



SUBMISSION

NSW FREIGHT REVIEW PANEL

Presented By

**Country Mayors
Association of NSW**

7 JUNE 2024





THE COUNTRY MAYORS ASSOCIATION OF NSW INC

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Terms of Reference

The NSW Minister for Transport has requested that the Panel assist in developing policy and guiding principles about six matters:

1. The role of the NSW Government, Australian Government and industry in making a step change in freight transport.
2. The major ports in NSW.
3. The road and rail network.
4. The supporting metropolitan and regional intermodal terminals (IMTs) and other enabling transport infrastructure.
5. Consideration of freight in the identification and use of industrial land.
6. Embedding freight considerations into transport planning, prioritisation and investment decisions.

The guiding policy principles are to be used to inform the development of short, medium and long-term actions that will be driven by the NSW Government in collaboration with industry and the Australian Government.

In providing advice on the Freight Policy Reform Program, specific regard will be given to:

- Whether the current rail freight policy framework is delivering on its objectives and remains fit for purpose in today's operating environment to deliver an effective rail network for the movement of goods.
- Whether differing market design solutions are required for different rail tasks (e.g. containers to port, bulk to port, construction materials, interstate freight, intrastate freight) to support greater modal shift to rail, giving regard to the costs, benefits and public benefit associated with any proposed reforms.
- The short, medium and long-term plans for the major port operators and potential impacts on port operations such as the changing coal task, consideration of the implications of Independent Pricing and Regulatory Tribunals (IPARTs) determination about the Port of Newcastle and potential development of a container port at Port of Newcastle, to identify the best transport outcomes, in particular road and rail connections, and public value for the people of NSW.
- Road freight priorities and opportunities to improve the network capacity and capability and increase the proportion of modern, safe, sustainable and productive vehicles operating on NSW roads.
- Opportunities for sustainable road funding models that support the National Heavy Vehicle Road Reform including delivering more efficient and demand-driven pricing of road services.
- How industrial land is being identified, used and valued and how land use planning can better accommodate the current and future needs of the supply chain as NSW grows.
- How to optimise freight networks to support the growing freight task and better enable the safe, sustainable and productive movement of goods, ensuring an effective response to changing markets, the transition to net zero emissions and new and emerging technologies.
- Whether current transport planning and investment processes adequately recognise the importance and value of freight for our industries and communities, including consideration of planning for urban freight and supply chain resilience.
- Whether current organisational arrangements within Transport for NSW for freight policy, operations and industry engagement provide the appropriate level of influence and access to decision makers to drive reform.



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The Country Mayors Association of NSW Introduction

As Chairman of the NSW Country Mayors Association (CMA), I offer this submission seeking support to effect positive change for Regional, Rural and Remote NSW communities.

CMA conducts an Annual Survey of our members to ensure that we advocate for change in areas that are most of need in our communities. The results from last year's survey can be found on the CMA website <https://nswcountrymayors.com.au/members-annual-survey/>. Once again Transport and Roads have remained in the top five issues and our members are seeking government support for change. Within the submission we embedded 16 recommendations and request serious consideration be given to support our members.

Inland Rail Project

Inland Rail is a 1,700km priority infrastructure project for the Australian Government, It will require 475 kilometres of upgrades to existing tracks and 399 kilometres of new tracks in NSW and will provide a fast freight backbone from Melbourne to Brisbane that's transforming how goods are moved around Australia. It will better link businesses, farmers and producers to the national supply chain network, enhancing market access and generating new opportunities for industries and regions. This submission highlights the project and the fact it has been stalled under the current federal government, we are calling for the reinstatement of the Inland Rail Interface Improvements funding program, call for the 10 recommendations listed in the NSW Legislative Assembly Committee on Investment, Industry and Regional Development tabled its report on 23 November 2021 into the Inland Rail project and regional NSW to be funded and delivered and call for the 6 Country Mayors recommendations to be accepted and delivered.

Port Of Newcastle Container Terminal

It is estimate that there are significant freight cost savings associated with facilitating containerised exports from regional NSW via the Port of Newcastle, a container from Narrabri haulage costs would be around 15 per cent cheaper via rail to Newcastle as compared to the next alternative being to Brisbane. The Port of Newcastle is 400km from Narrabri, 200km closer than the Port of Brisbane. This difference in distance translates to savings of around \$500 per TEU. We have listed four recommendations that if supported will increase competitiveness and productivity in regional NSW.

Regional Road Transfer and NSW Road Classification

February 2019, the NSW Government announced the initiation of a Road Classification Review to ensure the road classification framework is still fit for purpose and that roads across NSW are appropriately classified. Our submission calls for the final report to be released and funding be committed to deliver on the recommendations.

NSW Local and Regional Road funding

Country Mayors Association of NSW made a recent budget submission that called for a commitment to fund new programs to enhance regional and local road networks throughout NSW, three recommendations are listed in this submission.



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INLAND RAIL PROJECT DELIVERY

Inland Rail is a 1,700km priority infrastructure project for the Australian Government. It will require 475 kilometres of upgrades to existing tracks and 399 kilometres of new tracks in NSW and will provide a fast freight backbone from Melbourne to Brisbane that's transforming how goods are moved around Australia. It will better link businesses, farmers and producers to the national supply chain network, enhancing market access and generating new opportunities for industries and regions. Construction in NSW includes:

- ❖ 185km of upgraded track from Albury to Illabo
- ❖ 37km of new track and 2km of upgraded track from Illabo to Stockinbingal
- ❖ 170km enhancement of specific sites between Stockinbingal to Parkes
- ❖ 99km of upgraded track and 5km of new track from Parkes to Narromine
- ❖ 306km of new track from Narromine to Narrabri
- ❖ 184km of upgraded track and 2km of new track from Narrabri to North Star
- ❖ 25km of upgraded track and 14km of new track from North Star to the New South Wales/Queensland border

NSW needs Inland Rail to keep pace with the increasing freight demands of our growing population and economy. Shifting more goods onto rail is a smart move for Australia. It means faster, more reliable freight; safer, less congested roads; and fewer carbon emissions.





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Infrastructure Australia

NSW Inland Rail interface improvements

<https://www.infrastructureaustralia.gov.au/map/nsw-inland-rail-interface-improvements>

Country Mayors believe the Federal Government's Inland Rail Interface Improvement Program is an essential funding stream for local government and commercial industries to enhance supply chain productivity and realise the potential of Inland Rail.

The program has delivered funding for more than 35 upgrades and improvements throughout NSW and the most recent projects funded include;

Proponent	Location	Proposal and potential benefits	Program
Auscott	Narrabri, NSW	Proposal to lengthen two sidings at the Auscott Narrabri Siding and incorporate two additional turnouts to increase efficiency and capacity of the rail line.	Productivity Enhancement Program
Cootamundra Gundagai Regional Council and Coopers Couriers	Cootamundra, Stockinbingal, NSW	Proposal to explore the development of a rail interchange and freight handling facility in the South West Slopes Region in NSW.	Productivity Enhancement Program
EH Mattiske and Son	Back Creek, near Forbes, NSW	Proposal to extend the existing Back Creek rail siding to significantly increase its grain loading capacity.	Productivity Enhancement Program
Gilgandra Shire Council	Curban, NSW	Proposal will investigate the repurpose of one of the anticipated Inland Rail construction compounds in the Gilgandra Shire, to become a multi-user rail access facility.	Productivity Enhancement Program
Lachlan Shire Council	Condobolin, NSW	Proposal to develop the viability of a warehousing and logistics centre near Condobolin.	Productivity Enhancement Program
Lockhart Shire Council	Boree Creek, NSW	Proposal to upgrade the country line from The Rock to Boree Creek to meet national heavy rail standards.	Country Lines Improvement Program
Louis Dreyfus Company (LDC)	Moree, NSW	Proposal to expand and upgrade the existing LDC intermodal facility at Moree, including improving access for freight exports as well as 24 hour siding access.	Productivity Enhancement Program
Narromine Shire Council	Narromine, NSW	Proposal to develop an industrial precinct and freight exchange at Narromine to service the Inland Rail route and the regional rail network.	Productivity Enhancement Program
Pacific National	Junee, NSW	Proposal to construct an additional holding/marshalling road to allow for the attachment and detachment and loading of longer trains at the proposed major regional terminal.	Productivity Enhancement Program



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Transport for NSW

Wagga Wagga City Council
and Riverina Oils and Bio
Energy (ROBE)

Dubbo, Narrabri
West, Parkes,
NSW

Wagga Wagga,
NSW

Proposal for network interface improvements
between Inland Rail and the Country Regional
Network (CRN) at three strategic locations.

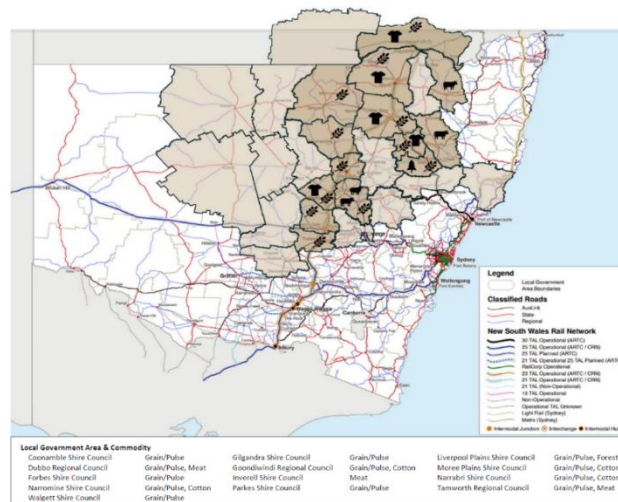
Proposal to develop a grain terminal and
dedicated rail siding at the Riverina Intermodal
Freight and Logistics (RiFL) Hub.

Productivity
Enhancement
Program

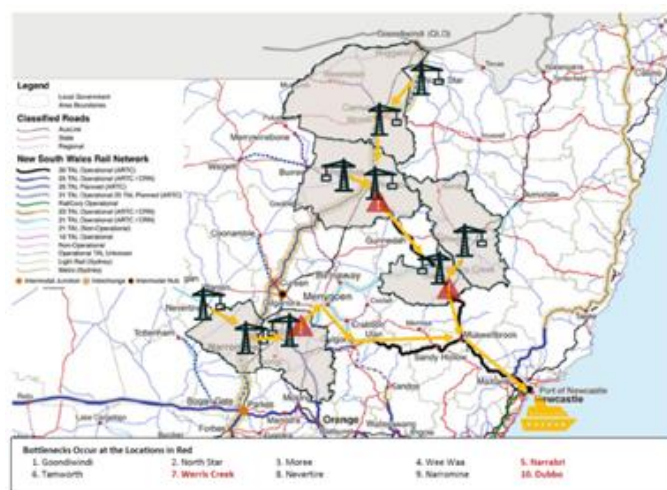
Productivity
Enhancement
Program

Country Mayors believe, to increase the efficiency and productivity of supply chains, local knowledge from local government and local business communities are key to developing connecting infrastructure that includes sidings, rail loops, the connecting tracks, storage facilities, rail loading and handling facilities throughout Regional, Rural and Remote NSW. Our regions are our lifeblood for resources and agricultural production and the future prosperity of NSW.

Available Commodities Include



Rail Constraints to be addressed





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NSW GOVERNMENT RESPONSE TO INLAND RAIL INQUIRY

The NSW Legislative Assembly Committee on Investment, Industry and Regional Development tabled its report on 23 November 2021 into the Inland Rail project and regional NSW, the report listed

Inland Rail project and regional NSW

Chair's foreword

I am pleased to present the Report for the Committee on Investment, Industry and Regional Development's inquiry into the Inland Rail project and regional NSW. The Committee commenced this inquiry to identify economic development opportunities arising from the project and what needs to be done to maximise these opportunities. The Committee has made seven findings and ten recommendations aimed at addressing some of the issues raised during the inquiry.

Inland Rail was largely viewed by inquiry participants as a major infrastructure project with multiple benefits for regional communities and the wider NSW economy. The Committee found that Inland Rail presents opportunities to: attract skilled workers to regional and rural areas; develop the skills of local workforces; and support industry diversification. The creation of special activation precincts and regional job precincts along the Inland Rail route were viewed as a positive measure to support job creation and investment.

To further maximise the opportunities and benefits of Inland Rail, inquiry participants stressed the importance of upgrading and connecting the existing NSW freight network to Inland Rail and eastern ports. Linking regional businesses and communities to Inland Rail is important, especially to those communities not directly situated along the Inland Rail route. The Committee has recommended the NSW Government proceed with a business case to investigate and explore upgrades to the existing freight network to ensure connection to Inland Rail and eastern ports.

The Committee also noted the importance of ensuring safety where Inland Rail connects with road traffic. Grade separation between Inland Rail and roads will improve safety and support a more efficient freight network. The Committee understands that the NSW Government is currently working with the Federal Government on grade separation and has recommended this work continue as a priority.

The inquiry also highlighted the need for effective communication and consultation on significant infrastructure projects such as Inland Rail. During the inquiry concerns were raised about the level of effective engagement with impacted communities. The Committee has recommended the NSW Government develop an engagement strategy that details clear expectations in relation to communication and consultation between proponents and stakeholders of State-significant infrastructure projects such as Inland Rail.

In addition, the Committee has recommended the NSW Government facilitate a central point of contact and coordination for Inland Rail related projects and the development of an Inland Rail strategy to provide clear policy objectives for NSW.

I would like to thank everyone who contributed to this inquiry through making a submission, meeting with the Committee and appearing at the public hearings. I would also like to thank my colleagues: the Deputy Chair, Mr Peter Sidgreaves MP; Mr Clayton Barr MP; Ms Steph Cooke MP; Mr Phil Donato MP; Mr David Harris MP; and Mr Geoff Provest MP for their contributions to this inquiry and their dedication to the work of this Committee.



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COUNTRY MAYORS RECOMMENDATIONS

Recommendation 1

That, the NSW Government commit to the ongoing funding support of the Inland Rail construction throughout NSW.

Recommendation 2

That, the NSW Government commit to fund the announced special activation precincts in Parkes, Moree, Narrabri, Wagga Wagga, Snowy Mountains and the regional Jobs precincts in Albury, Namoi, Richmond Valley and South Jerrabomberra.

Recommendation 3

That, the NSW Government commit to funding to deliver on recommendations from the November 2021 inland rail project and regional NSW Legislative Assembly inquiry.

Recommendation 4

That, the NSW Government create a funding stream for regional, rural and remote LGA's to construct rail loading facilities and associated infrastructure to allow raw and processed agri products to connect with the inland rail.

Recommendation 5

That, the NSW Government advocate to the Federal Government for the continuation of an annual Inland Rail Interface Improvement Program for the next ten years.

Recommendation 6

That, the NSW Government fund all required infrastructure upgrades to allow rail connection from the Narrabri intermodal to the Port of Newcastle





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PORT OF NEWCASTLE CONTAINER TERMINAL

Newcastle Port is privately operated by the Port of Newcastle company under a 98-year lease that began in 2014. Two coal receival facilities at the Port are operated by Port Waratah Coal Services and the Newcastle Coal Infrastructure Group. The Port also has two bulk grain export facilities and bulk liquids, dry bulk and other cargo facilities.

The Port of Newcastle has three bulk liquid import terminals operated by Stolthaven, Park Fuels and Australian Terminals Operations Management. The Port also handles project cargo including (at present) wind farm components that are imported and stored at the port before being transported by road.

Port of Newcastle has a substantial land area, the majority of which is used for port facilities including coal terminals, fuel storage and distribution facilities, silos for storing wheat, 19 types of grains, cement and alumina and storage facilities for loose bulk cargo including mineral concentrates, fertiliser and magnetite. Land is also allocated to general industrial uses.

Newcastle is the largest coal export facility in the world and its coal exports are around 48 per cent in value of all NSW exports. The Hunter Valley coal freight logistics chain is considered the most efficient freight logistics chain in NSW featuring rail receival at mine sites and receival and handling at port into vessels that is seamless in its operation. However, as the world decarbonises the coal trade is expected to decline, a trend that has already started.

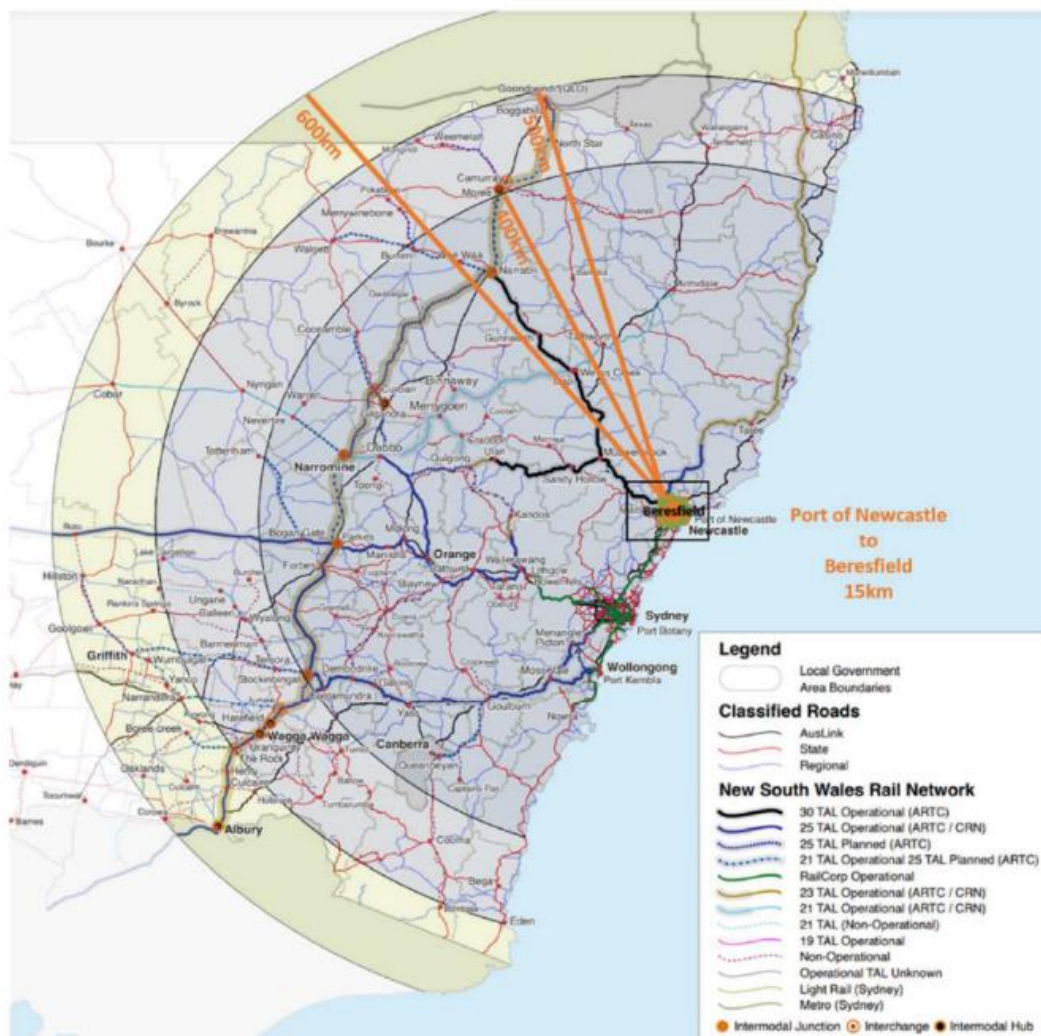
In 2022, Port of Newcastle handled:

- ❖ 140.4 million tonnes of exports, including 136 million tonnes of coal and 3.2 million tonnes of bulk grain. About a third of grain grown annually in NSW is exported (mostly in bulk), and Newcastle handles approximately half of this export task.
- ❖ 4.8 million tonnes of imports, including 1 million tonnes of alumina and 0.48 million tonnes of fertiliser, the largest import dry bulk commodities by weight.
- ❖ 1.85 million tonnes of import fuels and 0.14 million tonnes of export ammonia (largest bulk liquids handled).
- ❖ 3,538 TEU of containerised goods including 1,707 TEU exports and 1,831 TEU imports.

The Port also handled smaller volumes of other import and export dry bulk, liquid bulk and general cargo.

On the 21st of September 2022 a notice of motion was introduced to the NSW Parliament Legislative Assembly that begun the process that led to the Port of Newcastle Extinguishment of Liability Act," passing both houses of parliament on November 10, 2022

<https://www.parliament.nsw.gov.au/bills/Pages/Profiles/port-of-newcastle-extinguishment-of-liability-bill-2022.aspx>





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COUNTRY MAYORS RECOMMENDATIONS

Recommendation 7

That, the NSW Government remove the policy presumption that Port Kembla will be the next containerised port once Port Botany reaches its capacity to facilitate effective competition between ports engaged in handling containerised trade.

Recommendation 8

That, the NSW Government reform transport infrastructure planning institutional arrangements and processes to improve information on freight demand, respond to emerging trends in freight transport infrastructure.

Recommendation 9

That, the NSW Government change the mechanisms and processes for infrastructure planning approvals to accelerate the delivery of freight infrastructure and maximise the opportunity to promptly deliver freight supply chain efficiencies.

Recommendation 10

That, the NSW Government identify potential rail and intermodal locations throughout regional NSW and design a funding program to construct new facilities in partnership with local government to increase the rail freight to port and reduce freight costs to support regional communities.

Regional Road Transfer and NSW Road Classification

Transport for NSW

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NSW ROAD CLASSIFICATION REVIEW AND TRANSFER

Home / Roads / Regional Road Transfer and Road Classification Review

Regional Road Transfer and Road Classification Review

Map

NSW road network showing State, Regional and Local classifications

Questions and answers

FAQ's

Full Round

Resources

Priority Round

Resources



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February 2019, the NSW Government announced the initiation of a Road Classification Review to ensure the road classification framework is still fit for purpose and that roads across NSW are appropriately classified.

Future Transport 2056 identifies the NSW Road Classification Review (Classification Review) as a key initiative to make adjustments to the classification policy framework and update the road network to align with the 'Hub and Spoke' Transport Network Model and the 'Movement and Place' Framework.

Also, in February 2019, the NSW Government announced up to 15,000 kilometres of Council owned roads would be returned to State management as part of a broader package of support for local councils to better manage and maintain the rural road network. Combining the transfer of regional roads with the Classification Review will ensure equity and transparency in all changes and support the development of an integrated road transport network.

An Independent Panel evaluated over 500 submissions, the panel's terms of reference require they provide a Final Report (Report) to the Minister for Regional Transport and Roads for consideration, which was delivered on 8 November 2022.

In September 2021 the NSW Government endorsed 37 recommendations from the Panel's Interim Report.

COUNTRY MAYORS RECOMMENDATIONS

Recommendation 11

That, the NSW Government release the final regional road transfer and NSW road classification report for public exhibition.

Recommendation 12

That, the NSW Government commit to fund the supported recommendations within the report and budget to deliver on the transfer of local and regional roads identified within the report.

Recommendation 13

That, the NSW Government commit to reclassify all local, regional and state roads identified within the final report as a matter of urgency.



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NSW Government Budget Priorities 2024

Transport and Roads

The CMA recommends the NSW Government commits to the "Fixing Local Roads Program" until 2027, increased annually in line with the inflation rate. Local Government planning is important and is required by the NSW Government. To enable planning, country councils require that local roads funding be through non-contestable funding streams. The unpredictable nature of road funding at present is far from optimal.

The funding of "Fixing Country Pinch Points" program with \$250mil for country NSW councils would be cost-effective for State and Local Governments, as redressing recurring failing points and problematic road infrastructure issues will greatly reduce public and council frustration with band-aid solutions. The need for such a fund has been demonstrated by NSW Government disaster recovery funding, which per funding criteria does not cover the improvement of road assets, despite their obvious failings.

A "Country Road Restoration Program" could see the NSW Government match the support for regional NSW, shown by the Australian Government, through its' "Roads to Recovery Program".

Country NSW Councils would like to see the acceleration of the NSW Government's Regional Road reclassification and transfer program (15,000km take back). This would improve the financial sustainability of country councils and enable Transport for NSW to plan more efficient maintenance programs across the road networks than the ad hoc funding the State Government currently issues.

Recommendation 14

That, the NSW Government commits to the "Fixing Local Roads Program" until 2027, increased annually in line with the inflation rate.

Recommendation 15

That, the NSW Government commit to funding a "Fixing Country Pinch Points" program with \$250mil available to regional, rural and remote councils annually.

Recommendation 16

That, the NSW Government commit to a "Country Road Restoration Program" that would see the NSW Government match the support for regional NSW, shown by the Australian Government, through its "Roads to Recovery Program".