

Discussion Paper for the Inquiry into National Freight and Supply Chain Priorities

August 2017



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

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Freight and Supply Chain Inquiry
Department of Infrastructure and Regional Development
GPO Box 594
Canberra ACT 2601

Email freightstrategy@infrastructure.gov.au

To whom it may concern,

Re: Discussion Paper for the Inquiry into National Freight and Supply Chain Priorities

Central NSW Councils (Centroc) represents over 200,000 people covering an area of more than 50,000 sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Hilltops, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, and Central Tablelands Water.

It is about the same size as Tasmania with half the population and a similar GDP.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two core objectives:

1. Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
2. Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.

The Centroc Board is made up of the 28 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils. For more advice on Centroc programming and priorities, please go to our website <http://www.centroc.com.au/>

Thank you for the opportunity to provide feedback to this inquiry. Please find Centroc responses where we have advice or data in the grey fields below.



Centroc was selected as one of five regional pilot Joint Organisations to assist the NSW Government strengthen and reform local government.

- **Identify where they are in the supply chain (in terms of the system (i.e. import/export, intra/inter domestic or urban freight) and the specific commodity(s) being transported;**
- **Identify the priority issues, whether they be ‘regulation’, ‘productivity’, ‘technology’ or ‘infrastructure’; and**
- **Identify the time horizon for each issue.**

Local Councils provide infrastructure and services to support the freight task. Where there are gaps in infrastructure and service provision either outside the network or outside our ability to redress, the region works collaboratively and advocates respective levels of government for support.

Working collaboratively with the National Heavy Vehicle Regulator, CSIRO, RMS and TfNSW this region is developing a clearer picture of the needs of the freight task. Included in this work is ranked prioritisation of transport infrastructure in this area (the Centroc Transport Infrastructure Matrix). This region would welcome an opportunity to demonstrate this work to the inquiry.

2.1 What is moving where, why and how?

- **What infrastructure is used in your supply chain and how well does it perform?**

This region uses road, rail and air. Noteworthy in this regard are:

1. The significant freight constraints into Sydney where the Bells Line/Outer Sydney Orbital Corridor has been identified by Infrastructure Australia in its July 2017 Corridor Protection report as the highest priority in the nation.
2. It is now easier to freight to the airport in the ACT than to Sydney for a significant proportion of the region.
3. NSW needs to undertake work to optimise Inland Rail.
4. The challenges for Local Government having responsibility for last mile. For example Lachlan Shire Council has the largest road network of an LGA in NSW delivering a substantive role in the agricultural freight task with a small, capped rate base.
5. ‘Proximity’ to a variety of ports where we supply a significant amount of mining and agricultural product. While we are proximal there are challenges of access through congested metropolitan areas and traversing the Great Dividing Range.

- **What changes would you like to see to make your supply chain work better?**

Better data, better planning, better structural arrangement and more funding. This region is putting up its hand to be part of the development of ongoing solutions for the challenges in the nation’s supply chain. We are a mature collaboration of Councils working closely with RDA Central West who work closely with industry. Together we give consideration to optimisation of supply chain particularly for the agricultural task. Planning for agriculture is a key priority for the NSW Government’s Regional Plan for this area and there is an opportunity for a consolidated effort in this regard.

- **What data gaps are you aware of in relation to Australia’s freight and supply chains?**

A deep working knowledge of the agricultural freight task would be very useful. Also, we are seeing growth in farmers storing grain on property to better manage price, aggregation of farm leading to

the owner transport and paddock to plate activities. Some deep, locationally specific predictive advice on what the agricultural sector is doing and how we can best meet their needs would be useful.

2.2 Competitiveness in the Australian freight sector

- In your view, is Australia's freight system internationally competitive?

No. Look at train haulage in Canada. When this region consults or undertakes strategic work on the freight task the costs to port in Australia are the biggest challenges. More detail can be provided.

- What are the key indicators which tell us this?
- How important is freight movement to your business competitiveness?
- Are regulatory factors affecting productivity for your business? How could this be improved?

There have been any number of red tape reviews at both the State and Federal level. Further detailed advice can be provided where submissions made by Centroc are at <http://www.centroc.com.au/submissions/>

3.1 Urban Growth Pressures

- What are the key issues for freight in Australia's major cities?

Access into and around Sydney is critical to the freight task for this region.

- How can Australia's urban networks better prioritise passenger and freight services in the most effective manner possible?

TfNSW will have a great deal of information that can help here.

- How are our cities and supply chains being impacted by changing consumer behaviours such as online shopping?

Anecdotal feedback suggests that there is a downturn in commercial in some of our regional cities and towns.

- What are the critical last mile issues you face in urban areas?

3.2 Port Corridor Pressures - Protecting Land, Sea and Air Connections

- Do you face, or expect in the future to face, problems moving your freight through Australian air, land or sea ports?

See advice above.

- How can Australia's maritime channels be appropriately maintained and able to accommodate bigger ships?
- How are other countries dealing with the landside implications related to distributing cargo from bigger ships?

3.3 End-to-end supply chain integration and regulation

- How effective is your supply chain at transitioning your freight between modes and across boundaries?

- What regulations do you have to deal with in your supply chains?
- How could any of them be simplified?
- Are empty containers a problem for you?

Strategic work undertaken by RDA Central West as part of its work in [Value Adding to Agriculture in Central West NSW Report 2016](#) suggests that optimisation of truck transport loads could be undertaken.

3.4 The Air Freight Market

The really interesting thing about airfreight is the investment by private operators which suggests that the government has an opportunity to invest now to bring the freight benefit forward in time. A challenge for our region is that airports were “gifted” to Councils in the 1990s. Rate capped Councils in NSW compete for State and Federal funding to optimise their role in the freight task.

There are also opportunities for concepts like the Inland Marketing Corporation to fly international freight out of regional locations. More detail on this can be provided on request.

- Are our airports appropriately integrated into surrounding freight networks?
- Are there any international examples of where airports are used more effectively in freight networks?
- Can Australia be making greater use of air freight?

3.5 Changing Technology

- What emerging technological trends do you think will impact on your supply chain?

Self driving vehicle technology, innovation in transport logistics enabling better sharing of load including backhaul and improvements in HPV.

- When are these impacts likely to be felt and how does Australia’s freight infrastructure need to be adapted to make best use of likely changes?

Impacts should occur over the next 20 years. The challenge will be to ensure that regional areas can leverage them as needed, particularly last mile.

- Do you feel you can make use of the technology you need?

4.1 Capacity Forecasting

- Any data or insights you are willing to contribute to assist in capacity forecasting assessment would be appreciated

A significant amount of work has been undertaken in this region showing a near doubling of the freight task by 2034. 80% of this freight will go through Lithgow. This work indicates that there needs to be a mix of modality so effort needs to go into ensuring the road, rail and intermodal task. Please request more detail where <http://www.rdacentralwest.org.au/wp-content/uploads/2014/11/RDA-Central-West-Freight-Study-Nov-2014.pdf> provides a good background piece. Please bear in mind this work was done before the announcement of Inland Rail and it is recommended that an

investment be made in updating projections in the light of the opportunity offered by the Melbourne to Sydney Freight link tracking through this region.

4.2 Key Drivers of Change for Use in Scenario Planning

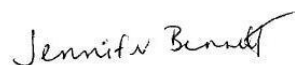
- The Inquiry welcomes views on what factors and key drivers of change should be considered in the scenario planning analysis.
- The Inquiry is also keen to identify key functional elements of supply chains through case studies demonstrating how Australia's freight system is working on the ground, including case studies about things working well, as well as examples of the problems and where improvements can be made. Identification of potential future trends in supply chains would be valuable.

4.3 A National Freight Performance Network

- The Inquiry is particularly interested in views on the potential need for a national freight performance framework and the likely key indicators.

Thank you for the opportunity to respond to this inquiry. This region would welcome the opportunity to work with the Federal Government on codesigned solutions for the freight task for our region.

Yours sincerely,



Jennifer Bennett
Executive Officer
Central NSW Councils (Centroc)