

Mr. Neville MP (Chair)
House of Representatives Standing Committee
On Transport and Regional Services.
Parliament House
Canberra ACT 2600

Kevin Humphries
Chair New England
North West ACC
'Alloway' 15 Gwydir St
Moree. NSW. 2400

1.5.2005

re: Inquiry Submission

Dear Mr. Neville,

Thankyou for the opportunity to make comment on the area of transport, regional services and issues surrounding co-ordination and connectivity. My comments are made from two perspectives:

1. As Federal DOTARS Area Consultative Committee Chairman for the New England and North West of NSW. The Board's prime strategic aim is to promote regional development which we know will be enhanced through more effective infrastructure such as rail and greater access to distribution centers such as seaports for direct export . The ACC is also involved in planning exercises with the three tiers of Government on the rail issue and has a current Regional Partnership application targeting the quantity of freight out of our area (focus is on Moree and District) with a view to mapping a regional strategic intermodal strategy interfacing road and rail access. Up country air freight opportunity will also be explored in light of a regional hub development.
2. I also work with one of the larger cotton companies who operate an existing Intermodal site in Moree, Dalby and Emerald. It is paramount that in order to maintain rail services to the area that freight volumes be quantified. Moree at the end of the existing North West NSW line is both a disadvantage (currently) and an opportunity (future). We are disadvantaged in that rail costs in terms of container freight (export) are no better than road which is absurd given our distance to ports such as Sydney and Melbourne. Most freight is ex Moree to Sydney at approx. \$900 per container. The lack of rail competition, ineffective management and access in particular to northern ports by rail is a real hindrance to existing business survival, growth and attracting new value adding processors.

Given the amount of agricultural product both bulk and containerized that originates out of the Gwydir, Namoi and Border Regions it is essential that business has access to an east coast integrated transport system that allows for greater direct export access opportunity. Too much containerized freight is trucked out of our region to Goondiwindi, Narrabri and Brisbane. Smaller scaled packers and shippers in places such as Narrabri are not viable with 4 of the 5 existing businesses for sale or changing hands.

It is for this reason that intermodal planning needs to be a high priority on the local, state and federal agenda. If this could be achieved without the usual duplication and 'silo' approach it would be a good step forward; for example:

- Moree Council was involved in an Intermodal study a few years ago without reference to the involvement of the regions industry base and without any real expertise in the logistic area.
- Currently DIPNR (NSW) is looking at an Intermodal strategy across the State.
- Federal Government also reviewing Intermodal strategy and sites.

Combined with rail corridor discussions occurring on an ad hoc basis there is a real danger that issues such as the Inland Rail development will become fractured and not be realized. A firm strategy needs to be employed by the Commonwealth in taking a lead in defining the role of the tiers of government in all transport strategies and directly engaging industry at both a sector and inter regional level.

Through the ACC and Industry networks I have been involved in a number of discussions that center on the Inland Rail and port access. It is clear that the industry (rail) is narrowing down to few players on the eastern seaboard; Pacific National and Queensland Rail Network. The future of the Inland Rail I believe will be driven from the north. If the ARTC are able to work in with the Queensland Rail Access Corp. and negotiate and resolve rail construction and maintenance issues it would be a great step. For instance:

Key Point. The Wandooan (Central Queensland) to Banana Rail line (200km) if constructed would provide a great boost to the Inland Rail. Xstrata Coal will underwrite this line. Mitsui Coal is also keen to be involved in using the line. This connection, at a cost of \$400 million, would provide an Inland Route to Gladstone Port further underwritten by shippers such as the cotton and grain exporters out of central Queensland and the Darling Downs. The Inland Rail would be complete by then extending the missing link from Goondiwindi to North Star (20 km) in North West NSW; proposed cost of \$30 million. This project would provide an Inland Link from Melbourne to Gladstone and thus open up what we call both the 'Inland Coastline' and the 'Second Frontier'.

The important note here is that the coal industry have the money to underwrite the bulk of this construction and need to move quickly in order to meet the demand and synchronize mining operations across regions such as the Hunter Valley and the Surat – Bowen Basins.

The suggestion is that this development be constructed in 3 foot 6 inch line (Queensland gauge) and be extended into NSW to Moree at which point there would be a major inland rail interchange hub developed.

Discussions with industry believe this to be both feasible, practical, best use of existing infrastructure and cost effective. Whilst the coastal route continues to consolidate the second inland frontier is constructed by completing key missing links. This would take

two years to complete with the line operational by 2008. It is imperative a co-operative approach be negotiated to achieve this goal in the short term so that levels of industry are able to sustain, grow and diversify through greater planning certainty.

The suggestion is for the Federal Government to take a lead in securing (including management, construction, maintenance) through the ARTC and possible joint venture management with the QRN Corp. the NSW North West rail line from Werris Creek to Moree and extend the operation of the line through to Goondiwindi, Toowoomba, Dalby, Miles, Wandooan, Bananna, and Gladstone. This will require high level discussion and co-operation with both NSW and Queensland. Local Government can help provide in the area of planning particularly at the road rail interface level and consolidating area intermodal activity.

There is no doubt that the Inland Rail initiative would be incredibly beneficial in terms of building a platform for the next generation of development in Australia. Lack of cohesion in the transport/freight sector to date is currently having a negative impact on our ability to function effectively in a global economy. It is clear that with the appropriate transport infrastructure in place industry will decentralize to capitalize on logistic savings. A good example is the proposed Ethanol Plant for Gunnedah on the North West line. Ethanol by road to Melbourne at a cost of 11 cents per litre as compared to 2.5 cents by rail.

Two eastern seaboard rail freight corridors north south with drop offs into major ports can be sustained. Industry can choose potentially between two modes one along the current coast route for just in time logistic management (higher use cost) or secondly an inland route that may take longer (reduced use cost) operating on existing interstate infrastructure lines.

The Area Consultative Committee Chairs have been very involved in this discussion from my region of North West NSW, through southern central Queensland (Scott Buckholz) and central Queensland (Kym Mobbs). Industry discussions from coal miners, agri producers and rail operators are supportive of this submission.

Both I and a number of stakeholders would enjoy the opportunity to both host the Inquiry in Moree and make a presentation.

Yours sincerely,

Kevin Humphries
(Moree)