



**NEW SOUTH WALES ROAD TRANSPORT ASSOCIATION
INC**

SUBMISSION

**TO LEGISLATIVE COUNCIL STANDING COMMITTEE
ON STATE DEVELOPMENT**

**INQUIRY INTO PORT INFRASTRUCTURE IN NEW
SOUTH WALES**

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SUMMARY OF RECOMMENDATIONS

Recommendation 1

That the Standing Committee on State Development endorse the general thrust of the Ports Growth Plan as a sound base for developing infrastructure to address the medium to long term requirements of the shipping industry and of container terminal operators to serve the needs of shipping lines.

Recommendation 2

That a holistic regional plan be developed to consider additional land based infrastructure needs for south eastern Sydney (including Port Botany, Sydney Airport, Cook's Cove, Green Square and North Arncliffe) that takes into account growth projections for population, employment and traffic and their underlying growth drivers, as well as opportunities for further development of rail freight and public transport.

Recommendation 3

That the Committee support a further investigation into occupational health and safety issues facing truck drivers engaged in container cartage.

Recommendation 4

That the Committee support the development of suitable rest areas and food service facilities adjacent to Foreshore Rd to service the needs of truck drivers working out of Port Botany and other port related and industrial sites in the Port Botany area.

Recommendation 5

That the Committee endorse the development of a state wide strategic plan for the movement of freight which embraces land, sea (and possibly air) transport modes.

Recommendation 6

That the Committee support in principle the idea of a commitment to earmark and set aside available land to facilitate land side (road, rail and intermodal) infrastructure to service Port Botany in both metropolitan and regional areas.

Recommendation 7

That the Committee support the development of a motorway to link Foreshore Rd and the M4 East motorway.

Recommendation 8

That the Committee support the broadening of the B-double route network in suburbs adjacent to Port Botany, including local road improvements where required to address engineering and other design issues that currently hamper approval of B-doubles on these local roads.

Recommendation 9

That the Committee support the development of increased mass and dimension limits to accommodate the increasing trend towards higher, longer containers.

Recommendation 10

That the Committee ensure the Roads and Traffic Authority and the State Rail Authority work with road and rail transport operators and the National Transport Commission to ensure there is a better understanding global trends in containerisation and the implications in terms of trailer and rail wagon design and operation.

Recommendation 11

That the Committee support the development of strategically located intermodal terminals in western Sydney and in regional areas having regard to criteria such as current and future trends in containerised traffic and the cost of providing adequate road and rail links and the ability to integrate with current or proposed empty container facilities.

Recommendation 12

That the Committee support the development of upgraded road and rail links to the Port of Newcastle.

Recommendation 13

That the Committee support the earmarking and setting aside for future development of suitable vacant land to facilitate the development of land side infrastructure that compliments the development to port related infrastructure and, where appropriate, to earmark privately owned property for future development to ensure adequate land side infrastructure is available to provide efficient, reliable service to ports.

Recommendation 14

That the Committee urge the State Government to work with the Australian Government and the private sector to exploit opportunities to fund the construction of major infrastructure projects.

Recommendation 15

That the Committee recommend that the Department of Infrastructure, Planning, Natural Resources and Environment assume responsibility for co-ordinating major infrastructure developments in collaboration with stakeholders and those responsible for project financing.

Recommendation 16

That the Committee express its support to the Australian Government for the development of a national e-commerce system to monitor the movement of freight along the supply chain into and out of Australia, having regard to the potential benefits of this initiative in terms of national security, international competitiveness and improved service reliability.

Recommendation 17

That the Committee support the allocation of funds to encourage the development of a more skilled workforce in the road transport industry and efforts to develop school to work based career paths for secondary school students, new entrants into the industry and existing workers.

Recommendation 18

That the Committee support an investigation into occupational health and safety issues facing container carriers and truck drivers involved in container transport.

Recommendation 19

That the Committee support the allocation of any proceeds from the sale of publicly owned land or other assets to enhance either the provision of improved port related infrastructure or to enhance the port related operating environment.

INTRODUCTION

The New South Wales Road Transport Association Inc (NSWRTA), the peak road transport employer organisation in New South Wales, welcomes the opportunity to put its views forward to the Inquiry into Ports Infrastructure in New South Wales.

NSWRTA believes the timing of this inquiry is appropriate given the announcement by the Premier, Mr Carr on 5 October last year on the future strategic direction for the development of the three major cargo handling ports in NSW.

A major theme in this submission is the opportunity this inquiry presents to facilitate the development of a plan to ensure these three ports, ie Port Botany, the Port of Newcastle and Port Kembla, become the focal point of Australia's international trade in containerised and general cargo by sea. By pursuing this objective the three major cities in NSW will each have a sounder economic base to stimulate their economic development. This will bring with it a range of social and economic benefits. While this will create environmental challenges, they need to be evaluated against the consequences of alternatives.

As this submission will show, these three principal ports all have many natural advantages which position them well for further expansion. All three ports have excellent deep water for large vessels and short distances for pilotage. This leads to operational advantages for shippers. They also have well developed port side infrastructure and, to varying degrees, scope for expansion.

In the early to middle part of the 20th century, a solid case could have been made that Australia's leading economic region was based on Melbourne and it was well positioned between the second and third largest areas of economic activity, namely Sydney and Adelaide. These factors, when combined with the activity generated by shipping services to Bass Strait, made the Port of Melbourne the leading general cargo sea port in Australia. It also positioned Melbourne to become the leading centre of land based freight transport activity in Australia. Melbourne retains this leadership status to this day.

The Victorian Government continues to be proactive in developing and implementing a long term strategy for road, rail, sea and air freight with the objective of ensuring Melbourne remains the leading location for freight transport in Australia.

However, the Newcastle-Sydney-Wollongong conurbation is now Australia's economic powerhouse. These cities and surrounding areas are also well positioned for further economic growth. Sydney is also geographically equidistant between Melbourne and south-eastern Queensland, now the second and third largest areas of economic activity in Australia.

Sydney has supplanted Melbourne as both the major economic region in Australia and as the geographic centre of economic activity in south-eastern Australia.

The continued northward drift in Australia's centre of economic activity towards Sydney has yet to extend to surface freight transport. The NSW Government needs to capitalise on the natural advantages of these NSW ports and the ever growing market for exports and imports (from a shipping line's perspective). This requires a commitment by the current and successive NSW governments to the development and implementation of a long term plan to ensure these NSW ports become the dominant ports in Australia.

That will only be possible if these two natural advantages are complimented by a long term commitment to substantial upgrading of road, rail and intermodal infrastructure. Such a commitment can be expected to transform these cities into the prime position in terms of both the port side and the land side of the freight transport task because it will generate significant economic advantages for NSW.

This needs to be backed by other infrastructure in areas of information technology, education and training as well as research and development to address concerns such as the lack of co-ordination and strategic focus, skills shortages and weaknesses and poor information to assist decision making.

Another critical issue for this Committee to consider is other economic developments in the south eastern area of Sydney in Sydney Airport. The rationale for this is that any decision to build the third terminal at Port Botany will mean, in the medium term at least, nearly all of the growth in the land side transport task will take place there. However, there are other drivers of economic growth in this area of Sydney. These include substantial long term growth in passenger and freight activity at Sydney Airport as well as industrial and residential developments elsewhere.

There has been recognition for a long time of the importance of efficient, reliable and well resourced sea ports in stimulating economic development. However the efficiency of the equivalent land transport access is much less recognised as a critical factor in port related operations. While road transport of containerised cargo is a big business and is growing at a rate of 10 per cent per annum in nominal terms, it is poorly understood and measured. This task involves transport to and from a container terminal as well as transport to and from clients, carrier's transport yards, rail terminals, empty container depots and freight forwarders. Each container makes a number of trips by road from the time it arrives with imports and leaves with exports.

However, as stevedores, (hereinafter referred to as container terminal operators), demand of the road transport industry 24 hour pick up and delivery and as the ratio of full import containers to full export containers continues to rise, the land side task will become more complex and require a container to undertake more truck trips between the time it arrives as an import and the time it leaves as an export. These forces add to the pressure on land side infrastructure and increases the risk that it will become totally inadequate in coping with future traffic demand in Sydney.

Growth projections for both Port Botany and Sydney Airport require the NSW Government to recognise the Botany-Mascot area as Australia's principal transport hub and to ensure that appropriate investment is made in infrastructure across all four modes to make this major hub work efficiently and to act as a major driver for economic growth in NSW.

Given the lead times in transport infrastructure planning and delivery and the strong growth across the freight transport sector, particularly in containerised cargo, there is a pressing need for the development of a holistic long term multi-modal strategic plan that takes into account all aspects of the ship side and land side transport task and flow on effects in terms of likely infrastructure requirements. It is critical that such plans are developed as a matter of urgency by the NSW Government both so vital road and rail corridors and sites suitable for development of intermodal facilities can be earmarked and protected from other development.

This submission will not consider issues associated with the ongoing development of port infrastructure and associated land side transport and infrastructure issues for the movement of bulk commodities such as coal and grain.

THE NSW GOVERNMENT'S PORTS GROWTH PLAN, INCLUDING ANY PLANNED CLOSURE OF SHIPPING FREIGHT FACILITIES IN SYDNEY HARBOUR

NSWRTA endorses both the broad thrust of the NSW Government's Ports Growth Plan and the associated strategic approach as far as it goes. This is because governments have an important role in guiding this process. NSWRTA senses that the NSW Government has adopted a more activist approach to the strategic development of port infrastructure in the last 12 to 18 months. The present approach contrasts with the immediately preceding period when a more *laissez faire* approach prevailed and the three ports corporations took a classic commercial approach to their separate development in the absence of any coherent State-wide strategy.

Port infrastructure is expensive and can be expected to be used over a long period of time. Container terminal operators investing in port related infrastructure in NSW face considerable up front costs and, quite properly, lease facilities from the NSW Government for lengthy periods of time. As leases come up for review, as is the case with general container terminal facilities in Sydney Harbour, it makes sense to critically evaluate their commercial and operational parameters when compared to alternatives in a holistic context and for governments to play a role in guiding the way forward.

The key stakeholders in this decision making process are the container terminal operators, who need to evaluate the commercial risks associated with the status quo and alternatives, and the shipping lines, who need to evaluate the operational imperatives that determine the ports they will call at. Shipping lines need to commit to a port as this in turn drives the infrastructure needs that are provided by governments and the private sector. This of course includes land side facilities such as road and rail access and facilities for warehousing, storage and repairs.

In supporting the broad thrust of the plan, NSWRTA supports plans to:

1. Phase out general stevedoring and certain other freight shipping activities, including car carrying if warranted by the market, in Sydney Harbour and to transfer such operations to Port Kembla.

2. Develop a third terminal at Port Botany and to an open process of evaluation for that terminal.
3. Develop a multi purpose terminal at Newcastle.
4. Nominate Newcastle as the next major container port in NSW in the longer term; and
5. Ensure there is sufficient land that is quarantined for future development of large scale shipping, stevedoring and land side transport, warehousing and storage facilities adjacent to the Port of Newcastle.

It also means that NSWRTA recognises the following advantages of the plan:

1. Port Botany, Port Kembla and Newcastle all have deep ship channels and relatively short pilotage distances when compared to other major east coast ports in Australia. This reduces vessel time in port and operating costs for shipping lines and gives these ports a significant economic advantage.
2. Port Botany is adjacent to Australia's largest economic and population centre (Sydney) and is well positioned geographically to service the increasingly large population of south and central eastern Australia.
3. Most decisions involving major infrastructure projects have a long lead time. They be planned well in advance.
4. General stevedoring facilities in Port Jackson are antiquated, not suited to larger vessels, suffer from poor land side links and, particularly in recent years and have experienced a significant decline in freight volumes. There are increasing pressures to use harbourside land for other purposes, including other port and maritime related purposes. There are also no large tracts of suitable land to facilitate expansion of shipping, stevedoring and land side transport activities. These are the reasons Port Botany was developed in the 1970's.
5. Vessels carrying containers and general freight into Port Jackson are small and are likely to remain so because they generally service either the New Zealand and Pacific Islands trade or other smaller scale specialist trades. To transfer those vessels to Port Botany would represent an inefficient use of larger scale berthing and stevedoring facilities and hamper operations of large vessels. However, Port Kembla will be able to accommodate these smaller vessels and the general and containerised cargo they carry.
6. Port Kembla has well developed land side infrastructure and adequate land for small scale general stevedoring development. It is also closer to the Sydney market than Newcastle. Land side transport costs will usually be higher for most container movements to/from Port Kembla when compared to either Sydney port. However in some instances, the road cost through Port Kembla will be less than from Sydney. These costs are also lower than for land side movements through Newcastle. The investment required to ensure it has the infrastructure necessary to handle such a development is quite small. Container terminal operators are willing to invest in a shared facility and shipping lines are willing to run a service into and out of Port Kembla. Any development of the car trade is some way off. Port Kembla should not acquire that trade automatically but in response to the needs and expectations of importers and their customers. This may mean some development at Port Kembla and the retention of other parts of the car trade in Port Jackson.

7. Newcastle has plenty of available land for large scale development over the longer term. By allowing the Multi Purpose Terminal to develop with minimal government intervention, the Newcastle Port Corporation is letting the market test this port's relative attractiveness as a destination when compared to other east coast ports. A case could be mounted to say that Port Kembla and Newcastle should be left to fight in the market for the general purpose cargo that is leaving Port Jackson. However, that increases uncertainties for container terminal operators and governments in particular because the pattern of the trade is less certain and the risks of investment in 'white elephants' becomes greater. Therefore, there was justification in choosing where to relocate general purpose trade from Port Jackson and Port Kembla represented the best combination of advantages and disadvantages.

There are also regional economic benefits arising from this proposal. These are discussed further under the next term of reference.

There are two disadvantages with any decision to move general purpose shipping and stevedoring to Port Kembla and Newcastle. The first has already been alluded to, that is the higher land side costs in moving cargo. The second is the environmental costs of moving cargo by land from these regional ports. Most containers and other general cargo movements will originate and be destined for Sydney so most land side movements will be to and from Sydney.

Notwithstanding these disadvantages, NSWRTA supports the NSW Government's Ports Growth Plan as it relates to the development of facilities for shipping lines and container terminal operators. However much more work is required on the plan in the form of planning for new and enhanced infrastructure in the areas of road, rail and intermodal transport, information technology, education and training and research and development.

Recommendation 1

That the Standing Committee on State Development endorse the general thrust of the Ports Growth Plan as a sound base for developing infrastructure to address the medium to long term requirements of the shipping industry and of container terminal operators to serve the needs of shipping lines.

THE ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT ON THE STATE, INCLUDING THE PROPOSED PORT BOTANY UPGRADE

Nearly all of the economic benefits derived from this plan will flow to Sydney. With container movements forecast to continue growing at 7 per cent per annum, most of the increased trade will still flow through Port Botany. There are three reasons for this. Firstly, there are jobs created during construction. Secondly, there are increased container movements through Port Botany. Thirdly, most containers originate from or are destined for the greater Sydney region (including the Macarthur, and Nepean-Hawkesbury regions).

There appear to be conflicting views between the container terminal operators and the Sydney Ports Corporation on the operational capacity of the two existing container terminals when measured in terms of twenty foot equivalent unit (TEU) throughput. The container terminal operators themselves also send out conflicting messages. This leads to differing views on the date when the third terminal at Port Botany, if approved, will be required. It follows that the timing of any major terminal development, as well as the location of it will have a significant impact on the allocation of economic benefits between the Sydney and Hunter regions in particular.

While the development now under way at Patrick's Port Botany terminal will add significantly to Port Botany's capacity, it is not clear how much extra capacity there will be. Key factors in determining capacity include:

1. Terminal yard space and layout.
2. The average amount of time a container spends at the terminal (average dwell time).
3. The structure, operation and flexibility of vehicle booking systems run by the two container terminal operators.
4. The consistent priority given by container terminal operators to ships over road and rail.
5. Pricing signals given by container terminal operators to encourage low average dwell times.
6. The potential for high equipment utilisation levels at container terminal operators' terminals, especially outside normal business hours.
7. Manning and equipment levels and associated policies of container terminal operators.
8. Regulatory requirements related to areas such as customs, quarantine and employment relations.

Senior representatives of container terminal operators claim they are capable of working within current capacity for another ten years using two berths. This implies they can handle about twice the current throughput. However, each October, gridlock occurs and continues till January. Truck turnaround times at container terminals are much worse at this time compared to the February-September period and add millions of dollars a year to road transport costs. Their claims need to be treated with caution. The current development at Patrick will increase port capacity but will necessitate significant new investment within the next few years.

If the third terminal at Port Botany is approved, Sydney will reap nearly all of the economic benefits from this plan for the next twenty years, if not longer. This assumes the third terminal as approved will increase the capacity of Port Botany towards 3.5 million TEU's per annum.

The economic and social impact on Sydney also needs to be looked at in terms of developments near Port Botany. Major expansion of Sydney Airport as well as Green Square, Cooks Cove and North Arncliffe means that very careful consideration needs to be given to the social and economic consequences of these developments both as individual initiatives and as a group of initiatives. For example, Sydney Airport Corporation Limited's growth projections for passenger movements through Sydney Airport suggest they will almost treble in the next twenty years to 68 million.

Developments at both Sydney Airport and Port Botany will create many more jobs in these facilities and through industries that support them, especially road transport. Others will be created as a result of urban renewal and the development of new (mainly transport sector) related business opportunities flowing from rapid expansion of the transport task at these two major transport terminals. This will increase commuter traffic to and from this region, passenger traffic to Sydney Airport and truck traffic to/from both the airport and to Port Botany.

While political and media attention has focussed on the benefits of the plan for Wollongong and Newcastle, NSWRTA believes this is the most critical issue that this Committee needs to tackle. This is because this combination of large scale developments occurring close to each other and in an area where infrastructure is already inadequate is going to present huge planning and logistical challenges.

If decision makers can get this right, there is the potential to position Port Botany as Australia's leading container port. This can in turn position Sydney as Australia's leading air, rail, road and sea transport hub. This will only be possible if land side infrastructure planning is managed properly and there is an integrated plan for south eastern Sydney.

Another major social effect relates to occupational health and safety impacts on truck drivers. It is not unusual for drivers to have to queue for several hours to either pick up or deliver a container. Difficulties include:

1. Sudden breakdowns in either operating systems used by container terminal operators for picking up and dropping off containers or equipment breakdowns.
2. Unexpected delays due to congested roads.
3. Drivers being unable to obtain food or drink or use the toilet, (although different policies are applied in this area by the two container terminal operators) due to increased concerns about security at container terminals meaning drivers can be confined to the cab of their truck for lengthy periods.
4. Container terminal operators directing a driver to wait on a stand by queue if he is late for a booked slot, even if the reason he is late is beyond the control of the truck owner or driver.
5. Driving hours' regulations which are regularly breached because of the uncertainties of the transport operation.

There is an urgent need to investigate the provision of amenities. This includes rest facilities for all truck drivers who conduct work in this area, including those who service the port.

Any decision to encourage further development of general stevedoring in both Port Kembla and Newcastle will stimulate the Illawarra and the Hunter and will deliver unquantifiable spillover benefits to both regions. It will broaden the economic base of both ports beyond their present roles in the areas of commodities and simple manufactured products, thus giving both ports a more stable operating and commercial base.

The flow on benefits to these three regions will be driven by the increasing frequency of ship calls and increased land side road and rail transport activity. This in turn will generate new support industries.

Sydney does not depend as much on a more diversified economic base as do the Hunter and the Illawarra. Because any broadening of the economic bases of Newcastle and Wollongong will add to the social and economic stability of both regional cities and surrounding communities, it will have more economic and social significance when compared to similar developments in Sydney.

The environmental impacts of these developments also require careful consideration. This submission will only focus on the land side environmental issues. Ongoing growth at Port Botany (as well as Sydney Airport, Cook's Cove, North Arncliffe and Green Square) means in an underlying sense more traffic, more noise and more adverse impacts from pollution. However, social and economic forces continue to suggest there will be no alternative to increased transport activity and increased pressure for 24/7 operations across a broader range of businesses and industries providing or relying on containerised transport services.

Therefore, the focus has to be on solutions to managing the environmental problems. These should include options for upgrading public transport. As reforms to truck design and new diesel standards flow through the industry, these will have a significant and beneficial impact on air quality. A strong economy provides the only viable platform for tackling these environmental challenges.

Botany Rd and Flora St

Two contrasting approaches have been applied to traffic management problems and the concerns of local residents on Botany Rd and Flora St, Arncliffe. These are contentious issues from an environmental viewpoint and require careful handling and the engagement of all stakeholders so problems can be identified and resolved to the satisfaction of all parties.

Understandably, road transport operators and truck drivers want to avoid congested areas for a number of reasons. Firstly, it means it takes longer to complete a transport task. Secondly, it means fewer transport tasks can be performed on a given day by a particular driver and truck. This has flow on effects in that more trucks and more drivers are required to complete the transport task. Thirdly, with vehicle booking systems in operation at container terminals and other time related demands on operators and drivers, being late can have adverse flow on effects along the transport chain. Finally, clients expect road transport operators to deliver a reliable service at the least possible cost

As far as Botany Rd is concerned, on many occasions, the origin or destination of the transport task means there is no alternative but to use Botany Rd. Aside from avoiding congestion for the reasons outlined above, drivers can be attracted by the need to eat and the absence of alternative eateries close to the port. Other problems arise from the prohibition on the use of B-doubles on side streets such as Hale St.

These factors add to the number of truck trips performed. The decision to limit truck traffic on Flora St has also added to the number of trucks using Botany Rd. NSWRTA has already worked with the Roads and Traffic Authority to encourage trucks, especially container trucks to avoid Botany Rd if possible. However, congestion can badly affect alternative routes, particularly during peak periods.

Flora St became an attractive route for heavy vehicle traffic travelling between the inner western suburbs and Port Botany, Sydney Airport and surrounding areas following the opening of the M5 East. In this instance, these restrictions were introduced by the Roads and Traffic Authority and Rockdale Council without any consultation with NSWRTA in spite of last minute pleas from industry to discuss the problem and to seek alternative solutions.

Heavy trucks have now been forced to use alternative routes such as Botany Rd, Ricketty St and Canal Rd to complete a transport task between the inner western suburbs and Port Botany. This takes longer, because this alternative route is more congested, there are difficulties negotiating roundabouts and accidents occur more frequently. Therefore, road transport operators performing a transport task to/from the Port Botany area now execute fewer trips, per day. More trucks and drivers are required to complete this type of transport task. This decision has led to unintended social, economic and environmental consequences because no meaningful effort was made to consult industry on the consequences of these traffic restrictions or to work with industry to find a solution.

Traffic management in the Botany area and in adjacent suburbs requires an integrated solution involving key stakeholders including NSWRTA. This will be discussed later in this submission.

Recommendation 2

That a holistic regional plan be developed to consider additional land based infrastructure needs for south eastern Sydney (including Port Botany, Sydney Airport, Cook's Cove, Green Square and North Arncliffe) that takes into account growth projections for population, employment and traffic and their underlying growth drivers, as well as opportunities for further development of rail freight and public transport.

Recommendation 3

That the Committee support a thorough investigation into occupational health and safety issues facing truck drivers engaged in container cartage.

Recommendation 4

That the Committee support the development of suitable rest areas and food service facilities adjacent to Foreshore Rd to service the needs of truck drivers working out of Port Botany and other port related and industrial sites in the Port Botany area.

THE EMPLOYMENT IMPLICATIONS FOR SYDNEY, THE HUNTER AND THE ILLAWARRA REGIONS

Because most of the growth in container traffic will occur in Port Botany, most of the employment growth will occur in Sydney, despite the direct loss of jobs associated with the shutting down of White Bay container terminal and the planned closure of other facilities in Port Jackson. How many jobs will be created is unclear because of poor information on the container transport, especially on the land transport side.

We know for example that despite evidence of improving productivity in container crane a rate between the wharf and the ship, there has been no improvement between the wharf and the truck. We also know much of the jobs growth will occur in road transport because all containers are moved by road for either some or, in all probability, all of their journey. If the average truck driver moves four containers on or off the wharf per day, or 1,000 containers per year and container volumes grow by 7 per cent per annum with road maintaining 75 per cent share of the land side modal split, another 123 full time jobs will be created for truck drivers in 2003-04 working off the Sydney wharves. Assuming that both the modal split and the rate of growth in container volumes is maintained, new jobs in the industry will grow at around 7 per cent per annum. If rail achieves a 40 per cent modal split by 2012 in line with current targets, the rate of growth in the road transport task will be between 5 and 6 per cent, as will be the rate of jobs growth. There will also be growth in the number of jobs associated with rail and intermodal operations. These growth rates are likely to be sustained unless productivity improvements are achieved.

Productivity of truck drivers working out of Port Kembla and Newcastle is likely to be less because of the longer average distances to be travelled per day and the likelihood of there being less opportunity for backloading. Assuming the average truck driver moves three containers onto/off Port Kembla wharves or 750 containers per year and 50,000 containers pass through Port Kembla per annum, this would equate to 67 full time truck driver jobs in Wollongong. Additional jobs will also be generated in the road transport industry due to increased general stevedoring in Port Kembla. The extent of job creation in Newcastle is unclear because the nature and extent of growth in container and general stevedoring is unclear. However, productivity measured in terms of the number of containers moved per day to and from Newcastle will be less than Port Kembla because even longer average distances will be involved in pick up and delivery of containers.

There will be flow on effects in any of these ports from this in support industries such as motor vehicle assembly, sales, service and repair, administration, rail freight forwarding, customs broking, empty container storage, construction as well as the public sector.

CURRENT AND FUTURE INFRASTRUCTURE NEEDS AND SOCIAL IMPACTS, INCLUDING WITH RESPECT TO THE ADEQUACY OF EXISTING ROAD AND RAIL INFRASTRUCTURE

As previously stated, NSWRTA believes the main challenges facing this Inquiry is to address land side issues associated with the rapid growth in port activity in Port Botany, the prospect of significant growth in the long term in Newcastle and the impact of strong growth in other areas adjacent to Port Botany. The other main challenge is for the Committee to ensure that its definition of infrastructure extends to information technology as well as the education and training system and is backed by sound research. By embracing all of these issues under the heading infrastructure, there is the potential to have a genuinely holistic approach to infrastructure planning for port development.

It is also important to reiterate three points made earlier in this submission. Firstly, the basic features of the NSW Government's Ports Growth Plan are adequate as far as stevedoring and shipping are concerned but they need to address land side planning and strategic issues so that there is an integrated approach across all transport modes. Secondly, Port Botany has the potential in the long term to be Australia's leading port. This can be achieved by building on its natural water based advantages over Melbourne and Brisbane in terms of piloting distance and channel depth by ensuring land side infrastructure is adequate to compliment these quayside advantages. Thirdly, infrastructure needs to be considered in a regional context based on the ultimate origin and destination of cargo and from the viewpoint of considering other major developments.

This submission will consider land side transport infrastructure issues in the context of the three ports. Information technology infrastructure, education and training and research and development will be considered separately.

PORT BOTANY

Port Botany will continue to be the most attractive NSW port for shipping lines wishing to pick up and deliver containerised cargo. There are three reasons for this. Firstly, Port Botany is relatively close to sources of export cargo origins and destinations for import cargo. Secondly, the operating costs of shipping lines are relatively low. Thirdly, the combination of terminal, road and rail infrastructure and access are of sufficient quality to facilitate reliable and adequate turnaround times.

On all but landside access, Port Botany appears to retain an edge when considering the container market. There is the capability in Port Botany to configure port side infrastructure to handle larger ships. There also seems to be strong political support for this. Therefore, there is every sign Port Botany will continue to be an attractive port from a shipping line's perspective insofar as market access and port related operations are concerned.

However, because of land side access difficulties, Port Botany risks a continued loss of its competitive edge to the ports of Melbourne and Brisbane. These ports have attracted business away from NSW ports in areas like the Riverina and North Western NSW. Both of these areas generate significant exports and their loss adds to the imbalance between export and import trade in Sydney which in turn adds to the number of empty containers that need to be stored and transported in Sydney. This in turn adds to the complexity of the land side transport task.

Despite construction of new roads such as the M5 East and the Eastern Distributor, traffic congestion remains a major problem in the Port Botany area and on feeder roads. This adds to transport costs, makes operations at container terminals for road transport operators and other operators less reliable and leads to inconsistent and unreliable service by the road transport industry. While NSWRTA acknowledges this traffic also has adverse consequences for the community adjacent to the port, all communities and all sections of the community depend on road transport for the receipt and delivery of goods.

Similar problems exist in rail due to poor infrastructure. This hampers rail's ability to play a greater role in the land side container movement into and out of Port Botany and means more pressure must be put on the road network and on road transport operators.

Road Links – The Problem

According to the Roads and Traffic Authority (R&TA) it operates over three planning time frames, 20 years, five years and twelve months and its plans affect both freight and passenger movements by road. The R&TA has no operations and investment plan for freight.

NSWRTA understands the R&TA uses two distinct approaches to strategic planning, one for Sydney and the other for the rest of NSW. In Sydney, the approach is driven by a trade off between projected costs of congestion and the accident record on one hand and the desire to maximise the use of public transport on the other. In other areas of NSW, growth in passenger and freight traffic over a 10-20 year time frame drives priority setting. As part of its strategic approach, NSWRTA understands the R&TA also favours rail over road for freight transport.

According to the R&TA, six major highways have budgetary priority in NSW. There are also clearly established priorities relating to Sydney's road network. Within these priorities, developments that are likely to impact on intermodal links to the ports are tollways such as the Westlink M7 and the M4 East. To a lesser degree, the Lane Cove tunnel, the M2-F3 link and Windsor Rd will also have an impact. These developments are expected to significantly influence the location of manufacturing, warehousing and transport yards and, therefore, road freight traffic patterns.

However, as the introduction to this submission noted, road transport of containerised cargo is a big business and is growing at a rate of 10 per cent per annum in nominal terms.

Aside from moving containers to and from a container terminal, trucks are also used to transport containerised goods to and from clients, carrier's transport yards, rail terminals, empty container depots, freight forwarders. Each container makes a number of trips by road between the time it arrives with imports and leaves with exports. NSWRTA believes over half of all containers are transported to a carrier's transport yard for consolidation, deconsolidation or onforwarding. As container terminal operators demand of the road transport industry 24 hour pick up and delivery, this ratio will grow. Therefore, while a container terminal operator may save money through a more even spread of truck arrivals and departures around a 24 hour clock, this leads to more pressure on road transport and on road infrastructure. This is because a container will undertake more truck trips between the time it arrives as an import and the time it leaves as an export.

Any upgrade of road infrastructure in the Port Botany – Airport area will be driven by its relative importance compared with other competing priorities in neighbouring areas of Sydney. These include developments at Green Square, North Arncliffe and Cooks Cove. Employment in this region is forecast to grow by 60,000 by 2020. Significant population growth is also expected.

The extent of growth in freight traffic will be driven by two critically important issues. They are:

1. The location of air cargo within the Sydney Airport precinct.
2. Whether Sydney Ports' Corporation's (SPC) target for rail to have a 40 per cent share of container traffic by 2012 (compared to 25 per cent at present) can be achieved.

Even if SPC's target of a 40 per cent rail share is achieved, road freight traffic will still grow at about 5 per cent per annum due to Port Botany, assuming annual growth in container movement of 5 per cent. Further substantial growth will be driven by air freight through Sydney Airport. The flow on effects of higher population and employment will generate new business and demands on freight movements.

The operation of vehicle booking systems by container terminal operators and the high proportion of air cargo that falls into the express freight category means operational systems throughout the chain rely heavily on a good land transport network, irrespective of whether they are run by road transport operators, rail transport operators, container terminal operators, shipping lines, the airport or others in the transport chain. Current levels of congestion create unnecessary uncertainty in the road transport chain and add to the cost of conducting business. Ultimately, this affects industry competitiveness and job creation.

With transport costs growing at 3 per cent per annum and container volumes growing at 7 per cent per annum, this cost will grow by 10.2 per cent per annum. The cost of a minute lost due to congestion will double in less than eight years.

Rail Links – the Problem

Because passenger operations are, and are likely to remain, the primary focus of the Sydney Metropolitan railway and of inter-city links to Wollongong and Newcastle, severe constraints on the capacity of the existing network to handle a significant increase in container traffic will remain unless more dedicated freight lines are built. These constraints are likely to grow given current challenges facing urban rail based passenger transport. Another constraint is the generally short trips undertaken by containers.

Rail becomes a more economically viable transport mode when it can move larger volumes over longer distances. It can also deliver positive and negative spillover effects. The positive effect is to reduce the level of road congestion by taking a greater modal share. The negative effect is to create new points of congestion at intermodal sites. These effects are greater the larger the volume of containers involved in the rail transport task. For regional movements, rail is better positioned to perform the transport task to and from the port, provided full train loads can be generated on a regular basis to justify a commercial operation.

The basic question is how rail freight operations may be increased using existing and/or sectorised rail infrastructure independent from passenger operations whilst encouraging the development of strategically located rail freight terminals, especially in Sydney.

Generally, the short length of existing freight only lines within the Sydney region prevents:

1. Freight operations being fully independent from passenger operations.
2. 24/7 freight operations.
3. Independent freight and passenger operations.
4. Scheduling of freight trains to meet freight industry requirements.
5. Flexible timetabling.

Intermodal Links – The Problem

While existing inland intermodal infrastructure linking NSW ports with their economic hinterland has a role in land side management of the non-bulk commodity trade, port access has generally not been a driver in its historical development. There are exceptions, eg Patrick's (previously Seaton's) intermodal facilities at Camellia and the dedicated freight line to Port Botany. There is further development of intermodal (rail/port and rail/road) infrastructure through the duplication of the Enfield – Port Botany line and the spur line to the proposed general stevedoring facility at Port Kembla. Other developments have better prospects now that the Australian and NSW Governments have signed the Australian Rail Track Corporation agreement.

Given that Sydney Ports has a target of 40 per cent modal share for rail by 2012 and having regard to the likely annual growth of 7 per cent in container volumes through Port Botany, rail volumes would need to treble from the present estimate of 250,000 to 300,000 TEU. Again, port users are faced with inadequate land side infrastructure.

The absence of decent rail infrastructure will put increasing pressure on road based carriers to continue to bear nearly all of the responsibility for the land side leg of the supply chain to and from Port Botany.

Empty Container Management

The management of empty containers is particularly challenging in Sydney compared to other major Australian ports. This is because the ratio of full container load (FCL) imports to FCL exports to empty container exports stands through Port Botany at 50/32.5/17.5, with the proportion of empty containers shipped through Port Botany growing at the expense of FCL exports. While the balance, comprising empty containers, need to be exported by shipping lines to other ports to maintain their operations internationally, they need to be stored in Sydney waiting for an opportunity to be exported as empty containers.

Most empty containers are stored near Port Botany. Shipping lines generally prefer to see empty containers stored close to the port because they are normally transported in bulk runs for transshipment to another port. However, storing empty containers is not a productive use of land, especially in areas where land values are high, such as near Port Botany. There is a need to critically review this small but strategically important part of the land side transport chain to see if it cannot be better managed.

Land Transport – The Solution

It is critical that the NSW Government develop a plan to deal with the many challenges that face the land side of that component of the import and export supply chain that involves the shipping industry. While road, rail and intermodal infrastructure developments may not be as complex or lengthy as port related infrastructure developments, it is important that they are developed within a strategic framework and have a long term perspective that compliments the plan for port development.

The reason for this is the need for a holistic approach to port related infrastructure. Because of the huge growth in population, employment and economic activity in south eastern Sydney, there is also a need for a holistic approach to infrastructure development that embraces the area bounded by North Arncliffe, Cooks Cove, Sydney Airport, Port Botany, Green Square and adjacent areas.

Elements of the plan should include:

1. A commitment to earmark and set aside available land to facilitate land side (road, rail and intermodal) infrastructure to service Port Botany in both metropolitan and regional areas. This may best be achieved through the development of a state wide strategic plan for the movement of freight which embraces land, sea (and possibly air) transport modes.

2. A high quality road link between Foreshore Rd and the proposed M4 East to:
 - a. Improve the economy, safety and reliability of road movements from Port Botany and other areas to the inner western and southern suburbs, ie suburbs for which a rail service is not feasible in economic and operational terms;
 - b. Provide relief from congestion and noise along Botany Rd and other arterial roads in the south eastern and inner western suburbs.

3. Provision for extending mass and dimension limits applying to road transport in recognition of the continuing evolution of the standard shipping container through the emergence of 45 foot containers and high cubed (9 foot 6 inch) containers. This includes:
 - a. Extending B-double access across the road network to transport yards, empty container terminals and industrial sites within those suburbs on the periphery of Port Botany, including Banksmeadow, Matraville and Botany;
 - b. Increasing mass limits to 45.5 tonnes gross on a standard six axle prime mover semi-trailer combination with corresponding increases in axle and gross mass limits for other truck and prime mover/trailer combinations;
 - c. Extending truck/semi-trailer and B-double length to accommodate longer containers;
 - d. Allowing for the operation of super B-doubles in the Port Botany precinct;
 - e. Facilitating the development of more harmonisation in intermodal transport (sea-rail, sea-road and road-rail) by better understanding global trends in containerisation and the implications in terms of trailer and rail wagon design and operation.

There is a need for Roads and Traffic Authority officials to become more familiar with trends in the shipping industry and their implications for road based movements of containerised freight. There is a need for ongoing research and analysis of these trends and their implications for land side transport. The principles of performance based standards need to be applied to an evaluation of the implications of these trends. Adoption of these proposals will:

- a. Broaden the use of B-doubles in this area of Sydney;
- b. Lower transport costs;
- c. Lower the number of truck trips;
- d. Reduce the need for drivers to hitch/unhitch B-doubles along Foreshore Rd and at other locations;
- e. Address national security risks associated with unattended trailers in the Foreshore Rd, Penhryn Rd areas and elsewhere;
- f. Facilitate the trend towards more seamless intermodal operations.

4. Development of rest areas and food service facilities adjacent to Foreshore Rd to service the needs of truck drivers working out of Port Botany and other port related and industrial sites in the Port Botany area to:
 - a. Allow drivers adequate opportunity to rest, especially country based drivers and those affected by significant delays at container terminals;
 - b. Eliminate the need to park along Foreshore Rd;
 - c. Address security risks that also apply to unattended trailers parked along Foreshore Rd and elsewhere;
 - d. Reduce the need to use Botany Rd to purchase food and beverages.

Rest facilities should be built by the Roads and Traffic Authority in accordance with agreed national standards. Food service facilities should be developed by the private sector but with the active support of local and State governments.

5. Development of intermodal terminals within the greater Sydney area having regard to:
 - a. Existing infrastructure, including dedicated rail freight access to Port Botany;
 - b. Rail infrastructure developments in accordance with the Australian Rail Track Corporation Agreement, including a proposal under consideration to develop a dedicated rail freight line between Enfield and Macarthur;
 - c. Current and future trends in container traffic. There are already large container volumes to and from areas such as Ingleburn-Minto, Wetherill Park-Smithfield and Clyde-Camellia. An estimated 60% of all road container movements, from Port Botany are destined for western and south western Sydney. This trend will grow making rail more attractive in the process;
 - d. The availability of land to develop new intermodal facilities and, in the case of areas not currently serviced by rail such as Wetherill Park-Smithfield, the ability to build spur lines and the viability of such a development;
 - e. The viability of building empty container depot facilities adjacent to intermodal terminals and the role rail can play in taking an increasing share of the empty container transport task, thus freeing up land currently used for empty container storage for more economically efficient and viable purposes;
 - f. The need to manage efficient rail freight operations in a manner that does not compromise passenger services;
 - g. The need in some locations for marshalling facilities, especially for long distance rail services from regional areas and from interstate;
 - h. Either the existence adequate road links or the ability to construct such links. Excellent road links will be a critical component of the success of any rail based operation, especially at intermodal terminals capable of handling large container volumes.

6. Development of intermodal terminals within regional areas having regard to:
 - a. Existing intermodal infrastructure;
 - b. Whether container volumes are sufficiently large to generate unit trains.

There is considerable interest in regional towns and cities currently serviced by rail in developing intermodal facilities. However, not every town can have an intermodal facility, just as every port cannot have large scale general shipping and stevedoring capability. The NSW Government needs to be proactive with local government to identify suitable locations where sufficient volumes can generate unit trains and, therefore, an intermodal terminal.

While this is a lengthy list of projects and other initiatives, this is due to the considerable backlog of projects, the poor state of existing infrastructure and the high benefit cost ratios that are likely to flow from these projects.

However, there are signs of increasing recognition of the importance of increased investment in land based infrastructure due to the burgeoning land freight task. The recently signed Australian Rail Track Corporation Agreement and the proposed AusLink initiative are signs of this welcome and overdue change in thinking. The increase in investment in road construction in the greater Sydney area as well as the increasing reliance on the private sector to fund and manage large scale infrastructure projects such as the Westlink M7 shows it can play an important role in developing suitable land side infrastructure, especially roads.

Every effort should be made to exploit opportunities provided by the recently signed ARTC Agreement, AusLink and the private sector to fund the construction of major infrastructure projects. The Department of Infrastructure, Planning, Natural Resources and Environment should assume responsibility for co-ordinating these developments in collaboration with stakeholders, including NSWRTA.

PORT KEMBLA

Until the recent announcement by the NSW Government Port Kembla's role as a port was becoming comparatively marginalised due to structural change in the steel and other base metal industries and a shift in sourcing of coal exports. However, it remains an important port for these products as well as for grain. It is well positioned to accommodate a more diverse trade in containers, non-containerised general cargo and cars and in the process develop into a port with a more diverse economic base and a more certain commercial outlook.

NSWRTA does not envisage any major land side infrastructure problems in the short term arising from port developments in Port Kembla. A significant increase in truck traffic can be expected along the Princes Highway and via Alford's Point Bridge between Port Kembla and southern Sydney suburbs and between Port Kembla and south western Sydney along Mt Keira Rd. The extent of this increase will be driven by factors such as the amount of general stevedoring and car transport business picked up by Port Kembla and the timing of any trends in business growth/decline.

Truck traffic patterns should be monitored closely so its full impact is evaluated properly over time. However, there has been significant investment in the road network in the Illawarra region, especially to and from Waterfall and towards Campbelltown. These roads coped with the large road based coal transport task which as since declined markedly. Provided Port Kembla remains a relatively small general stevedoring port, the existing road network should be able to cope with the growth in truck traffic.

A spur line into the general stevedoring terminal at Port Kembla provides the opportunity for rail to increase its role in transport to and from Sydney. Severe constraints exist on rail freight operations between Port Kembla and Sydney due to the state of the track, the need to work around commuter traffic and the long time windows involved in moving freight between these two points, NSWRTA does not believe the potential freight volumes justify large scale improvements to existing rail infrastructure.

NEWCASTLE

The Port of Newcastle continues to be a major export port for coal, grain, aluminium and steel. Further development of the port will hinge on the success of the proposed Multi Purpose Terminal as well as continued economic development in the Hunter Valley and on the Central Coast.

An unfavourable decision in relation to any process of inquiry into the development of a third terminal at Port Botany will bring forward the date when significant investment will be required into infrastructure to service the Port of Newcastle. The NSW Government's overall approach to port related infrastructure in Newcastle is, quite sensibly, to quarantine land so it is available for expansion in due course. To date there has been no decision made to quarantine land for the development of associated land side infrastructure.

Current road and rail links between Newcastle and Sydney are inadequate to deal with the large container volumes associated with long term plans for the development of the port. As is the case with Port Kembla, rail's ability to handle a significant proportion of container traffic is hampered by the priority given to passenger traffic.

However, in the case of Newcastle, the constraints posed by passenger operations are greater than with Port Kembla because of the longer distance travelled by the passenger trains and by more frequent passenger services. At the same time, the case for moving containers by rail between Newcastle and Sydney would be more compelling than the Port Kembla-Sydney link because of the longer distances involved and, over time, much larger volumes.

This may even justify in the longer term the development of a dedicated freight line from the Port of Newcastle to the western Sydney suburbs. Any significant expansion of Newcastle will also require dual carriageway standard links to the Pacific Highway, New England Highway and the F3 and contribute towards the further development of enhanced road links between Newcastle and Sydney.

It is critically important that the thinking behind the quarantining of land for the development of containerised cargo in the Port of Newcastle be applied to the development of road and rail infrastructure.

THE POTENTIAL OF INFORMATION TECHNOLOGY TO ENHANCE PORT EFFICIENCY

There appears to be widespread support for the development of an independent e-commerce communication system for the seamless transmission of information regarding movement of cargo across the supply chain in a transparent manner. It is increasingly recognised that there are likely to be major benefits to port stakeholders if such a system is developed. However, there are critical pockets of resistance which favour the development of either privately owned or agency owned and managed e-communication systems whose motivation for development is a narrower commercial or policy based agenda.

Currently, there is:-

1. Minimal collaboration within port communities.
2. A fragmented approach to communication issues by industry nationally, no joint efforts between ports corporations and ports authorities and regulatory bodies; and
3. No clear leadership on the issue of e-commerce / e-business.

Stakeholders in these systems include:-

- Australian Maritime Safety Authority;
- Australian Customs Service (ACS);
- Australian Association of Port and Marine Agents;
- Customs Brokers & Forwarders Council of Australia, customs brokers and forwarders;
- NSW Road Transport Association, other state road transport associations and road transport operators;
- Shipping Australia Limited, ship agents and shipping lines;
- Commonwealth Department of Transport and Regional Services;
- Rail transport operators;
- Container terminal operators;
- Empty container park operators; and
- Australian Quarantine and Inspection Services (AQIS).

Independent on-line communication systems currently in operation include those run by the two principal container terminal operators, the ACS, overseas owned shipping lines and Sydney Ports Corporation. Current Electronic Data Information systems require up to seven entries of the same data. The validity of the information cannot be checked at the point of entry. Details cannot be sent to others in the chain and to regulators in the right format for each recipient. Transactions cannot be logged and consignment progress tracked for all points covered by the system.

The lack of a co-ordinated on-line communication system is a key factor that results in the duplication of costs, multiple data entry functions and operating inefficiencies. For example, NSWRTA estimates that it takes an average of 15 minutes to deal with paperwork at a container terminal for truck trip. Assuming there are 580,000 truck trips per year, (a figure derived by the total container volumes in 2002-03, road's modal share and an assumption that each truck carries 1.5 TEU's per trip), and that operating costs are \$75/hour, there is the potential to save almost \$11 million per annum simply by introducing an electronic data exchange system at the container terminal interface.

The current situation is as sensible as building seven privately owned and operated road networks with rules that do not allow transfer from one network to the other.

Given the commercial independence of the three NSW based ports corporations and their relationship with members of the freight and port community, they can collectively contribute to a national on-line communication and reporting system by:-

1. Encouraging collaboration and buy-in amongst port community stakeholders.
2. Co-ordinating stakeholder participation.
3. Facilitating stakeholder education/training.
4. Adopting a neutral leadership/influencing role on system development congruent with industry and regulatory body needs.
5. Ensuring system development is neither predicated on the commercial imperative or advantage of any one stakeholder nor driven by their priorities.

A single national system is favoured by NSWRTA because of the range of commercial, operational, surveillance and national security issues concerned and the existence of important port related stakeholders with national responsibilities. The advantages of a national approach are that it would:-

1. Defray development costs across a broad user base.
2. Ensure a common set of operating rules and messaging standards.
3. Synchronise with existing stakeholder/service providers' systems (such as those of the port authorities and container terminal operators).
4. Receive broad support from national and state government and regulatory bodies.
5. Enable consistent handling of information on transshipment cargoes for forward ports.
6. Assist users who operate nationally or at least in several states.

7. Assist users who deal with national operators.

On-line systems that support the “end-to-end” movement of goods throughout the freight chain allow for the entry of consignment details just once in the process.

These capabilities:-

1. Enhance industry, trade and infrastructure capacity to realise benefits of on-line technology. Open standards technology such as the Internet is now mature, readily accessible and affordable.
2. Reduce risk of non-compliance with new national and international security standards.
3. Improve quality and reliability of information.
4. Create national industry standards for reporting.
5. Reduce information and operation costs eg eliminate multiple data entry and human error.
6. Improve overall safety and security of transport services.
7. Increase overall performance of individual State ports.
8. Improve international attractiveness of Australia as a trade destination.

According to Sydney Ports Corporation, examples of successful overseas communication models have been examined including those in Finland, Malaysia and Chile. These systems demonstrate that a sensible and co-ordinated use of emerging technologies – such as the Internet - is essential to help meet port community and industry challenges.

Sydney Ports Corporation is providing leadership in the development of a national communication system that proposes:-

1. That the main container port authorities, (Sydney, Melbourne, Brisbane, Fremantle and Flinders in Adelaide), form a strategic alliance for the corroboration of initiatives and specify industry requirements for a nationally consistent approach to e-commerce communication.
2. The ports strategic alliance provides the opportunity for decisions to be made collectively.
3. The ports strategic alliance would engage governments and act as an interface on behalf of the government and industry stakeholders in an honest broker capacity.
4. A strategic alliance would be responsible for setting commercially acceptable timeframes for system delivery and providing stakeholder information.
5. Co-operation by alliance port authorities would provide leverage to enhance overall industry and stakeholder collaboration and education/training, and, avoid further duplication.
6. To seek Australian Government support for current security initiatives and to define system needs.

To be successful a service provider is required who must have the confidence of all industry members and system users. The most viable option for providing the service is a commercial specialist in on-line trade services. Another critical success factor is that the system needs to be mandatory so that a single system establishes a single information channel. If all consignments are included, every participant knows the status of their freight task exactly at any point in time. To the extent that consignments are not covered by a common system, parties on both sides of a transaction must use multiple systems and may not be able to see their overall current status.

If this initiative is supported it will lead to:-

1. Nationally integrated on-line communication throughout the freight and trade chain, including regulatory bodies.
2. Greater seamless access to information by all port community and industry members.
3. Management by a neutral non-competing industry representative who can provide overall leadership on system design and development.
4. Elimination of commercial gain or exclusivity of any one stakeholder.
5. Co-operation of all stakeholders and minimise reluctance to embrace future e-commerce initiatives.

Given the current agenda on national security, NSWRTA believes the Australian Government funding would be the most preferable way of covering the start-up costs and ensuring that broad industry interests were reflected in the design, roll-out schedule and operation of the system.

EDUCATION AND TRAINING NEEDS AND OPPORTUNITIES

There has been a haphazard approach to education and training in the transport and storage sector. Historically, there has been no formal career path or formalised training regime for workers in the road transport industry such as an apprenticeship system or post-secondary education courses. This has hampered skills development and led to a lack of formal recognition of the skills of workers in the road transport industry. Because of the absence of a structured training regime and high insurance premium rates for young (under 25) drivers, the road transport industry has not been as attractive as alternative career paths, for example the metal trades and the motor vehicle service and repair industries.

One consequence of this is a chronic shortage of workers in the road transport industry. However, the industry is growing at a rate much faster than the economy as a whole. Employment in the industry is also growing at a significant rate. Statistics provided earlier in this submission on job growth for truck drivers generated by growth in the container trade through Port Botany highlight the challenge facing the industry in attracting workers

In recent years, there has been increasing recognition of the importance of formalised training and skills development in the road transport industry. The industry has responded well to opportunities provided by the Australian Government's traineeship programs for existing workers and new entrants. Negotiations are underway with the Department of Education and Training to develop schools based courses to provide a career path for students who wish to pursue a career in the road transport industry and attain formal qualifications through a traineeship and or a university degree.

RESEARCH AND DEVELOPMENT

There appears to be little interest on the part of governments in measuring the performance of the container transport chain beyond measuring ship movements, tonnages and some other generally shipping or port performance based statistics and conducting some analysis for the purposes of capital investment and resource allocation. This is all the more remarkable given the critical role played by the road transport industry in foreign trade. However, some container carriers do keep detailed statistics. While this adds to our body of knowledge, it does not represent a measure of the overall road transport task.

There is a pressing need to better understand the nature and the significance of the land side transport task in particular and the complex interactions between landside and portside activity. If research can be undertaken, it will enable the development of accurate and meaningful statistics on landside productivity and performance.

Areas where research is urgently required relate to:

1. Truck and train turnaround times at container terminals.
2. Occupational health and safety issues associated with:-
 - a. denial of access to facilities for food, rest and other purposes and the absence of proper rest facilities for drivers;
 - b. use of stand by queues for drivers, especially those who miss slots booked by carriers under a vehicle booking system;
 - c. long waiting times.
3. The scope for extending the concept of the chain of responsibility to the container transport chain.
4. A better understanding of land side transport patterns of the type funded in 2003 by the Sea Freight Council of NSW.
5. Growth projections for road and rail transport and impacts in terms of employment, infrastructure demand.

While this is a major weakness in developing an overall strategy for NSW ports, it is not a reason for deferring the need to make critical decisions.

Recommendation 5

That the Committee endorse the development of a state wide strategic plan for the movement of freight which embraces land, sea (and possibly air) transport modes.

Recommendation 6

That the Committee support in principle the idea of a commitment to earmark and set aside available land to facilitate land side (road, rail and intermodal) infrastructure to service Port Botany in both metropolitan and regional areas.

Recommendation 7

That the Committee support the development of a motorway to link Foreshore Rd and the M4 East motorway.

Recommendation 8

That the Committee support the broadening of the B-double route network in suburbs adjacent to Port Botany, including local road improvements where required to address engineering and other design issues that currently hamper approval of B-doubles on these local roads.

Recommendation 9

That the Committee support the development of increased mass and dimension limits to accommodate the increasing trend towards higher, longer containers.

Recommendation 10

That the Committee ensure the Roads and Traffic Authority and the State Rail Authority work with road and rail transport operators and the National Transport Commission to ensure there is a better understanding global trends in containerisation and the implications in terms of trailer and rail wagon design and operation.

Recommendation 11

That the Committee support the development of strategically located intermodal terminals in western Sydney and in regional areas having regard to criteria such as current and future trends in containerised traffic and the cost of providing adequate road and rail links and the ability to integrate with current or proposed empty container facilities.

Recommendation 12

That the Committee support the development of upgraded road and rail links to the Port of Newcastle.

Recommendation 13

That the Committee support the earmarking and setting aside for future development of suitable vacant land to facilitate the development of land side infrastructure that compliments the development to port related infrastructure and, where appropriate, to earmark privately owned property for future development to ensure adequate land side infrastructure is available to provide efficient, reliable service to ports.

Recommendation 14

That the Committee urge the State Government to work with the Australian Government and the private sector to exploit opportunities to fund the construction of major infrastructure projects.

Recommendation 15

That the Committee recommend that the Department of Infrastructure, Planning, Natural Resources and Environment assume responsibility for co-ordinating major infrastructure developments in collaboration with stakeholders and those responsible for project financing.

Recommendation 16

That the Committee express its support to the Australian Government for the development of a national e-commerce system to monitor the movement of freight along the supply chain into and out of Australia, having regard to the potential benefits of this initiative in terms of national security, international competitiveness and improved service reliability.

Recommendation 17

That the Committee support the allocation of funds to encourage the development of a more skilled workforce in the road transport industry and efforts to develop school to work based career paths for secondary school students, new entrants into the industry and existing workers.

Recommendation 18

That the Committee support an investigation into occupational health and safety issues facing container carriers and truck drivers involved in container transport.

THE FUTURE OF PUBLIC LAND AT MILLERS POINT, GLEBE ISLAND AND WHITE BAY ON WHICH SHIPPING OPERATIONS ARE CURRENTLY LOCATED

It is the responsibility of the NSW Government to evaluate potential uses for land adjacent to the port arising from any cessation of freight based shipping and stevedoring. While NSWRTA has no pressing issues to raise regarding how such facilities are used in future, we believe it is important to apply sound planning principles and to thoroughly investigate all possible land use alternatives. Should any publicly owned land or other assets be sold, NSWRTA believes the proceeds should be used to enhance either the provision of improved port related infrastructure or to enhance the port related operating environment.

Recommendation 29

That the Committee support the allocation of any proceeds from the sale of publicly owned land or other assets to enhance either the provision of improved port related infrastructure or to enhance the port related operating environment.

CONCLUSION

This inquiry is very significant because it provides an opportunity to shape the whole of the strategic picture for the development of ports in NSW. It also provides the opportunity to build on the approach taken by the Victorian Government to port and freight industry development in that State.

A starting point for this is to recognise as the Victorians have the economic potential that can be derived from a modern, integrated infrastructure network that is developed within a long term strategic framework. However, the challenge for industry and government in NSW is to build on the Victorian approach by ensuring that an infrastructure plan goes beyond road, rail and port links to consider where infrastructure associated with information technology, education and training and research and development fits into this strategic picture.

Once that challenge is identified and accepted, NSW can build a truly holistic strategic plan for the development of the required infrastructure.

There appears to be general acceptance that building and maintaining vastly improved land based infrastructure is the major priority facing the NSW Government. While NSWRTA agrees with this, what has to be done in that regard has to be put into the proper strategic context.

If this is accepted and there is the will to invest, the Newcastle, Sydney and Wollongong areas, combined will, in time, become the centre of road, rail, sea and air freight activity in Australia with all of the positive spin offs that flow from such an outcome. All that is required is the political will to achieve this.