

**Speech Notes**

**Minister for Transport and Main Roads**

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**For**

**Official Opening of**

**3<sup>rd</sup> Intermodal Asia  
Exhibition and Conference**

**Hyatt Regency Sanctuary Cove**

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**At 9.15 am**

## Acknowledgments

- In view of importance of maritime industry to Australia, pleased to be able to welcome you here and open this conference.
- Even given modern technology and modern manufacturing, more than 90% of all of the world's trade - about 6 billion tonnes a year - is carried by shipping.

The value of Australia's sea borne trade is about \$188 billion a year.

- The latest figures (2004-05) show:
  - Australia exports about 576 million tonnes
  - The country imports about 121 million tonnes
  - Queensland's total port throughput was 221 million tonnes which represented a growth of 7.14% over the previous year
  - Queensland's exports were 186 million tonnes - up 7.2 percent on the previous year; and
  - our imports were 35 million tonnes - up 6.9 percent on the previous year
- For the previous five years, trade growth through Queensland's ports has averaged 5.2%.
- In terms of tonnage, Australian maritime trade of about 560 million tonnes a year is less than 10% of world maritime tonnage.
- The primary characteristic of Australia's shipping task is imbalance in the size and nature of our export and import tasks.
- Australia's exports are characterised by large volumes of primary commodities such as iron ore, coal, bauxite, grains and raw sugar.
- Our imports, apart from the oil/chemical trade, motor vehicles and some niche bulk cargoes, are characterised by much smaller volumes of manufactured goods, most of which are transported in containers.

- Australia is a significant user of shipping services – bulk shipping for exports and liner shipping for imports.
- The volume of Australian international sea freight exports has increased every year from 1995/96 to 2004/05.
- The strong growth in bulk commodity exports will continue, driven largely by strong Asian economies.
- Queensland is both a major bulk cargo exporter as well as fast becoming preferred import hub, particularly for manufactured goods.
- In 2004/05 the Port of Brisbane recorded a rise of 13.5 percent in total container throughput traffic to reach a record of 726,145 TEUs.
- Further growth is continuing. In fact, the Port of Brisbane is Australia's fastest growing container port.

## **Regulation**

- Commonwealth is responsible for regulation of vessels on international and inter-state voyages.
- The states are responsible for vessels on intra-state voyages as well as for the regulation of land-based transport including port facilities.
- Economic regulation of ports remains a State Government responsibility - believe the best approach is for the state to encourage a light-handed monitoring role while commercial interests work out contractual arrangements on access and pricing.

## **Challenges for Australia's ports**

- A feature of the international liner shipping market is the increasing size of container ships.
- Some international vessels now carry more than 10,000 TEUs, with a growing percentage of ships capable of carrying more than 6,000 TEUs.

- The economic viability of these larger ships depends on them making a smaller number of port calls and maximising container exchange.
- Queensland must encourage these larger vessels so industries and shippers can take advantage of economies of scale.
- Infrastructure must cater for new generation of larger container ships.
- Port of Brisbane Corporation is extending its quayline at several locations at its Fisherman Islands complex by more than 600m overall.
- Works expected to be completed by mid-2008 - port will then be able to berth up to four 4,000 TEU vessels while still handling all other smaller vessels.
- To keep pace with the needs of the larger vessels, the Port of Brisbane recently deepened its channels so the entire 70km long sea channel boasts declared depth of 15m.

### **Freight links**

- Sailing times are coming down but there's little to be gained from having bigger, faster ships if the terminal, road and rail networks are not equally efficient.
- Queensland is investing heavily in the rail and road network to ensure it can move freight quickly and efficiently.
- The \$1.88 billion Gateway Upgrade Project will build on the access to the port already provided by the recently completed Port Motorway.
- Planning is also underway for the final stage of the Port Motorway. This will link in with the upgraded Gateway to provide a multi-lane, high-speed motorway to the port.

- Also worth noting Australian Rail Track Corporation started major infrastructure upgrade of Melbourne-Sydney-Brisbane rail corridor at cost of about \$135 million for Sydney to Brisbane component.
- Will allow the introduction of 1,500m trains to replace the 1,200m trains now in use and a 25% improvement in productivity.
- These improvements will increase the competitiveness of rail transport on the Melbourne-Brisbane corridor.
- This fact combined with increased rail capacity undertaken by the Queensland Government, has contributed to improved linkages of the Port of Brisbane to the Queensland and interstate rail networks.
- Recent studies of alternative rail corridors between Melbourne and Brisbane indicate inland rail link will be required by 2019 to cope with the expected increase in demand for freight movement.
- Within Queensland, this could be linked to Gladstone via the proposed Dawson Valley Railway which would allow some diversion of bulk cargo from Brisbane to Gladstone.
- Potentially, some rail traffic diverted to Gladstone (for example, coal) could free up additional capacity through the Brisbane region rail network.
- These improved rail links will undoubtedly improve competitive advantage the Port of Brisbane has in terms of Sydney and Melbourne.
- Intermodal terminals play a critical strategic role supporting efficiency of the port. Within Brisbane, key intermodal terminals are Acacia Ridge and Brisbane Multimodal Terminal at the port.
- Acacia Ridge predominantly supports trans-urban, inter-regional and interstate freight movement but also services the port.
- The BMT at port plays major role in the rail/sea interface.

- These terminals are approaching capacity and a new terminal site is likely to be required in SEQ by about 2015. Potential sites are currently being evaluated. In the interim, options to enhance capacity of the existing terminals are being assessed.
- Need for more inter-port competition and better logistic interfaces were key themes of initial phase of Australian waterfront reform in 1990s. There have been substantial improvements in this area.

### **Infrastructure demands**

- Responding to the challenges of moving freight fast and efficiently is a priority for the Queensland Government.
- Last year, there was considerable discussion regarding the growing shipping queue off the coal port of Hay Point in central Queensland.
- This focussed attention, both in the media and government, on what makes our supply chains work and what happens when they do not.
- We have therefore paid particular attention to improving supply chains – from the factory or mine to the Fairway Buoys where the vessels leave our jurisdiction.
- Solutions include improved infrastructure, technology and systems and ensuring we have sufficient skilled staff to provide the services demanded by our increasingly sophisticated economy.
- The Toll/Patrick Autostrad Terminal at the Port of Brisbane is a good example of leading edge technology being used to improve the efficiency of logistics chain.
- In addition, the port is now seeing the use of Super B Doubles (capable of carrying four 20-foot containers) for intraport container transfers.
- In addition, quad-axle trailers are being introduced to ensure we are maximising capacity utilisation of our export containers through loading up to full capacity.

- The port, in association with Maritime Safety Queensland, operates Dynamic Underkeel Clearance Systems to ensure vessels can use the maximum channel depth available.

## **Coastal Shipping**

- Coastal shipping is an important component of Australia's national freight system, carrying mostly bulk commodities (such as coal, bauxite, alumina, iron ore and crude and refined oil) over long distances.
- Productivity Commission in its Discussion Draft issued in October 2004 suggested it also has potential to capture larger share of long distance freight task if competitive neutrality is achieved across transport modes.
- Reforms introduced by governments to improve efficiency of coastal shipping include substantial reduction in Australian crew sizes and major investment in more modern vessels.
- However, the demise of Pan shows coastal shipping continues to be a difficult market to crack.
- One issue that continues to receive considerable attention has been that of cabotage, or the use of single and continuous voyage permits for foreign flag ships to transport coastal cargoes.
- At times there is a real need to use these permits when no licensed vessel is available.
- However, current policy of the Australian Government in relation to the permits is leading to the belief in some quarters that there is a policy of undermining the Australian shipping industry in favour of lower cost, overseas owned, open registry vessels.
- I am concerned the current policy in relation to the issue of these permits will lead to a reduction in our nation's ability to effectively undertake our coastal shipping task - this is not in our strategic economic or security interests.

## **Security**

- The Commonwealth Government, through the Department of Transport and Regional Services (DoTaRs), has the lead role in implementing the International Maritime Organisation (IMO) security arrangements introduced on 1 July 2004.
- The Port of Brisbane has an established reputation for best practice security systems.
- A recent innovation is high-technology CC TV which involves real-time facial recognition combined vehicle numberplate recognition and detection of abnormal events. This technology is being trialled with a view to eventual introduction across our logistics network.
- Security is now part of doing business and the Queensland Government is fully committed to taking all necessary steps to protect our systems, infrastructure and people.

## **Skills Shortage**

- Finally, ageing of Australia's population, State's economic growth and infrastructure programs mean both public and private sectors experiencing trouble recruiting the necessary staff.
- Shipping and ports sectors looking at options for alternative recruitment and training strategies for marine pilots based on specialised training and aptitude tests at an early stage in studies.
- More to our industry than the marine pilots – all sectors need to critically examine how they will ensure the availability of competent and motivated staff.

## **CONCLUSION**

- It's clear that the maritime industry is facing some big challenges and changes, in Australia.
- However, I believe that if governments and industry work closely together we can achieve results.

- The Queensland Government is interested in the views of all the parties involved here today and I look forward to hearing the outcomes of this seminar, which I now declare officially open.

Thank you.