

**Transport Workers Union of Australia
Submission to the Senate Rural and Regional Affairs and Transport
Committee inquiry into:**

- **AusLink (National Land Transport) Bill 2004, and**
- **AusLink (National Land Transport-Consequential and Transitional Provisions) Bill 2004**

Introduction

Australia's capacity to maximise its economic performance is dependent on an efficient national land transport network.

Australia is heavily reliant on its land transport network to move freight and passengers – particularly between regional areas and major metropolitan centres. Similarly transport infrastructure is a key driver to economic efficiency through linkages to ports, markets and other key nodes.

In order to operate efficiently, the transport system needs to be clearly defined, and funded, with each level of Government accepting its responsibility. All Governments need to fully commit to funding for both construction of new infrastructure and maintenance of the existing network.

With the freight task set to double in Australia over the next twenty years, it is important that we invest in transport infrastructure that can meet this growth. An effective freight management plan should see investment in all modes – road, rail, sea and air – with significant investment in intermodal facilities, and increased focus on maintenance and infrastructure management. This task should be aimed at achieving a more efficient use of existing infrastructure through technology and other management tools.

While the AusLink white paper sets a useful direction, and places a degree of emphasis on the planning of Australia's freight network, the Transport Workers' Union ("the TWU") believes that a number of issues remain to be addressed. Those issues include:

- That the planning, construction and maintenance of the National Highway Network clearly rests with the Federal Government and must remain so.
- More detailed planning needs to be undertaken in relation to Australia's long-term freight needs, linkages to ports and airports and intermodal facilities. Sufficient funding needs to be allocated to the planning task (in areas such as data collection, demand forecasting and modeling) and detailed assessment needs to take place in terms of how best to finance infrastructure.

- The Government must remain committed to the Roads to Recovery Program, however this must be open and transparent in its funding allocations. The TWU notes that a large proportion of the funding allocated to strategic regional projects was committed during the election period, before the necessary legislation was in place, and without any guidelines or application process in place.

In this context, the TWU supports, through this bill, the establishment of a transparent body to oversee infrastructure planning and advise Government on the allocation of funding to transport infrastructure projects across Australia.

National Highway Network

The National Highway Network is the key freight link in Australia. This 18,000 plus kilometre network links Australia's major metropolitan and regional centres with ports and other key markets. The safe and efficient operation of the Australian freight sector, as well as the livelihoods of many primary and secondary producers, is dependent on this network.

The National Highway Network has traditionally been the responsibility of the Federal level of Government. Under AusLink, however, the Commonwealth is seeking to abrogate itself of its funding responsibilities. Instead, future funding would be conditional and dependent on the outcome of one-off deals struck between the Commonwealth and each state.

Further, the Commonwealth proposes to cap its maintenance commitment at \$300 million per annum – with the states left to pick up the slack. This can only lead to further deterioration of the National Highway.

It is the view of the TWU that a more effective outcome could be reached through the Commonwealth working with the states and local government to formulate effective infrastructure solutions based on sound policy. Clear definitions of funding and maintenance responsibility for the various transport links must be spelt out clearly and not left open to interpretation based on political imperatives.

Rather than recognise the fundamental importance of the Network to our national economy, the Commonwealth's approach to funding exposes the indifference it has towards infrastructure maintenance and its focus on short term political considerations rather than long-term economic and social outcomes.

It is the firm view of the TWU that the Commonwealth should maintain full responsibility for the construction and maintenance of the National Highway Network.

National Infrastructure Planning and Investment

Given Australia's significant infrastructure backlog (currently estimated to be in the order of \$10 billion for road infrastructure alone), the TWU is concerned at the lack of emphasis and recognition of this issue – either in the AusLink white paper, or in this Bill.

The Government needs to identify innovative mechanisms for addressing this backlog, including engaging the private sector on projects that could potentially provide a return to shareholders. Such an approach could free up scarce public funds for less profitable projects needed in rural and regional Australia.

However, rather than take an active role in this regard, the AusLink white paper merely suggested that the private sector **may** have a role. And again, it is left to the states to sort out, that is, it is the states that must attract and engage investors and consequently, bear the risk associated.

AusLink fails to recognise the significant impact that private sector investment can have on the pace at which infrastructure projects can be delivered, as evidenced by the number of major projects that have been brought forward by decades, through the involvement of the private sector.

Whilst the TWU believes the private sector should play an important role in the provision of infrastructure, consideration must be given to the following:

- The scope and conditions for private sector investment through appropriate partnerships;
- The most equitable, cost effective and fair methods of finance;
- Strategies to improve accountability and transparency in infrastructure finance;
- The most equitable, cost effective and fair methods of finance;
- The most effective method of reducing financial risk to government and minimise fees and charges;

It is the firm view of the TWU that the Government should consider, through the AusLink process, options for private sector involvement in the early provision of road and other transport infrastructure.

Independent analysis of infrastructure needs

The TWU believes that the Commonwealth should engage in a balanced and strategic evaluation of Australia's transport infrastructure needs. This evaluation should involve all stakeholders and would ensure that the politics is taken out of funding decisions.

The TWU supports the establishment of an independent advisory council to undertake the infrastructure planning and assessment required to ensure that infrastructure is provided in the most strategic way.

This independent council should also be charged with assessing the overall structure of the national transport network, financing options and providing advice to Government on what projects should go ahead.

It is the firm view of the TWU that an independent advisory council must be established as a matter of priority to oversee the implementation and further development of AusLink.

Integrated transport planning

The TWU recognises that, while AusLink is a step in the right direction towards land-freight planning, the transport network must be planned in a more holistic manner. Freight transport does not operate in isolation from the passenger systems, and non-land based freight modes do not operate in isolation from sea and air transport.

The TWU believes that the Commonwealth should be working to establish a national integrated transport plan. An effective integrated transport plan should deliver:

- Efficient freight systems;
- Equally efficient passenger systems;
- Best use of existing infrastructure in order to minimise tax burdens and environmental and social impacts on communities;
- A safe, environmentally friendly and healthy transport system;
- Infrastructure and services that meet the needs of future users;

A national integrated transport plan must identify corridors of significance to the nation's wellbeing, while also developing efficient inter-modal connections at ports and airports. The TWU supports the attempts to achieve this through AusLink. However, the plan needs to go further and clearly articulate the planning and funding responsibilities of each level of Government. This plan should be developed and delivered in partnership with State/Territory and local governments, and should be overseen by the independent advisory council referred to above.

The TWU recommends that the Government work in partnership with State/Territory and local governments to develop an integrated transport plan – focused on passenger and freight land transport systems, as well as sea and air transport.

Roads to Recovery

The TWU believes that the Roads to Recovery program has been an invaluable source of funding for local councils and has provided for much needed road works in local areas.

The TWU supports the extension of the program. It is essential that funding continues in order that bridge upgrades are completed to provide consistent mass limits along interstate routes.

However, the TWU also believes that, in the context of the integrated transport planning model outlined above, the guidelines for this program should be extended to allow local councils more flexibility with how they allocate these funds. A more flexible approach would allow councils to determine the most effective use of their transport infrastructure dollar on a local scale. This would allow councils to choose to allocate funds to public transport infrastructure, and/or off road cycling/walking facilities, or even regional airport runways.

The TWU supports the extension of the Roads to Recovery program, however, calls on the Government to broaden the funding guidelines.

Safety

Transport workers deserve a safe and secure workplace. The Australian Automobile Association asserts that five lives are lost on the road every day. Such dangerous conditions are not tolerated in any other workplace and should not have to be tolerated by transport workers.

This is yet another reason why the commonwealth should accept full funding responsibility of the National Highway Network and ensure that partnerships with the states and territories and local governments deliver the infrastructure that is needed to provide a safe workplace for transport workers.

Better highways and roads are needed not just to improve traffic conditions but to save lives.

Conditional bilateral agreements

As stated above, in choosing to walk away from its responsibility to fully fund the National Highway, the Commonwealth is transferring an important nation building task to the states and territories. The states will be left to plan and deliver the infrastructure and bear the associated risks. However, not content with this, the Commonwealth then seeks to interfere and impose conditions on how the states and territories conduct workplace arrangements, via the condition that any Commonwealth funding is conditional on the states and territories applying the

Construction Code of Practice. This stunt should be seen for precisely what it is - an unwarranted display of politising the funding process.

The opportunity for widespread application of unfair and draconian workplace terms and conditions proved irresistible to an ideologically driven Government.

The TWU opposes the provision of funding to be conditional on the states and territories applying the Construction code of Practice.

**John Allan
Federal Secretary
Transport Workers' Union of Australia**