

Inquiry into the Integration of Regional Rail & Road Freight Transport and their Interface with Ports



A Submission by the
Eastern Metropolitan
Regional Council May 2005





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1 Introduction

The Eastern Metropolitan Regional Council (EMRC) is a regional Council established in 1983 under the Local Government Act 1995. Member Councils include Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan.

The EMRC region comprises approximately one third of the Perth metropolitan area, with a population of almost 300,000 residents.

The vision of the EMRC is to make the eastern metropolitan region 'a great place to live, work, play and do business.' In order to achieve this aim the EMRC's Regional Development Division works closely with regional stakeholders to facilitate, promote and support a range of regional economic development and community development initiatives.

The EMRC takes great interest in the *'Inquiry into the Integration of Regional Rail and Road Freight Transport'* as it is our belief that transport infrastructure and services play a vital role in contributing to the economic, social and environmental health of our communities.

2 Metropolitan Regions

Before addressing the Inquiry's terms of reference I would like to take this opportunity to comment on the scope of the Inquiry, which I believe is limited in that it does not acknowledge that metropolitan areas, or parts thereof, can also be defined as 'regions'.

For some time Local Government organisations, such as the EMRC's six member Councils have recognised the need to work together to resolve issues of common concern. These collective groupings have not been formed on a whim, they have evolved and been formed either through 'communities of interest', around naturally functioning labour markets or local economies, and are based on mutually shared objectives.

The formation of 'Regional Councils', such as the EMRC and South West Group in Perth is reflective of the fact that communities can recognise and define themselves as a 'region'. Regional status is not something bestowed by Government's drawing lines on maps. 'Regions' are formed and defined by communities. Governments must acknowledge this fact, develop policies that take into account these regional groupings and develop mechanisms to recognise and work with regional groups.

The EMRC encourages the Australian Government to develop a broader definition of the term 'region', particularly when used in the context of regional economic development.

Regional economic development is a process of identifying and harnessing local and regional resources and opportunities to stimulate economic and employment activity. It is about regional communities utilising their human, physical and financial resources to maintain and enhance development opportunities and improve their quality of life. It is based upon the simple premise that each region has within itself, or within its group, considerable capacity and opportunities to influence its economic future.



Government's role in facilitating regional economic development is therefore to develop policies that facilitate or enhance the capacity and ability of regions to exploit opportunities available to them.

Government's should not necessarily prescribe or define regions in an arbitrary manner for political or administrative convenience. Rather Governments should recognise that 'regions' exist in both metropolitan and non-metropolitan areas. 'Regions' will develop naturally where there is sufficient 'community of interest' accompanied by leadership and a commitment to achieve change and pursue mutually shared objectives.

In the case of the metropolitan area, regional council structures provide an enormous opportunity for Governments to develop meaningful partnerships with organisations that can both articulate the region's needs and deliver services to communities. Regional Councils also provide Governments with the opportunity to work with one organisation, on behalf of several local Governments and communities, achieving outcomes in a far more effective and efficient manner.

3 Response to the Inquiry's Terms of Reference

1. The role of Australia's regional arterial road and rail network in the national freight transport task.

The road and rail networks in both the metropolitan and non-metropolitan areas make a significant contribution to the efficiency of the national freight and transport networks.

The Government must recognise the vital role the local networks play in supporting the national network, particularly the local road networks. Local roads impact on the competitiveness of business, community safety, service delivery, and the quality of the environment and amenity in a community.

The efficiency of the local road network can also make a significant contribution to the local, state and national economies by reducing business costs, attracting new businesses and investment and improving access to services, facilities or other key infrastructure. A poorly maintained road network obviously has a negative impact on all of these factors.

The contribution of the local road network is more evident when considering the fact that approximately 80% of road freight is transported over distances of less than 100 kilometres (Auslink White Paper, 2004), and that the national highway system and roads of national importance only represent 2.5% by length of the total road network (IPWEA, 2004). Given this, the Australian Government must recognise that there are many 'local roads' that are of regional and national significance, which contribute to the national freight task, yet receive inadequate funding support to be adequately maintained.

In the case of WA, the regional road and rail network plays a significant role in the movement of much of the state's raw materials, minerals, agricultural products and dry bulk goods. The vast majority of this product is transported to and through Perth's eastern metropolitan region by road or rail to the major grain, handling facility and



intermodal freight terminals located in Kewdale/Forrestfield. These facilities service much of WA's Wheatbelt region.

The need for efficient movement of freight from the non-metropolitan centres to major interstate and international transport facilities has been recognised by Governments, as is evident through the increased allocation of transport funds to the upgrade and maintenance of strategic inter-regional freight corridors.

Analysis undertaken by Austroads in 2003 indicates that the vast majority of non-bulk freight movement occurs within WA. The total tonnage of non-bulk freight flows (by all modes) is forecast to double by 2020 from 8.427 kt to 17,202 kt. Within this growth, road freight is forecast to increase by 115%, placing further strain on the existing infrastructure. This forecast growth highlights the need to improve the region's transport network in order to cope with current population growth and future freight, residential and urban development.

Whilst the Government is focusing this Inquiry on the regional road and rail network, it must recognise that the vast majority of WA's regional freight originates in, or is bound for the Perth metropolitan area. An increase in regional road freight, which will occur, will only place further pressure on the already strained metropolitan road network. Increased number of truck movements and size of vehicles will add further congestion to main arterial routes, require additional maintenance road upgrades, or road re-design and impact negatively on commuter safety.

Local Government does not have the financial capacity to continually construct, upgrade and maintain an ever-increasing road network. Local Governments are under increasing pressure from their communities to provide an ever-increasing range of services and to fund and maintain community infrastructure and services. Individual Local Governments may also be reluctant to support national or regional transport links where they have little perceived benefit for their community.

The Government must acknowledge these pressures and support Councils in developing and maintaining local roads of significance that contribute to the efficiency of the national network. This support should be additional funding provided to groups of Councils to be invested in regional priorities as determined by regional groups of Councils (be they formal Regional Councils such as EMRC or voluntary groups of Councils).

Ideally, the funding provided should assist regional groups to develop detailed regional integrated transport strategies which are the basis upon which regional priorities are identified and funded. Development of the regional integrated transport plans should be undertaken within the context of National and State Government Transport Plans to ensure articulation between the three levels of Government.

The EMRC is currently developing a regional integrated transport strategy for the eastern metropolitan region of Perth, which will provide the blueprint for development of the region's transport infrastructure and services for the next 20 years. This project is being supported by the EMRC's six member Councils, the WA State Government and regional stakeholders, who all acknowledge the need to identify the region's transport priorities in order to maintain the region's position as the 'transport hub' of Perth and the state, yet the EMRC has not been able to secure the support of the Australian Government to this vital initiative.

These principles were espoused within the Auslink White Paper, however, the Government has not provided any funding support to facilitate or encourage regional



groups to develop regional transport strategies, which would provide the basis for seeking funding from Auslink.

2. The relationship and co-ordination between Australia's road and rail networks and their connectivity to ports.

Efficient connectivity between road, rail and port facilities is vital to the competitiveness of industry and to minimise the impact of freight movement on the amenity and safety of communities.

The eastern metropolitan region is the air, road and rail hub for the bulk of WA's freight (excluding mineral freight), with good connectivity between the road/rail intermodal terminal located in Kewdale and Fremantle Harbour. The WA State Government's 'Freight Network Review' has highlighted the need to improve the efficiency of the existing road links between the port and Kewdale; develop the Fremantle Outer Harbour to improve the efficiency of container movements; and expand the rail freight terminal to accommodate larger interstate freight trains.

The Freight Network Review and subsequent master plan developed for the transport precinct (Kewdale-Hazelmere Master Plan) recognises that this transport corridor and precinct is vital to the regional, state and national economies. As such, strategic land use and infrastructure planning is required to preserve and protect this activity from urban population growth and pressures that are likely to arise as population densities increase in adjacent residential areas due to population growth and urban infill.

The WA Government's 'Freight Network Review' has set a goal of increasing rail freight by 30% over the next ten years. This may reduce the number of heavy road freight movements between the port and Kewdale, however, it will result in increased freight movements redirecting out from the Kewdale intermodal facility as the smaller loads are distributed to their ultimate destination.

The Kewdale/Forrestfield transport precinct and its road/rail intermodal terminals were originally developed well before the shift to containerised freight movement. Whilst the connectivity between the airport, road/rail terminals and the port is adequate, it could be greatly improved to increase efficiency, reduce freight costs, ease congestion and encourage greater use of rail freight.

The Perth Airport Master Plan (2004) identifies the opportunity for a 'greenfield' intermodal development in the airport precinct. Considering the forecast increase in containerised freight, international and interstate air freight and doubling of interstate rail freight, this option should be seriously considered.

In order to cope with this increase in freight movement into and out of the region's transport facilities, the region's road transport links **must** be upgraded. These links include the Leach, Tonkin and Roe Highways, all of which are considered State Roads. However, they all form part of the national freight network and should be given greater priority by the Australian Government.

At present, major upgrades of the following intersections are required to reduce traffic congestion, improve public safety and enhance the efficiency of the freight network:

- Roe/Tonkin Hwy Intersection



- Lloyd Street Extension
- Berkshire Road/Roe Hwy grade separation
- Roe Hwy/Great Eastern Hwy grade separation

Investigation of the viability and benefits of a direct rail link between the Fremantle Inner Harbour and the Kewdale Intermodal terminal is an option that should be seriously considered and supported by the Government. This initiative has the potential to greatly enhance the efficiency of freight and movement and reduce the total number of freight movements via road, which would deliver a range of financial, social and environmental outcomes.

3. Policies and measures required to assist in achieving greater efficiency in the Australian transport network, with particular reference to:

- **Land transport access to ports Capacity and operation of major ports;**
- **Movement of bulk export commodities, such as grains and coal;**
- **The role of intermodal freight hubs in regional areas;**
- **Opportunities to achieve greater efficiency in the use of existing infrastructure and**
- **Possible advantages from the use of intelligent tracking technology.**

The Auslink White Paper states that *'local Government remains responsible for local transport infrastructure. Neither is the Australian Government intending to assume responsibility for funding arterial roads'*.

The implication of this statement is that the Government believes it has responsibility for the national transport network, with some support available for local links of regional significance (through Roads to Recovery) which is very narrowly defined.

The Government must recognise the impact that state, regional and local roads have on the efficiency of the National Network. If the articulating roads and rail networks are not in good condition, or do not provide ready access to the national system, then the national system will fail to fulfil its role and purpose.

Auslink also articulated that the National Land Transport Network *'is to be based on important national and interregional transport corridors, including connections through urban areas, links to ports and airports and rail/road intermodal terminals, which together are of critical importance to national and regional economic growth, development and mobility'*.

Auslink identifies the two interstate transport corridors of Perth-Adelaide and Perth-Darwin as integral parts of the National Land Transport Network. However, Auslink has already determined the funding priorities/investments in upgrading this transport corridor to cope with the increasing freight movement that will occur within the non-metropolitan sections of the corridor.

There is no discussion on the construction of the proposed Perth-Adelaide and Perth-Darwin Highways in the outer metropolitan area of Perth to divert freight around the Perth metropolitan area.

Both of these roads are currently known within the region as Great Eastern Highway and Great Northern Highway and are facing pavement, capacity, safety, direct



property access, poor geometry and cross section problems. These roads continue to face significant traffic volume increases, particularly from large freight vehicles.

The economic benefits to upgrade the Perth-Adelaide National Highway through the region would be enormous given that the road caters for the large movement of freight to and from the eastern states. Currently road trains are required to breakdown their loads near Northam prior to entering the eastern region of the Perth metropolitan area.

Should the Perth-Adelaide Highway be completed to national highway standards between Clackline (west of Northam) to the existing high standard Roe Highway in Midland, road trains could continue straight through to key industrial precincts saving considerable time and therefore costs. The safety benefits would also be significant as the new National highway section would take much of the truck traffic and through traffic from Great Eastern Highway as it would be to a much higher standard. The number of recorded vehicle crashes along Great Eastern Highway is large and is caused by poor geometric design, many direct property access points and side roads, poor lighting and pavement condition.

Auslink also indicates the Government will invest in, support and work in partnerships with State Government and other stakeholders to develop 'corridor strategies' for the National Network. To date, there has been little evidence of this and it is vital that such strategies are developed, in partnership, by the three levels of Government to ensure strategies and priorities are developed in an objective manner, and based on proper assessment of needs and priorities. Involvement of groups of Councils (such as EMRC) will ensure and facilitate increased ownership of the outcomes, provide the direction for regional and local plans to underpin the corridor strategy, and assist in securing the commitment of local Councils to invest in the local roads that articulate to the major arterial routes in each corridor.

Given the above, it was surprising to the EMRC that an approach to DOTARS and the Minister for funding support for development of a regional integrated transport strategy for the east metro region was rejected on the basis that Councils could simply re-allocate the Government FAG or RTR funding to such activity.

Councils across Australia are under enormous financial pressures and any notion that Councils can 'simply' reallocate FAG or RTR funding away from essential service delivery, infrastructure development, or road maintenance and construction is based on a complete lack of understanding of Councils' precarious financial circumstances.

The Australian Government must play an active role in encouraging and supporting development of regional integrated transport plans. The provision of catalytic funding is required to demonstrate the Government's commitment to strategic planning at a national, state, corridor and regional level that addresses both transport planning, infrastructure development and travel demand management.

The Government must also support enhancement of the national rail network to ensure rail maintains, and possibly increases its share of the freight task. Any significant shift from rail freight to road freight would have negative social, environmental and economic impacts, particularly in the eastern metropolitan region as it contains the bulk of the state's transport and logistic activity.

As evidenced by the State Government and EMRC member Councils commitment to develop a Regional Integrated Transport Strategy, there is an understanding of the



need to reduce the demand for, and reliance upon, private motor vehicles for commuting and to increase the use of public transport facilities. Integrated transport plans can reduce the pressures on the road system, which will improve the overall efficiency of the transport/freight systems.

4. The role of the three levels of Government and the private sector in providing and maintaining the regional transport network.

Local Government is responsible for managing the vast majority of the national and state road network. Construction, maintenance and upgrade of this vast network requires a consistent, equitable and sufficient source of funding to ensure the road network's status is maintained and enhanced.

WALGA has estimated in WA there is an annual shortfall of approximately \$70 million between preservation needs actual expenditure. Local Government's ability to meet the shortfall in maintenance expenditure is extremely limited as Councils are unable to raise revenues and charges in a similar manner to the State and Australian Governments. Effectively, Local Government does not have the capacity to maintain this current network.

The Australian Government must make more funding available to Local Government to maintain the road network, either through increased funding through Auslink or directly through increases in FAG's or General Purpose Payments. Any additional funding that is made available must also be indexed to reflect the real increase in costs associated with labour and materials. The increased funding should be made available through a greater proportion of the fuel excise levy being allocated to road funding to reinforce the user pays principle.

Local Government should also play a key role in determining how road funding is invested, based on objective criteria that take in to account social, environmental and economic criteria **and** the contribution that local roads make to the national transport network.

The Australian Government should also be placing priority on funding to regions, metropolitan and non-metropolitan, where strategic transport planning has been undertaken within the context of National and State Transport Plans and which demonstrate stakeholder commitment to achieving regional outcomes.

Regional Research and Planning

Local Government plays a key leadership role in identifying and determining transport issues and priorities within their communities. The EMRC and its six member Councils have demonstrated that regional groups of Councils and stakeholders can work in collaboratively to develop strategies to address cross-boundary issues, such as transport planning.

An example of effective collaboration between Council is the 'Transport Needs Analysis of the Eastern Metropolitan Region' commissioned by the EMRC in 2003 (see attached). This research identified the region's transport infrastructure and service needs based on the collective views of the EMRC's six members Councils and industry stakeholders. The report highlighted the need for several billion dollars to be invested in the region's infrastructure over the next 20 years if the transport



network is to meet current and future demands. Obviously, this level of investment is beyond Local Government.

Given the limited resources available to Local Government to implement the reports recommendations, the EMRC determined a more strategic and robust approach was required to determine and justify the transport priorities. This view provided the basis upon which the EMRC and its member Councils agreed to develop a Regional Integrated Transport Strategy to address the region's transport issues, rather than proceed with piecemeal approach to infrastructure development.

Private sector funding

It is unlikely that the private sector will ever play a significant role in the construction and maintenance of the transport network beyond major infrastructure projects such as freeways, ports and intermodal terminals. This is due to the fact that the vast majority of the networks are 'local' and have no capacity to provide an economic return to investors.

One option that Local Governments have explored as a means to secure additional funding for local infrastructure in new commercial and residential developments is 'developer contributions'. Developer contributions can assist or encourage Local Government to bring forward capital expenditure or fund additional works that may not normally be invested in by the Local Government.

Developer contributions may be regarded as an additional cost imposed on developers, which in reality is passed onto land purchasers. However, many land purchasers now expect a high level of community services, facilities, amenities and transport links to be in place in new residential developments when first released as opposed to waiting for infrastructure and services to be developed once a critical population level is reached.

Developer contributions or other private sector investments are unlikely to generate sufficient revenues to make any real impact on upgrade and maintenance of the transport network. The critical issue facing all urban communities is travel demand management.

The doubling of the road freight task over the next 20 years, accompanied by increasing commuter traffic resulting from economic growth, population growth and urban sprawl will have major adverse impacts on the efficiency of the system and the social and environmental health of our communities.

State and Federal Governments must invest more heavily in the public transport network (bus and rail) in order to reduce traffic congestion and use of private motor vehicles for commuting purposes. The Australian Government, either through Auslink or a new policy initiative, should provide financial support to local Government to develop integrated transport plans that focus not just on road planning, but also on how demand at a local/regional level can be better managed and use of public transport can be increased.



4 Conclusion

The EMRC and its six member Councils are investing heavily in developing stronger communities that offer people safe, quality lifestyles in a vibrant and economically sustainable and diverse region.

Both Australian and State Governments should support the efforts of local and regional local Government. At the very least, there should be recognition of the vital and important role that we play in our communities, and a greater dialogue established between the state and local levels of Government, particularly in regard to transport infrastructure planning and maintenance.

The *'Inquiry into the Integration of Regional Rail and Road Freight Transport'* provides the opportunity for Local Government to voice some of its concerns over the lack of consistent, growth funding available to construct, maintain and improve the local road networks which play a vital role in contributing to and supporting the national freight and road networks.

The fact that the Inquiry's terms of reference do not explicitly include metropolitan urban centres is a concern as the vast bulk of the nation's freight is transported within and through metropolitan areas on-route to intermodal facilities, ports, and airports.

The EMRC urges the Australian Government to adopt a broader, more inclusive focus that aims to develop stronger communities throughout the nation.

The Australian Government must play a more proactive leadership role in supporting States and regions to develop regional integrated transport plans that will ensure the nation's transport network offers efficient and effective access to markets for Australian industry, whilst addressing the need to develop more effective public transport systems and travel demand management strategies so as to reduce the pressures on the road network.



5 Attachments

- Review of the Transport Needs of the Perth Eastern Metropolitan Region



6 References

Australian Local Government Association (2004), *Federal Budget Submission 2002-2003*
Available at www.alga.asn.au/submissions/2002/2002FederalBudgetSub.php [accessed 4 May 2005]

Champion, C (2004), *Submission by the Institute of Public Works Engineering Australia on the Auslink Green Paper*, IPWEA, Sydney, Australia.

DOTARS (2005), *Auslink White Paper*, Department of Transport and Regional Services, Canberra, Australia. Available at http://www.dotars.gov.au/auslink/white_paper/1.aspx [accessed 5 May 2005]

Garnett, D, Miller, J, Johnson, T, (2003), Forecasting Inter-Regional Freight Transport from Regional Australia, Austroads, Sydney, Australia



ADDITIONAL INFORMATION HELD BY THE COMMITTEE

ATTACHMENT TO SUBMISSION NO. 41

ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH SUBMISSIONS
ARE HELD IN THE COMMITTEE OFFICE