Draft

Submission to the NSW Draft Freight and Ports Plan

March 2018
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1. 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 welcomes the opportunity to make a submission to the NSW Draft Freight and Ports Plan. Our submission highlights policy positions advocated in our submission to the Draft NSW Future Transport 2056 Plan and follows consultation with the wider local government sector.

This submission is in draft form until it is considered by the LGNSW Board. Any revisions made by the Board will be forwarded in due course.

2. Opening Remarks

Councils manage about 90% of the local and regional road network in NSW by road length (164,000km) and as such, have a direct interest in and responsibility for the efficient use of this network for the transport of freight.

In managing its road network, councils must balance the needs of a diverse range of road users including residents, heavy vehicle and freight industry operators, work and business travellers, school students, people with disabilities and tourists.

LGNSW acknowledges the importance of freight transport for productivity and economic development in national, regional and local contexts. The key issue for many councils is that improving freight efficiency by extending access to local roads or greater use of higher productivity heavy vehicles does not always benefit local communities and can have significant negative impacts on local road infrastructure, road safety and amenity.

With freight volumes estimated to double in the Greater Sydney area and grow by a quarter in Regional NSW over the next 40 years, and a growing population, LGNSW asserts that the NSW Government must engage local government up-front and as an equal partner in developing and delivering its Freight and Ports Plan. Local government support will be critical to meeting the growing demands placed on the road and rail networks, particularly if the issues of congestion, journey and access times, safety risks and community amenity are to be understood and addressed effectively. LGNSW requests that the Draft Plan be amended to recognise local councils as an equal partner in development and delivery of the Plan. LGNSW also asks that the NSW Freight and Ports Plan balances the needs of all road and rail users, and managing potential community impacts as priorities.

LGNSW commends the Government on its recent announcement in relation to the reservation of key transport corridors. LGNSW also acknowledges the thorough consultation process undertaken by Transport for NSW as part of the release of the Freight and Ports Plan and we urge you to address the issues raised by councils, Joint Organisations (JOs), Regional Organisations of Councils (ROCs) and other stakeholders in the final version of the plan.

3. Summary of Recommendations

LGNSW’s submission makes eight recommendations on the NSW Draft Freight and Ports Plan (the plan):

1. NSW needs a detailed, committed and funded freight transport plan to guide all levels of government, including local government.
2. Local government must be recognised and engaged as an equal partner in the development and delivery of solutions to the growing freight task in NSW, including in the consideration of new technologies associated with connected and automated vehicles, including freight and other vehicles.

3. The plan should introduce funding mechanisms so councils receive a share of the productivity benefits of increased freight movements and the use of high productivity vehicles.

4. Investment should be prioritised in key regional freight projects such as improved transport links between Sydney and Central NSW (Bells Line Expressway), the Melbourne to Brisbane Inland Rail, and western Sydney freight rail and North – South rail lines.

5. Identifying and balancing negative impacts on local road infrastructure, road safety and community amenity alongside the economic benefits of improved freight transport must be an express priority of the plan.

6. Integration of land use and transport planning, supported by a committed and funded infrastructure delivery program, is essential.

7. Rail should be prioritised as the most appropriate form of transport for many mass/bulk products, and as an alternative to heavy road transport where practicable in both urban and regional areas of NSW.

8. Additional funding is required to specifically address road safety outcomes on the local road network, including issues relating to the freight task and heavy vehicle traffic.

4. Response

4.1 Freight and the local road network

LGNSW acknowledges the importance of freight transport for productivity and economic development in national, regional and local contexts. Local government’s primary interest in freight comes from its responsibility for the local road network, which for most councils, especially in regional areas, is their single largest item of expenditure. The local road network is a significant component of the national and state transport system totalling in NSW some 164,000 km, or about 90% by length of all roads in the state. This local road and bridge network has an asset value of $51.9 billion ($17.4 billion in metropolitan Sydney, $34.5 billion in regional areas (source: Council annual reports summarised in NRMA Local Roads Report, 2017). Most of this road network is particularly vulnerable to the impacts of heavy freight traffic.

NSW councils faced an infrastructure renewal backlog of $6.3 billion and an annual renewal gap of $650 million in addressing this huge asset management task, according to 2014 research by the Institute of Public Works Engineering Australia. In its 2017 “Funding Local Roads” report, the NRMA agreed, concluding that if roads are not built and maintained to a standard that can cater for existing and future traffic demand, the cost of living will be increased, the potential to expand tourism will be thwarted and the potential to increase agricultural and industrial freight in regional areas will also be restricted. This in turn reduces the competitiveness of regional economies. In this study NRMA showed that freight movements are expected to increase by 213 million tonnes or over 85% to 469 million tonnes in 2036. Given that heavy vehicles impose greater damage on the road network than light vehicles, this is likely to cause significant issues for the local road network.

Funding is therefore key in local government’s response to the increasing freight task and its impact on local road networks. The benefits of increased freight movements to the economy, to the freight and logistics industries and to their customers do not flow automatically through
to councils. There is precious little extra revenue to address the impact of growth on council-managed roads themselves, particularly in NSW’s rate-pegged environment.

Councils need a means to get a share in the financial benefits that productivity improvements bring to the heavy vehicle and logistics industries through the use of higher-productivity vehicles and other transport efficiency gains. This would give councils a means to address road maintenance and road upgrades these vehicles need so they can use local roads, at least partially, and redress the huge infrastructure funding backlog facing councils in NSW and nationally.

Councils must balance the needs of a diverse range of road users and take into account safety and amenity factors when considering freight access in local areas. They also often face challenges in accessing the expertise or resources required to undertake route assessment tasks. This is well illustrated in the academic research summarised below.

Case Study - Australian Transport Research Forum 2008

Understanding decision-makers’ attitudes to assessing heavy vehicle access to local roads

Although now somewhat dated, research undertaken in 2008 by Geoff Anson and George Giannakodakis and presented at the 2008 Australian Transport Research Forum shows the challenges still faced by all stakeholders, including councils, in managing access to heavy vehicles. The findings are still applicable in 2018.

The study shows that the push to open up parts of the local road network to higher productivity vehicles has generated responses that range from strong support due to the productivity gains and economic benefits expected for regions, through to significant concerns about the infrastructure, environmental and social impacts of these vehicles have on local areas. It concludes that governance and context issues offer the greatest challenge to improving decision-making on HV/RAV access to local roads, including fundamental issues of the relationship between the three spheres of government, responsibility for funding and the credibility of assumptions that underpin current road reform processes.

Several of the councils in areas of the state with forestry plantations have joined a working party with LGNSW to advocate on the funding needs of local roads severely affected by the operations of heavy vehicles engaged in forestry harvesting operations.

Case Study: Unrateable Land Working Party

The aim of this working party is to address the issues around Unrateable Forestry Plantation Land & Forestry Road Infrastructure Contributions. Participating councils are from areas with forestry related plantations experience the impact of forestry logging transport operations but have limited ability to raise rating or other infrastructure contribution revenue to address the impacts of this traffic on the local road network.

In response to a motion from Oberon Shire Council, the 2017 Local Government NSW Annual Conference resolved as follows:
1. The NSW Government abolish the rate exemption that currently applies to operational land managed and worked by the Forestry Corporation NSW.
2. That the State Government introduces a system for transport infrastructure contributions by forestry corporations to address the ongoing infrastructure maintenance, upgrade and renewal needs of council roads. This is specifically to address the roads, bridges, culverts and drainage infrastructure impacted upon by forestry operations especially but not limited to heavy forestry vehicles.
LGNSW acknowledges that the Fixing Country Roads program has enabled many of the local freight related infrastructure issues to be addressed in rural and regional areas. However, recent work undertaken by LGNSW, Roads and Maritime Services (RMS), the National Heavy Vehicle Regulator (NHVR) and the Institute of Public Works Engineering Australasia (IPWEA), has also shown that a similar funding need exists in the Sydney and other urban areas as the result of ever increasing first and last mile demands on local roads. This is especially as a result of significant increases in construction, logistics, port access and general delivery related road freight in recent years. LGNSW has requested the State Government consider a $50 million funding program to support this need.

- **Recommendation 1:** NSW needs a detailed, committed and funded freight transport plan to guide all levels of government, including local government.

- **Recommendation 2:** Local government must be recognised and engaged as an equal partner in the development and delivery of solutions to the growing freight task in NSW, including in the consideration of new technologies associated with connected and automated vehicles, including freight and other vehicles.

- **Recommendation 3:** The plan should introduce funding mechanisms so councils receive a share of the productivity benefits of increased freight movements and the use of high productivity vehicles.

### 4.2 Strategic freight issues

The identification of defined and integrated state and regional freight networks and corridors will assist all spheres of government in their ongoing strategic planning, investment and infrastructure programs. Councils are looking for guidance from other spheres of government, including through the strategic transport planning process, to better inform their own asset management and infrastructure investment priorities, especially given the limited funding currently available.

Many councils are members of ROCs, emerging JOs or other similar regional groups that undertake regional strategic planning to deliver economic and employment growth to their regions. LGNSW supports a model that will deliver additional funding to councils via strategic regional arrangements linked to higher-level transport and freight strategies. This may include investment in funding key freight related infrastructure on local and regional roads, e.g. heavy vehicle access on first and last mile local road connections, connectivity enhancement programs such Fixing Country Roads and Bridges for the Bush, and other flexible options to increase productivity for particular commodities, e.g. the Grain Harvest Management Scheme. LGNSW looks forward to working with government to fully leverage the expertise of regional groups to enhance local and regional transport planning and road management outcomes for councils.

LGNSW is aware that many councils and regional groups have identified particular transport projects, corridors and priorities within their local and regional areas with strategic significance for the regional and state-wide freight task. These include important areas of focus such as:

- Improved transport links between Central West NSW and Sydney, e.g. through a new Bells Line Expressway and appropriate connections with a new Castlereagh Freeway in northwest Sydney;

- Restoration of the Blayney-Demondrille regional railway line including the Koorawatha-Greenethorpe branch (‘The Cowra Lines’);

- Enhanced connectivity with the proposed Inland Rail line including new investment in key regional intermodal terminals;
- A new western Sydney North – South rail line being promoted by eight western Sydney councils – currently a passenger rail proposal but could be expanded to include freight connections; and
- Projects identified in current or previous Fixing Country Roads funding rounds.

We commend the Government’s recent positive actions on some of these priorities, especially the Government’s announcement in relation to the reservation of key transport corridors. We urge TfNSW to ensure important initiatives raised by councils, JOs, ROCs and other regional groups during the extensive consultation process are advanced further as part of the Freight and Ports Plan.

**Central NSW Councils (Centroc) - Improved transport links between Sydney and Central NSW (iv)**

Central NSW Councils (Centroc), along with the Western NSW Business Chamber and RDA Central West are calling for support for better transport links between Central NSW and Sydney. Centroc has stated that businesses across the region are calling out for better transport links into Sydney, for freight to and from the region and for their growing tourism industry, and that addressing the current inefficiencies in transporting goods over the Blue Mountains will assist the Central West region to grow and prosper.

- See Recommendation 1; and
- **Recommendation 4:** Investment should be prioritised in key regional freight projects such as improved transport links between Sydney and Central NSW (Bells Line Expressway), the Melbourne to Brisbane Inland Rail, and western Sydney freight rail and North – South rail lines.

**4.3 Planning and amenity issues**

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. The Government’s Transport and Freight Strategies include strong emphasis on delivering integrated infrastructure and working in collaboration with relevant agencies and stakeholders, including local government, to achieve liveability, productivity and sustainability, and with clear commitments and delivery strategies at the local level. The impacts of growth and economic development on our communities cannot be left to local government to manage and fund unassisted by other spheres of government.

The Freight and Ports Plan highlights a number of issues relating to the role of councils in the provision of appropriate freight access in local planning and road management/access contexts, especially in urban areas. LGNSW notes that decisions relating to strategic planning outcomes, population growth, housing targets and individual development approvals etc that may affect freight access are made within an overarching planning framework that includes:

- The Minister for Planning/Department of Planning and Environment (DP&E);
- Greater Sydney Commission (GSC);
- Sydney Planning Panels and Joint Regional Planning Panels;
- Local Planning Panels;
- Independent Planning Commission (formerly the Planning Assessment Commission);
- Land and Environment Court; and
- Councils.
In many cases councils have a limited role in determining planning outcomes at the strategic and particularly at the development assessment level, or have had these responsibilities removed or limited by these other planning approval pathways. Examples of this include:

- Population/housing growth targets determined and imposed by the State Government through the GSC and associated district plans;
- Planned Precincts and Growth areas in various parts of Sydney, initiated by the Government and largely outside local government control;
- State Significant Development and State Significant Infrastructure projects that fall under the control of the State Government.

The planning related issues of freight connectivity and access outlined in the Freight and Ports Plan must take note of these widely varied planning pathways across Sydney and NSW generally. Key transport priorities, infrastructure availability and access must be identified and must inform development approvals irrespective of the consenting authority/body.

The Plan also comments on the protection of existing or potential employment lands for future freight related purposes, e.g. for intermodal terminals. LGNSW agrees that councils need mechanisms to protect this land from rezoning especially for residential uses. This could be achieved through the GSC mandating the protection of employment lands through its District Plans, with similar arrangements being put in place for by the DP&E for regional areas if needed. The responsibility of the GSC and Department of Planning in this area should be emphasised in the Freight and Ports Plan.

Many councils have developed local transport management plans and have identified the importance of working with the freight industry as a key priority in their local government areas. An example of this can be seen in the case study below.

**Case Study – Blacktown City Council Integrated Transport Management Plan (ITMP) (v) and Heavy vehicle freight Initiatives (vi)**

*Blacktown City Council’s Integrated Transport Management Plan (ITMP) helps guide the development of the Blacktown City transport system over the decades to come. It sets out a vision for a transport network in response to growth within and outside of Blacktown City which is sustainable, equitable and convenient. Key issues covered include all forms of public transport, walking and cycling, roads, traffic and parking, integration of land use and transport, transport accessibility, trip growth, and travel demand management, and safe and efficient delivery of freight.*

*In addition, Blacktown has worked closely with the National Heavy Vehicle Regulator (NHVR) to better understand the benefits that approving access to high productivity heavy vehicles on local roads can bring to local economies. In doing so, council has improved the productivity of local freight related businesses, reduced congestion by having fewer truck trips for the same amount of freight, and improved road safety on the busy Western Sydney road network. This has also substantially reduced council’s own administrative burden by progressively removing the need for permits for certain heavy vehicles. The NHVR encourages other councils to take the same approach and gain similar benefits.*

Improving freight efficiency, while a sound macro-economic policy, does not always provide optimum outcomes for local communities, from both infrastructure impact and road safety/amenity perspectives. Many local communities, especially in urban contexts, have concerns about the effect increased numbers and mass of heavy vehicles will have on their area, especially regarding local road safety and amenity. This may reflect general community attitudes to heavy vehicles, or a general lack of understanding of the benefits of higher
productivity vehicles. It is vital that a transport/freight strategy address these other community impacts, attitudes and perceptions surrounding the various transport modes.

Consideration of the needs of the freight industry in both individual developments (e.g. heavy and light commercial vehicle access to shopping centre loading docks) and in a more general strategic planning context (e.g. appropriate access roads, truck parking and break-up areas, driver rest areas etc.) is also important. Related to this are the planning issues associated with appropriate ‘span of hours’ (i.e. approved opening hours) for industrial and warehouse type development to facilitate more efficient access by the freight industry, while also considering the traffic and amenity impact on local communities and residents. Levels of consultation and the involvement of councils and local communities in key local and regional freight planning activities must be increased to address and enhance the road freight industry's social license for freight in urban areas, if, for example, a greater use of 24-hour freight deliveries is to be considered in urban/residential areas.

- **Recommendation 5**: Identifying and balancing negative impacts on local road infrastructure, road safety and community amenity alongside the economic benefits of improved freight transport must be an express priority of the plan.
- **Recommendation 6**: Integration of land use and transport planning, supported by a committed and funded infrastructure delivery program, is essential.

### 4.4. Rail transport

Local government considers rail to be the most appropriate form of transport for mass/bulk products. In many regional areas of the state, rail branch line closures have forced additional heavy vehicle movements onto adjacent local road networks. Councils feel that rail transport must be explored as an alternative to road transport where possible, through:

- the use of existing under-utilised or moth-balled rail lines such as the Demondrille – Blayney rail line;
- the development of new trunk routes such as the North-South Inland Rail project; and
- the use of appropriate financial pricing signals to encourage a greater degree of competition between rail and road modes of transport.

This issue is not restricted to rural and regional areas of the state. Councils in metropolitan areas are facing increasing levels of heavy vehicle traffic on already congested local roads, for example in areas located near or affected by access to Port Botany in Sydney. Local government welcomes initiatives to greatly increase the share of this traffic via rail. These include the recent northern and southern Sydney freight corridor projects, intermodal terminals at Enfield and other strategic locations, the western Sydney freight line and north-south rail line and duplication of the existing Port Botany rail line. Longer term commitments such as the Maldon – Dombarton rail link to Port Kembla are also required to ensure that the modal shift to rail is sustained and expanded, and the rail network is able cope with the projected increase in the freight task.

A freight issue of concern to councils in the grain growing regions of NSW is the condition and the closure of rail lines with the primary role of transporting grain. The running down and closure of these lines means that grain is being carried increasing distances by road, often on local roads. This is placing increased pressure on these roads without any direct recompense to the council for the significant extra damage to local roads by the increased traffic.

The use of higher productivity vehicles to carry grain greater distance in some cases places increased pressure on cash-strapped councils to upgrade roads and bridges to cater for these
vehicles, and at the same time further decreases the relative competitiveness of rail. Local government perceives this creeping transfer of grain haulage from rail to road as a totally unacceptable direct cost shift from state owned rail systems to council owned and managed roads.

**Case Study - Parkes Shire Council - Inland Rail**

Parkes Shire Council has welcomed the Government's announcement in the 2017/18 budget for $8.4 billion for the development of the Melbourne to Brisbane Inland Rail.

The new Melbourne to Brisbane freight line will immensely improve freight efficiencies, transforming freight movement in Australia and creating outstanding investment opportunities in Parkes and surrounding regions of NSW.

Already a major transport centre, Parkes is moving quickly to capitalise on the Melbourne to Brisbane Inland rail. The Parkes National Logistics Hub, the largest greenfield intermodal site in NSW, is one of Australia’s most promising industrial developments and a project of strategic importance to the freight industry. A report by Regional Development Central West has found that the economic impact of the Inland Rail project for NSW’s Central West region is estimated at $216M over 60 years and that the region is well positioned to benefit from economic and supply chain development. The study found that around 490 new jobs could be created in the region during the construction phase. Post-construction, it is estimated that around 150 new jobs in the agriculture, manufacturing and mining sectors could be created in Parkes, Forbes and Lachlan local government areas alone.

In addition to employment and investment opportunities, the establishment of a National Logistics Hub in Parkes will offer cheaper, faster and more efficient modal choices, and offer a centralised storage and distribution point for a range of commodities including agricultural products.

Parkes Shire Council is looking forward to working with the Federal and State Governments to improve linkages from the inland rail spine back to the New South Wales ports. An efficient rail system spine is critical.

- Recommendation 7: Rail should be prioritised as the most appropriate form of transport for many mass/bulk products, and as an alternative to heavy road transport where practicable in both urban and regional areas of NSW.

### 4.5 Heavy vehicle road safety issues

According to the Centre for Road Safety, 49% of road trauma related accidents occur on the local road network. While factors such as speed, alcohol, drugs and distraction are key, local government shares the Government’s concern about the increase in road accidents in rural and regional areas of NSW, with 67% of fatalities in 2017 occurring on country roads.

While heavy vehicles make up only 2% of NSW registrations and only 8% of kilometres travelled by all vehicles, they are involved in about 17% of all road fatalities.

In the period 2012 to 2016 there were 289 fatalities from heavy truck crashes, (an average 58 people killed per year), and 6937 injuries from heavy truck crashes, (an average 1387 injuries per year). Initial statistics have shown that this alarming trend is continuing in 2018.

Accidents involving heavy vehicles are often serious because of their size and weight, regardless of who is at fault.
Both the Australian and NSW Governments have increased spending on roads in NSW, including funding for black spots, safer roads programs and the local government road safety program, but more assistance is needed from both to specifically address the local road network. While LGNSW has welcomed the Government’s recent announcement of a new $125 million Saving Lives on Country Roads program, we believe there is ample justification for a matching $125 million to specifically address road safety outcomes on the council managed local and regional road network.

- **Recommendation 8**: Additional funding is required to specifically address road safety outcomes on the local road network, including issues relating to the freight task and heavy vehicle traffic.

### 4.6 Connected and automated vehicles technology

The emerging and transforming technologies associated with connected and automated vehicles have implications for councils as road managers. While it is expected that these changes will have road safety benefits, local government must be included when the Commonwealth and State Governments and industry consider the policy, infrastructure and legislative changes that will be required, especially the implications for the local road network.

Measures such as increased in-vehicle safety features and electronic driver aids including adaptive cruise control, land departure warnings, automatic braking and seeing machine driver safety systems are aimed at improving on-road vehicle tracking and safety and driver fatigue management, to directly enhance road safety outcomes. Other more advanced measures such as semi or fully autonomous heavy vehicles, and ‘platooning’ of multiple heavy vehicles together electronically on major highways may present more challenges for road authorities and the community. Local government must be included in discussions about the application and impact of these new technologies on local roads, and the general public must be included in this conversation as well.

At the Australian Local Government Association National Local Roads and Transport Congress in Western Australia in November 2017 delegates discussed the need to more fully explore the implications of technology and intelligent transport on local government and communities and indicated support for council participation in trials of the new technology.

- **See Recommendation 2**

### 5. Conclusion

Local government welcomes the development of the NSW Draft Freight and Ports Plan.

We acknowledge the importance of improving the efficiency of freight transport to improve productivity and support economic growth in national, state regional and local contexts. In addressing these demands, councils must balance the economic benefits associated with the growing freight task with the impacts on vulnerable road and bridge infrastructure, the road safety and amenity concerns of their local communities, and resource implications.

Planning for the massive state-wide transport task presents huge challenges from at both strategic and financial levels, but is necessary to guide all spheres of government, including local government, in their future road and transport network activities.

Regional communities need improved transport options within their regions and to other centres including Sydney.
LGNSW emphasises the need for much better integration of land use and transport planning, closely aligned with a committed and funded infrastructure delivery program. We also note that many land-use planning decisions that impact upon the freight task, especially in metropolitan and urban contexts, increasingly fall outside the direct control of councils or may be under direction from government.

We acknowledge the consultation process undertaken by Transport for NSW as part of the release of the Draft Freight and Ports Plan and the opportunity for LGNSW to participate and contribute to this important work for councils in NSW.

LGNSW looks forward to working with Transport for NSW on the further development of this plan and its implementation.

To discuss this submission, please contact Richard Connors, Senior Policy Officer - Roads and Transport, on 02 9242 4073 or richard.connors@lgnsw.org.au.
6 References


