

30 November 2020

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**Attention: Future of Australia's Aviation Sector Issues Paper**

The Australian Logistics Council (**ALC**) welcomes the opportunity to provide a submission to the Department of Infrastructure, Transport, Regional Development and Communications on its *Future of Australia's Aviation Sector* Issues paper (**the issues paper**).

ALC is the peak national body representing major companies participating in the freight logistics industry. Our policy focus is on delivering enhanced supply chain efficiency and safety.

**General Comments**

ALC recognises the need for the Australian Government to continually review and adapt its approach to the essential services all Australians rely on for our ongoing prosperity, safety and security.

ALC represents the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers. Freight does not stop at state borders, which means that ALC's members bring a national perspective to how legislation is implemented. Similarly, ALC's membership is mode agnostic, bringing together perspectives from road, rail, air and sea freight operators, as well as those that provide specific logistics operations such as Australia's exporters and importers.

ALC works with all levels of government to ensure it considers the needs of the logistics industry in its investment and policy decisions. ALC focuses its advocacy efforts on key areas with the aim of improving supply chain efficiency:

- Supply chain logistics safety
- Infrastructure and regulation
- Technology

ALC's focus on these key issues recognises the importance of efficient supply chains to Australia's economic and social prosperity. High performing supply chains, underpinned by consistent regulation, appropriate national infrastructure and seamless information transfer

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across the freight logistics industry, enable the smooth flow of goods from production to consumption. They are critical to supporting future economic growth, encouraging investment, building more sustainable communities and preparing Australia for future global, national and regional challenges.

One of the positive consequences of the pandemic is a fundamental rethink of global supply chains. Where businesses once valued price above all else, the world is starting to value certainty of delivery and quality even more highly. That is a significant opportunity for a nation like Australia where quality has been at the heart of the brand for decades.

To be competitive Australian industries must be fully supported by a globally competitive transport and logistics sector. This demands smarter investment in policy, infrastructure, and technology. To that extent, ALC commends the Government in implementing the International Freight Assistance Mechanism to ensure the continued movement of air freight and trusts the Government will be judicious as it winds back this temporary measure, given that, as the issues paper indicates on page 5, air freight represents 20 per cent of trade by value.

ALC wishes to make one cautionary observation in relation to proposals to reducing the regulatory burden and increase greater decision making, as discussed in the issues paper.

The \$5.3 billion Western Sydney Airport is a significant infrastructure investment with potential to put advanced Australian manufacturing and high-end agricultural products within 12 flying hours of two thirds of the world's middle class, although there are some concerns that the focus of development at the airport appears to be more on passengers rather than freight.

The recent announcement in NSW 2020-21 budget supporting the development of an aerotropolis surrounding the new Western Sydney airport, including funding to kick start business cases on the Advanced Manufacturing Research Facility (AMRF) and the New Education Training Model (NETM) is therefore welcomed. As the Prime Minister announced on 1 October 2020, supporting Australian manufacturers will be key in Australia's economic recovery in a COVID safe economy. This announcement by the NSW government will provide Australian manufacturers and exporters new opportunity to access global markets through air freight.

It is therefore imperative that any increase in local decision making does not preclude the utility of developing concepts such as the aerotropolis or otherwise prevent airports being able to service the movement of freight on a 24/7 basis.

ALC has developed National Planning Principles that should be taken into account when considering land use decisions. They are **attached**. See particular Principle 5.

The efficient movement of freight by air must be a primary consideration in any airports policy developed by the Australian Government.

## Conclusion

These last nine months have been tough for all Australians, but disruptions to supply chains are presenting Australia with global opportunity. Australia's exports are in high demand and there is important recognition of, and investment in, a resurgent Australian manufacturing industry just when the world is looking for certainty of delivery and quality ahead of price. We need to bank the policy advances made during the pandemic and bank on infrastructure and technology advances to quite literally deliver a brighter future for all Australians.

ALC is committed to working with the Government in supporting the Australian aviation sector in adapting to the new COVID normal.

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Yours sincerely,

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**Kirk Coningham OAM**

Chief Executive Officer

## ALC NATIONAL PLANNING PRINCIPLES

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- 1** All planning instruments must recognise that planning for transport and logistics (including ensuring the continued efficient operation of existing ports and other freight and logistics infrastructure) is an urban priority. This means that caps, curfews and other restrictions on how infrastructure (particularly ports and airports) are operated and used must be avoided.
  - 2** Compromised planning outcomes between industrial and residential uses fail both industry and residents. Planning instruments must incorporate sustainable land use planning solution that allows industry to operate and expand in order to increase economic activity and jobs near where people live. Planning instruments should therefore contain land use compatibility features including:
    - a) land separation between residential and freight and logistics lands; and
    - b) retention and protection of lands that are suitable in size for freight and logistics purposes.
  - 3** Planning instruments must ensure that industrial lands and transport corridors are capable of operation 24 hours a day, seven days a week. State and territory governments must ensure planning instruments provide for mitigation measures when sensitive use developments (e.g. residential) are located close to freight infrastructure.
  - 4** Planning instruments must identify a clear linkage of road and/or rail infrastructure between employment lands and other clearly identifiable freight generation points, as well as other significant transport infrastructure such as ports, airports and intermodals.
  - 5** Governments must establish effective corridor protection mechanisms to ensure timely preservation of surface, subterranean and air corridors and strategic sites for future infrastructure priorities.