

DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES

SUBMISSION TO THE SENATE RURAL AND REGIONAL AFFAIRS  
AND TRANSPORT LEGISLATION COMMITTEE INQUIRY  
INTO THE AUSLINK (NATIONAL LAND TRANSPORT) BILL 2004,  
AND AUSLINK (NATIONAL LAND TRANSPORT – CONSEQUENTIAL AND  
TRANSITIONAL PROVISIONS) BILL 2004

MARCH 2005

## **Senate Rural and Regional Affairs and Transport Legislation Committee**

### **Inquiry into the AusLink (National Land Transport) Bill 2004, and AusLink (National Land Transport – Consequential and Transitional Provisions) Bill 2004**

#### **Terms of Reference**

- Changes to the Commonwealth Government's funding responsibility for construction and maintenance of infrastructure.
- The establishment of a national council, involving stakeholder and expert representation and input into planning.
- Examine the extension of the criteria for Roads to Recovery projects to include public transport, cycling, walking infrastructure and regional airport runways.

# **AUSLINK – NATIONAL LAND TRANSPORT PLAN**

## **Introduction**

The AusLink Bills provide the framework for implementation of the Australian Government's new land transport policy and national land transport plan, announced in the White Paper released in June 2004. A copy of the AusLink White Paper is at Attachment A.

The AusLink White Paper set out the Australian Government's vision for future arrangements for planning and investing in land transport infrastructure. It also enumerated the key reasons for change as follows:

- criticality to Australia's economic and social future of efficient, reliable, safe and secure road and rail infrastructure;
- forecast two-fold increase in demand on land transport infrastructure for the movement of goods and exports;
- increasing pressure on inter-regional and urban transport links with Australia's changing population base; and
- previous short-term and ad hoc single mode planning processes that do not meet the need for integrated land transport infrastructure and systems to meet the transport task.

The White Paper was developed following an open and transparent public consultation process, incorporating input from key stakeholders. The Australian Government also consulted extensively with state and territory governments in identifying investment priorities for the first tranche of funding over the five-year period, 2004-05 to 2008-09.

## **AusLink objectives**

AusLink aims to promote sustainable national economic growth by creating an integrated National Land Transport Network that:

- improves national and inter-regional connectivity;
- improves national, inter-regional and international logistics; and
- enhances national, inter-regional and international trade.

The previous separate planning and funding of land transport infrastructure between jurisdictions and between modes cannot meet these objectives. AusLink therefore replaces former national road funding arrangements and extends the land transport network to:

- incorporate critical state infrastructure, such as major arterial roads, that forms part of the freight task to create an efficient transport route through to air and sea ports; and
- broaden the scope to include both rail and road in one cohesive, integrated planning, decision-making and funding system.

AusLink has the following core components:

- a defined National Network of important road and rail infrastructure links and their intermodal connections;
- a National Land Transport Plan which sets out the Australian Government's approach to improving and integrating the National Network;
- a single funding regime for infrastructure on the network;
- separately earmarked funding for local and regional transport infrastructure; and
- new legislative, intergovernmental and institutional mechanisms.

AusLink provides for a single integrated system of key land transport corridors, moving planning, decision-making and funding from a system where the Australian Government had full responsibility for one component of the overall road transport task (the National Highway) and the states and territories and local government for the remainder. Prior to AusLink, there were no real mechanisms in place to ensure synergies. AusLink provides a long-term framework, with funding certainty and mechanisms for jointly identifying and scoping out long-term investment priorities over a 20 year timeframe. AusLink envisages a partnership arrangement between governments and, where appropriate, with the private sector, which will deliver a more efficient, safer road and rail transport network for freight and, importantly, for all road users.

AusLink provides a platform for revitalisation of the national rail network. Without an efficient and effective interstate rail system, Australia cannot meet the land transport task which is expected to double over the next 20 years.

### **Responsibility for construction and maintenance of infrastructure**

AusLink moves from the 30 year old National Highway System and current road funding arrangements, focussed on one element of a single transport mode, to a broader and integrated network of nationally important road and rail links.

The Australian Government is increasing its investment in an efficient national land transport network. The focus is not on meeting 'here and now' needs, but on establishing a framework for transport infrastructure investment that will meet Australia's long-term transport needs. The Australian Government will continue to work cooperatively with state and territory governments and key stakeholders to meet these long-term needs.

The initial five-year investment programme was reached following extensive consultation with state and territory governments and key stakeholders about their priorities. The AusLink road transport network encompasses, and provides an Australian Government contribution to, state and territory arterial roads that are critical to the national freight task. The states and territories previously bore full or major responsibility for these roads. In recognition of this, AusLink introduces shared funding responsibility for the national road transport network.

The expanded road transport network delivers substantial benefits at the national and local levels. It is therefore appropriate that national and state/territory governments contribute funding to projects on the network.

Under the announced AusLink investment programme, all states and the Northern Territory will receive large increases in funding for construction on the National Land Transport Network.

Under AusLink, the Australian Government has increased its investment in road infrastructure in the first five year programme on the network by \$2 billion.

The Australian Government is continuing to fully fund many projects on the new National Land Transport Network that would have been on the former National Highway System, especially in rural and remote areas.

The Australian Government is also retaining its maintenance contribution at the same level (\$300 million per annum) as in 2003-04 for the former National Highway System. Given that the new, expanded National Land Transport Network includes state and territory roads, it is considered not unreasonable to expect that the states and territories also contribute to maintenance costs for the network.

A key to ensuring that Australia is able to meet the challenge of the doubling of the land transport task over the coming twenty years is investment in rail infrastructure. The Australian Government, together with the Australian Rail Track Corporation, will invest \$1.8 billion in rail infrastructure projects on the National Land Transport Network over the next five years. Initial investments address critical infrastructure gaps impeding the south-north corridors between Melbourne and Brisbane, and from Sydney to Brisbane, where rail plays a very minor role in the movement of freight (less than 20 per cent of market share). Other investments improve efficiencies on east-west routes between the eastern seaboard and South and Western Australia.

### **Planning and decision-making for future investment priorities**

The AusLink National Land Transport Plan, released in the White Paper, was developed after extensive consultation with the states, territories and key stakeholders. The plan provides the investment platform for the next five financial years, from 2004-05 to 2008-09. Investment directions have been set for the coming five years.

Future investments will be guided by investigation and planning work on critical land transport corridors identified in the White Paper (pp 69-71). DOTARS has commenced working cooperatively with our state and territory counterparts on corridor strategies. Pilot strategies are now underway on four corridors: Sydney – Melbourne; Adelaide urban; Brisbane – Cairns; and Adelaide – Perth.

The development of corridor strategies will be supported by a range of rigorous studies to determine needs, deficiencies and future investment priorities. For each corridor, the following assessments will be made:

- how the corridor needs to perform to meet future demands safely and effectively;
- relative benefits of, and synergies between, transport modes;
- consistency with, and contribution to, national priorities; and
- how to maximise private sector involvement and potential for public private partnerships.

The input and views of non-government stakeholders will be sought during the development of the corridor strategies, providing stakeholders with the opportunity to contribute to long-term planning and investment priorities in Australia's land transport infrastructure. The Department has already held initial scoping discussions with groups such as the Australian Logistics Council (representing industry), the Australian Council for Infrastructure Development (representing investors), and national sectoral bodies, such as the Australian Trucking Association and the Australian Rail Association. These consultations will continue as each corridor strategy is being developed.

The Department considers that industry and other key stakeholder input is vital to the success of planning and future infrastructure investment. As outlined above, the structures are being developed and put in place to support future planning and decision-making on land transport infrastructure and to provide for stakeholder and expert input. It continues to be the Australian Government's intention to set up an advisory council to allow the private sector to input into future land transport infrastructure funding.

The Australian Transport Council (ATC) Ministers previously agreed in principle to the establishment of a National Transport Advisory Council (NTAC) to provide strategic advice and analysis to Ministers on the long-term development of the national transport system. The AusLink White Paper noted ATC's intention to establish NTAC focussing its analytical and advisory work on three transport policy areas:

- developing advice on priorities on national infrastructure investment;
- advice on reforms to support intermodal integration; and
- advice on strategies, policies and options for long-term infrastructure management and reducing transport's impact on the environment, particularly in urban areas.

The structure and operations of this proposed council have not yet been agreed by ATC Ministers.

However, since the White Paper, views among jurisdictions have been mixed about whether an independent council is the best mechanism for progressing the issues identified by ATC, or whether this is done more responsively for governments by existing state/federal working groups reporting to ATC. The ATC considered the issue at its November 2004 meeting and agreed to delay a decision on NTAC for at least 12 months.

It was agreed that officials should work on key identified projects to trial joint working arrangements on strategic planning issues. It was decided to commission work on the key issue of urban congestion and provide a report to Ministers in the next 12 months.

A fundamental principle of AusLink is that the Australian Government will continue to work with state and territory governments to jointly determine national land transport planning and investment priorities.

### **Roads to Recovery criteria**

The AusLink Bill extends the Roads to Recovery programme beyond its initial timeframe of 30 June 2005. In 2004-05, \$253 million is being provided for local roads. Over the four years, 2005-06 to 2008-09, a further \$1.2 billion will be provided to local councils under Roads to Recovery, using a similar funding formula as that currently used.

Local councils will continue to have wide discretion in determining the projects they wish to fund. The key condition is that funding be applied to construction and maintenance of roads. The definition of “road” in the Bill includes “a path for the use of persons riding bicycles”. There is nothing to prevent councils constructing dual purpose cycle/ walkways. In fact, \$19m was spent to June 2004 on cycle infrastructure under the Roads to Recovery programme. Other infrastructure benefiting and providing safety for pedestrian traffic, such as pedestrian bridges and tunnels, is also included in the definition of “road”.

Public transport infrastructure is not included in the AusLink Bill. The Australian Government develops policy and provides coordination that supports the development and use of sustainable transport options, including public transport. Examples include TravelSmart, which involves all levels of government, industry and the community, and the Green Vehicle Guide. The corridor strategies that are being developed jointly with the states and territories will examine issues impacting on the efficiency of the urban links on the National Land Transport Network, including the role of public transport.

The Australian Government’s view is that public transport is the responsibility of state, and in some cases local, government, as these services deliver local passenger movements and localised benefits. However, as is currently the case, it is open to councils to use Roads to Recovery funds on road construction projects that might enhance efficient and safe use of road based public transport.

Funding for local roads under the Roads to Recovery programme is in addition to the \$2.5 billion that will be provided to local councils as untied road grants over the next five years.

The AusLink Bill and programme deal with land transport infrastructure; sea and air transport infrastructure is outside the programme. The Australian Government entered into deeds of agreement with local councils under the Aerodrome Local Ownership Programme to transfer aerodromes to local airport owners and operators in the early 1990s.

Local councils may use the untied component under the Australian Government’s Financial Assistance Grants to meet the costs of other local infrastructure priorities, including airport runways.