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27 May 2009

Ms Jeanette Radcliffe  
Committee Secretary  
Senate Rural and Regional Affairs and Transport Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Madam,

#### **Nation Building Program (National Land Transport) Amendment Bill 2009**

The ARRB Group Ltd is a company incorporated in 1965 as the Australian Road Research Board and owned jointly by the representative roads authorities of the states and territories and the Commonwealth of Australia (particularly via the Department of Infrastructure, Transport, Regional Development & Local Government). ARRB operates as an independent entity, providing diverse services and outputs to Commonwealth, state and local government agencies and industry. Further to your email invitation of 20 May 2009 to make a submission regarding the above Bill, ARRB Group wishes to submit as follows.

Of relevance is the following excerpt:

*'The bill amends the Auslink (National Land Transport) Act 2005 (the Principal Act) in the following way:*

*... allows the Minister for Infrastructure, Transport, Regional Development and Local Government (the Minister) to incorporate into any funding conditions set for projects funded under the Principal Act, the terms of a particular matter contained in an instrument or other writing as in force or existing from time to time; ...'*

It is our strong recommendation that consideration be given to requiring a small percentage of funds for projects let under the Principal Act to be allocated to fundamental research activities (as opposed to applied research and commercial research) related to national land transport objectives by bona fide research organisations.

This is already practised by some governments overseas (0.8% of construction project contract values are allocated in Belgium, for example), to ensure that knowledge keeps up with the passage of time and unfolding demands on the transport system. For maximum benefit, it is essential that this research be designated as 'public good', with the results freely available to all who wish to access them. Such a funding mechanism could be administered at funding source or at the Implementing Agency.

The advantages of this approach would be:

- **Nation building:** Research of this kind has a demonstrated record of returning economic benefits of 5-10 times the quantum of the research funds invested. This means that future funding tranches will be able to deliver more benefits to the nation as a whole.
- **Innovation:** This research would recapitalise the knowledge stocks available to innovation nurseries such as Collaborative Research Centres and other innovation-driven companies. By so doing, innovation will be made more sustainable.
- **Capability building:** This type of fundamental research allows the opportunity for Australia to develop a sustainable cadre of experts in land transportation, through exposing current and new practitioners to opportunities to solve the complex problems which land transport faces and will face in future.

Should you require further information or amplification of the above, please do not hesitate to contact me.

Yours sincerely,



**Gerard Waldron**  
**Managing Director**