

National Land Transport Productivity Framework PORTS AUSTRALIA SUBMISSION

Ports Australia welcomes this opportunity to provide comment on the development of a transport productivity framework. We have reviewed the Issues Paper drafted by the national Transport Commission and endeavoured to respond to questions which we consider Ports Australia can make a meaningful contribution.

Ports Australia – Representation

Ports Australia is the peak industry body representing all port authorities and corporations, both publicly and privately owned, at the national level. Ports Australia is a constituted company limited by guarantee with a Board of Directors, comprising the CEOs of 10 member ports. Our website is at www.portsaustralia.com.au

General Comments

Port Australia welcomes this initiative to develop a new framework that will help define and measure Australia's land transport productivity. This exercise has the potential to provide useful transport productivity data and assist policy makers and businesses in their planning and investment decision making.

To this end, it would be useful for the NTC to clarify how this framework aligns with the overall national land freight strategy, how its consideration would fit with the agenda of the National Transport Council and how the Commonwealth, state and territory departments for transport would use this information as part of their policy analysis brief. While we recognise the NTC is in its early steps of developing the framework, we consider it essential that all Australian governments and their departments recognise early on the value of this framework and are committed to utilising the data in effective policy planning and decisions. The obvious risk being that the NTC develops data that key stakeholders:

- do not necessarily find useful; or
- are not committed to collaboratively using to improve the overall national transport picture.

Response to Questions

1. What should be included?

1.1 We agree with the list of high-level indicators outlined for providing meaningful information about productivity for decision-makers, except for the following:

- Tonnes moved per driver – as presented this may not provide an accurate holistic and comparative value because some companies may employ more / less drivers depending on the route and time of its operations, the enterprise bargaining agreements in place and any regulation / legislation that the company has to abide by.
- Wage costs of the labour – as presented this may not provide a comprehensive view of the wage costs depending on how the enterprise bargaining agreement has been setup at different companies. At the same time wage costs will differ from state to state due to the varying cost of living factors in each state and territory.

Other indicators which may warrant consideration:

- Cost per distance travelled;
- Net Profit per volume and distance travelled; and
- Measure of congestion by modal transport routes.

1.2 We agree with the suite of qualitative indicators outlined and suggest that these be collected on a biennial basis to allow for sufficient evolution, refinement and learnings to impact the measurement of productivity growth.

2. What gaps are there?

In undertaking a comprehensive view for developing a transport productivity framework consideration should also be given to:

- the impact of intermodal terminals in improving productivity, including the geographic positioning to enable the improvements;
- investment by governments to incentivise, facilitate and / or mobilise industry that lead to productivity growth;
- freight corridor planning by governments which allow for the efficient movement of goods; and
- the capacity and throughput at our ports.

A key consideration which should also be factored is the impact of regulation on productivity. While regulation is necessary, looking at this matter from a productivity perspective should provide policy makers with some focus on streamlining regulation and reconsidering the need for other regulation. Regulatory matters that currently impact the transportation sector include the current coastal freight policy, workplace / industrial relations policies and route compliance.

3. How should the results be collected, presented and maintained?

3.1 We agree that an industry survey could potentially provide the necessary information. We suggest that an online survey would allow all participants to easily respond. However, this method runs the risk of not getting sufficient or accurate information. Therefore, we also suggest engaging with BITRE to source relevant information (e.g. Waterline), and liaising with industry bodies to complement the information from survey data. Subject to the value of the data received, we consider that the survey data would be a valuable supplement to the current MFP.

3.3 We suggest that government is best placed to design the survey in consultation with industry bodies and a cross section of businesses in the transport / logistics sector, which could provide pragmatic advice in getting useful responses.

4. How would you use the productivity framework?

4.1 We suggest a biennial 'productivity snapshot' report would provide the balance between the administrative burden of collecting and undertaking a survey with the value for decision-makers who implement policies over a longer period of time.

4.2 Information gathered from the proposed survey would assist us:

- engage with government in policy and investment dialogues; and
- work with our members (the ports industry) to improve planning and investment in port operations and the supply chain.

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4 October 2016