

Rail blowout spurs call for new board

FREIGHT LINK

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Blunders by the public rail authority helped triple the cost of the Inland Rail to more than \$30 billion, a report has found, leaving in doubt the future of a 1700-kilometre freight link from Melbourne to Brisbane designed to take thousands of trucks off eastern seaboard roads.

Infrastructure and Transport Minister Catherine King will reveal the future of the project today when she responds to the report she commissioned late last year.

Former Commonwealth energy adviser Kerry Schott's report, released overnight, blamed the "astonishing estimated cost increase" on basic failures in planning and project delivery by the Australian Rail Track Corporation.

She said King should urgently appoint a new board of directors and a permanent chief executive to run the corporation.

"The reasons for the cost increase are mainly an increase in scope caused by immature preliminary designs and approval requirements, delays due to the prolonged approval processes, and recent escalations," she said.

Despite the bungles, blowouts and delays, Schott said the Inland Rail was an important project that would lessen road congestion and emissions and lower road maintenance costs, as well as securing future freight capacity to cope with a growing population.

The former Coalition government said the project would be completed by the middle of the decade, while the corporation predicts it will be built by 2032, with the section from Parkes in Central NSW to Melbourne finalised in 2027.

However, Schott said the project had drifted so far off the rails that she had no confidence in the corporation's forecast cost and completion date.

The Inland Rail is designed to deliver a 24-hour connection between Melbourne and Brisbane, with double-stacked freight cars traversing central Victoria and inland NSW from north to south.

It is forecast to improve transport efficiency by attracting freight from the congested road network and to boost regional exports, particularly wheat and other grains.

The road-to-rail shift is forecast to cut carbon emissions by 750,000 tonnes a year and reduce annual truck movements by 200,000.

According to a new estimate by the corporation, the price tag is now \$31.4 billion. It was expected to cost \$8.4 billion when announced by the Turnbull government in 2017 and the Morrison

government's funding grew to \$14.3 billion in 2021.

King promised during the 2022 election to complete the project, despite the Inland Rail going ahead without an endpoint in Brisbane or Melbourne. That is largely because building freight rail lines or expanding existing ones through suburbs and cities is expensive and attracts opposition from residents.

Schott recommended the government select sites on the outskirts of both cities and work with private companies to build and operate intermodal terminals, otherwise known as inland ports, where trucks and trains can swap cargoes so freight from the Inland Rail can switch to the road network for the last leg of its journey to port.

Schott's report leaves open the question of what the government should do with the pet project of former Nationals leader Barnaby Joyce, who secured \$5 billion in funding for an extension of the Inland Rail from Toowoomba to the Central Queensland port of Gladstone, in return for the Nationals backing a commitment on net zero greenhouse gas emissions by 2050.

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