



**Container Transport
Alliance Australia**

Dedicated. Connected. Better.

10th July 2017

Mr Nick Whimbush
Chair
West Gate Tunnel Inquiry and Advisory Committee

Dear Whimbush

Re: The impact of West Gate Tunnel Project on the International Container Supply Chain

Container Transport Alliance Australia (CTAA) is a national Alliance of companies engaged in the international container transport logistics chain. In Victoria, CTAA Alliance companies comprise approximately 80% of the volume of containers transported between the Port of Melbourne, transport yards, import/export premises and 3PL warehouses, and empty container parks. CTAA has unrivalled expertise in understanding the commercial, operational and regulatory environment under which companies in the container transport logistics chain operate.

CTAA thanks the Committee for the opportunity to provide the views of CTAA Alliance companies regarding the West Gate Tunnel Project.

Victoria's International competitiveness

One of the stated aims of the project is to address *'inadequate port and freight connections to deal with growth'*. CTAA Alliance companies believe this aim needs to be expanded to include *'without creating additional costs to the container supply chain and Victoria's international competitiveness'*.

Container transport rates include a distance calculation based on direct route between transport yards and the port. Following the opening of the West Gate Tunnel (WGT), and subsequent 'bans' on inner west direct routes, many container transport companies will be forced to back-track to feeder roads linked to WGT interchanges. This additional time/distance, plus any delays at the interchanges, will add cost to the container supply chain.

In addition, the impost of tolls to the container transport companies may add another 20% to the cost of handling containers between the Port and important logistics centres in Melbourne's west.

The mismatch of operating hours and customer demands within container transport logistics, sees well over 90% of import and export containers 'staged' through a transport yard/depot. As such, container transport companies operate in two 'shuttle' environments – wharf to yard/yard to wharf and yard to customer and ECP/ECP to customer to yard. As such, container transport vehicle undertake multiple trips to the ports during the day, night and weekends.

In the case of the wharf to yard/yard to wharf shuttle, stevedores, for their own operational benefit, often will only make available either import or export time slots, thereby negating the opportunity to two way run - deliver an export and pick up an import in the same time slot. The impost of tolls in both directions, means that for no fault of their own, container transport companies will either need to bear the cost of a 'dead leg' or pass it along the supply chain.

It will be critical to Victoria's international competitiveness that the tolling structure for WGT demonstratively and positively discriminate in favour of container transporters, as a discreet and vital sector.

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In particular, the tolling structure should include trip caps, incremental discounts, and day caps. Night and weekend discounts should also apply.

Productivity benefits

It is understood that the WGT will be designed to the SM1600 bridge standard, providing for trucks with a Gross Vehicle Mass (GVM) of up to 109 tonnes to travel on it. For container transport, this design feature will allow for potentially 4 TEU (twenty foot equivalent units) or 2 to 3 TEU heavy commodity export containers to be transported on the structure using a safe, efficient and productive Higher Productivity Freight Vehicle (HPFV).

However, this design feature presents no benefit to the container transport sector unless similar upgrades are made to the freight routes leading to and from the WGT.

Without being exhaustive, attached as Appendix 1 are two maps identifying freight access routes (red) in the inner west industrial precincts which will need to be upgraded to support the potential productivity gains of WGT – operation up to 109 tonnes GVM.

In addition, CTAA seeks a commitment to ensure that Princess Fwy, a major commodity export freight route from Geelong, is strengthened to accommodate 109 tonnes GVM.

Time constraints

Unlike many other sectors of the industry, container transport operates within a strict time slotting environment - at container terminals, empty container parks (ECPs) and increasingly at 3PL consignee sites.

Delays caused by queuing at WGT / M1 interchanges will add costs to the import/export supply chain. The provision of dedicated truck lanes on feeder roads (Millers and Grieve, in particular), truck only ramps (unencumbered by ramp meters), and truck friendly traffic signals, will be required as part of the WGT project.

It will also be important for the MacKenzie Road off ramp be 'Port Truck Only'. This will stop cars 'rat running' to avoid the car toll point identified at the city end of the project. Allowing cars to exit at MacKenzie Road has the potential to create queues at off ramp traffic lights, resulting in trucks backing up in the tunnel.

Removing trucks off the network

Higher Productivity Freight Vehicles (HPFVs) provide the opportunity to significantly reduce the volume of trucks on the network. In addition, these vehicles provide better road safety and environmental amenity as a result of latest technological features, including:

- Automatic Distance Control
- Autonomous Emergency Braking
- Front and Side Under-Run Protection
- Lane Change Collision Avoidance Systems
- Latest Euro Standards for emissions

When operating at mass allowances over 68.5 tonnes GVM, these vehicles also need to be IAP (Intelligent Access Program) compliant. This involves ensuring evidentiary-based route compliance and mass monitoring.

Reshaping the demographic of container transport vehicles - reducing the number of older vehicles and replacing them with these highly advanced and significantly more community amenable vehicles - needs to be encouraged through this project.

HPFV's are a significant investment for any container transport company, and, as such, the WGT will need to clearly articulate the business benefits to the sector, particularly through a positive discriminatory tolling structure. To be particular, the tolling structure should provide discounts to HPFVs and should allow for container transport operators to be able to easily calculate the return on investment in purchasing and utilizing these vehicles.

Access to Webb Dock

Container transport logistics companies believe the WGT project has given insufficient forward consideration to the impact of container transport logistics demands and local residents in respect to access to Webb Dock. While the EES traffic modelling predicts that Wurundjeri Way and Lorimer Street will be able to handle an increased volume of truck movements, it misses the political aspect of potentially 1500 – 2000 truck movements per day within the Fishermans Bend residential precinct.

It has not been the inability of the traditional freight network to handle volume growth in the inner west that has seen the introduction of curfews and ban, rather local agitation. The container transport logistics sector see the same scenario playing out in the Fishermans Bend precinct in the very near future.

CTAA on behalf of the container transport logistics sector advocated early that the design for WGT should include direct access to/from the Botle Bridge and include bridge strengthening to SM1600.

It is understood there may be some technical hurdles with the latter, but the lack of direct access to and from the Bolte Bridge is a major deficit to the overall usefulness of the WGT project to the container transport logistics sector.

Forcing trucks onto Wurundjeri Way and Lorimer Street is setting up a conflict that history clearly shows, the container transport logistics sector will lose, and will yet again add costs to supply chain and reduce Victoria's international competitiveness.

Project benefits

This project will deliver significant physical benefits to inner west residents such as bike paths and green zones. More particularly though, the removal of trucks from local roads (reducing noise and congestion), and the creation, by default, of "locals car route/s" to the city (i.e. the local residents won't be required to use WGT), will benefit residents through improved amenity, and property owners through increased land values.

On the other hand, benefits to the container supply chain, including vital exporters, are questionable.

Container supply chain benefits identified in the EES rely heavily on assumptions, which if history is a guide, may or may not be realised. For the WGT project to benefit the container supply chain will require, as a minimum, a number of adjoining road infrastructure initiatives and a positive discriminatory tolling regime.

CTAA looks forward to the opportunity to present to the expert panel on the major issues of concern to this critical sector of the Victorian economy.

Best Regards



Gerard Langes
Director

Appendix 1

Freight Routes requiring upgrades to SM1600

Table 1 – Truganina, Laverton North and Altona North

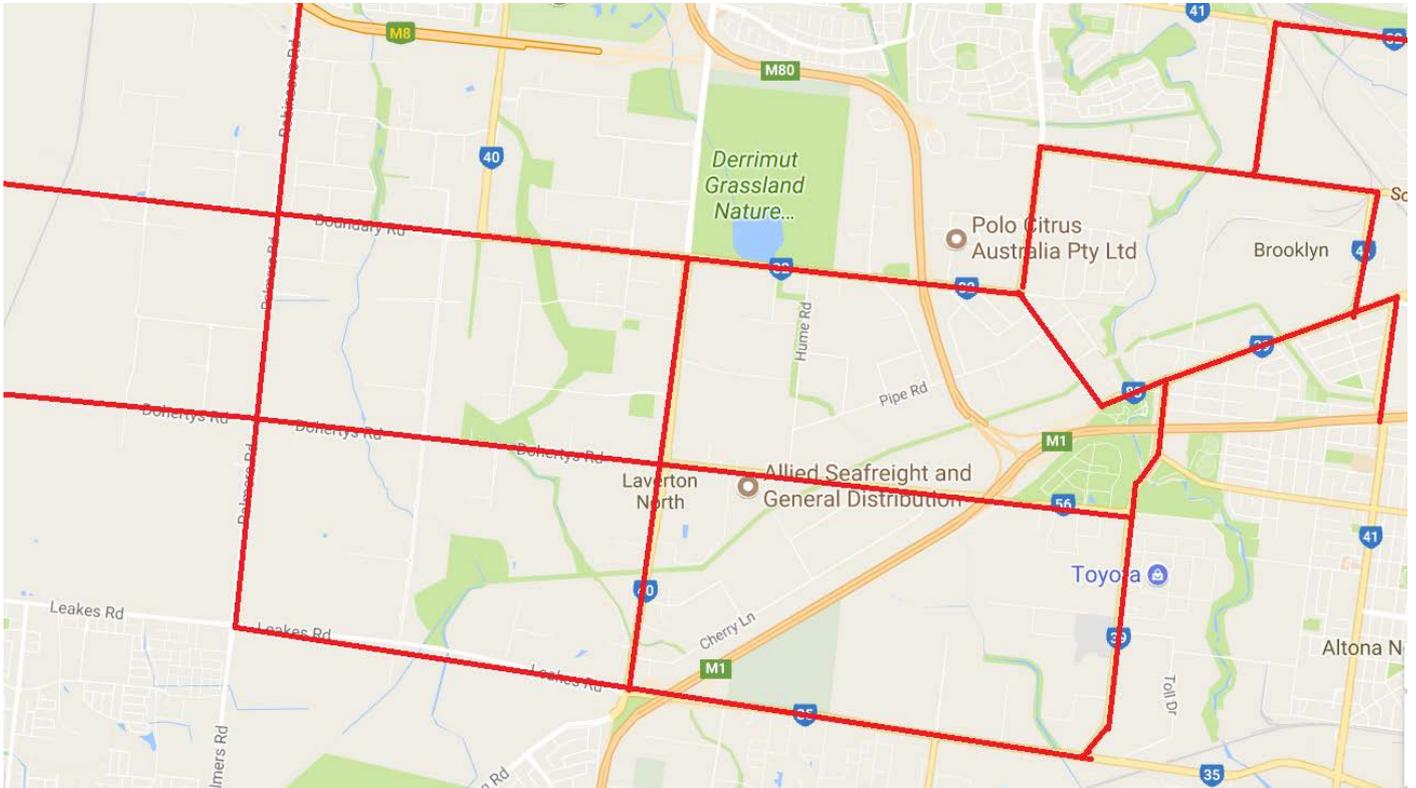


Table 2 – Brooklyn and Totenham

