

House of Representatives Standing Committee
On Transport and Regional Services

Inquiry into integration of regional rail and road networks and their
interface with ports

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Introduction

This submission looks at:

- the relationship and co-ordination between Australia's road and rail networks and their connectivity to ports;
- policies and measure required to assist in achieving greater efficiency in the Australian transport network, with particular reference to:
 - capacity and operation of major ports;
 - the role of *inter-modal freight hubs* in regional areas; and
 - opportunities to achieve greater efficiency in the use of existing infrastructure.

From a viewpoint of:

- Connectivity of REGIONAL INTER-MODAL (RIM) freight hubs to the rail/road/port network:
 - the increased use of 'short haul' road transport to and from these 'hubs', and
 - choice of alternative modes of transport to/from port/destination point for both exporters and importers.
- The role of RIM freight hubs:
 - economic benefit to infrastructure/service providers through the development of RIM freight hubs,
 - attraction to RIM freight hubs by manufacturers, processors, industries associated with freight and transport, and support service industries.
 - the resultant ability to improve distribution of goods produced/manufactured in regional areas
 - their ability to offer long term community growth and stability through the creation of predominantly permanent skilled and semi-skilled employment to regional areas
 - Improved connectivity with ports via the changing role of 'short haul' road and rail freight transport, and
 - potential to create opportunities for increased 'return loading', faster movement of goods off ports to RIM freight hubs, freeing up port space, and
 - as a result improve return on investment for infrastructure providers, and growth of their business bases as a result of the on going expansion of RIM freight hubs in the longer term.

1. **Connectivity of REGIONAL INTER-MODAL (RIM) freight hubs to the rail/road/port network:**

Ports, road and rail networks like power stations are considered 'essential infrastructure'. The planning of co-ordination between Australia's road and rail networks and their connectivity to ports should also take into account prevention as much as possible of worst case scenario situations which they could face in the future. E.g. breaks in the linkage of the transport/freight logistics network which could critically affect business operations.

If the network was such that both exporters and importers had a choice of modes of freighting goods to/from 2 or more ports/destination points for transportation of goods to and from their base operations it would allow them to plan for:

- (a) Port/Road or Rail facilities being rendered 'inoperable' for any reason for a short or longer period of time;
- (b) Contractual demand, discovery or company expansion creating a short term &/or sizeable increase in output;

Ports only:

- (c) Access to ships should the time of the visitation of those ships be more favourable to access via an alternate port;
- (d) Their primary port reaching capacity or container ships changing port destinations;
- (e) Queuing and resultant demurrage at ports through foreseen and unforeseen circumstances. Pending circumstances, the shortest route to or from a port does not necessarily equate to the best economies of scale, particularly if the exporter/importer has to pay for demurrage of a ship waiting for loading/unloading for weeks or a month, when they might be able to load/unload at an alternate port in a much shorter period of time.

It may also help maintain some degree of competition between providers of services in all sectors of the Transport Sector in terms of pricing, the provision of and maintenance of services to end users.

In some cases exporters of bulk commodities already have this choice; however, it should be taken into consideration when establishing and developing RIM freight hubs so that manufacturing and processing businesses are not left wholly reliant on only one provider of access to the nearest port/destination point for the same reasons.

2. The role of RIM freight hubs:

Major Industry: **Freight logistics**
 Export/import
 Manufacturing
 Employment

There is much more to the creation and on going development of RIM freight hubs than warehousing/cold stores, marshalling yards and connectivity of trains, trucks and ports.

On the surface it would appear that the primary role of RIM freight hubs will be collection and distribution of freight; however, if long term growth is planned for the 'flow-on' effect to the communities and infrastructure/service providers will be much greater.

They have the ability to become key pivotal points in the Australian transport network. Particularly if positioned within 'short haul' distances from ports, other industrial precincts and existing regional areas with major production bases near major highway intersections and rail networks, or where viable linkages to rail/road/port networks can be made if they do not already exist.

To do this they would require thousands of Ha of land depending on the centre (2-10,000Ha) including land set aside for future expansion around or near essential infrastructure, be sited away from current urban congestion and allow for 10-20 years of growth. The size of land set aside for RIM freight hubs should be such that providers of infrastructure be they government or private enterprise are capable of making an acceptable return on their investment.

RIM freight hubs go beyond Freight Logistics centres and become major industry nodes capable of siting export/import industries and manufacturing/processing businesses which in turn will create levels and types of employment previously not available in regional areas.

Key attractions:

- One key attraction will be the ability to reliably distribute goods either intrastate, interstate, export or import goods through a variety of modes.
- Another will be the relatively cheap cost of larger parcels of land allowing them to site their businesses for growth for the next 50 years+ in well planned major industry districts where they will not suffer from short sighted planning allowing residential and urban congestion to creep onto adjoining/nearby land, and
- Nesting of 'like minded' or associated businesses.

It is likely that a wide range of manufacturing industries will either move or set up operations in these centres once infrastructure is in place and they have access to skilled employees or the ability to train those needed.

Operations may be new to the country or come from what are now 'near city suburbs' and 'coastline' districts where businesses are sited on land which has a higher and better use; or the where the logistics of importing/distributing goods from where they are currently sited is creating economic burden/or delivery failures which threaten the viability of the business.

As added facilities and business expertise become established in these regional areas the door opens to creating and retaining 'value adding and processing' businesses related to primary production in the district.

RIM freight hubs have the ability to create long term skilled and semi-skilled employment in regional areas of Australia, and in turn make these communities less reliant in the longer term on 'primary production' or predominantly 1 or 2 major employers as their basis of existence.

In relation to road transport, RIM freight hubs could offer more frequent 'short haul' collection and distribution of goods replacing many of the 'long haul' road freight distribution trips with 'multiple short haul' trips daily.

Ports in brief:

In relation to ports, it seems that imported goods remain at the port of entry until they are cleared by customs and then are predominantly transported via road transport to their destinations.

Is it possible that imported containers/goods destined further a field than the immediate port cities be 'back loaded' or 'short hauled' to near port RIM freight hubs to allow customs inspections be carried out? Likewise goods readied for export may be readied for shipping at the 'hub' freeing up some level of port space.

Summary

The creation and planned expansion (in line with demand) over 10-20 years of RIM freight hubs will have great long term social and economic benefits to business and the communities of these regional areas and surrounding districts.

Setting aside large tracks of land in strategic locations for the development of RIM freight hubs will aid the establishing manufacturing and processing businesses as well as export/import operations and associated business and in turn offer a growing end user base and on-going potential for growth of return on investment for infrastructure providers/connectors.

There seems to be long term benefits for both Federal and State governments in supporting regional councils in establishing necessary initial infrastructure and skills based training centres as part of planning of RIM freight hubs. Particularly in community benefits, spread of employment options and the establishment of long term business bases in each region.

The connectivity of rail, road and port facilities should be Australia wide with no 'dead ends' and be capable of offering choices for end users of the infrastructure which in turn would maintain some level of competition between service/infrastructure providers whether they be private or government.

The development of an Australia wide transport system should also plan for worst case scenario's so that should one link in the system 'fail/break' for whatever reason, flow of goods is not critically impeded by this failure/ break and can continue via other links and allow for expansion of 'end users' at each 'hub' or 'port' allowing service/infrastructure providers to continue to grow their business bases.