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Signature: cmgucken



Hon Anastacia Palaszczuk MP  
Member for Inala



Queensland  
Government

Our ref: DG19405

Minister for Transport  
and Multicultural Affairs

12 DEC 2011



Mr Michael Deegan  
Infrastructure Australia  
Level 21  
Deutsche Bank Building  
126 Phillip Street  
Sydney NSW 2000

Dear Mr Deegan

I am pleased to submit Cross River Rail's Infrastructure Australia submission update for 2011. As referenced in the whole of Queensland Government submission, Cross River Rail is the highest priority project for consideration of Australian Government funding. This submission clearly outlines the opportunity for the Australian Government to prioritise and then invest in a transformative project for Brisbane and the South East Queensland region.

In the last decade, South East Queensland's economy and labour markets have consistently grown faster than the Australian average. This has been driven by a rapidly growing population and the need to supply services to the remainder of the state, especially to support Queensland's resources boom. Managing growth is a critical issue facing the region. Liveability and the natural environment face ongoing pressures as the population continues to grow. It is important that key infrastructure is provided to support economic growth areas in South East Queensland that support the region and state.

Cross River Rail is the critical first step in the Queensland Government's transport plan, *Connecting SEQ 2031: An Integrated Regional Transport Plan for South East Queensland*. It is a vital piece of infrastructure for the whole region that will unlock latent capacity in the suburban heavy rail network and give the SEQ region more train services, more often. It will provide the inner city rail infrastructure necessary to transform the rail network and promote future productivity, sustainable development and prosperity.

Cross River Rail will enable rail patronage to more than double in the two hour morning peak period from 67,000 in 2009 to 174,000 in 2031, helping to manage South East Queensland's rapidly growing population. It will create a new transport corridor that connects, via new underground and surface rail stations, planned high growth areas, including Yeerongpilly, Boggo Road, Woolloongabba, and Bowen Hills to the CBD.

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It will also provide capacity in key locations to enable more freight to be moved by rail on the existing surface rail network.

As a result of extensive further work undertaken since 2010, the submission demonstrates that the Cross River Rail project delivers significant national, state and local benefits. The submission outlines that a staged approach to delivering the project results in a more affordable, yet highly beneficial option for both the Australian and Queensland Governments.

The cost of the vital first stage, the 'core' Cross River Rail project, is estimated to be \$5,311 million (out-turn), including P90 risk and net of property sales. The submission requests Australian Government funding of \$3,983 million (out-turn) or 75% of the net cost of the core Cross River Rail.

To ensure that the benefits of the full Cross River Rail project are realised, future submissions will be made to Infrastructure Australia seeking 75% of the cost of future stages.

While the funding requirement for Cross River Rail is substantial, the transport, city-building and economic benefits of the project are significant. The Australian Government's investment in Cross River Rail will build on the Queensland Government's recent record of funding of public transport in SEQ, and will be supplemented by the Queensland Government's ongoing financial commitment to the additional rollingstock, operations and maintenance costs that will realise the benefits of this investment.

The Queensland Government stands alone in Australia in its commitment to public transport. In 2004, it established the TransLink integrated public transport system, implemented integrated fares and ticketing for SEQ across the largest area in the world, and subsequently introduced the go card, which now caters for 80% of all travel. Since TransLink was formed in 2004, patronage on public transport has increased by 45%.

In parallel with this major institutional reform, the Queensland Government has invested heavily in public transport services and infrastructure. This has included extensions and upgrades of the SEQ rail network, additional passenger rollingstock, delivery of the South East Busway and expansion of the busway network to include the Inner Northern, Northern and Eastern Busways, and the commencement of the Gold Coast Rapid Transit light rail project, in partnership with the Australian Government and Gold Coast City Council.

Subject to Infrastructure Australia approval for this project, the Queensland Government proposes to undertake further procurement analysis and market sounding over the next 12 months to determine the final delivery approach for the project. Given the need for this further analysis, it is imperative that any Australian Government funding not be conditional on the project, or any element of the project, being delivered via a particular procurement approach (e.g. public private partnership) or equity funding.

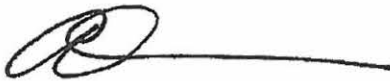
In recognition of the project's priority, the Queensland Government has already committed \$98 million to the planning and development of the project and the acquisition of property. I would also like to acknowledge the \$20 million commitment from the Australian Government for the detailed feasibility phase of Cross River Rail and Infrastructure Australia's involvement in the Steering Committee. Infrastructure Australia should note that the Queensland Government will be unable to provide funding for the construction of the project until the Government's return to budget surplus target has been achieved.

To supplement the information contained within the submission, please find enclosed the Cross River Rail Business Case (**Attach 1**). The Cross River Rail Business Case is a key reference for the submission and contains a wealth of information to support your assessment of this project. In addition to the Business Case and Infrastructure Australia submission, you will note that there are a variety of appendices, project and background documents that have been provided either in hardcopy or softcopy format.


Please note that the information contained in the submission and Business Case is of a highly confidential nature. It is requested that no unnecessary copies be made or distributed.

Please do not hesitate to contact Luke Franzmann on (07) 3253 4714 should you wish to discuss any element of the submission.

Yours sincerely



**Annastacia Palaszczuk MP  
Minister for Transport and  
Multicultural Affairs**



**David Stewart  
Director-General  
Department of Transport and Main Roads**

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