

3 PARTNERSHIP BETWEEN GOVERNMENT AND INDUSTRY

3.1 Summary of engagement process

In formulating the NSW Freight and Ports Strategy, the Freight and Regional Development Division of Transport for NSW conducted extensive consultation with NSW and Australian Government departments, local government organisations, NSW transport operating agencies, specialist transport entities and industry representatives. These engagement activities were instrumental in defining the nature and scope of NSW’s freight task, as well as the key issues affecting the network’s ability to allow the efficient flow of goods to the market.

A summation of Transport for NSW’s consultation with government and freight industry organisations is depicted in Figure 15.

Industry

In the first half of 2012, Transport for NSW met with 15 industry supply chain groups and freight specialists to discuss commodity specific freight concerns that government could address. Significant issues raised included:

- Use restrictions on High Productivity Vehicles
- Low availability of Higher Mass Limits (HML) routes on freight routes
- Decreased supply chain efficiency arising from local government curfews on deliveries and collections
- Regulatory burdens and inconsistencies with oversize, overmass (OSOM) vehicles
- Road connectivity and access issues

Figure 15 Engagement with key industry and government partners on the preparation of this Strategy



- Need for greater industry consultation in key infrastructure investment and land planning decisions
- Limited access to rail freight infrastructure
- Reliability of rail infrastructure and services to meet the freight task
- Port access, efficiency and congestion.

Following the release of the draft NSW Freight and Ports Strategy in November 2012, Transport for NSW again engaged the supply chain groups to discuss how their feedback contributed to the development of the draft Strategy and identified further issues to be considered in the final NSW Freight and Ports Strategy. Vital mechanisms for industry consultation also included the Road Freight Industry Council (chaired by Roads and Maritime Services) and the recently established Rail Freight Industry Group which provides a forum for industry representatives to work with the NSW Government to identify and address operational freight issues on the transport network.

NSW Freight Advisory Council

At a strategic level, the industry led Freight Advisory Council has been instrumental in partnering with Transport for NSW to inform the final NSW Freight and Ports Strategy.



The Hon Duncan Gay, MLC, Minister for Roads and Ports releasing the draft NSW Freight & Ports Strategy to industry representatives on 16 November 2012.

Established in August 2012, the Freight Advisory Council provides expert advice to the Minister for Roads and Ports and Minister for Transport for NSW on strategic issues impacting efficiency and productivity within the freight industry. The eight member council consists of Transport for NSW's Deputy-Director General, Freight and Regional Development and seven senior private sector representatives from major commodity supply chains and logistic providers within the freight industry.

Local government

Transport for NSW convened a Local Government workshop in April 2012 with representatives from the Local Government and Shires Associations of NSW and Regional Organisations of Councils from urban and regional NSW. The workshop brought NSW Government and local government together to address connectivity issues involving High Productivity Vehicle access, curfew hours and other land use planning matters.

This dialogue has also informed the consideration of noise and fuel emissions in this Strategy, as well as congestion and general community perceptions of the role and impact of freight.

Transport for NSW

Transport operating agencies in NSW provided specialist advice to help Transport for NSW understand the current and future freight task. As the managers of the majority of infrastructure and transport assets within the freight network, the agencies informed Transport for NSW on the feasibility of proposed actions for enhancing the freight network, as well as issues relating to regulation and compliance management.

Roads and Maritime Services, as the administrator of the NSW Road Freight Industry Council, also provided Transport for NSW with valuable insight from council members regarding road freight network challenges.

Government

Transport for NSW has worked closely with State Government departments to ensure the NSW Freight and Ports Strategy represents the

themes and objectives of NSW 2021.

Transport for NSW’s plan for an enhanced and integrated freight network has been developed against the backdrop of the Australian Government’s freight transport infrastructure planning. Transport for NSW has ensured the NSW Freight and Ports Strategy is aligned with the principles outlined in the National Land Freight Strategy and National Ports Strategy recently developed by Infrastructure Australia. This cooperation is essential to ensure effective NSW and Australian Government partnerships for freight infrastructure funding are maintained.

This Strategy identifies a range of opportunities to foster and enhance effective relationships across government, including:

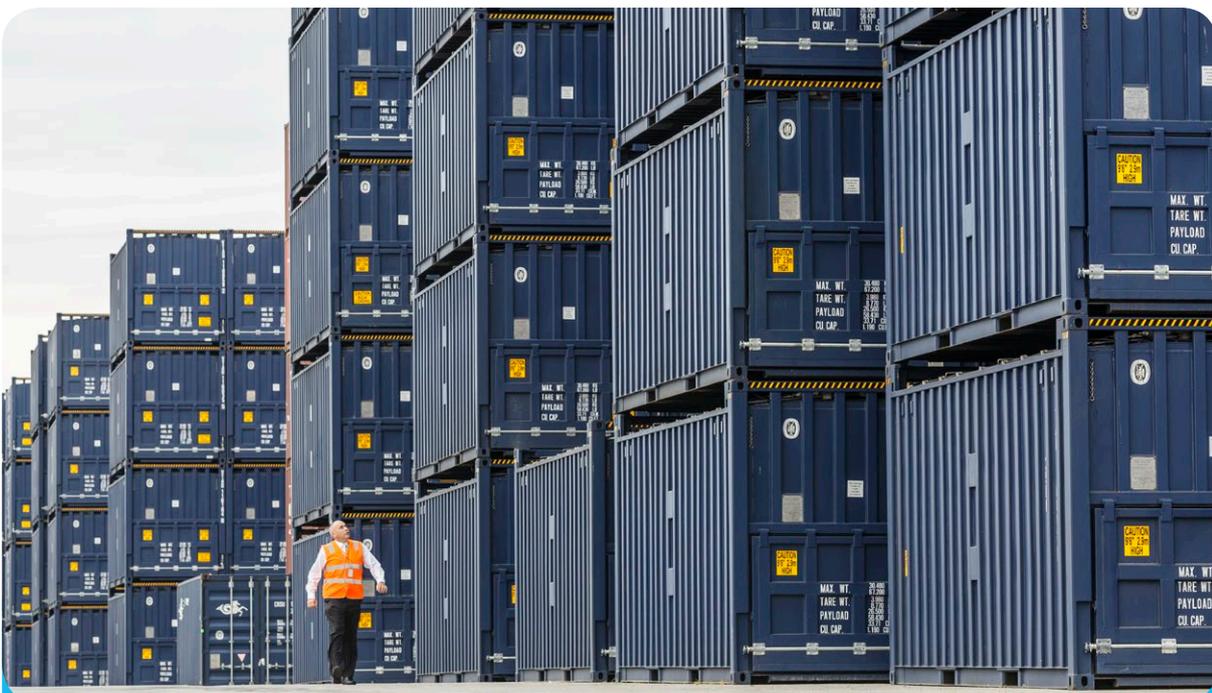
- Assisting councils to identify and actively plan for increased use of HPV and addressing critical connectivity issues
- Providing further integration of freight needs in local, regional and State land use plans (the NSW Long Term Transport Master

Plan provides guidance on freight issues for inclusion in the Sydney Metropolitan Strategy)

- Supporting the Australian Government to maintain dialogue with newly formed national regulators for rail, heavy vehicles and maritime safety
- Identifying projects of significance to the national economy and, subject to available funding, delivering network capacity through a partnership approach such as the Nation Building program.

Defence Significance

- Freight volume and value measures cannot capture the strategic importance to the nation of the NSW transport infrastructure. The NSW transport network supports major defence bases, including the Royal Australian Navy’s Fleet Base East at Garden Island, and key strategic Royal Australian Air Force and Australian Army bases and logistic facilities that are vital to the operations, capability and sustainability of the Australian Defence Force.



The Qube Logistics Intermodal terminal at Minto provides a strategic freight link for containers moving between South West Sydney and Port Botany. The annual growth in container traffic through Port Botany tracks ahead of GDP growth and is forecast to be seven per cent per annum, mostly due to growth in imports.

3.2 Progress by industry and government

Investing in infrastructure

Government and industry are investing heavily in new infrastructure to deliver greater capacity across the transport network. Improvements across existing road and rail networks will also unlock greater capacity and performance to meet increasing demands over the next 20 years. These investments include:

- A \$1 billion expansion and third container terminal at Port Botany.
- Creation of the Penrhyn Road roundabout as part of the Port Botany expansion, which provides grade separation between trains and trucks near the main terminal entrance. At a total cost of \$72 million (including a \$10 million contribution towards the access ramp to the Patrick Terminal). The roundabout became operational in late 2012.
- The \$700 million long term development program for the Outer Harbour at Port Kembla.
- Further development of the Port of Newcastle, possibly including the T4 coal facility worth in excess of \$5 billion.
- Development of an intermodal logistics centre at Enfield.
- Over \$1 billion investment to improve capacity on the rail network through Stage 1 of the Northern Sydney Freight Corridor.
- Ongoing and indexed NSW Government funding for the maintenance and upgrade of the Country Regional Network totalling approximately \$1.5 billion over ten years. This includes funding for replacement sleepers and upgrade of the Coonamble-Dubbo line.
- Road upgrades across the state, including the Pacific Highway (M1), Great Western Highway (A32), Holbrook Bypass on the Hume Highway (M31), construction of the Hunter Expressway and Newell Highway (A39) overtaking lane and rest area improvements, and Picton Road safety upgrades.

- To keep rail capacity ahead of market demand for Hunter Valley coal, construction of the Maitland to Minimbah third track, a \$362.8 million project.
- To assist in unlocking the coal resources of the Gunnedah basin, \$284 million investment in projects to ease congestion over the Liverpool Range.

Achieving a level playing field

Lessening the burden of compliance and reducing regulatory inconsistency is a focus of governments across Australia. Reducing red tape can deliver economic benefits by improving national productivity. The NSW Government is committed to the harmonisation of regulation and maintaining dialogue with newly formed national regulators for rail, heavy vehicles and maritime safety.

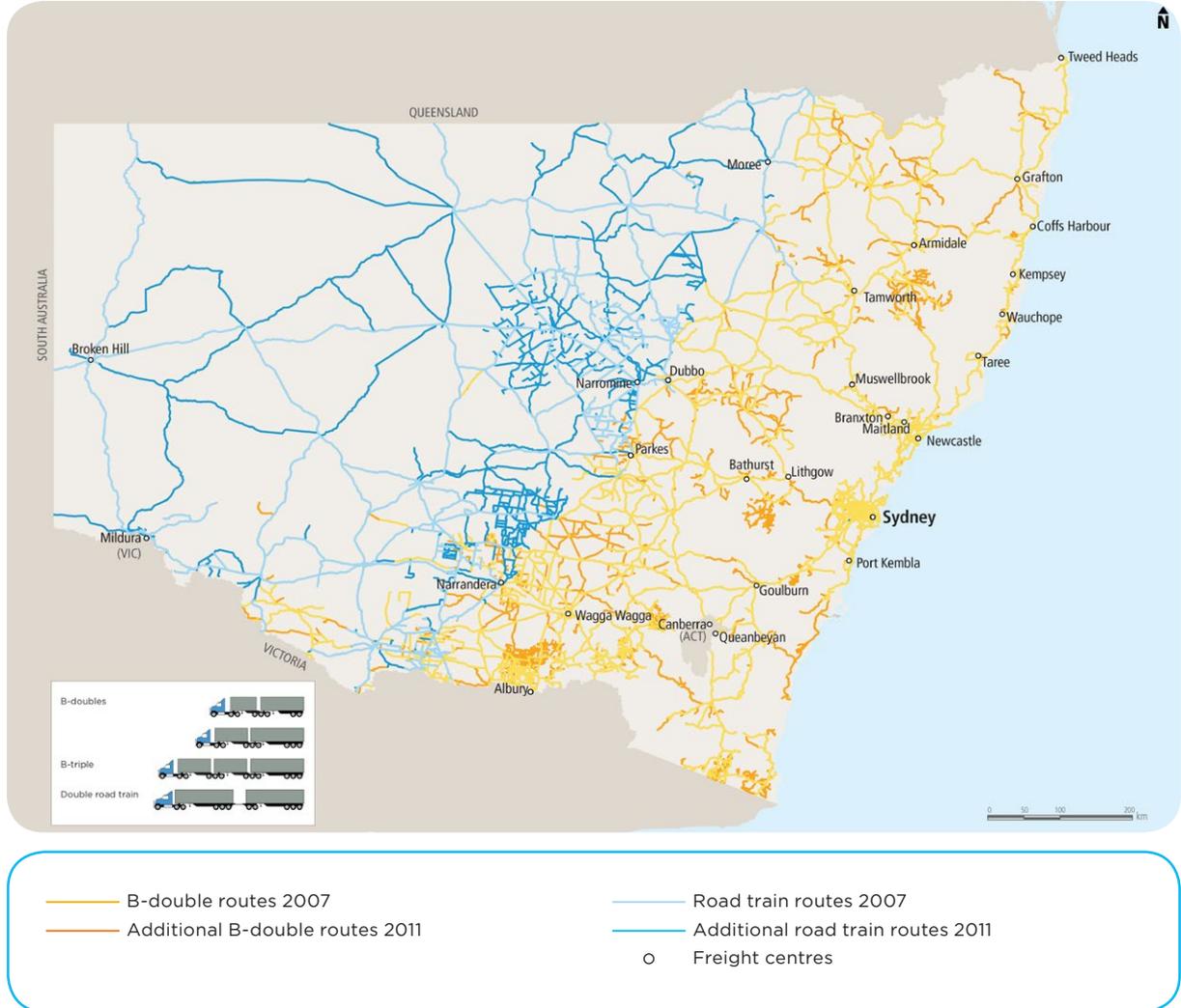
Along with supporting these national reforms, the NSW Government has implemented regulatory reforms over the last 12 months covering a range of areas including:

- A boost for NSW-based transport operators under an assistance package announced in July 2012 to encourage freight businesses, jobs and associated registration revenue to stay in NSW. The package includes savings on registration for operators and abolishes stamp duty on the purchase of new truck trailers.
- More than 600 kilometres of the State road network being assessed in the last 12 months as suitable for semi-trailers and B-doubles operating at Higher Mass Limits (HML). Vehicles operating at HML result in greater payloads, efficiencies for transport operators and fewer trucks on the road.
- Improvement in the access restrictions for the movement of livestock, with the NSW Government giving in-principle approval to move to a 'livestock' or volumetric-based loading scheme that is more consistent with those in neighbouring states (see Case Study 2).

Figure 16 Current commitments to date on network infrastructure tasks across NSW



Figure 17 NSW B-double and road train routes 2007 and 2011



- Provision of access under the national Performance Based Standards program for rigid trucks hauling quad and quin dog trailers to operate on the current 25 metre B-double routes and, where required, 25 metre HML B-double routes.
- Width concessions for baled agricultural commodities granted in 2012 have been extended up to 2017, facilitating the transport of wool, cotton, hay and straw, which tend to expand during travel and may have some irregularity in sizes.
- Introduction of the Restricted Access Vehicle map service, which is a new interactive map-based resource on the Roads and Maritime Services website. Improvements include fortnightly updating, maps that can be tailored by vehicle type, travel restrictions displays and maps viewable on laptops and tablets wherever mobile coverage is available.
- Wide mobile cranes enrolled in the Intelligent Access Program have been granted the Urban Access Concession, simplifying access procedures to State roads between Williamstown, the Hawkesbury River and Kiama.
- Support for local infrastructure under the NSW Government's Local Infrastructure Renewal Scheme. The first round of applications closed in March 2012, with interest subsidies worth in excess of \$64 million over 10 years to 64 councils for 81 projects throughout the State. Around half of these projects relate to roads, bridges and airport upgrades. The scheme has already unlocked more than \$394 million worth of investment in local infrastructure.



Meat and livestock processing facilities are critical to the economic vitality of regional NSW. Efficient supply chains create value and ensure competitiveness. The transport network serving regional NSW is a critical part of any supply chain.

CASE STUDY ② RESPONDING TO THE NEEDS OF THE LIVESTOCK INDUSTRY

For many years, Queensland and Victoria have allowed volumetric or welfare loading schemes for the transport of livestock. These schemes allow for statutory mass limits to be exceeded on suitable roads to ensure that livestock is not injured during transport and that optimum loadings can be gained. That is, they are based on a differing access arrangement under similar road transport regulations, and allow for a greater number of animals to be carried in one movement.

In NSW, a B-double vehicle can carry 56 to 60 cattle depending on individual animal weights. In Queensland the same vehicle configuration can carry between 66 and 72 cattle. Industry estimates that the cost of current regulation on the supply chain in NSW is an extra \$8 per animal, which translates into nine cents a kilo.

NSW has in the past been reluctant to adopt volumetric or welfare loading of schemes, citing that the benefits gained from increased productivity and enhanced animal welfare did not outweigh the costs in terms of potentially increased damage to bridges and pavements. However, work did proceed in consultation with the livestock transport industry to investigate other options such as enhanced access at Higher Mass Limits (HML) to feedlots, saleyards and abattoirs. A restricted loading scheme that allowed access to concessional mass limits in return for implementing auditable systems for managing vehicle loadings was also considered. This restricted scheme was launched in late 2010. Details of the appropriate vehicle mass limits are shown in Table 1.

Table 1 Vehicle mass limits

Vehicle type	General mass limits (tonnes)	2010 Livestock Scheme (tonnes)	Higher mass limits (tonnes)
19m single trailer combination	42.5	43.5	45.5
25/26m B-double	62.5	64.5	68.0
36.5m B-triple	82.5	84.5	90.5

There was, however, low take up of the scheme due to concerns that the costs of scheme enrolment outweighed the benefits of concessions. Additionally, there was a general resistance to the adoption of HML by the livestock sector due to the costs of route compliance under the Intelligent Access Program, as well as a perceived lack of connectivity to key destinations.

In 2011, negotiations commenced with industry stakeholders when the allowable mass limits for the carriage of livestock were revisited. As a result of these negotiations the NSW Government has given in-principle approval to move to a 'livestock' or volumetric-based loading scheme so that it is more consistent with those in neighbouring states. When implemented, the scheme will result in axle weights similar to higher mass limit loadings and will allow carriers to satisfy animal welfare standards. The key attributes of the scheme are similar to those already in place in Victoria, with the exception of the capping of mass

limits to higher mass limit levels and preventing access to unsuitable bridges. The Victorian Government is currently undertaking a review of its scheme, which will include the possible setting of maximum mass limits.

The NSW volumetric-based loading scheme covers all roads across the State containing infrastructure capable of accommodating livestock vehicles operating at HML. Negotiations are continuing with local government as the authority responsible for a significant part of the road system.

This scheme now provides significant higher productivity benefits for the transport of livestock in and through NSW. Implicit in the scheme's design is the view that productivity benefits flowing through the supply chain will outweigh the costs of additional pavement or other infrastructure damage, while applying an acceptable cap on total possible damage.

In addition, by allowing more livestock on each vehicle, the NSW scheme is expected to result in a significant reduction in the total number of livestock truck movements in NSW, resulting in lower emissions, improved amenity for local residents and road users and improved road safety.



Semi-trailers are commonly used for the transportation of livestock in NSW. Under the new volumetric-based loading scheme, livestock vehicles can operate at HML enabling greater vehicle productivity.