

RDA-NI Freight Study

Consultancy Terms of Reference

You are invited to present a proposal to conduct research that will identify required improvements in road freight infrastructure and freight policy in the Northern Inland region. Your proposal must aim to meet all of the requirements detailed in these Terms of Reference.

Timeline for Engaging Consultant

11 November 2011	Send to consultants
23 December 2011	Proposals close
24 December 2011 – 13 Jan 2012	Review and selection of consultant
Mid-January 2012	Consultant Start
30 April 2012	Completion of consultancy

Background Information for consultants

Regional Development Australia -Northern Inland (RDA-NI) comprises a small team of dedicated staff and a committee of local people jointly funded by both Australian and State Governments. Our mandate is to identify through a regional plan, opportunities to improve services and help develop our region both economically and socially in a sustainable environment. It is a conduit between Governments and local communities and a provider of information.

RDA-NI is a non-profit community based organisation with the committee members having a broad and diverse skill base with extensive networks including local Government, the private sector and educational institutions throughout the region.

The RDA-NI Mission is to ensure long-term sustainable growth and development of the region by driving and contributing to initiatives that will support economic and community development, social inclusion and environmental sustainability.

Regional Development Australia – Northern Inland recently completed a comprehensive plan for the region. This regional plan will help focus Governments and communities on strengths, issues, and a work plan to achieve those priority regional development goals.

Further information on RDA-NI can be found on our website at www.rdani.org.au .

Objectives / Purpose

The objectives envisaged by RDANI, and to be addressed in the consultancy, include:

- To provide consistent and reliable measurements to government agencies and key stakeholders that quantify the road freight task in Northern Inland NSW as well as forecasting increased growth and infrastructure requirements in the sector. These outcomes will enable government agencies and key stakeholders to improve freight infrastructure and inform changes to government policy in relation to road funding. Freight infrastructure may not just be limited to roads, but may include (for example) new warehousing facilities on key freight routes to improve distribution efficiency.
- To provide robust and reliable Benefit -Cost Analysis on the upgrade of the road network in the Northern Inland as determined by the 13 Local Council Asset Management Plans in the region. The focus of the Benefit -Cost Analysis will be required to demonstrate benefits that can be attributed to both government and the private sector through increased investment in road freight infrastructure.

Outputs

- Current freight flow volumes for road freight (bulk & non-bulk) in the Northern Inland region;
- Forecast freight flow volumes for road freight (bulk & non-bulk) in the Northern Inland region;
- Current value of road freight flows in the Northern Inland region;
- An overview of the current infrastructure for road freight in the Northern Inland region;
- An overview of the required infrastructure for road freight in the Northern Inland region;
- Analysis of the key drivers of freight demand in the Northern Inland region;
- A Benefit-Cost Analysis on increased investment in road freight infrastructure based on Local Government requirements and the subsequent benefits produced for the regional economy, both from a government and private enterprise perspective;
- Production of a comprehensive report that can be utilised by all key stakeholders.

Outcomes

- To gather clear and concise data on all aspects of road freight movements into, out of and through the Northern Inland region;
- To develop robust Benefit-Cost Analysis for increased investment in road freight infrastructure from a government and private enterprise perspective; and
- To provide recommendations for improvements to road freight infrastructure in the Northern Inland region.

Intended User/s

The outcomes are intended to be used to guide and quantify the future activities of RDANI and government at all levels.

Principles and Approach

It is expected that the consultant will approach this project with a transparent and honest policy, and openly discuss any issues that will ultimately affect the outcomes or delay the project.

Methodology

It is expected that the consultant will provide sufficient detail of proposed method with documented qualifications and or supporting documents outlining consultant's experience/expertise in this area.

In addressing this brief, the consultant must clearly specify whether the scope of their analysis will cover all the key roads in the region, or if it will be limited to the major freight routes.

Much of the data on current and projected future freight-flow volumes for the region is already available in two recent studies conducted in the region (RDA-NI can provide copies of these), and through other sources (e.g. the RTA). Therefore, it is envisaged that the bulk of the analytical work lies in conducting the benefit-cost analysis.

In conducting the Benefit-Cost Analysis, the consultant will have regard for the following issues:

- Provide a clear and theoretically robust method for defining the costs and benefits. With regard to the benefits and costs, the link should be drawn between the parameters used to define those benefits/costs and the concepts of consumer and producer surplus;
- The benefits should consider both existing and induced traffic. Estimates of any induced traffic will require justification;
- Values used to measure benefits should be clearly defined (e.g. what are the assumptions about travel time savings, reduced wear and tear on vehicles, reduced accident rates etc. How are dollar values for these estimates calculated). These values should accord with those found in the transport benefit-cost literature;
- Any benefits related to increased employment in the region will require sound empirical justification. This may require consideration of new freight logistics infrastructure which could be built on key freight routes (e.g. freight warehousing facilities on the Newell Highway?) which would improve the efficiency of freight movements to inter-state destinations, but also deliver new regional jobs. This would require some analysis of the capacity to fill those positions (e.g. skill and labour shortages?);
- Assumptions used to value the capital and any additional on-going maintenance costs of new infrastructure must be made clear;
- Assumptions about the serviceable life and disposal cost (if applicable) of new capital investments must be made clear;

- As outlined in the BITRE (1999) report referred to below, the issue of double-counting of benefits needs to be considered;
- Choice of discount rate for the analysis should be clearly justified.

The impact of increased mining on regional transport demands is likely to be a key issue for consideration.

The consultant should familiarise themselves with the literature of transport benefit-cost analysis. A good starting point is the publication by the Bureau of Transport Economics (1999), Facts and Furphies in Benefit-Cost Analysis: Transport, Report 100, available here:

<http://www.btre.gov.au/info.aspx?ResourceId=24&NodeId=58>

Roles and Responsibilities

The primary contact for the consultant undertaking this consultancy will be:

Nathan Axelsson
 Executive Officer
 Regional Development Australia – Northern Inland
 PO Box 72 Armidale NSW 2350
 Ph: 02 67712790
 Fax: 02 67714034
 Email: Naxelsson@rdani.org.au
 Mob: 0412 308114

Reporting Requirements

Intermediate progress reports are required by consultant as agreed by the primary contact.

At the end of the consultancy project, a fully documented written Strategy report (including a copy in Microsoft Word [digital] format) incorporating, but not limited to:

- quotes (if any have been gathered),
- sources of information,
- methodology for working out numbers, making calculations etc
- any maps/drawings that were made
- an Executive Summary
- a clear plan for action with proposed time-line

Additionally, a presentation at an agreeable date at the end of the project by the consultant is to be made to provide an overview of the project and a summary of the findings, to a RDANI Committee Meeting.

Estimation of Costs

The total budget for the consultancy is expected to be between \$50,000 and \$75,000 including GST.

Timeline and Milestones

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Proposals

- For the purpose of proposals, please note that any envisaged face-to-face meetings between the consultant and RDANI must be held in Armidale.
- A timetable must be submitted outlining stages of completion, as well as estimated hours needed and costs for each stage.

Proposals Close

Proposals must be received by 5pm (ESDT) Friday December 23rd. Proposals are to be lodged by one of the following methods:

- Post to: PO Box 72 Armidale NSW 2350
- Fax to: 02 6771 4034
- Email to: Naxelsson@rdani.org.au

Any enquiries to

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