



## 20 RECOMMENDATIONS

### 20.1 Introduction

The Townsville Eastern Access Rail Corridor (TEARC) Detailed Business Case (DBC) has identified the future preferred rail corridor connecting the Mount Isa Line and the North Coast Rail Corridor to the Port of Townsville (PoT). The PoT plays a significant role in the local, regional and State economy, operating as a freight hub for mining and resources, agriculture, fuel import, general cargo as well as supporting defence and tourism activities.

TEARC is identified as an enabling infrastructure investment to support future PoT development. The Project is also identified as a critical enabler for the optimal PoT layout to be achieved. TEARC may be required by the PoT in the future to meet demand and customer requirements. The PoT, rail customer requirements and corresponding demand increases will influence the timing of TEARC and the Port Expansion Project. An ongoing review of customer requirements and demand is required. The designation of the PoT as a Priority Port under the *Sustainable Ports Development Act 2015* ensures increased coordination of the PoT expansion plans with TEARC. TEARC is also strategically consistent with the Townsville development plans, including the development of the Townsville City Waterfront Priority Development Area and the Townsville State Development Area. TEARC provides strongly aligned planning benefits to Townsville and North Queensland.

The development of TEARC is a future logical strategic infrastructure investment to ensure further growth of the North Queensland region and the PoT.

TEARC benefits are derived through reduced road delays and a marginal increase in rail efficiency. The Reference Project for TEARC provides a BCR of 0.16 with a corresponding NPV of negative \$226.3 million using a 7 percent real discount rate. The outcomes of the Cost Benefit Analysis need to be considered in the context of the non-monetised benefits which includes:

- contributions to the community and economic growth objectives for Townsville, with the facilitation of additional trade through a dedicated corridor traversing the Townsville State Development Area, which is a more direct route to/from the PoT
- improved urban amenity along the North Coast Line parallel to Abbott Street and the Jetty Branch adjacent to the Townsville Southern CBD, as a result of the re-direction of freight rail traffic along the TEARC alignment to access the PoT
- less interaction of freight trains with the North Coast Line parallel to Abbott Street reducing the length of time which Open Level Crossings are closed, resulting in improved road safety and access
- increased employment opportunities generated from construction, project management and operations for the TEARC Project.

The project has also identified several non-monetised impacts that include:

- impact to local urban amenity in suburbs not previously affected by rail (e.g. Cluden and South Townsville) and uncertainty about partial and full property requirements
- potential impacts to local access and recreational areas (e.g. off-leash area at Benwell Road)
- potential localised noise, vibration and dust impacts during construction and operation.

The economic benefits sought by the TEARC Reference Project are limited due to existing operational rail constraints within the PoT, and the need to maintain both the existing rail alignment and PoT rail customer



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access to the PoT via the Jetty Branch. The removal of the Jetty Branch (not included in the Reference Project) can only occur after the current configuration and constraints of the sugar loop, and other customers are reconfigured in conjunction with, TEARC and the PoT plans to expand into the Eastern Reclamation Area as part of the future Port Expansion Project. The PoT is in a Master Planning phase with only indicative timing as to when this is likely to occur.

The improved road benefits and the potential land value uplift of the Townsville Priority Development Area adjacent to the Jetty Branch, is constrained until the line is removed.

Several strategic responses and business solutions have been identified that fall out of the scope of the TEARC DBC, but are nonetheless key issues. These include:

- addressing the complexities and inefficiencies of rail operations to and in the PoT
- ensuring future port lease renewals are aligned to the Port Master Plan objectives
- addressing line speed constraints on the Mount Isa Line (including the provision of passing loops and other upgrades)
- regulatory reform to encourage industry growth, reduce input costs and levelling the playing field between road and rail transport
- removal of the Jetty Branch into the PoT which would provide a stepped increase in urban amenity for south Townsville residents.

There are many project interdependencies, within the PoT and adjacent area that are likely to influence a future evaluation of the benefits of TEARC. These include increased trade volume efficiencies expected to flow from stage 1 of the PEP (channel widening project), the opportunity for more effective land use within the PoT from the Port Master Planning phase and the greater availability of land within the PoT following the finalisation of the Eastern Reclamation Area works. These projects will allow further efficiencies in port operation as existing port activities migrate towards more streamlined transport infrastructure through the proposed TEARC Reference Project Alignment.

These efficiencies would be expected to positively influence demand as freight movement through the PoT becomes more cost effective.

### 20.2 Recommendations

With consideration to the strategic context of the Project, findings, opportunities, risks and mitigation activities identified in the DBC, the recommendations for consideration by the Queensland Government are:

#### RECOMMENDATION 1

- Preserve the Corridor: The TEARC Project - Reference Project Alignment Corridor Land based on the preferred alignment in the DBC is preserved and protected as the clear and preferred alignment for rail access to the PoT and the Port Expansion Project through the following measures:
  - amending the existing community infrastructure designation so that it applies to the alignment corridor
  - gazettal of the corridor as "future railway land" under the *Transport Infrastructure Act 1994* (Qld)
  - ensuring the part of the corridor within the PoT is included in the master plan and port overlay for the PoT once made under the *Sustainable Ports Development Act 2015* (Qld).



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- Note the Project is not economically viable, at the time of completing the DBC.
- Place the implementation of the TEARC on hold pending demand for the project generated by interdependent PoT projects or other requirements determined by the Australian and Queensland Governments.

### 20.3 Suggested additional actions

In addition to the aforementioned recommendations, it is suggested the relevant Queensland Government agencies consider implementing the following activities to facilitate future development of TEARC:

- Coordinate the review of the TEARC DBC with the implementation of the *Townsville City Deal (2016)* to ensure other actions in the program. Notably the ongoing review of TEARC to inform a freight infrastructure investment program for the region as well as ensuring the future development of the Townsville State Development Area and PoT.
- Progress PoT's critical enabling infrastructure in the Eastern Reclamation Area to connect existing and new customer infrastructure arrangements in preparation of TEARC
- Progress PoT Infrastructure development planning consistently with the findings of the *Port Infrastructure Layout and Land Allocations Study (2016)* and the TEARC DBC
- Progress with legal and regulatory approval processes to facilitate transition to the TEARC Reference Project Alignment and Port Expansion Project infrastructure arrangements for the PoT existing and potential new customers
- Progress transport planning activities to capture end to end (North West Minerals Province to PoT) transport supply chain infrastructure considerations and implementation
- Integrate TEARC Project implementation plans, PoT Port Expansion Project Plans and Queensland Rail Infrastructure Plans to include:
  - the removal of the existing Jetty Branch, upon implementation of the TEARC Project
  - Capture land value uplift in the Townsville City Waterfront Priority Development Area.