In 2017, the Australian Government confirmed the Gowrie to Kagaru section of Inland Rail would be delivered through a Public Private Partnership (PPP). This section is considered the most technically complex section of Inland Rail with around:

- 126km of new dual gauge track
- 8 kilometres of tunnels, including a 6 kilometre tunnel through the Toowoomba Range
- 25 level crossings and 10 road-over-rail separations
- 21 viaducts totalling 5.7km in length
- 37 river bridges, including 20 totalling one kilometre in length between Helidon and Calvert
- 11 crossing loops.

Using a PPP will allow the Gowrie to Kagaru section of Inland Rail to benefit from private sector innovation for these technical elements.

What is a PPP?

PPPs play an important role in the development of infrastructure in Australia. They allow governments and the private sector to work together on key projects with appropriate characteristics. Infrastructure typically delivered under a PPP approach includes roads, railways, schools and hospitals.

PPPs involve collaboration between a government agency and a private sector group to finance, build, and sometimes operate infrastructure and related services over the long term. The private group is selected through a transparent and open tender process.

There are two types of PPP:

- **Economic PPPs** – the private sector group operates the infrastructure and is paid from operating revenues (e.g. toll roads)
- **Availability PPPs** – the private sector group is not involved in operating the infrastructure, and is paid by Government to make the infrastructure available.

The Gowrie to Kagaru section of Inland Rail is an example of an Availability PPP.
How do PPPs work?
Public private partnerships typically have contract periods of 25 to 30 years or longer. Financing comes partly from the private sector but requires payments from the public sector and/or users over the project’s lifetime. The private group designs, builds, maintains and finances the project, while the public partner defines and monitors compliance with the project’s objectives.

What projects have been delivered under a PPP?
The PPP model is well-established and has supported the delivery of several large scale infrastructure projects in Australia:
- Toowoomba Second Range Crossing
- Gold Coast Light Rail 1 and 2
- Sydney Harbour Tunnel
- Brisbane Cross River Rail tunnel and stations
- Melbourne Metro tunnel and stations
- Sydney Metro Northwest Rail Link.

What are the benefits of using a PPP?
The PPP will combine public sector objectives such as economic development with private sector innovation and delivery disciplines. In Australia, PPPs have a strong history of delivering on budget and on time. PPPs also allow the Government to manage risk by withholding availability payments to private sector partners until construction is completed.

What is the PPP procurement timeline?
A competitive tender process is underway to select a suitably qualified consortium to deliver the Inland Rail PPP. A contract is expected to be awarded in 2022 to the group that delivers the best value for money proposal, including a high quality technical solution.

About Inland Rail
Inland Rail is an economic shot in the arm for regional Australia.
It will transform how we move goods around our vast country, creating more opportunities for regions to connect to cities and businesses to markets.
Spanning 1,700km from Melbourne to Brisbane, Inland Rail will complete the backbone of the national freight network by providing transit times of less than 24 hours for freight trains between Melbourne and Brisbane via regional Victoria, New South Wales and Queensland.

Want to know more?
ARTC is committed to working with state and local governments, communities and landowners as a vital part of our planning and consultation work, and we value your input. If you have any questions or comments about this fact sheet, please let us know.

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The Australian Government is delivering Inland Rail through the Australian Rail Track Corporation (ARTC), in partnership with the private sector.