

Response given to the Illawarra Mercury on Port Kembla and transport modal split

Initial response given

In July 2010, the Department granted Port Kembla Port Corporation an extension of time to provide their Transport Modal Split Report. The report was received by the Department in February 2011. The Department has reviewed the report and provided a response to PKPC earlier this month.

The project approval does not require PKPC to achieve the target for 20 per cent of freight to be moved by rail by December 2010, but rather to aim to achieve the target by that date. The project approval includes a condition for the proponent to report back to the Department on its progress towards achieving this transport modal split.

The Department has been told by PKPC that it is willing to release the report to the Mercury. We agree with this position and have advised PKPC of this. We also attach our response to the PKPC report.

It should also be noted that the Department in March this year put in place strict conditions to ensure a high rail mode share for freight at the Port Kembla Outer Harbour expansion.

For example, the conditions require PKPC to demonstrate in future project applications that adequate rail infrastructure is in place, or will be provided in a timely manner, in order to support the operation of Stages 2 and 3 of the project (which include the construction and operation of container berths and multi-purpose terminals and berths).

PKPC is also required to prepare a Rail Master Plan to support future stages of the concept plan. The Rail Master Plan must address rail infrastructure upgrades to achieve the desired modal splits. Importantly, the plan must be approved by the Director General of the Department prior to the start of construction on Stages 1B and 1C of the project, as these stages propose land reclamation for use as container and multi-purpose terminals.

Follow-up response given

The Department's consideration of the Port Kembla Port Corporation's report acknowledges that PKPC does not directly control the movement of cargo to and from the Port and, similarly, that constraints on rail transportation to date have largely been beyond the control of PKPC.

The Department recognises that PKPC has undertaken initiatives to attract rail use through rail upgrade works and has suggested other initiatives such as establishing a supply chain coordination forum for Port Kembla, including rail infrastructure owners and operators and other transport logistics stakeholders, similar to those established for Newcastle Port and Port Botany.

One year was considered to be an inadequate timeframe in which meaningful results of the continued initiatives to promote increase rail use could be realised and reported. For this reason, the Department requested a further report be provided two years from now.

The Department reiterates that the strict conditions imposed in the approval for the Port Kembla Outer Harbour expansion require PKPC to prepare a comprehensive Rail Master Plan to demonstrate that adequate rail infrastructure has, or will be, provided to achieve the target rail mode share before it can embark on future stages of the development. The conditions imposed as part of the Outer Harbour expansion are available at <http://majorprojects.planning.nsw.gov.au>