Ms Julie Abramson

Dr Stephen King

Commissioners

Australia’s Maritime Logistics System

Productivity Commission

Locked Bag 2 Collins St East

MELBOURNE VIC 8003

28 October 2022

Dear Commissioner

**RE: Submission – Lifting Productivity at Australia’s container ports: between water, wharf and warehouse**

Gunnedah Shire in north-west NSW produces over $300 million[[1]](#footnote-1) in exports including grains, legumes, hides, processed cotton, citrus, beef and coal. Imports include farming and mining inputs and machinery and consumer goods.

We consider the World Bank performance study identifying Australia’s major container ports as ranking in the bottom third of global ports is alarming. All aspects of our local economy are impacted by the productivity, efficiency and reliability of the import and export supply chain. We agree with Draft Finding 3.9 that improving container port productivity would deliver significant benefits.

Gunnedah’s businesses export bulk product via road and rail to Newcastle Port (308km) and via containers to Sydney (444km). Multiple operators compete for both the road and rail freight task. As noted in the Draft Report, the Port of Newcastle has, unfairly in our view, been constrained in container volumes due to the privatisation of Port Botany and Port Kembla. Regional NSW businesses and communities are being disadvantaged economically by this arrangement. We agree with Draft finding 5.2 that Privatisation in New South Wales has impeded efficient outcomes.

We do welcome the long overdue investment in on-dock infrastructure at Port Botany to reduce train turnaround times, but note the forecast of 40 per cent of freight volumes by rail is targeting 2045.

As part of the Inland Rail Interface Improvement Program, a business case for the Gunnedah Intermodal Freight Terminal (GIFT) identifies significant economic outcomes for our region, generating an estimated 12,000 TEU by 2029. We have ‘Inland Rail’ specification fast, heavy rail already running through our Shire and will have access to Brisbane and Melbourne Ports in future via Narrabri (100km). The benefit of increased and efficient freight of containerisation product for our producers is the opportunity to value-add, e.g. via grading of the grains or legumes or further secondary production. Cost reductions, in freight charges and reduced demurrage would improve returns. An increase in containerised exports from our region would also contribute to reducing the inbound TEU imbalance.

Gunnedah Shire Council supports the annual benchmarking of Australian ports and recovery of key performance indicator data. We would expect this data would be supplied by the Ports to the Australian Government on request.

Our Shire produces world-class exports which contribute to our economic and social prosperity. Higher productivity vehicles, although a valued part of our supply chain, are adding to congestion on Sydney roads, with slow port turnarounds increasing costs to producers and exporters.

Improving container access to other ports via rail will allow competitive forces to support efficiencies and reliability. Increased productivity will have long term benefits for our region and strengthen our contribution to the national economy.

Thank you for your efforts to improve the issues we face. We look forward to the Final Report.

Yours faithfully

Andrew Johns

DIRECTOR PLANNING AND ENVIRONMENTAL SERVICES

1. National Institute of Economic and Industry Research 2021 [↑](#footnote-ref-1)