

WA LABOR

# Our Vision

**FREIGHT AND TRADE**



WA Labor Policy

August 2016

# CONTENTS

An Integrated Plan to Support our Economy	4
WA Labor's Seven Point Plan	5
Executive Summary	6
Outer Harbour: The Long Term Solution for WA	8
A Vibrant Future for Fremantle Port	12
Reducing Congestion into Fremantle Port	16
Intermodal Hubs Help Reduce Congestion	21
South Quay - A Gateway to the Rest of the World	22
Perth Freight Link - A Flawed Proposal	24
Bunbury Port - Part of an Integrated Solution for WA	32
Certainty in Planning	33



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## OUR VISION: FREIGHT AND TRADE

**I am proud to present to you WA Labor's alternative to the flawed Perth Freight Link project.**

It's a real plan for Perth's long term transport needs designed to fix congestion on our roads, increase liveability in our suburbs and provide long term economic infrastructure to drive our economy and create jobs.

It will create a long term, sustainable freight solution for Western Australia. It will also increase WA's productivity and export efficiency. We are a trading State, we cannot go through the next decades without a real plan for the Outer Harbour.

Unlike the broken promises and confusion of the past eight years, our plan will immediately begin the job of working towards a new, modern Outer Harbour at Kwinana; taking pressure off truck movements into Fremantle Port and expanding and developing new intermodal freight facilities to minimise truck movements through the metro area.

A key part of our plan is making sure we get the best possible value for money from transport spending, especially given the current state of the books. That's why WA Labor does not support the deeply flawed Perth Freight Link, an expensive, divisive, poorly planned truck highway that doesn't even reach Fremantle Port.

And it's why I again call on the Liberal Government not to sign any Perth Freight Link contracts before the next State Election. The Government has no mandate to build this project. Let the people decide whether or not they want it.

Western Australians are spending longer and longer in their cars each day stuck in traffic. This not only impacts on the costs of doing business and productivity, but it also has a negative impact on quality of life with less time spent at home with family and friends.

Living in Rockingham with my wife and three young children, I know all too well about the frustrations of congestion on our roads as our freeways fill up.

Without a clear and certain plan for the future, congestion will only get worse. We cannot afford to let that happen.



**Mark McGowan**  
**WA LABOR LEADER**

## AN INTEGRATED PLAN TO SUPPORT OUR ECONOMY

A McGowan Labor Government has a long term plan to address congestion on our roads and deliver an integrated road, rail and port system for freight that will drive our economy for decades to come.

The Liberal Government in contrast has a flawed proposal to build Perth Freight Link (PFL). Their decision to spend more than \$1.9 billion on the PFL threatens to increase congestion pressures while ignoring real solutions to the long term needs of a growing Perth. They have also thrown into confusion the 20 years of bi-partisan support for the development of the Outer Harbour in Kwinana.

This money should be invested in more cost effective measures to take trucks off our roads and commence building the Outer Harbour. Instead the Liberal Government will use this money to build a road to nowhere.

There is a clear alternative.

- **A McGowan Labor Government will invest in rail, road and port facilities to deliver a long term integrated solution to Perth's future infrastructure needs, create jobs and support the Western Australian economy.**

Our plan will deliver to the people of Western Australia a modern port in Kwinana which will be built as an integrated rail, road and port development. This will ensure that it is a modern efficient system that will shift cargo to and from our ports to our suburbs and towns in the most efficient manner possible. *See page 8 for more detail.*

Fremantle Port will be maintained as a publicly owned Port with its capacity capped once the Outer Harbour is built. This will reduce trucks on congested inner metropolitan roads. Interim measures will be put in place to address existing congestion issues in the short term. *See page 12 for more detail.*

The South Quay in Fremantle will be developed as a world class cruise ship port to support the growth of tourism. *See page 22 for more detail.*

WA Labor's commitment to increase freight on rail, the importance of intermodal sites, and innovation and industrial hubs are all initiatives that are supported by independent, academic, economic and government agencies and reports.

A McGowan Labor Government's Seven Point Plan to address the long term economic needs of the State is the right choice.

## WA LABOR'S SEVEN POINT PLAN

### A McGowan Labor Government will:

- 1** Commence planning for the Outer Harbour at Kwinana and the associated road and rail links as part of the long term integrated transport plan for the State.
- 2** Improve the management of truck movements to and from Fremantle Port and upgrade road links to ease congestion into Fremantle Port.
- 3** Maintain Fremantle Port as an operational port in public ownership.
- 4** Facilitate intermodal facilities in Kewdale-Forrestfield, Bullsbrook, Mundijong and Latitude 32 in Kwinana and continue to minimise truck movements on Perth roads.
- 5** Develop South Quay in Fremantle to be a world class cruise ship port and to provide for urban renewal including commercial and tourism operations.
- 6** Continue to develop the capacity of Bunbury Port.
- 7** As a matter of priority apply to Infrastructure Australia to provide funding to the projects outlined in WA Labor's Seven Point Plan.

## EXECUTIVE SUMMARY

### An Integrated Plan to Support our Economy

A McGowan Labor Government will invest in rail, road and port facilities to deliver a long term integrated solution to Perth's future infrastructure needs, create jobs and support the Western Australian economy.

#### Outer Harbour – the long term solution for WA

- A McGowan Labor Government will allocate \$20 million to complete the planning for the Outer Harbour at Kwinana as part of the long term integrated transport plan for the State.

#### A vibrant future for Fremantle Port

A McGowan Labor Government will:

- Maintain Fremantle Port as an operational port in public ownership.
- Cap the capacity of Fremantle Port following the opening of the Outer Harbour.
- Implement a co-ordinated transition plan to the Outer Harbour to ensure the economic benefits of both Fremantle Port and the Outer Harbour are realised.

#### Reducing congestion into Fremantle Port

A McGowan Labor Government will:

- Increase the freight on rail subsidy from \$30 to \$50 per TEU and take more than 36,000 truck movements off suburban roads every year.
- Extend Leach Highway between Carrington Street and Stirling Highway to address the freight congestion on High Street.

- Implement the findings of the Fremantle Ports Truck Productivity Study to increase the hours of operations of the empty container parks, decrease the number of trucks running empty and increase the amount of freight leaving the Port on rail.

#### Intermodal hubs help reduce congestion

- A McGowan Labor Government recognises the important role intermodal facilities play in the efficient movement of cargo to reduce congestion on our roads and will facilitate intermodal facilities in Kewdale-Forrestfield, Bullsbrook, Mundijong and Latitude 32 in Kwinana.

#### South Quay – Gateway to the rest of the world

- A McGowan Labor Government will work with the City of Fremantle to redevelop South Quay for high-value development including hotels and commercial uses delivering a tourism precinct and a world class cruise ship terminus.

#### Perth Freight Link – a flawed proposal

- A McGowan Labor Government will not support the Perth Freight Link. We have an alternative plan that will deliver a long term integrated port, roads and rail solution to Perth's transport needs.

## EXECUTIVE SUMMARY

### **Bunbury Port - part of an integrated solution for WA**

- A McGowan Labor Government will continue to develop Bunbury Port as part of an integrated solution to WA's transport needs.

### **Certainty in planning**

A McGowan Labor Government will:

- Through the newly created Infrastructure WA prioritise and coordinate the implementation of WA Labor's Seven Point Plan.
- As a matter of priority apply to Infrastructure Australia to provide funding to the projects outlined in WA Labor's Seven Point Plan.

## OUTER HARBOUR: THE LONG TERM SOLUTION FOR WA

### The Outer Harbour will be planned and built as an integrated rail, road and port development.

There has been long term bi-partisan support for the development of the Outer Harbour at Kwinana. A McGowan Labor Government will set up a Taskforce to bring this long term plan to fruition to support the long term economic growth of the State.

Over many years, successive State Governments have repeatedly stated the need for an outer harbour to address Perth's growing freight challenges. Former Planning and Infrastructure Minister Alannah MacTiernan commenced detailed studies that found Cockburn Sound in Kwinana to be the most appropriate location for an outer harbour facility for Perth.

The decision by the Liberal Government to create the flawed Perth Freight Link project has delayed the planning of the Outer Harbour and diverted significant Federal and State Government resources to the building of Perth Freight Link.

- ***A McGowan Labor Government will allocate \$20 million to complete the planning for the Outer Harbour at Kwinana as part of the long term integrated transport plan for the State.***

The Taskforce will be established as a priority of a McGowan Labor Government. The role of the Taskforce will be to determine the final location for the Outer Harbour and the necessary road and rail infrastructure. This will ensure that the Outer Harbour will be planned and built as in integrated rail, road and port development.

Building the Outer Harbour as an integrated project will ensure that it is a modern efficient system that will shift cargo to and from our ports to our suburbs and towns in the most efficient manner possible. By reducing double handling and maximising the efficient movement of cargo, costs will be reduced and truck movements on Perth's roads minimised.

A McGowan Labor Government will make it a priority to seek Federal Government support for the Outer Harbour and will make an application to Infrastructure Australia for funding.

The integrated plan to build the Outer Harbour is in the long term economic interests of the State and has been declared an economic game changer for Western Australia by Regional Development Australia.<sup>1</sup>

<sup>1</sup> Regional Development Australia; Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan to 2050, piii



## The Outer Harbour: An Economic Game Changer

The Outer Harbour is a critical piece of economic infrastructure for the State.

The most recent Regional Development Australia report; *Perth and Peel Economic Development Strategy and Infrastructure Priority Plan*, identified an Outer Harbour in Cockburn Sound as a “game-changing initiative” and has warned that without its development, WA would be “held back”.<sup>1</sup>

The report went on to say that “development of the new Outer Harbour (Kwinana) presents significant jobs growth opportunities with regard to industry, transport and logistics as well as additional trade opportunities.”<sup>2</sup>

An integrated rail, road and port build will ensure that Western Australia has a modern, efficient harbour using the most modern technologies. It will support the growth of the economy for the next 50 years and

provide job opportunities for future generations.

Figures provided by the City of Kwinana estimate that at full build, the Outer Harbour will provide direct employment to almost 37,383 employees and generate indirect employment for a further 49,657 employees. There will also be significant opportunities for new support industries associated with science, innovation, technology and manufacturing.<sup>3</sup>

WA Labor has announced the establishment of the Industrial Lands Authority and will declare the AMC and surrounding areas a Technology Park under the auspices of the Authority. The AMC’s proximity to the Outer Harbour will create one of the nation’s biggest industry technology parks and will help drive modern trade development and industrial innovation. *See page 72 of WA Labor’s Plan for Jobs for more detail.*

<sup>1</sup> Regional Development Australia; Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan to 2050, p24

<sup>2</sup> Regional Development Australia; Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan to 2050, p24

<sup>3</sup> City of Kwinana, Indian Ocean Gateway, August 2015, p6

*The purpose of this document is to highlight future opportunities for Perth and Peel and identify game changing initiatives.*

The game changing initiatives identified in this document include:

### Nation Building: Initiatives that require strong government intervention:



- **Development of the Outer Harbour at Kwinana:** To facilitate additional capacity in trade infrastructure, efficient transport and logistics infrastructure and ensure the opportunity for Fremantle as a destination and activity centre is realised.



- **Latitude 32:** To support major industry growth through the delivery of a 1,600ha industrial precinct.



- **Intermodal sites (Bullsbrook and Mundijong):** To secure future intermodal sites and ensure long term transport and logistics capacity (Mundijong will require greater private sector investment).

Extract from Regional Development Australia; Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan to 2050, piii

## The Outer Harbour - 20 Years of Support

<b>1996</b>	Richard Court's Cabinet endorses Naval Base/Kwinana as the preferred site for overflow port facilities from Fremantle following <i>Future Port Options</i> studies being undertaken in 1991 and 1994. <sup>1</sup>
<b>2000</b>	Fremantle Rockingham Industrial Area Strategy identifies Naval Base as the site for future port facilities.
<b>2001-2002</b>	Metropolitan Freight Network Review launched by Alannah MacTiernan amid concerns about truck movements as Fremantle Port began to rapidly increase activity.
<b>2002</b>	Second Freight Congress, in June 2002 led to the development of the six-point action plan which included the need to commence planning for the Outer Harbour at Kwinana.
<b>2004</b>	Western Australian Planning Commission's 'Fremantle Ports Outer Harbour Project' information brochure was released by the State Government.
<b>2008 (September)</b>	Fremantle Ports releases statement updating on the Kwinana Quay project: <i>"The Kwinana Quay project for additional container and general cargo berths in the Outer Harbour is currently in the final statutory planning and environmental approvals phase."</i> <sup>2</sup>
<b>2011 (June)</b>	Transport Minister Troy Buswell releases a statement on Fremantle Ports future: <i>Mr Buswell said the inner harbour was expected to reach its capacity to manage container trade in about 10 years and a long-term plan was required to secure future trade gateways. "Extensive research has shown that Cockburn Sound is the only suitable location for new container-handling port facilities and, given the number of strategic port, industry and utility interests in that area, it is vital that all relevant issues are assessed through the appropriate statutory processes," he said.</i> <sup>3</sup>
<b>2013 (May)</b>	'Western Australian Regional Freight Transport Network Plan' by the Department of Transport acknowledged the ongoing work for additional port facilities and associated road and rail links at the Outer Harbour, commensurate with future trade needs. <sup>4</sup>
<b>2016 (July)</b>	Regional Development Australia releases 'Driving Change, Perth and Peel Economic Development Strategy and Infrastructure Plan to 2050.' Development of the Outer Harbour at Kwinana identified as an economic game changer for the State. <sup>5</sup>

<sup>1</sup> Western Australian Planning Commission, 'Fremantle Ports Outer Harbour Project', February 2004, p3

<sup>2</sup> Fremantle Port Authority, 'Kwinana Quay Project' media statement, 26 September 2008

<sup>3</sup> Troy Buswell, 'Long-term future of Fremantle inner harbour secure' media statement, June 2011

<sup>4</sup> Department of Transport, 'Western Australian Regional Freight Transport Network Plan', May 2013, p69

<sup>5</sup> Regional Development Australia, 'Driving Change, Perth and Peel Economic Development Strategy and Infrastructure Plan to 2050', July 2016, piii

## Planning for the Outer Harbour

A McGowan Labor Government will commence planning for the Outer Harbour as a priority. A Taskforce will be established and \$20 million allocated to the planning and approvals process.

As part of the planning process, the financing options for the Outer Harbour will be examined, including a combination of Commonwealth funding through Infrastructure Australia and private sector investment. A detailed submission will be made to Infrastructure Australia for Federal Government funding to support the construction of the Outer Harbour and the associated road and rail links.

Planning for an Outer Harbour in Kwinana continued to progress until the announcement of PFL in May 2014. As detailed in this analysis of the decision by the Liberal Government to announce the PFL, Professor Peter Newman observed:

*“.. the planning for the Outer Harbour and the increased use of rail to the Inner Harbour were well under control and were proceeding until this project [PFL] was dropped on Perth by a Federal Government decision”.<sup>1</sup>*

This is further proof why the PFL should not proceed.

## Transport Links to the Outer Harbour

Freight transport links to an Outer Harbour in Kwinana will be upgraded to allow for efficient transport connections. Tonkin Highway south of Roe Highway will be upgraded and the traffic light intersections replaced with grade separations. Planning for the extension to Mundijong Road has been completed and consideration will be made to this extension.

Anketell/Thomas and Rowley Roads will become major east-west routes, linking the Outer Harbour to the Freeway and Tonkin Highway. Rail upgrades will also be undertaken.

Fremantle Harbour will continue to operate following the construction of the Outer Harbour. Heavy freight traffic through Fremantle and surrounding suburbs will be reduced as Fremantle Port capacity is capped and freight is transitioned to the new Outer Harbour.

The upgrading of existing road and rail links to the Outer Harbour together with the decreased freight traffic through Fremantle is a long term sustainable solution.

<sup>1</sup> Prof Peter Newman and Cole Hendrigan, Perth Freight Link: Good Idea, Wrong Port, A CUSP Report, p24

## A VIBRANT FUTURE FOR FREMANTLE PORT

A McGowan Labor Government is committed to maintaining Fremantle Port as an operational port and a publicly owned asset. Fremantle Port will be an important part of the long term economic infrastructure of the State that will help drive the economy and create new jobs.

Following the opening of the Outer Harbour the freight capacity of Fremantle Port will be capped at a rate to maximise operational efficiency and reduce truck movements on our roads. The process and timetable to transition to the Outer Harbour will be developed as part of the integrated plan for WA's transport needs.

These assets will complement each other and will provide the necessary infrastructure to support the economic development of the State to the end of the century.

### **A McGowan Labor Government will:**

- **Maintain Fremantle Port as an operational port in public ownership.**
- **Cap the capacity of Fremantle Port following the opening of the Outer Harbour.**
- **Implement a co-ordinated transition plan to the Outer Harbour to ensure the economic benefits of both Fremantle Port and the Outer Harbour are realised.**

### **Fremantle Port a Public Asset**

A McGowan Labor Government will not privatise Fremantle Port.

As part of an integrated plan for the future transport needs of the State, Fremantle Port will remain a public asset and will be managed efficiently and effectively to increase productivity to support the economy. By retaining the Port in public ownership the Government can continue to manage the Port and minimise truck movements on our roads to help ease congestion.

By keeping Fremantle Port in public hands, the State Government can ensure its part of the long term solution to the State's needs without the conflicting objectives of a private company. It will also provide a regular dividend to the State that can be invested in our schools, hospitals and important infrastructure projects.

### **Sale of Fremantle Port – Another Liberal Broken Promise**

The Liberal Government has broken its promise to not privatise Fremantle Port.

In June 2012 in the lead up to the last State election Premier Colin Barnett gave the following undertaking when questioned on the intention to sell Fremantle Port.

*“So I want to make it very clear: this government will not privatise Fremantle port, we will not privatise the Water Corporation and we will not introduce toll roads into Western Australia. I think the public needs to know that.”<sup>1</sup>*

<sup>1</sup> Colin Barnett, Parliamentary Hansard, 13 June 2012

In May 2016 the Liberal Government introduced the *Fremantle Port Assets (Disposal) Bill 2016* into the State Parliament to facilitate the sale of Fremantle Port. WA Labor opposed the introduction of the Bill but was defeated when the National Party voted with the Liberal Party to allow the Bill to proceed. The sale had previously been announced in the May 2015 State Budget.

## Privatisation - Increased Costs for Businesses and Consumers

The privatisation of the Port could result in significant increases in the cost of shipping, which will impact on businesses and consumers throughout WA.

The impact of privatisation on prices has been highlighted in the sale of Melbourne Port. In the lead up to the privatisation of the Port of Melbourne it was reported that stevedores faced 'massive rent increases of up to 800 per cent' as the Victorian government readied the Port of Melbourne for Sale.<sup>1</sup>

The ACCC prepared a submission to the Victorian Legislative Council Inquiry into the proposed sale and raised a number of concerns about the potential sale and the impact on pricing when a monopoly asset is privatised. See the Case Study at page 15.

## ACCC Raises Concerns

The ACCC has raised concerns that the privatisation of Fremantle Port is anti-competitive and will delay the construction of the Outer Harbour in Kwinana.

Part 8 of the *Fremantle Port Assets (Disposal) Bill 2016* which deals with the future development of Fremantle Port provides the private operator with first right of refusal to develop the Outer Harbour.

The Outer Harbour will be delayed as the private operator seeks to maximise their competitive advantage in operating Fremantle Port, WA's largest port responsible for most of the State's container freight.

The consequence of this situation was raised by the Chair of the Australian Consumer and Competition Council as he compared it to the problems now being faced in Sydney as a result of the similar provisions.

*"I was very concerned to hear press reports about a possible plan to offer the new owner of the Port of Fremantle the right to develop a new port south of Fremantle in the future. As you may be aware, a similar arrangement was entered into over a decade ago in relation to Sydney Airport, Australia's busiest passenger and cargo airport. This anti-competitive arrangement has curtailed the potential for Sydney to be serviced by two competing airports, to the detriment of passengers and business.*

*Governments should use privatisation processes as an opportunity to put in place pro-competitive market structures. Failure to do so will come at the cost of an effective 'tax' on future generations of farmers, miners and the general community."*<sup>2</sup>

*- Rod Sims, Australian Competition and Consumer Commission*

The provisions contained in Section 79 of the Bill have the potential to curtail the opportunity for the development of the Outer Harbour, reduce competition and limit the capacity to have an integrated solution to Perth's transport needs into the future. This will also impact the economic development of the State for years to come.

<sup>1</sup> Mathew Duncley and Jenny Wiggins, Sydney Morning Herald, 'Stevedore DP World hit with 800 per cent rent increase as Port of Melbourne sale looms', 3 March 2015

<sup>2</sup> Mr Rod Sims, Chairman, Australian Competition and Consumer Commission, ABARES Outlook Conference, Canberra, 2 March 2016

## **Freight Capacity at Fremantle to be Capped**

Following the opening of the Outer Harbour the freight capacity of Fremantle Port will be capped. The cap will be determined as part of the timetable and transitioning to the Outer Harbour, but will ensure that Fremantle Port is maintained as a viable functioning port.

The cap may be exceeded while the Outer Harbour is being built and the transitioning to the new facilities occurs. The final cap will be set at a rate that will maximise operational efficiency and reduce truck movements, easing congestion on suburban roads.

The process and timetable to transition to the Outer Harbour will be developed as part of the integrated plan for WA's transport needs.

## **Managing the Port to Ease Congestion on our Roads**

By retaining Fremantle Port in public ownership the State Government is able to coordinate the policy objectives of easing congestion on our roads with the management of freight movements from the Port.

A decision by the State Government to cap freight at Fremantle Port can only be achieved if the Port is not privatised.

Maintaining Fremantle Port as a public entity will also ensure that there is a coordinated transition to the Outer Harbour.

## **Loss of Income to the State**

Fremantle Port provides an ongoing stream of revenue to the State Government. In 2014/15 Fremantle Port paid \$68.3 million to the State Government in tax equivalent payments and dividends. This ongoing source of revenue will be lost to the State if the asset is privatised.

## **Fremantle Port Essential to Australia's Strategic Alliances**

Fremantle Port is a critical part of Australia's strategic infrastructure and those of our allies. Recently the Northern Territory Government entered into a long term lease for Darwin Port with a Chinese owned company. Concerns about the arrangement were subsequently raised by the US Government.

Since then, new rules have been introduced by the Federal Government that will require the Foreign Investment Review Board to approve the sale of critical infrastructure, such as ports and airports, belonging to the states and territories.

## Case Study – Privatisation of the Port of Melbourne

The decision by the Victorian Government to privatise the Port of Melbourne has been subject to an inquiry by the Victorian Legislative Council.

A submission to the inquiry was made by the Australian Competition and Consumer Commission (ACCC). Detailed below are a number of extracts from the submission which are relevant to the decision by the Liberal Government to privatise Fremantle Port.

*“These are particularly important considerations for the Port of Melbourne, Australia’s largest container and general cargo port. Almost all consumer products imported to and exported from the State of Victoria by sea pass through the port. Given this, any monopoly pricing at this port will be paid for by the Victorian consumers and exporters. It will also negatively impact upon the productivity of Victoria’s economy, impeding growth, international competitiveness and living standards.”<sup>1</sup>*

<sup>1</sup>ACCC Submission to the inquiry into the proposed lease of the Port of Melbourne, 10 September 2015, p2

Further on in their submission the ACCC notes the following:

*“The ACCC has already expressed concern in other fora about the use of rent increases as a method to increase the sale price of the Port of Melbourne.”<sup>2</sup>*

The ACCC also notes comments made by the Victorian Government which stated:

*“The leaseholder may be compensated if a second port is developed by the State [of Victoria] during the lease term and takes international container capacity that would have been accommodated at the Port of Melbourne away from it.”<sup>3</sup>*

In relation to this the ACCC note:

*“that it is important that privatisation does not create or maintain a market structure that will hinder competition.”<sup>4</sup>*

<sup>2</sup>ACCC Submission to the inquiry into the proposed lease of the Port of Melbourne, 10 September 2015, p5

<sup>3</sup> ACCC Submission to the inquiry into the proposed lease of the Port of Melbourne, 10 September 2015, p6

<sup>4</sup>ACCC Submission to the inquiry into the proposed lease of the Port of Melbourne, 10 September 2015, p6

## REDUCING CONGESTION INTO FREMANTLE PORT

There are a number of cost effective measures to better manage the freight movements to and from Fremantle Port that should be implemented as a matter of priority to reduce congestion on our roads. Together with a number of necessary infrastructure investments these measures will have a significant impact on congestion.

A McGowan Labor Government is committed to increasing the amount of freight shifted by rail. Currently less than 15 per cent of freight is moved on rail. It is anticipated this could be increased to 20 per cent by increasing the current rail subsidy to \$50 per TEU. The movement of freight on rail will reduce the number of trucks on roads. The subsidy will be reviewed following the completion and transition to the Outer Harbour.

Upgrades to Leach Highway between Carrington Street and Stirling Highway will address a dangerous bottleneck. The upgrades to this intersection had previously received Federal Government funding and should be commenced immediately.

Fremantle Port has the most limited operational hours of any port in Australia. This puts pressure on the road system and results in a significant number of trucks running empty to or from the Port. By extending the hours of operation and better managing truck movements, there are significant opportunities to reduce congestion on roads particularly at peak times and during the working week.

### **A McGowan Labor Government will:**

- **Increase the freight on rail subsidy from \$30 to \$50 per TEU and take more than 36,000 truck movements off suburban roads every year.**
- **Extend Leach Highway between Carrington Street and Stirling Highway to address the freight congestion on High Street.**
- **Implement the findings of the Fremantle Ports Truck Productivity Study to increase the hours of operations of the empty container parks, decrease the number of trucks running empty and increase the amount of freight leaving the Port on rail.**

The implementation of these initiatives will reduce the number of trucks on our roads while still allowing Fremantle Port to expand before the Outer Harbour in Kwinana is built.



## More Freight on Rail

A McGowan Labor Government will increase the freight on rail subsidy to \$50 per TEU as an interim measure while the Outer Harbour is being built. It is estimated by the industry that this will increase the amount of freight on rail to 20 per cent and result in 36,000 fewer truck movements on suburban Perth roads each year.

A McGowan Labor Government will also work with stevedoring companies and industries to increase freight on rail including looking at freight on rail targets in contractual arrangements.

In 2001, the amount of freight being transported on rail to Fremantle Port was just 2 per cent of the entire freight task into the Inner Harbour. At the time, the WA Labor Government set a target of 30 per cent and by 2008 had increased the freight task to 15 per cent. Since then, almost eight years later, the percentage of containerised freight transported via rail has been as low as 11 per cent but has not been higher than 15 per cent.

The rail subsidy has been an important incentive to encourage freight off roads and on to rail and while this has been maintained by the Liberal Government there has been very little done to reach the target of 30 per cent.

The Liberal Government has now announced a reduction in the current subsidy of \$35 TEU to \$30 per TEU from 1 January 2017. This was detailed in the 2016-17 State Budget.<sup>1</sup> This cut will have a negative impact on the amount of freight on rail and result in increased truck movements on Perth's already congested roads.

An increase of the freight on rail subsidy to \$50 TEU by a McGowan Labor Government will reduce congestion on our roads. It will be put in place as an interim measure while the Outer Harbour is being built. The subsidy will be reviewed following the completion and

<sup>1</sup> WA State Budget 2016-17, p712

transition to the Outer Harbour.

A McGowan Labor Government will continue to work with the community and industries to ensure that the issue of noise in built up areas is managed. This has been successfully achieved in other states and will be done in consultation with the National Safety Authority, network owners and rail operators.

## Improving Road Connections into Fremantle Port

Road connections on Leach Highway (High Street) between Carrington Street and Stirling Highway need to be addressed as part of the integrated plan to address the congestion issues arising from trucks accessing Fremantle Port. This section of road is under great pressure from growth in freight and commuter traffic.

This route has a high crash rate, design characteristics that are difficult to negotiate, local road access and residential driveways. All of these factors are impacting on freight reliability, port access and productivity.<sup>2</sup>

The State Government made a submission to Infrastructure Australia to upgrade this section of Leach Highway. In 2013 the Federal Government committed \$59 million to the project. However the State Liberal Government has now redirected these funds to the Perth Freight Link project.

The funding was to upgrade Leach Highway between Carrington and Stirling Highway to a four lane divided road along a new alignment, maintain High Street as a local road and upgrade pedestrian and cyclist access from along the route and at major intersections.<sup>3</sup>

A McGowan Labor Government will finalise the route and upgrade this section of Leach Highway as part of an integrated transport plan.

<sup>2</sup> Leach Highway (High Street) Fremantle Upgrade (Carrington Street to Stirling Highway), submission to Infrastructure Australia August 2012

<sup>3</sup> Main Roads Major Projects Branch, 25 September 2013

## Reducing Congestion by Better Managing Freight Movement

Fremantle Port is currently hampered by a lack of coordinated operating hours between that of the supply chain, container terminals, empty container parks and import operators.

The Fremantle Ports Truck Productivity Study released in July 2014 identified significant opportunities to reduce congestion on Perth’s roads by better managing the movement of freight.

Currently 85 per cent of containerised freight is being moved to and from the Port by trucks. The mismatch of operating hours is contributing to 30 per cent of trucks running empty either to or from the Port. The amount of freight on rail has not significantly increased since 2002 and remains at or around 15 per cent of the freight task.

By addressing both the operating hours of the Port and the number of trucks running empty, truck congestion on roads can be reduced.

### 1. Operating Hours

Fremantle Port operates mainly during daylight hours from Monday to Friday. It is the only major city container port in Australia to have such limited hours of operation. The container terminals have the ability to be operational 24 hours a day, seven days a week. However the Empty Container Parks operate between 6:00am and 6:00pm greatly reducing the ability of trucks to coordinate two-way loads.

This has the effect of creating conflict between peak freight movement and peak commuter traffic on freight routes. It should be noted that QUBE Central has now changed their operating hours to 10:00pm to address concerns raised by transport operators and highlighted in the Fremantle Ports Truck Productivity Study.

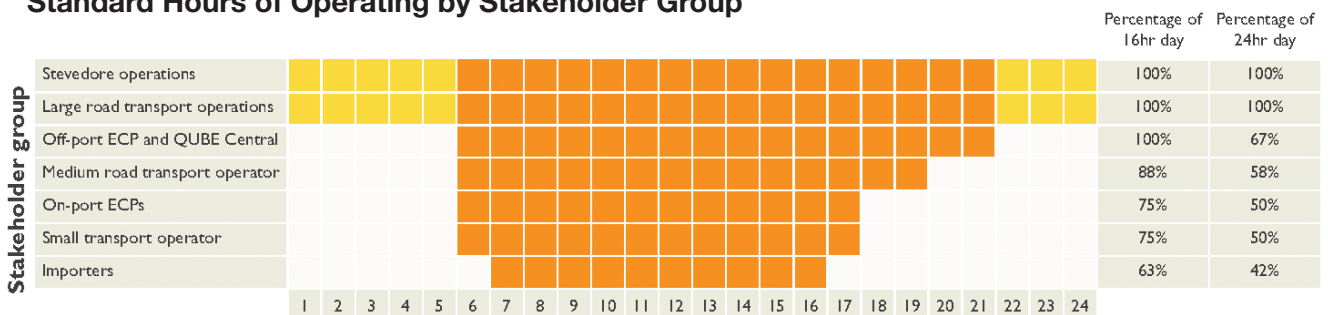
Where transport operators have arranged after-hours access to an importer’s premises, it has demonstrated a more efficient way to move the freight task – off peak.<sup>1</sup>

One operator said that ‘...evening operations are a more cost-efficient way to operate as they avoid a lot of the inefficiencies seen during the day due to the various parties in the supply chain not working in a unified manner’.<sup>2</sup>

<sup>1</sup> Fremantle Ports Truck Productivity Study, July 2014, p14

<sup>2</sup> Fremantle Ports Truck Productivity Study, July 2014, p14

### Standard Hours of Operating by Stakeholder Group



Fremantle Ports Truck Productivity Study, July 2014, p9

Further to this the operator found that double the volume of freight could be handled compared to volumes during daylight hours and peak traffic times.

More improved access to bulk runs at off-peak times are needed to reduce the congestion that is currently occurring between 6:00am and 4:00pm. In future contract negotiations a McGowan Labor Government will require Empty Container Parks to extend their operating hours thereby reducing the number of trucks on roads at peak congestion times.

## 2. Empty Trucks Leaving Fremantle Port

Currently 30 per cent of all trucks arriving or departing Fremantle Port are empty. The most recent survey of truck movements at North Quay indicated that the level of empty trucks running to and from the Port precinct has dropped only marginally by 1 per cent. Otherwise, there has been an upward trend over a number of years. Only 40 per cent of trucks achieved a two way loading down from 43 per cent in 2013.<sup>1</sup>

Truck productivity relates to the ability of trucks to transport loads both into and out of the Port. Improving the truck productivity will lower costs to the operator and transport rates to the customer. It also translates to fewer trucks being required for the freight task.

There are currently only two Empty Container Parks (ECP) located away from the Inner Port. One is located in Forrestfield and the other at Bibra Lake. Over 80 per cent of total ECP capacity is located within the Inner Harbour. The result of this is freight congestion at the Inner Harbour as trucks vie to collect or return empty containers.

The Fremantle Port Truck Productivity Study found that:

*“one of the clear messages identified....is the difficulty faced in managing and coordinating activities in a supply chain where constraint are emerging relating to the access arrangements at Container Terminals and Empty Container Parks.”<sup>2</sup>*

Implementing changes to the operating times of Empty Container Parks will spread the concentration of freight activity during peak daylight periods and reduce congestion at these times.

<sup>1</sup> Fremantle Ports Truck Productivity Study, July 2014, p12

<sup>2</sup> Fremantle Ports Truck Productivity Study, July 2014, p11

# Region



**LEGEND**

- Sub-Regional
- Precinct Boundary
- Sub-Regional Internal
- Precinct Boundary
- Freeway
- Key Roads
- Freight Rail Line
- Waterbodies
- Peri-Urban Land
- Location Marker
- Infrastructure Marker
- City Centre
- Knowledge Centre
- Potential Knowledge Centre / Common User Facilities

**Knowledge Centres**

- UWA/ OEII
- ECU
- Murdoch University
- Curtin University

**Nation Building Initiative**

**Bullsbrook Intermodal Terminal**

Jandakot Airport

Perth Airport

**Nation Building Initiative**

**Latitude 32**

**Nation Building Initiative**

**Outer Harbour at Kwinana**

**Nation Building Initiative**

**Mundijong Intermodal Terminal**

Boddington

SHIRE OF BODDINGTON

Source: Regional Development Australia; Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan to 2050, pV

## INTERMODAL HUBS HELP REDUCE CONGESTION

Intermodal freight facilities are essential in the efficient movement of freight. They are used to transfer freight from one form of transport to another, such as road to rail.

Currently the main intermodal facilities in Perth are located in the Forrestfield area.

In 2006 work was commenced by the Department of Planning to identify the location for another intermodal facility to service the needs of a growing city. As a result of this process the Western Australian Planning Commission agreed that an intermodal facility at Latitude 32 should be incorporated into the Hope Valley - Wattleup Redevelopment Project Master Plan.<sup>1</sup>

More recently, the Regional Development Australia report *Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan* identified the infrastructure priorities that would deliver the greatest return to the State in terms of business investment and jobs growth. Latitude 32 and intermodal sites at Bullsbrook and Mundijong were identified as game changing initiatives to drive economic development.<sup>2</sup>

- **A McGowan Labor Government recognises the important role intermodal facilities play in the efficient movement of cargo to reduce congestion on our roads and will facilitate intermodal facilities in Kewdale-Forrestfield, Bullsbrook, Mundijong and Latitude 32 in Kwinana.**

<sup>1</sup> Department of Planning Report for Kwinana Intermodal Terminal, September 2009

<sup>2</sup> Regional Development Australia; *Driving Change: Perth and Peel Economic Development Strategy and Infrastructure Priority Plan*, piii

## SOUTH QUAY - A GATEWAY TO THE REST OF THE WORLD

A McGowan Labor Government will work with the City of Fremantle to redevelop and rejuvenate Fremantle Harbour and the Swan River into a waterfront development that will stimulate economic development and create jobs.

The redevelopment of the South Quay of Fremantle's Inner Harbour presents an opportunity to optimise the value of both the land-side and the port-side assets of South Quay.

South Quay is currently used for very low value activities, primarily as a temporary car park for roll-on-roll-off cargo. At around 15.7 hectares, the land off South Quay provides an opportunity to accommodate high-rise development including retail, commercial and hotels. A progressive development could transform South Quay to high-value uses including a tourism precinct and a world class cruise ship terminus.

- **A McGowan Labor Government will work with the City of Fremantle to redevelop South Quay for high-value development including hotels and commercial uses delivering a tourism precinct and a world class cruise ship terminus.**

This will build on the commitment of the McGowan Labor Government to invest \$425 million over five years to establish WA as one of the world's great tourist destinations. *For further details, please see page 59 of WA Labor's Plan for Jobs.*

### Rejuvenating South Quay to Create Jobs

A recent report commissioned by the City of Fremantle has estimated that the financial benefit to the WA State Government of developing South Quay could be \$946 million over the next twenty years. The development will create 3,760 jobs over the construction phase and a further 4,290 jobs generated by the requirements of the building for materials and services.

The long term operational phase of the redevelopment will generate 7,265 new jobs in the areas of tourism, entertainment, accommodation and hospitality. A further 3,165 flow-on jobs will be created in service related industries.

The financial returns to the WA Government would include:

- \$242 million in net land sale value (after infrastructure costs); and
- \$704 million in stamp duties, land tax, payroll tax and GST returns over a 20 year period.<sup>1</sup>

Western Australia competes with other states in Australia to attract both international and interstate tourists. This project would attract new investment and boost international and interstate tourism.

<sup>1</sup> Fremantle Port South Quay Redevelopment Economic Benefit; Prepared for the City of Fremantle; February 2016; p2

## Redevelopment to Support the Burgeoning Cruise Ship Industry

Passenger cruise ships visiting the many ports of WA are a rapidly growing tourism sector, contributing \$275.3 million towards the WA economy in 2014-15.<sup>1</sup> The value of the cruise ship sector to the City of Fremantle in 2016 and again in 2017 is estimated at \$98 million in each year.<sup>2</sup>

In 2012, Tourism WA and the Cruise WA Committee developed the WA Cruise Shipping Strategic Plan 2012-2020. One of the aims was to increase the value of the sector to \$274.4 million by 2020. Due to the recent surge in growth, this target was reached five years earlier and highlights an opportunity to support projects like the South Quay vision to further realise the potential of the cruise shipping sector and create more jobs.

The cruise ship sector also provides WA with an opportunity to value add to this significant growth industry by developing more landside destination options for visitors before, during or after their cruise experience. With more coordination between WA's cruise ship sector, tourism operators, local government and the private sector, a wider range of experiences can be packaged for the consumption of the cruise ship industry.

WA Labor has announced a plan to work with the tourism industry to develop more landside destination options to the cruise ship sector thus generating additional visitor spend and more local jobs. *For further details, please see page 64 of WA Labor's Plan for Jobs.*

The South Quay redevelopment project provides the State with a unique opportunity to create a tourism precinct that will value add to the working Inner Harbour and create more jobs.

<sup>1</sup> Cruise Down Under: Economic Impact Assessment of the Cruise Shipping Industry in Australia 2014-15

<sup>2</sup> Fremantle Port South Quay Redevelopment Economic Benefit; Prepared for the City of Fremantle; February 2016; p2

## PERTH FREIGHT LINK - A FLAWED PROPOSAL

The Perth Freight Link (PFL) is a 13.4km; \$1.9 billion freight route that fails to connect freight traffic to the Fremantle Port. Stopping just before Stirling Bridge in Fremantle, PFL will create a traffic bottleneck in the heart of Fremantle and is not a solution to the congestion issues facing Perth.

Prior to PFL being announced in 2014, it had not previously been referred to in any State or Commonwealth Government planning or transport documents. It was announced by the Abbott and Barnett Liberal Governments without a business case or modelling to support its construction.

In contrast, successive State Governments have flagged the need for an Outer Harbour to address Perth's growing freight challenges and capacity issues at the Fremantle Port.

The Perth Freight Link will commit almost \$2 billion to a single infrastructure project that does not connect to Fremantle Port and will divert funds away from real, long term freight solutions for Perth.

- **A McGowan Labor Government will not support the Perth Freight Link. We have an alternative plan that will deliver a long term integrated port, roads and rail solution to Perth's transport needs.**

As a matter of priority, a McGowan Labor Government will apply to Infrastructure Australia to provide funding to the projects outlined in WA Labor's Seven Point Plan.

### No Business Case

An application was not made by the Liberal Government to Infrastructure Australia (IA) until after the announcement was made. As a result of that subsequent application, IA prepared an assessment brief.

IA failed to assess PFL against other routes or freight solutions. They only provided a rapid Benefit Cost Ratio (BCR) for the one option. In particular, IA noted that they didn't consider the Outer Harbour even though it is a significant option to address Perth's future freight needs.

*"The options did not include consideration of the Outer Harbour at Cockburn Sound south of Perth. Accommodating freight at the Outer Harbour was considered to be part of the likely future for all options – the assessment included the extent to which the option was also beneficial for freight directed to the Outer Harbour.*

*A rapid BCR was completed for the preferred option only, assessed against the Base Case. A rapid BCR was not completed for additional options to determine if the preferred option provided the greatest net benefits.*

*Infrastructure Australia notes that there are other significant options for addressing freight accessibility issues in Perth, including the expansion of the Outer Harbour at Cockburn Sound south of Perth and a previous project submitted to Infrastructure Australia (Leach Highway/High Street upgrade, at a cost of \$100 million) that is currently at Threshold on the Priority List."<sup>1</sup>*



## A Road to Nowhere

Perth Freight Link is a road to nowhere. It does not reach Fremantle Harbour and stops on the wrong side of the Swan River in East Fremantle, 2.5kms short of the freight handling facilities at Fremantle Port.

WA Senator and Finance Minister Mathias Cormann said delivery of just stage one of Perth Freight Link would leave an “incomplete” link to Fremantle Port and would leave trucks “stranded” on local arterial roads at the end of the extended Roe Hwy, causing continuing high levels of freight traffic and congestion.<sup>1</sup>

In an estimates hearing the WA Minister for Transport confirmed that the cost of the work on Stirling Bridge is estimated to be a further \$500 million.<sup>2</sup> There is no indication when this work will be carried out.

<sup>1</sup> Claire Bickers, Sunday Times, Alannah MacTiernan calls for funds from the Perth Freight Link to be redirected to trains, 2/11/2015.

<sup>2</sup> Dean Nalder, Estimates, 9 June 2015

## Changing Plans

Following a community campaign against the proposed route the Liberal Government was forced to announce a new route at the cost of another \$326 million.

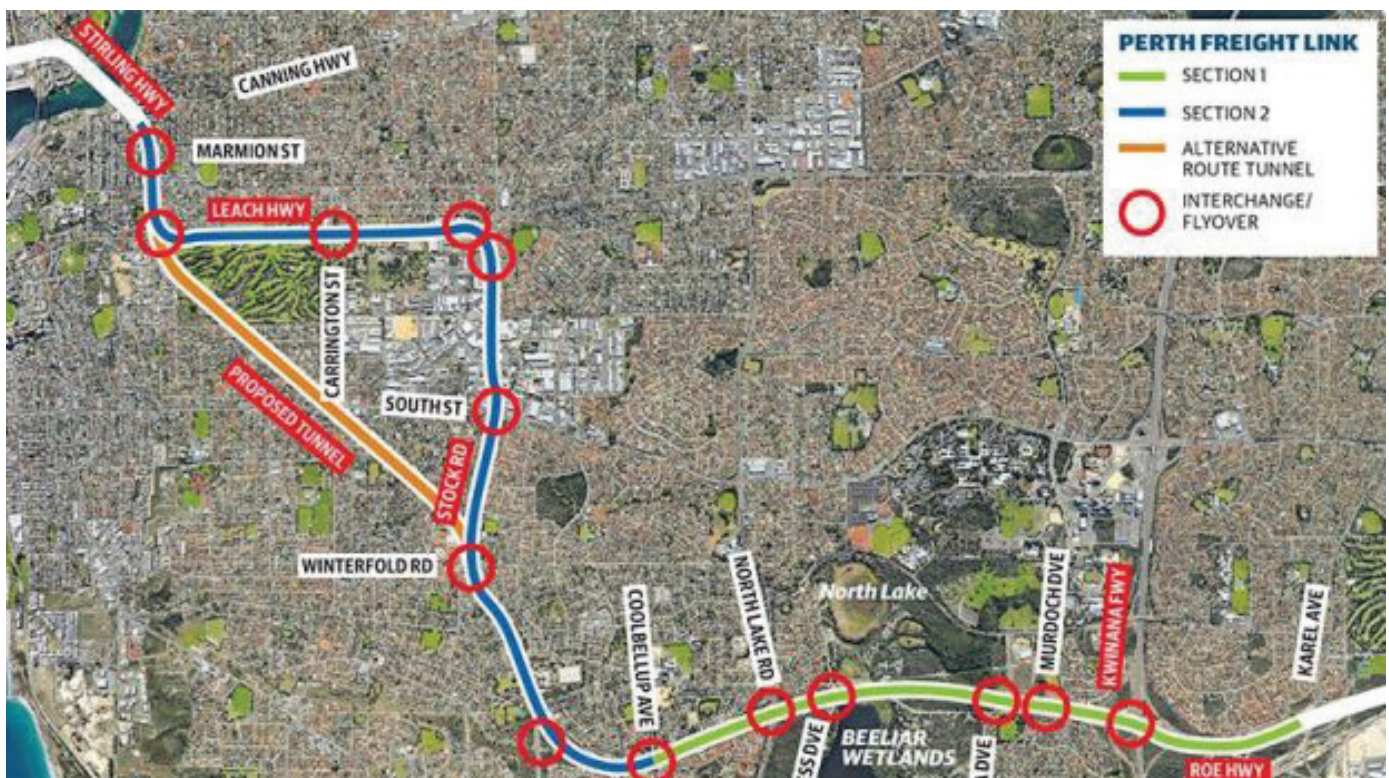
The new route was announced in April 2016 and involves a tunnel from the Stock and Winterfold Road intersection to the Stirling Highway and High Street intersection in Fremantle.<sup>3</sup>

The tunnel option does not address the failure of the PFL project to get across the Swan River and into Fremantle Port leaving trucks stranded.

The additional cost of the tunnel has increased the costs for the project to \$1.9 billion.

<sup>3</sup> Main Roads WA, The Perth Freight Link Project: Developing Transport Networks, Delivering Safer Roads

## Perth Freight Link Proposed Route



Source: The West Australian, *Revealed: The Freight Link tunnel wanted by Mains Road Department*, 26 November 2015, Online at: <https://au.news.yahoo.com/thewest/wa/a/30197402/backing-for-tunnel-under-beaconsfield-white-gum-valley/#page1>

## PFL Not Supported by Perth and Peel Planning

In May 2015, the WA Department of Planning published; Perth and Peel @ 3.5 million, an:

*'... overarching document which builds on the vision laid down in Directions 2031 and beyond and provides a link across the four sub-regional planning frame works that define the spatial plan of the Perth and Peel regions for the next 35-40 years'.<sup>1</sup>*

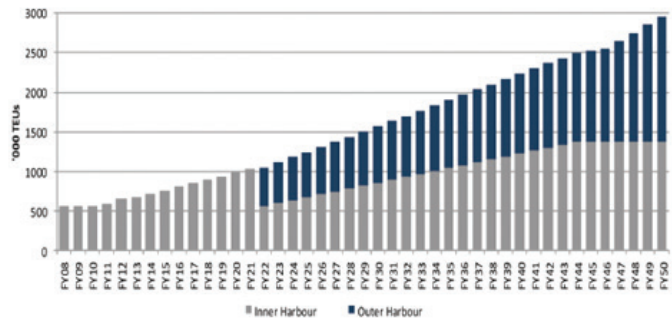
The planning document does not make reference to the Perth Freight Link, but does include a proposed port installation at Kwinana with related freight road upgrades.<sup>2</sup>

<sup>1</sup> Department of Planning and Western Australian Planning Commission, Perth and Peel @ 3.5million, May 2015, p13  
<sup>2</sup> Special Plan for Perth and Peel @ 3.5million, [http://www.planning.wa.gov.au/dop\\_public/Spatial\\_Plan\\_A3.pdf](http://www.planning.wa.gov.au/dop_public/Spatial_Plan_A3.pdf)

## New Outer Harbour Required by 2020

The Government's original modelling indicated that a new outer harbour will be required to be operational by 2022. The money and time wasted on planning the PFL would have been better spent on planning for the new Outer Harbour.

### INDICATIVE SCENARIO FOR THE INNER AND OUTER HARBOUR TRANSITIONING ARRANGEMENTS



Perth Freight Link Business Case Executive Summary, December 2014, p10

**Infrastructure Australia 2014-15 Assessment Brief – Perth Freight Link said the Perth Freight Link had not previously been considered in any key planning or transport documents by the State Government including:**

- Perth and Peel @ 3.5 million 2015
- State Planning Strategy 2050 and Metropolitan Regional Scheme
- Directions 2031 and Beyond
- Murdoch Specialised Activity Centre Structure
- Draft Moving People Network Plan
- WA Regional Freight Transport Network Plan
- Draft State Port Strategic Plan
- Fremantle Port Inner Harbour Port Development Plan

Infrastructure Australia Assessment Brief Perth Freight Link; 7 May 2015

## Perth Freight Link Modelling is Flawed

The Liberal Government has significantly altered the modelling of the maximum capacity of Fremantle Port to support the business case for Perth Freight Link (PFL).

In the last year approximately 700,000 containers passed through Fremantle Port.

Historical modelling shows that the Port will reach capacity when the volume reaches 1.2 million containers per annum.

The modelling contained in the business case for PFL indicated that it would reach capacity at 1.4 million containers per annum. In recent months the Government has increased that capacity figure and now put it closer to 1.7 million containers per annum.<sup>1</sup>

Using conservative estimates based on the past two decades of historical growth rates (7.65%) the Port will reach capacity in 2021. Even assuming an increased volume it will reach capacity in 2023.

The modelling used by the Liberal Government was conservative by historical standards (5.4% to 2021 and 4.65% thereafter). By using this modelling the Liberal Government is attempting to argue that the Outer Harbour is not required until much later in the future. Their modelling is not consistent with the average growth rates for the last 20 years.

<sup>1</sup> LA QWN 855 - 15 October 2015

### FREMANTLE PORT GROWTH RATES

Growth Rates Compared	Year that Fremantle Port will reach 1,200,000 containers	Year that Fremantle Port will reach 1,400,000 containers
Government growth rates for PFL modelling (5.4% to 2021 and 4.65% thereafter) <sup>1</sup>	2024	2027
Average growth last two decades (7.65%)	2021	2023
<b>Note:</b> Current volume is 700,000 containers		

<sup>1</sup> Perth Freight Link Business Case Executive Summary, December 2014

## PFL will Push More Trucks Onto Leach Highway and Suburban Streets

The Perth Freight Link was announced as WA's first toll road, introducing a Heavy Vehicle User Charge for continuous flow for freight transport to the Inner Harbour. However, when asked in Estimates Hearings about how the Government will stop trucks from using Leach Highway, the Director General from the Department of Transport answered by saying;

*"The Perth Freight Link may have the effect of pushing more trucks onto Leach Highway and surrounding suburban roads. Modelling by Main Roads WA shows that leakage of trucks onto local roads could be as high as 42 per cent".<sup>1</sup>*

Further to this, modelling by the City of Cockburn show that the PFL would bring 67,000 more vehicles through their community every day.

The Motor Trade Association (MTA) has publicly stated that they support the PFL on the basis that it provides a seamless link to the harbour. However with the PFL stopping on the wrong side of the river and the link into the Port on hold indefinitely:

*"If the toll is still in there, but the road isn't, then there is no option for the industry, the industry simply won't use that stretch of road."<sup>2</sup>*

- Stephen Moir, Motor Trade Association

Recently the Minister for Transport tabled a Main Roads document which shows traffic flows both with and without the PFL. The modelling shows that even with the PFL, an extra 300 trucks a day will use Stirling Highway to the Inner Harbour. This equates to over 100,000 extra vehicles a year.<sup>3</sup>

<sup>1</sup> Reece Waldock, Director General Department of Transport, Parliamentary Hansard, Estimates and Financial Operations, Thursday 25 June 2015 – Session 3

<sup>2</sup> Source Stephen Moir, Motor Trade Association, ABC Premier has declared war over Perth Freight Link, Motor Trade Association says, 5 November 2015

<sup>3</sup> Tabled Paper 4144 – The Perth Freight Link Project

## Perth Needs More Freight on Rail

In 2001, the amount of freight being transported on rail was just 2 per cent of the entire freight task into the Inner Harbour. At the time, the WA Labor Government set a target of 30 per cent and by 2008 had increased the freight task to 15 per cent. Since then, almost eight years later, the percentage of containerised freight transported via rail has been as low as 11 per cent but has not been higher than 15 per cent.

The PFL undermines the ability to increase the capacity of freight on rail by delaying the development of the Outer Harbour and not addressing the opportunities for rail to the Inner Harbour. This has the impact of increasing the numbers of trucks to Fremantle Port.

*"With no Outer Harbour and no rail to the Inner Harbour there would be by 2050 a total of 3,000k TEU containers going through the Inner Harbour, all by truck. This is three times higher than had been originally planned and is an increase from 2014 of 500% or 5 times increase.*

*What this means in terms of trucks per day is that instead of around 3000 trucks per day on a weekday in 2014 entering the Fremantle container port area, there would be 15,000 trucks per day. The consequences of such growth - mostly caused by the PFL - and its lucrative truck toll - inadvertently undermining the Outer Harbour container facility and the freight rail is likely to be substantial."<sup>4</sup>*

- Peter Newman and Cole Hendrigan, Curtin University Sustainability Policy (CUSP) Institute

<sup>4</sup> Perth Freight Link: Good Idea, Wrong Port; Peter Newman and Cole Hendrigan Curtin University Sustainability Policy (CUSP) Institute; P10

## Perth Freight Link Goes to a Senate Inquiry

In August 2015, after a strong campaign from the community, the Commonwealth Senate moved that the decision to commit funding to the Perth Freight Link project would be referred to the Rural and Regional Affairs and Transport References Committee for inquiry.

The Senate sought information on the Perth Freight Link from Infrastructure Australia who in turn sought advice from WA's Department of Transport (DOT). The Director General of DOT declined to release relevant documents citing commercial in confidence.

Both the WA Minister for Transport and the Premier refused to participate in the Committee inquiry.

In May 2016, the Senate inquiry unanimously recommended that the Federal Government withdraw its majority funding for the Perth Freight Link in favour of an outer harbour.

The Committee called on the Turnbull Government to release the full business case for the project, as assessed by Infrastructure Australia, "to provide transparency on the project's proposed economic and social benefits."<sup>1</sup>

The Committee's report strongly recommended planning commence on an outer port for Perth at Cockburn Sound serviced by rail and road. The report identified that Fremantle Port would be at capacity within ten years and an outer harbour was a more viable solution to Perth's future freight needs.

The State Government maintains its support for the Perth Freight Link project.

## No Public Disclosure

In August 2015, a Labor Senate motion called on the Federal Government to table documents relating to the costs and benefits of the Perth Freight Link. The motion was refused on the basis they "were not of a general public interest".

These and other documents relating to the cost of the PFL are being withheld by the Federal Government due to their claim of potential damage to 'Commonwealth-State relations'. Even traffic counts are being labelled as confidential.

However, a later ruling by the Administrative Appeals Tribunal (AAT) stated that the cost of the PFL meant the documents were in the public interest.

A senior member of the AAT said that the Government's arguments against releasing the documents were 'too broad' and the description of their contents didn't warrant them being kept secret from the public.

Subsequently, the Federal Government has announced that they will appeal the decision by the AAT to release the 75 government documents containing details of Perth Freight Link .

<sup>1</sup> Shepherd and Perpetch; Perth Freight Link: Outer harbour more viable, Senate Inquiry finds; 3 May 2016

## Roe 8 an Environmental Disaster

The Roe Highway State 8 Project (Roe 8) is a proposal to extend Roe Highway approximately five kilometres from Kwinana Freeway in Jandakot to Stock Road in Coolbellup and forms part of PFL. It is proposed as a dual carriageway, two lanes in each direction, separated by a concrete barrier. The current estimated cost is \$600-\$700 million.

If built, Roe 8 would be one of the most expensive roads built in WA, potentially costing more than \$100 million per kilometre. According to plans, up to 112 hectares would need to be cleared within Beelihar Regional Park to make way for the road. In 2013, the Environmental Protection Authority released a report which found that it would be extremely difficult for the Highway extension to be made environmentally acceptable.

*“The EPA concludes that any proposal for the construction of Roe Highway Stage 8 through the Beelihar Regional Park would be extremely difficult to be made environmentally acceptable. It is accepted that through design and construction there is the potential to manage and minimise the potential impacts to a certain extent. However the EPA is of the opinion that the overall impacts of construction within the road reserve, or any alignment through the Beelihar Regional Park in the vicinity of North Lake and Bibra Lake, would lead to the ecological values of the area as a whole being diminished in the long-term. Every effort should be made to avoid this.”<sup>1</sup>*

In December 2015, the Supreme Court of WA ruled that the WA Environmental Protection Authority took no account of their own published policies when it made the decision to approve the building of Roe 8 through the pristine Beelihar Wetlands.

<sup>1</sup> Report and recommendations of the Environmental Protection Authority; Roe Highway Extension; Main Roads WA Report 1489; September 2013; p11

The impact of the PFL Roe 8 project on the Beelihar Wetlands and the surrounding ecosystems has been well canvassed. The construction of the PFL would sever the ecological linkage between North Lake and Bibra Lake and would severely reduce the diversity of the ecological systems of the area.

*“The construction of the Roe 8 through the Beelihar wetlands and Banksia woodland has been a controversial environmental issue for 40 years. It remains deeply controversial as this is among the last wetlands in the south metropolitan region and remains an important ecological ‘stepping stone’ for many rare species.”<sup>2</sup>*

- Professor Peter Newman and Cole Hendrigan;  
Curtin University Sustainability Policy Institute

Chief Justice Wayne Martin ruled that the EPA assessment and the Liberal Minister’s decision to approve Roe 8 were invalid.

Subsequently, the State Liberal Government appealed the Supreme Court decision which found in their favour citing that the EPA’s policies were not mandatory relevant considerations nor are they binding with regard to environmental approval for Roe 8.

Save the Beelihar Wetlands have said they will appeal the decision in the High Court.

An Outer Harbour makes more environmental sense than building a highway through environmentally sensitive wetlands. The Outer Harbour plan is still subject to the EPA approval process however preliminary reports have found that an Outer Harbour in Cockburn Sound would have ‘no major flaws that would make this option unviable’.

<sup>2</sup> Perth Freight Link: Good idea, wrong port; Professor Peter Newman and Cole Hendrigan; Curtin University Sustainability Policy Institute; p10

## Roe 8 Proposed Route



Main Roads WA, online at <https://project.mainroads.wa.gov.au/roe8/Documents/Roe8.pdf>

The WA Planning Commission undertook a review of the proposal for an outer harbour in Cockburn Sound and found that in terms of the Environmental Protection Authorities objectives, an outer harbour in Cockburn Sound:

- would not result in the loss of existing seagrass meadows;
- would have minimised effects on water quality; and
- appeared to have negligible effects on surrounding developments.<sup>1</sup>

<sup>1</sup> Fremantle Ports Outer Harbour Project; WA Planning Commission; February 2004; p7

The Conservation Council is also on record comparing the relative merits of Roe 8 against the Outer Harbour.

*“There will be environmental implications to a new port in Cockburn Sound, it will require dredging and it will require some disturbance of the environment there. That can be minimised. But what can’t be gained back again is our last remaining wetland.”<sup>2</sup>*

- Piers Verstegen, Conservation Council

<sup>2</sup> Piers Verstegen, Conservation Council, 720ABC, 3 May 2016

## BUNBURY PORT - PART OF AN INTEGRATED SOLUTION FOR WA

Expanding the capacity of Bunbury Port has been identified as an important project to drive jobs and investment in the South West. It also provides an opportunity to address a number of issues facing the congestion and capacity issues associated with Fremantle Port. Bunbury Port should be seen as part of an integrated solution to the States transport needs and the long term economic future of WA.

The benefits of expanding the capacity of Bunbury Port were identified in 'Roads to Export Greater Bunbury Infrastructure Investment Plan' released in October 2010. More recently the South West Regional Blueprint identified the potential for the growth at Bunbury Port and the capacity to expand its operations to include containers and remove some pressure from Fremantle Port.

In the South West Regional Blueprint the expansion of the manufacturing sector and the development of expanded gateways to export into countries particularly in Asia were identified as important for the long term economic development of the South West.<sup>1</sup>

- **A McGowan Labor Government will continue to develop Bunbury Port as part of an integrated solution to WA's transport needs.**

The allocation of \$10 million from Royalties for Regions (RFR) will allow for the staged development of the capacity of Bunbury Port as part of our commitment to use RFR for investment in economic development and infrastructure projects.

<sup>1</sup> South West Regional Blueprint, p24



## CERTAINTY IN PLANNING

A McGowan Labor Government recognises the need to create long term certainty in planning and has announced the establishment of Infrastructure WA.

Infrastructure WA will be an independent advisory body reporting to the Premier, providing advice on priority projects and will be guided by a State Infrastructure Strategy. This will help address the chaotic ‘stop-start’ decision making that has created many of the congestion issues now facing our city and will drive a long term transport solution for the future.

The Outer Harbour had been agreed policy by successive state governments for over 20 years. Perth Freight Link (PFL) is a project foisted upon the State by a decision of the Abbott Liberal Government. The decision to fund PFL was made without any application being made to Infrastructure Australia.

The announcement to build PFL was made by the Abbott Liberal Government together with the State Liberal Government in May 2014. The State Government then submitted the PFL project to Infrastructure Australia for assessment. The Infrastructure Australia Assessment Brief prepared refers to the lack of reference of the Perth Freight Link in a number of key state planning documents. They also noted that a rapid Benefit Cost Ratio was not completed against other options to determine if PFL provided the greatest net benefit.

Over \$1 billion of Federal Government funding has been committed to this project, a project without a clear business case.

This highlights the problems with the current planning processes in WA. The establishment of Infrastructure WA by a McGowan Labor Government will go a long way to resolving these issues and provide a coordinated response to planning our infrastructure needs. The need for projects identified in WA Labor’s Seven Point Plan have been identified in various state planning documents and have long been seen as priorities for the State.

As well as investing State Government funding to the projects a McGowan Labor Government will, as a matter of priority, apply to Infrastructure Australia to support an integrated solution to Perth’s congestion issues and seek to have the funding for PFL committed to the projects outlined in this plan.

### **A McGowan Labor Government will:**

- **Through the newly created Infrastructure WA prioritise and coordinate the implementation of WA Labor’s Seven Point Plan.**
- **As a matter of priority apply to Infrastructure Australia to provide funding to the projects outlined in WA Labor’s Seven Point Plan.**



# Our Vision

## FREIGHT AND TRADE

**Reducing Congestion**

**Driving the Economy**

**Creating Jobs**