
The Parliament of the Commonwealth of Australia

The Great Freight Task

Is Australia's transport network up to the challenge?

House of Representatives
Standing Committee on Transport and Regional Services

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Canberra

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Foreword

At a time of unprecedented prosperity and in the midst of an international resources boom, there could be no more potent images of lost opportunity, than the sight of queues of up to 50 vessels off three of our major ports.

It begged the question – just how deficient is the supporting infrastructure across Australia? How well equipped are our arterial road and rail systems to cope? Or finally, as the title of the Report asks: *Is Australia's transport network up to the challenge?*

In the end, it is all about integration. It is impossible to divorce one form of transport infrastructure or connectivity from another, as the Report makes clear.

After 194 submissions, 30 hearings and inspections, my colleagues and I were drawn inexorably to the conclusion that, if Australia was to meet this challenge, we needed to act decisively and soon, recognise emerging trends like double stacking and capital city basin inter-modal hubs, and jettison old thinking, especially at interstate borders.

What we discovered, as we moved from port to port, was a pattern of logistics or infrastructure failures in the access to, or the operation of, ports – a missing supply link, a lack of rail capacity, a need for bypass or ring roads, road and rail loops, and the functionality of channels to cater for larger or more frequent vessels. While you can excuse one here and there, collectively they impact on Australia's export performance and on GDP.

In the Committee's 1998 report, *Tracking Australia*, we warned of the growing freight task. The emergence of the ARTC and Australian Government involvement in New South Wales rail projects like the Hunter Valley, have improved rail performance and boosted the north-south corridor, but it is now even more obvious that bold measures will be necessary to see a more serious movement of freight from road to rail. The doubling of the freight task by 2020 looms even more ominously than it did in 1998.

To my way of thinking, the seminal quote of the Report comes from the former head of Queensland Rail, Mr Vince O'Rourke. In evidence, he said:

"We are doing too much patching. Why don't we build some really good railways? On a modern railway from Melbourne to Brisbane, freight trains could make their journey in 15 hours. It would be overnight. It is the just-in-time manufacturing inventory, logistics and integration with the ports that this nation needs."

Broadly speaking, the role of branch lines remains unresolved. The closure of such lines and the movement of grain to road transport, solves one problem but creates another – the capacity and upkeep of country roads. Revealing evidence from Canada presents an opportunity to revive these lines if an Australian framework can be developed.

The committee was surprised by the change of emphasis on inter-modal hubs. We had expected strong evidence for centres like Parkes, Moree and Toowoomba. However, while these remain important, the strong evidence and need for hubs in the Melbourne, Sydney and Brisbane basins to facilitate capital city and near-capital city freight movement, creates a new agenda for the three levels of Government.

In much the same way as recent water initiatives have been adopted to overcome border rivalries and inaction, a similar need is evident when it comes to road and rail activities along, and immediately across, interstate borders. The current situation is a blight on Australia's 'can-do' attitude.

Finally, I would like to commend members of the secretariat for their diligence and thoroughness in supporting the committee during the course of this extensive inquiry, particularly the Principal Research Officer, Tas Luttrell, and Senior Research Officer, Samantha Mannette. I would also like to thank and note the contribution of the previous Committee Secretary, Ian Dundas, and Administration Officer, Marlene Dundas, as well as Janet Holmes and Jazmine De Roza who have taken their place.

I would also like to thank all of those who made submissions or gave evidence to the inquiry, and those who assisted us by arranging inspections.

Paul Neville MP
Committee Chair



Membership of the Committee

Chair Mr Paul Neville MP

Deputy Chair Mr Steve Gibbons MP

Members Ms Sharon Bird MP

Mr Barry Haase MP

Ms Jill Hall MP

Dr Dennis Jensen MP

Mr Stewart McArthur MP

Mr Kym Richardson MP

Mr Bernie Ripoll MP

Mr Alby Schultz MP

Committee Secretariat

Secretary	Ms Janet Holmes (from 12/12/06) Mr Ian Dundas (to 12/12/06)
Principal Research Officer	Mr Tas Luttrell
Research Officers	Ms Samantha Mannette (from 15/5/06) Mr Courtney Krause (to 20/2/06)
Administrative Officers	Ms Jazmine De Roza (from 30/11/06) Mrs Marlene Dundas (to 1/1/07)



Terms of reference

The House of Representatives Standing Committee on Transport and Regional Services is to inquire into:

- the role of Australia's regional arterial road and rail network in the national freight transport task;
- the relationship and co-ordination between Australia's road and rail networks and their connectivity to ports;
- policies and measures required to assist in achieving greater efficiency in the Australian transport network, with particular reference to:
 - land transport access to ports;
 - capacity and operation of major ports;
 - movement of bulk export commodities, such as grain and coal;
 - the role of intermodal freight hubs in regional areas;
 - opportunities to achieve greater efficiency in the use of existing infrastructure; and
 - possible advantages from the use of intelligent tracking technology;
- the role of the three levels of Government and the private sector in providing and maintaining the regional transport network.



List of abbreviations

AAA	Australian Automobile Association
AAPMA	Association of Australian Ports and Marine Authorities
ABARE	Australian Bureau of Agricultural and Resource Economics
ACCC	Australian Competition and Consumer Commission
ACCI	Australian Chamber of Commerce and Industry
AEEMA	Australian Electrical and Electronic Manufacturers' Association
ALC	Australian Logistics Council
ARA	Australasian Railway Association
ARTC	Australian Rail Track Corporation
ASA	Australian Shipowners Association
ATA	Australian Trucking Association
ATEC	Australian Transport and Energy Corridor
ATMS	Advanced Train Management System
AWB	Australian Wheat Board
BMT	Brisbane Multimodal Terminal
BTRE	Bureau of Transport and Regional Economics

CBH	Co-operative Bulk Handling Ltd
CEO	Chief Executive Officer
COAG	Council of Australian Governments
DBCT	Dalrymple Bay Coal Terminal
DOTARS	Department of Transport and Regional Services
EMRC	Eastern Metropolitan Regional Council
FIAB	Freight Infrastructure Advisory Board
GDP	Gross Domestic Product
GPS	Global Positioning System
HACC	Hunter Valley Consultative Committee
HVCC	Hunter Valley Coal Chain
HVCCLT	Hunter Valley Coal Chain Logistic Team
IMT	Intermodal Terminal
IAS	Intelligent Access Program
ITS	Intelligent Transport Systems
LNG	Liquefied Natural Gas
NOROC	Northern Rivers Regional Organisation of Councils
NTC	National Transport Commission
NTDPI	Northern Territory Department of Planning and Infrastructure
NTII	National Telematics Industry Initiative
OECD	Organisation for Economic Co-operation and Development
PKCT	Port Kembla Coal Terminal
PWCS	Port Waratah Coal Services
QAL	Queensland Alumina Limited

QAM	Queensland Agricultural Merchants
QR	Queensland Rail
REROC	Riverina Eastern Regional Organisation of Councils
RTSA	Railway Technical Society of Australasia
SDBP	Southern Distribution Business Park
SEATS	South East Australian Transport Strategy
SELGA	South East Local Government Association
SPC	Sydney Ports Corporation
SSFL	Southern Sydney Freight Line
TEU	Twenty-Foot Equivalent Unit
TIRES	Timber Industry Road Evaluation Strategy
WAPR	WA Plantation Resources



List of recommendations

2 Australia's Transport Task

Recommendation 1

The Committee recommends that the Minister for Transport and Regional Services require the Australian Transport Commission and the Bureau of Transport and Regional Economics to undertake the establishment of a national transport database.

Recommendation 2

The Committee recommends that the Minister for Transport and Regional Services urgently initiate legislation requiring transport industry operatives to supply essential information for the proposed transport database.

3 The Ports

Recommendation 3

The Committee recommends that COAG undertake the establishment of an Australia-wide set of standards for the approval of port dredging projects, with a view to a co-ordinated and timely approach to achieving critical depth upgrades.

Recommendation 4

The Committee recommends that, in the national interest, the Australian Government assist the Port of Melbourne to complete its channel deepening project as soon as possible.

Recommendation 5

The Committee recommends that a "Critical Port Infrastructure Fund" should be established to urgently provide funding assistance for the

construction of vital infrastructure projects costing up to \$150 million. This fund would be in addition to AusLink and separate from it. It would not, of course, cover projects already being funded from other sources.

Recommendation 6

The Committee recommends that this fund should be not less than \$600 million a year over a five year program, on the basis of 50/50 participation with either State or private providers.

Recommendation 7

The Committee recommends the establishment of a Critical Port Infrastructure Commission to administer the Critical Port Infrastructure Fund recommended above.

4 Rail

Recommendation 8

The Committee recommends urgent consideration by the Minister for Transport and Regional Services of the techniques used in the Hunter Valley Coal Chain, for application to other transport chains. It also recommends that, at Ministerial discretion, a grant of \$250,000 be made available on a one-off basis, for the establishment of a position of Chain Co-ordinator and the provision of a small secretariat.

5 Road Infrastructure

Recommendation 9

The Committee recommends that the Minister for Local Government, Territories and Roads give urgent consideration to assisting the state and local governments to fund an upgrade of the road between Ravensthorpe and the Munglinup River.

Recommendation 10

The Committee recommends that the Minister for Transport and Regional Services refer to COAG the question of how local government can be assisted with the extra cost of road maintenance caused by the increasing use of heavy transport vehicles.

Recommendation 11

The Committee recommends a spending program (subject to the outcome of recommendation 2), of not less than \$100 million a year for 5 years, to address key arterial roads, major feeder roads and community bypass

roads in the Northern Territory and on connector roads into Western Australia and Queensland.

Recommendation 12

The Committee recommends that the Minister for Transport and Regional Services ask COAG to urgently progress the alignment of transport regulations between all the states and the mainland territories.

6 Intermodal Facilities

Recommendation 13

The Committee recommends that the Australian Government investigate the most efficient method of storing and distributing empty cargo containers.

Recommendation 14

The Committee recommends that the Minister instruct the Department of Transport and Regional Services to undertake a timely strategy for the movement, unloading and storage of 40-foot containers, as an integral part of the transport freight task, in line with world trends.

Recommendation 15

The Committee recommends that the Australian Government ensure that intermodal facility planning is given high priority in the AusLink Corridor Strategies. This planning should include consideration of financing options for IMT developments and upgrades, and, where necessary, the provision of targeted funding for essential projects.

Recommendation 16

The Committee recommends that, within AusLink, a guaranteed pool of funding for intermodal facilities is made available annually, on an ongoing basis, to leverage IMT developments, not only in parallel with other road and rail developments and upgrades, but as an integral part of them.

Recommendation 17

The Committee recommends that, in cases where private investment options have been exhausted, any urgently required intermodal facilities of national or substantial regional significance, should be developed through joint contributions from the Commonwealth (50 per cent), State (30 per cent) and local authorities and/or industry (20 per cent). Paramount in any such consideration would be a viable ownership model, providing open access.

Recommendation 18

The Committee recommends that the Australian Government:

- investigate strategic land banking;
- where appropriate, secure land for future intermodal facility developments and expansions; and
- encourage State and local governments, and the private sector to explore land banking options for future hub development.

8 Role of the Three Tiers of Government

Recommendation 19

The Committee recommends that COAG adopt a standard that requires infrastructure planning authorities to plan transport corridors on a time frame of at least 30 years.

Recommendation 20

The Committee recommends that the Australian Government encourage transport departments and larger local authorities to acquire and zone freight transport corridors as soon as possible.

Recommendation 21

The Committee considers that only COAG is in a position to achieve the necessary co-operation between jurisdictions. It recommends that COAG undertake, as a matter of urgency, consultations with state and local government authorities, to seek agreement that transport networks should be treated as a single Australia-wide system, as further described in Chapter 11.

Recommendation 22

The Committee recommends that the Minister for Transport and Regional Services establish a small infrastructure development unit in his department, to enable it to co-operate fully with the State departments on infrastructure planning and development. The unit should be staffed by qualified transport engineers, supported by people experienced in planning transport projects.

Recommendation 23

The Committee recommends that, in recognition of the situation of small cities and shires hosting projects of national significance, with infrastructure requirements beyond the capacity of their rate base to

finance, that the criteria for access to the AusLink Strategic Regional Programme be revised to take account of their situation.

10 Intelligent Tracking Technology

Recommendation 24

The Committee recommends that the Australian Government provide financial support for the development and implementation of a national intelligent freight tracking model, and urgent funding for a small number of demonstration projects under the national model.

11 Cross-border Issues

Recommendation 25

The Committee recommends that the Australian Government:

- establish Road and Rail Border Commissions, consisting of Australian and State Government representatives (ministerial, departmental and engineering) to advise on, facilitate and execute major border transport projects and cross-border road and rail extensions, in a focused and timely manner.
- fund, over a ten year period, the projects and works identified by the Commissions, on the basis of Australian Government 50 per cent, State Governments 25 per cent each. A lack of co-operation on timely action in the establishment of the Commission should exempt the Australian Government from further responsibility.
- establish a Commonwealth fund of \$1 billion for this purpose over the first five years, distributed on the basis of bids from the Commissions. The program should be reviewed at the end of that period, and possibly extended to ten years.

