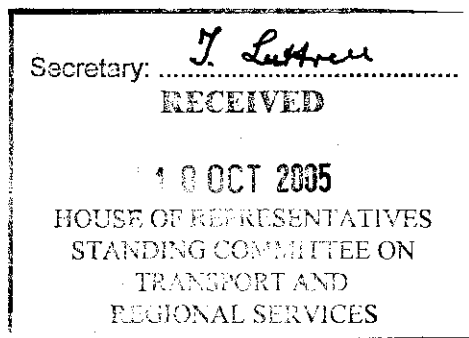


SUBMISSION NO. 123



South Australian Government Submission

to the

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Standing Committee on Transport and Regional Services

inquiry into the

Integration of Regional Rail and Road Freight Transport and  
their Interface with Ports

September 2005

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#### Introduction

The South Australian Government recognises the importance of integrated, efficient and cost-effective freight transport across all modes. This is reflected in a number of key policy documents including: South Australia's Strategic Plan, The Economic Development Framework, The Strategic Infrastructure Plan for South Australia, The South Australian Export Council's Export Plan, the draft South Australian Transport Plan and the South Australian Planning Strategy.

The South Australian Government also recognises that it cannot merely rely on growth in the Australian domestic market for its future prosperity but must also facilitate trebling the value of South Australian exports from \$8.3 billion to \$25 billion by 2013. While some 73% [1.1 million] of South Australia's population live in Adelaide and 27%[430,000] live in regional South Australia, South Australia's regions play a significant export role. This role will increase further if we are to meet the 2013 export target that requires SA exports to increase at an average rate of 12% per annum.

With increased integration of the world's economies and increased competition in export markets the importance of efficient freight systems, freight services, freight networks, freight operations and freight infrastructure are vital to both business and the community in Adelaide and in regional South Australia and are critical success factors for the State's future growth.

In a national context South Australia shares borders with the Northern Territory, Queensland, Victoria and Western Australia. Its land transport network not only serves the needs of the State but also is an important crossroad for north-south and east-west freight and passenger traffic. For regional South Australia its land transport network plays a vital role in connecting its freight, tourism and passenger traffic with Adelaide - South Australia's major gateway export air and seaport - and regional airports and its regional export ports.

South Australia's share of the domestic freight task<sup>1</sup>, *excluding freight transiting South Australia*, is in the order of 12% [138 million tonnes and 37 billion tonne kilometres]. Its share of national exports<sup>2</sup> by value is in the order of 6% by value [\$6.4 billion] and 2% by tonnes [9 million tonnes]. It is estimated that some 50% of SA exports originate in regional South Australia.

South Australia's air and sea services are privately operated along with its airports and commercial ports. The private sector also operates road and rail transport services [with the exception of the Trans-Adelaide rail network]. Rail track ownership in South Australia is shared between the Commonwealth [through the Australian Rail Track Corporation responsible for the Interstate Main Line network] the State Government [through Trans-Adelaide responsible for the Metropolitan Rail Network]

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<sup>1</sup> 2000/2001 Freight Movements - ABS

<sup>2</sup> 2003/04 ABS Maritrade International Trade Data

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and private companies involved principally in the South Australian Country Rail Network. Responsibility for roads is shared between the Commonwealth [national highway network], the State [arterial roads], local government [local roads] and the private sector [private roads].

The relationship and coordination between South Australia's road and rail networks and their connectivity to ports is principally driven by a combination of commercial considerations, market demand and government policy factors [including budgetary constraints, land use planning, transport logistics, economic development and socio-environmental policies].

At a national level the principal coordinating mechanism is the Australian Council of Transport Ministers, supported by the National Transport Commission [land transport] and the Standing Committee on Transport.

Regulation of the Transport sector is shared between governments and independent regulators funded by Governments. There are also international regulations that Australia and Australian Transport operators adhere to.

The Inquiry into integration of regional road and rail networks and their interface with ports is timely given the recent release of the Productivity Commission Review of National Competition Policy Reforms and the interest the Commonwealth is showing in coordinating national port policy and unblocking obstacles to exports through ports. Equally, the Business Council of Australia has recently called for streamlining and reduction of multi-layered government regulations, planning and coordination.

This submission provides information consistent with the Inquiry's terms of reference and highlights a number of policies and measures to assist achieve greater efficiency in the Australian Transport Network.

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#### **Discussion**

The projected doubling of road freight between 2002 and 2020 will require substantial upgrading to freight access routes, both in metropolitan Adelaide and regional areas, with a particular priority on freight movement along supplier routes, to Outer Harbor and to key regional ports.

Much of the transport infrastructure in the South Australian export chain is operated, leased or owned by a number of overseas and/or Australian private sector companies. Such infrastructure includes storage and handling facilities, rail lines and rolling stock, depots, terminals, ports and berths. Private sector participation in road, rail, shipping and ports heightens competition and makes cross modal integration of services and investment in transport infrastructure somewhat difficult but not impossible. Competing interests between the Commonwealth and the States/Territories and competition between States/Territories can also limit cross modal integration from achieving what it might otherwise do. Equally, applying Commonwealth funding for transport infrastructure to those areas with the most significant problems [e.g. on the East Coast] at the expense of those areas that could come up to best practice with marginal investment [e.g. South Australian rail and ports] fragments rather than integrates a national approach to investment.

Increasingly we are seeing the emergence of a number of dominant players in Australia's transport logistics sector that are vertically integrating their services across the road, rail, terminals, ports and shipping sectors - in their quest for increased efficiency, market share and profits. While this may result in an efficient supply chain for that business and those customers that it suits, it does not necessarily result in the most efficient supply chain solution, particularly for regional areas where market volumes are relatively thin. As a result of such competition there is duplication of facilities and arguably over-investment and excessive land use resulting from this.

#### **AusLink**

South Australia suffers from a number of specific deficiencies in rail-track and road infrastructure that are being addressed at the state/local level with the assistance of Commonwealth funding through the AusLink National Projects Program.

However of South Australia's 8 export Ports, only the road and rail links to Port Adelaide were agreed by the Commonwealth to be part of the AusLink National Network.

Rail links into Whyalla and Port Pirie are part of the National Network (NN) by virtue of them being owned by the Australian Rail Track Corporation. However, even though there are NN rail links into these ports, they are bypassed by NN road links (by 10 kms in the case of Port Pirie, but by 50 kms in the case of Whyalla). Similarly, the Port of Thevenard is bypassed by the NN road link (the Eyre Highway) by 10

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kms. The rail link that serves Thevenard runs parallel to the Eyre Highway east and west, but is not accepted by the Commonwealth as part of the NN as it does not provide a continuous link along the NN corridor. The railway from the Barossa Valley into Port Adelaide also runs parallel to the NN road link (the Sturt highway) but is excluded from the NN for similar reasons.

In discussions with the Department of Transport and Regional Services, the significance of these parallel links is acknowledged, but it was argued that funding could be provided through the AusLink Strategic Regional Program. However since the White paper was released, proposed funding for the AusLink Strategic Regional Program has been reduced from a proposed \$100 million per year to \$24 million per year.

#### **Bottlenecks**

In general terms the most significant bottlenecks seem to occur at points of freight receipt, storage and loading. Points in the export chain requiring a transfer of freight do not seem to have kept pace with the demands of growing freight volumes. This results in significant delays from vehicle/vessel queuing and trailer/wagon/vessel loading. Terminal operators appear reluctant to invest in new receipt, storage and loading facilities because of the high capital costs and lack of confidence in future freight volumes.

#### **Capacity & Operation of South Australian Commercial Ports**

[Further information on South Australian ports is included in Appendix 1.]

##### *Ports Handling South Australian Export Cargo*

South Australian sea freight exports in 2003/04 totalled 9.2 million tonnes. Of this total SA Ports handled over 90% [8.5 million tonnes] with the remaining 700,000 tonnes being shipped through interstate ports [of this Melbourne handled 586,000 tonnes compared to Darwin's 6,500 tonnes].

South Australia's largest port is the Port of Adelaide. It handles a wide range of liquid, bulk; non-bulk and containerised cargo, with goods picked up and delivered to it by road and rail from within Adelaide and throughout regional South Australia. The Port of Adelaide is the State's principal container port.

South Australia also has a number of commercial regional ports, handling specific bulk commodities including gas and petroleum, grain, seeds and mineral products.

These include:

Port Lincoln

Port Bonython

Klein Point

Wallaroo

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Port Pirie  
Whyalla  
Thevenard  
Port Giles  
Ardrossan

The following ports provide the link for passengers and freight to/from Kangaroo Island:

Penneshaw  
Kingscote  
Cape Jervis

#### **Port Adelaide**

Access to the Port is by both road and rail and these links are on the Australian Land Transport Network and are thus eligible for AusLink National projects funding. Rail facilities include two 900m long dual gauge (broad and standard) tracks to accommodate trains up to 750m in length linked directly with the national rail network for intermodal container traffic, and two 203m long rail sidings dedicated to intrastate cargo.

The Port Adelaide Container Terminal has a long history of excellent performance based on a solid industrial relations record. It is operated as Dubai Ports International's only container terminal service in Australia but is linked to its worldwide stevedoring network.

The South Australian Government (\$30m) and Flinders Ports (\$15m) have committed funds to deepen the main channel at Outer Harbor from its current depth of 12.2 metres to 14.2 metres, and extended from its current length of 9 kilometres to 11.7 kilometres. In conjunction with the dredging, Flinders Ports plans to extend the Adelaide container berth by 125 metres, at an additional cost of \$13 million, in order to handle the larger container ships that are expected to schedule Adelaide on their itinerary once the port has been deepened. This is in addition to the planned new ABB grain terminal, grain conveyor and ship loader.

The Adelaide container terminal has adequate capacity to handle increased throughput and this enables it to act as a 'relief valve' for congested eastern states ports. Along with the private port operator, Flinders Ports, increased capacity is planned for the port to efficiently handle the larger deeper draught container ships that have recently started to service Australia. Combined with the deepening of the Outer Harbor channel to service Port Adelaide's container and bulk grain berth, Adelaide will have the capability to assist Victorian exporters and importers who may not be able to access these larger ships due to channel and congestion constraints through the Port of Melbourne.

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In this context the terminal performs a nationally strategic function guaranteeing continuity for Australian exporters despite changes in vessel size. From a security perspective the scale of Port Adelaide's operations make it more manageable than some other ports located in congested urban environments and provides a viable alternative in the event that the long and narrow Melbourne channel is blocked as a result of a terrorist incident or major shipping accident.

#### ***Port Issues – Land Transport Access to Port Adelaide***

Road and rail access to Port Adelaide is being improved with the Port River Expressway project (Stage 1 complete, Stage 2 currently underway). This will improve access for cargo moving between the Port and Adelaide and South Australia's regions. This is of major significance to SA's containerised trades.

For road transport, major investment to improve access to Outer Harbor has occurred with the opening of stage 1 of the Port River Expressway to be followed by stage 2 (opening road bridge over the Port River) currently underway. Planning work is also underway on a new freeway standard link to extend the Sturt Highway from the Gawler bypass to Port Wakefield road. This will remove through traffic from both the Salisbury Highway and Main North Road. In the longer term, Port Wakefield Road from the Salisbury Highway to Heaslip Road is planned to be upgraded to freeway standard, thus providing a full freeway standard road access between Port Adelaide to regions outside Gawler including the Barossa and the Riverland.

For rail transport, the main improvements for access to Outer Harbor apply to the interstate main line from Dry Creek to Outer Harbor, owned by the Commonwealth through the Australian Rail Track Corporation (ARTC). The major works are in Stage 3 of the Port River Expressway (opening rail bridge over the Port River) and passing loops and eventual rail track duplication between Dry Creek and Outer Harbor.

Technology is also assisting port access. Dubai Ports International's Adelaide container terminal is using an online Vehicle Booking System to streamline transport movements in and out of the container terminal.

#### ***Port Issues – Road Network Congestion***

Efficient access to Port Adelaide is impacted by congestion on transport routes through and around Adelaide, particularly on routes from the South. Average travel time on arterial roads in the urban area during peak periods has increased by 14 percent over the past eight years, and a 40 percent increase is expected by 2020. Such congestion on the freight network is costly. It increases freight travel time and significantly reduces predictability of freight movement times. This results in increased freight costs for exporters within Adelaide and for exporters from regional South Australia that utilise Adelaide's freight terminals. This requires planning measures to protect port, shipping and land freight corridor operations. The National Charter on Transport and Land Use Planning provides a useful framework. With much of the road congestion created by single use passenger vehicles, initiatives to increase public transport usage will also serve to reduce metropolitan congestion.



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Increased use of rail to transport freight will also serve to reduce demand on the road network.

#### *Port Issues – Improved Port Freight Links*

Road: Strategic road links within Adelaide comprise the North-South Corridor, the Inner Ring Route and the Outer Ring Route. For the North-South Corridor, the highest priorities are construction of an underpass at Anzac Highway, a tunnel under Port and Grange Roads and upgrade of South Road between Torrens and Port Road.

State Government funding for the Inner Ring Route includes the Britannia Roundabout, which is the most significant bottleneck for freight traffic. On the western side of the city, the main projects are the replacement of the Bakewell Bridge and development of the City West link.

Rail: For rail to be capable of meeting the increased freight task it is of critical importance that it operates on a single gauge connected to the main national rail network. Currently the Adelaide and country broad gauge network is isolated from the main national standard gauge network.

This also requires conversion of the privately owned Mid North rail lines. The development of rail shuttle technology means that relatively short rail freight hauls, within and from just outside the urban area, may have the opportunity to compete with road freight and help reduce congestion on the road network.

The development of efficient intermodal terminals and inland ports is a key to efficient international links and maximising the use of sea and rail. These include Port Adelaide, Adelaide Airport and the regional airports and ports. There are existing container intermodal facilities at Port Adelaide Flat (Kerry Logistics), Islington (Pacific National & SCT), Dry Creek (ARG), Outer Harbor (DPI Terminals and McKenzie) and Bowmans (Patrick PortLink).

Development of port facilities, intermodals and inland ports is driven by the private sector, not governments, in response to market demand. Nevertheless governments have a role to facilitate intermodal terminal developments that are consistent with sound transport and land use policy and planning. Governments also play a facilitating role in this process in terms of assisting to coordinate necessary approval processes and sometimes assisting with "last mile" infrastructure connections.

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#### **Eyre Peninsula**

##### *Overview*

The 13 commercial harbour facilities throughout the Eyre Peninsula service a wide range of important and rapidly expanding industries such as fishing / aquaculture and mining.

The main export facilities are at Port Lincoln, Thevenard and Whyalla. Port Lincoln is also home to the major Southern Bluefin Tuna fishing fleet. The fleet operates from the ports main bulk commodities wharfs and a number of other smaller facilities including the Lincoln Cove Marina.

The port of Thevenard was initially established as the main commercial harbour for the far west coast, providing an export terminal for the grain industry. Since then it has developed into a multi-commodity export port handling gypsum, salt and grain.

The facilities around Whyalla are the main export facility for steel products from the One Steel plant, petroleum products and the aquaculture industry.

Eyre Peninsula accounts for approximately 69 percent of South Australia's seafood produce. Approximately 80 percent of this product is exported. The production value of seafood has increased from around \$135 million in 1991/92 to over \$450 million today.

##### *Port Issues – Increased Vessel Activity*

The activity at Thevenard and Port Lincoln has reached the point where there is considerable ongoing congestion and conflicts between the larger export vessels and the commercial fishing boats. The subsequent delays in getting the catch from the boats to onshore facilities have caused problems including:

- Loss of perishable product/s
- Reduced shelf life in the market
- Loss of production or time at sea fishing
- Loss of market or product de-valuation.

These difficulties will be compounded by an expected growth in mining exports. The two largest commodities mined in the region are gypsum and salt. The far west coast of Eyre Peninsula has the largest deposit of gypsum in the southern hemisphere. In addition to this 94,647 tonnes of salt was also loaded at Thevenard for shipment to markets including South East Asia, New Zealand and Geelong, Victoria.

The Eyre Peninsula is located in the mineral region known as the Gawler Craton. This area is widely recognised as one of the most exciting new frontiers for mineral wealth in Australia. Significant potential prospects were identified during the South Australian Exploration Initiative (SAEI) in the mid 1990's.

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Exploration activity in the region is at various stages of development. The discovery of mineral deposits in the area could create significant demands on existing infrastructure, in particular, the roads, rail and port transport systems in the region.

The South Australian Government is contributing to a Eyre Regional Development Board Master Plan for the port facilities on Eyre Peninsula to identify infrastructure required to service the region's export industries. While specific needs will be identified in the Master Plan, it is anticipated that upgrades will be needed to the harbour facilities to support future expansion of exports.

#### **Port Lincoln**

##### *Port Issues – Rail Infrastructure*

The average annual volume over the last four years for all grains is 2.1 million tonnes. Crop production is set to continue to increase and by the year 2030, average annual production is expected to be 2.6 million tonnes, with occasional peak harvest levels reaching 4.0 million tonnes. This growth will place significant, pressure on the region's transport systems, (ports, road and rail).

The land transport system to move the Eyre Peninsula grain from paddock to export port is at a critical stage of the investment cycle with increasing derailments on the private rail network, increasing number of road trains travelling through the region's towns and increasing delays at inland and port terminals.

The Australian Government sold the narrow gauge rail system, which serves inland up country Eyre Peninsula silos, in 1997 to what is now the Australian Railroad Group (ARG). The railway provides around half of the grain deliveries to the Port Lincoln grain terminal, around 1 million tonnes per year. The remainder is delivered by truck, either direct from farm or by double road train from coastal silos north east and north west of Port Lincoln. The rail system enables fast accumulation of grain at Port Lincoln to enable loading of Panamax vessels.

The state of the Eyre Peninsula rail infrastructure makes it increasingly difficult for it to compete with road transport. The reasons for this are numerous, including the pricing policies for the bulk handler and grain marketers, the different pricing structures for road and rail transport, and the need for the now privately owned railway to provide financial returns on investments required to maintain the railway. However, closure of the railway would impose costs on the grain handler requiring larger port storage facilities and more efficient vehicle loading at inland ports, as well as exporters and the community as a result of the road traffic congestion created within the city of Port Lincoln by heavy vehicles queuing for access to the bulk loading facilities.

In recognition of the issue, Local Government, the Regional Development Board, ARG, the bulk handler ABB Grains Ltd and the Australian Wheat Board, in conjunction with grain growers and the State Government, have submitted an

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application to the Australian Government for AusLink funding support for upgrade of the grain export logistics system. The submission proposes upgrades to a truncated rail network, improvements to the upcountry and port grain handling facilities, road improvements and improved co-operation amongst the export grain industries. Work costing at \$43 million is required. The State Government has committed \$10 million and the Australian Government through the AusLink Strategic Regional Program has committed \$15 million (contingent on matching funding of \$15 million from the State). In addition the State Government has agreed to contribute an additional \$2 million to rail transport. The private sector is currently investigating the proposal to determine their contribution towards the project.

The role of rail transport in the grain export task is often understated. Quite simply, the rapid consolidation of grain in port to load large Panamax vessels needs a rail service. For road transport to perform this task it would require significant additional investment in the heavy vehicle fleet, the road network, loading facilities at inland silos, receipt facilities at port, silo storage capacity at port.

#### *Port Issues – Road and Rail Integration*

The relationship and co-ordination between Australia's road and rail networks and their connectivity to ports was examined by the Department of Transport and Urban Planning in 2002, and findings were published in an Issues Paper titled Eyre Peninsula Grain Transport (October 2002). Responses to the paper are summarised in the Eyre Peninsula Grain Transport Summary Report (May 2003).

There is little integration between road and rail in the grain export task. In fact, there are competitive market pressures at work that often encourage non-integration of the road and rail task to avoid any dependencies developing between providers. This issue has also manifested itself through less than optimal investment decisions by key private sector stakeholders.

#### *Port Issues – Maintenance of Infrastructure*

The volume of the grain export task has outgrown port access facilities for both road and rail. Private sector investment is required but there appears to be little business confidence (due to the financial risk of dedicated capital assets) to undertake such investment. Government needs to help build business confidence. This may include examination of Private Public Partnerships (PPP) and/or Build-Own-Operate-Transfer (BOOT) schemes. It is of note that grain volumes are insufficient to allow competing operations in the various functions of exporting grain without significantly reducing the efficiency of those functions.

#### *Port Issues – Port Operations*

The port channel and berth can accommodate the new, larger Panamax vessels. The grain loader is capable of operating two chutes at a combined rate of 4,000 tonnes per hour. It is a world-class grain loading facility. The bulk handler at port only operates two shifts, which can often add to the road and rail congestion at port. Work practices across the key players do not seem to be co-ordinated.

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##### **Thevenard**

###### *Port Issues – Coordination of road and rail access*

There is little integration between road and rail operations for grain. In fact the grain handler (ABB Grain – previously AusBulk) has established a strategic silo site at Streaky Bay, which is only capable of being served by road. Grain can be brought to Thevenard by road from Penong or Streaky Bay, while Wirrulla, about 40km north-east of Streaky Bay, has both rail and road transport capabilities.

The strategic silo site (Streaky Bay) for grain is road only access, while the focus for road improvements (local, state, federal) should be for sites that accommodate both road and rail. Improved handling facilities at Wirrulla grain silo may improve rail service to Thevenard and Port Lincoln.

##### **Portland**

###### *Port Issues – Emerging Industries*

The port of Portland plays a critical role in the export of SA bulk commodities from the South East region of South Australia. Of major concern is the impact of the impending harvest of South Australian blue gum plantations for hardwood wood chips on the transport infrastructure in the region. Truck congestion is likely to increase in Mount Gambier and at the port of Portland as the existing infrastructure struggles to cope with the projected increase in wood chip traffic. It is estimated that between 2005 and 2009, over 2 million tonnes of wood product per annum will be transported to Portland from the Green Triangle region. This is projected to increase in the following five years to over 5 million tonnes per annum. In addition to the timber and wood chip traffic, the ongoing movement of grain and the commencement of mineral sands mining, processing and export in the region, will see extended pressure on the transport infrastructure.

###### *Port Issues – Improved road and rail access*

Without investment in additional transport infrastructure capacity, it is likely there will be significant delays and cost penalties at the port terminal as the existing terminal space is unable to cope with the projected increase in truck traffic. The pressure on the road network, especially through local towns is causing bottlenecks in the logistics chain, none more so than the harbour at Portland where there is limited room for expansion to manage increased road freight deliveries.

Both South Australia and Victoria submitted the link through SE South Australia to the Port of Portland for inclusion on the NN but this was not accepted by the Commonwealth. The South Australian and Victorian Governments are currently in discussions about the potential for reopening the rail link through Penola to Portland via Mount Gambier. This broad gauge link was closed to rail freight traffic when the Australian Government converted the interstate main line and the link through Heywood to Portland from broad to standard gauge in 1995. It currently operates in South Australia as a heritage railway.

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The port of Portland supports the re-establishment of a rail link as it sees the use of rail to deliver woodchips as a logical solution to the difficulties of accumulation of bulk product at the port by truck, particularly to the concerns about truck traffic, congestion and management in the port unloading area. If the delivery of export woodchips to Portland remains dependent upon truck traffic, the Port has advised that delays can be expected.

In addition, South Australia's South-East Local Government Association is proposing to submit an application for AusLink funding to undertake a joint study to design the best transport network, using both road and rail, to improve the efficiencies of the export chain and the efficiencies of the port operations at Portland.

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### **South Australia's Recommendations to the Inquiry**

It is recommended that:

1. The AusLink national network be extended to road and rail links to regional export ports.
2. The level of funding for AusLink Strategic Regional Program be restored to at least the levels proposed in the AusLink White Paper.
3. The Port Adelaide container terminal be recognised for its strategic value to Australia's export trade and as an alternative gateway deep draught efficient port.
4. The inquiry note that the South Australian Government and Flinders Ports are already progressing the deepening of the Outer Harbor Channel, improvements to the land links to the Port of Adelaide and improvement of port facilities.
5. The Commonwealth supports standardisation of country rail networks where these have been isolated from the national standard gauge network.
6. Increased Commonwealth funding be provided for maintenance of the National Land Transport Network.

## APPENDIX 1 - Sea Ports for South Australian Exports

In 2000, the State of South Australia announced its intention to privatise the South Australian Ports Corporation. Following a competitive bid process, Flinders Ports Pty Ltd was announced as the preferred bidder and the acquisition of the business was completed on 2 November 2001. In addition to the acquisition of the port infrastructure, Flinders Ports also acquired a 99-year land lease and port operating license for Port of Adelaide and the six regional ports of Port Lincoln, Port Pirie, Port Giles, Klein Point, Thevenard and Wallaroo.

<b>Port</b>	<b>Operator</b>
Port Adelaide	Flinders Ports DPI Terminals container port
Port Lincoln	Flinders Ports
Bonython	Santos
Klein Point	Flinders Ports, Adelaide Brighton Ltd.
Wallaroo	Flinders Ports
Port Pirie	Flinders Ports
Whyalla	OneSteel
Cape Thevenard	Flinders Ports
Port Giles	Flinders Ports
Ardrossan	ABB
Penneshaw	Transport SA, Sealink ferry service
Cape Jervis	Transport SA, Sealink ferry service

### Port Adelaide

The port is located just 14 kilometres from Adelaide's CBD, Port Adelaide continues to be the main service point for shipping in the State. Port Adelaide exports cargo sourced from metropolitan Adelaide as well as regional South Australia and interstate. The port also hosts cruise ships, an important contribution to South Australia's tourism industry. Recent years have seen significant increase in export activity with booms in the shipment of grains, wine, motor vehicles and automotive components, ores and concentrates. During 2002/2003, 7.91 million tonnes of cargo was moved through the Port of Adelaide, with around 4 million tonnes exported to overseas markets.

The Port of Adelaide consists of an Inner and Outer Harbor, complete with over 20 wharves including the DPI (Dubai Ports International) - Adelaide container port.

The Port of Adelaide handles a wide range of products including:

Grains & Seeds	Limestone
Petroleum Products	Soda Ash
Motor Vehicles	Containers
Metals & Metal Scrap	Cement/Cement Clinker
Fertilisers	Agricultural Commodities
Iron & Steel	Livestock
Break-bulk and general cargoes	

Inner Harbor: The inner harbor caters for roll-on roll-off and bulk cargoes including exports of meat, grains, flour, malt, fruit, wool, cement clinker, iron and steel scrap, tallow, soda ash, non-ferrous metals and a wide variety of manufactured products.



Excellent facilities are also provided for the import trade of timber, sulphur, refined petroleum, paper and paper products, fertiliser, iron and steel, and motor vehicles and components.

Outer Harbor: There are four berths at Outer Harbor and each one is equipped to handle specialised cargo. The motor vehicle terminal manages roll-on roll-off trade and other facilities cater for livestock and general cargo.

The Adelaide Container Terminal, located at Outer Harbor, provides customers with state-of-the-art facilities and services ensuring the fast turnaround and efficient movement of goods. Intermodal facilities are provided, integrating the container terminal with the national rail and road system, enabling the efficient transfer of cargo.

### **Port Lincoln**

Situated on the southern tip of Eyre Peninsula, Port Lincoln is 682km by road from Adelaide, or about 280km west of Adelaide by air. A natural deepwater harbour makes Port Lincoln attractive to large bulk grain carriers for topping up loads from shallower ports in South Australia and Victoria. Grains (1,720,000t), seeds (133,000t) and stockfeed (21,000t) are the principal exports, while fertiliser (118,000t) and petroleum (109,000t) are the major imports.

In calendar year 2004, Port Lincoln had 131 vessel calls and moved approximately 2.11 million tonnes of cargo. Principal stakeholders in the movement of freight through Port Lincoln include:

- AWB Ltd – grain
- ABB Grain Ltd – grain and bulk storage & handling
- Flinders Ports – port/berth facilities
- Australian Railroad Group – rail transport
- South Australian Road Transport Association – road transport
- South Australian Farmer's Federation – grain, seed producers
- Pivot Fertilisers – fertiliser
- Shell Company - petroleum

*Port Lincoln Berths*

BERTH	LENGTH	BREADTH	DEPTH	WHARF HEIGHT	AXLE LOAD	REMARKS
2	190m	24m	8.7m	4.3m	No vehicle access	Closed, recreational fishing only.
3	246m			4.3m	8t axle design vehicles	Fishing boats.
4*	330m		15.2m	4.3m	8t axle design vehicles	Bulk loading grain*
5*	330m		15.2m	4.3m	8t axle design vehicles	Bulk loading grain*
6	250m	46m	12.2m	4.3m	8t axle design vehicles	Fertiliser.
7	183m	25m	8.4m	4.3m	8t axle design vehicles	Fishing boats.
8	77m	25m	6.3m	4.3m	8t axle design vehicles	Fishing boats.
9	107m	25m	5.7m	4.3m	8t axle design vehicles	Roll-on Roll-off.
10	56m	19m	2.6m	4.3m	8t axle design vehicles	Fishing.
11 Kirtan Point	280m	40m	9.9m	4.5m	Light vehicle access only.	Kirtan Point. Oil Berth only.

\* Berth Nos 4 and 5 are capable of loading at the same time. Please contact Flinders Ports for further information. 2 belts capable of carrying 2,000 tonnes per hour each.

Port Lincoln handles 45 percent of the State's grain exports (\$500m) through one of the best natural deep water ports in the southern hemisphere, allowing grain marketers to maximise the capacity of large bulk grain carriers by topping up loads from shallow ports in South Australia and Victoria. Port Lincoln is also home to the major fishing and aquaculture fleets in South Australia.

The importation of fertiliser and petroleum products through Port Lincoln is critical to the Eyre Peninsula community. These products are inputs to main industries on the peninsula, and petroleum supports the provision of community services and allows a higher level of social interaction and inclusion. The alternative of transporting these products by road would significantly increase costs to industry and the community. As a commodity based economy, the Eyre Peninsula would struggle to absorb the additional commercial costs of road transport, not to mention the externalities of an additional 19,000 heavy vehicle (6-axle articulated) trips per year between Lincoln and Adelaide. That is about 1 trip every half hour on a 24/7 operation.

**Thevenard**

Thevenard is 793km west of Adelaide, and 3km from the centre of Ceduna, a town with a population of over 4,000. Major export cargoes handled through the port include gypsum, grain and salt. A total of 1.678 million tonnes of cargo was exported through Thevenard in calendar year 2004.

*Thevenard Berths*

BERTH	LENGTH	BREADTH	DEPTH	WHARF HEIGHT	AXLE LOAD	REMARKS
Jetty	198m	30m each side	9.8m	5.2m	Single axle 7 tons. Single axle, dual wheels 8 tons. Tandem axles, dual wheels 8 tons.	2 Berths: capable of loading only one side at a time.

Gypsum is brought to the port on rail from a mine located at Kevin (Lake McDonnell), 70km west of Thevenard. The rail line is dedicated to gypsum and is owned and operated by Australian Southern Railroad (ASR). A total of 1.549m tonnes of

gypsum were exported in 2004, which represents the core of Thevenard's existence. The gypsum rail line is highly profitable due to large tonnages and short distances. The mass-haulage advantage of rail means gypsum can be consolidated quickly, thereby reducing storage and handling requirements at port.

Grain (84,272t) and salt (47,136t) tonnages on their own are unlikely to justify the commercial operation of the Thevenard. Salt is brought to the port by road, while grain uses both road and rail. The port only has one berth, which can lead to clash of vessels particularly during grain season. Cleaning of bulk loading equipment between gypsum and grain shipments also causes delays and additional costs.

Major clients of the port include:

- Gypsum Resources Australia (GRA = 50% CSR + 50% Boral) - gypsum
- Cheetham Salt Pty Ltd - salt
- AWB Ltd – grain owner
- ABB Grain – bulk handler

Lake MacDonnell, in South Australia is one of the biggest gypsum deposits in the southern hemisphere. The deposit is estimated at anything between 500 and 700 million tonnes, and about 1.4 million tonnes are shipped out a year. Gypsum is the principal constituent in plasterboards, such as Gyprock®. Gypsum from Lake MacDonnell is stored at the GRA silo in Sydney and delivered to three main customers, CSR, Boral, and Lafarge, who then process and manufacture it into plasterboard and related products.

It is worth noting that the largest known undeveloped gypsum resource in South Australia is located 26km south of Streaky Bay on Eyre Peninsula. The deposits remain undeveloped mainly due to a lack of port and transport facilities.

Cheetham Salt Limited, a wholly owned subsidiary of Ridley Corporation Limited, is Australia's largest producer and refiner of salt.

Grain exports through Thevenard are exclusively wheat that is grown in the dry north-western parts of Eyre Peninsula. Grain yield from this area is variable due to climatic variations and continued use of Thevenard as a grain port may depend on the shipping policy of the single-desk marketer (AWB Ltd). Thevenard is too shallow to take the new Panamax class bulk grain vessels, yet these vessels provide the most economic transport for bulk grains.

### **Portland**

The port of Portland specialises in the storage and handling of bulk commodities and serves the Green Triangle Region's rich agricultural, forestry, manufacturing and mining industries as well as regionally based aluminium and fertiliser producers. In excess of 4 million tonnes of product is transferred over the port's wharves each year, of which some 2.6 million tonnes arrives at the Port by road. Although operating satisfactorily at the moment, in its current state it is likely to become an export bottleneck as a result of expected growth in exports from the region.

## Port Pirie

Situated 223km north of Adelaide, Port Pirie has a population of over 16,000.

Pasminco Pty Ltd operates one of the largest smelters in the world, exporting large quantities of zinc concentrates (283,000t) and lead (28,600t). Other exports include grains (90,000t), with principal imports comprising mineral concentrates (209,200t), coal (50,000t) and ores (132,200t).

Approximately 796,000 tonnes of cargo was moved through Port Pirie in 2004.

### Port Pirie Berths

BERTH	LENGTH	BREADTH	DEPTH	WHARF HEIGHT	REMARKS
1	152m	30m	7.3m	4.8m	Fishing and recreational vessels.
2	190m	30m	8.2m	4.8m	Grain.
4	107m	25m	5.8m	4.8m	Tug berth.
5	198m	30m	8.2m	4.8m	General.
6	183m	30m	8.2m	4.8m	Ore exports.
7	145m	30m	8.2m	4.8m	General and containers.
8	180m	30m	8.2m	4.8m	Lead exports.
9	180m	30m	8.2m	4.8m	Lead exports and coal imports.
10	158m	30m	8.2m	4.8m	Bulk imports.

## Port Giles

Port Giles is located on the eastern side of Yorke Peninsula, 217km by road from Adelaide. It was established in 1970 to export grain and seeds from the lower section of the peninsula. Approximately 700,000 tonnes of cargo was exported from Port Giles in 2004, consisting of 691,000 tonnes of grain and 8,000 tonnes of oilseeds.

### Port Giles Berths

BERTH	LENGTH	BREADTH	DEPTH	WHARF HEIGHT	AXLE LOAD	REMARKS
Jetty	255m	39m	11.6m	5.15m NB Height of jetty above datum 5.15m.	8t Single axle design vehicle.	Keel clearance 10% of vessel draft.

There is only road access to the port, including B-Double and Road Train access. There is no rail access. There is a large silo complex at the port.

Mandatory capital works were prescribed by the State Government as a requirement of the port privatisation transaction in 2002. Planning approval for Port Giles set the criteria for dredging and disposal of dredged material. Innovative upgrade works at Port Giles and Wallaroo has provided capacity for larger bulk grain vessels to visit and operate at both ports. Construction at Port Giles comprised dredging, reclamation and substantial fender and mooring bollard modifications to existing berthing dolphins to accommodate 80,000DWT Panamax grain vessels. While Flinders Ports planned to upgrade the facility to a deep-sea port to enable it to receive Panamax ships, the announcement by AusBulk (now ABB Grain Ltd) to upgrade (\$40m) the nearby port at Ardrossan has cast some doubt on the Port Giles expansion going ahead. Mandatory expenditure includes nine million dollars at Giles

and a further five million dollars at Wallaroo, to upgrade both those ports to handle Panamax vessels.

### Wallaroo

Wallaroo (population 2,500) is situated on the eastern side of Spencer Gulf, 158km northwest of Adelaide.

Principal commodities handled through the port are fertiliser imports and grain and seed exports.

During 2002/2003, 0.56 million tonnes of cargo was moved through Wallaroo.

#### Wallaroo Berths

BERTH	LENGTH	BREADTH	DEPTH	WHARF HEIGHT	AXLE LOAD	REMARKS
1 (North)	84m	25m	9.5m	5.2m	4t single axle (nominal).	
2 (North)	290m	36m	9.5m	5.2m	4t single axle (nominal).	Grain.
3 (North)	68m	25m	7.3m	5.2m	4t single axle (nominal).	
1 (South)	168m	25m	9.3m	5.2m	8t axle between yellow lines only.	Fertiliser imports.
2 (South)	198m	30m	8.2m	5.2m		Disused.
3 (South)	76m	25m	7.3m	5.2m		
Spur Jetty						Fishing wharf.

### Whyalla

The deep sea port at Whyalla is a custom built port, owned and operated by One Steel for its Long Products Division. There are two locations, the inner harbour wharf which has loading and unloading facilities and the jetty which has loading capacity only. The channel to the inner harbour is dredged to 10 m and the berths to 10.7 m (below datum).

The OneSteel plant continues its history as one of Australia's industrial icons, producing iron and steel products using ore from nearby Iron Duke for products exported worldwide. Most are shipped directly from the companies Whyalla port. Other products are loaded and unloaded from the port under arrangement with the port owner.

There have been new aquaculture developments in the Gulf over the last 10 years, largely around Port Augusta and Fitzgerald Bay (near Whyalla), with yellow tail kingfish being a major focus. The State Government has contributed to the construction of the new commercial fishing harbour at Fitzgerald Bay.

### Port Bonython

Port Bonython is located on the coast of South Australia near Whyalla at the head of the Spencer Gulf, approximately 250 kilometres north-west of Adelaide. There are around 25-30 ship loadings per year.

The facility accepts liquid hydrocarbons in a mixed stream of products sent from Moomba via a 659 kilometre 355 millimetre diameter pipeline. The processing facility receives a mixture of condensate, crude oil, propane and butane which is processed in distillation towers and molecular sieves to produce various products.

*Total Daily Average Throughput:*

Butane 450 tonne  
Ethane 60 tonne  
Propane 900 tonne  
Crude oil 1,200 m3  
Heavy naphtha 1,400 m3  
Light naphtha 600 m3

*Participants in Port Bonython are:*

Santos – 66.6% (operator)  
Delhi – 20.2%  
Origin – 13.2%

### **Klein Point**

Klein Point is a single-purpose port on the south-eastern coast of Yorke Peninsula, established to handle shipments of limestone. The limestone is taken from Klein Point to Port Adelaide where it is used in the manufacture of cement products. Regional access to/from Klein Point is currently not an issue as the limestone quarry is located at the port and product is transferred within the mine directly to the ship loader. Access to the port area is restricted. The port is a purpose built facility for operation of Accolade II ship.

In calendar year 2004, there were 1.846m tonnes of limestone exported from Klein Point. The limestone quarry, bulk loading facility, shipping operation, bulk discharge facility are all owned and operated by Adelaide Brighton Ltd. Adelaide Brighton Ltd is a leading integrated construction materials and lime producing company that has operations in all mainland states and territories of Australia and employs over 1400 people

The supply of limestone from Klein Point currently does not depend on integrated road and rail links. Should the current shipping operation cease and Klein Point remain a key source of limestone input to Birkenhead production, then transfer of this product by land transport (if commercially viable) will have significant impact on road/rail links with Klein Point and Adelaide. The 1.846m tonnes of limestone exported in 2004, roughly equates to 77,000 loaded trips by standard 6-axle articulated heavy vehicles. This is one heavy vehicle movement every 4 minutes on a 24/7 operation.

### *Klein Point Berths*

BERTH	LENGTH	BREADTH	DEPTH	AXLE LOAD	REMARKS
	150m	30m	6.5m	No vehicle access.	Dedicated berth.

**Ardrossan**

The Port of Ardrossan is located at approximately 137°55'E, 34°26'S on the western shore of Gulf St Vincent in South Australia. A bulk loading plant with conveyor capacity of 2000 tonnes per hour (grain) is situated on the jetty which is approximately 900 metres long.

Commodities that are loaded at the Port include dolomite and grain, with the facility capable of handling other dry bulk commodities.

ABB Grain Ltd is the Port Operator.

**Kangaroo Island: Penneshaw, Kingscote, Cape Jervis (Rapid Bay)**

The harbours of Cape Jervis (mainland), Penneshaw and Kingscote currently provide access to Kangaroo Island for freight and passenger traffic via roll-on-roll-off ferries. New facilities are being considered (at Ballast Head) to service the blue gum industry. Other underutilised Kangaroo Island harbours include American River and Vivonne Bay.

SeaLink operates the primary sea transportation ferry services between mainland South Australia and Kangaroo Island.

