

DRAFT SUBMISSION

Freight Policy Reform: Interim Directions

October 2024





Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

OVERVIEW OF THE LOCAL GOVERNMENT SECTOR



Local government in NSW employs **55,000 people**



Local government in NSW is responsible for about **90% of the state's roads and bridges**



Local government in NSW looks after more than **\$177 billion** of community assets



NSW councils manage an estimated **4 million tonnes of waste** each year



Local government in NSW spends more than **\$2.2 billion** each year on caring for the environment



NSW councils own and manage more than **600 museums, galleries, theatres and art centres**



NSW has more than **350 council-run libraries** that attract tens of millions of visits each year



NSW has more than **400 public swimming and ocean pools**

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Introduction

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing all 128 NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW is pleased to contribute to the review of the Freight Reform Panel's [Interim Directions](#) paper, offering insights into advancing freight reform in NSW. This submission builds on our previous [response](#) to the initial consultation paper, submitted to Transport for NSW (TfNSW) in June 2024.

This submission is in draft form until it is considered by the LGNSW Board. TfNSW is asked to consider this current version. If there are any changes following Board endorsement these will be forwarded in due course.

Background

Local government in NSW is responsible for over 165,000km of roads or over 85 per cent of the NSW road network (including local and regional roads). As such, councils have a direct stake and accountability for ensuring the efficient utilisation of this network for freight transportation.

LGNSW acknowledges the significance of freight transport in driving productivity and economic growth at national, regional, and local levels. Given the high growth in freight volumes projected for NSW, local government support becomes pivotal in meeting the escalating demands placed on road networks. This support is especially crucial for addressing associated challenges such as traffic congestion and road safety concerns.

LGNSW notes that the Interim Directions paper sets out the key recommendations and actions identified through the Freight Policy Reform Program to date.

In preparing this submission, LGNSW consulted with key stakeholders, including councils and the NSW Roads & Transport Directorate (RTD). The RTD is a long-standing partnership between Institute of Public Works Engineering Australasia (IPWEA) NSW/ACT and LGNSW. The RTD focuses on addressing roads and transport-related matters for NSW local government. As part of the consultation process, LGNSW also participated in the consultation workshop hosted by TfNSW on 21 October 2024.

LGNSW Response

LGNSW has structured our submission to focus on the questions raised in the Interim Directions paper that are most relevant to local government.

Strategic planning and industrial land

What aspects of the system do you believe should be incorporated in an overarching NSW Government master plan? What role does local government play in this master plan?

LGNSW supports several of the key recommended directions outlined in the interim Directions paper as listed below.

1. Ensure urban strategic freight land use principles that recognise freight access as a vital service (utility) be included in future planning guidelines. This includes further focus on working with land use agencies on the current Retain and Manage review, Employment Lands Development Program and a combined approach to update and review industrial lands use policy across government.
2. Ensure strategic planning for industrial lands supports aspirations for the 24-hour economy with minimal restrictions on hours of operation and planning for freight lands in locations that support off-peak operations to maximise opportunities for operators to move freight during the night.
3. Develop a NSW Government master plan to ensure an integrated approach to freight logistics including embedding freight requirements into industrial lands policies, principles and plans to ensure a cohesive way forward for future growth and infrastructure.
5. Work closely with the DPHI and other relevant agencies to ensure an integrated approach to planning for employment lands and freight, including:
 - reviewing industrial lands policy to ensure a future pipeline of industrial lands
 - developing a program to plan infrastructure servicing for the pipeline of industrial land
 - identifying next steps to plan for future IMT locations
 - investigate opportunities for inclusion of freight as a vital service (utility) and other urban freight planning principles.
9. Build on the current work in identifying the corridors to provide a dedicated freight network in Metropolitan Sydney and connecting to the Hunter and Illawarra, with a preference for dedicated freight rail lines moving from an implied to an explicit policy by incorporation of this into a NSW Government master plan.

Directions 1, 3, 5 and 9, align broadly with our comments in our previous submissions.

More specifically, **Direction 3**, which relates to the development of a NSW Government master plan, is highly reflective of LGNSW's policy positions. LGNSW advocacy has long emphasised the need for much better integration of land use and transport planning, closely aligned with a committed and funded infrastructure delivery program. This also includes the long-term protection and retention of existing industrial land zone from rezoning. Decisions relating to strategic planning outcomes, population growth, housing targets and individual development approvals that may affect freight access are made within the overarching planning framework that includes a hierarchy of regional plans, district plans and local plans. As such, LGNSW is supportive of this recommended direction.

LGNSW also reiterates the call for the NSW Government to deliver on its Regional and District Plans for the Six Cities region to secure the protection of industrial lands. Further, LGNSW advocates for a governance framework that ensures the whole-of-government coordination, with TfNSW engaging with the Department of Housing, Planning and Infrastructure (DPHI) on freight and planning matters.

In relation to Direction 2, LGNSW, while generally supportive, urges caution with regards to references to the 24-hour economy. The Direction seems to suggest that opening the 24-hour economy should include minimising restrictions on freight operations to support off-peak freight movements during the night. However, this approach may conflict with the broader goals of the [NSW 24-Hour Economy Strategy](#), which does not specifically mention or address freight operations.

Decarbonisation

Please inform us about your current emissions reporting and how you expect this will change with new accounting standards.

Many councils across NSW are taking action to set emissions targets and develop strategies to reduce their emissions. This includes supporting the roll out of support infrastructure for zero emission vehicles. Improving environmental outcomes is a high priority for local government, with the sector supportive of achieving carbon neutrality in as much of the sector as possible. Currently, reporting emissions are through voluntary reporting mechanisms through common frameworks such as the National Greenhouse and Energy Reporting (NGER), whereby councils are not required to report under this scheme.

While LGNSW understands that the community and stakeholders are becoming more aware of the emissions along their freight logistic chains, new amendments to accounting standards, such as climate-related financial disclosures, would place additional demands on councils. Smaller councils operate with limited resources, and the proposed accounting standard changes would require extra resources and technical expertise to comply. Public sector entities, including local governments, manage a large number of assets and provide diverse services to the community, and the cost of preparing such disclosures would be high.

The cost of preparing such disclosures needs to be balanced with the benefits of such disclosures, particularly when climate-related impact reporting rather than financial disclosures seems to be the main interest of users. Considering the capacity constraints of councils, it is appropriate that any such amendments to reporting standards be voluntary.

LGNSW has previously raised these concerns with the Australian Accounting Standards Board (AASB), recommending that they carefully assess the cost and resource implications for councils. If mandatory changes are introduced, the AASB should explore options for providing technical assistance and guidance to help councils comply.

What incentives or other changes are needed to enable you to shift from road to rail mode for at least some of your freight transport chain?

As raised previously in LGNSW's submission to the freight initial consultation paper, rail should be prioritised as the most suitable transport mode for many mass or bulk products, and as an alternative to heavy road transport, where practical, in both metropolitan and regional areas of NSW. LGNSW supports shifting more freight from road to rail to alleviate the strain on local roads and reduce greenhouse gas emissions through greater energy efficiency provided by rail. Although local roads will always be a necessary part of a multi-modal freight system, an improved rail network will bring significant benefits, such as better road conditions and lower maintenance costs.

Freight rail projects like the Western Sydney Freight Line, which will connect the Western Parkland City to Port Botany, are especially beneficial for local governments, as they help reduce road congestion. Additionally, the Inland Rail project offers considerable advantages, such as reduced road congestion and emissions, fewer road crashes, lower road maintenance costs, and enhanced connectivity to markets in Victoria and Queensland.

To further enable the shift from road to rail, the NSW Government should expand the integration of Inland Rail with existing networks and support the development of connecting infrastructure. The NSW Government should continue to invest in and support these initiatives to harness the full benefits of Inland Rail for all regions of the state. Financial incentives, both positive and negative could be considered.

LGNSW also cautiously welcomes the NSW Government's continued support of Special Activation Precincts in Parkes, Wagga Wagga, Snowy Mountains and Moree, pending the NSW Audit Office's [review](#) of these programs. These initiatives offer opportunities for local governments to benefit from improved freight infrastructure.

Rail

[Issues impacting rail freight are varied and wide ranging. Is there anything critical missing from the actions and directions that will inhibit rail modal shift?](#)

While the Interim Directions paper provides a strong framework in outlining key actions and directions, there are some critical areas that need attention to enable a successful rail modal shift. Significant capital upgrades to the rail network are essential, particularly to improve track alignments and reduce travel times. Further, there should be a targeted focus on identifying and removing key level crossing bottlenecks, as their removal would enhance both road and rail safety. Addressing these bottlenecks would bring improvements to both networks, significantly enhancing the efficiency of freight movements. These upgrades should be prioritised, especially in light of the ongoing review of the NSW Future Transport Strategy.

Road

Are there particular road network restrictions that you consider warrant immediate prioritisation and public funding to address?

As highlighted in LGNSW's previous submission, we advocate for a sustainable funding model that ensures councils receive adequate funding to maintain and develop road infrastructure, reflecting councils' essential role in managing the local road network. Currently, funding is distributed through grant programs and is subject to application, which LGNSW views as inadequate to meet the needs of local communities. This inequitable and uncertain funding arrangement poses significant challenges for infrastructure planning across councils in NSW.

It is evident that regional and local roads increasingly need to accommodate heavier and higher freight transport. Despite record infrastructure funding at both federal and state levels, local and regional roads have not experienced meaningful increases in recurrent funding. LGNSW aligns with the views of the Roads & Transport Directorate (RTD) and supports the removal of competitive grants in favor of increasing base funding. LGNSW supports a funding model that allocates more resources to roads carrying a larger share of the freight task, ensuring they receive adequate funding to meet their heightened maintenance needs. This approach would better reflect the

growing demands on these essential transport routes and help maintain the quality and safety of the local road networks.

Moreover, as mentioned in our initial submission, LGNSW calls for the NSW Government to strategically enhance transport routes to facilitate the efficient movement of components for renewable energy projects to Renewable Energy Zones (REZ). Current highways are insufficient to handle the influx of oversized vehicles, necessitating substantial infrastructure upgrades. Height and weight restrictions on many bridges and underpasses present significant impediments to efficient freight transport. The reliance on local roads for transporting large freight vehicles can lead to major changes in traffic patterns and increased road damage. Councils, such as [Muswellbrook Shire Council](#), have raised similar concerns. Therefore, LGNSW calls on the NSW Government to urgently address these road infrastructure constraints to facilitate the transportation of renewable energy project infrastructure to REZ.

Conclusion

LGNSW values the opportunity to contribute to the ongoing consultation process of the NSW Freight Policy Reform Program. We recognise the critical importance of enhancing freight transport efficiency to bolster productivity and foster economic growth across national, state, regional, and local landscapes.

By prioritising the integration of land use and transport planning, increasing funding for local roads, and facilitating a progressive shift from road to rail, we can effectively address critical infrastructure constraints. This strategic approach will enable us to create a more efficient and sustainable freight network, benefiting our communities.

LGNSW looks forward to continued collaboration with the NSW Government and other stakeholders to advance freight policy reform and achieve sustainable, efficient, and equitable transport outcomes for communities across NSW.

