



Association Number A03958 | ABN 64 217 302 489

AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

To

Queensland Government

On

Queensland Draft State Infrastructure Plan



THE ARA

The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia and New Zealand. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia's passenger and freight transport systems are well represented and will continue to provide improved services for Australia's growing population.

The ARA thanks the Minister for the opportunity to provide this submission to the Queensland Government's Draft State Infrastructure Plan. For further information regarding this submission, please contact Phil Allan, Chief Operating Officer via pallan@ara.net.au or 02 6270 4507.

INTRODUCTION

The ARA agrees with the Queensland Government that productive and sustainable infrastructure is important to drive economic growth, increase employment and enhance quality of life. When transport networks work effectively, they raise productivity and strengthen our economy and international competitiveness.

The ARA congratulates the Queensland Government on its continuing investment in rail, including the procurement of QR's Next Generation Rollingstock, the Moreton Bay Rail Link, Lawnton-Petrie triplication, Coomera to Helensvale duplication and the recent announcement of the go-ahead for Stage 2 of Gold Coast Light Rail. These are promising signs for rail, particularly in south-east Queensland, along with significant private sector investment in Central Queensland coal rail network. It also welcomes the Government's recent submission to Infrastructure Australia outlining its key rail priorities, including Cross

River Rail, Beerburrum Nambour rail duplication, the Mt Isa – Townsville Rail Upgrade and Southern Corridor access to the Port of Brisbane as part of the Melbourne-Brisbane Inland Rail project.

As the government is aware, the ARA has been advocating to Federal and State governments on rail's role in finding solutions for the impending challenges facing our nation. In the case of Queensland, these challenges, including road congestion, population growth, rising transport demand in both the freight and passenger sectors and the need to create resilient infrastructure networks have been clearly articulated in the *Draft State Infrastructure Plan*. As such, the ARA will not reiterate these points. This submission will focus on how rail can play a critical role in addressing these challenges and help Queensland grow its economy, increase productivity and prepare for an uncertain future. These solutions are:

- Improved infrastructure planning, including a long-term pipeline of projects (including rail) with genuine funding commitments for delivery from all levels of governments
- The important role the Federal and Local governments must play to augment significant State Government investment in both passenger and freight rail
- Reform of procurement and tendering processes for infrastructure and services
- Maintenance and resilience of infrastructure
- Building and maintaining economic, socially and environmentally sustainable infrastructure

Continued investment in rail to manage the growing demand for passenger and freight transport will contribute to a stronger economy, reduce social exclusion and enhance the overall prosperity of Queensland and Australia in general.

THE ROLE OF RAIL

Rail is the land transport backbone of Australia, but its scale and importance are not always fully appreciated. For example:

- Australia's rail network carried in excess of 1 billion tonnes of freight in 2013-14. Bulk movements such as coal, iron ore, grain and sugar account for 98% of the overall rail freight task.
- The intermodal freight task continues to grow. Tonnages have increased by 65% since 2009-10 from 19.5 million tonnes to 27.8 million tonnes in 2012-13.
- Rail is the dominant land transport mode on long-distance corridors, with a mode share of over 80% on the East-West Corridor and over 90% on the Adelaide-Darwin corridor.
- Coal and iron ore moving by rail in Central Queensland, Hunter Valley and the Pilbara are world leaders in heavy haulage.
- Australia's rail manufacturing, componentry, systems integration and professional services are world class.
- Australian heavy and light rail passenger operators delivered 850.3 million passenger trips. This is equal to 16.4 million passenger trips per week or 2.3 million people travelling by train every day of the year.
- More than 110,000 people are employed by the rail industry in a wide range of occupations, disciplines, and professions.
- Rail is the solution to congested urban and regional roads – one train can take up to 525 cars or 110 trucks off the roads.¹

¹ Data compiled from Australasian Railway Association (2015) *Pipeline of Opportunities – Rail's long-term plan for a better future*; and Bureau of Infrastructure, Transport and Regional Economics [BITRE] (2015), *Trainline 3*.

As the peak body of the Australasian railway industry, the ARA congratulates the Queensland Government on the development of its *Draft State Infrastructure Plan* and supports its clear articulation of the role of rail in the state's land transport system.

RESPONDING TO THE DRAFT PLAN

In its response to the Queensland Government's *Draft State Infrastructure Plan*, the ARA intends to address the five points raised in its Introduction to this submission as set out below.

IMPROVED INFRASTRUCTURE PLANNING

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FUNDING FROM ALL LEVELS OF GOVERNMENT

The ARA was disappointed with the Federal Government's 2015-16 Budget that announced the lion's share of transport infrastructure funding going toward roads, with no new money for the important rail infrastructure needs of the country's biggest cities. Federal contributions to state government rail projects have effectively halved between this budget and the last, making up less than 5 percent of the \$8.6 billion infrastructure spend in 2015-16.

This situation will not improve over the forward estimates without sustained future co-investment between Federal and State governments in urban rail. Federal funding of urban rail projects is forecast to decrease from \$514 million in 2014-15 to only \$17 million in 2018-19.

Australia as a nation is facing increasingly serious economic, social and environmental problems with traffic congestion clogging our roads, transport emissions choking our

urban environment, fluctuating fuel prices and the continued growth of our major cities. The Federal Government's long-term approach to infrastructure funding that prioritises roads over rail will not address the long term transport needs of our growing cities. The ARA believes the Federal Government must play a greater role in building productive and sustainable urban passenger and freight rail networks.

PROCUREMENT AND TENDERING REFORM

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INFRASTRUCTURE MAINTENANCE & RESILIENCE

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BUILD AND MAINTAIN SUSTAINABLE INFRASTRUCTURE