



Looking Beyond the Integrated Freight Strategy for Queensland

The QTLC's

"Plan for Action"

The Queensland Transport and Logistics Council (QTLC) seeks to enhance the outcomes described in the recently released Integrated Freight Strategy for Queensland (IFSQ) by delineating a clear and concise course of action to give effect to the various recommendations and aspirations contained therein.

The objective of this exercise is to better inform the Queensland Government, through the Department of Transport and Main Roads (QTMR), as to what the freight and logistics industry considers to be fundamental to delivering on the IFSQ's ambitions.

Missing from the IFSQ is any consideration of commercial imperatives which cause supply chains to falter and reduce the competitiveness of Queensland and Australian industry. The QTLC is uniquely positioned to advise Government on actions which are commercially "do-able" and capable of being assimilated by industry into a more efficient supply chain.

The QTLC was closely involved with the development of the IFSQ and continues to support the Strategy as a worthy precursor to the development of an action plan to deliver genuinely necessary reforms and investment to liberate the industry from continually playing a support role in shaping the transport future.

The QTLC is acutely aware that personal transport, be it by car, bus, rail, bicycle or walking, commands much of the Government's attention when devising transport policy and making planning and investment decisions. Whilst this is understandable from a political perspective, economically this infatuation is unsustainable.

The QTLC welcomes Government's endorsement of the IFSQ and now seeks to galvanise that sentiment into a "Plan for Action" as the next logical step in delivering on the Strategy.

In doing so, the QTLC intends to focus on three core streams of investigation: namely

- ❖ Infrastructure and Planning
- ❖ Access and Regulation
- ❖ Intermodal Freight

These were the main recurrent themes which emerged from the QTLC's consultation with industry during the development of the IFSQ. To this end, the QTLC will conscript three working groups

comprising a diverse range of industry stakeholders, drawn from the extensive networks of QTLC members, to provide input to a series of recommendations to be put before Government. Doubtless there will be areas in which these working groups overlap to a lesser or greater extent. It will be the role of the project manager to ensure duplication of effort is minimised.

In addition, the QTLC will seek submissions from stakeholders and other interested parties as to their views about how to best procure the policy outcomes the IFSQ has identified.

Without pre-empting the outcome of the working group's deliberations, it is abundantly clear to the QTLC that a major overhaul of the myriad legislation and regulation governing the industry is necessary to promote innovation in the way both industry and Government interact to tackle issues impacting the movement of freight and to refocus the Government's attention on achieving its own policy aspirations.

The Terms of Reference for each of the Working Groups are outlined in the following pages. It should be noted that the focus for each working group is state-wide. The QTLC is acutely aware that these issues permeate the whole of the industry and are not confined to the south-east corner of Queensland.

In the interests of generating discussion among Working Group participants, the Terms of Reference are not intended to be highly prescriptive in terms of what can or cannot be discussed. However, the clear instruction for each group will be to deliver specific actions for Government consideration consistent with the aims and aspirations of the IFSQ.

To this end, the Agenda for each Working Group will be focussed on delivering on three core questions:

1. What do we have now that we don't need?
2. What don't we have that we do need?
3. How do we ensure that the future does not replicate the mistakes of the past?

While it is acknowledged that item 2 will likely receive the bulk of attention, items 1 & 3 are equally important if the "Plan for Action" is to be credible and worthy of Government consideration and implementation.

However, the industry too needs to be aware that it will need to shoulder some of the burden of improved supply chain performance, be it in the form of industrial relations reforms, altered access charging or changes in the way that business risks are managed and compensated.

A "Plan for Action" which simply requires the Government to resolve these issues in isolation is unlikely to receive due attention or lead to meaningful reform.

A timetable for this project is also attached.

Terms of Reference

Infrastructure and Planning Working Group

Infrastructure and Planning are key to the movement of freight both now and in the future. Except for dedicated freight networks such as those which exist for coal and are directly underwritten by that industry, more ubiquitous freight is required to share infrastructure developed primarily for passenger use.

Similarly, transport planning is largely passenger based with freight operations obligated to retrofit into the network as best they can. Uncoordinated planning between Local, State and Federal agencies and lack of foresight has left the freight industry to simply “make do” with the passenger network even within industrial precincts.

With such a wide remit, the Infrastructure and Planning Working Group (I&P) will be asked to consider three related areas of investigation and to answer a series of key questions based on each.

- ❖ Long haul
 - By this we mean interstate or inter regional movement of freight
- ❖ Last Mile
 - This is a euphemism for those infrastructure shortcomings which cause disruption to the efficient movement of freight from origin to destination.
- ❖ Congestion
 - Delays to the movement of freight caused by lack of infrastructure capacity to handle demand

In investigating these issues, the I&P WG might wish to consider specific issues such as:

- ❖ The need for integrated planning for long term infrastructure and the protection of freight corridors and intermodal hubs.
- ❖ The need to develop a map of current and future freight corridors, including - for current corridors – details of their capacity and utilization and any specific impediments to freight efficiency (e.g. bridges, turning radii etc)
- ❖ The need for Qld infrastructure planning and development to dovetail with and leverage national and local government strategies for infrastructure investment
- ❖ The likely impacts of privatisation on the Government's ability to facilitate infrastructure planning and development.

- ❖ Why isn't the current planning regime working to facilitate the movement of freight both now and in the future.

Purpose

The Purpose of the I&P WG is to identify improvements to the existing infrastructure stock and make recommendations about future planning regime required to facilitate efficient and sustainable freight movement.

Objectives

The objectives of the I&PWG are to:

- ❖ Provide expert advice to DTMR on infrastructure bottlenecks from an operational perspective
- ❖ Identify and report on issues relating to the intermodal transport sector.
- ❖ Determine the intermodal volumes and tonnages being transported on an intra and interstate basis.

Outcomes

- ❖ Identification of major freight bottlenecks in the QLD freight network for each mode and identifying which industries are most impacted by these shortcomings
- ❖ Suggest the improvements required to alleviate these shortcomings
- ❖ Prioritising these improvements and estimating the economic cost of failure to act
- ❖ What planning regime needs to be put in place to ensure that the need to move freight is recognised in planning specifications?
- ❖ What are the minimum standards which need to be prescribed for transport infrastructure in and out of (and between) planned and existing freight precincts?

Terms of Reference

Access and Regulation Working Group

The Access and Regulation Working Group (A&R) has the responsibility to canvass a very broad range of issues impacting on the day-to-day operation of freight movement, not only within Queensland but across state and international borders by transport mode.

(Note that the intermodal Working Group will be responsible for the investigation of issues occurring between modes)

Simply put, access to transport infrastructure is about resolving conflicts between the following imperatives:

- ❖ Will the granting of access be safe?
- ❖ What is the fair cost of access?

These decisions are generally made by the infrastructure owner with reference to any relevant legislation and a view to their own commercial wellbeing. Issues about access are heavily determined by the state of the infrastructure and the various users the infrastructure might be required to sustain. Traditionally, Government infrastructure owners have been focused on preservation of the asset due to the lack of pricing options to recoup the costs of additional wear and tear on the asset.

Regulating access is the outcome of the Government attempting to balance these imperatives either as the owner of the infrastructure or as part of a broader remit to manage access for the greater public good. For example, ensuring that restrictions on the use of infrastructure are not anti-competitive.

Both access and access pricing are of significant concern to the industry, as is the length of time it can take for access to be granted or withheld. Combined, these issues serve to stymie competition and reduce innovation; arguably the lifeblood of the commercial transport sector.

In the process of achieving these outcomes the A&R Working Group would need to consider issues such as:

- ❖ The ongoing relevance of passenger priority
- ❖ How can Governments, both National, State and Local, work together to streamline approvals for innovative freight vehicles
- ❖ The best way to consolidate the plethora of legislation and regulation affecting the industry and a better means of making that governance regime understood and accessible.
- ❖ Is the amount of Regulation outstripping the Government's ability to enforce it?

Purpose

The Purpose of the A&R WG is to identify regulatory impediments to the efficient use of the transport network for freight and recommend improvements to overcome them.

Objectives

The objectives of the A&R WG are to:

- ❖ Provide expert advice to DTMR on regulatory matters which adversely impact freight operations.
- ❖ Identify and report on issues affecting efficient access to the network.
- ❖ Determine key access bottlenecks in the system and prioritise interventions to relieve the current impasse.

Outcomes

The A&R Working Group will be tasked with achieving the following outcomes.

- ❖ Establishing whether the power to regulate in the right hands?
- ❖ Identifying what Regulation is past its use by date?
- ❖ What must be done to:
 - Harmonise Regulation across jurisdictions
 - Improve the speed of decisions about access
 - Facilitate 24/7 freight operations (avoid congestion)
 - Improve knowledge about regulations and achieve higher levels of compliance.

Terms of Reference

Intermodal Working Group

For the purposes of this working group, “intermodal” freight will be defined as containerised freight; notwithstanding that this is a rather narrow definition of the task. However, the Intermodal Working Group (IWG) will consider both the domestic and international supply chain for containerised freight.

Time permitting, the intermodal transport of bulk commodities will also be considered. However, as these supply chains rely heavily on dedicated infrastructure and freight operations, issues with these supply chains tend to be containable and managed accordingly. The containerised freight supply chain, on the other hand is far more ubiquitous and more likely to falter through interaction with other traffics on the network.

Given that the Access and Regulation and Infrastructure Working Groups will focus on modal issues, the IWG will be tasked with focussing on the interaction between modes and the commercial relationships between supply chain participants (including the apportionment of risk).

Intermodal freight is often touted as a means for freight to bypass increasing road congestion and as a foil against rising fuel prices, however, there is little evidence to suggest that intermodal freight is increasing its market share. This implies that the underlying supply chain benefits of intermodal are not being realised.

Undoubtedly, intermodal freight represents some core challenges for the industry and the infrastructure and regulatory environment in which it operates. By definition, intermodal freight requires dedicated terminals to transfer freight from one mode to another. They also require specialised equipment and infrastructure to facilitate that transfer and consume often large areas of real estate to accommodate storage of goods between delivery and pick-up. These terminals must also accommodate regulations governing two otherwise discrete modes but provide a viable alternative to single mode freight movement.

Additionally, there are many steps in the supply chain for containerised freight which require a good deal of synchronisation if these interactions are to be harmonised into an efficient supply chain.

That many intermodal supply chains involve the import and export of containers, be they full or empty, adds another layer of complexity with Commonwealth agencies such as Customs and the Australian Quarantine Service also having a keen interest in the supply chain.

As such, the IWG’s investigations to determine actions required to better facilitate the containerised supply chain will follow the following template.

❖ Terminals

- Is there sufficient terminal capacity to accommodate the supply chain?
- How can terminal capacity be better utilised?
- Are terminals (including for empties) appropriately located or planned?

- Are inland terminals a viable alternative to port based operations?
- Is a rail shuttle service in Brisbane viable
- ❖ Line Haul
 - Is there sufficient road, rail and shipping capacity to accommodate the supply chain?
 - How can industry as a whole transfer more containerised freight to rail?
- ❖ Commercial
 - What commercial imperatives are acting to reduce supply chain efficiency?
 - Is regulation hampering cooperation among supply chain participants?
 - What arrangements are necessary for intermodal to become a viable alternative to single mode operation?
 - What information needs to be widely available to facilitate intermodal freight?
 - Are there any lessons to be learned from the Multimodal Australia Responsiveness Project?

Purpose

The Purpose of the IWG is to identify impediments to a greater use of intermodal solutions and seek ways to overcome them.

Objectives

The objectives of the IWG are to:

- ❖ Provide expert advice to DTMR on intermodal issues
- ❖ Identify and report on issues relating to the intermodal transport sector.
- ❖ Determine the intermodal volumes and tonnages being transported on an intra and interstate basis.

Outcomes

The desired outcomes of the IWG are:

- ❖ Improved understanding of the intermodal sector within Gov and industry.
- ❖ Identification of the issues which affect the intermodal sector and an agreed strategy to deal with them.
- ❖ Stronger advocacy and representation of intermodal issues at state and national levels.
- ❖ Identification of the size of the intermodal sector and the intermodal volumes and tonnages being transported annually.

Date	Milestones and deliverables
End February 2011	Finalise membership of the Working Groups
Mid March	Convene first Working Group meetings/interviews
End March	Outcomes from Working Group meetings distributed to members and QTLC
Mid April	QTLC meets to consider outcomes and provide further direction to the Working Groups as to preferred outcomes
End April	Working Groups reconvene to consider QTLC's directions and finalise recommendations.
End May	Draft "Plan for Action" distributed to Working Group and QTLC for consideration
Mid June	Final comments due back to project manager.
Early July	Final "Plan for Action" delivered to QTLC for endorsement and Submission to Government.

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