW, and to ports and gateways.
NSW Road Safety Strategy 2012–2021	The *NSW Road Safety Strategy 2012–2021* (TfNSW, 2012) sets the direction for road safety in NSW for the next 10 years. The strategy notes that heavy trucks are often involved in serious road accidents in NSW. While they represent only 2.2 per cent of registered motor vehicles and 7 per cent of all motor vehicle travel, heavy trucks were involved in 17 per cent of fatalities on NSW roads. Nearly 30 per cent of fatal heavy vehicle crashes involved heavy vehicles from interstate. The proposal contributes to the strategy as it aims to improve road safety by moving freight from road to rail.
Regional	
Riverina–Murray Regional Plan 2036	The *Riverina–Murray Regional Plan 2036* (Department of Planning and Environment (DPE), 2017a) establishes a framework to grow the region's cities and local centres, support the protection of high-value environmental assets and develop a strong, diverse and competitive economy in the region. Inland Rail is identified in the plan as providing an essential role in freight and logistic hubs within the Riverina Murray region.
Regional Freight Transport Plan	The *Regional Freight Transport Plan* (Riverina Eastern Regional Organisation of Councils (REROC), 2016) investigated the freight infrastructure network from a regional perspective to implement integrated transport solutions. The plan identifies the increasing freight demand between the Port of Melbourne and Port Botany and associated heavy vehicle movements on the road network.

Policy	Description
Economic Development Strategy for Regional NSW	The *Economic Development Strategy for Regional NSW* (Department of Trade and Investment, Regional Infrastructure and Services (DTIRS), 2015), provides the framework for driving economic growth in regional NSW. Inland Rail is relevant to the following goals included in the strategy: ▸ drive regional employment and regional business growth ▸ invest in economic infrastructure and connectivity.

5.6 Inland Rail

5.6.1 Supply chain efficiencies

Freight operators are projected to use Inland Rail over alternative forms of transport to realise the benefits identified in the *Inland Rail Programme Business Case* (ARTC, 2015a) and the CSIRO's *Inland Rail Supply Chain Mapping Pilot Project* (Higgins et al., 2019) including:

- **Reduced transport costs:** Inland Rail can reduce the cost of freight transport and deliver savings to businesses and consumers in getting goods to and from markets. The *Supply Chain Mapping Pilot Project* for the Parks to Narromine Pilot estimated an average saving of $76 per tonne when shifting from other freight options (for horticulture and post-processed foods).
- **Greater access to suppliers, customers and markets:** Inland Rail will provide direct or indirect connections to five ports and provide businesses with viable alternative options for both importing and exporting goods. This will support freight flows of imports and exports in both a north–south and south–north direction as freight operators have a genuine choice over port access and can select ports based on transport efficiency (ARTC, 2015a).
- **Increased reliability:** Inland Rail will provide a reliable transport option and a less than 24-hour transit time between Melbourne and Brisbane terminals with 98 per cent reliability (ARTC, 2015a).

5.6.2 Value chain growth

The value chain refers to the processes or activities a business/industry performs to add value to a good or service. Inland Rail has a very important role in enhancing the attractiveness of the Inland Rail corridor as a location for investment in value-added operations. Three key benefits of value chain opportunities have been identified:

- **Direct value-added opportunities:** These include investments in value-added opportunities that have a direct interface with Inland Rail, such as intermodal terminals and logistics, packaging, sorting, consolidating and warehousing. Direct value-added opportunities stem from the reorganisation of supply chains and businesses strategically positioning their operations to take advantage of resulting supply chain efficiencies.
- **Indirect value-added opportunities:** These are investments in value-added opportunities, such as food processing or advanced manufacturing, that do not directly interface with Inland Rail but benefit from proximity to operations that do directly interface with Inland Rail, e.g. a flour mill in proximity to warehousing, storage and logistics support enables efficient access to upstream inputs and downstream transportation.
- **Hub formations:** These are a group of investments in value-added opportunities with similar or related businesses situated within a geographic area that share common markets, inputs, technologies and/or workers. Grouping of operations at central nodes along the Inland Rail corridor may encourage complementary manufacturers to establish in adjacent locations. Complementary manufacturers may not necessarily receive a direct benefit from Inland Rail; rather, they can take advantage of strategically locating near logistic operators, distributors and manufacturing businesses who produce inputs or purchase outputs.

5.6.3 Key benefits

In summary, Inland Rail would provide the following key benefits and are illustrated in Figure 5-2:

- **boost the Australian economy**—Inland Rail is expected to boost Australia's GDP by $18 billion over the next 50 years
- **share the growing freight load**—Australia's population is predicted to reach 45 million by 2060, requiring the need for a reliable and efficient rail network to meet the increasing freight needs and take the load off our already congested roads. Inland Rail will future-proof Australia's freight network for generations to come
- **create jobs**—it is expected to create more than 21,500 direct and indirect jobs during construction
- **improve national freight network connections**—Inland Rail improves national freight network connections with the new North West Connection at Parkes linking Brisbane, Melbourne and the East–West Line to Perth and reduce freight rail distance between Brisbane and Perth, and Brisbane and Adelaide by approximately 500 km
- **provide better access to and from our regional markets**—Inland Rail will better link producers, farmers and businesses to national and global markets. Almost 70 per cent of freight carried on Inland Rail will be for domestic use—that includes household goods and groceries produced in Australia and consumed in our major cities
- **reduce costs**—costs for freight travelling between Melbourne and Brisbane could be reduced by $10 per tonne in comparison with the current coastal route
- **offer better transit time and reliability**—Inland Rail offers transit time between Melbourne and Brisbane will be less than 24 hours with 98 per cent reliability, making it time competitive with road
- **increase the capacity of the coastal transport network**—Inland Rail would reduce congestion along the busy coastal rail route increasing capacity for other passenger and freight services, particularly around Sydney's busy passenger rail network
- **reduce distances travelled**—with Inland Rail, the rail distance between Melbourne and Brisbane is reduced by 200 km
- **improve road safety**—Inland Rail will reduce the burden on large B-double trucks to do the heavy lifting of transporting goods around the country. Truck volumes will be reduced in more than 20 of our regional towns and congestion will ease on some of Australia's busiest highways. Up to 15 serious crashes involving fatalities and serious injuries will be avoided every year
- **lower emissions**—moving freight by rail is four times more fuel efficient than moving freight by road. Inland Rail will cut carbon emissions by 750,000 tonnes per year from 2050
- **provide an alternative north-south freight link**—Inland Rail will provide a second link between Queensland and the southern states, making Australia's national freight rail network less vulnerable to disruptions, e.g. from extreme weather events
- **promote supply chain investments**—Inland Rail will be a catalyst for complementary private sector investments, such as fleet upgrades, new metropolitan and regional terminals and integrated freight precincts.

Inland Rail will deliver on key national priorities for infrastructure and economic policy and will provide a comprehensive and accessible rail transport system that links communities and strengthens industry. Better infrastructure and an effective national freight operation are key to delivering efficient supply chains, improving Australia's global competitiveness and lifting our nation's wealth and prosperity.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts manages the Australian Government's rail investments. The Australian Government is investigating the following infrastructure investments that will support the development of Inland Rail:

- intermodal terminals connecting ports, regional networks and capital cities between Melbourne and Brisbane
- the Interface Improvement Program integrating regional lines into the national freight rail network.

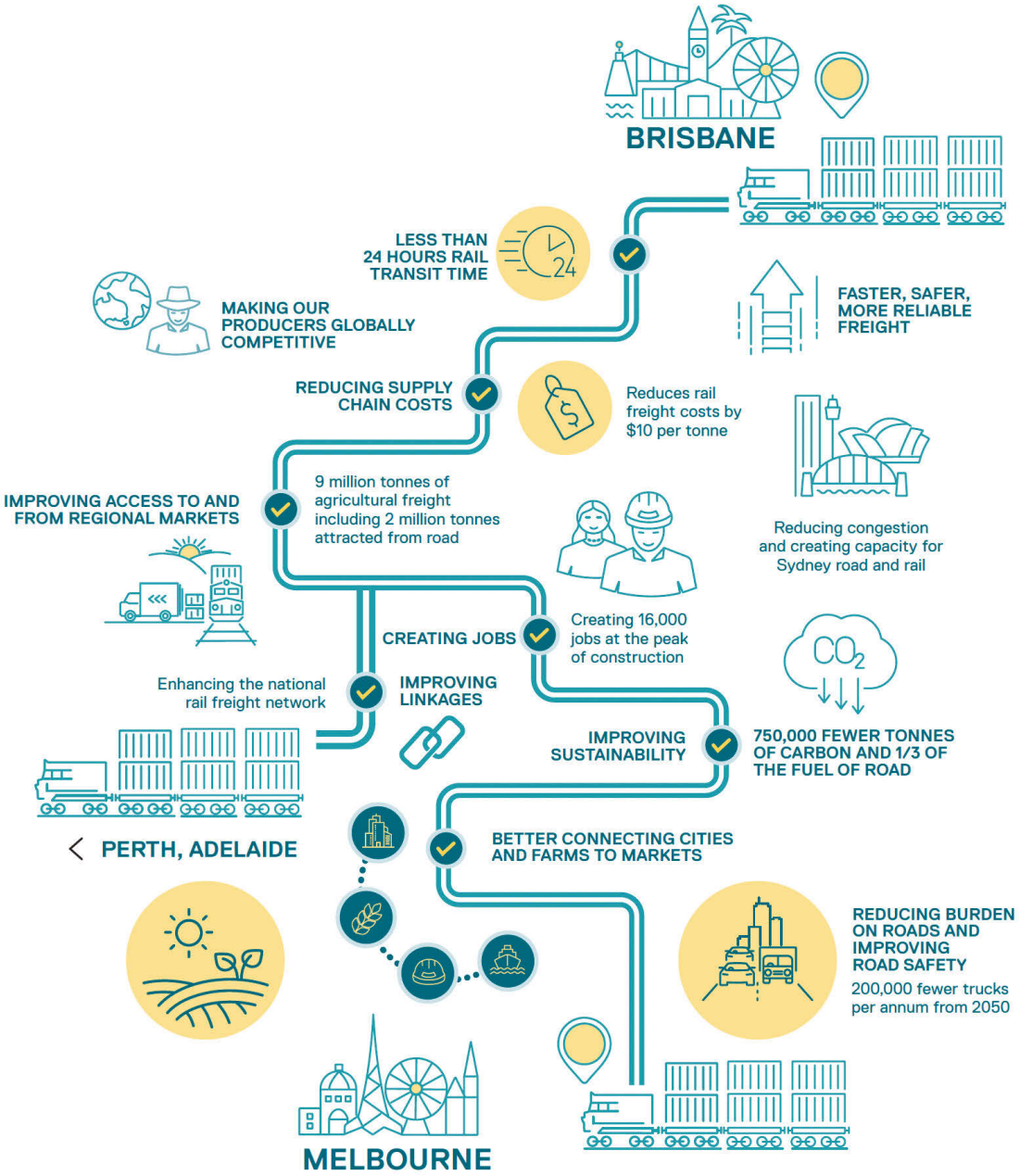


FIGURE 5-2: BENEFITS OF INLAND RAIL TO THE FREIGHT INDUSTRY

5.6.4 State and regional

The proposal would directly support the benefits outlined in section 5.6.1 and provide the following benefits according to *Inland Rail Regional Opportunities* (Ernst & Young, 2020):

- State benefits in NSW are:
  - improved economic benefits engaging 587 contracts committed at a value more than $400 million
  - increased workforce employing up to 980 full-time jobs
  - increased gross regional product (GRP) by up to $5.5 billion in the first 50 years of the rail line's operation.
- regional benefits in the Southern NSW region:
  - improved supply chain efficiencies through reduced transport costs, greater access to suppliers and increased reliability
  - enhanced investment opportunities and supporting formation of industry hubs including freight, logistics, operations and businesses.

5.6.5 The proposal

The key benefits associated with the Illabo to Stockinbingal section of Inland Rail are:

- reduced distances travelled—23-km reduction in rail distance between Illabo and Stockinbingal by bypassing the existing rail line via the Bethungra Spiral and Cootamundra. The reduction in distances travelled also reduces the amount of fuel required and emissions generated.
- improved reliability and shorter travel times by avoiding the Bethungra Spiral.