

PUBLIC WORKS COMMITTEE

**IMPACT OF PORT OF NEWCASTLE SALE ARRANGEMENTS ON PUBLIC
WORKS EXPENDITURE IN NEW SOUTH WALES**

Responses to Questions taken on Notice

Hearing – 31 January 2019

1. The Hon. JOHN GRAHAM: Why was the public not allowed to know about the restrictions?

Mr STAPLES: I cannot comment on the specifics of the transaction. I am happy to take on notice any issue around that. The critical point is that we are very transparent about our priority for community and industry and the supply chain, which is a critical part of this whole conversation. It is not just the port, it is waterside supply chain and landside supply chain.

Response:

This is a matter for NSW Treasury.

2. Mr KANOFSKI: I might pick up the first point. About 1 per cent of the traffic on the M4 and M5 are container trucks. Are container tracks part of the business case for those major transport projects? Yes, they are a part of it, but a very small part of it. I would estimate—and this is a rough estimate—that the economic benefits of those projects, probably of the order of 2 per cent is made up of containers.

Ms CATE FAEHRMANN: When you say 1 per cent, do you know the number of container trucks?

Mr KANOFSKI: I would have to take the exact number on notice, but roughly the M5 carries about 100,000 vehicles a day.

Ms CATE FAEHRMANN: In regard to Sydney's overall roads, please take that on notice as well, not just the M4 and the M5.

Mr KANOFSKI: Yes, absolutely. To reinforce Mr Rumble's position, these transport projects benefit all users including container traffic, but container traffic is a very, very small proportion. If I go to the land side, there is not enough detail to really assess what the landside costs of this are, but I would make a few observations. There is a debate about the traffic numbers, but I think it is safe to say there would be at least 2,500 heavy vehicle movements; it could be 5,000 heavy vehicle movements from such a facility.

Response:

Based on the Sydney Commercial Vehicle Video Survey (2014) the number is 2,176 daily container vehicles on the M5 Motorway at Punchbowl. This survey gives the most accurate estimate of container vehicles because normal traffic counts don't provide information about the commodity being carried.

3. The CHAIR: Is it the intent that that would reduce fuel consumption and emissions?

Mr KANOFSKI: Yes.

The CHAIR: Do you know how much?

Mr KANOFSKI: I do not know. I would have to take on notice how much. But, clearly, if you take out of stop-start traffic and you put it into free-flow traffic, and on better grades—the motorway has better grades than does Pennant Hills Road—then you will get a reduction in fuel. I would have to take on notice the estimate. It would be in the benefit-cost ratio [BCR] for the project.

Response:

NorthConnex will provide shorter travel times, while also providing safer and more reliable trips, by avoiding 21 sets of traffic lights and travelling on a straighter, flatter route. Motorists will save up to 15 minutes per trip by using NorthConnex instead of Pennant Hills Road.

NorthConnex will improve air quality and reduce traffic noise following the removal of up to 5,000 trucks daily from Pennant Hills Road. Relieving traffic congestion and improving traffic flow has significant environmental benefits, including reduced fuel usage and emissions, compared to the use of Pennant Hills Road, which is not a free flowing alternative route.

Transurban analysis of travel time and fuel efficiency data confirms that using routes in free-flow traffic situations produces less greenhouse gas emissions per kilometre than using an alternative route along arterial roads. An environmental review of the M5 South West Widening Project estimated a 30–40 per cent reduction in customer greenhouse gas emissions as a result of improvement in travel times and improved driving conditions. KPMG modelling estimated that toll roads generated \$72 million in environmental benefits over a 10-year period. Source: KPMG, Economic Contribution of Australia's Toll Roads, 2015*

By using NorthConnex, freight operators will achieve operational savings (time and cost) of up to \$24 for each B-Double trip in 2020 and \$40 in 2029 (in real terms), according to Transurban analysis.*

Source:* Transurban NSW Legislative Council Inquiry into Road Tolling Submission 28 February 2017