AusLink (National Land Transport) Bill 2004

Richard Webb
Economics, Commerce and Industrial Relations Section

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AusLink (National Land Transport) Bill 2004

Date Introduced: 9 December 2004
House: House of Representatives
Portfolio: Transport and Regional Services

Commencement: There are two commencement dates. Parts 1, 2 and 9 (and anything not covered by the commencement table in Clause 2) commence when the Act receives the Royal Assent. Parts 3 to 8 inclusive commence on a date fixed by Proclamation or, failing that, six months after Royal Assent.

Purpose
To give effect to the Government’s land transport plan known as AusLink.

Background
What is AusLink?
The Government provided the following summary of AusLink when it released the AusLink white paper:

“AusLink will revolutionise the planning and funding of Australia's national roads and railways by taking a long-term, strategic approach to our long-term future. It represents the most significant change since Federation in the way we tackle the national transport task.

AusLink will transform the way the Australian Government plans and funds national transport infrastructure. For the first time, Australia's major road and rail systems will be planned and developed together to produce a safe, integrated and high-performing national network. It will truly build our national transport future.

Why is AusLink necessary?
The Government's forecasters predict that from 2000 to 2020 non-bulk road freight will double, interstate road freight will more than double and the total passenger task will grow by 40 per cent. The overall increase in traffic will add considerably to the pressure points on the National Network.

The existing approach to planning and funding our roads and railways will not be able to cope with this demand.

The AusLink framework
The new approach under AusLink features:

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• The AusLink National Network. Through AusLink, the Government will develop a single integrated network of road and rail transport linkages of strategic national importance. The National Network is based on important national and interregional transport corridors, including connections through urban areas, links to ports and airports and rail/road intermodal terminals, that together are of critical importance to national and regional economic growth, development and mobility.

• The first AusLink National Land Transport Plan. The National Plan is the blueprint for improving the AusLink National Network into the future. It identifies major projects to be funded by the Government that will deliver high levels of national benefit. It sets out the funding contribution that the Government will allocate to each project. Collectively, these projects begin to give effect to the Government's strategic vision for the nation's transport system.

• The extension of Roads to Recovery funding for all councils to 2008–09, which includes funding for land transport projects of strategic regional importance identified by local governments, allocated competitively.

• Development by the Australian Government with States and Territories of long-term strategies for each major transport corridor of the AusLink National Network, so that future needs can be planned and met in the best way. This will give Australia a truly coordinated national approach to transport infrastructure development.

**Funding summary**

The Australian Government is allocating a total of $11.8 billion for road and rail transport over the five years to 2008–09.

Components of this funding include:

• $9.2 billion to AusLink over the next five years
  – $7.7 billion for the new AusLink National Network; and
  – $1.5 billion for the AusLink Roads to Recovery programme
• $2.6 billion in untied local road grants
• $90 million under the National Black Spot programme.

The AusLink funding represents an increase of $3.6 billion on existing funding. Of the increase, $2.4 billion is for the AusLink National Network and $1.2 billion is for the extension of the Roads to Recovery programme from 2005–06 to 2008–09.

In addition the Australian Rail Track Corporation will invest $872 million over the next five years in the critical eastern seaboard north south rail links on the AusLink National Network.

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AusLink represents an integrated, strategic and long-term approach to the nation's land transport infrastructure - essential elements for a competitive and efficient economy, and well connected cities, regions and communities.

The AusLink funding incorporates $810 million over three years that will be saved through the Government's decision to wind up the Fuel Sales Grants Scheme.

It also includes an Australian Government contribution of $1.5 billion over five years for maintenance work on the road component of the AusLink National Network. The states and territories will also contribute to the maintenance task.

The Australian Government will meet its existing funding commitments to any Roads of National Importance projects that are not included in the AusLink National Network”.

The following summarises recent Commonwealth involvement in road and rail funding.

**Road funding**

The Federal government has long been involved in funding land transport including roads. The following is a chronology of developments in Commonwealth road funding since the mid-1990s.

<table>
<thead>
<tr>
<th>Date</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>On 1 January 1994, the transfer begins of funds for State arterial roads into general purpose assistance as ‘State identified road grants’. In 1994–95, funds for national arterial roads are also consolidated into State identified road grants. It was agreed that the roads in the mainland capitals that connect the end points of the National Highway be added to the network. From 1 January 1994, Commonwealth funding is confined to the National Highway, the interstate routes linking Sydney and Adelaide and Melbourne and Brisbane, and urban roads linking the termination points of the National Highway in Sydney, Melbourne, Brisbane, Perth and Adelaide.</td>
</tr>
<tr>
<td>1996</td>
<td>In March, the Howard Government announces the Roads of National Importance program and reintroduces the Black Spot program in the 1996–97 Budget.</td>
</tr>
<tr>
<td>2002</td>
<td>On 7 November, the Government issues the Green Paper on land transport funding: AusLink: Towards the National Land Transport Plan.</td>
</tr>
</tbody>
</table>

While state and local governments are principally responsible for road funding, the Commonwealth has contributed more than one fifth of total road funding in recent years as shown in Table 1.
Table 1: Funding of road spending by level of government 1998–99 to 2001–02

<table>
<thead>
<tr>
<th>Level of government</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth</td>
<td>22</td>
</tr>
<tr>
<td>State</td>
<td>46</td>
</tr>
<tr>
<td>Local</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


The Commonwealth now funds four categories of roads:

- the National Highway
- Roads of National Importance (RONIs)
- the Black Spot program, and
- local roads.

The Commonwealth funds these roads as specific purpose payments under three Acts:

- the *Australian Land Transport Development Act 1988* (ALTD Act)
- the *Roads to Recovery Act 2000* (Roads to Recovery Act), and

Payments to the states for the National Highway, RONIs and the Black Spot program are made under the ALTD Act. The Commonwealth pays grants directly to local governments under the Roads to Recovery Act. Payments under the Local Government (Financial Assistance) Act are made ‘through the states’, that is, on condition that the states pass the money to local governments; these payments are called ‘identified local road grants’ and fall outside AusLink’s ambit. Commonwealth road funding since 1995–96 by program is shown in Table 2.

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Table 2: Commonwealth road funding since 1995–96 ($ million)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funded under ALTD Act</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National highway</td>
<td>831.33</td>
<td>710.48</td>
<td>706.16</td>
<td>752.00</td>
<td>631.62</td>
<td>697.27</td>
<td>783.94</td>
<td>763.45</td>
<td>704.60</td>
</tr>
<tr>
<td>Roads of national importance</td>
<td>90.69</td>
<td>108.78</td>
<td>122.54</td>
<td>183.79</td>
<td>135.07</td>
<td>234.31</td>
<td>213.74</td>
<td>227.10</td>
<td></td>
</tr>
<tr>
<td>Black spots</td>
<td>36.00</td>
<td>35.62</td>
<td>37.45</td>
<td>37.69</td>
<td>40.92</td>
<td>42.41</td>
<td>44.50</td>
<td>45.00</td>
<td></td>
</tr>
<tr>
<td>Land transport research/other</td>
<td>2.61</td>
<td>2.28</td>
<td>2.39</td>
<td>1.93</td>
<td>2.79</td>
<td>2.19</td>
<td>2.62</td>
<td>3.56</td>
<td></td>
</tr>
<tr>
<td><strong>Total ALTD funding</strong></td>
<td>833.94</td>
<td>839.45</td>
<td>852.95</td>
<td>913.92</td>
<td>855.89</td>
<td>875.44</td>
<td>1063.27</td>
<td>1025.25</td>
<td>976.70</td>
</tr>
<tr>
<td><strong>Other road funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federation Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.33</td>
<td>43.00</td>
</tr>
<tr>
<td>Roads on Aboriginal land</td>
<td>5.20</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Roads to recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>150.00</td>
<td>302.16</td>
</tr>
<tr>
<td>State identified road grants</td>
<td>371.01</td>
<td>383.40</td>
<td>391.00</td>
<td>397.20</td>
<td>408.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local gov't identified grants</td>
<td>357.98</td>
<td>373.86</td>
<td>370.42</td>
<td>377.36</td>
<td>388.65</td>
<td>406.47</td>
<td>424.80</td>
<td>451.37</td>
<td>462.70</td>
</tr>
<tr>
<td><strong>Total other road funding</strong></td>
<td>734.99</td>
<td>757.26</td>
<td>761.42</td>
<td>774.56</td>
<td>797.43</td>
<td>556.47</td>
<td>726.96</td>
<td>658.86</td>
<td>807.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1568.14</td>
<td>1596.72</td>
<td>1614.36</td>
<td>1688.47</td>
<td>1653.22</td>
<td>1431.91</td>
<td>1790.23</td>
<td>1684.11</td>
<td>1784.60</td>
</tr>
</tbody>
</table>

Source: DoTaRS, ALTD programme progress reports, various years. DoTaRS Portfolio Budget Statements 2003-04.

Note: data for 2003–04 are estimated. State identified road grants were subsumed into financial assistance grants to the states and then the GST.

An issue in road funding is, not surprisingly, its level. It is often argued that the level of funding should rise substantially. For example, the Allen Consulting Group, in a report prepared for the Australian Automobile Association, has pointed to a backlog of projects with potentially high benefit-cost ratios. Table 3 shows Commonwealth road funding since 1990–91 measured in real (that is, inflation-adjusted) terms.

Table 3: Real Commonwealth road funding (millions of 1993–94 dollars)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1597.3</td>
<td>1665.7</td>
<td>2089.2</td>
<td>1526.4</td>
<td>1472.0</td>
<td>1523.9</td>
<td>1541.2</td>
<td>1553.8</td>
<td>1609.6</td>
<td>1515.4</td>
<td>1244.1</td>
<td>1521.0</td>
<td>1358.2</td>
<td></td>
</tr>
</tbody>
</table>

Sources: DoTaRS, ALTD programme progress reports, various years.

Note: data deflated using the Bureau of Transport and Regional Economics road construction and maintenance price index.

The table shows that funding was generally flat over the past decade. Funding rose sharply from the beginning of the 1990s to a peak in 1992–93 but fell in 1993–94 reflecting the cessation of the Black Spot and Provincial Cities and Rural Highways programs, and reduced funding under the One Nation program. The fall in 2000–01 reflects the replacement of financial assistance grants to the states—which incorporated state identified road grants—with goods and services tax (GST) revenue. Consequently, the data before 2000–01 are not strictly comparable with later years.
National Highway

The National Highway is the interstate network that links the capital cities, Brisbane and Cairns, and Hobart and Burnie (see Box).

### Box: The National Highway

**New South Wales:** the Hume, New England, Sturt and Newell highways, the F3 Freeway and the Cumberland Highway/Pennant Hills Road urban link from The Crossroads at Liverpool to Hornsby.

**Victoria:** the Goulburn Valley Highway, the Hume and Western highways and that portion of the Melbourne Western Ring Road that connects them, and part of the Sturt Highway.

**Queensland:** the Bruce Highway on the Brisbane-Cairns link, parts of the Cunningham and New England highways on the Sydney-Brisbane link, the Warrego, Gore and Leichhardt (part) highways on the Melbourne-Brisbane link and the Warrego, Leichhardt (part), Landsborough, Flinders (part) and Barkly highways on the Brisbane-Darwin link. The cross-city National Highway link incorporates the Ipswich Motorway, Granard Road, Riawena Road, Kessels Road, Mt Gravatt-Capalaba Road and the Gateway Motorway excluding the Gateway Bridge.

**Western Australia:** the Eyre, Coolgardie-Esperance and Great Eastern highways on the Adelaide-Perth link, and the Great Northern and Victoria highways on the Perth-Darwin link. In Perth, the National Highway link comprises the Roe Highway from its intersection with the Great Eastern Highway to its junction with the Great Northern Highway.

**South Australia:** the Sturt and Dukes highways, the South-Eastern Freeway, the Adelaide-Port Augusta Road, the Eyre and Stuart highways and the cross-city connector defined by Portrush Road, Lower Portrush Road, Ascot Avenue, Hampstead Road, Grand Junction Road and Main North Road.

**Tasmania:** the Bass Highway from Burnie to Launceston and the Midland Highway from Launceston to Granton in the northern suburbs of Hobart.

**Australian Capital Territory:** the Federal and Barton highways.

The Federal government funds all maintenance, rehabilitation and construction on this network with the exception of the Westlink M7 (formerly known as the Western Sydney Orbital). The M7 will be a toll road funded, built and operated under a public-private partnership. The Commonwealth will, however, contribute $356 million over six years to the project. In recent years, the Commonwealth has devoted about 45 per cent of its road funding to the National Highway.

Critics argue that the National Highway is underfunded. The Bureau of Transport and Communications Economics (BTCE) estimated annual expenditure needs for the non-urban sections of the National Highway over the 22 year period to 2020 at $772 million (in 1997–98 prices). Table 4 shows this estimate in current prices.

### Table 4: National Highway: estimated funding 'needs' (current prices) ($ million)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>772</td>
<td>779</td>
<td>811</td>
<td>855</td>
<td>870</td>
<td>921</td>
</tr>
</tbody>
</table>

Note: BTCE estimate inflated by the BTRE road construction and maintenance price index

A comparison of Tables 2 and 4 shows that actual funding has been below the BTCE needs estimate.

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Roads of National Importance

The Howard Government decided that from March 1996, it would also assist specific projects under its RONI program. The criteria for considering nomination of a road as a RONI include its contribution towards trade, international competitiveness and integration of transport and land use, and whether it will generate large net social benefits. RONIs are thus determined on a case by case basis and are not a defined network of roads. The Commonwealth funds RONIs jointly with the states usually on a 50:50 basis and funding is for construction only. RONIs are declared as national arterials for the purposes of the ALTD Act. In 2002–03, RONIs accounted for 13 per cent of Commonwealth road funding.

Black Spot program

The National Road Safety Black Spot Programme provides funds to the states to improve crash locations. Typical treatments include the installation of roundabouts, traffic signals and improved warning signs. The program was first introduced in 1990–91. The termination of the program in 1993 was criticised because many of the projects had high benefit-cost ratios. The Howard Government reintroduced the program in the 1996–97 Budget.

The Black Spot program has been extremely successful. In 1995, the BTCE published an evaluation of the program. The Bureau concluded:

> Overall, the decrease in injury crashes at the sample sites was over two-and-a-half times what could have been expected on the basis of general comparable crash trends in various jurisdictions over the relevant period. Fatalities fell by one-third, people hospitalised by two-thirds, and the number in need of medical treatment by one-half. … The results of the evaluation strongly suggest that the Program has achieved its aim of improving safety at locations with a history of crashes involving death or serious injury.4

In 2001, the Bureau of Transport Economics published an evaluation of the program that operated from 1996–97. The study found that:

> Overall, the evaluation provides very strong evidence that the Program achieved its aim of improving safety at locations with a history of crashes involving death or serious injury. Using the treatment results obtained from the sample and applying them to the population of projects, it is estimated that from 1996–97 to 1998–99 and excluding expenditure on safety-audited projects the Black Spot Program generated a net present value of $1.3 billion and a benefit-cost ratio of 14.5

There is a case for devoting a larger share of Commonwealth funds to the Black Spot program on the grounds of its very high benefit-cost ratio. For example, as noted below, a sample of Roads to Recovery projects had a much lower benefit-cost ratio of 1.8.

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Roads to Recovery

Under the Roads to Recovery Act, $1.2 billion is to be provided for local roads under the Roads to Recovery program by 30 June 2005. Of this, $850 million (71 per cent) is to be spent in regional areas. In addition, the Government agreed to provide a further $8 million over four years to extend the program to the Indian Ocean Territories and unincorporated areas in New South Wales, South Australia and Victoria. The program operates fairly uniformly throughout Australia. However, in South Australia, 15 per cent of funds are pooled for regional projects while in Western Australia, seven per cent of funds are pooled for bridge projects and roads serving Aboriginal communities.

The Roads to Recovery program provides funds for local roads additional to the identified local road grants paid under the Local Government (Financial Assistance) Act, and has increased considerably funding of local roads as shown in Table 5.

Table 5: Commonwealth funding of local roads 1999–2000 to 2003–04 ($ million)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads to recovery</td>
<td>0.00</td>
<td>150.00</td>
<td>302.16</td>
<td>202.16</td>
<td>302.20</td>
</tr>
<tr>
<td>Identified grants</td>
<td>388.65</td>
<td>406.47</td>
<td>424.80</td>
<td>451.37</td>
<td>462.70</td>
</tr>
<tr>
<td>Total</td>
<td>388.65</td>
<td>556.47</td>
<td>726.96</td>
<td>653.53</td>
<td>764.90</td>
</tr>
</tbody>
</table>

Note: data for 2003–04 estimated.

The interstate distribution of Roads to Recovery grants differs from the identified local road grants distribution. The distribution of identified road grants has been frozen at the shares that applied in 1991–92 when grants were untied. The distribution of Roads to Recovery grants and identified local road grants is shown in Table 6.

Table 6: Interstate distribution of Commonwealth funding of local roads (per cent)

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>NT</th>
<th>ACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads to recovery</td>
<td>28.3</td>
<td>20.8</td>
<td>20.8</td>
<td>15.0</td>
<td>8.3</td>
<td>3.3</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Identified grants</td>
<td>29.0</td>
<td>20.6</td>
<td>18.7</td>
<td>15.2</td>
<td>5.5</td>
<td>5.3</td>
<td>3.2</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: The Hon. J. Howard (Prime Minister) and the Hon. J. Anderson (Minister for Transport and Regional Services), Joint media release, 27 November 2000.

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The table shows that Victoria, Queensland and South Australia gain under the Roads to Recovery allocation relative to identified local roads grants.

In February 2003, the Department of Transport and Regional Services and the Australian Local Government Association issued a report on the Roads to Recovery program. The report found, among other things, that:

- funds have generally been used consistent with the stated intention of addressing the backlog of works on local roads
  - but deficiencies remain both in terms of the maintenance of the existing road system and the need to upgrade and, in some cases, to extend it
- local governments allocated funds in accordance with their highest priorities
- the programs had a strong safety focus with a secondary focus on transport efficiency and economic development
- most expenditure was on existing roads and was split about equally between renewal and upgrading capital expenditure
- a sample of projects had an average benefit-cost ratio of 1.8 to 1, and
- simple administrative and reporting procedures and the direct funding of local governments kept Commonwealth and local government overheads to a minimum.

On 22 January 2004, the Government announced changes to road funding. They have two elements. The first is the proposal that funds be redirected from the Fuel Sales Grants Scheme to land transport infrastructure in regional and outer metropolitan areas. The Government proposed that the Fuel Sales Grants Scheme end in June 2006. The Fuel Taxation Inquiry had earlier recommended that the Fuel Sales Grants Scheme be abolished on the grounds that it was not clear that any benefits accruing to regional Australians were proportional to the level of expenditure nor that the program was the best use of the funding.

The second element is that the Roads to Recovery program be extended, with modifications, for four more years. The Government proposes that the Roads to Recovery program be extended until June 2009 at a cost of $1.2 billion. Two-thirds will be distributed on the same basis as under the current scheme. The remaining third will be paid directly to local governments to undertake land transport infrastructure projects of ‘strategic regional importance’, particularly those that support emerging and expanding industries. An example is the upgrading of roads to service developing industries such as timber plantations.

Table 7 shows the additional funding resulting from the abolition of the Fuel Sales Grants Scheme and the extension of the Roads to Recovery program.

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Table 7: Local roads funding resulting from the abolition of the Fuel Sales Grants Scheme and the extension of the Roads to Recovery program ($ million)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Roads to recovery</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Abolition of the Fuel Sales Grants Scheme</td>
<td>265</td>
<td>270</td>
<td>275</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>565</strong></td>
<td><strong>570</strong></td>
<td><strong>575</strong></td>
</tr>
</tbody>
</table>

Source: DoTaRS website

The proposal that one-third of Roads to Recovery funds be used for projects of strategic regional importance seems to be designed to build on the apparent success of the pooling of funds in South Australia and Western Australia and so could yield benefits greater than might be obtained by investment by individual local governments. But the Government has yet to reveal what the basis will be for distributing these funds. The question also arises as to whether investment in projects of strategic regional importance will be priced so that users pay. If not, the investment will, in effect, be a subsidy to the industries that use the infrastructure.

Additional information on the Commonwealth’s role in road funding can be found in a Parliamentary Library paper titled Commonwealth Road Funding Since 1990.

Rail

While railways are primarily the responsibility of the states, the Commonwealth has played several roles in the rail industry. They fall into three categories:

- funding
- operating services, and
- reform facilitation.

The Commonwealth’s past role was largely that of funding. From 1977–78 to 1996–97, the Commonwealth spent a total of $3.86 billion (in 1996–97 prices) on Commonwealth rail entities and infrastructure. More than half of this funding was used to cover the operating losses and debt that Commonwealth–owned bodies carried. Estimated rail spending since 1997–98 is shown in Table 8.
Table 8: Estimated Commonwealth rail spending 1997–98 to 2003–04 ($ million)

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<td>8.000</td>
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<td>Residual issues Australian National</td>
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Notes: data for Abt railway are budgeted figures. Data for 2003–04 estimated.

The most notable features of funding since 1997–98 are:

- the contribution to the construction of the Alice Springs-Darwin railway
- the equity injection of $143.375 million into the Australian Rail Track Corporation following the signing of the agreement with the NSW Government to lease the interstate freight network in that state (discussed below), and
- the special $450 million grant to the Australian Rail Track Corporation that will be mainly used to upgrade the network between Sydney and Melbourne.10

The second form of Commonwealth involvement is the provision of train operations and track access. In 1975, the Australian National Railways Commission (AN) was established and subsequently assumed control of Commonwealth-owned rail operations and those of South Australia and Tasmania. The Commonwealth provided operating subsidies and grants to AN. In 1991, the National Rail Corporation (NRC) was established to undertake, among other things, rail freight operations on a commercial basis. AN and NRC were subsequently privatised.

**Australian Rail Track Corporation**

In February 1998, the Australian Rail Track Corporation (ARTC) was established—pursuant to the Intergovernmental Agreement between the Commonwealth, NSW, Victoria, Queensland, Western Australia and South Australia—as a national track access body that operators could approach to negotiate access to the entire Interstate rail.

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network. This is designed to address the problem of train operators having to deal with a multiplicity of state authorities and regulations. The ARTC owns or leases the interstate track except the sections between Brisbane and the Queensland border (which Queensland Rail owns) and between Kalgoorlie and Perth (which WestNet Rail leases from the WA government), and the Sydney metropolitan region (that RailCorp owns). ARTC has the right to sell access on the sections in Queensland and WA that it does not own or lease.

NSW lease

Until recently, the ARTC did not lease the section of the interstate track in NSW. But on 4 June 2004, the ARTC, the Australian Government, and the NSW Government signed a lease agreement effective from 5 September 2004. The 60 year lease covers the NSW interstate main lines, the Hunter Valley rail corridor, dedicated metropolitan freight lines to the Sydney ports, and a licence to construct the southern Sydney freight line within the existing rail corridor. ARTC has full responsibility for these corridors including investment decisions and train control. The agreement thus paves the way for integrated management of the interstate and Hunter Valley rail networks in NSW as part of a national interstate network.

The ARTC will also manage the remaining non-interstate, non-Hunter regional rail network on behalf of the NSW Government, which will retain policy and funding responsibility for these lines (the Sydney urban system will remain the responsibility of the NSW Government).

The ARTC has developed an $872 million infrastructure investment program for the first five years of the lease. The investment will include:

- $192 million to build a new southern access route for freight trains through the south-western Sydney metropolitan area from Macarthur in south-west Sydney, thereby avoiding delays that impede freight growth between Melbourne, Sydney, and Brisbane
- $152 million to upgrade the Hunter Valley rail network, increasing the capacity of the network from 85 million tonnes of coal per year to over 100 million tonnes per year
- $186 million to upgrade the main south line from Macarthur to Albury. The investment will assist in reducing the transit times for freight trains between Sydney and Melbourne by three hours
- $119 million for the north coast line from Maitland to the Queensland border. The investment will replace the current signalling system between Casino and the Queensland border, originally installed in the 1920s. The investment will assist in reducing the travel time for freight trains between Brisbane and Sydney by up to 3.5 hours, and
- $21 million to upgrade the line between Parkes and Broken Hill, including funds to raise the height clearance of the line allowing train operators to make unrestricted use of double-stacked container trains.

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Investment in the interstate rail network promises considerable benefits including non-pecuniary benefits (or ‘externalities’) such as reduced road accidents, assuming it is successful in winning a portion of the road freight industry’s current market share. An audit of the network recommended investment of $507 million with priority for investment in the north-south corridor along the eastern seaboard. The audit estimated a benefit-cost ratio of 3.2 to 1.

Rail reform

The third category of Commonwealth involvement in rail is the facilitation of rail reform. This includes:

- introducing the National Access Regime in 1995 under Part IIIA of the Trade Practices Act as part of National Competition Policy reforms. Most states subsequently established access regimes whereby track owners within their states allow train operators access to the track
- facilitating a move towards a nationally consistent approach to rail safety based on accreditation of railway owners and operators and mutual recognition of accreditation among accreditation authorities
- establishing and partly funding the Australian Rail Operations Unit (in the Department of Transport and Regional Services) to facilitate development by the rail industry of a Code of Practice to achieve operational uniformity on the interstate rail network, and
- reconstituting the National Road Transport Commission as the National Transport Commission and broadening its remit to include establishing a national approach to regulatory and operational reform for the rail industry.

Commonwealth involvement in rail reform is an on-going process.

Basis of policy commitment

On 21 May 2002, the Minister for Transport and Regional Services, the Hon. John Anderson, announced changes to Commonwealth funding of land transport. The Minister identified the following as the key elements of the plan:

- the Federal Government will sponsor the development of an indicative rolling five to 10 year transport infrastructure development plan
- on the basis of the national plan, the Government will seek project bids that advance the plan’s strategic priorities. The Government will issue invitations to the states and territories, local government, regional development bodies and the private sector to put forward their most attractive bids. Private sector proposals will be given equal treatment with all other bids
- non-engineering transport solutions, such as new technology and traffic management, will also be eligible for funding

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• the Government will use transparent decision-making criteria across transport modes, doing away with the separate and inconsistent treatment of road, rail and intermodal investments

• the Government will amalgamate its land transport funding programmes, so that it can allocate money to the projects that have the greatest benefits, regardless of their transport mode. Funding for regional projects will be quarantined

• to increase the value of infrastructure spending, the Government will encourage proponents to leverage their proposals. If there are two proposals evaluated as equally beneficial, the one with the greater level of investment by the proponent will have greater chance of acceptance

• the Government will consider establishing a national advisory body to assist in the development of the national infrastructure plan. The final decisions on spending Commonwealth funds would still rest with the Federal Government

• the Government will improve the planning focus and funding arrangements for the National Highway System, to yield higher returns to the community. The Government will move beyond the current 100 percent Commonwealth funding responsibility for the National Highway System, to allow joint funding of a broader national land transport network. The new network will cover critical road and rail links and their intermodal connections, and

• the Government will seek to renegotiate the 1991 Roads Agreement, to replace it with a far broader Transport Infrastructure Inter-Governmental Agreement, involving the Commonwealth, states, territories, and local government. It will cover road, rail, intermodal connections, and non-engineering solutions.\footnote{15}

In November 2002, the Minister released the AusLink green paper titled AusLink: Towards the National Land Transport Plan. This was essentially a discussion paper and the Minister invited comment. A quick guide to the submissions, including a summary of stakeholder comments, was posted on the Department’s website.

On 7 June 2004, the Government released the Auslink white paper titled AusLink, Building our National Transport Future.

A review of the white paper can be found in a Parliamentary Library paper titled The AusLink White paper: an overview.

**Position of significant interest groups/press commentary**

There were many responses and reactions to the white paper. They ranged from generally favourable to rejection of some of its underlying premises, particularly the emphasis on road funding. The following is a small sample of the comments.

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An eminent commentator on land transport issues, Professor Fred Affleck, Director of the Planning and Transport Research Centre at Murdoch University, gave the following assessment of the white paper:

There is a lot about AusLink which is very good, even revolutionary. It is a real achievement for Minister Anderson and his department.

It’s not often that revolutions are so long in the gestation. We have seen a lot of barricades thrown up and a lot of metaphorical government-to-government ‘street fighting’ waiting for the revolution to happen. And the skirmishing is not over by a long way.

AusLink is a very significant first step in creating a genuinely integrated and national land transport plan. There is little in the plan for maritime transport, but port landside connections receive a large boost. There is nothing for urban public transport – this was expected – but the investments in road and rail infrastructure will bring substantial benefits to passengers competing with freight for space on roads and rail lines.

It has been a very positive week for rail. AusLink is promising to right Australia’s disastrously slow rate of investment in vital national rail links, and this will be strongly reinforced by sealing of the ARTC’s new 60 year lease of NSW’s non-urban network. There is much in AusLink which is good for the long term growth of rail.

But AusLink is not just about new lumps of Commonwealth money. There is still a very large role for the States and Territories, local government and the private sector, which is clearly expected to take on an expanded role.

But there are still no agreed mechanisms for coordinating planning and implementation to join up the gaps between these four frames of the big picture of integration. This could be serious.

The Commonwealth can’t go it alone, or expect others to fill in the blanks it has left in this picture, especially when a large part of the land transport system is the responsibility of the States and Local government – and intended by the Commonwealth to stay that way. There is a promise of new Commonwealth legislation to replace the current 1988 legislation, but this will certainly lag a long way behind the 1 July 04 AusLink start date. And it won’t bring the private sector into the picture.

In this regard, two years ago governments agreed to the formation of a new ‘National Transport Advisory Council’ (NTAC). It was intended to help join up the whole “infrastructure picture”, including the private sector. But it has not happened yet. The AusLink White Paper keeps the idea alive, and it is important that it now takes shape. The NTAC was also intended to help integrate that other dimension in the integration of land transport, between investment and pricing, to complement integration between modes. AusLink won’t do the whole job, even for freight, until this issue is also tackled.

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The Commonwealth has given a very uncertain commitment to tax reform to provide greater incentives for private sector investment in infrastructure. The AusLink White Paper mentions proposals to replace sections 51AD and Division 16D of the Income Tax Assessment Act 1936 with the proposed Division 250 of the Income Tax Assessment Act 1997. But the industry has never been satisfied with this proposal.

The Australian Automobile Association (AAA) generally welcomed the white paper:

The integration of road, rail and research funding into one rolling 5 year plan is a welcome shift to a more strategic long-term approach to transport infrastructure, as is the recognition by the Government that a broader network of transport corridors require Federal funding … The AAA is pleased to see new funding included as part of the AusLink plan and welcomes the fact that the Government has announced funding for a number of the road projects identified by State and Territory Motoring Clubs as priorities.

But the AAA argued that a greater proportion of the revenue from petrol taxes should be spent on roads.

The Australian Local Government Association (ALGA) generally welcomed the white paper, particularly the commitment to the continued funding of Roads to Recovery. But ALGA was:

… concerned that the Government has decided not to allocate set shares of the strategic component [of Roads to Recovery] on a state and territory basis, though I do recognise that the Government has said “the funds will be fairly distributed” (White Paper page 83). ALGA will pursue what this means and how it will be achieved.

Mr Dennis O’Neill of the Australian Council for Infrastructure Development welcomed the opportunities presented for the private sector:

There is an enormous opportunity here for the private sector to work closer with all governments to ensure Australia gets the best transport investment in the most efficient and timely way.16

State transport ministers were, not surprisingly, generally critical, the common theme being that their state had been short-changed. For example, the Victorian Minister for Transport, the Hon. Peter Batchelor, said that Victoria had secured only 18 per cent of funds when it should receive 27 per cent.17 The Northern Territory Minister for Transport and Infrastructure, Dr Chris Burns, said that the white paper leaves Territorians with some vital questions unanswered:

The most glaring omission is the funding for maintenance of the three federal highways in the Northern Territory—the Stuart, the Barkly and the Victoria … The Commonwealth should retain full responsibility for funding national highways in remote regions.

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Mr Ken Dobinson, director of the sustainable transport project at the Warren Centre at Sydney University, is reported as being critical of what he saw as neglect of urban areas:

We just wish the federal government would recognise that most Australians live in cities. I don’t see how you can have an Australia-wide program that leaves the cities out.18

The Sustainable Transport Coalition was generally dismissive of the white paper, claiming that it ignored critical issues by spending more on roads when oil is in decline and environmental concerns demand a new approach.

**ALP/Australian Democrat/Greens policy position/commitments**

For the Australian Labor Party, the then shadow minister for transport, Mr Martin Ferguson, and the NSW minister for Roads, the Hon. Carl Scully, accused the Howard Government of seeking electoral advantage in the allocation of funding. For example, Mr Scully was critical of the lack of funding for the Princes Highway between Wollongong and the Victorian border:

I think [it’s because] they’ve got safe coalition seats down there.

Mr Ferguson advocated an independent advisory council to allocate federal transport funding.19 Mr Ferguson also claimed:

The states have clearly been left out of the negotiations in developing the detail of the land transport network, with the AusLink white paper parachuted onto the desk of state ministers and told to take it or leave it.20

Senator Lyn Allison, for the Australian Democrats, gave the white paper a mixed reception. On the one hand, she welcomed the consolidated approach to transport planning and spending. On the other hand, she criticised the ‘more roads to solve more traffic’ approach. Senator Allison said that public transport improvements to reduce traffic congestion and a massive injection of funds into urban public transport in major cities are needed.

The Victorian branch of the Australian Greens commented:

The Federal Government's Auslink land transport scheme is creating a future of more and more roads, more single vehicle car trips, continuing poor public transport and no relief for a transport system embedded in increasingly expensive and scarce fossil fuels.

**Any consequences of failure to pass**

Failure to pass the Bill would mean that existing arrangements for road and rail funding would continue. Some but not all of what the Government proposes in the Bill can be

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attained under existing legislation. At its most basic, the Government would still be able to fund road and rail projects under the ALTD Act.

**Main Provisions**

**Structure of the Bill**

The Bill contains nine Parts, and provides for six funding categories:

- Auslink National Projects (Part 3)
- Auslink Transport Development and Innovation Projects (Part 4)
- land transport research organisations (Part 5)
- Auslink Strategic Regional Projects (Part 6)
- AusLink Black Spot Projects (Part 7), and
- the AusLink Roads to Recovery Program (Part 8).

The clauses in Parts 3, 4, 6 and 7 contain virtually identical Divisions that deal with:

- the approval of projects
- the provision of Commonwealth funding
- the conditions that apply to Commonwealth funding comprising:
  - the sources of conditions
  - the mandatory conditions, and
  - the determination of other conditions if there is no funding agreement.

For example, clause 10 in Part 3—which deals with the eligibility of projects for approval—has parallel clauses in Parts 4, 6 and 7, namely, clause 30 in Part 4, clause 54 in Part 6, and clause 71 in Part 7. Part 5 also has some comparable wording to clauses in Parts 3, 4, 6 and 7 but the processes for approval of research are not as onerous as those for Parts 3, 4, 6 and 7. For example, there are no clauses in Part 5 dealing with situations where there is no funding agreement because all research projects are based on funding agreements.

For the purposes of this Bills Digest, Part 3 is taken as representative of the clauses in Parts 4, 6 and 7. However, the Digest identifies significant variations from this general pattern.

**Part 2—The National Land Transport Network**

**Clause 5** deals with the determination of the National Land Transport Network.

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**Subclause 5(1)** provides that the Minister must, in writing, determine a National Land Transport Network.

**Subclause 5(2)** defines necessary but not sufficient requirements for roads, railways and intermodal facilities to be eligible for inclusion in the Network. The Network can include road and/or rail connections between:

- two capital cities
- a capital city and a major centre of commercial activity
- two major centres of commercial activity, and
- a capital city or a major centre of commercial activity and an inter-modal transfer facility.

The Network can also include connections:

- within a capital city or major centre, and
- from other links on the Network to inter-modal transfer facilities.

In addition to the above, to be included in the Network, the roads, railways and intermodal facilities must meet either or both of the criteria set out in **subclause 5(3):**

- the development of international, inter-state or inter-regional trade and commerce [paragraph 5(3)(a)], and
- the facilitation of international, inter-state or inter-regional travel [paragraph 5(3)(b)].

**Comment:** the criteria thus encompass the transport of both freight and passengers. The criteria are very broad and give the Minister considerable discretion as to what may be included. The white paper sets out what the Government intends to include in the Network. The components are set out in Appendix 1.

**Subclause 5(4)** provides that an instrument that determines the Network is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*. But neither section 42—which deals with the disallowance of legislative instruments—nor Part 6—which deals with the sunsetting of legislative instruments—of that Act applies to the instrument.

Similar—but not identical—subclauses appear throughout the Bill, for example, **subclauses 6(3), 27(4), 44(4) and 68(4)**. By way of explanation of subclause 5(4), the Explanatory Memorandum states:

Ministerial determination of the composition of the National Land Transport Network is an essential prerequisite for the administration of the AusLink programme. Projects to be funded under this Bill as AusLink National Projects must be on the National Land Transport Network. The composition of the Network to be covered by the initial determination has been the subject of inter-governmental consultation, and subsequent policy consideration and wide dissemination by the Government. For

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these reasons, and to provide certainty and continuity, the Bill does not subject the
determination of the Network to the disallowance provisions of the Legislative

Application of the sunsetting provisions of the Legislative Instruments Act 2003 to the
ministerial determination of the National Land Transport Network would run counter
to the need for certainty in the development of long-term planning and investment
strategies for the Network.21

Clause 6 empowers the Minister to change the composition of the Network [subclause
6(1)]. But the revised Network must still comply with the requirements of clause 5
[subclause 6(2)].

Part 3—AusLink National Projects

Part 3 contains three Divisions:

- Division 1 deals with the approval of projects
- Division 2 with the provision of Commonwealth funding, and
- Division 3 with the conditions that apply to Commonwealth funding. Division 3 has
  three subdivisions:
  - Subdivision A deals with the sources of conditions
  - Subdivision B with the mandatory conditions, and
  - Subdivision C with the determination of other conditions if there is no funding
    agreement.

Division 1—Approval of projects as AusLink National Projects

Clause 9 provides that the Minister can approve a project only if it is both eligible
[paragraph 9(1)(a)] and appropriate [paragraph 9(1)(b)].

Subclause 9(2) states that an instrument approving a project is not a legislative instrument
for the purposes of the Legislative Instruments Act 2003. Identical or similar subclauses
appear elsewhere in the Bill, for example, subclause 15(4).

Comment: the purpose of subclause 9(2) seems to be to provide a measure of certainty
that, once approved, the project can proceed as planned. But, as noted below, the Minister
may vary or revoke a project, and the variation or revocation is also not a legislative
instrument for the purposes of the Legislative Instruments Act 2003. This means that the
Minister’s determination is not required to be tabled in each House of Parliament, and is
not subject to disallowance.

Clause 10 provides that eligible projects are:

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the construction or maintenance of roads and railways forming part of the National Land Transport Network

- the construction—but not maintenance—of intermodal facilities forming part of the National Land Transport Network, and

- the acquisition or application of technology likely to contribute to the efficiency, security or safety of transport operations on the Network.

**Comment:** it is not clear why maintenance of intermodal facilities is excluded.

Clause 11 is a non-exhaustive list of the matters the Minister *may* consider when deciding whether a project is appropriate. The matters are:

- the National Land Transport Plan
- any relevant Corridor Strategy
- the extent to which the project will improve the efficiency, security or safety of transport operations on the National Land Transport Network
- the results of any assessment of the economic, environmental or social costs or benefits of the project
- any other transport or land use plans that might be relevant to the project, and
- the extent to which persons other than the Commonwealth propose to contribute funding to the project.

**Comment:** these matters are very broad and give the Minister considerable discretion. The fourth matter is of particular interest. A criticism of the white paper was the absence of benefit-cost analysis of the Government’s priority projects. Clause 11 does not oblige the Minister to take project assessments into account. This leaves open the possibility that the Government will fund a project even though its assessment may rank lowly. In the white paper, the Government identified its priority projects. The projects are listed in Appendix 2.

The sixth matter the Minister may consider when deciding whether to approve a project is the extent to which persons other than the Commonwealth propose to contribute funding to the project [paragraph 11(f)]. In practice, this will refer mainly to the willingness of state governments to contribute funds to projects. The Minister made it clear in his second reading speech that the mere inclusion of a project in the Network does not mean that the Commonwealth will necessarily fund it, and that the Government expects some project costs to be shared:

The government has indicated its intention to invest in those projects that are of national priority and have substantial national benefits. The government has a clear expectation that states and territories will invest in those projects on the national network which provide benefits at the state or territory level. This means that, in many cases, project costs will be shared with state and territory governments.

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This raises the question of whether the distinction between national benefits and those at the state or territory level is somewhat artificial.

Paragraph 11(f) leaves open the possibility of private sector involvement in the funding of infrastructure. As it is, the private sector is already heavily involved in road provision. A study of this involvement found:

Private contractors already perform a fair amount of the design, construction and maintenance of Australia's publicly owned roads. The evidence reviewed in this paper indicates benefits from further contracting out of road work to the private sector. In many cases, contracting out of road maintenance has reduced costs by 15 per cent or more. The evidence is less conclusive on the benefits of private investment in roads. Whether private toll roads are more efficient than other arrangements for road provision needs to be carefully examined case by case. Public ownership could be a better option than private ownership for some toll roads.23

An issue is how extensive private sector funding is likely to be. So far as roads are concerned, the traffic volumes on most sections of the National Network are too low to make them attractive to private sector funding without some form of ‘guaranteed’ income such as ‘shadow’ or other tolls. Further, the states, not the Commonwealth, have been responsible for deciding whether to involve private funding.

Clause 12 allows the Minister to ask persons or bodies, as the Minister considers appropriate, to submit projects for consideration and by any method the Minister considers appropriate.

Comment: this clause seems to be aimed primarily at state and territory governments, and local governments.

Clause 13 sets out the matters that the Minister must include in an instrument approving a project. They include the maximum financial contribution the Commonwealth will make [paragraph 13(1)(b)], identification of the recipient [paragraph 13(1)(c)], and when approval is conditional on a funding agreement being reached, a statement to the effect that approval is conditional [paragraph 13(1)(d)]. But if the recipient is a state, a state or local government authority, or a body in which the Commonwealth, a state or a state authority have a controlling interest, the conditionality requirement is waived [subclause 13(2)]. Subclause 13(3) allows the Minister to limit the purposes for which funds may be spent. On the other hand, when approval is conditional on a funding agreement being reached, clause 14 adds that the project approval instrument must specify first, that the total amount of funding must not exceed the maximum funding specified in the approval instrument [paragraph 14(a)] and second, that the agreement must comply with any other requirements specified in the approval instrument [paragraph 14(b)].

Clause 15 deals with variations and revocations of project approval instruments. Subclause 15(1) allows the Minister to vary or revoke an approval instrument. But if a funding agreement exists, the variation or revocation must accord with the terms of that

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agreement [subclause 15(3)]. Subclause 15(4) states that an instrument that varies or revokes a project is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Division 2—Provision of Commonwealth funding

Clause 16 sets out two circumstances under which funding for projects can be provided. The first [paragraph 16(1)(a)] relates to situations where there is no funding agreement with the approved recipient; these situations are covered by clause 17. Subclause 17(1) empowers the Minister to approve the spending of funds, and vary or revoke the approval. Subclause 17(2) allows payments to be made in instalments, while subclause 17(3) restricts the total amount of funding provided to the maximum amount specified in the project approval instrument.

The second circumstance [paragraph 16(1)(b)] is where approval is granted conditional on a funding agreement being entered into, and where the agreement meets the conditions of clause 14.

Comment: as noted, the Government has a list of proposed projects and expects the states to contribute funds to some of the projects. But funding arrangements are yet to be agreed for projects involving joint funding. Paragraph 16(1)(b)] seems to allow the Minister to allocate funds to a project conditionally while a funding agreement is still being negotiated with the relevant state.

Division 3—Conditions that apply to Commonwealth funding

Division 3 deals with conditions that apply to funding.

Subdivision A—Sources of conditions

Subdivision A deals with the sources of conditions. All payments are subject to the mandatory conditions in subdivision B [clause 18(a)]. In addition to the mandatory conditions, other conditions must be met:

- either, where the payment is made in accordance with section 17—that is, where there is no funding agreement—the conditions in Subdivision C apply [subparagraph 18(b)(i)] or
- where the payment is made under an agreement, the payment must accord with the terms of that agreement [subparagraph 18(b)(ii)].

Subdivision B—The mandatory conditions

These conditions are:

- the full amount of the payment must be spent on the project (clause 20)

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• the funds recipient must provide audited financial statements certifying that the funds have been spent properly (clause 21)
• the funds recipient must allow inspections of works and documents (clause 22)
• the funds recipient must supply information when requested by the Minister (clause 23)
• the state or state authority responsible for the project must call public tenders for all work on the funded project [subclause 24(1)]
  – this requirement is subject to exceptions including road or railway maintenance road or railway, work that a public utility undertakes, and situations where the Minister grants an exemption [paragraph 24(1)(c)]. The latter includes situations where competitive tenders are unlikely to be received, or where exemption will contribute to employment in a region.
• when a state uses Commonwealth funds to buy land as part of a project and subsequently sells all or part of the land, the state must return the sale proceeds to the Commonwealth according to a formula (clause 25), and
• if the Minister is satisfied that a recipient has breached a condition of the payment of funds, the Minister can specify the amount to be recovered (clause 26).

Comment: there are no clauses in Parts 4, 6 and 7 that are parallel to clauses 23, 24 and 25. The reasons for not having parallels to clauses 23 and 24 are not self-evident. Not having a clause 23-equivalent seems to limit the Minister’s ability to obtain information about projects.

The purpose of clause 24 seems to be to require the use of public tenders in major construction projects that the states or state authorities (such as the Roads and Traffic Authority in NSW) undertake. This is sensible given that competitive tenders are one way of ensuring best value for the spending of taxpayers’ money. But it could be argued that the Bill potentially excludes situations where tenders may generate benefits. In particular, the exclusion of rail and road maintenance [paragraph 24(1)(a)] is debatable given that some state governments tender out some maintenance to private firms. In 2004–05, the Commonwealth proposes to spend in the order of $300 million on road maintenance. The provisions do not, however, prevent state governments from contracting out maintenance should they choose.

It is not clear why competitive tenders should not apply to projects in regional areas. It could be argued that the same principle of seeking best value for money should apply to all spending, irrespective of location. Given that most AusLink road and rail funding will not be spent in urban areas, this exemption potentially has considerable importance; of proposed land transport funding of $11.8 billion between 2004–05 and 2008–09, $3.9 billion is identifiably ‘urban’. The clause also leaves open the definition of a ‘region’ which the Bill does not define.

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An instrument that determines, varies or revokes conditions where there is no funding agreement, is to be tabled in Parliament, but is not subject to disallowance or sunsetting [subclause 27(4)].

Subdivision C— Determination of other conditions if no funding agreement

Subdivision C deals with the determination of other conditions when there is no funding agreement. Clause 27 empowers the Minister to determine other conditions, determine different conditions according to different circumstances, and vary or revoke conditions.

Part 4— AusLink transport development and innovation projects

Division 1— Approval of projects as AusLink Transport Development and Innovation Projects

Clause 29 (which is comparable to clause 9) provides that for a proposal to be approved as an AusLink Transport Development and Innovation Project, it must be both eligible and appropriate. Clause 30 defines eligibility, very broadly, as either or both of:

- planning, research, investigations, studies or analysis of matters related to the present or future development or use of the National Land Transport Network [paragraph 30(a)]
- research or development related to technology or practices that will, or may, be used in connection with transport operations on the National Land Transport Network [paragraph 30(b)].

Clause 31 defines circumstances when it is appropriate to approve a project. The matters to which the Minister may have regard include:

- the extent to which the project is likely to improve the efficiency, security or safety of transport operations on the National Land Transport Network [paragraph 31(a)]
- the extent to which the project is likely to improve the economic, environmental or social impact or performance of the National Land Transport Network [paragraph 31(b)]
- the extent to which the project is likely to assist better-informed decision-making in relation to future expenditure on AusLink National Projects [paragraph 31(c)].

Part 5— Auslink funding for land transport research entities

Comment: there are several organisations engaged in various aspects of land transport research in the public and private sectors. In the Commonwealth government, they include the Bureau of Transport and Regional Economics in the Department of Transport and Regional Services and the National Transport Commission.

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Part 5 empowers the Minister to fund land transport research entities. Of particular note is the definition of ‘land transport operations’ in clause 45 which includes road, rail and inter-modal transfer facilities.

The main factor the Minister may consider when deciding whether to approve a research project is whether the research entity’s activities are likely to ‘improve land transport operations in Australia’ [subclause 46(2)].

Part 6—AusLink Strategic Regional Projects

Comment: a new feature of land transport funding is the AusLink regional strategic investment. The purpose of this investment, as stated in the white paper, is as follows:

The AusLink regional strategic funding stream aims to enhance the ability of regional industry and communities to compete in the national and global marketplace. This is consistent with the Government's approach under AusLink to match investment to priority needs. The Government has therefore decided to earmark $400 million over four years to support local land transport projects of regional economic and social significance. The objective is to enable regional and outer metropolitan areas in particular to derive a greater benefit than under the existing Roads to Recovery programme from focussed investments in regional projects.

This funding will be available to any local council and its project partners on a competitive basis. The Government will not allocate set amounts of funds to States and Territories but the funds will be fairly distributed. It will contribute to priority projects on transport links for which local government is responsible, but which councils would otherwise find difficult to fund - for example, in regions undergoing high growth; or conversely, facing a declining rate base. The Government also recognises that due to their large size and remoteness some councils constitute a region in themselves. Such circumstances will be recognised by the Government during the consideration of submissions for these funds.

Funding will be targeted to local transport links of regional significance that might:

· carry out a connecting function within the regional land transport network or the National Network

· form an important part of the economic development strategies within a region, consistent with existing or developing regional plans

· provide access to export-related transport networks - via rail heads, higher order regional roads, freight depots, intermodal facilities, ports and major airports

· enhance access for regional communities to services and employment.

Projects will be assessed on merit and primarily against the AusLink objective of promoting sustainable national and regional economic growth and connectivity. However, the Government will give priority to proposals that demonstrate they:

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have been generated through strategic planning at the regional level

· are consistent with State, Territory and regional planning

· have broad support from relevant stakeholders

· include a funding contribution from the proponent and/or relevant stakeholders.25

Clause 54 contains the criteria for determining whether projects are eligible of approval. They are:

- the construction of an existing or proposed road, in a State or Indian Ocean Territory, that is not included in the National Land Transport Network
- the maintenance of an existing or proposed road, in a State or Indian Ocean Territory, that:
  - is not included in the National Land Transport Network, and
  - is in an area for which no local government authority has responsibility
- the construction of an existing or proposed railway, in a State or Indian Ocean Territory, that is not included in the National Land Transport Network
- the construction of an existing or proposed inter-modal transfer facility, in a State or Indian Ocean Territory, that is not included in the National Land Transport Network, and
- the acquisition or application of technology that will, or may, contribute to the efficiency, security or safety of transport operations in a State or Indian Ocean Territory.

Clause 55 sets out the circumstances when it is appropriate to approve a project. They are:

- the extent to which the project is likely to improve the ability of regional industries and communities to compete in international, inter-state or inter-regional trade and commerce
- the extent to which the project is likely to improve a road, railway or inter-modal transfer facility that is regionally significant
- the results of any assessment of the economic, environmental or social costs or benefits of the project
- the extent to which the project will improve the safety of transport operations
- the extent to which the project is likely to improve access for regional communities to services and employment
- for projects that relate to roads in areas for which no local government authority has responsibility—the extent to which the project will improve or maintain the serviceability of a road in such an area, and

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the extent to which persons other than the Commonwealth propose to contribute funding to the project.

**Part 7—AusLink Black Spot Projects**

Section 7B of the Australian Land Transport Development Act defines a black spot as follows:

If the Minister is satisfied that a part of a road that is not a part of a national highway is a site the nature of which has contributed to serious motor vehicle crashes involving death or personal injury, the Minister may declare the location to be a black spot for the purposes of this Act.

Clause 71 redefines a black spot project slightly differently as one that improves road safety, one where the project site has contributed to, or is likely to contribute to, serious motor vehicle crashes involving death or personal injury, and the site is not included in the National Land Transport Network.

Clause 72 contains the factors the Minister may consider when deciding whether it is appropriate to approve a project for inclusion in the Black Spot program. They are the accident history, the results of any assessment of the safety costs and benefits of the project, the results of a safety audit conducted in relation to the site, and the extent to which a party other that the Commonwealth will contribute financially to the project.

**Comment:** the final requirement indicates the Commonwealth expects state or local governments to contribute to the cost of remediation of black spots.

Clause 84 provides that funding recipients must maintain records relating to motor vehicle crashes at the site. The purpose of this clause seems to be to facilitate assessment of the worth of the Black Spot program.

**Part 8—AusLink Roads to Recovery Program**

**Comment:** as noted, the Roads to Recovery Act governs the current Roads to Recovery program. It provides for $1.2 billion to be made available over the five years to 30 June 2005. In addition, the Government agreed to provide a further $8 million over four years to extend the programme to the Indian Ocean Territories and the unincorporated areas in NSW, South Australia and Victoria. Under the AusLink Roads to Recovery program, $800 million will be allocated over four years to local government on much the same basis as under the current program. The distribution of funds among jurisdictions will be based on the distribution proportions under the current program.

Clause 87 requires the Minister to publish a list of the amounts the Commonwealth will pay under the AusLink Roads to Recovery program and of the recipients to whom the amounts will be paid.

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Comment: under section 5 of the current Roads to Recovery Act, the lists must be published in the Gazette. Clause 87 does not indication where interested parties may find the published list.

Clause 88, amongst other things, allows the Minister to redirect funds to another recipient if a designated recipient ceases to exist.

Comment: this clause seems to be intended to cover situations such as the amalgamation of local government areas in which case a designated recipient may cease to exist.

Clause 89 deals with payments to recipients specified in the list that clause 87 requires. Subclause 89(3) provides that payments under Part 8 can be made only after 30 June 2005 and before 1 July 2009.

Comment: this gives effect to the Government’s intention to extend the program for an additional four years, that is, after 30 June 2005 when the current program ceases.

Clause 90 specifies the conditions that apply to payments. Subclause 90(2) contains mandatory conditions. They are:

• that funds be spent on the construction or maintenance of roads
• that spending be properly accounted for
• a requirement that the local government maintain its level of road expenditure from its own funds, and
• a requirement that signs be displayed in relation to projects (other than maintenance programs) that are funded under Part 8.

Comment: the third condition seems to be aimed at ensuring that local governments do not engage in ‘cost shifting’ onto the Commonwealth, that is, reduce their own spending and allow the Commonwealth to fill the gap.

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Concluding Comments

AusLink is the most important change to Commonwealth funding of land transport for decades. Whilst presented as a national land transport plan, AusLink might be more appropriately described as a federal land transport infrastructure financing plan.

Among the positive features of the plan are the inclusion of rail as well as roads in the corridors that will form part of the National Network, and the additional funding for the upgrading of rail infrastructure ($1.053 billion over five years). This recognises the need to incorporate both modes into land transport planning, and the relative past neglect of rail funding in favour of roads. Similarly, the inclusion in the plan of funding for intermodal projects recognises their importance for efficient freight transport.

On the other hand, AusLink has been criticised for, among other things, the lack of benefit-cost analysis of proposed projects and its neglect of urban areas. Further, how AusLink will develop is unclear. Perhaps the greatest uncertainty is the financial contribution that the states will make. The amounts allocated to projects are the Australian Government’s funding commitments. The amounts are conditional in that whether and when the projects proceed will depend on the willingness of the states to commit funds to the projects and this is a major unknown.

AusLink should also seen in the broader context of moves to develop a more efficient national transport industry. Among these are the measures being taken, under the auspices of the National Transport Commission, to develop a more efficient rail system, whose development has been hindered by its state-based structure. Much transport reform remains outstanding. For example, the Productivity Commission, in its draft report, Review of the National Competition Policy Reforms, concluded:

- There is a need to work towards achieving an efficient national freight system that is neutral across individual transport modes.
- A national review of passenger transport would provide a means to assess the impact of recent reforms and what is required to achieve more cost-effective, accessible and environmentally sustainable passenger transport services.²⁸

This Bill provides for limited Parliamentary scrutiny of AusLink by requiring the Minister to table the instrument that determines or varies the national land transport plan [subclauses 5(4) and 6(3)]. The Minister may also arrange to have the determination or variation published in any way the Minister considers appropriate (clause 7). Details of projects approved under the national plan are not required to be tabled or published, with the exception of the Roads to Recovery program. Existing legislation governing the Roads to Recovery program requires that the amount of Commonwealth funding and the names
of recipients are to be published, and this requirement is incorporated in the Bill [subclause 87(3)]. Clause 94 requires the Minister to table an annual report on the operation of the Act as soon as practicable after the end of each financial year. However, unlike section 41 of the ALTD Act, which makes a similar requirement, the Bill does not specify the details that the report should provide.

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Appendix 1: The AusLink National Network

New South Wales

- The former National Highway system: the Hume, New England, Sturt and Newell highways, the Sydney-Newcastle F3 Freeway and the Barton and Federal Highway connectors to the Australian Capital Territory
- the Pacific Highway between Newcastle and Brisbane
- the Southern Freeway and Princes Highway from Sydney to Wollongong
- the interstate rail network connecting Sydney to Brisbane, Melbourne and Adelaide, including the Moss Vale to Port Kembla link, the Hunter Valley railway and the proposed inland railway route
- the Sydney to Dubbo link via the Great Western and Mitchell highways
- the Sydney-Dubbo rail link (via Parkes), and
- the key urban corridors: Westlink (to replace the Cumberland Highway); the South Western Motorway connecting to General Holmes Drive to Sydney Airport and Foreshore Road to Port Botany; Roberts and King Georges Road to Chullora intermodal terminal; and the rail connections to Chullora and Port Botany.

Victoria

- The former National Highway system: the Goulburn Valley Highway, the Hume and Western highways (and the portion of the Melbourne Western Ring Road that joins them), as well as the Sturt Highway
- the Princes Freeway from Melbourne to Geelong, including the proposed Geelong bypass
- the Monash Freeway and the Princes Freeway to Traralgon and the Princes Highway to Sale
- the inter-state rail network connecting Melbourne to Sydney and Adelaide
- the Calder Highway from Melbourne to Mildura via Bendigo
- the rail link from Geelong to Mildura, and
- the key urban corridors: West Gate Freeway connecting to the Port of Melbourne via Todd Road and the Dynon intermodal terminal via the West Link Tollway and Dynon and Footscray roads; the Southern Link Tollway and Monash Freeway; Tullamarine Freeway and Airport Drive; and rail connections to Dynon intermodal terminal and the Port of Melbourne.
Queensland

- The former National Highway system: the Bruce Highway from Brisbane to Cairns, parts of the Cunningham and New England highways on the Brisbane-Sydney corridor, the Warrego, Gore and Leichhardt (part) highways on the Brisbane-Melbourne corridor, the Warrego, Landsborough, Flinders (part) and Barkly highways on the Brisbane-Darwin corridor, and the Ipswich and Caboolture motorways
- the connection between the Bruce Highway and the Port of Gladstone
- the Pacific Motorway
- the inter-state rail link to Brisbane, the rail link from Brisbane to Townsville, the proposed inland railway corridor to Gladstone
- the Flinders and Barkly highways between Townsville and Mount Isa and the Great Northern Railway, and
- the key urban corridors: the Ipswich Motorway; Granard, Riawena, Kessels and Mt Gravatt-Capalaba roads; the Gateway Motorway and Bridge; the Port of Brisbane Motorway; and rail connections to Acacia Ridge intermodal terminal, the Port of Brisbane and North Coast railway. The Government's preferred future route for the AusLink National Network includes the Logan Motorway and a new northern link.

Western Australia

- The former National Highway system: the Eyre, Coolgardie-Esperance and Great Eastern highways on the Perth-Adelaide corridor, the Great Northern and Victoria highways on the Perth-Darwin corridor, and the section of the Roe Highway that joins them
- the inter-state railway connecting Perth and Adelaide via the transcontinental, Port Augusta and Whyalla railway lines
- the Perth to Bunbury road and rail links, and
- the key urban corridors: the Roe, Leach and Tonkin highways, the Kwinana Freeway and possible Fremantle Eastern bypass, the links to Fremantle Port via the Stirling Highway, Queen Victoria Street, Beach Street and Tydeman and Port Beach roads; and rail links to Mundijong via Yangebup and to Kewdale intermodal terminal, Fremantle Port and Outer Harbour.

South Australia

- The former National Highway system: the Sturt and Dukes highways, the South-Eastern Freeway, the Adelaide-Port Augusta Road, the Eyre Highway and the Stuart Highway
- the inter-state rail network connecting Adelaide with Sydney, Melbourne, Darwin and Perth, and

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• the key urban corridors: Portrush and Lower Portrush roads, Ascot Avenue and Hamstead Road, Grand Junction Road, Salisbury Highway/South Road Connector, Port Wakefield Road, Montague and Main North Road; the Sturt Highway extension (once completed), Port River Expressway and links to the Port of Adelaide and Outer Harbour; South Road and Sir Donald Bradman Drive to Adelaide Airport; and rail links to Dry Creek and Islington intermodal terminals, the Port of Adelaide and Outer Harbour.

Tasmania

• The former National Highway system: the Bass Highway from Burnie to Launceston and the Midland Highway from Launceston to Granton, north of Hobart
• the Hobart-Burnie railway, and
• the East Tamar Highway and Bell Bay Road and the Launceston to Bell Bay rail link.

Northern Territory

• The former National Highway system: the Stuart, Victoria and Barkly highways
• the inter-state railway connecting Darwin and Adelaide, and
• Tiger Brennan Drive and Berrimah Road for access to Darwin Port.

Australian Capital Territory

The Barton and Federal highways.


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### Appendix 2: The Government’s investment priorities 2004–05 to 2008–09

<table>
<thead>
<tr>
<th>State / Corridor</th>
<th>Projects</th>
<th>Australian Government funding 2004-05 to 2008-09 ($m)</th>
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<tbody>
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<td><strong>New South Wales</strong></td>
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<tr>
<td>Sydney-Brisbane</td>
<td>Pacific Highway duplication and upgrade</td>
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<td>F3 to Branxton construction</td>
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<td>F3 Stage 2 widening</td>
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<td>F3 widening Hawkesbury River to Calga</td>
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<td>New England Highway-Weakleys Drive interchange planning</td>
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<td>New England Highway widening</td>
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<td>New England Highway-Devils Pinch realignment</td>
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<td>New England Highway-Halcombe Hill realignment and safety works</td>
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<td>New England Highway-realignment and safety improvements near Sunnyside Road north of Armidale</td>
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<td>New England Highway-Muswellbrook bypass</td>
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<td>Sydney-Brisbane railway-provide freight train refuges on Sydney CityRail network between Hornsby and Strathfield</td>
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<td>Sydney-Brisbane railway-ease curves and deviate track</td>
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<td>Sydney-Brisbane railway-duplicate track between Wallarobba and Stratford on the northern approach to Maitland</td>
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<td>Sydney-Brisbane railway-concrete resleepering</td>
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<td>Sydney-Brisbane railway-install Centralised Train Control between Casino and Acacia Ridge</td>
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<td>Sydney-Melbourne</td>
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<td>Hume Highway-duplication and safety works</td>
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<td>Hume Highway-F5 ramps</td>
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<td>Hume Highway-North Gundagai grade separation</td>
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<td>Hume Highway-Towrang/Carrick intersection upgrade</td>
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<td>Newell Highway-Bogan to Coobang reconstruction</td>
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<td>Murray River bridges-bridge replacement</td>
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### Victoria

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<tr>
<td>Sydney-Melbourne</td>
<td>Hume Highway-Craigieburn link to Western Ring Road</td>
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<td>Hume Highway-Albury/Wodonga upgrade and second river crossing</td>
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<td>Hume Highway-Donnybrook Road grade separation</td>
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<tr>
<td>Melbourne-Brisbane</td>
<td>Goulburn Valley Highway-upgrading</td>
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<td>Goulburn Valley Highway-Murchison East deviation</td>
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</tr>
</thead>
<tbody>
<tr>
<td>Melbourne-Adelaide</td>
<td>Western Highway-Deer Park Bypass and Leakes Road Interchange</td>
<td>80</td>
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<tr>
<td></td>
<td>Calder Highway-Kyneton to Faraday duplication</td>
<td>89</td>
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<td>Calder Highway-Faraday to Ravenswood duplication</td>
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<td></td>
<td>Geelong-Mildura rail standardisation</td>
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<td>Melbourne-Mildura</td>
<td>Princes Freeway-Pakenham bypass</td>
<td>95</td>
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<td>Melbourne-Sale</td>
<td>Geelong bypass</td>
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<td>Melbourne-Geelong</td>
<td>Port Links-improve links to Dynon intermodal facility and Port of Melbourne</td>
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<tr>
<td>Melbourne Urban</td>
<td>Tottenham to West Footscray rail link</td>
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<td>Other</td>
<td>Roads of National Importance commitment-Scoresby Freeway</td>
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<td></td>
<td>Wodonga Rail Bypass</td>
<td>20</td>
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<td></td>
<td>Murray River bridges-bridge replacement</td>
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<td>Maintenance for 2004-05</td>
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<tr>
<td><strong>Total five-year investment - Victoria</strong></td>
<td></td>
<td><strong>1429</strong></td>
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</tbody>
</table>

**Queensland**

| Sydney-Brisbane        | Pacific Highway-Tugun bypass                                              | 120                                                     |
|                        | Cunningham Highway-Eight Mile interchange                                 | 4                                                       |
| Brisbane-Cairns        | Bruce Highway-5-year upgrading programme                                  | 210                                                     |
|                        | Bruce Highway-Caboolture Motorway widening                                | 196                                                     |
|                        | Bruce Highway-Southern Cairns widening                                    | 7                                                       |
|                        | Bruce Highway-Appletree Creek interchange                                 | 6                                                       |
|                        | Bruce Highway-Burdekin safety works                                       | 6                                                       |
|                        | Bruce Highway-Cooroy-Gympie duplication planning                           | 3                                                       |
|                        | Bruce Highway-Glenorchy Straight upgrading                                | 1                                                       |
|                        | Gladstone port access road                                                | 1                                                       |
| Brisbane-Darwin        | Barkly Highway-Mt Isa to Camooweal upgrading                              | 80                                                      |
|                        | Barkly Highway-Inca, Buckley, Johnson and Nowraime bridges replacement    | 32                                                      |
|                        | Warrego Highway-Plainland Road intersection                                | 11                                                      |
|                        | Warrego Highway-Toowoomba bypass pre-construction                          | 3                                                       |

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<tr>
<td>Brisbane Urban</td>
<td>Brisbane Urban Corridor; Gateway Motorway and Bridge duplication; Ipswich Motorway</td>
<td>627</td>
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<td>Other</td>
<td>Roads Of National Importance commitments (Peninsula Development Road; Bundaberg Port access road)</td>
<td>4</td>
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<td>Strategic corridor programme</td>
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<td><strong>Total five-year investment - Queensland</strong></td>
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<tr>
<td>Western Australia</td>
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<tr>
<td>Adelaide-Perth</td>
<td>Great Eastern Highway-Tammin to Walgoolan rehabilitation</td>
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<td>Great Eastern Highway-Sawyers Valley to Lakes duplication</td>
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<td>Great Eastern Highway-Clackline bypass</td>
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<td></td>
<td>Great Eastern Highway-Midland to Northam passing lanes</td>
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<td>Eyre Highway-widening and rehabilitation</td>
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<td>Darwin-Perth</td>
<td>Great Northern Highway-replace key Kimberley bridges</td>
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<td>Great Northern Highway-additional Muchea to Wubin widening</td>
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<td></td>
<td>Great Northern Highway-Lennard St to Muchea reconstruction</td>
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<td>Great Northern Highway-Muchea to Wubin overtaking lanes and widening</td>
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<td>Great Northern Highway-Miling to Wubin-overtaking lanes, widening, realignment and reconstruction</td>
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<tr>
<td>Perth-Bunbury</td>
<td>Peel Deviation and Kwinana Freeway extension</td>
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<td>Perth Urban</td>
<td>Roe Highway extension</td>
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<td>Roe Highway-Great Eastern Highway interchange</td>
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<td>Port Links-improve rail links between Kewdale intermodal precinct and Fremantle Port</td>
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<td>Other</td>
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<tr>
<td><strong>Total five-year investment - Western Australia</strong></td>
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<td>South Australia</td>
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<td>Melbourne-Adelaide</td>
<td>Dukes Highway pavement rehabilitation</td>
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<td>Dukes Highway shoulder sealing</td>
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<td>Adelaide-</td>
<td>Sturt Highway-5-year upgrading programme</td>
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</tbody>
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<tr>
<td>Sydney</td>
<td>Sturt Highway-Riverland passing lanes</td>
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<td>Sturt Highway-Truro Hills realignment</td>
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<td>Adelaide-Perth</td>
<td>Adelaide-Port Augusta passing lanes</td>
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<td></td>
<td>Adelaide-Port Augusta shoulder sealing</td>
<td>1</td>
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<td>Adelaide Urban</td>
<td>Port River Expressway Stages 2 and 3 and associated road/rail works</td>
<td>80</td>
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<td></td>
<td>New northern access-construction</td>
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<td>Port River Expressway Stage 1</td>
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<td>Salisbury Highway-Virginia access controls</td>
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<td>Northern access-planning</td>
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<td><strong>Total five-year investment - South Australia</strong></td>
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<td>Tasmania</td>
<td>Hobart-Burnie</td>
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<td>Bass Highway-Penguin to Ulverstone duplication Stage 1</td>
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<td>Bass Highway-Penguin to Ulverstone duplication Stage 2</td>
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<td>Midland Highway-Bridgewater Bridge replacement</td>
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<td>Bass-Midland Highways junction upgrading</td>
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<td>Roads Of National Importance commitment-Lilydale-Scotsdale Road</td>
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<td>Maintenance for 2004-05</td>
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<td><strong>Total five-year investment - Tasmanina</strong></td>
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<td>Northern Territory</td>
<td>Adelaide-Darwin</td>
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<td></td>
<td>Stuart Highway-widening and rehabilitation</td>
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<td></td>
<td>Stuart Highway-bridge replacement including the Palmer River</td>
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<td></td>
<td>Stuart Highway-Noonamah to Cox Peninsula Road duplication</td>
<td>5</td>
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<td></td>
<td>Stuart Highway-Katherine to Darwin overtaking lanes</td>
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<td>Tiger Brennan Drive/Berrimah Road-Darwin East Arm Port Access</td>
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<td>Darwin-Perth</td>
<td>Victoria Highway-Victoria River and Lost Creek bridge replacement and road upgrade for improved flood immunity</td>
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<td>Northern Territory bridges-higher mass limits</td>
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</tbody>
</table>

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<tbody>
<tr>
<td>Other</td>
<td>Network widening and rehabilitation</td>
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<td>Key freight route bridges upgrading</td>
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<td>Australian Capital Territory</td>
<td>Queanbeyan bypass</td>
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<td>Unallocated maintenance 2005-06 to 2008-09</td>
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<td>Rail network communications - CDMA</td>
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<td>Network-wide investments</td>
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<td><strong>Total AusLink National Network investment</strong></td>
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<td>AusLink regional investment</td>
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<td>Untied local road grants</td>
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<td>National Black Spot Programme</td>
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<td><strong>TOTAL LAND TRANSPORT INVESTMENT</strong></td>
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Endnotes


3 House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform, Planning not Patching, October 1997.


11 The interstate mainline rail infrastructure assets and specified obligations were transferred by Ministerial Declaration to the ARTC from AN.

12 The ARTC will also manage the remaining non-interstate, non-Hunter regional rail network on behalf of the NSW Government, which will retain policy and funding responsibility for these lines, while the NSW government will remain responsible for the Sydney urban system.

13 Australian Rail Track Corporation, Annual Report 2004, p. 16.

14 Australian Rail Track Corporation, Annual Report 2004, p. 17.


16 Alexandra Smith, ‘States pose roadblock to transport grand plan’, Sydney Morning Herald, 8 June 2004.


20 Alexandra Smith, ‘States pose roadblock to transport grand plan’, Sydney Morning Herald, 8 June 2004.

21 Explanatory Memorandum p. 5.


26 Unincorporated areas are parts of states and territories where there are no councils and where state and territory governments provide local services including roads.

27 Ibid., p. 82.


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