

14 December 2017

SPP5.4
Review, Policy and Priority Initiatives
Department of Planning, Lands and Heritage
Locked Bag 2506
PERTH WA 6001

RE: REVIEW OF STATE PLANNING POLICY 5.4 ROAD AND RAIL NOISE AND ASSOCIATED GUIDELINES

The Australian Logistics Council (ALC) is pleased to make a brief submission on these guidelines.

By way of background, ALC is the peak national body representing the major and national companies participating in the freight logistics industry, with a focus on national supply chain efficiency and safety.

One of the major activities for ALC in 2017 was the preparation of *Freight Doesn't Vote* – our submission to the Inquiry into National Freight and Supply Chain Priorities.¹

A summary of *Freight Doesn't Vote* is **attached** with this submission.

In preparing *Freight Doesn't Vote* ALC conducted a number of consultations of its members and other industry participants to identify the issues that impact on productivity.

One such consultation was conducted in Western Australia on 24 July 2017.

The single biggest issue raised was the need that freight infrastructure assets must be able to continuously operate if the efficiency of Australia's supply chains is to be maximised.

ALC therefore advocates for the development of planning instruments that:

- permit transport infrastructure operating to optimum efficiency, including operation on a 24/7 basis; and
- clearly link road and/or rail infrastructure between employment lands and other clearly identifiable freight generation points and other significant transport infrastructure such as ports, airports and intermodal terminals.

This is because if freight corridors are not adequately protected from residential encroachment, employment lands are ultimately lost.

This result therefore creates congestion as residents must move from places of residence to places of employment.

Both amenity and productivity are lost.

¹ <http://www.austlogistics.com.au/wp-content/uploads/2013/07/Selected-Freight-Doesnt-Vote-ALC-Submission-on-the-Discussion-Paper-for-the-Inquiry-into-National-Freight-and-Supply-Chain-Priorities-August-2017.pdf>

ALC acknowledges the Commission is revising a long developed policy instrument.

However, the contents of these forms of granular planning documents greatly influence macro policy outcomes.

ALC therefore hopes the revised policy document will:

1. express an overriding policy direction requiring local schemes be designed to permit the 24 hour/seven day a week operation of transport infrastructure (either road or rail) carrying significant volumes of freight; and so, therefore
2. road and rail impacts should be considered at the **earliest** stage of the planning process – this means including a requirement that freight road and rail noise and vibration impacts should be monitored and modelled at every state of the planning process.

To achieve the national objective of an efficiently operating freight chain throughout Australia, ALC strongly endorses the recommendations contained in the submission of the WA Freight and Logistics Council.

Please contact me on 0418 627 995 or at Michael.Kilgariff@austlogistics.com.au should you wish to discuss this matter.

Yours sincerely



MICHAEL KILGARIFF
Managing Director

Attachment: *Freight Doesn't Vote* Summary

ATTACHMENT



FREIGHT DOESN'T VOTE

SUBMISSION ON THE DISCUSSION PAPER
FOR THE INQUIRY INTO NATIONAL FREIGHT
AND SUPPLY CHAIN PRIORITIES

AUGUST 2017

SUMMARY



DOWNLOAD THE FULL SUBMISSION AT
WWW.AUSTLOGISTICS.COM.AU

FREIGHT DOESN'T VOTE

Although the fact that 'freight doesn't vote' has long been viewed as a significant barrier to improving supply chain efficiency and safety, there is good reason to think that this situation is finally changing.

In some respects, supply chains are not unlike energy supplies - they are largely taken for granted when they work well, and the public at large comes to feel the systems that sustain a regular energy supply 'look after themselves'.

Yet when there are interruptions to those systems, or when the cost of using them rises exponentially, the impact is significant and immediate, in both an economic and a personal sense.

It is this latter factor – the personal inconvenience and personal cost – that makes energy such a politically potent issue today. When consumers experience a direct personal impact, they demand action.

The growth of e-Commerce over the past two decades has 'personalised' the experience of freight for an increasing number of Australians – even if they don't necessarily understand the complexity of the issues involved in freight movement.

Those who order products online for home delivery and then experience delays or additional costs in getting items to their door are experiencing something of the frustration that has beset freight logistics operators for many years.



Because of this, more Australians than ever before are aware of just how important it is to have efficient supply chains, if only in a personal sense. This personal experience is in effect a microcosm of the importance of supply chain efficiency and safety to Australia's overall economic performance.

When freight is able to move efficiently, there are benefits for freight logistics operators, for consumers and for the economy alike.

The reverse is also true – delays and inefficiencies in the supply chain don't just hurt freight logistics operators. They force consumers to pay higher prices, and ultimately act as a handbrake on economic and employment growth.

That is why the National Freight and Supply Chain Strategy is such a significant national economic initiative. This is not simply a 'niche' Strategy designed to serve the interests of one particular industry. After all, freight serves all industries – and thus, a more efficient freight logistics sector means more efficient industries across the board.

Unless action is taken to secure the efficiency and safety of our supply chains today, the negative consequences will prove a major headache for policy-makers in the decades to come. Moreover, corrective policy action in the future will prove vastly more costly than taking the time to get the policy settings right today.

Accordingly, developing a National Freight and Supply Chain Strategy should be about making sure the nation's supply chains are sufficiently equipped to deal with the needs of an economy being transformed by population growth, by technological change and by the changing behaviour of ever-more discerning and empowered consumers.

Moreover, given the importance of exports to Australia's continuing economic performance and employment growth, becoming a world leader in supply chain efficiency is not merely desirable, but essential.

Although it may be true that 'freight doesn't vote', consumers and job-seekers most certainly do.



INTRODUCTION

The Australian Logistics Council (ALC) is pleased to make its final submission to the Inquiry into National Freight and Supply Chain Priorities (the Inquiry).

By way of background, ALC is the peak national body representing the major and national companies participating in the freight logistics industry, with a focus on national supply chain efficiency and safety.

WHY DO WE NEED A NATIONAL FREIGHT AND SUPPLY CHAIN STRATEGY?

The lived experience of Australian society over recent decades points to increasing levels of urbanisation. Effectively, this means we are trying to do more in a limited physical space.

In particular, a resurgence in the desirability of inner-city living, coupled with rapid rates of population growth, have conspired to present some urgent challenges for our freight logistics industry.

The essential items which most Australians take for granted in everyday life – food to eat, household appliances, clothing, medications and automobiles to name just a handful – are generally not grown or manufactured close to the places where most of us live.

These commodities must be transported from their point of origin to the retailers from which we purchase them, or otherwise delivered directly to our doorsteps from ports, freight depots or warehouses.

Yet, as we create more populous cities, it is fast becoming apparent that our existing planning regimes and approaches to development fail to adequately prioritise the movement of freight.

The congested state of many major freeways and key arterial roads, as well as traffic gridlock within cities themselves, is a constant source of annoyance for many Australians. However, more than simply being an irritation, these problems are symptomatic of a far deeper issue.

Capacity constraints in the road network are not only a problem for motorists – they also impose significant costs on the freight logistics industry.

The disruption to the supply chain that occurs because of road congestion, as well as capacity issues afflicting ports, airports and rail freight facilities all have an impact on the cost of moving freight – and ultimately, the prices paid for goods by Australian consumers.

Indeed, congestion on our roads alone is already costing the Australian economy some \$16 billion a year. Without remedial action, that cost is projected to rise to more than \$50 billion a year.¹

With the National Transport Commission projecting Australia's freight task will grow by 26% over the next decade,² it's clear that unless corrective steps are taken quickly, the safety and efficiency of Australia's supply chains are at enormous risk.

A NATIONAL ECONOMY NEEDS A NATIONAL APPROACH

Australia's supply chains do not stop at state borders. Our economy is national – and accordingly a nationally consistent approach to infrastructure and the regulation of freight movement is required.

ALC members have long held the view that a national economy should be managed by the national government. This includes the responsibility for the development of the infrastructure and regulatory settings necessary for the Australian supply chain to operate safely and efficiently.

In many circumstances, the Australian Government has encouraged the development of individual pieces of infrastructure through financing. However, many of the decisions relating to the planning and delivery of such projects are made by state and/or local governments. This is the reality of the Australian federal structure.

That said, recent policy initiatives of the Australian Government, including the formation of an Infrastructure Financing Unit within the Department of Prime Minister and Cabinet, appear to indicate a desire on the part of the Commonwealth to become more active regarding infrastructure and planning issues.

It is vitally important such policy measures be used to engender more consistent outcomes, and not add to the complexity of infrastructure development.

1 Australia's Economic Future: An Agenda for Growth, CEDA, June 2016 (p. 42) - <http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/30867~CEDAAEFJune2016Final.pdf>

2 *Who Moves What Where*, National Transport Commission, (p 15) - [https://www.ntc.gov.au/Media/Reports/\(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE\).pdf](https://www.ntc.gov.au/Media/Reports/(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE).pdf)



THE AUSTRALIAN FEDERAL STRUCTURE

As logical and desirable as it may sound, the Australian Government cannot simply make laws ‘with respect to’ the Australian economy. This has been made clear by the High Court.³

The imposition of such constitutional limitations means that other ways must be found for that national government to influence policy outcomes.

One of the ways the Commonwealth can do this is by displaying national leadership – setting out best-practice examples and establishing frameworks that other jurisdictions are inclined to support and emulate.

The creation of Infrastructure Australia (IA) as an independent, specialist adviser rigorously assessing the benefits that particular infrastructure offers the national economy is an excellent example of how this can work.

IA is now so central to the development of effective infrastructure policy that there is near-unanimous support for its work across political and jurisdictional boundaries.

Similarly, the Commonwealth is also able to use the ‘executive federalist’ structure of the Council of Australian Governments (COAG) to encourage the development of high level plans, such as the National Ports Strategy and the National Land Freight Strategy.

Although such initiatives have resulted in the development of some valuable outputs, such as the National Key Freight Routes Map as well as the establishment of master planning documents for ports, there is a general view within the freight logistics industry that not everything that could have been achieved as a result of such initiatives has been achieved.⁴

In many respects, this can be attributed to the existence of differing priorities among different governments at different levels.

This means that apart from moral suasion, the Federal Government must rely upon the constitutional devices that are available to it: either Section 51(xxxvii) (attempt to attract a referral of powers from jurisdictions to the Commonwealth), or section 96 (grants on conditions) should it wish to achieve a particular outcome.⁵

ALC’s submission has been prepared in the context of these constitutional realities.



³ *Pape v. Federal Commissioner of Taxation* [2009] HCA 23

⁴ See <http://maps.infrastructure.gov.au/KeyFreightRoute>

⁵ *Williams v. Commonwealth of Australia* [2014] HCA 23 para 96.



ALC AND THE NATIONAL FREIGHT AND SUPPLY CHAIN STRATEGY

In the lead-up to the 2016 Federal Election, the Australian Logistics Council (ALC) urged the development of a comprehensive National Freight and Supply Chain Strategy to address these challenges.

The Federal Government subsequently agreed to undertake the development of such a Strategy during the Prime Minister's Annual Infrastructure Statement to the Parliament in November 2016.

ALC believes the Inquiry and the subsequent development of a National Freight and Supply Chain Strategy represents an ideal opportunity to establish a high-level framework that will facilitate the safe and efficient operation of Australia's supply chains, which will:

- » provide an integrated and efficient freight transport and supply chain network for Australia's international and domestic supply chains;
- » to the fullest extent possible, ensure that policy settings and regulation are competitively neutral between the different freight transport modes;
- » allow freight operators to innovate and increase the productivity of the freight logistics services they provide, in order to improve outcomes for consumers, Australia's industries and the wider economy; and
- » contribute to continuous improvement in the safety of all freight logistics operations, as well as improved societal and environmental outcomes.

This submission has been prepared with these overarching objectives in mind.

The submission has also been prepared with the advantage of an unprecedented engagement from Australia's freight logistics industry in matters of granular transport and infrastructure policy.

In ALC's view, a comprehensive and dynamic National Freight and Supply Chain Strategy requires a comprehensive and dynamic consultation process to help guide its development.

ALC has worked closely with its members and other industry participants over the last six months to facilitate opportunities for the freight logistics industry to have its say on the Strategy.

The annual ALC Forum, held in Melbourne on 8-9 March 2017 and attended by over 300 industry and government representatives, concentrated exclusively on the National Freight and Supply Chain Strategy. A communique from ALC Forum 2017 can be found at **Attachment 1**.

The issues being considered by the Inquiry were also examined in detail during the annual ALC/Department of Infrastructure and Regional Development Dialogue, held in Canberra on 5 May 2017.

Finally, to allow industry participants to express issues relating to their businesses, ALC organised workshops to discuss the contents of a strategy in Sydney, Melbourne, Brisbane and Perth throughout July 2017.

It was pleasing that representatives of the Department of Infrastructure and Regional Development attended each of these sessions.

This submission draws together the major issues, challenges and potential solutions that have emerged throughout these industry conversations. A list of recommendations as to what should be included in a truly effective National Freight and Supply Chain Strategy has also been incorporated.

This submission should be read in conjunction with ALC's preliminary submission to this Inquiry, *Charting the Course for a National Freight and Supply Chain Strategy*, which records in detail the views of industry expressed at the ALC Forum and the Dialogue.⁶

For convenience, it is set out in **Attachment 2**.

⁶ <https://infrastructure.gov.au/transport/freight/freight-supply-chain-submissions/02-Charting-the-Course-wp2.pdf>

RECOMMENDATIONS

PLANNING AND ENCROACHMENT ISSUES

1. The Commonwealth should develop criteria to be inserted in any national partnership agreement (or any other form of mechanism used to transfer payments to States and Territories, including City Deals agreements) that require, as a condition of payment:
 - a. that planning instruments do not permit land uses precluding transport infrastructure from operating to maximum efficiency, including operation on a 24/7 basis;
 - b. clear linkage of road and/or rail infrastructure between employment lands and other clearly identifiable freight generation points and other significant transport infrastructure such as ports, airports and intermodals; and
 - c. state and territory planning, environmental and local government legislation and planning instruments be prepared in such a manner so as to give effect to the outcomes set out in paragraphs (a) and (b).
2. The Council of Australia Governments (COAG) to develop a finalised National Transport Corridor Protection Strategy that contains clear objectives as to what such a Strategy is to achieve, by no later than 31 December 2019.
3. The Commonwealth establish a dedicated Freight Strategy and Planning Division within the Department of Infrastructure and Regional Development with appropriately qualified personnel (including, in particular, skills and experience in planning, and the operation of national freight supply chains).

4. Governments (at all levels) should support the preservation of potential intermodal terminal sites, and ensure proper planning for future road and rail connections.
5. Governments should support accelerated investment plans for intermodal terminals, including work towards integrating freight rail and logistics freight hubs.

TECHNOLOGY AND DATA

6. A project should be developed to identify any technological or competition law impediments preventing the transfer of non-proprietary data so as to improve the flow of freight down a freight chain.
7. As a matter of priority, proceed with the development of a 'single window' system for the exchange of information at ports, suitable for the Australian environment.
8. That work on the National Policy Framework for Land Transport Technology is appropriately resourced so increased uptake in technology is not frustrated by unnecessary or outmoded regulation.
9. The Australian Government identify ways it can assist small and medium sized logistics service providers adopt global data standards in Australian supply chains.
10. The Australian Government should work with industry to promote the benefits of adoption of global data standards through industry research and awareness programs and promotion of the value of global data standards in Australian supply chains.
11. The Bureau of Infrastructure, Transport and Regional Economics (BITRE) should continue to compile their data on freight movements in Australia.





- 12. The Australian Government, through BITRE, should compile a National Freight Performance Framework, including indicators such as road access and land/ use encroachment.
- 13. The Australian Bureau of Statistics (ABS) should develop a Transport Satellite Account.
- 14. Continue the co-operation of federal and state government agencies, as well as proactive engagement with the private sector, to ensure consistent legislative and regulatory changes are made across Australia so as to allow the trialling, and then commercial sale, of Connected and Autonomous Vehicles (CAVs) across Australia that are fit for the Australian environment.

ROAD

- 15. Work on developing a road pricing model adopting a forward looking (lifecycle) cost base for vehicles, with an appropriate entity - preferably the Australian Competition and Consumer Commission (ACCC) - playing the role of an independent economic regulator, should be expedited.
- 16. Industry should be formally involved in the development of any road pricing model prior to the publication of a consultation regulatory impact statement (RIS), so as to ensure workability.
- 17. Prior to that, the principles guiding the development of the road pricing model be clearly articulated as early as possible.
- 18. Any community service obligations placed on road owners by government be funded from general government revenues and not from any new road user charge.



- 19. An inquiry should be undertaken to determine whether the pricing arrangements for toll roads developed under agreements between governments and private entities should be subject to supervision from an entity such as the ACCC.
- 20. The road access provisions of the Heavy Vehicle National Law should be reviewed to identify and enact improvements to the system so as to improve consistency and speed in decision making.
- 21. The Inquiry should recognise the National Heavy Vehicle Regulator (NHVR) does not currently have the authority to enforce common approvals or to require jurisdictions to approve permits – and identify possible solutions.
- 22. State and territory jurisdictions should recommit to adopting a consistent national model for the regulation of heavy vehicles.
- 23. An inquiry should be established exploring the best manner by which data for regulatory purposes such as road pricing and heavy vehicle safety information can be collected and used.

RAIL

- 24. The Inland Rail project proceed so as to ensure a fully integrated capacity to move freight seamlessly between the Port of Brisbane and the Port of Melbourne (including preserving the corridor for the future alternative freight rail corridor to the Port of Brisbane), as well as the development of inland rail hubs to encourage efficient rail connections between these hubs and the NSW ports of Newcastle, Port Botany and Port Kembla.
- 25. The Inquiry should recommend greater government focus and investment in the use of port shuttle/short haul rail infrastructure as a means to improve supply chain efficiency and reduce congestion.
- 26. Governments (at all levels) should ensure rail access to major ports.
- 27. As a matter of urgency, funding should be provided for the duplication of the freight rail line at Port Botany.



- 28. Work on the National Rail Vision should be expedited, with a view of establishing a national freight rail policy by no later than 31 December 2019.
- 29. The issue of track separation should be given heightened importance in the development of any such national freight rail strategy.
- 30. Freight rail projects which also deliver substantial benefits for passenger rail should be eligible to receive funding support from the Commonwealth Government's *National Rail Program* for rail projects in urban areas.
- 31. The Commonwealth should provide additional investments to facilitate the harmonisation of digital train/network management systems.
- 32. The Inquiry should recommend governments move towards standard gauge conversion, where possible, when considering rail freight network enhancements.

MARITIME

- 33. An audit should be conducted on the adequacy of the shipping channels maintained for current Australian ports.
- 34. A cost-benefit analysis should be conducted on Australia's present coastal shipping regime – particularly whether the changes made by the *Coastal Trading (Revitalising Australian Shipping) Act 2012* delivered the desired outcomes.

AIR FREIGHT

- 35. Current laws relating to curfews on aircraft movements at Australian airports should be reviewed.
- 36. The Inquiry should reaffirm the view that responsibility for collecting GST for low value imported goods should be collected by overseas vendors and not by air freight operators or registered air cargo agents.

CBD FREIGHT DELIVERY

- 37. The Commonwealth Government examine opportunities to support the trialling of urban consolidation centres in Australia.
- 38. Investment in infrastructure allowing access from distribution centres to CBDs, such as 'Truckways', truck only lanes, or some other form of freight-only infrastructure should be considered to improve freight delivery and decrease congestion and emissions in high demand environments.
- 39. The Inquiry should recommend a formal review designed to identify regulations and practices (such as curfews) that preclude the essential delivery of freight in inner-urban environments.
- 40. The Inquiry endorse Infrastructure Australia's (IA) recommendation that governments should establish targeted investment programs focused on removing first and last mile constraints across the national freight network – and expand upon it by recommending governments also focus on particular sections of a freight corridor where speed or capacity restrictions inhibit the efficient movement of freight.

THE ROLE OF THE ACCC

- 41. The Inquiry should recommend the ACCC be properly resourced, both with funding and personnel possessing actual expertise in logistics, enabling it to discharge its duties effectively, cognisant of the many specialist and complex issues relevant to the freight logistics industry.

