

Secretary: *J. Laird*

RECEIVED

17 DEC 2003

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES



National Chairman
Mr John Watsford

Railway Technical Society of Australasia
The Institution of Engineers, Australia

11 National Circuit

BARTON ACT 2600

Phone: 02 6270 6539, Fax 02 6273 1488

ref. RTSA-NS-65

4 December, 2003

Emailed / /

The Secretary
Standing Committee on Transport and Regional Services
House of Representatives
Parliament House
CANBERRA ACT 2600 Trs.Reps@aph.gov.au

Dear Secretary,

**Inquiry re impacts of the Privatisation of Regional Infrastructure
Government Business Enterprises in Regional and Rural Australia**

This is to confirm the submission which was sent to the Committee by e-mail on 21 November and was approved by our National Council at its recent meeting in Sydney. A summary is also attached (together with a copies of a recent brochure).

It would be appreciated if you would acknowledge the submission.

If you would like further information about the submission, or a soft copy of the summary, please contact our Government Relations Committee Chairman, Dr Laird on 02 4221 3421, or by e-mail at plaird@uow.edu.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Venn-Brown', written in a cursive style.

(Mr) Chris Venn-Brown FIEAust CPEng
National Secretary

Summary of RTSA Submission to House of Representative Standing Committee on Transport & Regional Services re Impacts of the Privatisation of Regional Infrastructure & Government Business Enterprises in Regional and Rural Australia

Rail privatisation in Australia has focussed on above rail operations, and has left much "unfinished business" for Government. As noted by the Committee in its earlier reports on Rail ("*Tracking Australia*" in 1998 and "*Back on Track*" in 2001), interstate mainline rail tracks need to be upgraded in order to reduce transit times and enable rail to carry more freight. The upgrading of rail structures (eg 19th century bridges), signals and communication systems is also important, as is selected mainline track straightening.

Investment is also required for urban rail systems, and for regional rail. Further branch line closures will result in cost shifting to local government.

Taxation measures for the facilitation of private sector investment in rail, and Government assistance with a properly funded AusLink program, would also go some way to ensuring a better balance of funding much needed improvements to the national rail network and maintaining the National Highway System. However, if Public Private Partnerships are used for project delivery, they have to be done carefully. New structures such as "Public Interest Companies" governed by users which reinvest profits rather than paying dividends need to be assessed within regional transport and fiscal policy contexts.

The current situation of third party access rights, vertical separation of above and below rail functions and 'highway subsidisation' (through under-recovery of road system costs from the heavier long distance trucks) discourages both intercity and regional rail track investment. Significant advances will need to be made in reaching competitive neutrality between road and rail regarding access pricing and regulatory environments before Government can expect the private sector to provide the necessary funds for track upgrades to a 'fit for purpose' standard. Thus, ongoing Government funds will be necessary to upgrade substandard national and regional rail track.

Vertical separation of rail has led to inefficiencies in the use of rail and rolling stock as well as the increased possibility of accidents. However, mixed ownership of rail networks can foster competition with more opportunities for innovative activities.

A modal shift from road to rail of both freight and passengers is necessary to reduce the relatively high economic, social and environmental costs imposed by road transport. Rail is about three times more energy efficient than road in line haul freight, and rail is energy efficient in moving passengers, so selected modal shifts from road to rail will reduce greenhouse gas emissions as well as dependence on imported oil. It will also improve road safety.

Finally, an improvement in the quality and quantity of land transport data in Australia is required for future transport planning. Compulsory data disclosure for rail freight could usefully include tonnages and net tonne kilometres.

ADDITIONAL INFORMATION HELD BY THE COMMITTEE

ATTACHMENTS TO SUBMISSION NO. 33

**ATTACHMENTS, APPENDICES AND PHOTOGRAPHS PROVIDED WITH
SUBMISSIONS ARE HELD IN THE COMMITTEE OFFICE**