



Transport for NSW
Draft Freight and Ports Plan 2018
Stakeholder Relations Team

By E-mail: stakeholder.relations@transport.nsw.gov.au

March 29, 2018

Dear Stakeholder Relations Team,

RE: NSW Draft Freight and Ports Plan 2018

Viva Energy Australia Pty Ltd (Viva Energy) welcomes the opportunity to comment on the *NSW Draft Freight and Ports Plan (Draft Plan)* and welcomes further consultation beyond the preliminary information supplied with this correspondence.

NSW Draft Freight and Ports Plan

We welcome the *Draft Plan* and support the acknowledgement that 'the State's future economic growth and prosperity are built on safe, efficient and reliable movement of goods'. In principle, we support the key priority areas of the *Draft Plan*. We have referenced some of key priority areas which are of particular relevance to our business throughout our submission and articulated areas of the freight task that are important to our operations and business and ultimately to the NSW economy.

About Viva Energy

Formed in 2014 following the purchase of Shell's downstream business in Australia, Viva Energy's operations include the Geelong Refinery (Victoria), a 950+ retail service station network and bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 fuel import terminals across the country. As the exclusive licensee and distributor of Shell branded fuels and lubricants in Australia, Viva Energy supplies around 25 percent of Australia's fuel needs.

In NSW, we operate across many areas of the liquid fuels supply chain including: importing petroleum products and bitumen, fuel and bitumen storage and handling, terminal and distribution networks, customer solutions, retail and marketing. We currently contract the liquid fuels freight task to carriers who distribute fuel products to thousands of retail and commercial customers across NSW. We have an important role in NSW overall, where we are a significant contributor to the NSW economy and our operations form a critical part and add diversity to the liquid fuel supply chain, supplying up to a third of NSW's fuel needs. As highlighted in the *Draft Plan*, 'the freight and ports network is fundamental to our economy'.

Our operations in NSW include the Gore Bay Port Facility in Greenwich and our Clyde and Parramatta storage and distribution terminal facilities in Western Sydney on the Camellia Peninsula. The vast majority of fuel is supplied to the Clyde Terminal by pipeline from Gore Bay with some ethanol supplied to the terminal via truck. Being in the "geographic heart of Sydney", the Clyde Terminal plays a critical role in delivering fuel safely and efficiently to both metropolitan Sydney as well as the broader NSW market. By having our terminal and distribution facilities in Western Sydney, we keep trucks off inner city roads and out of the congested Port Botany precinct. Our operations in Western Sydney are also a critical supply point for jet fuel to Sydney Airport via a dedicated pipeline to Kingsford Smith. Viva Energy is also the proud operator of the Sydney Joint User Hydrant

Installation (JUHI) which manages the safe and efficient storage and delivery of fuels to the airport, including on-airport refuelling services.

Strategically located, Gore Bay Port Facility increases fuel supply security in NSW as it provides an alternative location to Port Botany for fuel imports, which the *Draft Plan* has identified that road 'access to and from is....constrained'. We note and appreciate that in the *Plan for Growing Sydney* (Greater Sydney Commission, November 2016) an aim is to 'protect and support Sydney Harbour's function as a major working port...' which is vitally important for our Gore Bay Port Facility, having been in operation for well over 100 years.

The Gore Bay Port Facility also provides an important contribution to Sydney Harbour, through its supply of fuels to the growing maritime and cruise industries – which contribute significantly to the NSW economy. Importantly, this is the only fuel storage facility within Port Jackson which supplies fuel to cruise vessels via bunker barge. According to the *Draft Plan*, 'the NSW Government has invested more than \$135 million in new cruise facilities and infrastructure over recent years to ensure Sydney can continue to cater for and attract cruise ships from around the world, especially next generation cruise ships that can bring up to 5,000 passengers to our shores'.

The Clyde Terminal and Gore Bay Port Facility are vital to the continued growth of the NSW and national economy and, as noted in the *Energy White paper 2012: Australia's Energy Transformation* (Department of Energy, Resources and Tourism, 2012) as refineries close there is a continued need for Terminal infrastructure development to support these economies.

Our operations in NSW also comprise of a network of 250+ retail services stations across NSW and a bitumen facility in Port Botany and diesel storage at the Stolthaven terminal in Newcastle to support the mining industry in the Hunter Valley.

Clyde and Parramatta Terminals

The Clyde and Parramatta Distribution Terminals are located in the "geographic heart" of Sydney on the Camellia Peninsula in Western Sydney, which is recognised in the *Plan for Growing Sydney* as the 'home to some of Sydney's most significant manufacturing and industrial activity'.

The Terminals' location provides an ideal base for the efficient distribution of fuels by road, reducing travel distances and the number of trucks on Sydney roads. Fuel that is stored at the terminal is delivered by pipeline from Gore Bay Terminal, which is the most efficient and lowest cost means of transporting bulk fuels to the geographic heart of Sydney and circumvents the need for dangerous goods and placarded load vehicle movements through the Sydney port areas and residential zones in Sydney's east.

Given the benefits of this location to the fuel supply chain and the significant investment that Viva Energy has made to the Clyde Terminal since the closure of the refinery, Viva Energy intends to remain on the Camellia Peninsula and continue to operate a major fuels storage and distribution hub for many years into the future.

As highlighted in the *Draft Plan*, a trend of urban encroachment into industrial areas is a risk to the efficiency of freight movements including restricted access for key freight corridors (as well as for meeting future demands). This issue is recognised through key priority areas including, 'Increase access for freight across the road and rail network' (Priority Area 2) and 'Protect existing freight precincts and ensure future land use' (Priority Area 3).

We are pleased that limiting encroachment is recognised in the recent *A Metropolis of Three Cities - the Greater Sydney Region Plan* (Greater Sydney Commission, March 2018) where in Camellia, 'the protection of industrial activities will be a starting objective' as part of the future redevelopment plans.

The potential for encroachment is an issue relevant to the Camellia Peninsula, which has been identified as a priority location within the Parramatta to Olympic Peninsula Priority Growth Area (GPOP). It is planned to 'develop a structure plan for Camellia to underpin future redevelopment of the area' with an aim to 'identify medium and long-term opportunities for urban renewal across this Priority Growth area'.

Currently, the *Draft Camellia Town Centre Master Plan* (NSW Planning and Environment, February 2018) targets a future population of 21,000. The *Draft Camellia Town Centre Master Plan* has identified (through a traffic and transport study) that as result of the increase in land use intensity, improvements to the transport network will be required. It is critical that: the proposed enhancements to Camellia Peninsula's network of roads and other associated road transport upgrades enable the safe and efficient transportation of dangerous goods and proposed transport routes are constructed as a prerequisite to any stage (including construction) or part of the Camellia Town Centre development and Parramatta Light Rail project.

Road Transport of Dangerous Goods and Placarded Loads

The distribution of fuels from Clyde and Parramatta Terminals to retail and customer sites necessitates a substantial road transport logistics activity. From Clyde and Parramatta Terminals, fuels are distributed by road tanker across metropolitan Sydney and throughout NSW. The freight task involves around 100 truck movements per day.

Road networks have increasingly become more congested, especially around urban areas and protection of amenity can become more challenging. The *Draft Plan* estimates that in the next 40 years, freight volumes are estimated to double in the Greater Sydney area. In addition, it is projected that freight will remain as the dominant transport mode for most commodities. For this reason, it is important to ensure that the uninterrupted operation of our facilities (24 hours, 365 days per year), which is necessary to sustain the supply of fuel to the NSW marketplace, is not disrupted as freight activity increases.

While we support the *Draft Plan's* intention 'to increase access on the shared network and provide dedicated freight priority on selected sections of network' and the to ensure safe, efficient and sustainable freight access to places (Priority Area 6) we would also like to highlight the need for the following:

Preservation of dangerous goods vehicle routes

Preservation of dangerous goods vehicle routes to key road arterials and 24 hour access to the road network are critical factors for the freight activities associated with the distribution of fuels from Clyde and Parramatta Terminal across metropolitan Sydney and throughout NSW.

Access to major arterial roads

Distribution of petroleum products via bulk tankers requires safe and efficient access to major arterial roads at all times of the day and night.

Providing separation of heavy vehicle freight movements from other network users will improve safety for all users. We support a key priority of the *Draft Plan* in 'investing and managing infrastructure that separates freight from passenger movements in congested corridors - especially near trade gateways'. This can better manage potential risk and provide improved safety outcomes. We look forward to the investigation into the implementation of dedicated freight lanes on key freight corridors on the strategic road network, outside of peak periods, to help to improve safety.

The *Draft Plan* may also consider yearly comprehensive public road safety campaigns on any changes to road laws and current road usage, for example giving way to heavy vehicles when turning, driver visibility etc. to improve driver awareness of heavy freight vehicles.

Restrictions on tunnel systems

While we welcome enhancements to NSW's network of freeways, arterials and local roads, careful planning is required when considering transportation of dangerous goods and placarded loads. The increased development of tunnel systems provides challenges for dangerous goods transportation as these types of vehicles are restricted from using tunnel systems throughout Australia.

As acknowledged in the *Draft Plan*, 'restrictions on the transport of dangerous goods in tunnels limit the road access ...on both the existing strategic road network, as well as the emerging strategic road network'. For example, placarded loads cannot benefit from the WestConnex which provides a western bypass of the Sydney central business district (CBD) and connections to the Western Harbour Tunnel, Beaches Link and Sydney Airport via Sydney Gateway.

We suggest consideration be given to a potential trial in the use of tunnels during restricted hours (for example 10pm to 4am) by vehicles involved in the bulk transportation of dangerous goods. These types of trials may be considered alongside the upcoming Advanced Safe Truck Concept trials, which will use new technology to study driver behaviour and the impact of driver fatigue and distraction.

Last mile challenges

Road networks have increasingly become more congested, especially around metropolitan areas where amenity issues are more challenging and where most fuel retail outlets are located. Some Councils have placed restrictions and time curfews on accessing some suburbs/streets meaning that access to service stations and major arterial roads can be limited, require bulk fuel tankers to seek alternative routes or limit delivery during certain hours, adding time and cost to these deliveries particularly if the only alternative option is tolled transport routes.

An opportunity for improving the freight task in urban areas is that new developments should consider the potential for future fuel supply needs such that road design options incorporate provisions for bulk fuel tanker access, unrestricted delivery times and transport for safe and efficient fuel deliveries.

Tolled Road Networks

Tolled transport routes add cost to the transportation of dangerous goods. In its submission to the discussion paper for *Inquiry into National Freight and Supply Chain Priorities (2017)*, the Australian Logistics Council highlighted that in the case for freight '...where tolls are in place, governments are essentially 'doubledipping' by requiring heavy vehicles to pay both tolls and the Road User Charge. Fuel delivery tankers can make up to 100 deliveries per day and if toll roads are used then this can add cost to the delivery task.

National Heavy Vehicle Regulator

We welcome harmonisation of Heavy Vehicle requirements and regulations across states and territories. We see this is an opportunity to set national standards and eliminate complex, state-based regulation, particularly as our business involves a national supply chain network and cross border deliveries.

Road Design

When considering planning of NSW's network of freeways, arterials and local roads, the following are important factors for dangerous goods and placarded loads:

- Heavy vehicle transport routes need to provide safe intersections for relatively slow-moving transport vehicles to join traffic flows;
- Any road developments (including bridges) should be assessed for heavy vehicle requirements into the future including accommodation of High Performance Freight Vehicles (HPFV), bulk transportation of dangerous goods and larger combinations
- Proposed changes to signage, traffic controls and or/landscaping improvements to roads, should be carefully assessed and not impact driver visibility;
- The NSW Government's Hazardous Industry Planning Advisory Paper No 11- Transport Route Selection provides appropriate guidelines and a holistic approach to the consideration of route options, balancing safety, road network capability and operational economic factors.

Gore Bay Port Facility

The Gore Bay Port facility is located in Port Jackson, where the landside is in the suburb of Greenwich, around just 7km north-west from Sydney CBD. We welcome that the *Draft Plan* acknowledges that 'Ports and associated freight precincts are of the utmost economic and social importance to New South Wales'. On a local scale, Lane Cove Council recently acknowledged the importance of industrial zoned land in its LGA in its submission to the *Greater Sydney Commission's Draft North District Plan*, where, 'The continued direction to "protect and manage" employment lands,, from the rezoning of valuable commercial and industrial land to residential use is strongly supported. Future economic and job growth depends upon future employment lands being available in the long term'.

In light of this, and given the importance of Gore Bay Terminal in the supply of fuels to the NSW economy, access by vessels to the facility in terms of adequate shipping channels is critical. We recommend that Port Jackson is identified alongside the other ports discussed in the *Draft Plan* and a new heading "Port Jackson" inserted above "Port Botany" in section 2.5. of the *Draft Plan*.

Further, the maintenance and strategic improvement of the channel and land capability should be included in the *Draft Plan* including any potential impacts of the proposed Western Harbour Tunnel, both during construction and ongoing.

In addition to the importance and contribution of the Gore Bay Port Facility we highlighted earlier, from the Gore Bay Port facility, fuel is transferred via pipeline to Clyde Terminal in Western Sydney. Pipelines are the safest and most efficient means to move large volumes of fuel and reduce the large number of trucks on the road network. This reduces trucks on Sydney roads (particularly out of the Port Botany area which is an area targeted by the Government's Pinch Point Program) and represents maximum trucking efficiency into the NSW market.

Port Botany Bitumen Facility

Viva Energy's bitumen facility at Port Botany, offers state-of-the-art bitumen production and storage facilities.

The plant will help meet bitumen demand in the growing NSW market and has the capacity to support the infrastructure plans for the State. We have the capability to supply all NSW bitumen

grades that will meet NSW road specifications to help deliver the Government's *State Infrastructure Strategy Plan* (February 2018).

Port Botany is the state's primary container port, and the largest bulk liquid and gas port in Australia. We support the *Draft Plan's* intention to address 'Road and rail access constraints' which recognise that these 'must be improved to meet future needs'.

Pipeline Corridors

Pipelines are an important part of Viva Energy's energy supply chain in NSW. The primary purpose of these pipelines is to transport fuel safely, reliably and efficiently. These pipelines transfer refined petroleum products such as diesel, petrol or aviation fuel.

Viva Energy owns and operates two major pipelines in NSW which run from Gore Bay Terminal to Clyde Terminal and Clyde Terminal to Sydney Airport (Mascot). The Gore Bay pipeline transfers a significant proportion of NSW's liquid fuel needs (petrol, diesel, jet fuel). The Mascot pipeline is a single product pipeline providing around 50 percent of Sydney Airport's jet fuel needs.

These pipelines carry hazardous liquids at high pressure and as such, is an activity that requires careful management and minimisation of potential risks to public safety and the environment.

It is essential that Viva Energy's ability to access and maintain its pipelines is maintained in accordance with Australian Standards and the expectations of regulators, SafeWork NSW, Department of Planning and Environment (DP&E), Local Councils and the general public.

The Environmental Planning and Assessment Act 1979 is the overarching legislation for the assessment of development proposals. However, there is an ongoing risk that planning applications that affect the operation, access or maintenance of pipelines are not referred to pipeline operators. Alternatively, developments may occur "as of right". Either circumstances have the potential to result in developers commencing works with little or no awareness of the precautions that should be taken in working around a pipeline until late in the planning process which can result in costly delays.

Any developments proposed in the proximity of our pipelines should be considered by planning authorities in consultation with Viva Energy in the very early stages (of these developments) to ensure that they do not increase safety risks to the pipeline operator or the broader community and that access for maintenance or by emergency services is unrestricted.

To this effect, it is important that the following factors are appropriately considered in development plans and strategies:

- Viva Energy operates and maintains its pipelines in accordance with the NSW Work Health and Safety Regulations 2017 and the Australian Standard 2885-2012. These regulations and standards contain specific information regarding the management of 'external interference' and the interrelationship between land use and pipeline operation and we actively encourage and seek to educate Local Councils and developers to be aware of and follow these standards when planning for developments;
- Land use and developments in the proximity of established pipelines should be considered in consultation with Viva Energy to ensure that the changes do not increase safety risks to the pipeline operator and the broader community and the environment or restrict pipeline access for maintenance;
- AS2885 requires a Safety Management Study (SMS) to be performed for changes in land use, zoning or developments in proximity to pipelines. The SMS identifies mitigating

measures related to changing risk profiles and addresses any encroachment matters with consideration to design and separation distances. These studies are required to be conducted for each development proposal due to the specific nature of individual proposals given different pipeline design, operation, relative location, and external factors associated with the change; and

- AS2885 contains several restrictions regarding construction or planting of vegetation on land near pipelines, digging near pipelines and obstructing access to/operation of pipelines. Pipeline owners must ensure that an activity, structure, equipment or substance that is not part of the pipeline does not affect the hazardous chemicals or the pipeline in a way that increases risk.

Western Sydney Airport

As stated in the *Draft Plan*, Transport for NSW has identified the need to address ground and aviation fuel needs around Badgerys Creek for the future Western Sydney Airport, and is considering options for both pipelines and fuel import terminals.

We support the key priorities of the *Draft Plan* for Western Sydney Airport, in particular:

- preserving land for future transport corridors now (road and rail) to ensure land is available, affordable and free from encroachment from incompatible land uses. Early identification and reservation of corridors for fuel supply pipelines is vital for the successful construction and viability of these types of projects;
- enabling the development of a fuel pipeline to the new airport and surrounding precincts. It takes significant time and resources to investigate and establish pipeline routes and industries with experience in pipeline design, construction and operation should be closely involved to help deliver practical and viable pipeline options;
- shifting as much passenger and freight activity as possible onto rail to free up capacity for essential road freight, construction and high occupancy passenger vehicles.

While future pipeline routes for jet fuel delivery to Western Sydney Airport are yet to be decided, Viva Energy's facility on the Camellia Peninsula presents a suitable and existing option for this purpose, potentially through the Greater Parramatta Priority Growth Area.

We welcome further discussion beyond the information we have provided in our submission.

Yours Sincerely,

Edwina Pribyl
External Communications Manager