INLAND RAIL – CHANGING THE FREIGHT RAIL SUPPLY CHAIN IN AUSTRALIA

20 November 2019
Transforming the way we move freight around the country

Creating a new reality for Australia

Connecting two growing capital cities
MOVING FREIGHT

WITHOUT INLAND RAIL

2015
ROAD 70%
RAIL 30%

2030
ROAD 63%
RAIL 37%

2050
ROAD 58%
RAIL 42%

WITH INLAND RAIL

2015
ROAD 70%
RAIL 30%

2030
ROAD 46%
RAIL 54%

2050
ROAD 38%
RAIL 62%
CUSTOMER DEMANDS

- CONNECTED

- FAST
  - Straight and flat

- RELIABLE
  - 98%

- COST EFFECTIVE
  - 35%

NOW 33hrs

MELBOURNE TO BRISBANE

FUTURE < 24

Express trains close to that of trucks

35%

CUSTOMER DEMANDS

Securing Australia’s Future
DOMESTIC NEEDS DRIVE ALMOST 70% OF THE BUSINESS

Freight types and percentages forecast at 2050 on Melbourne to Brisbane route.

Agriculture: 9%
Export: 25%
Domestic: 66%
Coal & Minerals: DOMESTIC INTERCAPITAL
THE BENEFITS OF INLAND RAIL

A more prosperous Australia with a world-class supply chain based on a fast, safe, reliable, connected Inland Rail.

- **Making our producers globally competitive**
- **Improving access to and from regional markets**
- **Improving linkages**
- **Improving sustainability**
- **Reducing supply chain costs**
- **Reducing rail freight costs**
- **Creating jobs**
- **Better connecting cities and farmlands to markets**
- **Reducing burden on roads**
- **Improving safety**
- **Reducing congestion and creating capacity for Sydney roads and rail**

- Less than 24 hours rail transit time
- Reduces rail freight costs on average by $74 per tonne – CSIRO Peak Study 2019
- 9 million tonnes of agricultural freight including 2 million tonnes attracted from road
- Creating 14,000 jobs at the peak of construction
- 750,000 less tonnes of carbon and 1/3 of the fuel of road
- 290,000 fewer trucks per annum from 2050

**BRISBANE**

**PERTH, ADELAIDE**

**MELBOURNE**
“By 2030, we will need to move more than 32 million tonnes of freight along Australia’s east coast. … Inland Rail is essential to achieving these goals” The Australian Logistic Council

“Our research has shown that Inland Rail would bring an improvement in rail travel time and transport cost, particularly important when considering perishable products” CSIRO Inland Rail Supply Chain Mapping
Businesses have the opportunity to benefit from Inland Rail through a number of channels:

- Direct supply/service to ARTC Inland Rail e.g. primary contractors, service providers.
- Direct supply/service to Primary Contractors e.g. subcontractors, materials for construction, accommodation providers.
- Indirect business arising from the project e.g. local bakery/coffee shop, retail, fuel and supplies.
- Utilisation of Inland Rail once constructed and operational e.g. transportation of goods to market.
Inland Rail Sustainable Procurement Policy and Environment and Sustainability Policy objectives:

- Reduce negative environmental and social impacts
- Create tangible local benefits
- Sustainable partner and supplier practices
- Embrace sustainable work practices and behaviours
## Where Are We Now

<table>
<thead>
<tr>
<th>Projects</th>
<th>Stage</th>
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<tbody>
<tr>
<td><strong>Victoria</strong></td>
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<tr>
<td>Tottenham to Albury</td>
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<tr>
<td><strong>New South Wales</strong></td>
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<td>Albury to Illabo</td>
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<td>Illabo to Stockinbingal</td>
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<td>Stockinbingal to Parkes</td>
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<td>Parkes to Narrromine</td>
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<td>Narrromine to Narrabri</td>
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<td>Narrabri to North Star</td>
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<tr>
<td>North Star to NSW/QLD Border</td>
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<td><strong>Queensland</strong></td>
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<td>NSW/QLD Border to Goomeri</td>
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<td>Goomrie to Wee Waa</td>
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<tr>
<td>Wee Waa to Calliope</td>
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<td>Three Queensland projects will be amalgamated and constructed under a PPP</td>
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<td>Goomrie to Hildendorf</td>
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<td>Hildendorf to Caerle</td>
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<td>Caerle to Kagaru</td>
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<td>Kagaru to Acacia Ridge and Bromelton</td>
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WHAT’S IMPORTANT TO US

► Social Performance
  ► Local and Indigenous participation
  ► Workforce Management (participation and development)
  ► Housing and Accommodation
  ► Health and Community Wellbeing
  ► Community and Stakeholder Engagement
  ► Managing the skills shortage and sustainable capability
  ► Spreading local economic benefits
  ► Partnering

► Sustainability
  ► Understand our commitment
  ► Sustainability tender criteria
  ► Collaborate to deliver sustainability rating
MANDATORY CRITERIA – MINIMUM REQUIREMENTS:

► Financial | appropriate financial capacity
  appropriate insurances
► Systems | quality to ISO 9001 and
  environmental management to ISO 14001
► Compliance | Building Code and WHS
  Accreditation Scheme
► Environmental | capability and experience to
  achieve ARTC and SSIP (NSW) requirements
► Rail Safety Scenario | demonstrate an
  understanding of safety within rail industry

EVALUATION CRITERIA:

► Social Performance | demonstrable commitment to
  spread of local economic and social benefit
► WHS | demonstrable commitment to safety and proven
  WHS record
► Sustainability | policy, resources and previous experience
  with ISCA projects
► Capacity | current and future workloads, availability of
  resources and overall capacity in rural NSW
► Capability | in managing all aspects of large rail
  infrastructure projects
► Industrial Relations (IR) | ABCC Code compliance,
  IR statistics and experience, workforce make-up,
  industrial instruments and risks
## Delivering Supply Chain Benefits

### Inland Rail Delivery
- Freight supply chain benefits to customers
- Local workforce and procurement opportunities
- Rail workforce skills, training and development
- Local economic benefits from ancillary services

### Regional Suppliers
- Quarries
- Water Supply
- Precast Concrete
- Bus Transport
- Crane Hire
- Containers and site offices
- Survey
- Plant and equipment maintenance

### Catalyst for Investment
- Intermodal/Terminals and associated infrastructure
- Freight supply chain expansion
- Regional workforce skills, training and development
CURRENT SPEND

TOTAL VALUE OF >320 LIVE CONTRACTS = >$700 million
(at end September 2019)

- Construction contracts | ~$300 million
- Ballast / capping supply | ~$17 million
- Culverts | ~$13 million
- Turnouts | ~$2 million
- Concrete sleepers | ~$45 million
- Steel rail | ~$51 million

- 10 Reference Design Contracts awarded (including 3 x PPP Projects) | ~$95 million
- 2 Detailed Design Contracts awarded | ~$43 million
- Service providers e.g. accommodation, local shops – bakeries, cafés, retail, fuel and building supplies
SEPTEMBER P2N SNAPSHOT

INLAND RAIL
SOCIAL PERFORMANCE

SNAPSHOT
2019

December 2018
to September 2019

898 PEOPLE
have worked on
the project since
December 2018

136 of whom are
Indigenous

373 local
residents
have worked on the project

88 of whom are local and
Indigenous

118 EMPLOYED FOR
26 WEEKS OR OVER
FOR A MINIMUM OF
15 HOURS A WEEK

101 TRADESPEOPLE

44 WOMEN ARE WORKING

79 local businesses
have supplied to
the project

9 of which are
Indigenous businesses

$41.2M total spend with
local businesses

$5.3M total spend with Indigenous businesses
INLAND RAIL INTERFACE IMPROVEMENT PROGRAM

• A $20 million Productivity Enhancement Program will assess the benefits of proposed improvements to the standard of connections to Inland Rail.

• Interfaces could include road–rail, community–rail, supply chain–rail, rail–rail projects.

• A $24 million Country Lines Improvement Program will assess the productivity of country rail lines that intersect with Inland Rail with the potential to accommodate longer, heavier and faster trains.
RECENTLY ANNOUNCED II PROGRAM
FAST TRACK PROJECTS
RECENT PRIVATE SECTOR INVESTMENT

• $4.65 million worth of commercial property in Parkes sells in just months
• Pacific National officially opens its logistics terminal at Parkes
QUESTIONS?

THANK YOU