

National Land Freight Strategy

September 2012

On Friday 7 September, 2011, Minister for Infrastructure and Transport the Hon. Anthony Albanese MP released the National Land Freight Strategy. The Strategy provides a long term blueprint for a streamlined, integrated and multimodal transport system capable of moving goods into and out of major ports and around our country quickly, reliably and at the lowest cost.

The Strategy is available in full <u>here</u> (PDF).

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National Land Freight Strategy

The Strategy was developed by Infrastructure Australia with input from the National Transport Commission, industry as well as state and territory authorities. The purpose of the strategy is to secure industry, community and government agreement about:

- long term national aims for land freight; and
- broad directions on how to achieve these aims.

The Strategy aims to eliminate the constraints that are currently inhibiting Australian freight, as well as prepare for the expected increase in Australia's freight needs over the coming decade. In Australia by 2030:

- truck traffic is expected to increase by 50 per cent;
- the number of containers coming through our ports is expected to increase by 150 per cent;
- rail fright is expected to increase by 90 per cent; and
- international air freight is expected to increase by almost 110 per cent.

The Strategy envisages:

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1. **One national, integrated network:** Replacing fragmented, ad hoc decision-making with a proper, long term planning approach that identifies the existing and yet-to-be built roads, rail lines, intermodals, ports and airports which together form a workable, truly national freight network.

This process would endeavour to protect current and future transport corridors and other strategic pieces of land from urban encroachment.

2. Better use of our existing infrastructure: Over the long term it will be far smarter and cheaper to get the most out of our existing infrastructure than to always build anew.

In practice this could mean fitting new technology to improve traffic flows along major motorways, using higher productivity vehicles, creating dedicated freight routes and separating passenger trains from freight trains.

3. **Fairer, more sustainable financing arrangements:** While in recent years there's been a surge in spending on the nation's roads (up 50 per cent), railways (up 118 per cent) and ports (up 305 per cent), building and maintaining a network fit for purpose requires mechanisms for ensuring the right investment occurs in the right place at the right time.

Discussion Paper

In February 2011, a National Land Freight Discussion Paper was released for public consultation. The draft strategy is available <u>here.</u>

70 formal submissions from the freight industry, industry, business and infrastructure groups, local government and resident groups were received in response to the discussion. The Strategy is the result of Infrastructure Australia responding and incorporating this feedback, and that received through the extensive public consultation process.

Implementation

The Ministerial Standing Council on Transport and Infrastructure (the Standing Council) will now develop an action plan to implement the strategy. This plan will include the participation of industry stakeholders. The Standing Council has previously invited senior private sector representatives to participate as observers in their meetings. In the Strategy, Infrastructure Australia recommends that this approach be built on by inviting representatives to participate in relevant policy development and implementation tasks.

The key steps in implementing the Strategy will be:

- 1. Formalisation of government and industry agreement to the *National Land Freight Strategy* in order to maximise Australia's international competitiveness.
- 2. That the Standing Council on Transport and Infrastructure adopt a high level implementation plan as part of this agreement, including the following tasks to be jointly delivered by government and industry:



- a) Confirm strategy aims, objectives, principles;
- b) Confirm that the proposed national land freight network comprises places for freight and that it complements the national ports strategy;
- c) Initiate long term planning, forecasting and scenarios needed for the network;
- d) Establish mechanisms to develop a long term pipeline of infrastructure projects attractive to government and private investors and to ensure that the right investments occur at the right time; and
- e) Address options for integrating the network, other aspects of the national land freight strategy and other policy initiatives including State freight plans, road governance and urban planning systems.

Background - Infrastructure Australia

Infrastructure Australia is the peak advisory body on matters relating to infrastructure in Australia. Established under the *Infrastructure Australia Act 2008*, which came into effect on 9 April 2008, Infrastructure Australia is an eleven member statutory body whose members are appointed by the Federal Minister for Infrastructure and Transport.

Infrastructure Australia reports regularly to the Council of Australian Governments (COAG) through the Federal Minister for Infrastructure and Transport.

Infrastructure Australia has the primary function of providing advice to the Minister, Commonwealth, State, Territory and local governments, investors in infrastructure and owners of infrastructure on matters relating to infrastructure, including in relation to the following:

- Australia's current and future needs and priorities relating to nationally significant infrastructure;
- policy, pricing and regulatory issues that may impact on the utilisation of infrastructure;
- impediments to the efficient utilisation of national infrastructure networks;
- options and reforms, including regulatory reforms, to make the utilisation of national infrastructure networks more efficient;
- the needs of users of infrastructure; and
- mechanisms for financing investment in infrastructure.

More information on Infrastructure Australia is available at: <u>http://www.infrastructureaustralia.gov.au/</u>

Background - Standing Council on Transport and Infrastructure

In February 2011, the Council of Australian Governments (COAG) agreed to a new Council System to better enable COAG to focus on, and progress, nationally significant reforms.

The Standing Council on Transport and Infrastructure was established in September 2011 and brings together Commonwealth, State, Territory and New Zealand Ministers with responsibility for transport and infrastructure issues, as well as the Australian Local Government Association.

The first Council meeting was held on 4 November 2011 and senior representatives from the private sector transport industry attended as invited observers. The meeting Communiqué included that Ministers "agreed to work with Infrastructure Australia to develop a timetable for completion of the



land freight strategy. These major initiatives are important in supporting the transport industry and the national economy."

The Communiqué is available here (PDF).

Background - National Ports Strategy

The National Land Freight Strategy follows the release of the National Ports Strategy in December 2010, which is now subject to an agreement by the Standing Council. The two strategies have been designed to complement one another, recognising that Australia's nationally significant ports are key freight nodes, and must be linked to a national freight network.

The National Ports Strategy is available here.