

House of Representatives
Standing Committee on Transport and Regional Services
Parliament House
CANBERRA ACT 2600

Secretary: *J. L. H. H. H.*

RECEIVED

28 APR 2006

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

Submission to "Inquiry into integration of regional rail and road networks and their interface with ports."

The Goldfields Esperance Area Consultative Committee (GEACC) thanks the Standing Committee for the opportunity to attend the recent hearings held in Esperance and wishes to now make a submission to the inquiry.

GEACC consists of a Board of 14 persons, representing different regional areas and key stakeholder groups including representatives from partnership bodies, community, business and industry, training and education.

GEACC is a constituent part of the National Network of Area Consultative Committees operating under Ministerial Charter from The Hon Warren Truss MP, Minister for Transport and Regional Services.

The National Network of Area Consultative Committees is the Australian Government's regional development network.

In this submission GEACC would like to prioritise the list of potential projects submitted by witnesses at the hearings in Esperance, along with a short explanation of the importance of each to the overall development of the region. The projects are ranked from 1 (highest priority) to 7 (lowest priority).

1. Kalgoorlie-Boulder Intermodal Freight Facility (Transport Hub)

This project has an initial estimated cost of approximately \$9 million and is to be located at Parkeston, approximately 8 kilometres East of Kalgoorlie-Boulder on land currently under the control of the Australian Rail Track Corporation (ARTC). The proposed site is currently where all trains must stop to refuel on their trans-continental trips.



Under the proposed strategy the land would cede to the ownership of an inland port authority style management structure. Between the proposed site and Kalgoorlie-Boulder ownership of the below track assets changes to the Australian Railroad Group (ARG) and costs for freight transported beyond this point increase substantially on a gross tonne/kilometer rate. Development of the proposed intermodal facility at Parkeston would therefore provide a cost reduction to transporters delivering to that point and distributing outwards from there.

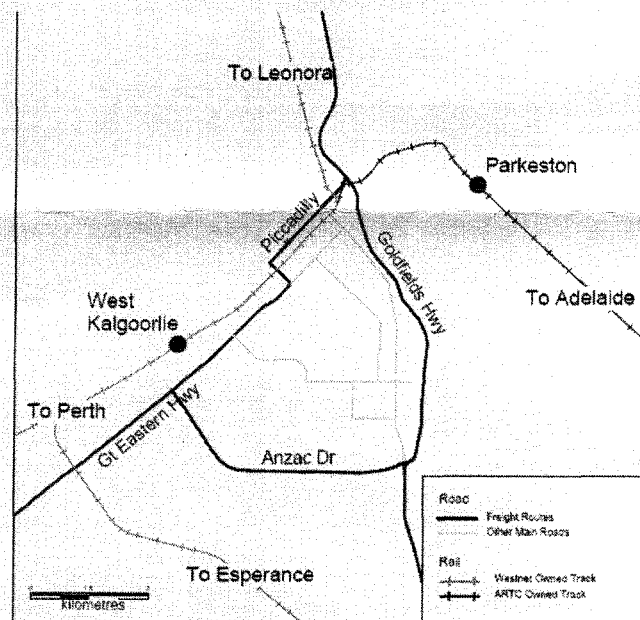


Figure 1 – Kalgoorlie-Boulder & Rail Networks

Currently the majority of freight destined for Kalgoorlie-Boulder from the Eastern States is railed to Perth and then returned, in the majority by road transport, adding approximately \$120/tonne to the cost.

Initially the objective of the proposed Transport Hub is to provide an intermodal facility that will allow bulk freight to be offloaded and distributed by road and rail. This would apply to the freight destined for both the Goldfields-Esperance region and the North-West of the State which has been estimated at 880 000 tonnes per year (current studies are seeking to accurately quantify this figure).

The freight for the Goldfields Esperance region would be distributed by road and rail using existing networks, whilst that destined for the North West would be sent by road using existing routes. Financial advantages to the burgeoning resource sector in the Pilbara would demand the sealing of the Goldfields – North west road link between Wiluna and the Great Northern Highway (see Priority 2) in the near future.

Several studies are currently underway to identify a number of issues related to this planned initiative. These include:

- Quantifying the current volumes of westbound rail freight destined for the Goldfields Esperance region that pass through Kalgoorlie-Boulder

- Quantifying the current volumes of westbound rail freight destined for the Pilbara and North West regions that pass through Kalgoorlie-Boulder
- Quantifying the volumes of westbound road freight destined for the Goldfields Esperance region that may access rail transport

ARG currently operate an offloading facility at West Kalgoorlie, however development of this site is not feasible due to restrictions on the use of surrounding land. This operation currently offloads about 40 000 tonnes of freight per year, consisting mainly of mining inputs and manufactured goods. The remainder of the freight traveling from Adelaide to Perth each year travels straight through to Perth, returning by road to the Goldfields Esperance region.

Currently the City Of Kalgoorlie-Boulder is making application to the Auslink Strategic Regional Program for \$3 million to establish the Transport Hub at Parkeston.

Business planning funded jointly by the City, GEACC, the Kalgoorlie-Boulder CCI and the Goldfields Esperance Development Commission is about to be commenced for this initiative.

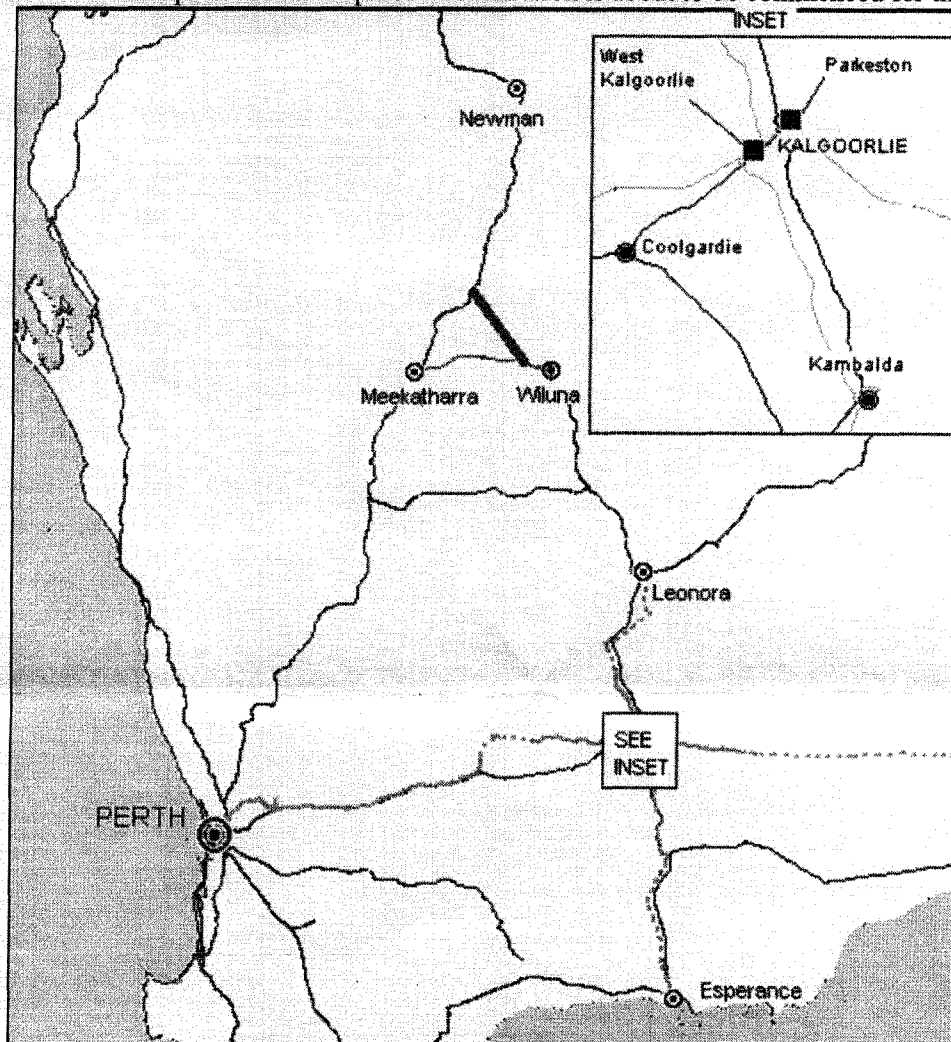


Figure 2 – Goldfields Road & Rail Networks

2. Sealing of Goldfields-North West road link near Doolgunna

Sealing of approximately 175 kilometers of road between Wiluna and the Great Northern Highway (See Figure 1) is seen as symbiotic to the proposed Transport Hub at Kalgoorlie-Boulder. This will enable a more direct and efficient road route to be created between Kalgoorlie-Boulder and the North West.

Currently road transport operators take a longer sealed route through Meekatharra rather than use the unsealed existing road that causes damage to vehicles and loads.

Once the capability of off loading westbound rail freight at Kalgoorlie-Boulder is established demand from the Pilbara and North West should ensure this sealing take place to enable more economic delivery to resource projects and communities there.

3. Upgrading of South Coast Highway Ravensthorpe-Esperance

The South Coast Highway is the major arterial road between Esperance and Ravensthorpe. It is also the major arterial road between Ravensthorpe and the Great Southern region. The South Coast Highway is a state road, and the only major link from Esperance to the West. The Shire of Ravensthorpe submitted that this road should be deemed a National Highway and become part of the Auslink Network.

When BHP Billiton's Ravensthorpe Nickel Project commences in approximately 18 months the highway between Ravensthorpe and Esperance will be expected to handle approximately 54 additional movements daily of B double configuration 88 tonne heavy vehicles. \$10 million dollars of an Australian Government infrastructure package was allocated to construct passing lanes on the highway, however recent changes to the specifications of constructing these lanes has lead to a shortfall in funding.

GEACC feels this project should be afforded a high priority because of the impending dangers to travellers along the route. The roads already suffers from poor alignment, poor surface condition and limited visibility in undulating areas.

4. Realignment and replacement of sections of Koolyanobbing-Esperance rail link

This rail link primarily transports iron ore from Koolyanobbing 580 kilometres to the Port of Esperance for export. The miners, Portman Ltd, have the ability to produce up to 15 million tonnes per year, however the ageing rail link has a number of limitations due to the age of its design which severely limit its capacity.

Any additional rail freight from the proposed Transport Hub at Kalgoorlie Boulder will impose additional strains on this link to Esperance.

5. Establishment of rail spur to Shark Lake Industrial Park to enable access to Port

A recent funding application to the WA State Government Regional Infrastructure Fund for \$4 million to construct a rail spur into the Shark Lake Industrial Park (SLIP) was unsuccessful.

This decision will affect the viability of the Park, and unless funding is attracted from other sources to complete the rail spur to the port all freight traffic will have to by road, creating further congestion in the Esperance town site.

GEACC is of the opinion that development of the SLIP is a forward thinking initiative by the Shire of Esperance and its partners that will benefit the region into the future by providing an area within the Esperance region to accommodate bulk storage facilities to cater for the growing demands of the industrial, mining and farming sectors utilising the Esperance port.

6. Re-routing of heavy transport road route in Esperance to alleviate noise & traffic issues
Total exports from the Esperance port were 7.8 million tonnes last year, and continue to grow. It is anticipated that total exports will exceed 11 million tonnes by 2008.

At present all commodities entering the port from the region travel along a narrow corridor that has been in existence for about 40 years, and was initially designed to handle significantly lower volumes of traffic than those traveling through it today.

7. Inclusion of the Esperance-Kalgoorlie transport corridor into Auslink

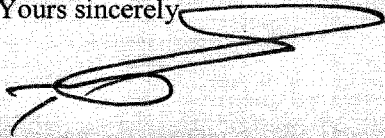
This initiative would allow included communities to access additional Commonwealth Government funding through Auslink.

In reality competition for Auslink funded projects along the existing network is already intense, and inclusion does not guarantee funding.

GEACC has concerns that the WA State Government would seek to pass some of its responsibility for maintenance of State roads to the Commonwealth. Local Governments in this region have had some exposure to this when, in the recent past, the State Government reduced local roads funding to Local Government Authorities that were successful in obtaining Roads to Recovery funding.

Thank you for consideration of this submission.

Yours sincerely



Ron Yuryevich AM RFD
Chairman

April 18, 2006