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12th October, 1998

Progress in Rail Reform  
Productivity Commission  
Locked Bag 2  
Collins Street East Post Office  
MELBOURNE VIC 8003

**Attention:** Ms Carole Trenberth

Dear Carole

### **Progress in Rail Reform Inquiry**

We thank you for the opportunity to comment on this matter. Generally, the scope of this inquiry appears to be of limited relevance to Local Government, as Local Government does not play a direct role in the rail industry.

The South Australian Local Government Association provided a submission to the Federal Government Inquiry into the Role of Rail in the National Transport Network ("the Inquiry") in October, 1997. We enclose a copy of our submission for your information and feel that most issues for Local Government in South Australia have been addressed in the submission. However, we would like to take this opportunity to provide you with some additional comments, as well as highlight a few key elements of our submission.

Existing concerns regarding transport for Local Government in South Australia, as highlighted in our previous submission, are as follows:-

- the impact of increased mass limits on local roads in terms of the adequacy of the infrastructure to support such increases and the corresponding increased maintenance costs for Local Government
- the economic effect the downsizing and lack of Government support for the rail industry had on the operation of Australian National and its eventual sale. This is highlighted in the case of Port Augusta where the quantified effect has been calculated at \$90m over the past three years; and the effect this will have on communities which have in the past relied heavily on the industry for employment, both directly and through related industries
- the impact on regional development of the reduction in job opportunities and the decreased access to the rail facilities by local industries

- the environmental impact of increased road usage, particularly through built up urban areas in terms of noise pollution and gas emissions
- safety hazards for other road users caused by the increased road transportation of bulk and heavy goods, including dangerous goods

We also make the following additional comments:-

- It would appear that the rail link between South Australia and Victoria is still in poor condition, which has a negative impact on transportation times.
- Local Government in South Australia is nationally at the forefront of planning Local Agenda 21, an initiative for ecologically sustainable development which has the support of the Local Government Association and the State Government through the *Partnership for Local Agenda 21*, and the Commonwealth Government, through the Intergovernment Unit of Environment Australia. Many Councils in South Australia are currently preparing Local Agenda 21 plans.

One of the strong messages coming from community and elected members involved with this project is that provision and support of sustainable transport options are an essential strand of any successful plan to meet sustainable development objectives. Well patronised urban passenger rail services will lead to reduced greenhouse gas emissions, reduced fossil fuel use and improved air quality for all. In this regard, it is suggested that the Commission address the issue of sustainable development.

We understand that the Federal Department of Transport and Regional Development is currently developing a draft Policy for Australian Transport and Sustainable Development, which states that it is, "a national programme, carried out in partnership with the transport industry, State and Local Government, and the community, to facilitate and promote [transport and sustainable development]". There may be scope for the Commission to link the outcomes of its inquiry with the proposed Federal policy.

- Local Government supports and promotes the development of a comprehensive transport strategy and the Federal Government should take into account local services and needs in its strategy. An integrated approach between all spheres of government is needed, in order that national freight needs do not take precedence over local efforts to increase the usage and efficiency of the public transport service.

We thank you for the opportunity to provide our comments in relation to this matter.

If you have any queries please contact Katie Whitehead on 8224 2027 or Email: <katie.whitehead@lga.sa.gov.au>.

Yours sincerely

John Comrie  
**Executive Director**

Enc: Inquiry into the Role of Rail in the National Transport Network - LGA  
Submission, 1997

cc. Executive Director, ALGA

**LOCAL GOVERNMENT ASSOCIATION  
OF SOUTH AUSTRALIA**

**SUBMISSION**

**INQUIRY INTO THE ROLE OF RAIL IN  
THE NATIONAL TRANSPORT NETWORK**

**OCTOBER 1997**

# **SOUTH AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION**

## **SUBMISSION TO THE INQUIRY INTO THE ROLE OF RAIL IN THE NATIONAL TRANSPORT NETWORK**

**OCTOBER, 1997**

### **Introduction**

In the past, rail has been a significant link in the transport network. However, roads have increasingly been given precedence as a major player in the transportation of bulk goods. This has occurred to the detriment of rail, and indeed, to roads themselves.

The rail industry should be given rightful recognition in its role in the transportation network and as such, rail should be an important consideration in the development of the Australian transport network beyond the year 2000.

### **Summary**

The South Australian Local Government Association supports the Australian Local Government Association submission; in particular, the references to the detrimental effects an increase in mass limits will have on roads, the regional impact of rail closures, and the need for an integrated strategic approach to develop an effective transport system which involves rail.

With regard to the mass limits review, it should be noted that South Australian Local Government is cooperating with the national bridge assessment programme and will assist the State Department of Transport to provide accurate assessments. Further, Local Government is actively seeking relevant information on the mass limits increase in order to make a valuable contribution to any review of road transport policies.

The SALGA submission, while not comprehensive, does indicate concerns and issues affecting South Australian Local Government. In order to establish a comprehensive discussion with our membership and to obtain detailed expert opinion to respond to the Terms of Reference, much more time is required than has been afforded. However, we are of the opinion that some response is necessary on such an important issue. We consider that the role of rail in the transport network is linked to some of the issues raised in our submission to the Inquiry into Federal Road Funding. In particular, we refer to the detrimental effect which increasing road traffic volumes will have on the local road infrastructure and the additional costs to Local Government which has to maintain these roads to an acceptable standard. The demand for increased access to local roads is marked particularly in regional South Australia where there has been a reduction in rail services.

Although the Local Government Roads and Transport Reference Group has reviewed this submission, it has not been presented to the LGA State Executive for

formal endorsement, due to time constraints. None-the-less, the issues raised highlight existing concerns regarding transport for Local Government in South Australia. These issues include:-

- the impact of increased mass limits on local roads in terms of the adequacy of the infrastructure to support such increases and the corresponding increased maintenance costs for Local Government
- the economic effect the downsizing and lack of Government support for the rail industry had on the operation of Australian National and its eventual sale. This is highlighted in the case of Port Augusta where the quantified effect has been calculated at \$90m over the past three years; and the effect this will have on communities who have in the past relied heavily on the industry for employment, both directly and through related industries
- the impact of the decrease in job opportunities and the decreased access to the rail facilities by local industries on regional development
- the environmental impact of increased road usage through built up urban areas in terms of noise pollution and gas emissions
- safety hazards for other road users caused by the increased road transportation of bulk and heavy goods, including dangerous goods

**1. How current administrative, institutional, operational and pricing arrangements can be improved to promote effective and efficient use of the national rail network, and to investigate the role of the Commonwealth and States/Territories in achieving consistency in these areas.**

It is important for government to be involved in the overall strategic planning of a national rail network in order to encourage the development of a coordinated and cooperative transport strategy.

Government involvement is also important to ensure that regional development issues and environmental considerations are incorporated in the development of a transportation strategy. That is, to ensure that any policies developed are not dominated by the interests of the transportation industry, but take into consideration issues affecting the wider community. This includes the appropriate consultation with Local Government.

Present government policies need to be reviewed in order to create a level playing field for all transport modes. Rail maybe entitled to increased government assistance where its operation translates into lower road costs, decreased road trauma and less pollution.

Government policy should also focus on balancing regionalism with national benefits. Healthy regional economies benefit the whole of the Australian economy. Thus, improved rail services in the regions should be encouraged to support the local economies and, moreover, would alleviate the negative impacts of excessive road transport. Existing legislation should be reviewed to encourage the continuation of regional rail systems. At present, South Australian legislation in relation to the sale of Australian National discourages the continuation of regional services; for example, the Commonwealth is able to remove rail assets from the Mount Gambier line, if

the new Australian National owner does not require the line, or if a suitable operator is not found.

Government policy should promote rail as a viable transport option. Legislation and policy should encourage the use of and investment in rail and, indeed, governments themselves should provide adequate investment in rail to ensure its continued viability in the transport network.

Further, governments need to maintain a role in the rail network vis-à-vis consistency and compatibility of communication networks, pricing practices, operating rules and safety standards. However, legislative checks and balances must not be too restrictive in order that innovative and competitive markets can develop unhindered.

SALGA reiterates the need for governments to develop a coordinated, comprehensive and holistic transport strategy which incorporates rail as a viable option in the transport network. However, further discussion and consultation needs to be undertaken in order to assess what roles and responsibilities should be accorded each sphere of government and each transport mode. This should be undertaken before further major spending is committed to any mode of transport.

## **2. The opportunities to increase the participation of the private sector in the rail industry.**

**The opportunities to maximise access to, and utilisation of, the rail network.**

**Effective investment and ownership arrangements for the rail network.**

The transportation of bulk goods over long haul distances are the traditional areas for rail. In recent years the decrease in the cost effectiveness for the transfer of goods at either end of the main haul has led to an increase in road transport for the carriage of goods over the entire distance. Improved interchange facilities and integration of modes may help reverse this situation. This requires further investigation.

Wherever feasible, deteriorating track infrastructure should be restored to help revitalise regional economies which, in turn, would benefit local communities. The resumption of local freight services would also help alleviate the deterioration of local roads from damage caused by the increase in bulk road freight.

South Australian Local Government has never had ownership or control of local rail services nor the funds to provide them, but is aware of the problems caused in local communities when rail services are reduced or abandoned.

We reiterate the need for greater consultation with all key stakeholders in the development of a transport policy which adequately integrates rail in such a strategy.

### **3. Characteristics of international best practice in rail operations**

Due to the time frame given in order to respond to the Inquiry, SALGA is not in a position to suggest what models of practice from which countries are best suited for the Australian situation. This is an area which would need expert opinion and significant research, but Australia could glean much information from global experiences.

Australia should benefit from the experiences of privately owned regional lines in North America. Short-line operators provide an essential funnel of traffic to and from the main line systems. The regional operators gain their competitive advantage from their local identification, knowledge and community support.

Moreover, Australia should draw on the experiences of the integrated rail system in Europe, which involves numerous private and public lines spanning many countries. Australia should also take advantage of the innovative ideas and advanced technology of the Europeans.

South Australia showed innovation and leadership through the development of the technologically advanced O'Bahn Bus System in Adelaide. Such innovation and political vision should be applied to rail Australia-wide.

### **4. General Comments**

As Local Government owns 80% of the road network, transportation issues are of significant importance to it. The increasing number and frequency of bulk goods being transported via the road network is an obvious concern for Local Government. This is not only in terms of the added financial burden on Local Government to ensure the road infrastructure is kept in good condition, but also in terms of road safety issues for local communities.

Councils are wary of allowing the increased use of B-doubles on local roads not only because of the added stress they place on the infrastructure, but also in terms of public safety hazards they engender for general road users. Local Government has an obligation to all of its community members, not only those who utilise roads to meet their transportation needs.

Moreover, increasingly Local Government is being asked to take an active role in road safety initiatives which encourage safe road practices. Therefore, road safety issues should be given rightful consideration when developing an holistic transport policy.

Furthermore, rail should be considered an appropriate option in the transport network from an environmental and economic aspect. For example, the introduction of the Alice Springs-Darwin rail link will be advantageous in the transportation of bulk goods to Darwin; being able to efficiently and effectively convey goods from South Australia to the north, and thereon into the Asian markets. This will be economically and environmentally

advantageous, threefold: first, that the goods are transported direct to the north, thus saving time and money in doubling-up on transportation distances; second, as a means of reducing energy consumption by eliminating the double back in the carriage of goods; and thirdly, as a means of opening up the vast northern area of South Australia as well as the Northern Territory to development activities, such as mining and resource processing. Economic and environmental benefits should be a consideration when assessing the expediency of rail.

Once more, we restate the importance of further consultation with key stakeholders, particularly Local Government in its capacity as the major keeper of roads; urge that initiatives to significantly increase the integration of rail into the existing transport network are considered and that their early implementation is facilitated.