



HUNTER ACC

Secretary
House of Representatives
Standing Committee on Transport and Regional Services
Parliament House
Canberra, ACT 2600

Dear Sir,

Subject: Inquiry into the Integration of Regional Rail and Road Freight Transport and their Interface with Ports

On behalf of the Hunter Area Consultative Committee (ACC) I would like to express my appreciation to the Standing Committee for allowing us an extension in the time required for us to make a contribution to the above Inquiry and also for providing the Hunter ACC with an opportunity to contribute to this Inquiry in the first place.

The Hunter ACC has identified the issue of transport infrastructure as one of its major priorities. Effective transport infrastructure is critical to the development of not only the Hunter Region but other adjacent regions that depend on efficient transport infrastructure in the Hunter for their own development. These adjacent regions include the North Coast of NSW, the Central West, New England and North West, Central Coast and increasingly the pivotal role that the Hunter plays in assisting in the development of northern and western Sydney.

The Hunter ACC works closely with regional industry sectors, business and other economic development agencies and a consistent and strong theme from these organisations is a need to ensure that the Hunter's transport infrastructure is operating to its full potential. There are also several Hunter ACC Board members who have direct involvement with the transport industry within their professional roles including road transport, airports and association with the Port of Newcastle and rail services.

In framing the Hunter ACC's response the ACC has conducted meetings amongst members of the ACC and related organisations including the Hunter Economic Development Corporation and Hunter Business Chamber.

The intent of our response is to identify and illustrate the following key points:

- 1) A need for long term and strategic planning,

- 2) A need to identify and dedicate appropriate transport corridors for the medium to long term,
- 3) Demonstrate the capacity of the Port of Newcastle to increase shipping over the long term, and
- 4) Regional development opportunities.

1) Long term and strategic planning

A major impediment to the development of an effective transport infrastructure system is the lack of medium to long term planning inherent in the current system. This is partly driven by the funding cycles and relationship between the 3 levels of government.

An effective transport system requires that the relationships and connections across regions and State boundaries are coordinated to ensure that development in one area does not have a negative impact on another area or lead to transferring a “bottleneck” to another location.

Similarly, there is a need to ensure that adequate consideration is given to ensuring that there are contingency plans and infrastructure in place so that a problem occurring in one specific location will not impede the movement of goods in and out of the nation’s ports.

For example, if an inland rail corridor between Brisbane and Melbourne was established the potential for excessive dependence on the Port of Brisbane as an export port for the northern and north western regions of NSW could be mitigated by including a connection, through the relatively easy terrain to the Port of Newcastle.

Recommendation: That the Australian Government develops a comprehensive national transport infrastructure strategy that will provide a long term plan that establishes land planning and operational guidance for the 3 levels of government and the private sector. This could include the establishment of a national body that oversees future transport infrastructure development.

2) Identify and dedicate appropriate transport corridors for the medium to long term.

This point also links to point 1 above but focuses on a specific issue that has the ability to either enhance or impede the development of effective road and rail interface with ports.

Within regional areas there still exists the capacity to establish dedicated rail and road transport corridors. However, this capacity will rapidly decrease and eventually disappear due to the increasing speed of urban development. This increase in urban development is most obvious on the eastern seaboard, and particularly where ports

are located, but is also occurring in major inland regional towns which are experiencing substantial rates of growth.

To illustrate this point we will use two examples.

In the Hunter Region the population of the lower Hunter is anticipated to grow by over 150,000 in the medium term. The current supply of vacant land for industrial and residential development lies to the west of Newcastle and it is this area that would accommodate the majority of the population increase. However, this land also provides a strategic opportunity to establish a rail link between Fassifern and Hexham that will take freight off the current line which transits through the suburbs and city of Newcastle, thereby decreasing travel times. An urban area rail by-pass would also enable goods to be railed more cost effectively into Sydney and open up the export potential of coal mines in the Central Coast.

However, it is necessary to dedicate a rail transport corridor immediately before the opportunity is lost to urban encroachment and non transport development. A map outlining the proposed rail corridor between Fassifern and Hexham is attached.

The other example applies to the city of Dubbo. Currently all rail transport goes through the city centre of Dubbo and this causes significant delays in travel times and limits the size of trains that can pass through the city centre. The proposed inland rail line would therefore experience a significant delay or “bottleneck” at this point. It will be necessary to by-pass the city to overcome this problem and as in the Newcastle case there is a need to dedicate a rail corridor to overcome the problem of urban encroachment.

Unproductive debate invariably occurs between levels of government over the issue of transport corridor planning, dedication and acquisition. Undertaking this task is an essential precondition to construction of transport infrastructure, yet far too often the agencies charged with the responsibility for these front end activities fail to proceed until fuller capital funding for construction is identified. This is a failure of planning and a denial of the realities of land consumption patterns that progressively make infrastructure provision more costly and difficult. It would seem this forward planning skill has been lost in recent decades.

Dedicating transport corridors, even though the actual establishment of the transport infrastructure may not occur for several years, provides certainty of urban planners, land developers, the private sector, government agencies and the community. It also ensures that transport infrastructure can be established in a cost effective manner.

Recommendation: Consideration be given to linking Australian Government transport infrastructure funds to the performance of State Governments in dedicating transport corridors which match national needs.

3) The capacity of the Port of Newcastle to increase shipping over the long term.

The Port of Newcastle is the largest exporter of coal in the world. The Port also exports grain and other products and imports a range of goods and will over the medium term become a major container port for goods into the Australian market.

There have been concerns raised about the capacity of the Port of Newcastle to accommodate the level of traffic through it. However, a review of the Port's capacity indicates that there is a substantial growth available for the Port.

This evidence is witnessed by the planned expansion of coal exports from 80 Million tonnes per annum (Mtpa) to 150 Mtpa in 2015 and up to \$1.5 billion is being invested by the coal industry to achieve these export levels. (Source. Hunter Valley Coal Chain forecast).

Additional investment is also being made by the Grain Corporation at its Newcastle grain loader site to handle anticipated increased volumes. The NSW Government has indicated that when Port Botany reaches its container volume capacity the additional container volumes will be through the Port of Newcastle.

The Port of Newcastle has substantial capacity to increase the number of visits of ships to the Port. This is within the existing capacity of the Port in regards to depth and width of the channel and "time slots" per day for ships to enter the Port.

This is evidenced by the following statistics:

<i>2003/2004 Number of Ship Visits:</i>	<i>1456</i>
<i>2003/2004 Ship Movements (S/M):</i>	<i>2912 (i.e. Ships in and out of the Port)</i>
<i>2003/2004 No. of S/M per day:</i>	<i>8 (i.e. 2912 div. by 365 days)</i>
<i>2003/2004 No. of S/M per hour:</i>	<i>1 ship every 3 hours</i>

The 2003/2004 total export through the Port was 82.7 million tonnes. And based on the available slots, with only 8 of a possible 24 being currently used, the total capacity of the port without additional investment or changed ship handling codes could exceed 240 million tonnes.

To achieve the Ports' potential capacity requires that an effective land transport infrastructure is in place.

4) Regional development opportunities

A national transport infrastructure strategy also presents an opportunity to assist in regional development of communities that are distant from the actual ports. In other

words the interface between road and rail transport and ports can occur in regional inland towns and cities.

Intermodal freight hubs established at inland centres that provide for quarantine and customs facilities and services will assist in moving freight more effectively and efficiently onto the ships and provide economic and employment opportunities for inland regional centres.

The benefits for inland regional centres cannot be overstated as the establishment of new industries and services will lead to more jobs, increase skill levels, secondary industries such as value adding to produce, higher levels of population and more services. This will mitigate the continual loss of population to the coast and provide substantial private sector investment and certainty in these centres.

Recommendation: That an evaluation be undertaken to identify the benefits and requirements necessary to establish intermodal freight hubs in inland regional areas.

In Summary

Each of the specific questions have been addressed and in summary the Hunter ACC additionally recommends that the Inquiry give consideration, in formulating its findings, to the establishment of statutory corporations with planning, land acquisition and resumption powers to ensure strategic transport corridors are identified and reserved both intra and inter regionally.

If an Australian Government corporation can't be created for such a purpose then contemplation of tied grants to existing State instrumentalities that rapidly force the achievement of the same strategic transport planning and infrastructure outcomes should be considered.

Yours sincerely,

John O'Brien
Chairman
Hunter ACC

31 May 2005