

INQUIRY INTO PACIFIC HIGHWAY UPGRADES

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Subject:

Summary

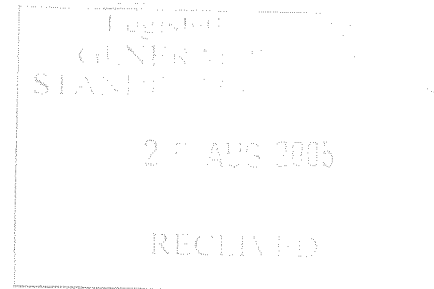


NSW ROAD TRANSPORT ASSOCIATION INC.

Your Road to Success is our Expertise

hm1322/05
23 August 2005

The Hon Jenny Gardiner MLC
Chair
General Purpose Standing Committee No.4
Parliament House
SYDNEY NSW 2000



Dear Ms Gardiner,

Thank you for the opportunity to lodge a submission in relation to the Inquiry into Pacific Highway Upgrades.

The New South Wales Road Transport Association (NSWRTA) has been the peak industry organisation for road transport operators in New South Wales since 1890. NSWRTA members have a considerable interest in issues concerning the upgrade of the Pacific Highway.

This submission will address in a general sense some of the terms of reference related to this inquiry however, the submission will also produce other material that NSWRTA believes is relevant to any investigation of the upgrade of the Pacific Highway.

At the outset, this submission will provide an overview of the industry and its importance to the social and economic well-being of the New South Wales and, in particular, North Coast communities.

Overview of the Social and Economic Impact of the Road Transport Industry

The road transport industry comprises 3.4% of Australia's GDP. The industry is growing at approximately 30 to 40 percent faster than the economy as a whole. Road transport is becoming an increasingly important mode in the movement of goods within Australia. The proportion of the freight task that is handled by road as opposed to other modes of transport is increasing.

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Approximately 80 per cent of the road freight transport task is not contestable with any other transport mode. Major drivers in the ability of road to attract a high proportion of the total domestic freight task include the industry's inherent flexibility and reliability, its strong customer service ethos and the long term sharp decline in real terms in average operating costs and freight rates.

With very few exceptions all freight is moved by truck either for the entire journey or for some part of the journey. Because there are no significant sea ports or intermodal terminals on the North Coast all freight moving to and from North Coast of New South Wales is moved by road. This means everything produced by local industry and everything consumed by the local community is transported by truck. It means the community has a total dependence on the road transport industry for the movement of goods.

Most freight and indeed most traffic moves north-south along the Pacific Highway as opposed to east-west. This means the Pacific Highway serves an extremely important social and economic function for communities along the coast north of Newcastle.

Most trucks trips are local trips. Most trucks travelling along North Coast roads, including the Pacific Highway, are moving freight to and/or from a location within that region. The table on the following page provides more details on freight movements likely to impact on highway traffic. While the volume of freight moving between Sydney and Brisbane is higher than the volume of freight moving within the North Coast region, the average payload for a longer distance trip is greater than it is for a short distance trip.

The National Transport Commission advises that the national road freight task is set to double within the next 15 years (not the next 25 years as implied by Term of Reference 1 (i)). That is, the volume of freight moved by road is set to double in that time. Therefore, in the absence of underlying reforms to gross mass and axle load limits, as well as dimension limits for trucks and truck combinations, the number of trucks required to complete that task will also double.

It can be expected that the rate of growth in the freight task on the Pacific Highway will exceed the national average because population growth within the region and in adjacent regions, including South Eastern Queensland and the mid North Coast, will be significantly greater than the national average. This means it can be expected that the road freight task on the North Coast will double in a period that is significantly less than 15 years.

AusLink, the Federal Government's national transport plan, recognises the importance of strategic road and rail corridors of national significance with a freight emphasis. Under AusLink the Federal Government proposes a substantial boost in funding on selected corridors. This includes the Pacific Highway where the Federal Government has made a commitment to increase funding from \$60 million per annum to \$160 million per annum.

Having regard to the forecast growth in both population and in the road freight task, NSWRTA **recommends** that the Committee acknowledge the need to complete duplication of the Pacific Highway between Hexham and the Queensland Border as a matter of urgency on social, economic and environmental grounds.

Overview of Freight Flows to, from, within and through the Richmond-Tweed Area

The following summarises freight flows to, from and within the Richmond-Tweed area:

| Origin/Destination | Million Tonnes |
|----------------------------------|-----------------------|
| Within the Richmond-Tweed Area | 2454 |
| To/From Mid North Coast | 304 |
| To/From Northern Tablelands | 217 |
| To/From Brisbane/Moreton | 1400 |
| To/From Sydney | 188 |
| To/From Other NSW | 26 |
| To/From Other Queensland | 75 |
| To/From Other States/Territories | 15 |

The following summarises potential freight flows through the Richmond-Tweed region:

| Origin/Destination | Million Tonnes |
|--|-----------------------|
| To/From Sydney/Brisbane-Moreton | 4340 |
| To/From Mid-North Coast/Brisbane-Moreton | 583 |
| To/From Hunter/Brisbane-Moreton | 546 |
| To/From Illawarra/Brisbane-Moreton | 187 |
| To/From ACT-SE NSW/Brisbane-Moreton | 86 |

Source: Australian Bureau of Statistics: Cat No 9220.0 Freight Movements Australia, Summary - Comparison Data, Year Ending 31 March 2001

These tables show the relative importance of the local, regional and interstate freight task as it impacts on the North Coast. These tables assume all freight moving between coastal and south east NSW and south east Queensland uses the Pacific Highway. It is assumed that freight moving between inland areas of NSW, to inland areas of Queensland and between NSW and coastal areas of Queensland from the Wide Bay region north would use inland routes. It is also assumed that freight moving between Queensland and Victoria, SA or WA uses inland routes when travelling through NSW.

Another measure of freight flows along the Pacific Highway is data on vehicle movements, including heavy vehicle movements collected by the Roads and Traffic Authority.

NSWRTA supports measures to improve the quality and relevance of data collection to evaluate trends in traffic volumes, including heavy vehicle traffic volumes, along the Pacific Highway.

The Impact of B-Doubles on the Pacific Highway

B-Doubles have operated in Australia for approximately 20 years. They were originally used in Canada where their use dates from the 1940's. B-Doubles are ideally suited to high volume linehaul freight tasks over both short and long distances.

In Australia, the first B-Doubles operated in the Goulburn Valley as a commercial trial in the transport of milk and fuel in bulk tankers. Until late 1988 all B-Doubles were triaxle/tandem axle units totalling 8 axles across the prime mover and the two trailers. In late 1988 the first tandem/triaxle B-Double, also totalling 8 axles across the prime mover and the two trailers entered service in the logging industry in southern New South Wales. This combination dramatically improved dynamic stability of B-Doubles.

The triaxle-triaxle B-Double totalling 9 axles across the prime mover and the two trailers was introduced into the logging industry. This concept also transferred to the container industry allowing 3x20 foot containers or 1x20 foot and 1x40 foot containers. This concept was gradually adopted by the general freight industry.

B-Doubles are considered to be the safest of the larger heavy vehicles used on Australian roads. This is because they are a more stable vehicle combination with better road holding and steering ability than semi-trailers. B-Doubles on average comprise a younger fleet than semi-trailers. The average B-Double holds 50% more freight in terms of weight and volume than a semi-trailer. This means that two B-Doubles can perform the same freight task as three semi-trailers. Therefore, B-Doubles reduce the number of heavy vehicles on the highway.

Freight costs for B-Doubles are approximately 20% less than is the case for semi-trailers. There are also substantial environmental benefits from the use of B-Doubles compared to semi-trailers, because the level of greenhouse gas emissions and fuel consumption per tonne-kilometre is significantly lower with B-Doubles than is the case with semi-trailers.

In summary, B-Doubles have been successfully used Canada for sixty years and in Australia for twenty years. B-Doubles offer productivity, safety and environmental benefits when compared to alternative prime mover/trailer combinations.

NSWRTA **recommends** that the Committee acknowledge that B-Doubles offer economic, safety and environmental benefits that justify their continued use on the Pacific Highway.

The Impact of Interstate Heavy Transport on the Pacific Highway and of the Mixing of Interstate and Local Transport

There has always been interstate transport from the Pacific Highway. This is because large cities like Brisbane have played a role in the distribution of freight to the North Coast of New South Wales. Invariably, this freight would have moved by road, especially in recent decades.

Brisbane and other areas of south east Queensland are also a natural market for industry based on the Mid North Coast and North Coast. Brisbane is also a major port and the export destination for containerised cargo and break bulk cargo that originates from the North Coast.

Another important and long standing component of interstate road freight has been the movement of goods between major coastal centres along the east coast. A significant component of the east coast freight task involves the pick up and delivery of general freight at large and small urban centres between Sydney and Brisbane and points south and north of those two cities. Some road transport operations involve pick up and delivery of freight between metropolitan and regional centres in a manner not dissimilar to a milk vendor's run.

The impact of the mix of local and interstate traffic on the Pacific Highway has also been a long standing issue. The issue arises because of the purpose by which individual drivers use Pacific Highway. The Pacific Highway is used by local residents or for short journeys to and from school, work and for other reasons. It is also a major route for local holiday makers and overseas visitors. The North Coast has also proved attractive for retirees. Along with truck drivers, each of these groups of road users uses the Pacific Highway for a different purpose.

Over time, there has been a substantial growth in the population of retirees, in employment and in the volume of tourism on the North Coast. Because the demand for road freight is a derived demand, these trends have led to substantial growth in the volume of road freight moving to/from the North Coast. This adds to traffic volumes and to the impact of this mix of traffic on the Pacific Highway. It has also added to the case for duplication of the Pacific Highway between Hexham and the Queensland border.

NSWRTA submits that increased traffic is driven by these forces. The road transport industry is driven by the needs of the local community, and in the case of long distance transport the best route in which to drive between a specific origin and a specific destination.

There was a sudden increase in the volume of interstate transport on the Pacific Highway following the opening of the Yelgun-Chinderah Freeway in 2002. This arose because of a substantial change in the economic and safety advantages that truck owners and drivers experience between the Pacific Highway and the New England Highway following the opening of that route especially for interstate freight moving from points between Sydney, Newcastle, Wollongong and Brisbane.

Thereafter, the Pacific Highway afforded significant advantages in terms of travel time, fuel savings, reduced wear and tear and improved driver fatigue management. Subsequent improvements to the Pacific Highway have only added to its attractiveness from a long distance interstate road freight operational perspective.

The advantages of travelling from Hexham to Brisbane via the Pacific Highway when compared to the New England Highway are:

- Travel times are about three quarters of an hour shorter;
- Fuel consumption is about 10% less;
- Wear and tear in terms of brakes and other critical components is significantly lower;
- More undulating grades and black ice in winter make the New England Highway inherently more dangerous;
- Average rest times in rest areas on the New England Highway would be longer per driver per trip, requiring more rest facilities in aggregate than on the Pacific Highway;
- Whereas it is a marginal proposition as to whether a truck driver could complete a journey from Sydney to Brisbane within the legally allowable driving hours, there is no doubt that this is possible on the Pacific Highway;
- The risk of being caught in peak hour traffic on overnight interstate trips between Sydney and Brisbane is virtually eliminated when using the Pacific Highway.

In summary, the Pacific Highway delivers significant economic, safety and environmental benefits than the New England Highway. These benefits are likely to increase as new duplicated sections of the Pacific Highway are opened, leading to further reductions in travel time and running costs.

NSWRTA **recommends** that the Committee recognise the substantial economic, road safety and environmental benefits that flow to the broader community arising from the use of the Pacific Highway, as opposed to the New England Highway for long distance interstate freight movements.

Existing or Proposed Strategic Transport Plans that Seek to Deal with the Forecast Doubling by 2025 of the NSW Freight Task

As indicated earlier, the NSWRTA believes that the freight task within New South Wales will double by 2020. The freight task will double much sooner along the Pacific Highway and within regions such as the North Coast and the mid North Coast because population growth is at rates significantly faster rate than the nation as a whole. This in turn drives faster levels of economic growth and faster rates of growth in the freight task than the national average.

NSWRTA is aware of plans to duplicate the Pacific Highway and supports the NSW Government's allocation of substantially more funds to finalise the planning of a preferred route for highway duplication. NSWRTA has been an active and constructive participant in Value Management Workshops conducted by the Roads and Traffic Authority and commits to working with other stakeholders to finalise decision making on a preferred route for the remaining sections of the Pacific Highway that require route selection and duplication.

NSWRTA supports the duplication of the Pacific Highway as quickly as possible. NSWRTA supports AusLink and urges the New South Wales Government to sign the AusLink agreement with the Commonwealth as soon as possible. This will allow an additional \$100 million per annum to flow from the Commonwealth to New South Wales following the exploration of the current agreement in July next year.

NSWRTA also urges the New South Wales Government to match this increased contribution of \$100 million per annum so that duplication of the highway can be completed as quickly as possible.

NSWRTA also supports an investigation of other financing options through the private sector to complete duplication within a shorter time frame, having regard to current traffic volumes and projected traffic growth even if both levels of government increase expenditure as proposed. Any investigation should not compromise existing and proposed government commitments to funding construction.

Once duplicated, the Pacific Highway between Hexham and the Queensland border will create a substantial economic, environmental and safety improvements along the highway and for all communities.

NSWRTA also supports in principle proposals to upgrade the main rail line between Sydney and Brisbane and between Melbourne and Brisbane. This may lead to some shift in market share terms in the long distance interstate freight moving through the North Coast. The extent to which there is a shift from one transport mode to the other will be determined by the market.

The Significance of Statements by the (then) Minister for Infrastructure, Planning and Natural Resources that the Pacific Highway is dedicated as a Regional Road

From a practical viewpoint, this statement has little significance. The Pacific Highway is recognised as the major interstate freight route between New South Wales and Queensland and in particular between Sydney and Brisbane.

NSWRTA **recommends** that the Committee acknowledge that the Pacific Highway is the principal interstate route for freight moving to/from New South Wales and Queensland.

Other Issues Relevant to this Inquiry

Rest Areas

Rest areas for truck drivers on the Pacific Highway are notoriously inadequate. This is despite substantial improvements in the quality of recently completed rest areas on the highway in recent years.

It is not uncommon to see large numbers of trucks pulled over on the side of the road at night time with drivers trying to get adequate rest. This is because rest areas are either full or are not located at sites that suit the driver.

NSWRTA **recommends** that the Committee support a substantial boost to funding for heavy vehicle rest areas on the Pacific Highway to assist truck drivers in fatigue management.

Comparative Fuel Prices – New South Wales and Queensland

Queensland enjoys substantially lower fuel prices than New South Wales. This means truck owners instruct their drivers to fill up where possible in Queensland. One consequence of this is that, unlike the Hume Highway, there is a lack of a critical mass in market terms to enable service centres to be established on the Pacific Highway.

Service centres offer the opportunity for truck drivers to have adequate food and rest. Service centres provide an attractive alternative to rest areas, reduce the demand for their use and would encourage truck drivers away from road side parking for the purposes of rest.

NSWRTA **recommends** that the Committee support an investigation into the feasibility of establishing service centres along the Pacific Highway.

NSWRTA **recommends** that any investigation evaluate the significance of both comparative fuel prices in New South Wales and Queensland and the fuel purchasing policies of road transport operators as commercial constraints to the establishment of service centres.

Please contact me, telephone (02) 9267 8222 if NSWRTA can be of further assistance to the Committee.

Yours faithfully,

Hugh McMaster

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