



AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION

Submission

to

Infrastructure Australia

***National Land Freight Strategy – Discussion
Paper***

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Introduction

The Australian Local Government Association (ALGA) represents the interests of more than 560 councils at the Federal level. Its membership is made up of the associations of local government in each state and Northern Territory. The ACT Government is also a member in its role as the local authority in the Australian Capital Territory.

Background

Local government's primary interest in freight stems from its responsibilities for local roads. The construction and maintenance of the local road system is one of local government's major tasks and in most councils it is the single largest item of expenditure. The local road system is a significant component of the national transport system totalling some 650,000 kilometres, or over 80% by length of all roads in Australia. The National Transport Commission estimates that some 18% of kilometres travelled by vehicles over 4.5 tonnes and 28% of all kilometres travelled for commercial purposes are on local roads.

Although local government has no direct role in the provision of other forms of freight infrastructure such as rail, ports and pipelines, individual councils have a keen interest through their planning role including, at times, balancing the competing expectations of communities and the freight industry.

Local government has complex accountability requirements. Each council is democratically elected and its representatives are accountable through the ballot box to their communities. Each council is also accountable to the responsible state or territory Minister. As a result of these complex accountabilities ALGA, a national peak body, can only provide broad statements of principle about local government interest in a national freight strategy.

Different Perspectives on Freight

The National Land Freight Strategy Discussion Paper has obviously been prepared from the perspective of achieving the best possible freight outcome. While this is a legitimate perspective it is not the only way to view freight.

From a local government perspective the movement of goods has no value of its own. The value comes from the use to which those goods are put by individuals, communities and industry. Different communities will have differing values and hence they will value freight access differently. What is acceptable to one community will be unacceptable to other communities.

As a result each council values access differently as well as having different values to the freight industry. For example from a freight operator's perspective the shortest route at the best speed produces the best outcome. A deviation of, say, 10 km to avoid running past a school does not make any sense from a freight operator's perspective as it adds to cost. The community, from a perspective of amenity however may view the cost to travel the additional 10 km as reasonable. The freight operator, wearing a parent's hat, may also support the deviation of heavy vehicles if they have a child at the school.

The Discussion Paper refers to encroachment of transport facilities from housing and other developments as a failure in the planning process. Planning, particularly in an urban setting

is complicated by overlapping responsibilities between the state and local government. Competing land use pressures, especially for housing can overtime result in encroachment.

A further consideration is the changing attitude of communities over time. For example a level of freight operations that may have been acceptable at one time may become unacceptable as the volumes of freight increases. Changing community structures may also result in changes in the level of community acceptance of freight vehicles eg the gentrification of former industrial areas.

It is unrealistic to expect our cities not to change over time and the freight industry needs to adapt to these changing patterns of settlement. It is incumbent on both the planning agencies and the freight industry to work together to ensure that competing needs are met.

Last/first Mile

Access to key logistic infrastructure and production centres is often via local roads. ALGA is aware of ongoing concerns from the freight industry about the ability to gain access to local roads for higher productivity vehicles and the impact of denying access on the overall logistics chain.

ALGA has developed, through Austroads, *Guidelines for Assessing Heavy Vehicle Access to Local Roads* to assist individual councils to make access decisions. The guidelines emphasise recognition by local government that the last/first mile is part of an overall logistics chain and should be considered within this overall transport perspective. Jurisdictions have also developed access guidelines that can be used by councils to assist them to make decisions

However, the Austroads Guidelines also emphasise that decision making remains with councils which should continue to make decisions based on a broad range of community as well as freight efficiency issues. Councils in Queensland, for example, are obliged to ensure that equity of access for their communities is preserved when approving heavy vehicle access.

Local Government Responsiveness to Demands from the Freight Industry

Despite the claims of the trucking industry that local government is unresponsive to the needs of the freight industry, in practice local government has a long history of working with freight operators to provide access to local roads. There are many examples in all jurisdictions of councils and industry working together to upgrade roads to allow heavy and higher productivity vehicle access. The examples include upgrading of roads to support the dairy industry, forest plantations, mines, quarries and freight facilities in urban areas.

Despite the understandable claim of freight operator to have already paid for the use of the road system through registration and fuel excise, there are numerous examples of ah hoc arrangements developed between councils and industry to pay for any road upgrading.

Regulatory Reform

ALGA supports the establishment of the National Heavy Vehicle Regulator including its proposed role of issuing access permits for higher productivity vehicles for all roads,

including local roads. Local government is however pleased to see that the principle that decisions about access will remain with the road owner and manager will be maintained. Local government is waiting to see the detailed processes and mechanisms about the how the arrangements will work.

The proposal for the National Heavy Vehicle Regulator to issue access permits has the potential to improve access for higher productivity vehicles. Local government is committed to working with the National Heavy Vehicle Regulator to establish efficient mechanisms for the interlinking of local government access approval and the Regulator's systems. There will need to be a recognition of the limited technical capability of many councils, especially smaller councils and local government will be looking to the Federal and state governments with the bigger pool of technical expertise for support in this area.

Grain Lines

A freight issue of particular concern to local government in the grain growing regions of Australia is the condition and the closure of rail lines with the primary role of carting grain. The running down and closure of these lines means that grain is being carted increasing distances by road, often on local roads. This is placing increased pressure on these roads without any direct recompense to the council for the extra damage caused to local roads by the increased traffic.

The use of higher productivity vehicles to cart grain greater distance in some cases also places increased pressure on councils to upgrade the roads and bridges to cater for these vehicles.

Local government perceives this creeping transfer of grain haulage from rail to road as a cost shift from state operated rail systems to council owned and managed roads without proper analysis and regard to achieving the best overall transport economic outcome.

ALGA is pleased to note that in some jurisdictions there has been agreement to rationalise the transport of grain that involves additional funding of roads, rail and terminal facilities.

Funding of Local Roads

Total expenditure on local roads by councils is estimated by the Bureau of Infrastructure, Transport and Regional Economics to be \$3127 million in 2007-08 (the latest year for which data is available) of which the Federal Government provided \$900 million and is the second major source of funds after local government own source funding.

In any discussion of freight access to local roads it is important to recognise that about two thirds of local road expenditure is sourced from council rates revenue and that there is no direct relationship between funding of local roads and road usage.

The COAG Road Reform Plan has found that the marginal cost of heavy vehicle travel on local roads is far higher than for any other category of road because of the lower standard of construction. This raises a clear need to link heavy vehicle usage of local roads to local road funding.

The grants for local roads from the Federal Government are made up of:

- Roads to Recovery
- Financial Assistance Grants identified for roads
- BlackSpot
- Grants for specific projects

These grants do not, nor are they intended to, recompense local government for the damage caused by heavy vehicles. Roads to Recovery and BlackSpot funding are provided for specific purposes (to address the back log of needs and to address specific safety issues respectively) and do not address damage by heavy vehicles on local roads. Financial Assistance Grants identified for roads are provided as general purpose grants and are neither required to be spent on roads nor do they reflect road usage by heavy vehicles.

Local government is strongly supportive of the work by COAG Road Reform Plan to relate road damage to road funding in the expectation that some funds will flow to local roads to compensate councils for the damage incurred by heavy vehicles.

Conclusion

Local Government supports the concept of a National Land Freight Network Strategy to achieve an appropriate balanced split of freight between modes and to achieve the efficient movement of freight supported by an appropriate investment regime. A balanced freight outcome can only be achieved by a whole of transport approach from all levels of government and the freight industry.

However, freight efficiency should not be at the expense of community safety and amenity or to the detriment of local community finances. Local government would be concerned if a National Land Freight Network Strategy resulted in the imposition of freight routes on local communities without consultation and agreement from those communities. These should be developed through detailed consultation at the local level between local government, the freight industry and other infrastructure providers.

Local government through its role as road manager and primary funder of the first/last mile has an important part to play in providing a freight network and ensuring the efficient operation of the freight industry. It has a long history of working with the freight industry and industry more generally to ensure that roads are upgraded and maintained to meet industry needs.

Local government recognises and takes this role very seriously, but it also has to respond to funding priorities and constraints and the expectations and concerns of the local community which may not coincide with the priorities of the freight industry.

Local government has shown and continues to show support for the emerging reforms in road freight by the National Heavy Vehicle Regulator and the COAG Road Reform Plan.