



SEA FREIGHT COUNCIL OF NSW INC
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The Director
Standing Committee on State Development
Legislative Council
Parliament House
Sydney NSW 2000

Dear Sir/Madam,

Re: INQUIRY INTO PORT INFRASTRUCTURE IN NSW: SUBMISSION BY THE SEA FREIGHT COUNCIL OF NEW SOUTH WALES

The members of the Sea Freight Council of New South Wales¹ have combined their efforts to produce the following feedback on port infrastructure needs in New South Wales, and in particular, the New South Wales Government Ports Growth Plan released by the State Government in October 2003.

New South Wales' importers and exporters require extensive, integrated freight transport infrastructure to facilitate the efficient movement of goods to and from international markets. As such, the Council welcomes this review as it provides an opportunity to investigate the ever-growing challenges associated with international containerised trade.

The prime objective in providing this advice is to assist the Legislative Council Standing Committee on State Development to formulate a balanced and collaborative response to the Ports

¹ The Sea Freight Council of New South Wales is an industry driven forum, bringing together a wide membership of supply chain and logistics industry representatives engaged throughout the sea freight transport chain. The Council pursues work programmes aimed at collectively identifying and removing impediments to efficient, competitive and reliable international freight logistics, thereby improving Australia's export competitiveness. More details of the Council's representation and activities are included in the Appendix.

Growth Plan, taking account of the full range of views and expertise of participants in the New South Wales sea freight logistics industry.

The advice provides overarching strategic comments related to the Ports Growth Plan, including general perceptions regarding its worth, directions, strengths and weaknesses.

GENERAL STRATEGIC COMMENTS:

The New South Wales Government Ports Growth Plan

Overall, the Sea Freight Council of New South Wales is supportive of the general focus of the Ports Growth Plan.

The Council agrees there is a need for coordinated long-term planning in relation to many aspects of the State's transport network. The Council's industry network has, for many years, been concerned that there is no overall port infrastructure plan or strategy to guide priorities, and commends the State Government for taking this recent initiative.

The plan will help form a strategic framework for future infrastructure planning and investment, helping drive an outcome that delivers the greatest benefit possible for infrastructure expenditure, whether it be by governments, the private sector or a combination of both sectors.

However, the macro nature of the Ports Growth Plan, as it currently stands, has also led to a degree of uncertainty among elements of the sea freight logistics industry.

Importantly, the ongoing development of the Ports Growth Plan should not divert attention from the immediate actions required to invest in priority infrastructure upgrades. There is clearly a need to maintain pressure on all parties to move as quickly as possible, especially given the forecast growth in freight demand. Failure to act quickly to head off forecast congestion, especially at Port Botany, will impose unwarranted costs upon the State's economy and exacerbate existing inefficiencies in our transport systems.

Recommendation:

- 1 In view of the vital economic importance of the three ports to New South Wales and Australia, it is essential that the New South Wales Government develop, in consultation with stakeholders, a detailed and comprehensive long-term development strategy for its ports.

The New South Wales Government Ports Growth Plan - Current and Future Infrastructure Needs

Council members are eager to see recognition within the Plan of the fundamental role played by rail and road in the overall State transport task, as an exclusive focus on port planning is likely to under-value the increasing adoption of intermodal usage patterns for freight movement and distribution.

For instance, while Port Botany is competitively very strongly placed from a marine and geographic point of view, it faces a number of critical inland and infrastructure drawbacks. These disadvantages include inadequate road and rail access to/from the container terminals and inadequate inland container depot capacity for box distribution and storage.

If these issues are not addressed they will increasingly undermine the port's capacity to facilitate international trade.

In addition, significant opportunities to explore truly innovative and integrated port freight transport solutions may be overlooked if the Ports Growth Plan does not adequately address the interfaces between all modes of transport.

A good example of the benefits to be gained by addressing planning across the interfaces between all modes can be demonstrated in Port Botany where, despite significant land and corridor constraints, collaborative planning, investment and operational actions have had the desired effect of almost doubling rail's share of container movements into and out of the Port in five years.

However, the State Government's ambitious target for the growth of port-related rail freight can only be fully realised by addressing additional port/rail/road connectivity issues - many of which incorporate elements of urban conflict and congestion.

Importantly, there is also a general view that the Plan should recognise that other government policy and regulatory initiatives aimed at providing incentives for changed operational and business behaviour can play an important role in the optimisation of proposed infrastructure.

By way of general example, collaborative arrangements to smooth the mismatch of hours of operation between various components of the freight logistics chain could lead to less congested peaks in infrastructure capacity and hence to a more efficient overall use of existing or proposed infrastructure.

As such, the Council believes that the linkages between government regulatory and policy settings and business innovation and changed business practices require greater attention.

Recommendation:

2. Given the extensive lead times in transport infrastructure planning and delivery, there is a pressing need for the development of a State inland transport (road and rail) strategic plan, compatible with the port infrastructure developments announced in the Ports Growth Plan. Such planning will require integration with related developments emanating from Auslink and the impending agreement between the ARTC and RIC on state rail infrastructure.
3. The linkages between government regulatory and policy settings, and business innovation require greater attention under the Ports Growth Plan.

The New South Wales Government Ports Growth Plan - Regional Development

The Sea Freight Council of New South strongly agrees that there is a need for strategic, statewide planning in relation to port infrastructure. Effective state planning needs to preserve a "whole of state" perspective and not be unduly Sydney centric. This approach will help address the challenges associated with the ever-increasing freight task as well as foster economic, social and employment benefits for the whole of New South Wales.

However, the Council is cognisant that planning and development for the ports is entirely in the domain of the State government. As such, the integration of planning for the State's port infrastructure and land use will only be achieved with the full cooperation of all State and local

Governments. It is therefore hoped that the Ports Growth Plan will lead to a new era of much closer cooperation between Governments at all levels, as well as between Governments and the private sector, to deliver economic and social benefits to the whole of the State.

Ultimately, a regional development approach to port and related infrastructure must be based on rigorous analyses of industry, commodity and corridor forecasts and trends, and include ongoing collaboration with industry.

Recommendation:

4. The New South Wales Government allocate port and related infrastructure on the basis of a comprehensive long term assessment of market and user demand for port facilities in NSW, together with their impact on the State's rail and road infrastructure, undertaken by the State Government in conjunction with stakeholders on an ongoing basis.

The New South Wales Government Ports Growth Plan – the Future of Millers Point, Glebe Island and White Bay

While the Council sees the need to address the commercially unviable container operation in White Bay, it is nevertheless eager to see the Glebe Island White Bay precinct set aside for long-term maritime industry usage.

While the Ports Growth Plan indicates preserving existing Sydney Harbour port areas, the macro nature of the Plan provides limited certainty regarding specific usage conditions.

Obscure planning policies and operating conditions can quickly turn a long-standing viable port into an unviable operation. As such, Council members are look forward to seeing government provide certainty in these areas.

It is also important to note that any time lag between occupancy of White Bay stevedoring and its replacement with new industry operations will present further difficulties as local community groups will see any temporary removal of industry as permanent and resist efforts to renew it.

As such, appropriate planning protection for ports and intermodal facilities from the residential interface remains a key issue to be considered in parallel with investment in appropriate terminal infrastructure.

Recommendation:

5. The New South Wales Government clarifies the Ports Growth Plan's reference to "working maritime uses", and accordingly preserves the vacated land at White Bay for commercial maritime use.

In conclusion, the Council is supportive of the general focus of the Ports Growth Plan and agrees that there is a need for strategic, statewide planning in relation to port infrastructure. However, the macro nature of the Plan, as it currently stands, has prompted a level of uncertainty among elements of the sea freight logistics industry.

It is therefore hoped that the Ports Growth Plan, as a directional statement, heralds the beginning of a detailed and comprehensive long-term port development strategy that meets the growing challenges associated with intermodal based international containerised trade.

On behalf of the Sea Freight Council of New South Wales, we again wish to express our appreciation for being given the opportunity to submit this collective advice as input to the preparation of the inquiry into port infrastructure in New South Wales. The members of the Council look forward to continuing this constructive dialogue with the Government over the coming months.

We would be happy to provide any elaboration on the comments made above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Melissa Murphy', with a stylized flourish at the end.

Melissa Murphy
Executive Officer
New South Wales Sea Freight Council

APPENDIX

Sea Freight Council of New South Wales - Member Organisations

- State Chamber of Commerce
- Australian Institute of Export
- Toll Logistics
- Newcastle Port Corporation
- Port Kembla Port Corporation
- Patrick Corporation
- Sydney Ports Corporation
- Electrolux Home Products
- Australian Federation of International Forwarders (AFIF)
- Shipping Australia Limited
- Pacific National
- IPS Logistics Group Pty Ltd
- David Baker Consulting
- Quarantine and Export Advisory Council
- NSW Road Transport Association
- Antico International
- Logistics Association of Australia
- The Chartered Institute of Logistics and Transport
- Goodman Fielder
- Customs Brokers & Forwarders Council of Australia Inc
- Road Traffic Authority
- P&O Ports
- Australian Meat Council
- NSW Abalone
- AWB
- Sutherland's Transport Pty Ltd
- Dept of State & Regional Development
- NSW Department of Transport