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SUBMISSION NO. 37

Tas Luttrell, Principal Research Officer. Standing Committee on Transport and Regional Services, House of Representatives, Parliament House, CANBERRA, ACT 2006



6th May, 2005.

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Dear Mr. Luttrell,

Re: Inquiry into the integration of regional rail and road freight transport and their interface with ports

The Directors of the Bundaberg Port Authority resolved in their Board meeting of 15th April, 2005 to make a submission to the Terms of Reference to the abovementioned inquiry, the submission consists of information pertaining to future and current cargoes and relevant bulk cargo movements at the proposed Coonarr Coal Port (brochure enclosed) and the Port of Bundaberg and as follows:-

Coonarr Coal Port

The Coonarr Coal Port was proposed to be situated north of Kinkuna National Park and south of the Elliott River. The Coonarr Coal Export Facility was designed to cater for 20 MTPA of export coal from the Surat Basin (west of Brisbane). The facility required infrastructure of approximately \$1.5 billion consisting of a new dedicated fast track rail to deliver the Surat Basin Coal from the Mine (near Chinchilla) to the Port. Trains travelling at 100 kph would carry up to 15,000 tonnes of coal on an uncongested line to Coonarr.

Access to the Port would be via an integrated Rail and Port interchange. A 6 kilometre rail spur would deliver coal through rural areas, 20 kilometres south of Bundaberg with speed and ease. Being dedicated to coal, no congestion or bottlenecks would exist with other cargoes. Trains would be unloaded at a constant 4,000 TPH from a bottom dump station adjacent to the stockpile site. The Port would be initially designed for 20 MTPA capacity with easy expansion to 40 MTPA. Sufficient space was available for additional Rail loops to increase unloading rates to 8,000 TPH.

The stockpile site consists of coal beds 2 kilometres in length serviced by 3 stacker/reclaimers providing for simultaneous in-loading and out-loading without delays. Latest technology with dust suppression systems would be utilised to prevent coal losses from wind.

Out-loading to ships would be at a constant 8,000 TPH via a 5 kilometre jetty conveyor to deep water. Berth access would be available on any tide enabling 24 hour turnaround for shipping. The Coonarr coastline is protected and provides for safe vessel movement. The Port of Coonarr would be a dedicated coal export facility, providing priority berthage and pilotage, thereby minimising costs for port users.

The berth and departure channel are proposed to be dredged to cater for Cape Class vessels with access to open water available, well south of the Great Barrier Reef.

Bundaberg 2000+ Project (B2K Project)

To facilitate increased economic growth in the Wide Bay-Burnett Region, Multiplex and Tate & Lyle Bundaberg Ltd proposed to undertake an expansion of cane-based infrastructure in the Wide Bay-Burnett Region. The expansion was called the Bundaberg 2000+ Project (B2K Project). The main project components were:

- Production of paper pulp utilising bagasse from cane crushing
- Manufacture of synthetic rutile utilising ilmenite from Monto Minerals
- Co-generation of steam and electricity from biomass and gas
- Transformer sugar milling to new, efficient, low cost, low energy operation
- Production of animal feed from pith extracted from bagasse
- Irrigation water storage with supply directed to sugar cane production and improved technology for increased productivity from existing farms
- Gas pipeline with approximately 11 petajoule capacity
- Bridge and rail access across the Burnett River to Bundaberg Port
- Container handling facilities at Port Bundaberg for export
- Rail connection from Queensland Rail north coast line
- Cane railway upgrades and crossing of Queensland Rail north coast line.

Some of the benefits of the B2K Project were:

- Approximately \$1billion worth of investment during construction of all components
- Approximately \$120 million worth of paper pulp produced per year for export
- Approximately \$77 million worth of synthetic rutile produced per year for export
- Approximately \$20 million worth of additional sugar produced per year for export
- Approximately 500,000 tonnes of additional cane production via increased productivity
- Port development to introduce container handling for exports
- Gas supply pipeline (with potential to trigger further development
- Water supply infrastructure to deliver a nominal 100,000 MI to cane production
- Maintain rail extensions to port facilities (potential for local export industries)
- Employment opportunities for approximately 300 positions during construction, and 200 year-round positions for plant operations
- Multiplier effects are expected to magnify the direct economic benefit within the community by a factor of four times the value of production.

Improvement and integration of the road, rail and shipping network would significantly leverage development of this calibre in the Wide Bay-Burnett region.

Port of Bundaberg

The Port of Bundaberg currently exports 450,000 to 500,000 per annum of bulk raw sugar. This corresponds to between 7,500 to 12,500 B-double and semi-trailer movements per annum.

Future export cargoes and movement of bulk cargo are as follow:

- Industrial minerals from an area approximately 150 kilometres west of Bundaberg consisting of ilmenite, felspar, mica, appetite, scandium programmed for 110,000 tonnes per annum in 2007-2008, or approximately 1850 B-double trips to 500,000 tonnes per annum in 2013-2014, or 8,500 B-double trips per annum,
- Woodchip from plantation timber within a 150 kilometre radius of the Port of Bundaberg, forecast to be 50,000 tonnes per annum in 2009 to 1010 or 1,400 B-double trips per annum to 400,000 tonnes per annum in 2013-2014 or approximately 10,000 B-double trips per annum, and
- Stockfeed from cane tops sourced within the Wide Bay Burnett region forecast at 100,000 tonnes per annum in 2007-2008 or 2850 B-double trips to 250,000 tonnes per annum in 2010-2011 or 7,150 B-double trips per annum.

Future and current imports are as follow:

- Cement and building products are currently imported to the Port at 25,000 tonnes per annum 2005/2006 to 40,000 tonnes per annum 2010/2011. Cement and building products produce a varied traffic load and bulk movements would be in the vicinity of 1,000 B-double, semi trailer and dual wheel trucks in 2005/2006 to 2000 movements in 2010/2011,
- Molasses is both imported and exported, however as the product is stored at the port and then on-sold, the net effect is traffic both to and from the port consisting on average of 4750 B-double vehicle movements per annum,
- Fuel up until 2002 between 120,000 and 150,000 tonnes of fuel per annum was imported to the Port of Bundaberg, it is anticipated that this trade will re-commence in the near future. The aforementioned tonnages equate to approximately 2,200 B-double and semi-trailer movements per annum, and
- Other petroleum-based products a market may exist to import other petroleum-based products to the Port of Bundaberg to service the needs of the Wide Bay Region. Current projections are in the vicinity of 50,000 tonnes per annum by the end of 2010-2011. This would equate to approximately 10,000 heavy vehicle movements per annum.

Road access to the Port of Bundaberg consists of a single lane arterial which joins Bundaberg by a north and south route. A by-pass is proposed by Queensland Transport Department of Main Roads, known as the Southern Ring Road. The Southern Ring Road will allow traffic from the south to access the aforementioned single lane arterial road to the Port of Bundaberg. Moreover, it is forecast that by 2013-2014 up to 56,100 B-doubles and semi-trailers per annum will be involved in transport support logistics to the Port, on the single lane arterial road, unless alternative means of transport is provided.

A partial rail link to the Port exists via the Bunda Line, however this infrastructure has not been developed and is unsatisfactory. Queensland Transport is currently investigating alternative rail access routes to the Port of Bundaberg under a jointly funded project Rail Access Study.

The Port of Bundaberg has been designed to accommodate vessels up to 200 metres in length and 32 metres beam. This equates to a maximum cargo of approximately 50,000 tonnes.

The Authority submits the abovementioned information to the Standing Committee for its consideration.

Yours faithfully

ADAM JOHNSTON Chief Executive Officer

Secretary: J. Latter
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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES