



Friday, September 15, 2017

CTAA Notes from Appearance Before the West Gate Tunnel Project Inquiry & Advisory Committee (IAC) – Wed. 13 September 2017

Whole of Supply Chain Perspective:

- The container transport logistics industry views the West Gate Tunnel Project (WGTP) as only one piece of a supply chain jigsaw.
- The potential benefits are viewed not just from the point of view of potential travel time savings and additional access benefits for heavy vehicles derived from the Project itself, but the overall impact of network-wide decisions on available truck routes, mass limits on all associated roads, heavy vehicle access decisions, travel times from container logistics facilities to/from the Port, and tolling costs.
- There are two distinct container logistics supply chains:
 - The transport, staging and handling of full import and export containers; and
 - The transport, staging and handling of empty containers, including import “de-hires” at the end of the import chain; the pick-up of empty export containers at the commencement of the export chain; and the transport of empty containers to/from the Port and empty container depots to suit the needs of shipping lines to reposition empty containers overseas for their next use, or to import empty containers required to satisfy exporter demand.
- The decision of the existing Government to impose 24/7 truck curfews on inner west roads is taken into consideration by the container transport logistics sector when considering the impact of the WGTP.
- When viewed from a whole of supply chain perspective, the WGTP and associated decisions of Government must deliver productivity offsets for the container transport logistics sector, otherwise the Project will have a negative impact on Victoria’s international supply chain competitiveness, productivity and efficiency.

Typical Import / Export Container Supply Chains:

- Import and export containers cycle through various phases in the supply chain.
- Container logistics activities range from (almost) 24/7 operations at the container stevedore / landside interface, to limited hours, Monday to Friday, at the customer interface.

- As a result of this mis-match of operating hours, and other time-related operational variables, including truck time-slotting arrangements at the stevedore terminals, at empty container depots, and elsewhere in the chain, such as at customer Distribution Centres (DCs) and other facilities, containers are “staged” through transport facilities.
- The larger volume container transport operators (generically, the top 20 to 30 transport providers by volume) handle approx. 70% or more of the container freight task.
- Larger volume transporters typically now “stage” over 90% (on average) of containers through their transport yards (full and empty) in order to manage the supply chain and deliver on their customers’ needs.
- There is a large concentration of container transport facilities – transport yards, customers’ facilities, empty container depots, etc. - in the inner and outer western suburbs, as well as “on-port” and “near-port” to the Port of Melbourne.
- The location of container logistics facilities, coupled with the need for container “staging” at points in the supply chain, means that an individual container may need to be transported to/from the Port of Melbourne and the west using the West Gate Tunnel (WGT) on a number of occasions. For example:
 - Pick-up of the import container from the container terminal at the Port (return truck trip using WGT);
 - Staging of the container through transport yard in the inner / outer west;
 - Delivery of the import container to customer in the South East (return truck trip using WGT);
 - Pick-up of the empty import container from customer’s premises (return truck trip using WGT);
 - Staging of the empty container through transport yard in the inner / outer west;
 - Return of the empty container to an empty container depot located adjacent to the Port (return truck trip using WGT).
- Empty containers being repositioned to/from the Port under the direction of shipping lines is a different supply chain with its own operational dynamics (*refer to separate notes provided by Vantrans Container Transport*).

Higher Productivity Freight Vehicles:

- The WGTP is being designed to accommodate Higher Productivity Freight Vehicles (HPFVs) at design mass capacities.
- However, unless surrounding “feeder” arterial roads are upgraded to accommodate HPFVs at designed mass limits, no payload productivity benefits will be able to be realized within the container transport logistics chain.
- “A-double” and “Super-B Double” vehicle combinations are designed to carry four Twenty-Foot Equivalent Units (TEU): i.e. four 20’ containers or two 40’ containers, or a combination of these.

- The tolling treatment for HPFV should not disadvantage the use of these vehicle combination types. Indeed, due the productivity offsets that HPFVs can deliver to Victoria's import and export competitiveness, HPFVs should be exempt from WGT tolls.
- The use of HPFVs in the future will be imperative to:
 - Handle the future container freight task, as more and more 40' containers are used for import and export products. Being able to carry two laden 40' containers on one vehicle instead of two delivers a 100% productivity benefit.
 - Reduce the number of trucks required to undertake the growing container freight task.
 - Deliver safety and environmental benefits, with the renewal of the truck fleet containing greater safety features, and cleaner emissions prime movers.

Port Shuttle Operations:

- Transport operators in the inner and outer west, and those located on-port or near-port, aim for maximum truck/trailer asset utilization in a given shift, aiming to achieve a number of "turns" of the truck to/from the container stevedore terminals and other facilities at the Port in a shift.
- Night toll discounts would be welcomed, but would have a smaller impact on transport industry behaviour due to the fact that the container terminal truck vehicle booking system (VBS) is controlled by the stevedores. Night VBS slots are taken up significantly by the larger transporters utilizing night operations to deliver exports and pick-up imports for staging through their yards.
- Port shuttle operations on the other hand occurs during day shift, night shift and on weekends. Multiple trip tolling caps and discounts will be important in ensuring that the additional costs of using the WGT do not outweigh the productivity benefits.
- CTAA welcomes the Government announcements about multiple trip / port shuttle toll caps and night discounts, etc. However, the container transport logistics sector is unable to assess the impact of the tolling regime because no detail information has been provided to industry for assessment.

Upgrade to Inner and Outer West "Feeder" Roads to the M1:

- Identified "feeder" roads in the inner and outer western areas must be upgraded in parallel with the construction of the West Gate Tunnel Project to accommodate HPFVs up to 120 tonnes GVM.
- This is particularly important given the intention of the current Government to impose 24/7 truck curfews on inner west roads, forcing trucks to access the M1 to travel to/from the Port of Melbourne.
- Important feeder roads include Millers Road, Brooklyn, which requires pavement strengthening to accommodate HPFVs up to 120 tonnes, swept-path improvements at intersections, and ramp metering bypass lanes for trucks entering the M1. In other words, improved access, not restricted access.

Port Access at Western End of the Port of Melbourne:

- CTAA holds significant concerns with the inadequacy of the Sims Street / Footscray Road intersection and road infrastructure to handle the growth in truck traffic funnelled into this route with the closure of the Coode Road / Mackenzie Road intersection, and the eventual tunnel exit ramps feeding trucks into this western end of the Port of Melbourne.
- Construction activity in Mackenzie Road will need to be managed carefully to ensure that significant delays to the operation of the Port do not occur, especially the exit and entrance of truck to/from the DP World West Swanson Container Terminal.

Access to Webb Dock:

- CTAA holds significant concerns with the proposed HPFV route from the West Gate Tunnel Project infrastructure to Webb Dock via a widened Wurundjeri Way, Lorimer Street and Todd Road.
- No direct elevated access to the Bolte Bridge is considered in the WGTP design, and the Bolte Bridge is not being upgraded to accommodate higher mass limits.
- This outcome will put the heavy vehicle industry in direct conflict with Docklands and Fishermans Bend residents as hundreds of trucks use the route to gain access to/from Victoria International Container Terminal (VICT) at Webb Dock in the future.

Empty Container Management:

- Please refer to the separate speaking notes submitted by Mr. Robert Alfarano, representing CTAA Alliance company, Vantrans Container Transport.

Conclusion:

- The benefits of the West Gate Tunnel Project are questionable for the container transport supply chain and associated vital export and import businesses unless the Project delivers significant productivity offsets, including:
 - HPFV access at higher mass across the whole supply chain;
 - Upgrades to adjoining road infrastructure to allow the most direct access to the upgraded M1 safely and productively; and
 - A positive tolling regime.

Yours sincerely,



Gerard Langes
Director



Neil Chambers
Director

Container Transport Alliance Australia (CTAA) is a strong Alliance of leading businesses engaged in the container transport logistics industry. CTAA Alliance companies account for the majority of containerised freight handled in capital city ports in Australia.