**FREIGHT WARS SMOULDER (EXAMINER 12/1/14)**

**The Freight Logistics Coordination Team Report (FLCT) released in December 2013 amongst its recommendations proposes a single port strategy focusing on Burnie. Bob Gozzi of the Tasmanian Exporter Group has criticised singling out Burnie as underestimating container growth and the FLCT recommendation would see Tasmania reach freight capacity in just over a decade. The FLCT Report maintains that Burnie has the capacity for 750,000 containers a year meeting demand for the next 30 years.**

**The MMClink Report in 2012’Containerised Freight Specialisation at the Port of Bell Bay:A Cost Benefit Analysis’ found that existing ports, including Burnie, would reach capacity within the next decade. Without planned port investment now Tasmania would lose trade opportunities. The Report highlighted the need for selection of infrastructure upgrades should include factors such as land availability, neighbouring industry uses and existing site congestion constraints. The MMClink Report determined that Bell Bay as the the preferred location for future expansion of container freight capacity.**

**The Report noted that Bell Bay was home to key industries including TEMCO,Rio Tinto Alcan,Gunns (until 2013), Artec, ECKA Granules and the Tamar Valley power station. Bell Bay was the best location to manage growth with sufficient nearby industrial land, good rail and road links, a natural deep water harbour and no nearby development. Restraints consisted of congested rail loading facilities on the main berth area with restrictions on rail operations during ship unloading. Connection to the main rail network was poor with a steep grade out of the port limiting train capacity.**

**Bell Bay has suffered from the loss of both international and domestic container services .AAA International service was dropped in April 2011 on top of the switch in 2009 of domestic container services to Burnie by ANL and Toll . The loss the international service requires transhipment of all containerised goods through the Port of Melbourne and the loss of the domestic container services adds the additional cost of freighting goods in the case of exporters to Burnie or Devonport estimated by the Aurecon consultancy as $1000-$1300 more per TEU(Tonnage Equivalent Units)**

**Before the loss of these services Bell Bay was near its container capacity of 150,000 TEU’s. Since 2009 a Tasmanian government application from DIER has been before Infrastructure Australia for upgrading Bell Bay. This proposal is in two stages: (1) removing constraints including redevelopment of berths and foreshore reclamation –giving an increase in capacity of 2000,000 TEUs per year by 2020 (2)an inland expansion increasing capacity to 400,000 TEUs per year**

**The increase in trade volume has placed much stress on the Burnie container terminal In May 2012 Burnie port received $8 million in federal infrastructure funding to increase its container handling capacity. An estimate of expansion in these facilities gives Burnie port eventual handling of 350.000 TEUs per year but at a 3% annual growth DIER predict this full capacity will be reached by 2020.**

**Growth in Burnie port beyond the capacity planned is significantly limited by urban encroachment to expansion of the port inland. There would be additional pressure, according to the MMC Link Report, if increased production and export of bulk commodities from the North West mines (existing and planned) come on stream as forecast.**

**Although the FCLT Report rules out Bell Bay as a container port investing in Bell Bay for export containers ,on the analysis provided by the MMClink Report ,Bell Bay would provide the container freight capacity which would add to, but not duplicate Burnie.**

**John Livermore**

**Transport consultant**

**Member Tasmanian Logistics Committee; Editor Transport Laws of Australia.The opinions expressed do not necessarily reflect those of the Tassmanian Logistics Committee or Thomsonreuters.**