

28 May 2010

The Infrastructure Coordinator
Infrastructure Australia
GPO Box 594
CANBERRA 2601

Dear Mr Deegan

RE: The Proposed National Ports Strategy

SAFC thanks Infrastructure Australia for the opportunity to comment upon the Proposed National Ports Strategy released in May 2010 for public comment.

The South Australian Freight Council Inc (SAFC) is the State's peak, multi-modal freight and logistics industry group that advises both the Federal and State governments on industry related issues, and is funded by both governments and industry. SAFC represents road, rail, sea and air freight modes and operations, freight service users, and assists the industry on issues relating to freight logistics across all modes.

It goes without saying that South Australia's ports provide vital links in statewide, national and international logistics chains and play an important part in economic and trade development. Accordingly, SAFC welcomes the development of a national ports strategy and agrees that it is a necessary input to the development of a national freight strategy.

Overall, SAFC agrees with the general thrust of the Draft National Ports Strategy but provides specific comment on various sections of the strategy at Attachment A.

Elements of the Draft Strategy that are of greatest concern to SAFC are:

- SAFC questions whether the strategy fulfils the Prime Minister's request that Infrastructure Australia '*...identify:*
 - *the most effective regulatory and governance frameworks*
 - *ways to improve land planning and corridor preservation*
 - *the future infrastructure requirements of Australia's ports including road and rail links'*

SAFC contends that the strategy merely restates that there is a need for these elements and does not identify the framework to that end.

- The Draft vision should relate to the nation's ports and not the strategy document itself.
- The Draft Strategy does not seem to accommodate the port ownership situation in SA. Whilst many of the concepts within the Strategy are good in principle, the reality of implementation in SA where most of the port infrastructure is controlled by the private sector will render achievement of the overall recommendations difficult, if not impossible.
- SAFC supports proposals to enhance the exchange of information along port supply chains

- Experience suggests that the development and approval of the various Airport Master Plans can be a difficult and drawn out process which should not be repeated in the proposal for ports to develop similar documents. It can be difficult to balance the port development needs, and the economic, social and environmental needs of the community.
- SAFC strongly supports the development of “buffer” strategies for the ports and key freight corridors, which should be clear and transparent.

In closing, SAFC again states its in-principle support for the development of a national port strategy and offers to work in partnership towards this objective with Infrastructure Australia and other interested parties.

Feel free to contact the SAFC General Manager, Mr Neil Murphy on the numbers listed below should you require clarification of our input.

Yours faithfully

John McArdle
Chairman
SAFC

Specific Comment on Draft National Ports Strategy

Page	Comment
9 14	<ul style="list-style-type: none"> SAFC highlights that in South Australia some (most) ports are controlled by the private company Flinders Ports Limited and not the State Government. Consequently, it will likely be problematic to impose the level of control and direction outlined within the Draft Strategy and issues of national consistency may arise.
10	<ul style="list-style-type: none"> The baseline for the Draft Plan should include the economic significance of ports (along with the defence, security and borders aspect of the national interest).
13	<ul style="list-style-type: none"> SAFC questions whether the strategy fulfils the Prime Minister's request that Infrastructure Australia '<i>...identify:</i> <ul style="list-style-type: none"> <i>the most effective regulatory and governance frameworks</i> <i>ways to improve land planning and corridor preservation</i> <i>the future infrastructure requirements of Australia's ports including road and rail links'</i> SAFC contends that the strategy merely restates that there is a need for these elements and does not identify the framework to that end.
21	<ul style="list-style-type: none"> The proposed vision should relate to the national ports themselves and not the strategy document (as it is currently written). Consequently, SAFC suggests that the vision could be rewritten to include: <i>An efficient sustainable ports and freight logistics network and system that together balance the needs of a growing Australian community and economy with the quality of life aspirations of the Australian people.</i>
21	<ul style="list-style-type: none"> SAFC agrees with the broad objectives listed within the strategy
25	<ul style="list-style-type: none"> SAFC highlights that volume and economic importance do not always coincide. For example, Port Lincoln has a relatively low volume throughput, but it is vital to the economic success of the Eyre Peninsula. Moreover, how will a socially significant, but low volume port, such as Devonport in Tasmania, be treated within the Strategy, if at all? The Strategy also fails to indicate how emerging port development opportunities will be handled within the national strategy (particularly if that specific port is not considered to be "nationally significant" at the outset).
28	<p>Recommended Action 1.10</p> <ul style="list-style-type: none"> It will be difficult to develop planning documentation in SA where ports are under private control. This may also be an issue for Queensland in the future as it moves towards port privatization.
29	<p>Recommended Action 1.11</p> <ul style="list-style-type: none"> SAFC highlights that SA does not have a jurisdiction level transport strategy (but does have a State Strategic Plan, Greater Metropolitan Area Planning Strategy, and an Infrastructure Plan). SAFC also highlights that at present there are several proposed new port developments, aimed at accommodating the forecast mining boom in this State. SAFC contends that it would be inappropriate for the State Government to "pick a winner" from competing private sector proposals which may, or may not, satisfy the requirements of individual developments and commodities. SAFC again highlights that significant work will be required in SA to develop a set of comprehensive commodity forecasts for SA industry sectors and individual ports. SAFC contends that it is inappropriate for Government(s) to assign responsibility to private port owners and impossible for private port owners to assign responsibility" to other players (especially Government(s)).
34	<p>Recommended Action 2.4</p> <ul style="list-style-type: none"> SAFC strongly supports the development of buffer strategies for port corridors and facilities and believes that these strategies should be published and freely available. SAFC also notes that compensation may be necessary if buffer strategies effectively reduces the amount of land available for development (in the event that the land is held by private parties)
35	<ul style="list-style-type: none"> SAFC takes this opportunity to highlight that, in some instances, the container terminal monitoring measures published by BITRE in <i>Waterline</i> are not consistently measured between terminal operators.

36	<p>Recommended Action 3.2</p> <ul style="list-style-type: none"> • SAFC contends that any nominated person responsible for reporting on freight efficiency should be a private sector person, and not a Government employee. Indeed, this may be a responsibility that could be coordinated by the network of Freight Councils, which operate around Australia, and have an established and extensive public / private sector links / facilitation role (with some consideration of resourcing requirements for the task).
36	<p>Recommended Action 3.4</p> <ul style="list-style-type: none"> • SAFC again contends that in SA where port privatization occurred a decade ago, it is difficult and inappropriate to require private sector operators to deliver public goods (eg: lease clauses aimed at delivering community benefits that are the responsibility of governments).
36 / 37	<p>Recommendation 3.5</p> <ul style="list-style-type: none"> • SAFC strongly supports this recommended action and contends that the full suite of Waterline measures requires review and refinement to ensure equitable measurement, efficiency and effectiveness.
39	<p>Recommendation 4.1</p> <p>SAFC strongly supports this concept.</p>