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# AUSTRALASIAN RAILWAY ASSOCIATION

## SUBMISSION

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To

The House of Representatives  
Standing Committee on Infrastructure, Transport  
and Cities

On

Australian Government's role in the development  
of cities

Sub-Inquiry 2:

Growing new and transitioning existing  
sustainable regional cities and towns



## THE ARA

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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 Committee for the opportunity to provide this submission to Sub-Inquiry 2: *Growing new and transitioning existing sustainable regional cities and town*, on the Australian Government's role in the development of cities.

For further information regarding this submission, please contact Natalie, General Manager Passenger and Industry Programs via [ncurrey@ara.net.au](mailto:ncurrey@ara.net.au) or 02 6270 4512.

## INTRODUCTION

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The ARA welcomes the renewed national focus on our cities, both metropolitan and regional. But importantly the collaboration between Local, State and Federal Governments is essential to better plan and invest in our cities. It is vital to maximise the flow of movement and improved economic and social benefits that will secure the future prosperity of Australia.

Efficient public transport systems are not only vital to the productivity and success of our cities, but also our regional urban centres<sup>1</sup>.

Australia is one of the most urbanised countries in the world. 35 per cent of Australia's population resides in Melbourne and Sydney with Australia's larger capital cities growing at triple the rate of regional areas.<sup>2</sup> Further consideration needs to be given to Australia's

regional cities in assisting and addressing the congestion and housing price challenges of our capital cities.

Cities of all sizes around the globe are increasingly people focused, investing in integrated transport systems that link high-capacity metro systems with light rail, regional rail and other public transport modes to encourage active and engaged community-based lifestyles.

Improved and integrated public transport systems are part of the solution in connecting and reducing the isolation of Australia's regional cities.

## GROWING NEW AND TRANSITIONING EXISTING SUSTAINABLE REGIONAL CITIES AND TOWNS

Examining ways urbanisation can be re-directed to achieve more balanced regional development

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### **Long term planning and funding**

The ARA has long advocated for all levels of Government to have an active role in the funding, planning, regulatory reform and coordination of transport.

Long term planning that incorporates all modes and all levels of Government is vital. The ARA advocates for the establishment of national transport blue prints that incorporate medium to long term urban development and integrated transport plans that all parties agree to. Removing public transport and infrastructure investment from political cycles and minimising opposition from other parties will allow faster project implementation and provide certainty to industry and developers. Planning must be holistic, provide certainty and introduce transport connections in the planning and construction phase, not post-construction.

The ARA advocates for innovative funding and financing mechanisms to deliver Australia's infrastructure needs and thus the ARA supports the establishment of a dedicated infrastructure financing unit to work closely with the private sector to determine funding and financing solutions. An added benefit or aim of the infrastructure financing unit should be the consolidation of fragmented funding pools into a dedicated Integrated Infrastructure Fund. This will reduce administrative costs and increase transparency.

### **Light Rail**

There has been a renaissance in light rail in Australian capital cities as well as large regional cities including the Gold Coast and Newcastle. These developments demonstrate the viability and sustainable alternative rail is to cars. This is particularly evident when integrated with other transport modes for example, heavy rail and buses; with technology and infrastructure investment; and an increase in service and capability offering.

### **High Speed Rail**

Connecting cities and regional centres along Australia's East Coast with High Speed Rail (HSR) is a visionary project about the future of Australia. HSR has transformative potential to benefit a large part of Australia's population living in capital cities and regional centres along the East Coast.

Global experience shows that people will transfer from plane to HSR if the trip is under three hours. Over three hours and people will continue to fly. As a result, the success of HSR in Australia relies on its ability to travel between capital cities in under three hours. Modelling shows at 350km/hr, the required travel times are achievable, thus confirming HSR's suitability for the future of Australia's East Coast.

The ARA has been vocal on its position that the Federal, State and Local Governments should collaborate to preserve the corridor for HSR. The role of the Federal Government in this will obviously be vital to lead the way. The 2013 Federal Government Study identified the need for 144 km of tunnels between Brisbane and Melbourne. This is equal to 29 per cent of construction costs. The longer it takes to preserve the corridor, the more our cities

will expand, increasing the amount of tunnelling required into and out of cities and thus increasing the cost of the project.

The Corridor Protection Report released by Infrastructure Australia in early July indicated that the rising demand for land, particularly in our fast-growing cities, is likely to drive continued growth in the costs of acquisitions required to make way for critical infrastructure investments. Corridor protection is essential to safeguard governments – and taxpayers – from future growth in land prices and their impact on infrastructure costs.

Infrastructure Australia has modelled the impact of corridor protection under a range of scenarios across seven corridors included on the Infrastructure Priority List. Corridor protection and early acquisition across these corridors could save Australia approximately \$10.8 billion (\$2016, at a 7% real discount rate). In undiscounted terms, these savings represent around \$57.1 billion of avoided costs (in \$2016). Costs associated with early acquisition of land can be partially offset by property revenues during the period prior to construction. Where corridors were protected in the past, governments normally rented the properties to interested parties until the land was required for the project in question. Over the seven corridors modelled, rental revenues generated could be around \$4.2 billion (\$2016, at a 7% real discount rate) or \$7.7 billion (\$2016, undiscounted). Early acquisition of properties for the purpose of corridor protection can also be an important platform for value capture.

The ARA supports Infrastructure Australia's recommendation that a national framework for corridor protection is required to guide coordinated and meaningful action by all levels of government.

The ARA believes the Government could reduce its financial investment by introducing funding mechanisms such as value capture along the route and around stations, acquiring larger parcels of land than is required for the corridor and selling the land back to developers, as well as encouraging Transit-Oriented Developments. The ARA is of the view that it would be unlikely that the project could be solely funded through innovative funding though. Ultimately, the first step requires the preservation of the land for the route.

### **Inland Rail**

The ARA commends the Australian Government's commitment to the Inland Rail project as a nationally significant infrastructure investment, and importantly, has been positively assessed by Infrastructure Australia. It is estimated that Inland Rail will boost Australia's GDP by \$16 billion over the next 50 years.

There will be benefits for regional Australia with better access to and from regional markets. It will open up new logistic options for NSW producers to domestic (e.g. Brisbane / north Queensland) and export markets (choice of ports – Melbourne, Port Kembla, Newcastle and Brisbane).

Inland Rail will make it easier for freight to move from farms, mines and ports to national and overseas markets. It is estimated that around two million tonnes of agricultural freight will switch from road to rail, with a total of 8.9 million tonnes of agricultural freight more efficiently diverted to Inland Rail.

The project will deliver enduring benefits over the long-term by linking Victoria and Regional New South Wales with Queensland – making it one of Australia's most important pieces of logistics infrastructure.

It will promote economic benefits through the efficient movement of both manufactured and fresh products between some of Australia's largest domestic markets.

The project aims to reduce the transit time (of less than 24 hours) for freight between Melbourne and Brisbane – improving rail freight competitiveness against road transport.

It will provide capacity to serve the east coast freight market for the next half century and beyond. It will also be a game changer for the industry in enhancing productivity and increasing consumer freight chain options.

The project will reduce train operating costs, improve service standards and provide significant benefits during construction and operation to the east coast states and more broadly the connectivity of the national rail network in Australia.

Inland Rail won't be constrained by the existing coastal route and the congestion challenges associated with trains having to go through Sydney (where passenger trains are

afforded priority over freight trains). From a Sydney perspective, it will free up capacity for other freight (e.g. Moorebank-Port Botany shuttles, Southern Highlands bulk traffic, potential future services to Eastern Creek) and passenger services (e.g. Southern Highlands, Northern Sydney).

To maximise the benefits of a dedicated rail freight line between Brisbane and Melbourne, it requires efficient rail connections to both the Port of Brisbane and the Port of Melbourne. The ARA supports a dedicated freight rail connection to the Port of Brisbane. This will significantly benefit the community, environment and industry, with the Port of Brisbane estimating that it would:

- Remove 4,000 trucks off SEQ roads daily
- Reduce road congestion and maintenance costs while increasing road safety
- Improve air quality
- Reduce passenger and freight conflict on passenger network
- Create a viable, efficient and competitive route to market for exporters

These and other benefits underscore ARA's support for the assessment and preservation of a dedicated freight rail connection to the Port of Brisbane.

**Identifying the infrastructure requirements for reliable and affordable transport, clean energy, water and waste in a new settlement of reasonable size, located away from existing infrastructure.**

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### **Accessibility**

Passenger rail provides extensive access opportunities for people with all levels of ability or inability. Integration of all modes of transport would provide a seamless transport journey and helps position public transport as a viable alternative to the car. When car travel is not a viable option, the integration of public transport systems is even more important.

Transport modes must work collaboratively to maximise the service offered to customers. There is a need to ensure that the passenger rail sector is effectively integrated with other modes of public transport (buses, ferries), paratransit (taxis, car sharing) and active transport (walking, cycling). Only in this way will passenger rail and other complementary modes of transport provide a seamless, complete mobility package that will drive mode shift from cars to public transport over the longer term.

### **Optimisation of Current Rail Infrastructure**

For Australian rail networks, both passenger and freight, to function effectively in the service of our cities and regions, funding is required to maintain and upgrade existing track, rolling stock and systems, to allow for additional capacity to better manage growth and allow for faster movement on current rail lines.

Our regions will only continue to grow with improve intermodal transport, as well as integrated transport at city centres.

The value of incremental improvements must not be underestimated. Gradual infrastructure upgrades that permit speed increases of 10km/hr will still vastly improve the service offering and rail's ability to compete with road on longer regional and inter-city routes.

Infrastructure investment to improve the public transport service offering for regional centres would be a more affordable and timelier solution than the current HSR proposal. Improvements to the quality of existing track and regional rollingstock as well as signalling system upgrades will provide improved service and permit faster rail connections using existing rail lines.

The ARA recommends the Federal Government works closely with State and local Governments to identify and act on the opportunities available in this space. The ARA notes the following potential projects where track, signalling and rollingstock upgrades would deliver faster, more reliable services from key regions into their respective cities:

- Canberra to Sydney: Improved track and rollingstock to provide 200km/hr top speeds for sub-three hour transit times.

- Newcastle to Sydney: improved track and rollingstock to improve travel times.
- Wollongong to Sydney: improved track and rollingstock to improve travel times.
- Brisbane to Cairns: improved track and rollingstock to improve travel times.
- Melton Rail Duplication/Electrification: Duplicate the line from Deer Park West to Melton and electrify the line from Sunshine to Melton to improve capacity and reliability on the line, which serves both Ballarat and Melbourne's western suburban growth areas.
- Sydney Metro Bankstown to Liverpool: constructing a dedicated metro route from Bankstown to Liverpool as an extension to Sydney Metro Phase 2 could be an economic game-changer that drives the economic productivity of the region.
- Electrification of the Melton, Geelong, Bendigo and Ballarat lines in Victoria

An example of a successful update is Victoria's regional rail service, V/Line highlights the benefits that investment in regional rail can provide. Between July 2009 and June 2015, the Regional Rail Link, a multi-billion dollar project delivered 90 km of track for regional Victoria. The project saw the separation of metropolitan and regional services and the construction of dedicated tracks for the Geelong, Bendigo and Ballarat services through the metropolitan system from Sunshine to Southern Cross Station.<sup>3</sup> On track for patronage growth of 21 per cent this year alone, the V/Line service is an example of "build it and they will come" or proof that investment into regional services to connect regional centres with capital cities leads to rail patronage growth.

Additionally, the ARA highlights the following projects where rail extensions will benefit outer-lying suburbs:

- Ellenbrook rail link (Perth): A 20-km rail link from a point on the Midland line to the fast-growing outer suburban area of Ellenbrook in Perth's north-eastern suburbs.
- South West Rail Link Extension Corridor (Badgery's Creek Airport, Sydney): The proposed public transport corridor will connect with the South West Rail Link and into the existing rail network, providing service to those areas as well as the airport.

- Butler to Yanchep rail extension (Perth): A 13.6 km extension of the Northern Suburbs Railway with 3 new stations and provision for a fourth future station.
- Beerwah to Maroochydore (Queensland): constructing the Sunshine Coast rail line from Beerwah to Maroochydore.

With regard to outer-lying suburbs and the continued expansions of our cities, the ARA proposes the Commonwealth Government adopt a policy to introduce fixed transport connections, including heavy or light rail, in the planning and construction phase, not post-construction.

Rail extensions and faster trains will enable commuters a reduced travel journey from regional areas. It also allows those working in capital cities to purchase more affordable housing on the city outskirts and regional centres.

### **Valuing sustainability and social externalities**

The ARA recommends consideration is given to adopting the key principles of the Infrastructure Sustainability Council of Australia (ISCA) through the IS rating scheme – an industry-compiled voluntary sustainability performance rating scheme to evaluate the sustainability (including environmental, social, economic and governance aspects) of infrastructure projects and assets<sup>4</sup>. The ARA recommends consideration is given to the IS rating scheme to assess and improve the IS rating of future transport infrastructure projects. This would need to be implemented from the design stage of a project and fed through all stages.

Public transport has the ability to connect members of the community from all socio-economic demographics, reduce greenhouse gas emissions and improve road safety and consequential road accident costs by taking cars off the roads. These benefits all contribute to the overall productivity of a city and therefore should be included to generate a true cost-benefit-analysis of transport investment projects.

Investment in infrastructure should be tailored to support broader reforms that improve land use and create greater certainty for private investment in urban and remote areas.

The ARA welcomes the revision of the National Guidelines for Transport System Management to achieve consistent economic benefits and cost benefit analysis processes. As part of this review, the ARA recommends that a detailed post completion review is added to the investment decision-making process to assist in identifying continual improvement opportunities that will streamline costs, resources and time required.

## SUMMARISED RECOMMENDATIONS

- Ensure that public transport forms the backbone of future plans for Australian regional centres and connection to the cities.
- Establish a National Transport Blue Prints to take infrastructure planning and investment out of political cycles.
- The infrastructure financing unit should also act as a consolidation of funding pools into a dedicated Integrated Infrastructure Fund to reduce administrative costs, improve transparency and provide a clear funding body for infrastructure.
- The Federal Government should lead the preservation of the corridor for High Speed Rail to future-proof the project and limit the associated tunnelling costs.
- Improve existing regional to intercity routes by upgrading track, signalling and rollingstock to provide services with travel times that compete or beat road. Incremental infrastructure upgrades should not be overlooked.
- That the inclusive nature of public transport is also recognised, such as public transport's ability to provide mobility for people of all levels of ability or inability, and that the Federal Government continues to support the rail industry as it works to modernise the Disability Transport Standards.

- 1 PwC Geospatial Economic Model (GEM). All values are real FY13. Locations are based in ABS SA2 classifications
- 2 [www.abs.gov.au/ausstats/abs@.nsf/Products/3235.0~2012~Main+Features~Main+Features?OpenDocument](http://www.abs.gov.au/ausstats/abs@.nsf/Products/3235.0~2012~Main+Features~Main+Features?OpenDocument)
- 3 <http://ptv.vic.gov.au/projects/rail-projects/regional-rail-link/>
- 4 [www.isca.org.au/is-rating-scheme/is-overview/is-rating-tool](http://www.isca.org.au/is-rating-scheme/is-overview/is-rating-tool)