



INQUIRY INTO THE AUSLINK (NATIONAL LAND TRANSPORT) BILL 2004

The Australasian Railway Association is strongly supportive of the Auslink initiative. It represents a significant step forward in the way investment is considered within the context of a national plan. It also represents a starting point for fundamentally changing for the better how we, as a nation, plan and invest for the future.

There are a number of areas where Auslink could be expanded to better meet its objectives. These are:

- Improved engagement of infrastructure owners;
- Adopting a cross modal approach to freight paths;
- Establishing comparable assessments of passenger and private car transport;
- Facilitating private sector investment;
- Aligning private and public sector investments;
- Improving the coordination between all three levels of government; and
- Linking with related policies, in particular competition policy and access pricing.

Engagement of infrastructure owners

While Auslink provides for the full engagement of road infrastructure owners it only allows for very limited engagement of rail infrastructure owners. For example the Working Group established to develop the methodology for assessment of Auslink projects included significant representation from road infrastructure owners but no representation at all from rail infrastructure owners. Furthermore, there was no consultation with the rail industry on the development of the methodology. It is hard to see how this lack of engagement with rail can result in a 'level playing field' in assessing Auslink projects.

Adopting a cross modal approach to freight paths

Auslink covers a very broad range of roads that are used for freight movements but significantly limits its coverage of rail freight routes to the inter capital city network and some port connections. Over three quarters of the rail freight task occurs outside the inter-capital city network. The industry is facing real market

failure on some regional networks due in large part to infrastructure under investment. If market failure is allowed to occur road costs in these areas will increase significantly. The broader cross modal freight task needs to be taken into account within the Auslink framework.

Establishing comparable assessments of passenger and private car transport

Auslink covers a significant range of roads that are primarily used for private car use. Past Commonwealth investment in roads has, in some cases, had a detrimental impact on patronage of rail passenger transport services. The ARA considers that investment in road use for private cars should take into account in their evaluation the impacts on passenger transport operations and also the relative merits of providing increased infrastructure for private car use vis a vis passenger transport options.

Facilitating private sector investment

Given the ownership arrangements in the rail industry there is strong support for further private sector investment, including in track infrastructure. However the Auslink framework being based primarily on past road infrastructure practice does not easily allow for blended private public investment. It also has no apparent capacity for public investment in privately owned infrastructure where there is a public benefit. These issues, while complex, are important to be addressed as a means of increasing the availability of funding for infrastructure.

Aligning private and public sector investments

Given the nature of rail, ie the rail wheel interface, to maximise the value of track investment above rail investments need to be aligned. For example the announced Auslink funding has resulted in an above rail investment plan by Pacific national of around \$650 million.

It is therefore important to rail operators that track investment plans are long term, transparent and have clear timeframes for completion. Therefore the Auslink program's rolling plan approach needs to be fully funded. Uncertainty in investment in track increases the risk for above rail investments.

Improving the coordination between all three levels of government

While Auslink endeavours to include State/Territory and local governments in the planning framework the majority of transport infrastructure investment occurs outside of the Auslink framework. For a truly national approach to planning and investment a whole of governments approach would be preferable. This would ensure that there does not continue to be disconnects particular at the urban interface.

Linking with other related policies

There is currently a major policy disconnect between planning and investment, competition policy and access pricing. Furthermore, most of these policies are considered in modal isolation. This mitigates against an integrated approach to transport planning and investment. For example, road pricing has an impact on the need for rail investment, likewise rail investment influences modal choice by customers.

Despite these issues, Auslink is a significant improvement on the previous Commonwealth approach to transport infrastructure investment and the ARA welcomes the opportunity to work with governments in its implementation.

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