

May 20, 2005

Emailed 23/05/05

**House of Representatives
Standing Committee on Transport and Regional Services**

RE: Committee Inquiry into Regional Road and Rail Networks and their connectivity to Ports

Plantations North East, Inc is a Private Forestry Development Committee representing plantation, farm forestry, harvesting, haulage and processing industries, and local, state, and national government agencies in the North East region of Victoria.

Over 1 million tonnes of logs are harvested annually in the region, then transported for processing within or exported out of the region. Some logs and processed timber products are exported, mainly from Geelong and Melbourne. This output is supplied from just 60,000 hectares of plantation.

PNE has the objective of supporting expansion of the plantation area to 200,000 hectares by the year 2020. So over the long term, the log flow will more than quadruple to over 4 million tonnes annually

As a result, the plantation industry has a view to put on the regional transportation network and the links to the ports. In particular, PNE has views on the value of investment to upgrade the local road network and improve log haulage efficiency, general road safety, and road transport to regional centres and freeway or rail networks as the additional timber comes on line.

In general terms the major highways and regional arterial road networks in the region are very good. As the region spans the Melbourne – Sydney links, the drivers are there for ongoing maintenance and upgrade of this quality road access.

A priority need is for the road transport routes through Albury-Wodonga to be upgraded with completion of the internal bypass as soon as possible. With the major expansion of logistics operations in this part of Australia, the development of a full twin cities bypass should also be on the planning agenda, with a realistic and achievable timeframe agreed.

The situation with rail transport on the other hand, is poor. This is true of the rail network, and of road to rail intermodal transport, and connections to ports. The rail network on the Melbourne-Sydney corridor is one line standard and one line broad gauge Melbourne to Albury, then standard gauge to Sydney. The need to standardize and upgrade this link to twin broad gauge lines (at least) is paramount for all regionally based industries and for commodity growers (plantations) so that all port options can be considered when consigning logs and processed timber for export.

At the moment, for example, small sidings in Benalla, Wangaratta, and Wodonga cities can provide holding capacity for around 400-500 tonnes of logs, totally inadequate for the future needs, where the annual export volumes could be as much as 1M tonnes.


Port access bottlenecks via road/rail have been well documented in the media and in many studies, and these will take very large amounts of capital to address. On the other hand, investment in the local road network will require much smaller amounts. The 2000 TIRES NE study reports the need for funds as around \$23M over a ten year period while generating an NPV of around \$223M (Refer Page g, Timber Industry Road Evaluation Study – North East Region Final Report August 2000 (Copy Attached).

The local road network used for timber cartage in the region has now been reduced to the point where it is receiving around 30-50% of the funds it currently requires on an annual basis.

The expansion of plantations is a long term policy of both national and state governments across Australia (Plantations for Australia The 2020 Vision).

What is clear is that local support for this goal is contingent on the provision of adequate roads for cartage of plantation wood.

Yours Sincerely



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CC: NE TIRES Committee

Attachment:

Timber Industry Road Evaluation Study – North East Region Final Report August 2000

ADDITIONAL INFORMATION HELD BY THE COMMITTEE

ATTACHMENT TO SUBMISSION NO. 66

**ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH
SUBMISSIONS ARE HELD IN THE COMMITTEE OFFICE**