The Residential Development Council welcomes the opportunity to make a submission to Infrastructure Australia in response to the release of the National Land Freight Strategy Discussion Paper in February 2011. Comments and recommendations in response to the discussion paper are outlined below.

The Residential Development Council acknowledges that poor planning for freight activities and interoperability across infrastructure networks leads to congestion, low reliability and missed opportunities for investment. There is scope for improving Australia’s productivity and international competitiveness through more efficient provision and use of infrastructure.

The Residential Development Council supports this review of the provision and use of infrastructure and the development of a national land freight strategy. There are strong linkages between planning for a national freight strategy and planning for residential development as both rely on national, long term strategic planning for land use and infrastructure provision. Furthermore, freight (especially transport) infrastructure and housing infrastructure are both absolutely critical to a well functioning society.

Recommendations

1. Infrastructure Australia should acknowledge that:
   - population growth and urban consolidation and expansion are essential to support a productive national economy; and
   - it is essential there is an increase in residential development to accommodate an ever growing population.

2. The conflict between infrastructure land use planning and residential land use planning (infill and greenfield) can be resolved through improved strategic land use and infrastructure planning practices.

3. National planning reform is required and should include:
   - the development of a nationally consistent planning framework;
   - the implementation of the DAF reform agenda in all jurisdictions;
the alignment and coordination of planning across all levels of government to create consistency;

• COAG setting a clear national agenda that resolves competing policy issues at the national level;

• COAG developing a national long term strategic plan for infrastructure provision, including appropriate funding mechanisms, which is linked to state and territory long term metropolitan and regional strategic planning; and

• the best practice approach to strategic planning which includes funding allocations for infrastructure at the planning stage.

Freight Sector Constraints and Concerns

Encroachment of Freight Activities

Encroachment of freight activities is identified as both a constraint and major concern in the paper. The issues regarding encroachment include:

• urban (residential) encroachment into freight lands and corridors; and

• restrictions on the expected expansion of freight activities due to limited available land for freight activities, including interposing residential land use between freight precincts.

The Residential Development Council argues that both of these situations are a symptom of poor strategic land use planning and zoning practices.

One proposed solution to this issue is the placement of freight generators outside of the urban area where possible, thereby separating residential development from some freight activities.

The Residential Development Council agrees that the effectiveness and efficiency of this proposed solution is limited and provides a short term resolution to an ongoing problem. It is essential that any future strategy allow for city expansion and further residential greenfield development.

What is required is good strategic planning which allows for ongoing residential development and the expansion of freight activities within the urban area.

Population Growth and Urban Consolidation

Population growth and urban consolidation are identified as both a constraint and major concern in the paper. The key issues are:

• urban consolidation placing pressure on routes used by freight vehicles (especially restrictions required by adjoining residential zoned land) and freight precincts, particularly if there are major changes to the location of residential developments;
• population growth and increased private vehicle movements placing pressure on routes used by freight vehicles; and
• general freight being likely to increase near population centres, further increasing competition for land and infrastructure.

The Residential Development Council argues that population growth is necessary to create demand for additional goods and services and to facilitate economic expansion, both of which are essential to support an expanding national freight network.

At its core the issue is not population growth and urban consolidation but appropriate planning for infrastructure and land use zoning, both of which require reform.

The Major Cities Unit noted in the *State of Australian Cities 2010* that infrastructure has been underfunded for a number of years and that infrastructure development is now a significant challenge.

This position is supported by research completed by KPMG on behalf of the Property Council and other industry organisations. A key recommendation of *Spotlight on Australia’s Capital Cities: An independent assessment of city planning systems* is that the Federal Government must prepare 30 year strategic infrastructure plans that are appropriately funded.

A rolling pipeline of major infrastructure provides more predictability and certainty, and can support greater transparency to the private sector for future investment opportunities. Additional recommendations about this issue are outlined in the Property Council submission to the Major Cities Unit in response to the *Our Cities* discussion paper (refer Attachment 1).

Long term national infrastructure planning and funding should inform state and territory infrastructure planning and be linked to metropolitan and regional plans. The research identified that the relationship between infrastructure planning and metropolitan or regional planning in the capital cities varied widely. However, the three highest ranking cities for infrastructure achieved these results as a direct result of linkages between metropolitan or regional plans and one or more infrastructure plans.

Appropriate strategic land use and infrastructure planning should facilitate urban consolidation and residential infill developments, in addition to urban expansion and greenfield residential development.

Furthermore, there are significant productivity gains to be made through co-locating residential development and employment nodes, including some categories of freight generators.
The Residential Development Council recommends that competing national policy issues are resolved through COAG processes and that this process should direct a national planning reform agenda. The national planning reform agenda should include:

- the development of a nationally consistent planning framework;
- the implementation of the DAF reform agenda in all jurisdictions;
- the alignment and coordination of planning across all levels of government to create consistency;
- the development of a national long term strategic plan for infrastructure provision, including appropriate funding mechanisms, which is linked to state and territory long term metropolitan and regional strategic planning; and
- the best practice approach to strategic planning which includes funding allocations for infrastructure at the planning stage.

All of these reforms assist with the development and implementation of a national freight strategy.

Conclusion

Infrastructure Australia notes that objectives for freight generally seek a balance between economic contributions, external factors and social considerations, and the Residential Development Council supports this approach.

The Residential Development Council also supports the development of a national land freight strategy and acknowledges the key role this will play in improving Australia’s productivity and competitiveness.

However, the Residential Development Council warns against prioritising freight movements over residential development as both are essential for an efficient and effective economy, and both can be accommodated with appropriate long term strategic land use and infrastructure planning.

Please feel free to contact me should you wish to discuss any of these issues further on (03) 9650 8300 or at cakas@propertyoz.com.au.

Yours sincerely

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