



The Infrastructure Coordinator
Infrastructure Australia
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Dear Mr Austen

The Draft National Ports Strategy

Thank you for the opportunity to comment on the draft "*National Ports Strategy*" that is being developed to progress a response to the Prime Minister's request that Infrastructure Australia and the National Transport Commission develop a strategy for consideration by the Council of Australian Governments (COAG).

The comments made in this letter are those of Western Australia's Department of Transport (Transport), with contributions from Fremantle Ports, the Office of the Environmental Protection Authority and the Departments of Premier and Cabinet and State Development. Transport is responsible for assisting the Minister for Transport to administer the *Port Authorities Act 1999* which covers the State's principal trading ports, providing advice on strategic policy matters that relate to ports, and also for operating other ports that are established under the *Marine and Harbours Act 1982* and the *Shipping and Pilotage Act 1967*.

Transport also assesses the port authority draft Strategic Development Plans and Statements of Corporate Intent, undertakes analyses of port authority capital works proposals and provides advice to the Minister. Transport knows how ports are performing in Western Australia, the governance arrangements and key issues that ports are facing. Transport and the contributing agencies, having a recognised interest in ports, are well placed to comment on the draft National Ports Strategy (NPS).

The following key messages generally exemplify our position on the draft NPS:

- We support ports being required to develop long-term integrated port and related transport infrastructure plans;
- We support those plans being published to provide surety for both public and private sector decisions in respect of port and related transport infrastructure investments;
- We support the responsibility for developing and approving long-term port and related infrastructure plans remaining with port operators and jurisdictions respectively, without any national involvement;

- We do not support the COAG Reform Council assessing or monitoring port and related transport infrastructure plans, as jurisdictions are best placed to perform this role;
- However, we support long-term port and related transport infrastructure plans being submitted to COAG and/or NTC and/or ATC for information;
- We support the use of strategic environmental assessment as a tool to better plan port developments and take into account environmental aspects; and
- The NPS could be beneficially recasted as a statement of principles and best practice, which are commended to jurisdictions.

The attachment to this letter contains more detailed comment in relation to the draft NPS.

Yours sincerely



Reece Waldock
Director General

8 / 6/2010

Att:

General Comments

The draft NPS appears committed to two important objectives, namely:

- 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; and
- 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.”

These are laudable objectives, which closely align with Western Australia’s aims in relation to the planning, development and operation of port and related transport infrastructure.

We support in principle the objectives and intent of the draft NPS in that it seeks to encourage sensible planning, protective measures and best practice in relation to the development and operation of port and related transport infrastructure. In terms of desirable outcomes, the implicit vision of the draft NPS strongly accords with Western Australia’s vision for ports.

Urban encroachment has impacted some of the older established Western Australian ports and their related land transport infrastructure. The retrofitting of buffers is, in many cases, problematic, so upgrading the land transport infrastructure often provides a practical solution to alleviating some level of social impact resulting from heavy port related traffic. While Western Australia has the transport planning expertise and capacity to identify those port related land transport solutions, the NPS could beneficially promote Commonwealth arrangements that afford practical assistance in achieving improved land transport outcomes. We support the use of buffer areas, where practicable, to protect port and related transport infrastructure from encroachment by conflicting land uses.

We support the proposal in the draft NPS that port and related transport infrastructure planning is best conducted at the local level by port authorities/operators; that should occur with necessary input from related agencies. That approach aligns with Western Australian port legislation, which requires port authorities to facilitate trade within and through the port and plan for future growth and development of the port. The responsibility of port authorities naturally extends to integrating port planning with the planning of efficient land and sea transport access, which occurs through inter-agency cooperation.

Following that process, the Western Australian Government is actively engaged by port authorities in providing formal approval of long-term port plans. While the draft NPS acknowledges the authority of jurisdictions in relation to the planning and development of port and related transport infrastructure, it appears to seek the introduction of national oversight, together with national assessment of long-term port plans through a panel of four persons and the COAG Reform Council (CRC). We are of the view that this proposed initiative needs further discussion because we are concerned that it potentially introduces a duplication of effort and is not supported. COAG has agreed to the CRC taking on an assessment role in the Cities Infrastructure and Planning Taskforce as an ‘exception’. We believe the CRC’s primary focus should be on delivery of agreed major national reform priorities, which

include agreed performance measures/outcomes and where, in many cases, funding is contingent on performance. Monitoring and assessing 'Strategies' in the main do not meet that criterion.

The Western Australian State-wide Integrated Transport Strategy currently under development, in which port and related transport infrastructure planning and development will be an important element, further emphasises the State Government's concern for integrated port and related transport planning.

The draft NPS draws-in State agencies with legislated environmental responsibilities, which will need to be realigned or devolved to advance the intentions of the NPS. Further consideration needs to be given as to how some of the recommended actions in the draft NPS relate to the Western Australian Environmental Protection Authority's statutory obligations.

We support the use of strategic assessment as a tool to better plan port developments and take into account environmental aspects. However, the introduction of a "nationally consistent environmental management regime" could potentially result in a "weakening" of the Environmental Impact Assessment (EIA) process in WA, in order to fall in line with less stringent processes in other jurisdictions.

It is unclear whether the proposal that the Commonwealth "lead the development and application of this regime" implies that jurisdictions no longer undertake EIA in relation to the ports identified. It is uncertain whether projects at those ports would be subject to Commonwealth-led strategic environmental assessment or whether existing bilateral arrangements would apply. Furthermore, the notion of "expedited and simplified assessment processes which recognise economic criticalities" and the economic factors listed to be taken into account in the application of the proposed regime raise concern that environmental issues will be marginalised in the assessment of proposals for the development of the identified ports.

We support the need to streamline environmental approvals, but changes in State and Commonwealth roles might be difficult to achieve in practice. This is an area in which the Commonwealth could play an important role - firstly by ensuring that its own approvals processes (eg sea dumping permits and EPBC Act assessments) do not introduce onerous requirements, timeframes, conditions etc and avoid duplication. One aspect that is often overlooked is the fact that whilst the process itself may be seen to be efficient, it doesn't operate efficiently in practice. Secondly, consideration could be given to Commonwealth mechanisms to streamline approvals processes, or to protect existing and proposed transport corridors and port precincts (in the 'National interest') in the case of ports that are of national significance.

In our view, the background papers for the NPS are very useful and provide excellent context to guide policy makers and port practitioners in their work. Pulling this material together and providing both a national and international perspective in a concise manner is a major achievement and we would recommend that these documents are promoted and circulated widely.

We believe that there is a need for further discussion in relation to some of the recommendations that relate to co-ordination and reporting. For example, the draft NPS rightly points out that port and related transport infrastructure planning is best conducted at the local level by port authorities/operators and the jurisdiction,

however, it recommends that the planning documentation be assessed and monitored by COAG.

Rather than implementing complex co-ordinating and oversight mechanisms that cut across jurisdictional responsibilities, it is recommended that the NPS be recast as a statement of principles and best practice, which are commended to jurisdictions to implement. To the extent that the NPS represents the Commonwealth's position, this could be recast in terms of the expectations that the Commonwealth may have of jurisdictional planning were jurisdictions to approach the Commonwealth for a funding contribution.

Although there is no Commonwealth funding commitment in the draft NPS, there may be an opportunity for the Commonwealth to assist in the funding of infrastructure corridors leading to major ports or for reserving land for future corridors or inland terminals or even buying back land developments, which are incompatible with the interests of jurisdictions.

The NPS could usefully acknowledge the issue of climate change, both the potential physical impacts on port operations and the implications of any future emission trading scheme. For example, the implementation of a carbon tax, together with increasing demand is likely to increase fuel prices. It's understood that the shipping industry's rational response will be to build larger ships and to slow them down, thereby greatly reducing fuel input costs (and greenhouse impact) per unit of cargo. Larger ships equate to deeper and longer berths. Slower ships coupled with fuel savings, however, equate to less port flexibility as vessels will not speed up in order to access berthing time slots, which in turn means that more berths will be required. The development needs of ports need to be addressed with respect to climate change and environmental management.

The draft NPS puts a lot of emphasis on forecasting and the use of the BITRE. We acknowledge that forecasting is important and is the basis for indicative planning, which is about how a port or jurisdiction could provide for a certain level of trade as opposed to implementation planning, which is driven by investment in the context of market conditions. However, we note that the BITRE provides trends and analysis based on data or activity that has already occurred. The value of this approach is probably more applicable to capital city container ports than to regional ports. Ports serving the resources sector will, when planning, rely more on the forward looking projections of resource companies than on trends identified by the BITRE. In deed, the port authorities running these ports will be in receipt of information from companies wanting to use their ports long before any trends become obvious in Australia's official statistics.

Western Australia ports have experienced very substantial increases in trade during the past 10 years, with some ports trebling their trade volumes. We have seen very little evidence of blockages in supply chains and whenever an increase in port capacity has been required it has been implemented. There are now plans underway to further increase our port capacity by an order of magnitude in the North West over the next 5 – 10 years. Likewise, large increases in the container trade are forecast for Fremantle Ports, albeit that these increases are over a longer period.

Looking ahead we see the major planning challenges for ports in Western Australia revolving around:

- Reserving enough land and protecting corridors in our metropolitan area for the future long-term demands of the container trades;
- Improving access to ports and upgrading transport corridors at some of our established regional towns to cater for products from mining projects; and
- Managing competing interests of mining companies in the North West of the State, ensuring fair access and that privately funded transport infrastructure is not designed and developed in a manner that unreasonably creates barriers to other companies.

Conclusion

The objectives of the NPS are supported. There is useful reference material in the background papers that can be used to inform policy practitioners and serve as a guide for planners and port operators.

The responsibility for ports and indeed most of the actions detailed in the proposed strategy rest with State and Territory jurisdictions. The Commonwealth's role in the planning of ports and in the provision of port related infrastructure is minor unless the Commonwealth is offering to provide funding for freight and port service corridors and related infrastructure.

We consider that the co-ordination mechanisms in the strategy, whereby bodies such as the NTC and COAG would have responsibility for assessing port plans, needs further discussion to avoid duplication of effort

It is suggested that the draft NPS be applied as a best practice reference tool of policies and principles for application by port and jurisdictional planners. We acknowledge that there is a lot of good reference material in the Background Papers that provide valuable contextual information and could serve as a guide to jurisdictions.

Western Australia supports the development of long-term plans by ports, as many Western Australian ports are already producing such plans., In addition to its responsibility for assessing and approving port and related transport infrastructure plans, Western Australia will engage constructively with the NPS in programs and arrangements that assist ports in responding effectively to the growing demands of trade, through timely improvements to and development of port and related transport infrastructure.