GHD Advisory

Freight Policy Reform: Consultation Paper

May 2024

→ The Power of Commitment

We appreciate the opportunity to share our views

We appreciate the opportunity to offer insights and views on the Freight Policy Reform Program (Reform). We commend the initiative to engage with stakeholders in identifying critical actions to support a resilient freight sector, which is vital for the economic growth and prosperity of NSW.

The focus on enhancing local manufacturing capabilities and improving road safety is crucial. We recognise the importance of a comprehensive review of the freight system, encompassing road, rail and port infrastructure, as well as the critical intermodal and industrial lands that support our supply chains.

Our response will provide insights on short, medium, and long-term actions necessary to achieve these objectives. We are committed to collaborating with Transport for NSW to develop policies that ensure the safe, efficient and reliable movement of goods, thereby fostering a robust economic and sustainable environment.

GHD Advisory have 250 staff within a global team of over 11,000 in the wider GHD Group who work out of over 160 offices serving 135 countries worldwide. Within out Advisory business we have a strong logistics and supply chain team who advise Governments mainly in Australia, Pacific Islands, Middle East, UK and North America.

We have a strong local presence in NSW including key staff in Sydney, Parramatta, St. Leonards, Wollongong, Newcastle, Central Coast, Hunter Valley, Artarmon, Bega, Coffs Harbour, Nowra, Orange, Port Macquarie, Tamworth, and Wagga Wagga.

We have aimed to make our submission as constructive and insightful as possible and have only answered questions where we believe we can add value .

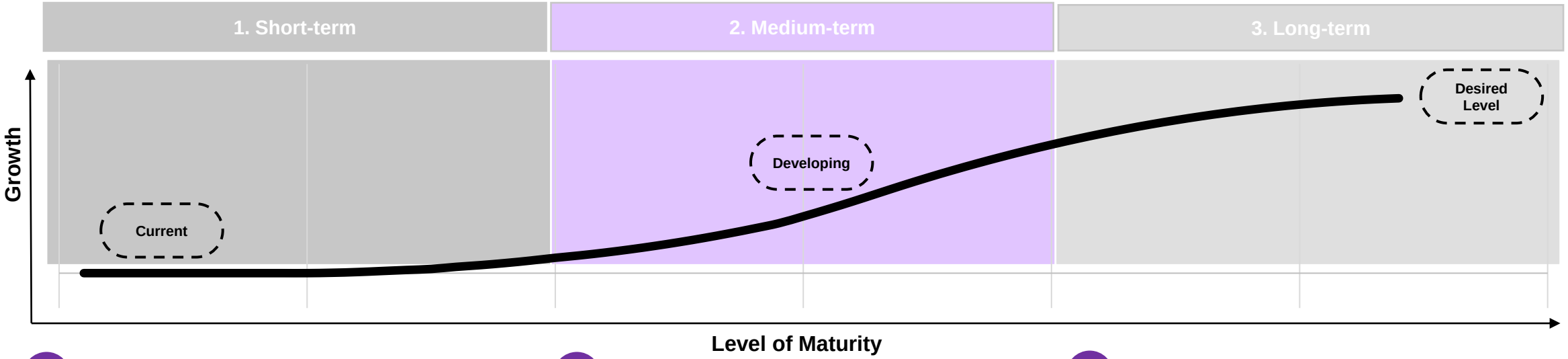
Thank you for the opportunity to share our views. We look forward to continued engagement and contributing to the development of effective freight policies.

Yours sincerely,

[redacted]

Freight Transport Task Maturity in NSW

We have looked at the defined issues and identified some of the short, medium, and long-term actions that the Freight Reform Policy should ideally implement to achieve the desired level of maturity on the freight transport task in NSW. These actions will enable a resilient transport sector with the capacity and capability to support the changes in population growth, technological advances, and zero-emission goals.



1

Short-term

Focus on planning and **maintaining infrastructure** necessary for freight operations. **Developing regulations and policies** to mitigate risks and ensuring **enforcement of policies**. Identifying and implementing modes and route plans **for low-cost freight delivery.** Optimising current resources for efficiency and **identifying gaps** that could **leverage current capacity.** Start **engaging more frequently with industry stakeholders**, and major import/export businesses **to anticipate future volumes. Identify areas for decarbonisation opportunities.**

2

Medium-term

The performance of the freight network is evaluated. Expansion of the freight system occurs by **extending transportation networks**, **increasing the volume** of freight handled, and **implementing new technologies** to improve efficiency and effectiveness. Improved technology, **better infrastructure**, increased demand, **and better use of data** take place. **Better collaboration with key industry stakeholders**, **understanding market trends** and adjusting any future volume plans as needed. Define **strategic policies to enforce sustainability practices** and **investment for infrastructure updates.**

3

Long-term

The freight system is operating efficiently and **adopting new technologies, developing new services, and implementating new policies**. Existing **infrastructure is upgraded** to help resilience, **support net zero emissions**, and decrease maintenance costs. **Data integration and data sharing** have increased. **Data is used to drive decision-**making by using insights to identify patterns, predict future trends, influence investment, and evaluate the **efficiency of different freight routes. Continuous collaboration** with industry stakeholders **to support resilience.**

Submission Summary

Below are summary of our answers to questions in the Freight Policy Reform Consultation Paper, more fulsome answers are in the next slides of the submission.

The Government's Role in Transport Changes

- A consistent **network access approach** would **enhance interoperability** and efficiency across the freight systems network, for example, coordinating a pathing and have a '**single window' network access** approach.
- **Heavy vehicle access** should be **standardised** across all forms of government to **increase registration efficiency**.
- Develop **policies to encourage decarbonisation** and **ensure sustainability** by incentivising the adoption of **green technology**, such as **hydrogen fuel cell vehicles**.

Freight Considerations in Planning and Investment Decisions

- **Diversity in the freight workforce** must be achieved through programs facilitated by the government, such as **grad programs**, **collaboration with professional groups**, and **coordination with freight companies.**
- **Invest in data gathering** and **interpretation technology** to gain valuable **insights** into **freight movement optimisation**.
- **Partnering with key industry stakeholders** and major import/export countries will allow the **anticipation of trade volumes and** the strategic planning of capacity enhancements.

Freight and Land Use

- **Incorporate freight as a primary factor in planning decisions** and to recognise key performance indicators and metrics that aim to protect freight locations.

Intermodal Terminals

- **Buy entities out of their exclusivity** concept to and increase volumes of freight to move through the network.

Road Network

- Disincentivise the use of older vehicles and **encourage having a fleet with zero emissions.**
- Support decarbonisation by **increasing the availability of charging stations** and collaborate with industry regarding the requirements for **alternative fuels for long haul freight.**

Ports

- **Jointly investigate shore power with industry** at ports to support short-term infrastructure needs.
- Develop a **clear statewide strategy** on how NSW ports can best **support the deployment of sustainable energy generation** initiatives.

Rail Network

- **Centrally coordinate/optimise rail freight movements** to better utilise transportation assets such as ports and intermodals.
- **Install common-user charging infrastructure** to support rail decarbonisation.
- **Identify key freight corridors** through origin destination studies to uncover opportunity routes that can encourage a shift to rail.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
1b. In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?	• **What actions would have the greatest impact in achieving a productive, sustainable and resilient freight system?**	Achieving a productive, sustainable and resilient freight systems involves implementing a series of strategic actions. These actions can be categorised into operational, infrastructural, policy/regulations and technological. Some of these strategic actions include: **Operational** • **Rail – Centrally coordinate/optimise rail freight movements to better utilise hard-to-duplicate assets** such as ports and intermodals. For example, an HVCCC system-optimisation model. **Infrastructural** • **Rail –** Identify opportunities to support rail decarbonisation by installing common-user charging infrastructure. • **Ports –** Jointly investigate shore power with industry at ports to support short-term infrastructure needs. Shore power requires a wider network consideration • **Road –** Optimise road infrastructure to support decarbonisation by increasing the number and availability of charging stations and collaborate with industry regarding the requirements for alternative fuels for long haul freight. • **Cost –** Determine initiatives related to closing the Total Cost of Ownership (TCO) gaps for businesses, when comparing diesel and electric vehicles, charging costs currently double the price of energy. **Policy/Regulations** • Continue to create imperative policies to decarbonise, encouraging the use of sustainable fuels in the short-term and implementing strong long-term regulations to ensure sustainability. • Explore financial mechanisms for trucks and buses based on their age to disincentivise the use of older vehicles and encourage having a fleet with zero emissions. • Potentially advance type-approvals for new decarbonised rail technology to ease regulatory burden on industry. **Technology** • Incentivise adoption of green technology, for example, by using renewable energy sources for powering freight operations, such as solar panels for warehouses and transitioning to electric trucks and hydrogen fuel cell vehicles to reduce emissions and dependency on fossil fuels.	Focussing on these strategic options a more productive, sustainable and resilient freight network can be achieved. Centralising and developing operational systems can enhance resilience and streamline efficiency across the network with the increase demand for freight services derived from the population growth. Infrastructural optimisation will address the short-term needs of roads and ports to improve the efficiency network. Implementing infrastructure to support decarbonisation such as supporting hydrogen-powered trains will ensure the network remains sustainable into the future. Implementing decarbonisation policies and technology will reduce emissions the network produces and will work towards the long-term plan of a net zero economy by 2050.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
1b. In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?	• **What would improve interoperability across the freight system and what are the priorities?**	To improve interoperability across the freight systems network a consistent network access approach would support the efficient operation of the network. The NSW Government might compel Rail Infrastructure Managers to centrally coordinate pathing and have a 'single window' network access approach. GHD has been working with the ARA, RISSB, ONRIC and NTC on the case for Rail Standards Harmonisation which will recommend a pathway for rail standard harmonisation and define the benefits thereof. TfNSW is engaged in this work and the Freight Policy should support recommendations of this study.	Centrally coordinating pathing and having a 'single window' works towards a consistent and transparent approach across the network. A single window results in a formal pathway for a more efficient flow of information and communication between operators, RIM's and ports. Working to approve future technology and that is harmonised across Australia also supports the efficient operations in the future, which would enable safe, efficient and reliable freight movements.
	• **What role do IMTs play in the freight network and do you have suggestions for how this could be improved?**	IMTs play an important role in the operation of the freight network across regional and metropolitan NSW. However, currently IMTs are often used for private entities to increase market control which results in barriers to entry. This is in conflict with principles of increasing accessibility to rail which then results in a less efficient operation of the network. The Port of Melbourne has recently bought stevedores and other out of their exclusivity to the IMTs, which has installed open access to the IMTs. The NSW Government could take similar action to increase accessibility.	Buying entities out of their exclusivity could be achieved in Sydney following the regional rail subsidy concept. This results in an increased accessibility to IMTs and a streamlined approach for increased volumes of freight to move through the network.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
1b. In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?	• **What technology or innovations are currently underutilised or would have the greatest benefit to the NSW freight system?**	**Freight movement optimisation**: There are current technology and innovation initiatives that could benefit the NSW freight system. Freight movement optimisation is a key aspect of creating a sustainable and reliable network. Utilising off-peak times can also be beneficial to optimising the network through the use of zero emissions technologies (noise and amenity improvements). Innovations such as air space technology and drone delivery technology could be utilised. **Data availability**: Technology that has the ability to gather and interpret data can be utilised to gain insights into the network. Ways of gathering data and the availability of data can also be focused on to support the optimisation of the movement. **Other innovations:** Other innovations such as autonomous trucks (platooning) and rail wagons could be further explored to improve benefits across the NSW freight system. This assists with workforce labour shortages and efficiency of the supply chain.	**Freight movement optimisation:** Investigating freight movement opitimisation and off-peak movement can reduce current strain on the network and identify the most optimal system to manage the freight movement. Innovative technology such as drones can be investigated to reduce pressure on the existing network and develop innovative solution to current bottlenecks. **Data availability:** Data technology that can gather and interpret the information can be used to gain valuable insights into the freight movement.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
1b. In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?	• **What role do you see for land use planning for port activity and managing the rapidly growing and changing freight task?**	**Regulation of Heavy Vehicle Access**: Regulation of heavy vehicle access is a multi-tiered process, involving various levels of government. Permits are issued at both state and national levels, and the lack of consistency across different councils underscores the need for a standardised policy to increase efficiency. **Using Key Performance Indicators and Metrics in land Use Planning** : The changing dynamics of freight behaviour have not been adequately considered in the planning process, when it is essential to incorporate freight as a primary factor. It's crucial to recognise key performance indicators and metrics that aim to protect freight locations, besides the considerations around businesses and the community. **Partnerships with Major Import/Export Countries:** Forming partnerships with key industry stakeholders and major import/export countries will allow the anticipation of trade volumes the strategic planning of capacity enhancements.	**Regulation of Heavy Vehicle Access:** The inconsistency across different councils can lead to inefficiencies. Therefore, a standardised policy is necessary to streamline the process and increase efficiency. **Using Key Performance Indicators and Metrics in land Use Planning**: By incorporating freight as a primary factor and using metrics to understand, plans and strategies can align with the current trends and demands of the industry. **Partnerships with Major Import/Export Countries:** This collaboration can lead to more effective resource allocation and improved operational efficiency.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
1b. In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?	• **How well are workforce issues being managed and what is the role of government in this? What are the main workforce risks facing the industry?**	The main workforce risks facing the industry are a shortage of a skilled workforce. including shortage of heavy vehicle drivers, rail drivers and road drivers, and limited gender and age diversity. Currently, there are automation initiatives such as driverless vehicles however, these are on hold due to unions. Therefore, the NSW Government in the short-term can prioritise gaining and maintaining a stable workforce.	Diverse workforces are important for their ability to be more innovative and have better performance. To manage the issues facing the industry, incentives for a potential workforce may be introduced to encourage a diverse workforce. To combat age diversity, retention can be increased by focusing on recruiting junior positions through graduate programs, which can be influenced by current programs in the freight sector. These positions can be fostered through a coordinated effort with different rotations throughout the freight industry , exposing juniors to the sector, assuring their development. Gender diversity can be developed through support associations with rail education and Women in Rail networks. This increase in diversity can also include incentives for immigration of a skilled workforce. Continuing to evolve the industry to prioritise workforce welfare and the health condition of freight drivers will also help maintain a stable workforce.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
Do you have recommendations or issues to note about rail freight policy?	• **To what extent do different rail tasks (such as the movement of bulk goods or containers) support a modal shift to rail?**	The Australian freight task is growing which is encouraging a modal shift from road to rail. Rail allows a cost-effective movement of large volume containers and bulk goods, whose size means that more trucks are required to carry volumes rail can allow. Reducing the dependence of trucks would help with reliability, sustainability, safety and speed of delivery due to rails avoidance of traffic. For rail to be effective the infrastructure needs to be there to support the movement. This would require origin-destination studies to understand the key freight routes that are being supported by road carry. These studies can help target areas that require the expansion of rail infrastructure. Shifting more freight to rail would also allow easier data relating to goods being carried.	There are many benefits in moving freight from road to rail including identifying cost-effective ways to move freight since large volumes can be moved, and the increased reliability the rail system provides. The key studies that would need to take place such as destination studies will identify key freight routes and corridors. Import and export destination study and a point-to-point movement study can also be conducted to gain further insights. These studies can identify the key points which support a mode shift to rail. These studies also will improve the freight data available which can be used to provide greater insights into the freight system and areas which can be developed.

Discussion question ❶❷❸

Question	Consideration for Response	Answer	So What?
Do you have recommendations or issues to note about ports?	• **Do you have any recommendations or issues to note about ports?**	It is well recognised that the use of idle reduction techniques and truck stop electrification (to support the growth of EV truck fleets), and the uptake of shore power and/or marine biofuels would enable progression towards decarbonsation goals. TfNSW should work with energy providers, regulators and industry to explore ways to incentivise the provision and uptake of shore power in preference to conventional marine fuels at ports in NSW, supported by power from renewable sources. This implementation will require significant cooperation between Government, the Ports, energy networks and industry but can be be supported by the government through financial incentives, infrastructure development, and implementation standards.	Idle reduction techniques offer many environmental benefits including reducing air and noise pollution, which improves the community's quality of life. When combined with the shore power initiative underway by the Port Authority of NSW, this would cement NSW's progress in this area.
	• **What are the best transport outcomes to facilitate these changes if they are desirable?**	**Rail Systems:** Repurposing heavy duty transport assets used for transporting thermal coal will need to be reassessed for their future uses. These uses include supporting growth in critical minerals, horticulture and containerised freight. This also means there is an opportunity to move asset management practices from a gold-plated stance to a performance-based stance which better aligns to future use. **Ports:** Ports in NSW are well placed to support the deployment of inshore and offshore wind (as well as other renewable energy sources) by reprovisioning existing assets (including berths and hardstand areas) or potentially investing in new infrastructure. A clear statewide strategy on how NSW ports can best support the deployment of sustainable energy generation initiatives is likely to be needed to secure any required investment, in a way which is most efficient and delivers the optimal outcomes for the State.	A state-wide strategy for ports in NSW is likely to deliver the optimal outcome for the State, the ports and for the renewable energy transition.

GHD Advisory

Thank You

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