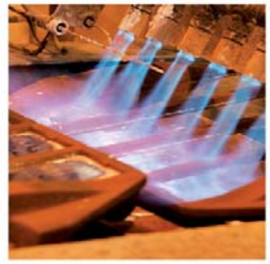
Overview of Tasmania's freight system

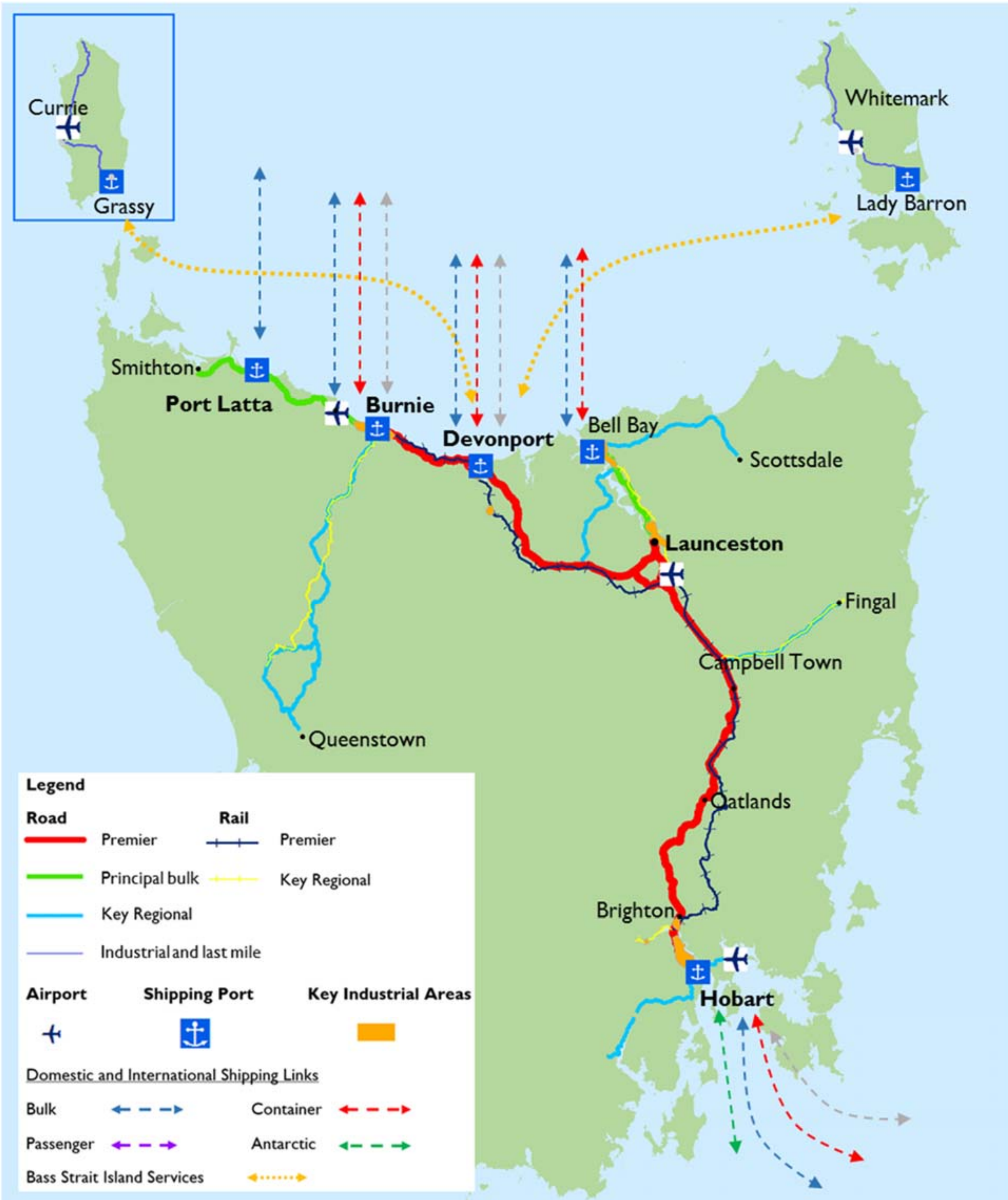





Tasmania's freight network

- Tasmania has an extensive freight network across ports, road, rail and air. Key assets include:
  - Four major sea ports at Burnie, Devonport, Hobart and Bell Bay.
  - Major air ports at Hobart and Launceston.
  - A 404km road corridor between Burnie Port and Hobart Airport, and to the Bell Bay Port via the East Tamar Highway, which forms part of the Australian Government's National Network.
  - 632km operational rail network, which includes a National Network segment between Burnie Port and Brighton.
  - Regional air and sea ports.
  - Local freight road connections.
- The majority of Tasmania's freight infrastructure is publicly owned. The Tasmanian Government also operates freight rail and shipping services.
- Shipping plays a greater role in Tasmania's freight system compared to other jurisdictions, with over 99% of freight by volume moved by sea.
- The majority of Tasmania's trade is to domestic markets. The Port of Melbourne is the major hub for container freight into and out of Tasmania.
- Road is the dominant land freight mode.
- Tasmania's general freight growth is forecast to be manageable at around 1.7%. Higher growth is expected in the agricultural sector (4%) and in the container market (3%).

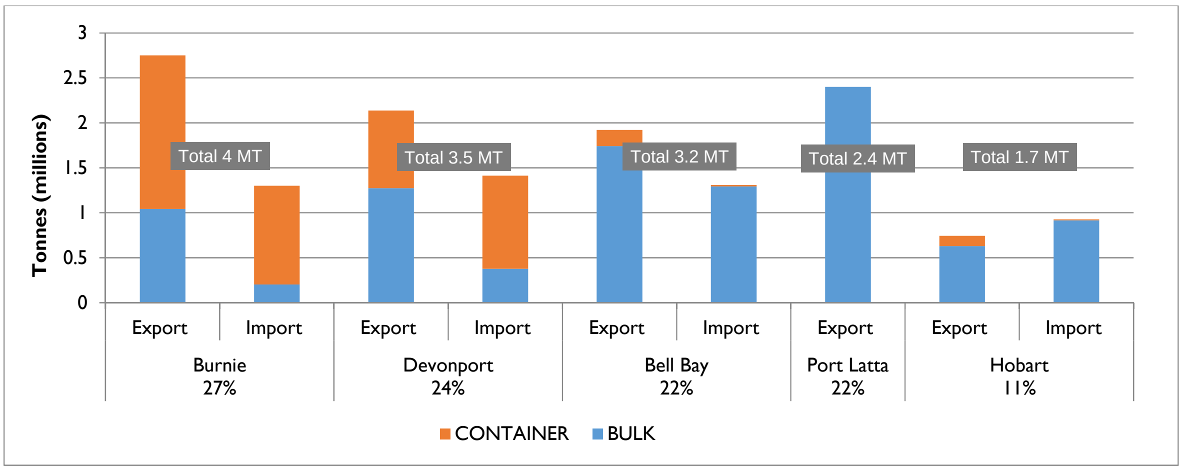
Figure 1. Tasmania's land freight network



Sea freight task

- In 2014-15, over 15 million tonnes of freight moved through Tasmania's ports:
    - 12.7 million tonnes moved through Tasmania's four publicly-owned ports at Burnie, Devonport, Bell Bay and Hobart.
    - 2.4 million tonnes moved through the privately-owned Port Latta (2014 calendar year).
- Bulk freight accounts for two thirds of Tasmania's total freight volumes; containers just over a third.
- 97% of all container movements are through Burnie and Devonport Ports.
- Major bulk ports include Bell Bay (exports and imports) and Port Latta (bulk exports), but all ports cater to significant bulk volumes.
- A small number of large freight users account for a high proportion of exports. For example, one third of full containerised exports are moved by five companies.

Figure 2. Bulk and container freight tonnages through Tasmanian ports, 2013-14

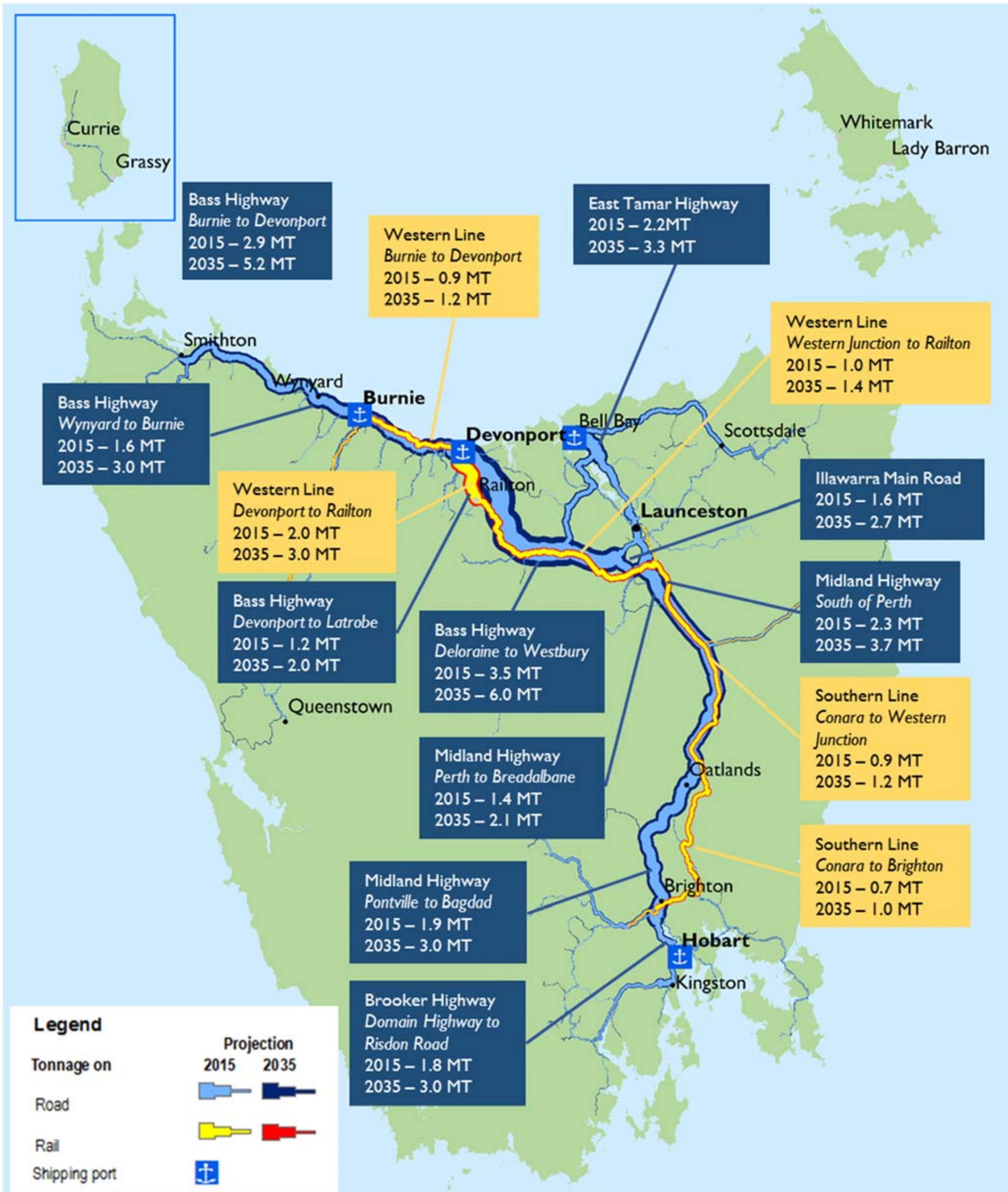


Note: Port Latta is reported as calendar year 2014. All other data for 2013/14 financial year.

Land freight task

- In 2011-12, 20 million tonnes of freight was carried on road and just over 2.3 million tonnes on rail.
- Key intrastate commodities by volume include construction inputs; agricultural products; forestry and consumer goods.
- The Burnie to Hobart freight corridor is the State's highest volume freight link. The corridor connects major ports, population centres and industrial areas in Burnie, Devonport, Launceston and Hobart:
    - Around 65% of Tasmania's land freight task travels at least part of its journey on this corridor
    - Long-term freight volumes are forecast to be highest on this corridor, and focused on the road network.
    - The Bass Highway between Launceston and Devonport is forecast to remain the highest volume freight segment on Tasmania's land transport network.
- Key regional freight routes include the Bass Highway (west of Burnie) and East Tamar Highway.
- Future freight growth is forecast to be highest on the road network (Figure 3).

Figure 3. Forecast freight volumes, Tasmanian land transport network



Regional and industrial estate freight movements

- All of Tasmania's regions are major generators of freight – 39% of freight is generated in the North West, 37% in the North East and 24% in the South.
- Construction materials account for a high proportion of the freight task in each region.
- Agriculture is a key commodity into, out of and within the north-west and northern regions.
- The flow of consumer goods is predominantly from the north-west (via Burnie and Devonport ports) into the north and south.
- The Bell Bay Industrial Estate is Tasmania's largest freight generating industrial area:
  - 1 million tonnes of freight originates within the Estate, with a further 1.8 million tonnes travelling to the area.
  - A further 1.5 million tonnes moves between the Estate and Bell Bay Port, and does not use the land transport network.
- Glenorchy is a focus for industrial activity in southern Tasmania, with just under 600,000 tonnes of freight moving into the area, and 900,000 tonnes moving out. Significant additional tonnages also move over Nyrstar's private wharf at Lutana.
- Major single, high-freight generating companies include Norske Skog (Boyer) and Cement Australia (Railton).

Key commodities[1]

Agriculture

- Agriculture accounts for 4.7 million tonnes or 21% of Tasmania's total freight task by volume.
- Agricultural freight is diverse and highly dispersed, with freight movements to and from farms, production and processing centres.
- 55% of Tasmania's agricultural freight originates in the North-west region, with a further 20% transported to the north-west from the north and south.

Construction materials

- Construction materials make up over a quarter of the State's freight task by tonnage at 6.3 million tonnes.
- Products include aggregates, premixed concrete bricks, tiles and concrete products and bitumen.
- Generally, construction materials are transported intra-regionally, over short distances, with the majority of freight carried on urban roads.

Forestry

- In 2011-12, Tasmania's forestry freight task was approximately 3.4 million tonnes, a significant decrease from 9.3 million tonnes in 2008-09 when it represented almost a third of the State's freight task.
- Forestry freight flows are generally intra-regional, with almost 75% of the task processed or exported from within the region it was logged.
- Key processing centres include Norske Skog, Newood and Bell Bay. The private company Forico has recently re-opened the Hampshire woodchip mill.

Consumer goods

- Around 2 million tonnes of consumer goods were moved in 2011-12. Under the Tasmanian Freight Survey, consumer goods include fuel, mixed consumer goods, groceries and alcoholic beverages.
- The majority of Tasmania's consumer goods are imported, with less than 50,000 tonnes exported.
- Fuel is shipped into Burnie, Devonport and Hobart ports, and distributed at a regional level.
- The southern region is a significant destination for consumer goods.

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[1] *This section is based on information from the Department of State Growth's 2011-12 Tasmanian Freight Survey*

Mining

- The mining task is highly cyclical, reflecting global commodity prices. The commencement or closure of a single mine can have a significant impact on the overall mining freight task.
- In 2011-12, Tasmania produced approximately 3 million tonnes of metal ores or concentrates, the majority from the West Coast, and around 0.8 million tonnes of basic metal products, mostly for export or interstate consumption.
- Major mines and processing locations include:
  - *Savage River (Grange Resources):* 2.5 million tonnes of iron ore (2014)
  - *Bell Bay Industrial Estate:* 3.2 million tonnes of bulk cargo in 2013-14. Major export commodities include aluminium (over 80,000 tonnes) and manganese (approximately 210,000 tonnes). Major imports include alumina (over 360,000 tonnes) and fine metals (over 630,000 tonnes).
  - *Fingal (Cornwall Coal):* around 300 000 tonnes of coal produced per year.
  - *West Coast:* Many of Tasmania's major operating mines are located on the west coast, including the Mt Lyell Mine, Queenstown (copper, gold, silver – under care and maintenance); MMG, Rosebery (silver, lead, zinc), Renison Mine (tin), Savage River (iron ore), Henty Mine (gold), Kara Mine (magnetite coal wash at Hampshire) and Nelson Bay River (iron ore).

Tasmanian Freight Survey

The Tasmanian Freight Survey is undertaken by the Department of State Growth to inform freight system planning. It is based on interviews with Tasmanian businesses, and provides a comprehensive picture of where and how freight is travelling throughout the State.

The Survey provides information on:

- commodity type;
- location of freight trips, including movements between and through major sea and air ports; between industrial areas and across network segments (road and rail); and
- freight tonnages, mode and vehicle type.

It is a key input to freight forecasting across modes and corridors.

The Survey is undertaken every three years, with the latest survey conducted in 2011-12. Data collection for the next survey has commenced. Survey findings and aggregated data are publicly available: http://www.stategrowth.tas.gov.au/infrastructure/freight/survey