

INLAND RAIL – KAGARU TO ACACIA RIDGE AND BROMELTON PROJECT

Statement of Reasons

Statement of reasons, under section 27AC(3) of the *State Development and Public Works Organisation Act 1971*, for the Coordinator-General's decision not to make the declaration

1. Decision

On 13 April 2021, I, Toni Maree Power, appointed as the Coordinator-General, decided, under section 27AC of the *State Development and Public Works Organisation Act 1971* (SDPWO Act), not to declare the Inland Rail – Kagaru to Acacia Ridge and Bromelton (K2ARB) Project to be a ‘coordinated project for which an environmental impact statement (EIS) is required’.

My reasons for this decision follow.

2. Introduction

By letter dated 7 February 2019, ARTC, the proponent for the proposed Inland Rail K2ARB Project applied, under section 27AA of the SDPWO Act, for the K2ARB project to be declared a ‘coordinated project for which an EIS is required’.

On 7 February 2019, the proponent lodged an initial advice statement (IAS) (February 2019) as well as a pre-feasibility assessment and a statement of financial and technical capability to complete an EIS under section 27AB of the SDPWO Act. On 19 March 2019, following a request for additional information, ARTC provided an updated IAS (March 2019) replacing the February IAS.

3. Project matters

3.1 The proponent

ARTC (ABN 75 081 455 754) was established in 1998 as a Commonwealth Government owned and controlled entity after the Commonwealth and State Governments agreed to form a ‘one-stop’ shop for all operators wanting access to the standardised national interstate rail network. ARTC provides all train operators access to the standardised national interstate rail network for general freight, commodities, and for interstate and inter-city passenger services.

ARTC currently manages and maintains approximately 8,500 km of rail network across Victoria, NSW, South Australia, Western Australia and Queensland. Over the past five years, ARTC has delivered a \$3 billion capital works program upgrading east coast freight rail lines.

3.2 The project

The Inland Rail K2ARB project proposes to upgrade approximately 49 kilometres (km) of existing railway to increase height clearances to allow the double stacking of freight container trains up to 1,800 metres (m) long. The K2ARB project will also assess the future requirements for the provision of trains up to 3,600 m long.

The K2ARB section extends northwards to Acacia Ridge and southwards to Bromelton, connecting to an existing intermodal rail freight facility. This section will also link into the broader Inland Rail project through the Inland Rail – Calvert to Kagaru project at Kagaru.

In the updated IAS, the K2ARB project has an estimated capital investment of \$87 million. The K2ARB project is expected to require a peak workforce of approximately 100 people at the height of the construction phase which will take two years to complete. The operational workforce following commissioning is unlikely to change significantly, as this corridor is currently maintained by an existing asset management team.

The project is located within the existing interstate rail corridor, and the tenure of the alignment itself is under a lands lease from the Department of Transport and Main Roads (DTMR) and a sublease to ARTC.

The project is located to the south of Brisbane commencing at Kagaru which is located in the local government area (LGA) of Scenic Rim and travels through the suburbs of Flagstone, Boronia Heights, Parkinson, Hillcrest and Forestdale within the Logan City Council LGA, continuing on the existing rail line to Algester and Acacia Ridge which is located within the Brisbane City Council LGA. The project also extends from Kagaru southwards to Bromelton, wholly within the Bromelton State Development Area (SDA).

The project being linear infrastructure crosses different land uses including rural land between Bromelton and Flagstone, a mix of residential, future residential and open space between Flagstone and the Logan Motorway (M2) at Parkinson and a mix of residential, commercial and industrial land uses from the M2 to Acacia Ridge.

The scope of the work proposed in the IAS is for enhancement works to nine locations within the 49 km of the existing operational interstate corridor, involving:

- increased clearances under five existing road bridges and overhead service structures to accommodate double stacking of containers
- provision of two new crossing loops and extensions to two existing loops.

The provision of a turnout connection into the Bromelton Intermodal Freight Terminal is also included in the IAS.

4. Legislative basis for decision

Section 27AC of the SDPWO Act provides that I must decide whether or not to make the declaration.

When considering whether to declare a project to be a coordinated project, I must have regard, and may give the weight I consider appropriate, to the following matters set out in section 27(1) of the SDPWO Act:

- (a) detailed information about the project given by the proponent in an initial advice statement
- (b) relevant planning schemes or policy frameworks of a relevant local government, the State or the Commonwealth
- (c) relevant State policies and Government priorities
- (d) a pre-feasibility assessment of the project, including how it satisfies an identified need or demand
- (e) the capacity of the proponent to undertake and complete the EIS for the project
- (f) any other matter the Coordinator-General considers relevant.

However, under section 27(2), I need not consider an application for a declaration under section 26(1) unless I am satisfied that:

1. section 27AB has been complied with for the project; and
2. the project has at least one of the following:
 1. complex approval requirements imposed by a local government, the State or the Commonwealth;
 2. strategic significance to a locality, region or the State, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide;
 3. significant environmental effects;
 4. significant infrastructure requirements.

Pursuant to section 27AC(5) of the SDPWO Act, I am not bound to declare a project to be a coordinated project merely because the project satisfies one or more of the matters mentioned in section 27.

5. Evidence or other material on which findings of material questions of fact are based

In considering whether the project should be declared to be a coordinated project for which an EIS is required I had regard to the following material:

- Letter dated 7 February 2019 from the proponent to the Coordinator-General
- Initial advice statement: Inland Rail - Kagaru to Acacia Ridge and Bromelton dated February 2019
- Updated initial advice statement dated March 2019
- Kagaru to Acacia Ridge and Bromelton - Pre-feasibility Assessment Statement dated February 2019
- ARTC 2015 Inland Rail Programme Business Case
- Kagaru to Acacia Ridge and Bromelton - Capability to complete an EIS Statement dated February 2019
- Copy of a Commercial in Confidence report dated 28 February 2019 and titled *Due Diligence Assessment and Probity Review* prepared by the Commercial Evaluation and Management branch of the former Department of State Development, Manufacturing, Infrastructure and Planning
- Bilateral Agreement in relation to Inland Rail between the Commonwealth of Australia and the State of Queensland, November 2019
- Department of Transport and Main Roads Salisbury to Beaudesert Rial Corridor Study, Review of Environmental Factors, Winter 2010
- The Australian Government's Senate Standing Committees on Rural and Regional Affairs and Transport inquiry into the Management of the Inland Rail project by the Australian Rail Track Corporation and the Commonwealth Government
- The SDPWO Act, Part 4, Division 2, particularly section 27.

6. Findings of material questions of fact

The conclusions set out below were made after having regard to the documents and material set out above.

6.1 Detailed information about the project given by the proponent in an initial advice statement under section 27(1)(a)

I am satisfied I have enough information about the K2ARB project given by the proponent to consider the matters in section 27 of the SDPWO Act.

6.2 Relevant planning schemes or policy frameworks of a local government, the State or the Commonwealth under section 27(1)(b)

The IAS provides a listing of the planning schemes and policy frameworks relevant to the project. I am satisfied that the K2ARB project is recognised in and consistent with the relevant planning schemes and policy frameworks of local government, the State and the commonwealth.

6.3 Relevant State policies and Government priorities under section 27(1)(c)

On 29 November 2019, the Commonwealth of Australia and the State of Queensland entered into a bilateral agreement in relation to Inland Rail. The bilateral agreement seeks to facilitate the delivery and operation of Inland Rail through a cooperative working relationship between the parties. The bilateral agreement is made in the context that the development of Inland Rail will impact on operational corridors and existing passenger and freight services and the parties acknowledge the need to minimise these impacts.

In the bilateral agreement the Commonwealth and the State of Queensland have agreed for K2ARB:

- to work cooperatively in good faith with a view to maximising community benefit of the Salisbury to Beaudesert (S2B) in conjunction with any freight related works required within the K2ARB projects corridor including taking a coordinated approach to planning and consultation to allow for potential future proofing of both passenger and freight needs
- jointly fund planning for the S2B project (including business case) up until 31 December 2022
- to work cooperatively including through the preparation of business cases to consider by no later than 31 December 2022 potential requirements for a dedicated freight line which is proposed for the Port of Brisbane and the proposed intermodal terminals and freight orientated developments including warehousing and logistics precincts at Ebenezer and Bromelton.

The Bromelton Intermodal Freight Terminal will require a new rail turnout facility connecting Inland Rail and the terminal and is included in the K2ARB project scope.

I am not satisfied that the planning and business case commitments in the bilateral agreement will not affect the purpose and scope of the K2ARB project. Given the coordinated planning and consultation commitments in the bilateral agreement, I am not prepared to commence an EIS process, which includes public notification, for a project that I believe is subject to change.

6.4 A pre-feasibility assessment of the project, including how it satisfies an identified need or demand under section 27(1)(d)

The application included a pre-feasibility study of the project. I am satisfied that the project meets an identified need or demand.

6.5 The capacity of the proponent to undertake and complete the EIS for the project under section 27(1)(e)

I am satisfied the proponent has the capacity to undertake and complete the EIS.

6.6 Any other matter the Coordinator-General considers relevant under section 27(1)(f)

- The Commonwealth Government's Rural and Regional Affairs and Transport References Committee commenced a senate inquiry into the management of the entire Inland Rail project by the ARTC and the Commonwealth Government. The senate inquiry into the Management of Inland Rail will examine the management of the entire Inland Rail programme, with particular reference to the route planning and selection process and engagement on the route alignment.

A report of the Senate's findings has been extended to 13 May 2021 including recommendations on the route selection process and ongoing stakeholder engagement. The report date has been extended twice.

I am not satisfied the outcomes of the senate inquiry will not affect the purpose and scope of the K2ARB project. I am not prepared to commence an EIS process, which includes public notification, for a project that is subject to change.

- The K2ARB project will require approvals from DTMR and Queensland Rail under the *Transport Infrastructure Act 1994* (TI Act) for works within an existing rail corridor.
- A process where upgrade or enhancement of the railway is included in the existing sublease between ARTC and DTMR.
- The SDPWO Act does not provide power for the Coordinator-General to state conditions for approvals, permits or licences under the TI Act to manage rail construction or operations.

I have formed the view that DTMR is able to appropriately manage the project through the TI Act without the need to declare the project a coordinated project.

6.7 Matters prescribed under section 27(2)

I am satisfied section 27AB of the SDPWO Act has been complied with and the K2ARB project has at least one of the following:

- complex approval requirements imposed by local government, the State or the Commonwealth
- strategic significance to a locality, region or the State, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide
- significant environmental effects
- significant infrastructure requirements.

7. Reasons for the decision

I have decided not to declare the Inland Rail – Kagaru to Acacia Ridge and Bromelton project as a coordinated project under section 26(1) of the SDPWO Act for the following reasons:

- I am not satisfied that the project scope or purpose is appropriately certain to commence a coordinated project process which includes public notification.
- I am not prepared to declare the project as a coordinated project as it is located within an existing rail corridor for which the Department of Transport and Main Roads has the legislative head of power under the *Transport Infrastructure Act 1994* to plan for and develop.
- I am not satisfied that the use of my powers under the *State Development and Public Works Organisation Act 1971* is warranted or an efficient use of my resources.

End of statement of reasons for coordinated project declaration