



New South Wales

IPWEA

INSTITUTE OF PUBLIC WORKS
ENGINEERING AUSTRALASIA



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25 March 2018

Transport for New South Wales
18 Lee Street
Chippendale NSW 2008

RE: Submission on the NSW Draft Freight and Ports Plan

The Institute of Public Works Engineering Australasia (NSW Division) appreciates the opportunity to provide input to the NSW Freight and Ports Plan.

Please do not hesitate to contact Mick Savage on tel: 8267 3000 or email mick.savage@ipwea.org in relation to this submission.

Yours faithfully,



Mr Garry Hemsworth
Director IPWEA (NSW) Board



Mr Mick Savage
Roads & Transport Directorate Manager

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Comments on the NSW Draft Freight and Ports Plan

Submission by

**INSTITUTE OF PUBLIC WORKS ENGINEERING
AUSTRALASIA
(NSW Division) Roads & Transport Directorate**

25 March 2018

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Executive Summary

The Institute of Public Works Engineering Australasia (NSW Division) is the leading association representing Engineers, Public Works Officers and Road Safety Officers working in, or providing services to Local Government, and the NSW Government. IPWEA (NSW) is ideally placed to advocate for road safety on behalf of Local Government through the knowledge and expertise of the NSW Roads & Transport Directorate and IPWEA (NSW) Road Safety Panel.

The IPWEA (NSW), through the Roads & Transport Directorate, appreciates the opportunity to provide feedback on the NSW Draft Freight and Ports Plan.

Local roads that are owned and managed by local government, provide the first and final link in the national freight management task.

Councils are “Road Authorities” under the Roads Act, 1993 which is where its major interest in freight is highlighted. As road authorities, one of its primary responsibilities is providing and maintaining transport infrastructure at the local level, including approximately 90 per cent of New South Wales’ road network. Road construction and maintenance is one of Councils’ biggest task and in most cases, their largest expense item.

As managers of the vast local road network, local government plays an important role in the supply chain. Therefore, councils maintain an interest in the overall transport policy through their role in local and regional land-use planning or as proponents of local and regional economic development.

Local Government recognises the significance of the efficient movement of freight in achieving productivity gains and economic development. Therefore, a well-defined and integrated NSW freight and ports network will support Federal, State, and Local government in their strategic planning as well as in their investment and infrastructure programs. Councils are continuously looking for direction from other levels of government in planning for their asset management and infrastructure investment priorities, amidst funding limitations and constraints.

This submission identifies the following issues that must be addressed by the NSW Draft Freight and Ports Plan:

1. An integrated transport plan inclusive of regional and local roads
2. An efficient network supportive of the increasing freight task and cognizant of the last mile issue
3. The need for a reliable and efficient rail transport system that performs to its full potential
4. Borderless freight transport across jurisdictions and territories
5. Sustainable transport funding; and
6. Improved resource support for local and regional road management

IPWEA (NSW) supports the State Government's efforts to initiate planning for the medium term. The NSW Draft Freight and Ports Plan aims to strengthen the freight industry and government partnerships; increase access for freight across the road and rail network; and protect existing freight precincts and ensure sufficient future land use.

However, the strategies do not identify specific details of how these commitments will be extended to regional and local communities. Moreover, the needs and concerns of local government and the communities they represent must not be overlooked in the pursuit of economic gains. As custodians of approximately 90% of the State road network, it plays a vital role in the supply chain. While local government may only be responsible for the first and last mile linkages, these are still significant infrastructure enhancements requiring significant costs. Thus, the draft Plan must be aware of these costs and provide for a sustainable funding source for councils.

In the end, a clear and defined funding commitment with strong State support will be the major determinant of the success of these initiatives.

Introduction

IPWEA (NSW) is a not for profit, membership based, professional organisation representing engineers and others involved in the provision of public works and services predominantly in the Local Government sector.

IPWEA (NSW) Mission is:

“To enhance the quality of life of NSW communities through excellence in public works and services. This is achieved through our professional association that effectively informs, connects, represents and leads public works professionals for NSW.”

This submission has been prepared by the NSW Roads & Transport Directorate on behalf of the Board, council members, and representatives of IPWEA (NSW).

The Roads & Transport Directorate was established to meet the demand from members of IPWEA (NSW) to act as a focus for research activities and to provide technical advice. Its main purpose is to assist Local Government in NSW in the area of road infrastructure and transport related activities by:

- Assisting members in discharging their road management roles in the most effective manner consistent with current legal obligations and the most recent technical practices particularly in the critical area of consistent and cost effective asset management;
- Assisting the IPWEA (NSW), Local Government NSW (LGNSW), individual Councils and members in lobbying for a higher priority to be placed on road infrastructure provision and maintenance and for a more equitable share of resources and funding; and

- Providing for IPWEA (NSW) members and Local Government a powerful technical and research resource on transport issues at regional, state and national level. The activities would be, as circumstances dictate, either proactive or reactive to achieve the optimum benefit for the region or state.
- The Directorate commenced operation in October 2004 and has been involved in determining the needs of members and developing solutions to meet those needs.

IPWEA (NSW) Comments on the NSW Draft Freight and Ports Plan

General Comments:

- The IPWEA (NSW) thanks the Government for the invitation to make a submission on the Draft NSW Freight and Ports Plan which aims to strengthen the freight industry and government partnerships; increase access for freight across the road and rail network; and protect existing freight precincts and ensure sufficient future land use.
- Local government is a major player in the supply chain as custodians of approximately 90% of the State local road network. As road transport will continue to play a dominant role in freight transport, this adds to the considerable responsibility that Councils face particularly with regard to the impact of the increasing freight task on the wear and tear of local roads.
- Aside from being stewards of the vast local road network, Councils are also responsible for ensuring the safety of its community and the protection of the environment. Thus in crafting policies, it must consider the balance between the economic benefits of increased freight productivity and the impact to its road transport infrastructure, community safety, and the environment.
- The IPWEA (NSW) maintains that rail is still the most appropriate mode to transport bulk products. Therefore ensuring that the rail network operates to its full potential is imperative. Closures of the regional rail network has resulted in additional heavy vehicle movements along local adjacent roads which in turn creates safety issues for the community. State Government should continuously explore rail as an alternative to road transport.
- The IPWEA (NSW) believes that the identification of strategic transport corridors is useful in providing guidance for future funding requirements. However, State government should also consider the inclusion of key local roads particularly those that are classified as strategic first and last mile connections in the network.
- The IPWEA (NSW) supports the principles of the Movement & Place framework. However, it must be reinforced with measures to ensure that it is implemented at the local access end of the scale and equitably applied to regional areas. We would like to see the same level of access for Sydney, provided for other smaller regional areas.

- IPWEA (NSW) While the Draft Plan proposes a comprehensive and detailed plan it lacks a fundamental component that includes the detailed funding and implementation commitments as well as a clear prioritisation of projects, corresponding funding requirements, and timelines of delivery over the entire transport system.

Issue specific Comments:

1. Integrated transport planning inclusive of regional and local roads

IPWEA (NSW) welcomes the acknowledgment that strong partnerships with local governments will drive place based planning and renewal in regional centres and local towns. IPWEA (NSW) likewise welcomes State Government's commitment to work with local councils and communities on integrated transport and land use planning. However there are details with regard to funding and implementation commitments and local government's involvement in this partnership. Consultation with local councils needs to be extended and targeted to achieve broad community outcome.

2. An efficient network supportive of the increasing freight task and cognizant of the "last mile" issue

Local government is faced with challenges that it inevitably needs to contend with in addressing first and last mile access issues. The Strategy commits to provide a future transport network that will cater to many different types of freight trips with increased "last mile" deliveries as well as an increased traditional container and bulk freight task. In anticipation of this, it is expected that the State Government will provide the necessary financial support to councils especially in regional areas in order for them to complete first and last mile classification/identification for vehicle access on local and regional roads.

IPWEA (NSW) acknowledges the importance of freight transport and that promoting freight productivity is vital to New South Wales economic performance. Moreover, substantial investment is required in road and rail freight and intermodal infrastructure in order to meet the increasing freight task, reduce bottlenecks, and improve network efficiency. However, in considering issues related to, as well as developing policies with regard to freight and heavy vehicle access, councils must weigh both sides of the equation and create a balance between the economic benefits that goes with the increasing freight task and the impacts on local council managed road infrastructure as well as the safety of its communities.

3. A reliable and efficient rail transport that performs to its full potential

IPWEA (NSW) believes that rail is still the most appropriate mode of transport for bulk products. It is also an impetus to regional development as it has the potential to link business centers and transport goods and people efficiently. Likewise, the creation of multi-modal freight & distribution hubs offers new opportunities in regional Australia thus allowing the more

marginalized regions to overcome the challenges of being in the fringes by providing accessibility, employment opportunities, tourism and the promotion of social inclusion.

With Australia's freight projected to double by 2030 and nearly triple by 2050, there is a clear incentive for freight to be moved via rail. This will allow large volumes of freight to be moved without affecting road capacity. Therefore, exploring rail transport as an alternative to road transport where appropriate should continuously be explored. This can be achieved through making use of under-utilised lines and building capacity within local government. This interconnectivity can achieve multiple benefits including strengthening local communities and improving road safety outcomes across the remaining 170,000 km of the local/regional road network.

4. Borderless Transport across jurisdictions and territories

The IPWEA (NSW) recognises the importance of strategies to reinforce the national approach to the growing freight task. This can be accomplished through transport solutions that promote seamless and borderless freight movement across territories and jurisdictions.

While the Future Transport Strategy promotes this through the recognition of the crucial role of Canberra International Airport in delivering high value freight into international markets, the Draft Freight and Ports Plan fails to recognise the same. A study conducted by Cadence Economics in 2016¹ concludes that the recognition of Canberra Airport as major international freight hub would ease congestion in Sydney and deliver broad economic benefits.

“Canberra Airport has a number of key advantages in relation to handling international freight. Some of the advantages include significant runway capacity, existing warehousing facilities, no night-time curfew, land for development, and greater access to improved road infrastructure. Likewise, its proximity to both Sydney and Melbourne enables goods to be efficiently delivered by road freight. It is estimated that 37,107 tonnes of exports leave the Canberra catchment each year through Kingsford Smith and Melbourne Airports, valued at AUD226 million (US\$174 million). This equates to roughly one Boeing 747 freighter landing at Canberra Airport per day. The road transport saving to and from the airport is estimated at 14c/kg for goods previously routed through Sydney.”

Hence, the Draft Freight and Ports Plan should be amended to include Canberra Airport's critical role in providing seamless freight transport across national borders and to promote consistency within the State Future Transport Strategy and its allied Plans.

¹ Cadence Economics, ECONOMIC ANALYSIS OF DIRECT INTERNATIONAL AIR-FREIGHT OPERATIONS AT CANBERRA AIRPORT, 2016 available at https://www.economicdevelopment.act.gov.au/_data/assets/pdf_file/0019/1030609/Economic_Analysis-of-Air-Freight.pdf

5. Sustainable Transport Funding

IPWEA (NSW) believes that there is a need for sustainable transport funding and fully support requiring users who benefit from utilising the road network to pay according to the level of usage of the network. The anticipated increase in road freight task is expected to impact local roads and thus pose a challenge to local councils particularly with regard to maintenance issues.

Councils in NSW already face a massive task in funding and maintaining existing assets. The ongoing sustainability of funding streams to support infrastructure commitments is a priority for Local Government. The Office of Local Government (OLG) reports that *“many councils are struggling to keep up with maintenance and renewal of their assets to a level that is satisfactory to their community. A Local Government Infrastructure Audit completed by the Office of Local Government estimated that the infrastructure backlog in local communities in NSW is in excess of \$7billion.”*

Therefore, this shortfall in funding is likely to be aggravated when future freight demand needs are taken into account. This annual underspend will result in a backlog of investment which will not cover the return of transport assets to their current level of performance. Given the scale of the shortfall in funding identified above and the likely impacts of future demand, there is a need to examine and eventually identify more approaches to address this shortfall. The ongoing sustainability of funding streams to support infrastructure commitments is a priority for Local Government. While both the Australian and NSW governments have increased spending on roads in NSW, IPWEA (NSW) believes that a sustainable funding model that addresses the growing infrastructure backlog and infrastructure maintenance is necessary to ensure that safer roads are provided for the community. At present, other than funding for black spots, safer roads programs, and the Local Government Road Safety Program (LGRSP), there has been very little additional assistance from State Government. This is the general sentiment of majority of Councils surveyed across the State. Moreover, funding provided to upgrade Local Government roads to accommodate freight tasks should include provision for funding of maintenance and renewal of those assets.

6. Improved resource support for local and regional road management

IPWEA (NSW) believes that initiatives should not only focus on eliminating the creation of safety issues but also focus on resolving existing ones. The poor state of Local Government roads and its potential road safety hazards continues to be unheeded. Given that the Draft Strategy calls for a total overhaul of the road network to meet the increasing freight task and that approximately 90% of the State road network is owned and maintained by local government, there needs to be an improved level of consultation with councils across the State.

Local Governments manage road networks that suffer from general deterioration of road surface and varying patterns of use which often lead to increased volumes of traffic especially in areas where the design is unable to cope. Thus, it is necessary to have a continuous funding source to address these issues. Improving the surface condition by sealing, increasing width and alignment of many local roads, implementing local area traffic management, upgrading

dangerous intersections and clear and better signage, can make a big difference to the safety of the local road network.

As already mentioned, Councils are “Road Authorities” under the Roads Act, 1993. Councils have responsibility for approximately 90 percent of the road network and this portion of the road network accounts for almost 70 percent of road accidents. The estimated investment to replace the NSW local transport infrastructure is \$65.7 billion based on the values reported in financial statements of all 152 councils at 30th June 2014. The assets are reported as being consumed at an estimated \$907 million per annum. The shortfall in meeting this level of expenditure is estimated at \$447 million per annum.

The *2014 Road Asset Benchmarking Report* shows that NSW councils are responsible for managing 163,850 km of regional and local roads and 10,067 bridges with a replacement cost of \$65.7 billion. The life cycle cost of the road and bridge network is estimated at \$1.53 billion per annum for 2013/14. Expenditure of \$1.08 billion was 71% of the life cycle cost. Current service levels and expenditure levels are not sustainable.

Regional & local road lengths for responding councils

	Road Length in km		
	Sealed	Unsealed	Total
Regional Roads	15,117	3,201	18,317
Local Roads	65,885	79,647	145,533
Total	81,002	82,848	163,850

Source: IPWEA (NSW) Roads and Transport Directorate 2014 Road Asset Benchmarking Report

The net result of this funding shortfall is that the condition of the local and regional road networks is deteriorating, which is producing a corresponding deterioration in the safety of the network for road users.

Conclusion

This submission identified the following issues that must be addressed by the Draft Future Transport Strategy:

1. An integrated transport plan inclusive of regional and local roads
2. An efficient network supportive of the increasing freight task and cognizant of the last mile issue
3. The need for a reliable and efficient rail transport system that performs to its full potential
4. Borderless freight transport across jurisdictions and territories
5. Sustainable transport funding; and
6. Improved resource support for local and regional road management

IPWEA (NSW) supports the State Government’s efforts to initiate planning for the medium term. The NSW Draft Freight and Ports Plan aims to strengthen the freight industry and government partnerships; increase access for freight across the road and rail network; and protect existing freight precincts and ensure sufficient future land use. However, the needs and concerns of local government and the communities they represent must not be overlooked in the pursuit of economic gains. As road authorities and custodians of approximately 90% of the State road network, local government plays a vital role in the supply chain. Furthermore, while local government may only be responsible for the first and last mile linkages, these are still significant infrastructure enhancements requiring significant costs. Thus, the draft Plan must recognise these costs and provide for a sustainable funding source for councils.

In the end, a clear and defined funding commitment with strong State support will be the major determinant of the success of these initiatives.