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**MINISTER FOR ROADS, MARITIME AND FREIGHT**

**SPEAKING NOTES - AUSTRALIAN LOGISTICS COUNCIL FORUM 2018**

**'TOWARDS A NATIONAL FREIGHT AND SUPPLY CHAIN STRATEGY'**

**WEDNESDAY, 7 MARCH 2018**

### **Preliminary**

Thank you for that kind introduction.

Firstly thank you for having this year's forum in NSW.

I have been the Minister for Roads, Maritime and Freight for just over a year now, and I am very proud of what has been achieved in that time in this great state.

Looking back at the past 12 months, I've reflected on the fact that a key factor in all our achievements – is the great partnerships we have developed with industry.

That is why it is such a delight to be invited here today.....to continue to build those partnerships..... to let you know what the New South Wales Government is working on and..... to hear from you about what we need to focus on for the future.

### **The importance of freight and logistics to the State**

Freight and logistics are at the heart of the State's economy. I'm sure you all know this, and that is why you are here today.

Each year, the New South Wales freight industry moves around 200 billion dollars' worth of goods...and contributes 66 billion dollars to the State's economy.

Excitingly over the next 40 years, this is expected to *double*.

So the importance of planning is obvious.

### **The role of government**

All governments, including my own, have two critical, and interwoven, roles in supporting the freight industry.

The first is through infrastructure delivery. The roads, bridges, tunnels, rail lines and ports that carry freight vessels, trains and vehicles. I'm sure everyone here today has seen benefit in the last couple of years that has result in the record infrastructure spend by the NSW Liberals and Nationals.

The second is regulation, and more accurately appropriate regulation rather than over regulation. Regulation that supports a viable and competitive industry and improves safety for all road and transport users, rather than regulation which holds everyone back.

And one key to that – to return to the theme of partnerships – is to collaborate with other states, territories and the Commonwealth to make that regulation as consistent as possible. And to plan for the nation's future through a shared national strategy.

### **The first NSW Freight and Ports Strategy**

Of course for all industries, the other important element is certainty; and providing certainty around that regulation and infrastructure delivery.

This certainty is provided through the NSW Freight and Ports Strategy.

Now we didn't even have a state strategy until 2013, when the first NSW Freight and Ports Strategy was released.

The Strategy established the direction of freight planning in NSW and provided that certainty for industry.

Our achievements in the four years since releasing the strategy include:

The Grain Harvest Management Scheme, which has reduced thousands of truck trips every year. Reducing costs for farmers, saving councils on maintenance and improving road safety.

Two rounds of Fixing Country Roads. Which have upgraded 350 km of roads, 37 bridges and 98 culverts to remove road freight chokepoints around the State.

15 million dollars of funding for 10 Fixing Country Rail pilot projects, along with committing 400 million dollars to eliminate constraints on the Country Rail network.

Establishing the Cargo Movement Coordination Centre (CMCC) at Port Botany. This has increased the rail mode share of containers and reduced delivery times. In 2010 it took an average of 53 minutes to turn a truck around at Port Botany. Now it takes 24.

### **Major road projects**

As I said previously though, a major improvement this Government has brought is our infrastructure development.

This financial year sets a record for investment in New South Wales roads.

The Pacific Highway upgrade is now 80 per cent completed, and on target to be a full dual carriageway from Hexham to Queensland by 2020.

The work on the highway since 1996 has cut a nine hour journey down to seven hours.

And – more importantly – fatalities on this road have steadily reduced over that time. From an average of 50 each year to 19 last year.

Upgrades are also underway for the M1 from Tuggerah to Doyalson, the Princes Highway from Berry to Bomaderry, the Cobb, Silver City, Great Western, Golden, Mitchell and Newell Highways, as well as heavy vehicle pavement upgrades for the Hume Motorway and the New England Highway.

These are important upgrades for these vital freight routes and links between regional centres and cities.

### **National transport regulation and reform**

To the regulatory reform agenda, the Council of Australian Governments has recognised that harmonised national laws and regulation are in the nation's interest.

Consistent laws are easier to follow, to implement...and to enforce.

The New South Wales Government has worked closely with the Commonwealth and other jurisdictions to establish four national transport regulators: the National Transport Commission, the Australian Maritime Safety Authority, the Office of the National Rail Safety Regulator, and the National Heavy Vehicle Regulator.

These last two are particularly relevant to freight and logistics.

### **Office of the National Rail Safety Regulator**

Operational since 2013, the National Rail Safety Regulator was established to resolve inconsistent regulations around the country, which were constraining rail transport operators.

Today, it oversees rail safety regulations in every Australian State and Territory.

Alongside its role of maintaining and improving rail safety, it also works to reduce the regulatory burden and support industry in its operation of safe railways for Australia.

### **Rail Investment**

As well as major investments in the road network, the NSW Liberals and Nationals is also investing significantly in rail.

Since coming to Government, we have invested \$1.35 billion in the operation and maintenance of the Country Regional Network, including grain line expenditure of \$363 million.

This includes rerailing, resleepering and resurfacing of track, as well as upgrades to level crossings and replacement of bridges.

The network is quite significant in regards to the freight task with 2400 km of operational track which carries a large share of regional freight, including grain, containers, coal and other minerals. We are investing \$210 million annually to improve the efficiency of this network.

As a result of our investments there has been an enormous improvement in the proportion of freight going through to Port Botany on rail, particularly in the past 12 months. We reached a peak of 20.3 per cent in February last year, an average of 19.1 per cent, which is an increase from 16.3 per cent in 2015-16.

In terms of volumes, for the 12 months to last June rail volumes at Port Botany increased by more than 80,000, 20-foot equivalent units. That is an increase of 22 per cent in 12 months or 400,000 TEUs.

### **Inland Rail**

The commonwealth are also assisting with rail investment through the inland rail project.

I stress that this project can deliver significant benefits to NSW.

By enabling fast, efficient, long-distance freight movements by rail, this project will reduce demands on the road network and increase the overall freight network's capacity substantially.

The Commonwealth has committed 9.3 billion dollars to the 13 individual projects making up Inland Rail.

Importantly, seven of these are in New South Wales. Including 648 kilometres of upgraded line and 381 kilometres of brand new line.

Inland Rail will create a 1,700 kilometre express freight line from Victoria to Queensland, right through the heart of New South Wales and with efficient linkages to our three major ports.

1,800 metre long, double-stacked trains will complete the full journey in less than 24 hours, saving 10 hours on the current journey.

Critically for New South Wales, it creates the potential for three regional freight interchanges connecting to Port Botany, Port of Newcastle and Port Kembla.

The New South Wales Government is working closely with the Commonwealth and the Australian Rail Track Corporation to deliver Inland Rail over the next 10 years.

### **National Heavy Vehicle Regulator**

Now Back to roads.

There is more heavy vehicle traffic in New South Wales than in any other state.....and we have a long history of leading the country in regulating heavy vehicle safety.

We have the largest team of on-road inspectors, the most extensive infrastructure and the most active enforcement of Chain of Responsibility offences.

For the past five years, New South Wales has worked together with Queensland, Victoria, South Australia, Tasmania and the ACT, to establish the National Heavy Vehicle Regulator – the NHVR – as the new national body to enforce the Heavy Vehicle National Law.

The next twelve months will be important, as these relatively new national arrangements are bedded down.

In July the Regulator will have access to the new National Heavy Vehicle Registration System and the National Compliance Information System will be launched, integrating camera and compliance data from around the country.

It's also the month new Chain of Responsibility provisions in the National Law come into effect.

## **Road safety**

To me, this is key: recognising that *everyone* in the chain, across all states, has an obligation to safety.

New South Wales is committed to reducing road trauma – moving steadily Towards Zero.

Last month, the Premier released our Road Safety Plan 2021. Setting out what we will do over the next three years to move to this goal.

It builds on the work we've done since establishing the Community Road Safety Fund in 2013: Licensing reforms; public education campaigns; flashing lights at schools; car safety ratings and the Safer Roads Program.

The Plan has been developed with input from industry, researchers, local government and the community. More than 4,000 people in all.

It's built around the internationally proven Safe System approach, which recognises four key factors: safe roads, safe speeds, safe people and safe vehicles.

Improving the safety of heavy vehicles – over-represented in crashes – is critical to reaching zero.

The new regulations, and the national coordination behind them, are steps on that path.

I acknowledge the industry's contribution to this, through the National Logistics Safety Code.

Through more advanced vehicles with features like stability control and under-run protection.

Though greater use of telematics to track vehicle locations, performance, speed and rest breaks. Improving safety as well as productivity.

We look forward to working with the industry to make the NHVR effective in improving safety and efficiency.

## **The NSW air freight task**

From rail, to roads and now air freight ...

Sydney Airport handles around half of Australia's international air freight, and around a third of our domestic airfreight.

While the volumes are dwarfed by rail and road, this is important freight: medical supplies, high-value electronics, seafood, fresh fruit and vegetables.

And, by the mid-2020s, Western Sydney Airport will add two important elements to the NSW freight task.

First, as a 24/7 airport, capable of handling the largest aircraft, it will become an alternative to Kingsford Smith for incoming and outgoing air freight.

Second, as the heart of what's been called an "aerotropolis", the freight needs of its construction, waste, fuel, food and other needs will be significant.

To ensure we're ready for this, the NSW Government is preserving land for future road and rail corridors, a fuel pipeline and an effective sub-regional road network along with light industrial land near the airport.

## **The draft Freight & Ports Plan**

This land preservation is an important element of the draft NSW Freight and Ports Plan.

In October last year, the New South Wales Government released a draft vision for the next 40 years of transport infrastructure in the State. We call it *Future Transport 2056*.

We followed this in December with a draft Freight and Ports plan - developed after consulting with more than 500 industry and local government representatives.

It sets out six priority action areas to improve the efficiency, sustainability and safety of freight across the state.

The first is to strengthen partnerships between government and the freight industry. That's why I'm here today, and why a number of senior people from my agency are participating in the Forum.

Number two is to increase access for freight across the road and rail network.

Three is to protect existing freight precincts and make sure there is sufficient land for future growth.

Four is to support technologies that can reduce the cost and impact of freight.

Number five – which I'm sure will be universally popular – is to reduce the regulatory burden on industry.

While we have no intention of relaxing our stance on safety, we know it's important to keep the burden of compliance as light as possible. And that regulations need to adapt.

The final priority – and this is really the bottom line – is to ensure safe, efficient and sustainable freight access to places across the state.

The draft plan is a starting point for the Government to consult with industry and the broader community before it is finalised.

We want the Plan to be as effective and inclusive as possible. So we really want your help.

If you haven't read the draft Plan yet, I'd urge you to do so and have your say before the consultation period closes on the 25th of March – just a couple of weeks from now.

## **Conclusion**

I'll be taking questions shortly, but I'd like to leave you with this thought.

A successful government is one that works with its constituents to help them achieve their goals. To fulfil their potential.

As Minister for Roads, Maritime and Freight, you are all very much my constituents. And I'm acutely aware that you are all much closer to the daily reality of the State's freight and logistics needs than I can ever be.

As I said at the beginning, the number one priority in our Draft Freight and Ports Plan is to strengthen freight industry and government partnerships.

Because I know that, by working together, we'll arrive at a better outcome, sooner.

Thank you for your time and attention. I look forward to working with you all.

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