



Genesee & Wyoming Australia Pty Ltd

19th July, 2013

Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Canberra ACT 2600

Australia

Email: fadt.sen@aph.gov.au

Dear Sir/Madam,

RE: DEFENCE LEGISLATION AMENDMENT (WOOMERA PROHIBITED AREA) BILL 2013

This letter concerns the Exposure Draft for the Defence Legislation (Woomera Prohibited Area) Bill 2013.

Genesee & Wyoming Australia Pty Ltd (GWA) is the Concession Holder that manages and operates on the railway line between Tarcoola and Darwin until 2054. GWA hauls containerised freight mainly for domestic consumption in Darwin, fuel mainly to Darwin and Alice Springs, and minerals from mines in the Northern Territory and northern South Australia to Darwin and ports in South Australia for export. The iconic Ghan passenger service also uses the line up to two times per week. The value of product hauled on the Tarcoola to Darwin Railway Line is estimated to be in the order of \$100m per week at current commodity prices. The railway line is of considerable economic value to business and consumers in South Australia, the Northern Territory and elsewhere.

GWA purchased the right to manage the Tarcoola to Darwin railway line in December 2010 and has since purchased nineteen new locomotives at a cost of \$83m to improve the performance and capacity of services to Darwin and to haul product from new mines mainly in the Wirrida area of South Australia, which is in the Woomera Prohibited Area. GWA has also made commitments to invest money in track to improve performance and capacity. We note with disappointment that the proposed Rules governing the Woomera Prohibited Area, associated with the Legislation, have the capacity to hamper expansion of rail use with knock on effects on the economies of the Northern Territory and South Australia as well as making it more difficult for GWA to maximize its recent investments in this railway line.

GWA notes that it is not subject to the Legislation for the Woomera Prohibited Area, but is well aware that the Rules as they are currently written have the capacity to stop trains running on the railway line through the rights of the Minister for Defence to stop trains in the interests of safety or security. If defence related tests are taking place in the area GWA would have to consider whether it stops trains to protect the interests of its employees or to comply with its own rail safety codes. While we are aware the Minister for Defence already has the capacity to close the railway line the Rules enshrine the capacity of the Minister to close lines for a significant number of days in any year, which is most concerning.

The railway line runs through the Green Zone and Amber Zone 2, where the Minister for Defence has the capacity to close the area for up to 70 days per year, or 19% of available train running time. In February 2013 GWA was informed that there would be two, four hour closures of zones in the Woomera Prohibited Area in May this year. The time for the closures would have caused disruption to railway working and created situations where trains would have had to have been cancelled. To its credit Aerospace Operational Support was prepared to negotiate when they were made aware of the consequences of their closure times. Closure zones were better defined and a series of track windows were negotiated for a period of two hours which would not affect train running or train loading. Three closures occurred in May, 2013. GWA was only affected during one closure when a train was running ahead of time, which will always be a risk to GWA when closure periods are negotiated.

While negotiations to avoid stopping trains were difficult at times and time consuming the results in this case were good for both GWA and the Minister for Defence. While we hope that this spirit of cooperation will continue GWA strongly believes that as use of the railway line increases and windows where tests can be carried out reduce, there will be times where rail closures will be forced, especially if testing requirements increase.

A rail closure of two hours in certain circumstances could cause a train to be cancelled. A Zone closure which affects the loading of a minerals train would probably cause a train cancellation.

Train paths on the Tarcoola to Darwin line are at a premium. The ARTC East West Railway Line which the Tarcoola to Darwin Line connects to, providing Darwin traffic access to all major Australian Capital cities is also busy. Disruptions on the Tarcoola to Darwin Line will have an effect on traffic on the ARTC East West Line, making recovery of trains difficult.

Train cancellations will have a knock on effect. Cancellation of mineral trains could disrupt shipping timetables for minerals exporters and the abilities of supermarkets in Darwin to supply produce. A switch to road transport will create congestion on road routes and increase costs of product in Darwin.

There are significant immediate and identifiable costs to disrupting traffic on the Darwin to Adelaide North South Rail Link. There are also long term effects on the economies of South Australia and the Northern Territory. GWA notes that opening up of the Woomera

Prohibited Zone for additional mineral development could be beneficial in terms of additional rail traffic on the railway line. We believe however that the disruptions created by the zone closures could reduce the opportunity for windows to run additional trains or increase the cost of such movements and make extraction of minerals uncompetitive.

For the reasons stated GWA has no choice but to oppose the Legislation. GWA strongly suggest that if the Legislation passes that the Rules be amended to protect movements on the Tarcoola to Darwin Railway line.

While we note that there is standing permission to travel on the Darwin to Adelaide North-South Rail Link, there is no definition in the Rules of what constitutes the railway line. Are crossing loops and loading loops part of the "Railway Link" or are they subject to the Rules? Does the access road running adjacent to the railway line which is vital to its operation have the same standing permission to use or is it subject to the Rules?

If the Legislation is passed, a definition of the Darwin to Adelaide North-South Rail Link is also required to make the Rules workable.

Yours sincerely

Greg Pauline
Managing Director