



**AUSTRALIAN TRUCKING ASSOCIATION
RESPONSE TO THE HOUSE OF REPRESENTATIVES ENVIRONMENT &
HERITAGE COMMITTEE INQUIRY INTO *SUSTAINABLE CITIES 2025***

NOVEMBER 2003

1 BACKGROUND

The Australian Trucking Association (ATA) is the peak body of the Australian trucking industry. Its 16 member organisations include state and territory based trucking associations, sectoral trucking associations, national trucking companies and the Transport Workers Union.

It is estimated that the road transport industry contributes almost \$10 billion to Australia's GDP with approximately 500,000 persons involved in road freight transport.

Since its inception in 1999, the ATA, and previously as the Road Transport Forum (RTF) since 1989, has been heavily involved in a number of policy issues relating to the Australian trucking industry – notably: safety (including accreditation); taxation; environment; road funding; regulation; and technology and innovation.

2. INTRODUCTION

On 8 August 2003 the Minister for Environment and Heritage, the Hon Dr David Kemp MP announced that the committee is to inquire into the development of sustainable cities. The inquiry into *Sustainable Cities 2025* 'seeks to identify current and future trends of settlement, the sustainability issues associated with these settlement patterns, and how government policy might ensure that developed areas retail an Australian lifestyle without diminishing the future value of Australian eco-systems'.¹

From the perspective of road transport and the provision of adequate roads infrastructure, the Australian Trucking Association (ATA) believes that there will be considerable social, economic and environmental impacts stemming from expected population and economic growth and the inevitable 'urban sprawl' that will occur. Although not all of these impacts can be totally eliminated, there is much that all stakeholders can do now to mitigate their impact. This submission concentrates on what the ATA perceives to be the appropriate role of the Australian government.

3. ISSUES

A continuation of sound economic and population growth, combined with an expected greater demand for 'just-in-time' transport services², and a lack of alternative, cost-effective and efficient modes of goods transportation, will equate to a substantial increase in the road transport freight task over the ensuing period. As such, it is expected that the freight task will double over the next decade – 'growing in volume from 375.3 billion tonne kilometres (btkm) in 1999-2000 to 648.5 btkm by 2020, at an average growth rate of 2.8 per cent.'³ The magnitude of the 'road' freight task is demonstrated at **Figure One**.

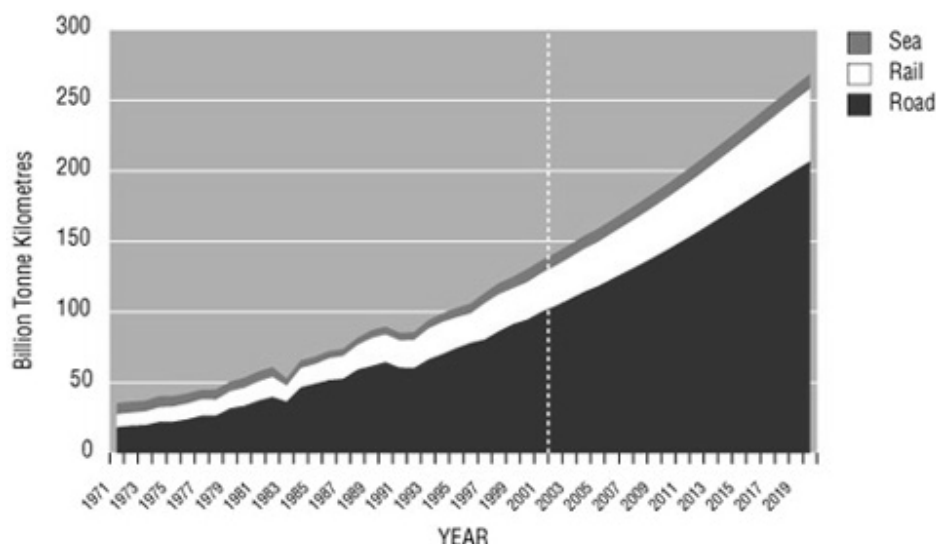
¹ Sustainable Cities 2025 Discussion Paper, pp 2.

² A function of the efficiency and effectiveness of today's transport logistics systems and a growing demand for small package deliveries stemming from e-commerce

³ Green Paper AusLink 2002 pp 12

Figure One

Total non-bulk freight by mode 1970-202 (billion tkm)



(Source: Department of Transport and Regional Economics)

It is likely that there will be significant environmental and social impacts emanating from this increase in the freight task. The challenge is balancing these environmental and social imperatives whilst maintaining the productivity, effectiveness and efficiency of the road transport sector as a source of Australia's trade competitiveness (and employment). Impacts that are likely to occur in the future include:

Environment

- Global and air pollution (greenhouse gases, particulates, carbon monoxide, nitrous oxide and hydrocarbons);
- Noise pollution;
- Watercourse and marine pollution;
- Escalating use of finite resources.

Social

- Safety issues (death and injury from crashes);
- Community dislocation (poor transport systems can mean that access to important amenities can be limited);
- Visual impact.

Whilst not all of these issues can be totally eliminated, the ATA believes that the magnitude of their impact will be contingent upon the capacity and willingness of all stakeholders (governments, industry and the community) to take substantial steps today to address them.

Whilst it is recognised that governments have budget constraints, the problems identified above cannot be adequately addressed if a 'business as usual' approach is taken. Although industry will continue to take steps to be more innovative and will endeavour to get more out of the current roads, infrastructure and regulatory system through self-regulation, accreditation and compliance, successfully addressing the social and environmental concerns identified above will take a large and committed policy approach by all tiers of government.

Notwithstanding that there has been considerable road investment in the past, there is evidence to suggest that all governments have not maintained a sufficient level of funding. For example, Allen Consulting (2003, pp. 4) state that investment (at all three tiers of government) in the 'nation's overall net road stock has increased since 1960 in absolute terms, but declined as a proportion of GDP from about 22 per cent then to a little over 10 per cent in 2002' and 'Commonwealth expenditure on roads has remained flat over the past decade, while road related revenue raised by the Commonwealth – the bulk of road user charges – has continued to climb'.

Further, the Australian Automobile Association (AAA) estimates that in 2002-03 the Commonwealth will collect \$13.25 billion from fuel excise yet will only contribute around \$1.936 billion to the road network. The consequence of this is a considerable maintenance 'backlog'. According the Bureau of Transport and Communications Economics the estimates of expenditures needed for sections of the national highway system (to maintain it to a pre-determined standard) will be approximately \$11,125 million by the period 2006-2020.

Given the magnitude of this backlog, and as a means to improve the sustainability of Australia's road transport system (especially if settlement becomes increasingly 'outwards'), governments must do a number of things, namely:

- Gather consensus on and commitment to the Australian Government's AusLink proposal. The initiatives outlined in the AusLink Green Paper are on whole supported by the ATA and should form the basis of Australia's long-term national road transport strategy;
- Stemming from the AusLink green paper, alternative modes of road and infrastructure funding must be sought. A model that is currently under utilised and potentially advantageous to all is the private public partnerships model. However, careful consideration must be given to ensure that monopolistic power cannot be exercised and that the commercial return expected by investors can be realise in a manner that safeguards road users;
- Governments must prioritise its funding. It is financially impractical to construct additional roads to accommodate all potential traffic growth. Priority should be given to providing additional capacity where it is important for safety, freight and public transport;
- The Australian Government has a considerable budget surplus at present. A portion of funds from this surplus should be directed towards the implementation of AusLink as well as other complementary initiatives, such as:
 - extending and upgrading roads infrastructure rather than simply 'maintaining' the road. In relation to those roads that are heavily used to move freight,

priorities should include the widening of kerbside lanes; removing roadside intrusions; providing traffic signal coordination matched to truck travel speeds; providing more overtaking lanes; and undertaking more shoulder sealing. Under maintaining roads leads to more crashes and represents a considerable social cost. Water pollution (i.e run-offs that end-up into streams) is a major environmental issue as is the noise associated with rough road surfaces. An increase in congestion has obvious safety and environmental consequences as well as the economic costs associated with delays in delivery;

- Improving the lay-out of new and existing communities. Road systems that move heavy vehicle traffic away from local areas and less suitable arterial roads to industrial hubs (that are close to freight corridors) should be encouraged. Bottlenecks that reduce the effectiveness of entire systems also need to be addressed; and
- Improving the regulatory environment and the transition to stricter regulations. The industry is committed to achieving proposed new vehicle efficiency targets (for emissions and fuel efficiency) however there is role for government to assist with the transition wherever practical. This may entail the provision of financial assistance to general information informing industry about the changes.

4. CONCLUSION

The adverse social, economic and environmental impacts identified above will be felt regardless of whether urban sprawl occurs or not, however, and as a general statement, it is probable that these impacts will be more pronounced if spatial development is 'outwards'. This is because 'sprawling' urban development will equate to more kilometres travelled by the industry and because there is likely to be more congestion.

Apart from a general trend towards larger and more centralised freight distribution centres serving as dissemination 'hubs', sprawling urban development (addressed in isolation as a specific issue) is unlikely to radically alter how industry delivers goods or how the community receives these goods. However, the effectiveness by which the industry can deliver these goods has a significant bearing upon the magnitude of the inevitable social, economic and environmental impacts that will occur.

There is much government can do to mitigate the magnitude of these impacts. Foremost, and although not the panacea, governments must commit to the AusLink proposal once finalised, and provide additional financial resources to maintaining, upgrading and extending the existing road system so that access to 'new' urban precincts is not hampered. Further, planners must build into their designs an appreciation of how the freight industry conducts its day-to-day operations maximise efficiency and productivity and to minimise all negative externalities.