

Submission to the Standing Committee on
Transport & Regional Services



Inquiry into integration of regional rail and
road networks and their interface with ports

UPDATED INFORMATION FOR THE
SUBMISSION,
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INTRODUCTION

The transport system is an essential & integral part of the logistics for the region's developed and developing primary industries.

The Mid West region's economy relies on:

- Mining
- Agriculture (grain, wool and livestock)
- Tourism
- Fishing
- Crude Oil
- Iron Ore (second largest deposit in Australia)

OVERVIEW

ROADS

- Many of the arterial roads built in the Mid West were only constructed to support single axle 8 tonne trucks. Currently they are required to support trucks between 48-100 tonne triple road trains and are experiencing rapid deterioration.
- While State funds were expended on the first stage of the Southern Transport Corridor and the Mt Magnet to Leinster link, there has been limited upgrading of key arterial roads in the Mid West region.
- Western Australia contributes over \$40 billion exports to the national economy (Goods and Services Exports 2003-2004), more than any other state, yet the State only receives 8% of federal road funding (Net Fiscal Subsidy 2003-2004).
- The developing oil and gas industry in the Mid West is road transporting crude oil to the BP Refinery in Kwinana along the Brand Highway (estimated 1 million tonne per year). This is both increasing road usage and leading to poorer efficiency due to longer time frames in trucking product 5 hours to Kwinana.
- The Brand Highway is one of the major routes taken by industries to connect to the Port of Geraldton. The Brand Highway also connects to the Northwest Highway linking the south of the State to the North. This is a single lane highway. The route is used to freight oil/iron ore/fuel and grain and is also the major route for tourists, buses and general traffic.

- The Brand Highway is a single lane highway, which in areas has limited sight distances and few passing lanes in its 400km length. In one instance there is 100km stretch between passing lanes. The combination of slow moving trucks, road trains, tankers and caravans with general traffic and limited passing opportunities is a major risk and potential disaster, and is a less efficient and less effective haulage route. It also slows delivery times to both the Ports of Kwinana and Geraldton, costing industry dollars.

RAIL

- Rail has generally been used to transport wheat and a small amount of mineral sands in the past, amounting to less than 2 million tonnes per annum. Only minimal expenditure has been undertaken on the rail network. Line closures, speed restrictions and reducing train sizes have been used to keep the rail lines operational for the current clients.
- Currently there is a need to rail approximately 4 million tonnes per annum on the existing lines. Some of these lines were constructed in the 1920s, and are in urgent need of updating.
- The current state of our railway has forced mining companies to transport product via road, leading to significant congestion with road transport.

PORT

- Approximately \$120 million has been spent on deepening the port to 13.5m which enables the usage of Panamax (60,000 tonne) vessels. This has made many of the mineral deposits in this region viable to export and has caused a major increase in demand for access to the supporting infrastructure.
- The Port of Geraldton is perfect for current Chinese requirements for shipping Panamax vessels. This requirement however will change to Cape size vessels within expected 5-7 years. The Port of Geraldton cannot cater for Cape size vessels.

RECOMMENDATIONS:

The Mid West has an immediate need for infrastructure investment to overcome the current transport crisis and to provide the seed capital to be generated for the next stage to plan and build for the future.

IMMEDIATE INVESTMENT TO OVERCOME THE CRISIS:

- 1. Upgrading the rail line from Geraldton - Mullewa - Perenjori** – rail line needs to be upgraded immediately and sufficient rolling stock purchased to enable iron ore to be transported by rail. Proposal would be to upgrade rail to 30 tonne axle loading and include passing loops, at an estimated cost of \$60 million, which would give an immediate increased capacity for iron ore transport to the Geraldton Port. (There is potential for co-funding by the private sector). In addition the current Port of Geraldton will require a rail loop to accommodate the new train length.
- 2. Upgrade existing roads** - including provision of passing lanes to accommodate increased road traffic and increase safety. This is not limited to Brand Highway but also arterial roads.
- 3. Advancing Southern Transport Corridor Phase 2** – Phase 1 of the \$88 million Southern Transport Corridor has been completed. Phase 2 of this project has been delayed until 07/08 as its been made a lower priority. The rapid increase in mining development throughout the Mid West has lead to this investment requirement urgently. With the increase of truck movements daily through residential and school areas, there is strong community concern to relocate these truck movements to the dedicated transport route earmarked as Phase 2.

PHASE 2 INVESTMENT (REQUIRED WITHIN 5 YEARS)

- 1. Establishment of a multi user open access deep water Port (Oakajee)**
 - the existing port, although recently enhanced, does have a finite limit on future expansion due to limited

land/berth reserves. This port cannot accommodate vessels above 60,000 tonne capacity.

- There are currently ship delays for mineral sands because of the congestion with iron ore exporting, with some companies experiencing ship delays up to five days at \$US15,000 per day demurrage. This may be partially alleviated in approximately eighteen months when new dedicated shiploader facilities are available potentially doubling the material handling capacity.
- The current port is in the centre of Geraldton, and with the current and projected increased exporting of iron ore community concerns over this increase are very relevant.
- A new deep water port would permit large volumes of tonnages (up to 250,000 tonne vessels) to be loaded to meet the future growth for the region. It is envisaged this growth will increase to over 60 million tonnes per year by 2015.
- For 30 years, Oakajee has been identified as the strategic industrial precinct to service the Mid West region.
- Over those 30 years extensive studies have been completed, some of these studies expire in 2007, in particular the Public & Environmental Review (PER).
- Currently this site is undeveloped, however is State Government owned.
- Many studies have been completed, included a Public Environmental Review, Environmental Assessment and Ship manouvering testing.
- Designs for the development of Oakajee have been presented by several of the larger mining companies, with potential co-funding.

2. **Establishment of Heavy Industrial Area** is to be established at the site of the Deepwater Port to support downstream processing. One of the current plans includes a desalination plant for water. Over all the site will need some 40 MW of power requiring new 132kv transmission lines.
3. **Develop a new standard gauge rail corridor Weld Range to Oakajee** (deep water port site) to the major Iron Ore deposits at Cue and Meekatharra to access the estimated 1 billion tonnes in the region and to develop the Murchison mineral province. This rail to be standard gauge.-1435mm on concrete sleepers.

4. **Develop a new standard gauge rail from Perenjori to deep water port** - with some alignment on the existing narrow gauge.
5. **North-South Geraldton Corridor, catering for dual carriage way highway and rail.** To be located North of Pell Bridge to Walkaway Road, connecting over Southern Transport Corridor (Phase 2), north around Geraldton to Great Northern Highway, and then connecting to entrance of proposed deep water port. This will also accommodate water/oil/gas pipeline as required.
6. **Widening and Sealing of Mullewa-Wubin Road** – the planned commencement of mining operations from Morawa and Perenjori will require the upgrade and sealing of this road to ensure efficient and safe vehicle transport operations.
7. **Other upgrades needed**, due to poor pavement condition and increased freight:
 - Mingenew – Morawa
 - Perenjori – Morawa
 - Geraldton to Mt Magnet
 - Ogilvie East
 - Completion of Tenindewa – Yuna upgrade (which is 9kms).
Tourism routes sealing of Horrocks to Port Gregory road.

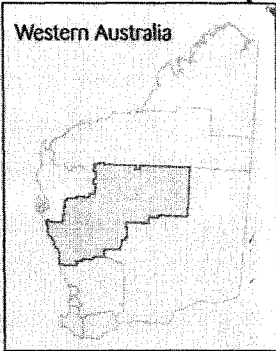
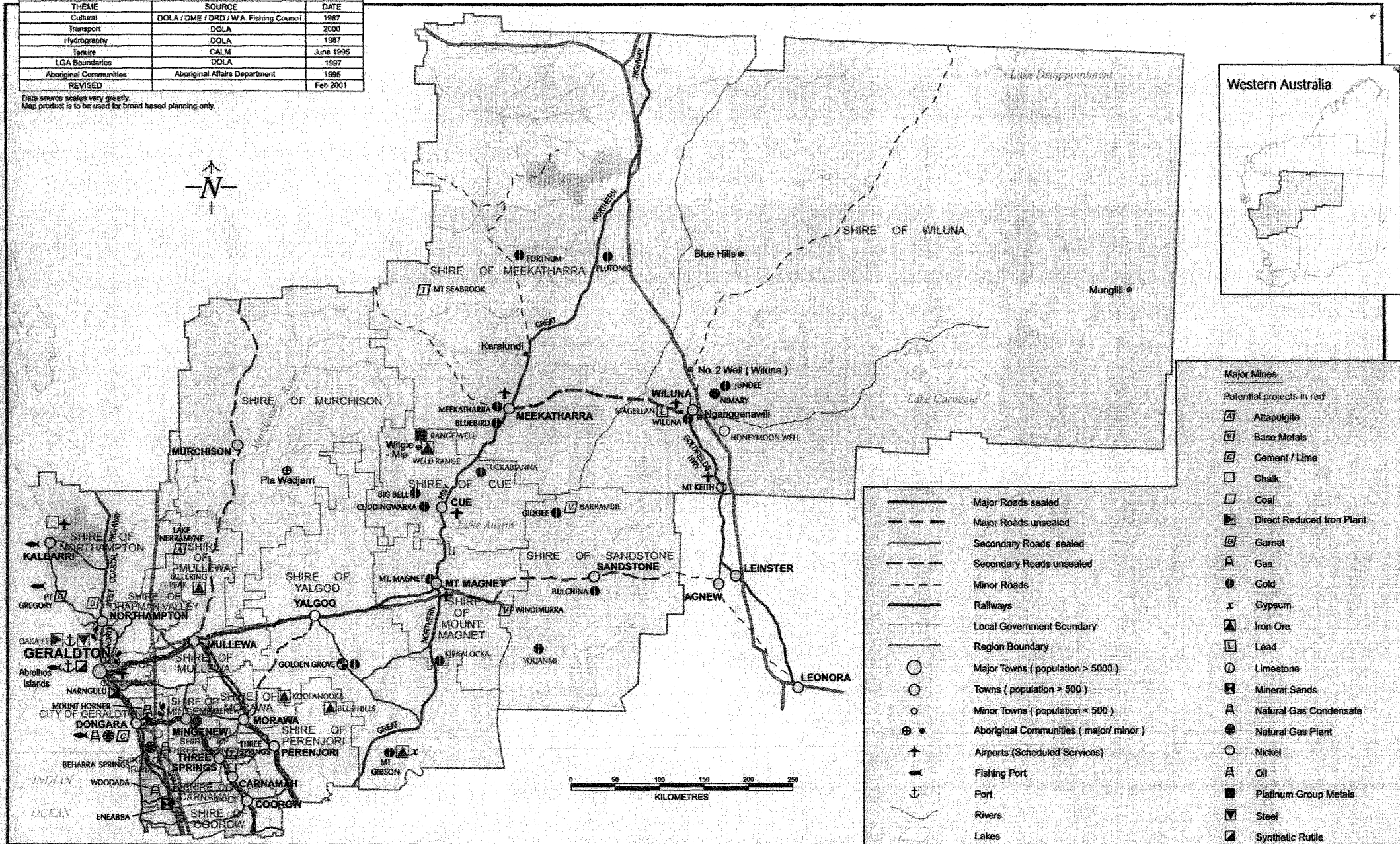
CONCLUSION

There is clearly an increasing demand on transport infrastructure in the region. Development of this critical infrastructure will lead to export opportunities for Australia.

There is a limited window of opportunity to capture the growing Chinese and other developing markets.

DATA DIRECTORY		
THEME	SOURCE	DATE
Cultural	DOLA / DME / DRD / W.A. Fishing Council	1987
Transport	DOLA	2000
Hydrography	DOLA	1987
Tenure	CALM	June 1995
LGA Boundaries	DOLA	1997
Aboriginal Communities	Aboriginal Affairs Department	1995
REVISED		Feb 2001

Data source scales vary greatly.
Map product is to be used for broad based planning only.



- Major Mines**
- Potential projects in red
- [A] Attapulgite
 - [B] Base Metals
 - [C] Cement / Lime
 - [D] Chalk
 - [E] Coal
 - [F] Direct Reduced Iron Plant
 - [G] Garnet
 - [H] Gas
 - [I] Gold
 - [J] Gypsum
 - [K] Iron Ore
 - [L] Lead
 - [M] Limestone
 - [N] Mineral Sands
 - [O] Natural Gas Condensate
 - [P] Natural Gas Plant
 - [Q] Nickel
 - [R] Oil
 - [S] Platinum Group Metals
 - [T] Steel
 - [U] Synthetic Rutile
 - [V] Talc
 - [W] Uranium
 - [X] Vanadium
 - [Y] Zinc / Copper

- [Solid line] Major Roads sealed
- [Dashed line] Major Roads unsealed
- [Dotted line] Secondary Roads sealed
- [Dash-dot line] Secondary Roads unsealed
- [Thin solid line] Minor Roads
- [Thick solid line] Railways
- [Dashed line] Local Government Boundary
- [Dotted line] Region Boundary
- [Large circle] Major Towns (population > 5000)
- [Medium circle] Towns (population > 500)
- [Small circle] Minor Towns (population < 500)
- [Circle with dot] Aboriginal Communities (major/minor)
- [Arrow pointing up] Airports (Scheduled Services)
- [Arrow pointing left] Fishing Port
- [Anchor symbol] Port
- [Wavy line] Rivers
- [Irregular shape] Lakes
- [Shaded area] Conservation Estate
- [Star symbol] Horticulture
- [Circle with dot] Mondara Natural Gas Storage
- [Line with cross-ticks] Gas Pipeline

MID WEST REGION KEY FEATURES

