

Submission

The Standing Committee on Transport and Regional Services

Inquiry into the integration of regional rail and road freight transport and their interface with ports.

Background of QAM Inc:

This Association was formerly known as the Queensland Produce Seed and Grain Merchants Association and was founded in 1955. It was formed to give independent merchants and traders in the seed and grains industry a collective voice in an industry that was dominated by statutory marketing arrangements.

The Association has been very successful over almost 50 years in bringing about changes which have resulted in free trade in much of the grain trade in Qld and Australia and remains today as the single strong voice of the industry in this State. It currently represents member companies with an estimated annual turnover in excess of \$1billion and employing some 600 staff. Members are predominantly merchants, traders and brokers however significant membership exists from associated industries such as logistics, seed testing, quarantine etc.

The Association has continually pursued a role of making submissions to governments on matters of policy and strategic planning that may have an influence on the businesses of our members. The issue of regional road and rail freight to port has been an issue that we have been attempting to bring to the attention of the Queensland government however it appears that they are not sufficiently interested to enter into discussions with our Association. As a consequence our exporting members have been losing money due to the inadequacy of the rail links to Port of Brisbane from the rich agricultural area of the Darling Downs.

Submission:

This submission addresses the following Terms of Reference:

“Policies and measures required to assist in achieving greater efficiency in the Australian transport network, with particular reference to: ***the role of intermodal freight hubs in regional areas and opportunities to achieve greater efficiency in the use of existing infrastructure.***”

Current issues with export container traffic:

Export oriented industries on the Darling Downs have grown significantly in the last decade with the opening up of international markets and the encouragement of governments. The seed, grain and pulse industries are no exception. These industries have developed around the container trade that has grown exponentially over a similar period. This is in addition to the rapid growth of the coal industry that transports its bulk commodity by rail to port. Also we are seeing a consolidation of bulk grain handling by AWB and Graincorp in Southern Queensland and efficient movement of wheat and other grains to port also depends on the Downs to Brisbane rail link.

Traditionally the container business has been based on the packing of containers at merchant packinghouses on the Darling Downs with some products also being packed at specialist packing businesses at the Port of Brisbane on Fisherman's Island. This latter process entails the bulk transport of the products by road transport to the Port of Brisbane based packing facilities. As a consequence the impact on the road system structurally and on traffic congestion and safety has been significant and it is avoidable and unnecessary.

This major issue in the container trade is brought about by limitations on container weights of 21.75 tonnes (net weight) imposed by Queensland Rail. These limitations make it almost impossible for the merchants on the Downs to compete in the highly competitive export market and as a consequence more and more product is being bulk hauled to Brisbane for packing. In the light of record sea-freight charges the major exporters are demanding heavy weight packing (between 24-27 tonne of product in a 20ft container). These heavier containers result in considerable sea-freight savings as freights are calculated per container, not per tonne. It has been calculated that approximately \$330.00 is lost on every container due to the lower weight restrictions imposed by QR.

The QR restrictions on weight have been imposed on the pretext of the ageing and under-capacity infrastructure on the Darling Downs to Port of Brisbane service. These imposed limitations are not only impacting on the ten or so packinghouses on the Downs but also on the communities depending on these businesses for employment. The Darling Downs is a rich agricultural production region with an enormous potential for export production and unfortunately this potential cannot be fully realised due to the inability of QR to provide the necessary infrastructure.

The net effect of the inability of QR to carry heavier containers is many fold but includes under-utilised packinghouses on the Downs, a major increase in road transport of product from the Downs to Port of Brisbane, businesses finding it difficult to compete and the export of jobs from rural communities to Brisbane.

Supporting data

The following tables detail the level of export container freight out of the Darling Downs freighted to Port of Brisbane by Queensland Rail:

2001/02

Railhead	Total Units	Grain Units
Toowoomba	4762	3698
Dalby	2350	865
Oakey	2911	832

2002/03

Railhead	Total Units	Grain Units
Toowoomba	2568	1873
Dalby	2412	823
Oakey	1364	449

200303/04 to November '03

Railhead	Total Units	Grain Units
Toowoomba	1053	857
Dalby	931	172
Oakey	782	247

From preliminary consideration of the data in the above tables it could be postulated that the container movements have reduced significantly over this period. There are other contributing factors to consider and particularly the impact of drought. More recent advice from QR National confirms that container traffic has increased significantly in 2005 and available capacity on trains to Port of Brisbane is fully utilised.

The following table details the container movements out of Port of Brisbane over a similar period as above including those for grain and grain related products:

Container All Destinations Export All Shipments

	Inv 2000/01	Inv 2001/02	Inv 2002/03
Cereals (other)	4,238	3,041	8,524
Wheat and meslin	27,641	26,611	13,543
Barley	20	44	0
Maize (corn)	26,730	8,601	3,495
Rice	1,931	4,111	2,249
Grain sorghum	27,308	19,670	9,423
Buckwheat, millet and canary seed; other cereals	15,697	10,661	3,243
Dried shelled chickpeas (garbanzos)	34,478	57,694	27,114
Broad beans & Horse beans (Faba beans)	0	22	430
Leguminous vegetables (excl. peas and beans), fresh or chilled (Mung beans)	35,790	27,385	19,832
Beans	3,440	976	530
Peas, fresh or chilled	301	1,060	690
Carrots, turnips, beetroot, radish, celeriac and other edible roots	2,068	4,400	3,385
Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled	621	1,121	1,589
Tomatoes, fresh or chilled	1,821	1,927	1,158
Potatoes, fresh or chilled	2,017	3,386	1,420
Other Edible vegetables	6,781	5,960	8,559

Companies exporting containerised grain related products by QR from the Darling Downs:

TOOWOOMBA

Ridley Tmba
 Jamar
 Pacific Seeds
 Philp Brodie
 QAS
 Hyfeeds
 Takari Seeds
 Bowdler English
 Pioneer Seeds
 Crest Seeds
 Mt Tyson Seeds
 Champion Seeds
 Selected Seeds
 DGExporters
 Kialla Pure Foods
 Ridley Clifton
 Clifton Farming
 Jenco Allora

DALBY

Associated Grain
 Deacon Seeds
 Gosden Jorgansen
 DMC Grains
 Soya Feeds
 Defiance
 Grainco
 Dunnavant

OAKEY

A&B Grain
 Better Blend
 Riverina
 A&B Cotton

The following Table lists all exporters from the Darling Downs in the period 2000 to 2004:

Exporters from the Darling Downs Region

Ridley Tmba	Gessners	Associated Grain
Jamar	Leichts Gumbungee	Deacon Seeds
KR Hormel	Pioneer Seeds	Gosden Jorgensen
Queensland Cargo Service	Metrol	DMC Grains
Pacific Seeds	Mike Smith	Ian Cameron
N K Collins	Tmba Saddlery	Dingo

Helidon S/stone Australia	F.K.Gardiner	Soya Feeds
Tmba Metal Technologies	Comerford S/ Stone	Simplicity
Philp Brodie	Red Roo / Melco	Bushman Tanks
Primac	Vanderfield Machinery	Vic's Timber
Orfords	Stinton Eng	Milne Ind.
Higgins Wool	Downfield Eng	Prices Spare Parts
Stahmann Farms	MacDonald Print	Defiance
Tillys	Tmba Tile W/h	Grainco
Our Bird	Cyrano	Bartley (private)
D Downs Tarps	ISDS	Unimin
QAS	Farmers Nett	Dunnavant
Tyco/Southern Cross Machy	R W Joiners	A&B Grain
Hyfeeds	Helidon Dimensional Sandstone	Better Blend
GW Tillage	Jennifer Crt	Riverina
AUF (Office Line Warehouse)	Glenfords Tools	A&B Cotton
Russell Minerals	Clancys Tractor Parts	
Takari Seeds	Wendouree	
Bowdler English	Crest Seeds	
Coldshield	Diesel Gas	
David Evans	Mick Fenwick (priv Furniture)	
J H Wagner	Endeavour	
Alquip	Downs Furniture Court	
Hampton Crt	Fibrecycles	
Condamine Well	Middle Ridge Power Stn	
Kialla Pure Foods	Agrico	
Ridley Clifton	Q-Link -Farmfest/ Ag show	
Clifton Farming	Aerotech/Buchanan	
Aussie Honey	Oztec	
Jenco Allora	Wagners Malu	
Websters	Mt Tyson Seeds	
Ollly Honey Clifton	Champion Seeds	
AMH / Beef City	Locharbar Enterprises	
Natural Resource Products Tannamerah	Selected Seeds	
Big W Warwick	DGExporters	
Netpro Stanthorpe	D Marchant	
Wyco Warwick	Janke Mt Tyson	

Limiting Factors:

Advice from QR National confirms that the container movements from the Darling Downs to Brisbane Port are at the limits imposed by the capacity of the rail network. This can be directly attributed to the following:

- Single rail line requiring the scheduling of “paths” for freight trains on the regional sections of the Toowoomba to Brisbane line.
- Limited number of paths per day available for all trains from Darling Downs including bulk coal and grain, container freight, general freight etc.
- “A” class rail line limits axle loadings to 15.75 tonnes. (“S” class can carry 20 tonne axle loading eg coal freight lines in Central Queensland).
- Bridges on Downs to Brisbane route are at a maximum loading thus limiting axle loading and consequently container weights.
- Rail tunnels do not allow 2.7 metre high containers that would allow larger quantities of light weight commodities such as sunflowers and cottonseed to be exported competitively.
- Handling of containers at railheads is generally inefficient.

- Integration of road and rail at the supply end is not efficient.
- Supply of empty containers by shipping companies to QR National is unreliable.
- Lack of an intermodal freight hub for the Darling Downs.

The Future:

The practice of sending all exports from the Darling Downs through the Port of Brisbane needs to be considered critically. The population growth in the greater Brisbane area is placing great strain on the transport infrastructure and the opportunity to continue to integrate increasing road and rail freight with the existing road traffic and restrictive rail corridors will be extremely limited. The location of the Port of Brisbane dictates that freight traffic must integrate with the general traffic on road and rail reducing the efficiency of freight movements to an unacceptable level particularly taking into account future growth.

To meet the needs of our members and to support future business growth a major rethink of how freight is moved is required. The following needs to be considered:

- A major rebuilding or rerouting of the Darling Downs to Port of Brisbane rail network.
- The development of a container park and intermodal freight hub west of Toowoomba.
- The integration of business facilities including on-rail container packing capacity with the intermodal freight hub. This intermodal freight hub could improve efficiencies in container handling and movement on the existing rail network.
- An inland S class rail corridor from the intermodal hub to the **Port of Gladstone** to handle bulk and containerised commodities.
- Efficiencies built into the rail system to make rail transport the least cost option for businesses.
- Improving roads to facilitate the consolidation of containers at these proposed HUBS and allowing trailer configurations to carry more than one container per trip including on road from the Downs to Brisbane when necessary.

The above proposals for consideration are brief however this Association is committed to applying pressure to governments to provide the enabling infrastructure for our members businesses and for the economic wellbeing of our communities. A representative of our Association will be available to provide further comment and support if necessary.

Mel Binnington
Executive Officer
QAM Inc
05 May 2005