



FREIGHT AND LOGISTICS COUNCIL OF WESTERN AUSTRALIA INC

WESTPORT: Preparing for the strategy discussion paper

Freight and Logistics Council of WA's response to discussion paper

1. Do you support the proposed approach? If not, why?

On behalf of its industry members, the Freight and Logistics Council of Western Australia (FLCWA) supports the proposed approach.

2. Have we missed any key issues?

Industry members of FLCWA believe that a number of key issues have been missed in the paper, or given insufficient emphasis. They include the following:

Inland Supply Chains

- The paper has a heavy emphasis on the development of new port facilities in the Outer Harbour.
- Important as this is, the Westport project is about developing a whole new supply chain strategy, in which new port facilities are just one part.
- Without effective inland transport networks, a number of efficient intermodal facilities and appropriate land use planning policy to protect them, supply chains will be sub-optimal.
- There appears to be limited related emphasis in the current discussion.
- Relevant consideration would include the modal share between road and rail and the integration between the two modes.
- A long-term supply chain vision based on hub and spoke principles needs to be developed to establish context and this may require reference to overseas ports of similar size and circumstance.

Inner Harbour Logistics

- The paper does not appear to include discussion on the efficiency of the Inner Harbour supply chain in the short to medium term.
- It could be many years before an Outer Harbour is operational. Across the interim period, Inner Harbour logistics practices must be improved, not only to gain maximum life out of existing facilities, but also to ensure that the Outer Harbour inherits best practice.
- Questions need to address what improvements, both infrastructure and systems, need to occur across this interim period.
- Consideration also needs to be given to providing industry with sufficient certainty that necessary investment in existing assets is not jeopardised by the prospect of new and alternative supply chains in the medium to long term.

Transitioning Trades

- The movement of trade from the present facilities in the medium to long term should be viewed in a granular sense, rather than as a broader examination that considers Inner Harbour trade just in its totality and just in container terms.
- The different trades operating in the Inner Harbour need to be examined individually as their operational, commercial and technical circumstances are completely different to one another and this impacts fundamentally on issues such as the time and cost of potentially relocating them.



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- A staggered transition across different trades may best meet Westport objectives.

Bunbury Port

- It is Government policy to consider Bunbury Port as part of the discussion about metropolitan port development. That is the reason why Bunbury Port is included in the scope of the Westport project.
- Notwithstanding, there appears to be little emphasis on Bunbury Port in the paper.
- This needs to be addressed as for some trades (see transitioning trades points above) Bunbury may have potential to take pressure off both existing Inner Harbour and new Outer Harbour facilities in the short, medium and long term.
- This potential also has relevance to other areas of Government policy such as the development of South Quay in the Inner Harbour for non-port uses.

Technology

- Technology in the logistics industry is advancing at an exponential rate and a future Outer Harbour supply chain will look very different to existing models.
- It is likely that future port supply chains will be technology driven, with less emphasis on human capital.
- There are real dangers in just building incrementally on present practices, especially given the 50-100 year time horizon that the Westport project is embracing.
- A strong focus should be placed on considering advancements in technology and how these may impact on future operations.
- There needs to be consideration of what future (as yet undeveloped) technologies may bring, as opposed to just looking at what is current best practice.
- That suggests a scenario-based approach might be in order to ensure the flexibility to incorporate consideration of future technologies and practices.
- This also raises the more general point that the Westport exercise should resist analysis at a micro level. Industry has the commercial, operational and technological smarts when it comes to logistics and is well placed to take a broad Government proposal and develop it further into a sustainable working model.

Funding and Commercial Models

- Clearly Westport will be one of the most expensive and complex infrastructure projects seen in this State. Its funding will be pivotal to its success.
- Some funding models may have a higher private sector investment than has been usual in large Government infrastructure projects in the past. Some new thinking may be required.
- It would be useful if the paper acknowledged this and encouraged early discussion on various funding models and the costs, benefits and viability of each.

Terminology

- Page 18 - Vision – refers to the South West Region's trade – this could be misleading given Fremantle is not in the South West region. This could be reworded as South West land division.



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3. Do you have any information to help us build our evidence base?

Our industry members may be able to provide information of relevance and will advise if this is the case.

4. Can you or your organisation contribute to Westport? If so, please describe how.

The Freight and Logistics Council of Western Australia looks forward to continuing to work with the Westport project team to represent our member's views as an active participant of the Stakeholder Reference Group.