

# Strengthening Queensland's Supply Chains in Preparation for the Asian Century

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# The Challenge Ahead

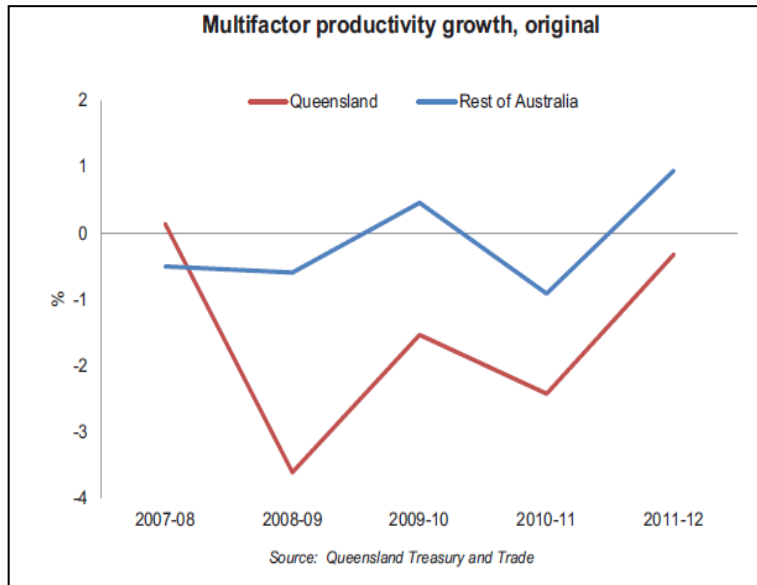
- By 2050, Asia will produce over half of global output
- Population will increase 6 times between 2009-2030
- Rapid urbanisation will increase demand for resources and food
- Global food imports will increase by \$470 b
- Increased freight task:
  - Double road
  - Triple shipping
  - Quadruple rail & air

# Domestic Challenges

- 50% increase in population
- Competition for government spending
- Productivity critical for economic growth
- Right infrastructure, used the right way, enable more efficient production which increases productivity.

# QLD Challenges

- High level of government debt
- Low levels of productivity



# QLD Freight Network

- 180,500km public roads
  - 150,000 locally controlled (100,000 unsealed)
- 9,550 km rail line (inc. narrow, standard and dual gauge)
- 15 import/export ports
- 3 international airports and various domestic
- 2 key intermodal freight terminals (various smaller terminals and rail sidings)

# The Freight System

- Geography exponentially increases challenges as well as value of efficiency and productivity gains within the system
- The freight system = freight network + transport services + regulation
- Whole of supply chain approach versus modal...integrate not insulate!

- Freight transport is a profit seeking activity
- Goal is most productive and efficient flow of goods to market
- Australia logistics up to 50% market price.  
Canada 1/2
- Need to innovate!

- Paradigm shift that:
  - Recognises the connectivity of the freight system
  - Understands key drivers and flows
  - Underpinned by innovation and network optimisation
  - Genuine industry engagement



# QLD Constraints

- Major constraints to supply chain security & efficiency:
  - First / last mile
  - Network capacity & reliability
  - Congestion
  - Regulation
  - Competing supply chains
  - Role uncertainty
- Fiscal constraints....Unlocking latent efficiency

# Data...or lack of

- Fiscal constraints increase importance of understanding freight drivers and flows
- Need to maximise and quantify value of investments to supply chains and economic development
- Commercial-in-confidence is the enemy of data

# South East Queensland

- Important supply chain facilities – POB, BMT, Acacia Ridge, Rocklea Markets, TradeCoast
- Coal, grain, livestock, meat, general freight
- Key issues are congestion and capacity for landside modes
- Supply chain competition
- POB/QTLC IMEX Study

# Surat Basin Corridor

- Super corridor:
  - CSG, coal, cotton, livestock, meat, grain
- Mining:
  - Obvious* – coal, pipelines, pre-op exploration equipment, production plant and machinery
  - Less obvious* – water, fuel, waste, accommodation buildings, sand, aggregate
- 44% increase in population = more general freight

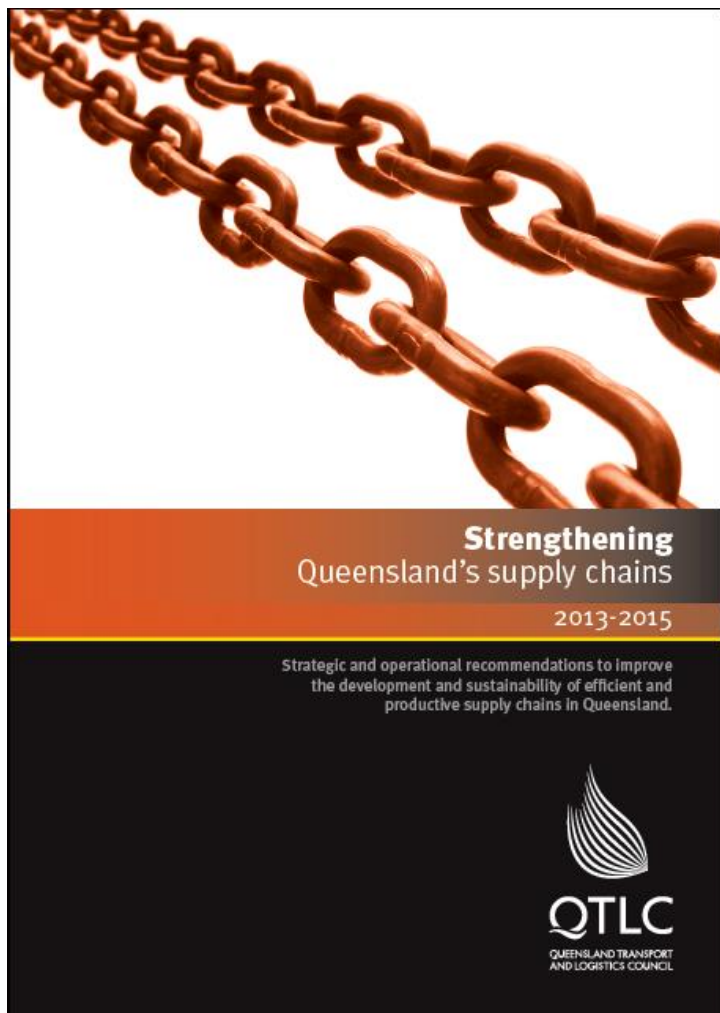
# Surat Basin Corridor

- Estimated 18-20,000 gas wells = 120,000 OSOM movements which is 7 times the current level
- 500,000 additional truck trips up Warrego in 2013/14
- Permits to increase significantly
- Major rail, congestion & contraflow impacts

# LNG Supply Chain Group

- TMR, QPS, Toowoomba RC, QTLC, POB, QRN, Heavy haulage operators, QTA
- Maintain supply chains' security
- Identify land areas for lay down, marshalling vehicles and overtaking options
- Minimise congestion and rail impacts

# Supply Chain Report



- Acknowledges fiscal constraints
- Does not advocate major infrastructure projects
- Low cost, innovative, system recommendations aimed at unlocking latent efficiency and capacity in freight system
- Prioritises QLD supply chains, focusing on landside operations

# Supply Chain Report

- Data collection, management and analysis
- Supply chain coordination
- Alternative funding models
- Rail Network Operational (Efficiency) Policy
- Aligning land use and & priority freight routes
- Streamlined RAV access & regulation processes
- Corridor specific approach - SEQ



# Meeting the Challenge

**Increased productivity / reduced infrastructure investment =**

**Doing better with what we have!**

# Network Optimisation

- Preventing efficiency leaks across supply chains
- Most vulnerable at mode interfaces
- Unlocking latent capacity through inter and intra modal innovation
- Utilise comparative advantage of each mode to achieve maximum supply chain efficiency

- Higher productivity vehicles: A-Doubles to the POB



- Improved operational practices: KwikDrop doors on grain wagons
- Increasing load limits through innovative vehicle and rolling stock design
- Aggregated loading points
- OSOM Corridors – innovative road infra and furniture
- Oh...and a 2<sup>nd</sup> rail corridor & TWBA bypass

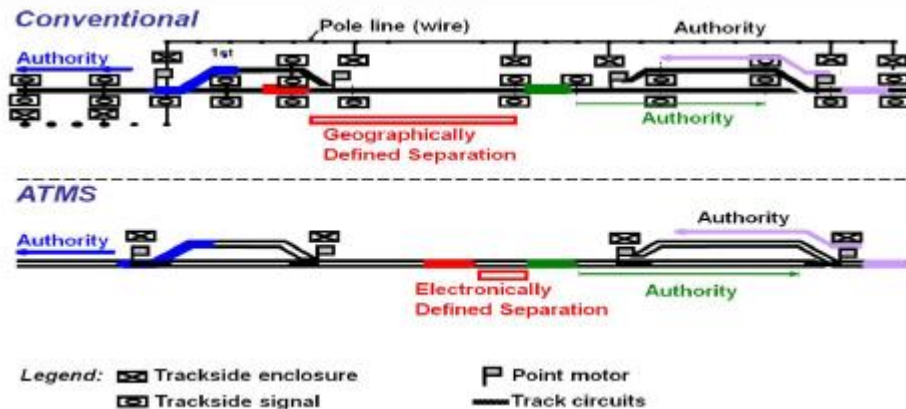
# OSOM

- OSOM Routes between Perth and Pilbara put power lines underground to improve efficiency (2012)
- Save operators \$15,000 per trip



# Innovative Supply Chains

- Automated train management systems
  - More trains, more safely....unlocking latent efficiency and productivity



- Rio Tinto Autohaul

- QTLC working with government and industry to progress innovative projects
- Strengthening Queensland's Supply Chains Report available on the QTLC website  
[www.qtlc.com.au](http://www.qtlc.com.au)
- More information – [ceo@qtlc.com.au](mailto:ceo@qtlc.com.au)

**THANK YOU**