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A Guide to the National Ports Strategy

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Overview

- On 7 January 2011 Prime Minister Julia Gillard and Minister for Infrastructure and Transport, the Hon. Anthony Albanese MP, released the [National Ports Strategy](#) (the Strategy).
- Australia's ports are important as they manage 10 per cent of the world's sea trade and almost all imports and exports flow through them.
- A coordinated National Ports Strategy is critical to manage growth in the volume of trade moving through ports trade expected in coming decades –expected to triple over the next twenty years.
- The Strategy was developed over two years by Infrastructure Australia and the National Transport Commission.
- The Strategy is aimed at facilitating private sector investment by creating greater certainty for investors through longer term, coordinated planning.
- The Strategy does not include specific plans for particular ports, but rather makes broad recommendations on governance and planning at the regional and jurisdictional level, security principles, and coordination among tiers of government decision-making (see pages 19-29 of the Strategy for a detailed list of recommendations).
- The Strategy is not designed to be a 'one size fits all' approach because the needs of individual ports are so diverse.
- The Strategy recommends the development of 15- to 30-year plans at Local, State and Federal levels that acknowledge expected growth and consider other factors such as freight corridors, security, community impact, biosecurity and tourism.
- The National Ports strategy will be considered by the Council of Australian Governments (COAG) in February 2011, and following agreement, implemented throughout 2011 and 2012.
- It is proposed that an independent panel and the National Transport Commission will oversee implementation of the Strategy.
- The Government is expected to release a comprehensive National Freight Strategy 'later this month' (i.e. January 2011), of which the National Ports Strategy is a key element.

Development of the National Ports Strategy

The National Ports Strategy is the product of extensive research and consultations including;

- [Parliamentary Inquiry into Coastal Shipping Policy and Regulation](#) in 2008.
- Infrastructure Australia reports to COAG in 2008 and 2009.
- Infrastructure Australia and the National Transport Commission developed a [Background Paper](#) in December 2010 and received a number of [submissions](#).

Why a National Ports Strategy is important

A coordinated approach to developing and managing ports is critical to the national economic interest. Too often precinct plans only consider what will occur directly in the port area without due consideration to land transport corridors, community needs or environmental impact.

As Minister Albanese explained, the current approach to ports is affecting efficiency and productivity.

“Currently there are overlapping regulations, much duplication in the way that our ports are run, a lack of transparency, a lack of accountability. What this strategy has done is through Infrastructure Australia, over the last two years consult with industry, consult with State Governments, consult with all the players who know the importance of ports in terms of the economic significance, to develop a strategy which moves ports forward as they should.”

Improvements to ports and related logistics sectors will:

- remove barriers and transaction costs to trade;
- increase competition and contestability;
- provide important linkages to domestic and global value chains;
- facilitate innovation, productivity gains and economic growth.

Elements of the National Ports Strategy

The National Port Strategy will harmonise federal and state regulations and will create greater certainty for investors through longer-term, transparent planning.

Vision

“The overarching purpose of the draft Strategy is to drive the development of efficient sustainable ports and related freight logistics that together balance the need of a growing Australian community and economy with the quality of life aspirations of the Australian people”.

Objectives

“To improve the efficiency of port related freight movements across infrastructure networks, minimise externalities associated with such freight movements and influence policy making in areas relevant to freight.”

Priorities

- Planning for relevant ports
- Protection of the ability to execute plans
- Improving landside efficiency and reliability, and
- Clarity, transparency and responsibilities in ports.

“It's a similar approach to what we've taken with airport master plans, whereby airports as a result of the Aviation Whitepaper we delivered two years ago, now have to give consideration to land transport issues around the airport and there's nowhere where the failure to do that is more acute than the lack of land transport planning around Perth airport, at the same time as the growth that's occurred there”

- Minister Albanese, 7 January 2011¹

“I'm confident it will have a great deal of support and once it is adopted by COAG then you'll see, I think, a change in that culture whereby you have a much more integrated approach to ports planning almost immediately.”

- Minister Albanese, 7 January 2011²

Opposition Response

The Leader of the Nationals, Mr Warren Truss MP, agreed that

*“Sea ports, like airports, are vital pieces of national infrastructure and it is essential that planning schemes assure their integrity and encourage investment.”*³

He commented that,

“A new ports strategy will only make a difference if it is accompanied by new funding for port infrastructure and a commitment to renewed waterfront reform.”

¹ Media Release, 7 January 2011, <http://www.pm.gov.au/node/7099>.

² *Ibid.*

³ Media Release, 7 January 2010, “Strategy” but yet again no Labor action on ports, <http://www.warrentruss.com/press.php?id=1673>.

Shipping Policy

At the 2010 Federal Election, the Gillard Government committed to introduce measures to strengthen Australia's shipping industry.

These will include:

- Allowing Australian companies using Australian registered ships to pay a new tonnage tax (a low flat tax based on the weight of the vessel) or remain with the current tax regime which will be bolstered through accelerated depreciation arrangements;
- Making changes to income tax arrangements for Australian-resident international seafarers to remove disincentives for companies employing Australians;
- Establishing an Australian International Shipping Register;
- Establishing a Maritime Workforce Development Forum of industry, unions and education providers to improve and increase access to maritime training. This forum will be supported from within the existing departmental resources.;
- Applying existing coastal shipping principles consistent with the Navigation Act so that trade is undertaken by Australian operated companies and crewed by Australian residents, with the capacity to utilise foreign flagged and crewed vessels to supplement the Australian fleet; and
- Introducing mandatory training requirements in order for shipping companies to be eligible for the new tonnage tax.

The implementation of these measures will be conditional on a compact between industry and unions to deliver labour productivity and efficiency reforms.

The Government has promised to provide appropriate lead times and consult with industry ahead of implementation.

These measures were assessed by the Department's of Treasury and Finance as having a cost to revenue of \$41.5 million over the forward estimates and a departmental cost for implementation of \$8 million over the forward estimates.

The Government is yet to announce the timeframe for the implementation of these measures.

The Minister for Infrastructure and Transport, the Hon. Anthony Albanese, released a discussion paper outlining these shipping reforms on 1 December 2010. It can be accessed online at http://www.infrastructure.gov.au/maritime/shipping_reform/.

The Minister's media release is available at http://www.minister.infrastructure.gov.au/aa/releases/2010/December/AA482_2010.htm.

Links

National Ports Strategy, December 2010,
http://www.infrastructureaustralia.gov.au/national_ports/.

Prime Minister Gillard's speech at Kwinana, <http://www.pm.gov.au/node/7099>.