



# Independent Review of the Ports and Maritime Administration Act 1995 and Port Botany Landside Improvement Strategy

Discussion Paper

20 April 2022

## Introduction

A key objective in establishing the National Heavy Vehicle Regulator (NHVR) was to minimise the regulatory burden on the heavy vehicle industry – including driving improvements to safety, productivity, sustainability and efficiency outcomes for the road freight sector.

The NHVR supports the Independent Review of the Port Botany Landside Improvement Strategy (PBLIS), which includes as a key objective, to improve efficiency and productivity of container movements at Port Botany. As the Discussion Paper outlines, Port Botany currently handles 99.6 per cent of containers for New South Wales (NSW), with an approximate mode split of 85 per cent carried by road, and 15 per cent carried by rail in calendar year 2021.

The PBLIS review is timely, as it will assist to frame the public and private sector response to the challenges experienced by NSW, and Australia more broadly, in relation to supply chain resilience and the impacts of COVID-19. These challenges have dramatically impacted the way people live, work, travel and do business.

The heavy vehicle industry servicing Port Botany has played a pivotal role in creating and maintaining the economic prosperity of our cities and regional centres during this period of change and uncertainty, by transporting goods and services to support domestic and international supply chains, for both import and export markets, throughout the COVID-19 pandemic.

The last two years has demonstrated the importance to periodically revisit freight-related regulation, noting that PBLIS is given regulatory effect by the *Ports and Maritime Administration Act 1995* (PAMA), and a key policy objective of both PAMA and PBLIS relates to improving container productivity.

The NHVR recognises that much of the scope of the review extends beyond the NHVR's remit. Our submission will therefore respond only to *Question 12: Are there any unintended impacts of PBLIS on the movement of goods through Port Botany? If so, how could these be addressed?*

This submission predominantly relates to identifying opportunities to increase the demand by industry to access all Port Botany stevedores using Performance Based Standards (PBS) vehicles – noting there is far greater demand for Port Botany operator depots and at other ports (e.g. Port of Brisbane). In the context of PAMA and PBLIS, growing container throughput volumes and container density; and reducing truck volumes and congestion, are key performance indicators to measure success. PBS vehicles support delivery against these indicators, and deliver on other critically important measures such as safety and sustainability.

This submission makes three recommendations:

**Recommendation 1:** The *Independent Review of PAMA and PBLIS* should include an analysis of why PBS vehicles are not in demand by industry for access to Port Botany stevedores. This analysis could include a review of NSW government and stevedore policies relating to methods encouraging mode share shift; and an assessment of network design and infrastructure capacity to safely accommodate the longer length and higher mass of PBS vehicles.

**Recommendation 2:** That PBLIS promote PBS vehicles as the road freight vehicle of choice, within Port Botany (including at stevedores), given they are proven to be safer, more environmentally friendly, and more productive than conventional heavy vehicles.

**Recommendation 3:** Reasonable efforts should be made by relevant parties (including but not limited to the NSW government, NSW Ports, stevedores and other owners and managers of port infrastructure) to encourage PBS vehicles. Mechanisms to facilitate this outcome could include regulation (such as providing consent to access under notice), strategic and operational policy, and suitable design standards in future infrastructure upgrades.

For further information, please contact [REDACTED]

## About the NHVR

The NHVR is Australia’s dedicated statutory regulator for all heavy vehicles over 4.5 tonnes gross vehicle mass or aggregate trailer mass.

We were established in 2013 as a statutory authority pursuant to the Heavy Vehicle National Law.

### Our Purpose

We provide leadership to, and work collaboratively with, industry and partner agencies to drive sustainable improvements to safety, productivity and efficiency outcomes across the Australian heavy vehicle road transport sector.

### Our Vision

Delivering safe, efficient and productive heavy vehicle movements supporting a strong and prosperous Australia.

### Our Mission

Through leadership and advocacy we administer a national statutory system to deliver streamlined regulatory services and administration to the heavy vehicle road transport sector, minimising regulatory burdens while fostering greater safety and productivity.

#### The NHVR’s stakeholder profile



#### Australia’s heavy vehicle profile<sup>4</sup>



<sup>1</sup> Australian Bureau of Statistics, 2018, 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, November 2018

<sup>2</sup> Australian Bureau of Statistics, 2018, 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2013 to June 2017

<sup>3</sup> The Australian Capital Territory, New South Wales, Queensland, South Australia, Tasmania and Victoria.

<sup>4</sup> Australian Bureau of Statistics, 2018, 9309.0 - Motor Vehicle Census, Australia, 31 January 2019

<sup>5</sup> NHVR, 2020, Registration demographics as at January 2020

## Submission Response

### Question 12: Are there any unintended impacts of PBLIS on the movement of goods through Port Botany? If so, how could these be addressed?

This submission is informed by our knowledge and experience in regulating heavy vehicles, and from our day-to-day engagement with state and territory transport agencies, road managers and the heavy vehicle industry. This provides the NHVR with unique insight to the challenges and opportunities of improving heavy vehicle productivity and safety, with many stakeholders commenting on the importance of incentivising the use of the safest and most productive vehicles, that are best for the environment and communities.

#### Optimising the efficiency of freight operations

The challenge for the growing road freight task is to ensure goods are transported in the safest, most sustainable and cost-effective manner. This can be achieved by having fewer trucks on our roads. This is recognised by PBLIS (e.g. in relation to reducing truck congestion, truck turnaround time and queuing).

Under the [Heavy Vehicle National Law](#) (HVNL), the NHVR has oversight of the PBS Scheme, which is a national scheme designed to offer the heavy vehicle industry the potential to achieve higher productivity and safety through innovative and optimised vehicle design. In simple terms, this means moving more with less vehicle movements in safer vehicles.

From 2007 to 2019, compared to the conventional heavy vehicles that would have been otherwise been required to complete the same task, PBS vehicles have:<sup>1</sup>

- Reduced CO<sub>2</sub> emissions by over 2.2 billion kilograms
- Reduced fuel consumption by over 800 million litres
- Removed over 2,700 trucks from the road
- Reduced truck distance travelled by over 1.6 billion kilometres

With respect to safety, the NHVR's recently published [Review of Major Crash Rates for Australian Higher Productivity Vehicles: 2015 - 2019](#) identified that:

- Involved in 60 per cent fewer major crashes per 100 million kilometres.
- Involved in 33% per cent fewer major crashes per 100 million gross tonne kilometres.
- Involved in 30% per cent fewer major crashes per 10,000 vehicles.
- Forecast to save 143 lives over 20 years.

The success of the PBS scheme is a clear statement of Australia's heavy vehicle industry's desire to innovate and be smarter.

More information on the PBS Scheme and PBS vehicles can be found at the NHVR publication '[Performance Based Standards – An introduction for road managers](#)'

#### PBS vehicles at Port Botany

It is encouraging that the PBS Scheme is referred to in section 3.6 of the Discussion Paper (Port landside performance under PBLIS), as a key driver behind improved truck container density.

With respect to the 'Container density' paragraph on page 22, Figure 6 (Port Botany throughput volumes), Figure 7 (Container density per truck), and Figure 11 (Port Botany mode share) of the Discussion Paper, the NHVR notes that truck container density has reduced compared to previous years, and has generally fluctuated within the range of 1.25 – 1.35 containers per truck in the last ten years.

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<sup>1</sup> NHVR, 2020, Heavy Vehicle Productivity Plan 2020-2025

Additionally, it can be inferred from the data that heavy vehicles are not only still the dominant mode, but increasingly becoming more favoured, given the approximate 250 per cent increase in container throughput volume from the period 2002 to 2020, with rail mode share decreasing to 15 per cent in 2021, from a high of 20 per cent in 2017.

### **PBS vehicle access within Port Botany**

PBS vehicles, as the Discussion Paper correctly states, are important to achieving the objectives of PBLIS relating to container movement efficiency and productivity. For example, a PBS Level 2B vehicle can carry four TEUs, whilst a semi-trailer carries two TEUs (50 per cent less) and a B-double three TEUs (25 per cent less).

The reference to PBS vehicles was brief, and did not provide any detail on their utilisation at Port Botany. The NHVR offers the below information to assist the Independent Review of PBLIS.

As a restricted access vehicle, NSW Ports in its capacity as a road manager under the HVNL, must provide consent for operators to use PBS vehicles on roads in Port Botany.

A review of NHVR consent data has identified that of the 1,185 access permit requests made by industry for PBS vehicles in Port Botany from 2017 to 4 April 2022:

- 1,024 (86.41 per cent) were approved under a pre-approval<sup>2</sup> arrangement.
- 154 (13 per cent) were approved following a route assessment.
- 7 (0.59 per cent) were closed requests that were not a refusal (e.g. withdrawn by the applicant).

Of the 1,178 access permits issued:

- Over 700 included Friendship Road.
- Over 600 included Simblist Road.
- Less than 20 were for roads servicing Patrick Terminals.
- 10 or less were for roads servicing DP World or Hutchinson's.

In evaluating the data, industry does not appear to be requesting access to the stevedores. This lack of demand is unlikely due to NSW Ports not consenting to PBS vehicles at stevedores i.e. industry should have a high degree of confidence and certainty a permit will be issued if they applied, given this has universally been the case.

The NHVR has been unable to determine why this is specifically occurring at Port Botany stevedores, compared to other ports where PBS vehicles are in demand (e.g. Port of Brisbane Corporation work closely with industry, the NHVR and local government to encourage PBS vehicles on all suitable roads, including at Patrick, DP World and Brisbane Container Terminals).

### **Incentivising the shift to rail freight**

The NHVR understands that the NSW Independent Pricing and Regulatory Tribunal (IPART) recommended options to encourage increased use of rail as a freight mode, to enhance efficiency and reduce road congestion at Port Botany.<sup>3</sup>

The NHVR recognises the importance of all freight modes, including rail freight. However, a number of factors impact freight mode preferences, including infrastructure, service scheduling, climate, geography, origin and destination, the commodity being transported, and the distances travelled.

In the 14 years since the 2008 IPART review, road freight continues to be and is increasing as the dominant mode of choice by industry at Port Botany (as per Figure 11 of the Independent Review of PAMA and PBLIS Discussion Paper).

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<sup>2</sup> A pre-approval is an agreement in place between the NHVR and a road manager to issue permits without individual written consent for each application.

<sup>3</sup> IPART, 2008, Reforming Port Botany's links with inland transport



Without knowing what specific options were implemented to promote rail freight, they may be having an unintended effect in deterring PBS vehicles, rather than deterring road freight by non-PBS vehicles.

Instead of a smaller volume of PBS vehicles, a larger volume of non-PBS vehicles is required to transport the same freight task. The outcome of this is further reduction in Port Botany's container movement performance as container volumes grow, and it also forgoes the significant safety, environmental and amenity benefits that PBS vehicles offer.

To best service the New South Wales and Australian economy, and ensure supply chains are resilient by having multiple modal choice options, it is important that encouraging mode share shift to rail should not be achieved by limiting access for PBS vehicles; particularly whilst conventional non-PBS heavy vehicles are still allowed access.

### **Eliminating access permit requirements on important routes**

Road transport is the dominant form of freight for the majority of commodities produced and/or consumed in Australia. Road freight grew by over 75 per cent between 2000-01 and 2015-16; and Australia's urban freight is forecast to increase by nearly 60 per cent over 20 years to 2040.<sup>4</sup>

Collectively, governments have a responsibility to ensure heavy vehicles can meet the country's growing freight task, which means delivering more goods with fewer vehicles in a safe manner. PBS vehicles deliver on this task, by offering industry productivity improvements of 15 to 30 per cent.

In partnership with state and territory transport agencies, the NHVR has developed a PBS Notice for Tier 1 PBS Vehicles (PBS Level 1 – 4). This Notice will enable lower-risk PBS vehicles that meet the PBS Tier 1 bridge formulae to access approved networks without a permit. This particular notice would assist the empty container movement task at Port Botany, given colocation with empty container terminals.

Whilst it is encouraging that NSW Ports has provided its consent to Port Botany, on review of the approved gazetted network, roads of interest to industry have not been included in the gazetted network. To ensure PBS operators can access Port Botany, access is also required to road servicing stevedores, and the surrounding freight operator depots at Simblist Road and Friendship Road (refer Figure 1).

The NHVR understand that this outcome, where the notice was consented to but not the underlying network, could be an oversight. The Independent Review of PAMA and PBLIS is therefore timely, in that it provides NSW Ports and Transport for New South Wales the opportunity to review access for PBS vehicles, given inherent linkage to the PAMA and PBLIS indicators for container movements and overall Port performance.

Improved access will also provide significant commercial and operational benefits to industry (e.g. labour, maintenance, insurance, warehousing and fuel savings); and significant safety, environmental and economic benefits for the broader community.

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<sup>4</sup> Department of Infrastructure, Transport, Cities and Regional Development, 2019, *National Freight and Supply Chain Strategy*



Figure 1: PBS 2B Tier 1 Network at Port Botany

## Recommendations

The NHVR makes the following recommendations, to support the *Independent Review of PAMA and PBLIS*, specifically in reference to improving container movements at Port Botany:

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