



HOPES ARE GROWING FOR A NORTH-SOUTH INLAND TRAIN ROUTE TO EASE FREIGHT CONGESTION ON THE EASTERN SEABOARD

ALL ABOARD

It's an idea that's been talked about for 110 years, but despite bursts of enthusiasm, it's never had enough political or financial support to make it a reality...until now. For the first time in more than a century, federal and state governments appear to be backing the completion of a great inland railway. It's a visionary plan to link two major ports by 4,500 km of rail track through the rural heartland of Australia's eastern states.

The plan would see an express freight railway joining wheat fields, coal mines and the fertile Riverina, with loading and unloading at the port of Melbourne and a Queensland port, either Brisbane

or Gladstone. Major freight hubs in Parkes, NSW and Toowoomba in Queensland would be available for the short haul by road to Sydney and Brisbane.

Supporters of the vision argue a north-south inland railway would help ease congestion along the coastal route from Melbourne to Brisbane through Sydney—an issue attracting attention given the amount of freight is set to double by 2020.

Rail enthusiasts argue the best way forward is a combination of road and rail working together—rail for the long haul, road for the short. Even some trucking companies acknowledge there is a role for rail in long-haul freight transport.

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With Australia's infrastructure feeling the strain of the resources boom, and with coal operations approaching maximum capacity, the federal government is keenly examining the inland rail idea. A feasibility study by the Department of Transport and Regional Services is due for completion in June.

The proposal has also attracted the attention of the House of Representatives Transport and Regional Services Committee, as part of its on-going investigation into regional road and rail networks and their interface with ports.

“I'm a great supporter, personally, of the line from Melbourne to Brisbane, the inland route,” said Transport Committee Chair, Paul Neville (Member for Hinkler, Qld). “I think it could inject a lot of life into regional Australia.”

Championing the plan is Everal Compton, Chairman of the Australian Transport and Energy Corridor (ATEC). Instead of retiring 10 years ago, he decided to pursue the inland railway in the interests of ‘the bush’. He established ATEC and gathered together a group of business leaders interested in the economic development of inland Australia, including property developers, a grazier,

an accountant, a steel merchant, a freight distributor and a sharebroker.

Dedicated to stopping the flow of population to the capital cities, and sharing a “grand vision” of an inland railway all the way to Darwin, ATEC has funded 22 feasibility studies and business cases, all confirming an under-investment in rail.

“The facts of the matter are that this country has massively under-invested in rail compared with other countries in the world,” Everal Compton told the House of Representatives Transport Committee.

“We have enormous distances. To have freight being carried by trucks that crush up roads and need one driver per truck at a time when the world's fuel prices are blowing out is crazy. To have all that going up into the air and wrecking the greenhouse system is another piece of nonsense. There is absolutely no doubt that long-distance freight in Australia has to be carried by rail.”

Historically, rail has failed to be competitive with trucking, with pre-federation state governments choosing three different gauges, creating delays and frustrations at border crossings. The states have also operated different regulatory regimes, and the under-investment in rail has resulted in deteriorating infrastructure.

But Everal Compton sees a brighter future. With decent investment in infrastructure he enthusiastically describes how a double stacked train—two kilometres long, travelling at the same speed as trucks and only needing two staff—is cheaper and faster than road.

“We're working at the task of having freight trains able to run from Melbourne to Brisbane in 24 hours, which we believe is a 12 hour improvement on going through Sydney, depending on the time of day, and it will remove congestion in Sydney which should not be there,” he said.

After 10 years spruiking his vision, Everal Compton is positive about the level of cooperation he's now getting. He claims ‘in principle’ support of the federal government, the Victorian, NSW and Queensland governments and oppositions, and 60 local governments along the route.

The local council in Parkes, for example, is enthusiastic about the

jobs and prosperity which would flow to its community because of its strategic location as a transport hub.

According to ATEC, a study by the Australian Bureau of Transport Economics shows communities along the route would see an economic benefit of eight dollars for every dollar spent.

Initially, ATEC is focused on two projects: Melbourne to Toowoomba and Toowoomba to Gladstone.

“We have done enough homework to know that both of these projects could start by 2007 and be completed by 2009, which is the time frame it took to build the Adelaide to Darwin railway,” Everal Compton said.

“We believe that Melbourne to Gladstone could be implemented as a matter of urgency and provide tremendous regional growth in Australia as a result. We believe that this would make possible major inland freight hubs at both Parkes and Toowoomba.”

The total cost of upgrading existing track and building new track from Melbourne to Gladstone amounts to around \$1.6 billion, including \$800 million between Melbourne and Toowoomba, and \$800 million from Toowoomba to Gladstone.

While some argue the inland rail must connect with the port of Brisbane, ATEC is doubtful it would ever eventuate because of the heavily populated areas involved and the subsequent blow-out in cost, estimated as high as two billion dollars.

“It is my belief that getting from Toowoomba to Brisbane will prove to be an impossible task politically because neither side of the Queensland parliament wants to be the one that disturbs the massive population between Toowoomba and Brisbane in putting in a piece of infrastructure like this,” Everal Compton said.

“I believe that there is only one way around it—and I have sat on a platform with Premier Peter Beattie, who says that Gladstone, not Brisbane, has to become the major port of Queensland simply because of issues to do with accessibility and the fact Gladstone has got a better harbour to start off with.”

The first section to be built, most likely, is the track from Toowoomba to Gladstone, called the Dawson Valley Railway. This is the most viable section of track because it travels through a coal basin. It would open up export opportunities for 3.5 billion tonnes of thermal coal at a time when the world price is sky-rocketing.

ATEC is currently in detailed discussions with Queensland Rail about how to proceed, and not surprisingly coal companies are lining up to support the investment, which would give the Surat coal basin a rail link to the port of Gladstone.

"There are eight coal mines in the Surat Basin that will use the Dawson Valley Railway to export their coal through the port of Gladstone, with a capacity to open additional mines," Everalld Compton said. "Initially, they will export 18 million tonnes of coal per annum and this figure is expected to rise to 40 million tonnes."

Working in partnership with ATEC on the inland route is another company called the Australian Rail Track Corporation (ARTC), which has already revolutionised the way

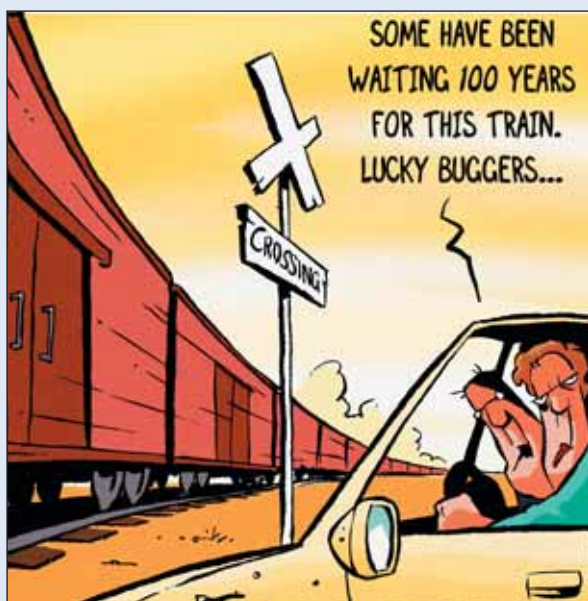
freight is transported east-west, between Sydney and Perth.

ARTC was created in 1997, when the federal and state governments agreed to form a 'one stop' shop for all train operators seeking access to the national interstate rail network. It owns rail corridors in South Australia, Victoria and Western Australia, and leases the interstate mainlines in NSW, over which it sells access to train operators.

It has been described by Transport Committee Chair Paul Neville as the single greatest thing to happen in rail

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GETTING THE INFRASTRUCTURE RIGHT



The House of Representatives Transport Committee's investigation into the integration of regional rail and road networks and their interface with ports has received more than 160 submissions and conducted 23 public hearings around Australia, in Canberra, Sydney, Melbourne, Perth, Darwin, Toowoomba, Gladstone, Mackay, Esperance, Albany, Bunbury, Geraldton, Wollongong, Newcastle and Portland.

The public inquiry had two triggers: the perception that Australia wasn't prepared for the resources boom; and the anticipated doubling of land freight in the next 10 years, and trebling in the next 20.

It follows an independent examination of Australia's export infrastructure by a Prime Ministerial Taskforce, which reported in June 2005 that without action to remove impediments to efficient

investment in infrastructure, Australia's export potential over the next five to 10 years risks being compromised.

"It is critical we get our infrastructure right because the anticipated tonnages of minerals over the next decade are quite frightening in terms of what has to be achieved," Transport Committee Chair, Paul Neville said.

Australia's coal ports, for example, are undergoing rapid expansion. Tonnages handled at the port of Gladstone in Queensland, currently around 40 million tonnes, are set to double to 85 million tonnes. The port of Newcastle in NSW has plans to expand its capacity from 89 million tonnes to more than 100 million tonnes by the end of 2007.

According to evidence heard by the Transport Committee, almost every port has a landside access problem of some description, and about three-quarters of the ports need dredging or channelling work to handle the super-sized ships servicing them.

Evidence revealed almost every port needs between 70 and 100 million dollars spent on improving access, which could be considered under the federal government's massive AusLink program.

"The Transport Committee is mindful of the significant improvements being made by AusLink which is providing a more co-ordinated and balanced approach to Australia's infrastructure," Mr Neville said. "But being careful not to anticipate the decisions of my committee, we have found some unusual things with this inquiry, things we didn't expect to find, and I expect our report will be remarkable."

For more information on the Transport Committee's investigation, visit www.aph.gov.au/house/committee/trs or email trs.reps@aph.gov.au or phone (02) 6277 2352.



Everal Compton, Chairman of the Australian Transport and Energy Corridor. Photo: AUSPIC

for some time, because of its national vision.

In less than 10 years, it has increased rail's percentage share of freight carried east-west from just 25 per cent to 80 per cent.

So successful is Australia's east-west freight rail operations since ARTC came along, Deutsche Bank recently dubbed it the largest, most

competitive rail market share in the world.

So could a similar turn-around happen on the north-south route?

ARTC has a north-south strategy which aims to increase rail's freight share on the coastal corridor from around 15 per cent to 30 per cent. According to Everal Compton, the completion of an inland route could

take rail's freight share as high as 60 per cent.

"There cannot be any possible justification of improving railways that go through Sydney so that the freight task of Australia further clogs up a network in Sydney that simply does not work," he told the Transport Committee inquiry.

The time has come, he said, for politicians with vision and spine to complete the infrastructure Australia desperately needs to be competitive in world markets, and enhance our prosperity as a nation.

"In the past 12 months there has been an enormous surge of interest in the lack of infrastructure in Australia, so I believe now that major national projects making use of the ports of Australia would have the warm endorsement of the Australian people. All it requires is the political will..." ■

Danes seek broader research links

Danish scientists have told a delegation of Australian parliamentarians that more formalised links between Australian and Danish research institutions would be of benefit to both countries.

The scientists, working at the Danish Institute of Agricultural Sciences' Foulum Research Centre, told the delegation while there are many personal contacts between Danish and Australian scientists and some specific project collaboration, broader contacts through formal research agreements would be welcome.

In the recently released report on its visit to Denmark and Sweden, the delegation, led by Speaker David Hawker, called for broader research links to be explored, given the strong interest that Australia and Denmark share in agricultural production and research.

At the Foulum Research Centre, the delegation met with Australian scientist Dr Mark Henryon, who briefed the delegation on projects in which the research centre had been involved. These included projects to breed disease resistant pigs and better trout and

marron. Dr Henryon told the delegation such projects could provide Australia with some "good food for thought".

Other scientists told the delegation they would welcome Australian collaboration in the field of cloning.

Warnings about the future of the wind energy industry in Australia were also issued to the delegation during inspections of the Vestas Wind Systems headquarters in Denmark. Vestas has wind turbine manufacturing operations in Portland, Victoria and Wynyard, Tasmania.

Vestas representatives told the delegation a lack of certainty regarding future renewable energy targets in Australia, coupled with public opposition to wind turbines in some areas, have generated significant concerns about the future viability of their Australian operations.

"Given the impact this could have on jobs in Australia and the potential loss of an alternative energy producer, these concerns need to be taken seriously," the delegation said in its report.

The delegation also urged the federal government to examine the



Wind turbines at Horns Reef, Denmark. Photo: Vestas Wind Systems

feasibility of bringing the Nobel Prize Centennial Exhibition to Australia.

During an inspection of the Nobel Museum in Stockholm the delegation was informed by the museum director that the Nobel Prize exhibition was being taken on a world tour, but Australia was not one of the planned destinations for the exhibition. The delegation felt this matter should be looked into, given Australia's impressive involvement with the Nobel Prize over many decades, including the recent awarding of the Nobel Prize for Physiology or Medicine to Australians Barry Marshall and Robin Warren. ■