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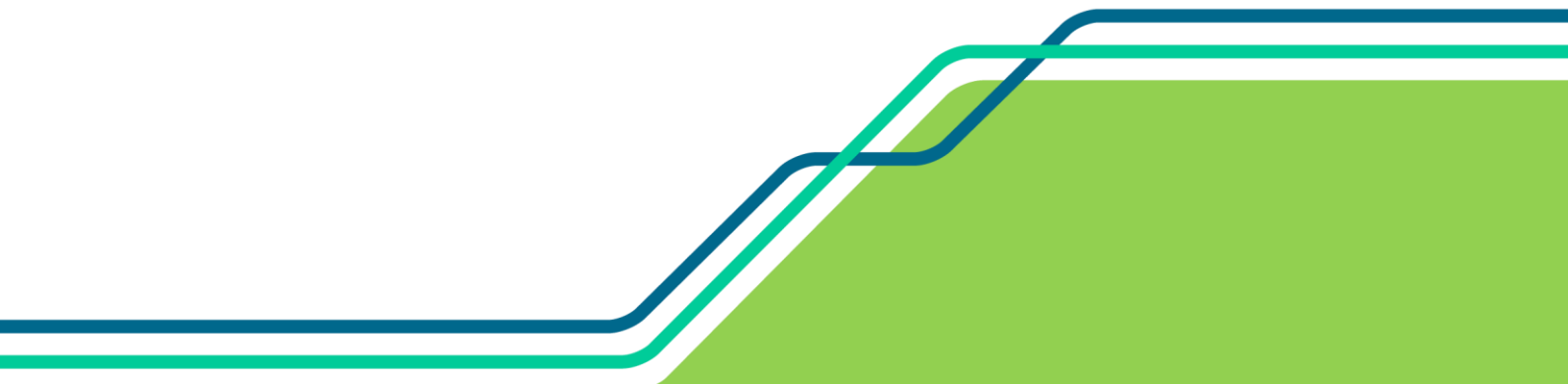
AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

To

The Senate's Rural and Regional Affairs and
Transport Legislation Committee

On

Inquiry into the Land Transport Infrastructure
Amendment Bill 2014



THE ARA

The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia, New Zealand and Indonesia. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia's passenger and freight transport systems are well represented and will continue to provide improved services for Australia's growing population.

The ARA thanks the Senate's Rural and Regional Affairs and Transport Legislation Committee for the opportunity to provide this submission to the *Inquiry into the Land Transport Infrastructure Amendment Bill 2014*. For further information regarding this submission, please contact Rhianne Jory, Associate Director Environment and Regulation via rjory@ara.net.au or 02 6270 4504.

ARA COMMENTS

In the main, the ARA has no significant issues with the proposed changes in the *Land Transport Amendment Bill 2014*. The Bill emphasises the Coalition's Government focus on road funding and projects by allowing the continuation of the Roads to Recovery Program for an unspecified period of time.

It appears from the reading of the Bill and a recent announcement from the Department of Infrastructure that current arrangements under the Nation Building Program (NBP) including funding for ARTC's projects (e.g. Automated Train Control System) will continue as is.

Specific comments on the Bill are outlined below.

Continuation of the Roads to Recovery Program

The Bill enables the continuation of the Roads to Recovery Program, which provides funding to local governments for the maintenance of the local road infrastructure beyond June 2014. The current funding period as in the legislation ends on 30 June 2014. The Bill also removes the specification of the funding period for this program from the Act and places it in the Roads to Recovery List therefore there is no need to amend the Act every time the funding period changes.

These amendments emphasises the focus of the Coalition Government on road funding and supports its election commitments of spending over \$35 Billion on roads projects (only \$300 million is given for the Melbourne-Brisbane inland rail project in addition to the existing funding granted for the ARTC's Automated Train Control System). By removing the timeframe for the funding program from the legislation this program is likely to continue endlessly. The ARA agrees that removing the timeframe from the Bill would make it easier to administer the Bill and the program as there will be no need to amend the Bill every time the time limit expires but it may also lead to an insufficient level of scrutiny, questions and opposition from relevant bodies including this Senate's Committee. Questions may be raised during the Senate Estimates however in some circumstances an Inquiry such as this one is an effective way to look deeper into the proposed legislative change.

Investment Projects

A new part, Investment Projects, has been added to the Legislation requiring State and Territories to notify the Minister as soon as possible after the sale or disposal of land that was acquired using the Australian government funding. This will ensure a timely response to land sales or disposals. The proceeds of the sale or disposal can then be allocated to new infrastructure projects.

The ARA believes that although not expressly included in the Bill, this statement 'the proceeds of the sale or disposal can then be allocated to new infrastructure projects.' in the Second Reading Speech pose an issue. It is unclear as to how the proceeds will be spent i.e. whether the proceeds will be allocated to projects that have been identified as 'nationally significant projects' by IA or only to projects that the Minister deems appropriate (outside of IA's consideration). It is also unclear whether the proceeds will be allocated to road project only and not to public transport or rail projects. Clarifications on how the proceeds will be used are required.

Existing Projects

The Bill states that existing projects under the Nation Building Program (NBP) will be treated as if they were Investment Projects (new category being added in this Bill as outlined above). Instruments, funding agreements and funding conditions made for the purposes of a NBP National Project will be treated as if they were made for an Investment Project.

From this proposed amendment and recent announcement from the line Department, it seems that the current arrangements under the NBP program including funding for ARTC's projects e.g. Automated Train Control Systems will continue as is.

Who and What Types of projects that can Receive Government Funding

The Bill introduces new type of project that can receive funding i.e. Transport and Development and Innovation Projects. These projects include research, investigation, studies and analysis of investment or Black Spot projects, previously funded off-network projects, and works funded under the Roads to Recovery Program. The funding can also be used for analysis of projects submitted for consideration for funding as investment or Black Spot projects, to help inform advice to government.

It is unclear to the ARA whether the funding will be limited to only road-related research and investigations or whether it will expand to other modes of transport.

Furthermore, a new type of funding recipient has been added to the Bill namely Partnerships – this change allows firms without a body-corporate or non-corporate Commonwealth entities (research related to land transport) to receive funding.

The ARA is supportive of this change as this amendment is expected to allow for different types of funding mechanisms and an increase in private capital investment. It also allows the line Department or other Executive Agencies to receive further funding through this mechanism.

With regard to the proposed continuation of the Government's Black Spot program, the ARA believes that funding for the current program could be extended to include road-rail crossings upgrades and maintenance. Given it is the ARA's understanding of State's black spots programs are only used to fund road black-spots so there is a significant opportunity for the Commonwealth to step in to address the national issue of level crossing safety.

Repeals of Spent Acts

The Bill proposes to repeal three spent land transport infrastructure Acts including Roads to Recovery Act 2000 and the Railway Standardisation (NSW and Victoria) Agreement Act 1958.

The ARA has no issues with the proposed amendments as there are no outstanding claims under these Acts therefore the Acts can be repealed.