

## **INQUIRY INTO THE INTEGRATION OF REGIONAL RAIL AND ROAD FREIGHT TRANSPORT AND THEIR INTERFACE WITH PORTS**

The following is an overview of road and rail infrastructure at Bell Bay and how it impacts on Port of Launceston operations. It provides some background information on port development and the importance of effective transport connections to the port.

The port at Bell Bay has experienced significant expansion over the last four years with container throughput expanding at an average rate of 40% per annum. Additionally, overall tonnage passing through the port has increased by 22%. This trend is continuing and total cargo handled this financial year is expected to be around 6.2 million tonnes which is 20% above last year.

To meet this growth in trade the port has re-located bulk cargoes from the immediate port area and created additional storage for containers as well as improved receipt and delivery facilities for road transport. An extension of the port's rail infrastructure, which will provide direct access to container storage areas and reduce the need to move units between terminals, is currently under construction.

All recent developments, required to cater for increases in bulk and container trades, such as conveyor systems, civil works, buildings, etc., have been fully funded by the port either from reserves or from loan funds.

It is worth noting that, even with the creation of additional storage capacity, there is currently no space available to meet further increases in cargo throughput, particularly if new trade is identified. To overcome this problem the port has been working with state government agencies to reclaim approximately 6 ha of foreshore land which should provide sufficient space for expansion, at least in the medium term.

The increase in trade and investment in port infrastructure has not been matched with improved road and rail access and connections to statewide networks. For over four years the port has tried to secure an upgrade of a council road (currently limited to 5 tonnes capacity) which will provide a second port access and reduce traffic congestion within the port area. Equally, a second rail access is required to provide greater efficiencies for cargo handling activities and improve the level of safety throughout the port area. A submission for funding has been made under the Regional Partnerships process.

Given the port of Bell Bay is located on an industrial estate and doesn't suffer from social impacts such as urban encroachment it would seem reasonable to expect that cargo throughput will continue to expand, and the port has a strategic plan to cater for this eventuality. However, unless the port is supported by improved road and rail access to

allow cargo to be moved more effectively, efficiently gains made by the port will be lost. We are currently experiencing difficulties with rail operations in cargo handling areas where inefficient movement of containers creates lost time, an inability to meet schedules and ultimately comes at a cost. An additional rail access to the port will resolve most of these issues.

Whilst ports can plan for incremental increases in cargo throughput, which is in line with normal economic growth, there is a need to consider unexpected changes to trading patterns that will often require ports to respond to requests for additional storage space at short notice. This provides a funding dilemma, particularly for regional ports, where, given the long lead time to develop cargo storage/handling areas, there is a need to identify and develop new areas prior to being able to mount a sound economic case for investment. This equally applies to road and rail access which will form part of long term planning arrangements that need to be in place before transport in and out of a port becomes a problem.

Funding, particularly for rail infrastructure, is an ongoing issue that needs to be addressed. When considering maintenance of existing rail lines as well as the cost of laying new track within a port area there is no clear policy on funding. Given the interaction of rail with road crossings, access to cargo handling areas and the need for rail to transit port land, there needs to be a more consistent approach to capital investment and on-going funding. Once again this “shaded area” equally applies outside port areas and particularly in relation to port access.

As stated previously, this is simply an outline of the port’s position at Bell Bay and more detail can be provided to the committee of enquiry should they require additional information.

Prepared by : Port of Launceston Pty. Ltd.