

31 July 2019

Infrastructure SA
GPO Box 2343
Adelaide SA 5001

Attention: Infrastructure SA 20 Year Infrastructure Strategy – Discussion Paper

The Australian Logistics Council (**ALC**) welcomes the opportunity to comment on the *Infrastructure SA 20 Year Infrastructure Strategy* discussion paper.

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.

This submission will address a number of issues that ALC believes should be included in any long term strategy developed by Infrastructure SA.

Planning for Freight Facilities

The discussion paper notes that whilst increases to state population will positively impact growth and employment, it will also increase aggregate demand for infrastructure.¹ It is also worth noting that volume of freight moving on road and rail will also increase order to service a growing population.

The fact that major Australian cities seem to be groaning under freight capacity restraints says as much about government approaches to planning as it does about approaches to population. Freight is no less essential to the day to day lives of Australians than clean water or electricity.

A guiding principle in any long term strategy developed by Infrastructure SA must be the integration of freight movement considerations into land use planning and infrastructure planning instruments and processes.

In November and December 2018, the Commonwealth Department of Infrastructure, Regional Development and Cities undertook extensive consultation with industry regarding draft elements of the *National Freight and Supply Chain Strategy*.

One of the potential action areas discussed for inclusion in the National Strategy was designed to;

¹ Infrastructure SA – 20 Year State Infrastructure Strategy – Discussion Paper, p10

Ensure freight demand is recognised in transport and land use planning across and between jurisdiction boundaries and freight modes, to meet the demands of the growing freight task.

Examples of potential actions

- 9.01 Government freight planning is linked to the National Strategy.*
- 9.02 Identify best practices for corridor and precinct protection.*
- 9.03 COAG Transport and Infrastructure Council to actively support corridor development and protection.*
- 9.04 Promote strategies to protect nationally significant freight-related infrastructure from urban encroachment.*
- 9.05 Recognise the contribution of regions in freight planning.*

Freight and Logistics Lands

An area within the scope of Infrastructure SA would be the promotion of strategies to protect significant infrastructure from urban encroachment. For too long, terms such as 'industrial lands' and 'employment lands' have been used as an all-inclusive category when discussing non-residential land use, particularly in urban areas

Yet as our growing population increases demand for land, the application of such broad terms in planning instruments is no longer sufficient to ensure the operational flexibility that those involved in the freight logistics sector require.

For instance, land that is broadly zoned for 'industrial' or 'employment' purposes may still ultimately allow the establishment of a consumer bulky goods or even retail facilities near a crucial freight facility, such as a port.

The construction and operation of such a facility can give rise to increased traffic congestion on roads that provide the only access to and from freight facilities. This conflicting land use impedes supply chain efficiency and may also present safety risks.

There is real need for jurisdictions to incorporate freight specific lands into planning categories, to ensure that crucial facilities are able to operate without restrictions or safety risks originating from urban or retail development close by.

ALC recommends that any strategy released by Infrastructure SA include the requirement for 'Freight and Logistics Lands' to be included as a distinct category in South Australian planning instruments.

Curfews and Operational Restrictions

In order to maintain efficient supply chains as cities grow, governments must adopt policies that support the increasing freight task linked to population growth. Policies such as vehicle access limitations, curfews and other restrictions are detrimental to the efficiency of freight

operations. These curfews and restrictions ultimately harm customers, as expectations around rapid delivery times are not met, and delays in freight movements add to the price paid for goods.

ALC recommends that any investment made in South Australian Infrastructure includes conditions requiring the agreement of both state and local government to not impose curfews or operational restrictions on freight logistics operators using the infrastructure.

Managing the Freight Transport Network

Funding of Infrastructure Projects

One major factor in future improvements to South Australian freight infrastructure will be where and how investment in these projects will be sourced. Whilst ALC notes that there are various mechanisms available to the South Australian Government, one such mechanism beneficial to both government and industry is to more effectively harness private sector investment.

Federal and State Governments have frequently used Public Private Partnerships (PPP) as a mechanism to fund major infrastructure projects. However, a challenge is presented through Government ownership of much of South Australia's infrastructure, as this leaves limited scope for PPP's. It is clear that there is a need for unique incentives and partnership models to facilitate private investment in the road and rail freight sectors.

It is vital to the long term viability of freight infrastructure in South Australia that Infrastructure South Australia adequately understands the factors that influence private investment in major infrastructure projects.

ALC recommends that any future strategy discuss alternate funding models to allow for private investment in major infrastructure projects.

Standardisation of the South Australian Rail Freight Network

The quality of rail track infrastructure and rail gauge have a significant impact on the efficiency of rail freight networks across South Australia. However, due to historical development of the national rail network, gauge classifications were developed around a state based transport need and remain inconsistent between jurisdictions.

To facilitate an increase in freight rail productivity, any investment in new freight rail infrastructure should facilitate a move towards standard gauge conversion. Benefits of standard gauge infrastructure include the facilitation of interstate supply chains, reduction of entry barriers for new freight rail operators, and an increase in axle loads leading to larger freight hauls.

ALC recommends that Infrastructure SA identify Regional Rail Gauge Standardisation as a medium term initiative, and ensure any future investment in freight rail infrastructure is consistent with this initiative.

Road Pricing Reform

Road pricing reform remains an important reform amongst both the South Australian and wider national road networks.

Despite historical apprehension due to a lack of community understanding of such a reform's benefits, there is increasing acceptance of the fact that the way Australians pay for roads must eventually change.

It is evident that the current approach, which relies on fuel excise and other instruments to generate the revenue required for road network maintenance is failing to provide sufficient resources, putting strain on both Commonwealth and State Governments to adequately fund road maintenance whilst not increasing the total tax burden.

Therefore, reform to road pricing for heavy vehicles must be a priority for Infrastructure SA (ISA) in the next two decades.

The benefits of road pricing reform are not limited to improvements to long term productivity and efficiency – other benefits include both social and environmental improvements due to the reduction of congestion caused by high concentrations of road freight.

Road price reform is an initiative available to the South Australian Government that aligns the demand of road users with road space supply. It would also permit more effective, targeted investment in road infrastructure, ensuring that investment dollars flow to where they are most needed, rather than where they are most politically expedient.

The shortcomings and inefficiencies inherent in the present system, many of which have been apparent for some time, are now starting to gain broader recognition within Government and the community. ALC believes that recognition is a powerful starting point for governments to begin the honest conversation with industry and the community about the need to progress this reform.

Whilst the political challenges of successful road pricing reform are significant, the consequences of failing to act will ultimately prove more dire.

ALC recommends that Road Pricing Reform should be included as a short-term priority for Infrastructure SA – and that Infrastructure SA should work closely with the Commonwealth Government on trials that will help to demonstrate the benefits of reform

The Future of Freight Infrastructure in South Australia

Electric Vehicles

Transport remains one of the biggest contributors to both carbon output and air pollution across major urbanised areas within Australia. ALC is of the strong belief that there is an opportunity for heavy vehicles and freight transport to be a significant part of the transition about from high emissions diesel to zero emission electric technology.

However, ALC has identified three key barriers to the uptake of electric vehicles in the freight and logistics sector through its Electric Vehicle Working Group. These barriers include, but are not limited to;

- Initial vehicle cost;
- Model availability and choice;
- Cost and availability of charging infrastructure; and
- Inconsistencies between local council planning regulations and approval processes related to the development of charging infrastructure.

To assist in the facilitation of the move to zero emissions freight vehicles, Infrastructure South Australia should ensure that all new road infrastructure allows for and includes electric vehicle charging infrastructure sufficient for use by heavy vehicles. Cooperation with the *National Electric Vehicle Fast Charging Network*, identified as a High Priority Initiative by Infrastructure Australia, is vital to the ability to combat distance fatigue within electric heavy vehicles across South Australia.

Furthermore, Infrastructure SA must ensure that inconsistencies in planning approvals between local governments do not hamper the ability for investment in electric vehicle charging infrastructure by private operators.

It is the ALC's view that a wide availability of chargers will not only facilitate electric heavy vehicle movements, but it will also encourage fleet managers to replace aging vehicles with zero emissions electric technology.

ALC recommends that Infrastructure SA include the development of a state-wide electric vehicle charging network that allows for use by electric heavy vehicles.

ALC recommends that Infrastructure SA review local government planning regulations and ensure that there is a consistent regulatory approval process for investment in fast charging infrastructure.

Advanced Train Management System

The Advanced Train Management System (ATMS) has been developed by the Australian Rail Track Corporation (ARTC).

ATMS is an important part of the solution to provide the rail innovation Australia needs – improving the safety of operators as well as enhancing reliability and network resilience.

The system can intervene by applying a train's brakes to prevent passing the end of where it is permitted to travel. ATMS equipped trains do not have to be restricted to long section separation between signals, meaning train crosses and passes will be more efficient.

ATMS also improves capacity of the network as precisely and safely directing rail traffic means much more of Australia's freight can be moved across the country on existing tracks.

ALC recommends that Infrastructure SA continue to invest in and support the development of the Advanced Track Management System.

Again, ALC is pleased to be given the opportunity to provide a submission to the first discussion paper released as part of the development of Infrastructure SA 20 year Infrastructure Strategy,

Should you wish to discuss this submission further, I can be contacted at [DELETED].

Yours sincerely,

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