



# Infrastructure Programs for Addressing Supply Chain Blockages

Final Draft Report  
July 2008



This report has been prepared for the Australian Logistics Council (ALC) by Meyrick and Associates. The work was commissioned by the ALC's Infrastructure Steering Group.

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# 1. INTRODUCTION

## Summary of Recommendations

<b>Preparing the rail system for future challenges</b>	<b>Developing clearly articulated freight transport plans <i>continued</i></b>
<b>Blockage 1 - Resources Rail Network</b> – Develop the rail network that is needed to serve a rapidly growing resources sector	<b>Blockage 12 - B-Double &amp; B-Triple Networks</b> – Accelerate the definition and implementation of a national B-Triple network and ensure that the B-Double network is extended to allow access from all significant production facilities to major freight routes.
<b>Blockage 2 - North-South Rail Network</b> – Improve the service standards on the main North-South rail corridor to permit it to operate at a level at which rail will be used for a greater share of the Melbourne–Brisbane freight task	<b>Blockage 13 - Fast Track Planning</b> – Effectively implement in each State fast-track planning processes for transport infrastructure of strategic economic significance.
<b>Blockage 3 - East–West Rail Network</b> – Expand the capacity of the East–West rail network to ensure that future growth can be accommodated without a deterioration of service standards.	<b>Blockage 14 - Rest Areas</b> – Provide sufficient rest areas on all major highways to allow effective fatigue management while minimising any impact on the productivity of road haulage operations.
<b>Blockage 4 - Grain Networks</b> – Clearly define the role of rail in the future carriage of grain exports and upgrade grain networks to ensure that this role can be performed efficiently.	<b>Blockage 15 - Climate Change</b> – Undertake a comprehensive national assessment of the effect of climate change on transport infrastructure and develop strategies for managing this effect to minimise the impact on infrastructure cost and reliability.
<b>Investing in corridor access to ports, airports and intermodal terminals</b>	<b>Blockage 16 - Coastal Shipping</b> – Develop coastal shipping policies to accommodate environmentally sustainable and efficient freight transport growth
<b>Blockage 5 - Shipping Channels</b> – Ensure that shipping channels serving all major ports are capable of serving the vessels of the size needed to carry our international trade efficiently	<b>Ensuring consistency in regulation</b>
<b>Blockage 6 - Identify IMT Sites</b> – Identify the sites for strategic IMT development in all major cities and ensure that these sites are protected for future development.	<b>Blockage 17 - Open Access Regimes</b> – Ensure that, wherever practical, all significant new transport infrastructure is subject to an open access regime, and develop improved regulatory processes to reduce the delays and costs to both access seekers and access providers.
<b>Blockage 7 - Protect Access Corridors</b> – Define and protect the road and rail corridors to all significant ports and strategic IMTs.	<b>Blockage 18 - Streamline PPP Approvals</b> – Develop streamlined PPP approval processes to facilitate private investment in transport infrastructure.
<b>Blockage 8 - Concessional Limits</b> - Implement a programme of concessional limits for heavy road vehicles serving intermodal terminals to encourage the complementary use of road and rail modes.	<b>Blockage 19 - Uniform Rail Standards</b> – Implement nationally uniform technical, safety and communications standards for rail operations.
<b>Blockage 9 - Short Haul Rail</b> – Develop short haul rail routes linking urban IMTs and container ports to allow efficient rail operation, including where possible freight only tracks and provision for double-stacking.	<b>Blockage 20 - Road Pricing</b> – Reform road pricing to facilitate the efficient use of road vehicles and appropriate allocation of the freight task between road and rail.
<b>Developing clearly articulated freight transport plans</b>	<b>Blockage 21 - High Productivity Vehicles</b> – Reduce the regulatory barriers to the introduction of innovative high productivity vehicles.
<b>Blockage 10 - Transport Plan</b> – Build on and integrate the AusLink corridor strategies and the Infrastructure Australia agenda to provide a clear and comprehensive plan for transport infrastructure of national importance, including port access links.	<b>Blockage 22 - Over-dimension Vehicles</b> – Adopt nationally consistent and less burdensome regulation to reduce the costs associated with the movement of over-dimension vehicles.
<b>Blockage 11 - Develop Comprehensive Strategies</b> – Develop comprehensive freight and logistics strategies covering both rural and urban freight movements in all states.	<b>Blockage 23 - Harmonise Fatigue Management</b> – Harmonise legislative processes and regulatory arrangements associated with the implementation of the national fatigue management system.

## 1.1 Executive Summary

The Australian Logistics Council is committed to an Infrastructure Action Agenda consisting of a short list of critical actions. These actions require concerted and sustained advocacy and effort by the ALC as a voice for industry. The four key infrastructure-related challenges to supply chain efficiency that were identified in the Infrastructure Action Agenda are:

- preparing the rail system for future challenges
- corridor access to ports, airports and intermodal terminals
- clearly articulated freight transport plans
- regulatory consistency.

These action areas were selected by ALC members because they were considered to be the most critical issues needing attention and they offer the greatest potential to add value to the supply chain.

Under these four Infrastructure Action Areas 23 Supply Chain Blockages have been identified. These Blockages are diverse and incorporate action needed in Infrastructure, Planning and Regulation.

The efficient transport of freight around Australia underpins our economy.

Focusing infrastructure upgrades to ensure our goods and exports are able to be delivered to markets, both domestic and international, is essential for Australia to remain internationally competitive.

- Improvements to urban congestion, including better public transport networks, are critical to the smooth delivery of freight.
- Investment decisions should be considered from a Supply Chain perspective so the best solution across modes is implemented.
- Regulatory reforms need to encourage the most efficient transportation of freight and people, whilst maintaining safety as a central priority.
- Long term plans must be developed and implemented.

The 23 Supply Chain Blockages should be central to the decision making and consideration of;

- Federal Government and its agencies including Infrastructure Australia and the Major Cities Unit.
- Australian Transport Council's National Transport Reform Agenda.
- State Governments.
- Local Governments.
- All Australian Industries dependent on infrastructure to deliver their goods.
- Private Construction and Infrastructure.
- Industry Associations advocating infrastructure and regulatory improvements.
- The community.

## 1.2 The Supply Chain Blockages study

To identify the set of infrastructure programs, the assistance of Meyrick and Associates has been sought to complete three tasks:

- Phase 1: Describe the scope, nature and methodology of a study for identifying supply chain infrastructure investment priorities
- Phase 2: Complete a report tabling a list of candidate programs for consideration.
- Phase 3: Taking into account any feedback and commentary on the candidate programs, refine the priority programs and align them with relevant sections of ALC's National Strategy for the Transport and Logistics Freight Industry.

Given the Australian Government's recent announcements about its plans for addressing infrastructure shortfalls, this project has now assumed greater importance and urgency. The Commonwealth Minister for Infrastructure, Transport, Regional Development and Local Government has recently established an advisory council, Infrastructure Australia and charged it with the task of advising COAG on priorities for investment in nationally significant infrastructure. This advisory council will make its recommendations by the end of 2008. ALC therefore has a timely opportunity to contribute to Infrastructure Australia's task by recommending high priority supply chain infrastructure investment programs that will enhance the effectiveness and efficiency of the country's freight transport system.

## **2. THIS REPORT**

### **2.1 Purpose of the report**

This report documents the second and third phases of the project. It attempts to give greater definition to the actions that industry urges the Australian government to take to address the country's most critical supply chain infrastructure needs. These actions are defined as a list of twenty three broadly defined programs, which have been reviewed by ALC members and then finalised by the ALC Infrastructure Steering Group.

The priority actions aim to reduce or eliminate supply chain blockages by addressing the four key infrastructure-related challenges to supply chain efficiency that were identified by the Australian Logistics Council (ALC) in its Infrastructure Action Agenda.

### **2.2 The report structure**

The remainder of section 2 provides a description of what we mean by infrastructure 'programs' as opposed to 'projects', and it outlines the way in which the programs have been screened and selected.

A description of the twenty three programs along with discussion about why the programs are included and the status of actions already being implemented to address the relevant supply chain blockages are contained in section 3.1 of this report.

Sections 3.2.1 to 3.2.3 of the report categorise the programs into three groups according to a rudimentary assessment of the number of criteria they satisfied: the four elements of the ALC's Infrastructure Action Agenda and the principles of the AusLink Strategic Merit Test framework, a multi criteria matrix that has been endorsed by the Australian Transport Council as the agreed method for assessing infrastructure investment priorities.

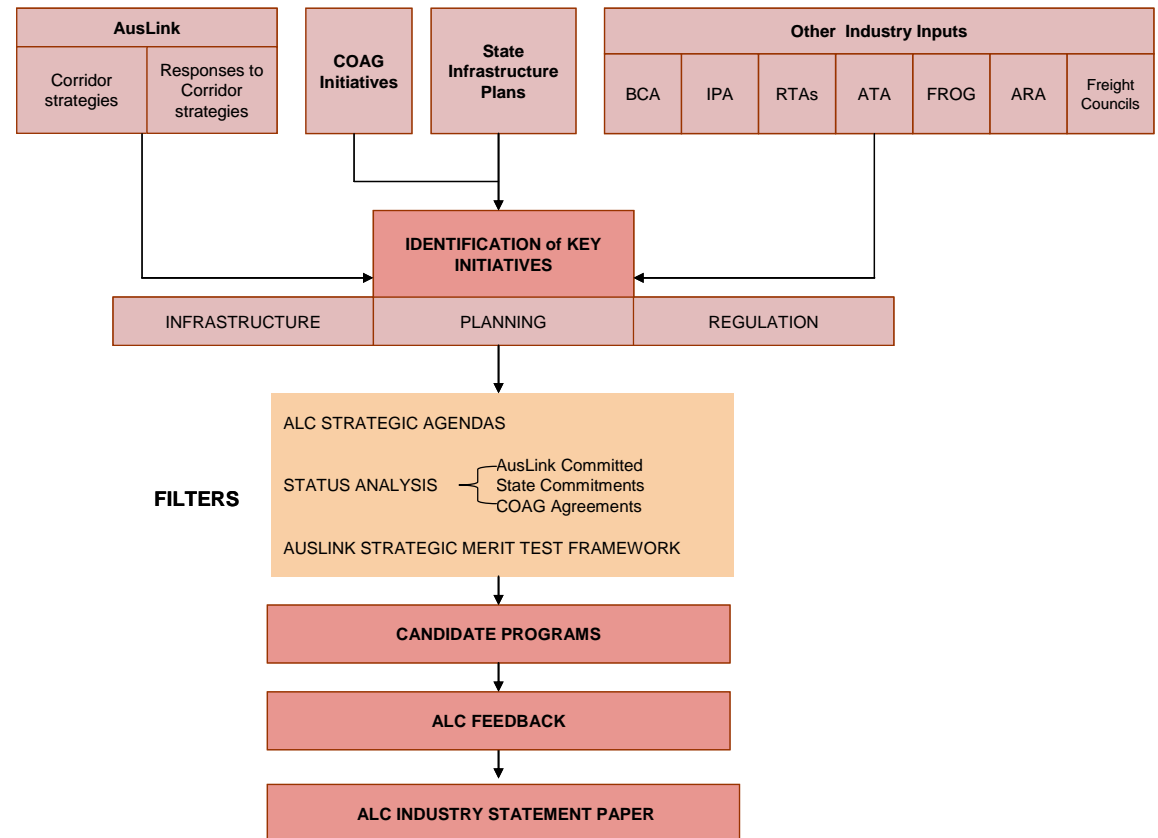
## 2.3 Process

### 2.3.1 Identification of support programs

In developing the list of candidate programs we have drawn on a wide range of public domain information ranging from detailed analyses of key freight transport issues prepared by various Freight and Logistics Councils, through comments made by sectoral groups within the industry (such as the Freight Railway Operators Group), to press reports of industry concerns about specific obstacles to supply chain efficiency. We have also examined comments relating to supply chain infrastructure and priorities implied in reports published by broad-based business groups, such as the Business Council of Australia and Infrastructure Partnerships Australia.

The research has included a review of the deficiencies identified in each of the AusLink corridor studies as well as major publications of regulatory and review bodies such as the Productivity Commission’s Report on Road and Rail Infrastructure Pricing. Relevant COAG agreements and (where available), transport and infrastructure plans of state and territory governments, have also been examined.

Finally, we have drawn heavily on informal and formal inputs that ALC has gathered from its members and which were provided to us.





### 2.3.2 Initial screening and classifying programs

#### Programs rather projects

The themes and ideas that emerged from this research were at a number of different levels. They included comments on deficiencies, broad policy directions, and ideas for individual projects. We sought to distil this diverse information into ‘programs’.

A ‘program’ in this context is best described as a coherent set of actions leading to a specific outcome that will support supply chain improvements. By a program we mean a set of actions defined at a level of specificity between the ALC Infrastructure Action Agenda and individual projects; for example, ensuring that core grain networks are clearly defined and developed to defined standard is a ‘program’.

Programs in this context are not confined to the construction or upgrade of infrastructure, but include complementary initiatives such as reforming particular planning processes or regulations, or the safety strategy that was launched by the ALC and NTC last year.

Strategic Fit Elements
<b>Strategic fit with ALC Infrastructure Action Agenda</b>
• Preparing the rail system for future challenges
• Corridor access to ports, airports and intermodal terminals
• Clearly articulated freight transport plans
• Regulatory consistency
<b>Strategic fit with broader national goals</b>
• Improves national and inter-regional connectivity
• Fosters viable long-term economic and social outcomes
• Improves efficiency and productivity
• Enhances health, safety and security
• Improves national interregional and international logistics
• Reinforces other supply chain improvement initiatives
• Contributes to environmental sustainability

#### Initial assessment of programs

The initial list of programs was then tested against two sets of considerations (see the diagram):

- Alignment with the four priorities of the Infrastructure Action Agenda to ensure that, in advocating these programs, ALC would be acting in a way that was consistent with its own policy position.
- Alignment with the general principles of the AusLink strategic merit test framework slightly modified to make it applicable to the ‘soft’ programs as well as those more closely focused on the improvement of physical infrastructure. This framework was endorsed in 2007 by the ATC as the agreed basis for determining priorities in infrastructure investment of national importance. This has now been built on by the Infrastructure Australia Audit process.

In Section 3 of this report, the twenty-three programs that survived this test are grouped under the four ALC priority items. In fact, as Table 1 presented in Section 3.2 suggests, several of these programs could have been assigned to two or even three of the priority headings. Harmonising rail safety regulation, for instance, clearly contributes to the priority of pursuing greater simplicity and consistency in regulation; but is also part of the project of preparing the rail system for future challenges.

In such cases we have subjectively assigned the program to the action agenda item to which, in our view, it contributes most directly.

### **2.3.3 Note on current status of programs**

It is an inevitable consequence of the process that was used to derive the programs that few if any of them are original. They typically address issues that have been of concern to industry for many years. In many cases — often through the advocacy of the ALC, state freight councils, or other industry bodies — they have begun to get some traction with government, and progress has been made in addressing them. In some cases a lot of progress has been made; in others, just a little.

We have not regarded the fact that work has begun on addressing an issue as a reason for taking it off the agenda. On the contrary, we have been biased towards programs that reinforce, accelerate or build on improvements that have already been made. This bias is informed by two complementary considerations:

- ALC's ability to influence the direction of policy and practice is likely to be greater if it works with the tide of change, rather than across it — if it understands and accepts the general thrust of policy reform, and seeks to achieve its priorities within that framework.
- There is an ever-present risk of reform fatigue. Commitments may have been made and initiatives commenced that would, if carried through to completion, resolve the issue that a program was intended to address. Nevertheless, it would in our view be wise to maintain pressure in these areas until the goals of a program are completely achieved.

We have, however, tried in each case to paint a brief picture of the current status in each program. Because of the limitations of space and time, this picture is necessarily incomplete. However, it is our hope that it gives some feeling of the extent to which a particular program has entered the mainstream of the reform, and the extent of the work that is still to be done.

It also recognises what has been achieved. In so doing, it should allow opportunities for ALC to fulfil the commitment given in the Infrastructure Action Agenda to 'acknowledge government policy initiatives and developments that serve to advance the four priorities'.

## 2.4 Finalising the programs

### 2.4.1 Two feedback opportunities

Industry representatives have been given two separate opportunities to comment on the programs and the basis of their selection. The first was at the ALC Annual Forum in a workshop that was attended by a broad cross section of industry and government representatives and led by Meyrick and Associates.

Following the Forum, the survey form that had been used in the Annual Forum was distributed to industry players to give them a second opportunity to provide feedback.

While participation in the Forum Workshop involved all delegates, feedback was provided by groups assembled according to where they had chosen to sit rather than according to any identifiable industry sub-group. This made it impractical to identify the source of the views expressed in the plenary session. By contrast, the second round of feedback following the Forum was made by individual organisations – nine in all. These included a port, shipping and sea freight organisations, a major retailer, rail sector representatives and a union. Because it is impractical to do otherwise we have treated each source of feedback by groups or individual companies with the same status.

### 2.4.2 Three questions

In gaining industry feedback on the programs we posed three questions:

- Whether members are happy to continue to support the Infrastructure Action Agenda items that were agreed to in 2006 and that were used to frame the selection of the programs intended to address major supply chain blockages
- Whether they wish to retain or delete or add to the AusLink merit test principles that were used to assess the suitability of the programs
- Whether they wish to retain or delete or add to the candidate programs intended.

The first of these questions is critical because the four major themes that make up the Infrastructure Action Agenda have framed and informed the selection of candidate programs. These themes are:

- preparing the rail system for future challenges
- corridor access to ports, airports and intermodal terminals
- clearly articulated freight transport plans
- regulatory consistency.

The implications of the ALC's continued commitment to the Infrastructure Action Agenda are that although there are likely to be many worthwhile programs of action for addressing major supply chain blockages, the ones that ALC will promote are those that are consistent with the Infrastructure Action Agenda.

Following feedback from industry players, the ALC Infrastructure Steering Committee agreed on a final list of 23 programmes. These programmes as well as brief commentary on the reasons for their selection and their current status are presented in below.

### 3. PRIORITY PROGRAMMES

#### 3.1 Discussion on the programs

ALC Priority	Programme	Discussion	Notes on current status
Preparing the rail system for future challenges	1. Develop the rail network that is needed to serve a rapidly growing resources sector	<p>The Australian resources sector is undergoing massive growth and needs highly efficient railway networks to support the movement of these valuable exports from mine to port.</p> <p>In many cases this requires upgrading existing rail systems to deliver more train paths, allow longer trains, increase operating speeds or accommodate higher axle loads. One of the most important infrastructure challenges currently facing the NSW mining industry is the need for greater rail capacity on the Hunter rail network to support surging coal exports. Similarly, rail system constraints in the Central Queensland Coal Network have been identified as principal limitations on the capacity of this supply chain.</p> <p>In other instances, network extensions are required to commercialise minerals projects such as recently developed iron-ore projects in the Mid-West.</p>	<p>Some progress is being made. ARTC's Hunter Valley Coal Network Capacity Improvement Strategy identifies the constraints on the coal network's capacity in the Hunter Valley, the options to resolve these constraints and a proposed course of action to achieve increased coal throughput. Queensland Rail (QR) is developing a plan for expanding the Mount Isa to Townsville rail corridor. A resolution appears to have been reached on the development of the Mid-West iron line in Western Australia. But solutions have by and large yet to be delivered.</p> <p>QR has also committed \$699 million, for below-rail infrastructure expansion programs, including the missing Northern Link to expand the coal supply systems in central Queensland.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Preparing the rail system for future challenges</b></p>	<p>2. Improve the service standards on the main North-South rail corridor to permit it to operate at a level at which rail will be used for a greater share of the Melbourne-Brisbane freight task</p>	<p>The east coast accounts for a high proportion of the national freight task – about 10% – but rail’s share of this task is low on the two inter-capital city links – Melbourne–Sydney and Sydney–Brisbane where it is only 9% and 11% respectively. The key reason for such a low share of the market is poor transit times, and on-time reliability is about 40% to 50% by contrast with road’s 95% to 98%. Rail’s share of freight moving between Melbourne and Brisbane is about 30%.</p> <p>As pointed out by the Melbourne–Brisbane Corridor Study, some improvement will be achieved by the ARTC program but even with this, issues still exist for this important rail corridor.</p> <p>The Melbourne–Brisbane Corridor strategy identified the need to increase rail network capacity for freight through Sydney and north to Newcastle, especially from North Strathfield to Hornsby.</p> <p>Rail operators argue that there is a need for increased freight paths to increase capacity for freight on these shared lines and a need to progress to the pre-work stage assessment of a suitable inland route between Melbourne and Brisbane.</p>	<p>There have been significant commitments made to improving the existing North-South route. ARTC has in train a \$1 billion program to upgrade the Melbourne–Sydney–Brisbane rail corridor, which will include improvements such as: completion of concrete sleepers between Melbourne and Queensland border and doubling of 1500 metre passing loops on the North Coast. But it is unlikely that these improvements will be sufficient to allow rail to obtain a share on the Melbourne-Brisbane route comparable to that which it has in the East-West corridor.</p> <p>The proposed inland route received approval for a scoping study with the view to start construction in 2014. The study will also consider the level of private sector support for funding as significant interest has been shown from institutions and organisations that invest long-term in infrastructure.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Preparing the rail system for future challenges</b></p>	<p>3. Expand the capacity of the East–West rail network to ensure that future growth can be accommodated without a deterioration of service standards.</p>	<p>The Sydney–Perth and Melbourne–Perth freight task is growing beyond expectations, partly driven by WA’s mining boom which in turn is increasing demand for project freight and consumables destined for the north-west of Western Australia.</p> <p>For this railway line to adequately support the expected growth in the freight task over the next 20 years, it will need to be upgraded to carry higher axle loads and higher speeds. Rail operators argue that train length should be increased to a minimum of 1800 metres but this will require passing loops (of which there are too few) to also be lengthened.</p>	<p>ARTC is also undertaking a number of investments on the east-west corridor to maintain rail’s competitive position on that corridor.</p> <p>ARTC has a program including improved clearances for double stacking on the line and the replacement of the Dowd’s Hill tunnel on the rail network between Broken Hill and Adelaide. The project forms a major part of ARTC’s program to enable double stacked container trains to travel from Parkes through Broken Hill to Adelaide and Perth.</p> <p>But more will need to be done to meet the needs of a growing freight task.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Preparing the rail system for future challenges</b></p>	<p>4. Clearly define the role of rail in the future carriage of grain exports and upgrade grain networks to ensure that this role can be performed efficiently.</p>	<p>There are a number of problems with the country's grain rail networks. Some of the lines have not been significantly upgraded for many years. The closure of branch lines and uncompetitive pricing has resulted in an increasing proportion of the grain task being carried by road. These factors have been compounded by falling grain volumes because of the drought.</p> <p>However, the drought has also been in a sense the salvation of the grain rail system. In some places such as Western Australia and NSW the grain lines also carry coal or other mining products. With demand for these products booming, some argue that only lower than usual harvests have averted a crisis.</p> <p>However, growing concern about the poor performance of the grain networks and the risk of a complete collapse of the networks in the face of governments' increasing interest in taking grain off roads is leading to a number of studies into the problems of the country's grain rail networks.</p>	<p>In some cases solutions have been identified but have not progressed very far.</p> <p>In the first round of AusLink programs, the Federal Government committed \$15m to upgrade Eyre Peninsula grain network with the remaining \$15m being required of the SA Government.</p> <p>The WA Grain Infrastructure Group has extensively analysed the grain transport infrastructure and in late 2006 made detailed recommendations to the State and Federal Governments regarding a funding and investment solution involving both levels of government and industry.</p> <p>The Victorian Government has completed a Rail Freight Review. A final report with options and recommendations for the future development of Victoria's rail freight network was submitted to Government in late 2007.</p>



ALC Priority	Programme	Discussion	Notes on current status
<p><b>Investing in access to ports, airports and intermodal terminals</b></p>	<p>5. Ensure that shipping channels serving all major ports are capable of serving the vessels of the size needed to carry our international trade efficiently</p>	<p>Australia is a trading nation, and over 99% by volume of its exports and imports are carried by sea. It is therefore imperative that Australia’s ports are developed to accommodate the vessels that can carry this trade efficiently.</p> <p>The size of the vessels used to serve Australia’s trade has been increasing. In the container trades, many of the vessels that are already deployed cannot enter the ports of Melbourne or Fremantle fully laden; and many ship-owners have indicated that they would use larger, more economical vessels if they could fully utilise them.</p> <p>But this issue is not confined to containers ports. In many of the bulk trades there is also a movement towards larger, more economical vessels. Nor is it solely a question of channel depth. Adequate maritime access also requires that the geometry of the channel alignment and the design of turning basins do not artificially constrain the size of vessel than can be deployed. In ports with longer approaches, it may also be necessary to provide passing points or sections of two-way channel to avoid unnecessary delays to shipping, especially where vessels are dependent on tidal windows to allow them to enter or leave the port.</p>	<p>As far as the container trades are concerned, the principal focus has been on the severe draught limitations at the port of Melbourne. The port of Fremantle is also limited by draught, although to a lesser degree, and has plans to deepen access to the Inner Harbour.</p> <p>Plans to deepen access to the port of Newcastle appear to have stalled because of the inability of industry, the port corporation and the State government to arrive at a common view on funding of the project.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Investing in access to ports, airports and intermodal terminals</b></p>	<p>6. Identify the sites for strategic IMT development in all major cities and ensure that these sites are protected for future development.</p>	<p>The National Intermodal Terminal Study has made it clear that, given the expected growth in both the domestic long-haul freight task and the international container trade, all of Australia’s mainland capital cities will require new large scale intermodal hubs within the next decade or so. If the targets set by state governments for the share of rail in port-oriented container movements and aspirations to achieve a higher rail share of inter-capital freight movements are realised, the demand for new intermodal terminals will increase.</p> <p>Suitable sites for the development of large-scale intermodal terminals are rare in metropolitan areas. Moreover, to realise the full potential of the IMT to lower supply chains costs, ameliorate road congestion and reduce greenhouse gas emissions, concentrated joint efforts will be required by industry and governments.</p>	<p>A consensus on the strategic importance of intermodal terminals, and the need to systematically plan for them, is building. The commissioning of the National Intermodal Terminal Study is evidence of this at the Commonwealth level. Freight Councils in NSW, WA, SA and Victoria have also undertaken valuable work advocating a more strategic approach to IMT development.</p> <p>In NSW, the Government has now formally responded to the report of the Freight Industry Advisory Board, and has approved plans for the Enfield Intermodal Terminal. The WA government appears to be moving towards reservation of a large site in Kwinana for the development of a major IMT.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Investing in access to ports, airports and intermodal terminals</b></p>	<p>7. Define and protect the road and rail corridors to all significant ports, airports and strategic IMTs.</p>	<p>Australia’s principal container ports, intermodal terminals and airports are all located in or close to major urban centres. They attract significant volumes of truck traffic, which, given the location of these critical nodes, often travels on congested roadways and sometimes through neighbourhoods devoted to residential or other sensitive land uses.</p> <p>Although there is general community support for greater use of rail in the carriage of the freight task, increased rail traffic may also bring conflicts with surrounding land users due to the noise and vibration associated with more train movements.</p> <p>To ensure that efficient road and rail access to important freight nodes can be provided in a socially and environmentally acceptable way, the access corridors that will serve these nodes need to be clearly identified. This will allow adequate land to be preserved within these crucial corridors to accommodate the development of road and rail connections that will be needed to meet the future demand. It will also provide the opportunity to ensure that development on land abutting the corridors is appropriate, and will not give rise to conflicts that may generate a demand for curfews or other operating limitations that will reduce supply chain efficiency.</p>	<p>Some ‘good practice’ examples are now becoming available.</p> <p>The Port of Hastings Port Land Use and Transport Study commissioned by the Victorian Government is a serious attempt to consider the future development of the port and the land access system that will serve it as an integral whole. The Melbourne Port@1 project is also an attempt to achieve these outcomes.</p> <p>At a less detailed level, the ‘<i>Plan now for the Outer Harbour at Kwinana</i>’ item included in WA’s Metropolitan Freight Network Plan also exemplifies an attempt to act early to anticipate the land access needs of port, and to plan for the development of the necessary transport infrastructure. The Perth Urban Corridor Study also has useful things to say about integrated planning for IMTs and the routes by which they are accessed.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Investing in access to ports, airports and intermodal terminals</b></p>	<p>8. Implement a programme of concessional limits for heavy road vehicles serving intermodal terminals to encourage the complementary use of road and rail modes.</p>	<p>Intermodal systems work best when both the rail and the road links of the system perform their tasks efficiently, and where measures are in place to encourage the use of each mode for that element of the task for which it is best suited.</p> <p>With appropriate investment in infrastructure, rail line haul can be competitive with and even less costly than road over quite short distances. The main obstacles to the greater use of rail are the cost of moving containers to and from the rail terminal, and the costs that are incurred within the terminal itself.</p> <p>The cost of road haulage to and from the terminal can be reduced by permitting trucks to operate to and from terminals with loads that are heavier than those generally permitted on the road network. It requires identifying the access roads to terminals, ensuring that they are built and maintained to a standard capable of handling the increased loads, and developing mechanisms to ensure that road owners are adequately but not excessively compensated for the increased costs. But none of these challenges is insurmountable, and this approach has been successfully adopted elsewhere.</p>	<p>There are isolated examples of this – for example, extra weight allowance for meat exports trucked to an intermodal terminal in Dubbo – but no systematic strategies for prioritising concessional mass limits on these routes.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Investing in access to ports, airports and intermodal terminals</b></p>	<p>9. Develop short haul rail routes linking urban IMTs and container ports to allow efficient rail operation, including where possible freight only tracks and provision for double-stacking.</p>	<p>Most state governments have committed to targets for the share of the port-related freight task to be carried by rail. No state government has developed a practical and coherent set of policies that is likely to bring this about. From the view of supply chain efficiency, the nature of the policies that are adopted are centrally important. Policies seeking to encourage the use of rail by adding to the cost of road operations are clearly undesirable, as are operating subsidies that distort the roles of the two modes. A better approach is to lower the costs and increase the capacity of rail operation by investing in the rail infrastructure.</p> <p>As conflict with passenger train operations, particularly in urban areas, is a principal factor that detracts from the potential competitiveness of rail, the development of dedicated freight lines would clearly be an important element of this investment program. Recently, however, there has been increasing interest from rail operators in the possibility of double-stacking on short-haul rail services. Although this is currently precluded by restrictions on vertical clearance, it may be possible to resolve this problem on at least some routes at an acceptable cost by lowering the rail track.</p>	<p>The Southern Sydney Freight Line (SSFL), although not exclusively or even primarily intended to service the short-haul market, will be a major step forward. The NSW Minister for Planning gave approval to the SSFL on 21st of December 2006 subject to 76 conditions. Given the importance of this project, first announced in December 2003, commitment and progress has been disappointingly slow.</p> <p>The completion of the new rail loop to Fremantle Inner Harbour, upgrades to the Le Fevre Peninsula rail link in Adelaide, and the Dynon Port Rail Link are also steps in the right direction.</p> <p>The potential for double-stacking in short-haul rail appears to be largely unexplored.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>10. Build on and integrate the AusLink corridor strategies and Infrastructure Australia's agenda to provide a clear and comprehensive plan for transport infrastructure of national importance, including port access links.</p>	<p>The objectives of the AusLink program, built on and expanded by Infrastructure Australia and the Building Australia Fund have been welcomed by industry, and there is strong support for a national, cross-modal approach to the future development of the Australian land transport network.</p> <p>The relationship between funded investments and the priorities identified in the corridor strategies is not always clear; how the priorities implicit in the funding announcements relate to the COAG-endorsed investment process is uncertain; and how individual projects fit within an overall vision of the future transport network has not been clearly articulated.</p> <p>These issues will need to be addressed if the transport reform project is to move beyond a welcome approach to increasing overall funding of transport infrastructure, to a coherent plan for delivering the national transport system that will underpin future supply chain efficiency.</p>	<p>Many projects have been funded under the AusLink program; a sophisticated process for the consistent evaluation of investment proposals has been developed; and for the first time a systematic assessment of the future needs of Australia's major transport corridors has been undertaken. But these initiatives have yet to be integrated in a comprehensive plan for transport infrastructure of national importance. It is intended the Infrastructure Australia and National Transport Plan process will provide this framework.</p> <p>The recently established Infrastructure Australia provides a new approach to planning for investment in nationally significant infrastructure. It has been charged with the task of identifying investment priorities before the end 2008.</p> <p>Prime Minister Rudd recently announced transparent guidelines for the assessment of proposals by IA.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>11. Develop comprehensive freight and logistics strategies covering both rural and urban freight movements in all states.</p>	<p>While the AusLink project provides a basis for bringing greater coherence to the development of the national transport network, much of the infrastructure and most of the policies that impact on supply chain efficiency will be delivered by state governments.</p> <p>To ensure that industry understands and can work with state governments in delivering improved supply chain efficiency, it is important that each state government has a vision for how it will deal with the significant challenges that growth in the freight task will bring. This will best be done through a comprehensive, coherent and clearly articulated Freight and Logistics Strategy that is informed by and consistent with a coherent national transport network plan.</p> <p>These strategies would clearly extend beyond the realm of infrastructure development and use that are the immediate concern of this paper. However, plans for a freight network, and the policies that will govern the way in which that network is used, will have a central place in them.</p>	<p>Transport &amp; Logistics features as an element in the SA Government's Infrastructure Plan, but only as far as infrastructure itself is concerned and then only at a high level. Similarly, WA's Metropolitan Freight Network Plan deals exclusively with the physical network, and then only with the metropolitan area. The 'NSW Freight Plan' announced in May 2007 is mainly a press release announcing some important infrastructure projects and re-affirming a commitment to a 40% rail target.</p> <p>However there are signs that states are giving more attention to the needs for freight and logistics strategies and this is welcome but there is need for further urgent action.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>12. Accelerate the definition and implementation of a national B-Triple network and ensure that the B-Double network is extended to allow access from all significant production facilities to major freight routes.</p>	<p>The National Transport Commission (NTC) has estimated that use of B-triples can result in 30% productivity gains. Industry sources suggest that operators are B-triple ready with drivers and trailer combinations available for a quick upgrade. Direct access to production facilities will be important especially adjacent to freight routes in urban areas for B-triples, as well as B-doubles, with alternative assembly/dis-assembly facilities where access is not possible.</p>	<p>The Council of Australian Governments (COAG) has directed that Transport Ministers identify a national B-triple network. An initial network has been announced in 2007, predominantly covering routes open to road trains, and the NTC has been asked to report industry views on additional networks important for future productivity increases using multi-combination vehicles.</p> <p>A study of medium and longer term demand is being completed with major intercity routes between Adelaide, Melbourne, Sydney and Brisbane as candidates for additions to the network. Network extensions will however be dependent on jurisdictional approval considering road engineering and safety issues. Separately Austroads is investigating options for provision of dis-assembly facilities.</p>



ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>13. Effectively implement in each State fast-track planning processes for transport infrastructure of strategic economic significance.</p>	<p>The processes for securing development approval for the critical transport infrastructure are expensive, time-consuming and uncertain – and they are becoming more so. They are also better adapted to dealing with individual projects, which are essentially self-contained, than to dealing with an infrastructure system, in which the viability of one component is critically dependent on the development of another.</p> <p>These difficulties have been recognised. Some jurisdictions have introduced measures that are designed to streamline approval procedures for critical infrastructure projects. But performance has not always lived up to expectations, and even where some action has been taken, room for improvement may remain.</p> <p>Ideally, a fast tracking system would not just allow approval of projects that have been developed in detail and whose implementation is imminent. It would also allow approval in principle of concepts whose implementation date is a considerable time in the future. This would provide some security for those investing in one element of the system that, subject to reasonable and clearly specified condition, the development of other complementary elements would be forthcoming.</p>	<p>Several governments have now established mechanisms for fast-tracking strategic infrastructure projects. Queensland, NSW and Victoria have all established Coordinator’s General for this purpose, and South Australia has been considering a similar model.</p> <p>In addition the Federal Government has now appointed its first Infrastructure Coordinator.</p> <p>The challenge remains to ensure that projects that will facilitate the removal of supply chain blockages are recognised as infrastructure projects of strategic importance, and to ensure that the mechanisms that have now been put in place to fast-track processing of these strategic projects actually deliver on that promise.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>14. Provide sufficient rest areas on all major highways to allow effective fatigue management while minimising any impact on the productivity of road haulage operations.</p>	<p>There is strong support in the industry for the measures that will improve the safety record of the transport industry. There is now abundant evidence to indicate that improved fatigue management is an essential part of a safety improvement programme.</p> <p>But in implementing improvement in this area, it is important to take into account the practicalities of performing the freight task. One of these is ensuring that drivers who must (in complying with fatigue management requirements) take rest breaks away from their home base, have available to them rest areas that are safe, convenient and provided with the necessary amenities.</p> <p>At present, most of Australia’s main long-distance transport corridors do not have sufficient rest areas to allow drivers to operate productively and comply with increasingly stringent fatigue management requirements. Drivers must therefore choose between stopping short of the allowable driving time – and hence reducing productivity – or operating beyond the allowable limit – and risking prosecution.</p> <p>A concerted drive to increase the number and improve the amenity of rest areas is required if the needs of productivity and safety are to be reconciled.</p>	<p>A set of <i>National Guidelines</i> on developing rest areas was developed as part of the Heavy Vehicle Driver Fatigue reform. The Council of Australian Governments (COAG) commissioned an audit of existing rest areas for heavy vehicles on the national road network against these guidelines, which has been undertaken by NTC and AustRoads.</p> <p>The purpose of the audit was to assess to what extent existing rest areas meet the requirements of these guidelines, how consistent rest area facilities are from state to state across Australia, and to identify gaps in rest areas on the national road network.</p> <p>This Audit fund rest areas of all kinds were under-provided across the network.</p> <p>Part of the Federal Government’s \$70 million Heavy Vehicle Safety and Productivity Package will fund additional Rest Areas, however more needs to be done.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>15.Undertake a comprehensive national assessment of the effect of climate change on transport infrastructure and develop strategies for managing this effect to minimise the impact on infrastructure cost and reliability.</p>	<p>Significant climate change, which now appears inevitable, will bring with it many challenges for the transport industry.</p> <p>One challenge that is only just beginning to receive attention is the implications of climate change for the provision and maintenance of transport infrastructure and the reliability of supply chains. One of the central predictions of the Intergovernmental Panel on Climate Change is that extreme weather events will become more frequent and more intense.</p> <p>Most transport infrastructure has been designed on the basis of historical records of rainfall, wind strength, wave height and other phenomena that will be influenced by climate change. These standards are not the standards that will be required in the future.</p> <p>A useful first step toward climate-proofing our transport infrastructure will be to undertake a national study to identify the consequences of climate change for transport infrastructure of national significance, perhaps starting with the AusLink network and the commercial ports.</p>	<p>COAG has endorsed a National Adaptation Framework as the basis for jurisdictional actions on adaptation over the next five to seven years. The framework includes possible actions to assist agriculture, biodiversity, fisheries, forestry, settlements and infrastructure, coastal, water resources, tourism and health sectors to adapt to the impacts of climate change.</p> <p>Victoria released a general infrastructure and climate change risk assessment for Victoria in March 2007.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Developing clearly articulated freight transport plans</b></p>	<p>16. Develop coastal shipping policies to accommodate environmentally sustainable and efficient freight transport growth</p>	<p>Shipping's share of the inter-capital non-bulk freight task (movements parallel to the coast) is currently just 3% in terms of mass. Domestic container shipping operations offered by international permit vessels is inherently volatile and unable to offer the level of service or space to contest additional cargoes currently carried by road or rail. International cargoes will always take priority over domestic ones and withdrawal of capacity by international operators would increase demand on road and rail infrastructure. Recent studies suggest that if coastal shipping services could handle a greater share of this task transport related greenhouse gas emissions could be reduced. Coastal shipping could be viable if</p> <ul style="list-style-type: none"> <li>▪ Significant improvements in service quality and price were offered</li> <li>▪ Existing door-to-door transportation companies were to take the lead to invest in ships, domestic equipment and possibly dedicated port infrastructure, and</li> <li>▪ Government was to develop supportive policies to stimulate innovation and promote coastal shipping in a manner that facilitates efficient choices between the various modes of transport.</li> </ul>	<p>Following its election to power, the Rudd Government has instigated a review of coastal shipping policy and regulation through a House of Representatives Infrastructure and Transport Committee which will report soon. The issues to emerge include:</p> <ul style="list-style-type: none"> <li>▪ the importance of finding an appropriate balance between competition between Australian and international flagged ships and the community interest of fostering a sustainable coastal shipping industry</li> <li>▪ the need for adequate berthing priority for coastal shipping services</li> <li>▪ the risks of a looming shortage of young people with seafaring skills</li> </ul>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>17.Ensure that, wherever practical, all significant new transport infrastructure is subject to an open access regime, and develop improved regulatory processes to reduce the delays and costs to both access seekers and access providers.</p>	<p>The access provisions have proven, perhaps unsurprisingly, to be one of the most difficult and contentious elements of the Competition Principles Agreement.</p> <p>The issues that have arisen in relation to the access agreements fall into two broad categories:</p> <ul style="list-style-type: none"> <li>▪ ‘Declaration’ issues that arise from differences of view on whether or not it is appropriate that a third party have the right of access to infrastructure</li> <li>▪ ‘Access condition’ issues that arise from differences of view on what the appropriate terms and conditions of access are.</li> </ul> <p>Declaration issues will persist for some time for existing infrastructure. They can be largely avoided for new infrastructure by a general presumption in favour of all significant new transport infrastructure being subject to an open access regime, irrespective of whether it is developed by a public or a private party. This will not resolve ‘access conditions’ issues. However, what constitutes best practice in regulation is becoming clearer. (The Exports and Infrastructure Task Force provides some guidance on how this can be done, but its recommendations are incomplete.)</p>	<p>Partly in response to the Exports and Infrastructure Task Force report, a commitment was made by jurisdictions in the Competition and Infrastructure Reform Agreement to implement a simpler and consistent national system of rail access regulation to assist operators of rail services. The CIRA agreement also frames its comments on ports in generally de-regulatory terms, although in practice the CIRA agreement appears to have added to rather than reduced the regulatory burden in the port sector.</p> <p>A consensus appears to be building that it is desirable to build open access requirements into the terms of new transport infrastructure developments.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>18. Develop streamlined PPP approval processes to facilitate private investment in transport infrastructure.</p>	<p>The infusion of private funds into the development of public infrastructure through the instrument of public private partnerships is a valuable way of accelerating the pace of infrastructure development. It is estimated that state governments will need to increase investment in economic and social infrastructure by \$14b per year over the next 15 years to make up for the backlog in infrastructure development.</p> <p>Emerging interest among property developers in the investment potential of intermodal hubs and new terminals at Port Botany and Brisbane Port suggests that transport infrastructure is considered an attractive sector. But it is important to make sure that the rules related to private sector participation are clear, fair and adequately protect the public interest. As the BCA argues, “regulation of infrastructure should not discourage investment that is seeking to meet expected demand”. (BCA, Infrastructure Roadmap for Reform, 200?)</p> <p>Most states and the Commonwealth Government PPP policies have been developed along similar lines over the last five years, but even fairly minor inter-jurisdictional inconsistencies in contractual rules and processes can make PPPS complex and costly.</p>	<p>Public sector procurement units have many years experience in traditional contract management but their experience in managing PPP processes is only recent, and as a result procurement rules can still be overly detailed rather than outcome focused, and so may stifle the potential for investors to devise innovative but complex financing arrangements.</p> <p>The recent experience in NSW with the cross city tunnel and in Victoria where the privatised passenger rail, services needed to be returned to the government’s control, raised questions about the adequacy of arrangements related to the investment and risk sharing by government and private investors.</p> <p>Among the tasks of the recently formed Infrastructure Australia advisory council is to develop improved guidelines for PPP approval processes.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>19. Implement nationally uniform technical, safety and communications standards for rail operations.</p>	<p>There are 15 Acts nationwide with powers related to occupational health and safety affecting rail operations and 76 Acts with powers over environmental management with which national freight operators must comply.</p> <p>Through the introduction of the Model Rail Safety Bill, regulators have attempted to establish a scheme of mutual recognition of accreditation. The NSW rail safety regulator is in the process of introducing a new Rail Safety Act to reflect the Model Bill and the Victorian Government introduced a new Rail Safety Act 2006.</p> <p>However, the July 2007 target for adoption of the model bill by other state governments has not been achieved. Complex local requirements in relation to technical specifications and safety are still resulting in substantial delays and significant administrative costs. Variable axle load limits and track capacity standards result in reduced equipment utilisation, unnecessary duplication of effort through for example, the ARTC and Railcorp carrying out the same tests, and the need to carry an unnecessarily broad range of employee competencies.</p>	<p>In April 2007, COAG agreed to implement national rail safety legislation and a nationally-consistent rail safety regulatory framework</p> <p>The ATC is currently advancing the agenda with an aim for National Rail Safety Regulation and Investigation.</p> <p>This is currently being pursued through the National Transport Reform Agenda.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>20.Reform road pricing to facilitate more efficient use of road vehicles and more appropriate allocation of the freight task between road and rail.</p>	<p>Road pricing has been a divisive issue within the transport community for decades.</p> <p>There will no doubt be some differences of view within ALC on the merits or otherwise of the recent Productivity Commission report. But the review by the Productivity Commission was comprehensive in its scope, and its recommendations have been accepted by COAG. There can be little doubt that if its recommendations are fully implemented, we will have a better pricing regime than we have now, even though it may still be imperfect.</p> <p>Certain of the Commission’s recommendations offer the prospect of very significant productivity gains. Prominent amongst these is the Commission’s recommendations with respect to incremental pricing. The rigidity of road vehicle limits has long been a significant drag on supply chain performance in Australia. Introducing a system within which it is possible to operate at higher limits in return for higher road user payments would provide much-needed flexibility and foster increased truck productivity.</p> <p>The Commission also offered some support for the introduction of mass-distance charging.</p>	<p>In April 2007, COAG endorsed a phased reform of road pricing. The central element of the 1st phase was a new pricing determination that would eliminate the cross-subsidies between vehicle classes identified by the Commission. Incremental pricing is a central feature of Phase 2, scheduled for 2009. Mass-distance charging is reserved for Phase 3, which ends in 2014. NTC has primary responsibility for implementing the review findings.</p> <p>Following the Productivity Commission report, the 2007 Heavy Vehicle charges determination increased charges for the heaviest road vehicles. COAG agreed to refer transport pricing reform, infrastructure regulation and implementation of national rail safety legislation and a nationally consistent rail safety regulatory framework to the COAG Reform Council (CRC) for monitoring of progress and subsequently for assessment.</p>



ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>21.Reduce the regulatory barriers to the introduction of innovative high productivity vehicles.</p>	<p>There is still significant pressure on limiting the movement of trucks carrying freight in urban areas. For instance, one of the FIAB recommendations was for the NSW Government to adopt a ‘zero tolerance’ policy involving heavy penalties for container carrying trucks travelling through designated residential areas. Recommendations such as this highlight the importance of reducing the number of trucks on the roads by increasing the productivity of individual vehicles. But, as industry bodies have argued, state governments and state road agencies are still lagging behind COAG and the NTC with respect to implementing COAG reform initiatives.</p> <p>While it is possible to gain approval for PBS vehicles, the approval processes in different states have proved to be difficult and frustrating for many operators.</p>	<p>Access for HML vehicles to road networks varies markedly from state to state. HML vehicles have access to 94% of Victoria’s roads but only 6% of NSW roads. NSW and Queensland have made access to HML routes contingent on participation in Intelligent Access Programs.</p> <p>The Australian Transport Council’s decision to approve the ‘performance based standards’ approach and a refined approval process described by the NTC as a ‘a major step forward’ in the reduction of barriers to the use of high productivity vehicles.</p> <p>ATC is also moving towards a National Registration and Licensing scheme.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>22. Adopt nationally consistent and less burdensome regulation to reduce the costs associated with the movement of over-dimension vehicles.</p>	<p>Each jurisdiction has a different set of standards and rules covering the movement of over-dimension vehicles. Moving project equipment or agricultural equipment from one state to another is cumbersome and costly, sometimes requiring the vehicles to be broken into components.</p> <p>The rules governing the movement of all-terrain (AT) cranes in NSW are more limiting and the permit processes more onerous than those that apply in other states. By contrast with NSW, 12-tonne, 3- and 4-axle, AT cranes are permitted in all other jurisdictions, 5-axle versions of the vehicles are allowed in all jurisdictions but Queensland and NSW, and 6-axle versions are allowed on roads in Western Australia, the Northern Territory and South Australia.</p> <p>The CICA argues that the standards in NSW are contrary to vehicle design specifications and unnecessarily costly. (Meyrick, prepared for CICA, Review of All Terrain Crane Axle Load and Tyre Width Regulatory Impact, 2007)</p>	<p>This is an area that has attracted little regulatory reform attention, perhaps because the constituency is relatively small and fragmented. We have not located any significant commitment to reform in this area.</p>

ALC Priority	Programme	Discussion	Notes on current status
<p><b>Ensuring consistency in regulation</b></p>	<p>23. Harmonise legislative processes and regulatory arrangements associated with the implementation of the national fatigue management system.</p>	<p>National Fatigue Regulations have now been introduced into the majority of state jurisdictions as of 29 September 2008.</p> <p>Each of the states is interpreting the law differently and most jurisdictions are only accepting part of the agreed model. The liberal working-hours regime that applies to Advanced Fatigue Management to which participating companies and their employees would need to be accredited is not being accepted by NSW or Victoria. Nor is either state accepting the 'rest areas' defence for short breaks in standard hours.</p>	<p>Occupational health and safety laws rather than road laws will continue to cover driver fatigue management in Western Australia. A similar situation applies in NSW, where it is likely that the country's most comprehensive scheme will set the standard for national operators seeking to streamline their systems. Industry players will need assistance in establishing the new practices but even then, conditions will still vary from one state to another.</p> <p>Unfortunately this important reform has been let down by the varying implementation across jurisdictions.</p>

### 3.2 Assessment of programmes against criteria

Within the scope of this study it has not been possible nor has it been the intention to prioritise one program over another. Rather the aim has been to identify a list of programs which together are deemed to be critical in addressing nationally significant supply chain blockages. What follows therefore is a rudimentary analysis of the degree to which each of the programs satisfies the dual set of criteria: ALC’s Infrastructure Action Agenda programs and the broad AusLink merit test goals that have been used as a basis for selecting the programs.

#### 3.2.1 Group 1 programmes

Two programs satisfied nine of the eleven criteria and four programmes satisfied eight of them. According to this assessment the three highest ranking programmes are related to the more efficient movement of containerised freight by rail between capital cities and as part of this between ports and metropolitan IMTs. Two of the other three highest ranking programmes focus on a common theme of developing long-term infrastructure network plans for moving freight in both urban and rural areas. The remaining program in this group – 17 – aims to maximise access to newly developed transport infrastructure.

Programmes		Criteria satisfied	
		ALC IAA	AusLink
6	Identify the sites for strategic IMT development in all major cities and ensure that these sites are protected for future development.	2	7
9	Develop short haul rail routes linking urban IMTs and container ports to allow efficient rail operation, including where possible freight only tracks and provision for double-stacking.	2	7
2	Improve the service standards on the main North-South rail corridor to permit it to operate at a level at which rail will be used for a greater share of the Melbourne–Brisbane freight task	1	7
10	Build on and integrate the AusLink corridor strategies and the Infrastructure Australia agenda to provide a clear and comprehensive plan for transport infrastructure of national importance, including port access links.	2	6
11	Develop comprehensive freight and logistics strategies covering both rural and urban freight movements in all states.	1	7

17	Ensure that, wherever practical, all significant new transport infrastructure is subject to an open access regime, and develop improved regulatory processes to reduce the delays and costs to both access seekers and access providers.	2	6
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### 3.2.2 Group 2 programmes

Seven programs satisfied seven criteria, and a further four programs satisfied six criteria including at least one of the Infrastructure Action Agenda criteria. Increasing rail network capacity or efficiency is a strong theme in this group of programs as is planning for greater road transport capacity and efficiency either through protection or expansion of critical networks or through modifications of regulations to enable more productive use of trucks. Two shipping related programs also figure in this group of programs: one related to shipping channel capacity and the other related to coastal shipping policies. Assessing the impacts of climate change on transport efficiency is also in this group.

Programmes		Criteria satisfied	
		ALC IAA	AusLink
1	Develop the rail network that is needed to serve a rapidly growing resources sector	2	5
3	Expand the capacity of the East–West rail network to ensure that future growth can be accommodated without a deterioration of service standards.	1	6
7	Define and protect the road and rail access corridors to all significant ports and strategic IMTs.	2	5
12	Accelerate the definition and implementation of a national B-Triple network and ensure that the B-Double network is extended to allow access from all significant production facilities to major freight routes.	2	5
19	Implement nationally uniform technical, safety and communications standards for rail operations.	2	5
20	Reform road pricing to facilitate the efficient use of road vehicles and appropriate allocation of the freight task between road and rail.	1	6
21	Reduce the regulatory barriers to the introduction of innovative high productivity vehicles.	2	5
5	Ensure that shipping channels serving all major ports are capable of serving the vessels of the size needed to carry our international trade efficiently	1	5

13	Effectively implement in each State fast track planning processes for transport infrastructure of strategic economic significance.	1	5
15	Undertake a comprehensive national assessment of the effect of climate change on transport infrastructure and develop strategies for managing this effect to minimise the impact on infrastructure cost and reliability.	1	5
16	Develop coastal shipping policies to accommodate environmentally sustainable and efficient freight transport growth	1	5

### 3.2.3 Group 3 programmes

Six programs were a good fit with five or fewer criteria as shown below.

Programmes		Criteria satisfied	
		ALC IAA	AusLink
4	Clearly define the role of rail in the future carriage of grain exports and upgrade grain networks to ensure that this role can be performed efficiently.	1	4
8	Implement a programme of concessional limits for heavy road vehicles serving intermodal terminals to encourage the complementary use of road and rail modes.	1	4
22	Adopt national consistent and less burdensome regulation to reduce the costs associated with the movement of over-dimension vehicles.	1	3
23	Harmonise legislative processes and regulatory arrangements associated with the implementation of the national fatigue management system.	1	3
14	Provide sufficient rest areas on all major highways to allow effective fatigue management while minimising any impact on the productivity of road haulage operations	1	2
17	Ensure that, wherever practical, all significant new transport infrastructure is subject to an open access regime, and develop improved regulatory processes to reduce the delays and costs to both access seekers and access providers.	1	2

A summary of the degree to which all of the programmes satisfied the criteria is shown in Table 1 below.

TABLE 1: SUMMARY OF ASSESSMENT OF PROGRAMS AGAINST CRITERIA

Criterion	Program																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
<b>Strategic Fit with ALC Infrastructure Action Agenda</b>																							
- preparing the rail system for future challenges	x	x	x	x		x	x		x										x				
- access to ports, airports and intermodal terminals	x				x	x	x	x	x	x		x					x						
- clearly articulated freight transport plans										x	x	x	x	x	x	x							
- regulatory consistency																	x	x	x	x	x	x	x
<b>Strategic fit with broader national goals</b>																							
- Improves national and inter-regional connectivity	x	x	x	x	x	x	x	x	x	x	x	x	x			x	x						
- Fosters viable long-term economic and social outcomes	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
- Improves efficiency and productivity	x	x	x	x	x	x	x	x		x	x	x	x			x	x	x	x	x	x	x	x
- Enhances health safety and security		x				x			x	x	x			x	x				x	x	x		x
- Improves national interregional and international logistics	x	x	x		x	x	x	x	x	x	x	x	x		x	x	x		x	x	x		
- Reinforces other supply chain improvement initiatives	x	x	x		x	x	x	x	x	x	x	x	x		x		x		x	x	x	x	x
- Contributes to environmental sustainability		x	x	x		x			x		x				x	x	x			x	x		
<b>Rating of programs against criteria</b>	7	8	7	5	6	9	7	5	9	8	8	7	6	3	6	6	8	3	7	7	7	4	5





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