# Response to National Transport Commission:*‘who moves what where’*

Thank you for inviting submissions in response to the ‘*Who moves what where’* paper.

While information such as this can be useful, there is a severe and chronic disjunction between transport data, policy, programs and projects in Australia. I offer nine comments:

1. This type of exercise has been conducted periodically, usually ab initio, and so far on each occasion has fallen into disuse. If they have not done so already, the authors would do well to consult with Mr John Pauley (Tasmania) and Professor Daryll Hull (NSW) on previous exercises.
2. The analytical purpose of describing movements of people, goods and vehicles should be carefully assessed. This would: show some of the presented information to be irrelevant or misleading; assist in establishing where there are significant – important – gaps in data. In the current unanalytical environment of transport; *politique sans information*, *projets sans politique* etc., collection or publication of ‘more data’ carries a high risk of major errors arising from overload. Put simply, better indicators rather than more data are needed for analysis.[[1]](#endnote-1)
3. Transport is as much about places as it is about movement and routes. A quick look at google earth will provide a better factual and analytically relevant basis for metropolitan freight policy than any present or likely future statistical collection.
4. Two significant omissions in data subjects are of great concern:
5. Ports; no Australian transport data series can claim credibility unless it presents relevant information about these most significant transport places and the access routes to them (including marine channels);
6. Use and current and historic cost of particular roads; this is essential for considering options for road charging. The (persistent) situation of relevant information for the Hume Highway not being published or apparently analysed is scandalous.
7. There are three gaps in data types not identified in the report
8. Asset condition
9. Asset usage
10. Asset cost

Indicators for these should be assessed for policy relevance. For example locomotive age, a proxy for condition, indicates the future viability of traffic and will be correlated with train utilisation and infrastructure condition.

1. Some of the presented information and commentary is surprising or questionable eg:
   1. Table 14 is difficult to understand
   2. Figure 62 does not match figures 63 or 66
   3. Figures 71 and 72 are misleading (and if presented in a course would result in the student being failed). Together with note 5b this is suggestive of forecasting bias.
   4. Rail utilisation is well known and available; tonne km/km (density) or tkm/wagon etc.
   5. The explanation about NSW TrainLink use (p121) is not credible.
2. It would be preferable for this type of information to be available from one place; noting that the Bureau of Infrastructure Transport and Regional Economics publishes an annual yearbook.
3. Irrespective of who does this type of task, responsibility for it should lie with the Commonwealth Government because it either has Constitutional power or has sought to enter these fields by funding and should satisfy the Parliament about the appropriateness of use of public monies.
4. The authors should be congratulated for noting that the Bureau’s ‘forecasts’ of freight growth will not be met. However, it is likely that: the ‘doubling’ will take considerably longer than the authors expect; the usual inferences drawn from the supposed doubling, eg. ‘need’ for more infrastructure, are wrong.

Regards

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1. From a forthcoming article:

   *‘Recent proposals for freight policies include mapping of supply chains and logistics; see for example Australian Infrastructure Plan* [*http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx*](http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx)*.*

   *Most of these detailed supply chain activities by governments and their advisers are unnecessary and some are possibly inappropriate. The reason is that road costs, including financial costs such as road wear and external costs such as emissions, are created and observable with respect to vehicles rather than vehicle contents.*

   *Commodity analysis can be useful if there is to be differential (eg. ‘Ramsay’) pricing, whereby different commodities attract different charges with reference to their demand elasticity.*

   *In some cases commodities can be inferred from observations of vehicles eg. fuel tankers, refrigerated containers, bulk ore carriers.*

   *Hence government freight policies should concern (large) vehicles rather than commodities. High value low volume ‘freight’, such as household shopping, will be in vehicles indistinguishable from general traffic and thus have indistinguishable costs that are amenable only to general traffic policies; such as congestion charging.*

   *The practical aspects of this issue arose in initial proposals for Australian rail access pricing where track owners sought information on the content of containers for the purpose of differential pricing, annoying freight owners. From a public policy perspective it was suspect; it would increase the market power of the monopoly infrastructure owner. It was soon determined that train path ‘auctioning’ would yield commercially and economically superior results than track owner analysis of commodities. Two part prices were established; a standard tonne-kilometre rate associated with wear and tear on infrastructure (which is largely associated with tonnage); a path rate for typical train types eg. train lengths which is associated with the cost of capital, and provides incentives to alter (pathing) capacity in anticipation of end market demand eg. whether there should be more or longer crossing loops. This has gained the cooperation of the freight industry, and has been accepted by economic and competition regulators; see:* [*https://www.accc.gov.au/regulated-infrastructure/rail/artc-interstate-rail-access-undertaking*](https://www.accc.gov.au/regulated-infrastructure/rail/artc-interstate-rail-access-undertaking)*.*

   *As transport is a derived demand substantial changes to rail pathing demand arise out of changes in land use eg. the opening of a new mine or a rail terminal. Relevant information is obtainable from the (land) planning system, and there is no need to – and it would be unwise to – seek to map current commodity flows except at the most aggregate level or seek involvement in logistics issues.*

   *The fact that this has been unremarked, or ignored, in data gathering proposals which seek to establish lots of transport facts by organisations under the Council should be a concern; see:* [*https://www.ntc.gov.au/current-projects/who-moves-what-where/*](https://www.ntc.gov.au/current-projects/who-moves-what-where/)*.’* [↑](#endnote-ref-1)