



ABN 19 949 536 343

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## Freight Branch team

NSW Government

[Freight@transport.nsw.gov.au](mailto:Freight@transport.nsw.gov.au)

31 May 2024

## Re: Recommendations to inform the Freight Policy Reform Program.

The Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by Transport for NSW to provide feedback on the Freight Policy Reform Program investigating the freight logistics chain.

The ten Mayors of the Hunter Region, through the Hunter Joint Organisation have identified “a globally connected region whose residents enjoy transport infrastructure systems that enhance their economic and lifestyle opportunities” as a core shared priority. More specifically, the [Hunter JO Strategic Plan 2032](#) identifies the following key objectives and strategic directions:

*Objective 1.2. Through its port and airport the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle and growth in products and services to replace the economic output of thermal coal. Key strategic directions to achieve this include:*

*1.2.1 Partnering with the airport and port to identify and pursue priority actions to enable access to international markets for the benefit of the region.*

*1.2.2 Influence government policy to prioritise the importance of access to international markets for the benefit of the region.*

*1.2.3 Leading collaboration in the region between government, industry and community to ensure the benefits of international markets are region wide*

*1.2.4 Support a transport access strategy for regional connectivity to and from the airport.*

These strategic directions are an essential foundation to continue to grow and evolve the Hunter’s economy as a powerhouse of the state and national economies, and to create more and higher quality jobs as the region replaces the economic contribution of thermal coal in its evolution to the net zero economy. Building the international freight capacity and capability of the Hunter Region’s primary international gateways, the Port of Newcastle and Newcastle Airport will be critical to this evolution, by building the region’s capacity to sell new and additional products into international markets.

The recommendations included in the attached submission focus on:

- Working together to develop Newcastle into an important logistics hub befitting a major metropolitan centre.



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- Recognising Newcastle International Airport as an option for international air freight following completion of upgrades to the code E runway (2024) and international terminal (2025).
- Prioritising funding for an air cargo terminal at Newcastle Airport to generate a Benefit Cost Ratio of 2.6 for Australia, and to address the gap in the air-based supply chain in the region and wider regulatory and operational supply-chain gaps.
- Recognising the air cargo terminal at Newcastle Airport will also support investment being made at the Port of Newcastle with complementary types of cargo being transported through air freight and sea freight.
- Recognising the Port of Newcastle as a designated container terminal should be a priority to enable it to attract necessary investments and shipping traffic.
- Continued investment in supporting infrastructure, such as road and rail links to the Port of Newcastle to ensure that the port is not only recognised in policy but is practically capable of handling increased freight volumes effectively.
- Remove the policy presumption that Port Kembla is next in line as a container port after Botany reaches capacity.
- Prioritise investment in the inland rail and road network to better connect with the Port of Newcastle and Newcastle Airport
- Long-term strategic planning involving all relevant parties, including state and federal governments, must focus on integrating the Port of Newcastle and Newcastle Airport into the national logistics framework.
- Ongoing dialogue with stakeholders, including industries, local businesses, logistics companies, and regional communities to help tailor the reforms to meet the actual needs of the users, ensuring that the ports and associated transport routes deliver maximum benefits.
- Improving road funding arrangements including more flexible and predictable funding, more simplified funding applications and reporting.

We encourage you to consider our recommendations in determining the focus and scope of the current review process, and would welcome further engagement given the enormous significance of these priorities for the Hunter region and NSW more broadly.

Should you have any further queries please don't hesitate to contact Steve Wilson, Director Hunter JO at [stevew@hunterjo.com.au](mailto:stevew@hunterjo.com.au) or on 0448 401 436.

Yours Sincerely

A handwritten signature in black ink, appearing to read "SR Moore", written in a cursive, flowing style.

Cr Sue Moore  
Chair Hunter JO



## **Submission: Recommendations to inform the Freight Policy Reform Program.**

The Hunter Joint Organisation is the statutory local government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the Councils of the Hunter Region work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- Cessnock City Council
- Dungog Shire Council
- Lake Macquarie City Council
- Maitland City Council
- MidCoast Council
- Muswellbrook Shire Council
- City of Newcastle
- Port Stephens Council
- Singleton Council
- Upper Hunter Shire Council

The core statutory functions established by the NSW Government for the Hunter JO include:

1. Strategic planning and priority setting – to establish strategic regional priorities for the Joint Organisation area and to establish strategies and plans for delivering those priorities.
2. Intergovernmental collaboration - to identify and take up opportunities for inter-governmental cooperation on matters relating to the Joint Organisation area.
3. Shared leadership and advocacy - to provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.

Our responses to key questions posed in the Freight Policy Reform Consultation Paper are provided below.

### **Is there a significant change needed in the freight industry or in the way the NSW Government and the Australian Government support this task and if so, in which particular area(s)?**

- The current policy that de-prioritises the Port of Newcastle as an important container terminal creates significant operational challenges and increases cost of freight to the Port for regional producers and exporters. It restricts the broader economic and logistical benefits that could be realised by utilising Newcastle as a container port to alleviate congestion in Sydney and Port Botany.
- We also request that the freight policy reform process recognise the Newcastle International Airport as an option for for international air freight following completion of upgrades to the code E runway (2024) and international terminal (2025).

### **What actions would have the greatest impact in achieving a productive, sustainable and resilient freight system?**

- Investing in rail and road infrastructure, implementing access for performance-based standards for vehicles, and developing intermodal and distribution hubs to overcome the challenges associated with the modal shift from road to rail.



- Prioritising funding for an air cargo terminal at Newcastle Airport to generate a Benefit Cost Ratio of 2.6 for Australia, and to address the gap in the air-based supply chain in the region and wider regulatory and operational supply-chain gaps.

**Working together, are there particular principles or approaches that the NSW and Australian Governments should apply in relation to the road and rail networks?**

- Prioritising investments based on cost-benefit analyses and ensuring alignment with national transport strategies.

**What role do you see for both the NSW and Australian Governments in transport planning and investment? What principles should apply to the planning process and in prioritising investments?**

- Both levels of government should work together on transport planning, with clear guidelines such as benefit-cost analysis, sustainability, and alignment with national strategies guiding informed investment decisions.

**Do you find the current rail freight policy is fit for purpose? Does it deliver an effective network for your freight delivery?**

- "Future Transport 2056" forecasts a doubling of freight volumes in Greater Sydney and a 25% increase in regional and outer metropolitan areas, yet the current infrastructure and policy settings are not aligned to accommodate this expected growth. The document also suggests revisiting the approach to managing freight by potentially developing alternative routes and ports, such as the Port of Newcastle, to alleviate congestion and capacity issues faced by Sydney and Port Botany. **However, the existing NSW rail freight policy does not officially recognise the Port of Newcastle as a designated container terminal which does not support the broader economic and logistical needs of NSW's freight system.** For the current freight policy to be fit for purpose it will need to be reevaluated to align with future demands and contribute effectively to the state's economic competitiveness.

**Do you have recommendations or issues to note about ports?**

- Rail connectivity - Invest in rail infrastructure to improve connectivity and capacity, particularly for key export routes.

**How can road funding be made more sustainable?**

Flexible and Predictable Funding	Transition from competitive, project-specific grants to more predictable, formula-based funding that considers regional road use and maintenance activities related to speed, type of vehicle use, and usage to allow councils to plan with certainty. This would reduce the administrative burden of grant applications and allow councils to focus resources on actual road works.
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Simplified Funding Applications and Reporting	Streamline the funding application and reporting processes to make it easier for councils to access funds and report on their use. Simplifying these processes would reduce administrative costs and free up resources for actual road improvements.
Enhanced Collaboration Between State and Local Governments	Foster stronger collaboration between state and local governments to ensure road funding and maintenance strategies are aligned and support shared transportation objectives.
Incorporate Local Knowledge and Priorities	Leverage local knowledge by involving councils in the decision-making process for road maintenance and upgrades. This includes considering the specific needs and challenges of local areas in funding decisions.